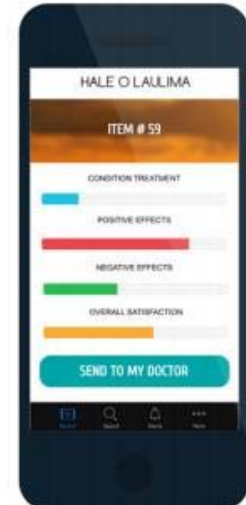
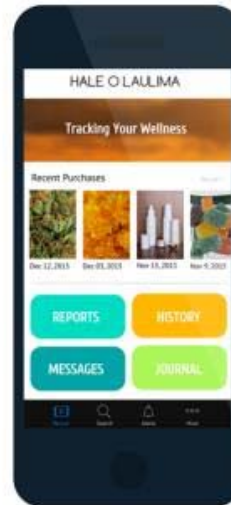




# Medical Efficacy Tracking

To help patients document their usage of our medical cannabis products, we are in the final stages of creating an application that allows patients to easily record their usage and securely transfer this information to their doctor.

Through our research and testing we have concluded that giving this feedback loop to a patient's doctor creates a traditional medical dialogue that allows for proper condition treatment.



# Public Education Campaign

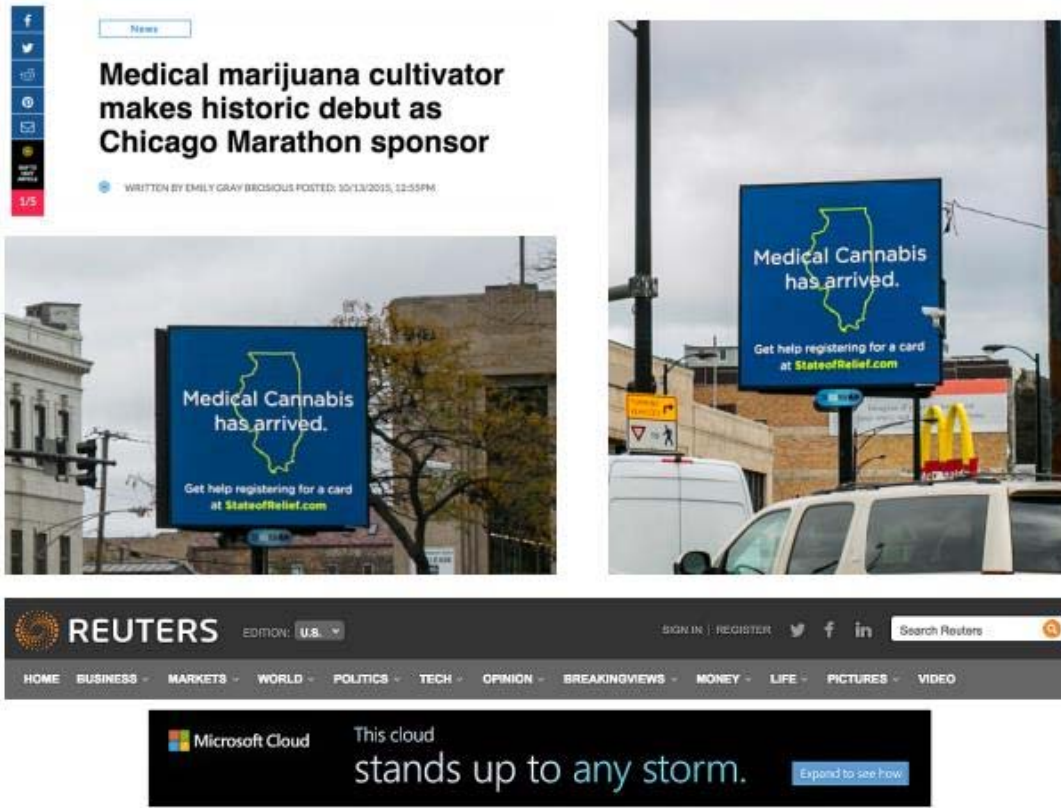
The use of cannabis as a medicine is a foreign concept for many people. For this reason, we created a public education campaign spanning across social media, billboards, and even Chicago Marathon participant's bag spreading awareness of the Illinois Medical Cannabis Program.

To support the overwhelming interest in our campaign, we staffed a 18 hour a day call center providing free support to residents attempting to register for the program.

Our focus on safe, cannabis education has provided over 20,000 Illinoisans with answers to date.







Press Release | Thu Oct 1, 2015 9:05am EDT

## Cresco Labs Will Spend A Million Dollars To Let People Know About Illinois Medical Marijuana Program



# Canna Tech Chicago

Many of the most complex regulatory issues surrounding the medical cannabis industry involve data tracking and compliance.

To be on the forefront of helping creating new technology solutions, we started a monthly meet-up series bringing together the city's brightest technology minds for a educated dialogue.

On average we have a monthly attendance of 250 people and participation from industry leaders such as Joe Wright, Director Illinois Medical Cannabis Program.





## 2.7 Exhibit 7: Community Integration and Benefits

### **Community Integration & Benefits Plan**

Hale O Laulima ('house of many hands working together') is committed to providing quality, innovative approaches to caring for all of Hawaii's people – in the same compassionate spirit of our Hawaiian monarchy and all those healing visionaries who came to our shores to help our sick, diseased, and infirmed; our physically and emotionally disabled; and those suffering terminal illnesses. Be it pineapple, sugarcane or agriculture in general, the members of Hale O Laulima are well versed on the tremendous burden that corporate industry leaving Hawai'i has had on the workforce, economy and overall sustenance of the people of Hawai'i. We believe the medical marijuana industry has an opportunity to be something different, and to act in a manner that is a testament to the culture and rich past of Hawai'i and its residents.

Community outreach and integration efforts are critical components of successful marijuana business development. Effective community integration planning is a continuous process that involves ongoing revision and improvement. It is essential for new marijuana businesses to form and sustain healthy relationships with members of their communities in order to further the re-education of public perceptions of marijuana use, maintain a respectable operational status and become rooted as a community leader for years to come. When faced with sociopolitical and financial challenges unique to the marijuana industry, a business with strong community support has greater strength and ability to operate successfully. Hale O Laulima is committed to positively influencing public perception of marijuana use and will provide all necessary measures to respect the comfort and dignity of the patients we support.

### **TEAM QUALIFICATIONS**

Hale O Laulima's efforts from the outset of operations will be in planned coordination with community and government stakeholders, and with leaders of our institutions of higher learning and palliative care. To this end, our vision and credo are singular – to provide quality service to all those who depend on us for that specialty support; and to offer alternative medical relief and product development through research and innovation in conjunction with the community we serve. To further these initiatives, Hale O Laulima is honored and proud to



include on its team (1) Bob Apisa, a legend in Hawai'i athletics, playing football at Michigan State University where he earned All-American honors twice as the first Samoan All-American in collegiate sports. Later going on to a successful career in Hollywood, Mr. Apisa has always maintained his status as a prominent figure and well respected community leader in Hawai'i. Mr. Apisa will act as Chief Community Relations Officer for Hale O Laulima to ensure the spirit of Aloha is preserved in the company's mission and intent; (2) Oswald Stender, a business executive with over 50 years of public and community service in Hawai'i. Mr. Stender is a four-time trustee of the Office of Hawaiian Affairs, a former Marine, was the CEO of The Estate of James Campbell, a member of the board of directors for the Hawaiian Electric Company, and a Trustee for the Bernice Pauahi Bishop Estate. Mr. Stender has spent his life advocating for the people of Hawai'i, particularly those most vulnerable and underserved, and will continue to do so with Hale O Laulima in his key Cultural Affairs Advisor role; (3) Sam Callejo, who served under two of Hawai'i State and Honolulu City & County's top elected political leaders in the last 50 years – acting as Chief of Staff for Governor Ben Cayetano and Deputy Manager Director for Mayor Frank F. Fasi. Mr. Callejo also acted as Chief of Staff to the University of Hawai'i System President, has been a tireless steward of the people of Hawai'i and will maintain that role as Government Affairs Advisor for Hale O Laulima; (4) Gary Mijo is a career entrepreneur and owner and operator of several businesses on O'ahu. Mr. Mijo's vast network with community leaders, politicians and local businesses will allow Hale O Laulima to build a relationship and showcase its industry leading standards; (5) CEO Eugene Tiwanak, who has dedicated his professional career to caring for the residents of Hawai'i will lead our executive team and operational programming using his vast experience in administrative management for healthcare facilities. As former President and CEO of the St. Francis Healthcare Foundation and the St. Francis Residential Care Community, he introduced Hawaii's first hospice in-home program, led the development and opening of the first hospice inpatient facility in the State and worked with State Medicaid, Kaiser Permanente Healthcare Plans, and Hawai'i Medical Services Association in developing one of the first hospice care health insurance programs in the nation; and (6) President Kamani Kuala'au, former student body president of the Kamehameha School, Vice Chair of the Board of Trustees for the King Lunalilo Trust and a Board



Member at Goodwill Industries of Hawai'i and PBS Hawai'i, will work closely alongside Mr. Tiwanak to guide the operational plan of Hale O Laulima, while maintaining an ever-present advocacy for the interests of the people of Hawai'i.

### **LOCAL AGRICULTURE OUTREACH & EDUCATION**

An area where we believe Hale O Laulima can have the most substantial impact is with supporting the efforts and furtherance of the local farming community of Hawai'i, beyond just medical marijuana. In consultation with the Hawai'i Department of Agriculture and Hale O Laulima Director of Cultivation John McHugh, we have identified two specific areas of need for local farmers that we can provide support for immediately. The first relates to a lack of security measures in place and the burden of agricultural theft that plagues local farmers, which Hale O Laulima hopes to remedy in part by supporting the execution of operational security audits by our Security Consultant Hana Group. Beyond our team of respected security professionals, led by Chief Security Officer and ex-Lieutenant with the Honolulu Police Department Eddie Akiona, Hana Group brings additional security expertise, resources and understanding of community to the Hale O Laulima team. Hana Group is a Native Hawaiian Organization specializing in security design, services and training, owned and operated by Native Hawaiian veterans of the Korean, Vietnam, and Gulf Wars, which has been granted the special status of a Native Hawaiian Organization by the Small Business Administration. Hale O Laulima is dedicated to hiring Hana Group to tour local farms, perform audits related to physical security and operational processes and provide a report on recommendations for improvement. Hale O Laulima intends on using these recommendations as a foundation for providing ongoing support to local farmers across O'ahu to ensure agricultural theft doesn't debilitate our agricultural community.

The second pressing issue harming the progress of local agriculture is the extremely high cost of production due to Hawaii's isolation from many of the resources it depends on, such as fertilizers, bundling papers, twist-ties, boxes, irrigation supplies, pesticides, equipment and more. Although inexpensive supplies can often be procured from manufacturers in Asia, the Jones Act requires that all shipments from foreign countries first go through U.S. west coast mainland ports, where they are then deployed to Hawai'i ports, drastically increasing the cost





of acquisition. While this situation is expected to continue into the foreseeable future (unless Congress changes the law) Hale O Laulima believes it can assist with a solution in the creation of a Purchasing Power Program in coordination with the Hawai'i Farm Bureau Federation, which will coordinate the inventory needs of local farmers and ranchers and generate a bulk ordering and distribution system to piggyback supply orders and drive down the unit cost per item. Not only does this lessen the financial burden of the agricultural community, it helps reinforce a sense of community amongst farmers and opens the door to collaboration on other issues they all share.

As proud members of the Hawai'i Farm Bureau Federation, Hale O Laulima will pursue an ongoing involvement with the local agricultural community and assist wherever possible to bring back and strengthen this very important industry for the benefit of the people of Hawai'i. One larger topic Hale O Laulima wishes to pursue progress on is the preservation of agricultural lands on all islands, but specifically on Oahu, which is currently the most in danger of being lost. Farmers and Ranchers on Oahu will need to come together to ensure these lands that are currently in use be dedicated, in perpetuity, to that use. In addition to the Hawai'i Farm Bureau Federation, Hale O Laulima will pursue discussions and efforts with The Trust for Public Lands and the Hawai'i Department of Agriculture to collaborate on solutions to ensure this preservation.

Hale O Laulima is also committed at aiming volunteer efforts towards the greater agricultural community by forming philanthropic relationships with local community gardens. Hale O Laulima will obtain an independent gardening plot and provide healthy, local produce to less fortunate families and residents in the local community. Hale O Laulima aspires to form partnerships with local community supported agricultural (CSA) programs in order to provide food for families with limited access to fresh produce. If an applicable CSA program does not exist, Hale O Laulima will identify a community garden and establish a Hale O Laulima CSA plot with plans to host end-of-harvest meals for the less fortunate. At the collaborative farm or CSA plot, Hale O Laulima will work with community garden managers to integrate beehives into farm methodology and assist in organic pest management implementation. Hale O Laulima plans to work with local beekeepers to develop hive-making classes during the spring and early



summer. As part of neighborhood beautification efforts, Hale O Laulima will plant trees in areas surrounding the medical marijuana production and retail dispensary facilities, and where appropriate.

### **MEDICAL OUTREACH & EDUCATION**

Beyond support for the agricultural community, Hale O Laulima will also engage in a series of programs dedicated to educating doctors, patients and the Hawai'i community at-large about the medical benefits of and science behind marijuana, as well as commit funds to projects focused on the advancement of research related to the treatment of conditions affecting Hawai'i residents. More information on this intent can be found in the Medical Marijuana Outreach & Education Program found within this application.

### **LAULIMA GIVE-BACK**

Philanthropic giving will be a vital component of our community benefits program. Once the Hale O Laulima is cash flow positive, 2.5% of net profits will be directed to fund the Company's Philanthropic Giving Program, called "Laulima Give-Back". Our Company is committed to investing both time and money into philanthropic endeavors and has incorporated plans for community development into our general operations plan. Hale O Laulima is prepared to become an active member in our community through volunteering our efforts to charitable organizations and causes, sponsoring local foundations and programs, holding fundraising events, and offering significant in-kind donations.

### **OTHER INITIATIVES**

With regard to grassroots initiatives in community integration Hale O Laulima will look to our partners at Cresco Labs and Denver Relief Consulting who have executed similar plans in Colorado, Illinois, Massachusetts, Nevada and Vermont. Hale O Laulima will develop and implement remedial plans in response to targeted service deficiencies, as our evolving charitable efforts and contributions will be further expanded with concern for those needs unique to the diverse community in which we operate. In order to ensure the effectiveness of



our projected community outreach, additional measures will be developed for increased range of involvement in outreach and improvement efforts detailed below. Hale O Laulima has initiated preliminary integration efforts by identifying gaps in localized resources and engaging in progressive relationship-building conversations with municipal authorities and residents. The members and advisors of Hale O Laulima have a long history of community involvement in Hawai'i, where they reside and operate businesses, and aim to make positive contributions to the Oahu community. Hale O Laulima community benefits program will be strategized through the donation of time and resources to philanthropic involvement and community support. Each year, Hale O Laulima plans to pursue new opportunities for strengthening support from the community in which we operate.

In order to facilitate the implementation of the community integration and benefits plan, Hale O Laulima will develop a strategic timeline containing a projected schedule of service events and available information concerning the initiation of those measures with potential for immediate application. At a minimum, initial efforts to expedite the actionable community services, events, networking measures, and charitable contributions detailed in this appendix will be launched within the first year of operation of Hale O Laulima. Additionally, a network of volunteer patients, local production and retail dispensary operators, employees, and family members will be formed to contribute time and resources during Hale O Laulima service events. As Hale O Laulima evolves to become an integral community member valued by individuals and businesses throughout Oahu, Hale O Laulima will take measures to ensure the sustained success of the community integration program.

#### **PATIENT HARDSHIP FINANCIAL ASSISTANCE PROGRAM**

Hale O Laulima recognizes that there is a substantiated link between poverty and debilitating ailments and, although effective and safe, medical marijuana can be an expensive treatment option for patients. Medical marijuana is not allowed as a deductible healthcare expense for federal income tax purposes, nor is it covered by insurance. Hale O Laulima recognizes the burden this places on patients and is committed to assisting those with a financial hardship. As many parts of Hawai'i have higher than average rates of poverty, aiding



patients with financial hardship is especially important to Hale O Laulima and we are committed to providing safe access to quality medical marijuana for all eligible Hawai'i residents. For this reason, Hale O Laulima intends to participate in a Patient Hardship Financial Assistance Program.

Many qualifying patients in Hawai'i are likely to be living in poverty. The poor are more vulnerable to chronic diseases because of material deprivation and psychosocial stress, higher levels of risk behavior, unhealthy living conditions, and limited access to good-quality health care. Once disease is established, indigent people are more likely to suffer adverse consequences than wealthier people. This is especially true of women, as they are often more vulnerable to the effects of social inequality and poverty and less able to access resources. For these reasons, our Hale O Laulima is dedicated to evaluating individual patient circumstances and intends to provide financial help to those who are qualified by the Hale O Laulima as low-income patients.

The Director of Retail Operations may also provide financial assistance to other patients in need, including the elderly, on a case-by-case basis. The value of a monthly voucher amount awarded to participating patients will be based on income level and their needs based on Hawai'i supply limits. The program budget and number of patients awarded access to the program will grow as the Hale O Laulima grows. The Hale O Laulima financial assistance program aims to assist as many patients as possible while maintaining sufficient assets to achieve financial stability and provide for growth. Additionally, funding for the program will be balanced with other community support initiatives.

### **VETERAN PROGRAM**

Hale O Laulima recognizes the selfless service contributions of military veterans and aspires to provide those service members living in our community with ample opportunities for employment. Additionally, Hale O Laulima's commitment to employing veterans will provide these individuals with safe access to affordable medical marijuana and compassionate guidance for the establishment of personal marijuana treatment programs currently unavailable through traditional, federally-funded VA services. Hale O Laulima intends to establish a Veteran Work



Program with the goal of employing a staff that is made of 15-20% military veterans at all times. Additionally, Hale O Laulima will offer discounts to all veterans on all medical marijuana offered by the company.

### **VOLUNTEER SERVICE PROGRAM**

While Hale O Laulima believes direct giving to established charitable organizations focusing on specific issues is the most impactful way to improve the lives of those in need, we also believe service initiatives are extremely powerful tools in connecting community members. Hale O Laulima is committed to establishing a team of volunteers active in the community. These coordinated volunteer efforts bring employees, patients, caregivers and their friends and families together for group volunteer events. The program is community-wide and does not focus solely on marijuana-related volunteerism. Volunteer events will focus on community beautification including bicycle and wheelchair repair clinics, park cleanup events, tree planting, homeless outreach coordination and school maintenance events. Hale O Laulima will organize the events in coordination with a community partner, recruit volunteers and provide transportation and meals for those volunteers.

### **DONATIONS PROGRAM**

Hale O Laulima will maintain ongoing food, clothing, and hygienic product drives within all public business facilities in order to provide community members in need with access to fundamental day-to-day resources. Hale O Laulima plans to partner with existing local grassroots organizations for collection and distribution efforts.

### **PRE-OPERATIONAL OPEN HOUSE**

Hale O Laulima is committed to removing negative stigmas associated with the establishment of seemingly private or mysterious marijuana businesses within existing communities. As part of the Hale O Laulima commitment to the betterment of the community, Hale O Laulima will engage with local groups to identify and reeducate pressing public concerns. Prior to the first day of Retail Dispensary operation, Hale O Laulima will host an open-





house style event for members of the community and neighborhood. By opening Hale O Laulima doors to those who live and work in the neighborhood, Hale O Laulima will educate concerned community members on how the Retail Dispensary Facilities will operate and welcome the opportunity to answer their questions with direct responses from Hale O Laulima owners, executives and staff. Fostering this culture of transparency during the inaugural stages of Hale O Laulima operations will help Hale O Laulima establish a welcoming reputation and correct any residual misconceptions stemming from outdated misinformation.

### **LOCAL NEIGHBORHOOD MERCHANTS' ASSOCIATIONS**

Hale O Laulima is committed to building a professional reputation among local merchants and maintaining strong relationships with small businesses in the community. During the process of initially establishing Hale O Laulima, efforts will be pursued to engage with local and neighborhood merchants' associations. Membership with such associations will be maintained as a vital component of the operational practices of Hale O Laulima, including attendance at regular meetings and adherence to any and all applicable mandatory participation requirements.



## 2.8 Exhibit 8: Local Approval and Support Letters

Hale O Laulima recognizes that constructing and operating successful Production and Retail Dispensary Facilities within any community will require support of the local leadership, law enforcement agencies, businesses, and residents within that community. Hale O Laulima is committed to building and maintaining community support.

Over the past twelve months, Hale O Laulima has engaged community leaders and the general public to introduce Hale O Laulima qualifications, experience, and commitment to the community. In addition to introducing Hale O Laulima, we have informed the community about the benefits of medical marijuana and worked to alleviate concerns about this new product. Hale O Laulima gained the support of several key community leaders. John McHugh supports Hale O Laulima's plans for establishing Production and Retail Dispensary facility operations and also lent their support in our efforts. Having support at this level within local leadership will ensure a long and beneficial relationship between Hale O Laulima and the local community.

Safety and security are key concerns for Hale O Laulima and for the local community. Hale O Laulima's safety and security plans, included with this application, are detailed, comprehensive, and have been designed by experienced security specialists. In order to ensure the local community is comfortable with Hale O Laulima's proposed safety and security measures and that such measures are adequately tailored to the character and concerns of the community, Hale O Laulima will consult with and involve local authorities throughout the build-out process.

Hale O Laulima is committed to participating in the activities related to natural resource conservation as it pertains to agriculture. The Production Facilities Hale O Laulima will configure for use are located within Mililani, which is included in the West O'ahu Soil and Water Conservation District. Hale O Laulima is proud to pursue the goals and interests of the District and support the local community with all Environmental Conservation activities.

In addition, Hale O Laulima has the support of the local Director of the Board of the West O'ahu Soil and Water Conservation District...

Below you will find letters of local support for our proposed operation.



Date: January 29, 2016

## 2.8.1 Hawaii Farm Bureau Federation

January 18, 2016

RE : Letter of Support – Hale O Lahilima's Hawai'i Medical Marijuana Application

To Whom it may Concern,

I have met with members of the Hale O Lahilima team, an entity that intends to apply for one of three medical marijuana licenses available here on O'ahu. I have had the opportunity to inform and educate myself on both the business and social issues related to the Medical Marijuana Program and fully support this team and their endeavor in our community.

Hale O Lahilima has demonstrated a responsible and professional commitment to this project and to the patients of Hawai'i. I have had the opportunity to hear about their accomplishments and experience in this area and how their forward-thinking intent will aim to ensure patient, product and public safety and push to develop a progressive, regulated industry, which would be advantageous for the residents of Hawai'i and our community at-large.

Hale O Lahilima along with the guidance from their mainland partners, Cresco Labs and Denver Relief Consulting, is and will continue to be a leader in the medical marijuana industry. I welcome and support the location of their operations in Mililani and believe that the establishment of this company and their production facility here will help to develop the agricultural industry and offer much needed employment for residents in the surrounding community.

I especially look forward to interacting with the licensee as we examine ways in which they can support the member farmers and ranchers of the Hawai'i Farm Bureau Federation. Of particular note is the interaction between the licensee and stewardship of our precious natural resources. Since the operation is planned for a location in Mililani that places them squarely in the West O'ahu Soil and Water Conservation District. As a Director of the Board of the West O'ahu Soil and Water Conservation District I interact with farmers on a daily basis. The goals of the District are perfectly aligned with the goals of the Hawai'i Farm Bureau Federation Environmental Stewardship Committee. In discussions with the applicant it has abundantly clear that there is an opportunity for them to participate in the activities related to natural resource conservation as it pertains to agriculture.

I understand that the application review process will soon begin and trust that you will take my thoughts into consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "John McHugh".

John McHugh  
Chair, Environmental Stewardship Committee  
Hawai'i Farm Bureau Federation



## 2.8.2 South Oahu Soil and Water Conservation District

January 27, 2016

RE : Letter of Support – Hale O Laulima's Hawaii Medical Cannabis Application

To Whom it May Concern –

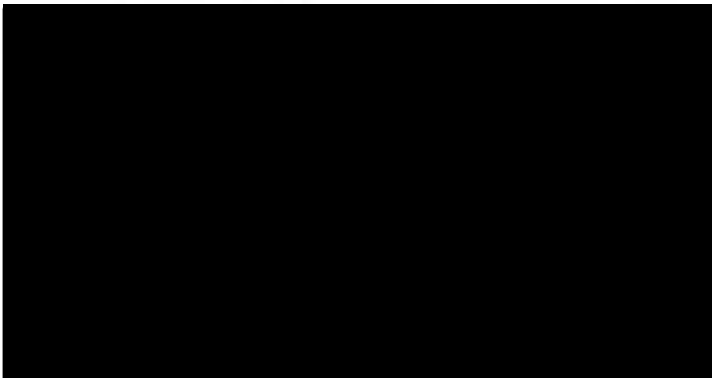
I have met with a member of the Hale O Laulima team, an entity that intends to apply for one of three medical cannabis licenses available on Oahu. I have had the opportunity to inform and educate myself on both the business and social issues related to the Medical Cannabis Program and fully support this team and their endeavor in our community.

Hale O Laulima has demonstrated a responsible and professional commitment to this project and to the patients of Hawaii. I have had the opportunity to hear about their accomplishments and experience in this area and how their forward-thinking intent will aim to ensure patient, product and public safety and push to develop a progressive, regulated industry, which would be advantageous for the residents of Hawaii and our community at-large.

Hale O Laulima along with the guidance from their mainland partners, Cresco Labs and Denver Relief Consulting, is and will continue to be a leader in the medical cannabis industry. I welcome and support the location of their operations in Mililani or some other location on Oahu, and believe that the establishment of this company and their production facility here will help to support the agricultural industry and offer much needed employment for residents in the surrounding community.

I am especially supportive of any type of agricultural operation, such as the medical cannabis dispensary project that is proposed, which by making input purchases such as potting mix, packaging materials, and chemical inputs will help ensure that pricing of those inputs remain relatively stable due to continuing demand. As an island State and community, we are all keenly aware of how input pricing can be impacted by shipping and distribution costs. The more agricultural enterprises that we have in our island State that are making input purchases the more likely that input costs are spread, so that those prices remain relatively steady without peaks in prices that would make it difficult for us to farm financially.

I understand that the application review process will soon begin and trust that you will take my thoughts into consideration.





Date: January 29, 2016

### 2.8.3 Clinical Labs of Hawaii



January 28, 2016

RE: Letter on behalf of Hale O Laulima

To Whom it may Concern,

Clinical Labs of Hawaii intends on providing third-party laboratory testing services to the medical marijuana industry in Hawaii. We have met with members of the Hale O Laulima team, an entity that intends to apply for one of three medical marijuana licenses available here on Oahu.

In our interaction, Hale O Laulima demonstrated a responsible and professional commitment to this project and to the patients of Hawaii. We have had the opportunity to learn about their accomplishments and experience in this area. Their forward-thinking intent aims to ensure patient, product and public safety, which would be advantageous for the residents of Hawaii and our community.

From what we've discussed, Hale O Laulima along with the guidance from their mainland partners, Cresco Labs and Denver Relief Consulting, are committed to the creation of a very professional and progressive medical marijuana program in Hawaii. They have offered to collaborate with our group to help develop industry leading testing protocols on the island and we are receptive to their offer.

While Clinical Labs of Hawaii does not wish to recommend any one program applicant over another, we would like to let the Department of Health know that we have enjoyed our discussions with Hale O Laulima, we have agreed with their approach to the clinical and medicinal processes that can be utilized in the production of medical marijuana products and are looking forward to furthering our collaboration with their professionals both prior to the awarding of licenses and, if applicable, after licenses are awarded.

Clinical Labs of Hawaii understands that the application review process will soon begin and hope that you will consider our opinion in making your selections.

91-2135 Fort Weaver Road, Suite 300, Ewa Beach, Hawaii 96706 Phone: (808)677-7999 ; Fax: (808)679-4230  
[www.clinicallabs.com](http://www.clinicallabs.com)





#### 2.8.4 Retired Chaplain - Clarence Liu

January 21, 2016

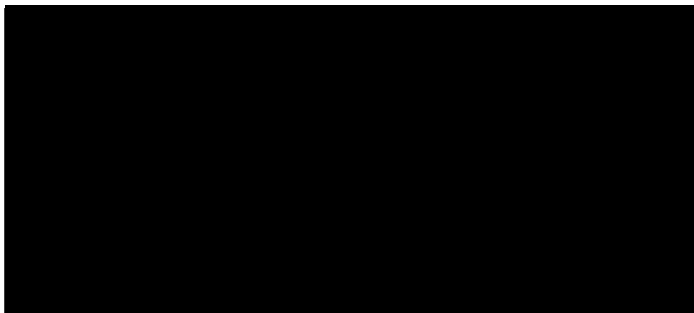
To Whom It May Concern:

This is a letter of support for Hale O' Lailima's Hawaii Medical Cannabis Application. As a retired hospice chaplain and member of the healthcare community for more than 20 years I endorse the efforts of this team due to their experience in healthcare and the credentials and expertise they bring to the business and administrative end of this new initiative.

As someone who has experienced face-to-face on a daily basis the suffering and pain of cancer patients, the neurologic distress of the chronically ill, the fears of the severely mentally-ill and special needs populations, and distress of the dying, we still need more options and resources for the palliation spectrum from day-to-day symptoms to acute pain. Medical cannabis are widely recognized palliative agents for nausea, chronic pain, anxiety, PTSD, anorexia/weight loss, insomnia and pediatric epilepsy.

I have met with a member of the Hale O' Lailima team and support their efforts to apply for a medical cannabis license on Oahu. They have informed and educated me on both the business and social aspects related to the Medical Cannabis Program. I believe they are responsible citizens who will ensure patient, product and public safety and push to develop a progressive, regulated industry, which would be advantageous for our community at-large. In Hale O' Lailima, Hawaii will have a leader in the medical cannabis industry.

Thank you for considering my testimony as a member of Hawaii's healthcare community. I strongly support the collaboration of Hale O' Lailima with their mainland affiliates Cresco Labs and the Denver Relief Consulting and the expertise they will bring to our State.





## 2.8.5 Rockne Freitas

January 16, 2016

RE : Letter of Support – Hale O Laulima's Hawaii Medical Cannabis Application

To whom it may concern –

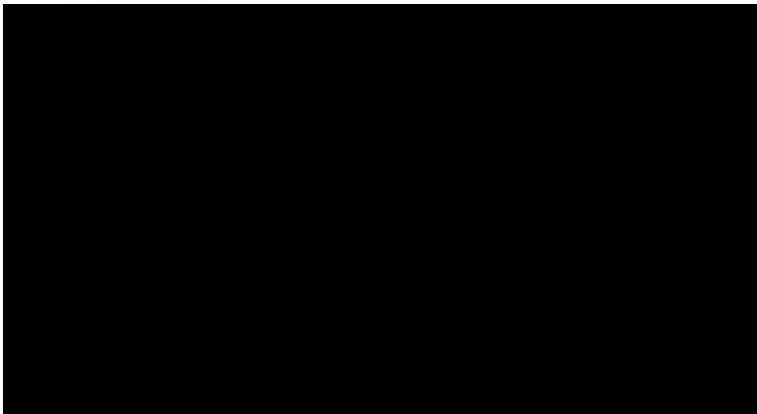
I have met with a member of the Hale O Laulima team, an entity that intends to apply for one of three medical cannabis licenses available here in Oahu. I have had the opportunity to inform and educate myself on both the business and social aspects related to the Medical Cannabis Program and fully support this team and their endeavor in our community.

Hale O Laulima has demonstrated a responsible and professional commitment to this project and to the patients of Hawaii. I have had the opportunity to hear about their accomplishments and experience in this area and how their forward-thinking intent will aim to ensure patient, product and public safety and push to develop a progressive, regulated industry, which would be advantageous for the residents of Hawaii and our community at-large.

Hale O Laulima along with the guidance from their mainland partners, Cresco Labs and Denver Relief Consulting, is and will continue to be a leader in the medical cannabis industry. I welcome and support them and believe that the establishment of this company and their production facility here will help to develop the agricultural industry and offer much needed employment for residents in the surrounding communities.

I understand that the application review process will soon begin and trust that you will take my thoughts into consideration.

Sincerely,





## 2.8.6 Dr. Lulumafuie Fiatoa

January 16, 2016

RE : Letter of Support – Hale O Lahima's Hawaii Medical Cannabis Application

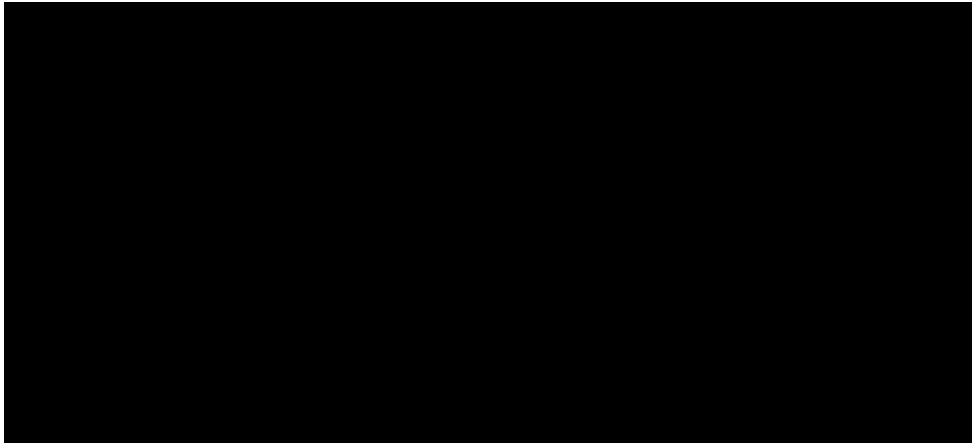
To whom it may concern –

I have met with a member of the Hale O Lahima team, an entity that intends to apply for one of three medical cannabis licenses available here in Oahu. I have had the opportunity to inform and educate myself on both the business and social aspects related to the Medical Cannabis Program and fully support this team and their endeavor in our community.

Hale O Lahima has demonstrated a responsible and professional commitment to this project and to the patients of Hawaii. I have had the opportunity to hear about their accomplishments and experience in this area and how their forward-thinking intent will aim to ensure patient, product and public safety and push to develop a progressive, regulated industry, which would be advantageous for the residents of Hawaii and our community at-large.

Hale O Lahima along with the guidance from their mainland partners, Cresco Labs and Denver Relief Consulting, is and will continue to be a leader in the medical cannabis industry. I welcome and support them and believe that the establishment of this company and their production facility here will help to develop the agricultural industry and offer much needed employment for residents in the surrounding communities.

I understand that the application review process will soon begin and trust that you will take my thoughts into consideration.





Date: January 29, 2016

2.8.7 Fortunato Elizaga, M.D.

**TO:** Eugene N. Tiwanak  
CEO, Cresco Hawaii

**FROM:** Fortunato Elizaga, M.D.

**SUBJECT:** Letter of Support

**DATE:** December 4, 2014

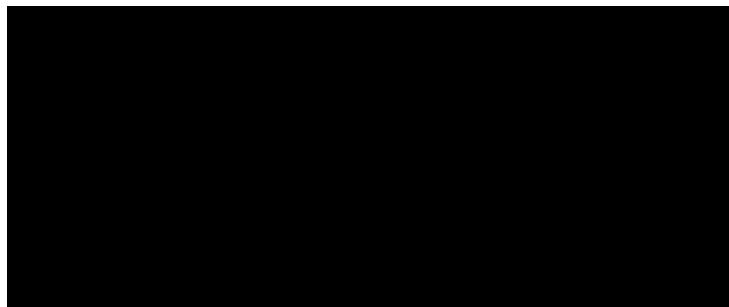
Dear Mr. Tiwanak:

Thank you for providing information about Cresco Hawaii/Hale O Laulima and its intent to apply for one of the three licenses to cultivate and dispense medical marijuana for qualified patients in Hawaii. I do understand that this application process is as result of the new State law signed by the Governor this year; and, therefore, will be closely monitored by State regulators.

As a practicing physician, I am aware of benefits ascribed to medical marijuana use for certain patients in the control and management of pain associated with a variety of physical and emotional maladies. I am hopeful, like you, that further research will lead to development of improved methods for ingestion and topical applications of these pharmaceuticals.

I support your personal efforts towards achieving improved availability and accessibility of medicines for the sick and disabled in our State.

And, I thank you again for the information about the new medical marijuana law now in effect in Hawaii





Date: January 29, 2016

## 2.8.8 Hawai'i Earth Products

January 2016

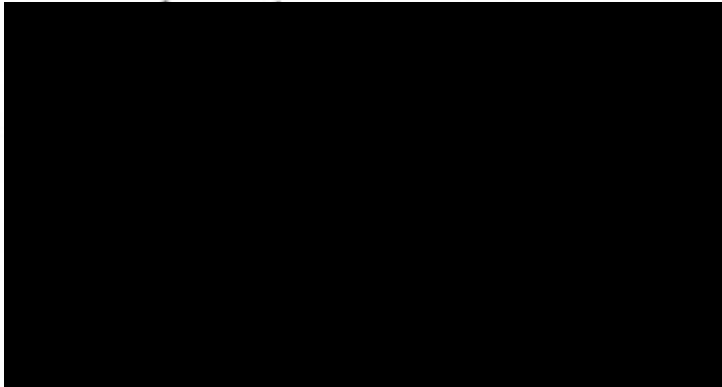
RE :Letter of Support– Hale O Laulima's Hawaii Medical Cannabis Application

To whom it may concern –

The purpose of this letter is to serve as my support with regard to Hale O Laulima and their application in pursuit of a medical marijuana license in Honolulu County.

I have met with a representative of their team who has informed me about their mission, their team and their dedication to the environment. Waste management is an important aspect of this industry. We are confident that we can work together with Hale O Laulima to ensure that the composting services of the marijuana plant waste matter and media will be handled in a safe, responsible and efficient way.

Sincerely –







Date: January 29, 2016

## 2.8.9 Hana Hou Seed Harvest

January 24, 2016

RE : Letter of Support – Hale O Lailima's Hawaii Medical Cannabis Application

To Whom it may Concern,

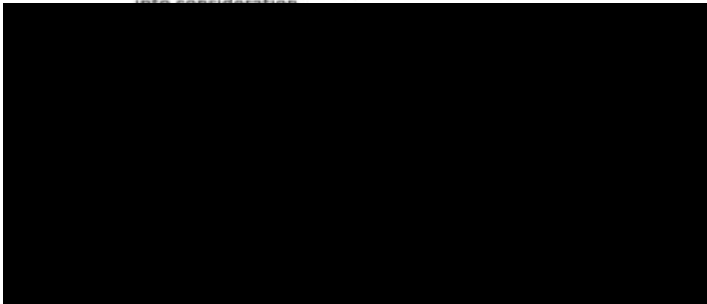
I have met with a member of the Hale O Lailima team, an entity that intends to apply for one of three medical cannabis licenses available on Oahu. I have had the opportunity to inform and educate myself on both the business and social issues related to the Medical Cannabis Program and fully support this team and their endeavor in our community.

Hale O Lailima has demonstrated a responsible and professional commitment to this project and to the patients of Hawaii. I have had the opportunity to hear about their accomplishments and experience in this area and how their forward-thinking intent will aim to ensure patient, product and public safety and push to develop a progressive, regulated industry, which would be advantageous for the residents of Hawaii and our community at-large.

Hale O Lailima along with the guidance from their mainland partners, Cresco Labs and Denver Relief Consulting, is and will continue to be a leader in the medical cannabis industry. I welcome and support the location of their operations in Mililani, or some other location on Oahu, and believe that the establishment of this company and their production facility here will help to support the agricultural industry and offer much needed employment for residents in the surrounding community.

I am especially supportive of any type of agricultural operation, such as the medical cannabis dispensary project that is proposed, which by making input purchases such as potting mix, packaging materials, and chemical inputs will help ensure that pricing of those inputs remain relatively stable due to continuing demand. As an island State and community, we are all keenly aware of how input pricing can be impacted by shipping and distribution costs. The more agricultural enterprises that we have in our island State that are making input purchases the more likely that input costs are spread, so that those prices remain relatively steady without peaks in prices that would make it difficult for us to farm financially.

I understand that the application review process will soon begin and trust that you will take my thoughts into consideration.





## 2.8.10 Pointe West Pacific Development – Stephen Steady

### Pointe West Pacific Development

1383 North McDowell Blvd, Suite 110  
Petaluma, CA 94954  
707-766-8053

November 30, 2015

Mr. Eugene Tiwanak  
CEO  
Hale O Laulima  
98-406 Kaonohi Street  
Suite 2F1  
Aiea, HI 96701

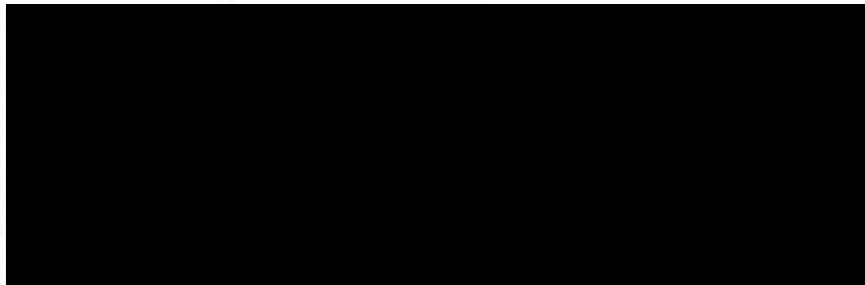
RE: Support for Hale O Laulima

Dear Gene,

As a long time colleague of yours on major projects, I was thrilled to hear about what you are involved with. It takes a strong leader to maneuver through the legal and political concerns this initiative will bring. No question it is in very competent hands with you and your team.

Since our days of developing senior housing to this very timely initiative, I know it is best to let the real skilled leaders direct movement and essential practices through the halls of the State, City and County. I believe the key to your being selected is making sure the Hawaiian people and the medical needs are being targeted and met. I know you will place strong emphasis on this, and thank you for driving a bona fide honorable submission in this process.

If there is anything I can do to assist you, please don't hesitate to ask



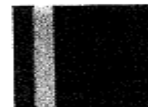


Date: January 29, 2016

## 2.8.11 MYM Services LLC

### MYM Services, LLC

P.O. Box 893940  
Mililani, Hawaii 96789



January 25, 2016

Subject: Letter of Support - Hale O' Lahima's Hawaii Medical Cannabis Application

To whom it may concern:

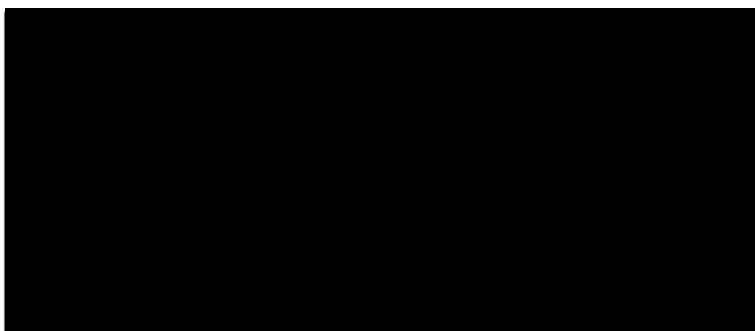
MYM Services, LLC by this letter is to serve as my support in regards to Hale O' Lahima and their pursuit for the application of a medical marijuana license on the island of Oahu.

My company has met with representatives of their team, who has informed us of their core values and mission, in providing this first ever dispensary to the State of Hawaii.

Hale O' Lahima has shown a professional commitment to the people of Hawaii on this endeavor and their mission to deliver a quality product to the medical patients of the island. They believe in educating the masses to ensure the medical patients receive a product, that is safe under this regulated industry.

Hale O' Lahima along with their partners, Cresco Labs and Denver Relief Consulting (with their experience in the legal marijuana business industry in Colorado) will deliver for the State of Hawaii. I believe with the establishment of this company and their production facility here on Oahu will help to promote the agricultural industry via academic research, development sector, provide employment and definitely an economic driver.

Hale O' Lahima will deliver, if given the opportunity!





## 2.8.12 Carl Yorita M.D.

January 19, 2016

RE : Letter of Support – Hale O Laulima's Hawaii Medical Cannabis Application

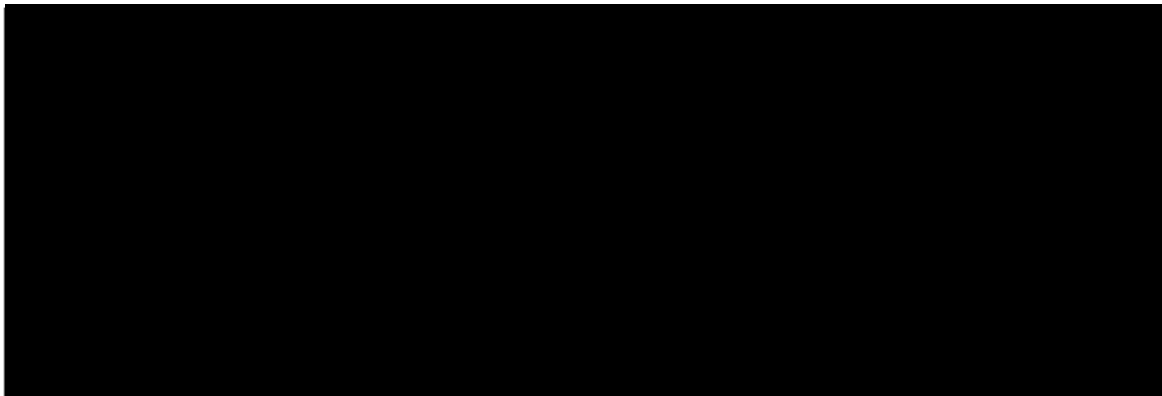
To whom it may concern –

I have met with a member of the Hale O Laulima team, an entity that intends to apply for one of three medical cannabis licenses available here in Oahu. I have had the opportunity to inform and educate myself on both the business and social aspects related to the Medical Cannabis Program and fully support this team and their endeavor in our community.

Hale O Laulima has demonstrated a responsible and professional commitment to this project and to the patients of Hawaii. I have had the opportunity to hear about their accomplishments and experience in this area and how their forward-thinking intent will aim to ensure patient, product and public safety and push to develop a progressive, regulated industry, which would be advantageous for the residents of Hawaii and our community at-large.

Hale O Laulima along with the guidance from their mainland partners, Cresco Labs and Denver Relief Consulting, is and will continue to be a leader in the medical cannabis industry. I welcome and support them and believe that the establishment of this company and their production facility here will help to develop the agricultural industry and offer much needed employment for residents in the surrounding communities.

I understand that the application review process will soon begin and trust that you will take my thoughts into consideration.





Date: January 29, 2016

## 2.8.13 Amy Hitzeman

January 21, 2016

RE : Letter of Support – Hale O Lahima's Hawaii Medical Cannabis Application

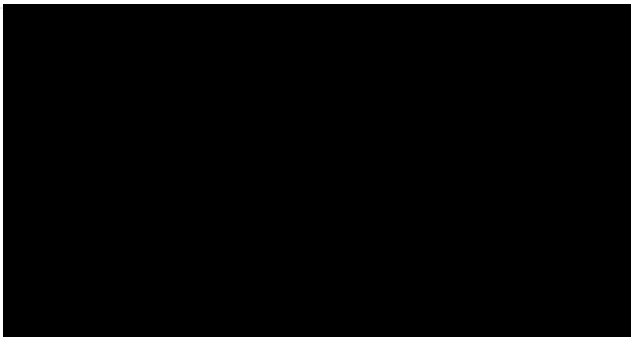
To whom it may concern –

I have met with a member of the Hale O Lahima team, an entity that intends to apply for one of three medical cannabis licenses available here in Oahu. I have had the opportunity to inform and educate myself on both the business and social aspects related to the Medical Cannabis Program and fully support this team and their endeavor in our community.

Hale O Lahima has demonstrated a responsible and professional commitment to this project and to the patients of Hawaii. I have had the opportunity to hear about their accomplishments and experience in this area and how their forward-thinking intent will aim to ensure patient, product and public safety and push to develop a progressive, regulated industry, which would be advantageous for the residents of Hawaii and our community at-large.

Hale O Lahima along with the guidance from their mainland partners, Cresco Labs and Denver Relief Consulting, is and will continue to be a leader in the medical cannabis industry. I welcome and support them and believe that the establishment of this company and their production facility here will help to develop the agricultural industry and offer much needed employment for residents in the surrounding communities.

I understand that the application review process will soon begin and trust that you will take my thoughts into consideration.







Date: January 29, 2016

## 2.8.14 Sumida Farm Support

### *SUMIDA FARM, INC.*

98-160 Kamehameha Hwy.  
Aiea, HI 96701  
Ph. 808-488-4517

January 25, 2016

RE : Letter of Support – Hale O Lahilima's Hawaii Medical Cannabis Application

To Whom it may Concern,

I have met with a member of the Hale O Lahilima team, an entity that intends to apply for one of three medical cannabis licenses available on Oahu. I have had the opportunity to inform and educate myself on both the business and social issues related to the Medical Cannabis Program and fully support this team and their endeavor in our community.

Hale O Lahilima has demonstrated a responsible and professional commitment to this project and to the patients of Hawaii. I have had the opportunity to hear about their accomplishments and experience in this area and how their forward-thinking intent will aim to ensure patient, product and public safety and push to develop a progressive, regulated industry, which would be advantageous for the residents of Hawaii and our community at-large.

Hale O Lahilima along with the guidance from their mainland partners, Cresco Labs and Denver Relief Consulting, is and will continue to be a leader in the medical cannabis industry. I welcome and support the location of their operations in Mililani, or some other location on Oahu, and believe that the establishment of this company and their production facility here will help to support the agricultural industry and offer much needed employment for residents in the surrounding community.

I am especially supportive of any type of agricultural operation, such as the medical cannabis dispensary project that is proposed, which by making input purchases such as potting mix, packaging materials, and chemical inputs will help ensure that pricing of those inputs remain relatively stable due to continuing demand. As an island State and community, we are all keenly aware of how input pricing can be impacted by shipping and distribution costs. The more agricultural enterprises that we have in our island State that are making input purchases the more likely that input costs are spread, so that those prices remain relatively steady without peaks in prices that would make it difficult for us to farm financially.

I understand that the application review process will soon begin and trust that you will take my thoughts into consideration.





Date: January 29, 2016

## 2.8.15 A'a Appraisals



**A'a Appraisal Services Hawaii, LLC**

95-925 Makaunulau St Mililani, HI 96789 ph 753-7066 fax 866-704-0607 [appraisalhawaii@gmail.com](mailto:appraisalhawaii@gmail.com)

January 25, 2016

RE : Letter of Non-opposition– Hale O Lahima's Hawaii Medical Cannabis Application

To whom it may concern:

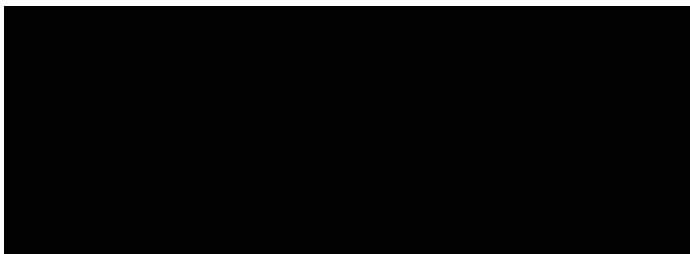
The purpose of this letter is to serve as my of non-opposition with regard to Hale O Lahima and their application in pursuit of a medical marijuana license on the island of Oahu.

I have met with representatives of their team who have informed me of their mission, their team and the medical advantages of their progressive and medical tone of their endeavor. I am confident they will comply with all State and local regulations in the furtherance of the program.

Hale O Lahima has demonstrated a responsible and professional commitment to this project and to the patients of Hawaii. They have demonstrated that their forward-thinking intent will aim to ensure patient, product and public safety and push to develop a progressive, regulated industry, which would be advantageous for the residents of Hawaii and our community at-large. Should the program proceed we look forward to working together to produce the best outcome for patients, doctors and for the entire population of Oahu.

Hale O Lahima along with the guidance from their mainland partners, Cresco Labs and Denver Relief Consulting, is and will continue to be a leader in the medical marijuana industry. I believe that the establishment of this company and their production facility here will help to develop the agricultural industry, the academic research and development sector and offer an employment and economic boost, which would be advantageous not only to the patients of Hawaii but to the entire populace for many years to come.

Sincerely,

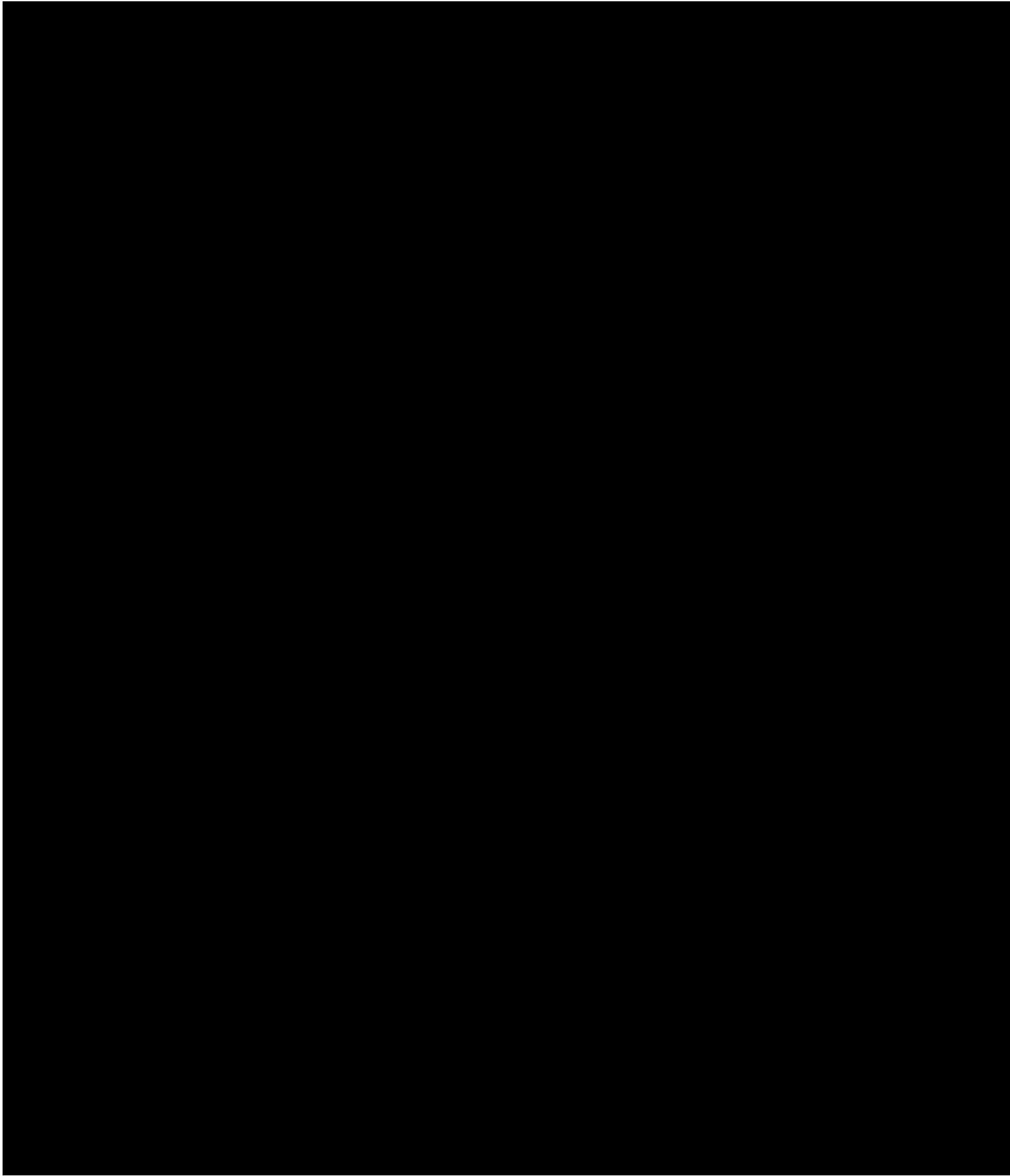




Title: State of Hawai'i Department of Public Health, Medical Marijuana Dispensary License  
Application Merit Criteria Question 02

Date: January 29, 2016

## 2.9 Exhibit 9: Dispensary Site & Floor Plans



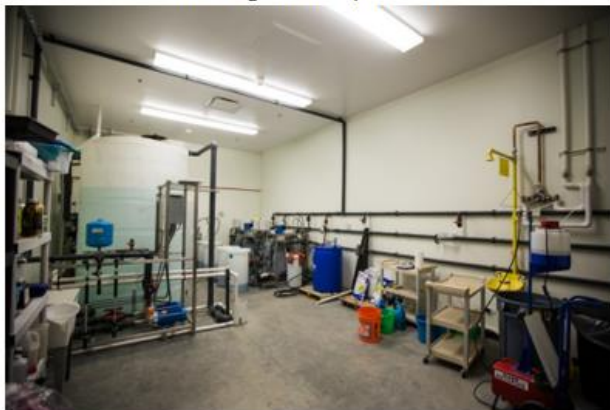


## 2.10 Exhibit 10: Existing Facilities Pictures

CRESO LABS JOLIET, IL FACILITY:  
CO2 Botanical Extraction & Fractionation System



CRESO LABS JOLIET, IL FACILITY:  
Fertigation System



CRESO LABS JOLIET, IL FACILITY:  
Empty Grow Room





CRESCO LABS JOLIET, IL FACILITY:  
Medical Marijuana Clones



CRESCO LABS JOLIET, IL FACILITY:  
Vegetative Room



CRESCO LABS JOLIET, IL FACILITY:  
Flower Room



CRESCO LABS JOLIET, IL FACILITY:  
Flowering Room







CRESCO LABS LINCOLN, IL FACILITY:  
Hybrid Warehouse/Greenhouse Rear Exterior



CRESCO LABS LINCOLN, IL FACILITY:  
Flowering Bay Roof



CRESCO LABS LINCOLN, IL FACILITY:  
Flowering Bay



CRESCO LABS LINCOLN, IL FACILITY:  
Flowering Bay





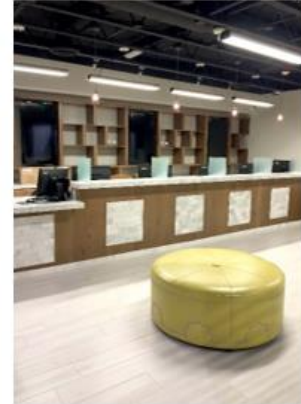
SILVER SAGE WELLNESS LAS VEGAS, NV:  
Retail Dispensary Waiting Room



SILVER SAGE WELLNESS LAS VEGAS, NV:  
Retail Dispensary Sales Room



SILVER SAGE WELLNESS LAS VEGAS, NV  
Retail Dispensary Sales Room



SILVER STATE RELIEF SPARKS, NV:  
Retail Dispensary



SILVER STATE RELIEF SPARKS, NV:  
Retail Dispensary Sales Room







## 2.11 Exhibit 11: Employee Manual

### GENERAL – EMPLOYEE MANUAL SUMMARY

The employee manual details specific personnel policies and standards of conduct for employees of Hale O Lahuli ("Hale O Lahuli"). This manual applies to all employees, which are defined as persons who regularly work for Hale O Lahuli on a contract, wage, or salary basis. The policies contained herein must be followed as a condition of continued employment. Detailed information about employment applications, drug testing, and criminal background checks is included. Employment policies include required Hawaii DOH registration and execution of the Employee Confidentiality Agreement, along with benefits and working conditions consistent with the Fair Labor Standards Act.

Additional standard practice policies include those for non-discrimination, harassment, safety, hygiene, security, orientation, and training. Procedures for sequences of corrective actions and termination are detailed. The employee manual does not serve as a contract of employment between Hale O Lahuli and any one or all of its employees and may be changed at any time.

#### Introduction

This employee manual is designed to acquaint you with Hale O Lahuli and provide you with information about working conditions, benefits, and policies affecting your employment. Hale O Lahuli is engaged in the receipt, handling and distribution of medicinal marijuana pursuant to the Hawai'i Medical Use of Marijuana. Due to the nature of the industry in which Hale O Lahuli is involved, strict adherence to the policies and procedures set forth by Hale O Lahuli is critical. As further described herein, even if permitted under the laws of the STATE, participation in this industry and employment with Hale O Lahuli is not compliant with federal laws and could subject any party affiliated with Hale O Lahuli to federal and/or state criminal prosecution. Employment with Hale O Lahuli, and participation in the industry, is strictly at your own risk – under no circumstances will Hale O Lahuli indemnify, hold harmless or defend you against, or in any other way be responsible for any liability or prosecution which an employee may be subject to due to their employment or employment related activity with Hale O Lahuli.

The information contained in this manual applies to all employees of Hale O Lahuli. This manual describes how we intend to work together, as well as important information about Hale O Lahuli, your responsibilities, benefits and general working conditions. Following the policies described in this manual is considered a condition of continued employment. We live in a time of rapid, and sometimes dramatic, change. Therefore, no relationship exists without change, and that is true of ours. We expect to, and make, revisions to this manual from time to time. However, nothing in this manual alters an employee's status. The contents of this manual must not constitute nor be construed as a promise of employment or as a contract between Hale O Lahuli and any of its employees. The information contained in this manual reflects a general description of the policies, services, and benefits involved, but because of constant improvements by Hale O Lahuli, the content of some items may not be up to date. No provision or portion of this manual constitutes either an implied or express contract, guarantee, or assurance of employment or any right to any employment-related benefit or procedure. Nor



does any portion of this manual modify the at-will nature of your employment--Hale O Lahuli's employment relationship with you can be terminated at any time, with or without cause, either by you or by Hale O Lahuli. Your signed receipt of acceptance of this manual is a condition of employment.

You are responsible for reading, understanding, and complying with the provisions of this manual. Given the highly unusual nature of your employment including the legal and political environment surrounding the operation, it is imperative you understand your roles and responsibilities as an agent of Hale O Lahuli. Our objective is to provide you with a work environment that is constructive to both personal and professional growth and the legitimacy of medical marijuana as a viable alternative medicine.

THE POLICIES AND PROCEDURES IN THIS EMPLOYEE MANUAL ARE DESIGNED TO SERVE AS GUIDELINES FOR MANAGEMENT Hawai'i Medical Use of Marijuana. Hale O Lahuli RESERVES THE RIGHT TO CHANGE, MODIFY, ELIMINATE, OR DEVIATE FROM ANY POLICY OR PROCEDURE IN THIS HANDBOOK AT ANY TIME AND TO HIRE, TRANSFER, PROMOTE, DISCIPLINE, TERMINATE, AND OTHERWISE MANAGE ITS EMPLOYEES AS IT DEEMS APPROPRIATE. NO PROVISION OR PORTION OF THIS MANUAL CONSTITUTES AN IMPLIED OR EXPRESS CONTRACT, GUARANTEE, OR ASSURANCE OF EMPLOYMENT OR ANY RIGHT TO AN EMPLOYMENT-RELATED BENEFIT OR PROCEDURE. IF YOU HAVE QUESTIONS CONCERNING THESE GUIDELINES, PLEASE CONSULT WITH YOUR SUPERVISOR OR HUMAN RESOURCES.

### At-Will Employment

Employment with Hale O Lahuli is voluntarily entered into, and the employee is free to resign at will at any time, with or without cause. Similarly, Hale O Lahuli may terminate the employment relationship at will at any time, with or without notice or cause, so long as there is no violation of applicable federal or state law. No Hale O Lahuli employee has the authority to modify this policy unless there is an employment agreement between the employee and Hale O Lahuli that is in writing and signed by Hale O Lahuli's President.

Policies set forth in this manual are not intended to create a contract, nor are they to be construed to constitute contractual obligations of any kind or a contract of employment between Hale O Lahuli and any of its employees. The provisions of this manual have been developed at the discretion of management and, except for its policy of employment-at-will, may be amended or cancelled at any time, at Hale O Lahuli's sole discretion. Neither these policies nor participation in any benefit plans will alter the at-will status of your employment.

### Management Philosophy

Hale O Lahuli pledges to its employees that as long as the affairs of this Hale O Lahuli are in our hands, the following principles will govern our actions with employees.



Hale O Lahuli employees and their welfare are very important to the success of our Hale O Lahuli. Our long-range objective is the continuous development of a growing and prospering business through which both the employees and Hale O Lahuli will benefit. Every employee is considered a member of our Hale O Lahuli team. Our success as a Hale O Lahuli is built on the recognition of the skills and efforts made by each employee. It is our policy to work with all members of our team in a fair and friendly manner and to treat each team member with dignity and respect.

The management of Hale O Lahuli will work continually for the benefit of our present and prospective clients as well as our employees to improve the competitive position of our Hale O Lahuli. This will enable us to provide excellent jobs for our team members.

General conditions such as safety, cleanliness, and employee accommodations will be evaluated periodically for possible improvement and will always compare favorably with good industry practice. We will be pleased to meet with any employee to discuss suggested improvements in working conditions.

We will devote our best effort to conducting an expanding business within which will prevail an atmosphere of harmony with opportunity for all employees of Hale O Lahuli.

#### Changes in Policy

This manual supersedes all previous employee manuals and memos that may have been issued from time to time on subjects covered in this manual.

However, since our business and our organization as well as laws and rules applicable to our operation are subject to change, we reserve the right to interpret, change, suspend, cancel, or dispute with or without notice all or any part of our policies, procedures, and benefits at any time. We will notify all employees of these changes. Changes will be effective on the dates determined by Hale O Lahuli, and after those dates all superseded policies will be null.

No individual supervisor or LICENSE TYPE GENERAL MANAGER has the authority to change policies at any time. If you are uncertain about any policy or procedure, speak with your direct supervisor.

#### EMPLOYMENT POLICIES

##### An Equal Opportunity Employer

It is the continuing policy of Hale O Lahuli to recruit and employ the best qualified individuals without regard to race, color, creed, national origin, sexual orientation, marital status, genetic information, age, sex, mental or physical disability, or status as a disabled or Vietnam era veteran as defined and required by federal and state laws and regulations. Equal employment opportunity applies to all personnel actions such as recruiting, hiring, compensation, benefits, promotions, training, transfers, terminations, and opportunities for training. No preference is given to the hiring of relatives or friends of current employees, but referrals are welcome. Every new hire will be required to document and execute an INS verification form (I-9) stating that he or she is legally authorized to work in the United States.



The HUMAN RESOURCES department has the overall responsibility for ensuring compliance with this policy. All employees are responsible for supporting the concept of equal opportunity and assisting Hale O Laulima in meeting its objectives. Employees with questions or concerns about any type of discrimination in the workplace are encouraged to bring these issues to the attention of HUMAN RESOURCES and should follow the procedures outlined in Hale O Laulima's Complaint Resolution Policy described herein. Employees can raise legitimate concerns and make good faith reports without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

#### Discriminatory Practices Prohibited

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at Hale O Laulima will be based on merit, qualifications and abilities. All managers and supervisors will comply with all EEOC guidelines when managing personnel issues. Hale O Laulima does not discriminate in employment opportunities or practices on the basis of:

1. Race, national origin or ethnic background;
2. Height and Weight;
3. Credit Rating or Economic Status;
4. Religious Affiliation or Beliefs;
5. Citizenship;
6. Marital Status, Civil Partnership or Number of Children;
7. Age;
8. Gender, gender identity or expression;
9. Sexual orientation;
10. Arrest and Conviction;
11. Security/Background Checks For Certain Religious or Ethnic Groups;
12. U.S Military or Veteran status;
13. Disability or medical condition; or
14. Questions and Examinations.

#### Reasonable Accommodations Policy

Consistent with its Equal Employment Opportunity Policy, Hale O Laulima is committed to complying with the Americans with Disabilities Act (ADA), as amended. Hale O Laulima will provide reasonable accommodations for such qualified individuals with disabilities in accordance with federal and state laws unless such accommodation would cause an undue hardship for Hale O Laulima. All information obtained by Hale O Laulima concerning the medical condition or history of applicants or employees is maintained in separate medical files and treated as confidential records that are disclosed only as according to ADA and other applicable state and federal law.



Hale O Lahuli will also provide a reasonable accommodation of an employee's religious beliefs and practices provided that such accommodations do not create an undue hardship for Hale O Lahuli. Hale O Lahuli will also make a reasonable effort to accommodate an employee's expression of religious beliefs provided such expression does not create a hostile work environment for other employees or create an undue hardship for Hale O Lahuli. (Refer to the Anti-Harassment, Anti-Discrimination and Anti-Retaliation Policy, for more information regarding the definition of a hostile work environment.)

To further discuss these issues or request a reasonable accommodation, feel free to contact HUMAN RESOURCES.

## Business Ethics and Conduct

The successful business operation and reputation of Hale O Lahuli is built upon the principles of fair dealing and ethical conduct of our employees. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity.

The success of Hale O Lahuli is dependent upon our customers' trust and we are dedicated to preserving that trust. Employees owe a duty to Hale O Lahuli, its customers and shareholders to act in a way that will merit the continued trust and confidence of our customers and of the general public.

Hale O Lahuli will comply with all applicable laws and regulations and expects its directors, officers, agents and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct. To that end, Hale O Lahuli is committed to complying with all laws applicable to it and requires that its employees do the same when acting on behalf of Hale O Lahuli. In line with both this commitment and our commitment to open communication, this policy aims to provide an avenue for employees to raise concerns and reassurance that they will be protected from reprisals or victimization for whistle blowing in good faith. This policy is intended to cover serious concerns that could have a large impact on Hale O Lahuli, such as actions that:

1. May lead to incorrect financial or other reporting;
2. Are unlawful, fraudulent or criminal;
3. Are not in line with Hale O Lahuli policy, including our Standards of Conduct; or
4. Otherwise amount to serious improper conduct.

In general, the use of good judgment, based on high ethical principles and the hyper-regulatory nature of Hale O Lahuli's industry, will guide you with respect to lines of acceptable conduct. If a situation arises where it is difficult to determine the proper course of action, the matter should be discussed openly with your immediate supervisor, HUMAN RESOURCES and/or any other member of management with whom you are comfortable for advice and consultation.





Compliance with this policy of business ethics and conduct is the responsibility of every Hale O Laulima employee. Disregarding or failing to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including possible termination of employment. If you believe that anyone in or associated with Hale O Laulima has violated the law, has requested or directed you or another employee to do anything that violates the law, or has prohibited you or another employee from doing anything required by the law, you must follow the procedures outlined in the Complaint Reporting Policy.

#### Anti-harassment, Anti-discrimination, and Anti-retaliation

Hale O Laulima is committed to providing its employees with a productive work environment, which is free of discrimination, retaliation and harassment. As such, it is Hale O Laulima's policy to maintain a work environment free of harassment, intimidation, threats, coercion or discrimination based on a person's sex, race, religion, color, national origin, age, disability, sexual orientation, veteran status, citizenship status, ancestry, marital status, genetic information or any other protected status. Hale O Laulima strongly disapproves of and will not tolerate discrimination or retaliation against or harassment of employees or non-employees by managers, supervisors, co-workers, or non-employees with whom Hale O Laulima does business.

To ensure that no employee is subjected to discrimination, retaliation or harassment, Hale O Laulima strictly prohibits any offensive, intimidating or unwelcome physical, written or spoken conduct (including, but not limited to, derogatory comments or slurs, unwelcome touching and derogatory posters or drawings) regarding any person's sex, race, religion, color, national origin, age, disability, sexual orientation, veteran status, or any other protected status. Hale O Laulima's policy also strictly prohibits sexual harassment which includes unwelcome sexual advances or requests for sexual favors or acts, sexual flirtations, unwanted touching or intimacy, insulting or degrading sexual remarks or conduct, epithets, slurs or negative stereotyping based on gender, sexually explicit or offensive jokes, and the posting or display of sexually offensive or degrading materials in the workplace. No supervisor has the authority to engage in such conduct and/or to alter any employee's terms or conditions of employment based on the employee's refusal to submit to such conduct. Hale O Laulima strictly prohibits its managers, supervisors and other employees from implying or suggesting that an applicant or employee's submission to or refusal to submit to sexual advances or participation in such sexual conduct is a condition of continued employment or the receipt of any job benefit (including job assignment, compensation, advancement, career development or other any term or condition of employment).

#### Complaint Reporting Procedure

Any employee who believes he/she has been the subject of any form of harassment should tell the person that his/her conduct is unwelcome and bring it to the attention of HUMAN RESOURCES or any member of the management team with whom he/she feels comfortable.





This is the appropriate and required course. Likewise, any employee who believes that he/she is being discriminated against because other employees are receiving favored treatment in exchange for sexual favors, must bring this to the attention of the HUMAN RESOURCES or any member of the management team with whom he/she feels comfortable. The very nature of discrimination and/or harassment may make it virtually impossible to detect unless the employee being discriminated against or harassed registers a complaint with one of Hale O Lahuli's representatives listed above. Consequently, in order for Hale O Lahuli to deal effectively with such issues, the employee must report the offensive conduct or situations at the earliest possible stage to HUMAN RESOURCES or any member of the management team with whom he/she feels comfortable. Regardless of who receives the initial report, the matter will be addressed and handled as appropriate.

An investigation of all allegations will be undertaken and all persons will be treated respectfully. Registering a complaint in good faith will in no way be used against an employee, nor will it have any adverse impact on the complaining individual's employment.

#### Investigating Complaints

Upon receiving a complaint of harassment, discrimination or retaliation, Hale O Lahuli will undertake an investigation and attempt to resolve the situation. Hale O Lahuli will take appropriate corrective action, as, and if, warranted. No adverse action will be taken against any employee who, in good faith, submits a complaint of harassment, discrimination or retaliation and/or provides information in support of such a complaint. Information relating to any investigation, including information provided by you or the fact of your participation in any investigation, will be revealed to individuals not associated with the investigation on a need-to-know basis only.

#### Disciplinary Action

After an appropriate investigation, any employee who is determined to have engaged in discrimination, harassment and/or retaliation in violation of Hale O Lahuli's policies, will be subject to disciplinary action, up to and including termination. The disciplinary action will be commensurate with the severity of the offense. Appropriate action also will be taken to deter any further violation of this policy.

#### Cooperation

Effective anti-discrimination and anti-harassment policies require the support and example of personnel in positions of authority. Any employee who engages in discrimination of any form, harassment or retaliation or who fails to cooperate with a Hale O Lahuli sponsored investigation of discrimination, harassment, or retaliation may be subject to disciplinary action, up to and including termination. Similarly, anyone who fails to implement remedial measures, obstruct the remedial efforts of other Hale O Lahuli employees, and/or retaliate against



complainants or witnesses may be subject to disciplinary action, up to and including termination.

### Anti-Retaliation Policy

Hale O Laulima is committed to enforcing its policies and taking whatever steps are necessary to foster a healthy work environment for all of its employees. Hale O Laulima cannot accomplish this if it is unaware of problems. Employees are, therefore, encouraged to use the Complaint Resolution Procedure to resolve issues.

Retaliation in any manner against any individual who makes a good faith report of discrimination, discriminatory harassment, or any violation of this policy is strictly prohibited. If you believe you have suffered retaliation for a good faith report, or you have knowledge that another employee has suffered retaliation for a good faith report, please follow the Complaint Reporting Procedure outlined above.

### Workplace Violence Prevention

Hale O Laulima is committed to preventing workplace violence and to maintaining a safe work environment. Hale O Laulima has adopted the following guidelines to deal with intimidation, harassment, or other threats of (or actual) violence that may occur during business hours or on its premises.

All employees, including supervisors and temporary employees, should be treated with courtesy and respect at all times. Employees are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others. Firearms, weapons, and other dangerous or hazardous devices or substances are prohibited from the premises of Hale O Laulima without proper authorization.

Conduct that threatens, intimidates, or coerces another employee, a customer, or a member of the public at any time will not be tolerated. This prohibition includes all acts of harassment, including harassment that is based on an individual's sex, race, age, or any characteristic protected by federal, state, or local law.

All threats of (or actual) violence, both direct and indirect, should be reported as soon as possible to your immediate supervisor or any other member of management. This includes threats by employees, as well as threats by customer, vendors, or other members of the public. When reporting a threat of violence, you should be as specific and detailed as possible. All suspicious individuals or activities should also be reported as soon as possible to a supervisor.

Hale O Laulima will investigate all reports of threats of (or actual) violence and of suspicious individuals or activities. The identity of the individual making a report will be protected as much as is practical.



Anyone determined to be responsible for threats of (or actual) violence or other conduct that is in violation of these guidelines will be subject to prompt disciplinary action up to and including termination of employment.

#### Non-Disclosure/Confidentiality

The protection of confidential business information, customer information, and trade secrets is vital to the interests and success of Hale O Laulima. Such confidential information includes, but is not limited to, the following examples:

1. Compensation data;
2. Financial information;
3. Marketing strategies;
4. Pending projects and proposals;
5. Proprietary production processes;
6. Personnel/payroll records, and
7. Customer information.

All employees are required to execute a Confidentiality Agreement as a condition of employment. Employees who improperly use or disclose trade secrets or confidential business information will be subject to disciplinary action, including termination of employment and legal action, even if they do not actually benefit from the disclosed information.

Employees are not to disclose information to any media outlet as a representative of Hale O Laulima. All media inquiries are to be directed to an employee's immediate supervisor or Hale O Laulima's designated media contact via detailed message from recipient.

Any communications related to any element of Hale O Laulima's business or operation in violation of this section could subject the employee to corrective action including termination.

#### Communications and Computer Use

Hale O Laulima's computer infrastructure and telephones are intended for the conducting Hale O Laulima's business.

Personal use during business hours is discouraged except for extreme emergencies. All personal telephone calls and emails should be kept brief to avoid congestion of the telephone line. Social media use is restricted to job related activities only.

To respect the rights of all employees and avoid miscommunication in the facility, employees must inform family members and friends to limit personal correspondence during working hours.

If an employee is found to be deviating from this policy, he or she will be subject to disciplinary action. Employee's must understand that there is no expectation of privacy with any



communications made utilizing Hale O Laulima property or systems or while physically on Hale O Laulima property, whether using Hale O Laulima-owned systems or personal.

#### Public Image and Dress Code

A professional appearance is important anytime that you come in contact with customers or potential customers. Employees should be well groomed and dressed appropriately for our business and for their position in particular.

Hale O Laulima provides cultivation staff and manufacturing staff with scrubs, which are laundered weekly. The following items are considered inappropriate working attire for Hale O Laulima cultivation facilities:

1. Open-toe shoes;
2. Shoes with holes;
3. Clothing, shoes, and/or undergarments that have been worn in another cultivation facility;
4. Unsecured hair; and
5. Consult your supervisor if you have any questions about appropriate work attire.

#### Drug and Alcohol Policy

Hale O Laulima is committed to providing a safe and productive workplace for its employees, which includes maintaining a drug and alcohol free workplace. In keeping with this commitment, the following rules regarding alcohol and drugs of abuse have been established for all staff members, regardless of rank or position, including both regular and temporary employees. The rules apply during working hours to all employees of Hale O Laulima while they are on Hale O Laulima premises or elsewhere on Hale O Laulima business.

#### Definitions

Drugs: "Illegally-used controlled substances" (encompasses narcotic and non-narcotic drugs, including prescription drugs used abusively) and "non-controlled" substances (over-the-counter medicines if they render one unfit for duty). Put another way, "Illegally-use controlled substances" are defined as prescription drugs (controlled substances) prescribed for a person other than the employee as well as "street" drugs or substances not commonly prescribed or dispensed by a physician. Alcohol also is a drug for purposes of this policy. Additionally, the use of any substance for the purpose of achieving a drug-like effect will fall under the prohibition against drugs.

Under the Influence: Means the presence of any drug or alcohol in the body as verified by laboratory tests, or impairment to any degree, as verified by appropriate field tests. Under the influence also shall mean the presence of alcohol or drugs as indicated by behavior that is reasonably construed to indicate the presence of alcohol or drugs.



Possession: Includes the presence of alcohol or drugs in the possession or control of the employee and in lockers, toolboxes, bags, parcels, lunch boxes, other personal articles, or personal automobiles while located on Hale O Lahuli property.

#### Drug and Alcohol Free Workplace General Requirements

Hale O Lahuli will make a good faith effort to maintain a workplace free of alcohol and drug abuse at all times through the implementation of the measures set forth herein;

Hale O Lahuli will expressly prohibit all employees from working under the influence of drugs or alcohol;

Hale O Lahuli will publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of drugs, and the abuse of drugs or alcohol is prohibited in the workplace, and specifying the actions that will be taken against employees for violation of these prohibitions;

Hale O Lahuli will refuse to hire or assign work to anyone Hale O Lahuli knows currently abuses drugs or alcohol and is not actively engaged in a bona fide drug or alcohol abuse assistance or rehabilitation program;

The HUMAN RESOURCES MANAGER will discuss the Drug and Alcohol Free Workplace Policy with all potential hires and provide a copy of the written Drug and Alcohol Free Workplace Statement prior to the commencement of association;

Hale O Lahuli will promptly inform the appropriate law enforcement agency of any drug-related crime that occurs in its workplace, whether the violation is confirmed or reasonably suspected;

Hale O Lahuli will establish drug and alcohol abuse awareness programs to inform employees about:

1. The dangers of drug and alcohol abuse in the workplace;
2. Hale O Lahuli's Drug and Alcohol Free Workplace Policy;
3. Any available drug or alcohol counseling, rehabilitation, and employee assistance programs; and
4. The penalties that may be imposed upon employees who abuse drugs and alcohol in the workplace.
5. Hale O Lahuli will take appropriate disciplinary action against an employee who violates the Drug and Alcohol Free Workplace Policy; and



6. Hale O Lahuli may require an employee who violates the Drug and Alcohol Free Workplace Policy to participate in and complete a bona fide drug or alcohol abuse assistance or rehabilitation program as a condition of continued future employment with Hale O Lahuli.

#### Use, Possession, Sale of Drugs or Alcohol or Criminal Convictions

The following is prohibited and may be grounds for discipline up to and including immediate termination:

1. Possession, use, distribution, sale, manufacture or offering of drugs, alcohol, or drug paraphernalia while on the job, in Hale O Lahuli's vehicles or on Hale O Lahuli's premises (including Hale O Lahuli parking lots and entry roads);
2. Reporting to work under the influence of alcohol or drugs or being under the influence of alcohol or drugs during working hours, on Hale O Lahuli premises or in Hale O Lahuli vehicles;
3. Unauthorized use of Hale O Lahuli property, including vehicles, for the storage or transportation of alcohol or drugs;
4. Use, possession, manufacture, distribution, dispensation, or sale of illegal drugs, controlled substances or alcohol or being under the influence of the same off Hale O Lahuli premises and which adversely affects the employee's work performance, his/her own or others' safety, or Hale O Lahuli's regard or reputation in the community; and
5. Conviction under or pleading guilty or nolo contendere to a criminal drug statute.

The above prohibitions shall not include drugs taken according to the verifiable prescription and direction of a licensed physician. However, an employee who, under a physician's guidance, is taking prescription drugs or other medication which may affect his/her ability to work safely is responsible for notifying his/her supervisor before beginning work. Whether an employee is taking a prescription drug, non-prescription drug or other medication, an employee who reports to work or who is observed at work and is incapable of safely performing his/her job may be subject to disciplinary action, which may include termination of employment. Employees who possess an STATE MEDICAL MARIJUANA REGISTRY CARD may medicate as necessary for their condition off Hale O Lahuli premises. No medicating may be done onsite. No used paraphernalia or medical marijuana medicine may be brought on Hale O Lahuli premises.

The manufacture, distribution, possession, sale, or purchase of controlled substances of abuse on Hale O Lahuli property is prohibited except those allowed by the applicable laws and regulations.

Being under the influence of illegal drugs, alcohol, or substances of abuse on Hale O Lahuli property is prohibited. Possessing any illegal drugs, alcohol, or substances of abuse including





narcotic prescriptions is prohibited on Hale O Lahuli property. Any prescription narcotic or opiate medicating must be done off Hale O Lahuli premises and narcotic and opiate prescriptions may not be on Hale O Lahuli premises. Working while under the influence of prescription drugs that impair performance is prohibited.

Taking trade or tips from customers in the form of illegal drugs, alcohol, or prescription medication is strictly prohibited. No discussion of illicit drugs is allowed on Hale O Lahuli premises between employees and customers.

The above rules are strictly enforced for insurance, legal and security purposes. Any violation of these rules will result in immediate termination.

#### Hiring and Drug Screening

Hale O Lahuli will do due diligence during the acquisition process to determine if any potential hire currently abuses drugs or alcohol, has a history of drug or alcohol abuse, or is at risk of developing patterns of alcohol or drug abuse. Due diligence will include, but is not limited to, asking potential hires about past and current use and abuse of drugs or alcohol, inspecting the social media profiles of potential hires and associates of potential hires to uncover signs of drug or alcohol abuse, asking previous employers and references about the potential hire's use of drugs or alcohol, and informing the potential hire of Hale O Lahuli's drug screening requirements and observing reaction to the information.

In addition, in accordance with SECTION of the RULES, Hale O Lahuli will require any prospective agent to submit to a drug screen prior to commencement of association. The drug screen will be carried out following the procedures set forth in COMAR 17.04.09.04-.08. In addition to the drugs to be screened in accordance with COMAR 17.04.09.06, the screen will include any other drugs required by the DOH.

All agents of Hale O Lahuli must also agree to submit to follow up drug screening if reasonably suspected to be abusing drugs or alcohol, or if reasonably suspected to be under the influence while at work.

Unless medically justified, any prospective hire who has a positive response to any tested substance on the pre-hire drug screen may not be employed by Hale O Lahuli. Unless medically justified, any current employee who has a positive response to any tested substance on a follow up drug screen will be required to take a leave of absence and satisfactorily participate in a bona fide drug or alcohol abuse assistance of rehabilitation program as a condition of continued future employment with Hale O Lahuli.

#### Follow-Up Drug Screening

Hale O Lahuli may require employees to submit to a drug or alcohol when it reasonably suspects that an employee is under the influence of alcohol or drugs or has used or possessed alcohol or drugs on Hale O Lahuli property or Hale O Lahuli time. This may arise in a variety of circumstances. Reasonable suspicion is defined as a suspicion that an employee, upon reporting for work, or while at work, is impaired by drugs or alcohol based upon an employee's



performance, appearance, or conduct or is suspected to be in possession of illegal drugs or drug paraphernalia or alcohol while on Hale O Lahuli property. The following are examples of reasonable suspicion:

1. Odor of alcohol or other intoxicants about the individual or on the individual's breathe;
2. Unusual or impaired speech, stumbling, weaving or other apparent loss of motor coordination;
3. Unexplained unusual behavior or other signs suggesting intoxication or influence of drugs;
4. The employee has caused a work-related accident, or operating a vehicle or other equipment involved in a work-related accident, or has been involved in any other workplace accident that causes injury to the employee or another employee or property damage;
5. Violation of Hale O Lahuli's written rules on drug and alcohol use on the job or at the job site;
6. Any serious incident considered by management to be a "near miss" may also be required to submit to a drug and/or alcohol test. Such an incident does not have to result in injury or property damage. A "near miss" is considered to be a serious occurrence, which potentially could have resulted in an injury to personnel or damage to property; and
7. The employee's supervisor must complete an Observable Behavior Form before an employee can be sent to a testing facility. Once the form is completed a copy must be filed in the employee's personnel file.

Employees have the right to refuse to take a drug and alcohol test. However, a refusal to take an alcohol or drug test will have the same effect as a positive test under this policy. When the decision to test has been made, the employee will be required to sign a "Consent and Release" form authorizing the laboratory to perform the tests and release the results to Hale O Lahuli. An employee who refuses to sign a "Consent and Release" form will be subject to termination.

#### Testing Procedures

When an employee is selected for testing, he or she will be immediately escorted to a testing center by a supervisor. Under this policy, employees will take either a breath test, blood test, hair sample or urinalysis test. The type of testing will be at Hale O Lahuli's discretion and expense. The supervisor will escort the employee to an approved laboratory, hospital or medical facility where a sample will be taken for testing. Any positive test will be confirmed by a confirmatory test.

Initial tests and confirmation of positive results will be performed at employer expense. Additional re-testing of positive results will be at the employee's expense.

#### Employee Assistance Program

If an employee tests positive on the first test required by Hale O Lahuli, Hale O Lahuli may provide the employee the opportunity to participate, at the employee's own expense or



pursuant to the employee's benefit plan, in a drug or alcohol counseling program. Failure to participate in the program or successfully complete the program will be grounds for immediate discharge. An employee who subsequently tests positive after being offered the opportunity to participate in a drug or alcohol treatment program shall be automatically terminated. An employee who tests positive after entering the Employee Assistance Program or completing the program will also be automatically terminated.

#### Recordkeeping

Hale O Lahuli will scan each agent's written declaration and upload it to the personnel record. All personnel records will be retained for whichever is longer: five (5) years or the length of the agent's association with Hale O Lahuli. All personnel records will be made available to the Commission for inspection upon request.

#### Disciplinary Action

Any agent who is convicted of a felony drug offense while employed with Hale O Lahuli will be terminated immediately;

Any agent who is convicted of a misdemeanor drug or alcohol offense (outside of the workplace), receives a citation for a drug or alcohol-related infraction (outside of the workplace), or reports personal abuse of drugs or alcohol (outside of the workplace) to Hale O Lahuli will be required to satisfactorily participate in a bona fide drug or alcohol abuse assistance or rehabilitation program;

The agent will be suspended without pay until the program has been completed;

The agent must begin the program within thirty (30) days of suspension;

Documentation of program completion must be provided to Hale O Lahuli and recorded in the personnel file;

Hale O Lahuli will assess whether the agent has made sufficient progress to safely return to work;

Hale O Lahuli will monitor the employee's behavior upon return to work;

Hale O Lahuli reserves the right to subject returning employees to random drug screening;

Hale O Lahuli will take formal disciplinary action against any agent who engages in the unlawful manufacture, distribution, dispensing, possession, or use of drugs in the workplace, which will likely include termination.

#### EMPLOYMENT APPLICATIONS AND REGISTRATION

##### Accuracy Required

We rely upon the accuracy of information contained in the employment application and the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in exclusion of the individual from further consideration for employment or, if the person has been hired, termination of employment.

##### Physical Examination



For certain positions or under certain circumstances and after an offer of employment, a physical examination may be required. When a physical examination is requested, the physical examination will be conducted by a Hale O Laulima-appointed physician at Hale O Laulima's expense. Employment and assignment will be conditional pending the receipt of a satisfactory physician's report.

#### Motor Vehicle Record (MVR) Inquiry

Prospective employees expected to drive Hale O Laulima vehicles must provide Hale O Laulima with current and acceptable motor vehicle driving information. Employment and assignment will be conditional pending the receipt of a satisfactory report from the Department of Motor Vehicles. Employees are required to follow all applicable local, state and federal motor and traffic laws, including, but not limited to, prohibitions against the use of cellular and/or mobile devices while operating a motor vehicle.

#### Criminal Background Check

Due to the hyper-regulated nature of Hale O Laulima's business, any/all employees are subject to approval by the DOH – employment is conditioned upon obtaining and maintaining approval from the DOH. Generally, under the provisions of the applicable law and regulations, an organization that is inclined to make an adverse decision on the basis of a law enforcement background check is required to provide the subject with the opportunity to dispute the accuracy of the report. The organization is also required to provide the following information: (a) a copy of the law enforcement background check; (b) information regarding which part of the law enforcement background check makes the person ineligible for the position; (c) a copy of the organization's law enforcement background check policy; and (d) the applicable information regarding the process for correcting a law enforcement background check. These checks will be pursuant to and compliant with all applicable state and federal laws and protections.

#### Employment Relationship

All employees will be required to register with the DOH in accordance with all applicable laws and regulations. DOH registration is a condition of employment with Hale O Laulima and must be confirmed prior to the commencement of the employment relationship. If the employee becomes ineligible for registration for any reason, Hale O Laulima is free to terminate the employment relationship immediately. You enter into employment voluntarily, and you are free to resign at any time for any reason or no reason. Similarly, Hale O Laulima is free to conclude its relationship with any employee at any time for any reason or no reason.

#### Employment of Relatives

Hale O Laulima discourages the employment of close relatives because it is not considered sound business practice. However, under certain conditions, management may waive this policy in favor of employing close relatives within the organization. Close relatives are defined as: spouse, mother, father, son, daughter, brother, sister, grandparent and in-laws.



## EMPLOYMENT CATEGORIES

### “Employees” Defined

An “employee” of Hale O Laulima is a person who regularly works for Hale O Laulima on a wage or salary basis. “Employees” may include exempt, non-exempt, regular full-time, regular part-time, and temporary persons, and others employed with Hale O Laulima who are subject to the control and direction of Hale O Laulima in the performance of their duties. Independent contractors may be subject to the terms and policies of this manual, but must not be eligible for any rights or benefits granted to employees of Hale O Laulima.

### Exempt

Exempt employees are generally salaried and fall into one or more of the following four classifications: executive, professional, administrative, or sales. These employees are exempt from the applicable provisions of state and federal wage and hour laws.

### Non-exempt

Non-exempt employees are eligible to receive overtime pay in accordance with state and federal wage and hour laws. Non-exempt employees are usually paid on an hourly basis and are required to submit an accurate time record for each pay period, approved by the appropriate supervisor, for the purpose of tracking hours worked and calculating compensation. Non-exempt employees are eligible for overtime pay according to the applicable provisions of state and federal wage and hour laws.

### Regular Full-time

Regular full-time employees are those employees who have completed the probationary period and who are regularly scheduled to work 32 or more hours per week. Generally, they are eligible for Hale O Laulima’s benefit package, subject to the terms, conditions, and limitations of each benefit program.

### Regular Part-time

Regular part-time employees are designated as “part-time” because they were hired with the intention that their work schedule may fluctuate in the number of hours assigned per week, as well as the specific days or hours of work. Regular part-time employees have completed the probationary period and are not eligible for some benefits.

### Temporary (Full-time or Part-time)

Those whose performance is being evaluated to determine whether further employment in a specific position or with Hale O Laulima is appropriate or individuals who are hired as interim replacements to assist in the completion of a specific project or for vacation relief. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary employees retain that status until they are notified of a change. They are not eligible for any of Hale O Laulima’s benefit programs.





## EMPLOYMENT ENVIRONMENT

### Employee Orientation and Training

Orientation is a formal welcoming process that is designed to make the new employee feel comfortable, informed about Hale O Laulima, and prepared for their position. New employee orientation is conducted by a management representative, and includes an overview of Hale O Laulima history, an explanation of Hale O Laulima core values, vision, and mission; and Hale O Laulima goals and objectives. In addition, the new employee will be given an overview of benefits, tax, and legal issues, and complete any necessary paperwork.

Employees are presented with all codes, keys, and procedures needed to navigate within the workplace. The new employee's supervisor then introduces the new hire to staff throughout Hale O Laulima, reviews the job description, explains Hale O Laulima's evaluation procedures, and helps the new employee get started on specific functions.

In accordance with applicable laws and regulations, employees receive compliance training upon hire and on an annual basis thereafter. Each new employee undergoes a comprehensive training program to ensure he or she performs their job functions at a high level and undergoes testing that confirms demonstration of measureable skills and knowledge. This training includes Hale O Laulima-created written training materials for each specific job function and detailed on-the-job training by the employee's supervisor. Hale O Laulima tailors training to the roles and responsibilities of each employee.

After initial training, employees receive, at a minimum, 8 hours of on-going training annually. Hale O Laulima documents all training provided, and obtains a signed attestation from each employee indicating the time, date, place her or she received training and the topics discussed, names and titles of presenters, and that the employee agrees to comply with all roles and responsibilities discussed within such training.

Employee training includes, but is not limited to, the following topics:

1. Mission and vision of Hale O Laulima to provide the highest levels of attention to professionalism and integrity with a focus on public safety;
2. Local, state and federal marijuana laws;
3. Record keeping, regulatory responsibilities, and confidentiality of Hale O Laulima information;
4. Personnel, product, and premise security; and
5. Hale O Laulima's procedure on emergency preparedness.

In addition, compliance training ensures that the employee understands the Employee Manual, including policies such as:

1. The right of Hale O Laulima to conduct video surveillance in all areas of the licensed premises 24 hours per day, 7 days per week;



2. The right of Hale O Laulima to conduct personal searches (consistent with applicable state and federal law);
3. Hale O Laulima as a drug and alcohol free workplace;
4. Hale O Laulima as a smoke-free workplace;
5. Hale O Laulima as a harassment-free workplace;
6. The safety responsibilities of all employees (including adhering to OSHA requirements);
7. Workplace violence prevention; and
8. Guidelines for appropriate conduct while at work.

A copy of the Employee Manual shall be provided to each new hire, and each such individual must return a signed attestation that they have read it, understand it, and agree to comply with it within one week of receipt of the same.

#### Probationary Period for New Employees

Hale O Laulima has a probationary period for new regular full-time and regular part-time employees consisting of the first 90 calendar days of their employment, measured from the date of hire. During this probationary period, employees have the opportunity to evaluate Hale O Laulima as a place to work. Hale O Laulima will evaluate an employee's work habits and abilities to make sure that the employee can perform his or her job satisfactorily. Performance, conduct and attendance will be evaluated along with other job-related factors and the introductory period will end if satisfactorily completed.

During this probationary period, both the employee and Hale O Laulima have the right to terminate employment without advance notice.

Upon satisfactory completion of the probationary period, a 90-day review will be given and benefits will begin as appropriate. All employees, regardless of classification or length of service, are expected to meet and maintain Hale O Laulima standards for job performance and behavior as outline in our Standards of Conduct section.

#### Work Hours

Hale O Laulima work hours vary depending on location of work. Your supervisor will inform you of the hours at your scheduled location.

Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variations in the total hours that may be scheduled each day and week. For the computation of various employee benefits, the employee workweek is considered to begin on Monday (starting at 12:00 a.m.) through Sunday (ending at 11:59 p.m.), unless a supervisor makes prior other arrangement with the employee.

You are responsible for accurately reporting your time. If you do not accurately report your time, you may be subject to disciplinary action, up to and including termination. If for any reason you cannot come to work, you are to notify your supervisor as soon as possible.

#### Meal Periods



Employees are allowed an unpaid, 30-minute meal period for each 8 hour period of work. Lunch breaks generally are taken on a staggered schedule so that your absence does not create a problem for co-workers or customers. Your supervisor will aid in staggering schedules to ensure proper coverage for the work location.

#### Break Periods

Hale O Lahuli provides time throughout the day for employees to take care of personal needs. Hale O Lahuli complies with all applicable federal, state and local laws regarding rest periods and breaks. If you have any questions regarding rest periods or the administration of rest periods in your department, contact your supervisor. Employees may not be required to work during a break period. Break area must be provided with adequate seating and tables in a clean and comfortable environment. Clean drinking water must be provided without charge. Employer must keep complete and accurate records of the break periods.

#### Personnel Files

Employee personnel files include the following: job application, job description, résumé, training records, agreements and attestations, salary history, records of disciplinary action and documents related to employee performance reviews, coaching, and mentoring. Personnel files are the property of Hale O Lahuli, and access to the information is restricted. Management personnel of Hale O Lahuli who have a legitimate reason to review the file are allowed to do so.

Employees who wish to review their own file should contact their supervisor. With reasonable advance notice, the employee may review his/her personnel file in Hale O Lahuli's office and in the presence of their supervisor or other management personnel.

Except as required by law, we do not release any personal information about you outside of Hale O Lahuli without your authorization.

#### Employee Information Changes

Cooperation with the HUMAN RESOURCES department is necessary if records are to be kept accurate and up-to-date. It is the responsibility of each employee to promptly notify their supervisor of any changes in personnel data required by applicable laws and regulations, and the Hawaii DOH at the time of agent registration, such as:

1. Full name;
2. Mailing address;
3. Telephone numbers;
4. Name and number of dependents;
5. Individuals to be contacted in the event of an emergency, and
6. Written acknowledgement by the individual of the limitations on his or her authorization to cultivate, harvest, prepare, package, possess, transport, and dispense marijuana for medical purposes in the STATE.

In accordance with applicable laws and regulations any changes in personnel data must be reported to the appropriate STATE Hawaii DOH by the agent's LICENSE TYPE within five



business days after any changes to the information that the LICENSE TYPE was previously required to submit to the Hawaii DOH, or after discovery that a registration card has been lost or stolen. An employee's personnel data should be accurate and current at all times.

#### Inclement Weather/Emergency Closures

At times, emergencies such as severe weather, fires, or power failures can disrupt Hale O Laulima operations. The decision to close the facility will be made by the location supervisor in coordination with the facility.

When the decision is made to close the facility, employees will receive notification from their supervisors.

Time off from scheduled work due to emergency closings will be unpaid for all non-exempt employees as defined in this employee manual.

#### Employee Performance Review And Planning Sessions

Supervisors will conduct performance reviews and planning sessions with all regular full-time and regular part-time employees after three months of service. Supervisors may conduct informal performance reviews and planning sessions more often if they choose.

Performance reviews and planning sessions are designed for the supervisor and the employee to discuss his/her current job tasks, encourage and recognize attributes, and discuss positive, purposeful approaches for meeting work-related goals. Together, employee and supervisor should discuss ways in which the employee can accomplish goals or learn new skills. The planning sessions are designed for the employee and his or her supervisor to make and agree on new goals, skills, and areas for improvement.

Hale O Laulima directly links wage and salary increases with performance. Your performance review and planning sessions will have a direct effect on any changes in your compensation. For this reason among others, it is important to prepare for these reviews carefully, and participate in them fully.

New employees will be reviewed at the end of their probationary period. After the initial review, the employee will be reviewed according to the regular semi-annual schedule. Hale O Laulima reserves the right to background check employees at any time during their employment.

#### Outside Employment

Employees may hold outside jobs in non-related businesses or professions as long as the employee meets the performance standards of their job description with Hale O Laulima. Unless a alternative work schedule has been approved by a supervisor, employees will be subject to Hale O Laulima's scheduling demands, regardless of any existing outside work assignments.



If Hale O Laulima determines that an employee's outside employment interferes with performance or the ability to meet the requirements of Hale O Laulima as they are modified from time to time, the employee may be asked to terminate the outside employment if he or she wishes to remain with Hale O Laulima.

Hale O Laulima's facility space, equipment, and materials are not to be used for outside employment or personal use without approval from the employee's supervisor.

#### Termination of Employment

Termination of employment is an inevitable part of personnel activity within any organization, and many of the reasons for termination are routine. Below are a few examples of some of the most common circumstances under which employment is terminated:

Resignation – voluntary employment termination initiated by an employee;

Dismissal – involuntary employment termination initiated by Hale O Laulima; and

Layoff – involuntary employment termination initiated by Hale O Laulima for non-disciplinary reasons.

As an employee-at-will, you have the right to resign if you wish. Should circumstances require that you leave us, please notify your supervisor as soon as possible. Advance notice helps in preparation and prompt payment of your final check. It also permits us to give you complete information on how you can protect your insurance benefits.

Any employee who terminates employment with Hale O Laulima must return all files, records, keys, and any other materials that are property of Hale O Laulima, including any government issued authorizations/permits/badges that are tied to Hale O Laulima. No final settlement of an employee's pay will be made until all items are returned in appropriate condition. The cost of replacing non-returned items will be deducted from the employee's final paycheck. Furthermore, any outstanding financial obligations owed to Hale O Laulima will also be deducted from the employee's final check.

Employee's benefits will be affected by employment termination in the following manner. All accrued vested benefits that are due and payable at termination will be paid. Some benefits may be continued at the employee's expense (see Benefits and Services section) if the employee elects to do so. The employee will be notified of the benefits that may be continued and of the terms, conditions, and limitations.

#### Tobacco Products

The use of tobacco products is not permitted anywhere on Hale O Laulima's premises except in authorized and designated locations outside the facility. Employees must follow all rules posted in designated smoking areas and adhere to all policies associated with this policy (see Safety).

#### Internet/Email Use





Hale O Lahuli employees are allowed use of the Internet and e-mail when necessary to conduct Hale O Lahuli business.

Employees may use the Internet and email when appropriate to access information needed to conduct business of Hale O Lahuli. Employees may use e-mail when appropriate for Hale O Lahuli business correspondence.

Use of the Internet and email must not disrupt operation of Hale O Lahuli computer network. Use of the Internet must not interfere with an employee's productivity. Employees are responsible for using the Internet and email in a manner that is ethical and lawful. Employees may not write, send or receive data through the internet or email that contains content that could be considered discriminatory, offensive, obscene, threatening, harassing, intimidating or disruptive to any employee or other person. Examples of unacceptable content include (but are not limited to) sexual comments or images, racial slurs, gender-specific comments or other comments or images that could reasonably offend someone on the basis of race, age, sex, religious or political beliefs, national origin, disability, sexual orientation or any other characteristic protected by law.

The confidentiality of any information stored on Hale O Lahuli's computer or telephone systems, including but not limited to voicemails/document/dates/e-mail, should not be expected or assumed. No employee should have any expectation as to privacy as to his or her Internet usage, computer usage or telephone usage—whether made using Hale O Lahuli-provided computers or telephones or even personal equipment if utilized at Hale O Lahuli's premises. Even when a document is erased, it is still possible to retrieve and read it. Further, the use of passwords for security does not guarantee confidentiality.

Internet messages are public and not private. Hale O Lahuli reserves the right to access and monitor all files and messages on its systems. Likewise, law enforcement may confiscate all computer property from our locations. Therefore, it is of utmost importance to ensure that Internet communications done are appropriate to your job scope and will not reflect negatively on Hale O Lahuli should legal matters arise.

Notwithstanding Hale O Lahuli's right to retrieve and read any documents, material, or e-mail, they should be treated as confidential by other employees and accessed only by individuals authorized to do so. Employees are not to retrieve or read any documents, materials, or e-mails stored by another employee without the latter's or Hale O Lahuli's prior approval.

The use of personal passwords, assigned to the employee, is not grounds for an employee to claim privacy rights in the electronic or communications systems. Hale O Lahuli reserves the right to override personal passwords. Employees are required to disclose passwords or codes to Hale O Lahuli to allow access to the systems.

Use of Hale O Lahuli Resources



Use of Hale O Laulima time, equipment, or any other resources for any non-work related reason is strictly prohibited unless authorized by a supervisor and may result in termination.

## Safety

The safety and health of our employees is our foremost business consideration. No employee will be required to do a job that he or she considers unsafe. Hale O Laulima will comply with all applicable workplace safety and health requirements and maintain occupational safety and health standards that equal or exceed the best practices in the industry.

Hale O Laulima will maintain a safety committee, which consists of management and our employees. Our responsibility will be identifying hazards and unsafe work practices, removing obstacles to accident prevention, and helping evaluate Hale O Laulima's effort to achieve an accident and injury-free workplace. Hale O Laulima pledges to do the following:

1. Strive to achieve the goal of zero accidents and injuries;
2. Provide mechanical and physical safeguards wherever they are necessary;
3. Conduct routine safety and health inspections to find and eliminate unsafe working conditions, control health hazards, and comply with all applicable OR-OSHA safety and health requirements;
4. Train all employees in safe work practices and procedures;
5. Provide employees with necessary personal protective equipment and train them to use and care for it properly;
6. Enforce Hale O Laulima safety and health rules and require employees to follow the rules as a condition of employment; and
7. Investigate accidents to determine the cause and prevent similar accidents.

Hale O Laulima recognizes that the owners, supervisors, and all other employees share responsibility for a safe and healthful workplace. Management is accountable for preventing workplace injuries and illnesses. Management will consider all employee suggestions for achieving a safer, healthier workplace. Management will maintain an informed level of current workplace safety and health hazards, and regularly review Hale O Laulima's safety and health programs.

All employees have responsibility for their own safety as well as for the safety of their fellow workers. They are expected to participate in the safety and health programs which includes immediately reporting accidents, hazards, and unsafe work practices to a supervisor or safety committee representative, wearing required personal protective equipment, and participating in and supporting safety committee activities.

Hale O Laulima provides information to employees about workplace safety and health issues through regular internal communication such as:

1. Policies and procedures;
2. Training sessions;
3. Team meetings;



4. Bulletin board postings;
5. Memorandums; and
6. Other written communications.

Each employee is responsible for reading the above communications, asking for clarification and is expected to obey safety rules and exercise caution and common sense in all work activities. In the case of an accident that results in injury, regardless of how insignificant the injury may appear, employees should notify their supervisor and complete an incident accident report (see Employee Requiring Medical Attention section).

#### Employee Requiring Medical Attention

In the event an employee requires medical attention, whether injured or becoming ill while at work, the employee's personal physician or the workers' compensation recommended physician must be notified immediately. If it is necessary for the employee to be seen by the doctor or go to the hospital, a family member or emergency contact will be called to transport the employee to the appropriate facility. If an emergency arises requiring Emergency Medical Services to evaluate the injury/illness of an employee on-site, the employee will be responsible for any transportation charges. Furthermore, Hale O Laulima's employees will not be responsible for transportation of another employee due to liabilities that may occur. A physician's "return to work" notice may be required.

#### Building Security

All employees who are issued keys or security codes to the facility are responsible for their safekeeping. These employees will sign a Building Key and Security Code Disbursement Agreement. Additionally, all employees are required to complete Security Training in accordance with Hale O Laulima's PLAN TITLE. In accordance with applicable laws and regulations any employee who leaves any keys in a lock or keys or security codes in a location accessible to an unauthorized person may be reprimanded or terminated.

The last employee, or a designated employee, who leaves the facility at the end of the business day assumes the responsibility to ensure that all doors are securely locked, the alarm system is armed, thermostats are set on appropriate evening and/or weekend setting, and all appliances and lights are turned off with exception of the lights normally left on for security purposes. Employees are not allowed on Hale O Laulima property after hours without prior authorization from their supervisor.

In accordance with applicable laws and regulations, each LICENSE TYPE must have an adequate security system to prevent and detect diversion, theft, or loss of marijuana or unauthorized intrusion, utilizing commercial grade equipment, including but not limited to panic buttons, alarm system with silent alarm capabilities, and 24 hour video monitoring of all areas of the LICENSE TYPE. You will be oriented to the location and use of this equipment for your



protection and will be responsible to follow policy requiring closing staff to leave the work facility with a co-worker.

#### Insurance on Personal Effects

All employees should be sure that their own personal insurance policies cover the loss of anything occasionally left at the facility. Hale O Laulima assumes no risk for any loss or damage to personal property.

#### Supplies; expenditures, obligating Hale O Laulima

Only authorized persons may purchase supplies in the name of Hale O Laulima. No employee whose regular duties do not include purchasing must incur any expense on behalf of Hale O Laulima or bind Hale O Laulima by any promise or representation without written approval.

#### Expense Reimbursement

Expenses incurred by an employee must have prior approval by a supervisor. Reimbursement will be made after providing receipts to your supervisor and paid through petty cash on hand or through paycheck payroll reimbursement. Receipts are to be turned in daily unless travelling. Mileage is to be turned in bi-weekly.

#### Parking

Employees must park their cars in areas designated by Hale O Laulima.

#### Visitors in the Workplace

To provide for the safety and security of employees, customers, and the facilities of Hale O Laulima, no visitors are allowed in the workplace. Restricting visitors helps ensure security, decreases insurance liability, protects confidential information, safeguards employee welfare, avoids potential distractions and disturbances and complies with all State restrictions.

#### Compliance with Immigration Laws

Hale O Laulima employs only United States citizens and those non-U.S. citizens authorized to work in the United States in compliance with the Immigration Reform and Control Act of 1986. Each new employee, as a condition of employment, must complete the [Employment Eligibility Verification Form I-9](#) and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the form if they have not completed an I-9 with Hale O Laulima within the past three years or if their previous I-9 is no longer retained or valid.

#### Solicitation

No person (including customers, visitors, and staff), organization or agency may solicit, conduct business or raise funds on Hale O Laulima property unless approved by management. Solicitation must be defined as any effort to sell goods or services or to raise money on behalf of any Hale O Laulima, club, society, religious organization, political party, or similar



organization and/or the distribution of any materials such as leaflets or flyers for those organizations unless approved by management.

## STANDARDS OF CONDUCT

### Standards of Conduct & Corrective Action

The standards of conduct for Hale O Lahuli are important, and Hale O Lahuli regards them seriously. All employees are urged to become familiar with these rules and standards. In addition, employees are expected to follow the rules and standards faithfully in doing their own jobs and conducting Hale O Lahuli's business. Please note that any employee who deviates from these rules and standards will be subject to corrective action, up to and including termination of employment.

While not intended to list all the forms of behavior that are considered unacceptable in the workplace, the following are examples of rule infractions or misconduct that may result in disciplinary action, including immediate termination of employment:

1. Theft or other criminal activity in any form;
2. Any action that is not in compliance with Hawaii DOH rules for medical marijuana, and all other applicable laws and regulations;
3. Frequent absenteeism or absenteeism without proper notice;
4. Insubordinate behavior;
5. Vandalism or destruction of Hale O Lahuli property;
6. Being on Hale O Lahuli property during non-business hours;
7. The use of Hale O Lahuli equipment and/or Hale O Lahuli vehicles without supervisor approval;
8. Untruthfulness about criminal or personal work history, skills, or training;
9. Divulging Hale O Lahuli security practices or business practices;
10. Misrepresentations of Hale O Lahuli to a customer, a prospective customer, the general public, or an employee;
11. Violation of Hale O Lahuli's Equal Employment Opportunity Policy, Anti-Harassment, Anti-Discrimination or Anti-Retaliation Policies;
12. Violation of Hale O Lahuli's Drug and Alcohol Free Workplace Policy;
13. Non-cooperation with other employees;
14. Disrespectful behavior towards other employees (including the use of inappropriate or offensive language) vendors, or customers;
15. Falsification of time keeping records (see Timekeeping);
16. Falsification of customer records;
17. Sexual or other unlawful or unwelcome harassment;
18. Sale, distribution, possession of, or being under the influence of illegal drugs in the course of work activities and/or while on Hale O Lahuli property (see Substance Abuse);
19. Negligence or improper conduct, (example: horseplay, graffiti) leading to damage or defacement of Hale O Lahuli or customer property;





20. Excessive absenteeism or tardiness;
21. Fighting or threatening violence in the workplace or on Hale O Laulima property;
22. Possession of dangerous or unauthorized materials such as explosives or weapons;
23. Activities which interfere with regular working hours, job responsibilities, or productivity;
24. Failure to maintain good housekeeping and sanitation in the facility;
25. Abuse of Hale O Laulima telephones or other equipment;
26. Failure to report any of the following to the LICENSE TYPE GENERAL MANAGER in accordance with applicable laws and regulations;
27. Discrepancies identified during inventory, diversion, theft, loss, and any criminal action involving the LICENSE TYPE or a cultivation agent;
28. Any suspicious act involving the sale, cultivation, distribution, processing, or production of marijuana by any person;
29. Unauthorized destruction of marijuana;
30. Any loss or unauthorized alteration of records related to marijuana, registered qualifying customers, personal caregivers, or LICENSE TYPE AGENTS;
31. An alarm activation or other event that requires response by public safety personnel;
32. The failure of any security alarm system due to a loss of electrical power or mechanical malfunction that is expected to last longer than eight hours; and
33. Any other breach of security.

Any other conduct deemed to not be in the best interests of Hale O Laulima including but not limited to, conduct that, in the opinion of Hale O Laulima reflects adversely on the employee or Hale O Laulima, is unprofessional or unbecoming to the employee, results in a loss of confidence or trust in the employee, indicates an incompatibility of any kind between Hale O Laulima and the employee, damages or hurts Hale O Laulima's reputation, adversely affects relations with customers or vendors, or is inconsistent with reasonable rules of conduct necessary to the welfare of Hale O Laulima, its business, or its employees, customers, or vendors of Hale O Laulima.

The above list of prohibited conduct is illustrative only. Other types of conduct that Hale O Laulima considers to be detrimental to security, safety, employee welfare, business or Hale O Laulima's best interests may also result in disciplinary action, up to and including immediate discharge. The above list of prohibited conduct does not alter the "at-will" nature of employment with Hale O Laulima. Either the employee or Hale O Laulima remains free to terminate the employment relationship at any time, with or without reason or advance notice. When an employee deviates from these rules and standards, Hale O Laulima expects the employee's supervisor to take corrective action. Corrective action at Hale O Laulima is typically progressive. That is, the action taken in response to a rule infraction or violation of standards typically follows a pattern increasing in seriousness until the infraction or violation is corrected. The usual sequence of corrective actions includes an oral warning, a written reprimand, probation, and finally termination of employment. In deciding which initial corrective action



would be appropriate, a supervisor will consider the seriousness of the infraction, the circumstances surrounding the matter, and the employee's previous record. Though committed to a progressive approach to corrective action, Hale O Lahuli considers certain rule infractions and violations of standards as grounds for immediate termination of employment. Although it would be impossible to make a comprehensive list of all work rules that could result in disciplinary action of any kind, the list contained in this section constitutes some of the activities that could result in disciplinary action, up to and including immediate discharge if an employee violates any one of them.

#### Compliance with STATE Marijuana Law

Hale O Lahuli employees work in a regulated industry. Therefore, strict adherence to the Hawai'i Medical Use of Marijuana/RULES, Hawaii DOH rules, and all other applicable laws and regulations is required. Many local ordinances also apply. Make sure you are familiar with local laws in your area of residence. Facility managers will be completing a Facility Audit Log to ensure facility compliance. If you ever have a question regarding appropriate conduct, please notify your supervisor. If an answer is not provided in a timely manner, continue to request information from all supervisors, the PRESIDENT, or the BOARD OF DIRECTORS until a thorough, clear answer is provided.

The applicable STATE laws and regulations outline certain acts of licensees which are strictly prohibited and may result in the revocation of the agent's registration as well as their affiliated LICENSE TYPE registration, in addition to possibly resulting in other potential criminal penalties. These unlawful acts include but are not limited to:

Consumption or the allowance of consumption of medical marijuana on a the property of premises of a LICENSE TYPE;

Permitting the fraudulent use of a medical marijuana registry card;

Possess marijuana off-site unless acting in an official capacity or as a registered caregiver or patient, if acceptable per the Act/rules in effect at the time;

Operating a medical marijuana business without a certificate of registration;

Accessing a limited access area without proper identification;

Failing to designate with a sign all limited access areas;

Display of signage that has not been approved by the Hawai'i Medical Use of Marijuana, the RULES or the Hawaii DOH;

Employing a person under 21 years of age to work in a licensed facility;

Acquiring, possessing, cultivating, delivering, transferring, transporting, supplying, or dispensing marijuana for any purpose except to assist registered qualifying patients;

Acquiring marijuana or marijuana plants except through the cultivation of marijuana by an establishment approved to cultivate marijuana under the laws of STATE; and

Offering anything of value to a physician in exchange for referrals to the licensee.



It is your responsibility to act within these guidelines both on and off the job. Violating any of the above unlawful acts may result in prosecution and is grounds for immediate termination. You must report any law enforcement encounter, other than minor traffic violations, immediately to your supervisor. Not reporting this vital information can lead to immediate termination.

Be mindful that violation of any of these laws can jeopardize the continued operations of our entire organization.

### Attendance and Punctuality

Hale O Lahuli expects that every employee will be regular and punctual in attendance. This means being in the office, ready to work, at their starting time each day. Absenteeism and tardiness places a burden on other employees, our customers and on Hale O Lahuli.

If you are unable to report for work for any reason, notify your supervisor before regular starting time. You are responsible for speaking directly with your supervisor about your absence. In the case of leaving a voice-mail message, a follow-up call must be made within two hours. Email and text are not appropriate methods of communicating an absence.

Should undue tardiness become apparent, disciplinary action may be required.

If there comes a time when you see that you will need to work some hours other than those that make up your usual work week, notify your supervisor at least seven working days in advance. Each request for special work hours will be considered separately, in light of the employee's needs and the needs of Hale O Lahuli. Such requests may or may not be granted.

### LEAVE OF ABSENCE

#### Family Medical Leave Act

The Family Medical Leave Act (FMLA) is intended to allow employees to balance their work and family life by taking reasonable unpaid leave for medical reasons, for the birth or adoption of a child, for the care of a child, spouse or parent who has a serious health condition, to attend to the qualifying exigency of a covered service member, or to provide care for a covered service member. Eligible employees may request a family medical leave of absence under the circumstances described below. The decision to use FMLA leave is not the employee's. Any time off for the reasons described below will be counted as FMLA leave to the greatest extent permitted by law. In addition, you may qualify for additional benefits beyond FMLA if you qualify under the Hawaii Family Leave Law.

#### Eligibility

An eligible employee may request up to 12 weeks of unpaid Family Medical leave during any 12-month calendar year beginning with January 1st.

Employees are eligible if they have worked for Hale O Lahuli for at least 12 months (which need not be continuous), and for 1,250 hours during the 12 months immediately prior to the family medical leave of absence. To be eligible, employees must be employed at a worksite where there are 50 or more employees of Hale O Lahuli within a 75-mile radius. Some



employees holding “key” positions within the organization should discuss their eligibility for the benefits under the FMLA with HUMAN RESOURCES.

### Types of Leave Covered

Eligible employees may request unpaid FMLA leave for any of the following reasons:

1. To care for the employee’s child after birth, or placement for adoption or foster care;
2. To care for the employee’s spouse, son, daughter, or parent, who has a serious health condition;
3. For a serious health condition that makes the employee unable to perform the employee’s job; or
4. A qualifying exigency or military caregiver leave, as described below.
5. Absences for any FMLA-qualifying reason are counted towards an employee’s FMLA leave time. FMLA leaves for the birth, adoption, or foster placement of a child with the employee must be concluded within one (1) year of the birth, adoption, or foster care placement of the child.

### Definition of Serious Health Condition

A “serious health condition” under the FMLA generally means an illness, injury, impairment, or physical or mental condition that (a) involves inpatient care in a hospital, hospice or residential medical care facility or (b) involves continuing treatment by a health care provider and either requires an absence from work, school or other regular activities of more than three calendar days, or would require such extended absence if the continuing medical treatment was not being received. (For example, a cancer condition which would require long-term absence from work except that the employee is receiving periodic chemotherapy treatments). Depending on the circumstances, it can also involve a chronic health condition or pregnancy related issues. You are encouraged to consult with HUMAN RESOURCES if you have questions about what illnesses are covered under this policy.

### Qualifying Exigency Leave

Eligible Hale O Lahuli employees with a spouse, son, daughter, or parent on covered active duty (or who has been notified of an impending call or order to active duty) in the Armed Forces may use their 12-week leave entitlement to address certain qualifying exigencies. Covered active duty includes deployment to a foreign country. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counselling sessions, and attending post-deployment reintegration briefings.

This leave may commence as soon as the individual receives the call up notice. Son or daughter for this type of leave is defined as the same as child for other types of leave except that the person does not have to be a minor. This type of leave would be counted toward the employee’s 12-week maximum of FMLA leave in a 12-month period.

### Military Caregiver Leave



An eligible employee may take up to 26 weeks of unpaid leave during any single 12-month period to care for the employee's spouse, son, daughter, parent, or next of kin who is a covered military service employee and incurred a serious injury or illness in the line of military duty, or who experienced the aggravation of an existing or pre-existing condition in the line of active duty. The single 12-month period is measured forward from the date leave begins. A covered service member is either a current employee or veteran of the Armed Forces, including members and retired members of the National Guard or Reserves. A serious injury or illness is one that may render the covered service member medically unfit to perform his or her duties for which the service member is undergoing medical treatment, recuperation, or therapy; or is in outpatient status; or is on the temporary disability retired list.

Covered service employees also include veterans who began treatment, recuperation, or therapy for a serious injury or illness within five years after leaving the service. The serious injury or illness may have manifested before or after the individual became a veteran (such as Post Traumatic Stress Disorder).

#### Notice

The employee may be required to provide advance leave notice and medical certification. Taking of leave may be denied if requirements are not met:

1. The employee ordinarily must provide 30 days advance notice when the leave is "foreseeable";
2. If the leave is not foreseeable, the employee must notify Hale O Laulima of their request for leave as soon as they are aware of the need for the leave. For events that are unforeseeable 30 days in advance, but are not emergencies, the employee must notify their HUMAN RESOURCES department as soon as practicable and must comply with Hale O Laulima's usual and customary call-in procedures which involves notifying the employee's supervisor;
3. If the leave is requested in connection with a planned, non-emergency medical treatment, the associate may be requested to reschedule the treatment so as to minimize disruption of Hale O Laulima's operations;
4. Employees requesting Military Caregiver Leave or Qualifying Exigency Leave under the FMLA must notify Hale O Laulima of their request as soon as is reasonable and practicable;
5. Notice should be given to HUMAN RESOURCES, and it must include sufficient factual information for Hale O Laulima to decide whether there are qualifying circumstances for the FMLA leave. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Employees must also inform Hale O Laulima if the requested leave is for a reason for which FMLA leave was previously taken or certified;





6. This notice must also be in writing and must set forth the reasons for the requested leave, the anticipated duration of the leave, and the anticipated start date of the requested leave. Within five (5) business days of receiving notice, Hale O Lahilima will provide information about the leave and the employee's obligations concerning the leave; and
7. If an employee fails to give the required notice for foreseeable leave with no reasonable excuse, FMLA leave may be denied until the employee provides adequate notice of the need for leave.

#### Certification

Any request for FMLA leave for a serious health condition, to care for a child, spouse or parent with a serious health condition, or because of a service member's injury or illness must be supported by an appropriate medical certification from a health care provider. If an employee requests leave for any "qualifying exigency" (as defined above), the employee must also provide timely certification.

Hale O Lahilima may require a second or third opinion (at its own expense), periodic reports on the employee's status and intent to return to work, and a fitness-for-duty report to return to work. All documentation related to the employee's or family employee's medical condition will be held in strict confidence and maintained in the employee's medical records file.

Contact the HUMAN RESOURCES office for information on how to request a leave and how to certify a serious health condition.

#### Pay and Benefits

An employee using FMLA leave must exhaust all accrued and available paid vacation, personal or family leave during his or her period of FMLA leave. The remainder of the leave, if any, will be unpaid. To the extent that an employee is entitled to take FMLA leave pursuant to this policy, and under the same circumstances is also entitled to take one or more kinds of leave pursuant to other Hale O Lahilima policies or practices, both the FMLA and otherwise available leaves will be deemed to be taken concurrently.

During FMLA leave, Hale O Lahilima will continue to provide group health, dental, and life insurance plan and long-term disability plan if the employee is otherwise eligible for such benefits under the same terms and conditions that such benefits are provided to active employees. Employee contributions (for employee portion of health and dependent coverage, additional life, transit, parking and flex plan) will be required either through payroll deduction or by direct payment to Hale O Lahilima. The employee will be advised in writing at the beginning of the leave period as to the amount and method of payment. Employee contribution amounts are subject to any change in rates that occurs while the employee is on leave. An employee's failure to remit his or her share of these costs may result in cancellation of benefits. If Hale O Lahilima pays the employee contributions missed by the employee while on leave, the employee will be required to reimburse Hale O Lahilima for delinquent payments (on a payroll deduction schedule) upon return from leave. The employee will be required to sign a



written statement at the beginning of the leave period authorizing the payroll deduction for delinquent payments.

Under certain circumstances, Hale O Laulima may recoup the cost of such benefits from certain employees who do not return to work for at least 30 days after the leave. An employee is not entitled to benefit accrual during periods of unpaid leave but will not lose anything accrued prior to the start of leave.

#### Intermittent Leave

Under some circumstances, FMLA leave may be taken intermittently or on a reduced schedule. "Intermittent" leave is taken in separate blocks of time due to a single illness or injury, rather than for one continuous period of time. "A reduced leave schedule" is a leave schedule that reduces an employee's usual number of working hours per workweek, or per workday. Proper medical certification and approval is required before an intermittent or reduced schedule leave is granted.

For the birth or placement of a child, intermittent leave is not permitted, although FMLA leave may be approved on a reduced schedule. Any time taken before the birth or actual placement of the child will be counted towards the 12 weeks entitled under the FMLA.

A husband and wife who are eligible for FMLA leave and who both work for Hale O Laulima, are permitted to take only a combined total of 12 weeks of leave, unless FMLA leave is required for care of a newborn child with a serious health condition.

#### Employer's Responsibility

Hale O Laulima will inform employees requesting leave whether they are eligible under the FMLA. If they are, the notice will specify any additional information required as well as the employee's rights and responsibilities. If an employee is not eligible for FMLA leave, Hale O Laulima will provide at least one reason for the ineligibility.

Hale O Laulima will also inform employees if leave will be designated as FMLA-protected and the amount of leave counted against the employee's leave entitlement. If Hale O Laulima determines that the leave is not FMLA-protected, Hale O Laulima will notify the employee of that determination.

#### Reinstatement to Work after Leave

Upon return to work from an FMLA leave, the employee shall be reinstated to his/ or her former position or, if such position is not available, to an equivalent position with equivalent benefits, pay, and terms and conditions of employment. Before an employee returns to work, Hale O Laulima also requires the employee to provide a fitness-for-duty certification that he or she is able to return to work. For employees on intermittent or reduced leave, Hale O Laulima may require medical certification for an employee to return from such an absence up to once every 30 days if reasonable safety concerns exist regarding the employee's ability to perform his or her duties.



### Work While on FMLA Leave

In accordance with Hale O Lahuli policy, an employee may not work for another employer while on FMLA leave.

Questions, forms, and approval of a FMLA should be discussed with the HUMAN RESOURCES office. For additional information regarding your rights and responsibilities under the FMLA, please see the Employee Rights and Responsibilities Under the Family and Medical Leave Act, WHD Publication 1420, provided in the appendix to this manual.

### Military Leave

Employees who are part of the National Guard or Active Reserve, and are called up for active duty, enlist, or are drafted in response to an order will be granted a Military Leave of absence in accordance with terms set forth in the Uniformed Services Employment and Reemployment Rights Act ("USERRA"). USERRA applies to all employees who voluntarily or involuntarily perform services in the Armed Forces, Army National Guard, Public Health Services, or any other category of service designated by the President in time of war or emergency. Hale O Lahuli complies with the USERRA and all other applicable federal and state laws regarding military leave.

Advance notification of an employee's absence is required unless circumstances prohibit it. In all cases, proper documentation must be provided according to USERRA. If you have any questions about Military Leave, please ask HUMAN RESOURCES.

### Military Family Leave

During the time federal or state deployment orders are in effect for a family member of an employee, the employee may be eligible for up to 30 days of unpaid family military leave. To be eligible for this leave, employees must have worked for 12 consecutive months prior to the leave, and have been employed at least 1,250 hours of service during the 12-month period. Employees seeking to take family military leave must give at least 14 days notice of the intended date upon which the family military leave will commence if leave will consist of five or more consecutive work days. Employees taking less than five days leave must give the employer notice as soon as is possible. Military Family Leave will run concurrently with FMLA leave to the greatest extent permitted by law.

### Jury Duty and Witness Duty Leave

Hale O Lahuli encourages employees to perform the important civic role of jury duty. If you are called to jury duty, please notify your supervisor or HUMAN RESOURCES as soon as possible so that arrangements can be made to cover your job duties in your absence.

Occasionally, employees may be legally compelled to attend a judicial proceeding, or to serve as a witness in a judicial proceeding. In these circumstances, an employee's attendance at work will be excused. An employee must notify his or her supervisor immediately upon receiving a summons or subpoena compelling attendance at a judicial proceeding and must present the



summons or subpoena to his or her supervisor. An employee charged with a crime, who is required to attend a judicial proceeding, is not covered by this policy. Jury and witness duty leave will be applied according to applicable federal, state and county requirements.

#### Voting Leave

Hale O Lahuli encourages all employees to fulfill civic responsibilities and to vote in all official public elections. Generally, an employee's working hours are such that he or she will have ample time to cast their vote before or after working hours. However, if you find yourself with insufficient time to vote, please discuss the matter with your supervisor. Hale O Lahuli complies with all applicable state and federal voting time laws.

#### Emergency Response Leave

Pursuant to state law, Hale O Lahuli provides unpaid leave to an employee who is a volunteer emergency worker and who is required to be absent or late to work in order to respond to an emergency. Employees must make a reasonable effort to notify Hale O Lahuli of the need to be absent or late and may be required to provide Hale O Lahuli with a written statement from the supervisor of the volunteer emergency entity certifying that the employee responded to an emergency. Hale O Lahuli complies with all federal, state and county laws regarding emergency response leave.

#### Domestic and Sexual Violence Victim Leave

Pursuant to state law, Hale O Lahuli provides up to twelve (12) weeks of unpaid leave to an eligible employee who is the victim of domestic or sexual violence, or who has a family or household member victimized by such violence. Such leave is provided to employees in order for them to participate in various activities, as prescribed by law. Any domestic and sexual violence victim leave may be taken intermittently or on a reduced work schedule. Any employee seeking domestic and sexual violence victim leave must provide Hale O Lahuli with forty-eight (48) hours advanced notice, unless such notice is not practicable. Hale O Lahuli may require the employee to provide certification that the employee or the employee's family or household member is a victim of domestic or sexual violence and that the leave is for a purpose enumerated under the law. Hale O Lahuli will abide by all applicable laws concerning domestic and sexual violence victim leave.

#### Blood Donation Leave

Pursuant to state law, Hale O Lahuli permits full-time employees to take paid leave for the purpose of donating blood. Employees eligible for such paid leave must have worked for Hale O Lahuli on a full-time basis for a period of six (6) months or more. Eligible employees may take up to one hour of paid leave for the purpose of donating blood every fifty-six (56) days in accordance with appropriate medical standards. Any employee seeking leave for blood donation must receive permission from Hale O Lahuli, (specifically HUMAN RESOURCES), and Hale O Lahuli, in its sole discretion, may refuse the employee's request.

#### School Visitation Leave



Pursuant to state law, Hale O Lahuli permits eligible employees to take eight (8) hours of unpaid school visitation leave per year. No more than four (4) hours of such leave may be used in one day. In order to be eligible for such leave, the employee must have been employed at Hale O Lahuli for at least six (6) months and work at least one-half of full-time hours. An employee must exhaust all other leave (including paid time off), except medical and disability leave, in order to receive school visitation leave.

#### Absence Without Notice

When you are unable to work owing to illness or an accident, please notify your supervisor. This will allow Hale O Lahuli to arrange for temporary coverage of your duties, and helps other employees to continue work in your absence.

If you become ill while at work or must leave the office for some other reason before the end of the workday, be sure to inform your supervisor of the situation.

#### WAGE AND SALARY POLICIES

##### Wage or Salary Increases

Each employee's hourly wage or annual salary will be reviewed at least once each year. The employee's review date will usually be conducted on or about the anniversary date of employment or the date of the previous compensation review. Such reviews may be conducted more frequently for a newly created position, or based on a recent promotion.

Increases will be determined by the ability of Hale O Lahuli to financially support them, on the basis of performance, adherence to Hale O Lahuli policies and procedures, and the ability to meet or exceed duties per job description and achieve performance goals (see Performance Review/Planning Sessions).

Although Hale O Lahuli's salary ranges and hourly wage schedules will be adjusted on an ongoing basis, Hale O Lahuli does not grant "cost of living" increases. Performance and location success is the key to wage increases in Hale O Lahuli.

##### Timekeeping/Record-keeping

Accurately recording time worked is the responsibility of every non-exempt employee. Time worked is the time actually spent on a job(s) performing assigned duties. Hale O Lahuli does not pay for extended breaks or time spent on personal matters.

Your timesheet and time clock entries are a legal instrument. Altering, falsifying, tampering with time records, or recording time on another team member's time record will result in disciplinary action, including termination of employment.

Authorized personnel will review time records each week. Any changes to an employee's time record must be approved by his or her supervisor. Questions regarding the timekeeping system or time cards should be directed to your supervisor.

##### Overtime





Hale O Laulima business hours vary by location. Due to the nature of our business, employees must be willing to work flexible schedules. All employees fit into one of the following two categories with regard to overtime: Non-Exempt or Exempt employees.

#### Non-Exempt Employees

Overtime compensation is paid to non-exempt employees in accordance with federal and state wage and hour restrictions. Non-exempt employees who work more than forty (40) hours in any one workweek will receive one and one-half times their regular rate of pay for all hours worked in excess of the above. The workweek begins at 12:00 a.m. on Monday and ends at 11:59 p.m. on Sunday.

Holidays, PTO, vacation days, and leaves of absence are not considered time worked in the computation of overtime pay and do not count towards the number of actual hours worked. For example, if an employee takes 8 hours of vacation time in any given workweek, that time will not count as "time worked" for purposes of calculating overtime.

All overtime work performed by an hourly employee must receive supervisor's prior authorization. Overtime worked without prior authorization from your supervisor may result in disciplinary action. Your supervisor's signature on a timesheet or time clock entry authorizes pay for overtime hours worked.

All overtime must be reported accurately on the time cards for the week in which it was worked. Failure to accurately record time worked may lead to disciplinary action, up to and including termination.

If an employee is a non-exempt employee, meaning an employee who is due overtime, the employer may not award compensatory time in place of paying overtime compensation. For more information about Federal Overtime Pay Laws, visit the U.S. Department of Labor website.

#### Exempt Employees

Exempt employees, on the other hand, are generally salaried and fall into one or more of the following four classifications: Executive, professional, administrative, or sales. These employees are exempt from the applicable provisions of state and federal wage and hour laws.

For more information about State Overtime Pay Laws, visit the STATE Department of Labor website.

#### Paydays

All employees are paid bi-weekly on every other Friday. In the event that a regularly scheduled payday falls on a holiday, employees will receive pay on the last day of work before the regularly scheduled payday. If a regular payday falls during an employee's vacation, the employee's paycheck will be available upon his/her return from vacation.

Paychecks will not, under any circumstances, be given to any person other than the employee without written authorization. Paychecks may also be mailed to the employee's address or deposited directly into an employee's bank account upon request. Employees will receive an itemized statement of wages when Hale O Laulima makes direct deposits.



The law requires that Hale O Laulima make certain deductions from every employee's compensation. Among these are applicable federal, state, and local income taxes. Hale O Laulima also must deduct Social Security taxes on each employee's earnings up to a specified limit that is called the Social Security "wage base."

Hale O Laulima offers programs and benefits beyond those required by law. Employees may voluntarily authorize deductions from their paychecks to cover the costs of participation in these programs. If you have questions concerning why deductions were made from your paycheck or how they were calculated, please contact the payroll department.

## BENEFITS AND SERVICES

### Introduction

Hale O Laulima offers a benefit program for its regular full-time and regular part-time employees. A number of the programs (such as Social Security, workers' compensation, state disability, and unemployment insurance) cover all employees in the manner prescribed by law. Details of many of these programs can be found in the benefit summary materials available from HUMAN RESOURCES.

Some benefit programs require contributions from employees, while others are paid fully by Hale O Laulima. In addition, not all employees are eligible for all benefits listed below. Benefit eligibility is dependent upon a variety of factors. HUMAN RESOURCES can assist you with identifying the programs for which you are eligible and may answer any questions you may have regarding benefits or your eligibility status. We review our benefit plans periodically and may make changes at any time as necessary to the extent permitted by law.

Summary plan descriptions will be provided to each employee enrolled in a benefit plan described in this manual that is governed by the Employee Retirement Income Security Act of 1974, commonly known as "ERISA." In the event of any discrepancy between the terms of a benefit plan and what is provided in this Handbook, the documents establishing such plan, and not this manual, will control.

### Medical, Dental and Vision Insurance

On the first of the month following your date of hire, you are eligible for coverage under the Medical, Dental and Vision plans available, providing you enroll and make the required contributions. You will be given separate booklets explaining the benefits and should contact your supervisor or the HUMAN RESOURCES Department if you have any questions.

### Paid Holidays

Hale O Laulima will grant paid holiday time off to all eligible employees immediately upon assignment to an eligible employment classification. Holiday pay will be calculated based on the employee's straight-time pay rate (as of the date of the holiday) multiplied by the number of hours the employee would otherwise have worked on that day.

Paid time off for holidays will not be counted as hours worked for the purposes of determining overtime.



Currently, Hale O Laulima offers four (4) paid holidays a year. Each year, Hale O Laulima will post a listing of the holidays for the upcoming year. Due to the nature of Hale O Laulima's business, it may be necessary for some employees to work on these holidays – such employees will be provided with alternative paid vacation days.

#### Temporary Disability (TD)

TD carries you over during a temporary illness or injury, for up to 26 weeks. This protection is provided as part of the basic health plan and is explained in detail in the summary plan description booklet you received. There is no additional cost to you for this coverage.

#### Long-term Disability (LTD)

If after 26 weeks of short-term disability you're still unable to work, our LTD insurance goes into affect for you, provided you have enrolled in the plan and make the required contributions. This plan can provide you monthly income equal to 60% of your base pay up to a Maximum of \$6,000. There is no contribution required for this program.

#### Life Insurance and AD&D

On the first day of the month following hire, you are eligible for coverage under Hale O Laulima-provided life insurance and accidental death and dismemberment policy. The plan provides for basic life insurance and accidental death and dismemberment coverage, in the amount of two-times your basic annual earnings. Hale O Laulima pays the full cost of this benefit. You are free to designate anyone as the beneficiary.

#### 401(k) Savings Plan

Hale O Laulima provides a 401(k) savings plan to allow employees the potential for future financial security for retirement.

To be eligible to join the 401(k) savings plan, you must be 21 years of age or older. You may join the plan on the first of any month following your hire date. Eligible employees may participate in the 401(k) plan subject to all terms and conditions of the plan.

The 401(k) savings plan allows you to elect how much salary you want to contribute so you can tailor your own retirement package to meet your individual needs.

Because your contribution to a 401(k) plan is automatically deducted from your pay before federal and state tax withholdings are calculated, you save tax dollars now by having your current taxable amount reduced. While the amounts deducted generally will be taxed when they are finally distributed, favorable tax rules typically apply to 401(k) distributions. The summary plan description provides all of the information about the plan.

#### Flexible Spending Account (FSA)

Hale O Laulima provides a Flexible Spending Account (FSA) program (including Transit reimbursement) that allows employees to have pre-tax dollars deducted from their pay to cover eligible out-of-pocket expenses. The pre-tax contributions made to the FSA can be used to pay for non-reimbursed health care expenses and dependent care expenses during the plan



year. Through the FSA program, you can reduce your taxable income without reducing your real income, so that you can keep more of the money you earn.

Participation in the Health Care and/or Dependent Care FSA is optional and determined on an annual basis for the plan year. You must enroll in each plan during an open enrollment period. You determine how much to contribute to the account, up to a specified maximum, based on anticipated expenses during the plan year. Contributions are directed to the account on a pre-tax basis. This tax-free money is available to you for reimbursement of out-of-pocket expenses. Since the amounts that remain in the account at the end of the plan year are forfeited, you should take care not to over-fund your account. Claims must be filed by March 31 for expenses incurred during the previous calendar year.

#### Bereavement Leave

When death occurs in your family, Hale O Laulima recognizes the importance of this and will pay you up to three days for the time needed to handle your affairs, provided you attend the funeral.

The possibilities of various family relationships are many and with the hope that your most urgent requirements are met, the legal family for this purpose means the employee's or spouse's:

1. Spouse or domestic partner;
2. Mother, father, brothers, sisters, children (step relations included); or
3. Employee's grandparents.
4. If the employee is called upon to arrange for the funeral, Hale O Laulima will pay up to three days of eight hours at base rate for the time necessary to do this and to attend the funeral.

#### State Continuation Coverage

COBRA (Consolidated Omnibus Budget Reconciliation Act of 1985) is a federal law, enforced by the U.S. Department of Labor, Employee Benefits Security Administration, which provides continuation of group health coverage that otherwise might be terminated. The law contains provisions giving certain former employees, retirees, spouses and dependent children the right to temporary continuation of health coverage at group rates.

A qualified beneficiary under COBRA may include an employee, employee's spouse or former spouse, and/or the employee's dependent child who is covered under the group health plan on the day before the qualifying event. Agents, independent contractors, and directors who participate in the group health plan may also be qualified beneficiaries. Note that an event is a qualifying event only if it causes the qualified beneficiary to lose coverage under the plan.

For more information, contact the Hawaii Department of Commerce and Consumer Affairs:  
Insurance Division  
P.O. Box 3614  
Honolulu, Hawaii 96811

Social Security/Medicare



Hale O Lahuli withholds income tax from all employees' earnings and participates in FICA (Social Security) and Medicare withholding and matching programs as required by law.

#### Training and Professional Development

Hale O Lahuli recognizes the value of professional development and personal growth for employees. As our business grows we look forward to offering employees opportunities to attend classes and seminars that will further their job skills and performance.

In accordance with applicable laws and regulations, LICENSE TYPE must ensure that all LICENSE TYPE agents complete training prior to performing job functions. Training must be tailored to the roles and responsibilities of the job function of each cultivation agent, and at a minimum must include training on confidentiality, security, and other topics as specified by the Hawaii DOH. At a minimum, staff must receive eight (8) hours of on-going training annually.

Meanwhile, if you find opportunities for growth please discuss them with your supervisor to see how we can help accommodate your request.

#### Internal Job Transfers

It is the policy of Hale O Lahuli to provide opportunities for employees to apply for job openings within Hale O Lahuli when opportunities arise. Promotions and transfers will be considered by evaluating each individual's job-related skills, knowledge, and experience; ability, efficiency, initiative, and attitude; and attendance record.

In an effort to ensure that the best interest of Hale O Lahuli and the individual are being served, Hale O Lahuli may transfer employees to different positions when deemed necessary to maintain efficient operations or production.

### EMPLOYEE COMMUNICATIONS

#### Staff Meetings

Monthly to quarterly staff meetings will be coordinated by your supervisor. These informative meetings are mandatory and allow employees to be informed on recent Hale O Lahuli activities, changes in the workplace and employee recognition.

#### Bulletin Boards

Bulletin boards placed in designated areas at each location provide employees access to important posted information and announcements. The employee is responsible for reading necessary information posted on the bulletin boards.

#### Email Communication

Hale O Lahuli relies on email communication to disseminate information about policies and procedures to employees. Each employee will be issued an account and is responsible for retrieving and responding to items contained within.

#### Suggestion Box





Hale O Lahuli encourages employees who have suggestions that they do not want to offer verbally or in person to write them down and mail to our administrative office. If this is done anonymously, every care will be taken to preserve the employee's privacy. The location supervisor checks the box on a regular basis.

#### Procedures for Handling Complaints

Under normal working conditions, employees who have a job-related problem, question or complaint should first discuss it with their immediate supervisor. At this level, employees usually reach the simplest, quickest, and most satisfactory solution. If the employee and supervisor do not solve the problem or the issue is regarding the employee's immediate supervisor Hale O Lahuli encourages employees to notify executive management and then the BOARD OF DIRECTORS as necessary for resolution.

#### Acknowledgment

I have read and agree to abide by Hale O Lahuli Employee manual dated \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

Witnessed by:

\_\_\_\_\_  
Hale O Lahuli Representative

\_\_\_\_\_  
Date



## 2.12 Exhibit 12: Premises Description and Suitability

### 2.12.1 Introduction

Hale O Laulima's proposed cultivation facility will be sited on a parcel of property located at 94-840 Lanikuhana Ave. Mililani, HI 96789 in the (Mililani Township) in Honolulu County, Hawaii and has been identified by the Board of Directors as an agriculturally (AG1) zoned property. For the cultivation facilities, Hale O Laulima has executed a lease for a 10-acre parcel of land located in the Mililani Agricultural Park. Furthermore, the Company has teamed up with PKC Development Group to handle the ground-up construction of a new state-of-the-art cultivation facility. PKC is a commercial real estate developer that has developed numerous projects on Oahu and on the mainland. PKC has designed the cultivation facilities as directed by the Company's marijuana cultivation partners in conjunction with our local Hawaii agricultural experts. PKC will own the facility and will be funding the construction. Hale O Laulima will have a traditional landlord/tenant relationship with PKC.

Hale O Laulima will construct two new, physically segregated 45,000 SF warehouse-style production facilities for the cultivation and manufacturing of medical marijuana products. The facilities will be discreet, set back from the road, equipped with redundant utility services and situated on the same 10-acre site in Mililani Agricultural Park. Each facility will consist of two connected structures on a concrete pad - (1) a 20,000 SF concrete warehouse with a corrugated metal roof, which will house all spaces related to administrative, ancillary support, post-harvest processing, drying and curing, packaging, secure product storage, extractions, product manufacturing and shipping/receiving; and (2) a state-of-the-art 25,000 SF insulated, rigid metal (29-gauge) hybrid-greenhouse/warehouse structure equipped with a roof composed of opaque corrugated polycarbonate that fully-diffuses natural sunlight through to the grow rooms below, which will be used for all plant cultivation activities. Both facilities will be fully enclosed, controlled impeccably with regard to interior environment, multi-layered with regard to security protection features/systems and constructed in a manner that prohibits any interior space from being visible from the exterior.

The proposed site sits at the edge of Mililani Township, surrounded by similarly agriculturally zoned parcels, and currently exists as vacant land totaling 10 acres. The proposed property is in compliance with all federal, state, and local building, zoning, and fire codes and all local ordinances. Please refer to the following documentation which details the Engineering Specifications for additional information regarding the proposed site and facility layout. The property line of the proposed site is not located within 750 feet of the real property comprising a playground, public housing project or complex, or school, as defined in §11-850-8.c of the Hawaii DOH regulations.

New construction was chosen in lieu of remodeling an existing facility for many reasons, but mainly due to the fact that no existing building has the capability to be designed and constructed with this unique use in mind. An existing facility would pose problems with regard to site layout, interior layout, utility services, and building materials as the requirements for a





























































































Critical Process Parameter ("CPP")  
Current Good Manufacturing Practices ("cGMP")  
Denver Relief Consulting ("DRC")  
Department of Health ("DOH")  
Electro-Conductivity ("EC")  
Environmental Health Agency ("EHA")  
Equal Employment Opportunity Commission ("EEOC")  
Equipment Testing Laboratory ("ETL")  
Executive Management Team ("EMT")  
Executive Vice President ("EVP")  
Federal Insecticide, Fungicide, and Rodenticide Act ("FIFRA")  
Global Positioning System ("GPS")  
Good Agricultural Practices ("GAP")  
Good Handling Practices ("GHP")  
Hale O Laulima ("HOL")  
Hawai'i Administrative Rules ("HAR")  
Hawai'i Medical Use of Marijuana Act ("the ACT")  
Hazard Communication Standard ("HCS")  
Health Insurance Portability Accountability Act ("HIPAA")  
Health Savings Account ("HSA")  
High Efficiency Particulate Arrestance (HEPA)  
Immediately Dangerous to Life or Health ("IDLH")  
Integrated Pest Management ("IPM")  
International Fire Code ("IFC")  
International Organization for Standardization ("ISO")  
Master Batch Record ("MBR")  
Masters in Business Administration ("MBA")  
National Institute for Occupational Safety and Health ("NIOSH")  
National Type Evaluation Program ("NTEP")  
Occupational Safety and Health Administration ("OSHA")  
Oxidation Reduction Potential ("ORP")  
Personal Protective Equipment ("PPE")  
Photosynthetically Active Radiation ("PAR")  
Quality Assurance ("QA")  
Quality Control ("QC")  
Quality Control Team ("QCT")  
Quality Control Unit ("QCU")  
Quality Management System ("QMS")  
Reverse Osmosis ("RO")  
Safety Committee ("the Committee")  
Safety Data Sheets ("SDS")  
Safety, Quality, Identity, Purity, and Potency ("SQIPP")  
Self-Contained Breathing Apparatus Type Respirators ("SCBA's")



Standard Operating Procedure ("SOP")  
Superfund Amendments Reauthorization Act ("SARA")  
Tetrahydrocannabinol ("THC")  
Tetrahydrocannabinol Acid ("THCA")  
Total Dissolved Solids ("TDS")  
Ultra-Violet ("UV")  
United States Environmental Protection Agency ("EPA")  
United States Food and Drug Administration ("FDA")  
Worker Protection Standard ("WPS")  
World Health Organization - Uppsala Monitoring Center ("WHO-UMC")

#### 2.15.4 Quality Assurance and Quality Control

Hale O Lahuli will develop, implement and maintain a Quality Management System and training modules for employees. The development of comprehensive quality assurance and quality control measures will be overseen by Hale O Lahuli's Quality Control Team. ISO 9001:2008 is the International Organization for Standardization's criteria for quality management systems; these criteria, quality management principles, standards from established industries, and quality assurance and control requirements from other medical marijuana states will be the basis upon which the Hale O Lahuli Quality Management System and related training modules will be built.

#### 2.15.5 Basic Requirements

All marijuana and marijuana products will be cultivated, processed, handled, packaged, labeled, and stored in a safe and sanitary manner. Prior to transfer from the Production facility to the Retail Dispensary Facilities, the Inventory Manager will inspect marijuana source material to confirm that it is dried, cured and stored properly, and free of unusable plant material (e.g., stems, fan leaves), dirt, debris, foreign matter, and contamination (e.g., mold, rot, fungi, bacterial disease). The Inventory Manager will also inspect marijuana in bulk packaging, if applicable, to confirm that all required disclosures are provided (i.e., test results and additives), that the label is complete and accurate, and that the bulk packaging has not been tampered with or damaged in any way.

At the Production facility, processing employees will again inspect the marijuana source material prior to beginning to process it into marijuana products, if not immediately used upon acquisition. Pre-process inspection is required so that any contamination or deterioration of marijuana source material is identified prior to use in a production process and contaminated source material is quarantined in preparation for disposal, thereby preventing the contamination of sanitary work spaces and surfaces, as well as equipment and other in-process products.

Adequate sanitation procedures will be implemented at all times during the cultivation, processing, handling, and storage of marijuana, marijuana product constituents, marijuana



products in process, finished marijuana products, and products that come in contact with finished products (e.g., packaging, storage containers).

#### 2.15.6 Quality Control Team

The COO will ensure that a Quality Control Team (QCT) is in place at all times. The QCT will be qualified to perform all duties and will be made up of more than one employee as necessary. The QCT will develop and maintain written procedures outlining responsibilities and processes approved by the Inventory Manager and COO. The QCT, at a minimum, is responsible for:

1. Approving or rejecting all components, product containers, closures, in-process materials, packaging materials, labeling and marijuana or marijuana products;
2. Reviewing production records to assure that no errors have occurred or, if errors have occurred, that they have been fully investigated and resolved;
3. Approving or rejecting marijuana or marijuana products in process, finished, or packaged; and
4. Approving or rejecting all procedures or specifications, which will impact the identity, strength, quality and purity of the marijuana or marijuana products.

#### 2.15.7 Reports and Record Keeping

A designated member of the QCT or Inventory Manager will ensure test results are recorded and attached to the appropriate batch in the electronic automatic data processing/point-of-sale ("ADP/POS") system, Biotrack. The test results must also be forwarded to the Retail Dispensary Facilities Manager, depending on whether material tested is a marijuana product or raw marijuana, in a format that cannot be altered, and maintained in the ADP/POS system and secure cloud-based recordkeeping system for a minimum of six (6) years. A quarterly report MUST be provided to the Hawai'i DOH pursuant to §11-850-38.a that includes the following:

1. Records of entry and exit for all individuals who entered a dispensary facility;
2. Amounts by category of marijuana produced and manufactured marijuana products manufactured and offered for sale;
3. Amounts by category of marijuana and manufactured marijuana products sold.
4. A list of all marijuana, manufactured marijuana products, or unusable marijuana materials that have been destroyed or will be destroyed;
5. A summary financial statement;
6. Laboratory results of all tests conducted;
7. Description of any breach or halt in its security system and tracking system; and
8. Any other information requested by the Hawai'i DOH.

#### 2.15.8 Facility Quality Control

##### 2.15.8.1.1 Inventory Acquisition and Receiving Guidance

The Inventory Manager shall develop, implement, and maintain detailed written procedures for the receipt, identification, storage, handling, sampling, testing, and approval or rejection of





crop inputs, such as nutrients, cultivation media, and pest and disease management products. Each container or group of containers for crop inputs must be identified with a distinctive code (i.e. batch, lot, or control number) for each lot in each shipment received for traceability. This code will be used in the crop records, as described in this Plan. Each employee engaged in receiving operations shall be trained in process and confirmation of specifications to be met, including:

1. Identity;
2. Strength and composition; and
3. Purity, including limits on those types of contamination that may adulterate or may lead to adulteration of marijuana, such as filth, insect infestation, microbiological contamination, or other contaminants. The method of administration and any hazards to certain customer populations must be considered when developing specifications.

The supplier's documentation for each shipment must be reviewed to ensure the contents are consistent with what was ordered prior to entering receipts into the inventory management system. Crop inputs must be stored under quarantine until they have been checked for conformity to specifications and approved by the Inventory Manager or their designee. Re-inspection of crop inputs must be performed, as appropriate, for identity, purity, strength, and composition and approved or rejected as necessary (e.g., after storage for long periods or after exposure to air, heat or other conditions that might adversely affect the crop input).

#### 2.15.8.2 Retail Dispensary Sanitation and Quality Control Practices

It is Hale O Laulima policy to implement hygiene and sanitation requirements that enhance the ability to consistently produce and distribute marijuana products that conform to internal quality standards. All marijuana products packaged for distribution will have successfully passed laboratory testing and will only enter the supply chain after all quality control and assurance activities have been fulfilled. Refer to the Hygiene, Sanitation and Facility Requirements SOP for additional detail.

##### 2.15.8.2.1 Retail Receiving Procedure

1. Examine packaged and labeled products to provide assurance that the containers and packages have the correct labels pursuant to §11-850-92 and as defined in the Packaging and Labeling SOP prior to entering them into the ADP/POS system;
2. Verify that the tamper evident features of packaged marijuana products have not been manipulated
3. Collect a representative sample of units and ensure that the samples are visually examined for correct labeling; and
4. Record the results of the examinations performed in the receiving log.



#### 2.15.8.2.2 Testing Required for Intake

All marijuana products distributed by Hale O Laulima must be tested. No product may be accepted by the Retail Dispensary manager that is not accompanied by valid test results.

Mandatory testing at a minimum includes:

1. Cannabinoid profile, and
2. Contaminant presence including, but not limited to:
  - a. Mold;
  - b. Mildew;
  - c. Heavy metals;
  - d. Plant growth regulators; and
  - e. Non-organic pesticides.

#### 2.15.8.2.3 Vendor Compliance Required

It is the policy of Hale O Laulima to verify all vendors comply with all laws and regulations, including but not limited to:

1. Testing of each batch using approved laboratories;
2. Packaging and labeling compliance;
3. Batch size; and
4. Required disclosures, such as ingredient and additive listings.

#### 2.15.8.3 Production Facility Sanitation and Quality Control Practices

It is Hale O Laulima policy to implement hygiene and sanitation requirements that enhance the ability to consistently produce and distribute marijuana products that conform to internal quality standards. All marijuana products packaged for distribution will have successfully passed laboratory testing and will only enter the supply chain after all quality control and assurance activities have been fulfilled.

The Director of Cultivation shall implement, and maintain sanitation and quality control practices that maintain the safety and quality of crops, including purity and consistency. Current sanitation and quality control policies and measures are detailed in the Hygiene, Sanitation and Facility Requirements SOP.

##### 2.15.8.3.1 Cultivation Environment

All necessary precautions will be taken during the cultivation and processing of marijuana to prevent contamination of marijuana and packaging materials. These safeguards include, but are not limited to:

1. Cleaning and sanitizing all equipment, containers, and other contact surfaces as necessary;
2. Controlling airborne contamination;
3. Using sanitary handling procedures and Good Handling Practices;



4. Washing or cleaning containers and packaging components that contain soil or other contaminants;
5. Using safe water in all operations;
6. Performing chemical, microbiological, or other testing, as necessary to prevent the use of contaminated ingredients in cultivation and processing operations;
7. Sterilizing, pasteurizing, freezing, refrigerating, heating, pressurizing, controlling hydrogen-ion concentration (pH), controlling humidity, controlling water activity (aw), or using any other effective means to remove, destroy, or prevent the growth of microorganisms and prevent marijuana product decomposition;
8. Storing packaging materials, in-process marijuana, and marijuana products appropriately to prevent contamination and adulteration;
9. Preventing cross-contamination and mix-ups between contaminated or adulterated marijuana and clean marijuana; and
10. Using effective measures to protect marijuana products against adulteration by plastic, glass, metal, or other foreign materials when at risk due to processing equipment or materials.

#### 2.15.8.3.2 Pest Control Procedures

The Production facility has been designed, and will be maintained and monitored to restrict pests, including insects, rodents, and other animals. The Director of Cultivation must ensure that pest management activities comply with procedures found herein and in the Product Process Control SOP, including an Integrated Pest Management program..

#### 2.15.8.3.3 Quality Control Measures in Production / Cultivation Operations

The Director of Cultivation will establish surveillance schedules for each crop in cultivation. Detailed visual surveillance of each crop will be performed and documented daily. Cultivation employees performing surveillance will look for and record findings for the cultivation area assigned. The following items shall be included in surveillance operations:

1. Signs of pest infestations;
2. Changes in biological colonies;
3. Mold and mildew;
4. Leaf and tip burn, discoloration, and spotting;
5. Changes in appearance of the media;
6. Changes in stalk density and branch elasticity; and
7. Regular in-house testing will be scheduled by the Director of Cultivation based on current operational needs and recorded in the Crop Maintenance Log. Tests that must be performed include:
  - a. Soil pH;
  - b. Nutrient pH, Total Dissolved Solids (TDS), and Electro-Conductivity (EC);
  - c. Soil EC/pH testing using a saturated media extraction (1 part soil to 2 parts water filtered) or the leachate pour-through method; and
  - d. Water Oxidation Reduction Potential (ORP).



#### 2.15.8.3.4 Crop Records

Crop records are detailed in the Inventory Control and Management SOP and are compliant with Hawai'i DOH standards. Plants are assigned a batch number at time of propagation and are assigned an individual identifier that is electronically recorded in the ADP/POS system when moved to a new room, phase of growth and through post-harvest processing. All plants will be inventoried weekly, monthly, and annually, and records will be kept for a minimum of six (6) years.

#### 2.15.8.3.5 Quality Control Measures in Post-Harvest Processing Operations

1. The Director of Cultivation will ensure that all crops are evaluated during processing and tested in accordance with the Inventory Control and Management SOP;
2. Production employees working in processing operations will be trained to identify signs of contamination and sub-standard product. The Director of Cultivation or Inventory Manager must approve the disposal of any crops prior to commencement of any disposal procedures detailed in the Marijuana Waste Disposal SOP;
3. Two or more trained employees will perform a visual microscopic and naked-eye inspection of each crop processed to determine:
  - a. Organoleptic characteristics (color, texture and odor);
  - b. Presentation of the material (raw, cut, crushed, compressed);
  - c. The presence of admixtures, foreign matter (sand, glass particles, dirt), mold, or signs of decay;
  - d. The presence of insects;
  - e. The presence of foreign material originating from poor or degraded containers; and
  - f. All crops will be inspected by two or more trained employees for all visible foreign matter and sub-standard material to be removed.
4. Foreign matter includes, but is not limited to:
  - a. Plant material from other strains/species or from other parts of the harvested strains/species;
  - b. Grow media;
  - c. Insects; and
  - d. Wire, glass, paper, tools or tool parts, and other man-made objects.
5. Sub-standard material includes, for example:
  - a. Discolored leaves or flowers;
  - b. Evidence of mildew or mold; and
  - c. Any other material that would cause the crop to fail to meet its internal and required testing specifications as determined by the Director of Cultivation.
6. The inspection for foreign matter and sub-standard material will be conducted while the crop is sufficiently well displayed on a sanitary surface by two or more employees to allow for sufficient visibility;
7. Damaged and/or degraded plant material will be removed and disposed of with Director of Cultivation approval and in accordance with the Marijuana Waste Disposal SOP.