



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 ("SQuIPP")
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")

2.19.4 Fair Employment Practices Policy

Hale O Laulima is committed to providing all employees (also referred to in our SOPs as "employees" and "managers") with a safe, healthy and economically beneficial working environment. Workplace safety and environmental standards are of utmost concerns, as the welfare of our employees greatly impacts our ability to operate successfully. Fair employment practices, including the prohibition against all forms of illegal discrimination, will be prioritized and enforced at all times through Hale O Laulima codes of conduct. All employees will receive access to generous benefits packages and rates of compensation that exceed state minimum standards. By providing equal access and fair treatment to all employees we will improve Hale O Laulima's success while enhancing the progress of individuals and the community in which our business operates.

2.19.5 Workplace Training

In an effort to ensure that our employees receive adequate experiential training prior to beginning work within Hale O Laulima, we will provide employees with access to a collaborative work-training program with our partners Cresco Labs and Denver Relief Consulting in Hawai'i. By providing our workforce with the opportunity to learn from established, regulated industry operators known for creating a workplace culture focused foremost on employee safety, our employees will gain vital operational knowledge essential for enacting effective practices and standards to maintain the safety and security of their working environment.



Our collaborative training program, detailed in the Staffing and Training SOP is designed to educate employees on best practices for maintaining their personal safety and the safety of Hale O Laulima products, including comprehensive emergency and incident management training. Training sessions will include virtual web collaborations, onsite experience in Hawai'i and OSHA Occupational Safety Training.

2.19.6 Codes of Conduct

Hale O Laulima is committed to providing equal employment opportunities for all people and the adoption of strict non-discriminatory employment policies. Hale O Laulima will not discriminate against applicants or employees on the basis of race, color, religion, ancestry, national origin, sex, marital status, disability, or Veteran status. In order for Hale O Laulima to effectively recruit and hire minorities, women, veterans, disabled persons and Hawai'i residents, Hale O Laulima will actively engage in focused outreach efforts to identify and remove barriers that negatively affect underutilized groups during recruitment and hiring processes.

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at Hale O Laulima's facility will be based on merit, qualifications and abilities. Hale O Laulima will also make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in undue hardship.

2.19.7 Compensation Standards and Time Off

The standard workweek is 40 hours of work. Overtime compensation is paid to non-exempt employees in accordance with federal and state wage and hour restrictions. Overtime is payable for all hours worked over 40 per week at a rate of one and one-half times the non-exempt employee's regular hourly rate. Each employee's hourly wage or annual salary will be reviewed at least once each year. Increases will be determined by the ability of Hale O Laulima to financially support them on the basis of performance, adherence to laws, Hale O Laulima policies and procedures, and the ability of employees to meet or exceed duties per job description and achieve performance goals.

Hale O Laulima will provide all employees with competitive wages based upon position and tenure. Hale O Laulima standard wages range from \$15/hour to \$125k annually. By providing our employees with adequate compensation, we reinforce our commitment to investing in the progress of individuals and the establishment of a highly capable and experienced team. It is a goal of Hale O Laulima to establish long-term employment opportunities for all employees. Hale O Laulima will offer its regular full-time employees paid vacation after one year of employment, two weeks after three years and four weeks after five years of service.

Additionally, Hale O Laulima will provide unpaid leave opportunities for all employees to care for the employee's child after birth, or placement for adoption or foster care, to care for the employee's spouse, son, daughter, or parent, who has a serious health condition, for a serious health condition that makes the employee unable to perform the employee's job and for a qualifying exigency or military caregiver leave, as described below.



2.19.8 Benefits

Hale O Laulima is committed to providing a generous employee benefit program for all employees. All of Hale O Laulima's employees will have the opportunity to participate in a 401(k) plans and other types of retirement programs with a Hale O Laulima funds match. Employees will also be presented with access to competitive health insurance programs and/or a health savings account (HSA) program for their entire family. 125 Flexible Spending Accounts will be established for participating employees, allowing participants to set aside pre-tax dollars to pay for certain types of expenses. Hale O Laulima will establish access to three plans:

1. Medical expenses;
2. Dependent care expenses; and
3. Certain commuting expenses.

Hale O Laulima will additionally provide employees with options for participating in long-term and short-term dental and vision coverage, disability insurance and life insurance programs.

Hale O Laulima Community Involvement Rewards program will provide employees with the opportunity to earn benefits-related credit through involvement in community-based initiatives such as volunteer work, participation in local Big Brother/Big Sister programs and additional community service programs. Additionally, Hale O Laulima will establish an educational scholarship program for employees designed to reimburse certain educational expenses for programs that benefit employee educational progression.



2.20 Exhibit 20: Worker Safety SOP

2.20.1 Purpose

The creation and development of this procedure has been completed to ensure compliance with administrative rules as defined by the Hawai'i Department of Health and to promote patient, product and public safety. As rule changes occur and best practices evolve, the content of this document will be reviewed and updated where appropriate. Each step in our manufacturing and distribution processes is carefully performed and controlled so that the resulting medical marijuana products possess the safety, quality, identity, purity, and potency (SQulPP) that patients deserve.

HAR Requirement	Description
§11-850-34.a	A dispensary licensee shall establish and maintain written policies and procedures governing the qualifications, recruitment, hiring, and training of operators, employees, or subcontractors of production centers and retail dispensary locations.
§11-850-34.b	No person under the age of twenty-one shall be employed by a dispensary facility.
§11-850-34.c	Operators, employees, and subcontractors shall wear an identification badge issued by the dispensary with the photograph and name of the wearer in a visible location at all times when on the premises of a dispensary facility.
§11-850-34.d	A dispensary licensee shall provide training upon hire and annually to each employee. The training shall include, but not be limited to the following:
§11-850-34.d.1	Health, safety, and sanitation standards in accordance with this chapter;
§11-850-34.d.2	Security pursuant to this chapter;
§11-850-34.d.3	Prohibitions and enforcement pursuant to this chapter;
§11-850-34.d.4	Confidentiality pursuant to this chapter; and
§11-850-34.d.5	All other provisions of this chapter and chapter 329D, HRS, that apply to that person's scope of employment.
§11-850-34.d.6	The dispensary licensee shall provide the names of all employees to the department. Eff. DEC 14 2015
§11-850-35.a	A dispensary licensee shall have available at each dispensary facility a time clock or other adequate method to record the month, day, year, and time that each employee arrives at and leaves the facility.
§11-850-35.b	Time record entries shall be made at the time an employee reports for duty and again when the employee goes off duty and at any time the employee leaves and returns to the premises for any reason.
§11-850-35.c	A dispensary licensee shall maintain all employee records, including the specific employee training provided and hours worked. Eff DEC 14 2015

2.20.2 Local Compliance

In accordance with applicable employment practices as defined by Hawai'i Administrative Rules Chapter(s): 11-850-34 and 11-850-35 and enforced by the Hawai'i DOH, Hale O Laulima will utilize policies and procedures to ensure work safety. All employment related procedures and policies implemented in Hale O Laulima's Production and Retail Dispensary Facilities will be in full compliance with the provisions set forth in Hawai'i Administrative Rules Chapter(s): §11-850-34 and §11-850-35.

2.20.3 Definitions and Abbreviations:

Air-Conditioning ("A/C")

American National Standards Institute ("ANSI")

American Society for Testing and Materials ("ASTM")

Automated Data Processing/Point-of-Sale System ("ADP/POS")

Batch Production Record ("BPR")

BBC Research & Consulting ("BBC")



Board of Directors ("the Board")
Cannabidiol ("CBD")
Cannabidiolic Acid ("CBDA")
Cannabigerol ("CBG")
Chief Executive Officer ("CEO")
Chief Operations Officer ("COO")
Code of Federal Regulations ("CFR")
Community Right to Know Act ("EPCRA")
Compassionate Use Registry ("the Registry")
Conditionally Exempt Small Quantity Generator ("CESQG")
Continuing Medical Education (CME)
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")



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2.20.4 Introduction

The Work Safety SOP details policies and procedures for ensuring compliance with Occupational Safety and Health Administration ("OSHA") regulations for workplace safety, in accordance with SECTION of the RULES pertaining to the implementation of the ACT. The SOP describes Hale O Laulima's safety policies and measures in place for assuring that best safety practices are implemented at all times in all Hale O Laulima facilities. The policies and procedures established herein will be strictly enforced, as the safety of Hale O Laulima employees, products, and the surrounding community is one of our foremost business considerations. Safety topics addressed herein include required quarterly inspections, Hale O Laulima's four-point worker safety and health program, the use and maintenance of Material Safety Data Sheets ("SDS"), required Personal Protective Equipment ("PPE"), safety training for Production and Retail Facility Employees, Hale O Laulima's hazard communication policy, general safety rules, and facility safety requirements. As a condition of employment, all Production and Retail Facility Employees and managers must comply with all applicable safety policies, practices, and procedures, which will be listed in Hale O Laulima Employee Manual and will be provided to each employee upon acquisition. Safety training will be provided as often as necessary and annually at a minimum. This Plan demonstrates Hale O Laulima's concern for the safety of our workers, products, and facilities and our ability to establish and maintain a safe and OSHA-compliant workplace.



2.20.5 Worker And Workplace Safety Overview

2.20.5.1 Overview of Key Items

1. Production and Retail Facility safety requirements are set forth herein. The Production and Retail Facility will be inspected quarterly to identify potential hazards using the OSHA Self-Inspection Checklist to prevent hazardous material and chemical incidents that could result in injury and/or illness to any employee or visitor;
2. It is established that requirements of OSHA's Hazard Communication standard will be met. The Facility Manager is assigned the responsibility of conducting job-specific hazard training on chemicals used by Production and Retail Facility Employees;
3. Copies of SDS for all hazardous chemicals to which employees may be exposed will be available by hard copy in each chemical storage area of the facility in a designated SDS binder;
4. Safety rules addressed include those relevant to accident and hazard reporting, drug and alcohol use, work-related injuries, and the required use of PPE. Enforcement measures and disciplinary actions detailed are to be implemented in response to violations of the safety rules established herein;
5. All emergency situations, including chemical spill response, will be handled by local emergency response agencies in accordance with the Emergency Management and Response SOP;
6. Procedures are established herein for injury claims and policies related to workers' compensation and benefits are provided; and
7. The Chief Operations Officer ("COO") will designate a Safety Coordinator, which entails responsibility for ensuring adherence to this Plan. The Safety Coordinator will serve as the primary Hale O Lahuli contact for safety-related matters.

2.20.6 Guiding Principles

Hale O Lahuli will:

1. Provide a workplace free from serious hazards;
2. Promote the overall health and safety of all of our employees;
3. Maintain open communication between owners, managers, and employees about the potential risks and hazards associated with any of the work to be performed for Hale O Lahuli;
4. Provide clear safety policies and procedures intended to reduce the potential risks and hazards as much as possible; and
5. Establish mechanisms for evaluating and improving those policies and procedures on an on-going basis.

2.20.7 Four-Point Workplace Safety and Health Program

Hale O Lahuli recognizes that systematic management policies, procedures and practices are fundamental to the reduction of work-related injuries and illnesses. To this point, Hale O Lahuli will institute and maintain a Four-Point Workplace Program based on the Safety and Health Program Management Guidelines issued by OSHA and described in the Small Business



Handbook. The components of the program are addressed throughout this Plan. This program will go beyond compliance with specific OSHA standards to address all hazards, seeking to prevent injuries and illnesses whether or not stipulated as a compliance item. Hale O Laulima's Four-Point Workplace Program will include the following four elements:

1. Management Commitment and Employee Involvement:

a. Overview:

- i. Management will regard worker safety and health as a fundamental value and will apply its commitment to safety and health protection with vigor; and
- ii. Employee involvement will provide the means through which employees of the Production facility will develop and express their own commitment to safety and health protection, for their own benefit and for that of their coworkers.

b. The following measures will be taken to ensure management commitment and employee involvement:

- i. The Facility Manager, in coordination with the COO, will set and clearly communicate a workplace policy on safety and health in Production and Retail Facility operations and facility conditions;
- ii. The Facility Manager, in coordination with the COO, will establish and communicate a clear goal for the safety and health program and objectives for meeting that goal;
- iii. Top management will be visibly involved in implementing the program;
- iv. All Production and Retail Facility Employees will be involved in the structure and operation of the program and in the decisions that affect their safety and health;
- v. Responsibility for all aspects of the program will be assigned and communicated;
- vi. Adequate authority and resources will be provided to responsible parties so that assigned responsibilities can be met;
- vii. All managers and employees will be held accountable for meeting their responsibilities so that essential tasks will be performed; and
- viii. Program operations will be reviewed at least annually to evaluate their success in meeting their goals and objectives so that deficiencies can be identified and the program and/or the objectives can be revised when they do not meet the goal of effective safety and health protection.

2. Worksite Analysis:

a. Overview:

- i. The worksite will be continually analyzed in a variety of ways to identify all existing and potential hazards; and
- ii. Effective management actively analyzes the work and worksite to anticipate and prevent harmful occurrences.

- b. In order to ensure all hazards are identified and anticipated and that the health and safety components of the worksite are sufficiently analyzed, the Facility Manager in coordination with the Quality Control Team will:
 - i. Conduct comprehensive baseline worksite surveys for safety and health and periodic comprehensive update surveys;
 - ii. Analyze planned and new facilities, processes, materials, and equipment;
 - iii. Perform routine job hazard analyses;
 - iv. Provide for regular site safety and health inspections so that new or previously missed hazards and failures in hazard controls are identified;
 - v. Provide a reliable system for employees to notify management personnel about hazardous conditions without fear of reprisal and to receive timely and appropriate responses;
 - vi. Provide for investigation of accidents and “near miss” incidents so that their causes and means for their prevention are identified; and
 - vii. Analyze illness and injury trends over time so that patterns with common causes can be identified and prevented.
3. Hazard Prevention and Control:
- a. Overview:
 - i. Hazard prevention and control will be triggered by a determination that a hazard or potential hazard exists; and
 - ii. Once a hazard or potential hazard is recognized, elimination or control must be accomplished in a timely manner in order to prevent unsafe and unhealthful exposure.
 - b. The following measures will be taken to satisfy the hazard prevention and control component of the program:
 - i. Establish procedures for the purpose of ensuring that all current and potential hazards are corrected or controlled in a timely manner;
 - ii. Require the provision of hazard prevention and control training, a disciplinary system for non-compliance, appropriate PPE, and appropriate administrative controls;
 - iii. Provide for facility and equipment maintenance to prevent hazardous breakdown;
 - iv. Plan and prepare for emergencies and conduct training and drills so that emergency response will be timely; and
 - v. Establish a medical program which includes availability of first aid on site and of physician and emergency medical care nearby, so that harm will be minimized if injury or illness does occur.
4. Safety and Health Training:
- a. Overview:
 - i. Safety and health training will address the safety and health responsibilities of all Hale O Lualaba employees on the Production and Retail Facility premises; and



- ii. Safety and health training will be modified as the size and complexity of the Production and Retail Facility operation increases and will be tailored to the nature of the hazards and potential hazards at the site.
- b. Safety and health training modules will be developed with the following aims in mind:
 - i. To ensure that all employees understand the hazards they may be exposed to and how to prevent harm to themselves and others from hazard exposure, so that employees accept and follow established safety and health protections;
 - ii. To ensure that supervisors understand their safety and health responsibilities and the reasons for them, including:
 - 1. Analyzing the work under their supervision to identify potential hazards;
 - 2. Maintaining physical protections in their work areas; and
 - 3. Reinforcing employee training on the nature of potential hazards in their workspace and on needed protection measures, including providing performance feedback and enforcing safe work practices disciplinarily.
 - iii. To ensure that managers understand their safety and health responsibilities.

2.20.8 Hale O Laulima Responsibilities

1. Provide a workplace free from serious hazards and promote the overall health and safety of all of our employees;
2. Comply with the standards, rules and regulations established under the authority of OSHA, including implementing a safety plan based on the four-point workplace safety program and other management guidelines issued by OSHA;
3. Examine workplace conditions and require regular, comprehensive inspections to ensure facility and equipment conditions conform to applicable OSHA standards;
4. Make sure employees only use safe tools and equipment and that all such equipment is properly maintained;
5. Use color codes, posters, labels or signs to warn employees of potential hazards when applicable. Hale O Laulima will establish a line of communication with the local fire department and other regulatory authorities to identify and comply with additional signage requirements particular to the locality;
6. Establish and update operating procedures and effectively communicate them to employees so that they follow all safety and health requirements;
7. Provide safety training in a language and vocabulary all employees can understand;
8. Implement a written Hazard Communication Policy and train employees on the hazards they may be exposed to in the course of their work and proper precautions. A copy of SDS for all hazardous chemicals will be readily available;
9. Provide medical examinations and training as required by OSHA standards;



10. Post, at a prominent location within the workplace, the OSHA Job Safety and Health: It's the Law poster informing employees of their rights and responsibilities;
11. Report to the nearest OSHA office all work-related fatalities within 8 hours, and all work-related in-patient hospitalizations, all amputations and all losses of an eye within 24 hours. Hale O Lahuli will use the following toll-free number for reporting: 1-800-321-OSHA (6742); TTY 1-877-889-5627;
12. Keep records of all work-related injuries and illnesses, emergencies, and incidents in accordance with OSHA recordkeeping requirements;
13. Conduct regular and unplanned inspections and evaluations of all facilities, equipment, procedures and work processes related to the PLAN TITLE, and keep records for all such inspections and evaluations. Procedures will be developed and implemented to immediately address all non-compliance issues that may be discovered as a result of an inspection or evaluation;
14. Provide employees, former employees and their representatives with access to the Log of Work-Related Injuries and Illnesses (OSHA Form 300);
15. Provide employees and/or their authorized representatives with access to employee medical records and exposure records;
16. Not discriminate against employees who exercise their rights under the OSHA Act;
17. If necessary, post OSHA citations at or near any work area involved. Each citation must remain posted until the violation has been corrected, or for three working days, whichever is longer. Abatement verification documents or tags will be posted; and
18. Correct cited violations by the deadline contained in the OSHA citation and submit required abatement verification documentation.

2.20.9 Employee Responsibilities

General Responsibilities for All Hale O Lahuli Employees

1. Adhere to all safety policies and procedures established by Hale O Lahuli;
2. Participate in inspections and evaluations as necessary by providing documentation, records, information, examples etc.;
3. Report safety concerns to a manager or the internal Safety Coordinator; and
4. Report injury and/or illness incidents immediately and follow all applicable procedures.

2.20.10 Production and Retail Facility Employee Duties

Each Production and Retail Facility Employee is responsible for the safe performance of their various tasks. Although, not all work procedures can be addressed, the following non-inclusive items are examples of safety-related duties required of Production and Retail Facility Employees:

1. Do not stand on equipment or work surfaces to reach high places; always use a ladder or step stool;
2. Keep floor clear of water by mopping up spills to avoid slips and falls;
3. Use, handle, store, and dispose of all chemicals in accordance with the manufacturer's label and information on the SDS (if applicable);



4. Wear appropriate PPE when handling hazardous materials or hazardous waste, and when directed by the Facility Manager; and
5. Ensure all safety and exhaust equipment is operational on a daily basis and confirm prior to beginning any work activity.

2.20.11 Enforcement Of Worker Safety Plan

2.20.11.1 Objective

The policies, procedures, and rules contained herein are designed to establish the highest possible degree of safety in Production and Retail Facility operations. Compliance with all provisions is mandatory; all Production and Retail Facility Employees must follow these rules as a condition of employment by Hale O Lahuli. Non-compliance will be met with disciplinary action. The typical disciplinary actions taken for non-compliance with various safety requirements will be clearly communicated to all Production and Retail Facility Employees upon acquisition.

2.20.11.2 Scope

The SOP applies to all Production and Retail Facility Employees (including managers), other Hale O Lahuli personnel while on the Production and Retail Facility premises, and contractors.

2.20.11.3 Procedures

Production and Retail Facility Employees will be given a physical copy of the Employee Manual upon acquisition and informed of their responsibility for understanding and complying with all provisions of the manual. Each Production and Retail Facility Employee will be given a chance to thoroughly read SOPs and will be encouraged to ask their supervisor for clarification on any items that remain unclear. Each Production and Retail Facility Employee must then sign and return the acknowledgment form.

The Safety Coordinator and Facility Manager will periodically review the Employee Manual to ensure they are applicable and up-to-date on all compliance items and industry best practices. Any time the Employee Manual is updated, all Production and Retail Facility Employees must be notified and an updated electronic copy of the Employee Manual will be circulated via email.

An additional physical copy of the Employee Manual and SOPs will be maintained on site at the Production and Retail Facility for reference and an electronic copy will be stored in the cloud-based recordkeeping system. The Facility Manager will furnish additional copies of the Employee Manual upon request by a Production and Retail Facility Employee.

2.20.11.4 Enforcement

Production and Retail Facility Employees will be subject to disciplinary action for violations of Hale O Lahuli safety rules, policies, and procedures. The Facility Manager is responsible for the enforcement of safety rules in the Production and Retail Facility. If a minor violation is



detected, the Production and Retail Facility Employee in question will be afforded instructive training and counseling to assure a clear understanding of why their behavior constitutes an infraction and the proper conduct under Hale O Laulima guidelines. All training will be documented on a safety rule violation notice form and stored in the employee's personnel file. Nothing in this Plan will preclude management from terminating an employee for a safety violation if deemed appropriate. Hale O Laulima will not adopt a progressive discipline system in relation to safety non-compliance; any safety violation may lead to an employee's termination without prior violations if deemed appropriate for the severity of or circumstances surrounding the violation.

2.20.11.5 Enforcement Guidelines

Management reserves the right to impose any of the following disciplinary actions, when deemed appropriate:

1. Verbal warning with documentation in personnel file;
2. Written warning outlining nature of offense and necessary corrective action with documentation in personnel file; or
3. Termination.

Management, including the Facility Manager, will be subject to the above disciplinary actions for any of the following reasons:

1. Repeated safety rule violations by employees under their supervision;
2. Failure to provide adequate training prior to job assignment;
3. Failure to report accidents and provide medical attention to employees injured at work;
4. Failure to control unsafe conditions or work practices;
5. Failure to maintain good housekeeping standards and cleanliness in their departments;
6. Repeated failure to comply with established management safety responsibilities; or
7. Blatant and intentional disregard of the safety provisions contained herein.

2.20.12 Safety Coordinator and Safety Committee

2.20.12.1 Safety Coordinator Required

It is the policy of Hale O Laulima to designate an employee as the internal Safety Coordinator, who will oversee all safety related matters and serve as chair for the Production and Retail Facility's Safety Committee ("the Committee"). The Board of Directors ("the Board") and COO will designate a Safety Coordinator for Hale O Laulima who will be the primary contact for safety-related matters.

2.20.12.2 Safety Committee Required

It is the policy of Hale O Laulima to appoint members of a Safety Committee comprised of at least one manager and one employee from each operational unit (i.e., cultivation, processing, and dispensary) and at least one owner or member of the Board. The COO, the Board, and the Safety Coordinator will approve all appointments to the Committee. The Safety Coordinator will



serve as the Committee's chair and he/she may appoint a vice-chair to help oversee the functions of the Committee. The purpose of the Committee is to oversee all safety related matters and serve as a decision-making authority for the Production and Retail Facility's safety matters, including those regarding certain incident reports, safety concern reports, suggested policy evaluations/revisions, and any possible changes to this Plan. The Committee may facilitate meetings and/or communication with governing officials and other entities regarding site safety inspections, evaluations or vendor relationships. The Committee will meet at least once quarterly for the Production and Retail Facility facility's first year of operation, and at least annually thereafter. The Committee will create a report of all matters addressed and/or discussed by the Committee and make such reports available to all owners, managers and employees.

2.20.12.3 Responsibilities of the Safety Coordinator

The Safety Coordinator is responsible for overseeing implementation of the Production and Retail Facility facility's safety program. The Safety Coordinator will:

1. Annually review organization safety policy and rules;
2. Maintain accurate records and annually report the results of workplace accident and injury trend analysis;
3. Recommend actions to reduce the frequency and severity of accidents and illnesses;
4. Integrate safety rules, reminders and best practices into the day-to-day activities of all employees;
5. Coordinate the new employee orientation and safety training programs;
6. Coordinate with the Quality Control Team to assist Hale O Laulima in ensuring compliance with government standards concerning safety and health;
7. Assist the Facility Manager with any accident investigation;
8. Conduct and record periodic safety inspections to identify unsafe conditions and practices and to determine remedies;
9. Ensure all employees are properly trained on hazardous conditions in the Production facility and that all termination points for gas, electric and water service are clearly marked and known to employees; and
10. Make recommendations to the COO on matters pertaining to safety.

2.20.12.4 Reporting Safety Concerns

All employees will receive an orientation to Hale O Laulima's safety rules upon initial employment and periodically thereafter. All employees will be encouraged to bring any unsafe conditions or practices to the attention of to their direct supervisor and will be assured that there will be no repercussions for doing so. Managers will communicate these concerns to the Safety Coordinator, who will respond to these concerns within twenty-four hours.



2.20.13 Workplace Safety Requirements

2.20.13.1 Workplace Safety Generally

All workrooms, passageways, storage areas, break rooms, and sanitary facilities in the Production facility will be maintained in a clean and orderly condition. The floor of every workroom will be maintained in a and, so far as possible, dry condition. Where wet processes are used, sufficient drainage clean will be provided and maintained, and if appropriate, mats or other dry standing places will be provided. To facilitate cleaning, every floor, wall, workspace, and passageway will be kept free from protruding nails or other sharp objects, splinters, holes, or loose boards.

2.20.13.2 Aisles And Passageways

Aisles and passageways will be kept clear and in good repair, with no obstruction across or in aisles that could create a hazard. Where applicable, permanent aisles and passageways will be appropriately marked.

2.20.13.3 Sanitation

The Production facility will be kept clean to the extent that the nature of the work allows. All sweepings, solid or liquid wastes, refuse, and garbage will be removed in a manner to avoid creating a menace to health and as often as necessary or appropriate to maintain the place of employment in a sanitary condition. The Production facility will remain in compliance with the sanitation requirements set forth in Standard 1910.141, Code of Federal Regulations (C.F.R.) and those described in the Hygiene Sanitation and Facility Requirements SOP.

2.20.13.4 Hazardous Materials, Compressed Gases, and Pesticides

It is Hale O Laulima policy to avoid the acquisition and use of hazardous materials and pesticides; as such, hazardous materials and pesticides will only be acquired as a last resort. Cleaning compounds and sanitizing employees used in the Production facility must be free from microorganisms of public health significance, approved by the United States Environmental Protection Agency ("EPA"), and be safe and adequate under the conditions of use. Cleaning compounds and sanitizing employees, as well as pesticides, hazardous materials, and other toxic materials, if any, must be identified, stored, and used in a manner that protects against contamination of product constituents or contact surfaces. CO2 tanks and hazardous chemicals may not be used or stored in production areas where product constituents or contact surfaces are manufactured or exposed, unless those materials are necessary as follows:

1. To maintain clean and sanitary conditions;
2. For maintaining or operating the facility or equipment; or
3. For use in Production and Retail Facility operations.

2.20.13.4.1 Hazard Communication Requirements

Hale O Laulima will meet the requirements of OSHA's Hazard Communication standard as follows:



2.20.13.4.2 Program Evaluation Required

Hale O Laulima will evaluate each facility's Hazard Communication Program at least once annually. The Program will be evaluated more frequently if changes in personnel, products, or equipment significantly alter the threat to human health or the environment.

2.20.13.5 Container Labeling

It is the policy of Hale O Laulima that no container will be released for use unless it has a complete label. The Facility Manager will ensure that secondary containers, such as spray bottles, have complete labels. In the event that a label is lost or damaged, a copy of the original manufacturer's label will be made or obtained and placed on the appropriate container. The Safety Coordinator will verify that all product containers kept onsite will clearly list contents on the label:

1. Product name;
2. Hazard warnings (corrosive, flammable, skin irritant, etc.); and
3. Manufacturer's name and address.

2.20.13.6 Material Safety Data Sheets

In compliance with the Hazard Communication Standard (HCS) 29 CFR 1910.1200(g) and International Fire Code (IFC) 5003.4, Hale O Laulima will obtain, retain, and make readily available SDS for all hazardous materials to which employees of Hale O Laulima may be exposed. Hard copies of SDS for all products on the premises will be kept in the chemical storage area of the Production facility in a binder designated "SDS". The Facility Manager will obtain an SDS for each product from the manufacturer or distributor. The Facility Manager will use the manufacturer's hazard classification on the SDS to determine whether the product is to be considered a hazardous material and the appropriate measures for storage, handling, and use. Employees will be required to review all SDS upon hire and to review SDS for new products on the date of product acquisition. If an SDS is missing, or if a new product arrives without an SDS, Hale O Laulima employees will immediately inform the Facility Manager so he or she can call the supplier or manufacturer. If no SDS is available, Hale O Laulima will remove the product from the facility and obtain a comparable product with an available SDS.

2.20.13.7 Hazardous Chemicals List

The Facility Manager will maintain a list of all the chemicals and products used within the Production facility. This list will be kept in the front of the SDS book. Each hazardous chemical on the inventory list has a corresponding SDS available for providing specific hazard information and personal protective measures. This list will be updated quarterly by the Safety Coordinator to remove chemicals that are no longer in use at the Production facility and to add new products.



2.20.13.8 Inspections Required

The Production facility will be inspected quarterly in the first year of operations and at least annually thereafter by the Quality Control Team, once acquired, or Safety Coordinator to identify potential hazards using the OSHA Self-Inspection Checklist. The purpose of the inspections is to prevent hazardous material and chemical incidents that could result in injury and/or illness to any employee, visitor, or the environment. The Quality Control Team will be acquired once financially feasible; until the Quality Control Team is acquired, the Safety Coordinator will be responsible for quarterly inspections of the Production facility. The Facility Manager must correct all hazards as soon as possible, once identified. If the hazard is extreme, the inspector in his or her discretion may contact the COO to recommend termination of operations until corrected. Per OSHA recommendations, inspections will cover:

1. Cultivation, Receiving, Shipping and Storage - equipment, job planning, layout, heights, floor loads, projection of materials, material handling and storage methods, training for material handling equipment;
2. Building and Grounds Conditions - floors, walls, ceilings, exits, stairs, walkways, ramps, platforms, driveways, aisles;
3. Housekeeping Program - waste disposal, tools, objects, materials, leakage and spillage, cleaning methods, schedules, work areas, remote areas, and storage areas;
4. Electricity - equipment, switches, breakers, fuses, switch-boxes, junctions, special fixtures, circuits, insulation, extensions, tools, motors, grounding, national electric code compliance;
5. Lighting - type, intensity, controls, conditions, diffusion, location, glare and shadow control;
6. Heating and Ventilation - type, effectiveness, temperature, humidity, controls, natural and artificial ventilation and exhaust;
7. Machinery - points of operation, flywheels, gears, shafts, pulleys, key ways, belts, couplings, sprockets, chains, frames, controls, lighting for tools and equipment, brakes, exhausting, feeding, oiling, adjusting, maintenance, lockout/tag out, grounding, work space, location, purchasing standards;
8. Personnel - training, including hazard identification training; experience; methods of checking machines before use; type of clothing; PPE; use of guards; tool storage; work practices; methods for cleaning, oiling, or adjusting machinery;
9. Hand and Power Tools - purchasing standards, inspection, storage, repair, types, maintenance, grounding, use and handling;
10. Chemicals - storage, handling, transportation, spills, disposals, amounts used, labeling, toxicity or other harmful effects, warning signs, supervision, training, protective clothing and equipment, hazard communication requirements;
11. Fire Prevention - extinguishers, alarms, sprinklers, smoking rules, exits, personnel assigned, separation of flammable materials and dangerous operations, explosion-proof fixtures in hazardous locations, waste disposal and training of personnel;
12. Maintenance - provide regular and preventive maintenance on all equipment used at the worksite, recording all work performed on the machinery and by training personnel on the proper care and servicing of the equipment;
13. PPE - type, size, maintenance, repair, age, storage, assignment of responsibility, purchasing methods, standards observed, training in care and use, rules of use, method of assignment;



14. First Aid Program/Supplies - medical care facilities locations, posted emergency phone numbers, accessible first aid kits; and
15. Emergency Management and Response SOP - establish and practice procedures for an emergency evacuation, e.g., fire, chemical/biological incidents, bomb threat; include escape procedures and routes, critical plant operations, employee accounting following an evacuation, rescue and medical duties and ways to report emergencies.

2.20.14 Training And Personal Protective Equipment (PPE)

2.20.14.1 Employee Information and Training

The Facility Manager will be responsible for conducting job-specific hazard training on chemicals used by Production and Retail Facility Employees. After attending training, each employee will sign a form to verify that he or she attended the training, received our written materials, and understands Hale O Laulima's policies on hazard communication. Prior to starting work, each new employee will attend safety training and will receive information and training on the following:

1. An overview of the requirements contained in OSHA's HAZCOM standard (29 CFR 1910.1200)¹;
2. Chemicals present at the facility of employment;
3. Location and availability of the written hazard program;
4. Physical hazards and health effects of the hazardous chemicals on site;
5. Methods and observation techniques used to determine the presence or release of hazardous chemicals in the work area;
6. How to reduce or prevent exposure to these hazardous chemicals by using engineering controls, work practices and personal protective equipment;
7. Steps Hale O Laulima has taken to reduce or prevent exposure to these chemicals;
8. An emergency procedure to follow if an employee is exposed to chemicals; and
9. How to read labels and review SDS to obtain appropriate hazard information.

2.20.14.2 New Employee Training

All new Production and Retail Facility Employees must complete at least 10 hours of safety training prior to beginning any official work duties. Such training session(s) will cover at a minimum, the Employee Manual, including all policies and procedures described herein, the requirements and regulations set forth by OSHA, and other local and Hawai'i laws and regulations. The Safety Coordinator will work in conjunction with the Facility Manager to ensure the contents and curriculum of the training sessions are sufficient to prepare new employees to successfully and safely perform their job duties and to prepare employees for responding to incidents and emergencies in accordance with this Plan.

¹ https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=standards&p_id=10099



2.20.14.3 On-Going Employee Training

All Production and Retail Facility Employees will be required to complete on-going training at least once annually, and as often as necessary to cover new changes in work processes, policies and/or procedures as well as new developments in the Employee Manual.

2.20.14.4 Personal Protective Equipment (PPE) Requirements

PPE for eyes, face, head, and extremities, including protective clothing, respiratory devices, and protective shields and barriers, will be provided, used, and maintained in a sanitary and satisfactory condition. PPE will be required wherever hazards of processes or environment, chemical hazards, or mechanical irritants may be encountered and may cause injury or impairment in the function of any part of the body through absorption, inhalation or physical contact. The Facility Manager will provide all PPE for Production and Retail Facility Employees and will be responsible for assuring the adequacy of the equipment, including proper maintenance, fit and sanitation. All PPE will be of safe design and construction for the work to be performed. The Safety Coordinator and Quality Control Team, in coordination with the Facility Manager, will assess the Production facility to determine if hazards are present or are likely to be present which necessitate the use of PPE. If such hazards are present, or likely to be present, the Facility Manager will:

1. Select, and have each affected employee use the types of PPE that will provide protection from the hazards identified in the hazard assessment;
2. Communicate selection decisions to each affected employee; and,
3. Select PPE that properly fits each affected employee.

2.20.14.4.1 Sample PPE List

The required PPE will vary based on the procedure or work duty performed, and may include (but is not limited to):

1. Hair net/beard net;
2. Fire-retardant lab coat/uniform (long sleeves when necessary);
3. Safety glasses/goggles;
4. Nitrile gloves;
5. Disposable respirator;
6. Anti-static wrist straps;
7. Hard hat; and
8. Appropriate footwear.

2.20.14.5 Employees Required to Use PPE

Appropriate PPE must be worn at all times, according to the requirements of the job task. Production and Retail Facility Employees will be encouraged to contact their supervisor and reference the PPE job hazard analysis if in need of PPE or if questions arise. Employees must wear approved eye and face protection when performing any task that could generate flying debris. When working with hazardous chemicals, employees must wear all PPE specified on the SDS and/or manufacturer's label. Employees must wear gloves when handling harvested



marijuana, metal, rough wood, fiberglass and other sharp objects. All employees must also wear a hard hat when there are potential overhead hazards. Appropriate non-slip footwear and pocket-less uniform items must be worn as required.

2.20.14.6 Hazard Communication Program

Hale O Lahilima is committed to the prevention of hazardous material and chemical incidents that could result in injury and/or illness to any person. We will spare no effort in providing a safe and healthful work environment for our employees and will hold supervisors accountable for the safety of employees working under their direction.

The OSHA Hazard Communication standard (29 CFR 1910.1200)² is based on the simple concept that employees have both a need and a "right to know" the identities and hazards of any chemicals they work with during the course of their employment. Employees also need to know what protective measures are available to prevent chemical exposures and how to avoid adverse health effects. Hale O Lahilima will develop, implement, and maintain at each appropriate operational unit a written hazard communication program which describes how labels and other forms of warning, SDS, and employee information and training requirements will be met, and which also includes the following:

1. A list of the hazardous chemicals (including pesticides) known to be present in the facility using a product identifier that is referenced on the appropriate safety data sheet (the list may be compiled for the workplace as a whole or for individual work areas);
2. The methods Hale O Lahilima will use to inform employees of the hazards of non-routine tasks and the hazards associated with chemicals contained in their work areas;
3. Hale O Lahilima will additionally ensure that the hazard communication programs developed and implemented include the following for in-house contractors or employees of other companies hired for services:
 - a. The methods Hale O Lahilima will use to provide other employer(s) on-site access to SDSs for each hazardous chemical the temporary employees may be exposed to while working;
 - b. The methods Hale O Lahilima will use to inform the other employer(s) of any precautionary measures that need to be taken to protect employees during the workplace's normal operating conditions and in foreseeable emergencies; and,
 - c. The methods Hale O Lahilima will use to inform the other employer(s) of the labeling system used in the workplace.
4. Hale O Lahilima will make the written hazard communication program available, upon request, to employees, their designated representatives, and all local, Hawai'i, and federal authorities, in accordance with the requirements of 29 CFR 1910.1020(e);
5. Hale O Lahilima will ensure that each container of hazardous chemicals in the workplace is labeled, tagged or marked with either:
 - a. The information specified on an SDS; or

² https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=standards&p_id=10099



- b. A product identifier and words, pictures, symbols, or combination thereof, which provide at least general information regarding the physical and health hazards of every chemical used.
6. Hale O Lahuli will ensure the written materials are readily accessible to all employees in their work area throughout each work shift; and
7. Hale O Lahuli will ensure that workplace labels or other forms of warning are legible, in English, and prominently displayed on the container, or readily available in the work area throughout each work shift.

2.20.14.6.1 Hazardous Materials Training

All employees responsible for the operation of areas in which hazardous materials will be stored, handled, or used will receive special safety and PPE training. These employees will also be required to familiarize themselves with the chemical nature of the materials and the appropriate mitigating actions necessary in the event of fire, leak, or spill in accordance with IFC 5003.9.1. All Production and Retail Facility Employees will receive orientation and annual training on cultivation safety, emergency/incident management, product handling and sanitation, and compliance. The Safety Coordinator will repeat training whenever a new chemical or a new hazard is introduced in the work area.

2.20.14.6.2 Hazardous Non-Routine Tasks

Occasionally, a Production and Retail Facility Employee may be asked to perform a task that is not part of their normal job. Before taking on a new task, the Production and Retail Facility Employee will be given information by the Facility Manager about any hazardous chemicals that might be used during the activity. This information will include:

1. Specific chemical hazards;
2. Protective measures employees can take; and
3. Measures the Production facility has taken to reduce the hazards, which might include ventilation, personal protective equipment, use of the buddy system, and emergency procedures.

2.20.14.6.3 Informing Contractors

It is the Facility Manager's responsibility to identify and obtain SDS for chemicals any contractor brings into the Production facility. It is the responsibility of the Facility Manager to provide contractors in the Production facility with the following information:

1. Hazardous chemicals to which they may be exposed while working at the Production facility and the procedure for obtaining SDS information;
2. Precautions contracted employees may take to reduce the possibility of exposure by using appropriate protective measures; and
3. An explanation of the labeling system.



2.20.15 Safety Rules

These safety rules are designed to provide Production and Retail Facility Employees with knowledge of the recognized and established safe practices and procedures that apply to many of the work situations encountered while employed at Hale O Laulima. If an employee is in doubt about the safety of any condition, practice or procedure, the Production and Retail Facility Employee will consult the Facility Manager for guidance.

2.20.15.1 Accident Reporting

All accidents or near misses in the Production facility will be reported to the Facility Manager immediately. Falsification of Hale O Laulima records, including employment applications, time records or safety documentation will not be tolerated.

2.20.15.2 Hazard Reporting

The Facility Manager must be notified immediately of any unsafe condition and/or practice in the facility.

2.20.15.3 Alcohol or Illegal Drugs

No illegal drugs or alcohol will be allowed on any Hale O Laulima premises. Employees must notify their supervisor if they are taking any prescription drugs that might affect their work performance.

2.20.15.4 Personal Protective Equipment (PPE)

Production and Retail Facility Employees will be required to wear all PPE specified on the SDS and/or manufacturer's label when handling and using a hazardous material. The Facility Manager will provide detailed training to each Production and Retail Facility Employee who is required to use PPE. Each Production and Retail Facility Employee will be trained to know at least the following:

1. When PPE is necessary;
2. What PPE is necessary;
3. How to properly don, doff, adjust and wear PPE;
4. The limitations of the PPE; and
5. The proper care, maintenance, useful life, and disposal of the PPE.

Each affected employee will demonstrate an understanding of the training and the ability to use PPE properly before being allowed to perform work requiring the use of PPE. When the Facility Manager has reason to believe that any affected Production and Retail Facility Employee who has already been trained does not have the understanding and skill required, the Facility Manager or Safety Coordinator will retrain each such employee. Circumstances where retraining is required include, but are not limited to, situations where:

1. Changes in the workplace render previous training obsolete;
2. Changes in the types of PPE to be used render previous training obsolete; or



3. Inadequacies in an affected employee's knowledge or use of assigned PPE indicate that the employee has not retained the requisite understanding or skill.

Hale O Laulima will verify that each affected employee has received and understood the required training through a written certification that contains the name of each employee trained, the date(s) of training, and that identifies the subject of the certification.

2.20.15.5 Safety Checks

A safety check must be performed prior to each Production and Retail Facility activity with all equipment involved. A safety check should include the following tasks and responsibilities when applicable, or similar items:

1. Check all sealing surfaces for debris;
2. Ensure all seals are undamaged;
3. Ensure CO2 monitor is functioning; and
4. Ensure hoses are not cracked, pinched or leaking.

2.20.15.6 Emergency Procedures

Emergency management is addressed comprehensively in the Emergency Management and Response SOP. A general overview of emergency procedures is provided below.

2.20.15.7 Notification and Recordkeeping

In the event of any emergency incident, documentation must be maintained and the necessary Hawai'i and local enforcement agencies must be notified within a reasonable timeframe. The appropriate officials to contact and the degree of urgency will depend on the character of the emergency.

2.20.15.8 CO2 Alarm

Hale O Laulima will use CO2 in cultivation spaces, yet with the selected ventilation and monitoring equipment and small-room design it is very unlikely that an unsafe level of CO2 will occur. Each room in which CO2 will be used will be outfitted with a CO2 alarm that will indicate if unsafe levels of CO2 are present. If a CO2 alarm does sound, any Production and Retail Facility Employees present will be required to take note of the time and evacuate the room immediately. The Production and Retail Facility Employee present for the alarm must ensure all doors to the room are closed and the ventilation system is powered on. The ventilation system should clear the room and deactivate the alarm within 5 minutes. If the alarm is not cleared within 5 minutes, all persons present must evacuate the building and the Facility Manager must contact the local fire department.

2.20.15.9 Smoke Detector

If a single smoke detector sounds, Production and Retail Facility Employee(s) must investigate the area where the unit is located to determine if there is a fire. If a small fire is present, a Production and Retail Facility Employee must use a fire extinguisher to put out the fire in



accordance with his or her safety training. If a large fire is present, all persons present must evacuate the building and the Facility Manager must notify the local fire department immediately. If there is not a fire, the smoke detector must be inspected by the Facility Manager, as it may be dysfunctional. If multiple smoke detectors sound, all persons must evacuate the building immediately and the Facility Manager will be responsible for contacting the local fire department.

2.20.15.10 Hazardous Material Spill

Hale O Laulima does not plan to utilize any hazardous materials in any facility. If hazardous materials must be acquired and a spill occurs, the space must be evacuated and the SDS for the product must be reviewed to determine the appropriate steps for spill management. If appropriate for the situation, local authorities will be contacted for spill response guidance and services. Employees will follow the direction of local officials and information contained in the emergency response and management SOP in the case of an external spill impacting operations.

2.20.15.11 Pesticide Safety Requirements

2.20.15.11.1 Overview

Protecting workers from potential effects of pesticides is an important requirement at Hale O Laulima's Production facility. It is Hale O Laulima policy to avoid using synthetic pesticides in cultivation operations, except as a last resort. Plans are in place to prevent the need for pesticide use, but Hale O Laulima reserves the right to use pesticides if absolutely necessary. If pesticides must be acquired, employees in the cultivation center may be exposed to pesticides when they:

1. Prepare pesticides for use, such as by mixing a concentrate with water or loading the pesticide into application equipment;
2. Apply pesticides to plants;
3. Apply pesticides during room turnover for the eradication of pests or disease following an outbreak; or
4. Enter an area where pesticides have been applied while performing normal tasks.

2.20.15.11.2 Pesticide Usage Policies

It is Hale O Laulima policy to limit the use of chemical pesticides to only when it is necessary or appropriate, and to ensure the safety and wellness of its employees working with such pesticides and that any employee in charge of making pesticide applications will be licensed and/or certified and trained for making such applications.

Chemical pesticides will be used as a last resort if all other non-chemical pest control methods described in the Integrated Pest Management (IPM) program are ineffective and only if appropriate for the situation and phase in the growth cycle.



All pesticide products used in the cultivation center will be registered with the Hawai'i Department of Agriculture. Hale O Laulima will not use any pesticides classified as restricted use by the EPA in its cultivation practices.

Pesticides may not be applied after the vegetative stage. All pesticide application records will be maintained in the automatic data processing/point-of-sale ("ADP/POS") system and the cloud-based storage system for a minimum of six (6) years. Pesticide usage policies that the cultivation center will adhere to will be compliant with all Department standards.

2.20.15.11.3 Pesticide Regulations

Pesticides include rodenticides, insecticides, bacteria/fungi (beneficial), herbicides, arachnicides, miticides, molluscicides, nematocides, growth regulators and others.

All pesticide applications will be compliant with:

1. Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA)³;
2. Superfund Amendments Reauthorization Act (SARA)⁴;
3. Community Right to Know Act (EPCRA)⁵;
4. Occupational, Safety and Health Act (OSHA)⁶;
5. Hawai'i Pesticide Law;
6. Hawai'i Agricultural Worker Safety Act; and
7. Any other applicable Hawai'i and local laws.

2.20.15.11.4 Pesticide Safety Standards

Hale O Laulima will implement and abide by the EPA's Current Agricultural Worker Protection Standard (WPS) to reduce the risk of pesticide poisoning and injury among Production and Retail Facility Employees handling pesticides. The WPS requires that owners and employers on agricultural establishments provide protections to workers and handlers from potential pesticide exposure, train them about pesticide safety, and provide mitigations in the event exposures occur. Although the WPS doesn't specifically cover marijuana cultivation operations, Hale O Laulima believes it is in the best interest of the safety and wellness of its employees, patients and the community to apply such standards to its cultivation operations.

2.20.15.11.5 Good Handling Practices for Pesticides

To the extent that resources are available, Hale O Laulima will operate under the EPA regulations regarding the Labeling Requirement for Pesticides and Devices, 40 C.F.R. part 156, and the Worker Protection Standard, 40 C.F.R. part 170, which was adopted by the Hawai'i and published in the Hawai'i Administrative Codes:

³ <http://www.epa.gov/agriculture/lfra.html>

⁴ <http://www.epa.gov/superfund/policy/sara.htm>

⁵ <http://www.epa.gov/oem/content/epcra/>

⁶

https://www.osha.gov/pls/oshaweb/owasrch.search_form?p_doc_type=STANDARDS&p_toc_level=1&p_keyvalue=1928



1. Hale O Lahuli shall make available agricultural pesticide information concerning any agricultural pesticide to all Production and Retail Facility Employees:
 - a. Who enter an agricultural-pesticide-treated area in the Production facility where:
 - i. An agricultural pesticide has been applied within 30 days of that entry;
 - ii. A restricted-entry interval has been in effect; or
 - b. Who may be exposed to the agricultural pesticide during normal conditions of use or in a foreseeable emergency.
2. The agricultural pesticide information provided will be in the form of a fact sheet or SDS. The Facility Manager shall provide a written copy of the information provided within two (2) working days after a request for the information by a Production and Retail Facility Employee or a designated representative. In the case of a pesticide-related medical emergency, Hale O Lahuli shall provide a written copy of the information promptly upon the request of the Production and Retail Facility Employee, the designated representative, or medical personnel treating the Production and Retail Facility Employee;
3. If the fact sheet or SDS for the agricultural pesticide is not available when the agricultural pesticide is purchased, Hale O Lahuli shall take appropriate and timely steps to obtain the fact sheet or SDS from the distributor, the manufacturer, the Hawai'i of Hawai'i, a federal agency, or another distribution source;
4. The Facility Manager will obtain a one-page general agricultural pesticide safety sheet and provide the pesticide safety sheet to Production and Retail Facility Employees pursuant to the EPA Worker Protection Standard, 40 C.F.R. s. 170.130. The pesticide safety sheet will be in a language understandable to Production and Retail Facility Employees and must include, but need not be limited to, illustrated instructions on preventing agricultural pesticide exposure and toll-free telephone numbers to the Hawai'i Poison Control Centers;
5. Hale O Lahuli will provide agricultural pesticide information as required by the Hawai'i of Hawai'i; and
6. Hale O Lahuli will follow all record keeping requirements of applicable federal, Hawai'i, and local laws. All pesticide applications will be recorded in marijuana product(s) Application Log.

2.20.15.11.6 Compliance with Label Recommendations Required

Application and storage of pesticides will be in accordance with label recommendations and all Hawai'i laws and regulations. The Facility Manager will be responsible for ensuring that all Production and Retail Facility Employees responsible for handling, application, and storage of pesticides will be trained to do so properly and in accordance with all applicable Hawai'i and federal regulations.

2.20.15.12 Handling, Use, Transportation, and Storage of Compressed Gas cylinders

1. All compressed gas cylinders (regardless of size) will be secured to racks, walls, work benches, or hand trucks by a strong chain or strap, or secured by any other approved method capable of preventing the cylinder from falling or being knocked over;



2. All questionable gas cylinders or equipment will be reported immediately to the supplier for correction or replacement;
3. All cylinders will be clearly labeled to identify the contents and precautionary information.
4. Only Production and Retail Facility Employees trained in the proper handling and safe use of gas cylinders will be authorized to handle cylinders;
5. Compressed gases will be used only in areas of the Production facility with adequate ventilation for the gas being used;
6. Cylinders will not be intentionally dropped, struck, or permitted to violently strike each other and will be reasonably protected from violent impact of any kind;
7. All cylinders will be kept far enough away or shielded while in the work area in order to prevent contact with sparks, flame, or radiant heat;
8. Valve protection caps will be required on all cylinders that are threaded to accommodate a cap unless the cylinder valve is actually connected for use to a regulator or manifold;
9. All gas cylinders will be equipped with a functioning gas regulator while in use;
10. Production and Retail Facility Employees will be strictly prohibited from attempting to connect a regulator and/or accessory equipment by the use of improvised hookups or adapters;
11. When Production and Retail Facility Employees have finished using a compressed gas cylinder for the day, the cylinder valve will be closed and the pressure in the regulator and associated equipment will be released;
12. If a compressed gas is used to maintain a static pressure on a closed system, a clearly visible warning sign will be posted indicating the approximate pressure the system is under and the gas involved.
13. All empty cylinders will have their valves closed;
14. All empty cylinders will be handled with the same care as full cylinder;
15. Compressed gas or compressed air will not be used for cleaning purposes (to blow dust and debris away) without appropriate reduction valves (30 P.S.I. maximum);
16. Under no conditions will a person direct high-pressure gas at another person. Doing so will result in disciplinary action;
17. Only Production and Retail Facility Employees properly instructed in the hazards of CO₂ compressed gas will be authorized to release or use the gas or operate any equipment using CO₂ (i.e., CO₂ burners);
18. The Facility Manager and Safety Coordinator are responsible for ensuring that the necessary emergency treatment and first aid supplies are available in the Production facility. All Production facility supervisors will be able to administer or have administered the necessary first aid that may be required as a result of minor CO₂-related accidents or injuries; and
19. Transfer of gases between containers, cylinders, and tanks will be performed by qualified personnel using equipment and operating procedures in accordance with CGA P-1 (Compressed Gas Association P-1: Safe Handling of Compressed Gases).



2.20.15.13 Transportation Of Compressed Gas Cylinders

1. Only personnel of sufficient physical stature and strength will physically move gas cylinders so as to minimize any potential hazard resulting from the size and weight of the cylinders;
2. When cylinders are moved, they will be disconnected from any regulators or manifolds, and where threaded to accept protective valve caps, the valve caps will be secured in place before the cylinders are released from their securing device;
3. Cylinders will be moved only on a hand truck or other cart designed for handling gas cylinders; and
4. No more than one cylinder will be handled at a time except on carts designed to transport more than one cylinder.

2.20.15.14 Storage Of Compressed Gas Cylinders

1. Compressed gas cylinder storage areas will be located in an appropriate area away from emergency exits and must be kept well-drained, well-ventilated, cool, and protected from exposure to the elements. Regardless of size, all cylinders will be provided with supports (straps, chains, or other similar devices) capable of preventing the cylinders from falling;
2. Under no condition may the temperature of gas cylinders be allowed to exceed 50°C (125°F);
3. Excessive storage time will be prevented by only acquiring the smallest practical size cylinder for a particular gas application; and
4. The Facility Manager and/or Inventory Manager will be responsible for overseeing Compressed Gas cylinder orders and for ensuring that only the smallest cylinders possible for practical use are acquired.

2.20.15.15 Respiratory Protection Program

2.20.15.15.1 Policy

It is the policy of Hale O Laulima that all employees working in areas or job classifications requiring the use of tight-fitting respirators will undergo medical evaluation and fit testing before assignment. In addition, these employees will receive training on the requirements of this program as well as specific instruction on the proper use, maintenance, and limitations of respirators.

Voluntary respirator use will be limited to the use of filtering face piece type respirators such as dust masks. All employees using filtering face piece type respirators will receive instruction on the proper use and limitations of this type of respirator by the Safety Coordinator.

Under no circumstances will Production and Retail Facility Employees use self-contained breathing apparatus type respirators (SCBA's) or will employees be exposed to chemical concentrations approaching Immediately Dangerous to Life or Health (IDLH) concentrations. All emergency situations including gas leaks and chemical spill response will be handled by local emergency response agencies in accordance with the Emergency Response and Management SOP.



All expenses associated with training, medical evaluations and respiratory protection equipment will be provided and compensated by Hale O Lahuli.

2.20.15.15.2 Purpose

Engineering controls, such as proper ventilation and substitution of less toxic materials, will be the first line of defense at Hale O Lahuli; however, engineering controls may not always be feasible for some of our operations, or may not always completely control identified hazards. In these situations, respirators and other protective equipment must be used. When properly used, respirators are effective in protecting employees from exposure to potentially harmful substances.

To provide effective protection, respirators must be properly fitted to the individual employee and properly worn by the employee. Respirators make breathing more difficult which may cause significant health problems for individuals with existing medical conditions, which makes medical evaluation of employees who will be required to use a respirator in the course of their employment quite important. This written respiratory protection program insures that Production and Retail Facility Employees will be properly trained, fit tested, and medically cleared in order to provide maximum employee protection.

2.20.15.15.3 Program Administrator

The designated program administrator is the Safety Coordinator. The program administrator is responsible for administering the respiratory protection program:

1. Duties of the program administrator include:
 - a. Identifying work areas, processes or tasks that require workers to wear respirators;
 - b. Selection of appropriate respirators;
 - c. Arranging for or conducting training;
 - d. Ensuring proper storage and maintenance of respiratory protection equipment;
 - e. Arranging for or conducting fit testing;
 - f. Insuring all employees using tight-fitting respirators are medically cleared;
 - g. Providing an approved medical provider;
 - h. Recordkeeping; and
 - i. Annual evaluation and updating of the written program.
2. The program administrator must provide the following to each employee required to wear a respirator and Hale O Lahuli-approved physician who will conduct the medical evaluation:
 - a. A copy of this program;
 - b. Required type and weight of respirator;
 - c. Length of time required wearing respirator;
 - d. Expected physical workload (light, moderate, or heavy);
 - e. Potential temperature and humidity extremes; and
 - f. Specifications for any additional protective clothing required.



2.20.15.15.4 Respirator Selection

The Certification of PPE Hazard Assessment outlines the work areas and job classifications where respirators are required along with the types of respirators necessary. Respiratory protection determinations for non-routine tasks and future jobs will be performed by the program administrator using the following procedures:

1. Identification of the hazardous substances using SDS or other appropriate resources;
2. Review of work processes to determine where potential exposures to these hazardous substances may occur;
3. Employee exposure assessments utilizing air monitoring, published exposure data, or information provided by manufacturers or trade associations;
4. Appropriate respirators will be selected using information from respirator vendors along with information contained in the OSHA Small Entity Compliance Guide⁷ for the Revised Respiratory Protection Standard; and
5. All respirators must be certified by the National Institute for Occupational Safety and Health (NIOSH) and shall be used in accordance with the terms of that certification. Also, all filters, cartridges, and canisters must be labeled with the appropriate NIOSH approval label. The label must not be removed or defaced while it is in use.

2.20.15.15.5 Medical Evaluation Policy

Employees who are either required to wear respirators (other than disposable respirator masks) must pass a medical evaluation before being permitted to wear a respirator on the job. Any Production and Retail Facility Employee refusing the medical evaluation will not be allowed to work in any Production and Retail Facility production area requiring respirator use:

1. A licensed physician or licensed health care practitioner will provide the medical evaluations. Medical evaluation procedures are as follows:
 - a. The medical evaluation will be conducted using the appropriate worker compensation provider forms;
 - b. All affected employees will be given a copy of the medical questionnaire to fill out during the workday, along with a stamped and addressed envelope for mailing the questionnaire to Hale O Lahuli physician;
 - c. The medical clinic physician will grant follow-up medical exams to employees as deemed necessary;
 - d. All employees will be granted the opportunity to speak with the physician about their medical evaluation, if they so request; and
 - e. Any employee required for medical reasons to wear a positive pressure air-purifying respirator will be provided with a powered air-purifying respirator.
2. After an employee has received clearance and begun to wear his or her respirator, additional medical evaluations will be provided if an employee reports symptoms such as "shortness of breath", "dizziness", or "wheezing". In addition, medical evaluations will be

⁷ <https://www.osha.gov/Publications/3384small-entity-for-respiratory-protection-standard-rev.pdf>



performed if a change in the workplace results in an increased physiological burden on the employee.

2.20.15.15.6 Fit Testing

Initial fit testing is required for all employees who are required to wear respiratory protection. Based on our knowledge of the cultivation practices that will be carried out at the Production facility, Hale O Laulima plans to offer respirators for voluntary use; therefore fit testing will be required at the commencement of cultivation operations. In the event that Hale O Laulima needs to change its policy and make respirators mandatory for certain work activities or spaces, fit testing will be performed by an approved medical provider using the OSHA Qualitative Fit Test Protocol outlined in Exhibit A of 29 CFR 1910.134.8 Employees will be fit tested with the make, model, and size of respirator that they will actually wear. Employees will be provided with several models and sizes of respirators so that they may find an optimal fit. Fit testing will be repeated annually and whenever there are changes in the employee's physical condition that could affect respiratory fit (e.g., obvious change in body weight, facial scarring, etc.).

2.20.15.15.7 Respirator Use Procedures

Respirators may not be used in a manner inconsistent with their NIOSH certification or manufacturer's instructions:

1. All employees will conduct user seal checks each time that they wear their respirator. Employees shall use either the positive or negative pressure check;
2. Employees are not permitted to wear tight-fitting respirators if they have any condition, such as facial scars, facial hair, or missing dentures, that prevents them from achieving a good seal;
3. Respirators shall be cleaned as often as necessary using the cleaning supplies located in the locker room;
4. Employees must perform thorough visual inspections of their respirators at the beginning of each work shift;
5. Worn or defective respirators will be taken out of service immediately;
6. Respirators must be stored in a clean plastic bag in an uncontaminated area;
7. Respirator cartridges will be dated with a permanent marker at the time they are installed on the respirator; and
8. The Safety Coordinator will replace respirator cartridges according to the manufacturer's suggested schedule.

2.20.15.15.8 Training Required

All respirator users and Facility Managers will be trained annually by the Safety Coordinator on the contents of this respiratory protection program and their responsibilities under it, and on the OSHA Respiratory Protection standard. Employees will be trained prior to using a respirator in the workplace. Unit managers will also be trained prior to using a respirator in the workplace

⁸ https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=standards&p_id=9780



or prior to supervising employees that must wear respirators. Employees must demonstrate their understanding of the topics covered in the training. Training must be documented in the employee's personnel file. The training course will cover the following topics:

1. Respiratory hazards encountered at the Production facility and their health effects;
2. Proper selection and use of respirators;
3. Limitations of respirators;
4. Respirator donning and user seal (fit) checks;
5. Fit testing;
6. Maintenance and storage; and
7. Medical signs and symptoms limiting the effective use of respirators.

2.20.16 Program Evaluation

The Safety Coordinator will conduct annual evaluations of the Production facility to ensure that the provisions of this program are being implemented. The evaluations will include regular consultations with Production and Retail Facility Employees who use respirators and the Facility Manager, site inspections, air monitoring and a review of applicable records. The written program will be updated as needed to correct any deficiencies found.

2.20.17 Recordkeeping

The Safety Coordinator will maintain the following records in the secure cloud-based storage system:

1. A written copy of this program and the OSHA standard;
2. Copies of initial and refresher training content and documentation of attendance;
3. Fit test records including the make, model, and size of respirator if required;
4. Copies of the physician's written recommendation regarding each employee's ability to wear a respirator; and
5. Copies of the results of any hazard assessments including air monitoring.

2.20.18 Injury Claims

All Production and Retail Facility Employees will be provided with an explanation of the workers' compensation system and the benefits it will provide by the Human Resources Manager, once acquired. Prior to acquisition of a Human Resources Manager, these items will be the responsibility of the Facility Manager or Administrative Controller.

2.20.18.1 Injury Claims Procedures

1. If an injured employee needs immediate medical attention, he/she will be driven or sent to the nearest appropriate hospital or clinic;
2. If the injury is not an emergency, an appointment will be made with one of the worker's compensation provider's designated medical providers as soon as possible;
3. Once the employee's supervisor has been notified of an injury, the supervisor will provide a list of designated providers and written instructions. The employee will be required to sign



and date this written instruction; a copy will be given to the employee and stored in the employee's personnel file;

4. An accident investigation will be conducted by the responsible supervisor following all work-related injuries. The supervisor or Safety Coordinator will be responsible for interviewing the injured employee and all witnesses;
5. The Safety Coordinator will report the claim to the worker's compensation provider;
6. If the incident involved an employee death or a catastrophe (three or more employees admitted to the hospital) OSHA will be notified within eight hours;
7. The Safety Coordinator will use information from the accident investigation to identify changes that may help prevent future incidents;
8. For lost time claims, the Facility Manager will contact the injured employee at least once a week to answer questions, keep the injured employee informed of organization activities, and discuss return to work options;
9. The Safety Coordinator will contact the medical provider after each appointment to keep current on the employee's work status, medical progress, and to ensure that appointments are being kept;
10. Modified duty procedures will be as follows:
 - a. The Facility Manager will evaluate any medical restrictions and determine if the employee can return to their regular job duties;
 - b. If the employee is unable to return to normal job duties, the Facility Manager and Human Resources Manager will determine if the employee's position can be temporarily modified to accommodate the restrictions; and
 - c. If the job cannot be modified, the employee's direct supervisor will evaluate other tasks or positions the employee may be able to perform until the medical restrictions are lifted.
11. If the employee is unable to return safely to a modified position, the medical restrictions will be re-evaluated after each doctor's visit to ensure the employee is returned to work as soon as possible without being detrimental to the employee's health or safety;
12. Once Hale O Lahuli has acquired more than 10 employees, an entry will be made by the Safety Coordinator on an OSHA 300 Log for all cases involving medical treatment; and
13. Accurate records will be kept for all workers' compensation claims. The workers compensation file will include documentation of all communications regarding the claim and all records from the medical providers and worker's compensation provider.



2.21 Exhibit 21: Substance Abuse Prevention SOP

2.21.1 Purpose

The creation and development of this procedure has been completed to ensure compliance with administrative rules as defined by the Hawai'i Department of Health and to promote patient, product and public safety. As rule changes occur and best practices evolve, the content of this document will be reviewed and updated where appropriate. Each step in our manufacturing and distribution processes is carefully performed and controlled so that the resulting medical marijuana products possess the safety, quality, identity, purity, and potency (SQulPP) that patients deserve.

HAR Requirement	Description
§11-850-34.a	A dispensary licensee shall establish and maintain written policies and procedures governing the qualifications, recruitment, hiring, and training of operators, employees, or subcontractors of production centers and retail dispensary locations.
§11-850-34.b	No person under the age of twenty-one shall be employed by a dispensary facility.
§11-850-34.c	Operators, employees, and subcontractors shall wear an identification badge issued by the dispensary with the photograph and name of the wearer in a visible location at all times when on the premises of a dispensary facility.
§11-850-34.d	A dispensary licensee shall provide training upon hire and annually to each employee. The training shall include, but not be limited to the following:
§11-850-34.d.1	Health, safety, and sanitation standards in accordance with this chapter;
§11-850-34.d.2	Security pursuant to this chapter;
§11-850-34.d.3	Prohibitions and enforcement pursuant to this chapter;
§11-850-34.d.4	Confidentiality pursuant to this chapter; and
§11-850-34.d.5	All other provisions of this chapter and chapter 329D, HRS, that apply to that person's scope of employment.
§11-850-34.d.6	The dispensary licensee shall provide the names of all employees to the department. Eff. DEC 14 2015
§11-850-35.a	A dispensary licensee shall have available at each dispensary facility a time clock or other adequate method to record the month, day, year, and time that each employee arrives at and leaves the facility.
§11-850-35.b	Time record entries shall be made at the time an employee reports for duty and again when the employee goes off duty and at any time the employee leaves and returns to the premises for any reason.
§11-850-35.c	A dispensary licensee shall maintain all employee records, including the specific employee training provided and hours worked. Eff DEC 14 2015

2.21.2 Local Compliance

In accordance with applicable employment practices as defined by Hawai'i Administrative Rules Chapter(s): 11-850-34 and 11-850-35 and enforced by the Hawai'i DOH, Hale O Laulima will utilize policies and procedures to ensure a standardized onboarding program. All employment related procedures and policies implemented in Hale O Laulima's Production and Retail Dispensary Facilities will be in full compliance with the provisions set forth in Hawai'i Administrative Rules Chapter(s): §11-850-34 and §11-850-35.

2.21.3 Definitions and Abbreviations:

Air-Conditioning ("A/C")

American National Standards Institute ("ANSI")

American Society for Testing and Materials ("ASTM")

Automated Data Processing/Point-of-Sale System ("ADP/POS")

Batch Production Record ("BPR")

BBC Research & Consulting ("BBC")



Board of Directors ("the Board")
Cannabidiol ("CBD")
Cannabidiolic Acid ("CBDA")
Cannabigerol ("CBG")
Chief Executive Officer ("CEO")
Chief Operations Officer ("COO")
Code of Federal Regulations ("CFR")
Community Right to Know Act ("EPCRA")
Compassionate Use Registry ("the Registry")
Conditionally Exempt Small Quantity Generator ("CESQG")
Continuing Medical Education (CME)
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 ("SQuIPP")
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")

2.21.4 Introduction

Hale O Laulima is committed to running a hyper-compliant marijuana Production and Retail Dispensary Facilities for the benefit of the registered qualifying patient population of Hawai'i and the general success of the Hawai'i's Medical Use of Marijuana Act. Part of our commitment to a successful medicinal marijuana program includes our commitment to combating substance abuse in Hawai'i through the development of actionable measures to be enforced during all aspects of Production and Retail Dispensary Facilities operations. In an effort to expand the impact of Hale O Laulima's commitment to the mitigation of substance abuse in Hawai'i beyond Production and Retail Dispensary Facilities operations, Hale O Laulima will establish partnerships with and donate to existing local substance abuse programs and invest in the advancement of research exploring the impact of marijuana on opiate use and addiction.

2.21.5 PARTNERSHIPS WITH EXISTING SUBSTANCE ABUSE PROGRAMS

Hale O Laulima is committed to aligning with local substance abuse organizations through encouraging volunteer initiatives by Production and Retail Dispensary Facilities employees, regular participation in meetings held by local organizations committed to substance abuse prevention and reduction, and offering to partner in the prevention of youth substance use. Members of the Executive Management Team ("EMT") have already met with substance abuse treatment providers to discuss opportunities for involvement in the center's operations and ancillary substance abuse mitigation efforts. Though the center expressed reluctance to accept direct donations from the Production and Retail Dispensary Facilities, a collaborative



relationship has been established with a treatment provider, PERSON, which Hale O Lahilima will continue to foster in an effort to develop strategies for Production and Retail Dispensary Facilities involvement that the treatment center is comfortable with.

2.21.6 SUBSTANCE ABUSE ADVISOR

In order to ensure the ongoing effectiveness of Hale O Lahilima's substance abuse prevention measures detailed herein, Hale O Lahilima will appoint a qualified substance abuse treatment professional to the role of Substance Abuse Advisor. The Substance Abuse Advisor will be a treatment provider and has been working as a clinician in the addiction and mental health field for over a decade. The Substance Abuse Advisor will aid Hale O Lahilima in addressing teen substance abuse in particular, as he has worked closely with teens seeking substance abuse treatment for several years and has particular insight into the needs of this population. He takes a wellness, or holistic, approach to substance abuse treatment, which includes attention to and rehabilitation of all aspects of a substance abuser's lifestyle. Hale O Lahilima and the Substance Abuse Advisor will collaborate to develop the Production and Retail Dispensary Facilities' substance abuse fundraising events and strategies for mitigation substance abuse.

The Substance Abuse Advisor will provide Hale O Lahilima with insight and novel strategies for substance abuse prevention efforts. The Substance Abuse Advisor will additionally serve as a liaison between Hale O Lahilima and the local substance abuse prevention organizations we have identified as potential partners or recipients of donations, keeping Hale O Lahilima owners, managers and support employees abreast of meeting schedules, opportunities for volunteer service contributions and events held by our future partner organizations. Hale O Lahilima's President will oversee the orchestration of all Production and Retail Dispensary Facilities fundraising events dedicated to the advancement of local substance abuse prevention organizations and maintain responsibility for management of donor contributions and disbursement of substance abuse prevention funds. The Substance Abuse Advisor will additionally assist the Production and Retail Dispensary Facilities in the establishment of non-financial working agreements with local treatment providers for referral of identified persons in need of substance abuse counseling or treatment.

2.21.7 Organization of Donations and Volunteers

Hale O Lahilima is committed to investing profits to existing substance abuse prevention organizations in the local community, with particular attention to those organizations committed to youth substance abuse prevention. These funds will be designated to support existing efforts in substance abuse prevention as well as treatment. The Production and Retail Dispensary Facilities will galvanize Production and Retail Dispensary Facilities employees, their friends, and family members as volunteer staff to serve during the orchestration of these fundraising events. Additionally, all employees will be encouraged to regularly participate in meetings held by local substance abuse prevention organizations that the Production and Retail Dispensary Facilities has partnered with.



2.21.8 Opiate Abuse Research

Recent studies addressing current opiate and heroin epidemics show that marijuana can be used as an effective tool in limiting deaths associated with the abuse of opiates. As the number of opioid-related overdose deaths in the United States has drastically increased over the past decade, researchers have discovered a reduction in the number of deaths resulting from opioid overdoses in States with medical marijuana laws. According to new research published in August 2014 by JAMA Internal Medicine⁹, medical marijuana laws are significantly associated with lower rate of opioid overdose mortality at the Hawai'i level. Further, this association was found to increase over time after the first year of implementation of the Hawai'i medical marijuana programs. By examining death certificate data from 1999-2010, researchers concluded that States with medical marijuana laws in place before 2010 had 24.8 percent lower annual opioid overdose deaths on average when compared to the number of annual opioid overdose deaths in States without medical marijuana laws. Though more research is needed to identify the mechanism that explains the association between medical marijuana laws and rate of opioid overdose mortality, the expected benefits of the implementation of the Hawai'i Medical Use of Marijuana Act for the opioid-abusing population are substantial. The Production and Retail Dispensary Facilities aims to contribute to reducing the rate of opioid overdose mortality in Hawai'i by cultivating high-quality medical marijuana that will be made available as an alternative symptom relief method for qualifying patients, especially those who are at greatest risk of opioid abuse due to the need to ingest opioids to combat symptoms of qualifying debilitating medical conditions.

According to a 2013 study published in The American Journal on Addictions, marijuana has also been shown to decrease opiate withdrawal symptoms in individuals undergoing methadone maintenance treatment. Hale O Laulima acknowledges the potential of marijuana to reduce withdrawal severity during methadone treatment and is fully committed to investing in the advancement of opiate use reduction and addiction treatment research. Hale O Laulima will support and advocate for clinical trials to demonstrate effectiveness of marijuana in the treatment of substance use disorders. However, because marijuana is not federally legal and is classified as a Schedule I drug, there are stringent FDA requirements for obtaining medical marijuana for clinical trials, which limits and often completely blocks qualified scientists and medical professionals from completing clinical trials. If successful, recent movements in the Federal legislature to reschedule marijuana as a Schedule II drug will provide more opportunities for clinical trials that will advance the current body of knowledge regarding clinical applications of medical marijuana for substance abuse treatment and other medical conditions. Hale O Laulima supports such research and will consider donating funds for clinical trials of marijuana as a substance abuse treatment tool on a case-by-case basis. Should clinical trials provide further evidence supporting marijuana as a useful aid in treating substance use disorders, Hale O Laulima will advocate for the approval of substance use disorder treatment

⁹ Bachhuber, Saloner, Cunningham, and Barry, 2014. *The Journal of the American Medical Association: Internal Medicine*. Accessed from: <http://archinte.jamanetwork.com/article.aspx?articleid=1898878>



(addiction to specific substances) as an approved condition in the Hawai'i Medical Use of Marijuana Act.

To aid in efforts to advance the body of knowledge on applications of marijuana for opioid abuse treatment, Hale O Laulima Executive Management Team ("EMT") and Substance Abuse Advisor, will monitor weekly for relevant peer-reviewed research publications and reports.



2.22 Exhibit 22: Dispensary Operations SOP

2.22.1 Purpose

The creation and development of this procedure has been completed to ensure compliance with administrative rules as defined by the Hawai'i Department of Health and to promote patient, product and public safety. As rule changes occur and best practices evolve, the content of this document will be reviewed and updated where appropriate. Each step in our manufacturing and distribution processes is carefully performed and controlled so that the resulting medical marijuana products possess the safety, quality, identity, purity, and potency (SQulPP) that patients deserve.

HAR Requirement	Description
§11-850-36.f	For transport between or among dispensary facilities, a transport container shall be packed, secured, and loaded and unloaded and unpacked, in full view of security surveillance cameras. For transport from a dispensary facility to a laboratory, a transport container shall be packed, secured, and loaded in full view of security surveillance cameras.
§11-850-41.a	A dispensary licensee shall retain for a minimum of six years business operation records including but not limited to:
§11-850-41.a.1	Inventory tracking including transport of marijuana and manufactured marijuana products;
§11-850-41.a.2	Sales and compliance with dispensing limitations for each qualifying patient and primary caregiver;
§11-850-41.a.3	Financial records including income, expenses, bank deposits and withdrawals, and audit reports;
§11-850-41.a.4	Logs of entry and exit for dispensary facilities; and
§11-850-41.a.5	Employee records.
§11-850-41.b	A dispensary licensee shall retain for a minimum of one year all security recordings. Eff.
§11-850-43.a	A dispensary licensee or laboratory certified by the department to test marijuana and manufactured marijuana products shall dispose of or destroy unused, unsold, contaminated, or expired marijuana or manufactured marijuana products, or waste products resulting from the cultivating or manufacturing process, including any inventory existing at the time of revocation or surrender of a license, in a way that assures that the marijuana or manufactured marijuana product does not become available to unauthorized persons and is documented as subtracted from inventory.
§11-850-51.a.1	A video surveillance system professionally installed that allows for twenty-four hour continuous video monitoring and recording of all dispensary facilities as follows:
§11-850-51.a.1.C	The surveillance system storage device and the cameras must be internet protocol (IP) compatible;
§11-850-51.a.1.D	The video surveillance system shall have minimum camera resolution to allow for the clear and certain identification of any person and activities in any area of a dispensary facility where marijuana and manufactured marijuana products are produced, moved, or stored; all points of sale areas, any room used to pack or unpack a secured container used to transport marijuana or manufactured marijuana products; any room or area storing a surveillance system storage device; and all exits and entrances to a dispensary facility from both indoor and outdoor locations;
§11-850-51.a.1.E	The surveillance system video recording storage device shall be secured in a lockbox, cabinet, or closet, or secured in another manner that limits access to protect the system from tampering or theft; and
§11-850-61.a	A dispensary licensee shall track electronically the dispensary's inventory of marijuana and manufactured marijuana products through each stage of processing, from propagation to ADP/POS, disposal, or destruction, and maintain a record of clear and unbroken chain of custody at all stages, including during transport of the inventory between dispensary facilities and between a dispensary facility and a laboratory.
§11-850-71.b.4	Safe and appropriate storage and disposal or destruction of marijuana at all stages of production and sale.
§11-850-72.b.5	Safe and appropriate storage and disposal or destruction of manufactured marijuana products at all stages of production and sale.
§11-850-85.j	A dispensary licensee shall destroy a batch that does not conform to the testing standards set out in subsection (c) as indicated by the certificate of analysis; provided that a dispensary licensee shall quarantine a non-conforming batch until any retesting pursuant to subsection (d) is completed, after which the dispensary licensee shall dispose of or destroy the batch if the results of retesting confirm that the batch is non-conforming. For purposes of this section, quarantine means that the batch shall be separated from all other inventory and the quarantine status shall be indicated in the tracking system. The quarantine shall be lifted only by the department, and only upon receipt by the department of a certificate of analysis indicating that the batch conforms to the testing standards set out in subsection (c). Eff. DEC 14 2015
§11-850-92.b.4	Includes a computer tracking inventory identification number barcode generated by tracking software;



2.22.1.1 Local Compliance

In accordance with applicable inventory related rules as defined by Hawai'i Administrative Rules Chapter(s): 11-850-41, 11-850-43, 11-850-51, 11-850-61, 11-850-71, 11-850-72, 11-850-85, 11-850-92 and enforced by the Hawai'i DOH, Hale O Laulima will utilize policies and procedures to enable record keeping activities that meet or exceed the minimal requirements. All inventory and record keeping policies implemented in Hale O Laulima's Production and Retail Dispensary Facilities will be in full compliance with the provisions set forth in Hawai'i Administrative Rules Chapter(s): §11-850.

2.22.2 Definitions and Abbreviations:

Air-Conditioning ("A/C")

American National Standards Institute ("ANSI")

American Society for Testing and Materials ("ASTM")

Automated Data Processing/Point-of-Sale System ("ADP/POS")

Batch Production Record ("BPR")

BBC Research & Consulting ("BBC")

Board of Directors ("the Board")

Cannabidiol ("CBD")

Cannabidiolic Acid ("CBDA")

Cannabigerol ("CBG")

Chief Executive Officer ("CEO")

Chief Operations Officer ("COO")

Code of Federal Regulations ("CFR")

Community Right to Know Act ("EPCRA")

Compassionate Use Registry ("the Registry")

Conditionally Exempt Small Quantity Generator ("CESQG")

Continuing Medical Education (CME)

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 ("SQIIPP")
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")

2.22.3 Overview

Hale O Laulima's policies and procedures and operating plans detailed throughout Hale O Laulima's Quality Management System provides all plans included in this application illustrate Hale O Laulima's commitment to professionalism, medical marijuana education, compliance,



consistency of operations, and above all, a high-quality patient experience. The strategies, policies, and procedures described herein and those integrated into all plans submitted with this application are designed to facilitate smooth Retail Dispensary Facility operations that are managed by qualified managers and by a comprehensive, custom ADP/POS system, Biotrack, designed to manage all aspects of Retail Dispensary Facility operations. Hale O Laulima will update dispensing and patient management practices whenever necessary and will coordinate with industry advisors who have developed best practices through years of experience managing dispensaries in other medical marijuana states. It is Hale O Laulima's goal to assure that all aspects of Retail Dispensary Facility operations are managed in accordance with industry best practices, assure full compliance with all Hawai'i regulations, and exceed DOH expectations, providing a model for effective Retail Dispensary Facility business management in Hawai'i.

2.22.4 Approved and Tested Products Only

Only marijuana products that meet the quality and safety standards set forth in Hale O Laulima standards described in the Quality Assurance and Quality Control SOP will be sold in the Retail Dispensary Facility. All batches and lots of product must have been analyzed by an independent testing laboratory and accompanied by a certificate of analysis in order to be accepted into Retail Dispensary Facility inventory and offered for sale to qualifying patients. The Retail Dispensary Facility will provide only high-quality, medically toned products tailored to the needs of qualifying registered patients.

2.22.5 Implementation of Best Practices

In coordination with industry experts, Hale O Laulima has developed best practices for managing of all aspects of business in a Retail Dispensary Facility, which are incorporated in all sections of the Retail Dispensary Facility application. These best practices comply with and exceed the requirements set forth by the DOH and address topics including patient management, inventory control, and operational efficiencies. Aside from the items addressed elsewhere in the application, best practices for day-to-day Retail Dispensary Facility management include maintaining a defined hierarchy that promotes effective communication, setting and communicating realistic goals through written operating policies and procedures, maintaining an open management style, creating and implementing training modules and schedules, and engaging in regular performance monitoring.

2.22.6 Management Style

The hierarchical structure of the Retail Dispensary Facility is clearly defined in the organizational chart provided in the Staffing and Training SOP, which will be available to all Employees upon orientation and clearly defines lines of communication and authority within the organization. The written operating policies and procedures were designed in coordination with industry expert advisors and will continuously be updated to reflect industry best practice and regulatory changes. Managers are required to read and refer to written operating policies and procedures; all Retail Dispensary Facility Employees will be trained in accordance with Hale O



Laulima's comprehensive operations manual and will have access to a hard copy of the manual at all times while onsite.

Managers will be required to maintain an open management style, which includes communicating openness to feedback and concerns at all times, keeping staff communications confidential, maintaining a confidential comments box on the Retail Dispensary Facility premises, and never punishing staff who raise concerns about Retail Dispensary Facility operations. Management personnel will also assure effective management of the Retail Dispensary Facility by requiring training of all staff upon hire, monthly, and as necessary to address compliance issues or with the development of best practices. Finally, managers will effectively manage Retail Dispensary Facility Employees and operations by engaging in regular performance monitoring, as described herein and in the Staffing and Training SOP.

2.22.7 Patient Supply and Demand

The mission of Hale O Laulima is to provide consistent, safe, and medicinally effective marijuana and marijuana products to registered patients and their caregivers. The Production and Processing Manager, in coordination with the Inventory Manager, will receive a demand report from the Retail Dispensary Facility Manager and modify the next quarter's production levels to meet or exceed the demand. In addition to demand, the Production and Processing Manager will consult with the Retail Dispensary Facility Manager and Chief Medical Officer to determine appropriate strains to cultivate and products to produce to meet patient needs.

2.22.8 Registry and Order Verification

A Patient Coordinator and Retail Dispensary Facility Employee will each fulfill a portion of the pre-dispensing verification requirements set forth in Inventory Control and Management SOP. For each patient or patient's caregiver, a Patient Coordinator will verify the following information, at a minimum, before the individual is able to enter limited access areas in which marijuana products are displayed and dispensed:

1. The identity of the patient or patient's caregiver; and
2. The validity and active status of the patient or designated caregiver's registration in the Compassionate Use Registry.

2.22.9 Dispensing Records

In accordance with the requirements contained in the Inventory Control and Management SOP along with the Quality Assurance and Quality Control SOP, immediately after dispensing marijuana product to a patient or patient's caregiver, the Retail Dispensary Facility Employee will enter the dispensing action into the registry. Records of all dispensing and sales transactions will also be entered into the ADP/POS system, Biotrack, in real time and maintained in the secure cloud-based storage system.



2.22.10 Electronic Business Records

Hale O Laulima will maintain electronic business records consistent with industry standards including, but not limited to, the Hale O Laulima's bylaws, consents, assets and liabilities, monetary transactions, bank statements, audits, journals, ledgers and supporting documents, agreements, checks, invoices and vouchers, and other financial accounts reasonably related to the operations of the Retail Dispensary Facility. All records will be maintained for six (6) years.

2.22.11 Automated Data Processing and Point of Sale System

Hale O Laulima's Retail Dispensary Facility will manage inventory, sales transactions, and related business through an ADP/POS system, Biotrack, described in the Inventory Control and Management SOP. The system is designed to comply with all recordkeeping, product tracking, and sales requirements set forth by Hale O Laulima, allows seed-to-sale inventory control, provides a custom point-of-sale interface that will be integrated with the Hawai'i registry (if the DOH provides the necessary framework for integration), and will be HIPAA-compliant. It provides all means necessary for traceability of products for the purpose of recall; tracks disposal of products that are outdated, damaged, deteriorated, misbranded, or adulterated; ensures first-in-first-out inventory control; provides business reporting consistent with industry standards; and tracks qualified patient records, including purchases and denials of sale, while maintaining patient confidentiality. The system is designed to conform to the privacy and security rules of HIPAA (45 CFR 164).

Biotrack allows the Retail Dispensary Facility Employee and/or Patient Coordinator to qualify a patient or designated caregiver by verifying his or her identity, registration status and written certification in the registry, verify that the patient has a caregiver authorized by the DOH and the identity of that caregiver, and record the date, time, amount, and form of marijuana product purchased. Amounts allowable for each patient will be configured into the system through coordination with physician orders available in the secure registry. The Retail Dispensary Facility will not operate if the ADP/POS system, Biotrack, or the registry is inoperative or inaccessible.

2.22.12 Audits and Inspections

Hale O Laulima will be prepared for any inspection held by the DOH or other regulating authority, allowing access to any Hale O Laulima facility and affiliated vehicles and/or the Hale O Laulima product(s) in order to determine that the Hale O Laulima is operating pursuant with all applicable laws and regulations. The Hale O Laulima will perform regular compliance audits and internal inspections in order to check all records, Employee activities, and operations of the Retail Dispensary Facility to ensure that Hale O Laulima is operating pursuant to all applicable laws and regulations and provide the results of such compliance audits and internal inspections to the Board of Directors.



2.22.13 Tracking and Monitoring Sales

Once patient and order are verified in the registry and payment is accepted and registered in the ADP/POS system, the Retail Dispensary Facility Employee will notify the Retail Dispensary Facility Manager on duty to remove products from the limited access storage area, if applicable, who will then use his or her Hale O Laulima-issued access control card to enter the storage room, retrieve the purchased items from the safe in which they are stored, and then bring the item(s) back into the sales area for transfer to the registered patient or caregiver who made the purchase. Depending on whether the product has been pre-packaged or is stored in bulk form (flower only), the Employee may need to weigh and package the product in accordance with standard operating procedure.

The bar code on purchased items will be scanned when removed from storage and processed for sale, and the inventory control system will automatically move these items from Retail Dispensary Facility inventory in storage to purchased inventory. All aspects of this process will be recorded by the surveillance system, all access to limited access areas will be recorded in the access control system, all inventory will be tracked from storage to retail sales area to registered patient or caregiver, and all sales records will be securely maintained in the ADP/POS system, Biotrack, and/or secure cloud-based records storage system for a minimum of six (6) years. Point of sale transactions will be linked both to patient profiles and lot or batch records in the system, allowing for comprehensive tracing of product from origin of the genetic material through every step of the production process to final transfer to a qualifying patient or caregiver.

2.22.14 Secure Storage for Products and Cash

Hale O Laulima will utilize a vault with dimensions sufficient for storage of marijuana and placement of an additional interior safe for secure storage of cash awaiting pickup and deposit. Hale O Laulima will also develop and enforce strict cash handling and storage policies, set forth in the standard operating procedures, to ensure the safety of all Employees, patrons, operations, and material assets at all times. The Retail Dispensary Facility Manager will execute money exchanges throughout the daily operations of the Retail Dispensary Facility and will adjust the money exchange schedule according to the levels of cash being accepted at each register on a daily basis. The money drop schedule must be randomized to ensure that no patterns are created. No cash register may have more than \$1,000 in cash at any one time. The Retail Dispensary Facility Manager is responsible for the daily monitoring of cash register levels and removing cash as necessary to be stored in the safe within the vault.



2.23 Exhibit 23: Inventory Control and Management SOP

2.23.1 Purpose

The creation and development of this procedure has been completed to ensure compliance with administrative rules as defined by the Hawai'i Department of Health and to promote patient, product and public safety. As rule changes occur and best practices evolve, the content of this document will be reviewed and updated where appropriate. Each step in our manufacturing and distribution processes is carefully performed and controlled so that the resulting medical marijuana products possess the safety, quality, identity, purity, and potency (SQulPP) that patients deserve.

HAR Requirement	Description
§11-850-36.f	For transport between or among dispensary facilities, a transport container shall be packed, secured, and loaded and unloaded and unpacked, in full view of security surveillance cameras. For transport from a dispensary facility to a laboratory, a transport container shall be packed, secured, and loaded in full view of security surveillance cameras.
§11-850-41.a	A dispensary licensee shall retain for a minimum of six years business operation records including but not limited to:
§11-850-41.a.1	Inventory tracking including transport of marijuana and manufactured marijuana products;
§11-850-41.a.2	Sales and compliance with dispensing limitations for each qualifying patient and primary caregiver;
§11-850-41.a.3	Financial records including income, expenses, bank deposits and withdrawals, and audit reports;
§11-850-41.a.4	Logs of entry and exit for dispensary facilities; and
§11-850-41.a.5	Employee records.
§11-850-41.b	A dispensary licensee shall retain for a minimum of one year all security recordings. Eff.
§11-850-42.a	A dispensary licensee may dispense to a qualifying patient or primary caregiver any combination of marijuana or manufactured marijuana products that shall not exceed four ounces of marijuana during a period of fifteen consecutive days, and shall not exceed eight ounces of marijuana during a period of thirty consecutive days.
§11-850-42.b	Consistent with section 11-850-61, a dispensary licensee shall determine the quantity of marijuana or manufactured marijuana products purchased by a qualifying patient or primary caregiver from any other licensed dispensary within the state and shall not sell any amount of marijuana or manufactured marijuana products to that qualifying patient or primary caregiver of a qualifying patient that exceeds the limits identified in this chapter. Eff. DEC 14 2015
§11-850-43.a	A dispensary licensee or laboratory certified by the department to test marijuana and manufactured marijuana products shall dispose of or destroy unused, unsold, contaminated, or expired marijuana or manufactured marijuana products, or waste products resulting from the cultivating or manufacturing process, including any inventory existing at the time of revocation or surrender of a license, in a way that assures that the marijuana or manufactured marijuana product does not become available to unauthorized persons and is documented as subtracted from inventory.
§11-850-51.a.1	A video surveillance system professionally installed that allows for twenty-four hour continuous video monitoring and recording of all dispensary facilities as follows:
§11-850-51.a.1.C	The surveillance system storage device and the cameras must be internet protocol (IP) compatible;
§11-850-51.a.1.D	The video surveillance system shall have minimum camera resolution to allow for the clear and certain identification of any person and activities in any area of a dispensary facility where marijuana and manufactured marijuana products are produced, moved, or stored; all points of sale areas, any room used to pack or unpack a secured container used to transport marijuana or manufactured marijuana products; any room or area storing a surveillance system storage device; and all exits and entrances to a dispensary facility from both indoor and outdoor locations;
§11-850-51.a.1.E	The surveillance system video recording storage device shall be secured in a lockbox, cabinet, or closet, or secured in another manner that limits access to protect the system from tampering or theft; and
§11-850-61.a	A dispensary licensee shall track electronically the dispensary's inventory of marijuana and manufactured marijuana products through each stage of processing, from propagation to ADP/POS, disposal, or destruction, and maintain a record of clear and unbroken chain of custody at all stages, including during transport of the inventory between dispensary facilities and between a dispensary facility and a laboratory.
§11-850-71.b.4	Safe and appropriate storage and disposal or destruction of marijuana at all stages of production and sale.
§11-850-72.b.5	Safe and appropriate storage and disposal or destruction of manufactured marijuana products at all stages of production and sale.
§11-850-85.j	A dispensary licensee shall destroy a batch that does not conform to the testing standards set out in subsection (c) as indicated by the certificate of analysis; provided that a dispensary licensee shall quarantine a non-conforming



HAR Requirement	Description
	batch until any retesting pursuant to subsection (d) is completed, after which the dispensary licensee shall dispose of or destroy the batch if the results of retesting confirm that the batch is non-conforming. For purposes of this section, quarantine means that the batch shall be separated from all other inventory and the quarantine status shall be indicated in the tracking system. The quarantine shall be lifted only by the department, and only upon receipt by the department of a certificate of analysis indicating that the batch conforms to the testing standards set out in subsection (c). Eff. DEC 14 2015
§11-850-92.b.4	Includes a computer tracking inventory identification number barcode generated by tracking software;

2.23.1.1 Local Compliance

In accordance with applicable inventory related rules as defined by Hawai'i Administrative Rules Chapter(s): 11-850-41 through 11-850-43, 11-850-51, 11-850-61, 11-850-71, 11-850-72, 11-850-85, 11-850-92 and enforced by the Hawai'i DOH, Hale O Laulima will utilize policies and procedures to enable record keeping activities that meet or exceed the minimal requirements. All inventory and record keeping policies implemented in Hale O Laulima's Production and Retail Dispensary Facilities will be in full compliance with the provisions set forth in Hawai'i Administrative Rules Chapter(s): §11-850.

2.23.2 Definitions and Abbreviations:

Air-Conditioning ("A/C")
American National Standards Institute ("ANSI")
American Society for Testing and Materials ("ASTM")
Automated Data Processing/Point-of-Sale System ("ADP/POS")
Batch Production Record ("BPR")
BBC Research & Consulting ("BBC")
Board of Directors ("the Board")
Cannabidiol ("CBD")
Cannabidiolic Acid ("CBDA")
Cannabigerol ("CBG")
Chief Executive Officer ("CEO")
Chief Operations Officer ("COO")
Code of Federal Regulations ("CFR")
Community Right to Know Act ("EPCRA")
Compassionate Use Registry ("the Registry")
Conditionally Exempt Small Quantity Generator ("CESQG")
Continuing Medical Education (CME)
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 Lahuli ("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")

2.23.3 Inventory Control Policies

The Inventory Control and Management Standard Operating Procedure (SOP) of Hale O Laulima outlines operational procedures for inventory management in compliance with HAR §11-850. The Inventory Manager is assigned responsibility for oversight of all inventory management activities and for implementing and enforcing the contained policies and procedures. It is established that the Director of Cultivation in coordination with the Retail Dispensary Facilities General Manager will ensure the cumulative inventory of seeds, plants and usable marijuana reflects the projected needs of qualifying patients. The Production and Retail Dispensary Facilities General Manager(s) and Inventory Manager will work collaboratively to assure that inventory is tracked from seed to sale, counted and recorded at required intervals, and that any discrepancies are documented, investigated and reported to the appropriate authorities.

The ADP/POS, herein referred to as, "Biotrack", and its inventory management module will be accurate and capable of producing, upon request, reports on all marijuana and marijuana products in production, finished and stored. Cycle counts are required and will be recorded in the Inventory Log. An outline of required shift, daily, weekly, monthly, semi-annual, and annual inventory counts in Hale O Laulima's licensed premises is included. All inventory policies and procedures relevant to the acquisition, receipt and transport of marijuana are comprehensively addressed. Discrepancies identified during inventory that are not due to documented causes will be reported to the Facility Manager as well as the Inventory Manager and the causes will be investigated. Any suspected cases of diversion, theft, loss and any criminal action involving Hale O Laulima or an employee will be reported to the Hawai'i DOH and associated Law Enforcement, in accordance with State regulations. The Facility Manager will also report any verifiable incident of theft or loss of marijuana to the Hawai'i DOH and the Hawai'i State Police, as required.

2.23.4 Responsibility for Inventory Control and Management

The Inventory Manager is responsible for oversight of all inventory control and management. The Inventory Manager's responsibilities include, but are not limited to: real-time inventory tracking, inventory counts and audits, reconciliation of inventory discrepancies, preparing shipments and transfers, packaging and labeling final marijuana products, inventory recordkeeping, and reporting. The Inventory Manager is also responsible for developing and implementing inventory training for all employees, and will have the authority to delegate specific inventory control, management, or recordkeeping tasks to qualified managers or employees.

The Inventory Manager will designate the Facility Manager to have oversight of the inventory control system for the facility. The Facility Manager and Inventory Manager share responsibility for ensuring accurate recording and accountability of inventory at all Production and Retail



Dispensary Facilities, as well as accurate recording of all inventory movements in Hale O Laulima's facilities.

2.23.5 Inventory Limits

The Inventory Manager must ensure the cumulative inventory of clones, marijuana plants, source material, and marijuana products reflect the projected needs of qualified registered patients. Production volumes should be sufficient to meet, but not substantially exceed, registered patient needs. Beginning inventories will be established based on projected patient demand. Hale O Laulima has contracted with BBC Research to estimate patient demand statewide. BBC Research was selected by the state of Colorado to estimate demand in Colorado's marijuana marketplace and had the contract renewed for a second year. On the basis of their impressive credentials, Hale O Laulima is confident that BBC Research's demand estimate for Honolulu County is reasonably accurate, and will use their patient demand projections to establish beginning inventory limits. Once the medical marijuana program is operational and data is available, the Inventory Manager will use any available local and state-wide patient registration and dispensing data to adjust inventory limits to anticipate future inventory needs. Adam Orens, Director at BBC Research serves as Market Data Advisor for Hale O Laulima and will review market demand models ongoing during operations.

2.23.6 Real-Time Inventory Reporting Required

The Production and Retail Dispensary Facilities Manager(s) in coordination with the Inventory Manager is responsible for the accurate real-time reporting of marijuana inventory. The selected ADP/POS, Biotrack, will be used for real-time inventory management and tracking marijuana throughout all facilities' operations. The system utilized involves reporting daily beginning and ending inventory including:

3. Marijuana plants in any phase of production such as mother plants, clones, vegetative plants, and flowering plants;
4. Marijuana products in process;
5. Finished marijuana and marijuana products;
6. All damaged, defective, expired or contaminated marijuana and marijuana products awaiting disposal;
7. Acquisitions;
8. Harvests;
9. Sales;
10. Shipments or transfers; and
11. Disposals of unusable marijuana.

2.23.7 Surveillance Coverage of Inventory Activities

The entirety of the Production and Retail Dispensary Facilities will be covered by surveillance video cameras. All facility activities, including inventory management and control activities, will be recorded by surveillance cameras and the footage will be stored in a secure location. Hale O



Laulima will retain for a minimum of one year all security recordings. Surveillance footage can be watched in real-time, on the display monitor in the security room, or stored footage can be accessed for review by select managers, including the Chief Security Officer. The room containing surveillance equipment will be restricted to the Chief Security Officer, COO, and other personnel authorized by the Chief Security Officer. Constant, comprehensive surveillance camera coverage provides an additional protection against diversion or theft and allows verification and surveillance of all inventory activities.

2.23.8 Production Facility Inventory Control Procedure

The Director of Cultivation is responsible for assuring that all of the following inventories, procedures, and documents are completed or created, with the Inventory Manager retaining reports on premises for a minimum of six (6) years:

1. The Inventory Manager must ensure that the inventory management system (i.e., the ADP/POS, Biotrack) is maintained and provides adequate documentation of the chain of custody throughout the cultivation process. The physical location of plants will be recorded at all times to allow Hale O Laulima to promptly identify diversion, theft, or loss;
2. The Inventory Manager will conduct an initial comprehensive inventory of all marijuana at the Production facility, which will be recorded in the ADP/POS. The integrated ADP/POS, Biotrack provides for input of an initial comprehensive inventory. If no marijuana is on the cultivation premises when business commences, the initial inventory will be recorded as zero;
3. The Inventory Manager, in coordination with the Harvest Lead, must maintain procedures that reconcile the wet weight of harvested marijuana plants to the weight of post-harvest processing waste, trimmed wet weight, and cured weight of marijuana source material. Significant variances must be documented, investigated by the Director of Cultivation and/or Inventory Manager, and reported to the Quality Control Team (CCO);
4. The Inventory Manager will ensure that the Director of Cultivation conducts all required cultivation cycle counts and electronic inventory management activities. Quarterly comprehensive inventory counts will be conducted under the Inventory Manager's supervision and reconciled to the perpetual inventory records in the ADP/POS. Significant variances or discrepancies will be documented, investigated by the COO, and reported to the CCO and the Hawai'i DOH, if criminal activity is suspected;
5. The Inventory Manager will keep records of all marijuana source material transferred from the Production facility to the Retail Dispensary Facilities, and all marijuana waste disposed of. These records will include, at a minimum:
 - a. Strain;
 - b. Batch number;
 - c. Weight (in grams);
 - d. Test results;
 - e. A link to the transportation manifest, including identifying information about the destination facility, date of transport, employee responsible for transport or transfer, and other relevant information; and



- f. If disposed, additional records must be kept in the Waste Disposal Log, as set forth in the Marijuana Waste Disposal SOP.
6. At least once every 30 days, the Inventory Manager will conduct an inventory audit in the Production facility:
 - a. The Inventory Manager will compare physical inventory counts conducted by the Director of Cultivation with electronic inventory records in Biotrack;
 - b. Using this method, the Inventory Manager will promptly detect diversion, theft, or loss and take immediate action to reconcile inventory discrepancies, if any;
 - c. The Inventory Manager will conduct the audit and produce an inventory audit report for the COO at least once every 30 days;
 - d. If any inventory discrepancy is identified during the audit, Hale O Laulima will conduct an investigation, identify the source of the discrepancy, and take corrective action; and
 - e. Discrepancy investigation and resolution will be recorded, and records maintained for a minimum of six (6) years. The Hawai'i DOH will be notified of any discrepancy and all corrective actions taken with five (5) business days.
7. The Inventory Manager will receive a receipt for any sample of marijuana or record that is removed from the Production facility by an authorized person, such as a Hawai'i DOH representative. Samples of marijuana collected by the QA / Director of Processing for the purpose of conducting quality assurance testing in the Production Facility's on-site laboratory will be held to the same standards. All sample and record receipts will be recorded in Biotrack and will be kept for a minimum of six (6) years. See the Sampling and Testing SOP for more information about laboratory sampling and testing.

2.23.9 Retail Dispensary Facilities Inventory Control Procedure

1. The Inventory Manager must ensure that the inventory management system (i.e., the ADP/POS system, Biotrack) is maintained and provides adequate documentation of all marijuana product movements from acquisition to sale;
2. The Inventory Manager must ensure that the ADP/POS system requires verification of patient registration, order contents, and order fulfillment status before a Dispensary Employee may dispense any marijuana product, in accordance with HAR 11-850-42.a, 11-850-42.b and 11-850-61;
3. The Inventory Manager must ensure that the ADP/POS system either interfaces with the Compassionate Use Registry ("the Registry") or requires a Retail Dispensary Employee to enter a dispensing action into the Registry immediately upon dispensing a marijuana product to a qualified registered patient or patient's legal representative, in accordance with HAR 11-850-42.a, 11-850-42.b and 11-850-61;
4. The Inventory Manager must ensure that the ADP/POS system maintains patient profiles and records, and protects patient privacy and confidentiality in accordance with HIPAA



standards and HAR 11-850-40, and restricts access to confidential patient information through the issuance of user permissions;

5. The Inventory Manager will conduct an initial comprehensive inventory of all marijuana products at each Hale O Laulima facility, which will be recorded in the ADP/POS system. If no marijuana products are on the Retail Dispensary Facilities premises when business commences, the initial inventory for each Retail Dispensary Facilities will be recorded as zero.;
6. The Inventory Manager in coordination with the Retail Dispensary Managers must maintain procedures which reconcile marijuana products acquired with marijuana products disposed, in storage, on display in the sales area, in transport, and dispensed on-site in real-time. Significant variances in a Hale O Laulima facility must be documented, investigated by the Facility Manager for that unit and/or Inventory Manager, and reported to the Board. This will enable each Hale O Laulima facility to promptly detect diversion, theft, or loss;
7. The Inventory Manager will ensure that each Hale O Laulima Facility Manager conducts all required cycle counts and electronic inventory management activities. Quarterly comprehensive inventory counts will be conducted under the Inventory Manager's supervision and reconciled to the perpetual inventory records in the ADP/POS system. Significant variances or discrepancies will be documented, investigated by the COO, and reported to the Hawai'i DOH if criminal activity is suspected;
8. The Inventory Manager will keep records of all marijuana products sold or otherwise disposed at each Hale O Laulima facility. These records will include, at a minimum:
 - a. Name and form of the marijuana product dispensed;
 - b. Batch number;
 - c. Amount of the marijuana product dispensed;
 - d. Sales price;
 - e. Date of sale;
 - f. Name and identification number of the qualified registered patient or patient's legal representative to which the marijuana product was dispensed; and
 - g. If disposed, the name, form, batch number, quantity, date, manner of disposal and reason for disposal for any marijuana products destroyed.
9. At least once every 30 days, the Inventory Manager will conduct an inventory audit in each Hale O Laulima facility:
 - a. The Inventory Manager will compare physical inventory counts conducted by the Facility Manager with electronic inventory records in Biotrack;
 - b. Using this method, the Inventory Manager will promptly detect diversion, theft, or loss and take immediate action to reconcile inventory discrepancies, if any;
 - c. The Inventory Manager will conduct the audit and produce an inventory audit report for the COO at least once every 30 days;



- d. If any inventory discrepancy is identified during the audit, Hale O Laulima will conduct an investigation, identify the source of the discrepancy, and take corrective action; and
 - e. Discrepancy investigation and resolution will be recorded, and records maintained for a minimum of six (6) years. The DEPARTMENT will be notified of any discrepancy and all corrective actions taken with five (5) business days.
10. The Inventory Manager will receive a receipt for any sample of marijuana product or record that is removed from a Retail Dispensary Facilities by a Hawai'i DOH representative. No other persons may remove samples of marijuana products from any Hale O Laulima premises.

2.23.10 General Inventory Recordkeeping

Policies and procedures for recordkeeping are addressed throughout this Inventory Control and Management plan, in compliance with Hawai'i DOH 11-850 rules. The Inventory Manager, in coordination with Hale O Laulima Facility Managers, will oversee the documentation of all inventory procedures conducted in the Production and Retail Dispensary Facilities and ensure that all inventory records are maintained. Inventory will be comprehensively tracked and recorded in the ADP/POS system, Biotrack, and standard or custom reports can be produced upon demand. The ADP/POS system will also maintain employee records, transportation records, records of recall or withdrawal activities, analytical test results, and any other type of record pertaining to Hale O Laulima operations or products. Hale O Laulima will utilize a secure cloud-based document management system for the electronic storage of all required records, including but not limited to: business records, compliance-related records, and security records. All inventory documentation required will be retained for at least six (6) years and records will be made available to the Hawai'i DOH upon request. Each Hale O Laulima Facility Manager will maintain an internal Inventory Log to record:

1. The date of an inventory process;
2. A summary of the inventory findings;
3. Any discrepancies found;
4. Discrepancy resolution, if any; and
5. The name, identification number, and title of the employee or manager who conducted the inventory process.

2.23.11 Dispensing Errors and Near Misses

All Retail Dispensary Employees are responsible for identifying and recording dispensing errors and near misses. All dispensing errors and near misses will be recorded on an internal Dispensing Errors and Near Miss Log which will be stored in the secure cloud-based document management system. The Retail Dispensary Facilities Manager responsible for the location must be notified immediately to determine necessary corrective actions and must review near misses monthly at a minimum to identify means for preventing near misses and dispensing errors. The Retail Dispensary Manager must enact necessary actions as soon as possible, which



may include updates or modifications to applicable policies and procedures, training or re-training of Retail Dispensary personnel, and/or electronic records systems updates. The Retail Dispensary Manager must determine if the dispensing error requires correction and shall contact any affected patients as soon as possible. If a dispensing error resulted in dispensing of a marijuana product to an individual other than a qualified registered patient or a qualified patient's legal representative, the Retail Dispensary Manager will immediately notify the Hawai'i DOH and take appropriate corrective action, in accordance with HAR 11-850-101. Recordable dispensing errors and near misses include, but are not limited to:

1. Wrong product;
2. Expired product;
3. Wrong label on product;
4. Missing product from sale;
5. Wrong patient name/identification number;
6. Unauthorized person;
7. Wrong quantity;
8. Wrong potency; and
9. Wrong route of administration.

2.23.12 Reconciliation, Resolution, and Reporting

Physical inventory counts and real-time, electronic inventory in the ADP/POS system, Biotrack will be compared, and all discrepancies will be investigated. Cross-checking of periodic physical inventory counts with perpetual inventory records in the system will allow the identification, documentation, investigation and immediate reporting of significant variances that cannot be accounted for. Any inventory discrepancies discovered by any employee will be reported to the Inventory Manager and COO upon discovery. If the Inventory Manager identifies a significant variance between physical inventory counts and inventory accounted for in the system that is not due to documented causes, it will be reported to the Quality Control Team. The COO in coordination with the Inventory Manager will conduct an investigation, using the ADP/POS system, will determine where the loss has occurred, and pursue and document corrective action. The COO will report all inventory discrepancies and corrective actions to the Hawai'i DOH and law enforcement authorities as necessary. If any reduction in the amount of marijuana products in inventory is due to suspected criminal activity by an employee, the COO will report the employee to the Hawai'i DOH and to the appropriate law enforcement agencies. Documentation of all inventory variances, reconciliation, resolution, and reporting will be stored in the system and retained in physical form through printing of PDF documents, and will be readily available to present the Hawai'i DOH or law enforcement upon request or in the event of an unannounced Hawai'i DOH inspection or audit.

2.23.13 Product Storage

All inventory stored in Hale O Laulima facilities will be secured in a limited access area and tracked consistently in accordance with this inventory control and management SOP. Pursuant



to §11-850-71 and §11-850-72, Hale O Laulima in coordination with the Inventory Manager will develop, implement, and maintain handling and storage measures that prevent spoilage, molding, and other damage to marijuana product(s) while preparing it for distribution. Storage activities will be properly recorded and comply with the procedures detailed herein. All marijuana products found to be in non-conformance will be properly disposed of per the Marijuana Waste Disposal SOP. Security procedures surrounding the storage areas are robust and were developed with anti-diversion features and processes in mind. Refer to the Anti-Diversion SOP for additional detail regarding storage area security.

2.23.13.1 General Storage Requirements

The Facility Manager, in coordination with the Inventory Manager and Quality Control Team, is responsible for ensuring compliance of all storage areas:

1. All marijuana and marijuana products must be stored in an enclosed and locked facility where no toxic or flammable materials are kept;
2. Adequate lighting, ventilation, temperature, humidity, space, and equipment must be provided in all marijuana and marijuana product storage areas with oversight by the quality control unit;
3. Separate areas for storage of marijuana that is outdated, damaged, deteriorated, mislabeled, or contaminated, or whose containers or packaging have been opened or breached, until such products are destroyed must be provided in each department;
4. All storage areas must be maintained in a clean and orderly condition;
5. All storage areas must be kept free from infestation by insects, rodents, birds, and pests of any kind; and
6. All storage areas must be maintained in accordance with applicable laws and regulations as well as Hale O Laulima's secure storage provisions.

2.23.13.2 Secure Product Storage

In accordance with Hale O Laulima policy, industry best practice, and §11-850-71 and §11-850-72, all finished marijuana and marijuana-infused products, and marijuana in the process of production, distribution, transfer, or analysis will be stored in such a manner as to prevent diversion, theft or loss. Product storage security measures are covered in detail herein:

1. All marijuana and marijuana-infused products within a Hale O Laulima facility will be stored in a vault located within a limited access area;
2. All marijuana that is still in process will be stored in a secure location within a Hale O Laulima facility, to which access is limited to a minimum number of authorized personnel;
3. All vaults, security equipment, and secure areas used for the production and storage of marijuana will be securely locked and protected from entry, other than during the time required to move or replace marijuana, pursuant to §11-850-51;



4. All marijuana and infused products must be returned to a secure, locked area at the end of any process (i.e. trimming, manufacturing, etc.) or and at the end of the day (i.e. Retail Dispensary Facilities products on display);
5. If a facility process cannot be completed by the end of a working day, the facility area or tanks, vessels, bins or bulk containers containing marijuana will be securely locked inside an area that affords appropriate security and is covered by video surveillance, in accordance with §11-850-51. All marijuana and marijuana products must be stored separately with suitable identification the labels and other labeling materials for each type of marijuana or marijuana product, and the different strength, dosage form or quantity of contents; and
6. Access to marijuana products must be restricted by the Inventory Manager and the Facility Manager. Only necessary personnel must receive access rights to areas housing security equipment, marijuana, marijuana products or cash.

2.23.13.3 Environmental Control Required

The Facility Manager in coordination with the Inventory Manager must ensure that storage areas holding marijuana and marijuana products are maintained to be dry, well ventilated, and have sufficient insulation or other temperature-control features to avoid extreme temperature fluctuations:

1. Hale O Laulima shall incorporate a humidifier or de-humidifier if needed to ensure product quality; and
2. Storage areas must utilize and maintain carbon filtration or other means of odor control as necessary.

2.23.13.4 Removal From Storage

Marijuana and marijuana products may only be removed from secure storage by an employee authorized by the Director of Cultivation or Retail Dispensary Facilities Manager:

1. Only to prepare for final packaging prior to transport
2. Only to transport the marijuana or marijuana product;
3. Only to dispense the marijuana or marijuana product;
4. Only immediately before the marijuana is dispensed; and
5. Only by a registered employee of Hale O Laulima.



2.24 Exhibit 24: Sales, Cash Management and Accounting SOP

2.24.1 Purpose

The creation and development of this procedure has been completed to ensure compliance with administrative rules as defined by the Hawai'i Department of Health and to promote patient, product and public safety. As rule changes occur and best practices evolve, the content of this document will be reviewed and updated where appropriate. Each step in our manufacturing and distribution processes is carefully performed and controlled so that the resulting medical marijuana products possess the safety, quality, identity, purity, and potency (SQulPP) that patients deserve.

HAR Requirement	Description
§11-850-36.f	For transport between or among dispensary facilities, a transport container shall be packed, secured, and loaded and unloaded and unpacked, in full view of security surveillance cameras. For transport from a dispensary facility to a laboratory, a transport container shall be packed, secured, and loaded in full view of security surveillance cameras.
§11-850-41.a	A dispensary licensee shall retain for a minimum of six years business operation records including but not limited to:
§11-850-41.a.1	Inventory tracking including transport of marijuana and manufactured marijuana products;
§11-850-41.a.2	Sales and compliance with dispensing limitations for each qualifying patient and primary caregiver;
§11-850-41.a.3	Financial records including income, expenses, bank deposits and withdrawals, and audit reports;
§11-850-41.a.4	Logs of entry and exit for dispensary facilities; and
§11-850-41.a.5	Employee records.
§11-850-41.b	A dispensary licensee shall retain for a minimum of one year all security recordings. Eff.
§11-850-42.a	A dispensary licensee may dispense to a qualifying patient or primary caregiver any combination of marijuana or manufactured marijuana products that shall not exceed four ounces of marijuana during a period of fifteen consecutive days, and shall not exceed eight ounces of marijuana during a period of thirty consecutive days.
§11-850-42.b	Consistent with section 11-850-61, a dispensary licensee shall determine the quantity of marijuana or manufactured marijuana products purchased by a qualifying patient or primary caregiver from any other licensed dispensary within the state and shall not sell any amount of marijuana or manufactured marijuana products to that qualifying patient or primary caregiver of a qualifying patient that exceeds the limits identified in this chapter. Eff. DEC 14 2015
§11-850-43.a	A dispensary licensee or laboratory certified by the department to test marijuana and manufactured marijuana products shall dispose of or destroy unused, unsold, contaminated, or expired marijuana or manufactured marijuana products, or waste products resulting from the cultivating or manufacturing process, including any inventory existing at the time of revocation or surrender of a license, in a way that assures that the marijuana or manufactured marijuana product does not become available to unauthorized persons and is documented as subtracted from inventory.
§11-850-51.a.1	A video surveillance system professionally installed that allows for twenty-four hour continuous video monitoring and recording of all dispensary facilities as follows:
§11-850-51.a.1.C	The surveillance system storage device and the cameras must be internet protocol (IP) compatible;
§11-850-51.a.1.D	The video surveillance system shall have minimum camera resolution to allow for the clear and certain identification of any person and activities in any area of a dispensary facility where marijuana and manufactured marijuana products are produced, moved, or stored; all points of sale areas, any room used to pack or unpack a secured container used to transport marijuana or manufactured marijuana products; any room or area storing a surveillance system storage device; and all exits and entrances to a dispensary facility from both indoor and outdoor locations;
§11-850-51.a.1.E	The surveillance system video recording storage device shall be secured in a lockbox, cabinet, or closet, or secured in another manner that limits access to protect the system from tampering or theft; and
§11-850-61.a	A dispensary licensee shall track electronically the dispensary's inventory of marijuana and manufactured marijuana products through each stage of processing, from propagation to ADP/POS, disposal, or destruction, and maintain a record of clear and unbroken chain of custody at all stages, including during transport of the inventory between dispensary facilities and between a dispensary facility and a laboratory.
§11-850-71.b.4	Safe and appropriate storage and disposal or destruction of marijuana at all stages of production and sale.
§11-850-72.b.5	Safe and appropriate storage and disposal or destruction of manufactured marijuana products at all stages of production and sale.
§11-850-85.j	A dispensary licensee shall destroy a batch that does not conform to the testing standards set out in subsection (c) as indicated by the certificate of analysis; provided that a dispensary licensee shall quarantine a non-conforming



HAR Requirement	Description
	batch until any retesting pursuant to subsection (d) is completed, after which the dispensary licensee shall dispose of or destroy the batch if the results of retesting confirm that the batch is non-conforming. For purposes of this section, quarantine means that the batch shall be separated from all other inventory and the quarantine status shall be indicated in the tracking system. The quarantine shall be lifted only by the department, and only upon receipt by the department of a certificate of analysis indicating that the batch conforms to the testing standards set out in subsection (c). Eff. DEC 14 2015
§11-850-92.b.4	Includes a computer tracking inventory identification number barcode generated by tracking software;

2.24.1.1 Local Compliance

In accordance with applicable inventory related rules as defined by Hawai'i Administrative Rules Chapter(s): 11-850-41 through 11-850-43, 11-850-51, 11-850-61, 11-850-71, 11-850-72, 11-850-85, 11-850-92 and enforced by the Hawai'i DOH, Hale O Laulima will utilize policies and procedures to enable record keeping activities that meet or exceed the minimal requirements. All inventory and record keeping policies implemented in Hale O Laulima's Production and Retail Dispensary Facilities will be in full compliance with the provisions set forth in Hawai'i Administrative Rules Chapter(s): §11-850.

2.24.2 Definitions and Abbreviations:

Air-Conditioning ("A/C")
American National Standards Institute ("ANSI")
American Society for Testing and Materials ("ASTM")
Automated Data Processing/Point-of-Sale System ("ADP/POS")
Batch Production Record ("BPR")
BBC Research & Consulting ("BBC")
Board of Directors ("the Board")
Cannabidiol ("CBD")
Cannabidiolic Acid ("CBDA")
Cannabigerol ("CBG")
Chief Executive Officer ("CEO")
Chief Operations Officer ("COO")
Code of Federal Regulations ("CFR")
Community Right to Know Act ("EPCRA")
Compassionate Use Registry ("the Registry")
Conditionally Exempt Small Quantity Generator ("CESQG")
Continuing Medical Education (CME)
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 Lahuli ("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")

2.24.3 Sales, Cash Management and Accounting

The Sales Cash Management and Accounting SOP describes how the Facility Manager will ensure that all sales and transactions are carried out in accordance with state laws and regulations. No unlawful sales transactions are permitted or tolerated by Hale O Lahuli. Facility Managers are responsible for all sales in their respective unit and, in coordination with the Inventory Manager, proper collection of all sales and excise taxes. Required identification and recordkeeping measures are addressed as well as training requirements for agents and terminable offenses.

Additional measures address delivery sales, wholesale sales, preparation of taxes, and required accounting measures. The Plan provides a list of prohibited transactions and provisions for secure cash management. The Facility Manager is assigned oversight responsibilities for ensuring the accuracy and maintenance of all sales records.

2.24.4 General Sales Policies and Requirements

2.24.4.1 No Unlawful Transactions

Hale O Lahuli must ensure that no unlawful sales transactions are permitted or tolerated in accordance with state laws and regulations. All agents must report any diversion or unlawful sales witnessed or suspected to the Facility Manager as soon as possible as a condition of employment.

2.24.5 Quality Assurance Testing Required

The Facility Manager must ensure that no marijuana or marijuana products are sold by Hale O Lahuli agents unless all required quality assurance testing has been completed and the results are available for viewing by agents, other licensees, patients and caregivers as requested.

2.24.6 Registered Scale Required

The Facility Manager must ensure all transactions are documented in the inventory control system and all purchases are properly weighed on a NTEP (legal for retail trade) scale inspected by the Hawai'i that may be integrated with the point of sale system. If products are pre-packaged, the net total weight should be verified at the time of sale on each pre-packaged product. If the package weight is more than 10% different than the labeled net weight, do not sell the product and notify the Facility Manager as soon as possible to investigate the difference. Documentation regarding licensing of the scale must be maintained by the Facility Manager and made available to the DOH upon request.



2.24.7 Wholesale Sales

2.24.7.1 Wholesale Process

The Facility Manager is responsible for all wholesale transactions. The Facility Manager in coordination with the Facility Manager shall establish the sales prices for all transactions. The Facility Manager shall have final approval on any wholesale sales transaction. All deliveries to other licensees shall comply with policies in the Inventory Control and Management SOP and the Anti-Diversion SOP.

2.24.8 Wholesale Point of Sale System

The Facility Manager in coordination with the Facility Managers must ensure the point of sale system utilized for wholesale transactions complies with all regulations and Hale O Lahilima policies. The point of sales system may be a module of the inventory management system:

1. The point of sales system must be secure at all times and each agent authorized to use the system must receive all necessary training and have issued a unique user code that contains their registration card identification number;
2. The point of sale system must record all entries made, the date and the electronic signature and unique identification number of the agent utilizing the system;
3. The point of sale system must maintain an audit trail and back-up system so that no initial entry can be made illegible and the record is protected from loss, damage or authorized use; and
4. The Facility Manager in coordination with the Facility Managers must ensure transaction records are maintained for a period of five years after the transaction date.

2.24.9 Patient Sales Transactions

2.24.9.1 Retail Dispensary Manager Responsible for All Sales Transactions

The Retail Dispensary Facility Manager is responsible for all sale transitions including on-site, on-line and delivery transactions. The Facility Manager must ensure all agents working in the facility are properly trained on all sales procedures. Retail Dispensary-specific procedures must be developed, written in detail and maintained by the Retail Dispensary Facility Manager.

2.24.10 Retail Dispensary Facility Point of Sale System

The Inventory Manager, in coordination with the Retail Dispensary Facility Manager, must ensure that any point of sale system used for sales transactions complies with all regulatory requirements, Hale O Lahilima policies, and provides sufficient controls to prevent unlawful sales or sales over established purchase limits. The point of sale system must interface with DOH systems as required. The agent must ensure point of sale system records:

1. For each person who purchases marijuana or patient products from the Retail Dispensary:
 - a. The number of the patient's registry card;
 - b. The date on which the card was issued; and
 - c. The date on which the card will expire.



2. The agent's registration card number;
3. Any information requested by the DOH by regulation regarding nonresidents who have purchased marijuana from the Retail Dispensary Facility;
4. Verification of the identity of a person to whom marijuana or marijuana products are sold or otherwise distributed;
5. Such other information as the DOH may require;
6. The Facility Manager must ensure the point of sale system encrypts and protects the personal identifying information of registry card holders; and
7. No personal information of a card holder may be divulged by any agent for any purpose not specifically authorized by law as a condition of employment.

2.24.11 Verification Required for Sale

Prior to any sale in the Retail Dispensary, an agent must:

1. Verify the identity of registry card holder or the designated primary caregiver. If an agent is unsure if the individual present matches the photograph on the registry identification card, he or she should request a second photo ID from the individual for verification;
2. Confirm that the patient is properly registered to the Retail Dispensary Facility in the point of sale system;
3. Verify the validity of the registry identification card of the patient or the designated primary caregiver. If the agent suspects the registry identification presented is not valid for any reason, he or she should request a review by the Facility Manager or Facility Manager for approval; and
4. Nonresidents may be served in accordance with these Sales policies and managed in accordance with the Inventory Control and Management SOP and Quality Assurance and Quality Control SOP.

2.24.12 Transaction Information Required

An agent completing a sales transaction must ensure the following information is properly recorded in the point of sales system for each transaction:

1. The name and registry card identification number of the patient or their primary caregiver;
2. The amount (total equivalent usable marijuana weight) dispensed;
3. Whether the patient or their caregiver received the medical marijuana;
4. The date and time of the transaction;
5. The agent's registry card identification number; and
6. The registration number of the Hale O Laulima facility.

If the point of sales system does not record the above information for any reason, the transacting agent must record the transaction in the Back-Up Sales Log and notify the Facility Manager of the system failure immediately.



2.24.13 Sales Counter Access

All employees must ensure marijuana and marijuana products are stored behind the counter or other barrier so that patients and caregivers visiting the facility do not have direct access to the product.

2.24.14 Sales Hours

The Retail Dispensary Facility Manager must ensure the Retail Dispensary is operational during posted hours. The Facility Manager shall ensure the hours comply with the hours of operation disclosed to the DOH. The Retail Dispensary Facility Manager must visibly post the hours of operation in the facility.

2.24.15 Accompanying Material Required

The Retail Dispensary Facility Manager must ensure that accurate accompanying material is provided with each sale of marijuana and marijuana products. The accompanying material must meet the requirements of the Packaging and Labeling SOP:

2.24.16 Additional Product Information Required

Each employee must offer any appropriate patient education or support materials in addition to the accompanying materials at every visit including, but not limited to, test results and the name of the laboratory, manufacturer information, or marijuana genetics information. The Retail Dispensary Facility Manager must ensure this information is readily available online and in print (as requested).

2.24.17 Label Requirements For Marijuana and Marijuana Products

The Retail Dispensary Facility Manager must ensure the point of sale system prints labels for each product that are compliant with all regulations. Each agent must verify the label(s) printed and affixed to all marijuana packages sold conform to the requirements contained in the Packaging and Labeling SOP.

2.24.18 Purchasing Limits:

1. Pursuant to §11-850-42 No agent may dispense more than four (4) ounces of marijuana to any one patient or their designated primary caregiver during a period of fifteen (15) consecutive days and shall not exceed eight (8) ounces of marijuana during a period of thirty (30) consecutive days. The point of sales system must be reviewed for previous purchases prior to completing any sale. The maximum allowable quantity of edible marijuana products and marijuana- infused products is an amount that is equivalent to 4 ounces of usable marijuana. Any agent who sells product to an individual that exceeds the 4 ounce limit may be terminated;
2. The Retail Dispensary Facility Manager must ensure that the point of sale system adequately flags and prohibits any over limit sales. Marijuana product weight must be



included in the calculation of the sales limit based on the total cannabinoid content provider by the manufacturer; and

3. The Retail Dispensary Facility Manager must also ensure a sign is posted in the Retail Dispensary facility that states unambiguously the legal limits on the possession and sale of marijuana for medical purposes.

2.24.19 Agent May Refuse Sales

Any Hale O Lahilima agent may refuse to dispense marijuana or marijuana products to any patient or caregiver that is above allowable limits or in the opinion of the agent, the patient, caregiver or the public would be placed at risk without fear of management retribution. Each time the patient or caregiver requests and does not obtain marijuana or marijuana products from Hale O Lahilima, the agent must record in the patient record:

1. The date;
2. The name and registry card number of the patient; and
3. The reason the marijuana or marijuana products was not provided.

2.24.20 No Suspected Diversion Allowed

All agents must refuse to sell marijuana or marijuana products to a patient or caregiver they suspect may be diverting product and notify the Facility Manager or Facility Manager immediately. Refer to the Anti-Diversion SOP for additional process control policies.

2.24.21 Prohibited Transactions

Hale O Lahilima agents may not:

1. Dispense, deliver or otherwise transfer marijuana to a person other than a patient or caregiver holding a valid registry identification care;
2. Provide marijuana to another marijuana business except as specified in Hale O Lahilima policies, and procedures and applicable laws and regulations and approved by the Facility Manager;
3. Provide marijuana to a laboratory except as specified in Hale O Lahilima policies and procedures (see Quality Assurance and Quality Control SOP) and applicable laws and regulations;
4. Acquire marijuana, marijuana products or marijuana plants, except through the cultivation of marijuana by Hale O Lahilima, another licensee, or patient or caregiver, as specified in applicable laws and regulations and approved by the Facility Manager;
5. Acquire, possess, cultivate, deliver, transfer, transport, supply or dispense marijuana for any purpose except to assist authorized patient and caregivers in compliance with all Hale O Lahilima policies and procedures;
6. Give away any marijuana except in accordance with applicable laws and regulations and as approved by a Facility Manager;



7. Adulterate marijuana, including adulteration with psychoactive additives or other illicit substances; and
8. Violation of any of the above policies may lead to immediate termination.

2.24.22 Sales and Use Taxes

2.24.22.1 Sales and Excise Tax Collected

The Facility Manager in coordination with the CFO and Accountant must ensure the proper collection of sales and excise tax on all products, including marijuana products, sold by the unit. The Facility Manager must ensure that the point of sale system accurately captures and reports all excise taxes collected and due.

2.24.22.2 Facility Manager Responsible for Tax Returns:

1. The Facility Manager must submit all required state and local tax returns as mandated and must be authorized to make all necessary tax payments;
2. The Facility Manager is required to submit all employment tax returns as mandated and must be authorized to make all necessary tax payments; and
3. The Facility Manager must be responsible for the coordination of all tax returns with the Hale O Laulima's retained accountant.

2.24.23 Sales Records

2.24.23.1 Accurate Sales and Records Required

All sales, tax transactions and operating expenses must be recorded properly by each unit, accurately and completely entered in the point of sale system and accounting system. The manager must ensure that if the point of sale system is not functional for any reason that all transactions are properly recorded manually and entered into the system as soon as it is available. The Facility Manager must ensure all bookkeeping activities for each unit are performed accurately and in a timely manner.

2.24.23.2 Adherence to Law and Regulation

The Facility Manager must ensure sales records comply with all Hale O Laulima policies and procedures in this SOP and in accordance with the Inventory Control and Management SOP, state law, and regulation.

2.24.23.3 Sales Records Maintenance

Sales records and invoices must be created and maintained in the point of sale system or other cloud based system after termination of operations and in accordance with the Inventory Management and Control SOP.



2.24.24 Cash Management

2.24.24.1 Internal Controls

The Facility Manager must ensure a system of internal controls is maintained for cash handling and accounting functions in all units. Tight controls must remove opportunities for unauthorized access to cash by agents or external parties:

1. Dual custody is required any time cash is transferred from the register to the safe and from the facility to the bank;
2. Petty cash must be controlled by the Facility Manager and reconciled by the Bookkeeper or Facility Manager. The petty cash account should be limited to \$1,000 in each unit. All receipts and vouchers must be accounted for and the drawer must always be in balance;
3. ATM and pin debit transactions must be reconciled weekly by the Facility Manager or Bookkeeper;
4. Two agents are required to open any cash safe or vault. Combinations should not be issued in totality to any one agent. The two agents should be required to combine segments of the combination to access stored cash; and
5. The Facility Manager must ensure proper separation of duties including the separation of the following activities:
 - a. Making deposits and recording accounting entries;
 - b. Approving petty cash transaction and replenishing the petty cash account;
 - c. Issuing payments and reconciling bank statements; and
 - d. Approving expenses and initiating payments.

2.24.24.2 Cash Security Procedures

The Facility Manager is responsible for the security of all cash. The following cash security measures must be followed:

1. All deliveries must be paid online by credit or debit card. Wholesale sales may be paid by check only if approved by a Facility Manager;
2. Cash must be counted in a secure and locked area with appropriate surveillance;
3. The Facility Manager must ensure that all agents handling cash deposits must be bonded;
4. Insurance coverage should be maintained to provide the maximum amount of cash coverage required; and
5. Cash handlers should be rotated frequently.

2.24.25 Accounting Policies

2.24.25.1 Accounting and Auditing

Executive management performs oversight of accounting and audit activities:

1. An audit committee selected by executive management should perform quarterly reviews of all financials;



2. The Hale O Laulima's CPA firm must be selected by executive management and perform an annual audit of all financial transactions and reporting; and
3. A "whistle blower" policy exempts agents who report the mishandling of cash from retribution.

2.24.25.2 Experienced Accountant Required

Hale O Laulima must retain the services of an accountant approved by executive management that is experienced in the marijuana industry or other regulated industry, aware of 280E tax provision mitigation strategies and competent in Hawai'i and federal tax code. The accountant shall prepare an annual financial audit compliant with regulatory requirements.



2.25 Exhibit 25: Packaging and Labeling SOP

2.25.1 Purpose

The creation and development of this procedure has been completed to ensure compliance with administrative rules as defined by the Hawai'i Department of Health and to promote patient, product and public safety. As rule changes occur and best practices evolve, the content of this document will be reviewed and updated where appropriate. Each step in our manufacturing and distribution processes is carefully performed and controlled so that the resulting medical marijuana products possess the safety, quality, identity, purity, and potency (SQulPP) that patients deserve.

HAR Requirement	Description
§11-850-74	A dispensary licensee that produces manufactured marijuana products shall calculate the equivalent physical weight of the marijuana that is used to manufacture the product, and shall make available to the department and to consumers of the manufactured marijuana product the equivalency calculations and the formulas used.
§11-850-74.a	A dispensary licensee shall include the equivalent physical weight of marijuana on the label of the products offered for sale. Eff. DEC 14 2015
§11-850-92.a	A dispensary licensee shall use packaging for marijuana and manufactured marijuana products that:
§11-850-92.a.1	Is child resistant in accordance with Title 16 C.F.R. 1700 of the Poison Prevention Packaging Act;
§11-850-92.a.2	Is opaque so that the product cannot be seen from outside the packaging;
§11-850-92.a.3	Protects the product from contamination and does not impart any toxic or harmful substance to the marijuana or manufactured marijuana product; and
§11-850-92.a.4	Contains no more than ten milligrams tetrahydrocannabinol for one dose, service, or single wrapped item; provided that no manufactured marijuana product that is sold in a pack of multiple doses, servings, or single wrapped items, or any containers of oils, shall contain a total of more than one hundred milligrams of tetrahydrocannabinol per pack or container.
§11-850-92.b	Each package shall be labeled using only black lettering on a white background with no pictures or graphics and shall include:
§11-850-92.b.1	Information about the contents and potency of the marijuana and manufactured marijuana product, including but not limited to:
§11-850-92.b.1.A	Net weight in ounces and grams or volume; and for manufactured marijuana products, also the equivalent physical weight of the marijuana used to produce the manufactured marijuana product;
§11-850-92.b.1.B	The concentration of tetrahydrocannabinol or Δ^9 tetrahydrocannabinol, total tetrahydrocannabinol and activated tetrahydrocannabinol-A, and cannabidiol;
§11-850-92.b.2	The dispensary licensee's license number and the name of the production center where marijuana in the product was produced;
§11-850-92.b.3	the batch number and date of packaging;
§11-850-92.b.4	Includes a computer tracking inventory identification number barcode generated by tracking software;
§11-850-92.b.5	Date of harvest or manufacture and "Use by date";
§11-850-92.b.6	Instructions for use;
§11-850-92.b.7	The phrases "For medical use only" and "Not for resale or transfer to another person";
§11-850-92.b.8	The following warnings:
§11-850-92.b.8.A	"This product may be unlawful outside the State of Hawai'i and is unlawful to possess or use under federal law";
§11-850-92.b.8.B	"This product has intoxicating effects and may be habit forming";
§11-850-92.b.8.C	"Smoking is hazardous to your health";
§11-850-92.b.8.D	"There may be health risks associated with consumption of this product";
§11-850-92.b.8.E	"This product is not recommended for use by women who are pregnant or breast feeding"; and
§11-850-92.b.8.F	"Marijuana can impair concentration, coordination, and judgment. Do not operate a vehicle or machinery under the influence of this drug"; and
§11-850-92.b.8.G	"When eaten or swallowed, the effects of this drug may be delayed by two or more hours";
§11-850-92.b.9	A disclosure of the type of extraction method, including any solvents, gases, or other chemicals or compounds used to produce the manufactured marijuana product; and
§11-850-92.b.10	The name of the laboratory that performed the testing; provided that the information in paragraphs (1) through (7) shall appear on the package, and the remainder may appear on a package insert or on the package.
§11-850-92.c	A dispensary licensee shall not label as organic any marijuana or manufactured marijuana product unless permitted by the United States Department of Agriculture in accordance with the Organic Foods Production Act. Eff DEC 14 2015



2.25.2 Local Compliance

In accordance with applicable packaging and labeling requirements as defined by Hawai'i Administrative Rules Chapter(s): 11-850-74, 11-850-92 and enforced by the Hawai'i DOH, Hale O Lahuli will utilize policies and procedures to ensure patients receive medical products that assure the safety, quality, identity, purity and potency expectations of the Hawai'i DOH and end user. All packaging and labeling procedures and policies implemented in Hale O Lahuli's Production and Retail Dispensary Facilities will be in full compliance with the provisions set forth in Hawai'i Administrative Rules Chapter(s): §11-850-74 and §11-850-92.

2.25.3 Definitions and Abbreviations:

Air-Conditioning ("A/C")
American National Standards Institute ("ANSI")
American Society for Testing and Materials ("ASTM")
Automated Data Processing/Point-of-Sale System ("ADP/POS")
Batch Production Record ("BPR")
BBC Research & Consulting ("BBC")
Board of Directors ("the Board")
Cannabidiol ("CBD")
Cannabidiolic Acid ("CBDA")
Cannabigerol ("CBG")
Chief Executive Officer ("CEO")
Chief Operations Officer ("COO")
Code of Federal Regulations ("CFR")
Community Right to Know Act ("EPCRA")
Compassionate Use Registry ("the Registry")
Conditionally Exempt Small Quantity Generator ("CESQG")
Continuing Medical Education (CME)
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 Lahuli ("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")

2.25.4 Packaging and Labeling Policies and Procedures

It is established that all marijuana will be packaged in plain, opaque, tamper-evident and is child resistant in accordance with Title 16 C.F.R. 1700 of the Poison Prevention Packaging Act and without depictions of the product, cartoons, or images (including logos). Only food- or



pharmaceutical-grade packaging materials will be utilized. This plan details measures that will ensure that products are free of contaminants and are in compliance with state requirements.

Types of containers, labels, and information included on labels are addressed, with particular attention to how all packaging and labeling will be compliant with all Hawai'i DOH laws and regulations. Child-resistant and tamper-evident packaging for each product type is detailed herein, as well as the quantities of marijuana or doses of marijuana products that will be individually packaged.

All packaging operations will take place on sanitized work surfaces, supervised by a manager, and performed utilizing a properly registered NTEP Legal for Trade scale. Approved scales will be integrated into the ADP/POS system whenever possible.

Labels will include legible wording and be firmly affixed on each package of marijuana and marijuana product prepared for distribution. An example of an appropriate label is included for reference and a detailed description of information required by the Hawai'i DOH to be contained on all labels is provided. Organic labeling restrictions are addressed.

This plan illustrates our commitment to compliance, safety, protecting children from accessing marijuana products, and implementation of industry best practices in all aspects of Production and Retail Dispensary Facilities operations.

2.25.5 Measurement Standards

All packaging operations must be executed by the Packaging Manager or Inventory Manager and performed utilizing a NTEP Legal for Trade scale. Such scales will be fully integrated with the ADP/POS system, Biotrack, by the Inventory Manager, allowing immediate entry of accurate weights in the system. The Inventory Manager will ensure the following for each commercial weighing and measuring device used in the Production and Retail Dispensary Facilities:

1. The commercial device is licensed pursuant to the Weights and Measures Act;
2. The scale is regularly calibrated;
3. Documentation of the licensure of the commercial device is maintained on the premises at all times; and
4. A copy of the commercial device license can be made available immediately upon request from a Department representative or other relevant authority figure.

2.25.6 Utensils and Separate Work Surface Required

The Packaging Manager and assisting employees will utilize sterile gloves and sanitized utensils for packaging marijuana products. Packaging will take place on a work surface that has been sanitized prior to packaging operations and after any contact with raw marijuana, foods, or other potential contaminants. All packaging operations involving the handling of marijuana or marijuana products will occur in full view of the surveillance video recording system.



2.25.7 Equipment Use Restricted

The use of equipment in packaging operations is limited to a responsible, trained Packaging Manager and employees familiar with any potential hazards of the operation.

2.25.8 Label Alterations and Restrictions

It is Hale O Lahuli policy that no one other than the end user (i.e., qualified registered patient) or patient's legal representative may alter, obliterate or destroy any label attached to a marijuana product package to administer the product.

The Packaging Manager and Inventory Manager will assure that a marijuana product label does not contain any of the following information:

1. Any false or misleading statement;
2. Any pictures or graphics

2.25.9 Label Issuance and Compliance

The Packaging Manager in coordination with the Inventory Manager is responsible for compliant labeling in the Production and Retail Dispensary Facilities:

1. The Packaging Manager and the Inventory Manager will maintain written procedures for the issuance of labels;
2. The Packaging Manager or their designee must issue labels to be used in any labeling operations for marijuana products, and maintain strict control over labeling materials used during labeling operations;
3. All printed labels must be obtained from and integrated with the ADP/POS, Biotrack system, allowing assurance of the accuracy of label information and the ability to track the product through transport and distribution;
4. The Inventory Manager must review labels issued for a batch for identity and conformity to the labeling specified in the applicable Production and Retail Dispensary Facilities or control records; and
5. Standard labels described in this plan must be used for labeling all marijuana products.

2.25.9.1 Hale O Lahuli Standard Label

Hale O Lahuli will label all product packaging pursuant to HAR §11-850-92. The Production Facility will ensure that all harvested marijuana intended for distribution to the Retail Dispensary is packaged in a sealed, labeled, medical marijuana container. The Production Facility will ensure all packaging of any product containing marijuana shall be child-resistant and light-resistant consistent with current standards, including the Consumer Product Safety Commission standards referenced by the Poison Prevention Act. Hale O Lahuli will ensure each marijuana product is labeled in black lettering on a white background with no pictures or



graphics by the Production Facility prior to transport to the Retail Dispensary and each label is securely affixed to the package and states the following in legible English:

1. Information about the contents and potency of the marijuana and manufactured marijuana product, including but not limited to:
2. Net weight in ounces and grams or volume; and for manufactured marijuana products, also the equivalent physical weight of the marijuana used to produce the manufactured marijuana product;
3. The concentration of tetrahydrocannabinol or delta-9 tetrahydrocannabinol, total tetrahydrocannabinol and activated tetrahydrocannabinol-A, and cannabidiol;
4. The dispensary licensee's license number and the name of the production center where marijuana in the product was produced;
5. The batch number and date of packaging;
6. Includes a computer tracking inventory identification number barcode generated by tracking software;
7. Date of harvest or manufacture and "Use by Date"
8. Instructions for use;
9. The phrases "For medical use only" and "Not for resale or transfer to another person";
10. The following warnings:
11. "This product may be unlawful outside the State of Hawai'i and is unlawful to possess or use under federal law";
12. "This product has intoxicating effects and may be habit forming";
13. "Smoking is hazardous to your health";
14. "There may be health risks associated with consumption of this product";
15. "This product is not recommended for use by women who are pregnant or breast feeding"; and
16. "Marijuana can impair concentration, coordination, and judgment. Do not operate a vehicle or machinery under the influence of this drug"; and
17. "When eaten or swallowed, the effects of this drug may be delayed by two or more hours";
18. A disclosure of the type of extraction method, including any solvents, gases, or other chemicals or compounds used to produce the manufactured marijuana product; and
19. The name of the laboratory that performed the testing; provided that the information in paragraphs (1) through (7) shall appear on the package, and the remainder may appear on a package insert or on the package.

2.25.9.1.1 Hale O Laulima Sample Label:

The Packaging Manager will ensure the label utilized for transfer of marijuana to the Retail Dispensary is in compliance with all applicable regulations and conforms substantially to the following label example: