

[Home \(/mmjdisp/index.html\)](#)[My Account ▾](#)[Log Out \(/mmjdisp/logout\)](#)**#4507**

Criteria 1. Ability to operate a business, including but not limited to education, knowledge, and experience

Criteria 2. Plan for operating a medical marijuana dispensary in the county for which the applicant is seeking a license, including but not limited to a timeline for opening a retail dispensing location

Criteria 3. Proof of financial stability and access to financial resources

Criteria 4. Ability to comply with the security requirements of this chapter and section 329D-7, HRS

Criteria 5. Capacity to meet the needs of qualifying patients

Criteria 6. Ability to comply with criminal background check requirements pursuant to this chapter and sections 329D-7, 329D-12, and 846-2.7, HRS

Criteria 7. Ability to comply with the requirements in this chapter and chapters 329 and 329D, HRS, for inventory tracking, security, and dispensing limits for qualifying patients

Criteria 8. Ability to maintain confidentiality of a qualifying patient's medical condition, health status, and purchases of marijuana or manufactured marijuana products

Criteria 9. Ability to conduct or contract for certified laboratory testing on marijuana and manufactured marijuana products pursuant to this chapter and sections 329D-7 and 329D-8, HRS

Criteria 10. Ability to comply with requirements for packaging, labeling, and chain of custody of products

Criteria 11. A plan for secure disposal of marijuana and manufactured marijuana products

Criteria 12. Ability to ensure product safety, in accordance with this chapter and sections 329D-8, 329D-10, 329D-11, HRS

Criteria 13. No history of having a business license revoked.

Total Merit Criteria Points Awarded to Applicant

HELPFUL INFORMATION FOR FILLING OUT THIS FORM:

1. You can save your work on this form by checking the 'Save my progress and resume later' box and then clicking the 'Save form and resume later' button
IMPORTANT: Remember to do this every time you leave your application or you will lose the information you have entered.
2. To keep your information secure, remember to log out of your application each time you finish working on it.
3. Use a current version of Google Chrome or Firefox browser when completing this form.
4. Save the form every 20 minutes to avoid timing out. When entering information in a spreadsheet, save and exit the form first.
5. Do not include single or double quote marks (' or ") or more than one period (.) in your document names.

INSTRUCTIONS FOR THE MEDICAL MARIJUANA DISPENSARY LICENSE APPLICATION

Before applying for a medical marijuana dispensary license, applicants must acknowledge that they have read the statute and administrative rules on medic be redirected to the statute and administrative rules.

Hawaii Revised Statute (HRS) 329D

Hawaii Administrative Rules (HAR) Chapter 11-850

Disclaimer:

MINIMUM REQUIREMENTS

All individual applicants and applying entities must meet the requirements listed below or the application will not be accepted. Applicants must attach proof sections.

INDIVIDUAL APPLICANT

- * Individual applicant shall be at least 21 years old.
- * Shall be a legal resident of the State of Hawaii for at least five (5) uninterrupted years immediately preceding the date of the license application.
- * Shall not have any felony convictions or any other disqualifying background history.
- * Shall be authorized by the applying entity to submit an application for a dispensary license, and act as the primary point of contact with the department.

APPLYING ENTITY

- * The applying entity must be organized under the laws of the State of Hawaii.
- * Have a Hawaii tax identification number.
- * Have a Department of Commerce and Consumer Affairs Business Registration Division number and suffix.
- * Have a federal employer identification number.
- * Not be less than fifty-one percent held by Hawaii legal residents or entities wholly controlled by Hawaii legal residents who have been legal residents for an application was submitted.
- * Have financial resources under its control of not less than \$1,000,000 for each license applied for, plus not less than \$100,000 for each retail dispensing location statements or escrow accounts, and those financial resources shall have been under the control of the applying entity for not less than ninety days immediately prior to application.
- * Be composed of owners, principals, or members, each of whom is not less than twenty-one years of age and has no felony convictions or any other disqualifying background history.

APPLICATION FEE

The license application fee of \$5,000 by certified check or cashier's check payable to the State of Hawaii, Department of Health, is part of the minimum requirements for Marijuana Dispensary Licensing, Room 337, 601 Kamokila Blvd., Kapolei, HI 96707 or be postmarked by 4:30 pm Hawaii Standard Time on the last day of the application.

Please note the application number on the check. This is found in the heading of the email confirmation you receive upon submittal, and is also visible when the check is processed.

NOTE: ALL QUESTIONS MUST BE ANSWERED TO SUBMIT YOUR APPLICATION UNLESS OTHERWISE INDICATED.

SECTION A: APPLICATION FOR COUNTY

NOTE: An applicant may apply for a license for more than one county, but may only receive one license. Indicating here that you are applying for a license in one county does not mean you are not applying for a license in another county; separate applications must be submitted. The applicant and applying entity must complete a separate application with all required information and a refundable application fee of \$5,000 for each application. The financial resources required (\$1,000,000 plus not less than \$100,000 for each retail dispensing location) only apply toward one license, if granted.

1. For which county are you requesting a license? County of Maui

2. Are you also applying for a dispensary license in another county? No

2a. If YES, what other county or counties are you applying for a license?
(NOTE: A separate application and check will be required for each county.)

SECTION B: INDIVIDUAL APPLICANT INFORMATION**GENERAL INFORMATION**

3. Legal Name of Applicant Mr Alan Kekoa Texeria

4. Upload Proof of Legal Name of Applicant

Scan and submit a certified copy of AT LEAST ONE (1) of the following:

- * Certified copy of a birth certificate or marriage certificate filed with a state office of vital statistics or equivalent agency in the individual's state of birth or marriage;
- * Valid, unexpired U.S. passport [inside cover and first page only] or U.S. passport card;
- * Consular report of birth abroad Form FS-240, DS-1350 or FS-545 issued by the U.S. Department of State;
- * Valid, unexpired permanent resident card (Form I-551) issued by the Department of Homeland Security (DHS) or the U.S. Citizenship and Immigration Services (USCIS);
- * Unexpired employment authorization document issued by the DHS, Form I-766 or Form I-688B;
- * Unexpired foreign passport with the following: a valid, unexpired U.S. visa affixed, and an approved I-94 form documenting the applicant's most recent admittance into the United States or a DHS admittance stamp on the passport;
- * Certified copy of the Certificate of Naturalization issued by DHS, Form N-550 or Form N-570;
- * Certificate of citizenship, Form N-560 or Form N-561, issued by DHS;
- * Court-issued, certified copy of a divorce decree;
- * Certified copy of a legal change of name order



5. Date of Birth (must be at least 21 years old)



6. Upload Proof of Date of Birth of Applicant

Scan and submit a certified copy of AT LEAST ONE (1) of the following:

- * Certified copy of a birth certificate or marriage certificate filed with a state office of vital statistics or equivalent agency in the individual's state of birth or marriage;
- * Valid, unexpired U.S. passport [inside cover and first page only] or U.S. passport card;
- * Consular report of birth abroad Form FS-240, DS-1350 or FS-545 issued by the U.S. Department of State;
- * Valid, unexpired permanent resident card (Form I-551) issued by the Department of Homeland Security (DHS) or the U.S. Citizenship and Immigration Services (USCIS);
- * Unexpired employment authorization document issued by the DHS, Form I-766 or Form I-688B;
- * Unexpired foreign passport with the following: a valid, unexpired U.S. visa affixed, and an approved I-94 form documenting the applicant's most recent admittance into the United States or a DHS admittance stamp on the passport;
- * Certificate of naturalization issued by DHS, Form N-550 or Form N-570;
- * Certificate of citizenship, Form N-560 or Form N-561, issued by DHS;
- * Valid, unexpired driver's license or government issued photo identification card.



7. Social Security No. or Identifier No. (last 4 digits only):

8. Applicant's Address

9. Daytime Phone No.

10. Fax No.

11. Email

CRIMINAL HISTORY INFORMATION

12. Has the individual applicant ever been convicted of a felony? If YES, STOP, you are not an eligible applicant.

13. Has the individual applicant ever been convicted of a crime?

13a. If YES, please describe (e.g., conviction, date, disposition, etc.)

14. Has the individual applicant ever been arrested?

14a. If YES, please describe (e.g., date, disposition, etc.)



Obtain a Criminal History Report

Copy the Validation code from an eCrim report for the individual applicant generated by the Hawaii Criminal Justice Data Center no earlier than December 12, 2015 at 8:00 a.m. (Hawaii-Aleutian Standard Time).



Visit [eCrim.ehawaii.gov \(https://ecrim.ehawaii.gov/ahewa/\)](https://ecrim.ehawaii.gov/ahewa/) to obtain the eCrim report.

15. Enter the eCrim Validation Code here:

16. NOTICE: Pursuant to Chapter 329D HRS and Chapter 11-850 HAR, applicants are required to provide consent to a background check, including fingerprinting, to be conducted by the Department of Health or its designee.



Further information and instructions will be provided on <http://health.hawaii.gov/medicalmarijuana/>. If the information and instructions are not yet posted, please check the website often.

RESIDENCY INFORMATION 17. Is the Applicant a legal resident of the State of Hawaii for at least five years? If NO, STOP, you are not an eligible applicant. Yes

18. Upload Proof of Hawaii Residency:

Scan and submit AT LEAST ONE (1) of the following source documents as proof of Hawaii state residency for at least five years:

- * State of Hawaii tax return Form N-11 without schedules, worksheets, or attachments, and redacted to remove all financial information and all but the last four digits of the individual's social security number;
- * Evidence of voter registration;
- * Ownership, lease, or rental documents for place of primary domicile;
- * Billing statements including utility bills; or
- * Vehicle registration.



19. Authorized to Act on Behalf of Applying Entity

Scan and submit evidence of the authority of the individual to act on behalf of the applying entity, and supporting documentation (e.g. corporate resolution, bylaws, articles of incorporation):



SECTION C: APPLYING ENTITY INFORMATION

20. Name of Applying Entity Hawaii Medicinal Options, LLC

21. Applying Entity's Business Address P.O. Box 579
Hana, Hawaii 96713
United States

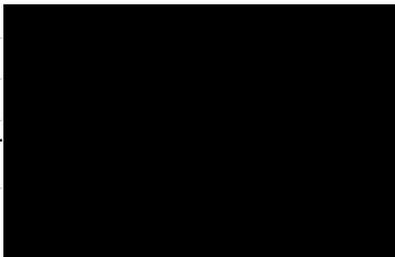
22. Entity Phone #

23. Entity Email

24. Entity Fax #

25. Is the applying entity organized under the laws of the State of Hawaii? If the answer is 'NO', STOP, you are not an eligible applicant.

26. Upload Applying Entity Incorporation or Business Status Documentation:



Upload a certified copy of applying entity's incorporation documents in the State of Hawaii.

Visit [Hawaii Business Express \(https://hbe.ehawaii.gov/documents/search.html\)](https://hbe.ehawaii.gov/documents/search.html) for available documents.



27. Provide the entity's Hawaii Department of Commerce & Consumer Affairs Business Registration Division Number & Suffix (file number).

Visit [Hawaii Business Express - Business Name Search \(https://hbe.ehawaii.gov/documents/search.html\)](https://hbe.ehawaii.gov/documents/search.html) to locate your entity's file number.



28. Upload a copy of the entity's Certificate of Good Standing from the Department of Commerce and Consumer Affairs.



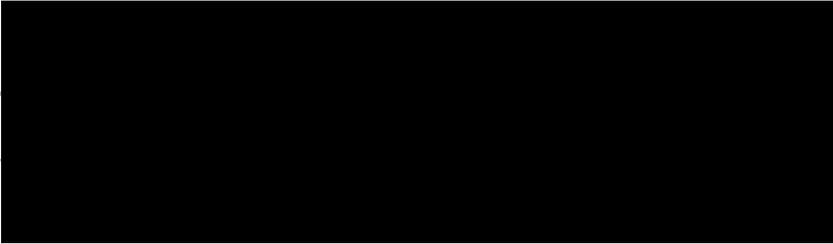
29. Hawaii Tax Identification Number:

Provide the number along with a copy of the State of Hawaii Tax Identification Number (see question immediately below).



Visit [Tax ID Search \(https://dotax.ehawaii.gov/tls/app\)](https://dotax.ehawaii.gov/tls/app) for this information.

30. Upload a copy of the entity's State of Hawaii Tax Identification document.



31. Federal Employer Identification Number: Provide the Federal Employer Identification Number.

32. Upload a copy of the entity's Federal Employer Identification Number document.

OWNER(S), PRINCIPAL(S), & MEMBER(S) INFORMATION

33. Enter the total number of Owner(s), Principal(s), and Member(s) of the applying entity here: 2

34. Upload Owner, Principal, and Member Information Spreadsheet

INSTRUCTIONS: Download the EXCEL spreadsheet below, enter the following information in the format required, and upload it to attach it to your application.

Information to be provided:

1) List of Owners, Principals, and Members of the Applying Entity

For each Owner, Principal, and Member of the Applying Entity:

- A) Name, Address, Phone number, and Email Address
- B) Each individual's percent interest in the company
- C) State of primary residence
- D) Number of years each person has lived in Hawaii (the most recent, uninterrupted number of years that the person has been a resident), and
- E) A criminal background check for each Owner, Principal, and Member.



Copy the validation code from an eCrim report for the individual generated by the Hawaii Criminal Justice Data Center no earlier than December 12, 2015 at 8:00 a.m. (Hawaii-Aleutian Standard Time).

Visit [eCrim.ehawaii.gov \(https://ecrim.ehawaii.gov/ahewa/\)](https://ecrim.ehawaii.gov/ahewa/) to obtain the eCrim report.

Please include a signed statement by each Owner, Principal, or Member certifying that the information is complete and accurate. Upload the signed statements in the following question (35.)

2) Other Businesses Holding an Interest

If there are businesses that hold an interest in the company, list the business names and percent interest on a separate tab on the spreadsheet.



35. Upload Proof of Name, Date of Birth, and Residency for each Officer, Principal, or Member listed on the spreadsheet

1) Proof of Legal Name of Each Owner, Principal, and Member:

Scan and submit a certified copy of **AT LEAST ONE (1)** of the following:

- * Certified copy of a birth certificate or marriage certificate filed with a state office of vital statistics or equivalent agency in the individual's state of birth or marriage;
- * Valid, unexpired U.S. passport [inside cover and first page only] or U.S. passport card;
- * Consular report of birth abroad Form FS-240, DS-1350 or FS-545 issued by the U.S. Department of State;
- * Valid, unexpired permanent resident card (Form I-551) issued by the Department of Homeland Security (DHS) or the U.S. Citizenship and Immigration Services (USCIS);
- * Unexpired employment authorization document issued by the DHS, Form I-766 or Form I-688B;
- * Unexpired foreign passport with the following: a valid, unexpired U.S. visa affixed, and an approved I-94 form documenting the applicant's most recent admittance into the United States or a DHS admittance stamp on the passport;
- * Certificate of naturalization issued by DHS, Form N-550 or Form N-570;
- * Certificate of citizenship, Form N-560 or Form N-561, issued by DHS;
- * Court-issued, certified copy of a divorce decree;
- * Certified copy of a legal change of name order;

2) Proof of Date of Birth

Scan and submit a certified copy of **AT LEAST ONE (1)** of the following:

- * Certified copy of a birth certificate or marriage certificate filed with a state office of vital statistics or equivalent agency in the individual's state of birth or marriage;
- * Valid, unexpired U.S. passport [inside cover and first page only] or U.S. passport card;
- * Consular report of birth abroad Form FS-240, DS-1350 or FS-545 issued by the U.S. Department of State;
- * Valid, unexpired permanent resident card (Form I-551) issued by the Department of Homeland Security (DHS) or the U.S. Citizenship and Immigration Services (USCIS);
- * Unexpired employment authorization document issued by the DHS, Form I-766 or Form I-688B;
- * Unexpired foreign passport with the following: a valid, unexpired U.S. visa affixed, and an approved I-94 form documenting the applicant's most recent admittance into the United States or a DHS admittance stamp on the passport;
- * Certificate of naturalization issued by DHS, Form N-550 or Form N-570;
- * Certificate of citizenship, Form N-560 or Form N-561, issued by DHS;
- * Valid, unexpired driver's license or government issued photo identification card.

3) Proof of Hawaii Residency:

Scan and submit **AT LEAST ONE (1)** of the following source documents as proof of Hawaii state residency for at least five years:

- * State of Hawaii tax return Form N-11 without schedules, worksheets, or attachments, and redacted to remove all financial information and all but the last four digits of the individual's social security number;
- * Evidence of voter registration;
- * Ownership, lease, or rental documents for place of primary domicile;
- * Billing statements including utility bills; or
- * Vehicle registration.

Document size limit is 2 MB. Up to 10 documents may be attached.

SECTION D: FINANCIAL INFORMATION

36. FINANCIAL RESOURCES GENERAL INFORMATION

INSTRUCTIONS: Download the EXCEL spreadsheet below, enter the following information in the format required, and upload it to attach it to your application.

Information to be provided:

1) Financial Resources the applying entity has under its control. List each financial resource, amount of the resource (round to nearest dollar, no cents), and verifying information (account type, account number, account name, name of financial institution, applicant contact information) as shown on the spreadsheet



2) Date Resource/Dollar amount under the applying entity's control

[Download Financial Resources General Information Spreadsheet \(/mmjdisp/templates/Financial_Resources_General.xls\)](/mmjdisp/templates/Financial_Resources_General.xls)

Upload the completed Financial Resources General Information Spreadsheet

37. Upload Financial Resources General Information Supporting Source Documents

Upload supporting source documents, i.e. bank statements, escrow account information, balance sheets etc. Supporting source documents for Financial Resources General Information must be provided as proof of the financial resources.



Document size limit is 10 MB. Up to 5 documents may be attached.

38. FINANCIAL RESOURCES - RETAIL DISPENSING LOCATION INFORMATION

INSTRUCTIONS: Download the EXCEL spreadsheet below, enter the following information in the format required, and upload it to attach it to your application.

Data to be provided:

1) Financial Resources the applying entity has under its control for each retail dispensing location allowed (2 locations maximum)

2) Dollar Amount (total aggregate for each retail dispensing location should be not less than \$100,000, or \$200,000 for 2 locations)

3) Date Resource/Dollar amount under the applying entity's control (resources have been under the Applying Entity's control for not less than 90 days)

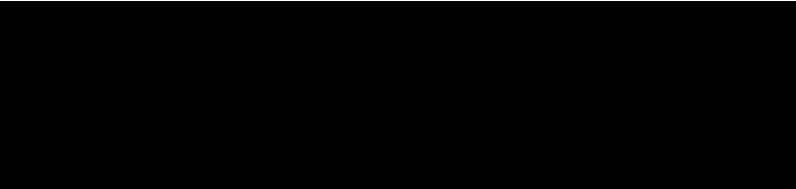


[Download Financial Resources - Retail Dispensing Location Information Spreadsheet \(/mmjdisp/templates/Financial_Resources_Retail_Dispensing_Location.xls\)](/mmjdisp/templates/Financial_Resources_Retail_Dispensing_Location.xls)

Upload the completed Financial Resources - Retail Dispensing Location Information Spreadsheet

39. Upload Retail Dispensary Location Supporting Source Documents

Upload supporting source documents, i.e. bank statements, escrow account information, balance sheets etc. Supporting source documents for retail dispensary locations must be provided as proof of the financial resources.

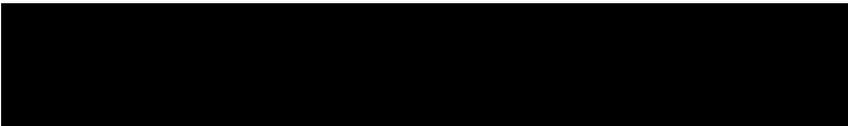


Document size limit is 10 MB. Up to 5 documents may be attached.

SECTION E: MERIT INFORMATION - OPTIONAL

Responses for each criteria shall be no longer than specified for each criteria, double spaced, font size no smaller than 12, and margins no less than 1 inch

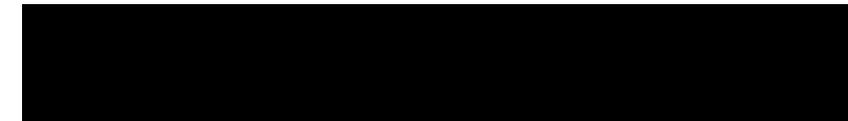
- (1) Ability to operate a business, including but not limited to education, knowledge, and experience with:
- (A) Regulated industries;
 - (B) Agriculture or horticulture;
 - (C) Commercial manufacturing;
 - (D) Pharmaceutical companies;
 - (E) Operating or working in a medical marijuana dispensary business;
 - (F) Creating and implementing a business plan, including a timeline for opening a business;
 - (G) Creating and implementing a financial plan;
 - (H) Retail sales;
 - (I) Secure inventory tracking and control;
 - (J) Protecting confidential customer information;
 - (K) Owning or managing a business that required twenty four hour security monitoring; and
 - (L) Any other experience the applicant considers relevant;



Response to (1) shall be no longer than five (5) pages.

Upload Response to (1)

- (2) Plan for operating a medical marijuana dispensary in the county for which the applicant is seeking a license, including but not limited to a timeline for opening a retail dispensing location;



Response to (2) shall be no longer than five (5) pages.

Upload Response to (2)

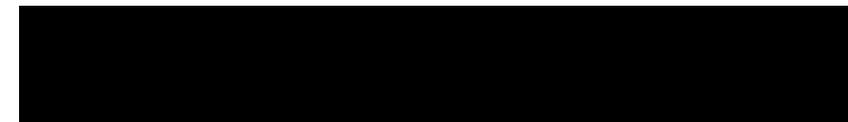
- (3) Proof of financial stability and access to financial resources, including but not limited to:
- (A) Legal sources of finances immediately available to begin operating a dispensary;
 - (B) A summary of financial statements in businesses previously or currently owned or operated by the applicant;
 - (C) A financial plan for operating a medical marijuana dispensary in Hawaii;
 - (D) Good credit history; and
 - (E) History of bankruptcy by the applicant or entities owned or operated by the applicant;



Response to (3) shall be no longer than five (5) pages.

Upload Response to (3)

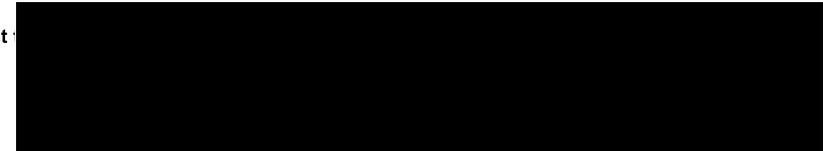
- (4) Ability to comply with the security requirements of Chapter 11-850 and Section 329D-7, HRS;



Response to (4) shall be no longer than five (5) pages.

Upload Response to (4)

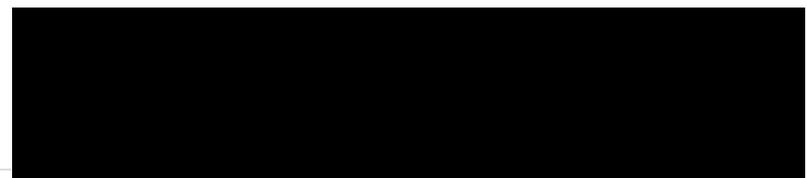
- (5) Capacity to meet the needs of qualifying patients, including but not limited to:
- (A) Educating patients on how marijuana can be used to assist patients with debilitating medical conditions and about the marijuana and manufactured marijuana products that will be available in the applicant's retail dispensing locations;
 - (B) Producing and maintaining a supply of marijuana that is sufficient to meet the needs of qualifying patients;
 - (C) Providing safe, accessible retail dispensing locations; and
 - (D) Measuring and improving customer satisfaction;



Response to (5) shall be no longer than five (5) pages.

Upload Response to (5)

- (6) Ability to comply with criminal background check requirements pursuant to Chapter 11-850 and Sections 329D-7, 329D-12, and 846-2.7, HRS;



Response to (6) shall be no longer than three (3) pages.

Upload Response to (6)

(7) Ability to comply with the requirements in Chapter 11-850 and Sections 329 and 329D, HRS, for inventory tracking, security, and dispensing limits for qualifying patients;

Response to (7) shall be no longer than five (5) pages.

Upload Response to (7)

(8) Ability to maintain confidentiality of a qualifying patient's medical condition, health status, and purchases of marijuana or manufactured marijuana products;

Response to (8) shall be no longer than three (3) pages.

Upload Response to (8)

(9) Ability to conduct or contract for certified laboratory testing on marijuana and manufactured marijuana products pursuant to Chapter 11-850 and Sections 329D-7 and 329D-8, HRS;

Response to (9) shall be no longer than three (3) pages.

Upload Response to (9)

(10) Ability to comply with requirements for packaging, labeling, and chain of custody of products;

Response to (10) shall be no longer than three (3) pages.

Upload Response to (10)

(11) A plan for secure disposal of marijuana and manufactured marijuana products;

Response to (11) shall be no longer than five (5) pages.

Upload Response to (11)

(12) Ability to ensure product safety, in accordance with Chapter 11-850 and Sections 329D-8, 329D-10, 329D-11, HRS.

Response to (12) shall be no longer than five (5) pages.

Upload Response to (12)

(13) No history of having a business license revoked.

Response to (13) shall be no longer than three (3) pages.

Upload Response to (13)

SECTION F: CERTIFICATION AND SUBMITTAL

Certification

By checking the box above and entering the individual applicant's name below, the applicant has electronically signed this application.

Applicant Name

Mr Alan Kekoa Texeira

If you have previously submitted an application and this is a revision, enter the unique entry number(s) of your previous submission(s) here.

User ID

User Email

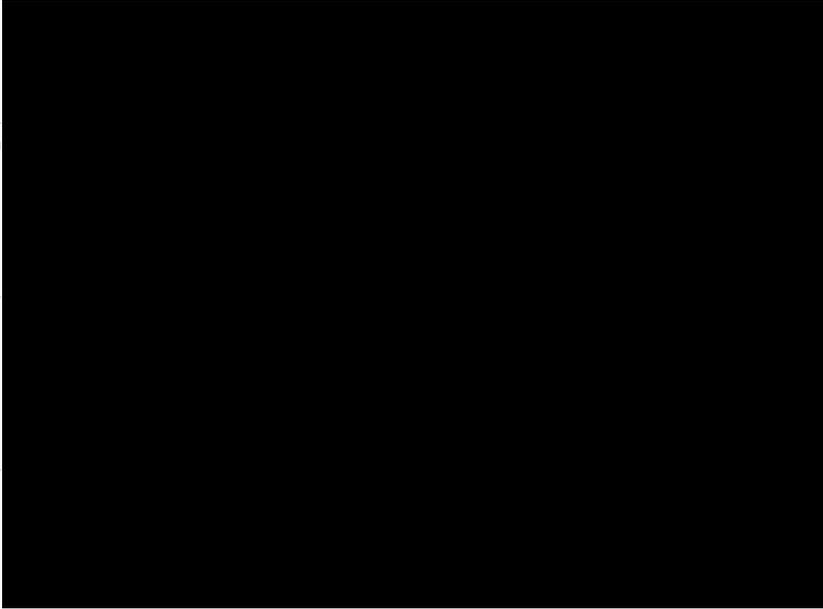
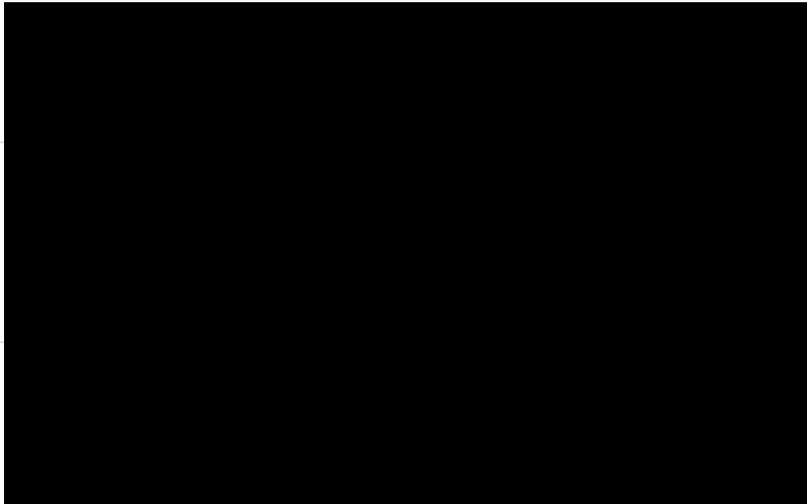
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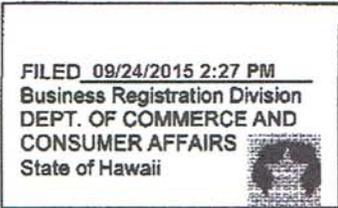
Date Created

29 Jan 2016 - 03:38:45 PM

Date Updated

IP Address





STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Business Registration Division
335 Merchant Street
Mailing Address: P.O. Box 40, Honolulu, Hawaii 96810
Phone No.(808) 586-2727

Internet FORM LLC-1
0924201545079 7/2010



ARTICLES OF ORGANIZATION FOR LIMITED LIABILITY COMPANY
(Section 428-203 Hawaii Revised Statutes)

PLEASE TYPE OR PRINT LEGIBLY IN BLACK INK

The undersigned, for the purpose of forming a limited liability company under the laws of the State of Hawaii, do hereby make and execute these Articles of Organization:

I

The name of the company shall be:
HAWAII MEDICINAL OPTIONS, LLC

(The name must contain the words *Limited Liability Company* or the abbreviation *L.L.C.* or *LLC*)

II

The mailing address of the initial principal office is:
PO BOX 579, HANA, HI 96713 USA

III

The company shall have and continuously maintain in the State of Hawaii a registered agent who shall have a business address in this State. The agent may be an individual who resides in this State, a domestic entity or a foreign entity authorized to transact business in this State.

- a. The name (and state or country of incorporation, formation or organization, if applicable) of the company's registered agent in the State of Hawaii is:

PATRICIA MCINTYRE

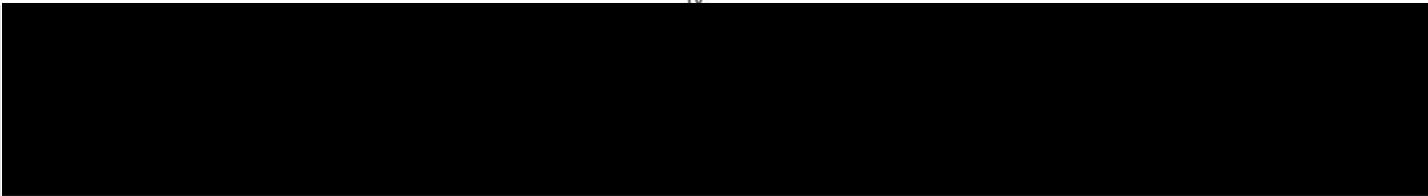
(Name of Registered Agent)

(State or Country)

- b. The street address of the place of business of the person in State of Hawaii to which service of process and other notice and documents being served on or sent to the entity represented by it may be delivered to is:

PO BOX 579, HANA, HI 96713 USA

IV



V

The period of duration is (check one):

At-will

For a specified term to expire on: _____
(Month Day Year)

VI

The company is (check one):

a. Manager-managed, and the names and addresses of the initial managers are listed in paragraph "c", and the number of initial members are:

b. Member-managed, and the names and addresses of the initial members are listed in paragraph "c".

c. List the names and addresses of the initial managers if the company is Manager-managed, or List the names and addresses of the initial members if the company is Member-managed.



{ok/p

VII

The members of the company (check one):

Shall not be liable for the debts, obligations and liabilities of the company.

Shall be liable for all debts, obligations and liabilities of the company.

Shall be liable for all or specified debts, obligations and liabilities of the company *as stated below*, and have consented in writing to the adoption of this provision or to be bound by this provision.

We certify, under the penalties set forth in the Hawaii Uniform Limited Liability Company Act, that we have read the above statements, I am authorized to sign this Articles of Organization, and that the above statements are true and correct to the best of our knowledge and belief.

24

SEPTEMBER 2015

Signed this _____ day of _____

SAMANTHA M. PALMER

(Type/Print Name of Organizer)

SAMANTHA M. PALMER

(Type/Print Name of Organizer)

Hawaii Medicinal Options, LLC

Operating Agreement

A. THIS OPERATING AGREEMENT OF HAWAII MEDICINAL OPTIONS, LLC (the "COMPANY") is entered into as of the date set forth on the signature page hereto by at least one persons named in Exhibit A hereto (referred to as a Member and collectively as the Members).

B. The Members have formed a limited liability company under the Hawaii Uniform Limited Liability Act("Chapter 428: Uniform Limited Liability Company Act"). The articles of organization of the Company filed with the Hawaii Department of Commerce & Consumer Affairs (DCCA) are hereby adopted and approved by the Members.

C. The Members enter into this agreement to provide for the governance of the Company and the conduct of its business, and to specify their relative rights and obligations.

NOW THEREFORE, the Members agree as follows:

ARTICLE 1: DEFINITIONS

Capitalized terms used in this agreement have the meanings specified in this Article or elsewhere in this agreement and when not so defined shall have the meanings set forth in the Hawaii Uniform Limited Liability Company Act.

"Capital Contribution" Means the amount of cash, property or services contributed to the Company.

"Company" Means HAWAII MEDICINAL OPTIONS, LLC, a Hawaii limited liability company.

"Member" means a Person who acquires Membership Interests, as permitted under this agreement, and who becomes or remains a Member.

"Membership Interest" means either Percentage of Interest or Units, based on how ownership in the Company is expressed on Exhibit A.

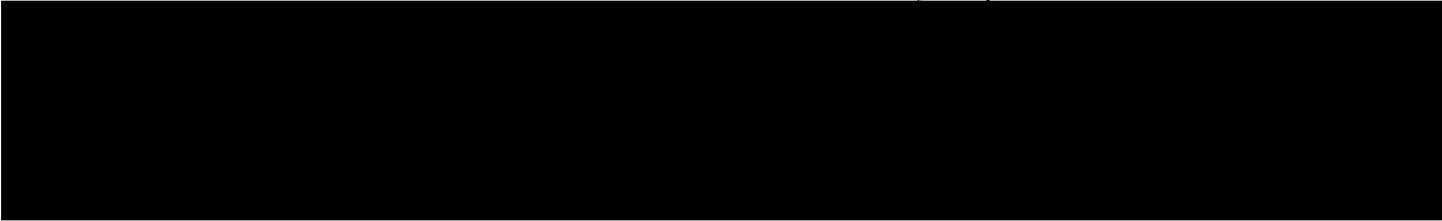
"Percentage Interest" means a percent ownership in the Company entitling the holder to an economic and voting interest in the Company.

"Person" means an individual, partnership, limited partnership, trust, estate, association, corporation, limited liability company, or other entity, whether domestic or foreign.

"Unit" means a unit of ownership in the Company entitling the Member holding such Unit to an economic interest and a voting interest in the Company

IN WITNESS WHEREOF, the parties have executed or caused to be executed this Operating Agreement as of the date below.

Dated: _____



MEMBERS

The Company shall issue Membership Interests to the persons named below.

<u>Name</u>	<u>Percentage Interest</u>
Alan K. Texeira	51.0%
Patricia McIntyre	10.0%
WinWright Corp.	29.0%
J. KALANI ENGLISH, TRUSTEE OF THE J. KALANI ENGLISH LIVING TRUST, DATED AUGUST 19, 2009, AND ANY AMENDMENTS THERETO	10.0%

OFFICERS

The following person(s) are elected as officers of the Company:

<u>Name of Officer</u>	<u>Title</u>
Alan K. Texeira	President
Patricia McIntyre	Vice President
WinWright Corp.	Secretary
J. KALANI ENGLISH, TRUSTEE OF THE J. KALANI ENGLISH LIVING TRUST,	Member

DATED AUGUST 19, 2009,
AND ANY AMENDMENTS THERETO

NEW MEMBER'S CONSENT

The undersigned agrees to be bound as a Member by the terms of the Operating Agreement of HAWAII MEDICINAL OPTIONS, LLC as if the undersigned was a signatory thereof.

(Signature)

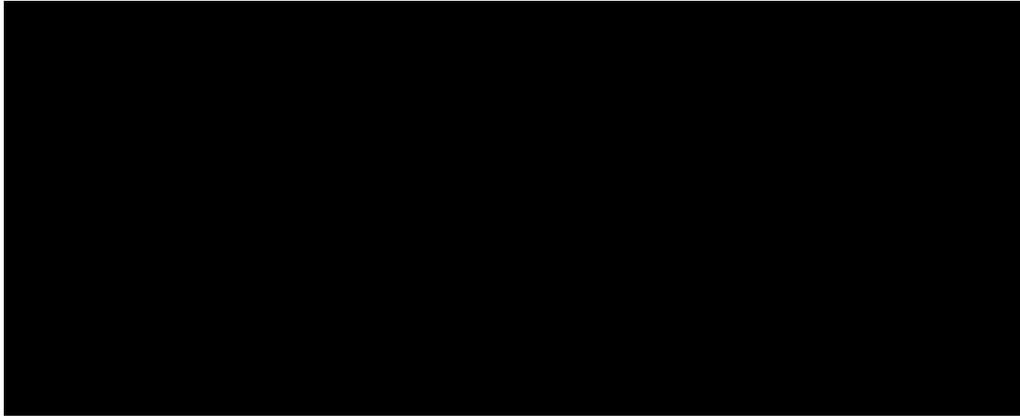
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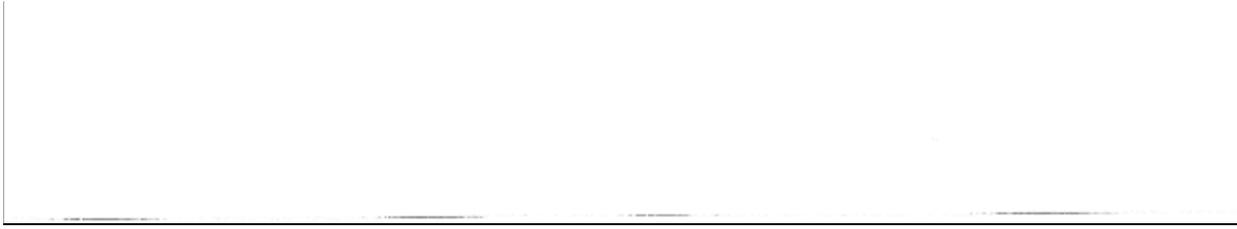
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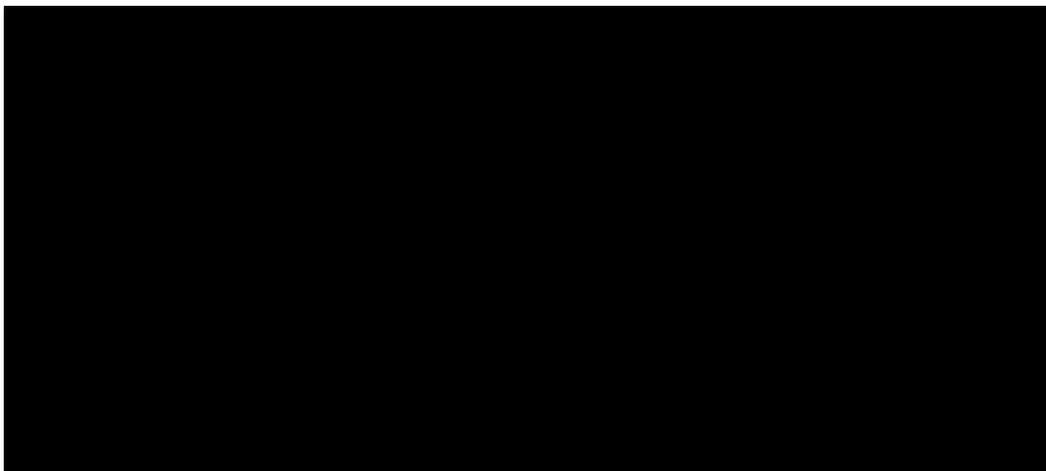
List the business name(s) and percent interest on the spreadsheet if there are businesses that hold

Other Businesses Holding an Interest	Percent Interest
WinWright Corp	29%
Kalani English, Trustee of the J Kalani English Living Trust, Dated August 19, 2009 and any amendments thereto	10%

Id an interest in the applying entity.









#1 Hawaii Medicinal Options has assembled a global team of experts that together have more than 50 years experience in the field of medical cannabis. This team is led by Kalani English (CEO) and will be managed in a top down perspective, starting with the board of directors and executive management team, down through each individual employee, and will be the primary force behind all decisions made in regards to the company's proceedings. The company's vision is to establish and operate a comprehensive model that will operate as the premier example for the manufacture and delivery of medical marijuana within the State of Hawaii. This vision will be achieved through the highest possible standards of experience, professionalism, integrity, and ethics. The company's main focus will be vigilant care for patients, while keeping a keen focus on public safety through comprehensive efforts aimed at deterrence of diversion and prevention of addiction. The company is committed to continuing and strengthening a strongly rooted relationship in its communities, already established through its management team's extensive business and personal experiences. Hawaii Medicinal Options top priority is providing patients with uncompromised service while supporting the local community/economy while operating under the strictest guidelines of compliance as mandated by the Hawaii Board of Health.

Hawaii Medicinal Option Medical Marijuana Projects have the potential to bring relief to many people suffering from serious diseases and conditions. Hawaii Medicinal Options proposed plans to operate cultivation facilities/dispensaries in compliance with the state's DOH requirements would also further enhance the economic development of the island of Maui by bolstering the region's tax revenue and establishing new job opportunities to the area. Hawaii Medicinal Options has also demonstrated its willingness to develop a cooperative and transparent relationship with the community by initiating a comprehensive public forum to address any questions or concerns about the state's Medical Marijuana Program and the proposed growing facilities upon award of licensing.

Hawaii Medicinal Options is deeply committed to assisting our patients, and to show our commitment to those in need, we will establish a charitable foundation for low-income patients. After one year of operation Hawaii Medicinal Options Inc., Inc. will establish a dedicated charitable fund specifically for those that cannot afford their recommended medication. A minimum of 2% of net sales generated from the Hawaii DOH medical marihuana program will be set aside for Hawaii Medicinal Options Inc. patients, administered by Hawaii Medicinal Options Inc., Inc. as they is available. The charitable funds will made available to cover prescription expenses at Hawaii Medicinal Options Inc. dispensaries. Patients may qualify for the program through a Hawaii DOH low-income patient approval list.

The following paragraphs set forth profiles of each position of the Executive Management Team, Medical Advisory Board and Consultant Support Teams. Together, these individuals present unparalleled experience and expertise in their fields and in managing successful companies in diverse and highly regulated industries. Many team members have known and worked with one another for years, resulting in an immediate cohesive strength as a profession and integrated working group.

CEO- Kalani English:

- Former President of Association of Pacific Island Legislatures
- Delegate of the National Caucus of Native American State Legislators
- Member of the American Council for Young Political Leaders
- Chair of Senate Committee on Transportation & International Affairs
- Vice Chair of Senate Committee on Tourism & International Affairs
- Member of Senate Committee on Agriculture
- Member of Senate Committee on Economic Development & Housing
- Member of Senate Committee on Ways & Means

- Member of Hawai‘i Invasive Species Committee
- Member of Oahu Metropolitan Planning Organization Policy Committee
- Member of Hawai‘i Energy Policy Forum
- Member of Integrated Resource Planning
- COO- Christopher Wright- a pioneer in the medical marijuana field, Chris Wright is an entrepreneur, with in depth cannabis development experience, together with extensive financial resources has the ability to bring to the project, will significantly enhance Hawaii Medicinal Options ability to develop and become a premier medical marijuana business in Maui.

Director of Patient Services

- CFO- Patricia McIntyre- Oversee all administrative, bookkeeping, human resources, inventory and cash management.
- Chief of Business Development – John Eichelberger- Oversee entire dispensary operation including marketing, wholesale and retail operations, dispensary inventory and security
- Compliance & Quality Control Officer – Develop, maintain and manage compliance and quality control programs program policies and procedures; develop and oversee system for handling violations; ensure that products meet standards of quality, safety, specified requirements and standardization; test sample products; develop and oversee system for handling any problems; maintain records of all product testing
- Chief of Manufacturing- Oversee manufacturing facility and all aspects of production including grow; extraction; staff training; product distribution; and shipping and receiving protocols; responsible for repair and maintenance of all building systems
- Head Horticulturalist/Arborist-
- Chief of Security – In charge of all aspects of security involving personnel, facility, products, equipment and software - Hawaii medical Options is currently in negotiations with several “local”

candidates to satisfy the requirement. Our organization firmly believes this position is best satisfied by an individual that has resided in Maui and has an acute understanding of the culture, local law enforcement and applicable understanding of the local laws and regulations that govern Maui. We believe extensive experience and knowledge in the field of public safety and emergency services will allow Hawaii medicinal options to develop a robust security plan, which will meet, if not exceed, the Department's Regulations.

- Grow Product Development Manager
- Cultivation Manager/Chief Grower –Ray Wright- Manage all grow protocols, planning and purchasing.
- Assistant Chief Grower – On-site management of grow and grow staff
- Chief Legal Counsel – Norton Arbelaez- Will serve as outside counsel to advise on legal matters and liaise between the Applicant and government agencies
- Product Development Manager – Oversee product manufacturing, distribution, responsible for quality and uniformity of products, maintaining inventory
- Human Resources Manager – Maintain employee files, initiate new employees, update HR manuals
- Inventory & Warehouse Manager – Maintain a clean and organized warehouse; oversee all shipping and receiving; supervise inventory and recordkeeping; oversee tracking and labeling of inventory.
- Quality Assurance Officer – Responsible for maintaining compliance standards; product testing, safety and standardization
- Accounting Manager- Alan K. Teixeira
- Clinical Pharmaceutical Director & Assistant Director - Glen Montgomery -Daniel Kyle Palmer- Advance knowledge and understanding of medical marijuana efficacy and use.
- Supply Chain Operations Director – Joe Eudemiller

- Information Technology & Cyber Security Chief

Products of the Highest Quality

Drawing on this extensive experience in health care administration, health services delivery, pharmacy, medical cannabis, and biomedical research, Hawaii Medical Options has developed clear policies and procedures to govern each step of our vertically integrated manufacturing process— from plant cultivation to the manufacture of the pharmaceutical grade medical products we will offer to qualified consumers.

All Hawaii Medicinal Options medical products will be:

- Based on decades of experience in cannabis production, research and patient care;
- Offered in multiple dose and delivery mechanisms;
- Packaged in tamper- and child-proof containers;
- Clearly labeled and accompanied by a package insert similar to those found in traditional prescription medicines;
- Guarded by quality control mechanisms that will ensure products of the highest quality.

A Holistic Approach to Serving Qualifying Patients

Hawaii Medicinal Options proposes to dispense medical cannabis to qualified patients through four dispensing facilities. These Centers:

- Follow both the State and Federal setback guidelines;
- Are strategically located in high-need patient areas and convenient to major transportation hubs;
- Have lease agreements in place;
- Have documented, robust local support;
- Will be staffed by licensed pharmacists and nurses trained as “nurse navigators” to orient patients to their care, organize peer supports, deliver patient education classes, and coordinate care with a patient’s other treatment providers;
- Will offer a 24-hour patient help-line;

- Have state-of-the-art, HIPPA compliant data collection and management system to enhance the quality of patient care;
- Conduct research in collaboration with our partners in Israel, the world leaders in cannabis research.

Resources at the Ready

Hawaii Medicinal Options has already entered into leases with affiliated entities and purchase agreements for the (2) manufacturing facility and the (2) required dispensaries. It has also pre-designed its manufacturing facility based on an existing building. The four dispensaries have also had design plans prepared from them. In addition, as part of its due diligence process, Hawaii Medicinal Options has researched the equipment it will need for both the manufacturing facility as well as the dispensaries and has located vendors and suppliers for the equipment for immediate delivery upon award of license.. Hawaii Medicinal Options is confident that it will have its facilities up and running, with the requisite supplies of medical marijuana, before the deadlines prescribed. The financial outlay necessary to start a new manufacturing facility as well as four independent, standalone dispensaries is a challenge that will necessitate very significant financial resources. Hawaii Medicinal Options has negotiated terms with (3) investors that will cover all costs for construction and operation for (36) months.

Collaboration with University of Hawaii

Hawaii Medicinal Options intends to be an industry leader in collaborating with research universities to study and improve the efficacy of medical marijuana. Hawaii Medicinal Options intends to be a valued partner of the Hawaii State Department of Health in the implementation of its medical cannabis program. We look forward to working with the Department to appreciation in advance for your consideration of this application.

Hawaii Medicinal Options has the will, the passion, the financial wherewithal and the necessary fundamentals to quickly commence operations and be in a position to manufacture and dispense

medical marijuana under the aggressive time frames. Based on the proven track record of its CEO and executive team in starting large scale projects, developing them successfully, and then running them profitably for decades, much of the guess work has been eliminated on whether Hawaii Medicinal Options would have the resources, knowledge and expertise to successfully operate one of the two sanctioned businesses to be awarded. It will be a patient centric, security focused, professional organization that will be a credit to Hawaii/Maui.

#2 Hawaii Medicinal Options is exceptionally well positioned to serve the public interest by rapidly launching manufacturing operations to meet the needs of all Maui patients by July 2016. Our world-class manufacturing facilities - (2) newly constructed, fully modernized, 30,000 square-foot facilities – will be operational within 75 days of receipt of award. Dispensary sites will be newly constructed, fully modernized, 4,000 square-foot buildings in the cities of Kahului and Kihei and will be operational within 75 days of receipt of award. Each dispensary site has been selected to facilitate a safe and easy patient flow, from entry through point of sale and exiting. Site size will also accommodate the distinct areas of a dispensary, e.g. check-in and security stations; patient waiting room; patient education and counseling area; point of sale area; product vault and product storage; security and cash vaults; private office, employee break rooms and public bathrooms; and a secure receiving area for delivery of incoming products. Hours of operation will be Monday through Saturday from 8am to 8pm. To accommodate the needs of physically disabled individuals, dispensaries will have ample handicapped accessible parking, ADA-compliant entrances, and public bathrooms. Each dispensary will be housed in a secured and access-controlled facility with 24/7 year-round video surveillance and alarm systems. Dispensary management will coordinate with local officials and law enforcement to provide safe and secure dispensing. Each dispensary will be divided into limited access (e.g. patients, caregivers, and staff) and restricted access (e.g. Pharmacist, Business Manager, Inventory Manager, and Security Site Supervisor) areas. Armed security guards will supervise the entrance and perimeter of the premises during operational hours. Dispensary designs will also allow staff to visually supervise the various unrestricted and restricted store areas in conjunction with robust electronic surveillance. Critically, the layout of the facility will accommodate manufacturing and cultivation process flows with minimal build-out needed after the first phase of construction to accommodate increasing patient needs. Installed, turnkey infrastructure includes: FDA-approved QA/QC labs; HVAC system performing 22 air exchanges/hour; climate controls with back-up; industrial power, back-up generators and water; and RO4 water purification system. Our proven

manufacturing processes and pharma-standard facility will enable Hawaii Medicinal Options to deliver a steady supply of medicine to meet growing patient demand: After a first run in July 2016, we will be able to serve the needs of 2000 patients (with an initial 2x safety factor) and double our output every 2-3 months as necessary. The geographic distribution of our dispensaries in Kahului and Kihei will serve the public interest by offering excellent public access and at least one store within a two-hour drive from any point on Maui. Hawaii Medicinal Options is also well equipped for excellence in QA-QC compliance, with our standard operating procedures documented and controlled with schematic workflows generated by BiotrackTHC, a robust process management tool used by a large number of other large growing/dispensing organizations, as well as, the recent recipient of Hawaii's contracting document control software provider. We use our SOP tool with the BiotrackTHC electronic batch record and compliance software for precise verification, documentation and enforcement of over 130 quality assurance and quality control checkpoints throughout our manufacturing process. Quality Assurance Check Points require laboratory-testing procedures for potency, quality and safety purposes, including microbial, pesticide and heavy metal screening. Critical Control Check Points require inventory, weighing, labeling and other procedures for regulatory compliance, data collection and tracking traceability purposes. If chosen for the program, Hawaii Medicinal Options will initially outsource QA/QC lab testing needs, but will operate an in-house QA/QC lab for day-to-day operational quality control within six (6) months of operation. Our SOPs also enforce stringent inventory controls, which will be adapted to the state-mandated supply chain controls being developed by QA/QC lab. Finally, QA/QC lab has the financial resources necessary to meet the DoH operational and regulatory requirements for registered organizations. Our shareholder base has financed our state of the art, 45,000sf manufacturing facility in Holbrook, Arizona; and we hope to have the privilege of funding world-class operations to provide exceptional service to patients on the island of Maui.

In addition to Hawaii Medicinal Option's Management Team, the company is in discussions with local and potential team members who will come on board once the license is granted. Our staffing timeline will vary by location. All management and personnel will be hired, vetted and trained to the strictest standards and guidelines- no exceptions. Site operations will favor the local community; Hawaii Medicinal Options will strive wherever possible to staff the manufacturing facility & dispensary with local hires.

MANUFACTURING FACILITY STAFF — BOTH SITES STAFFED EQUALLY- Total number of Jobs Created: (1) Chief Security Officer, (2) Full-time Head Grower, (2) Full-time Growers, (4) Full-time/(4) Part-time Director of Production & Quality Control, (2) Full-time Production staff, (6) Full-time/(2) Part-time Harvesters, (8) Full-time/(4) Part-time Head Extractor, (2) Full-time Extractors, (4) Full-time/(2) Part-time Facilities Manager, (2) Full-time Facilities manager, (2) Full-time/(1) Part-time Office Manager, (4) Full-time Office Staff.

DISPENSARY STAFF — Both SITES STAFFED EQUALLY- Total number of Jobs Created: (1) Chief Security Officer, (1) Dispensary Manager, (8) Full-time/ (4) part time Dispensary staff, (1) Full-time Quality Assurance Officer, (1) Full-time Assistant Quality Assurance Officer, (1) Full-time Compliance Officer/Counsel's Office, (1) Full-time Director of Operations, (1) Full-time Medical Advisor, (1) Advisor Horticulture Consultant, (1) Full-time Human Resources Director, (1) Full-time Community Outreach Manager, (2) Full-time/ (4) part time Customer Service Team.

Hawaii Medicinal Options Disaster Recovery Plans will support core operations in the event of a system failure or disaster, and ensure mechanisms are in place to support patient continuity of care during such an event. Our Disaster Recovery Plan will:

- Define Key Assets, Threats and Scenarios, including all business systems like computer system failure, records loss; manufacturing facility and distribution facility physical scenarios, human resources, and including both natural and man-made threats
- Systems – Seed-to-sale system, accounting, e-mail, and web portal are just some of the key systems the dispensary will need to have

operational during a disaster. • Data – Backups to be performed and stored offsite. • Define recovery window • Define recovery solutions • Prepare recovery plan • Establish plan of communications - Phone, Internet, and Fax capabilities are critical to supporting patients and staff as well as procuring inventory. • Define recovery site used to implement plan similar to other medical emergency preparedness activities. Hawaii Medicinal Options intends to conduct annual exercises utilizing complex scenarios to test the response and resilience of the entire supply chain. Our newly built facilities will make weather related disasters less likely than in an older, existing facility.

There will be a Dispensary Policy and Procedure (P&P) Manual supporting our Operating Plan. It details all company and management-level operations, as well as operations documentation for ancillary departments such as Human Resources, Accounting, Sales and Marketing. Operations Training Materials - In addition to the Operations Manuals and supplemental operations tools, we have developed a comprehensive training curriculum that instructs department managers on how to train staff members, and ensures comprehension and performance levels by using a Final Performance Test for each department.

Hawaii Medicinal Options has ample expansion capabilities. The company can expand within the facility to triple cultivation capacity by adding an additional 30,000 square feet of cultivation area. These areas will be prepared to immediately expand into them as needed during the initial renovation. The processing and manufacturing areas are designed to handle the manufacturing needs for the full cultivation capacity and will not need to be expanded. Additionally, Hawaii Medicinal Options has the ability with Department approval to expand into another existing 90,000 square feet of greenhouse space on leased property and has access to another 6.5 acres of existing greenhouse on a contiguous property. Adequate power and water supply permits the operation to begin cultivation operations without costly and timely utilities upgrades. Cultivation areas will be designed by our subsidiary contracting company, Tricor Mechanical, to accommodate operation-specific air exchange and airflow, interior layout, lighting, and utilities.

The cultivation operations consist of propagation, cultivation, harvest, processing, bulk storage, packaging, and transfer to the manufacturing unit. Hawaii Medicinal Options designed the facility with the advice of consultants qualified in the marijuana industry to develop efficient and workable spaces. In order to meet initial and future qualifying patient demand in a quick and efficient manner with minimal impact on the environment and the surrounding community, the company will build out all cultivation spaces during the initial construction phase. The construction plan allows not only for quick expansion of production, but also allows for well-planned production schedules, the separation of similar strains, and allows for strict environmental controls in each area to allow for variable temperature, humidity, and carbon dioxide based on individual strain requirements. The ability to control these conditions with precision is one of the most important measures that can be taken to reduce contamination from pests, molds, and mildew. The Hawaii Medicinal Options manufacturing facility will be developed with compliance and efficiency as the guiding design features. FDA standards will be applied throughout the facility. The following items highlight specific design characteristics:

- The manufacturing facility will be organized to maintain the separation of different materials and provide adequate space for cleaning and storage.
- The flow of production materials, packaging components, in-process materials, bulk and packaged products through the building will be designed to prevent product mix-ups or contamination. The design of the facilities includes airlock entry and exit hallways, clean rooms, and strict flow controls for personnel and materials.

The facility is also designed so that preventative maintenance activities can be performed without interruption to work process or impact to our clean production areas. Equipment for adequate control of air temperature, pressure, humidity, dust, or microorganisms will be provided when appropriate for the manufacture, processing, packing, or holding of medical marijuana products. Air filtration systems will be used for air intake to production areas. If air is recirculated to production areas, measures will be taken to control the recirculation of dust. In areas where air contamination occurs during production, there will be adequate exhaust or other

air handling systems to control any airborne contaminants. Hawaii Medicinal Option's manufacturing facility will feature separate and defined areas with specific environmental controls designed to prevent cross-contamination and mix-ups of components, marijuana, or finished products during any operation. The production and manufacturing operations are divided into distinct operating units that specialize in certain activities in order to maintain an effective division of duties. These units include:

- Cultivation • Processing • Extraction • Manufacturing • Packaging and Labeling • Lab Testing
- Quarantine and Holding • Transportation Staging

Different operations will be performed within specifically defined areas of adequate size for that activity. Separate and defined areas provide controls to help prevent product contamination and mix-ups during the course of the operations. Separate areas are required for the following tasks:

- Receipt, identification, storage and quarantine of production materials, manufacturing supplies, packaging components and labeling held for the appropriate sampling, testing, or examination
- Storage of released production materials, manufacturing supplies, packaging components and labeling
- Manufacturing and processing operations
- Storage of in-process materials
- Packaging and labeling operations
- Quarantine storage of packaged products before release
- Storage of finished products after release
- Quality assurance and laboratory operations
- Holding rejected production materials, manufacturing supplies, packaging components, labeling, in process materials and product before disposition
- Product packaging, holding, and shipping.

PROPOSED PROJECT BUILD-OUT TIMELINE - Milestone Timeframe

(1) Authorization of License April, 2016, (2) Architecture and Engineering Technical Drawings April -2016

(3) Local Municipal Review Process April-May, 2016, (4) Construction Start May, 2016, (5) Construction Completion July, 2016, (6) Equipment Installation & Move-in July, 2016, (7)

Plant/Harvest September, 2016

Hawaii Medicinal Options will manufacture five distinct brands with consistent cannabinoid profiles. The concentration of total tetrahydrocannabinol (THC) and total cannabidiol (CBD) will define the brand. The planned formulary is as follows: THCH Formulary Brand Name (TBD)

THC	CBD	Ratio (THC:CBD)
1	80%	20%
4	1	2*
50%	50%	1:1
3	33%	67%
1	2	4
20%	80%	1:4
5*	5%	95%
		1:20

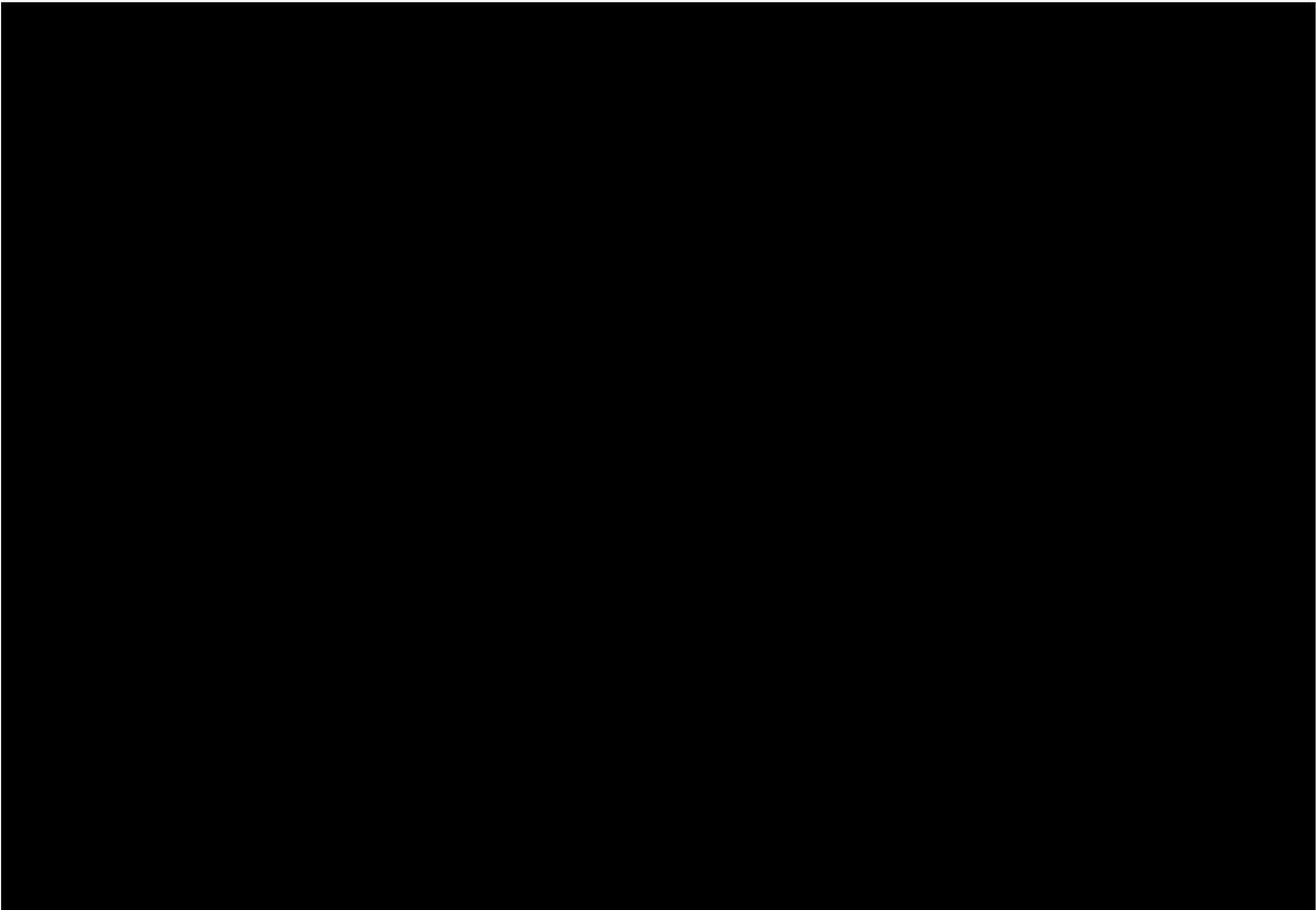
Hawaii Medicinal Options will hire within the local communities, support local charities, promote local outreach programs, offer employees paid days off for volunteering - provide the community with free educational workshops on healthy living topics, medical marijuana's background, benefits - safe product use and invigorate the local economy in every way possible.

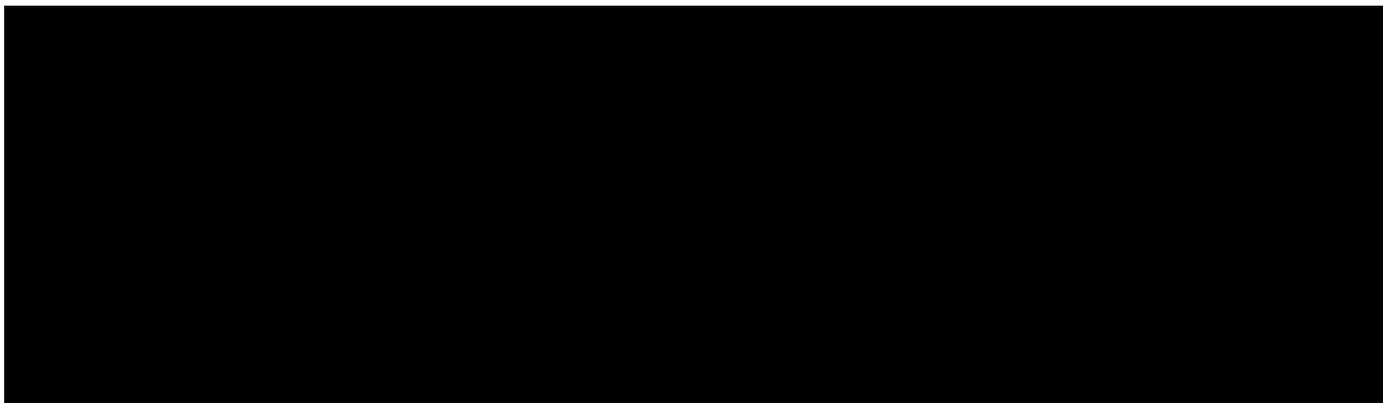
#3 Financial

To ensure a six (6) month timeline, Hawaii Medicinal Options, has raised sufficient funds to complete all phases of this project to meet the entire build out, production and thirty-six (36) months of operating capital. Furthermore, we are designing our manufacturing facilities to accommodate additional phased expansions, according to our Operating Plan, by phasing in additional cultivation capacity within **thirty (30)** days as demand increases. We would begin implementing our Operating Plan immediately upon registration issuance. This immediate access to existing funds enables us to uphold our commitment to have two (2) approved medical marijuana dispensaries and manufacturing facilities by July 2016.

Sources and Uses of Funds

Based on the Hawaii Medicinal Options Team's extensive experience, it has been determined all anticipated costs associated with initial startup costs and operations of (2) manufacturing and (2) dispensaries, including mortgage payments, new construction costs for the dispensaries/manufacturing, staffing, equipment and the full implementation of the Operating

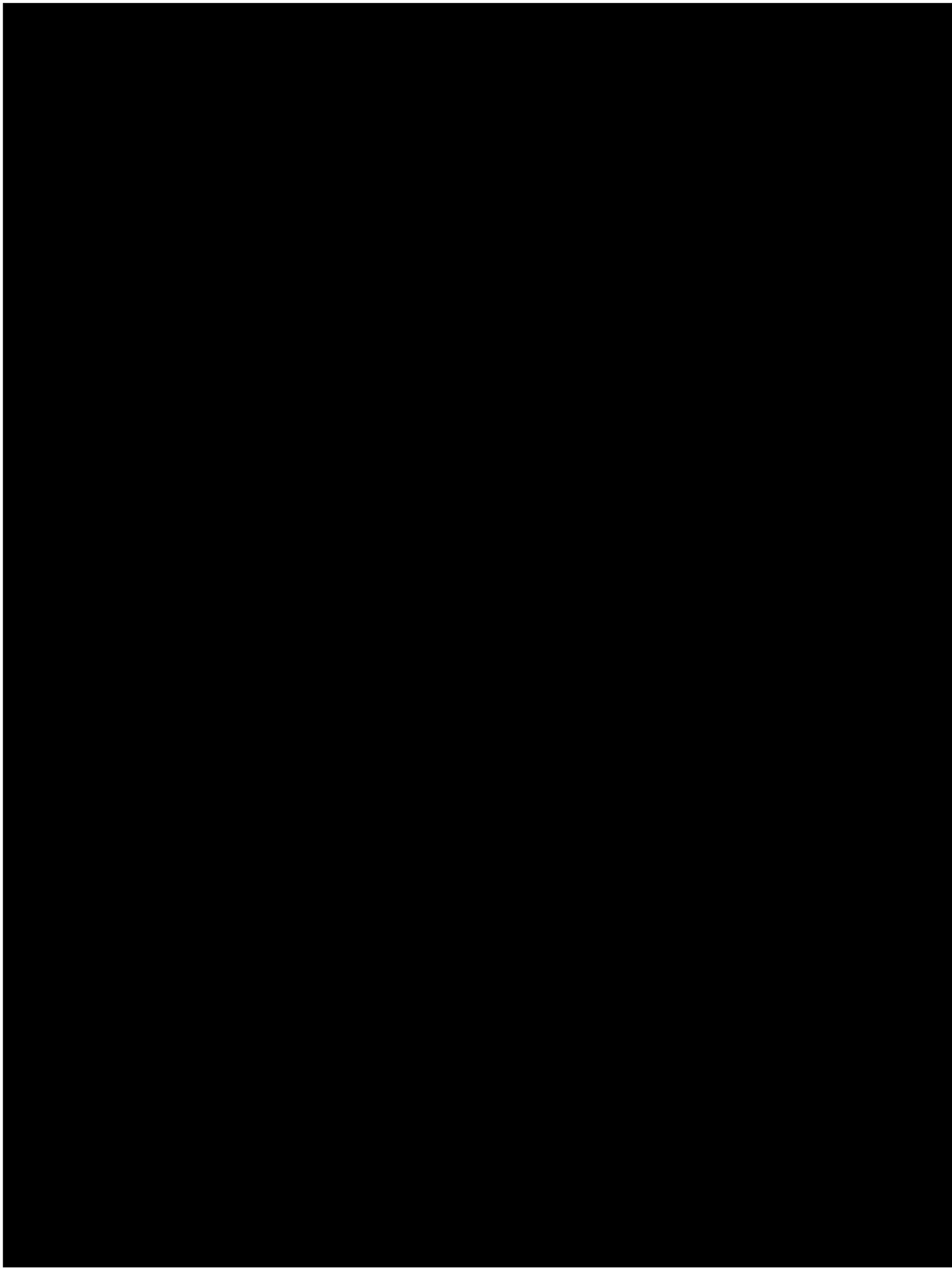




#4 SECURITY- PERSONNEL

Hawaii Medicinal Options will contract local, uniformed armed and unarmed security personnel in order to provide maximum safety for our employees and customers. This team will report

s and/or c

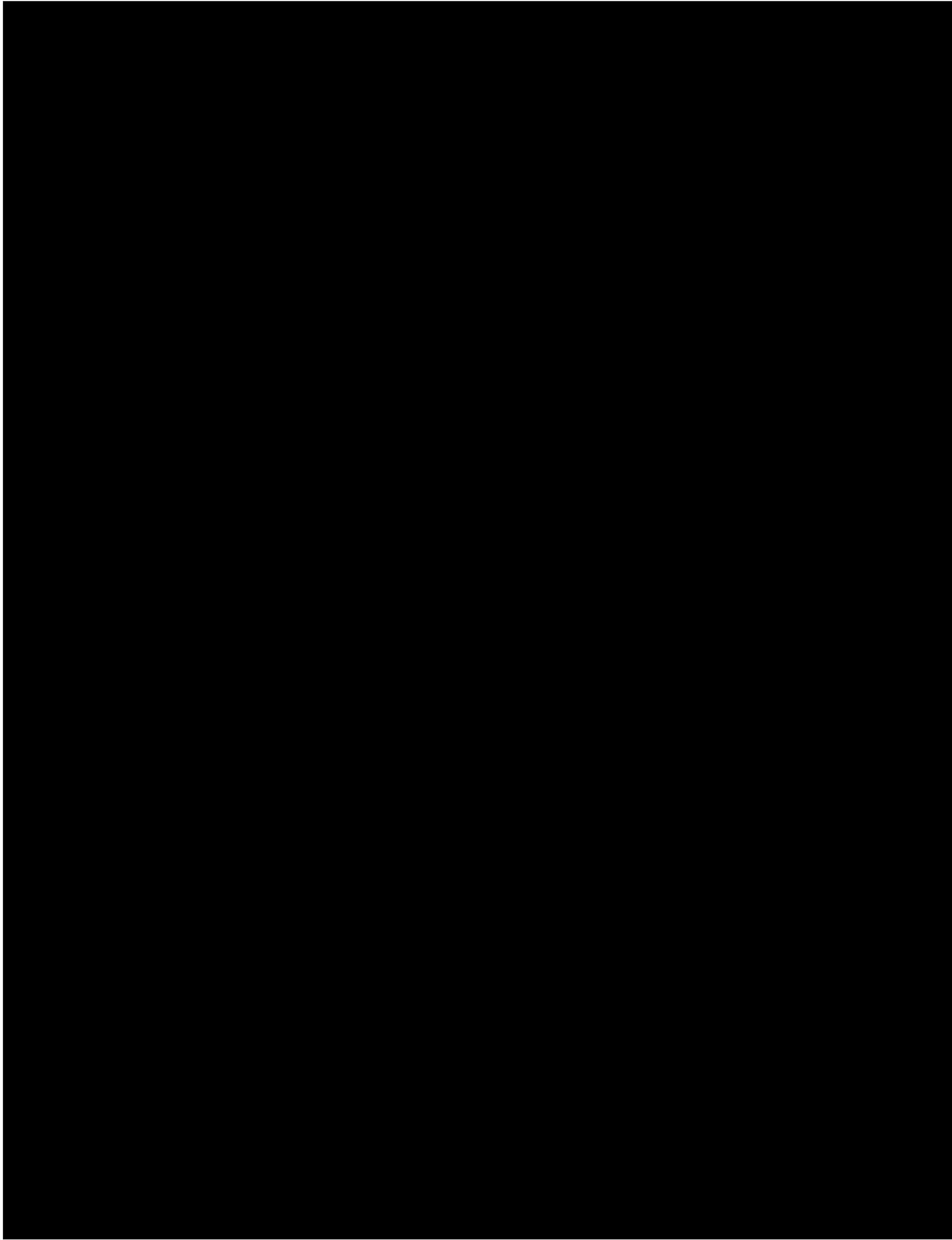


The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial data. This includes not only sales and purchases but also expenses and income. The text suggests that a systematic approach to record-keeping is essential for identifying trends and making informed decisions.

Next, the document addresses the issue of budgeting. It explains that a well-defined budget is a critical tool for managing resources and avoiding overspending. The author provides a step-by-step guide to creating a budget, starting with identifying fixed and variable costs. It also discusses the importance of regularly reviewing and adjusting the budget to reflect changes in circumstances.

The third section focuses on the role of technology in modern accounting. It highlights how software solutions can streamline processes, reduce errors, and provide real-time insights into financial performance. The text mentions various types of accounting software and offers advice on how to choose the right one for a business's needs.

Finally, the document touches upon the importance of staying up-to-date with the latest accounting regulations and standards. It notes that the tax and financial reporting environment is constantly evolving, and businesses must adapt accordingly to remain compliant. The author recommends seeking professional advice and participating in continuing education to stay informed.



The first part of the document discusses the importance of maintaining accurate records in a business setting. It highlights how proper record-keeping can help in decision-making, legal compliance, and financial management. The text emphasizes that records should be organized, up-to-date, and easily accessible.

Next, the document addresses the challenges of data management in the digital age. It notes that while digital storage offers convenience, it also introduces risks such as data loss, security breaches, and information overload. Solutions like cloud storage, encryption, and regular backups are suggested to mitigate these risks.

The third section focuses on the role of technology in streamlining business processes. It describes how automation and software solutions can reduce manual errors, save time, and improve overall efficiency. Examples of tools used for project management, customer relationship management, and accounting are provided.

Finally, the document concludes by stressing the need for continuous learning and adaptation. As technology and market conditions evolve, businesses must stay informed and be willing to adopt new practices to remain competitive and successful.

#5 Education- Maintaining enough, safe accessible location, customer satisfaction

Education

It is Hawaii Medicinal Options' intention to integrate a high level of patient/staff interface into its dispensary operations. An actively licensed pharmacist by the State of Hawaii will always hold the position of Hawaii Medicinal Options Patient Care Manager, and will be the direct supervisor of all Patient Services department employees. Only members of the Patient Services Department will be authorized to counsel, educate and discuss approved medical marijuana products with patients, and only under the direct supervision of and in consultation with the Patient Care Manager. The Patient Care Manager will ensure all department employees are properly trained and frequently evaluated in their knowledge of approved medical marijuana products and associated risks in which they are discussing with patients. In compliance with state law, upon request of a patient, the patient's designated caregiver, if applicable, and/or the patient's practitioner, this facility must provide a patient-specific log of medical marijuana products that includes brand, administration form, dosage, dates dispensed, and any return of product. The BioTrackTHC functionality allows Hawaii Medicinal Options to custom-create tools to assure conformity with applicable state laws. To this end, we will create a Patient Purchase Log report that is accessible to authorized employees under the oversight of the Patient Care Manager. Building on this relation our dispensary staff will educate patients on the features, benefits and nuances of interacting through a dispensary. The certified patient and designated caregiver(s) will receive one-to-one guidance by the Pharmacist and/or the Dispensing Assistants under the Pharmacist's direct and continuous supervision from reception through fulfillment. Patients and caregivers will have the opportunity to have questions answered during this orientation. The patient/caregiver will learn about the medical marijuana prescription given by the patient's physician, and the product and brand, which fulfill that prescription. Specific information relevant to the prescribed medical marijuana will be carefully explained. Patients/caregivers will learn about, but not limited to: specific dosage directions and instructions

for administration; warning of adverse effects and/or any potential dangers; a warning about driving, operating equipment, childcare and making important decisions while under the influence of medical marijuana; methods to secure and store the product at the patient's home; a list of excipients; any allergen warning; possible contra-indications; how to recognize what may be problematic usage or substance abuse of medical marijuana, the availability of different varieties of marijuana and the purported effects of the different strains, information about the purported effectiveness of various methods, forms and routes of administering medical marijuana, the prohibition on the smoking of marijuana in public locations, places open to the public and places exposed to public view and services or treatment; legal issues, e.g. where the product can and cannot be used according to federal and state regulations; illegality of giving the product to anyone else; how to properly dispose of unwanted, excess, or contaminated medical marijuana product; and other Departmentally mandated warnings or explanatory statements. In addition to orientation and counseling, which provides pertinent and specific information, as described above, each patient and caregiver is given DOH approved resources for additional information. Hawaii Medicinal Options will make available a variety of printed materials prepared by professional, medical and/or pharmaceutical experts and approved by the DOH. Visual displays at dispensary sites will also advise patients about key facts and information contained in the product inserts. The Pharmacist will always be available to patients/caregivers, responding to their questions on approved medical marijuana during any visit to the dispensary. After the dispensary experience, patient-dispensary interaction continues through patient education seminars and/or electronic communications, (e.g. email, newsletters and social media). The dispensary will send out email communications to help patients/caregivers keep track of timeframes, e.g. that they are nearing the end of their month's supply or that their registration ID might be soon expiring. At no time will the staff of Hawaii Medicinal Options provide prescriptions.

Furthermore, Hawaii Medicinal Options will make available one-on-one counseling to educate our patients on the benefits of alternative, homeopathic healthcare that will accentuate any current treatments. Education and counseling for the following **regimens** will round out services in a commitment to improve “overall” quality of life benefits. These will include seminars, retreats, educational material on the benefits of nutrition, yoga, herbs, massage, meditation, acupuncture, joint manipulation, soft tissue manipulation, hydrotherapy, therapeutic counseling, reiki/ magnetic therapy and total system cleansing.

QUANTITY

To meet the needs of all Maui patients, Hawaii Medicinal Options manufacturing and dispensing operations will have the initial capacity to manufacture up to 3000 pounds monthly or 1500 pounds every 15 days. Each dispensary is mandated to provide medical marijuana to 500 patients at a rate of 4oz/15 days or 8oz/30day. Hawaii Medicinal Options has a safety factor of 2x to accommodate this need with the experience and capacity to ramp up production expeditiously to 4x to 1500lbs/15 days & 5000lbs/30days.

LOCATION

Hawaii Medicinal Options has carefully considered and selected our dispensary locations. First and foremost, our business plan and mission focuses on serving the health needs of patients across Maui. To meet the needs of all Maui patients, Hawaii Medicinal Options manufacturing and dispensing sites were selected to be located in Kahului and Kehei. Hawaii Medicinal Options has chosen dispensing facility locations that are beneficial to the island and local communities. They are not on the same roadway and not within five hundred (500) feet of a building occupied exclusively as a school or place of worship. Sites will be located in areas that allow a large number of patients to avail of dispensary services, while addressing the difficulties of non-urban populations in reaching a dispensary. Ample, secured parking will be available for both

locations. Dispensary sites will be accessible by public transportation and have sufficient and convenient roadway infrastructure. Hawaii Medicinal Options manufacturing and dispensaries will be located indoors, in enclosed secure facilities that are suitable for dispensing of products to patients and caregivers. Security, architectural and engineering designs will adequately and suitably reflect the needs and concerns of the community within which the dispensary is located and address the security and access needs of our customers. We will comply with the ADA building codes to accommodate the compromised health and physical limitations of our clients. Hawaii Medicinal Options will ensure that detailed descriptions of plans, procedures and systems will be implemented and maintained for tracking, recordkeeping, record retention and surveillance systems relating to the sale and dispensing at each dispensary. They will be pre-approved by the DOH, kept on file and made available for review at any time. Each dispensary is designed to promote a safe environment to facilitate the health needs of our customers. All infrastructure and exterior design will be visually aesthetic, warm and inviting. The building components, including site design, infrastructural build, electrical, plumbing and HVAC, will comply with all state and local zoning, building, fire and ADA regulations and codes.

Customer Satisfaction

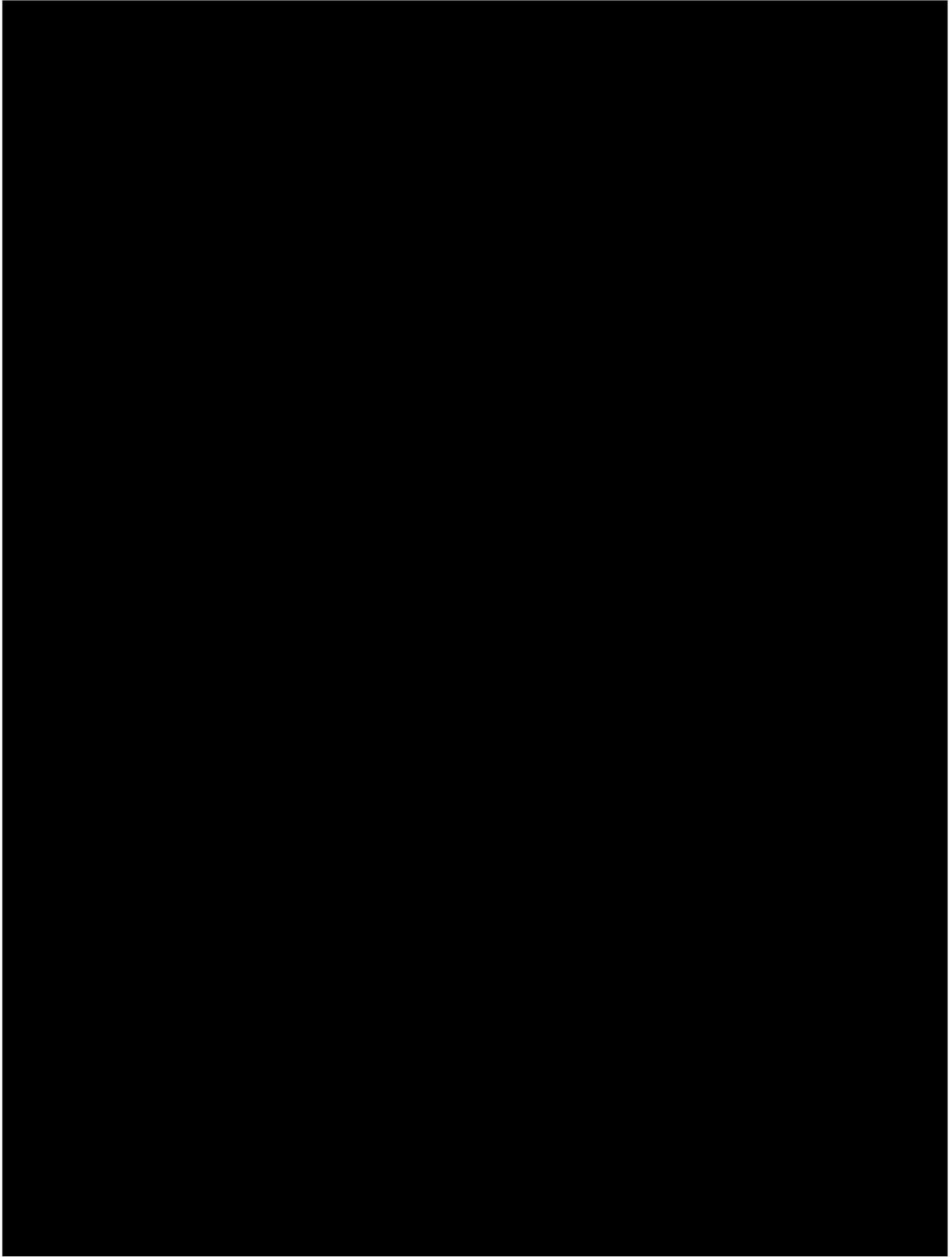
Hawaii Medicinal Options values our customers and their experience with our organization. We strive to accentuate their experience by mitigating complaints and adverse events. It will be Hawaii Medicinal Options goal to provide multiple selections of medical marijuana to accommodate the patient's needs per every visit. We are committed to employing enough staff so every patient can be tended to in a very courteous, informational and expeditious manner. We will have Service Specialists available to invest expedited service to those patients whose health is compromised and physically limiting. Every patient will have an opportunity to ask questions and will prudently be informed about all medications purchased. We will always stride to offer superior medical marijuana and strains that always meet the highest expectations. Hawaii

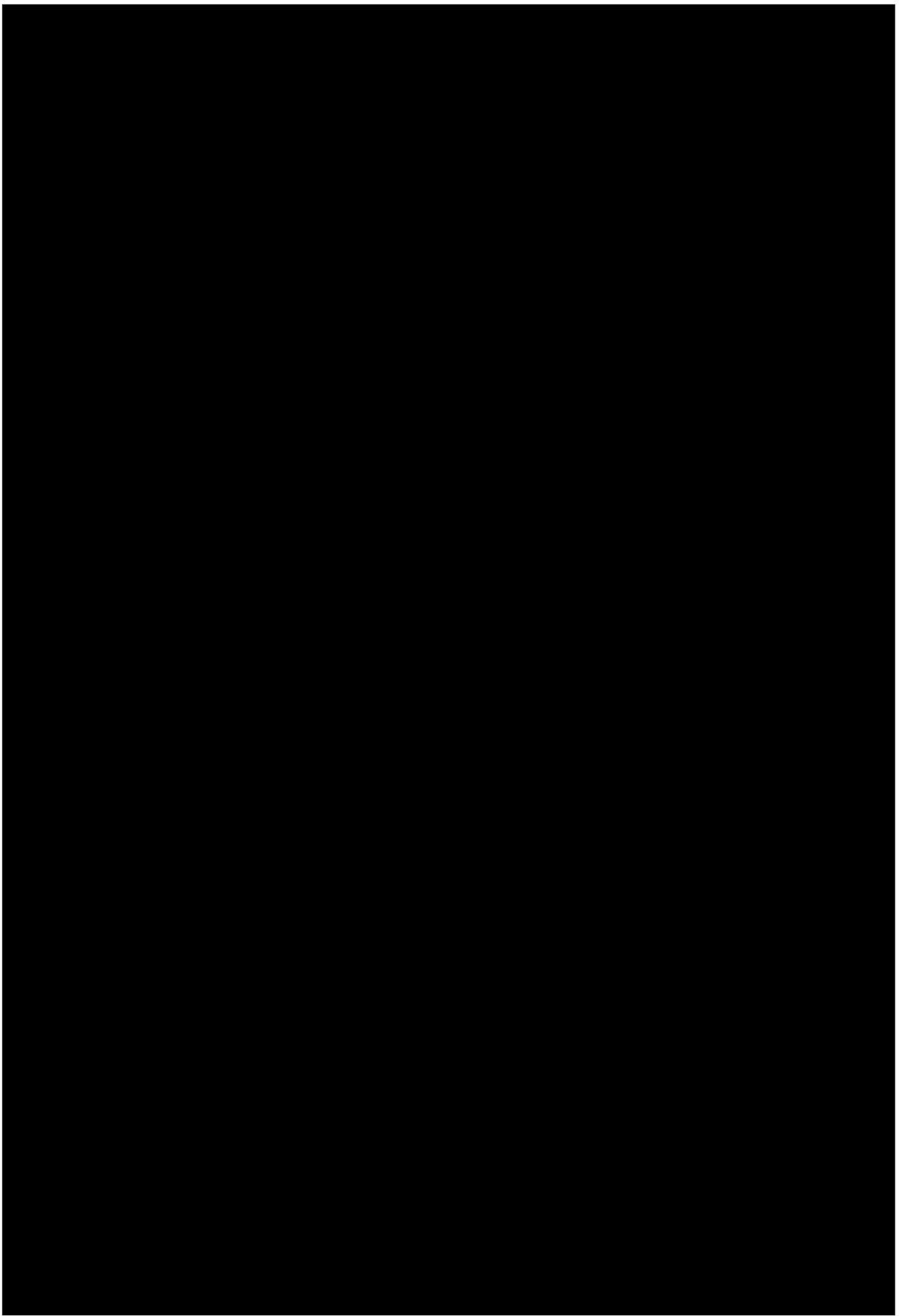
Medical Options will pledge to staff our dispensaries with helpful, courteous sales team members in a friendly atmosphere at locations that will be accommodating to service the residents of Maui. Furthermore, Hawaii Medicinal Options will be vigilant by investigating all patient complaints and adverse events, including allergies, suspected to be caused by any medical marijuana brand product offered by Hawaii Medicinal Options. All incidents of complaints or adverse events which have or may have an adverse impact on patient safety or satisfaction will be documented and reported to the Hawaii Medicinal Options Management within the same working day of the event occurrence. The Office Manager and Pharmacist plays a critical role in the accurate identification and correct interpretation of complaints, allergies, and adverse events to medical marijuana products is critical to prevent serious patient harm. Hawaii Medicinal Options has implemented standardized definitions and processes to document such events. Upon initial patient claim of a complaint or adverse events, the pharmacist will conduct a thorough interview with the patient to obtain all necessary information and complete the Allergy and Adverse Event Reporting Form. The pharmacist will conduct a patient interview to obtain all necessary patient data and detailed explanation regarding the event that took place, including additional medical attention that was required due to the event (such as hospitalization, urgent care, etc.) A patient's complete history of allergies and adverse events to other products will be obtained for accurate record keeping and identification of the cause of the event. The pharmacist will aid in determining if the event was due to an immune-mediated allergic response. In this case, re-challenging with any medical marijuana-containing product may pose serious risk to the patient's health and would not be recommended. The pharmacist will assess if any of the following events took place that may indicate an allergy to the product: Anaphylaxis, shortness of breath, rash, hives The pharmacist will aid in determining if the event is considered to be "serious". A serious adverse event is one that leads to one of the following serious outcomes: Hospitalization required, life threatening, leads to permanent disability or is incapacitating, leads to organ toxicity, causes birth defect, results in overdose. Hawaii Medicinal Options will be

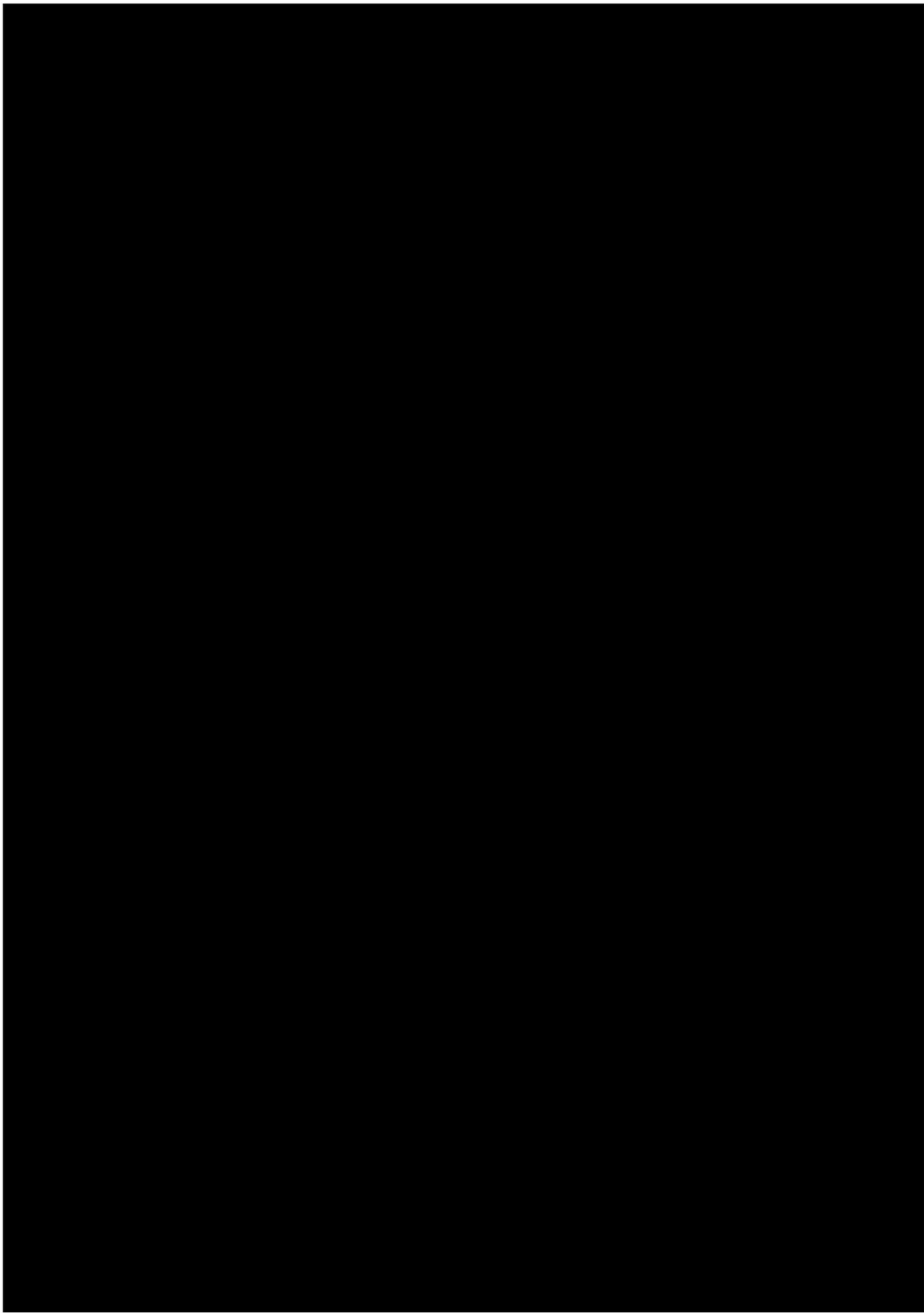
fully transparent with all complaints and adverse events that occur with the DOH as we believe in taking measures to ensure the safety and satisfaction of all patients. We are committed to helping expand the knowledge base of medical marijuana products and understanding what adverse events the product may be associated with is imperative. This knowledge will help Hawaii Medicinal Options and its partners to educate patients as well as understand the best strategies for use of the product. We also recognize a patient's overall well being, quality of life and happiness is a collaborative approach with mandating engagement with the patient, the caregiver, physician, and Hawaii Medicinal Options. We believe the patient should be involved in each step of their own care, and will devise a plan in combination with the patient, pharmacist, and practitioner to assess the benefits of medical marijuana use versus the risks and collectively determine the safest way to proceed with medical marijuana use or discontinue use.

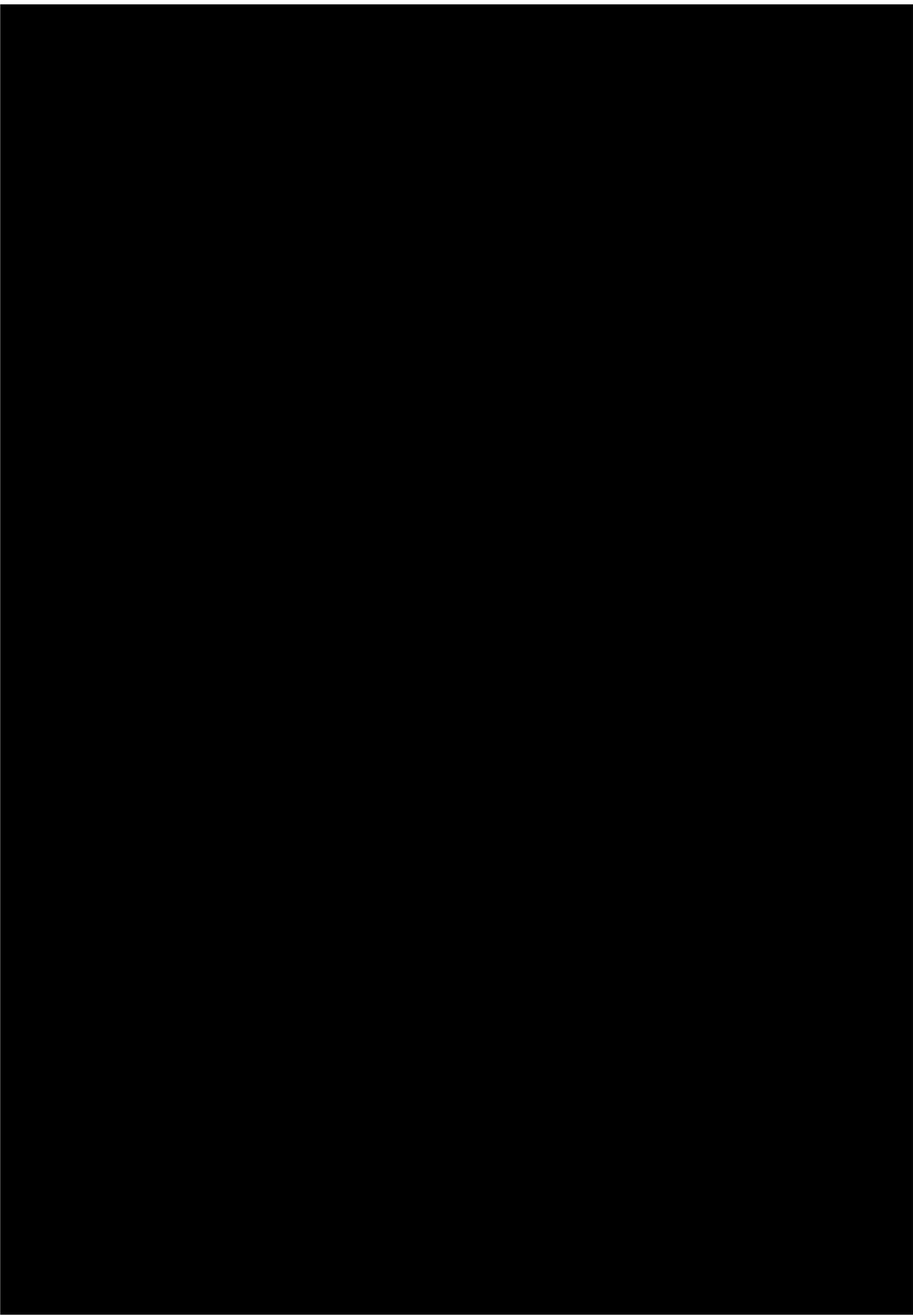
#6 Criminal background check

Background Checks as Standard Operating Procedure

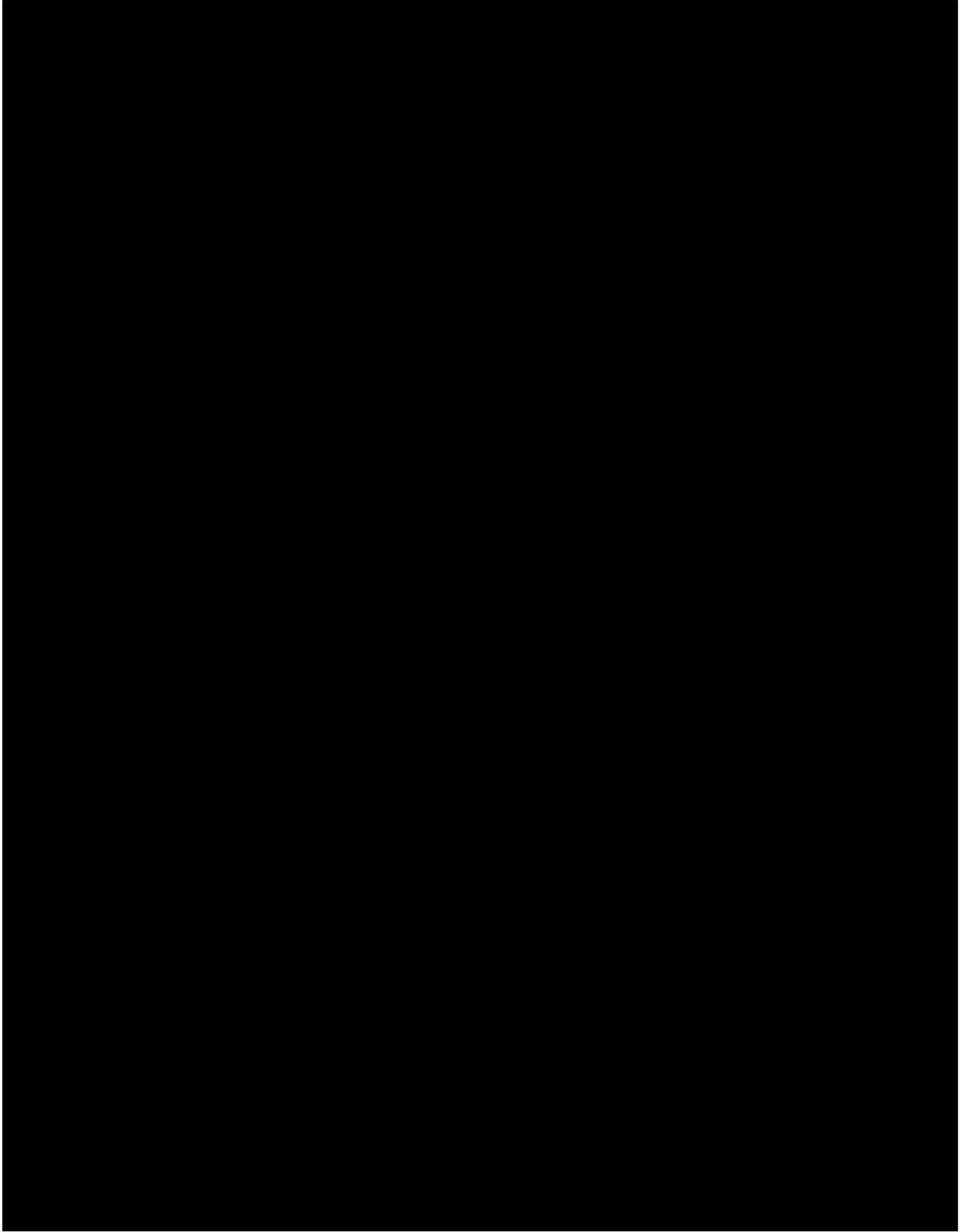


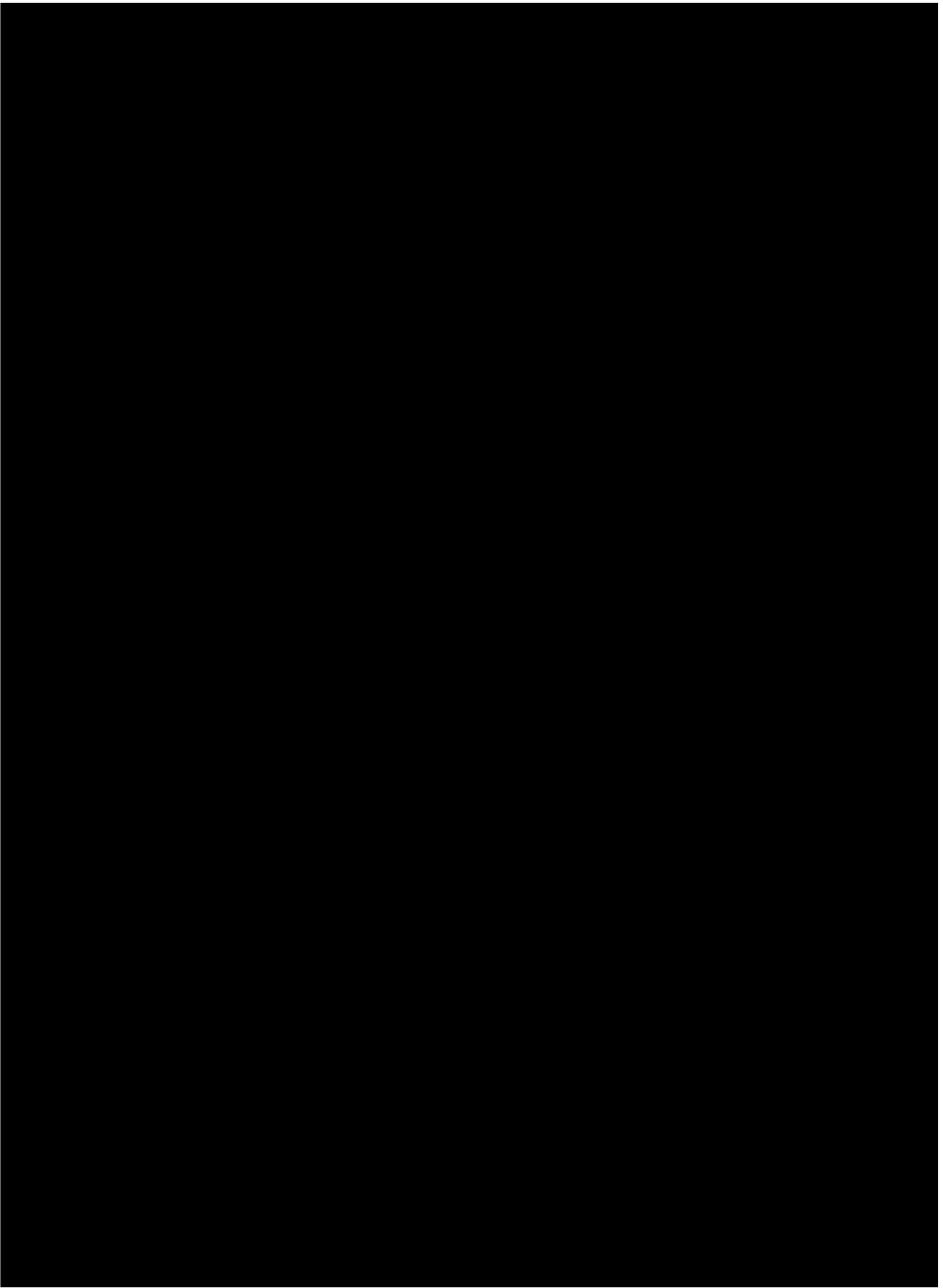


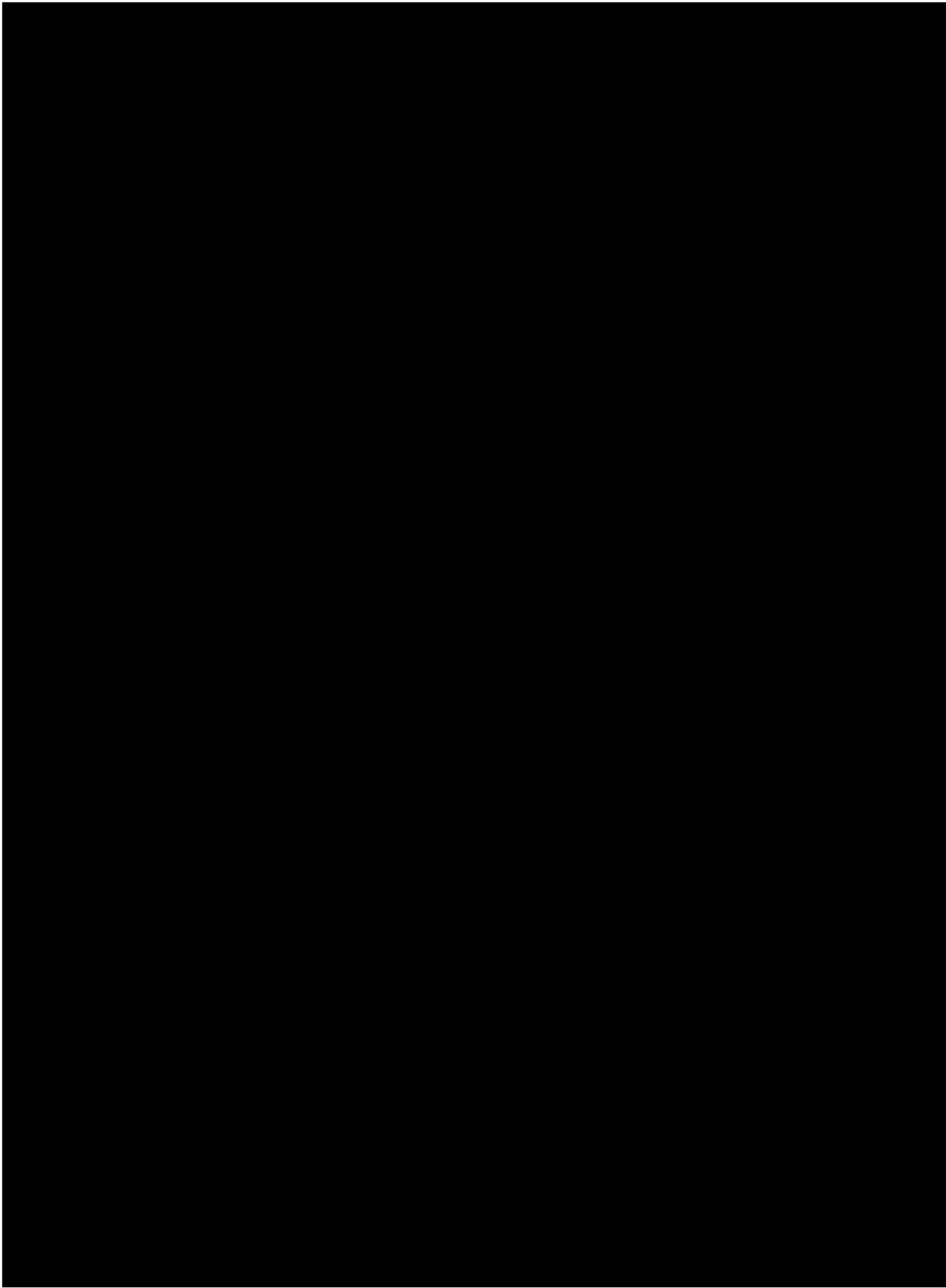




#7 Inventory tracking, security and sales limits

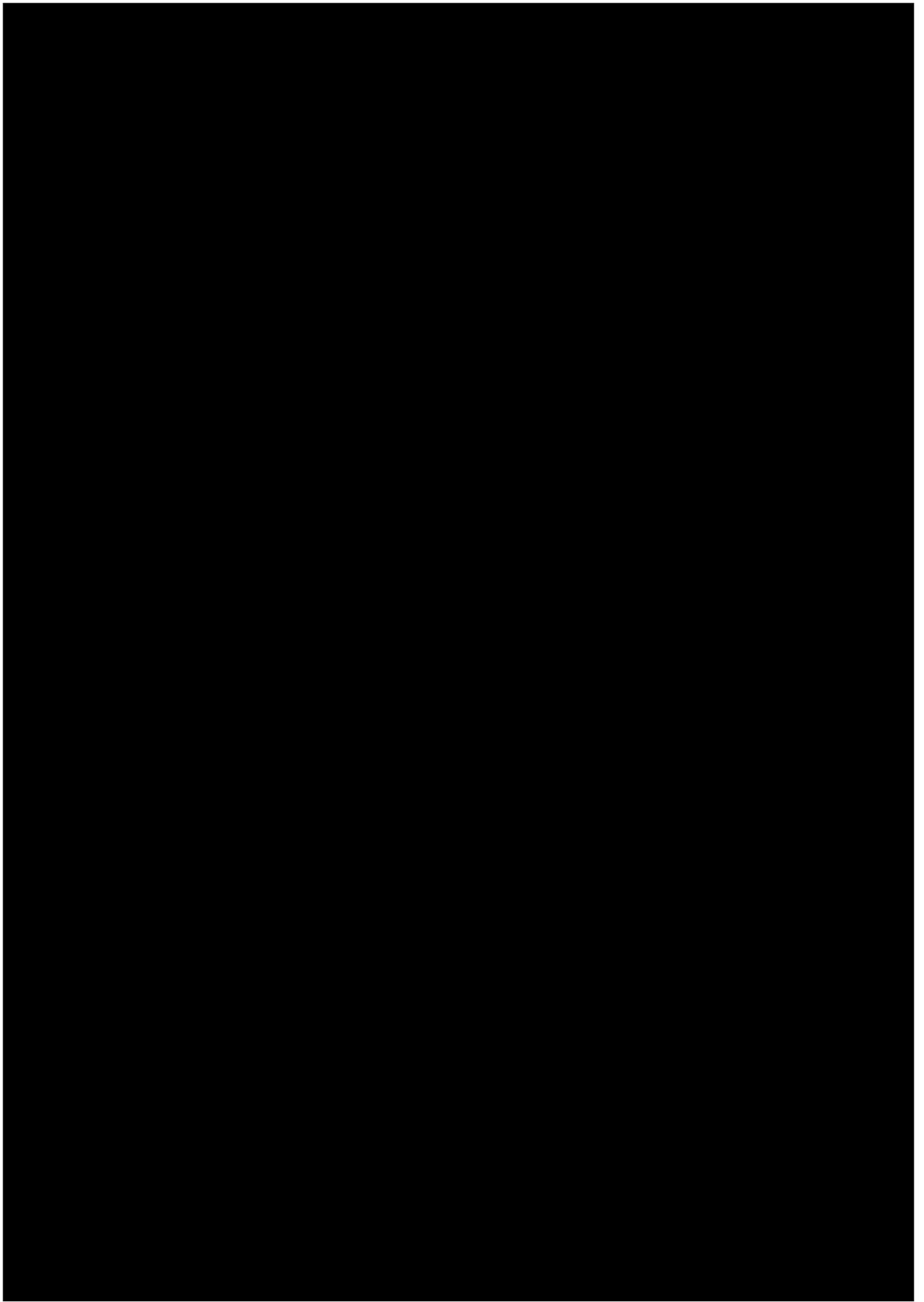


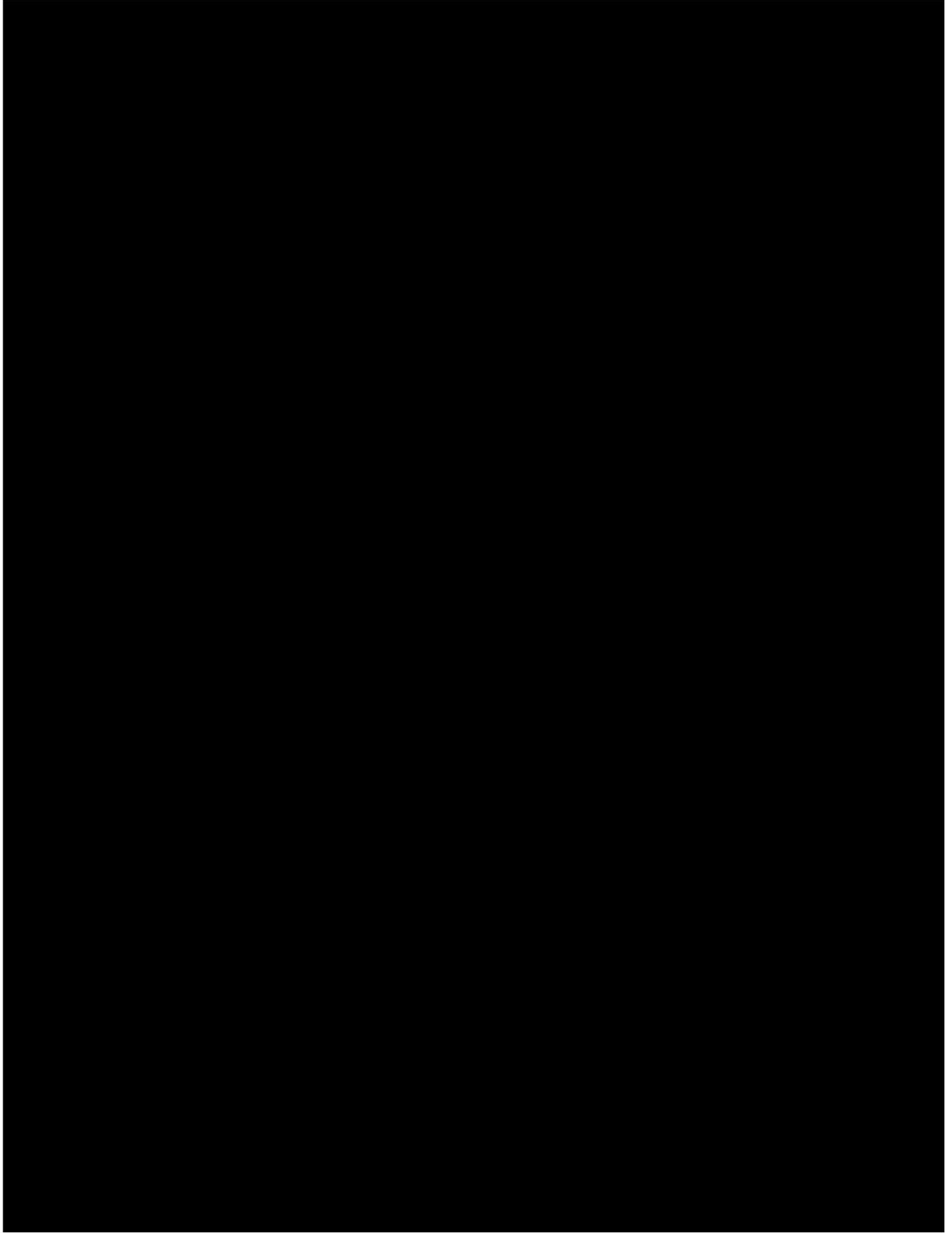






Security





#8 Lab Testing

Before processing can occur, batch test samples will be taken to assure the plant is of the highest quality and will pass all the residual pesticide, microbiological, mycotoxin, as well as active ingredient potency test. Established methodologies exist for preparing a sample of useable marijuana for testing. These methods vary slightly based on the intent of the test (e.g. detecting pesticides, or potency, or microbiological, and mycotoxin). As all inventory transactions are tracked and logged in BiotrackTHC samples sent to the lab, or inventory removed from the system for any reason, are tracked in un-modifiable log entries. Along with any inventory or plant removal from BiotrackTHC notes must be applied. The batch that the inventory is removed from is recorded, along with date and time and person authorizing the inventory adjustment.

All Product testing will be done by Hawaii State certified laboratories [L 2015, c 241, pt of §2].

Testing shall only be performed on the final medical marijuana product equivalent to the sealed medical marijuana product dispensed to the patient (e.g., in a sealed vial or intact capsule).

Within BiotrackTHC there are a number of functions designed specifically for use with laboratory testing. Extensive logs track each action performed at the cultivation center and with BiotrackTHC testing results API, testing results can be automatically sent from the testing lab to the BiotrackTHC, eliminating the possibility of manual data entry errors. Our system will capture all necessary quality assurance info, approved testing laboratory information, and test results. This includes but is not limited to the following:

- Potency
- Synthetic cannabinoids
- Terpene
- Residual solvents

- Pesticide residuals
- Microbiologicals
- Aflatoxin and ochratoxin
- Heavy metals

Furthermore, Hawaii Medicinal Options -Operations Director will utilize BiotrackTHC to track laboratory facility detail information options, notate lab credentials, log, directly associate lab results with a specific lot or batch of product for Inventory adjustment logging for testing sample removals, separate products pending testing from available inventory and direct porting lab results to product labels. All of this information is easily ported on to the inventory or product label for accuracy. Hawaii Medicinal Options shall only produce such forms of medical marijuana as approved by the DOH according to the following requirements: (1) Each registered organization may initially produce up to seven types [§329D-10] of medical marijuana product with prior approval of the department. These brands may be produced in multiple forms as approved by the DOH. Thereafter, the department may approve additional brands. However, in no case shall marijuana in unprocessed whole flower form be made available to certified patients. (2) Each medical marijuana product brand, in its final form, shall be defined as having a specific concentration of total Tetrahydrocannabinol (THC) and total Cannabidiol (CBD) and shall have a consistent cannabinoid profile. The concentration of the following cannabinoids, at a minimum, must be reported: (i) Tetrahydrocannabinol (THC) (ii) Tetrahydrocannabinol acid (THCA), (iii) Tetrahydrocannabivarin (THCV) (iv) Cannabidiol (CBD) (v) Cannabinadiolic acid (CBDA) (vi) Cannabidivarin (CBDV) (vii) Cannabinol (CBN) (viii) Cannabigerol (CBG) (ix) Cannabichromene (CBC) (x) Any other cannabinoid component at > 0.1% (3) The final medical marijuana product shall not contain less than ninety-five percent (95%) or more than one hundred-five percent (105%) of the concentration of total THC or total CBD indicated on the label for this brand. Each brand shall have a maximum of 10 mg total THC per dose. Ultra-High

Performance Liquid Chromatography (UPLC) will test these properties.

Pesticides Testing

We will ask the lab to take our flower and trim sample and perform an ASAP probe screen, followed by a Solid Phase Extraction (SPE) phase, and ending with Liquid Chromatography-Mass Spectrometry test to determine that the sample meets the acceptable standard for a pesticide residues in any food items set forth in subpart C of USEPA's regulation for Tolerances and Exemptions for Pesticide Chemical Residues in Food (40 CFR 180 (2014)).

Microbiological Testing

We will ask the lab to take our sample, extract the sample in butter, place the extract in organism specific trays and once the trays have set the tray colonies are counted to assure that the samples meets the recommended microbial and fungal limits for marijuana products in colony forming units per gram (CFU/g) set out in the AHP American Herbal Pharmacopoeia Monograph.

Mycrotoxin/Aflatoxin Testing

We will ask the lab to run our sample through an aflatoxin column to trap the aflatoxins for analyze in a fluorometer to determine that sample meets the following standard;

Residual Solvent

We will ask the lab to take our marijuana concentrate sample extract and homogenize the sample, place it in a Headspace-gas chromatography system to assure the sample solvent is less than 10 ppm.

Additional Testing- as required by the DOH

1. E. coli
2. Klebsiella
3. Pseudomonas (for products to be vaporized)
4. Salmonella
5. Streptococcus

6. Bile tolerant gram negative bacteria
7. Aspergillus
8. Mucor species
9. Penicillium species
10. Thermophilic Actinomycetes species
11. Aflatoxin
12. Ochratoxin
13. Antimony
14. Arsenic
15. Cadmium
16. Chromium
17. Copper
18. Lead
19. Nickel
20. Zinc
21. Mercury
22. Any pesticide/herbicide/fungicide used during production of the medical marihuana product
23. Any growth regulator used during production of the medical marihuana product

All sampling and testing of each lot of final medical marihuana product shall be conducted with a statistically significant number of samples and with acceptable methodologies such that there is assurance that all lots of each medical **marijuana** product are adequately assessed for contaminants and the cannabinoid profile is consistent throughout

#9 Confidentiality

Hawaii Medicinal Options pledges to keep all personal information collected from, but not exclusive to patients, physicians, caregivers, family members and therapists, confidential, secure and private. Hawaii Medicinal Options privacy policy has been devised and created to ensure that anyone affiliated with Hawaii Medicinal Options understands our commitment to meet their security and privacy standards.

BiotrackTHCTM will be the primary holding site for relevant information. However certain hardcopy documents may be stored. Hawaii Medicinal Options is committed to storing that information at a length of time that is dictated by the type of document. For paper records, the following process will be implemented. At the end of each day, hard copies of all patient documents successfully scanned and entered into the system will be shredded. For any paper records needed in hard copy, any patient files will be created with last name, first name in alphabetical order and be stored in fire safe, locked file cabinets in a secured metal caged area within the company's restricted access area. Hawaii Medicinal Options procedures ensure all records are properly updated as new information becomes available include direct inquiry and interview with each patient at each visit or phone consultations to determine any change in their medical status or response to treatment. Entry of the information will be prompted into the BiotrackTHCTM system. As new products become available, that information will be entered into the BiotrackTHCTM system. To ensure accurate records are created, properly maintained, and updated regularly, the Hawaii Medicinal Options will extensively train its staff on all technology and systems appropriate to their level of security clearance. This includes the BiotrackTHCTM patient and inventories dispensing and POS system, the security systems, internal financial reporting, and audit processes and systems. Hawaii Medicinal Options will ensure that all employees' educational training includes The Health Insurance Portability and

Accountability Act of 1996 (HIPAA). In addition to HIPAA training, all Hawaii Medicinal Options employees will receive compliance training that will include, but is not limited to, the mission and vision of Hawaii Medicinal Options to provide the highest levels of attention to professionalism and integrity with a focus on the patient and caregiver, public safety, Federal and State laws and regulations regarding medical cannabis, patient rights to privacy and confidentiality and confidentiality of the Hawaii Medicinal Options information and operations.

Personal information Security

Our patient-verification system will be also be handled by the BiotrackTHCTM software system. Once a patient is logged into BiotrackTHCTM, all pertinent records will be on file, and only current card-carrying patients will be permitted to purchase product. This is ensured through patient check-in feature. The system automatically looks for expired documentation upon patient arrival. Furthermore, the system will allow Hawaii Medicinal Options employees to notify patients with expired or soon-to-be-expired documentation via email or text message. Purchases will be processed through BiotrackTHCTM point of sale (POS) system, as follows:

- (1) Prior to entrance to the dispensary, and then again at the sale of medical cannabis to a patient, the Security Staff, and then pharmacist will physically inspect the patient's driver's license (or state issued ID), verify the identity of the patient and confirm the validity of the card.
- (2) The Pharmacy Technician shall then go to the patient Management Page of the BiotrackTHCTM system and pull up the applicable patient profile by entering the patient's name, driver's license, or registration number
- (3) If the patient's name or driver's license is not found in the system's patient Profile page, the Pharmacist will create a new patient Profile

- (4) If the BiotrackTHCTM System flags any patient with invalid information showing on his/her patient Profile, the login will terminate. If a patient is flagged, the system notifies the agent as to which information is invalid so it can be corrected (if possible)
- (5) In the event that the patient is unqualified, invalid, or banned and the system blocks the sales process, the agent will notify the patient of the reasons for the denial of the sale, and offer suggestions for compliance (if available)
- (6) In the event the system permits the transaction, the cashier will pull up the patient's information from the POS and begin the transaction. The POS will include a list of the customer's previous purchases, as well as symptoms, ailments, or disabilities
- (7) The POS system will also assure compliance with regulatory controls and limitations placed on patient cannabis acquisition and will verify that the amount of product the patient or designated primary caregiver is requesting does not exceed the time allowances under HS law.
- (8) The pharmacist will enter the following information directly into the POS database
 - (i) Name and number of the registry identification card of the patient or of the designated primary caregiver of the patient
 - (ii) The amount of the medical cannabis dispensed
 - (iii) Whether the medical cannabis was dispensed to the patient or to the designated caregiver
 - (iv) The date and time at which the medical cannabis was dispensed; (v) the number of the medical cannabis dispensary registration
- (9) The pharmacist will then process the order, retrieve the product and provide it to the patient.

All patient records, including demographic information; registry number and expiration date; limitations on purchases; purchases and denials of sale, and other pertinent information will be

maintained on the BiotrackTHCTM system. Once a patient's record is created in that system, any subsequent modification must be logged with details of the changes made, username, and timestamp. State-issued identification cards, recommendations, intake forms, and all paperwork relating to the intake process will be attached to each patient profile for easy viewing at any time. All such information will be kept strictly confidential and will be stored in accredited, HIPPA-compliant servers. BiotrackTHCTM contains comprehensive protections for patient privacy and confidentiality of patient information. All patients will be advised of their right to confidentiality, including rights under The Health Insurance Portability and Accountability Act of 1996 (HIPAA) additionally **Hawaii** Medicinal **Options** will have all applicable privacy forms reviewed and executed by each patient.

Upon sale of any product to the patient, the Pharmacist or Pharmacist Technician will enter and digitally sign this transaction into BiotrackTHCTM patient log and inventory system. The patient will receive a receipt generated by the BiotrackTHCTM system showing the following "prescription" information: patient name, address, prescription number, date, time, brand, type (Sativa, Indicia, hybrid), dosage form, quantity (milligrams, milliliters, total weight/active ingredient weight), chemical content and percentage (e.g., THC 8%, CBD 43% CBN 2%, THCA 6.5%, etc.), dosing directions, doctor's name and phone number, refill quantity remaining per 2-week limit, retail price, company's name/logo, address and phone number, the manufacturer (cultivation center registry number), educational content (uses, effects, warnings, and general medical-use strain information).

All certified patients and designated caregivers must sign a code of conduct before Hawaii Medicinal Options will allow them to purchase from the dispensary for the first time. The code of conduct includes a guarantee that patient records are stored and maintained in compliance with HIPAA, and that all consultations provided by dispensary staff are confidential. Each

signed code of conduct will be scanned and attached to the patient's record. Before working at the dispensary, all agents must sign a confidentiality statement, which is an agreement that the agent will comply with patient confidentiality, the dispensary, and HIPAA. Any violation of the confidentiality statement will lead to the immediate termination of the dispensary agent responsible for the violation.

#10 Signage

The appearance of all Hawaii Medicinal Options properties will be professional, orderly, dignified, and consistent with the traditional style of pharmacies and medical offices. External signage will be restricted to a single sign, with only black and white colors, and will not: (1) Illuminate, at any time, (2) Advertise medical marijuana brand names or utilize graphics related to marijuana or paraphernalia on the exterior of the physical structures, (3) Display pictures of un-approved medical marijuana products and paraphernalia (4) Use any statement that is false or misleading, (5) Make any statement that falsely disparages a competitor's products, (6) Make any statement, design, or representation, picture or illustration that is obscene or indecent, (7) Make any statement, design, representation, picture or illustration that encourages or represents the use of marijuana for a condition other than a serious condition, (8) Make any statement, design, representation, picture or illustration that encourages or represents the recreational use of marijuana. (9) Make any statement, design, representation, picture or illustration related to the safety or efficacy of marijuana, (10) Make any statement, design, representation, picture or illustration portraying anyone under the age of 18, objects suggestive of the presence of anyone under the age of 18, or containing the use of a figure, symbol or language that is customarily associated with anyone under the age of 18, (11) Make any offer of a prize, award or inducement to a certified patient, designated caregiver or practitioner related to the purchase of marijuana or a certification for the use of marijuana, (12) Make any statement that indicates or implies that the product or entity in the advertisement has been approved or endorsed by the DOH or any person or entity of the state.

Packaging

All marijuana products, extracts, mixtures & finished goods must be properly packaged and labeled. Packaging will be tamper proof, child-resistant and opaque so that the product cannot be seen from outside the packaging. All packaging must be airtight to protect contents from contamination without imparting any toxic or harmful substance to the medicine inside. The

Production Manager and Cultivation Manager will be responsible for the identification, storage, handling, sampling, examination, and testing of all packaging pursuant to written procedures.

The processing stage, like harvest, is vulnerable to contaminants. Following is a list of protocols that the company will put into place to assure a high quality packaging operation: (1) The processing and packaging room will be entirely enclosed to facilitate climate control, which is needed to maintain optimal packaging moisture levels (2) The room and its entire infrastructure will be easy to clean and sterilize. Stainless steel tables, floor drains and Mar-lite paneled walls will aid in the ease of cleaning and sterilization (3) Filtered, positive air pressure over work areas, (4) Clean-suits, masks, and gloves are mandatory in the processing phase, (5) Curing will feed directly into packaging to prevent overhandling of product and reduce exposure to contaminants, (6) Great care will be taken to ensure usable products and by-products are placed in clean and sterile, pharmaceutical containers that are childproof, (7) The product will be weighed and inserted into its respective package, (8) Each package is barcoded and the barcode on the package is scanned to isolate the proper inventory package. Sealed packages are weighed on integrated scales and the gross package weight is sent directly into BiotrackTHC enabling easy comparison to stored weights, (9) BiotrackTHC tracks and labels two weights for each package of marijuana. Net weight is the weight of the marijuana itself contained within the package. Gross weight is the final weight on that marijuana in its sealed package. This allows for easy reconciliation weights to be taken of any package at any time without the need to open the sealed package, (10) Once the product is packaged in the sealed childproof, pharmaceutical container and the shrink sleeve with accompanying tamper evident seal applied and adhered by the steam tunnel, it will be stored in the clean, cool, and dark section of the vault designated for finished products, (11) The distribution will record the current location and status of the packages, such as “in- transit” or “received”. BiotrackTHC will also create a transport manifest, for the package distribution. The manifest will contain details such as time of departure, time of arrival, product and product weight, route to be travelled, origin and destination addresses, and

vehicle and employee information. This document can be e-mailed, printed, or produced virtually, on a mobile device such as a tablet, from within BiotrackTHC and sent to the recipient part such as a dispensary. Each distribution of packages will have a physical copy of the manifest with it at all times, (12) During the final verification done by a Pharmacist, the entire certification is verified ensuring all medications are packaged to ensure stability and usability by the time they reach the patient. Each medication order is dispensed and sent out of the pharmacy in a child proof bag in addition to the child proof container within. An emergency or interim supply of medication will be packaged and stored, in the same protocol listed above, for disaster or emergency situations.

Labeling Policy

Hawaii Medicinal Options facility uses a prescription printing and labeling barcode program capable of generating a label compliant with the Department of Health Regulations.

BioTrackTHC's system will automatically print the container-client specific label upon completion of the sale. (j) The registered organization shall identify each lot of approved medical marijuana product with a lot unique identifier. BiotrackTHC automatically assigns a globally unique and non-repeatable 16-digit barcode number to every plant. Furthermore, the system auto-generates a globally unique and non-repeatable 16-digit barcode number at every stage where dried marijuana must be separately identifiable from the original plant due to processing and packaging. These serial numbers, once generated are assigned, cannot be changed. In the event of a recall, BiotrackTHC contains a "Plant/Inventory History Report" that can track everything about the plants & Products from the time it was introduced to your facility, tracking every gram contained in the batch, including but not limited to all purchases containing matter from the plant or product, the contact information for the purchaser, all vendor information and transport logs. (k) Each approved medical marijuana product shall be affixed with a product label. Each product label shall be applied at the manufacturing facility, be easily readable, firmly affixed and include: (1) the name, address and registration number of the registered organization,

(2) the medical marijuana product form and brand designation, (3) the single dose THC and CBD content for the product set forth in milligrams (mg), (4) the medical marijuana product lot unique identifier (lot number or bar code), (5) the quantity included in the package, (6) the date packaged (7) the “use by” date of expiration of the product, (8) the proper storage conditions, (9) language stating: (i) “Medical marijuana products must be kept in the original container in which they were dispensed and removed from the original container only when ready for use by the certified patient”; (ii) “Keep secured at all times”; (iii) “May not be resold or transferred to another person”; (iv) “This product might impair the ability to drive”; (v) “KEEP THIS PRODUCT AWAY FROM CHILDREN (unless medical marijuana product is being given to the child under a practitioner’s care”); and (vi) “This product is for medicinal use only. Women should not consume during pregnancy or while breastfeeding except on the advice of the certifying practitioner, and in the case of breastfeeding mothers, including the infant’s pediatrician.” vii. "For medical use only" (vii) In the case of a manufactured marijuana product, a listing of the equivalent physical weight of the marijuana used to manufacture the amount of the product that is within the packaging, pursuant to section 329D-9(c) (viii) Auxiliary labels may also be used to denote special handling, storage, appearance, or administration of the medication to the patient and (ix) Any other ingredients besides.

Custody of Products

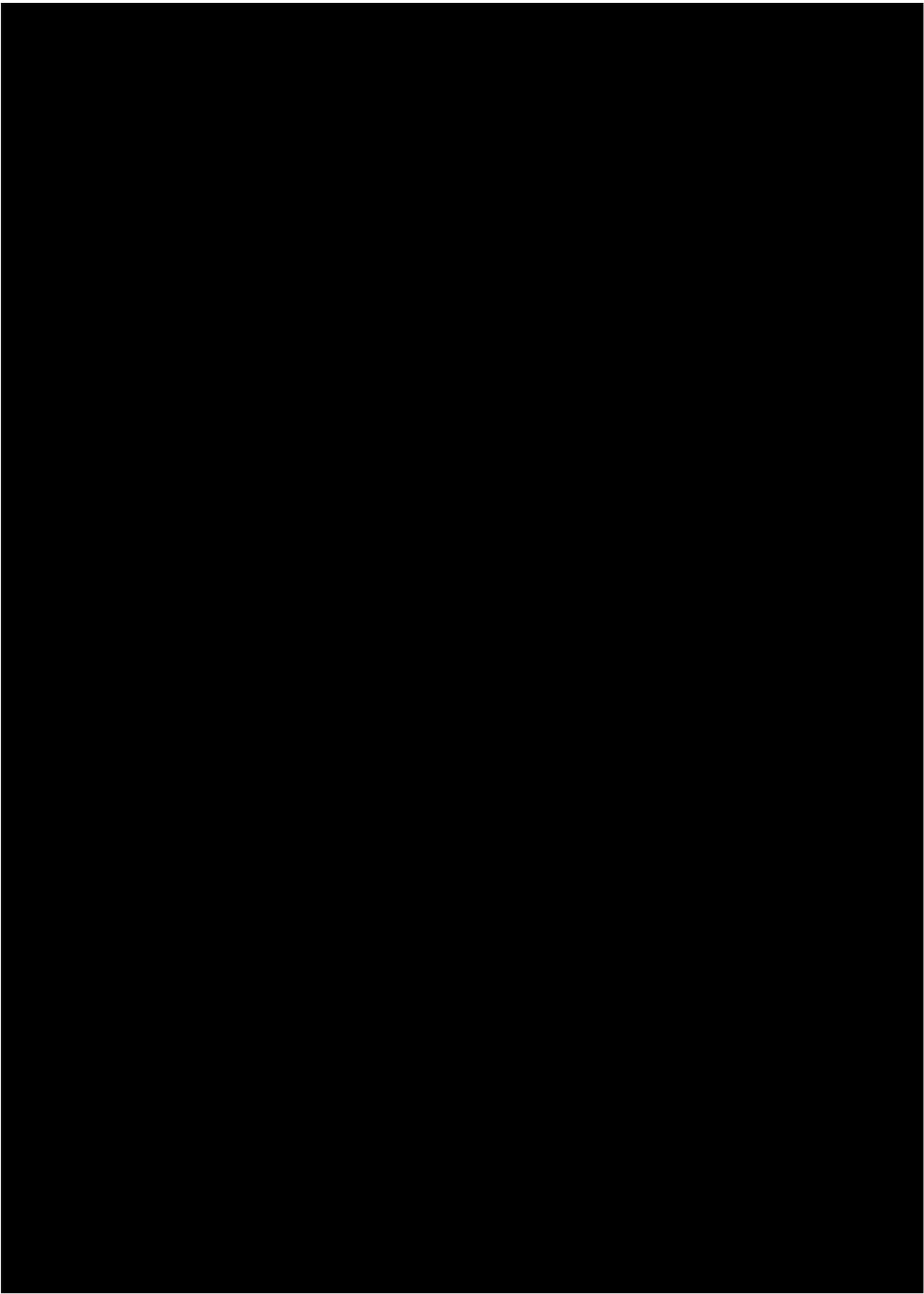
BiotrackTHC has a biometric chain of custody module that logs every action in real time and the user who performed that action. BiotrackTHC has the ability to integrate with scales to deter employee theft and human error. Every piece of data is captured with a time and date stamp by user, ensuring a clearly documented chain of custody at all times. Because every action is time stamped it can be cross-referenced with security cameras. All of these functions prevent diversion, abuse, and illegal or unauthorized conduct relating to medical marijuana. Any Marijuana removed from our facility will first be weighed, properly documented in our Seed-to-Sale control system, and all agents removing Marijuana from the facility recorded by our

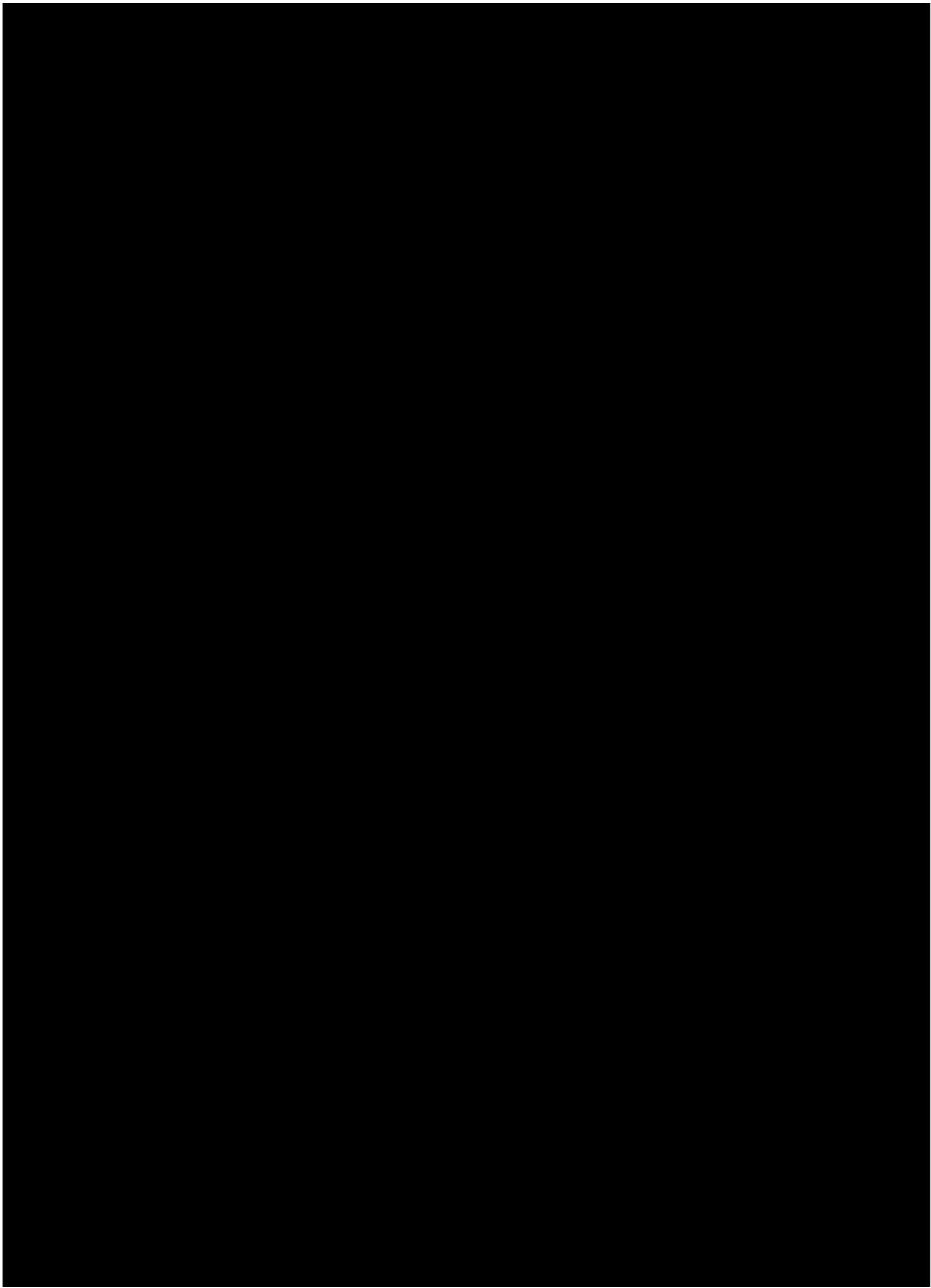
The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial statements. This includes not only sales and purchases but also expenses, income, and transfers between accounts.

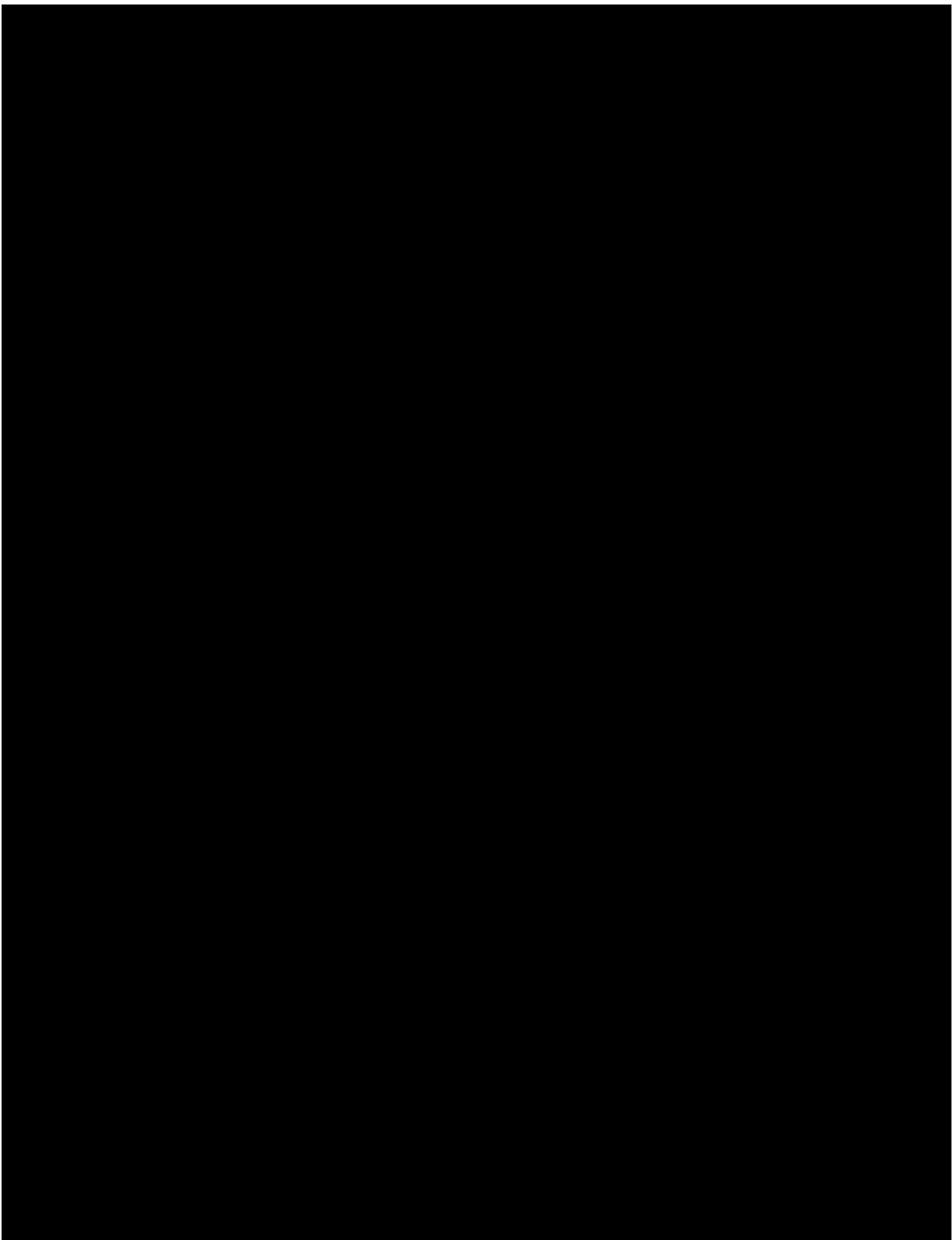
The second part of the document provides a detailed explanation of the double-entry accounting system. It describes how every transaction affects at least two accounts, with the total debits always equaling the total credits. This system helps in identifying errors and ensures that the accounting equation remains balanced at all times.

The third part of the document outlines the steps involved in preparing financial statements. It starts with the trial balance, which is used to verify that the debits and credits are equal. From there, it moves through the process of adjusting entries, which are necessary to recognize revenues and expenses in the period they occur, regardless of when the cash is received or paid.

The final part of the document discusses the importance of closing the books at the end of each accounting period. It explains how closing entries are used to transfer the balances of temporary accounts (revenues, expenses, and dividends) to the permanent accounts (retained earnings and dividends). This process resets the temporary accounts for the next period and updates the equity section of the balance sheet.







be either securely stored or rendered unrecoverable at the moment it is generated or determined unusable as the result of laboratory testing.

Temporary Secure Storage for Marijuana Waste

The manufacturing facility will have a separate secure area for temporary storage of any medical marijuana or medical marijuana product that needs to be destroyed. The secure waste storage area will remain locked at all times and will be accessible to employees only with managerial approval. No marijuana waste will remain in the secure waste storage area for more than 24 hours before it is rendered non-recoverable.

Rendering Marijuana Waste Unrecoverable

The manufacturing facility will use the grinding method to render marijuana waste unrecoverable. This is the method most used by regulated medical marijuana facilities in other states. The grinding method effectively destroys the psychoactive as well as non-psychoactive molecules of marijuana and marijuana products, ensuring that marijuana waste is undesirable and does not create a nuisance for public safety officers. The grinding method uses an electric leaf mulcher machine to grind marijuana waste into mulch. The waste is then incorporated with other types of non-consumable solid waste so that the resulting mixture is at least fifty percent non-marijuana waste. The Hawaii Medicinal Options manufacturing facility will incorporate the following types of non-consumable solid waste:

- i. Paper waste (cardboard, office paper, newspaper, etc.)
- ii. Organic food waste
- iii. Non-psychoactive plant waste, including root balls and mature stems
- iv. Yard waste

The machine used will be capable of grinding marijuana waste into fine mulch, with a motor capable of running for extended time periods when necessary. All regular employees and

managerial staff will be instructed in the safe operation of this machine, including the use of safety goggles and gloves and performing regular safety checks with each use.

Procedures

Safety: All personnel will be required to wear PPE when performing this procedure.

Personnel: Procedure will be performed by cultivation assistants.

1. Safety glasses and gloves will be donned at this point.
2. Identify marijuana waste that has been tagged for disposal by accessing the list of marijuana waste in the inventory control system.
3. Obtain managerial approval and/or oversight to access the temporary secure storage area for marijuana waste.
4. Transfer marijuana waste from temporary secure storage to the waste storage area where the electric mulcher and non-consumable waste products are located.
5. Remove marijuana waste from packaging, as necessary. Follow Hawaii Medicinal options procedures to tare the scale and weigh the marijuana waste products, and record the weight in the inventory control system.
6. Weigh out non-consumable waste in an amount equal to the weight recorded, plus an additional 5 percent.
7. After all weights have been entered into the wet weight log all branches and leaves and 7-gallon pots filled with Coco Coir will be gathered and put into rolling bins.
8. Perform mulcher safety checks .
9. Follow manufacturer's directions to feed marijuana waste into the mulcher, taking care not to overload the machine.
10. Mix the mulched marijuana waste with the previously weighed non-consumable waste.
11. At this point, "Bokashi", a organic amending agent will be added to the waste pile and mixed in with shovel/gardening hoe.

12. After the mixing is complete, the "Bokashi" will be left to sit for seven (7) days being stored in sealed containers, in a secure location.

13. Dispose of the resulting non-recoverable marijuana waste in the designated container. This container shall be kept locked at all times, opened only to deposit and remove non-recoverable marijuana waste, and stored indoors at all times.

14. Note in electronic inventory control system that the marijuana waste products that have been rendered non-recoverable, the date and time that they were rendered non-recoverable, the employee who performed the procedure and the manager who approved or oversaw the procedure. Hawaii Medicinal Options will maintain and make available a separate record of each such disposal indicating:

- a. The date and time of disposal.
- b. The manner of disposal.
- c. The brand name and quantity of marijuana disposed of
- d. The signatures of the persons disposing of the marijuana and any other persons present during the disposal.

15. Marijuana waste will be rendered non-recoverable a minimum of once daily, unless no marijuana waste has been generated or identified.

Non-marijuana waste

1. Solid waste that is nonhazardous will be stored in bins or dumpsters for regular weekly. These would include:

- i. Growing medium from marijuana cultivation– soil, seedling plugs, etc.
- ii. Recyclable waste – plastics, metal, paper etc.
- iii. Food and bathroom waste from employee break room and restroom

2. Other non-recyclable, non-hazardous solid, using the services of the local waste management company. Solid waste will non-organic waste to be picked up a minimum of once weekly. An

employee or manager will request the name and signature of the waste management employee responsible for trash pick-up.

3. Hazardous Waste

Hazardous waste will be disposed of in compliance with all federal, state and local codes and statutes. When hazardous waste is generated in the manufacturing process, a manager will schedule a hazardous waste pick-up or drop-off with the local waste management company or landfill. The following items will be treated as hazardous waste:

- i. Chemical waste from the extraction process
- ii. Fluorescent light bulbs and other mercury-containing bulbs
- iii. Electronic waste

4. Electronic Waste may be donated or disposed of at an e-recycle event, as available.

5. Liquid Waste resulting from manufacturing processes will be disposed of in compliance with the requirements for discharge into surface water, groundwater and sewers.

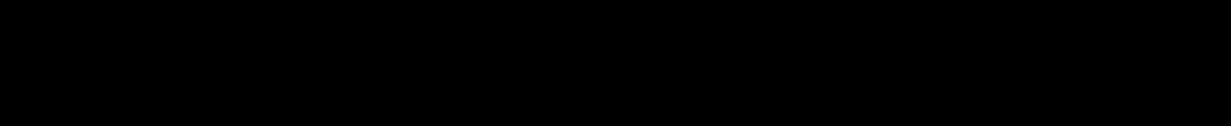
6. Dispensary Waste- Hawaii Medicinal Options dispensaries will also use the most environmentally sound practices available so that minimal waste is generated. Any marijuana product that is identified as waste using the protocols listed in the Hawaii Medicinal Options operating manual, including marijuana products returned to the dispensary by a patient, will be returned to the Hawaii Medicinal Options manufacturing facility and disposed of in accordance with the protocols described herein. If an approved medical marijuana product is returned to a Hawaii Medicinal Options dispensing facility, the dispensing facility will return the product to the manufacturing facility and it will be destroyed in accordance with the approved operating plan that is described above.

7. Marijuana Extract Oil Waste- In order to prevent any excess, undesired, recalled, obsolete, adulterated, misbranded or deteriorated marijuana extract product from making its way to non-patients or illicit markets, Hawaii Medicinal Options will use an on-site via a Micro Auto Gasification unit to render non-recoverable any large quantity of marijuana extract oil or a large

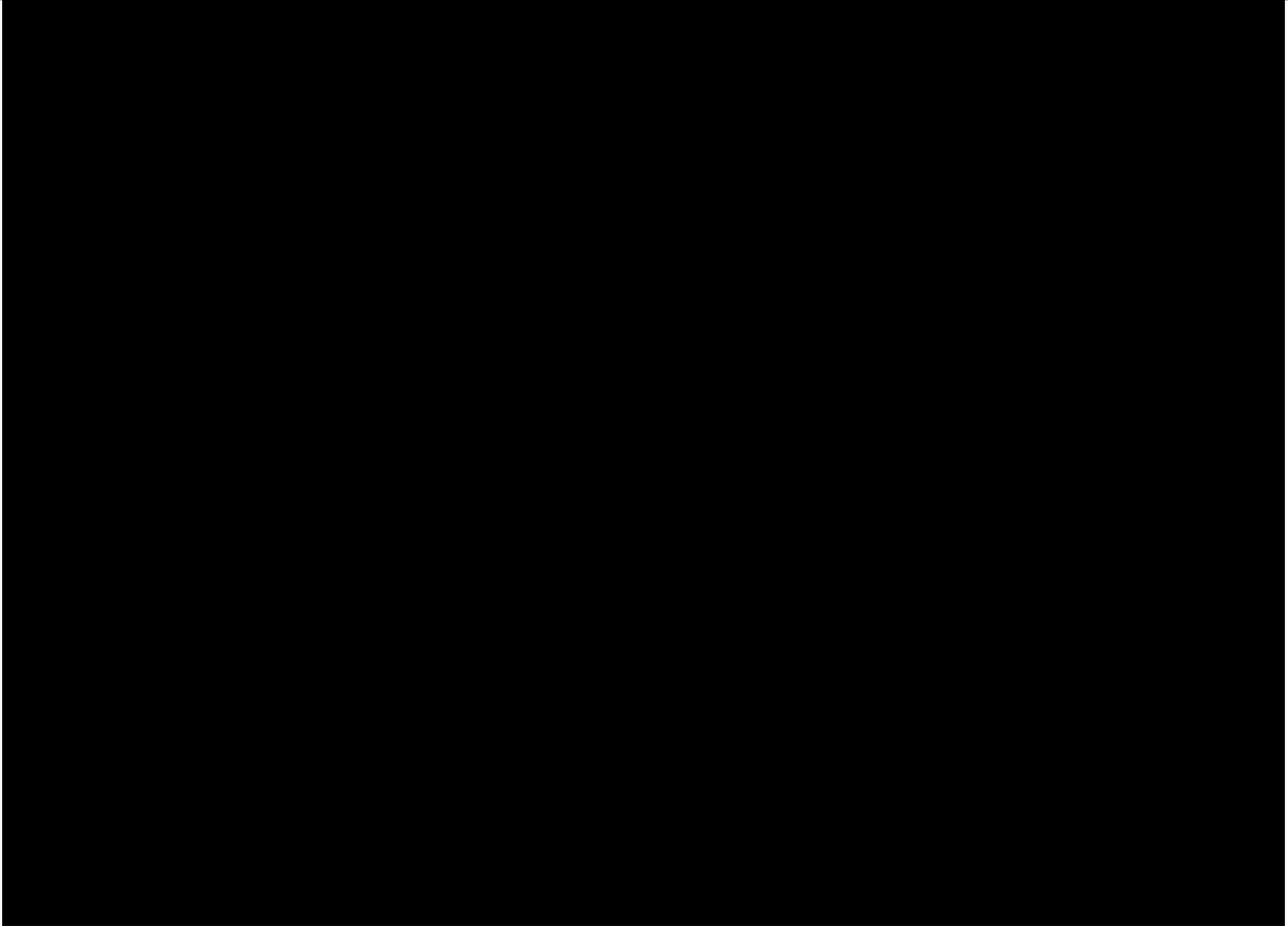
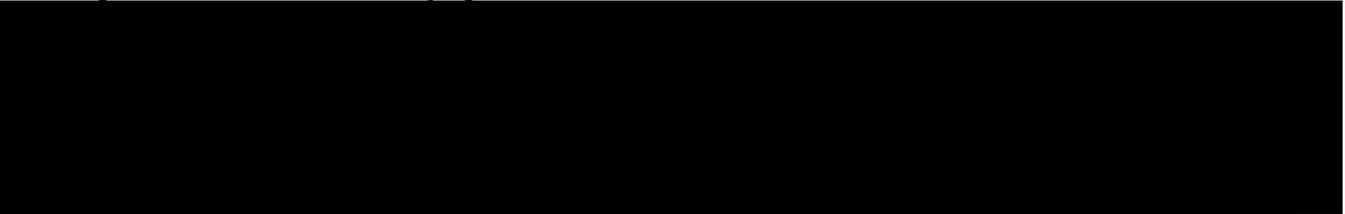
quantity of approved medical marijuana products that must be destroyed. Because this type of waste is incredibly potent, Hawaii Medicinal Options will take the additional precaution of treating it as medical waste. The Micro Auto Gasification unit does not emit an odor of marijuana as a result of the gasification process.

Any disposal of marijuana or products from a batch must also be documented, including the reason for the disposal, the number and weight of unusable plants, the date of the disposal, confirmation that the marijuana was rendered unusable before the disposal, the method of disposal, and the name and agent number of the agent responsible for the disposal. If at any time the amount of marijuana on hand is increased or reduced in a way that is not documented in the BiotrackTHCTM inventory control system, our personnel must alert and advise their supervisor, and team steps will determine the source of the discrepancy. After identifying the source, corrective measures will be taken to ensure that there will be no further variance from expected amounts. Any loss of product will be reported to regulatory authorities, and if criminal activity is suspected, it will be reported to MPD.

Hawaii Medicinal Options is committed in keeping with regulations for product safety, types, advertising and packaging.



amounts of THC and CBD. Hawaii Medicinal Options will achieve brand consistency in four ways – 1. Medical marijuana will be produced from genetically-identified single clone sources. This overcomes a common problem in medical marijuana production, that of genetic variability within a cultivar (strain). 2. Hawaii Medicinal Options has designed production facilities for consistent, uniform growing conditions. By providing consistent environmental conditions (light, temperature, air, nutrition, moisture, etc.) production will be consistent crop to crop. Hawaii Medicinal Options will maintain a strain (cultivar) library with differing cannabinoid profiles and will maintain safety stock of produced medical marijuana in a dry form. Medical marijuana can be stored in a dried form for over a year with no detectable change in analysis if stored in the dark with reduced oxygen exposure. By blending extracts from different cultivars (strains) a consistent product profile can be achieved. 4. Hawaii Medicinal Options will use a state-of-the-art supercritical fluid chromatograph to isolate individual cannabinoids to be added to blends as



Successful crop production in a controlled environment requires attention to sanitation in order

to prevent establishment of pests and diseases. The following are measures taken to maintain excellent sanitation at both sites: • Air inlets will be screened to prevent introduction of insects or mites • Entries will have double doors to provide an airlock • Floors will be concrete to allow for routine cleaning and disinfecting • All foot traffic and equipment entering the greenhouse will pass through footbaths containing a quaternary ammonium disinfectant registered for greenhouse use by the US EPA • Use of tobacco products will be prohibited on-site to minimize risk of spread of tobamoviruses, especially Sunn-hemp mosaic virus (SHMV) • All personnel will change into fresh uniforms daily prior to entering the greenhouse • All greenhouse personnel will use disposable gloves when handling plants and will change to fresh gloves when working with a different batch of plants • Any new cultivars ('strains') to be introduced to production will be quarantined, monitored for insects and tested for known diseases before introduction into production. Horizontal air flow fans (HAF) will be cleaned with a vacuum cleaner between crops to minimize risk of circulating dust. • Benches will be brushed free of plant debris after every crop and sanitized with an EPA-approved greenhouse sanitation product before the next crop. • Tools are to be sanitized daily with an EPA-approved greenhouse sanitation product. • Any equipment showing signs of wear (cracks, splinters, etc.) will be immediately repaired or discarded.

Labeling and Packaging

The dispensing facility will affix to the approved medical marijuana product package a patient specific dispensing label approved by the department, that is easily readable, and firmly affixed and includes:

- (1) the name and registry identification number of the certified patient and designated caregiver, if any.
- (2) the certifying practitioner's name.
- (3) the dispensing facility name, address and phone number .
- (4) the dosing and administration instructions.
- (5) the quantity and date dispensed.
- (6) any recommendation or limitation by the practitioner as to the use of medical marijuana.

The dispensing facility will place the approved medical marijuana product in a plain outer package when dispensing to the patient or designated caregiver. The dispensing facility will ensure that each patient receives approved medical marijuana product from no more than two distinct lots for any 30-day supply dispensed.

The dispensing facility will include with each product package dispensed to a patient, a department approved package safety insert. Information provided will include.

(1) the medical marijuana product and brand.

(2) a list of any excipients used.

(3) a warning if there is any potential for allergens in the medical marijuana product.

(4) contraindications.

(5) more specific dosage directions and instructions for administration.

(6) warning of adverse effects and/or any potential dangers stemming from the use of medical marijuana.

(7) instructions for reporting adverse effects as may be determined by the department.

(8) a warning about driving, operation of mechanical equipment, child care or making important decisions while under the influence of medical marijuana.

(9) information on tolerance, dependence and withdrawal and substance abuse, how to recognize what may be problematic usage of medical marijuana and obtain appropriate services or treatment.

(10) advice on how to keep the medical marijuana product secure.

(11) language stating that the certified patient may not distribute any medical marijuana product to anyone else.

(12) language stating that unwanted, excess, or contaminated medical marijuana product must be disposed of.

(13) language stating that “this product has not been analyzed by the FDA. There is limited information on the side effects of using this product and there may be associated health risks.”

Packaging

All marijuana products, extracts, mixtures & finished goods must be properly packaged and labeled. Packaging will be tamper proof, child-resistant and opaque so that the product cannot be

seen from outside the packaging. All packaging must be airtight to protect contents from contamination without imparting any toxic or harmful substance to the medicine inside. The Production Manager and Cultivation Manager will be responsible for the identification, storage, handling, sampling, examination, and testing of all packaging pursuant to written procedures. The processing stage, like harvest, is vulnerable to contaminants. Following is a list of protocols that the company will put into place to assure a high quality packaging operation: (1) The processing and packaging room will be entirely enclosed to facilitate climate control, which is needed to maintain optimal packaging moisture levels (2) The room and its entire infrastructure will be easy to clean and sterilize. Stainless steel tables, floor drains and Mar-lite paneled walls will aid in the ease of cleaning and sterilization (3) Filtered, positive air pressure over work areas, (4) Clean-suits, masks, and gloves are mandatory in the processing phase, (5) Curing will feed directly into packaging to prevent overhandling of product and reduce exposure to contaminants, (6) Great care will be taken to ensure usable products and by-products are placed in clean and sterile, pharmaceutical containers that are childproof, (7) The product will be weighed and inserted into its respective package, (8) Each package is barcoded and the barcode on the package is scanned to isolate the proper inventory package. Sealed packages are weighed on integrated scales and the gross package weight is sent directly into BiotrackTHC enabling easy comparison to stored weights, (9) BiotrackTHC tracks and labels two weights for each package of marijuana. Net weight is the weight of the marijuana itself contained within the package. Gross weight is the final weight on that marijuana in its sealed package. This allows for easy reconciliation weights to be taken of any package at any time without the need to open the sealed package, (10) Once the product is packaged in the sealed childproof, pharmaceutical container and the shrink sleeve with accompanying tamper evident seal applied and adhered by the steam tunnel, it will be stored in the clean, cool, and dark section of the vault designated for finished products, (11) The distribution will record the current location and status of the packages, such as “in- transit” or “received”. BiotrackTHC will also create a transport manifest,

for the package distribution. The manifest will contain details such as time of departure, time of arrival, product and product weight, route to be travelled, origin and destination addresses, and vehicle and employee information. This document can be e-mailed, printed, or produced virtually, on a mobile device such as a tablet, from within BiotrackTHC and sent to the recipient part such as a dispensary. Each distribution of packages will have a physical copy of the manifest with it at all times, (12) During the final verification done by a Pharmacist, the entire certification is verified ensuring all medications are packaged to ensure stability and usability by the time they reach the patient. Each medication order is dispensed and sent out of the pharmacy in a child proof bag in addition to the child proof container within. An emergency or interim supply of medication will be packaged and stored, in the same protocol listed above, for disaster or emergency situations.

Advertising

The appearance of all Hawaii Medicinal Options properties will be professional, orderly, dignified, and consistent with the traditional style of pharmacies and medical offices. External signage will be restricted to a single sign, with only black and white colors, and will not: (1) Illuminate, at any time, (2) Advertise medical marijuana brand names or utilize graphics related to marijuana or paraphernalia on the exterior of the physical structures, (3) Display pictures of un-approved medical marijuana products and paraphernalia (4) Use any statement that is false or misleading, (5) Make any statement that falsely disparages a competitor's products, (6) Make any statement, design, or representation, picture or illustration that is obscene or indecent, (7) Make any statement, design, representation, picture or illustration that encourages or represents the use of marijuana for a condition other than a serious condition, (8) Make any statement, design, representation, picture or illustration that encourages or represents the recreational use of marijuana. (9) Make any statement, design, representation, picture or illustration related to the safety or efficacy of marijuana, (10) Make any statement, design, representation, picture or illustration portraying anyone under the age of 18, objects suggestive of the presence of anyone

under the age of 18, or containing the use of a figure, symbol or language that is customarily associated with anyone under the age of 18, (11) Make any offer of a prize, award or inducement to a certified patient, designated caregiver or practitioner related to the purchase of marihuana or a certification for the use of marijuana, (12) Make any statement that indicates or implies that the product or entity in the advertisement has been approved or endorsed by the DOH or any person or entity of the state.

#13 Licenses revoked

None by any entities involved with Hawaii Medical Options.