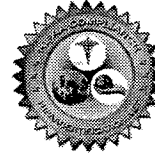
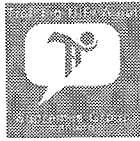


- Release of Information to Friends and Family Members
- Release of Psychotherapy Notes
- Release to Avert Serious Threat to Safety
- Request Confidential Communications Template
- Request Restriction
- Request to Amend Patient or Plan Member Record
- Requests for Restriction policy
- Required PHI Disclosures
- Right to Object to Release for Certain Purposes
- Safeguarding PHI
- Training Requirements
- Workforce Sanctions

Buy Now

: **\$300**



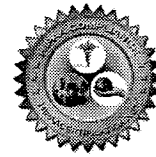
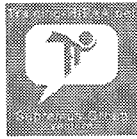
4) HIPAA SECURITY RISK ANALYSIS TEMPLATE SUITE

List of documents in HIPAA Security Risk Analysis Template

- Asset Inventory Worksheet
- Risk Analysis Checklist
- Risk Analysis Sample Final
- Risk Analysis Template
- Risk Assessment Executive Presentation
- HIPAA Security Risk Assessment Scorecard
 - Overview spreadsheet
 - Administrative safeguard spreadsheet
 - Technical safeguard spreadsheet
 - Physical safeguard spreadsheet
 - Organizational safeguard spreadsheet
- Sample Privacy & Security Risk Analysis Executive Report 2013-Short Version
- Threat Matrix Worksheet

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: \$495



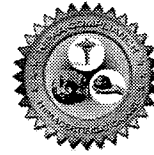
5) HIPAA AUDIT TEMPLATE SUITE

List of documents for HIPAA Audit Template:

- HIPAA Comprehensive Audit Checklist
- HIPAA Privacy & Security Audit Report - Sample
- HIPAA Security Abbreviated Audit Checklist final
- HIPAA Security Audit Executive Presentation
- Information Security Audit Template

Buy Now

: \$300



6) SMALL BUSINESS DISASTER RECOVERY PLAN AND BUSINESS CONTINUITY TEMPLATE SUITE

This template suite contains templates for:

1. Business Impact Analysis (BIA)
2. Risk Assessment
3. Data Backup and Storage Plan
4. Disaster Recovery Plan (DRP)
5. Business Continuity Plan (BCP)
6. BCP & DRP Policy and Standards
7. Recovery Strategies

Business Impact Analysis

- Enterprise Business Impact Analysis Survey - Short (15 pages)
- Example - BIA Survey Short Version (13 pages)
- Guide to Conducting a Business Impact Analysis (27 pages)

Department Recovery Plan

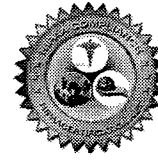
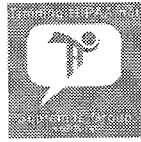
- Department Recovery Plan Template (28 pages)
- Guide to Documenting Department Continuity Plans (19 pages)
- Example Plans - Accounting Recovery Plan (27 pages)
- Example Plans - Corporate Communications Recovery Plan (25 pages)
- Example Plans - Human Resources Recovery Plan (26 pages)

Disaster (Technology) Recovery Plan

- Disaster Recovery Plan Template (47 pages)
- Example - Disaster Recovery Plan (42 pages)
- Guide to Documenting Disaster Recovery Plans (25 pages)

Data Backup Plan

- Data Backup Plan Template (18 pages)
- Data Backup Plan Development Guide (11 pages)
- Example Data Backup Plan (19 pages)



Policy & Standards

- Business Impact Analysis Policy & Standards (24 pages)
- Department Planning Policy & Standards (23 pages)
- Disaster Recovery (Technology) Planning Policy & Standards (35 pages)
- Guide to Updating Policies & Standards (5 pages)
- Risk Assessment Policy & Standards (19 pages)

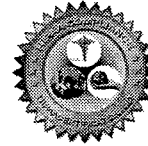
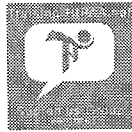
Risk Assessment

- Example - Risk Assessment Worksheet (15 Worksheets)
- Guide to Conducting a Risk Assessment (21 pages)
- Preventative measures (6 pages)
- Risk Assessment Worksheet (15 Worksheets)

Strategy Documents

- Contingency Planning Process (16 pages)
- Selecting and Implementing Recovery Strategies (19 pages)
- Types of Contingency Plans (9 pages)
- Guidance for using Template Suite - Small Business (13 pages)
- Project Plan Tasks (6 Worksheets)

 : \$549



7) HIPAA TRAINING & CERTIFICATION

1 Hour Employee Training

Online 1 Hour HIPAA Overview Training for Employees

Buy Now : \$25

Certified HIPAA Privacy Associate (CHPA)

Online Anytime training - Certified HIPAA Privacy Associate (CHPA)

Buy Now : \$99



Certified HIPAA Privacy Expert (CHPE)

Online Anytime training - Certified HIPAA Privacy Expert (CHPE)

Buy Now : \$648



Certified HIPAA Security Expert (CHSE)

Online Anytime training - Certified HIPAA Security Expert (CHSE)

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Certified HIPAA Privacy Security Expert (CHPSE)

Online Anytime training - Certified HIPAA Privacy Security Expert (CHPSE)

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**Bio-Tech Medical Software, Inc.**

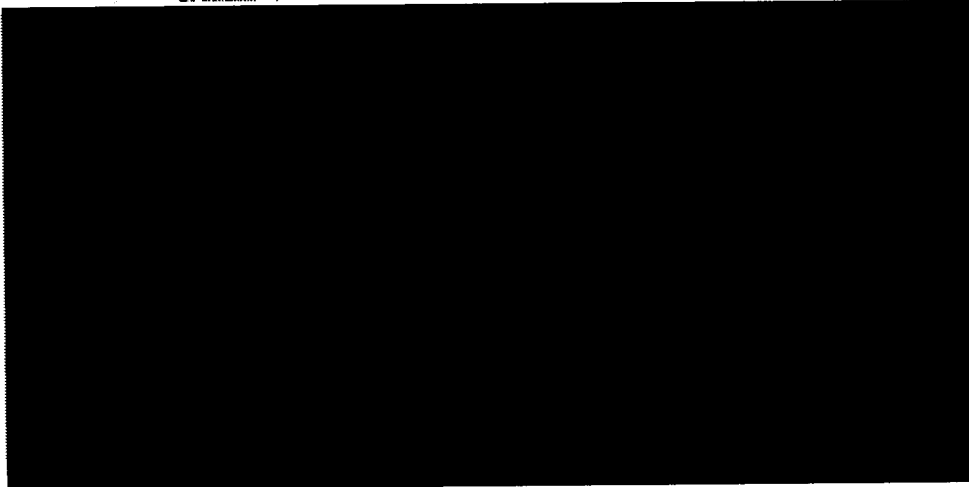
BioTrackTHC
 3301 N. Federal Highway, Suite 400
 Fort Lauderdale, FL 33306
 Phone: (800) 797-4711
 Fax: (954) 206-0200

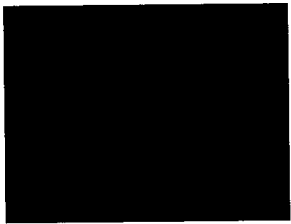


License Types: Contract Term: Contact:
 2 Med Dispensary License Month to Month Steve Flaks
 1 Med Cultivation License

Qty	Item	Description	Base Price	Dis \$	Unit Price	Total
2	Hawaii	Dispensary-MED				
1	Hawaii	Cultivation-MED				

**Customer can have up to
 21 installs**.





Quotation valid for seven (7) days
To accept this quotation, sign here, and return: ☒
Quotation prepared by: Date:



Rocky Mountain Business Products

Cannabis Business Division

Office Supplies • POS Supplies • Custom Printing • Promotional Products

Company Name: HAWAIIAN ETHOS

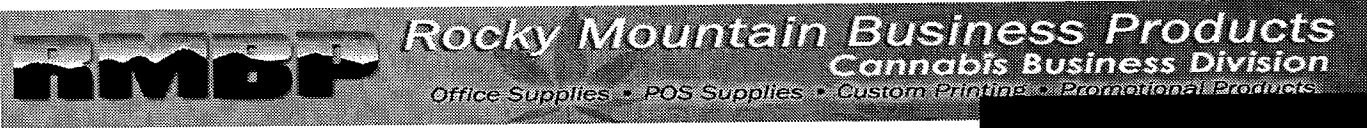
Item #	Server Item Description
RMB-M090381	PC Server-Intel Core i7-4460 Processor 3.6GHz Microsoft Windows 7 Professional
RMB-M090381	Intel Core i5-4460 Processor 3.2GHz Microsoft Windows 7 Professional 64-bit
RMB-M09040	21.5" LED Monitor Superb performance, ultra-wide viewing angle

Item #	Reception Item Description
RMB-M090381	Intel Core i5-4460 Processor 3.2GHz Microsoft Windows 7 Professional 64-bit
RMB-M09040	21.5" LED Monitor Superb performance, Ultra-wide viewing angle
RMB-M081A	250 G3 15" HP Laptop Computer. Intel Core i3-4005U Processor 1.7GHz
RMB-M081E	Lenovo ThinkPad E450 14" Laptop Computer - Graphite Black
RMB-M09012	The XM95 magnetic card reader was designed with simplicity in mind.

Item #	Checkout Station Item Description
RMB-M090381	Intel Core i5-4460 Processor 3.2GHz Microsoft Windows 7 Professional 64-bit
RMB-M09040	21.5" LED Monitor Superb performance, Ultra-wide viewing angle
RMB-M09015	APG Series 100 Cash Drawer
RMB-M090161	APG Series 100 Cash Drawer Mounting Bracket
RMB-M09016	APG Universal Cable
RMB-M09026	ZEBRA LP2824 Plus Direct Thermal Printer
RMB-M09030	USB 2.0 6' ZEBRA Printer Cable
RMB-M09010A	ZEBRA GC420d Direct Thermal Desktop Printer
RMB-M09031	STAR TSP143ii Thermal Receipt Printer
RMB-M09014	Motorola LS2208 Handheld Barcode Scanner, USB Cable and Stand
RMB-M09029	A&D FX1200iN Integrated Scale
RMB-M09020	Connector - DB9 Female to Female Gender Changer
RMB-M09021	Scale Connector - USB to RS232 Serial Converter
RMB-M09027.1	HONEYWELL Xenon 1900 Area-Imaging Scanner
RMB-M09027.3	HONEYWELL Xenon Scanner Stand
RMB-M09013	PXI-EVO PT3 Thermal receipt printer, autocutter, usb & serial
RMB-F0274	3-1/8" x 230' Green Thermal Receipt Paper Case of 50
RMB-M0908	2.25 x 4 x 1 Direct Thermal Label (priced per roll)
RMB-M09097	2.25 x 1.25 Direct Thermal Label for Checkout and Barcodes (priced per roll)
RMB-M090996	4"x2.25" Direct Thermal Label 900/r for GC420d Printer (priced per roll)
MBB-F026151	RM-175 3 1/8X230' THERMAL RECEIPT ROLLS

CHE

Item #	Cultivation Item Description/ Portable Grow
RMB-M081A	250 G3 15" HP Laptop Computer. Intel Core i3-4005U Processor 1.7GHz
RMB-M081E	Lenovo ThinkPad E450 14" Laptop Computer - Graphite Black
MLN-945ANT	Mobile PC Cart, Black/Gray
RMB-M09011	MS380 Rugged Bluetooth Linear Image Scanner
RMB-M09019	Motorola LI4278 Cordless Linear Image
RMB-M09019A	Motorola LI4278 Power Supply
M0909.4	2.20" x 243' Thermal Transfer Ribbons. For use in TLP 2824 Plus Printers
M0909.9	2.25 x 1.25 Thermal Transfer Waterproof Polypro Plant Label ROLL.



Item #	Harvest Item Description
RMB-M090381	Intel Core i5-4460 Processor 3.2GHz Microsoft Windows 7 Professional 64-bit
RMB-M09040	21.5" LED Monitor Superb performance, Ultra-wide viewing angle
RMB-M09010	ZEBRA TLP2824 Plus Direct Thermal & Thermal Transfer Label Printer
RMB-M09030	USB 2.0 6' ZEBRA Printer Cable
RMB-M09011	MS380 Rugged Bluetooth Linear Image Scanner
RMB-M090295	FG30KAM Platform Scale
RMB-M09021	Scale Connector - USB to RS232 Serial Converter
RMB-M09019	Motorola LI4278 Cordless Linear Image
RMB-M09019A	Motorola LI4278 Power Supply
RMB-M090920	Prewired White Tyvek Tags (1,000/Bx)
RMB-M09093	Waterproof - 2.25 x 1.25" Polypro Thermal Transfer Labels & 4 Ribbons.

Item #	Processing/Packaging Item Description
RMB-M090381	Intel Core i5-4460 Processor 3.2GHz Microsoft Windows 7 Professional 64-bit
RMB-M09040	21.5" LED Monitor Superb performance, Ultra-wide viewing angle
RMB-M09010	ZEBRA TLP2824 Plus Direct Thermal & Thermal Transfer Label Printer
RMB-M09026	ZEBRA LP2824 Plus Direct Thermal Printer
RMB-M09030	USB 2.0 6' ZEBRA Printer Cable
RMB-M09011	MS380 Rugged Bluetooth Linear Image Scanner
RMB-M09029	A&D FX1200iN Integrated Scale
RMB-M09020	Connector - DB9 Female to Female Gender Changer
RMB-M09021	Scale Connector - USB to RS232 Serial Converter
RMB-M0909	2.25 x 4 Direct Thermal Label (priced per roll)
RMB-M0909.20	3 1/4 x 1 5/8 PREWIRED TYVEK PLANT TAGS. 1,000/BX

PROCESSI

Item #	Optional Equipment Item Description
RMB-M09024	FS88 Pro Fingerprint/Smart Card Reader
RMB-M09034	15" Touchscreen Monitor, ION TM
RMB-M09043	17" Touchscreen Monitor, ION TM
RMB-M09035	Integrated MSR for the ION TP2 Card Reader Only

OPTION

ESTIM

COMPLETE PACK

General Cannabis Education Certificate Program

by Clover Leaf University

Course Description: Designed for employees who will have face-to-face contact with patients at the dispensary. This weekend certification course covers all the basic fundamentals of the Medical Cannabis. Covers an examination of the industry and science from growing, compliance and business to a wide variety of topics to fit our needs as a business.

Cannabis Business 101 - Lecture 3 Hours

Compliance 101 - Lecture 3 Hours

Cultivation 101 - Lecture 3 Hours

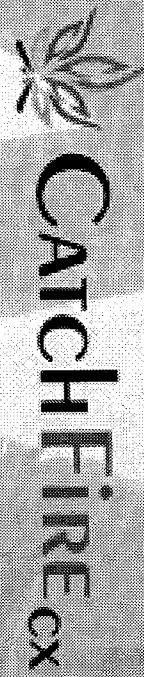
Dispensary Management Procedures - Lecture 3 Hours

Program Course Cost: \$1,096.00

Course Duration: 2 days / 12 hours / 4 Classroom Lessons

<http://cloverleafuniversity.com/courses/programs/general-cannabis-education-certificate-program.html>





Topline Capabilities

Louisville, Denver, San Francisco

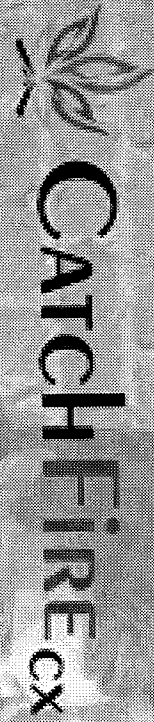


Engage • Unders

About CatchFireCX

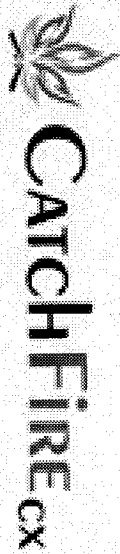
CatchFireCX provides immediate solutions in the areas of mystery shopping, brand auditing, checks, mobile feedback, and field research.

CatchFireCX also provides end-to-end solutions to dispensaries, compliance firms, cultivation and infused product manufacturers that need both technological solutions and / or ways to engage clients, customers, patients, employees, and prospects are compliant with municipal and state laws. Because we have a global workforce, we are able to quickly scale and move where our clients need us. CatchFireCX uses traditional, mobile, geocoded, and hidden recording technologies in order to provide clients pertinent insights into the brand, customer, and service experiences. Our mission is to provide the best in class cannabis field research and audit programs, scalable solutions, and stellar customer service, in a highly scalable way.



Our Services

Louisville, Denver, San Francisco



Services

CatchFireCX is a firm founded on the principles of bringing the expertise of customer service and operational excellence found in the traditional realms of business to the cannabis space as it works into becoming a legitimate part of the retail fabric.

We have 800,000 field agents nationwide that allow us to be in all places at all times. We have a developed, secure platform that allows us to scale with our clients, as well as our clients' clients of where they are on the globe.

This platform allows us to notify our agents of events in their area, and allows for the submission of our agents. It also allows our clients to use the very same platform to submit data, in real time, on the premises of their business, or their clients' business. Therefore, we are able to allow firm scalability, flexibility, and ease of real time data collection or input while in the field, regardless of being assessed (Think: New license pre-opening regulatory compliance, to cultivation site checks).

Meeting the Needs of Patients

Patient Education: At Hawaiian Ethos we believe that educating patients and their caretakers on the science and application of medicinal marijuana in Hawai'i is an essential part of operating an effective dispensary. Hawaiian Ethos has created literature to share with Hawai'i's community of medical marijuana stakeholders across three easy-to-access platforms: Physical literature, our website at www.HawaiianEthos.com, and through our exclusive mobile phone application, which will serve as an easy-to-access pocket-guide for Hawaiian Ethos patients. (See Appendix Pg 345-375 Mobile Phone Application)

Educational Guides: have been designed to provide patients with an abundance of approachable literature to help inform their process of safely and responsibly incorporating medical marijuana into a treatment plan that makes sense for them. The following patient materials will be made available in printed form at the dispensary, online at the Ethos website, and on the Hawaiian Ethos mobile application. (See Appendix Pg 314-375 patient education literature)

Patient literature includes: *Introduction to Medical Cannabis in Hawai'i* (An overview for new patients to learn the basics of the law, patient qualifications, and how to seek out more information), *Medical Cannabis Formulary Guide For Patients* (designed to help patients to understand the concentration of different cannabinoids in medical marijuana products), and *Absorption Options for Cannabis-Based medicines* (Educating patients on how different available absorption options of cannabinoids may affect their experience.)

Educational Videos: Hawaiian Ethos will provide educational videos on medical marijuana to patients in three settings: in patient waiting rooms at dispensary locations, streaming online on our website, and streaming over the Hawaiian Ethos mobile application.

Videos will cover topics including: *Starting slow* (a precautionary guide to ingesting cannabis-based medicines for the first time), *Responsible Cannabis Use* (covering risks surrounding the use of cannabis-based medications), and other videos on topics including: cannabinoid formulation, absorption options, label reading, & expected interactions.

Online Resources: In addition to providing patients with a place to access important information about using cannabis-based medicines, HawaiianEthos.com will also serve as a portal for patients to ask questions, and seek out resources related to their cannabis-based treatment options. The website will include easy methods to contact Hawaiian Ethos with questions about their medication. Patients will also have the ability to schedule an upcoming dispensary visit in advance. (See Appendix Pg 343-344 selected pages from the Hawaiian Ethos website)

Supplying patients: Adequately meeting the needs of patients starts with ensuring that they have a consistent and reliable supply of diverse medical marijuana options at a price that they can afford. Hawaiian Ethos' independent analysis of potential qualifying patients for Hawai'i County predicts as many as 40,000 individuals to be potentially eligible for Hawai'i's Medical Use of Marijuana Program, which could result in over 7,000 licensed patients by December 2018. (See Appendix Pg 259-313 Hawaiian Ethos market resreash)

Meeting Patient Demand: In order to satisfy estimated patient demand, Hawaiian Ethos' cultivation and manufacturing subcontractor, La'au Pono has designed state of the art facilities capable of producing up to [REDACTED] pounds of medicinal grade cannabis annually. Additionally, in order to provide patients with a wide variety of cannabis-derived active compounds (CBD & THC, for example), the cultivation center will grow a variety of plant genotypes, which have been tested to represent a wide range of specific chemotypes or chemical profiles. La'au Pono

has also established policies and procedures to ensure all medical marijuana and medical marijuana products comply with the safety rules established by the DOH and are free of any compounds or materials that do not comply with DOH rules set forth in Chapter 11-850. (See Appendix Pg 38-84 Cultivation Operations and Appendix Pg 263-313 conservative and aggressive financials)

Competitive pricing: We believe that making patient medicine cost effective is an important part of creating safe access to medical marijuana. Hawaiian Ethos has designed a financial plan for cultivation and dispensing, which will allow our dispensaries to provide cannabis-based medicines to patients for the lowest possible price. Based on financial projections Hawaiian Ethos estimates the ability to offer patients all cannabis-derived products for a flat price of █ per 100 milligrams of active cannabinoids they contain. Dried cannabis flowers will be sold at a flat rate of █ per gram.

Two important factors that contribute to how a patient may experience the effects of cannabis-based medicines are the absorption method (the delivery system used to carry cannabinoids to specific areas of the body) and the formulation (the blend and concentration of active cannabis-derived ingredients such as CBD & THC). Hawaiian Ethos will provide patients with a diverse array of absorption options, which include: capsules, tinctures, lotions, ointments, lozenges, oil extracts, and dried flowers. In addition to providing patients with a diverse array of absorption options, Hawaiian Ethos will also manufacture all products in a wide spectrum of consistent cannabinoid formulations. The varied cannabis formulas will offer different ratios of THC and CBD. (See Appendix Pg 329-340 Patient materials for formulary spectrum and absorption options)

Speed to Market: In order to provide patients access to medicine as swiftly as possible, an operations plan has been developed, which breaks the setup and final construction of the growing

areas within the cultivation facility into distinct stages. Staging allows our cultivators to begin growing early on in the first facility areas to be completed, and to gradually expand production as more of the facility comes online. By following this approach the cultivation center will be able to begin supplying medicine to dispensary locations by August 15th 2016. (See Appendix Pg 85-87 Gantt chart for estimates on releasing manufactured products in dispensaries.)

Safe Access: Hawaiian Ethos has secured two primary dispensary location as well as two additional contingency locations in the event that one should become unavailable for reasons unforeseen. For accessibility reasons, the primary locations were chosen for their ideal proximity to the highest number of patients and are situated in Kona, Hilo. All locations can be accessed directly from main roads, are in easy-to-navigate commercial areas, are located near access to public transit, and will provide patients with plenty of parking including handicapped parking. The hours of operation for the location will be. All locations comply with lighting and security rules, including 24hr surveillance, set forth by DOH Chapter 11-850 (See Appendix Pg 207-239 primary locations and Appendix Pg 240-258 Contingent Locations also See Appendix Pg 3-37 dispensary Operations Guide and Appendix Pg 376-390 security partners Cannaguard.)

Measuring & Improving Patient Satisfaction: Hawaiian Ethos sees the importance of creating a company culture centered on patient satisfaction, continuous learning, and ongoing improvement. Our strategy for collecting third party information about our effectiveness and ability to serve patients relies on feedback from within our organization, anonymous feedback from our patient community, and hiring the services of expert third party auditors.

Anonymous Patient Feedback: Providing an anonymous platform for patients and physicians to offer feedback and share ideas about ways to improve is an important feature of Hawaiian Ethos' commitment to being a learning organization. Hawaiian Ethos will provide

opportunity for anonymous feedback in the form of questionnaires that can be submitted through our website www.hawaiianethos.com. Hawaiian Ethos will also provide a kiosk for patients who prefer to share written feedback through letters and also by filling out designated feedback forms, which will be made available to all patients. Patients will be asked to provide feedback about their experience with Ethos at regular, randomized intervals, by filling out patient questionnaires, which will provide an opportunity to rate their experience at the dispensary and to give recommendations for improvement. (See Appendix Pg 343-344 Website Sample)

Secret shoppers: Hawaiian Ethos will contract the services of the professional secret shopper company Catch Fire Inc. This organization provides a third party insight into the patient experience by performing audits of the organization and scoring dispensaries on compliance, patient experience, and professionalism. By applying their expert outside perspectives Catch Fire is able to share valuable insights about Hawaiian Ethos' strengths and areas for improvement. In addition to providing secret shopper services, Catch Fire will also provide telephone services to test the experience of prospective patients who may call the dispensary for information. (See Appendix Pg 391-411 Catch Fire Services)

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Hawaiian**Ethos**

Dispensary Operations Plan

HAWAIIAN ETHOS

DISPENSARY

POLICIES AND PROCEDURES

HAWAIIAN ETHOS MISSION

Ensuring qualifying Hawaii Island residents access to evidence-based treatment choices for medical-grade cannabinoids.

Vision

Hawaiian Ethos will develop and maintain state-of-the-art organic medical marijuana cultivation, product development and quality assurance in GMP-certified manufacturing facilities to provide Hawaii Island with medical-grade cannabinoid treatments for approved medical and health conditions.

Hawaiian Ethos will provide a choice of medical marijuana products with different ratios of cannabinoids, e.g., tetrahydrocannabinol (THC) and cannabidiol (CBD) and terpenes from distinct cannabis varieties for different approved medical conditions.

Hawaiian Ethos will maintain scientific and medical expertise, in order to provide patients, physicians, and the general public with educational information about cannabis pharmacology and usage of cannabis varieties and their development. Our medical advisory board will assist in developing appropriate feedback questionnaires and forms to protect patient privacy and safety.

Hawaiian Ethos will collect and record patient input using a software application to share evidence-based patient feedback with physicians and fellow patients. This information will be limited to responses about different product lines having different cannabinoid and terpene content.

Front End of the Distribution:

Hawaiian Ethos Dispensary is committed to providing safety and quality to their patient and employees. Dispensary locations shall remain locked at all times. Hawaiian Ethos is dedicated to providing a dispensing facility that meets all the needs of our patients.

DISPENSARY OPERATIONS POSITION OUTLINE

Dispensary Employees

At Hawaiian Ethos, we strive for excellence not only in our product and the medicinal functionality of our products, but also in our staff. When hiring employees, Hawaiian Ethos looks for individuals who not only fit the minimum requirements for the position, but have the ability to maintain patient relationships. Employees should have an inherent understanding that safety and security, patient service, knowledge of medicinal products, rules and regulations, and knowledge of dispensary amenities of the utmost importance.

At Hawaiian Ethos we require that all employees are twenty-one years and above. All employees will wear a All dispensary employees, regardless of position, will have the same foundation and training of current laws and regulations on medicinal marijuana. Educating our patients with accessible information is our number one priority. In order to do so we must ensure our staff are trained and oriented in such a way that provides our patients with the knowledge to make informed decisions. Please refer to the Training and Professional Development section below.

All state and local laws and regulations will be strictly adhered to by Hawaiian Ethos.

Dispensary Managers will make sure that all employees of the dispensary are well-versed in all rules and regulations and will abide by them in their entirety.

Dispensary Facility General Manager

General Manager will oversee all day-to-day operations. The General Manager provides leadership to all positions in the dispensary including Assistant Managers, Pharmacists or Sales Representatives, Patient Advocates, Receptionists and Security for building. The general manager is ultimately responsible for the overall well-being of the facility including but not limited to, over all patient experience, building maintenance, cleanliness, safety and security of the dispensary. Most importantly, the General Manager (GM) is ultimately responsible for a strict adherence to laws and regulations concerning medical marijuana.

Dispensary Facility Assistant Manager(s)

Dispensary Facility Assistant Manager will report to the General Manager. The Assistant Manager will assist GM with day to day tasks and as well as delegated management responsibilities from GM.

Counselor/Patient Advocate(s)

Responsible for patient consultations, intake and acceptance of new referrals, and providing new patients with Introductory Informational Materials. Counselor/Patient Advocate reports to the GM of the Dispensary.

Sales Associate(s)

Responsible for sales of medical marijuana medicines. Sales Associates will report directly to the Assistant manager.

Receptionist(s)

Responsible for checking in patients who submit proper identification for either patient or caregiver (valid medical card, identification cards, etc.) Upon receipt of positive verification of pre-requisite identification, receptionists will refer new patients and/or to a Counselor or Patient Advocate, while existing patients and/or caregivers will be directed into the dispensary for purchase of medicinal marijuana products. Receptionists will report directly to the Assistant Manager.

Security Guard(s)

Responsible for safe-guarding all entry's to dispensary as well as handling emergency security situations. Security Guards report directly to the General Manager.

TRAINING AND PROFESSIONAL DEVELOPMENT

All new hires at Hawaiian Ethos will be issued a photo identification badge on their first training day, and must wear it at all times during the dispensary hours of operation. New employees will go through an in-depth training on all particulars necessary to successfully run the dispensary to bring the best service to our patients, best medicinal products, all of which will enforce the utmost respect to rules and regulations.

The entire Hawaiian Ethos staff will go through a training that adheres to all current laws and regulations. Training will be administered by the dispensary General Manager as well as outsourced professionals from their areas of expertise. Hawaiian Ethos maintains a strict, zero tolerance rule for any and all violations to state laws and regulations. Each employee will be tested on laws and regulations surrounding all medical marijuana state laws and other relevant information to their job title.

All new medical marijuana and dispensary facility laws and regulations must be administered on the date of publication.

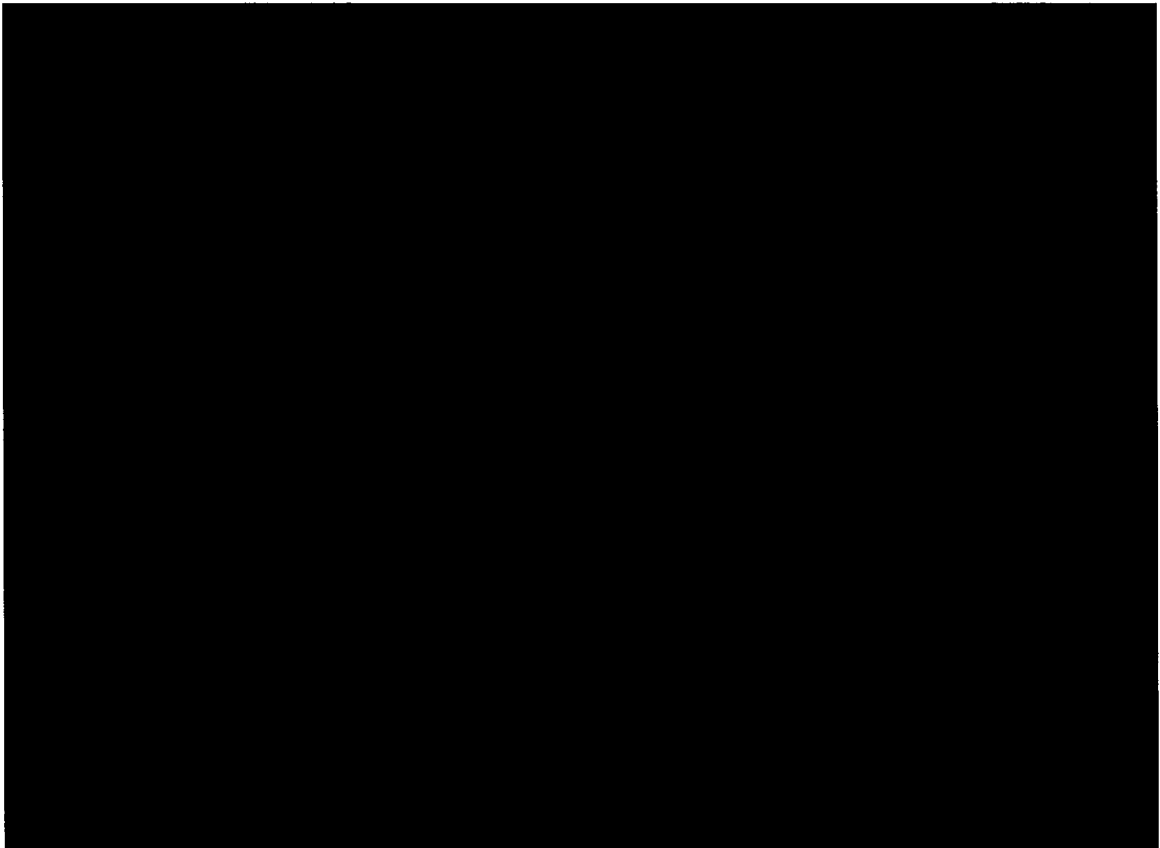
Methods of Training:

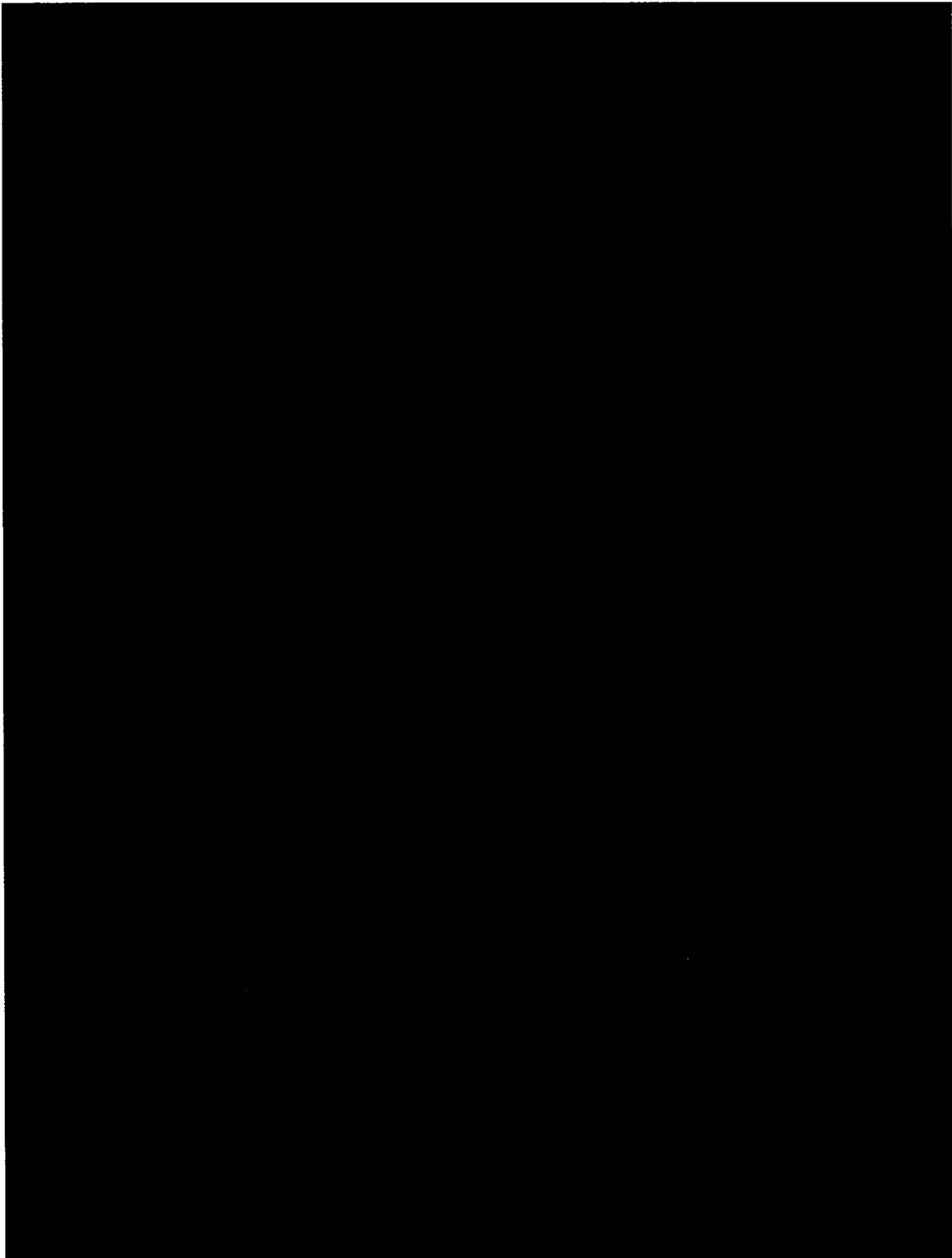
Hawaiian Ethos employees will receive specialized training in the following areas from third party experts: Basic Medical Marijuana Education provided by Clover University, HIPAA Patient Confidentiality Training from by our partners at Supremus Group, Safety and Security

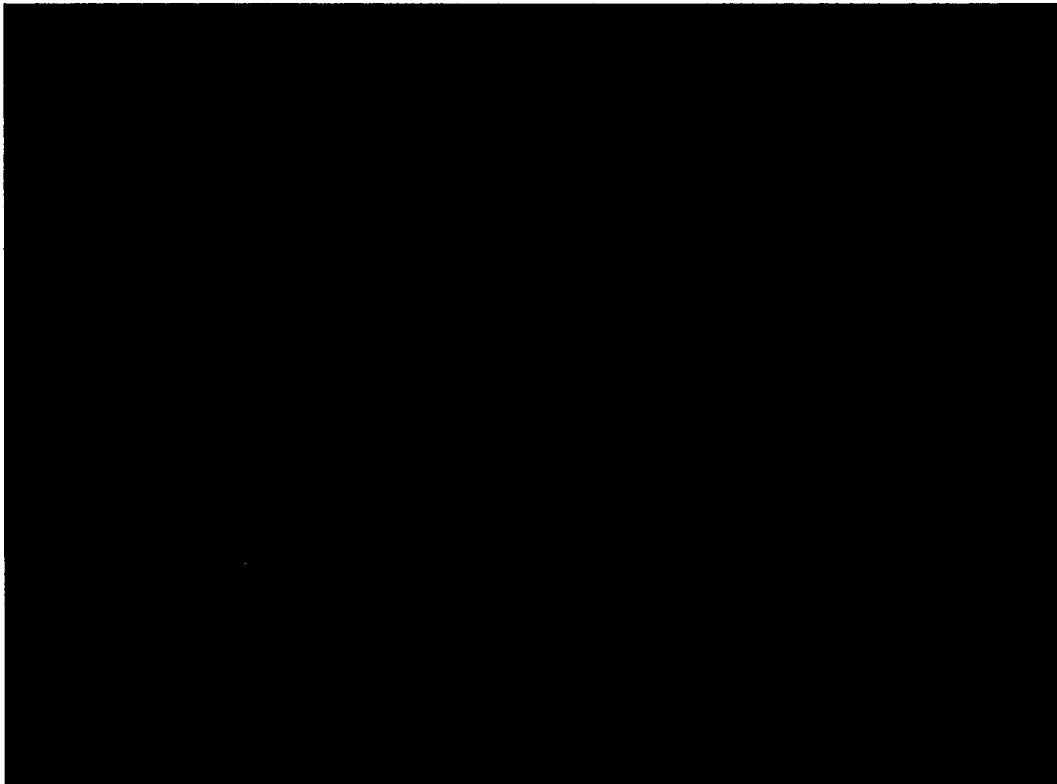
from PSG and software training on job-specific aspects of using the company wide software systems developed by our partners at BioTrackTHC.

Safety and Security:

All approved and licensed facilities owned and operated by Hawaiian Ethos and La'au Pono including medical marijuana dispensaries and the cultivation facility will be equipped with commercial grade, non-residential locking mechanisms on all points of entry, exit and on all windows that open. All locking mechanisms will be fully integrated with the professionally installed and centrally monitored alarm system. (See security overlay of facility floor plan)







Disaster Response and System Failure Protocols: In the event of a breach or failure of the security system, alerts will immediately be sent out to the licensee, the department and all authorized representative. The facility manager will immediately suspend operations and secure the licensed premises according to our disaster response protocols until the system is fully operational. Upon returning the system to working order, the dispensary will notify the department prior to it resuming operation.

HIPAA Patient Confidentiality Training by our partners at Supremus Group:

Prior to beginning employment with Hawaiian Ethos, all employees will be required to complete comprehensive training, which includes education on client/patient confidentiality and HIPAA

pursuant to the standards set forth in the 1996 Health Insurance Portability and Accountability Act.

****At Hawaiian Ethos patient confidentiality is of the utmost importance; any and all patient information is confidential and is to remain secured on location. Any unauthorized release of patient information will be grounds for immediate job termination. See Appendix ## - ##Hawaiian Ethos Employee Manual (sub section) on HIPAA training for more details on confidentiality training.**

CHPA level training will prepare all Hawaiian Ethos employees with everything they need to know in order to complete the HIPAA (CHPA) certification exam. The course program is designed for members of the workforce who need a comprehensive understanding of HIPAA. The course will also be tailored to meet all of the job-role based training requirements for each employee. Trainees will be educated on every aspect that a healthcare worker needs to know about HIPAA Privacy and security through this comprehensive course. The course can be taught in a classroom setting or online and is updated with the latest HIPAA changes under ARRA's HITECH act in 2009 as well as the Omnibus rule of 2013.

Hawaiian Ethos management will attend CHCE Level HIPAA Training that educates individuals on the HIPAA law requirement for Privacy rules and basic overview on HIPAA security rules. The course will also guide managers on how to keep the organization HIPAA compliant. All the amendments to the HIPAA regulations due to Health Information Technology for Economic and Clinical Health (HITECH) Act, which is part of American Recovery and Reinvestment Act of 2009 (ARRA) and Omnibus rule of 2013 are included in this training.

Medicinal Marijuana Training by our partners at Cloverleaf University

Hawaiian Ethos will partner with Cloverleaf University to educate all employees on pertinent information in the medical marijuana industry. These courses will be designed for employees who will have daily face-to-face contact with patients at the dispensary. A weekend long certification course covers all the basic fundamentals of Medical Marijuana , including an examination of the industry and science of growing, compliance and business to a wide variety of topics to fit our needs as a business. Please refer to Section Two for a comprehensive overview of Clover Leaf University course descriptions and qualifications.

POS System BioTrackTHC

Hawaiian Ethos has partnered with BioTrackTHC, a leading industry seed-to-sale Medical Marijuana Point of Sale software. BioTrackTHC is designed to not only offer a turn-key POS software system to meet state regulations, but to actually enhance and streamline every aspect of Hawaiian Ethos. Not only will

See Appendix ##-##for a comprehensive BioTrackTHC user guide.

EMPLOYEE DATA PROTECTION

In connection with your employment, Hawaiian Ethos may ask you to provide certain information, including, but not limited to, your name, mailing address, telephone numbers, citizenship, country of residence, country of origin, gender, birth date, marital status, name of dependents, birth date of dependents, occupation of dependents and national identification number. Additionally we may maintain information relating to your employment with Hawaiian

Ethos including, but not limited to, your employee identification number, business unit/division of employment, department, physical work location, job code, compensation rate, supervisor, work shift, hire and termination date, appraisal dates and ratings, training, skills, educational background, language proficiency, certifications and licenses.

The information collected by Hawaiian Ethos will be used for various administrative and record keeping purposes by Hawaiian Ethos.

Disclosure of Employee Information:

Unless you withdraw your consent, in writing, you agree to and accept the proposed use, disclosure and transmission of your Employee Information by Hawaiian Ethos as set forth in this Policy. Upon any modification of this Policy, Hawaiian Ethos will prominently post a revised Policy within five (5) business days of its adoption and provide employees with an opportunity to withdraw his or her consent to any new use or disclosure of his or her Employee Information. If any employee objects to Hawaiian Ethos collection of information, use, disclosure or transmission of certain Employee Information, Hawaiian Ethos will make reasonable efforts to address the concerns of the employee. In no case will an employee be subject to sanction or retaliation for objecting to the collection, use, disclosure or transmission of Employee Information. Any employee who withholds Employee Information or prohibits its collection, use, disclosure or transmission, however, may be disadvantaged as a result of not making the information available. For example, unwillingness to provide information required to use a service or receive a benefit may make an employee ineligible for that service or benefit.

Your Rights Regarding Your Employee Information

Although your Employee Information is the physical property of Hawaiian Ethos, the information contained in the record belongs to *you*. Upon request in a reasonable notice period, each employee has the right to:

- Obtain a copy of all Hawaiian Ethos Protection Policy upon request.
- Inspect his or her Employee Information and be able to correct or amend information where it is inaccurate, except where the burden or expense of providing access would be disproportionate to the risks to the individual's privacy in the case in question, or where the rights of persons other than the individual would be violated. All requests to inspect, correct, amend, or delete information must be submitted in writing to Hawaiian Ethos' Director of Human Resources.
- Review Hawaiian Ethos' process and procedures for electronically transmitting Employee Information, as set forth in Practice for Protection and Transmission of Employee Data as well as the Hawaiian Ethos' Policy Statements referred to therein.
- Withdraw his or her consent to the continued or future use and disclosure of his or her Employee Information, except as to that Employee Information that Hawaiian Ethos' determines to be necessary for continued employment.
- In the event that Hawaiian Ethos modifies the terms of this Policy, we will promptly post a revised which describes all intended uses and disclosures of Employee Information, within five (5) business days of its adoption, and provide employees with an opportunity to withdraw his or her consent to any new use or disclosure of his or her Employee Information.

Complaints

If you believe Hawaiian Ethos has been breached any of its policies by permitting an unauthorized use, disclosure or transmission of your Employee Information, you may contact or file a complaint with your supervisor. If you are not satisfied with the response or action taken by your supervisor, all such complaints and concerns may then be directed to the Director of Human Resources. You will not be penalized for filing a complaint.

Record of Training: Hawaiian Ethos Dispensary managers are responsible for maintaining a training record for each distribution facility team member. Such records will include, at a minimum, documentation of all required training, including:

- The name of the person receiving the training;
- The dates of the training;
- A general description of the topics covered;
- The name of the person supervising the training; and
- The signatures of the person receiving the training and the production facility compliance manager.

Hawaiian Ethos is committed to providing ongoing education and professional development for all employees and their respective positions. All educational content materials will be up to date and in congruence with standards of the DOH.

Service to our Patients: Hawaiian Ethos holds the service to our patients to be one of our most important company values. All employees are expected to act friendly, courteous, respectful, and

polite when interacting with all patients. In addition all Examples of prompt and courteous service to our patients include but are not limited to the following actions:

- Answering the telephone before three (3) rings;
- Answering the telephone stating the company name(s) and location, your name, and a question relative to helping the caller with the information they are requesting.
- Transferring calls to the individual or department that is best fit to assist the caller;
- Greeting patients and caregivers when they enter the building;
- Assisting patients and caregivers as best you can; and
- Treating patients and caregivers as you expect to be treated.
- Calls from potential vendors should be escalated to the Dispensary Manager.

CHRONOLOGICAL DAILY DISPENSARY OPERATIONS

Hours of Operation

Monday - Saturday 8am-8pm

The following state and federal holidays will be recognized by dispensary and result in closure of the business.

- New Year's Day
- Martin Luther King Jr. Day
- Presidents Day
- Prince Jonah Kuhio Kalaniana'ole Day
- Memorial Day
- King Kamehameha I Day

- Independence Day
- Statehood Day
- Labor Day
- Thanksgiving Day
- Day After Thanksgiving
- Christmas Day

In the event of severe weather conditions or natural disasters, Hawaiian Ethos will take all necessary precautions to ensure the safety and well-being of both patients and staff.

Opening Dispensary

Secured Entry See Security plans for dispensary

All employees must be punctual to clock in and out for the start and end of shifts. Employees who fail to abide by these rules will be subject to disciplinary actions.

Opening Responsibilities:

Opening responsibilities will mainly be for floor staff, of whom will prepare dispensary for the day, as well as maintain areas throughout the day as needed. Responsibilities include but are not limited to:

- Maintenance checklist: assuring a presentable and welcoming environment for all patients and caregivers visiting the dispensary throughout the day.
- Balancing cash drawers and assigning them to POS systems. Please refer to BioTrackTHC user manual.

- Initiate Inventory Checklist log:
 1. remove inventory from dispensary products safe
 2. Stocking and counting for new products
 3. Count and removal of expired products
 - Any discrepancies found in inventory log will be resolved by management.
- Assuring Display cases, counters and display floor are adequately organized, displayed and stocked for day of sales.

All opening duties must be verified and checked by General Manager.

Shift Meeting

At Hawaiian Ethos, shift meetings will be held each day to keep all staff up to date on relevant company information. These meetings will include but are not limited to:

- recap of previous day
- new policies and procedures
- new laws and regulations relevant to our business
- adjustments of scheduling
- goals and workflow of the shift

Shift Meetings will be held prior to opening the doors.

Patient In-take:

Patients must present a valid medical marijuana license, authenticated through an electronic verification system before entering the facility. Patients will then enter the facility and sign in with the receptionist.

- All new patients will fulfill an initial New Patient In-take process in which they will of verification of paperwork (state identification as well as medical marijuana license etc.). The on-site Counselor or Patient Advocate will review all new patient information as well as provide them with helpful information illustrating safe use of medications. At this time all information will be submitted to POS system in order to track inventory, sales and visits of the new patient. *All* new patients are required to fulfill this introductory visit before entering the dispensary retail area. Please See Patient Education Documents
- Existing patients will need to show both forms of identification (state ID as well as medical marijuana license) through the electronic verification system before entering dispensary.

Keeping in mind that our patients are the main reason and focal point of the medical marijuana industry, it is our priority to educate our patients with up to date information on medical marijuana. Hawaiian Ethos will provide a resource informational packet, which will be delivered upon intake of a new patient, to any patient upon request, as well as offered in digital form found at www.hawaiianethos.com as well as our smartphone app. (Appendix ###-##-Hawaiian Ethos App) The packet is composed of important and helpful information to ensure comprehension of Hawaiian Ethos' resources and amenities. Our goal at Hawaiian Ethos is to inform our patients

with well-rounded and thorough information, so as to give all patients equal opportunities to make informed choices.

Hawaiian Ethos educational material for patients is information readily available for a brief outline of Hawaii's medical marijuana history, and the plethora of potential medical uses of marijuana. This section also indicates procedures in which one might comply with in order to obtain a license, from contacting medical expertise to application and registration and regulations surrounding medical marijuana. At Hawaiian Ethos, it is important to us that our patients are well-informed specifically to the medicinal properties and strains of medical marijuana. With an understanding of distinguishing classifications of strains, cannabinoids and their uses, patients will be better informed when making their medicinal choices. All content is solely for supplemental education and does not take the place of patients' Dr. recommendations and diagnosis.

Sales Transactions

Prior to initializing a sale, Hawaiian Ethos team members' must verify confirm that patient has an existing record and that the information is correct and up to date in the POS system. This information indicates the amount of medicine that is prescribed to patients as well as the amount purchased in previous visits. Once Hawaiian Ethos has determined prescription and diagnosis from existing records, they are given recommendations patients are permitted to review and purchase medicinal marijuana products.

Patients and/or caregivers are not permitted, under any circumstance to test or sample any medicinal marijuana products. Should there be any instance of violating this rule, team members will be subject to disciplinary action that could result in termination. Please See Ethos Menu

All purchases will be subject to applicable sales tax. All taxes will be programmed into our POS system to ensure that it is being recorded.

Cash Handling

All cash handing at the POS system should be done in view of surveillance camera. Not only will this reduce the risk of employee theft but also ensure the safety of staff from potential robbery. Please See Bank Information (Zachary)

Hawaiian Ethos is dedicated to our patients satisfaction and any concerns they may have about the medicinal marijuana. In the event of an unsatisfied patient would like to return medicinal product, under the supervision of management, a team member will refund the purchase.

Refunded purchases must go directly through the disposal and destruction process.

Closing Responsibilities:

Closing of Hawaiian Ethos will comprise of closing dispensary sales floor as well as inventory and the dispensary safety and security throughout the night until opening the following morning.

Closing responsibilities include and may not be limited to:

- Finalize Inventory Checklist log manually as well as through POS System

- Stocking and providing count for new products
 - Inventory and removal of expired products
 - Assuring all products from display cases have been removed and returned to dispensary product safe.
- Cash balancing
- Closing and Balancing POS system

All closing responsibilities will be checked and verified for quality by the Dispensary General Manager.

Upon exiting the dispensary, employees must be checked out by dispensary manager, clock out, and exit the premises through a secured entry/exit.

Dispensary Inspections: Hawaiian Ethos is confident that all operations at the dispensary are in line with expectations from the department. All employees will be well informed and trained on these rules and regulations and will be subject to annual or unannounced inspections of operations by the DOH. Hawaiian Ethos will also submit reports of complying operations to the DOH upon request.

Audits and Secret Shoppers :

It is of the utmost importance that our patients are given a service that reflects the care and in depth knowledge that the patients of Hawaiian Ethos can count on. During the employee selection process, we strive to find well informed, passionate and genuine individuals that carry out our vision. In order to assure our team at Hawaiian Ethos is providing the best services we

will have consistent audits by the third party company called *CatchFire CX* see appendix ##-##

CatchFire . Catch fire will provide services including but not limited to:

- Mystery Shopping - deploy field agents to evaluate customer service, sales processes, wait times, courtesy, cleanliness, transactional processes, and product knowledge within the dispensaries. This can be for a single dispensary, or a dispensary with multiple locations. Mystery shoppers will also take note of Hawaiian Ethos' adherence to state and local laws, including but not limited to: Survey employees for ongoing job satisfaction awareness and to gather new insights for improving the environment or operations (from seed to sale).
- Conduct Entrance Interviews (when a new employee is hired) to determine why the employee wanted to work for the organization, what they hope to learn, and what the employee on boarding process was like.
- Exit Interviews (when employee quits or is let go) to determine what issues the employee may have had with the organization. Determine Vendor's satisfaction and ease of working with the business or organization and what could be improved.

Inventory Management

Inventory management is a critical factor at every facility within the organization. The tracking of all medical marijuana from seed to sale will be done through inventory management through the use of template log sheets. Physical inventory counts will be done on a daily, weekly, and monthly basis at the distribution facility. This is the primary way to determine if there has been

any product diversion and to ensure that all medical marijuana and medical marijuana products are only being distributed to licensed patients.

Physical inventory template log sheets will be filled out each morning before the start of business, and then again inventories will be recorded at the closure of business. These inventory figures will be cross-references with the POS system inventories and data to determine that there are no quantity discrepancies. In the case of a discrepancy within inventory we will investigate the root cause of the discrepancy to determine the cause. If the discrepancy came at the hands of employee theft or diversion, we will act quickly to terminate the employment of the perpetrator and contact all necessary authorities for further action.

Again, Hawaiian Ethos will utilize BioTrackTHC POS software and hardware for inventory management, seed-to-sale tracking and for the sales procedure. See Appendix ##-## 'BioTrackTHC' Addenda educational materials.

Receiving inventory:

All practices regarding receiving inventory from La'au Pono will adhere to all rules and regulations set forth by the DOH. Each step from the cultivation site will be closely monitored and recorded by the General Manager and Head Security of the Dispensary. Upon the arrival of the transport vehicle, delivery personnel will present a Transportation Manifest (see appendix ##-## Transportation Manifest), and the receiving party will inventory transported materials, indicate the time and date received, take custody of all transported materials and sign off on the completed transport manifest.

Because contents of delivery are tagged from seed to sale, managers of both the La'au Pono cultivation site and the dispensary assure incredibly low risk or error. In the event of a discrepancy in actual inventory versus the expected inventory declared in the transport manifest, the delivery personnel and Dispensary Manager will do an inventory count to discover all missing materials. Materials determined to be missing will be recorded and noted to their last defined point in the chain of custody. Any discrepancies will be reported to the Director of Operations for further investigation.

Return of Inventory for Disposal:

From time to time there will be inventory that must be returned to the cultivation site for disposal. Description of and reason for the marijuana being disposed of. Employees of Hawaiian Ethos will create a manifest including the following:

- Date of disposal;
- Method of disposal; and
- Name and registry identification number of the dispensary agent responsible for the disposal.
- Inputted into BioTrackTHC as Damaged Inventory.

Until the said inventory is retrieved, it will be stored in a designated safe marked *Inventory for Disposal*. Upon delivery of new inventory, transportation personnel will retrieve *inventory for disposal* with return manifest attached. Once all material has been verified and through the BioTrackTHC POS system and verified that all *inventory for disposal* is accounted for, material will be loaded into delivery vehicle and returned to the La'au Pono Cultivation site. Materials

with then be tracked and disposed of through the disposal methods (See Appendix ###-## Incinerator Addenda)detailed in the La’au Pono Cultivation Operations Guide (See Appendix ###-## La’au Pono Cultivation Operations Guide).

Transportation: All applicable state and local laws and regulations will be strictly adhered to by all organization team members. The distribution facility manager will be responsible for creating and implementing a process for the transportation of various products to other distribution facilities. ## see Appendix Transportation guide.

Inventory Control:

The Dispensary Manager will be responsible for oversight of the inventory control system. Medical marijuana dispensary shall establish and implement an inventory control system that documents:

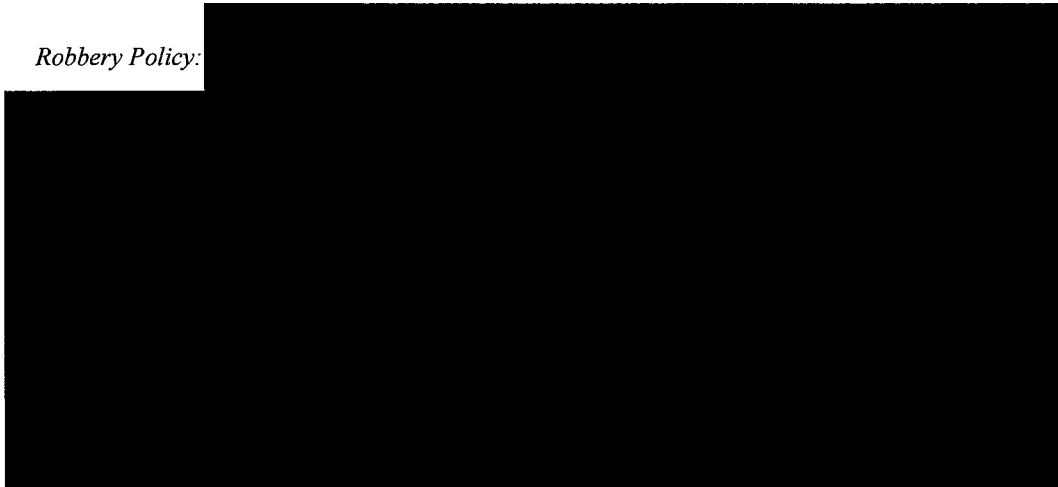
- Each day’s starting inventory
- Acquisitions
- Sales
- Disbursements
- Disposal of unusable Medical Marijuana inventory

If Hawaiian Ethos identifies a reduction in the amount of medical marijuana in the inventory of the dispensary not due to documented causes, the manager shall determine where the loss has occurred and take and document corrective action. If the reduction in the amount of medical marijuana in the inventory of the medical marijuana dispensary is due to suspected criminal

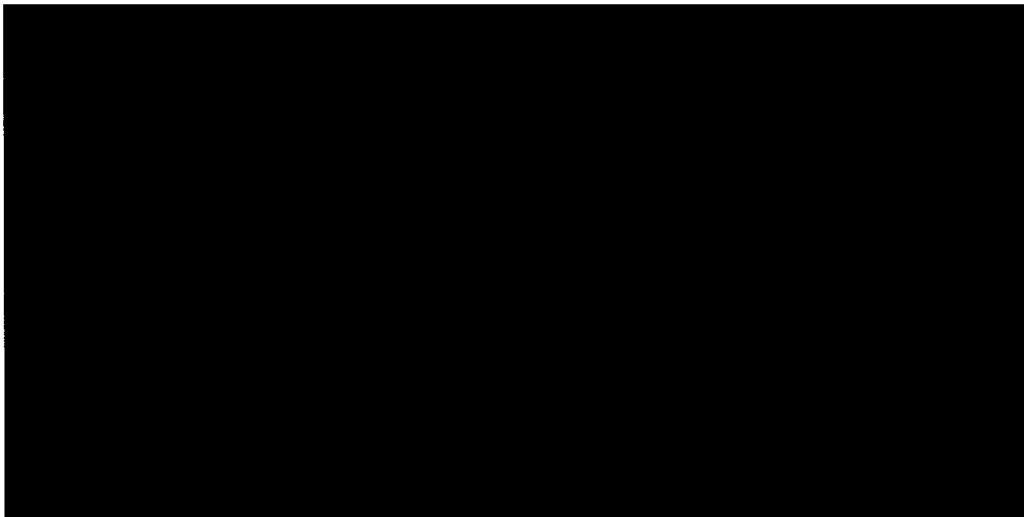
activity by an employee at Hawaiian Ethos, the dispensary shall report the employee to the DOH and to the appropriate law enforcement agencies.

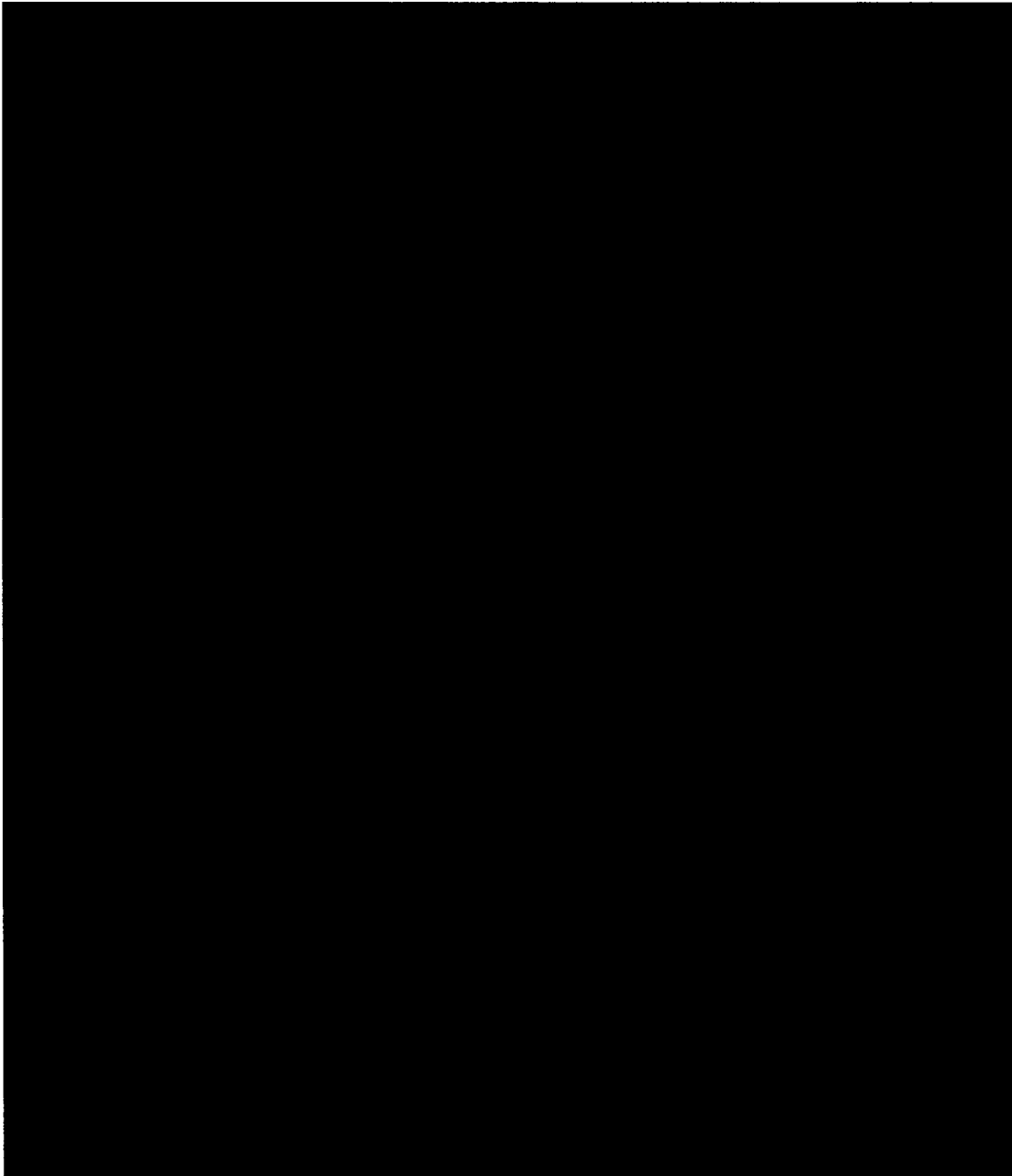
IN THE EVENT OF AN EMERGENCY

Robbery Policy:



Actions During a Robbery





Actions After a Robbery Has Occurred

Hawaiian Ethos' management is responsible for the following items:

1. Ensure that the branch is immediately closed and restrict access to the area involved until law enforcement personnel have completed the initial stage of their investigation. Only law enforcement and a member of the DOH and the institution's administration personnel are to be allowed into the branch until service to our patients has been restored.
2. Ensure that these Robbery procedures have been followed and a Robber Description Form is prepared. Provide instructions to all appropriate personnel and patients.
3. Isolate witnesses so that law enforcement staff may interview them. Employees and witnesses should not be allowed to compare information prior to being interviewed.
4. Immediate telephone notification must be given in the following order:
 - Local Police, County Sheriff or Highway Patrol
 - FBI Office (if local authorities have not responded)
 - Corporate Security
5. Descriptive information such as direction of travel, description of the car, etc., should be given to the local law enforcement agency so they may provide the information to persons responding to the alarm.

After law enforcement has processed the area for evidence, management must secure the victim's cash drawer and work area until two persons can conveniently audit them. Information related to the crime scene and bait money involved (dollar amount, denomination and serial numbers) should be given to the investigating law enforcement agency.

Still-photo security cameras should be opened in the presence of the FBI or law enforcement officers. If a video camera is used, the bank's Manager of Branch Operations should maintain

custody of the videotape. The Manager of Branch Operations will surrender the film or cassette to the designated law enforcement officer collecting evidence. See safety and Security

FIRE PREVENTION

The elimination of fire hazards protects, among other things, the personal safety of all employees, College property, and valuable records. Extreme caution must be exercised at all times to avoid causing a fire. To assist in fire prevention, each employee should become familiar with the location and operation of the fire extinguishers that are provided in his/her work areas.

Fire hazards should be reported and eliminated at once.

In the case of a fire, employees should immediately:

- Dial 911 or the local fire department;
- Contact a supervisor and evacuate all employees from the area;
- If it's a small fire, locate the nearest fire extinguisher and attempt to extinguish the fire;
- If it's a large fire, immediately leave the area and make no attempts to fight the fire; and
- Upon their arrival, direct the fire department crew to the fire; do not re-enter the building unless directed to do so by the fire department.

Questions regarding this policy should be directed to your supervisor.

SECURITY INSPECTIONS

Hawaiian Ethos wishes to maintain a work environment that is free of illegal drugs, alcohol, firearms, explosives, or other improper materials. To this end, Hawaiian Ethos prohibits the possession, transfer, sale, or use of such materials on its premises. Hawaiian Ethos requires the cooperation of all employees in administering this policy.

Desks, lockers, and other storage devices may be provided for the convenience of employees but remain the sole property of Hawaiian Ethos. Accordingly, they, as well as any articles found within them, can be inspected by any agent or representative of Hawaiian Ethos at any time, either with or without prior notice.

Hawaiian Ethos likewise wishes to discourage theft or unauthorized possession of the property of Hawaiian Ethos, employees, visitors and patients. To facilitate enforcement of this policy, employees, or its representative may inspect not only desks and lockers but also persons entering and/or leaving the premises and any packages or other belongings. Any employee who wishes to avoid inspection of any articles or materials should not bring such items onto employees, premises.

Hawaiian Ethos has comprehensive security protocols in place to limit risk to its operations and ensure the safety of its employees, customers, and facilities.

- In the event the dispensary facility experiences a security system breach or failure, facility management will secure the facility and immediately suspended all operations and the following measures will be followed:



- o Activation of the Hawaiian Ethos Incident Management Team
 - The Incident Management Team (IMT) consists of Hawaiian Ethos executive management representatives, operational management, security, facilities, and embedded internal or external partners depending on the severity of the incident. The IMT process is a proven incident management framework to quickly identify risks and issues

allowing management to formulate action plans to address and limit risk and ensure the safety and security of the facilities are maintained

- o Resumption of Operations

- Once the failure or breach has been addressed and the IMT is satisfied that required security systems are fully operational, the facility can resume operations

- o After Action Reports (AAR)

- Within 72 hours of the resumption of operations, an after action report will be completed identifying the causes of the failure or breaches and corrective measures put in place to mitigate future failures or breaches

- o Notifications to the Hawaii Department of Health:

- Hawaiian Ethos will notify the Hawaii Department of Health that there was a breach or failure and protocols followed to ensure the security and safety of the facilities and mitigation strategies

DISCIPLINARY ACTION

Disciplinary action at Hawaiian Ethos is intended to fairly and impartially correct behavior and performance problems early on and to prevent reoccurrence. Disciplinary action may involve any of the following: verbal warning, written warning, suspension with or without pay, and termination of employment, depending on the severity of the problem and the frequency of occurrence. Hawaiian Ethos reserves the right to administer disciplinary action at its discretion and based upon the circumstances. Hawaiian Ethos recognizes that certain types of employee

behavior are serious enough to justify termination of employment, without observing other disciplinary action first.

These violations include but are not limited to:

- Workplace violence;
- Harassment;
- Theft of any kind;
- Vandalism or destruction of company property;
- Presence on company property during non-business hours;
- Use of company equipment and/or company vehicles without prior authorization;
- Divulging Hawaiian Ethos business practices or any other confidential information; and
- Violating any state or local law regarding the sale, production, or distribution of medical marijuana.

Hawaiian**Ethos**

Cultivation Operations - La'au Pono

LA'AU PONO CULTIVATION OPERATIONS AND PROCEDURES

JOB DESCRIPTIONS

Cultivation Manager(s): The Cultivation Manager shall be responsible for managing all cultivation operations and employees at La'au Pono Cultivation Facility. The Cultivation Manager is ultimately responsible for the overall well-being of the facility including but not limited to, overall facility wellbeing, building maintenance, cleanliness, safety and security of the cultivation site. Most importantly, the Cultivation Manager is ultimately responsible for a strict adherence to laws and regulations concerning medical marijuana.

Security Manager(s): Security managers oversee the technology, policies, procedures, and staff that help prevent criminal activity, and keep building and La'au Pono Staff Safe. Security Manager will partner with Cultivation Manager to ensure all policies and procedures will be upheld.

Security Personnel(s) Responsible for safe-guarding all activities at the cultivation site as well as handling emergency security situations. Security Guards report directly to the General Manager.

Cultivator(s): Cultivators are responsible for all stages of growth in the cultivation of medicinal marijuana. Cultivators will report directly to the Cultivation Manager

Trimmer(s): Trimmers are responsible for break-down of plants and trim flowers, and weighing trimmed flowers. Trimmers report directly to the Cultivation Manager.

Laboratory Technician(s): Lab technician will be responsible for laboratory activities, operations, hire future staff, and ensure conformance to established procedures adhering to all legal guidelines. Laboratory technicians will choose appropriate testing equipment, and testing of cannabis products for potency and medicinal effects, pesticides, molds, biologicals, etc.

EMPLOYEE DATA PROTECTION

In connection with your employment, La'au Pono may ask you to provide certain information, including, but not limited to, your name, mailing address, telephone numbers, citizenship, country of residence, country of origin, gender, birth date, marital status, name of dependents, birth date of dependents, occupation of dependents and national identification number. Additionally we may maintain information relating to your employment with La'au Pono including, but not limited to, your employee identification number, business unit/division of employment, department, physical work location, job code, compensation rate, supervisor, work shift, hire and termination date, appraisal dates and ratings, training, skills, educational background, language proficiency, certifications and licenses.

The information collected by La'au Pono will be used for various administrative and record keeping purposes by La'au Pono.

Minimum and Maximum Personnel by Shift: There will be a minimum of one Manager or Security on duty at La'au Pono Cultivation Facility at all times. This means there will be an employee on site 24 hrs a day, 365 days a year, in order to fulfill the security standards set forth by La'au Pono and to notify law officials of any breach in security etc. Manager or Security guard on duty will also be there to admit employees through the entrance with video intercom at the beginning their shift. The maximum number of employees at any given time will be 16, which includes all levels of employment as well as laboratory staff.

1. Facility Operating Hours

Hours of Operation

Monday - Saturday 8am-8pm

The following state and federal holidays will be recognized by dispensary and result in closure of the business.

- New Year's Day
- Martin Luther King Jr. Day
- Presidents Day
- Prince Jonah Kuhio Kalaniana'ole Day
- Memorial Day
- King Kamehameha I Day
- Independence Day
- Statehood Day
- Labor Day
- Thanksgiving Day
- Day After Thanksgiving
- Christmas Day

TRAINING AND PROFESSIONAL DEVELOPMENT

All new hires at La'au Pono will be issued a photo identification card on their first training day, and must wear it throughout the duration of their shift. This identification card also acts as a New employees will go through an in-depth training on all particulars necessary to successfully run the dispensary to bring the best customer service, best medicinal products, all of which will enforce the utmost respect to rules and regulations.

The entire La'au Pono staff will go through a training that adheres to all current laws and regulations. Training will be administered by the Cultivation Manager, as well as out-sourced professionals from their areas of expertise. La'au Pono maintains a strict, zero tolerance rule for any and all violations to state laws and regulations. Each employee will be tested on laws and regulations surrounding all medical marijuana state laws and other relevant information to their job title.

Laws and Regulations/Compliance Training: Adhering to all state, local, and company specific regulations is of utmost importance to create an end product with the highest efficacy for patients. All cultivation facility team members will be required to have a general knowledge of all applicable laws and regulations dealing with the regulated cultivation of medical marijuana.

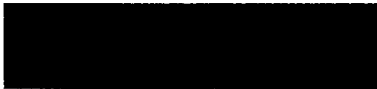
Policies Regarding Regulations: It is the cultivation facility management's duty to ensure regulatory requirements are followed at all times. The cultivation facility management shall maintain a

zero tolerance policy for any infractions that would go against state, local, and company regulatory measures.

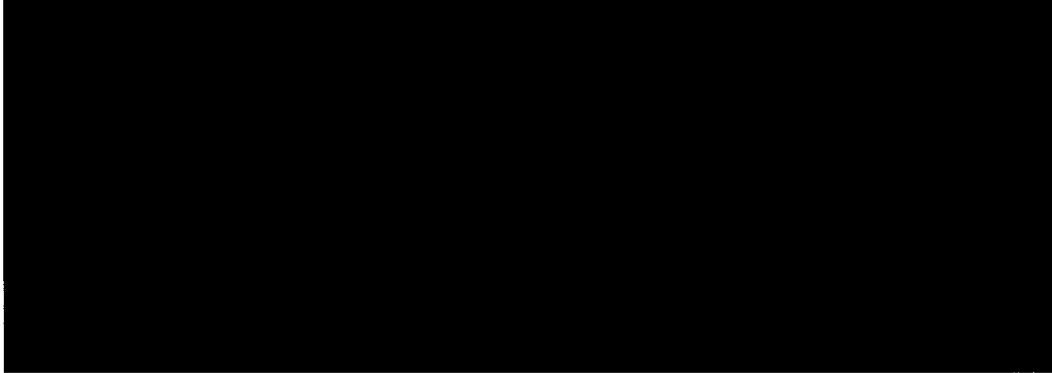
Current Regulations: The entire staff must be trained in all current regulations. A test shall be administered to all team members by the team supervisor and cover any regulations that pertain directly to team members duties.

New Regulations: All new regulations shall be implemented on the exact date they become effective. Training and testing of new regulatory measures shall take place before the effective date in order to ensure that all team members attain a complete understanding of such measures and can fully and accurately implement new regulations on the effective date.

Training Record: Facility management is responsible for maintaining a training record for each area team member. Such record will include, at a minimum, documentation of all required training, including:

POS System BioTrackTHC: Hawaiian Ethos has partnered with BioTrackTHC, a leading industry seed-to-sale Medical Marijuana Point of Sale software. BioTrackTHC is designed to not only offer a turn-key POS software system to meet state regulations, but to actually enhance and streamline every aspect of Hawaiian Ethos. Not only willPlease refer to Section Two addenda for a comprehensive BioTrackTHC user guide. 

SAFETY AND SECURITY:

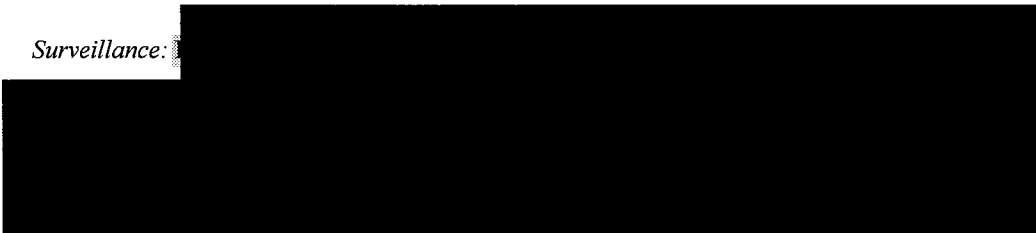


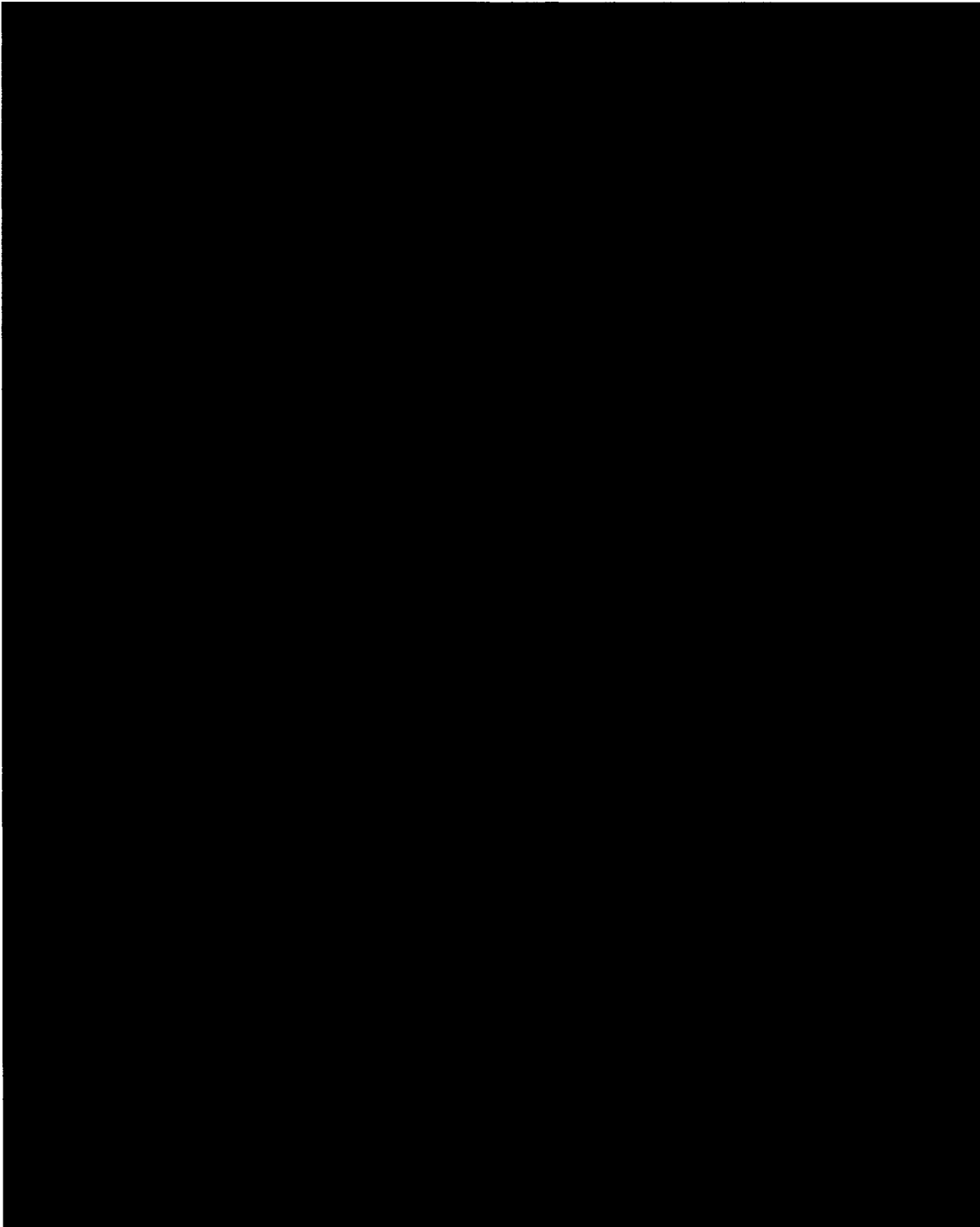
Hawaiian Ethos and La'au Pono are collaborating to build a brand new, state of the art, cultivation facility to exact specifications. This gives us the advantage of engineering the building type and layout to maximize security.

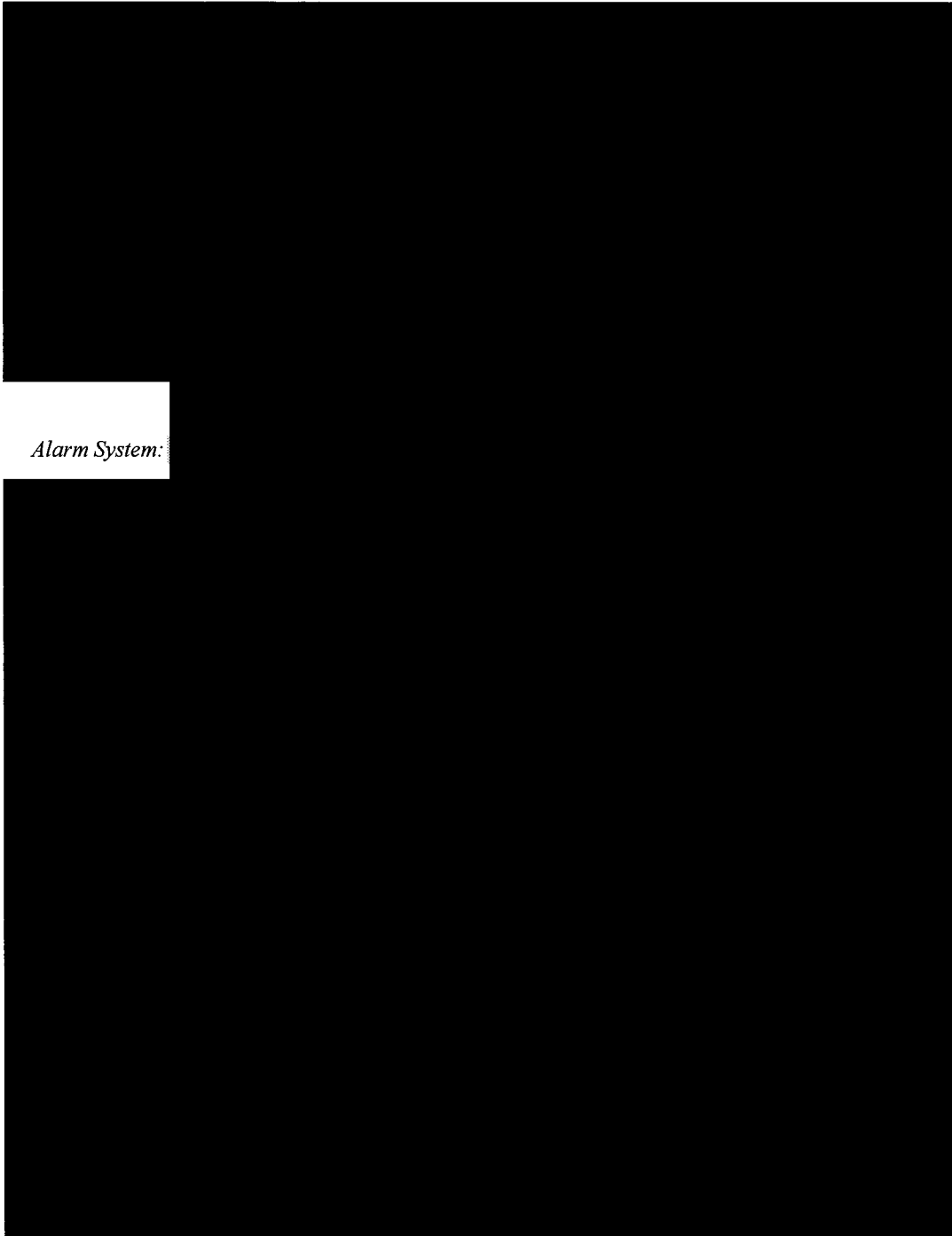


(See security overlay of facility floor plan)

Surveillance:







Alarm System:



SECURITY INSPECTIONS

Hawaiian Ethos wishes to maintain a work environment that is free of illegal drugs, alcohol, firearms, explosives, or other improper materials. To this end, Hawaiian Ethos prohibits the possession, transfer, sale, or use of such materials on its premises. Hawaiian Ethos requires the cooperation of all employees in administering this policy.

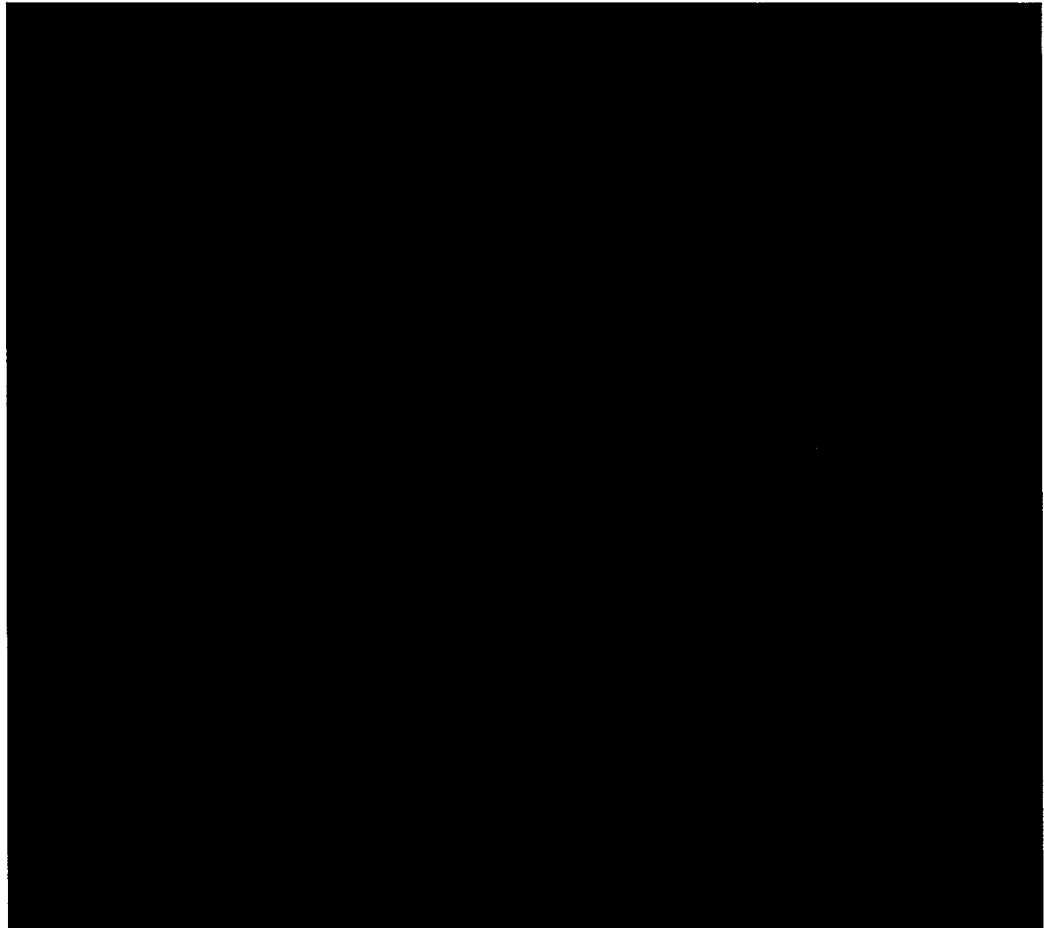
Desks, lockers, and other storage devices may be provided for the convenience of employees but remain the sole property of Hawaiian Ethos. Accordingly, they, as well as any articles found within them, can be inspected by any agent or representative of Hawaiian Ethos at any time, either with or without prior notice.

Hawaiian Ethos likewise wishes to discourage theft or unauthorized possession of the property of Hawaiian Ethos, employees, visitors and patients. To facilitate enforcement of this policy, employees, or its representative may inspect not only desks and lockers but also persons entering and/or leaving the premises and any packages or other belongings. Any employee who wishes to

avoid inspection of any articles or materials should not bring such items onto employees, premises.

Hawaiian Ethos has comprehensive security protocols in place to limit risk to its operations and ensure the safety of its employees, customers, and facilities.

- In the event the dispensary facility experiences a security system breach or failure, facility management will secure the facility and immediately suspended all operations and the following measures will be followed:





- o Resumption of Operations
 - Once the failure or breach has been addressed and the IMT is satisfied that required security systems are fully operational, the facility can resume operations
- o After Action Reports (AAR)
 - Within 72 hours of the resumption of operations, an after action report will be completed identifying the causes of the failure or breaches and corrective measures put in place to mitigate future failures or breaches
- o Notifications to the Hawaii Department of Health:

- Hawaiian Ethos will notify the Hawaii Department of Health that there was a breach or failure and protocols followed to ensure the security and safety of the facilities and mitigation strategies

Training Manuals: Training manuals will be left on site and will not be available to bring home as a measure of Security. Manuals will be studied prior to any actual operation during the employees first few days on the job.

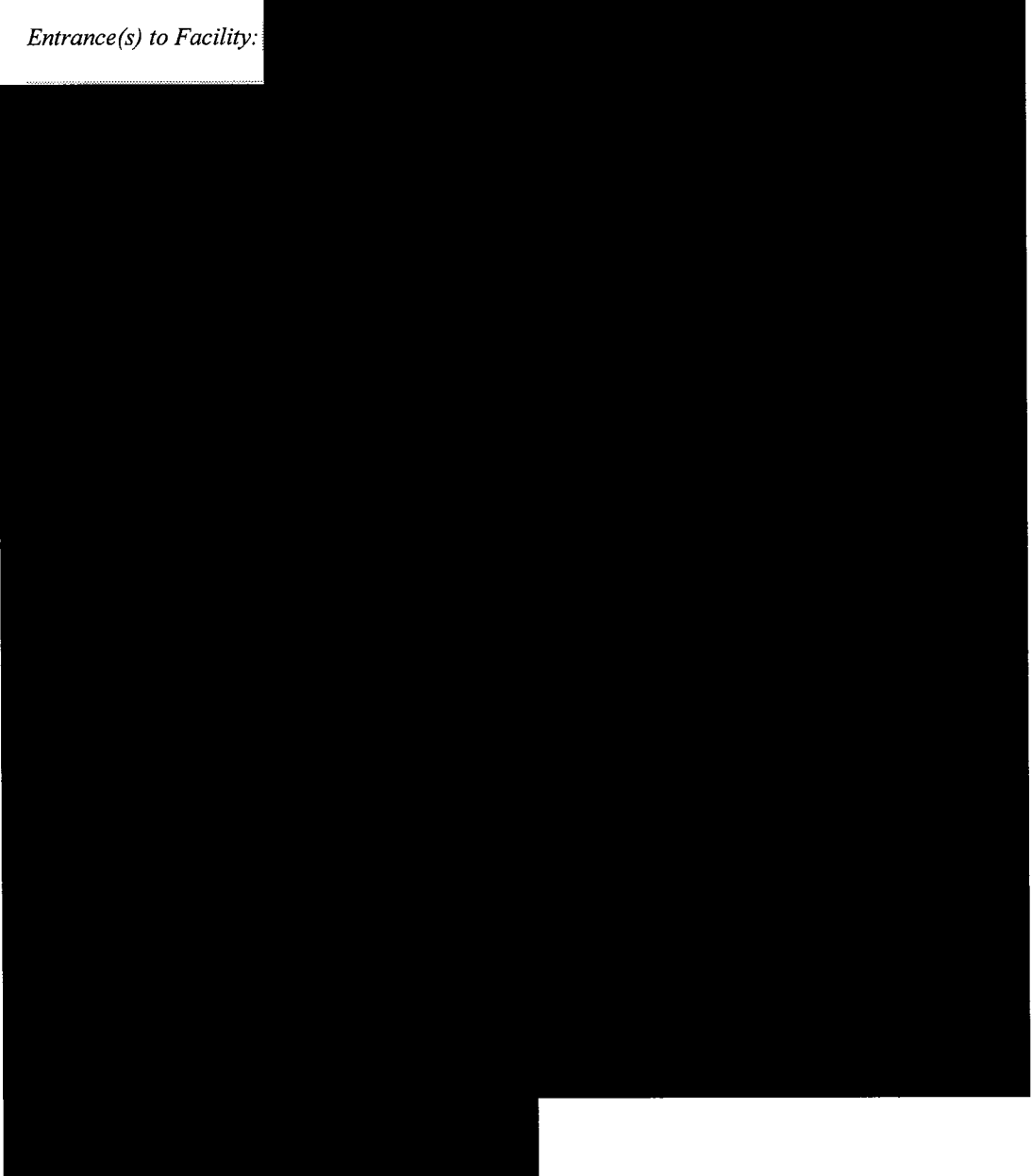
Cultivation Facility Layout and Access by Personnel/Department: The Cultivation Facility is designed in such a way that employees access is limited to the area of their work duties for the day. This will, in turn lower the security risk of unnecessary visitation into the facility. Often-times employees of La'au Pono will have multiple responsibilities that may require them to enter several different locations throughout the facility. However, these employees will only have access by way of managers and security. Therefore team members will have to check into each room with a manager or a security guard, in order to verify their purpose in the particular area of the the cultivation site. (See Appendix ###-### Cultivation Blue Print)

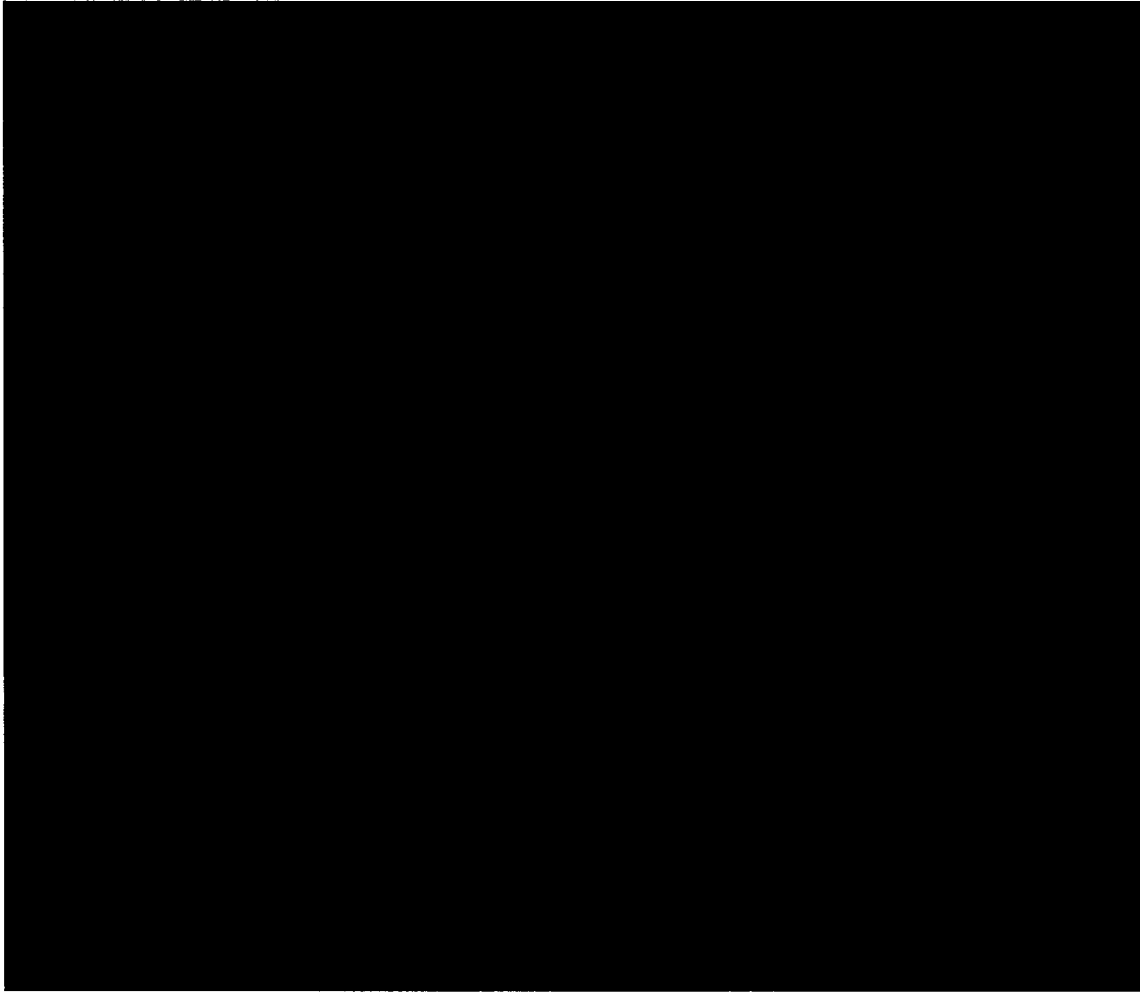
The four major zones within

There is also the common area in which employees can utilize as the general break room. This room is equipped with a full kitchen, washer/dryer for employee uniforms, lockers and a full bathroom with shower. The break room will also be

attached to the first room that all employees will enter when entering the facility. As mentioned previously, the entrance room will also provide as a buffer between outside contaminants.

Entrance(s) to Facility:

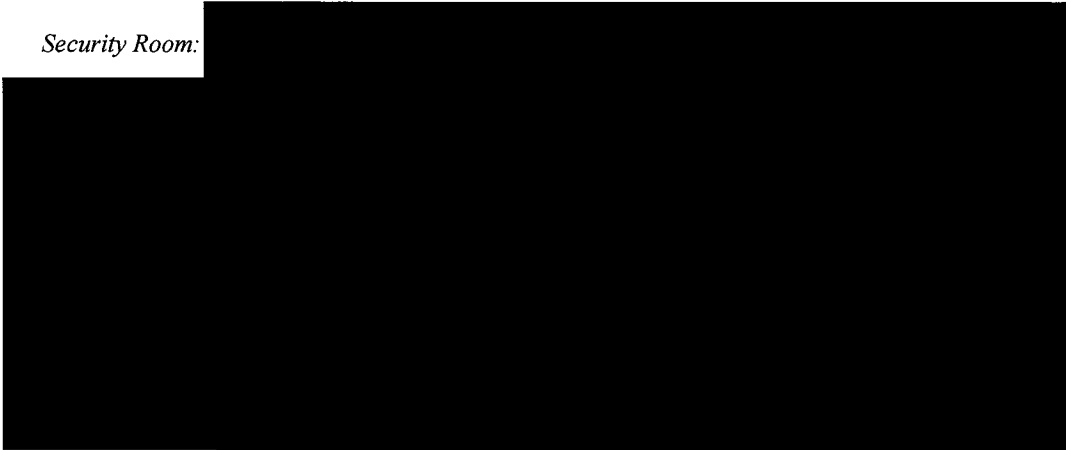





Locker Rooms/Break Room: The Locker Room and Break Room are for all employees to use during breaks and prior to beginning their work workday. This will be the first and last room entered for all employees when entering the cultivation facility. The Locker Room and Break Room may be accessed by all employees using their identification key cards. Prior to their scheduled work shifts, all employees must change into company uniforms before to leaving the break room. Additionally, employees who are working in the Cultivation Facility or the Laboratory must

shower and change into uniforms prior to entering their designated work rooms. This is mandatory to promote workplace hygiene and cleanliness and to prevent contamination of the facility.


Security Room:

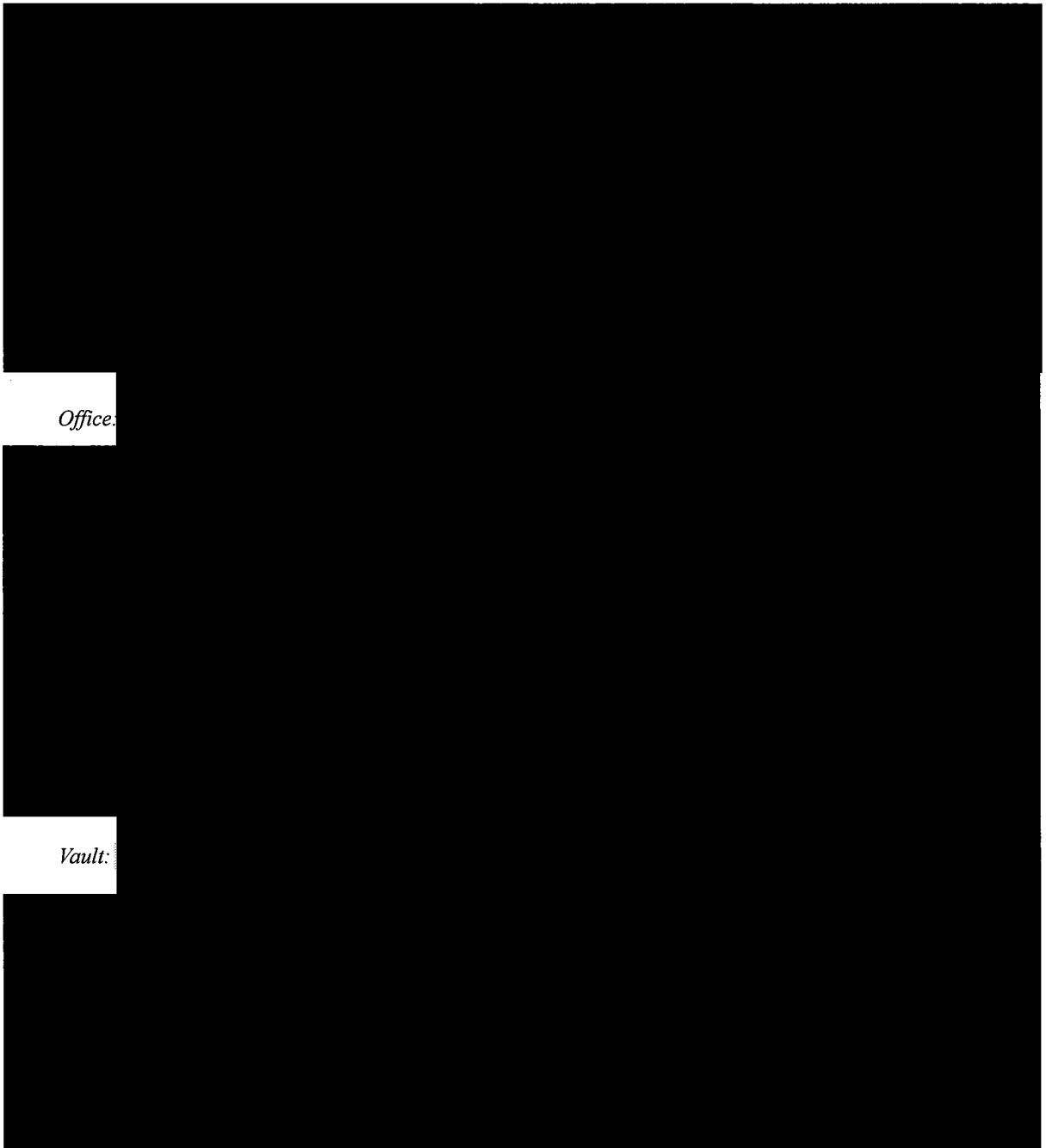


Trimming Room:

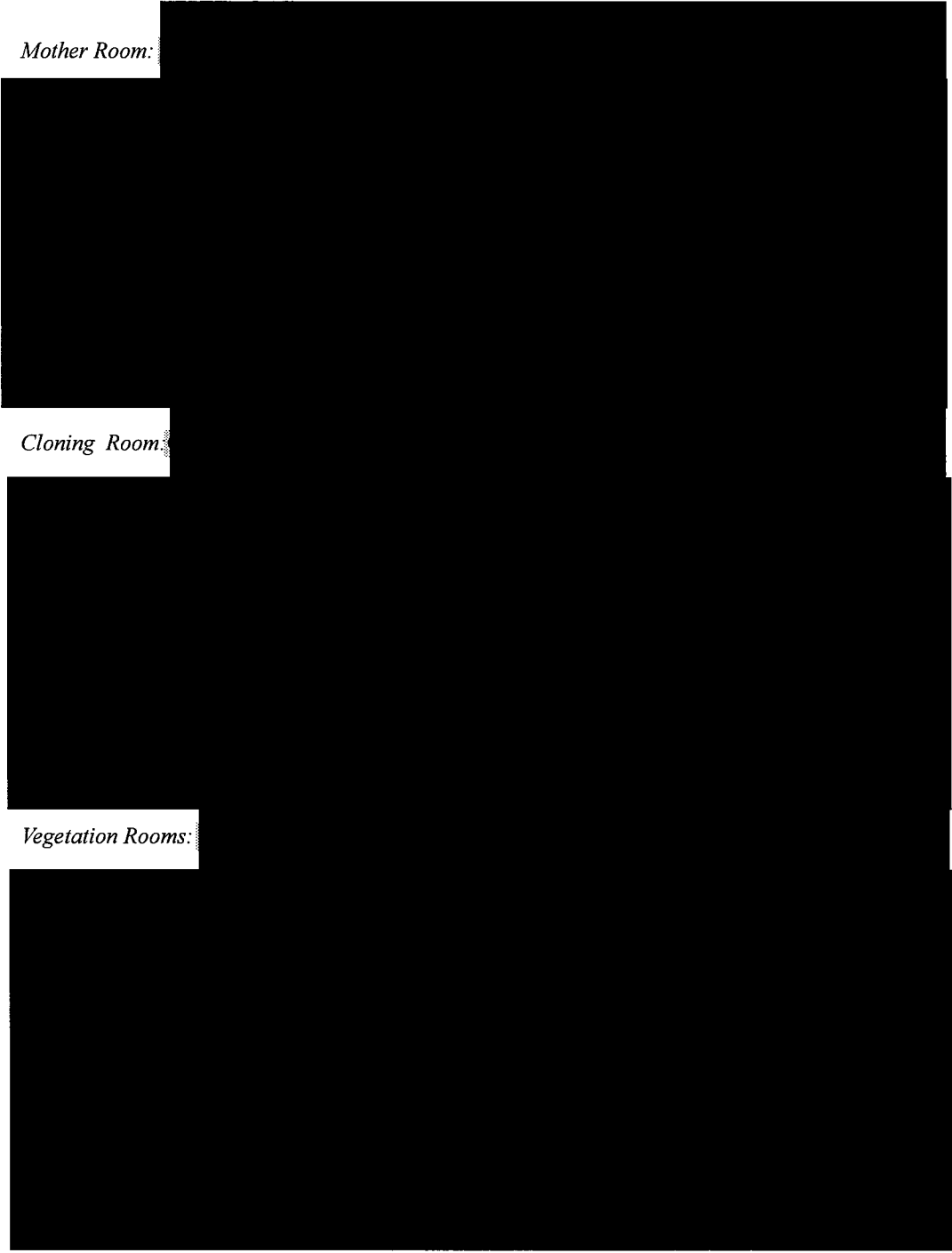


Laboratory:





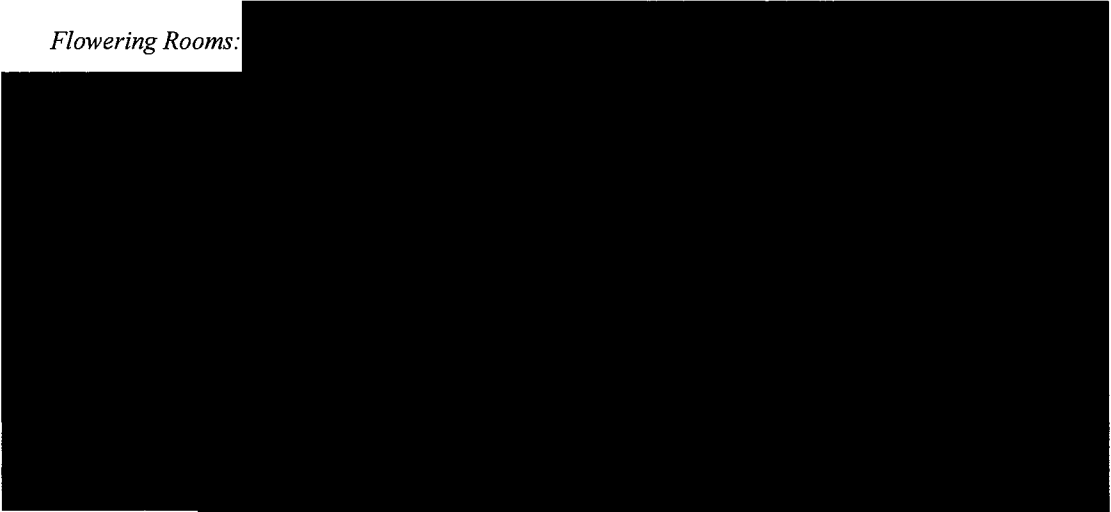
Mother Room:



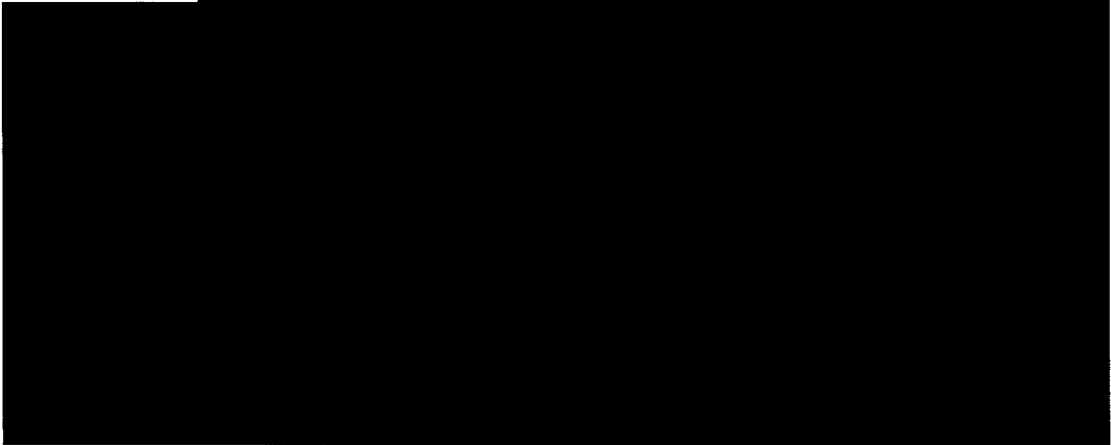
Cloning Room:

Vegetation Rooms:

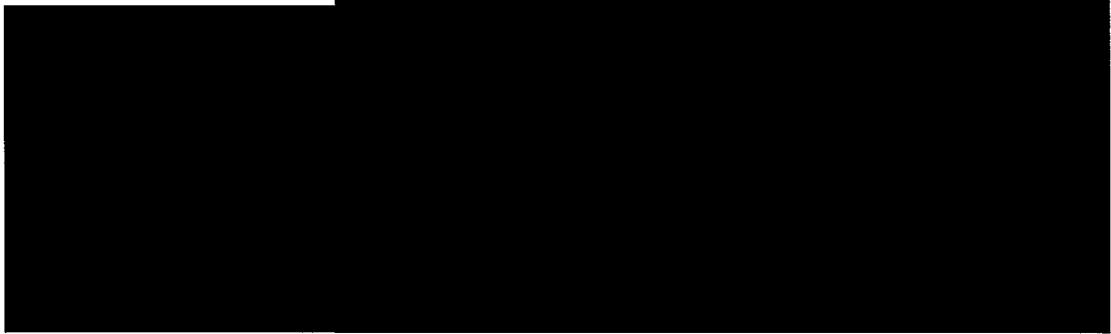
Flowering Rooms:



Drying Room:



Packaging/Refining Room:






EXPECTED RESOURCE USAGE

Environmental Conditions: The air conditions of each room at La'au Pono will be tested and monitored constantly to assure optimal conditions for both cultivation and manufacturing. Air temperature, Relative Humidity (RH) and CO2 levels all have a significant impact on the quality of medical marijuana cultivation. Therefore, each room will be designed as a sealed room with a slight reverse air flow. Reverse airflow allows minimal air to be exchanged between each room at all times. The fundamental benefits to reducing the air flow are that in doing so, we are lowering CO2 usage, and reducing the amount of air necessary to run through HEPA filters in each individual cultivation room. In the event of any malfunction, generating a reverse air flow allows for any small cracks or leaks in the system to push air out, to ensure disease and pest prevention.

Cleanliness: Cleanliness and sanitation are of the utmost importance. All employees, upon arrival to work will enter the locker room where they will shower, and change into a clean uniform.

La'au Pono's cultivation facility is designed to prevent all pests and disease infestations by enforcing healthful practices throughout the cultivation site. La'au Pono employees will use sanitation mats set strategically at the entrance of the building as well as moving to and from designated grow areas, processing areas and/or manufacturing areas. All employees must also utilize sanitation stations prior to returning to their work from breaks, including restroom breaks.

Lighting: Throughout the cultivation site, La'au Pono will ensure the consistent use of Light Emitting Diode (LED) lighting as it been proven to grow healthier more robust cannabis than conventional HPS, fluorescent or Metal Halide Lighting. Not only are growth yields more abundant, LED lighting also promotes our environmental impact for energy efficiency. Vegetative rooms will be equipped with 390 watt LED lights and flowering rooms will be equipped with 600 watt LED lights. LED lighting will be used for cultivation throughout the entire cultivation process.



Temperature: Climate is the most important dominating factor influencing the suitability of a crop to a particular region. Therefore, it is imperative that room temperatures are thoroughly and consistently monitored, as the growth of medicinal marijuana is highly dependent on the level temperatures. Room temperature for all vegetation, flowering, propagation and the mother room will be maintained at a high of 80F and a low of 68F. Work areas including, the trimming room, the lab, locker rooms, packaging room, refining room, security room and offices will all remain at a temperature between 70-75F. Drying and Vault rooms will be held at a temperature of 68F. It is imperative that temperatures are steady, as the well-being of the plants are dependent on the proper temperatures.

All temperatures will be monitored on a central system, to ensure accurate and punctual readings of individual room temperatures throughout the cultivation site. Temperatures will be checked and logged for all locations every 4 hours. In the event of any inconsistencies in the air circulation system, an alarm system will inform employees on site of temperatures rising above 82F or

dropping below 66F. All employees will be trained and knowledgeable on functionality and operating the temperature system.

Humidity: Relative Humidity (RH) -or the ratio of actual water vapor content to the saturated water vapor content at a given temperature and pressure expressed in percentage (%), directly influences the water relations of plant and indirectly affects the stages of growth. Plant vegetation areas will be held at a Relative Humidity (RH) of 60-80% humidity, while the flowering rooms will be held at a RH of below 45%. Drying and storage rooms will be held at a RH of less than 40%. All other work areas will be held at a RH of below 60%. Individual rooms will have their own dehumidifiers in order to maintain these RH. The RH will be monitored on a central system, allowing trouble shooting to happen if necessary on a daily bases. RH will be checked for all rooms every 4 hours and logged.

Co2: The benefits of carbon dioxide supplementation on plant growth and production within the greenhouse environment, Carbon Dioxide (CO₂) is an essential component of photosynthesis. When temperatures are increased upwards of 80F, plants can grow as much as 30% faster than 76F. In order for plants to be able to maintain these higher growth rates they need higher levels of CO₂ in the environment. More water and nutrients will also be required, and a machete may be necessary to control the added, sometimes startling extra growth rates possible on most plants by using CO₂ enrichment. CO₂ supplementation will be used to expedite growth, however, this is not necessary in all steps of cultivation. Both the vegetation and flowering rooms we will maintain CO₂ levels of 1000-1500 PPM, where the standard CO₂ levels currently fall at 400

PPM. As mentioned previously, our sealed room approach and minimal air exchange between rooms will not only ensure pest and disease control, but will also maximize CO2 efficiency.

Air Circulation: All growing rooms will have wall-mounted fans to create a large amount of air flow within the canopy of the plants. In addition to the fans circulating air from above, there will be fans at floor level to create airflow on the soil. Multiple levels of airflow will assist in dehydrating the top soil, therefore lowering any chances of mold or unwanted bacterial growth in the topsoil.

Each room within the La'au Pono Cultivation site will also have its own heating and cooling vents to prevent cross contamination via air flow. All air flow entering into the building as well as individual rooms will have High-Efficiency Particulate Arrestance (HEPA) Filters to prevent, fungus, mold, bacteria from entering these rooms. All walls will be sealed between each room in order to maintain the air quality of each individual room.

Odor Control: Each room within the cultivation center will be equipped with its own Charcoal Filter to help neutralize the initial smell within the room. The overall building will have a reverse airflow creating a vacuum on the building which will be ran through numerous charcoal filter spread out amongst the building. The Cultivation facility will contain a three-phase odor reduction system to eliminate odor within and around our production facility. Medical marijuana production is organized into a series of separately sealed zones including but not limited to: vegetative, flowering, trimming, curing, storage, processing, infused products, and hallways connecting rooms. Within each zone, a predetermined number of activated carbon filters will circulate

and scrub the air at a flow rate calculated to filter all the air in the room every 15 minutes. Each zone will maintain neutral air pressure created by exhausting the air through one point at the same rate fresh air enters the zone. The exhaust from each zone is filtered a second time through an activated carbon filter before entering a sealed ducting system to be transferred to a common air bank. Before exiting the building through a stack system, all exhaust is filtered a third time through a series of activated carbon filtration screens thoroughly reducing odor emission rates.

Drainage: PVC tables will be built into each vegetation room. The function of PVC tables will be to collect water for functionality as well as a comprehensive drainage system. All plant pots will sit within all these tables to allow for proper drainage. These PVC tables will then drain out of each room that will connect to floor drains that will be placed strategically throughout the La'au Pono Cultivation Facility.

Water Usage: Based on the expertise of La'au Pono's Agronomist Bob Schaffer and our cultivation manager Kristopher Jacobson, we have calculated the average amount of water usage to produce 1 pound of medical marijuana. Environmental Conditions within all areas of the facility used to produce medical marijuana and marijuana manufactured products shall be strictly monitored and controlled in order to provide the proper atmospheric conditions to support the growth and health of medical marijuana plants.

Water supply shall be purchased directly from state and city water supplies ensuring adequate supply for operations and regulated quality of water. All operations in the receiving, inspecting, transporting, segregating, preparing, producing, packaging and storing of medical marijuana and marijuana manufactured products shall be conducted in accordance with all sanitation and cleanliness protocols. Given the cultivation methods and indoor growing techniques will use an estimated 75 gallons throughout its life span. The average amount of medical marijuana produced through La'au Pono Cultivation site will be 2,000 pounds per year leading to our estimated water consumption of 150,000 gallons annually.

Power

Power consumption for the Cultivation Site is estimated at the following levels

All power is estimated at 220V		Estimated Year KWH
Lighting for cultivation area	1,400 Amps	2M
Receptacles for cultivation	200 Amps	285K
Lighting for manufacturing area	100 Amps	143K
Receptacles for manufacturing area	200 Amps	285K
HVAC for entire building	1,400 Amps	1M

Please see pages “##-##” for lighting design.

SOIL COMPOSITION

Microbes: Bacteria and fungus feed on each other and excrete pure humus into the soil. It is imperative to use at a minimum of 15-20% soil in planting mediums in order to provide a solid

foundation for beneficial bacteria and fungal growth. These beneficial organisms provide all the aspects needed within the growing substrate to ensure plants reach MGP. The cultivation facility manager and each respective zone manager shall manage the application of organic soil composts and teas.

Humus: Nature's perfect plant food, humus has all necessary macro and micronutrients to support vigorous root growth and a healthy plant life cycle. The soil component of all media should contain a good source of humus. Each zone manager shall utilize humus soil within the growing media.

Worm Casting: Made up from the excretions of the earthworm, worm castings are a great amendment for both the porosity of the media and the microbial life within the media. Each zone manager shall utilize worm castings in all transplant media and in the creation of compost teas to be fed throughout the plant's life cycle.

Coco Coir: Coco coir with a top drip-feeding system is the recommended replacement for hydroponic gardening as it solves every problem associated with hydroponics and can achieve similar results. Hybrid system utilizes coco coir as a component while still utilizing an organic base for additional terpene profile and overall plant vigor and health. These semi-soil strategies may be deployed on an as needed basis.

Aeration/Porosity Components of Soil: The following components of growing media will provide aeration and porosity thus allowing drainage, oxygenation, and microbial growth resulting in a healthy root zone and robust plant:

- Perlite
- Worm castings

Moisture/Water Holding Capacity: A good growing medium will have ample water holding capacity and still be porous enough to allow excess water to drain away. In cannabis gardening, coconut coir is a perfect inert substrate that will hold water. It is imperative to strive towards the perfect balance between water holding capacity and drainage by utilizing a mix of absorbent substrates and porous substrates.

Moisture Water Holding Components of Soil Blends: The following components will provide water-holding capacity and should be used in balance with porous additions to maintain the proper moisture/oxygen/nutrient balance within the root zone:

- Coco Coir
- Humus soil
- Potting soil

Tools for Soil Composition : Mixing tub, Flathead shovel, 2 and 5 gallon measuring buckets.

Ingredients for Nutrient Rich: Fox Farm (Potting , Ocean Forest, Perlite, Coco Coir, Hummus Soil, Worm Casting, Spirulina and other amendments.

Ratio: 50% Soil, 20% Coco Coir, 20% Perlite, 5% Worm Casting, 5% Humus Soil, .1% spirulina.

Directions: Starting with the lightest materials, measure and add Perlite. Measure and add Coco Coir. Measure and add Worm casting. Measure and add Humus Soil. Measure and add Spirulina. Measure and add soil. Mix all ingredients together until mixed in evenly.

Compost Tea: Compost tea is a good overall plant health booster. Remember—healthy plants are better able to resist pests and diseases. Compost tea is liquid extract of compost that contains plant growth compounds and beneficial microorganisms. Liquid extracts have been used for hundreds of years in agriculture to promote plant and soil health. These extracts have historically been derived from a wide range of plant materials and animal manures, using a variety of processing methods. Aerated Compost Tea is a more recent concept that incorporates aeration technology to create optimum levels of oxygen for growth and reproduction of beneficial aerobic microorganisms.

- Measure out amendments based on cultivation phase
- Put amendments into tea bag and hang in water
- Add molasses, turn on water circulation and air pumps
- Let brew for 24 hours
- Check ppm and either use for watering or add molasses and continue brewing.
- Mix tea at a rate of 3:1 with fresh water in irrigation tank

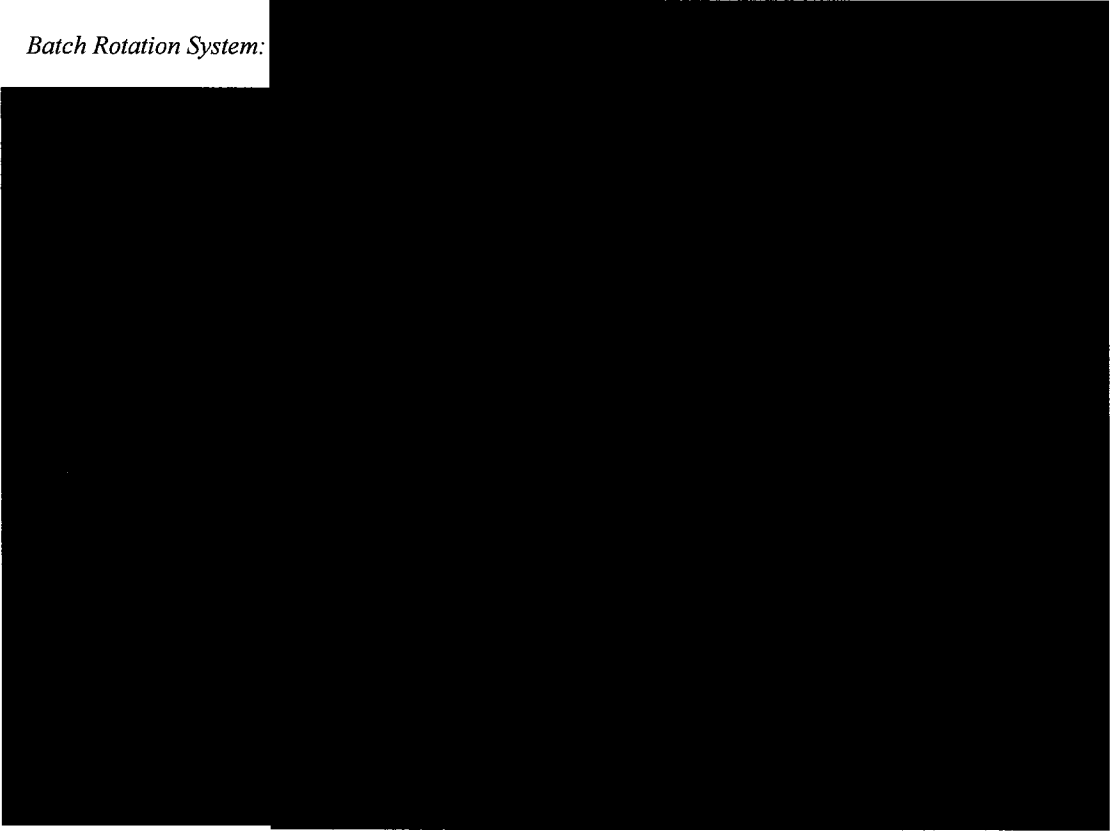
Organic Nutrients: Organic bottled nutrients: 100% OMRI certified bottled nutrients will be

used from time to time to increase a specific nutrient if any signs of a deficiency shall show.

CULTIVATION METHODS

Medical Marijuana Life Span: The following steps will be taken to ensure the quality of the medical marijuana, including purity and consistency of dose and the presence of potential contaminants. This includes standard operating procedures, a description of the testing process and frequency, and plans to engage with a lab to conduct the testing. The following processes also include seed to sale tracking to ensure all medical marijuana and medical marijuana products are constantly secured throughout the life cycle.

Batch Rotation System:



Mothers: A Mother plant is of female plant that is coveted. The Mother is kept under a 24 hour lighting system and used for taking clippings (Clones). By using a mother plant, the cultivator can assure that the quality will be consistent through out all of the plants, as they will all share the same DNA. Mothers shall be tended to as follows:

- Mother plants shall be watered with a well-balanced nutrient formula that is high in nitrogen.
- The mother plant shall be sufficient in size prior to cloning.
- Super cropping and topping techniques shall be followed to increase the number of cloning sites on each mother plant.

We will have 5 mother plants for each variety assuring that there will always be a healthy supply of clippings. These 5 mother will have come from clipping of one mother plant to start with, that has been verified to be the actual genetics which it is called through THC, CBD and terpene testing.

Cloning: In order to achieve a high success ratio between clones clipped from a mother plant and the amount of rooted clones, La'au Pono emphasizes thorough cleanliness in every step of the process. All cloning will be conducted and/or supervised by cultivation manager.

Clones will be taken from mother for a specific flowering room the day after the room is done being harvested. This will allow us to have a cycle that always keeps our plant numbers within

the allowable limits. Clones will be taken from the mothers at no more the ½ of the available clipping sites to assure healthy robust mothers.

Materials: New razor blades, rubbing alcohol, distilled water, plastic gloves, cloning gel, rapid rooter plugs, tray for plugs, cutting board, scissors.

Cloning Medium: We typically have a success rate of 90% or higher when we use rapid rooter cubes. This will be the method we use for Hawaiian Ethos.

Procedure for taking Clones:

- The cultivation manager will identify which mothers to be cloned from based on the harvested variety from the day before.
- All tools and equipment must be sterilized and the growing assistant and manager must put on a new uniform as well as wear new gloves.
- Fill clean glass beaker with distilled water
- Use a sterilized set of scissors to poke holes into rapid rooter cubes.
- Place cutting board on stainless steel worktable with a pile of new razor blades.
- Select clipping from mother plant 3-4 inches long and cut with scissors.
- Immediately place into distilled water
- Cut about 20 clippings and place in water allowing to soak
- Carefully re cut the bottom of the clipping while still under water
- Remove clipping and dip into rooting hormone

- Gently slide the clipping into one of the pre poked holes in the rapid rooter plug
- Place the clone into the Rapid Rooter cloning tray
- Once the tray is full, relocate under LED lighting
- Maintain temperature of 80F and humidity of 80%
- After 12 days remove all weak cuttings. At this stage enter all removed clippings into the tracking system as destroyed.
- As soon as a clipping is removed from the mother plant it will be entered into the tracking system and assigned an RFID number.

Watering Clones: Clones must be checked daily to assure that there is a small amount of water in the bottom of the tray. This water is used to maintain moisture in the cubes as well keep humidity at 80%.

Transplanting Clones: Once the clones are fully rooted (10-14 days) they will be transplanted into 4 in square pots filled with a blend of 50% soil 50% perlite. At this stage we will choose the healthiest 90% of the clones and dispose of the remaining ones. They will be logged in the RFID system as either transplanted or destroyed.

Early Vegetative Phase 1 (P1): At this stage, the plants will be moved to the Vegetation Room where they will be placed under LED lighting. Plants will remain in this stage for 3-4 weeks. They will be watered when needed, on average every 1-3 days.

Transplant P1: At 3-4 weeks, the P1 plants will be transplanted from their 4 inch pots into 2 gallon pots. Only the healthiest 95% will be up-potted and the rest will be destroyed. This will be recorded and tracked with the RFID.

Watering Transplants: Post transplanting, plants require special attention in watering to ensure proper root development. The vegetative manager shall ensure all new transplants are given water and nutrients by the following process:

- Prepare vegetative nutrient solution.
- Water plant's current root zone.
- Wait until nearly dry, water entire container.

Late Vegetation: Late Vegetation P2 (Phase 2) Plants will be moved into one of the 8 vegetation chambers where they will be placed under LED lighting. This stage will require watering with compost tea every 1-3 days when needed. Plants will stay in P2 for about 4 weeks. During this stage the plants will be topped so that they begin to bush out creating more than one top shoot for each plant, allowing each plant to cover a larger surface area.

Transplant P2: After about 4 weeks in the P2 phase the plants will be ready to go into their final room. The day that they are transplanted into the flowering room will reflect when that flowering room is harvested. P2 plants will be up-potted into 15 gallon pots entering them into P3.

Flowering: Phase 3 flowering room (P3): The flowering room is where the plants will begin to receive only 12 hours of light followed by an uninterrupted 12 hour dark period. Plants will be in the flowering room and repeat this cycle for up to 10 weeks. Some varieties of cannabis only require 8 weeks such as blue dream, while others some as any as 10 weeks such as sour diesel to fully develop to maturity. Upon entering the flowering room we will hang horizontal netting across the entire canopy. After 3 weeks of flowering, cultivators will hang another horizontal net parallel to this one about 4-18 inches higher. These nets will help support the weight of the flowers in later development and prevent them from becoming top heavy and potentially following over. At 3 weeks of flowering we will prune all underbrush from the plants. Underbrush is any leaf or branch that is not in direct contact with the lighting. This is a measure for disease and pest prevention as well as allowing the plant to focus their energy on the more productive parts of the plant.

Flushing: During the flushing phase the flowering zone manager shall stop giving plants all nutrients and instead seek to purge all remaining nutrients from the substrate by forcing fresh water through the plant's root system. The following process shall be used through each flowering zone to prepare plants for harvest and ensure the highest quality finished product.

Materials for Flushing Finished Plants: Two gallons of living water for every gallon of substrate within each zone.

- Determine the plants to be flushed a minimum of 14 days prior to harvest.
- Water each plant at its normal watering schedule with an abundance of fresh water.

- Sufficient run-off should be attained during each flushing session in order to strip away all remaining sugars and salts.

Harvesting: Once the trichomes (or small are 30-40% amber color we will schedule a harvest date. In order to protect the quality of the final medicine we prefer dry trimming the medical marijuana. When harvesting begins we will be removing all major fan leaves from the plant and breaking them down into manageable size branches about 10-30 inches long.


Drying: The drying process consists of slowly removing the majority of moisture from finished medical marijuana in a manner that preserves and increases the efficacy of each batch. The harvested medical marijuana has moisture content of approximately 80% and in the drying process, the goal is to reduce moisture to 15%. Drying and curing of product will take place in these rooms, all of which will contain a shelving system and a hanging system for drying product. Product to dry will be hung in one of our 4 drying rooms. They will dry for 6-9 days prior to being brought into the trimming room. The curing and storage area shall contain a shelving system where storage vessels containing nearly finished and finished product will be cured and then stored in a secured fashion while awaiting test results.

Batch Segregation: The processing manager will ensure each batch remains segregated to avoid cross contamination and in order to maintain strict inventory control. Each batch will be clearly labeled and tagged with RFID and its exact location will be clearly defined and tracked at all times.

Traceability: BioTrackTHC™ provides effective cutting-edge technology solutions for the emerging legal medical marijuana industry that (1) prevents product theft; (2) assists business owners with running their cultivating, packaging, and retail operations more profitably and to better comply with the law; (3) all without leaving sensitive business and consumer data vulnerable in the cloud. Specifically, BioTrackTHC™ is the industry's only true seed--to--sale software system with enterprise resource planning, complete inventory tracking, point -of -sale, marketing, financial reporting and regulatory compliance features. Because it is a server based system with advanced security features, patients can rest assured that no one, not even the BioTrack-THC™ team can access their business or consumer information without their permission. Please see the BioTrackTHC attachment to this section for more information.

Prior to being milled and off-gassed, all products will be quarantined until initial test results come back from our internal laboratory. All samples to be tested will be randomly selected by a laboratory personnel. Once the test result come back, all medical marijuana that does not meet qualifications for further processing shall be quarantined and destroyed in accordance with the process for medical marijuana waste. All medical cannabis that passes initial testing shall be further refined. La'au Pono will conduct in-house sample testing as well as third-party sample testing:

- *Sprouted seed and clones:* Receive RFID batch number and tag, tracking begins
- *Transfer to V2:* RFID scanned, location changed, data recorded and transferred
- *Transfer to V3:* RFID scanned, location changed, data recorded and transferred

- *Transfer to designated Flowering Room:* RFID scanned, location changed, data recorded and transferred
- *Harvest:* RFID scanned, weight recorded, location changed, data recorded and transferred
- *Trimmed:* RFID scanned, weight recorded, location changed, data recorded and transferred
- *Drying:* RFID scanned, weight recorded, location changed, data recorded and transferred
- *Curing, Pre-testing:* Secured/lock down for testing results, RFID scanned, weight recorded, location changed, and data recorded and transferred
- *Curing, Post-testing:* If approved for release; RFID scanned, weight recorded, location changed, data recorded and transferred
- *Processing:* Labeled, RFID scanned, weight recorded, location changed, data recorded and transferred to secured safe to await delivery to store location.
- *Delivery:* RFID scanned, weight recorded, location changed, data recorded and transferred to transport vehicle 

Preparing Inventory for Delivery:

Material will be packaged and inventoried at the production facility. In accordance to medical marijuana rules and regulations defined by the Department of Health, prior to transporting materials, Transportation Manifests will be generated on forms prescribed by the DOH.

Orders and Deliveries will be prompted by Purchase Order (PO) made by the Dispensary entity, Hawaiian Ethos. Upon receipt of PO, La'au Pono personnel will compile inventory requested, and create a Transportation Manifest, documenting the entirety of the PO. Orders will be brought from the storage of medical marijuana products, to the secured Vehicle entrance where there will be security cameras and surveillance documenting each step of the inventory and delivery preparation process. Both Manager and Security Guard will inspect and confirm that the PO, inventory, and Transportation Manifest match without any discrepancy. Products will be loaded in delivery vehicles and delivery personnel will strictly adhere to the rules and regulations set forth by the DOH for transporting medicinal products between La'au Pono and Hawaiian Ethos Dispensary.

Transportation: All applicable state and local laws and regulations will be strictly adhered to by all organization team members. The distribution facility manager will be responsible for creating and implementing a process for the transportation of various products to other distribution facilities. ## see Appendix Transportation guide.

Receiving Damaged Inventory: All practices regarding receiving damaged inventory from Hawaiian Ethos will adhere to all rules and regulations set forth by the DOH. Each step from Hawaiian Ethos to site will be closely monitored and recorded and received by the Cultivation Manager and Head Security of the La'au Pono Cultivation Site. Upon the arrival of the transport vehicle, delivery personnel will present a Transportation Manifest created by Dispensary (see appendix ###-### Transportation Manifest), and the receiving party will take inventory, through

BioTrackTHC, of transported materials, indicate the time and date received, take custody of all transported materials and sign off on the completed transport manifest. The manifest will indicate the following:

- Date of disposal;
- Method of disposal; and
- Name and registry identification number of the cultivation personnel responsible for the disposal.
- Inputted into BioTrackTHC as To Be Disposed Inventory.

La'au Pono personnel will then take steps to dispose damaged product in accordance with state and local laws set forth by the DOH.

HAZARDOUS WASTE

There are a variety of safety provisions that regulate the management, storage, and disposal of hazardous waste. La'au Pono complies with all of these regulations to ensure the safety and health of our employees, clients, and customers.

For the purposes of this policy, "hazardous waste" is defined as any substance no longer in use with chemical and/or biological properties that may harm or endanger employees, material, or the environment if handled improperly.

Employees should ensure that as little hazardous waste is generated as possible. When using hazardous material, use sparingly and carefully in accordance with Hawaiian Ethos' chemical use and storage policies.

Employees are not to use plumbing systems to dispose of hazardous waste, regardless of whether or not they are "chemically resistant". Each department containing hazardous chemicals is equipped with appropriate disposal containers, labeled for each type of waste.

Different types of chemicals waste must be segregated in order to avoid unnecessary mixing.

Regular trash containers are not to be used to dispose of such waste.

Questions regarding this policy should be directed to your supervisor.

CHEMICAL STORAGE

Chemical toxins pose a substantial risk to employees in the workplace and may cause injuries or fatalities if handled incorrectly. La'au Pono recognizes this and intends to defend the safety of all our workers by requiring employees to follow the guidelines set forth in this policy.

All chemicals must be stored in original labeled containers or bottles and must be placed only in authorized storage areas. Furthermore, all chemicals must be stored by category and apart from one another to prevent unplanned blending.

For further information on storing chemicals, employees should see the Material Data Safety Sheets (MSDS), which are found in authorized storage areas. In the event a leak of unknown origin is discovered in the storage area, the employee should alert their supervisor as soon as possible to determine severity and whether evacuation is necessary.

Employees of La'au Pono are expected to recognize and identify the risk of carelessness in chemical storage and use preventive measures to assure the health and safety of every staff member.

Material Data Safety Sheet (MSDS): La'au Pono considers employee health and safety to be of utmost importance. As such, in accordance with our Hazard Communication standard, we ensure that all departments containing hazardous chemicals are equipped with Material Safety Data Sheets (MSDS's). An MSDS is a detailed informational document prepared by the manufacturer or importer of a hazardous chemical describing the physical and chemical properties of the material and its potential hazards.

The MSDS includes the following information:

- The identity of the hazardous components of the chemical;
- The health and physical hazards of the chemical;
- Protective measures and equipment to be used if exposed to the chemical;
- Appropriate method(s) of disposal; and
- Manufacturer's contact information.

Questions regarding this policy should be directed to your supervisor.

The La'au Pono employee training plan must consist of the following elements:

- How the hazard communication program is implemented in that workplace, how to read and interpret information on labels and the MSDS, and how employees can obtain and use the available hazard information.

- The hazards of the chemicals in the work area. (The hazards may be discussed by individually chemical or by hazard categories such as flammability.)
- Measures employees can take to protect themselves from the hazards.
- Specific procedures put into effect by the employer to provide protection such as engineering controls, work practices, and the use of personal protective equipment (PPE).
- Methods and observations -- such as visual appearance or smell -- workers can use to detect the presence of a hazardous chemical to which they may be exposed.

The personal safety and health of each employee of this company is of primary importance.

La'au Pono's policy is to maintain a safe and healthy working environment at all times, and to comply with Occupational Safety and Health Administration (OSHA) regulations as well as state and local safety requirements.

WASTE DISPOSAL

All waste, including waste composed of or containing finished medical marijuana, such as infused products and extracts, will be stored, secured, and managed in accordance with applicable state and local statutes, ordinances, and regulations including but not limited to rules set forth in Hawaii Administrative Rules Chapter 11-850-20. The manufacturing facility shall maintain a record of all disposals for a minimum of five years. Facility management will ensure proper training and implementation of destruction and disposal procedures and protocols. Waste disposal systems is professionally installed and maintained in order to ensure proper disposal.

Disposal of Liquid Waste: Liquid waste will be blended with leftover materials pulled from the growing medium such as old roots and then added to the incinerator. Projected annual liquid waste is estimated at less than 10 gallons.

Waste Processing Center: The manufacturing facility will contain a designated waste holding and processing room designed to keep waste secured and segregated from the rest of the manufacturing facility. The entire waste processing center shall be recorded on high definition video and remain locked at all times. The processing center shall contain a shredder/grinding machine, multiple containment vessels, at least two large mixing containers, additional processing medium/substrates, and interior entrance and exterior exit points. The processing center will also contain an installed commercial medical-grade incinerator. The MediBurn incinerator can process (13) cubic feet of material at a time and is a diesel-fueled medical waste incinerator for hospitals and military. The system is environmentally safe, compact, and easy to operate. La'au Pono has confirmed the systems' compliance with local air quality control and EPA standards for emissions, which are kept low through comprehensive air filtration systems.

Preparation of waste shall be contained within the secured processing center in order to prevent any cross-contamination with any cultivation areas or product processing areas, and to avoid any possibility of product diversion.

Disposing of Waste: A minimum of seven days prior to rendering the secured green waste unusable and disposing of said waste, employees of La'au Pono manufacturing Facility team shall utilize the traceability system built into the BioTrackTHC software, to notify the

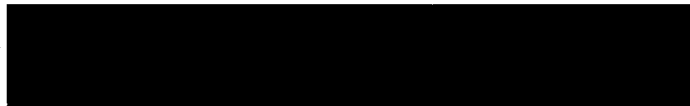
DOH and if needed, local law enforcement, that such product shall be rendered unusable and disposed of. Immediately before the green waste is processed for disposal it shall be re-weighed by the cultivation operations manager and at least one other staff member and all information will be recorded including: weight, time, date, and employee names present; material barcodes will also be scanned and their status updated at this time, as well.

After capturing all pertinent data, logging, and entering into the BioTrackTHC software system, all waste shall be rendered unusable and prepared for disposal. The manufacturing facility operations manager shall oversee the entire waste disposal process and ensure it is done properly and according to operations guidelines including all applicable state and local statutes, ordinances, and regulations including but not limited to Hawaii Administrative Rules Chapter 11-850-20. All waste processing and disposal shall be recorded on video surveillance.

Materials Needed for Processing Waste:

- *Mixed Bio-waste:* Food waste, plant waste, bio-grease or oils.
- *Mixed Manufacturing waste:* Paper, cardboard, plastic waste, and soil.
- *Pre-Processing for Medical Marijuana & Plant Material Waste:* Place medical marijuana in grinder and mulch until all pieces are smaller than .5cm in length. Mix the medical marijuana waste thoroughly with other ground materials so that the resulting mixture is a minimum of 50% non-medical marijuana waste.

All disposal processing at the La'au Pono Cultivation Center will strictly adhere to the to all state and local laws.



SANITATION AND SAFETY PROTOCOL

Importance/Priority: Safety is of the utmost importance when handling all matters of La'au Pono. This includes the safety of our team, the process in which we manufacture our medicinal products, and the medicine that we provide to Hawaii Island Patients. As such, we maintain strict sanitation protocols in order to prevent contamination of employees and/or products. Maintaining a high standard of cleanliness within the Cultivation Facility is mandatory in order to minimize the risk of exposure to contaminants. In addition to our prevention protocols we adhere to strict protocols in the event of a contaminated product and/or personnel. Please see the following for details of our system and process. The Cultivation Facility employees will take all measures ensure the following precautions are met:

- That any person who, by medical examination or supervisory observation, is shown to have, an illness, open lesion: including boils, sores, or infected wounds, or any other abnormal source of microbial contamination. Until these abnormalities have subsided;
- That hand-washing facilities shall be adequate and convenient and be furnished with running water at a suitable temperature. Hand-washing facilities shall be located in the licensed premises and/or in medical marijuana products preparation areas and where good sanitary practices require employees to wash and/or sanitize their hands, and provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices;

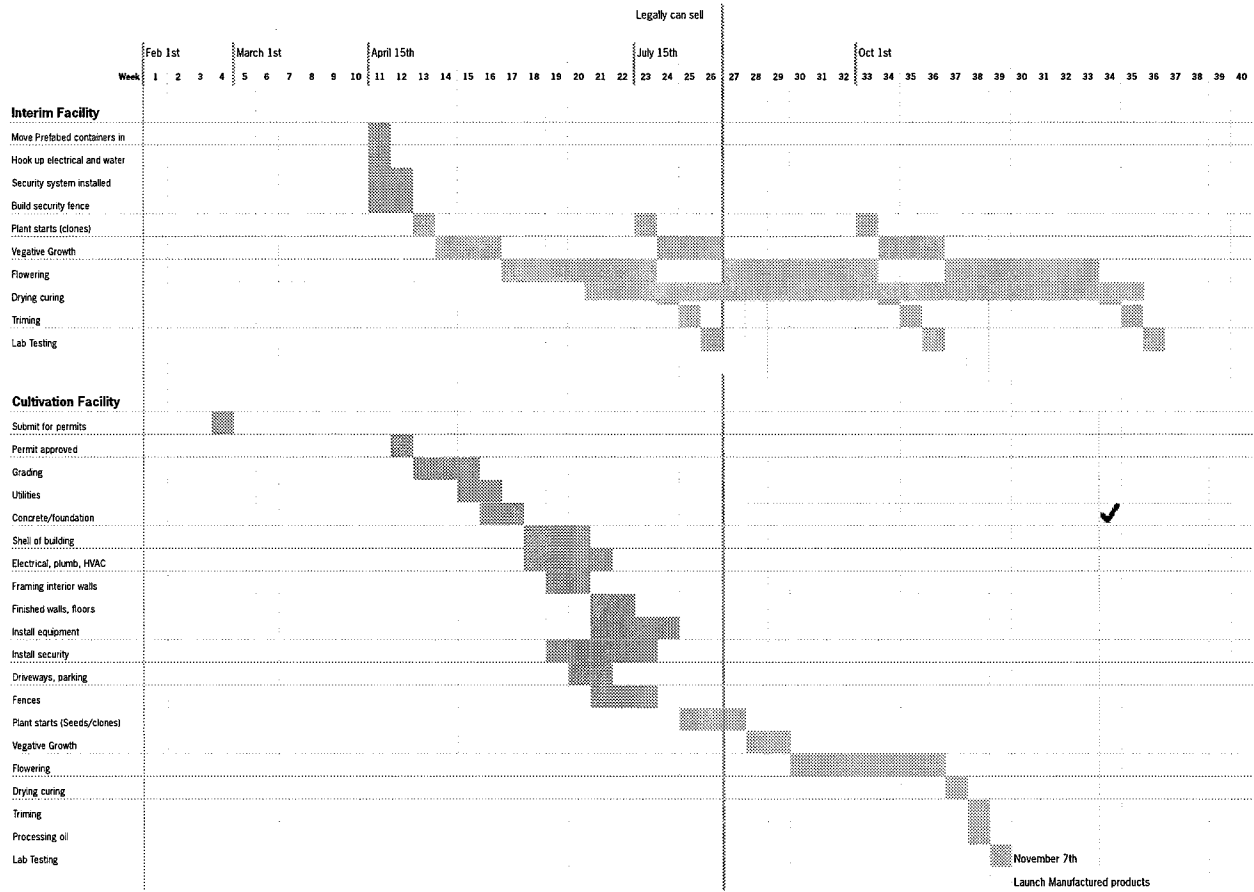
- All operations in the receiving, inspecting, transporting, segregating, preparing, producing, packaging, and storing of medical marijuana shall be conducted in accordance with adequate sanitation principles.
- That all persons working in direct contact with preparation of medical marijuana products shall conform to hygienic practices while on duty, including but not limited to:
 - Maintaining adequate personal cleanliness;
 - Washing hands thoroughly in an adequate hand-washing area(s) before starting work, prior to engaging in the production or contact with any materials, is mandatory without exception of other practices.
 - Having no direct contact with preparation of medical marijuana if the person has or may have an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination, until such condition is corrected.
- Floors, walls and ceilings will be constructed in such a manner that they may be adequately cleaned and kept clean and in good repair.
- There will be adequate lighting in all areas where medical marijuana is stored and where equipment or utensils are cleaned.
- There will be adequate screening or other protection against the entry of pests. Rubbish shall be disposed of so as to minimize the development of odor and minimize the potential for the waste becoming an attractant, harborage or breeding place for pests.

- Toxic cleaning compounds, sanitizing agents, and solvents used in the production of medical marijuana concentrates shall be identified, held and stored in a manner that protects against contamination of medical marijuana, and in a manner that is in accordance with any applicable local, state or local law, rule, regulation or ordinance.
- All contact surfaces, including utensils and equipment used for the preparation of medical marijuana products shall be cleaned and sanitized as frequently as necessary to protect against contamination.
- Plumbing shall be of adequate size and design, and adequately installed and maintained, to carry sufficient quantities of water to the required locations throughout the facility.
- Water supply shall be purchased directly from state and city water supplies ensuring adequate supply for operations and regulated quality of water. All operations in the receiving, inspecting, transporting, segregating, preparing, producing, packaging and storing of medical marijuana and marijuana manufactured products shall be conducted in accordance with all sanitation and cleanliness protocols
- Each manufacturing facility shall provide its employees with adequate and readily accessible toilet facilities that are maintained in sanitary condition and good repair.

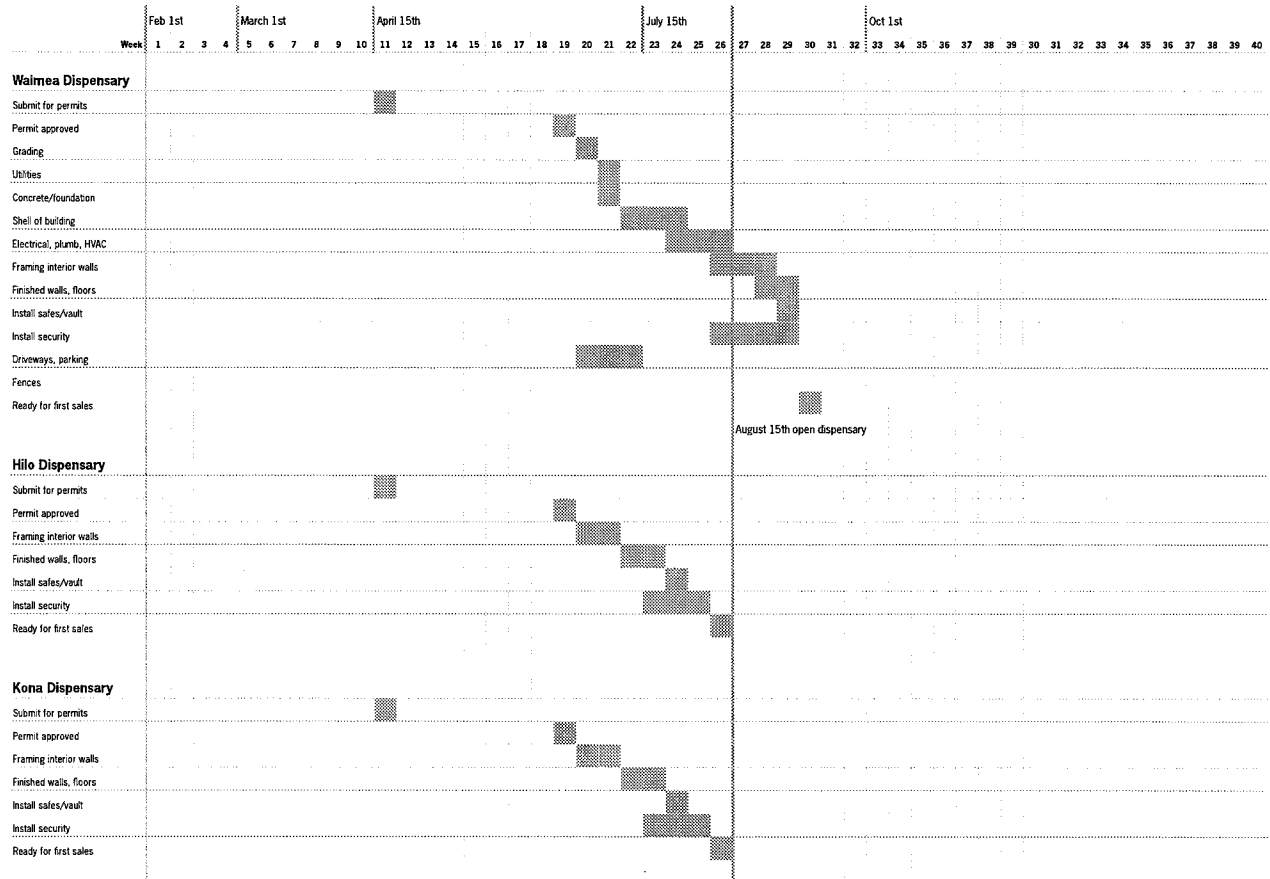
Hawaiian**Ethos**

GANTT Calendar Chart

Hawaiian Ethos Gantt Chart

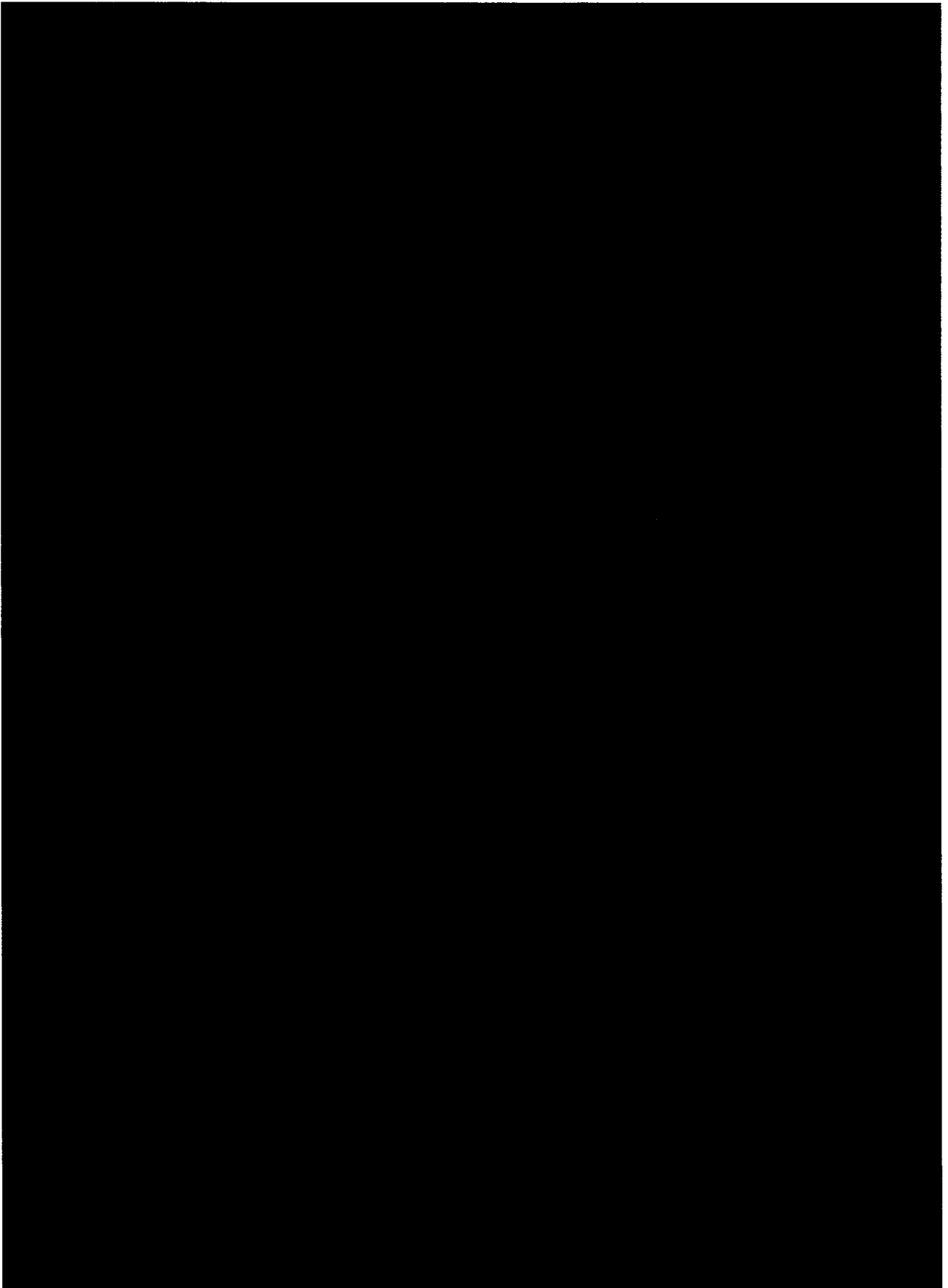


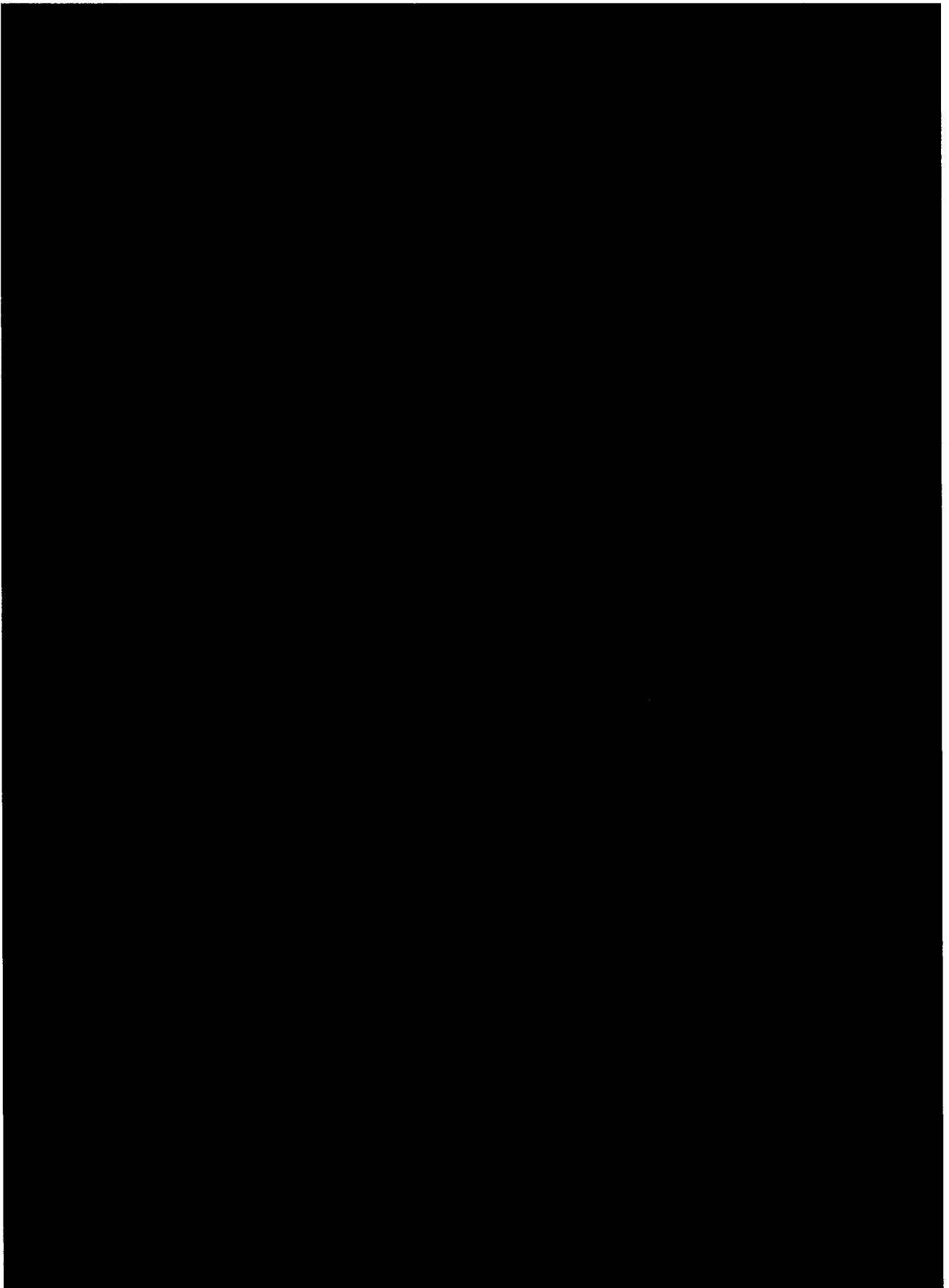
Hawaiian Ethos Gantt Chart

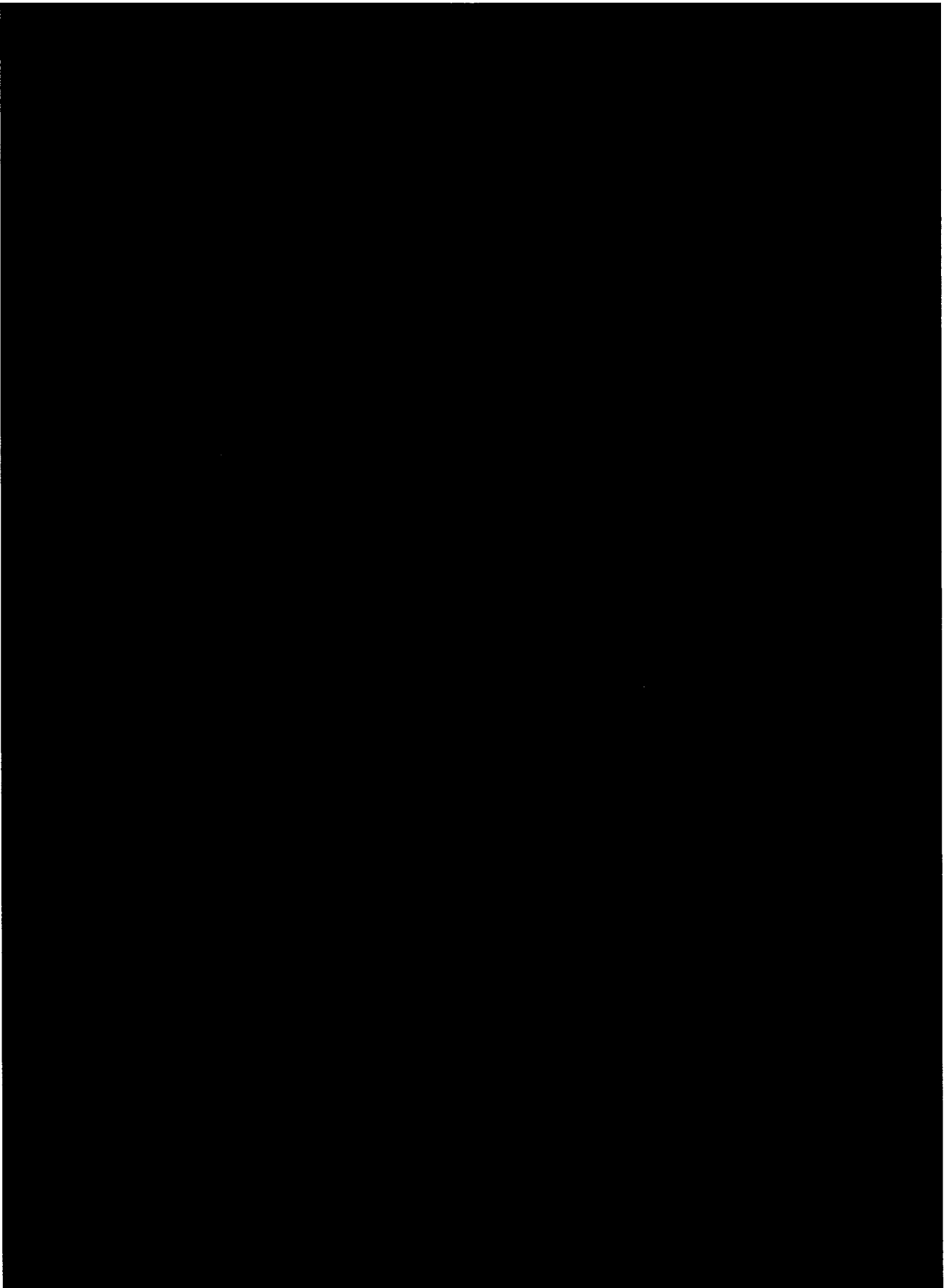


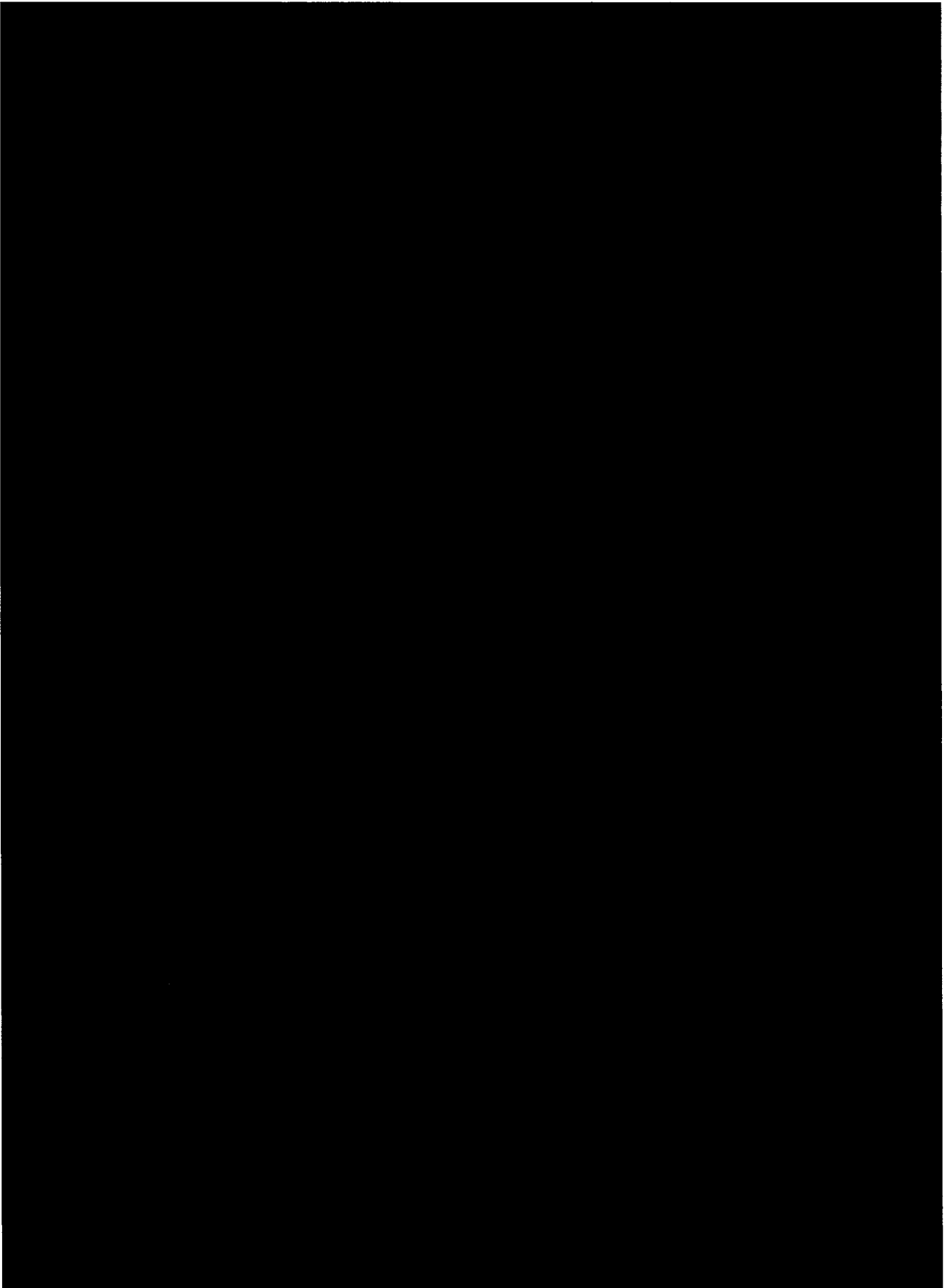
Hawaiian**Ethos**

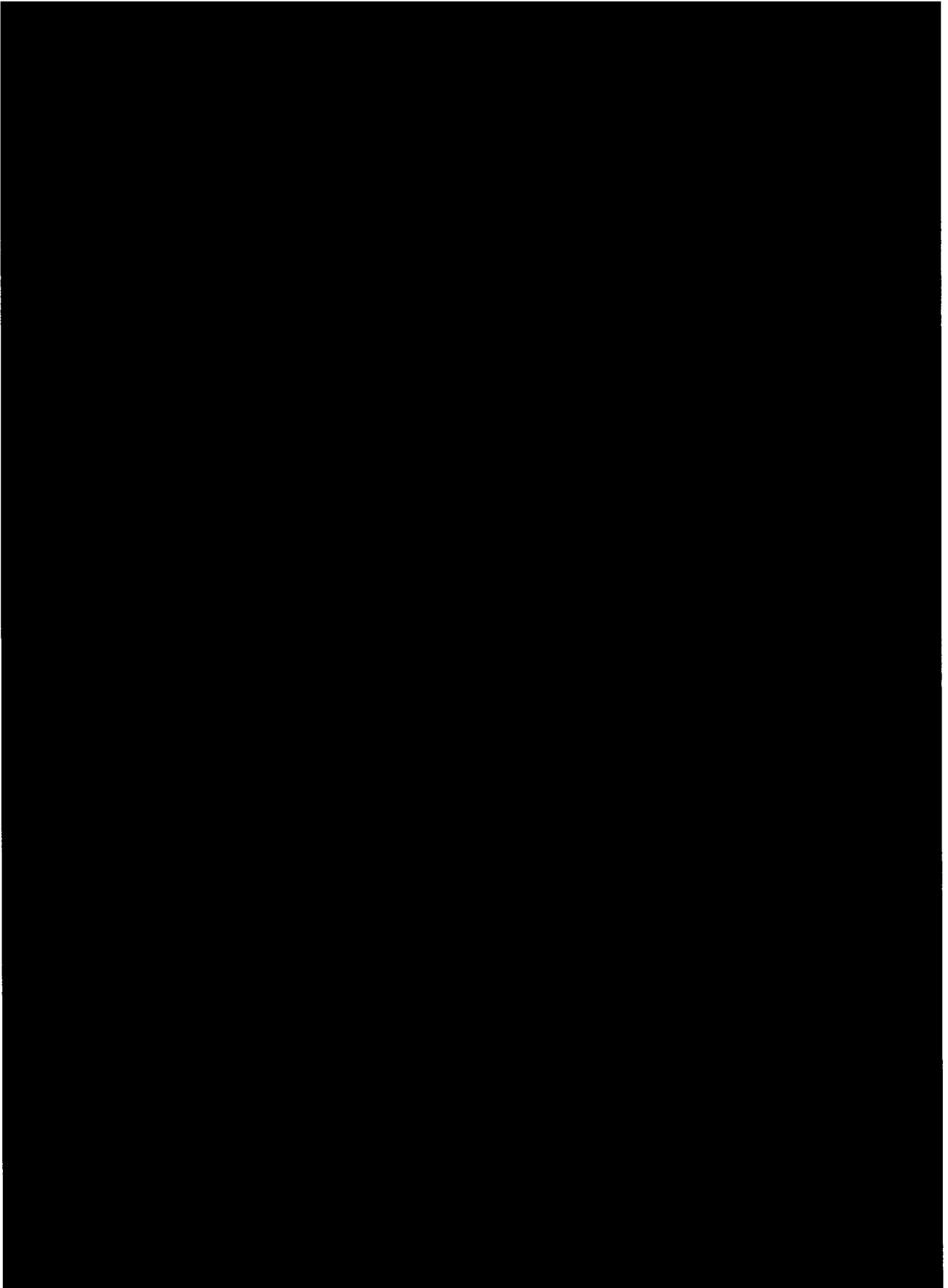
Interim Cultivation Site

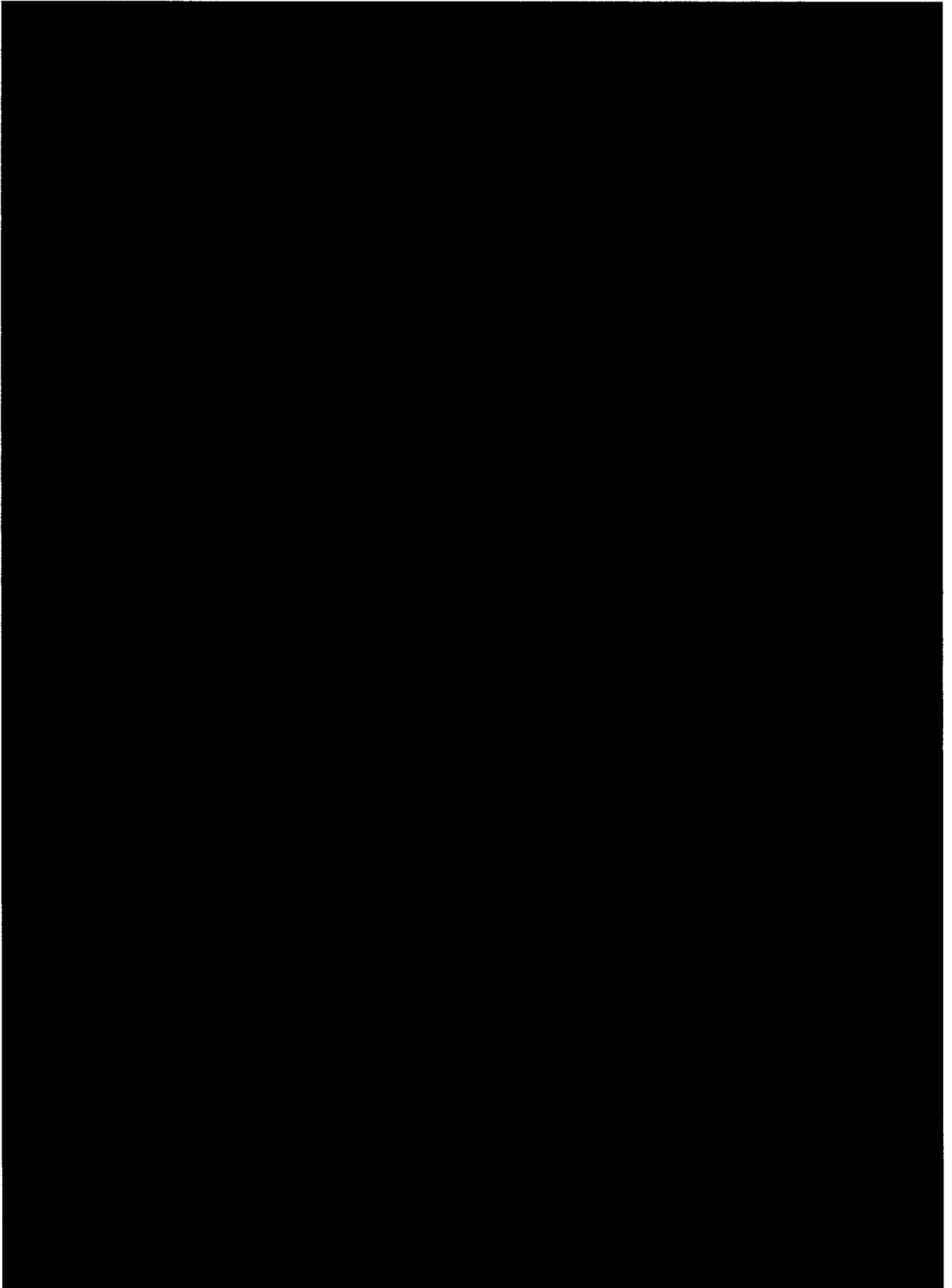


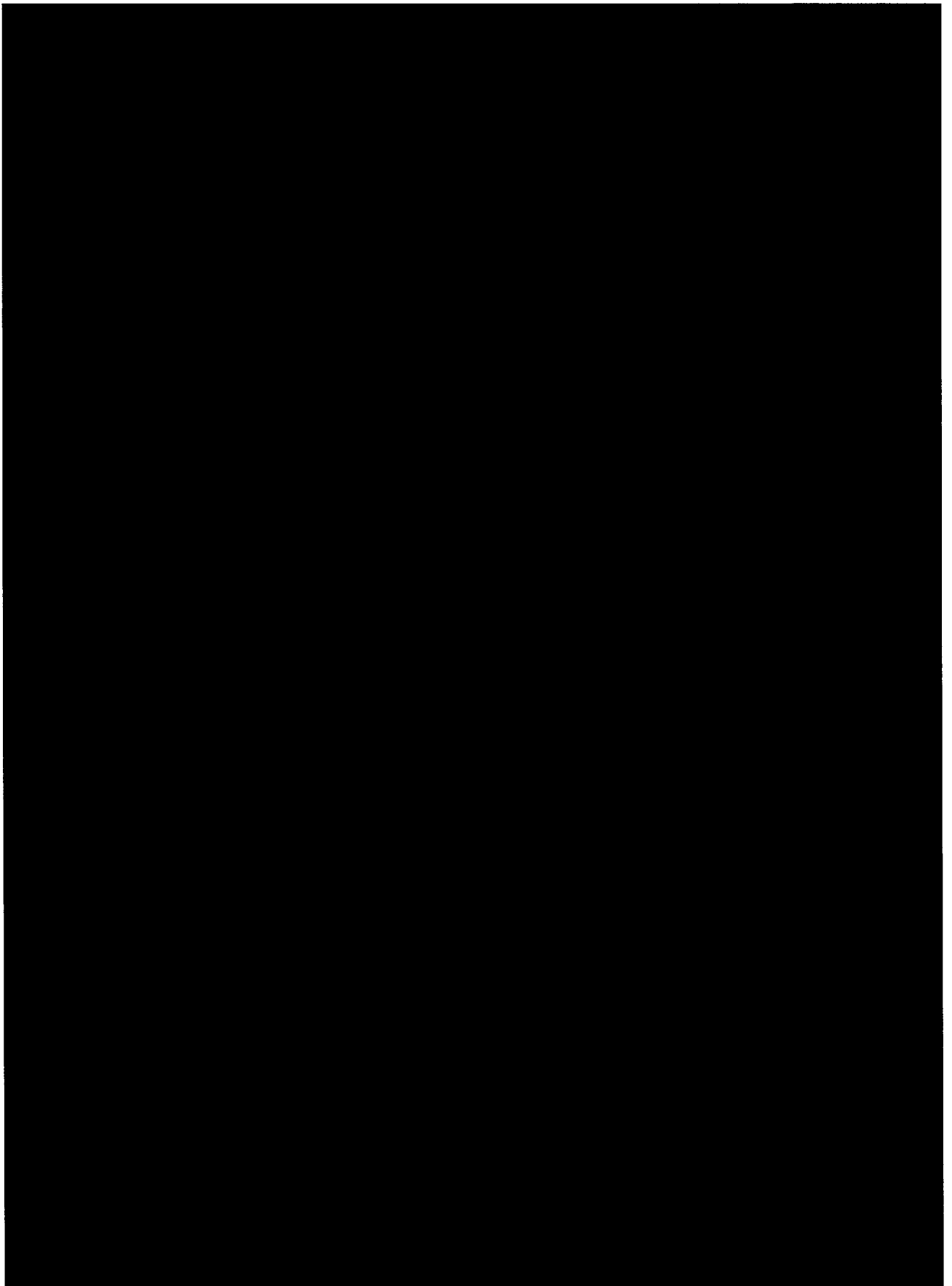


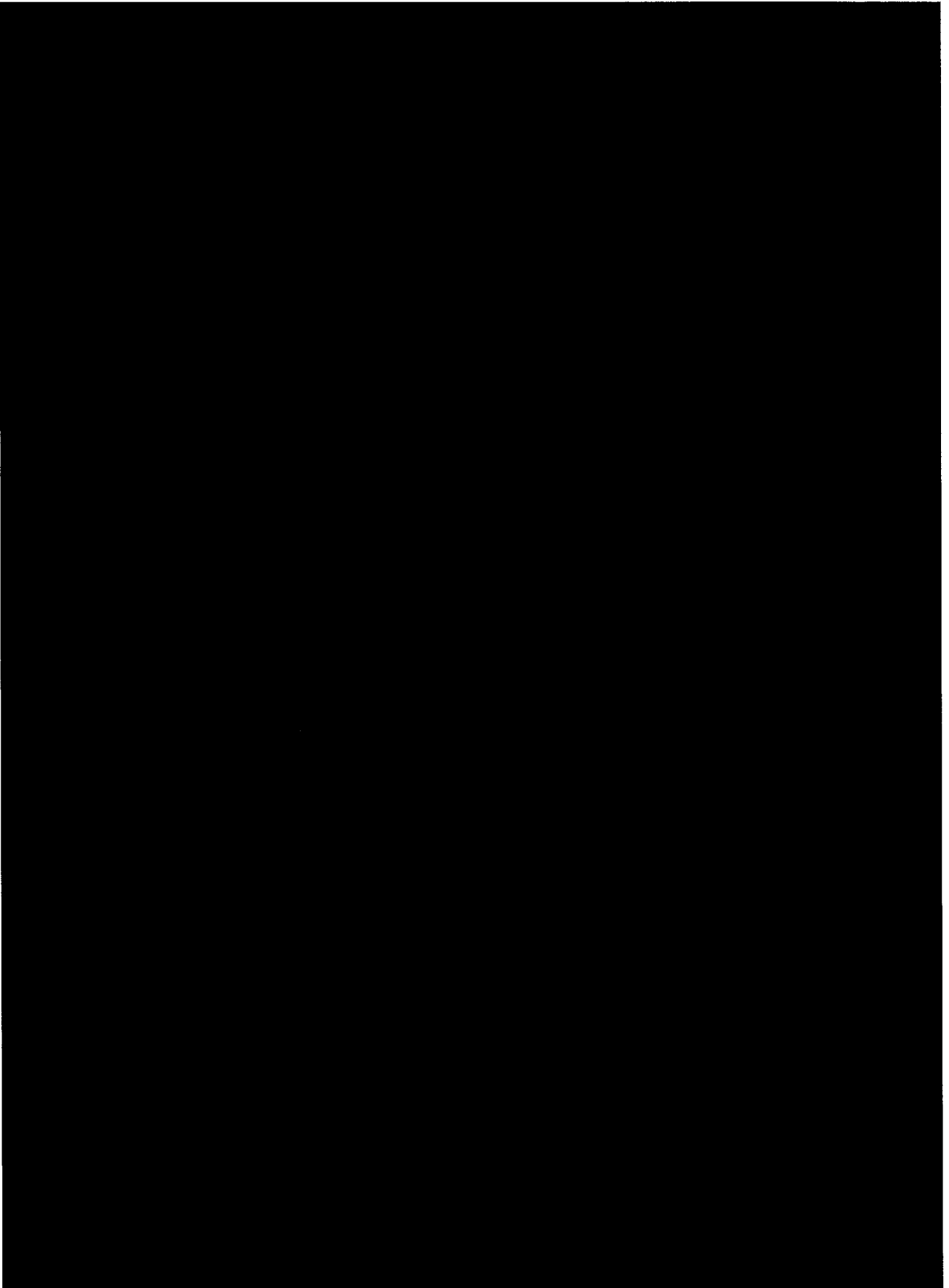


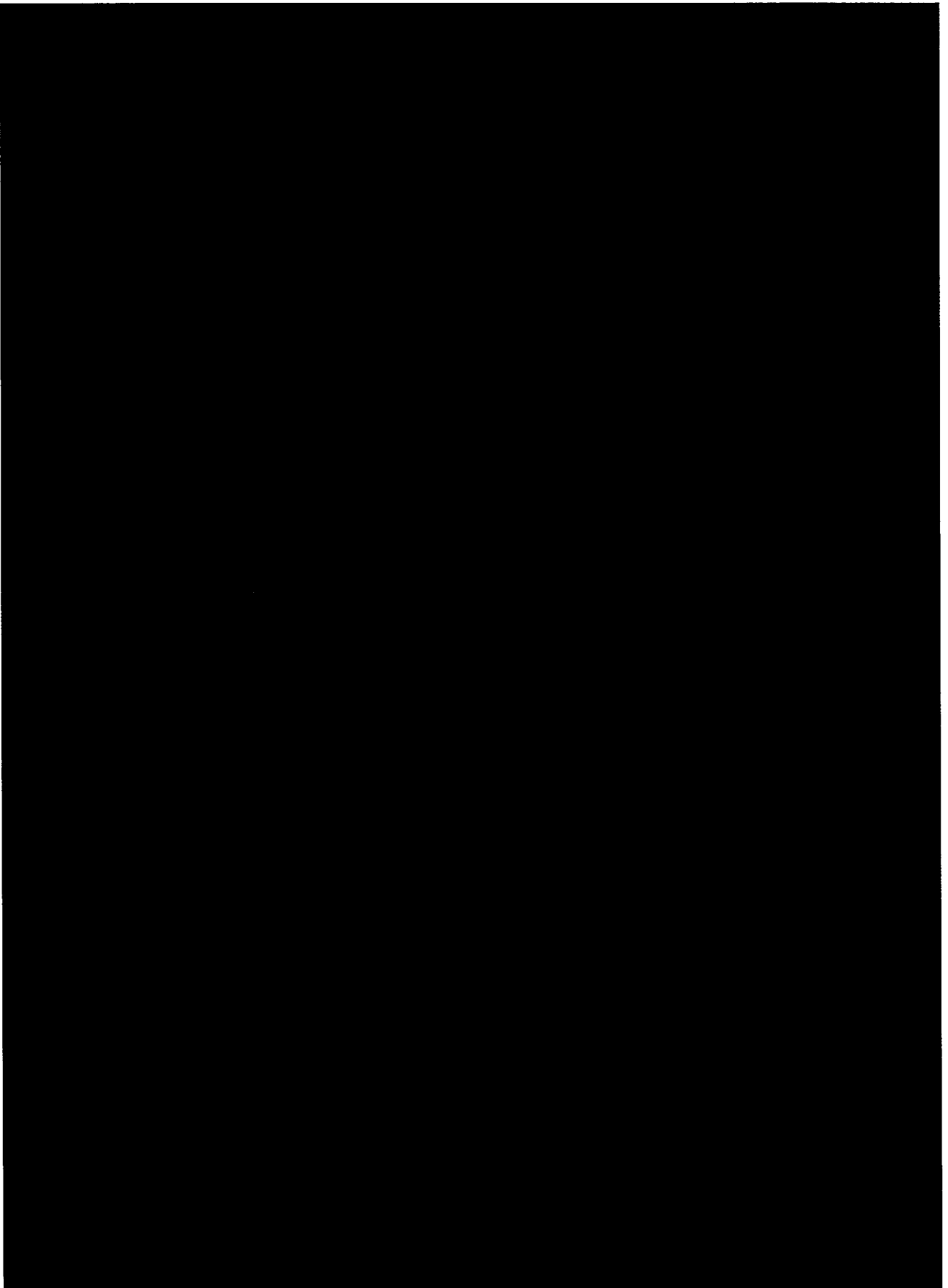


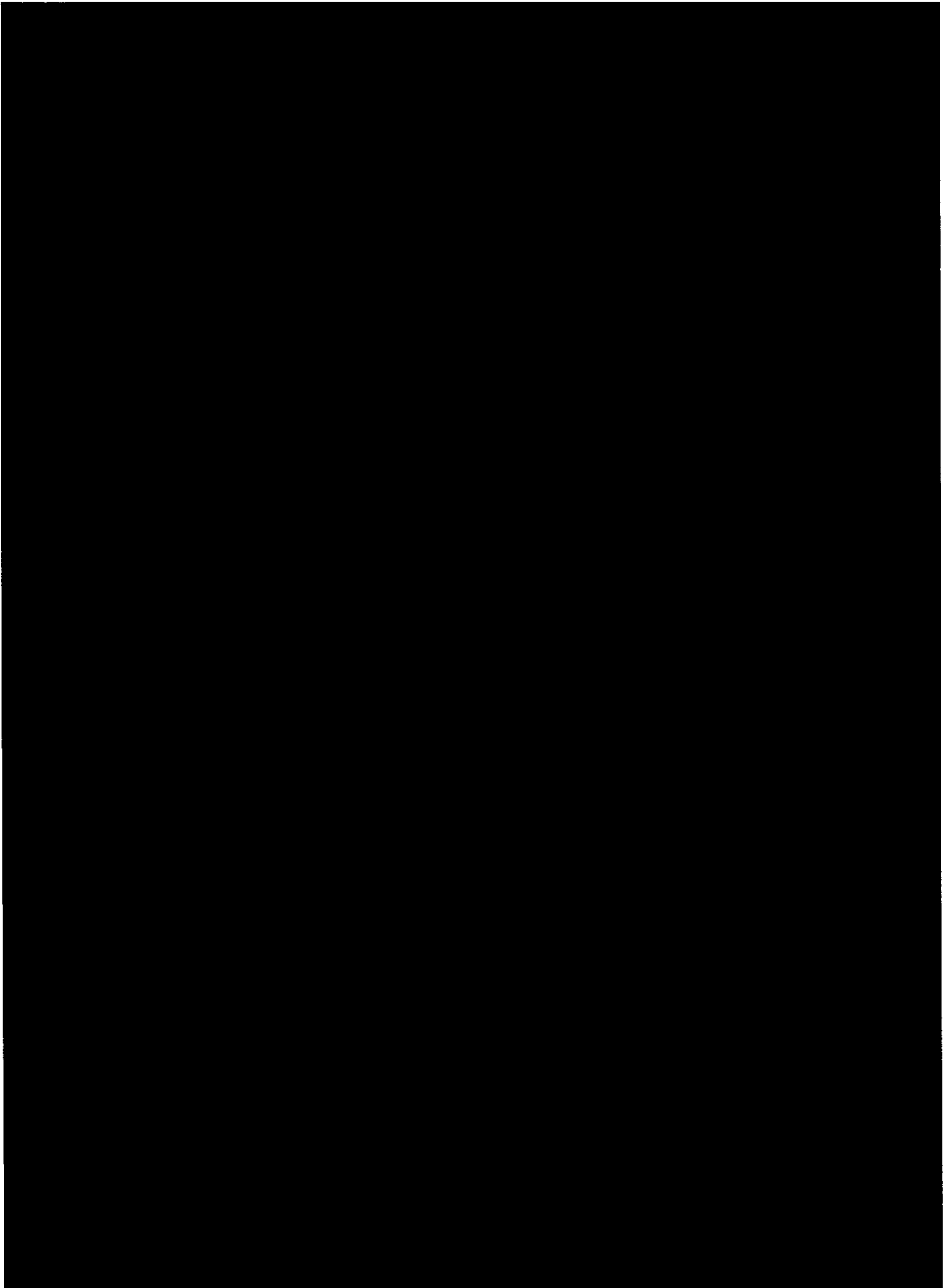


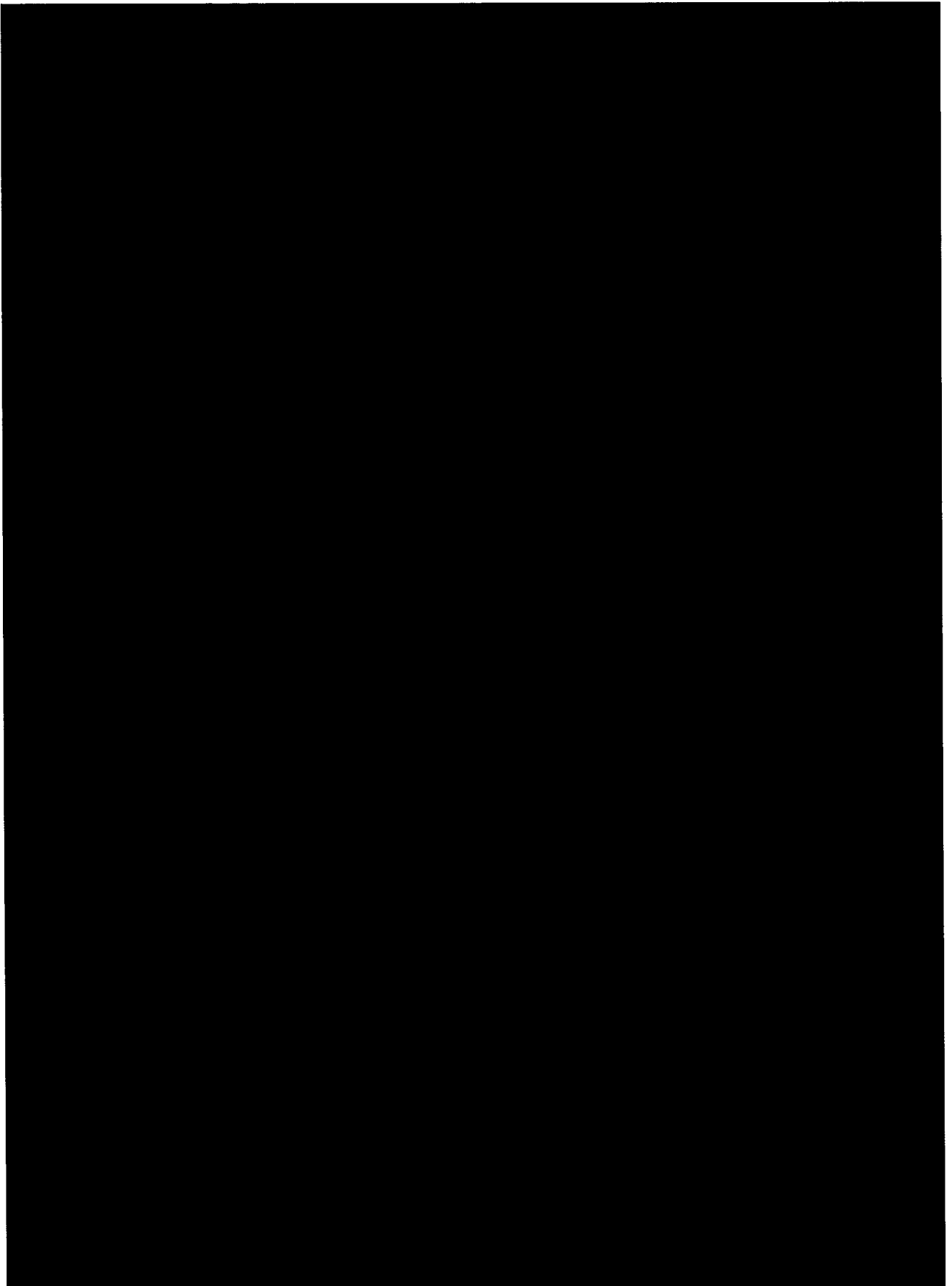


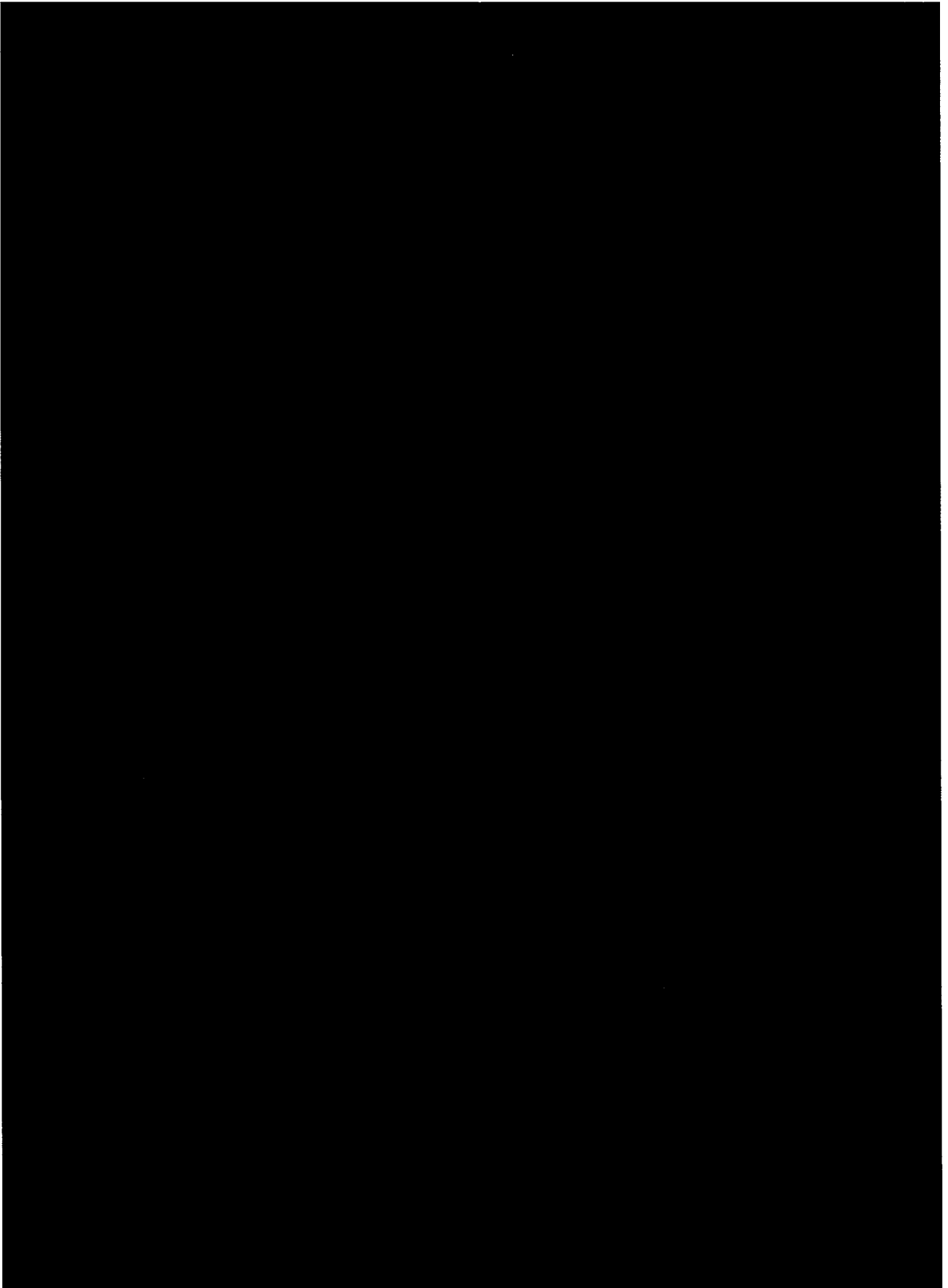


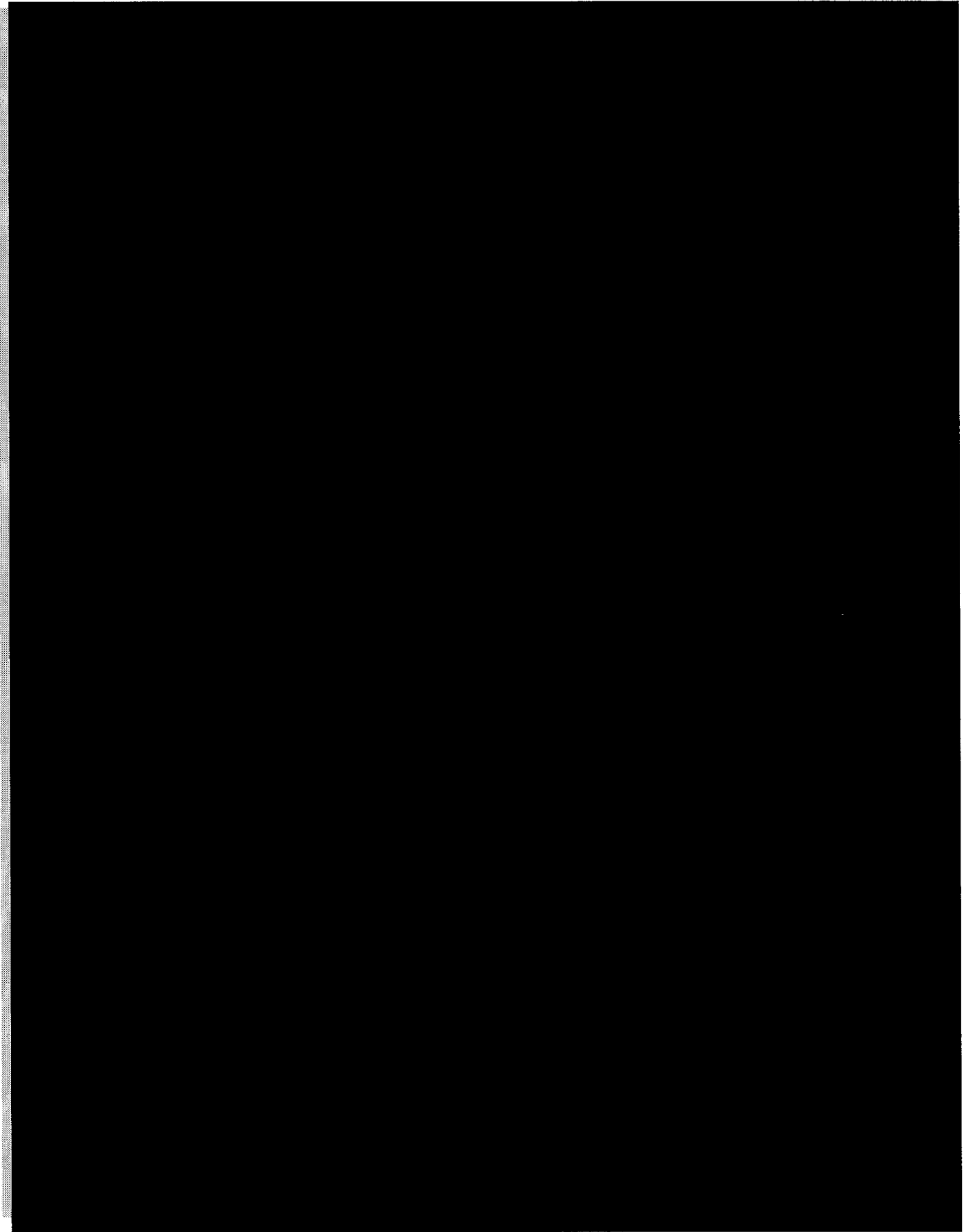




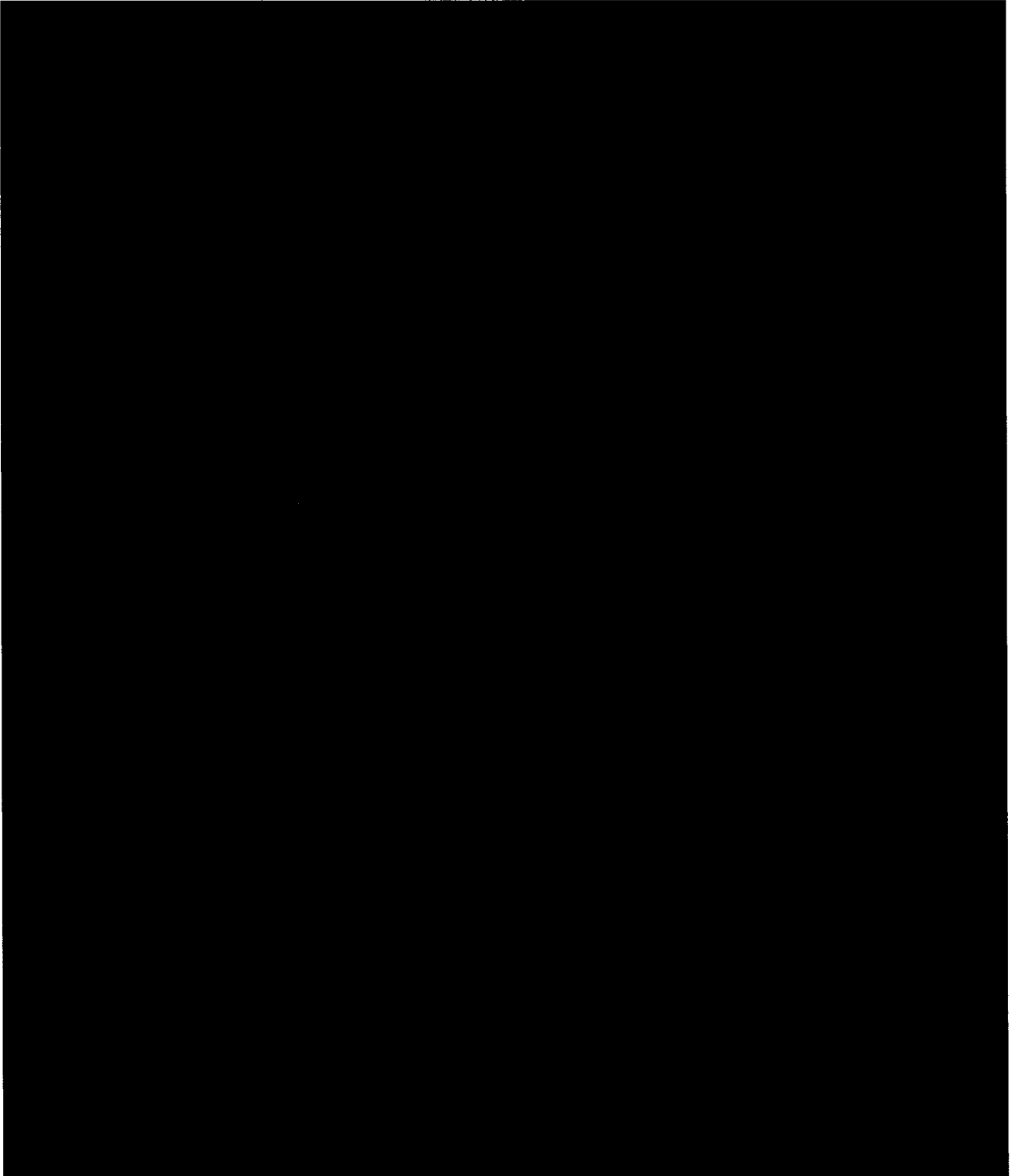






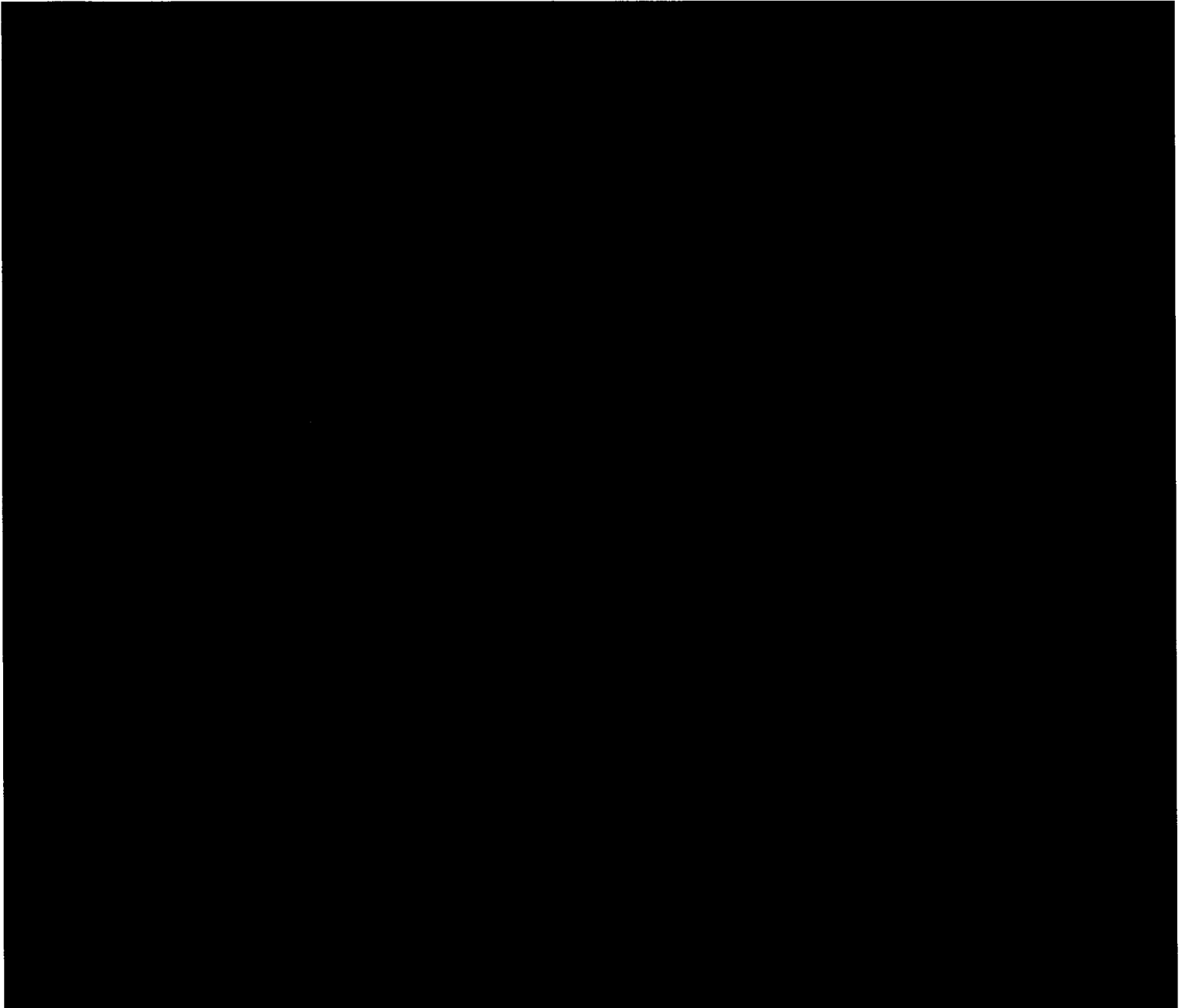


Hawaiian**Ethos**

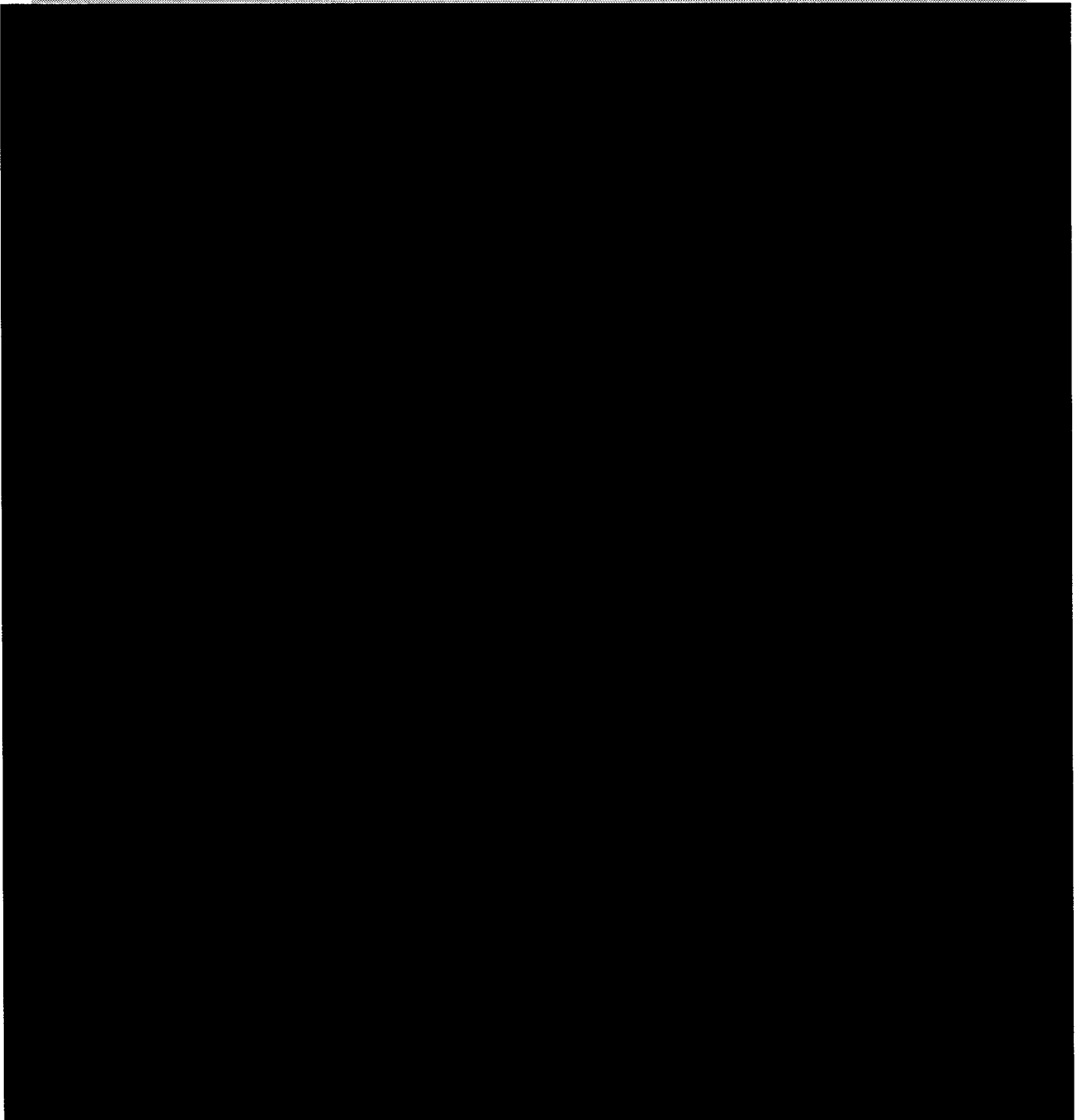


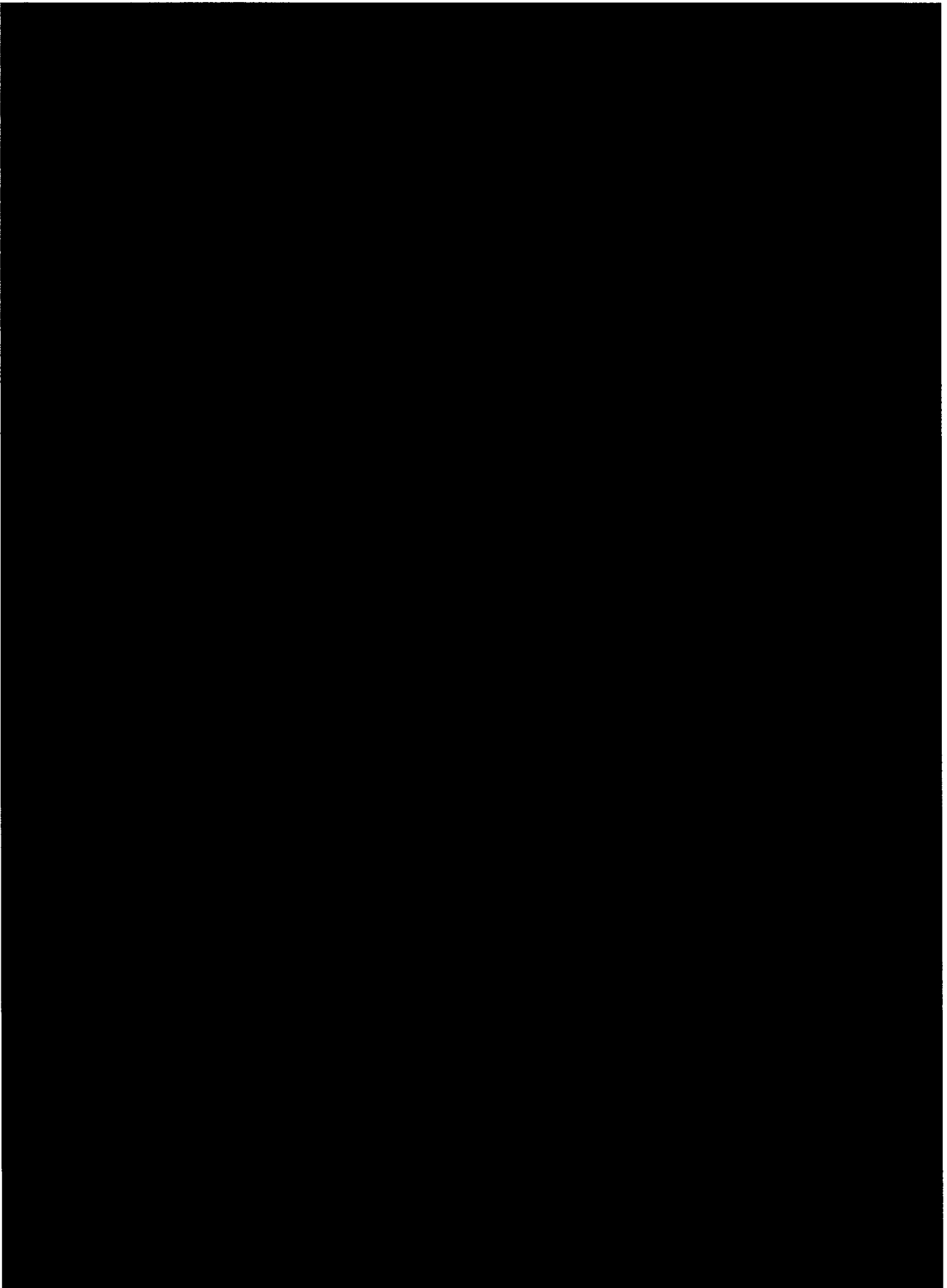
Hawaiian**Ethos**

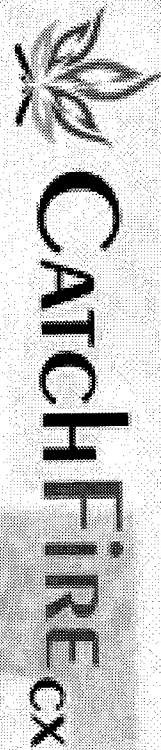
Interim Dry/ Packaging



Hawaiian**Ethos**







Mystery Shopping

Louisville, Denver, San Francisco

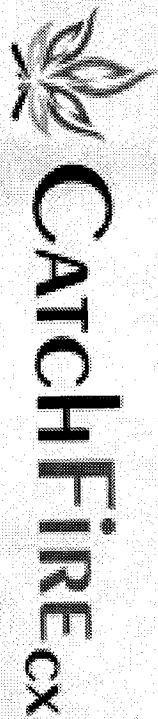


Mystery Shopping

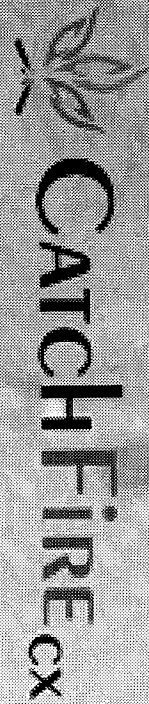
**Mystery Shopping - We deploy field agents to evaluate customer service, sales processes, w
courtesy, cleanliness, transactional processes, and product knowledge within the dispensari
for a single dispensary, or a dispensary with multiple locations. The benefit for dispensaries
locations, and as brands continue to expand within the state, and outside of the state, is that
ensure a consistent, duplicable customer service experience, regardless of where the consu
with the brand.**

General Shop types:

- » Telephone shops: Recorded and scored On-site mystery shops**
- » Competitive mystery shops**
- » Hidden camera mystery shops**



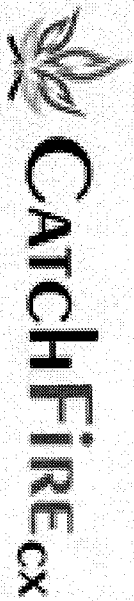
Can be used directly by the dispensaries, grow firms, etc. To evaluate their own compliance g dispensary can access the state registry we b the system, or can upload their own complian checklist or day to day checklist



Action Planning

Louisville, Denver, San Francisco

© 2015 M

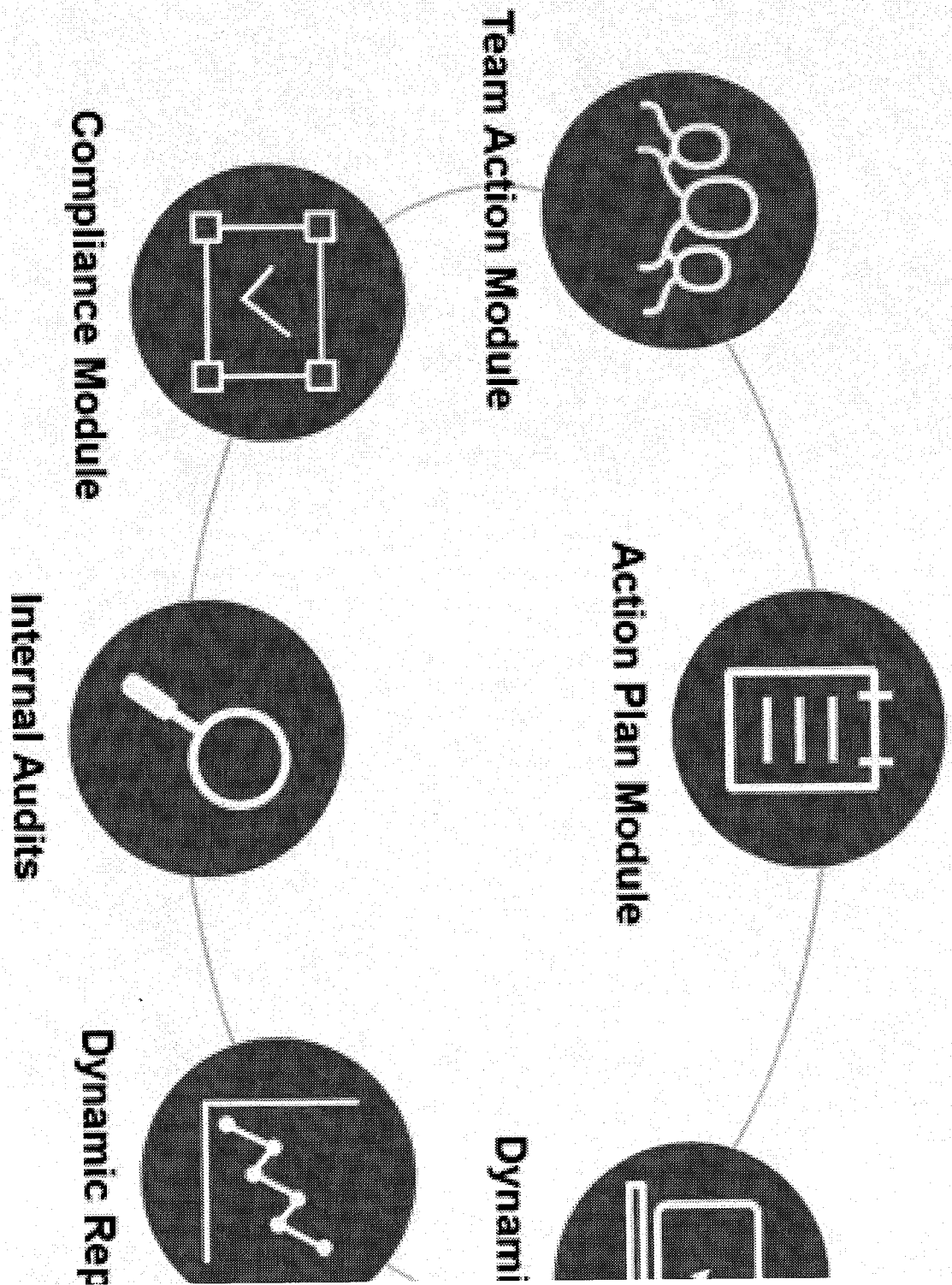


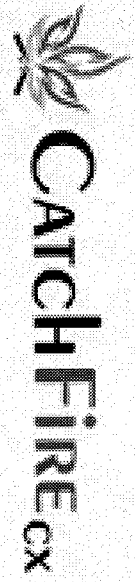
Action Planning

Now, whenever audits or mystery shops uncover critical issues, an Action Plan is implemented by everyone involved (managers, vendors, senior leadership...) that details what the problem is, who is responsible, and a deadline to correct it, assigns a deadline, and makes sure that it gets done.

For the first time ever, the feedback you collect results in immediate action – and everyone knows how it works: We / White Label Client develop Action Plans for critical issues. When an issue is uncovered (by mystery shoppers, internal auditors, or both) an Action Plan is generated for everyone necessary to correct the problem. It comes complete with a deadline, and all team members ensure it gets done right, and to prove it was.

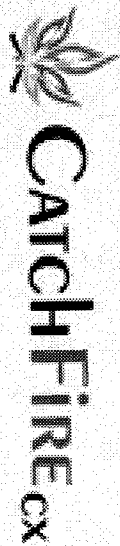
As an example, say a shop report (or audit) discovers that the light fixtures have bad bulbs. The Action Plan gets triggered, telling the location manager that they have to 1) Confirm the bulbs are bad, 2) get the bulbs replaced and 3) take a picture of the newly-replaced bulbs to show leadership that the issue was resolved. This all happens automatically, and with an increase in efficiency that allows everyone to manage, track and trend Action Plans with ease.





800,000 people nationwide where it's medi

© 2013

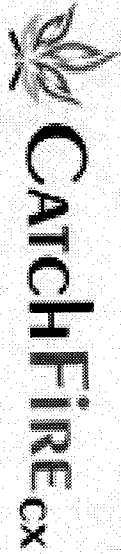


Age Compliance Shops

Cannabis compliance is being held to an even higher standard than alcohol and tobacco. In those industries, state and federal organizations conduct age compliance stings on those businesses those products to determine if products are being sold to minors, or to those that could potentially minors.

As such, those businesses contract with us and our parent company to conduct covert operations out for potential age compliance or medical ID card issues. This type of program helps mitigate fines, and keeps you from losing a license. It also helps keep employees keen and aware and do the right thing for our industry.

With that, CatchFireCX works with the dispensaries to ensure that all required ID's / Medical Recommendations (IDs) are being checked and documented correctly.



Customer Satisfaction

CatchFireCX has a variety of customer satisfaction programs that can be implemented on behalf of the client.

- » **IVR: (Interactive Voice Response)** A "Call-to-Action" is printed on every receipt, (or every X receipt), inviting the customer to call a number to provide feedback via automated survey system
- » **IWR: (Interactive Web Response)** A "Call-to-Action" is printed on every receipt, (or every X receipt), inviting the customer to visit a website to provide feedback via a custom branded URL.
- » **SMS: A text message is sent from the clients POS central system to the customer.** It invites the customer to participate in a survey (if required), OR the customer can text a word to a short code to begin a survey (example: Text Canna to 12345)
- » **Exit Interviews:** Survey customers leaving the premises for feedback about their experience inside the store
- » **Telephone Interviews:** Actively call customer database for feedback about their experience inside the store, or with the brand
- » **URL Placement:** Provide retailer or brand with survey URL for customers to provide feedback at any time they are on the website

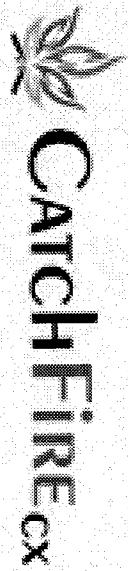


Employee and Vendor Satisfaction

Survey employees for ongoing job satisfaction awareness and to gather new insights for improvement or operations (from seed to sale).

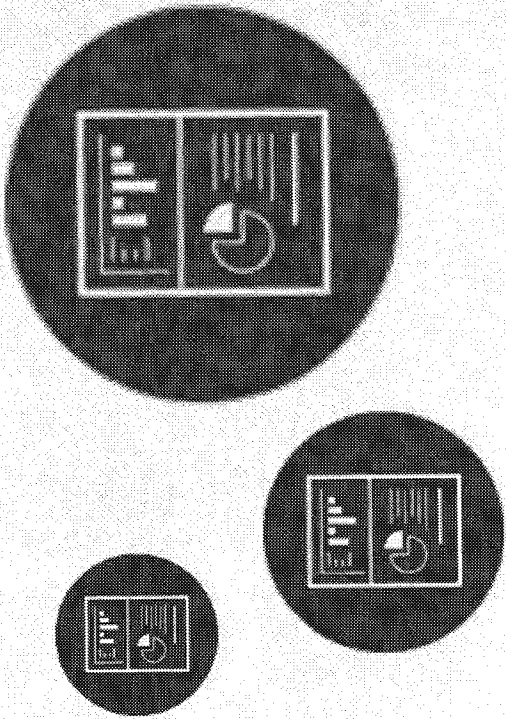
Conduct Entrance Interviews (when a new employee is hired) to determine why the employee for the organization, what they hope to learn, and what the employee onboarding process was.

Exit Interviews (when employee quits or is let go) to determine what issues the employee may have with the organization. Determine Vendor's satisfaction and ease of working with the business or what could be improved.



Advanced Analytics

This information is detailed on other attachments. Because of our platform, we can overlay m of structured and unstructured data. These insights, enhanced with robust reporting, integrat employee, brand, social, and sales data in a manner that tells a story about the brand health c organization, provide direction in sales, and allow for the brand to flourish with actionable ins





Call Tracking and Grading

Track where calls, web leads, and internal visitors are coming from via specific phone number maximize SEO, PPC, and advertising dollars.

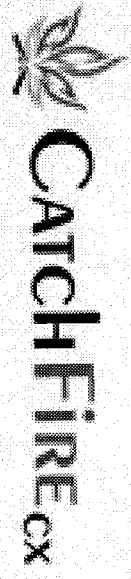
All calls that come in are tracked from the market source, and are recorded. Those calls can be used against a rubric that looks for customer service, wait times, product knowledge, etc.



Reporting

The CatchFireCX system isn't just a repository for data. It comes complete with reporting. There are well over 4 reports in the system to demonstrate rank, trending, trending by score, dashboards, etc. There are also ad hoc allow clients to slice and dice the data in infinite ways. The data can be accessed and restricted based on hiera and restrictions.

Reporting within the survey or audit	Aggregate Excellence Report, distributed to hierarchy lead
Visualization	Hierarchy-level visualization
Dashboarding	Hierarchy-level Dashboarding
Stacked trending	Hierarchy-level Stacked ranking
KPI Measurement	Hierarchy-level KPI Measurement
Performance by question	Hierarchy-level performance by question
Specified areas for improvement	Hierarchy-level specified areas for improvement
Location based coaching	



Mystery Shop Type	Volume	Cost Per Shop
Telephone	2x per month	\$55
On Site/ Telephone	2x per month	\$148.16
Customer Satisfaction	50 per month	\$1 per complete



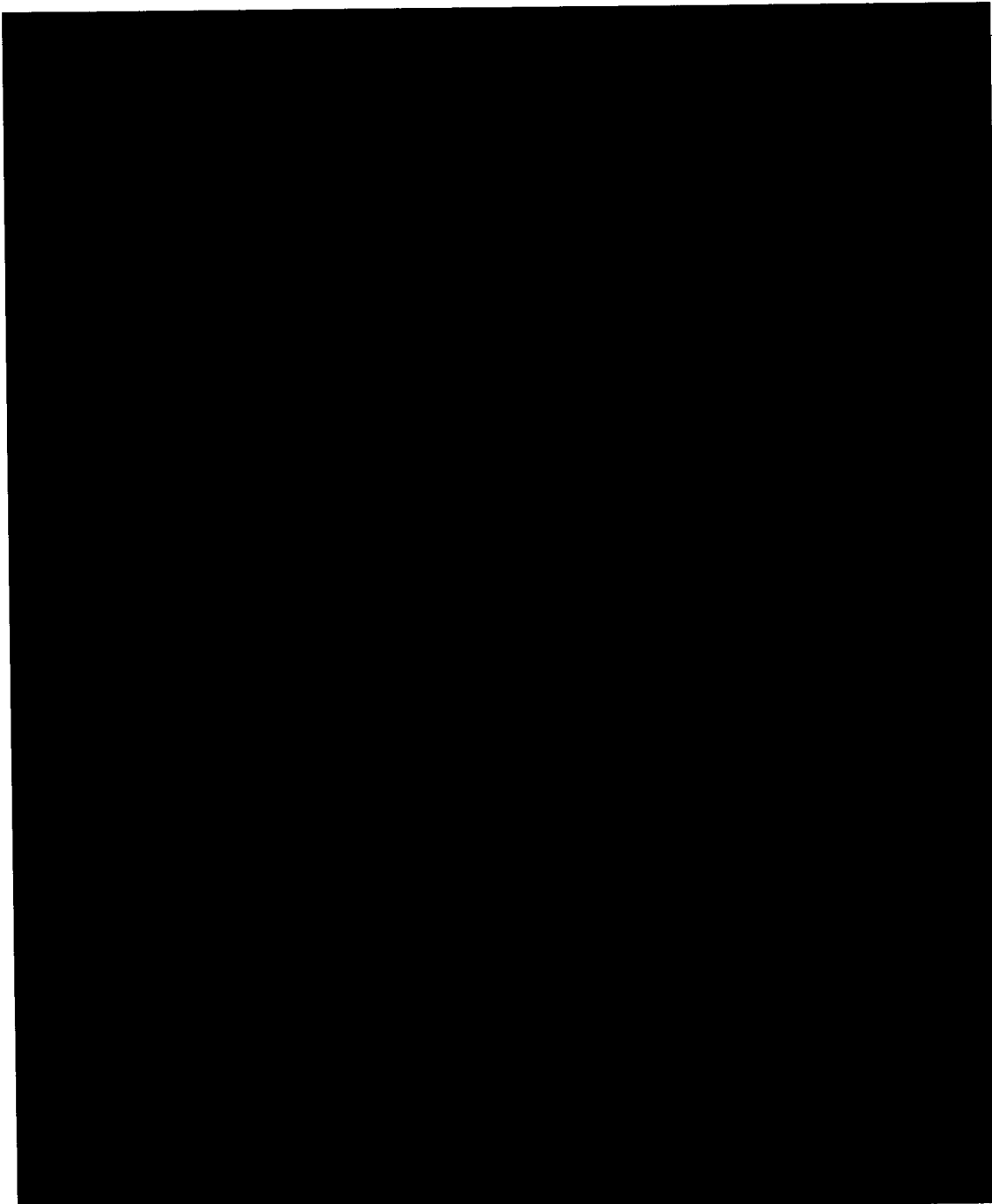
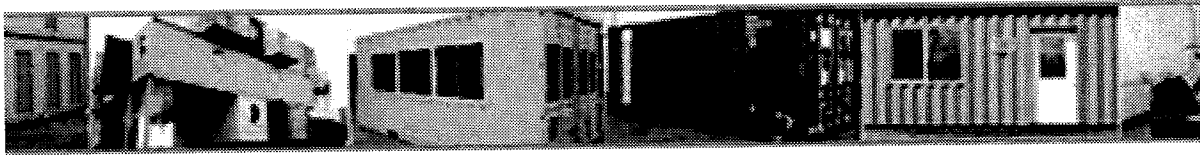
CONTAINERS HAWAII

ELLEN ABRAMS

CUSTOMER SERVICE SPECIALIST

PHONE: 808.291.6090

EMAIL: ELLEN@CONTAINERSHAWAII.COM



I accept the above Proposal and I would like all Invoices and Correspondence to be sent to our Email Address

PARsource

Quote

PARSource Lighting Solutions
 2249 South McDowell Blvd. Ext
 Petaluma, CA 94954
 PH: (877) 610-1600
 FAX: (877) 262-6050
 sales@parsource.com

ORDER NUMBER: 2522706
 ORDER DATE: 1/18/2016

SALESPERSON: 0056
 CUSTOMER NUMBER: 32-0001679

Customer P.O.	Ship VIA	F.O.B.		Terms				
RETAIL PRICE					Net 30			
Item Code		Whse	Unit	Ordered	Shipped	Back Order	Price	Amount
PHDEKT1	Commercial DE Open System, 24	000	EACH	320	0	0	\$569.990	\$182,396.80
PF3012	Phat Fan 12",1708 CFM	000	EACH	36	0	0	\$319.950	\$11,518.20
ACF16	16" Wall Mount Oscillating Fan	000	EACH	200	0	0	\$39.950	\$7,990.00
IGS10HEPA	Organic Air 10" HEPA	000	EACH	36	0	0	\$237.990	\$8,567.64
IGSPF3912	Phat Filter 39"x12" 1700 CFM	000	EACH	36	0	0	\$295.990	\$10,655.64
APCG8LP	CO2 Generator LP 11,310-18,104	000	EACH	36	0	0	\$474.950	\$17,098.20
APCECOTH	Greenhouse Master Controller	000	EACH	36	0	0	\$604.950	\$21,778.20
AADHC60P	Commercial 60 Pint Dehumidifie	000	EACH	36	0	0	\$549.950	\$19,798.20
AADHC180P	Commercial 180 Pint Dehumidifi	000	EACH	12	0	0	\$1,195.950	\$14,351.40
AADHC100P	Commercial 100 Pint Dehumidifi	000	EACH	23	0	0	\$789.950	\$18,168.85
RETAIL PRICING								

PLEASE CONFIRM THIS ORDER VIA FAX OR EMAIL

I agree that the items, quantities and pricing are correct and I accept this order along with the PARsource terms and warranty.

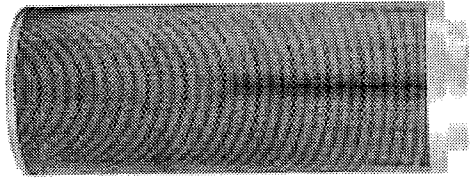
Signed: _____ Date: _____

Net Order:	312,323.13
Less Discount:	0.00
Freight:	0.00
Sales Tax:	0.00
Order Total:	312,323.13

PHAT FILTER, 12" X 39", 1700 CFM

SKU: IGSPF3912

12" X 39" - 1700 CFM - IGSPF3912



Suggested Retail:

\$295.99

Overview

Specifications

Related Items

Product Info

FAQs

+

Phat Filters are packed full with the very best carbon on the market... and we have the independent lab test numbers to prove it.

How do we know? Simple math.

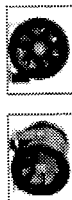
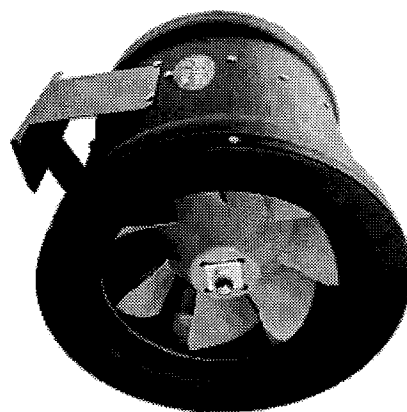
Carbon Quantity x Carbon Quality = Filter Capacity

QUANTITY: When we say Phat Filter carbon beds are 2" thick, they are in fact, 2" thick. The same is true when it comes to Phat Filter bed length size; the size we claim is in fact the actual size, not a "rounded-up" dimension to make it seem bigger. So it stands to reason that we can obviously pack more carbon into our filters than some others can claim.

PHAT FAN 12", 1708 CFM

SKU: PF3012

12" - 1708 CFM - PF3012



Suggested Retail:

\$319.95



Overview

Specifications

Related Items

Product Info

FAQs



Specifications

The Phat Fan is an inline mixed flow fan capable of medium to high static pressure.

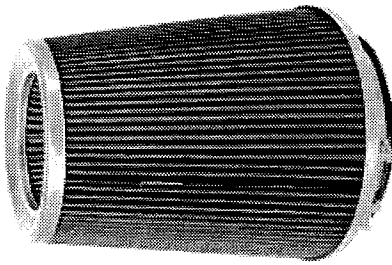
This line of fans features aerodynamically optimized airflow, quiet operation, and extremely high efficiency.

- Airtight housing offers streamlined performance while the sleek design offers quiet operation
- Mixed flow impeller designed for high-flow operation
- Extreme motor cooling for improved life performance
- Super-efficient speed controllable motor to better adapt to individual needs
- Motor safeguarded with thermal overheat protection
- Stable mounting bracket offers easy installation
- Energy efficient
- Thermal overload protection
- UL recognized components

PHAT HEPA INTAKE FILTER, 10"

SKU: IGS10HEPA

10" - IGS10HEPA



Suggested Retail:

\$237.99

Overview

Specifications

Related Items



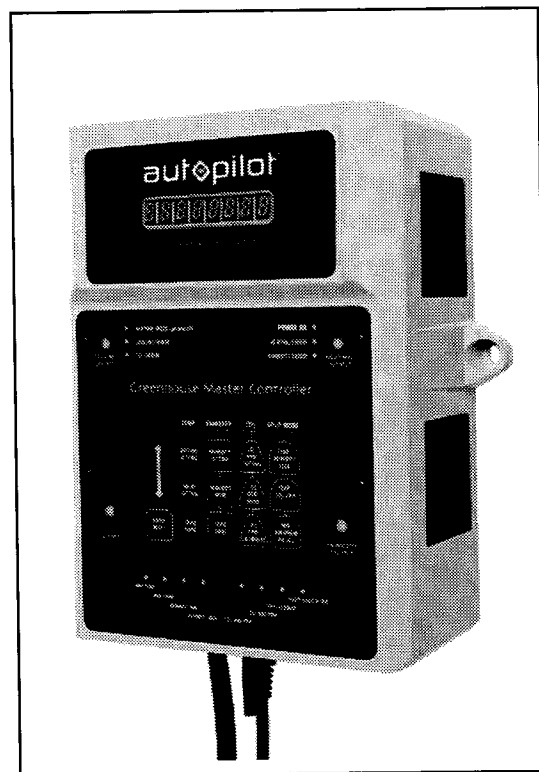
The tightly woven synthetic HEPA fibers in this filter will help prevent mold, bacteria, and insects from entering your growroom or greenhouse. The HEPA fibers block out most airborne particles yet allows air to flow through with little restriction. The filter is also washable for extended efficiency.

Installation:

Attach your Organic Air HEPA filter to your fan or blower by sliding the rubber collar over the inlet or outlet side. Secure the filter by using the clamp provided, tighten clamp with screwdriver. Remove and wash filter when needed with water hose. Filter should be replaced every year under moderate use. Keeping the filter clean will ensure efficiency.

APCECOTH

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Specs

Input voltage	120 Volts AC
Maximum amperage	14.5 amps @ 120 VAC
Remote COMBO probe cable length	15 ft
Temperature control range	41° to 113° F
Temperature accuracy	+/- 2° F
Temperature dead-band (hysteresis)	adjustable
Humidity control range	5% to 95% rH
Humidity accuracy	+/- 3% rH
Humidity dead-band (hysteresis)	adjustable
CO2 control range	380-2500 PPM
CO2 accuracy	+/- 75 PPM
Weight	5 lbs
Waterproofing grade	IP20
Dimensions	9" x 7" x 4"

Basic description

The APCECOTH is designed to control humidity, temperature and CO2. The controller has four (4) receptacles and a remote combination probe with highly accurate temperature, humidity, light and CO2 sensors. The fan-ventilated remote combination sensor is designed to quickly react to changes in the growing area and to resist EMI / EFI from electronic ballasts. The remote sensor can be placed up to 15 feet from the controller.

Note: An optional 15 ft extension cable can be purchased to allow the user to place the remote sensor up to 30ft from the controller.

Installation

Secure the unit to a wall.

Determine the best location for the remote probe. Place the probe in an area with good air movement preferably at plant height. Avoid placing the probe in direct sunlight or under direct HID Lighting.

NOTE: Do not place the sensor probe where it will come in to contact with water. The probe is not water proof!

The remote probe has a quick disconnect to easily remove or connect the probe. Secure the quick disconnect to the unit by securing the QD screw to the unit.

Plug the power cable into a standard 120 volt NEMA 5-15 wall outlet. A 120 volt power supply is required.

Turn the power on and allow the unit to warm up. This process takes about 5 minutes. During the warm up period, the display will read CO2 heat.

Note: Now is the time to customize your settings prior to connecting any equipment.

Ensure that all of the devices being connected to the controller have the proper voltage and will not exceed the maximum amperage rating of this unit.

NOTE: If using a large amperage device such as an Air Conditioner or De-humidifier is used, a power expansion module may be required.

Button Functions

Fifteen (15) buttons located on the front face plate of the unit control all functions. Pressing each button will display a function and/or current setting(s) in the green LED window. Some buttons perform more than one function.

Several small green LED lights or status indicators located on the front panel will light up to show selected function when certain buttons are pressed.

Up - Press button to increase setting

Down - Press button to decrease setting

Enter/Reset - Press button, hold for 3 seconds to enter new setting and to reset the Min/Max range.

Temperature buttons

DAYTIME SETTING - Press button to set day cooling and heating Set point.

NIGHT SETTING - Press button to set night cooling and heating Set point.

DEAD BAND - Press button to set the cooling and heating dead-band setting.

Humidity buttons

HUMIDITY SETTING - Press button to set Day and Night humidity Settings.

HUMIDITY MODE - Press button to select the humidification (rH Incr) or de-humidification (rH decr) mode.

DEAD BAND - Press button to set the humidity dead -band setting.

CO2 buttons

CO2 PPM SETTING - Press button to display and/or change CO2 Parts Per Million (PPM) setting.

CO2 DEAD BAND - Press button to set the CO2 dead-band set-point.

CO2 PPM CALIBRATE - Press button to re-calibrate the CO2 sensor.

Note: Refer to How to recalibrate CO2.

Split Mode buttons

TEMP/HUMIDITY LOCK - Press button to lock or split the humidity and temperature functions. The user has the option to run both at the same time or independently.

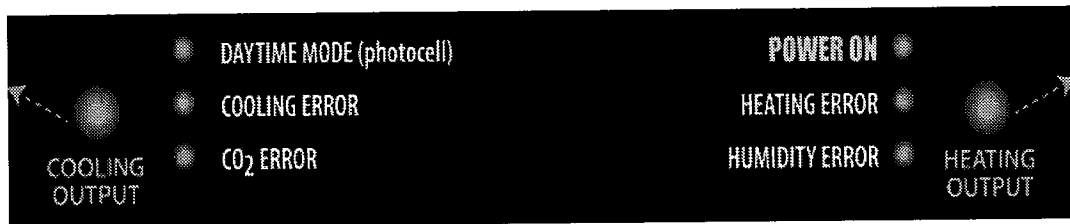
TEMP/CO2 LOCK - Press button to lock or split the temperature and CO2 functions. The user has the option to disable CO2 during exhaust fan operation, or to allow CO2 and temperature controls to function independently.

MIN/MAXIMUM RECALL - Press this button repeatedly to recall the stored high and low recorded levels for Temperature, Humidity and CO2. Press and hold the Enter/Reset button while the recorded value is displayed to reset the Min/Max values.

***To change the temperature reading from F to C, press and hold the UP and DOWN buttons for 2-3 seconds.**

Error LEDs

The APCECOTH is smart enough to monitor each of the environmental conditions and to alert the user to a problem with any of the devices connected to the controller. Here is how it works.



As the unit functions normally, the environmental conditions (temp, humidity & CO₂) will be slowly but steadily changing. These small changes are detected by the controller.

If the controller does not detect a slight change in one (or more) environmental conditions within a 1-hour period, the unit will deactivate the affected output and the appropriate green Error LED will be flashing to indicate which device may have a problem.

This safety feature is extremely important and useful to eliminate “runaway” conditions which could result in crop damage or other more serious problems.

If any of the Error LEDs are blinking, the user should refer to the example below to help identify the actual cause of the error.

*** EXAMPLE: The Cooling error LED is flashing, it means that the device connected to the Cooling output either did not turn on OR that there is a problem with the temperature sensor. Check the cooling device for proper operation and verify the remote sensor is reading properly.**

Note: To reset an error, press the Enter / reset button.

Factory Settings

The APCECOTH comes pre-programmed with factory settings. These settings may be adjusted by the user. For best results verify any changes after adjusting settings. The controller can be easily reset to factory settings. (see below)

Temp day settings	Cool 80°F / Heat 55°F
Temp night setting	Cool 70°F / Heat 55°F
Temp dead-band	3°F / Heat and Cool
Humid settings	50 % rH
Humid mode	Rh decr
Humid dead-band	3 %
CO2 PPM setting	1250 PPM
CO2 dead-band	50 PPM
Calibrate CO2 PPM	380 PPM
Temp & humid lock	Split
Temp & CO2 lock	Split

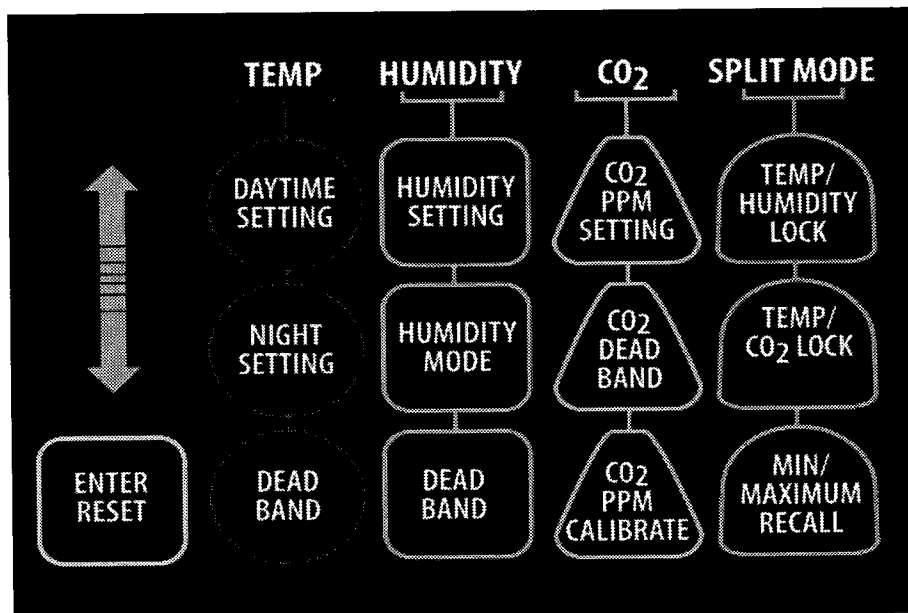
Reset Factory Settings - Press and hold the Enter / Reset and down buttons for 3 seconds. The display will read **f.Set**. Press the Enter/reset button again to restore the factory default settings. When the factory reset is complete the unit will say **doNE**.

Note: To change the temperature reading from F to C, press and hold the UP and DOWN buttons for 2-3 seconds.

Overview

The individual push-buttons on the APCECOTH makes changing settings EASY.

- * Press a button, the display shows the current setting.
- * To change the settings, use the UP and DOWN buttons.
- * Then press ENTER to accept the new setting.



How to customize settings...

Up - Press button to increase setting

Down - Press button to decrease setting

Enter/reset - Press button, hold for 3 seconds to restart timer or to adjust the setting. The timer will always start in the "ON" cycle.

Temperature Display - Press and hold both the Up and Down button for 3 seconds to change display. C for Celsius and F for Fahrenheit

Temp daytime setting - There is a Day Cooling set point and a Day Heating set point.

1) To set the Day Cooling press DAYTIME SETTING, **COOL__F** will be displayed. To change settings press the Up and Down buttons. Press Enter to accept new setting.

2) To set the Day Heating press DAYTIME SETTING twice, **HEAT__F** will be displayed. To change settings press the Up and Down buttons. Press Enter to accept new setting.

Temp night setting - There is a Night Cooling set point and a Night Heating set point.

1) To set the Night Cooling press NIGHT SETTING, **COOL__F** will be displayed. To change settings press the Up and Down buttons. Press Enter to accept new setting.

2) To set the Night Heating press NIGHT SETTING a second time **HEAT__F** will be displayed. To change settings press the Up and Down buttons. Press Enter to accept new setting.

NOTE: To avoid both the heating and cooling device turning on at the same time, the heating and cooling settings must be greater than the combined dead band settings.

Temp dead-band - There are two (2) dead band settings. One for cooling and one for heating.

1) To set the cooling dead band, press Temp DEAD BAND. **COOL__F** will be displayed. To change the set points press the UP and DOWN buttons. Press Enter to accept new setting.

2) To set the heating dead band, press Temp DEAD BAND a second time. **HEAt__F** will be displayed. To change the set points press the Up and Down buttons. Press Enter to accept new setting.

Humid setting - There is a day humidity setting and a night humidity setting.

1) To set the day time humidity, press the HUMIDITY SETTING button. **day_rH** will be displayed. Press the Up or Down button to change the day time humidity setting. Press Enter to accept the new setting.

2) To set the night time humidity, press the HUMIDITY SETTING button a second time **nit_rH** will be displayed. Press the Up or Down button to change the night time humidity setting. Press enter to accept the new setting.

Humid mode - Use this to select to humidify or to dehumidify. Press HUMIDITY MODE, the display will read the current setting, either Humidify (**rH Incr**) or dehumidify (**rH dEcr**). Press the Up and Down buttons to change the setting. Press Enter to accept new setting.

Humid dead band - Pressing the Humid DEAD BAND button and the display will read **05.0_rH** (or the current setting) Press the Up or Down buttons to change the setting. Press Enter to accept new setting.

CO2 PPM setting - Press CO2 PPM SETTING, The current PPM setting will be displayed. To change settings press the Up or Down buttons. Press Enter to accept new setting.

CO2 dead band - Press CO2 DEAD BAND button and the display will read current setting. Press the up or down button to change setting. Press Enter to accept new setting

TEMP/HUMIDITY LOCK - use this function to interlock (**COnnEct**) or split (**SPLit**) humidity and temperature. Press Temp/Humidity lock button to display the setting. Press the Up and Down buttons to change the setting. Press Enter to accept new setting.

1) Select connect (**COnnEct**) if using ventilating fans only for cooling and removing humidity. The fan will turn on when the sensor detects a rise above the setting in either the humidity or temperature.

2) Select split (**SPLit**) if using a ventilating fan or AC unit as a cooling device and a dehumidifier to remove humidity. Each device is controlled independently. The cooling device will turn on when the temperature rises above the setting and the dehumidifier will turn on when the humidity rises above the setting.

3) Select split (**SPLit**) if using a fan or AC unit as a cooling device and a humidifier to add humidity. Each device is controlled independently. The cooling device will turn on when the temperature rises above the setting and the humidifier will turn on when the humidity lowers below the setting.

TEMP/CO2 LOCK - Use this function to interlock (**COnnEct**) or split (**SPLit**) the CO2 and temperature functions. They can activate at the same time or independently. Press the Temp/CO2 lock to display the setting. Press the Up or Down buttons to change the setting. Press Enter to accept new setting.

1) Select connect mode (**COnnEct**) if using ventilating fans (inside-to-outside growing area air exchange) for cooling and a compressed CO2 setup. This will turn off the CO2 when the fans are activated. The fans will exchange the warm-humid inside air

with the cooler-drier outside air while the CO2 is off to prevent excess loss of CO2.

2) Select split mode (**SPLit**) if using a recycling air-conditioner for cooling and compressed CO2 in the growing area where there is no exchange of outside air. This will activate the air conditioner independently from the CO2 allowing them to both run at the same time.

3) Select split mode (**SPLit**) if using ventilating fans (inside-to-outside growing area air exchange) for cooling and a CO2 generator. If set-up this way, the ventilation fans AND the CO2 generator will be allowed to operate simultaneously.

4) Select connect mode (**COnnEct**) if using a recycling air-conditioner for cooling and a CO2 generator. This turn off the CO2 generator when the air conditioner is operating to reduce the amount of heat that needs to be removed by the air conditioner.

MIN/MAXIMUM RECALL - Press to "recall" or display the minimum and maximum temperature, humidity, and CO2 recorded values. Each time the button is pressed, the next setting will be displayed.

The order of the recorded values is as follows:

Max temp, Min temp, Max humid, Min humid,
Max CO2, Min CO2

To reset the Min / Max values - Press the Enter / Reset button and hold for 3 seconds.

Photocell Sensitivity

The sensitivity of the photocell may be adjusted.

* Press both **Enter/Reset** and **Up** buttons and hold for 3 seconds. The current photocell setting will be displayed.

* Press **Up** to increase the number displayed and the sensitivity. (requires less light to activate photocell)

* Press **Down** to decrease the number and the sensitivity. (requires more light to activate photocell)

Fuzzy Logic CO2 mode

“Fuzzy Logic” CO2 mode allows the user to more precisely control the CO2 levels inside the growing area. Fuzzy Logic works by monitoring the rising or falling CO2 level and reacting to it by quickly activating ON / OFF the CO2 solenoid valve. This function can ONLY be used with compressed CO2.

Fuzzy Logic mode can be activated or deactivated by pressing Enter/Reset and holding for 5 seconds. Press Up or Down to select generator mode (**gEnErAt**) if using CO2 generator or Fuzzy logic mode (**Loglcon**) if using compressed CO2. Press Enter to accept new setting.

Note* To prevent the CO2 regulator from “freezing” or not closing when using the “fuzzy logic” mode, we recommend using the

HOW TO CALIBRATE CO2 (PPM)

1) Place the controller outdoors in a shaded area. Do not place in direct sunlight. Keep away from people, animals and other CO2 emitting areas.

Note: If calibration will be in a high traffic (vehicles) area or a highly populated area a slightly increased calibration to around 400-475 PPM is recommended.

3) Plug in the controller and allow to “warm up” for a minimum of 30 minutes. For best results, allow to “warm up” for an hour or longer.

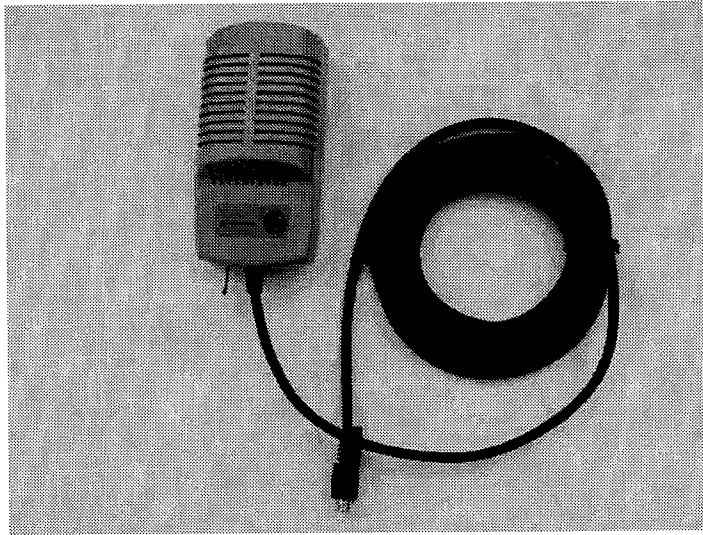
4) Press CO2 PPM CALIBRATE to activate the automatic calibration. The new CO2 level (380_PP) will be displayed. Press the up or down button to change the calibration setting. DO NOT exhale or breathe on the unit while activating the calibration function.

5) Press Enter / Reset to start the calibration sequence, (Co2_CAL) will be displayed. Leave controller alone for about 10 minutes.

6) When calibration is complete the display window will return to normal display and functions. Place the sensor back into the grow area. All other functions remain as they were prior to calibration.

Sulfur vaporizer warning!

If a sulfur vaporizer is used, first remove the remote sensor from the affected area or turn the controller OFF and cover the remote sensor probe with a protective plastic bag. Remove the bag before turning the power back ON.

APCECOTH remote probe assembly

Note: Failure to protect the sensor during Sulfur use will result in damage to the infrared CO2 sensor and void warranty

Q & A

How can I tell if my CO2 reading is accurate? You can check the calibration of the CO2 sensor by placing the sensor outdoors for 30 minutes. It should read close to 380 PPM. *See Calibrate CO2 PPM in the “How to set...” section.

What if my temperature is reading high? Make sure the remote probe is not in direct lighting from HID lights or sunlight. The probe also requires good air flow around it in order for the internal ventilation fan to quickly sample the air.

Do I need to calibrate my humidity sensor? No. like the temperature sensor, the humidity sensor is digital and does not require calibration. Refer to the above if the humidity reading does not seem accurate.

Why is the display reading Err SEn? The remote probe is not connected and/or communicating with the controller. Check the quick-connect cable and that the remote probe is getting power. *Contact the factory for more info.

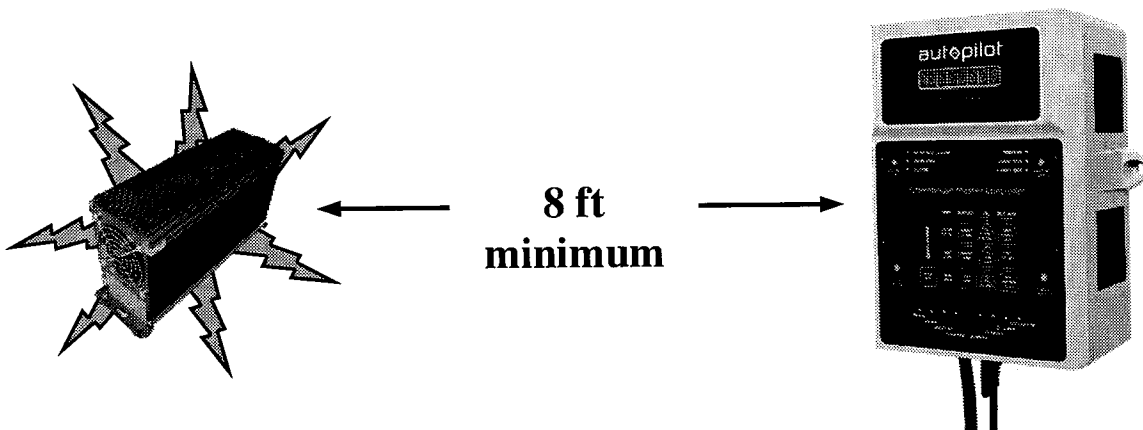
What if one of the of the small green Error LEDs are on? One or more environmental conditions are not acting correctly. Refer to the Error LEDs sections to diagnose the problem.


Why isn't the CO2 outlet turning on? Verify the correct CO2 mode has been selected and/or verify the photocell daytime green led is turned ON.

What if there is no power? Reset the power switch (circuit breaker). If this continues reduce the number of devices connected or use a power multiplier / expander to control devices with larger amperage.

IMPORTANT MESSAGE

1. **Save these instructions.** These safety and operating instructions must be kept in a safe place for future reference.
2. **Heed all warnings.** All warnings on this product and in the instructions must be observed closely.
3. **Follow all instructions.** All operating instructions must be followed..
4. If the instructions as provided by the manufacturer are not followed damage to the product may result.
5. Install your controller at least 8 ft away from any devices that produce large amounts of electronic noise, such as electronic ballasts or ozone generators.



6. The  symbol on the enclosure represents that the receptacle beside it may have an output voltage, which can be dangerous. The output voltages are the same as the input voltage voltage. This receptacle can only be inserted with standard Nema 1-15P and Nema 5-15P plugs. **Don't insert any other plug in it.**
7. **Do not use this Controller near water.** For example, near a bathtub, washbowl, kitchen sink, or laundry tub, in a wet basement, or near a swimming pool, and the like. The controller shall not be exposed to dripping or splashing and that no objects filled with liquids, such as vases, shall be place on this product. The product is not water-proof, or shock-proof.
8. Any factory serviceable pare parts of the product only can be checked or replaced by the manufacturer or authorize agencies. An unauthorized person is NEVER allowed to open the enclosure.
9. If the power cable insulation is broken, please stop using the product!

10. The product is equipped with a circuit breaker for short circuit or over current situations. The circuit breaker will automatically shut down the product at once. All outlets of the product all have the safety ground.

11. Do not install the enclosure near any heat source.

12. Do not block any ventilation openings.

13. This product is a Safety Class I Controller. The main plug should be inserted in a power socket outlet only if provided with a protective earth contact. Any interruption of the protective conductor inside or outside of the product is likely to make the product dangerous and is prohibited.

MESSAGE IMPORTANT

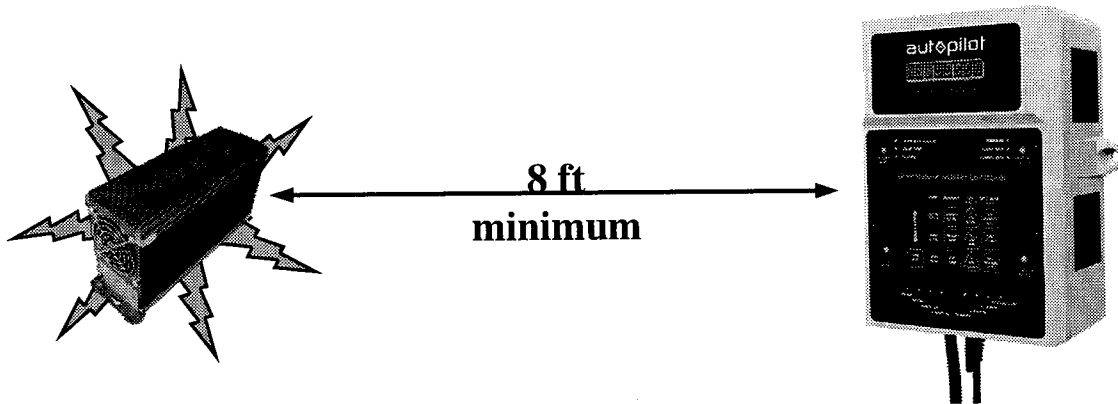
1. Conservez ces instructions. Ces consignes de sécurité et d'exploitation doivent être conservées dans un endroit sûr pour référence future.


2. Respectez tous les avertissements. Tous les avertissements sur ce produit et dans les instructions doivent être observés de près.

3. Suivez toutes les instructions. Toutes les instructions doivent être suivies.

4. Si les instructions fournies par le fabricant ne sont pas suivies d'endommager le produit peut entraîner.

5. Installez votre contrôleur au moins 8 pieds loin de tous les appareils qui produisent de grandes quantités de bruits électroniques, tels que les ballasts électroniques ou des générateurs d'ozone.



6.  Le symbole sur le boîtier représente que le récipient à côté il peut avoir une tension de sortie, qui peut être dangereux. Les tensions de sortie sont les mêmes que la tension de tension d'entrée. Cette prise

ne peut être inséré à la norme NEMA 1-15P et NEMA 5-15P bouchons.

Ne pas insérer d'autres plug en elle.

7. Ne pas utiliser ce contrôleur près de l'eau. Par exemple, près d'une baignoire, baignoire lavabo, évier de cuisine ou la lessive, dans une cave humide, ou près d'une piscine, etc. Le contrôleur ne doit pas être exposé à des éclaboussures et aucun objet rempli de liquides, tels que des vases, doit être placé sur ce produit. Le produit n'est pas étanche à l'eau, ou antichoc.

8. Toutes les pièces d'usine Paré réparable du produit ne peut être vérifiée ou remplacée par le fabricant ou autoriser les agences. Une personne non autorisée n'est jamais permis d'ouvrir le boîtier.

9. Si l'isolation du câble d'alimentation est cassée, s'il vous plaît arrêtez d'utiliser le produit! Débranchez immédiatement l'appareil et contactez le revendeur vous l'avez acheté.

10. Le produit est équipé d'un disjoncteur pour un court-circuit ou sur des situations actuelles. Le disjoncteur se fermera automatiquement le produit à la fois. Toutes les sorties du produit ont tous la terre de sécurité.

11. Ne pas installer l'enceinte à proximité de toute source de chaleur.

12. Ne pas bloquer les ouvertures de ventilation.

13. Ce produit est une classe de sécurité I contrôleur. La fiche principale doit être insérée dans une prise électrique que s'ils sont fournis avec un contact de terre de protection. Toute interruption du conducteur de protection à l'intérieur ou à l'extérieur du produit est susceptible de rendre le produit dangereux et est interdit.

Warranty and Liability

1.Limited Warranty

Hydrofarm, Inc doing business as Hydrofarm, Inc (collectively HYDROFARM) warrants that for a period of three years from the date of purchase, this product will be free from defects in material and workmanship. HYDROFARM, at its option, will repair or replace this product or any component of the product found to be defective during the warranty period. Replacement will be made with a new or remanufactured product or component. If the product is no longer available, replacement may be made with a similar product of equal or greater value. This is your exclusive warranty. DO NOT attempt to repair or adjust any electrical or mechanical malfunctions on this product. Doing so will void this warranty and may cause serious injury/death/damage.

This warranty is valid for the original retail purchaser from the date of the initial retail purchase and it not transferable. Keep the original sales receipt. Proof of purchase is required to obtain warranty performance. HYDROFARM dealers, distributors, service centers and retail outlets selling HYDROFARM products do not have any right to alter, modify or in any way change the terms and conditions of this warranty.

This warranty does not cover normal wear of parts or damage resulting from the following: negligent use or misuse of the product, use on improper voltage or current, use contrary to the operating instructions, use contrary to any and all applicable local, state, provincial or federal laws, disassembly, repair or alteration by anyone other than HYDROFARM or an HYDROFARM authorized service center. Future, the warranty does not cover: Acts of God, such as fire, flood, hurricanes, tornadoes, nor Acts of War or Acts of Terrorism.

What are the limits on HYDROFARM's liability?

HYDROFARM shall not be liable for any incidental or consequential damages cause by the breach of any express, implied or statutory warranty or condition.

Except to the extent prohibited by applicable law, any implied warranty or condition of merchantability or fitness for a particular purpose is limited in duration to the duration of the above warranty.

HYDROFARM disclaims all other warranties, conditions or representations, express, implied, statutory or otherwise.

HYDROFARM shall not be liable for any damages of any kind resulting from the purchase, use or misuse of, or inability to use the product including incidental, special, consequential or similar damages or losses of profits, or for any breach of contract, fundamental or otherwise, or for any claim brought against the purchaser by any other party.

Some provinces, states or jurisdictions do not allow exclusion or limitations on how long an implied warranty lasts, so the above limitations or exclusion may not apply to you.

This warranty gives you specific legal rights, and you may also have other rights that vary from province to province, state to state or jurisdiction on jurisdiction.

This warranty is offered by HYDROFARM,INC., If you have any other problem or claim in connection with this product, please write our Consumer Service Headquarters, HYDROFARM,INC.

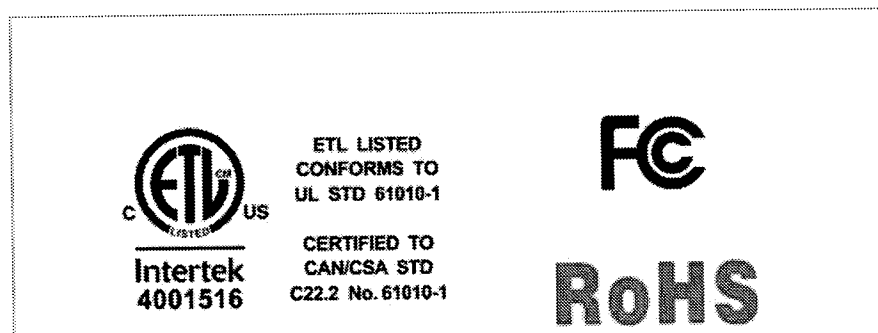
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autopilot

Environmental Controllers

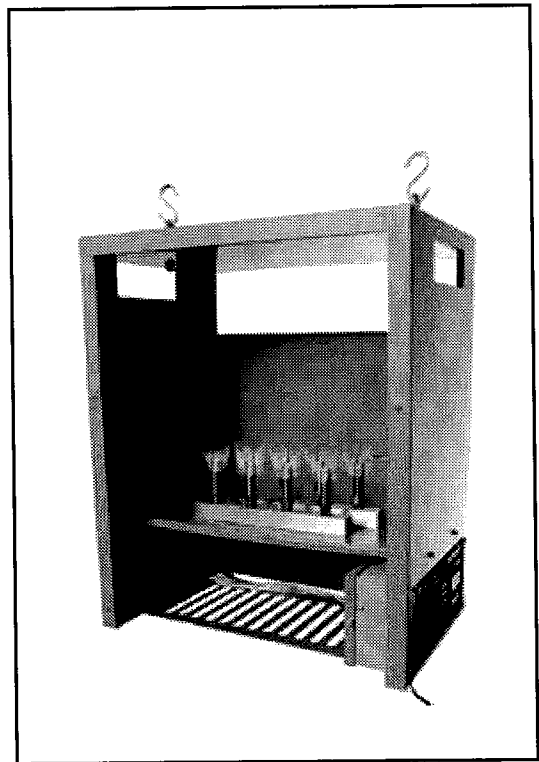
This product conforms to USA and Canada standards as listed below.



Autopilot

8 Burner CO₂ Generator (LP or NG)

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Specs

Power Requirements	400 ma @ 24VDC
# of Burners / material	8 precision brass
BTU Rating (variable)	LP 18,104 maximum NG 22,136 maximum
Cubic Ft CO2 per hour	22 SCFH
Natural Gas (NG) Pressure	4.5" WC / 1.15 kpa
Propane Gas (LP) Pressure	11" WC / 2.8 kpa
Weight	22 lbs
Dimensions	15" x 9.8" x 18"

IMPORTANT MESSAGE

**Read and understand this instruction manual
BEFORE attempting to operate this product.**

**Failure to do so could result in personal injury and /
or property damage.**

Natural gas or Propane

There are 2 types of generators available, Natural Gas (NG) or Liquid Propane (LP). Both units come with the correct regulator and hose, along with pre-installed, clean-burning brass burners. Both units are equipped with features like a safety tip-over switch, to automatically turn off the unit completely should it tip over or fall and an electronic ignition, which eliminates the open pilot flame.

Natural Gas - or NG is provided from a major pipeline, directly piped into homes and businesses. Because the incoming gas pressure can vary from less than 1/4 PSI to more than 5 PSI, the provided regulator **MUST** be used. (Unless the natural gas pressure has been verified and is regulated at 4.5" WC) The natural gas supply to the NG generator must be a regulated to a very low pressure of 4.5" WC or 1/4 PSI.

Liquid Propane - or LP is stored in various sizes pressurized tanks. The supplied LP regulator, (which is designed to connect directly to portable LP tanks) **MUST** be used. The propane gas supply to the LP generator must be a regulated to a very low pressure of 11" WC or 1/2 PSI.

Note: Large outside propane tanks can be used as long as the Propane gas pressure has been verified to be regulated at 11" WC

****The standard for measuring low pressure is INCH / WC or inches of water column.***

!!WARNING!! Installation and connection of the gas lines must be completed in compliance with local and national building codes. Consult your local authorities for detailed

Installation

Determine the best location for the generator. It must be hung level in an area that is adequately ventilated.

!!Warning!! In closed spaces without adequate ventilation, CO2 levels can accumulate and become toxic (CO2 levels above 5000 PPM are toxic) Plants benefit from levels up to 1500PPM. Levels above 2500PPM can cause headaches and /or other feelings of being ill.

The generator requires an unrestricted flow of air through the bottom and must be hung. DO NOT set the generator on top of anything such as a table, stand, etc.

Select an overhead support such as a ceiling joist to hang the generator from. The unit must have a 20" minimum space between the unit and wall, roof or any other possible obstruction.

Use the provided hardware (20" chains, screw hooks, and S hooks) to securely hang the generator.

Install the screw hooks into the overhead support. Use the S hooks to secure the chain to the unit and the screw hooks. Bend the S hooks so that they are secure.

Verify the APCG8 is hanging level. The APCG8 has a safety feature, the "tip over" switch, which will turn off the burners if the unit tips over or falls. The switch is like a pendulum and will turn off the unit if it is not level.

Verify the gas supply, and the regulator being used match the type of generator (NG or LP) selected.

Securely tighten the gas connection with 2 wrenches, using the included 12 foot hose, connect one end to the flare fitting

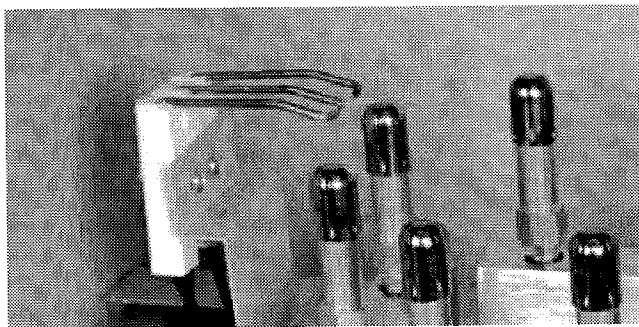
Pressurize the gas line after connections are verified. Use soapy water and a spray bottle to check for leaks by spraying it onto the gas connection (fittings) and watch for bubbles. If bubbles appear re-secure connection and repeat process.

Using the included power supply, connect the unit to a controller or timer that will determine the amount of time and how frequent the generator will be operate. The APCG8 requires 24 volts DC. ***The unit should be operated only with appropriate controls and/or timers.***

The ignition module and firing sequence is activated by the main power switch located on the side of the APCG8. The generator has power and is in operation if the green "Power On" indicator light is on.

Note: DO NOT turn on the generator. After the unit has been successfully installed, read the Start up Procedure to ensure safe and proper use of the GEN-4.

!! WARNING!! A spark is produced from a pair of electrodes near the tip of the brass burners to ignite the gas. Keep foreign objects away from electrodes.



Start Up Procedure

After completing the installation, follow this start up procedure.

Verify the power switch is off and the unit is not plugged in.

Verify there are no foreign objects or loose packing materials on the inside of the unit.

Make sure nothing appears damaged or out of place.

Check and confirm that the gas connections are connected properly.

Pressurize the gas lines by opening any of the shut off valves on the gas supply. Test for gas leaks especially if this is the first time the unit will be used,

Make sure there are no objects within 20" of the surface of the unit.

Plug in the 24 volt DC power supply into a 120 volt power source. Then connect the small power cable to the power inlet jack on the CO2 generator.

Turn the power switch ON. The green LED indicator light should illuminate next to "Main Power On".

Shortly after, the ignition module will attempt to ignite the burner(s) for approximately 5 seconds. The yellow LED indicator light should illuminate next to "Pilot Valve On"

Start Up Procedure (cont)

The unit should fire before 5 attempts however, after 5 unsuccessful attempts, the module will lock itself out and the LED light next to "Lock Out (error)" will be illuminated. Turn off the unit and wait 5 minutes to allow the gas to dissipate. Retry to start the generator.

NOTE: If starting the unit for the first time or after a new tank is connected, make sure to "purge" the gas line of any air to ensure gas is flowing to the burners.

Once the burners fire, look under the unit and confirm the flame is blue and consistent and resembles a flower or 6 point star.

!!WARNING!! Power the unit off immediately if the flame appears yellow or excessively large. DO NOT OPERATE with yellow, excessively large, or small "lazy" blue flames.

If the flame appears yellow or too large, verify the correct gas supply is being used and that the supplied gas regulator is being used. High pressure or incorrect gas type may increase flames to dangerous heights.

If the flame is blue but appears small, verify the correct gas supply is being used (if LP, verify tank level is not low) and that the supplied gas regulator is being used. Low pressure or low LP tank may cause small or "lazy" blue flames.

After the generator has been tested at full capacity, connect the APCG8 to a compatible controller or timer.

!!WARNING!! The APCG8 produces up to almost 22,000 BTU's of heat at full capacity. Verify the area around the APCG8 is not getting too hot for the surroundings

High Altitude units

The standard brass burners have been designed to operate correctly at an altitude between sea level and 4500 Ft of elevation. If you are at an altitude higher than 4500 feet, do not use the standard unit if yellow flames are visible. HA (High Altitude) burners are available by contacting the factory.

If you are using the HA version of the APCG8, the burners are designed to run leaner so that the lower oxygen level at altitude will not affect the proper and complete combustion of the fuel. As a result of the leaner burner calibration, the HA version of the generator is going to produce lower CO2 output

The standard NG and LP brass burners have been designed to produce approximately 3 Cu Ft of CO2 per hour. When the HA (high-altitude) burners are used, the CO2 output and BTU of each burner is reduced by approximately 15%.

The HA units be used at lower than 4500ft (down to as low as 2500ft) elevation as long as the burners are lighting (igniting) correctly. If you plan on using the HA unit at lower elevations, first ensure that all burners are lighting correctly and consistently before use.

!!WARNING!! Verify that the burners are operating correctly.

*** A burner that is burning very yellow indicates a rich condition, or possibly low oxygen levels.**

*** Burners that do not consistently ignite could be clogged or not be receiving enough gas pressure.**

*** A burner that burns almost invisibly with a clean blue-**

Electronic Ignition Control Module

For safer operation, the APCG8 has an Electronic Ignition Control Module that eliminates the “open” pilot flame. The module creates a spark that lights the burner(s), providing consistent and controlled starts.

The dual redundant solenoid valves are controlled by the ignition controller. This provides twice the safety as a single solenoid CO2 generator.

LED Indicators

There are 4 LED indicators located on the side of the generator near the power switch.

Main Power On - When lit, indicates the 24 volt power supply is connected or power is on.

Lock Out (error) - When flashing this indicates that the ignition controller shut off the solenoid valve(s) and the unit is locked out or will not operate until power has been cycled OFF then back ON.

Main Valve On – When lit, indicates the ignition controller has activated the main solenoid and the unit is in operation.

Pilot Valve On – When power is applied, the electronic ignition module will begin to provide a spark for 15 seconds while the “pilot” solenoid is energized. The indicator will remain lit while the solenoid is activated and should be lit during operation.

Q & A

Should there be a gas smell in the area? NO. Turn off the gas supply immediately, Do not turn on any electrical devices. Ventilate the area by opening vents, doors, or windows. Leave the area until the gas smell is no longer present. Once ventilated and the gas smell is gone, determine where the leak is by using soapy water. Spray the soapy solution on the gas connections and watch for bubbles. Bubbles will appear if the connection(s) are leaking. Seal the leaks. If this does not correct the problem, call the factory.

The power is connected but not working and no indicator light is on. The “tip over” switch may be activated. Tilt the unit to one side and listen for a clicking noise. The switch is like a pendulum and will turn off the unit if it is not level.

The burners are not lighting but the unit is trying. If the burners do not fire the first attempt, it will try again. After a 30 second pause the unit will attempt to re-fire the burner(s) for 15 seconds, This cycle will repeat until it fires or a maximum of 5 times. After 5 unsuccessful attempts, the module will lock itself for a 20 minute pause. The LED light next to “Lock Out (error)” will be illuminated. Verify that the spark is being generated and the position of the sparking electrodes is close to the burner to be lit.

One or more of the burners is not lighting? Make sure the gas line is not kinked or twisted and the gas supply is adequate. Do not operate if yellow or large flames are present. If using propane, turn off the gas regulator for 30 seconds, and then try again.

The CO2 level is not increasing to my desired PPM level. If both burners are operating, check for air leakage in the grow area and confirm that exhaust fans are not operating when the CO2 is being produced.

Q & A

Should the APCG8 be buzzing and / or sparking? Yes, when the unit is firing you will hear “sparking” sounds. It will attempt this up to 5 times, before going into lock out mode. However it is not usual for the unit not to start after 5 times unless the gas flow has been interrupted.

The indicator light beside the “Lock Out (error)” is flashing. The unit may be out of propane or the gas supply may have been interrupted. The safety mode or Lock Out (error) is an automatic built-in feature that will activate if the pilot does not fire after 5 attempts. Once the problem has been corrected, turning the power off for 30 seconds and back on will reset this function. It will also reset after 20 minutes and attempt to ignite the burners.

How should the flame(s) appear? The flames should burn clean and blue with a resemblance to a flower or 6 point star. If the flame is yellow, extra large or a small blue dot not resembling a flower or 6 point star, DO NOT OPERATE THE GENERATOR... consult the factory

Does it matter which burner I remove? Yes, the two burners on the right located directly under the igniter must remain in place.

How much CO2 does the unit produce? The brass burners are designed to produce approximately 3 cu ft per hr. If more CO2 production is required, add an additional generator.

If the information in this manual is not followed exactly, a fire or explosion may result causing property damage, personal injury or loss of life.

- * Do not store or use gasoline or other flammable vapors and liquids in the vicinity of this or any other appliance.
- * Installation and service must be performed by a qualified installer, service agency or the gas supplier.

WHAT TO DO IF YOU SMELL GAS

- * Do not try to light any appliance.
- * Do not touch any electrical switch: do not use any phone in your building.
- * Open doors or windows to ventilate the area.
- * Immediately call your gas supplier outdoors.
- * If you cannot reach your gas supplier, call the fire department.

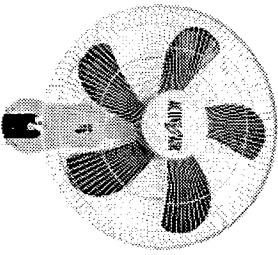


IMPORTANT MESSAGE

**Read and understand this instruction manual
BEFORE attempting to operate this product.**

**Failure to do so could result in personal injury
and / or property damage.**

Made in China



ACTIVE AIR 16" WALL MOUNT FAN

SKU: ACF16

16" - ACF16

Suggested Retail:

\$39.95



WARRANTY

Overview

Specifications

Related Items

Product Info

FAQs

+

This easy-to-mount unit has 3 speed settings and oscillates 90 degrees to give you ultimate control of air flow in your area. It has two pull chains that allow for easy adjustments of speed or direction, and operates very quietly.

Features

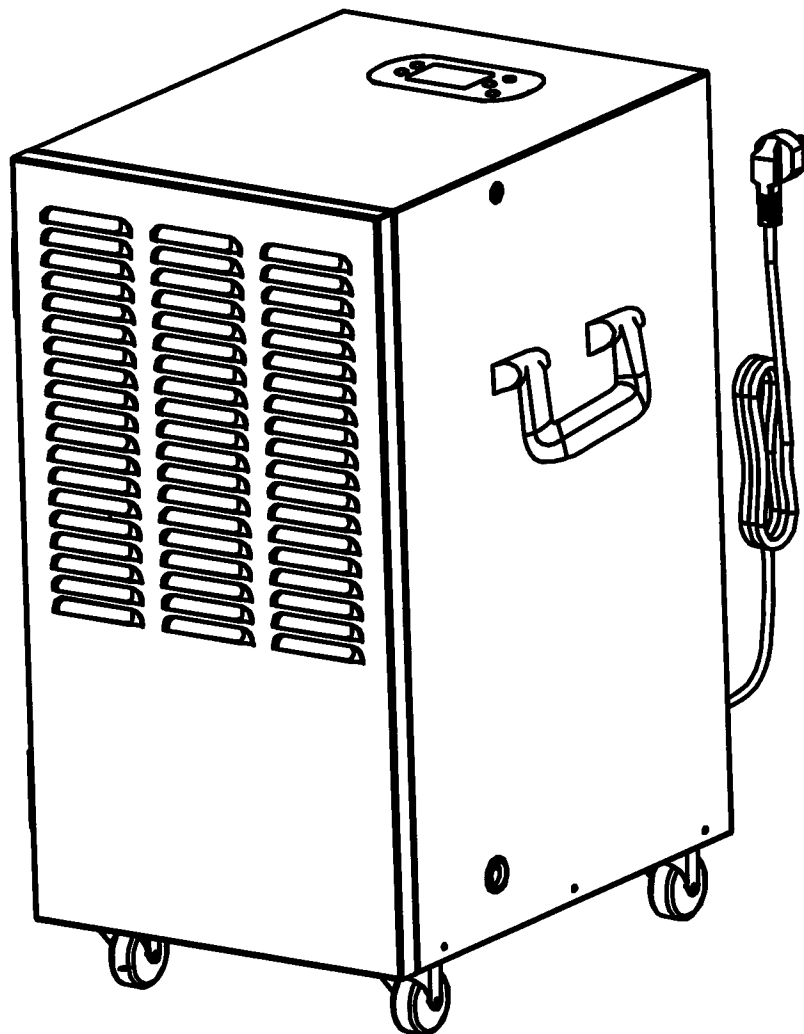
- Helps grow healthy plants
- Prevents stratification of grow room air
- Smooth and quiet operation
- 90° oscillating action
- 3 speed settings
- 2 pull chains to operate speed and oscillation
- Easy wall mount
- 6' power cord
- 55 watts



INSTRUCTION MANUAL

DEHUMIDIFIERS

AADHC100P & AADHC60P



INSTRUCTION MANUAL

PLEASE KEEP THIS MANUAL FOR FUTURE REFERENCE!

Thank you for selecting Active Air dehumidifiers. This manual details the proper use and maintenance of these dehumidifiers. Please take a few minutes to read this manual, and please keep it for further reference.

FEATURES

- Large capacity
- Moveable and easy to store
- Built-in auto defrost system to protect key working components
- Adjustable humidity
- Timed operation
- Quiet running
- Energy-saving design

SPECIFICATIONS

Model#	.....	AADHC60P	.....	AADHC100P
Rated capacity	.....	60 PINTS/ Day	.....	100 PINTS/ Day
Power supply	.....	120V / 60Hz	.....	120V / 60Hz
Rated input current	.....	4.7A	.....	6.4A
Rated input power	.....	560W	.....	770W
Max condenser pressure	.....	3.6 MPa	.....	3.6 MPa
Max evaporator pressure	.....	1.2 MPa	.....	1.2 MPa
Freon type & capacity	.....	R410a / 390g	.....	R410a / 400g
Grade of waterproof	.....	IP-X1	.....	IP-X1
Weight	.....	73lbs.	.....	77lbs
Operating ambient temperature	.....	41°F–95°F	.....	41°F–95°F
Test conditions	.....	86°F, RH80%	.....	86°F, RH80%

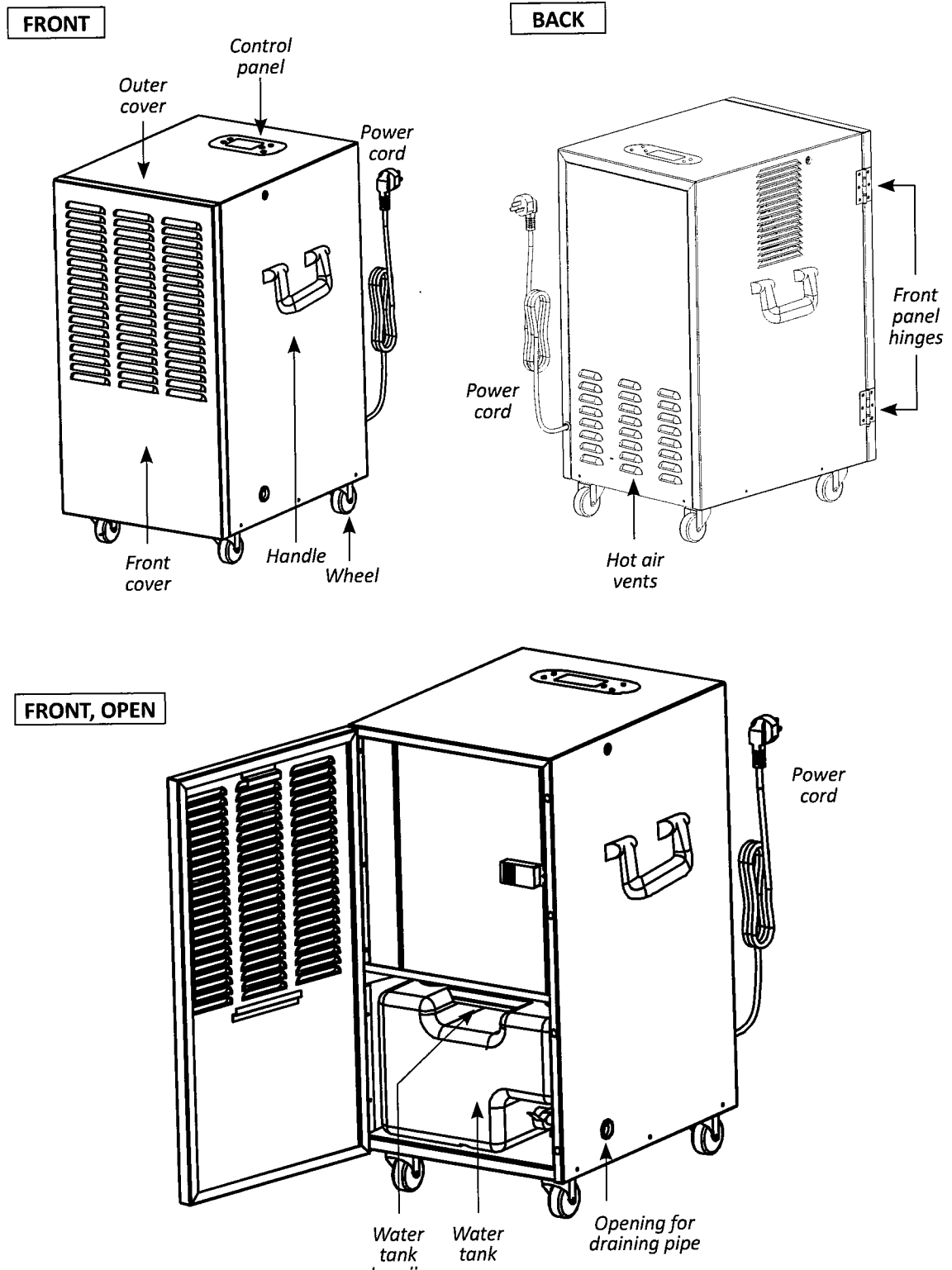
WARNINGS

Please follow the below safety guidelines when using the dehumidifier:

- Unplug the power supply when cleaning or storing the unit.
- Do not put into water or operate near a water source.
- Do not place the unit near the heat equipment or Inflammable dangerous goods.

INSTRUCTION MANUAL

PRODUCT DRAWINGS



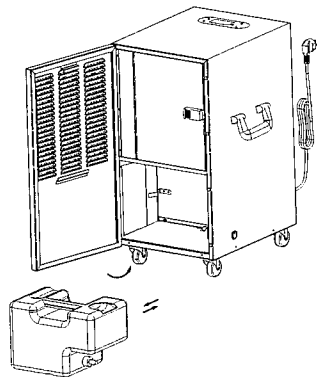
INSTRUCTION MANUAL

DRAINAGE INSTALLATION

DRAINAGE WITH THE BUILT-IN WATER TANK

The unit is designed to use the built-in water tank for drainage by default. When the tank is full, the screen will display "FULL" and also make a buzzing sound.

1. Press the **POWER** button to turn off the machine.
2. To empty the water tank, open the front panel to access the water tank.
3. Grab the handle of the water tank and pull it out horizontally.



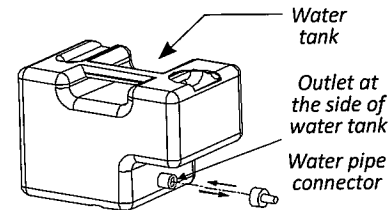
4. After disposing of the water, insert the tank back into place until you feel the internal clamp fully clamps onto the nozzle of the tank. Close the front panel.
5. Press the **POWER** button to resume operation.

CONTINUOUS DRAINAGE WITH THE DRAINAGE PIPE

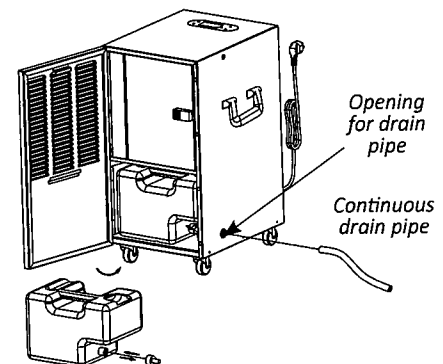
In extremely wet conditions, the water tank may be filled up frequently. You may consider setting up continuous drainage by using the drainage pipe for convenience.

1. Open the front cover of the machine, remove the tank, and empty the water from the tank.

2. Screw the water pipe connector off the water tank outlet. Set the connector aside.
3. The outlet at the side of the water tank is sealed by default for drainage. If you decide to install a pipe for continuous drainage, use a power tool to drill the side outlet so you to have an opening of sufficient size to allow water to drain through smoothly.
4. Screw the connector back to the outlet tightly. A washer is pre-installed into the connector to prevent leakage.



5. Install the included drain pipe to the water pipe connector on the tank, through the opening on the machine housing. Direct the pipe to the desired area before operating the machine.
6. If needed to replace or extend the drainage pipe, use IDΦ11mm (7/16in) piping.
7. Shut the front panel.



WARNING: Do not block the drainage pipe. The end of the drainage pipe should not be higher than the water tank outlet. If the drainage pipe end is higher than the outlet, water will not drain properly and could damage components

INSTRUCTION MANUAL

of the unit.

MACHINE SETUP AND OPERATION



KEY FUNCTIONS

POWER – Turns the unit on and off.

CONTINUOUS OPERATION – When pressed, the unit will operate continuously.

TIMER/MODE – The unit has 5 modes: Humidity, Current Time, Timed Operation On, Timed Operation Off, and Exit. Every time you press the Timer/Mode key it cycles to the next mode.

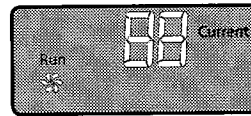
“+” KEY – When in the “**SET**” mode, every time you press the “+” key, it will raise the humidity by 1%. If you hold the key down, it will add humidity more quickly. When in any of the time modes, the “+” key adds hours. These keys are used to set “**CURRENT**” time, “**TIMING ON**”, and “**TIMING OFF**.”

“–” KEY – When in the “**SET**” mode, every time you press the “–” key, it will lower the humidity by 1%. If you hold the key down, it will lower humidity more quickly. When in any of the time modes, the “–” key adds minutes. These keys are used to set “**CURRENT**” time, “**TIMING ON**”, and “**TIMING OFF**.”

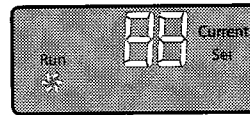
HUMIDITY AND TIMER SETUP

When the machine is powered on for the first time there will be an audible buzz sound. Please note that the machine has a default setting for humidity.

1. Press the **POWER** button to start the machine. The screen will display “**Run**” and

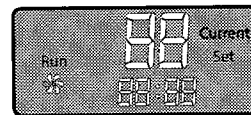


2. To set the desired humidity, press the **TIMER/MODE** button. The screen shows “**Set**” and the machine enters into the set mode. When in the set mode, you can increase or decrease the humidity from the default setting to your desired level by using the “+” or “–” buttons.



ATTENTION: The machine default humidity setting may be lower or higher than the current ambient humidity when the machine is powered on for the first time. If the default humidity is higher than the current humidity, after the machine is powered on, although the fan will operate, the dehumidify function will not operate. You are required to reset the humidity to your desired level in order to ensure the machine will operate properly.

3. To set the current time, press **TIMER/MODE** again to see the present time. You can change the time by using the “+” button to change hours and “–” button to change minutes.



ATTENTION: The time format is in 24 hours and the default time is set at 12:00. You can choose to skip the current time setting by pressing the **TIMER/MODE** button to cycle to exit. However, if the machine operates by the default current time, the Timing On and Timing Off function,

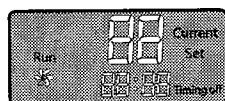
INSTRUCTION MANUAL

if set, will operate according to the default current time, but not the real current time. You are highly recommended to set the current time.

4. To set for timed operation, press **TIMER/MODE** a third time and "Timing on" will display. Use the "+" button to change hour and the "-" button to change minutes. The timer is in 24-hour format.

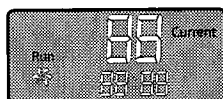


5. After you press **TIMER/MODE** a fourth time, "Timing off" will display. Use the "+" button to change hour and the "-" button to change minutes.



TIP: You can choose to skip the Timing on and Timing off setting by pressing the **TIMER/MODE** button to exit. If so, you must manually power the machine on or off each time by pressing the **POWER** button.

6. Press **TIMER/MODE** a fifth time to exit the setting mode.



OPERATIONS

Non-timed dehumidifying operation to the desired humidity level

When the timer is not set, the unit dehumidifies toward the humidity set point and automatically goes to the standby mode when the set point is achieved. After the ambient humidity increases more than 3%, the dehumidifying function operates again. The machine will continue working in this pattern until it is manually powered off.

Due to the 3-minute on/off delay design to protect the working components (*see On/Off Delay, page 7*), the humidity reading may go up more than 3% while the machine remains in the standby mode since it is within the 3-minute delay protection period. This usually happens in the condition that the ambient humidity is high. It is not a machine malfunction.

Timed dehumidifying operation to the desired humidity level

When the timer is set, the machine will operate according to the humidity set point (*see page 5, step 2*), only after the Timing On time and before the Timing Off time. Before the Timing On time and after the Timing Off time, the machine is in standby mode. Unless the power supply cord is unplugged, the machine remembers all set points in the standby mode and will automatically operate according to the timer setup every day.

You can manually override the timer function to start or stop the dehumidifying function by pressing the **POWER** button. The machine resumes to the timer mode in the next 24-hour cycle.

Automatic Defrost

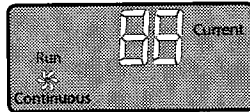
The unit will automatically go into defrost mode when frost forms on the evaporator coil. The screen shows "Defrost." After 15 minutes of defrost time the unit will resume operation. When in the defrost mode, the unit does not dehumidify.

Continuously dehumidify operation

When the machine is in continuous operation, the desired humidity set point is still remembered but is deactivated. The machine will continuously dehumidify, no matter what the humidity set point is, until it is manually powered off or timed off.

1. Press the **CONTINUOUS OPERATION** button to enter the continuous operation mode. The screen will show "Continuous."

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2. Press the **CONTINUOUS OPERATION** button again to deactivate continuous operation. The machine goes back to the mode of operating according to the humidity set point.

When there is a frost buildup, the machine will be forced to stop dehumidifying and start defrosting automatically. The screen shows the machine in "Defrost" process under "Continuous" mode. After the defrost function ends, "Defrost" disappears from the screen while "Continuous" still shows.

Automatic Restart

In the event of a power failure, the machine will remember what the humidity set point was and whether the unit was in operating mode before the power failure.

When power is restored, if the unit was operating before the power failure, it automatically restarts to operate according to the humidity set point in the non-timed mode.

If the unit was not operating before the power failure, the unit remains in non-working condition.

Current Time, Timing On, Timing Off and Continuous Operation set points will not be remembered when power failure occurs. They must be reset when the power is restored.

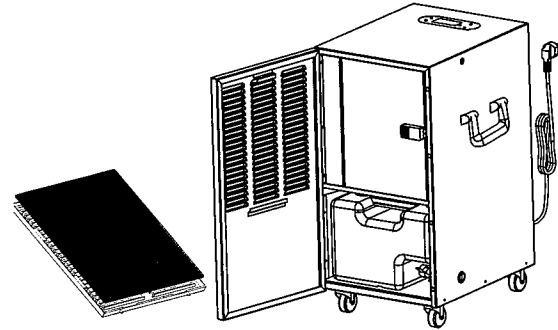
The Automatic Restart feature allows the unit to be used with controllers and timers.

On/Off Delay

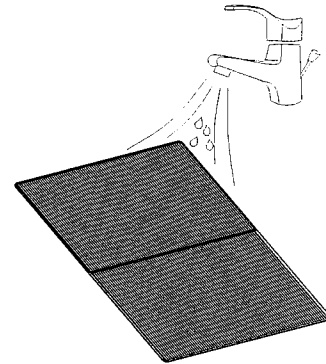
If the system is turned off after running and you wish to turn it on again, there is a 3-minute delay before restart as protection to the working components of the unit.

MAINTENANCE

1. Clean the machine with a soft wet cloth.
2. Pull out the louver on the front panel to gain access to the filter.



3. Remove the filter mesh out of the unit.
4. Use a clean rag to absorb the surface dust on the filter mesh. If the filter is extremely dirty, use tap water to flush the filter. Fully dry the filter before putting it back into the air inlet fence. A clean filter will increase the machine's capacity.



MACHINE STORAGE

If you don't use the unit for an extended period of time, please store it per the following steps.

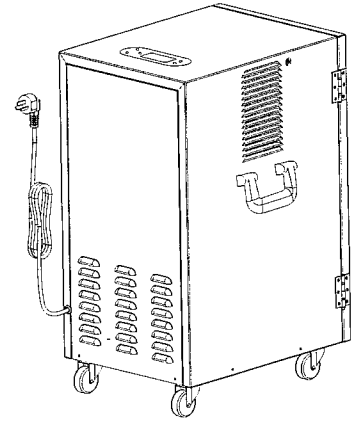
1. Clean the filter mesh.

ATTENTION: The evaporator inside the machine has to be dried out before the unit is packed to avoid component damage and molds. Unplug the unit and place it in a dry open area for a few days to dry it out.

INSTRUCTION MANUAL

TIP: Another way to dry the unit is to set the humidity point higher than the ambient humidity to force the fan to dry the evaporator for 30 minutes. The dehumidifying function will not work and the fan can accelerate the drying process.

2. Collect the power cord, bunch it, and hang it in the power cord pocket at the back of unit.
3. Store the unit in a clean, dry environment.



TROUBLE SHOOTING

Please try the following solutions before requesting after-sale service.

TROUBLE	CAUSE	SOLUTION
Machine does not run	Unit is not plugged in.	Plug in the unit.
	Ambient temperature is under 5 degrees or above 35 degrees.	To protect the machine, use it only when ambient temperature is between 5 and 35 degrees.
	The humidity sensor is loose, wet or defective; the screen will show "E5".	Check the sensor connection. Use a blower to dry the humidity sensor behind the front cover. If the machine still does not run, contact your retailer to replace the sensor.
	The temperature sensor is loose or	Check the sensor connection. Contact your retailer to replace

Quotation

Quote Number: 16948 - Hawaiian Ethos LLC

Date: 2016-01-24



From

illumitex
illumitex
6301 E. Stassney Lane
Building 6, Suite 400
Austin, TX 78744

Bill To

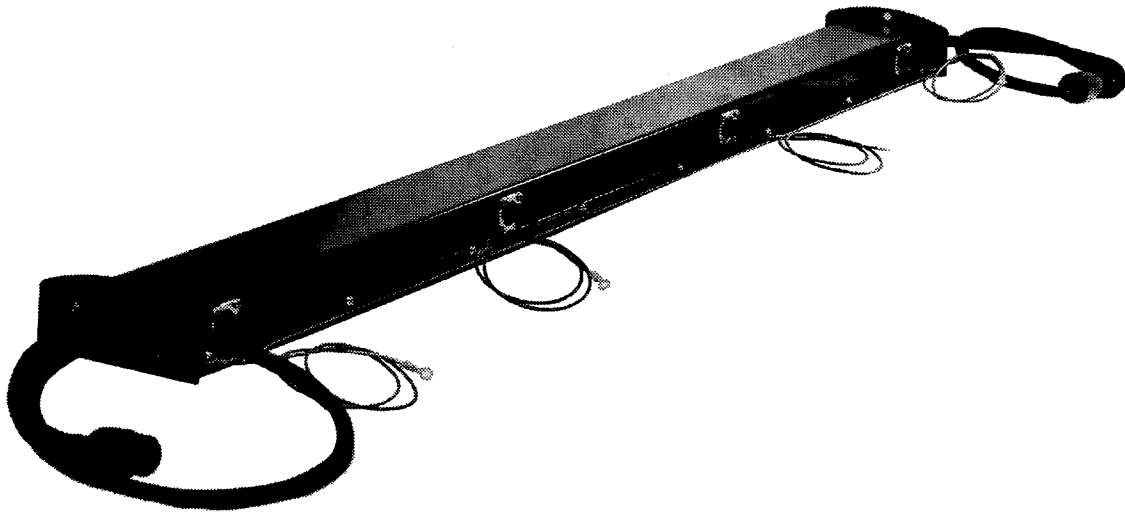
Ship To

Ship Type	Complete	Tax Group	(0%)	Ship Via	Best Way
Order Type	Unscheduled	FOB	86 - FOB Factory	Terms	50% / 50%
Inside Sales	Michelle Strebel	Phone	512-279-5020	Email	mstrebel@illumitex.com
Outside Sales	Dennis Rilling	Phone	512-279-1813	Email	drilling@illumitex.com

#	Prepart #	PRC	Part #	Rev	Dock Date	Ship Date	Lead Time	Qty	Unit Price	Discount	Ext. Price
1	PB64812F3390UD	PB6	4812F3390UD	A	2016-03-18	2016-03-14	8 week(s)	256 Each	\$ 1,249.00000	\$ 0.00000	\$ 319,744.00000
Description: PB, 6 Bars, F3, 18" Cable											
2	CE5-4	CE5	-4	A	2016-01-19	2016-01-19	8 week(s)	64 Each	\$ 25.00000	\$ 0.00000	\$ 1,600.00000
Description: Cable Ext,5 Cond,4ft											
3	PHW10F3URC10	PHW	10F3URC10	A	2016-05-02	2016-04-24	12 week(s)	320 Each	\$ 1,499.00000	\$ 0.00000	\$ 479,680.00000
Description: PHW Series,1040 PPF,F3,120-277V,Receptacle,10'cord											
Tech Description:											
										Freight:	\$ 12,500.00
										Tax:	\$ 0.00
										Total:	\$ 813,524.00

This quote is valid for 30 days unless otherwise stated.

All sales are subject to the standard terms and conditions of sale for Illumitex.



POWER BAR FEATURES & SPECIFICATIONS

GENERAL DESCRIPTION

To provide a more robust and cost-effective installation process, the Illumitex Power Bar™ module is used to power multiple ES2 light fixtures. The Power Bar™ provides a completely plug-and-play system and allows the vast majority of the system to be installed by non-licensed personnel by eliminating the need to run separate power lines to every fixture. With a single home run power connection to the initial Power Bar™ completed by a licensed electrician, multiple Power Bars can be daisy-chained together with simple watertight connectors (number of daisy-chained Power Bars to be determined by the electrical system of the facility). ES2 fixtures then connect directly to the Power Bars with water-tight connectors.

ELECTRICAL

Each 24-inch Power Bar™ can supply power to two Eclipse Series ES2 fixtures, and each 48-inch Power Bar™ can supply power to three or four Eclipse Series ES2 fixtures. Integral drivers are 150W, Class 1. 120-277VAC, 50-60Hz auto-sensing input. 530mA driver current. 0-10V dimming protocol is standard.

Watertight connector to ES2 fixtures. Note: When dimming is used, AC and DC circuits must be separate.

MECHANICAL

Extruded and fabricated aluminum housing enclosure is available in 24- and 48-inch lengths. Molded silicone rubber end cap gaskets and sure-seal fixture, dimming and power connection points allow for IP65 ingress protection rating against dust and moisture. Stainless steel fasteners throughout. 5-conductor, 36-inch power and dimming feed through cables on each end.

WEIGHT

24-inch Power Bar: 8.5 lbs

48-inch Power Bar with 3 power supplies: 14 lbs

48-inch Power Bar with 4 power supplies: 16.2 lbs

FINISH

Green polyester powder-coat

TESTING AND COMPLIANCE

- IP66 ingress protection rating
- RoHS compliant
- ETL/cETL listed
- 5-year warranty



ILLUMITEX, INC * 6301 E. STASSNEY LANE * BLDG 6, STE. 400 * AUSTIN, TX 78744 * 512.279.5020 * (f) 512.279.5030 * illumitex.com



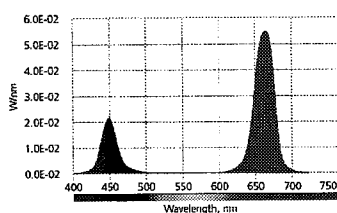
EC LIPSE™ SERIES ES2+POWER BAR

**SUREXI™
HORTICULTURE
LED SERIES**



GROWTH LIGHTING

F1 SPECTRUM



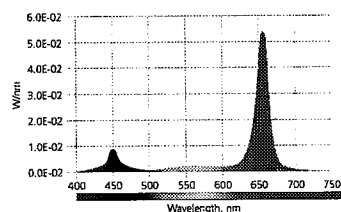
GENERAL PURPOSE, HIGH EFFICIENCY

The F1 spectrum is suitable for a variety of plant species throughout their growth cycle. It contains a high proportion of red light, which spurs photosynthesis during the vegetative growth stage and facilitates the flowering stage. It has the highest photon yield efficacy of all custom Surexi™ spectra and is recommended for applications with a tight electrical energy budget.

F1 WAVELENGTH MIX

Blue (400 - 499nm)	22.8%
Green (500 - 599nm)	0.3%
Red (600 - 699nm)	76.8%
Far Red (700 - 780nm)	0.1%

F3 SPECTRUM



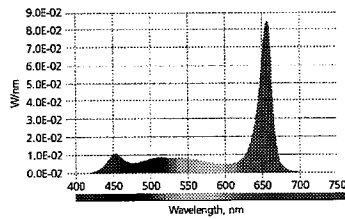
BEST FOR GERMINATION THROUGH FLOWERING

The workhorse and most popular spectrum from Illumitex, F3 produces the fastest germination and drives the best vegetative and flowering results among all of the Surexi™ spectra options. In addition to the blue and red wavelengths, the F3 spectrum contains a small amount of green which is beneficial for the quality assessment of plants. The F3 spectrum is recommended for use in growth chambers as well as controlled environment agriculture operations of any size.

F3 WAVELENGTH MIX

Blue (400 - 499nm)	11.0%
Green (500 - 599nm)	7.7%
Red (600 - 699nm)	81.0%
Far Red (700 - 780nm)	0.3%

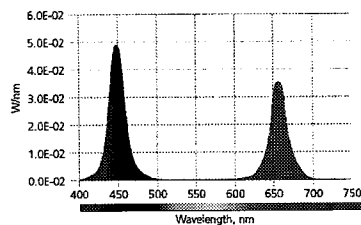
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X5 SPECTRUM**BEST FOR HUMAN VISUALIZATION**

The Illumitex X5 spectrum, inspired by NASA, is a good choice for growing situations where it's important for people to see plants as we're accustomed to seeing them — that is, green. The purplish light cast by many grow lights wouldn't work in situations where we want to see the plants — for example, on a decorative grow wall. X5 provides good light for plant growth, along with light that allows humans to see the plants.

X5 WAVELENGTH MIX

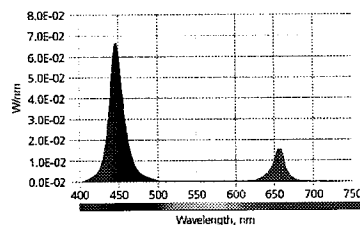
Blue (400 - 499nm)	18.0%
Green (500 - 599nm)	17.0%
Red (600 - 699nm)	64.0%
Far Red (700 - 780nm)	0.0%

F6 SPECTRUM**BEST FOR VEGETATIVE GROWTH**

The Illumitex F6 spectrum has an enhanced blue region and provides the fastest vegetative growth results. The increased blue content reduces plant height, thereby improving plant appearance and space utilization. Recommended for the production of leafy green vegetables when the visible assessment of plant health is not important.

F6 WAVELENGTH MIX

Blue (400 - 499nm)	49.5%
Green (500 - 599nm)	0.5%
Red (600 - 699nm)	49.9%
Far Red (700 - 780nm)	0.1%

F7 SPECTRUM**BEST FOR SEEDLINGS**

The Illumitex F7 has the highest blue content of all Surexi™ spectra and produces stocky plants with short internodal distances, highly desirable at the seedling stage. Recommended for growing seedlings prior to transplantation.

F7 WAVELENGTH MIX

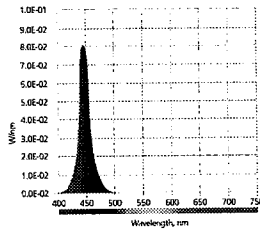
Blue (400 - 499nm)	74.5%
Green (500 - 599nm)	0.6%
Red (600 - 699nm)	24.8%
Far Red (700 - 780nm)	0.1%

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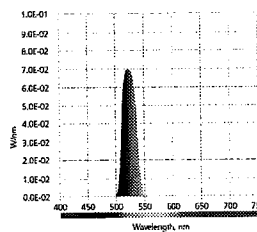
SUPPLEMENTAL LIGHTING

450nm BLUE WAVELENGTH



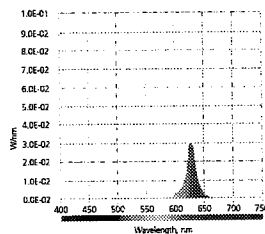
The 450nm spectrum enacts regulation by cryptochromes and phototropins, mediating various plant responses, such as phototropic curvature, inhibition of elongation growth, chloroplast movement, stomatal opening and seedling growth regulation. Can be directly absorbed by chlorophyll in photosynthesis. Recommended as supplemental light for seedlings and young plants during the vegetative stage of their growth cycle, especially when “stretching” must be reduced or eliminated.

525nm GREEN WAVELENGTH



The Illumitex 525nm wavelength LED can be used as a tool for eliciting specific plant responses such as stomatal control, phototropism, photomorphogenic growth and environmental signaling. When combined with blue, red and farred wavelengths, 525nm completes a comprehensive spectral treatment for understanding plant physiological activity.

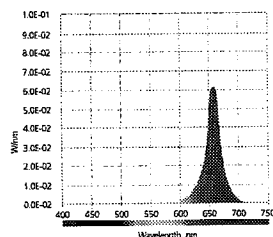
624nm RED WAVELENGTH



This 624nm region has the highest photosynthetic relative quantum yield for a range of plants. At the same time, its action on red-absorbing phytochrome is considerably weaker compared to that of 660nm red light and can be used to balance the phytochrome equilibrium towards lower values (closer to those of daylight) than those achievable with 660nm red light, especially when used together with 730nm red light.

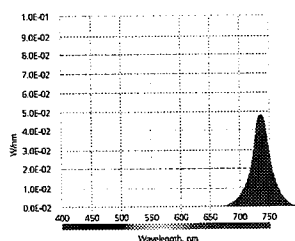
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660nm DEEP RED WAVELENGTH



The 660nm wavelength has a very strong photosynthetic action and also exhibits the highest action on red-absorbing phytochrome regulated germination, flowering and other processes. Most effective for light cycle extension or night interruption to induce flowering of long-day plants or prevent flowering of short-day plants. Most energy-efficient source for photosynthesis among all available supplemental LEDs.

730nm FAR RED WAVELENGTH

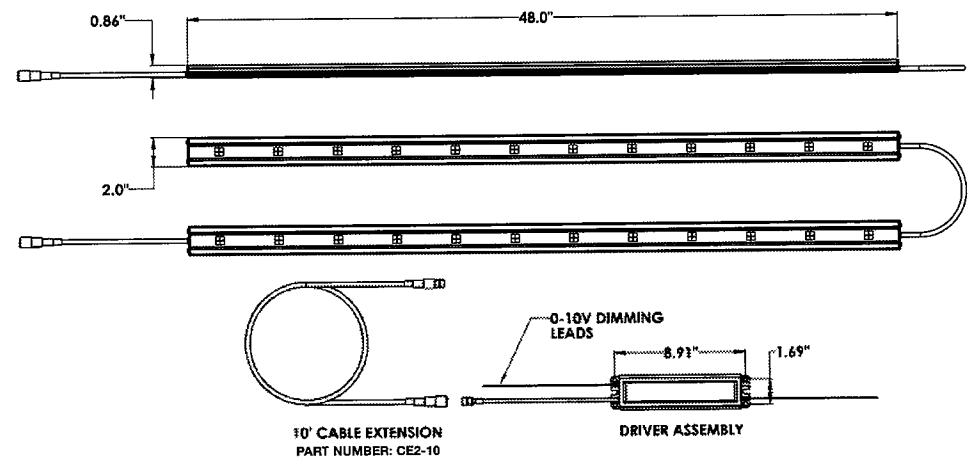


Although the 730nm wavelength is outside the photosynthetically active range, it has the strongest action on the far-red absorbing form of phytochrome, converting it back to the red-absorbing form. It becomes necessary for plants requiring relatively low values of the phytochrome photoequilibrium to flower. Can be used at the end of each light cycle to promote flowering in short-day plants.

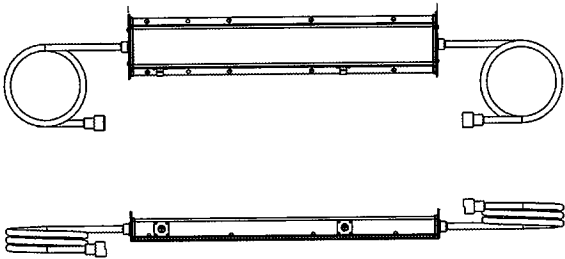
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DIMENSION LINE DRAWINGS

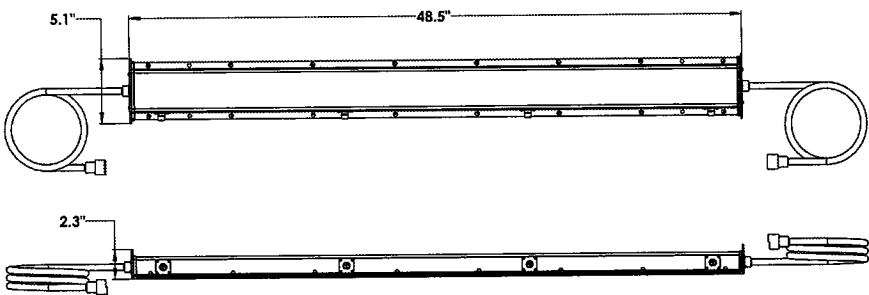
SERIES ES2



POWER BAR 24"



POWER BAR 48"



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PART NUMBER ORDERING GUIDE

PB		48	12				D
SERIES	# OF BARS	BAR LENGTH	# OF LEDs	LED SPECTRA	POWER SUPPLY	INPUT	DIMMING
PB = POWER BAR	4 = 4 BARS (2 ES2)	48" = 48" BAR	12 = 12 Surexi™ LEDs PER BAR	GROWTH: F1 = F1 F3 = F3 X5 = X5 F6 = F6 F7 = F7 SUPPLEMENTAL: 45 = 450nm 52 = 525nm 62 = 624nm 68 = 660nm 73 = 730nm	260 = 260W (2 ES2) 390 = 390W (3 ES2) 520 = 520W (4 ES2)	U = 120-277VAC 50/60Hz AUTO-SENSING 3 = 347VAC 4 = 480VAC	D = 0-10V DIMMABLE

* Optional 10-foot cable extension accessory CE2-10.

* CE5-4 power input cable required for each set of daisy-chained Power Bars. To determine how many CE5-4 cables are required, see below. CE5-4 includes a cap to cover end of last Power Bar in a daisy chain.

1. Divide the Power Bar wattage by voltage x .90

Example: $520W / (277V \times .90) = 2.09A$

2. Divide amperage limit of circuit breaker by amperage of each Power Bar.

Example: $20A / 2.09A = 9.56$

This means that up to 9 Power Bars can be daisy-chained per each circuit breaker and will require one CE5-4 cable per 9 Power Bars.

3. Divide total number of Power Bars on project by number of Power Bars allowed per circuit breaker.

Example: $50 \text{ Power Bars} / 9 \text{ Power Bars per circuit breaker} = 5.55$
(or 6 CE5-4 required).

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POWERHARVEST™ W

5 Series
10 Series

WIDE DISTRIBUTION – WIRELESS CONTROLS

FEATURES & SPECIFICATIONS

General Description

Available in 520 PPF (300W) and 1040 PPF (600W) variations, the PowerHarvest W from Illumitex is designed and tested specifically for indoor grow operations, including greenhouses. Scientifically developed and patented horticultural growth spectra and high power LEDs combined with wide distribution optics ensure optimum plant growth and the highest yields. Wireless controls option equips growers with the ability to easily control one fixture or thousands of fixtures from a laptop computer, tablet or smart phone.

Mechanical Construction

Fixture housing is fabricated from laser cut and formed 5000 series aluminum sheet, precision-machined die extrusions and stainless steel fasteners to protect against corrosion in damp environments. Fan assemblies can be easily removed in the field via tool-less wiring connectors for cleaning or replacement.

Electrical Specifications

Ultra-high efficient (94.5%), constant-current drivers suitable for wet locations. 6kV input surge suppression. Input voltages options are 120-277VAC (auto-sensing), 347VAC and 480VAC, 50/60Hz. 100 to 10% dimming and on/off control utilized in conjunction with optional wireless controls. All fixtures ship "controls ready".

Thermal Management

LED thermal management is accomplished by means of a custom, extruded aluminum heat sink. Venting slots at either end of the fixture and dual, replaceable, high-efficiency cooling fans provide further cooling.

LEDs

High-power, wide angle (110°) Illumitex multi-chip LED packages combine multiple wavelengths to create specific plant growth spectra for various horticulture applications and needs. Highly efficient, AR-coated, tempered-glass lenses protect LEDs while allowing 98% transmission of photons.

Weight

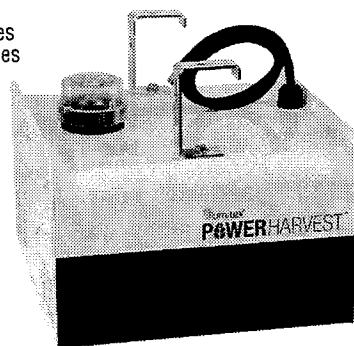
PHW 5 Series = 21.2 lbs.
PHW 10 Series = 25.2 lbs.

Finish

White fixture finish is an electrostatically applied Super-Durable TGIC polyester powder coating. Finish is highly weather and UV resistant and provides superior gloss and color retention. Black heat sink finish is an electrochemical anodizing process that converts the surface of the metal into a long-lasting, high performance aluminum oxide finish that cannot peel or chip.

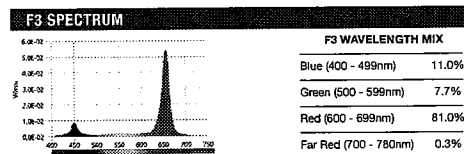
Testing and Compliance

- ETL/cETL listed and CE marking compliant
- RoHS compliant
- EMI compliance (FCC Part 15)
- 50,000 hour life to L70
- 5-year warranty
- Rated to 40°C ambient operating temp



GROWTH LIGHTING

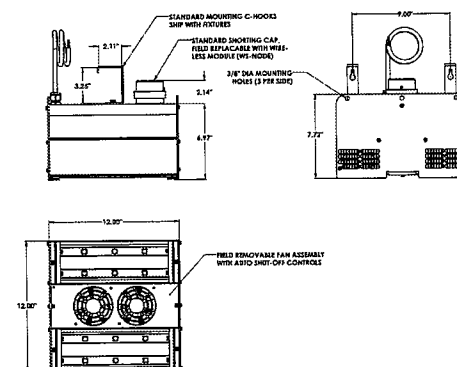
Surex™ Horticulture LED Series



BEST FOR GERMINATION THROUGH FLOWERING

The workhorse and most popular spectrum from Illumitex, F3 produces the fastest germination and drives the best vegetative and flowering results among all of the Surex™ spectra options. In addition to the blue and red wavelengths, the F3 spectrum contains a small amount of green which is beneficial for the quality assessment of plants. The F3 spectrum is recommended for use in growth chambers as well as controlled environment agriculture operations of any size.

DIMENSION LINE DRAWINGS



MOUNTING

Each PowerHarvest W fixture ships with (2) 3.25" tall C-hooks for mounting to trusses and cross beams. Illumitex also offers various alternative mounting options as accessories.

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POWERHARVEST™ W

5 Series
10 Series

WIDE DISTRIBUTION – WIRELESS CONTROLS

MOUNTING ACCESSORIES (ordered separately; field installed)	
MODEL	DESCRIPTION
ACH-10	10-ft aircraft cable hangers (2) with captive hook ends
CH-10	10-ft chain hangers (2) with hook ends

FIXTURE EFFICIENCY			
MODEL	FIXTURE PPF	FIXTURE WATTAGE	LM/W
PHW 5 Series	520	595	1.7
PHW 10 Series	1040	610	1.7

WIRELESS CONTROLS (ordered separately; field installed)	
MODEL	DESCRIPTION
WS-JBOX-1P	Junction box with wireless node, single phase (120, 277, 347V)
WS-JBOX-2P	Junction box with wireless node, dual phase (208, 240, 480V)
WS-225C	Wireless gateway antenna power adapter 6-ft LAN Cable
WS-NODE-1P	Wireless node (antenna), single phase (120, 277, 347V)
WS-NODE-2P	Wireless node (antenna), dual phase (208, 240, 480V)

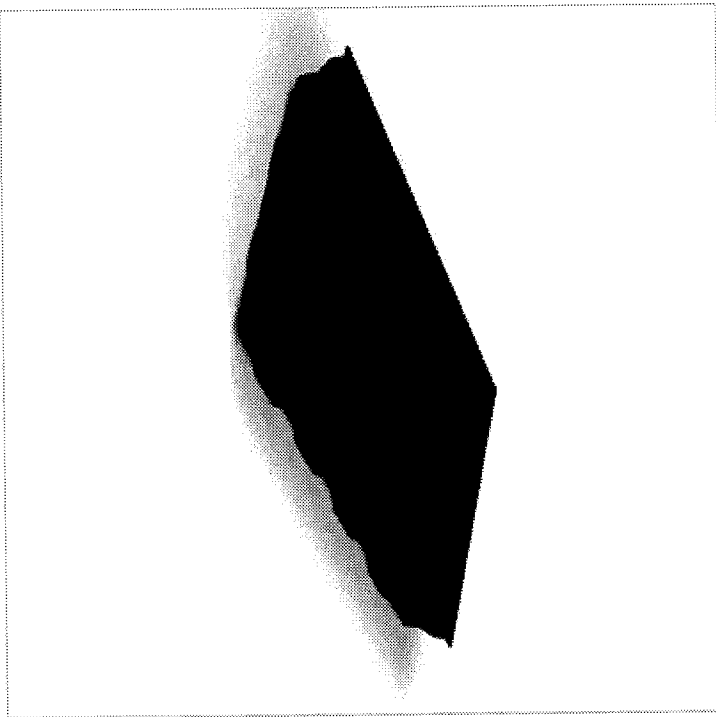
PART NUMBER ORDERING GUIDE

POWERHARVEST W						
SERIES	PPF	LED SPECIFICS	INPUT VOLTAGE	CONTROLS	CABLE	PLUG TYPE
PHW = PowerHarvest W Series	5 = 520 PPF 10 = 1040 PPF	E3 = F3 spectrum (see spectrum chart)	U = 120-277VAC 3 = 347VAC 4 = 480VAC	R = Wireless Receptacle ¹ D = Direct Dimming ² (see notes)	C3 = 3-ft cord (3-conductor) C10 = 10-ft cord (3-conductor)	Blank: Flying leads, no plug P120 = 120VAC, 3-prong plug P240 = 240VAC, 3-prong plug P277 = 277VAC, 3-prong plug

Notes:

1. Wireless Receptacle (R) option is standard unless Direct Dimming (D) option is selected; includes shorting cap so fixture is operable without wireless node.
2. Direct Dimming (D) option replaces wireless receptacle on fixture with a 2-conductor dimming cable. May be used with remote wireless node.

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3' x 6' Black XTray

5% off Write a review

Availability: In Stock

Regular Price: \$191.10

Special Price: \$147.00

(You save \$44.10)

SKU: HT1XT36B

Brand: [Dealer](#)

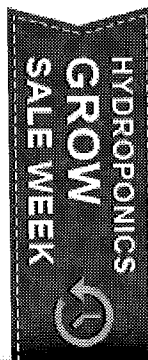
Shipping: Free Shipping

Quantity:

ADD TO CART

[Add to Wishlist](#)

☐ [Compare](#)





Jan 13 (11 days ago)



Hi Zachary,

I hope this finds you well. As we discussed, I have attached literature for the MediBurn30 incinerator. Pricing for this unit is \$26,960 plus shipping and handling. Please look over the information and contact me if you have any questions.

Elastec - Keeping Our World Clean

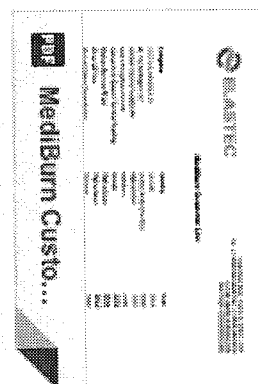
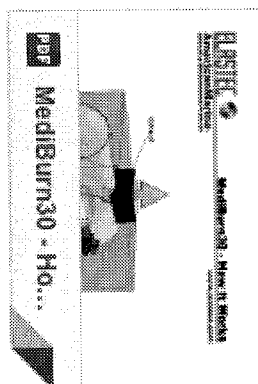
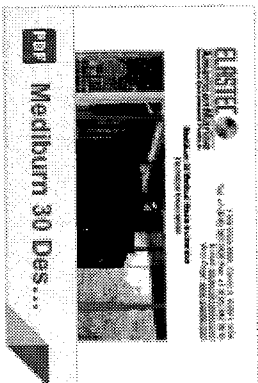
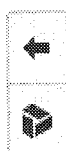
Jeremy Pretzsch | Sales Manager

jpretzsch@elastec.com

+1 618-382-2525 | Direct +1 618-384-2754 | Fax +1 618-382-3610

www.elastec.com

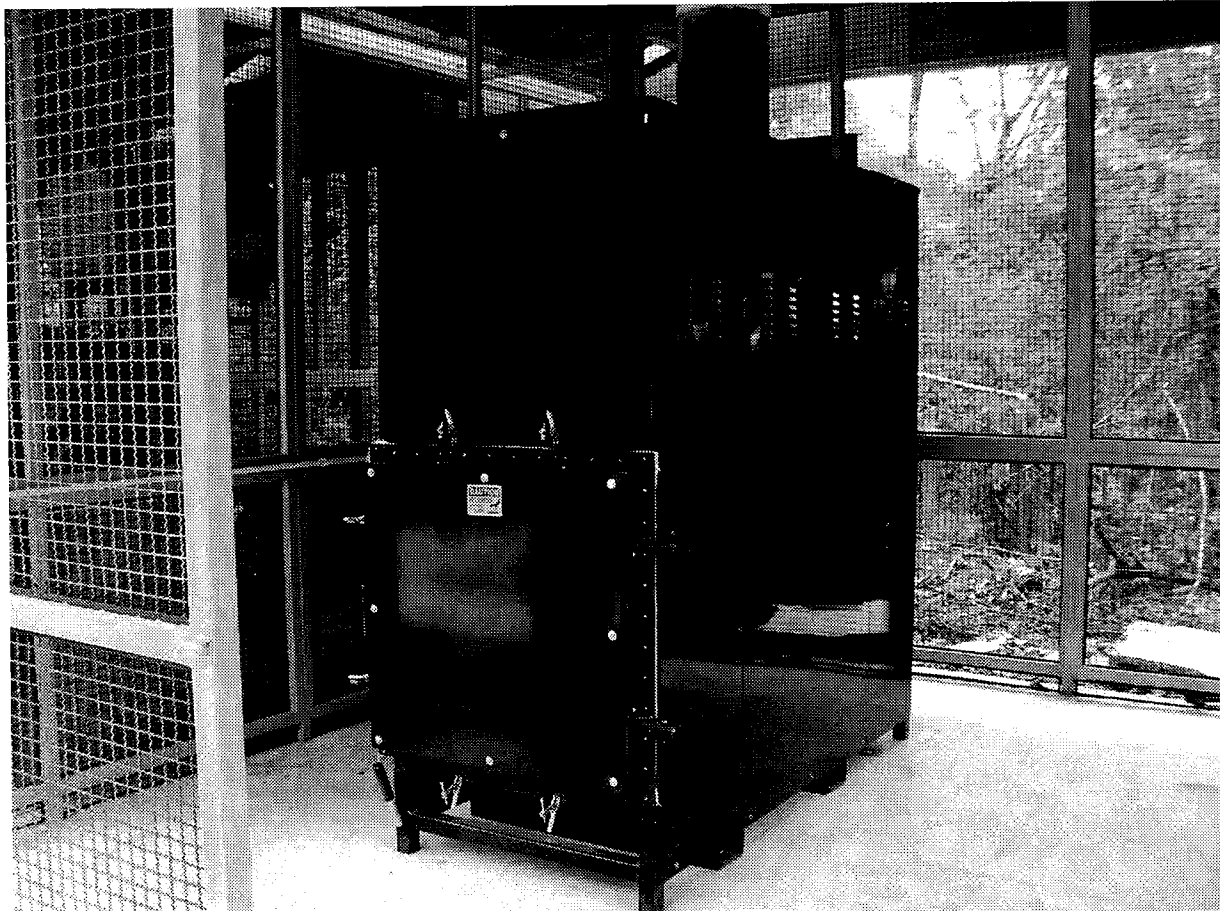
3 Attachments





1309 West Main, Carmi, IL 62821, USA
Tel: +1 (618) 382 2525 Fax: +1 (618) 382 3610
E-mail: elastec@elastec.com
Web Page: www.elastec.com

MediBurn 30 Medical Waste Incinerator Technical Description



MediBurn is a diesel-fueled medical waste incinerator for hospitals and clinics. It is environmentally safe, compact, portable, and easy to operate.

The MediBurn 30 offers one third more capacity than the original MediBurn, disposing up to 10.5 cubic feet (0.30 cubic meters) of infectious and pathological waste per load with a burn rate of 30 kg per hour.

The Mediburn features modulating burners and under-air technology providing up to 50% more in fuel savings. They also offer electronic controls for improved safety and system control. Multi-language support is available.

MediBurn incinerates everything from laboratory waste to animal remains with clean

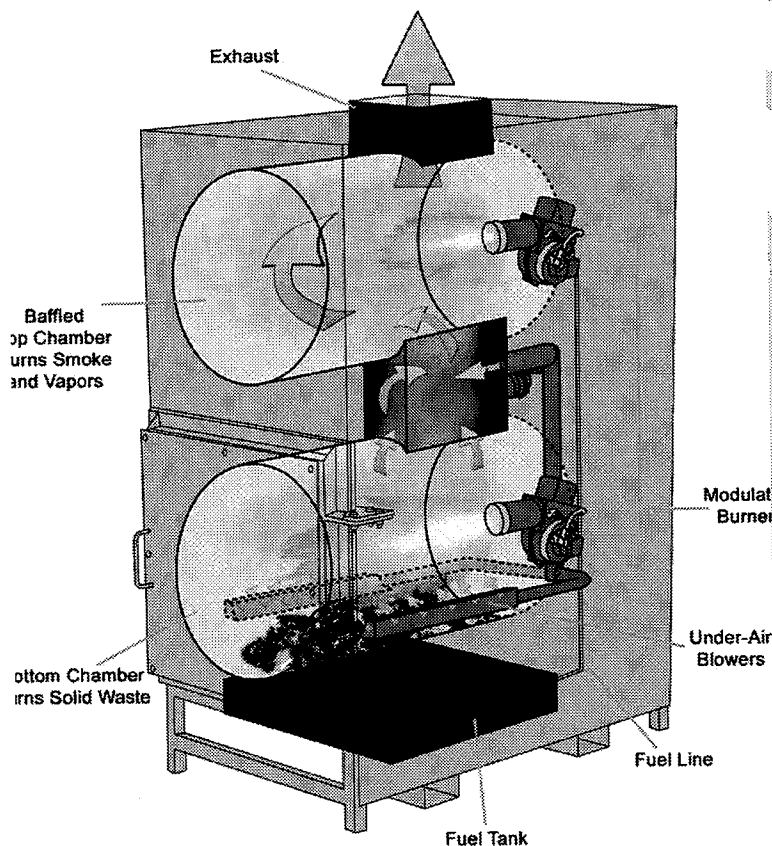


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 Web Page: www.elastec.com

space. Its portability and simple installation offers the flexibility for relocation. MediBurn is easy to operate and requires minimal training.

The MediBurn 30 is the latest model with new modulating burners and under-air technology to provide up to 50% fuel savings over the original MediBurn. It also has 1/3 more capacity per batch load. The electronic controls are easy to use and have been updated to provide greater safety and control of the system plus multi-language support.

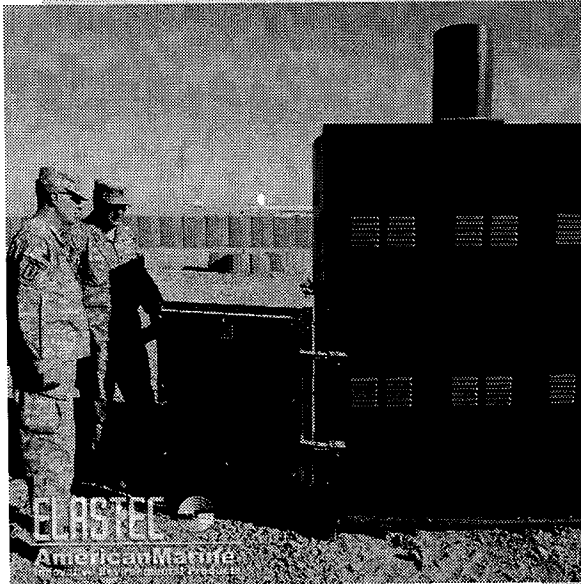
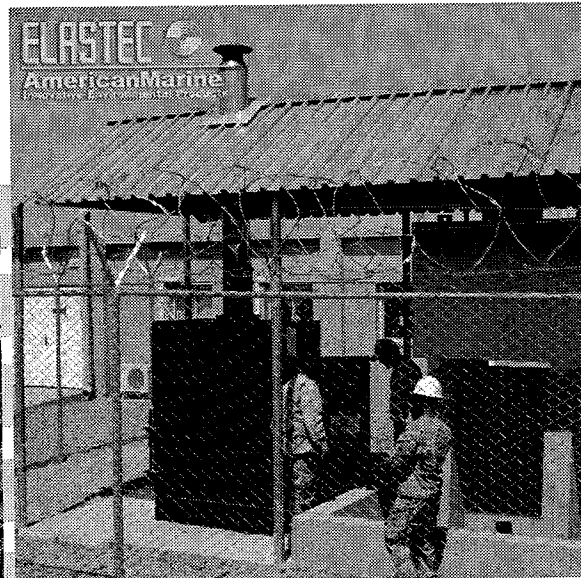
Approved by the United Nations (UN) and US Military for use in mobile hospitals



- Minimal training
- Quick setup & ready to use upon delivery
- Easy to operate with state-of-the-art controls
- Requires only power supply connection and diesel fuel
- Automatic pre-set cycle control for efficient fuel consumption
- Thermostatic temperature control for efficient fuel consumption
- Dual chamber combustion and high exhaust temperatures in excess of 1000°C (1832°F)



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Applications include;

- Small Hospitals
- Community Clinics
- Poultry Farms
- Dialysis Clinics
- Blood Banks
- Physicians' Offices
- Dental Offices
- Laboratories
- Acute Psychiatric Facilities
- Outpatient Surgical Facilities
- Health Maintenance

Organizations

- Home Health Agencies
- Hospice Agencies
- Animal Cremation
- Disaster Relief Operations

MediBurn is the safe and simple solution for the disposal of infectious and pathological waste for the small medical facility. Portable and easy to operate, MediBurn incinerates everything from laboratory waste to animal remains. Simply load waste into the chamber, close the door and turn on the unit. Minimal training is required and MediBurn is ready to use upon delivery.



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Tel: +1 (618) 382 2525 Fax: +1 (618) 382 3610
E-mail: elastec@elastec.com
Web Page: www.elastec.com

Specifications;

Weight: 2,440 lbs / 1,107 kg
Height: 82 inch / 2.08 m without stack
Width: 34 inch / 0.86 m
Length: 79 inch / 2.01 m
Primary Chamber Volume: 13 cu.ft. / 0.37 cu/m
Suggested Load Volume: 10.5 cu.ft / 0.30 cu/m load
Diameter of Stack: 12 inch / 0.3m OD

Requirements;

Electrical: 220 volt
Fuel: Diesel
Location: Level surface 7 feet (2 meters) from nearest structure

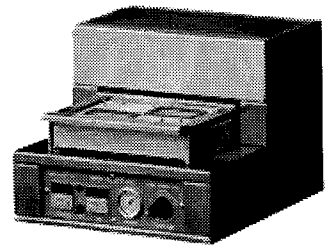
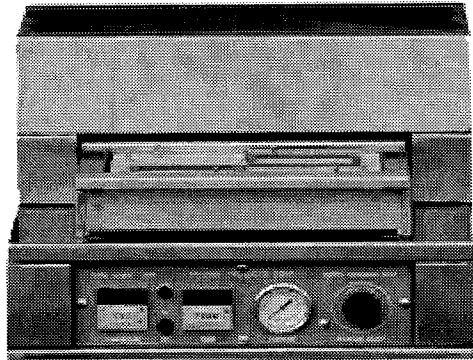
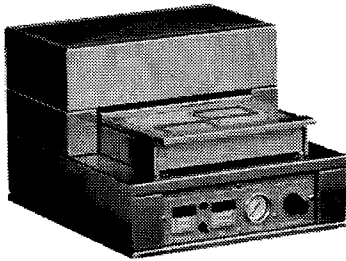
Fuel and Power Consumption

Electrical: 0.35 kW/hr
Fuel: 2 to 3 gallons/hour / 7 to 11 litres/hour

National Stock Numbers;

MediBurn30 (0MEDI-230):	4540-01-581-2479
MediBurn30 Spares (0KIT-SP133):	4540-01-581-2546
ThermoCouple (4THERCO000C):	6685-01-567-5073

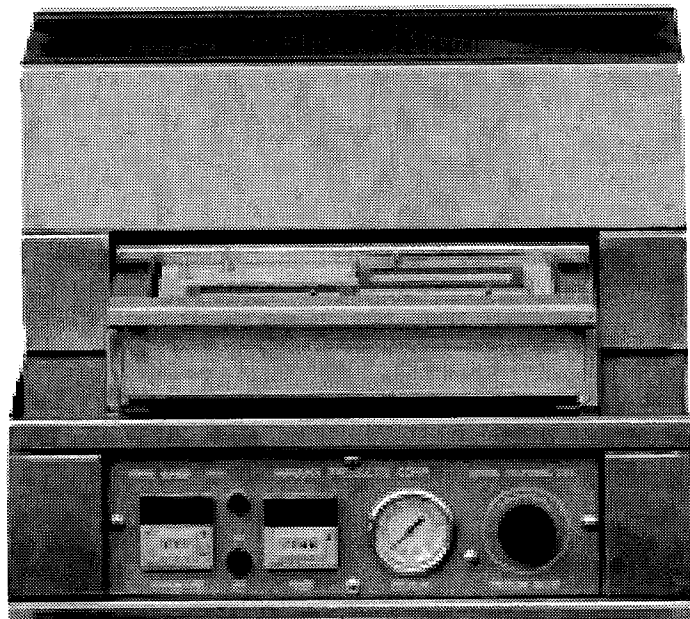
!Pro Pack: Blister Sealing Machine / Tray Sealing



Medical Sealing Machine Medical Sealing and Tray Sealing

[Download / View: MB6X9 Medical Sealing Front](#)

[Download / View: MB6X9 Medical Sealing Back](#)



Med Pack MB6X9 Sealing Machine

\$5,795.00

1

!Pro Pack: Blister Sealing Machine / Tray Sealing

This Med Pack MB6x9 Medical tray sealing machine and Hannan's New system of tray sealing tooling, will slash the cost and complexity of production!. The desktop tray sealing machine, medical sealing fixtures are all high quality Hannan standard, in stock and ready to ship!

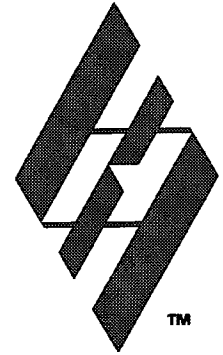
This an absolute break-through from the professional innovators at Hannan Products Corp.

The New Med Pack MB6x9 Medical Sealing Machine is ready to go to work, right out of the box.

Just plug it in, connect it to your air and start packaging your products... from one piece. to thousands, up to as many as 500,000 pieces per year!

It's small enough to fit on a desktop, quiet enough for the office and does the job of machines costing tens of thousands of dollars.

Automatic Table Top Blister/Tray Sealer B6x9



**Fast
Powerful
Affordable**



Standard Features:

Balanced Heating Platen
Self Aligning Pressure System
Powder Coated Industrial Finish
Fully Enclosed Sealing Chamber
Low Cost Tooling

1800 Lbs. Sealing Force
All Steel Construction
Adjustable Pressure Regulator
Electronic Timing System
Industrial Quality

Stainless Steel Sealing Face
Pressure Gauge
Fully Adjustable Thermostat
Low Power Consumption
Fast Cycle Times

PRO PACK®

© 2009 HANNAN PRODUCTS CORP.

The PROPACK B6x9 has been engineered for reliability, high productivity and efficient use of space and energy. This industrial quality machine has everything needed to produce high quality packages at the fastest possible rate. The B6X9 is ideally suited for long or short run production. The balanced heat platen, automatic operation and self-aligning pressure systems assure the proper sealing of materials every time. Hannan equipment is designed to withstand rugged continuous production use with a minimum of maintenance and operator skill. From the all steel construction to the heavy-duty industrial finish, the PROPACK B6X9 is "The Professional's Choice".

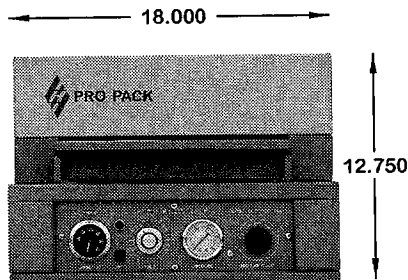
Examples Of Outstanding Standard Features Include

1. Fully enclosed sealing chamber (Safe Operation).
2. Instant fixture change over (True Drop-In Tooling).
3. Stationary heat platen.

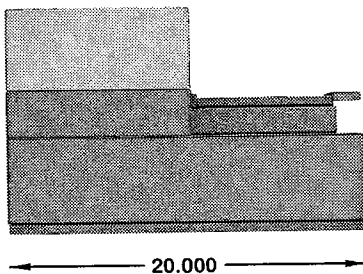
Specifications:

Sealing Area _____ 6" x 9"
 Maximum Card Size _____ 7 1/2" x 10 1/2"
 Maximum Blister/Tray Depth _____ 1 1/2"
 Available Sealing Force —1800 Lbs. @100 PSI
 Temperature Control — Ambient To 570°F
 Electrical —110 VAC/6.5 A/1 PH/60 HZ
 Minimum Air Requirement _____ 40 PSI
 Shipping Weight _____ 108 LBS.

FRONT VIEW

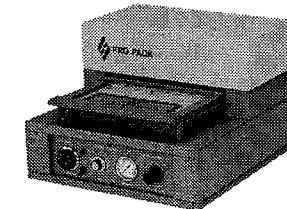
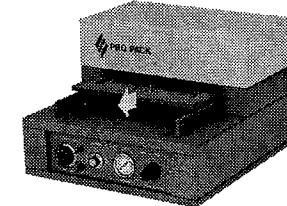
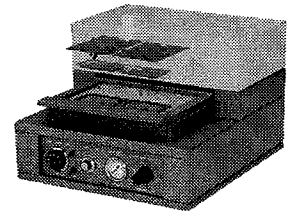


SIDE VIEW



Operating sequence:

- 1 - Load Blister, package contents and card (Face Down) into sealing fixture.
- 2 - Slide fixture shuttle completely into sealing chamber.
- 3 - Automatic heat and pressure cycle seals blister to card.
- 4 - Slide fixture shuttle out of the sealing chamber.
- 5 - Remove finished package and reload for next cycle.



HANNAN®

Made in the U.S.A.

HANNAN PRODUCTS CORP.
 220 N. SMITH AVE, CORONA, CA. 92880
 FAX: (951) 735-0827
 TELEPHONE: (951) 735-1587 / (800) 954-4266
 WWW.HANNANPAK.COM SALES@HANNANPAK.COM

 <p>1 Card Locator \$ 69</p>	 <p>2 Card Locators \$ 69</p>	 <p>3 Card Locators \$ 69</p>	 <p>4 Card Locators \$ 69</p>
 <p>Card Size B \$ 78</p>	 <p>Card Size C \$ 98</p>	 <p>Card Size D \$ 198</p>	 <p>3" Insert \$ 35</p>
 <p>3"x2" Insert \$ 32.50</p>	 <p>3" Blister \$ 97</p>	 <p>1" Blister \$ 198</p>	 <p>3" Blister \$ 189</p>
 <p>1" Blister \$ 97</p>	 <p>1" x 1 1/2" \$ 104</p>	 <p>3" x 2" \$ 172</p>	

CANNABIS ENCAPSULATION EXPERTS

Over 35 years of experience in hard capsule manufacturing, combined with professional cannabis expertise

SERVICE SUMMARY

PREMIUM CAPSULE MANUFACTURING

We manufacture all types and sizes of premium two-piece capsules including flavored, vegetarian, gelatin, liquid-fill gelatin capsules and capsules for pets as well.

CAPSULE CUSTOMIZATION

Design your capsule to create a truly unique product. Choose from a full range of customization options including, color, size, flavor, logo placement, and dosage printing.

FORMULATION ASSISTANCE

Comply with the strictest dosage control standards by using lab-formulated proprietary powdered or oil-based formulas; accurate to the fraction of a milligram.

INSTALLATION & STAFF TRAINING

Take advantage of our expertise to quickly get up and running with professional facility design, machinery sourcing and installation, in addition to full staff training.

Capsule Design and Customization

As manufacturers of premium hard capsules, TCCG offers a full range of high-quality capsule products, including gelatin capsules, gelatin capsules for liquids, vegetarian (HPMC) capsules, enteric coated capsules, flavored capsules, and flavored capsules for pets.

TCCG can design and produce a fully customized capsule that will enhance your brand's appeal. Customization options include size, color and flavor, as well as seamless printing of your company's logo and dosage specifications directly onto your capsules.

Staff Training & Technical Support

To ensure product quality and safeguard your equipment investment, it is vital that your staff members fully understand how to operate and maintain your encapsulation machinery. After installing your equipment, TCCG's experts will train your staff on all of the specifics of its use.

When questions or issues arise, simply call TCCG's dedicated support hotline at (954) 975-6622. TCCG's encapsulation experts are available to answer your questions and/or trouble-shoot your issues. For hardware support, on-site service from our trained technicians are also available.

This full-service technical support is included in our premium service packages and is also available on an hourly fee basis.

Equipment Sourcing & Installation

Determining which cannabis capsule filling machinery is the best fit for your business plan and budget can be a daunting task. Do you just need basic semi-automatic equipment, or should you be looking at a low-output automatic capsule filling machine or a high-capacity machine capable of encapsulating both liquid and powder?

equipment, or should you be looking at a low-output automatic capsule filling machine or a high-capacity machine capable of encapsulating both liquid and powder?

Machinery sourcing and installation is best done by experts. TCCG can recommend, source and professionally install your cannabis capsule filling machinery. All forms of capsule filling machines are available, including manual, semi-automatic and fully automatic, capable of moderate to high outputs.

In addition, TCCG can design your facility and recommend, source and professionally install all of the other equipment that you may need, including blister pack machines, banding machines, packaging/labeling machines and more.

Formulation Assistance

Formulation assistance with us is easy and simple. TCCG is one of the few organizations worldwide that has the ability to create accurately-dosed lab-tested cannabis formulas that comply with even the strictest dosage standards. As a result, you'll get a proprietary powderized or oil-based formulation that can give your brand a competitive edge.

As cannabis and hemp specialists, we also know how to formulate a product's non-psychoactive components so that they complement the psychoactive components, creating a better user experience overall. For example, by combining other ingredients with cannabis we can create anything from sleep aides and mood enhancers to formulations that enhance focus and attention.

Our Capsules

All of our capsules are manufactured in a cGMP and FDA-approved facility, are 100% BSE-free.

Our flavored capsules come in great tasting Coffee, Lime, Orange, Mint, Strawberry, Bubble Gum, Berry, and Grape flavors.



- 100% bovine hide gelatin
- Halal certified
- Preservative free
- Ideal for dosage control
- Allergen free
- Color customizable
- Gluten free
- Available for semi-solid and liquid formulations
- Global regulatory acceptance
- Perfect for cannabis oils and powders
- Non GMO
- Quick color matching and print logo design
- Kosher certified
- Available in sizes 000, 00E, 00, 0E, 0, 1, 2, 3, 4

For more information, contact us at info@cannabiscapsules.com

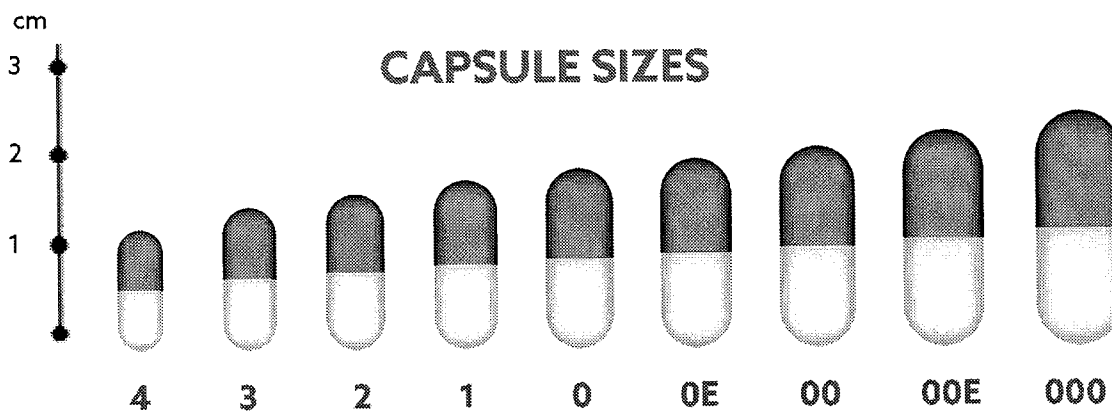


The majority of consumers stated that they would choose flavored hard-gelatin capsules over a non-flavored version, and that having a flavored pill would increase the likelihood of taking their supplements more often.

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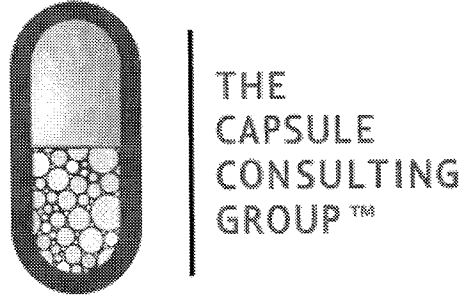
The Capsule Consulting Group, LLC

Shaping the Future of Legal Cannabis Consumption



EMPTY CAPSULE WEIGHT (GELATIN)									
Average Weight (mg)	38	48	61	76	99	107	123	143	158
Tolerance	±3	±3	±4	±5	±6	±7	±7	±10	±10
EMPTY CAPSULE WEIGHT (VEGETARIAN)									
Average Weight (mg)	40	50	63	79	105	107	136	152	163
Tolerance	±3	±3	±4	±5	±6	±7	±7	±10	±10
EMPTY CAPSULE VOLUME CAPACITY (ml)									
Capacity	0.20	0.27	0.36	0.48	0.68	0.78	0.90	1.0	1.37
EMPTY CAPSULE WEIGHT CAPACITY BY FORMULATION DENSITY (mg)									
0.6g/ml	120	162	216	288	408	468	540	600	822
0.8 g/ml	160	216	288	384	544	624	720	800	1096
1.0 g/ml	200	270	360	480	680	780	900	1000	1370
1.2 g/ml	240	324	432	576	816	936	1080	1200	1644
EMPTY CAPSULE OVERALL CLOSED LENGTH									
Milimeters	14.3	15.7	17.6	19.4	21.6	23.5	23.4	25.3	26.1
Tolerance	±0.3	±0.3	±0.3	±0.3	±0.3	±0.3	±0.3	±0.3	±0.3
Inches	0.563	0.618	0.693	0.764	0.85	0.909	0.921	0.996	1.029
Tolerance	±0.012	±0.012	±0.012	±0.012	±0.012	±0.012	±0.012	±0.012	±0.012





CONFIDENTIAL

The Capsule Consulting Group, LLC

Shaping the future of legal cannabis consumption

Services Outline

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1. Introduction to TCCG

The Capsule Consulting Group (TCCG), is a full-service consultancy and industry leader that is helping to shape the future of legal cannabis consumption. TCCG combines over 30 years of experience in the hard capsule market with extensive knowledge of cannabis, bridging the gap between the two sectors. TCCG is poised to help the industry expand, now that marijuana legalization is rapidly becoming a reality across the U.S., and medical marijuana has already been legalized across Canada.

As of October 2015, twenty-three U.S. states and the District of Columbia currently have laws legalizing marijuana in some form, with legislation pending in many states. As a result, the U.S. legal marijuana market is currently estimated to be \$100 billion annually. In comparison, U.S. beer sales are also about \$100 billion per year, while tobacco sales are approximately \$80 billion per year.

Within the medical cannabis field, encapsulation is the only delivery method that offers accurate dosage control combined with a host of other benefits. Cannabis encapsulation improves the product's medicinal appeal, promotes healthier lifestyles, does not affect others, eliminates or reduces unpleasant odors and tastes and expands market appeal.

As cannabis encapsulation experts, TCCG helps cannabis producers, processors, growers and retailers who want to enter the hard capsule cannabis field to take advantage of these benefits. TCCG provides both the capsules and the consulting services needed to establish and grow an encapsulation business.

Whether you're looking to enter this market or expand your existing operation, you'll appreciate TCCG's ability to give you:

- **Accurate and Exact Dosage Formulas** – Work with one of the few organizations worldwide that can provide this type of lab-tested formulation assistance.
- **Unique Capsules** – Get a broad range of premium capsule products direct from the manufacturer.
- **Turnkey Consulting Services** – Take advantage of end-to-end consulting that includes product design, facility design, equipment sourcing and installation, staff training and technical support.

2. What Sets TCCG Apart

What sets The Capsule Consulting Group is the ability to give you turnkey solutions for encapsulating your cannabis product, all delivered by a company with extensive expertise in capsules, formulation, dosage control and cannabis.

TCCG's signature services include:

- **Capsule Manufacturing** – Production of all sizes and types of premium capsules, including flavored, Enteric Coated (time release capsules which pass through the stomach intact), vegetarian, gelatin, liquid-filled gelatin and capsules for pets.
- **Capsule Customization** – Choose from a full range of branding and customization options to make your product unique: size, colors, logo, flavors, premium flavor options, and printing of mg dosage or other information directly onto the capsule.
- **Formulation Assistance** – Meet the strictest dosage control standards with a lab-formulated powder or oil-based proprietary formula that's accurate to the fraction of a milligram.
- **Installation & Staff Training** – Quickly get up and running with professional facility design, machinery sourcing and installation, and staff training. Includes sourcing all of the equipment needed for your encapsulation facility, including capsule filling machine, blister packaging machine, banding machine and labeling machine.

TCCG delivers fast and efficient results that will help you reach your goals.

3. What TCCG Offers

Free Initial Consultation

Get to know The Capsule Consulting Group through a free initial consultation. During this meeting you will gain a better understanding of our services and packages, while we'll gain an understanding of your needs and goals.

Custom Services

TCCG's service packages can be customized to meet your exact needs. You can choose what you want from within each of our pre-existing packages and we'll create a new modified package just for you.

Premium Services

Premium services, which are only available to customers who choose the Platinum or Diamond package (or a similar custom-designed package option), include:

- Full product customization, with up to three custom designs
- Exclusive flavor options
- Exclusive branding options
- Formulation assistance for oils or powders

4. Available Packages

SILVER	GOLD	PLATINUM	DIAMOND
Startup	Grow	Compete	Dominate

A variety of competitively priced packages are available to accommodate any organization that is interested in encapsulating cannabis. The Silver and Gold packages are perfect for those who are just entering the cannabis industry and are looking for basic equipment and consultation. Those who want a full consultation service and an instant, highly-knowledgeable partner in the cannabis industry benefit greatly from our Platinum and Diamond packages. These packages provide comprehensive consultation and premium services to cannabis businesses looking to gain a competitive edge in the industry.

Silver Level: Startup

- Sourcing of basic semi-automatic capsule filling machine
- Machine installation and full staff training
- 250,000 capsules
- 30 days of private consultations with TCCG
- 1 site visit
- And more

Gold Level: Grow

- Sourcing of upgraded low-output automatic capsule filling machine
- Machine installation and full staff training
- Capsule customization is available (size, logo + one design)
- 500,000 capsules
- 30 days of technical support
- 90 days of private consultations with TCCG
- 2 site visits

Platinum Level: Compete

- Sourcing of upgraded liquid and powder automatic capsule filling machine
- Machine installation and full staff training
- Formulation assistance
- Capsule customization (color, size, logo + up to three designs)
- Option for flavored capsules with two years of flavor exclusivity
- 1,000,000 custom capsules (can be flavored)
- 6 months of technical support
- 1 year of private consultations with TCCG
- 3 site visits
- And More

Diamond Level: Dominate

- Sourcing of upgraded liquid and powder automatic capsule filling machine
- Machine installation and full staff training
- Formulation assistance
- Capsule customization (color, size, logo + up to three designs)
- Option for flavored capsules with lifetime rights to exclusive flavor
- 5,000,000 custom capsules (can be flavored)
- 2 years of technical support
- 3 years of private consultations with TCCG
- 6 site visits
- And More

5. Services Outline

Capsule Machine Sourcing

We offer our expert assistance selecting and sourcing the perfect capsule-filling machine for your operation's specific needs. TCCG offers sourcing of all types of encapsulation machines, including semi-automatic, fully automatic and hybrid machines.

Capsule Machine Installation

Capsule machines can be complicated to install. While some industry retailers offer installation services, others do not. To ensure that your equipment is installed correctly, all of TCCG's packages include professional facility space design and equipment installation.

Full Staff Training

Once installed, TCCG will ensure that your staff members know how to efficiently operate your capsule-filling machine. Our experts will come to your facility to train your staff on the use of your specific machine, leaving zero room for error.

Capsule Consultation

As hard capsule and encapsulation experts, TCCG offers consultation in everything from product design to factory positioning. Our in-house team of specialists will give your business the competitive edge.

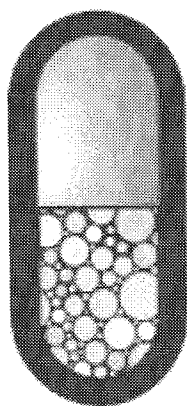
Capsule Manufacturing

As capsule manufacturers, TCCG brings you a full range of capsule types, sizes, colors and flavors, as well as a wide variety of customization options. Distinguish your brand by using capsules with unique color combinations, custom colors, custom or exclusive flavors, imprinting and more.

Technical Support

Both of our premium packages include 24/7 remote technical support to ensure that your operations are running cost-effectively. On-site visits by our technicians are also included in our premium level packages.

Notes



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Silver	Gold
\$10,000	\$20,000
<ul style="list-style-type: none"> ➤ <i>Recommendation:</i> Sourcing of basic semi-automatic capsule filling machine ➤ Sourcing of machinery ➤ Full installation ➤ Full staff training ➤ 250,000 capsules included ➤ 30-day TCCG private consultation ➤ One visit total (set-up of machinery) 	<ul style="list-style-type: none"> ➤ <i>Recommendation:</i> Sourcing of upgraded low-output automatic capsule machine ➤ Sourcing of machinery ➤ Full installation ➤ Full staff training ➤ 500,000 capsules included ➤ Capsule customization (size, logo) + one design ➤ 30-day technical support ➤ 90-day TCCG private consultation ➤ Two visits total (set-up of machinery; end of 90-day private consultation period)
Platinum	Diamond
\$40,000	\$95,000
<ul style="list-style-type: none"> ➤ <i>Recommendation:</i> Sourcing of upgraded liquid and powder automatic capsule machine ➤ Full installation ➤ Full staff training ➤ Capsule customization (color, size, logo) + up to three designs ➤ Formulation assistance ➤ 1,000,000 capsules included ➤ Flavored capsule with exclusive flavor option for two years ➤ Six-month technical support ➤ One-year TCCG private consultation ➤ Three visits total (set-up of machinery; end of each quarter throughout private consultation period) 	<ul style="list-style-type: none"> ➤ <i>Recommendation:</i> Sourcing of upgraded liquid and powder automatic capsule machine ➤ Full installation ➤ Full staff training ➤ Capsule customization (color, size, logo) + up to three designs ➤ Formulation assistance ➤ 5,000,000 capsules included ➤ Flavored capsule with lifetime rights to exclusive flavor ➤ Two-year technical support ➤ Three-year TCCG private consultation ➤ Six visits total (set-up of machinery; end of each quarter throughout private consultation period)

1(800) 852-9238
www.cannabiscapsules.com

CAPSULE MACHINE SERVICES AND SUPPLY AGREEMENT

THIS CAPSULE MACHINE SERVICES AND SUPPLY AGREEMENT (the "**Agreement**") is entered into as of this _____ day of _____, 2015 (the "**Effective Date**"), by and between Hawaiian OLA, with a principal place of business located at _____ ("**Client**"), and The Capsule Consulting Group LLC, a Colorado limited liability company with a principal place of business located at 1889 SW 3rd Street, Pompano Beach, FL 33069 ("**TCCG**"). The Client and TCCG may hereafter be referred to as a "**Party**", and collectively they may be referred to as the "**Parties**".

RECITALS:

WHEREAS, Client desires to (a) purchase and implement in its facility an automatic liquid and powder capsule filling and closing machine (the "**Machine**") in order to manufacture certain of its products in hard capsule form, and (b) retain TCCG to advise Client regarding vendor and model selection for the Machine and to provide various services relating to the installation and operation of the Machine; and

WHEREAS, TCCG desires to provide such services to Client subject to and in accordance with this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and mutual covenants herein contained, the sufficiency of which are hereby acknowledged, the Parties mutually agree as follows:

1. DEFINITIONS.

1.1 Certain Definitions. As used in this Agreement, the following terms have the corresponding meanings ascribed to them:

"**Agreement**" has the meaning set forth in the preamble to this agreement, together with all exhibits, schedules, appendices, addenda, and attachments hereto, and all documents incorporated herein by reference, as established and/or amended from time to time by mutual agreement of the Parties in accordance with the terms of this Agreement;

"**Business Hours**" means 8am to 6pm Eastern Standard Time, Monday through Friday;

"**Capsules**" means two-piece hard shell capsules of vegetable or gelatin origin provided by TCCG pursuant to this Agreement.

"**Client Products**" means finished products in hard capsule form to be marketed, distributed and sold by Client without involvement from TCCG;

"**Deliverable**" means Capsules and any deliverable provided in connection with any Service provided hereunder;

"**Facility**" means the Client facility where the Machine is installed;

"**Machine**" means the automatic liquid and powder capsule filling and closing machine;

"**Facility**" means the Client facility where the Machine is installed;

"**Services**" means the vendor and Machine selection, installation, training, technical support, and consulting services provided by TCCG to Client pursuant to this Agreement; and

"**TCCG Supplier**" means any third party vendor, supplier, contractor or manufacturer from whom TCCG obtains Capsules and/or other goods and/or Services to be provided by TCCG to Client hereunder or otherwise used by TCCG to provide goods or Services to Client hereunder.

1.2. Other Terms. Other terms used in this Agreement are defined in the context in which they are used and will have the meanings there indicated. The section and subsection headings in this Agreement are intended to be for reference purposes only and in no way should they be construed to modify or restrict any of the terms or provisions of this Agreement. The words "include," "includes," and "including," when following a general statement or term, are not to be construed as limiting the general statement or term to any specific item or matter set forth or to similar items or matters, but rather as permitting the general statement or term to refer also to all other items or matters that could reasonably fall within its broadest scope.

2. SERVICES. TCCG shall provide the following Services (directly or through one or more TCCG Suppliers):

2.1 Vendor and Machine Selection. Working with appropriate Client personnel, TCCG will assist Client in developing a requirements document to identify Client's budget, output requirements, Facility related requirements (e.g. power, space, HVAC, etc.) and other factors that will enable TCCG to provide a Machine recommendation (the "Requirements Document"). Within fifteen (15) days of Client's approval of the Requirements Document, TCCG will provide Client with TCCG's written vendor and Machine recommendations. If Client accepts TCCG's recommendations, Client will issue TCCG a written notice to proceed authorizing TCCG to arrange for Client to purchase the recommended Machine directly from the vendor (the "Notice to Proceed").

TCCG will then assist Client in setting up and executing an order with the vendor to purchase the Machine and have it delivered to the Facility. In the event Client does not accept TCCG's recommendations, Client may terminate this Agreement upon written notice to TCCG or request that TCCG provide additional recommendations. In the latter case, TCCG will provide additional recommendations as soon as practicable. This process will repeat until Client accepts TCCG's recommendations, Client terminates the Agreement or TCCG elects to terminate the Agreement upon written notice to Client following at least two Client rejections.

2.2 Installation and Testing. TCCG will assist Client in identifying an area of the Facility (as well as any necessary modifications thereto) appropriate for installation and operation of the Machine in a manner that conforms to applicable current Good Manufacturing Practices ("cGMP"), (the "Installation Site"). Client will be responsible for making any necessary modifications to and for clearing and preparing the Installation Site and for ensuring that proper power, electrical wiring, and ventilation are available for the Machine so that TCCG can install the Machine and it can run properly in accordance with cGMP and the manufacturer's specifications (the "Specifications"). Within fifteen (15) days of TCCG's receipt of notice from Client that the Machine has been delivered and the Installation Site is ready (the "Site Readiness Notice"), TCCG shall install and configure the Machine and deliver the Included Capsules (as defined below) to the Facility. Upon completion of the installation and configuration, TCCG will test the Machine to ensure it operates properly. If there are any defects or other issues with the Machine, TCCG will deal directly with the vendor on Client's behalf to resolve all problems. Once TCCG determines that the Machine is operating properly in accordance with the Specifications, TCCG will notify Client that TCCG is ready to begin

accordance with the Specifications, TCCG will notify Client that TCCG is ready to begin training (the "Test Completion Notice"). Client will inspect the Machine within five (5) business days of receipt of the Test Completion Notice and, provided Client does not detect any failures to meet the Specifications, provide TCCG with a written notice accepting the Machine (the "Acceptance Notice"). If Client does detect a failure to meet the Specifications, Client will inform TCCG who will then work with the vendor to remedy the failure and this acceptance process will repeat.

2.3 Training. Upon Client's delivery of the Acceptance Notice, the Parties will schedule a training session wherein TCCG will train those members of Client's staff that Client wishes to be trained on operation, use and/or maintenance of the Machine (the "Training Session"). The Training Session will be conducted on site at the Facility over a maximum of two days (depending on the number of attendees) and will begin at a mutually agreed date and time within fifteen (15) days of Client's delivery of the Acceptance Notice.

2.4 Technical Support. Commencing on Client's delivery of the Acceptance Notice, and for a period of one (1) year thereafter, TCCG shall provide Client technical support with respect to the Machine on an as needed basis as follows without additional charge: (a) telephone and email support during Business Hours, (b) scheduled on-site repair and assistance during Business Hours, and (c) interfacing with the Machine vendor and/or manufacturer to file and process warranty claims on Client's behalf.

2.5 Consulting. Commencing on Client's delivery of the Acceptance Notice, and for a period of two (2) years thereafter, TCCG shall provide Client with reasonable consultation and advice during Business Hours on an as needed basis and without additional charge regarding capsule design, development and production, and new developments in capsule and/or capsule machine related technology.

2.6 Formulation Assistance. Working with qualified third parties, TCCG offers formulation services to assist its clients with development of products in hard capsule form. Upon Client's request, the Parties will work together to develop a mutually acceptable Addendum to this Agreement detailing the specifics of the engagement and any additional terms and conditions that may apply.

3. CAPSULES. Within forty (40) days of TCCG's receipt of the Site Readiness Notice, TCCG will provide Client with a total of one million (1,000,000) Capsules for use with the Machine (the "Included Capsules"). Client may select any number of different color, size and composition configurations for the Included Capsules from TCCG's existing inventory (within parameters acceptable for the Machine). Alternatively, Client may select a custom color from TCCG's wide selection of customization options for all Included Capsules (i.e. minimum order of 1,000,000 Capsules). In either case, at Client's request, TCCG also will provide up to two single color design customizations (text or logo) that TCCG will imprint on any number of the Included Capsules ("Design Customization"). To order Design Customization, Client must provide TCCG the desired text and/or logo artwork in digital format specified by TCCG within fifteen (15) days of TCCG's receipt of the Site Readiness Notice. TCCG will provide Client a proof of the Design Customization for Client's review prior to imprinting. Client will approve or reject the proof (with a detailed explanation for any rejection) within seven (7) days of receipt. If Client approves, TCCG will proceed to print. If Client rejects, TCCG will revise and the process will repeat, provided that if Client is still not satisfied with the second proof (other than due to manifest error by TCCG), Client's only option will be to cancel the Design Customization. As part of the consideration for TCCG's Services and provision of the Included Capsules, Client hereby agrees that, except to the extent TCCG is

year anniversary of TCCG's completion of the Training Session. TCCG will provide such additional Capsules to Client at a ten percent (10%) discount to TCCG's then current standard list price. TCCG will continue providing this discount during the term of any extended technical support, consulting and/or Capsule contract Client may choose to purchase on terms mutually agreed by the Parties. TCCG will replace defective Capsules provided the defect is not due in whole or in part to mishandling by anyone other than TCCG personnel or to use that is not in accordance with the Machine's Specifications and/or documentation. Risk of loss of Capsules passes to Client upon delivery to the Facility. Title to Capsules passes to Client upon Client's payment for such Capsules or, in the case of the Included Capsules, upon delivery to Client.

4. CLIENT OBLIGATIONS.

4.1 Cooperation and Responsibility. During the Term of this Agreement, Client shall provide TCCG (through appropriate Client personnel) reasonable and timely cooperation to facilitate TCCG's provision of the Services and delivery of Capsules.

TCCG will not be liable (including for any refunds or credits) for any delay in providing or for any incomplete Services or for any delay in providing Capsules to the extent arising out of insufficient or untimely cooperation from Client personnel. Client shall be responsible for determining whether any permits or licenses are required for installation and operation of the Machine at the Installation Site and for obtaining all required licenses and permits from proper governmental authorities. For all on-site Services, Client shall ensure a safe working environment for TCCG personnel. Client is responsible for all acts and omissions of all persons in, on or about the Facility other than TCCG's personnel. TCCG will not participate or assist in the commission or suspected commission of any illegal activities, or provide support or other services to or for any person or entity engaged in such activities or with respect to any equipment suspected of being utilized in such a manner. Client represents and warrants that it will use the Machine and all Services provided hereunder in compliance with all applicable laws, rules, regulations, ordinances, decrees and judgments (collectively, "Laws").

TCCG reserves the right to terminate or suspend without notice any or all Services or any portion thereof in the event that TCCG reasonably determines that Client is in violation of this paragraph.

4.2 Restrictive Covenants. During the Term of this Agreement, and for a period of three (3) years thereafter (or the maximum period permitted by law, if less than two years), Client shall not directly or indirectly (a) solicit or employ (including as an independent contractor) any TCCG personnel (including employees, independent contractors, agents and representatives), (b) solicit or patronize any TCCG Supplier for goods or services that are the same or similar to those provided by TCCG hereunder without TCCG's prior written consent, or (c) offer or provide to any third party services that are the same or substantially similar to the Services provided hereunder without TCCG's prior written consent. Client acknowledges that TCCG views its personnel and supplier relationships as well as its unique knowledge of the capsule industry and capsule design and manufacturing as the primary reason for its unique advantage in the marketplace and that TCCG is relying on Client's compliance with this provision in entering into this Agreement with Client.

5. COMPENSATION AND PAYMENT.

5.1 Compensation. As compensation for the Services to be provided by TCCG pursuant to Sections 2.1 through 2.6 above and for TCCG's provision of the Included Capsules, Client shall pay TCCG the sum of Thirty-Six Thousand Dollars (\$36,000.00) (the "Total Compensation") in accordance with Section 5.2 below.

following schedule without setoff or deduction:

(a) Twelve Thousand Dollars (\$12,000.00) upon full execution of this Agreement by both Parties;

(b) Twelve Thousand Dollars (\$12,000.00) upon Client's issuance of the Notice to Proceed; and

(c) Twelve Thousand Dollars (\$12,000.00) upon TCCG's completion of the Training Session (following installation, Acceptance and delivery of the Included Capsules).

In the event Client or TCCG terminates this Agreement pursuant to Section 2.1 prior to Client's issuance of a Notice to Proceed, no further payments or any refund of previous payments will be due to/from either Party. In the event Client fails to make any payment due in accordance with the above schedule, in addition to any other remedies available at law, in equity or hereunder, TCCG may suspend performance under this Agreement until all past due amounts are paid.

6. TAXES. Unless exempt, in addition to any other charges owing hereunder, Client shall timely pay all excise, franchise, sales, use or other taxes, fees or surcharges, including any interest and/or penalties thereon (and file any required returns) imposed by any authority, government or governmental agency arising out of or in connection with TCCG's performance of the Services and provision of Capsules hereunder, excluding those levied on TCCG's income or property.

7. TERM; TERMINATION. The term of this Agreement will commence as of the Effective Date and, unless terminated sooner by either Party in accordance with this Agreement, continue until TCCG's technical support and consulting obligations expire in accordance with Sections 2.4 and 2.5 above (the "Term"). In addition to any other remedies available at law or in equity, either Party may terminate this Agreement upon written notice to the other Party in the event the other Party materially breaches any term, condition, covenant, representation, warranty or other obligation of or under this Agreement and such breach remains uncured after ten (10) business days' written notice from the non-breaching Party.

8. DISCLAIMER. TCCG'S SOLE OBLIGATION WITH RESPECT TO THE SERVICES IS TO PERFORM THEM IN A PROFESSIONAL MANNER WITH REASONABLY EXPECTED SKILL AND CARE. CLIENT'S SOLE REMEDY FOR ANY IMPROPERLY PERFORMED SERVICES OR OTHER CLAIM RELATED TO THE QUALITY OR COMPLETENESS OF THE SERVICES IS FOR TCCG, AT ITS SOLE OPTION, EITHER TO USE COMMERCIALY REASONABLE EFFORTS TO CORRECT THE PROBLEM AT NO CHARGE TO CLIENT, OR TO REFUND ANY AMOUNTS PAID WITH RESPECT TO THE SERVICES GIVING RISE TO THE PROBLEM. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, TCCG EXPRESSLY DISCLAIMS ALL WARRANTIES OF ANY KIND RELATING TO THE MACHINE AND/OR THE SERVICES, WHETHER EXPRESS, IMPLIED AND/OR STATUTORY, INCLUDING, BUT NOT LIMITED TO (A) WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT, AND (B) ANY WARRANTY THAT ANY MACHINE AND/OR ANY ONE OR MORE SERVICES, WILL MEET CLIENT'S REQUIREMENTS. NO ADVICE OR INFORMATION, WHETHER ORAL, WRITTEN OR ELECTRONIC, OBTAINED BY CLIENT FROM TCCG AND/OR FROM ANY OF OUR THIRD PARTY SUPPLIERS WILL CREATE ANY WARRANTY REGARDING THE MACHINE, ANY SERVICE, AND/OR THIS AGREEMENT. YOU AGREE TO LOOK SOLELY TO THE VENDOR AND/OR MANUFACTURER OF THE MACHINE FOR ANY AND ALL CLAIMS RELATED TO THE MACHINE AND/OR ARISING OUT OF ITS OPERATION AND/OR FAILURE TO OPERATE, INCLUDING THOSE BASED ON PRODUCT LIABILITY.

9. LIMITATION OF LIABILITY AND REMEDIES. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW IN NO EVENT WILL TCCG OR ITS PARENTS

ARISING OUT OF ITS OPERATION AND/OR FAILURE TO OPERATE, INCLUDING THOSE BASED ON PRODUCT LIABILITY.

9. LIMITATION OF LIABILITY AND REMEDIES. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT WILL TCCG, OUR PARENTS, SUBSIDIARIES (WHETHER OR NOT WHOLLY-OWNED), OR AFFILIATES, OR ANY OF OUR OR THEIR RESPECTIVE PAST, PRESENT OR FUTURE OWNERS, OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, CONTRACTORS, SERVICE PROVIDERS, SUPPLIERS, AGENTS, REPRESENTATIVES, SUCCESSORS OR ASSIGNS (COLLECTIVELY, "RELATED PARTIES"), JOINTLY OR INDIVIDUALLY, BE LIABLE TO CLIENT OR CLIENT'S RELATED PARTIES (A) FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, CONSEQUENTIAL, EXEMPLARY OR SIMILAR DAMAGES WHATSOEVER OR FOR ANY LOST PROFITS, INFORMATION OR DATA, BUSINESS INTERRUPTION, PERSONAL INJURY, LOSS OF PRIVACY, FAILURE TO MEET ANY DUTY (INCLUDING OF GOOD FAITH OR OF REASONABLE CARE, NEGLIGENCE, AND ANY OTHER PECUNIARY OR OTHER LOSS WHATSOEVER), OR (B) FOR ANY DAMAGES NOT ENTIRELY EXCLUDED ABOVE IN EXCESS OF THAT PORTION OF THE TOTAL COMPENSATION ACTUALLY PAID BY CLIENT HEREUNDER. THE FOREGOING LIMITATIONS, EXCLUSIONS AND DISCLAIMERS (INCLUDING THOSE IN PREVIOUS SECTIONS) APPLY TO ALL LIABILITIES, DAMAGES, COSTS AND EXPENSES, WHETHER ANY CLAIM THEREFOR IS BASED IN TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, BREACH OF CONTRACT OR BREACH OF WARRANTY, AND EVEN IF TCCG HAS BEEN ADVISED OF THE POSSIBILITY OF THE SAME AND/OR IF ANY REMEDY FAILS ITS ESSENTIAL PURPOSE.

10. INDEMNIFICATION. Each Party (the "Indemnifying Party") shall indemnify, defend and hold harmless the other Party (the "Indemnified Party") and its Related Parties from and against all claims, demands, actions, damages, liabilities, losses, costs and expenses (including reasonable attorneys' fees and costs) incurred or suffered by any of them arising out of: (a) the Indemnifying Party's breach of any term, condition, covenant, representation, warranty or other obligation of or under this Agreement, (b) the Indemnifying Party's operation of its business, and/or (c) any personal injury (including death) or property damage caused by the acts or omissions of the Indemnifying Party or its personnel. Each Party's indemnity obligations hereunder are conditioned upon (i) the Indemnified Party notifying the Indemnifying party in writing within thirty (30) days of the event giving rise to the indemnity obligation; (ii) the Indemnifying Party having sole control of the defense and all related settlement negotiations; and (iii) All Indemnified Parties providing the Indemnifying Party with assistance, information, and authority necessary to perform the above. Reasonable out-of-pocket expenses incurred by the Indemnified Parties in providing such assistance will be reimbursed by the Indemnifying Party.

11. NOTICES. Whenever any notice is required under this Agreement, such notice must be in writing and delivered (a) personally, (b) by certified mail, postage prepaid, return receipt requested, (c) by overnight mail with a nationally recognized overnight courier with tracking capability, to the addresses set forth below or such other address as a Party may notify the other Party via notice served in accordance herewith, or (d) for notices other than those regarding indemnification, breach or termination, by electronic mail to the addresses or numbers set forth below. Notices sent in accordance with this Section will be effective (i) for methods (a) through (c), on the date of delivery or refusal of delivery (as confirmed by the return receipt or tracking information, as applicable), and (ii) for method (d), upon the sender's receipt of a reply email from the recipient or other written or electronic acknowledgment or confirmation of the recipient's receipt of such notice.

If to Client:

If to TCCG:

Hawaiian OLA
LLC

The Capsule Consulting Group

If to Client:

If to TCCG:

Hawaiian OLA
LLC

The Capsule Consulting Group

1889 SW 3rd Street
Pompano Beach, FL 33069

Attention: _____

Attention: Jonathan Gilinski

Email: _____

Email: _____

jonathan@cannabiscapsules.com**12. CONFIDENTIALITY.**

12.1 Neither Party (the "Receiving Party") may disclose to any third party (other than authorized agents and representatives of the other Party (the "Disclosing Party") as identified by the Disclosing Party in writing and as required by Law after notice to the Disclosing Party) any information of a confidential nature (as further described below) relating to the Disclosing Party that the Receiving Party (and/or any of its Related Parties) may receive, perceive, observe, come in contact with, learn of or be exposed to regardless of form, including, but not limited to, information provided orally, electronically or in writing or which is obtained by visual or auditory observation of information in the Disclosing Party's possession such as while in, on or about the Disclosing Party's premises or facilities or those of its managers, clients, suppliers or marketing partners ("Confidential Information"). The Receiving Party also agrees not to use any Confidential Information for any purpose other than as necessary to fulfill its obligations hereunder and even then provided it complies with the non-disclosure obligations set forth above. Confidential Information includes, but is not limited to, trade secrets, proprietary information, and information relating to the Disclosing Party's owners, managers, directors, officers, employees, customers, vendors, suppliers, advertisers, finances, operations, strategies, marketing, policies, procedures, methodologies, know-how, technology, software (including object and source code), and other proprietary data. For the avoidance of doubt, the terms and conditions of this Agreement as well as information either marked or identified in writing as confidential by the Disclosing Party and information the Receiving Party knows or reasonably should know (by the nature of the information and/or the circumstances surrounding its disclosure) is considered confidential by the Disclosing Party are deemed Confidential Information hereunder. Each Party will be liable to the other Party for any breach of this Section by any of such Party's Related Parties.

12.2 Each Party agrees to use at least the same degree of care (and not less than a reasonable degree of care) that it uses to protect its own confidential information to protect Confidential Information of the other Party. Each Party may disclose Confidential Information of the other Party to its employees, contractors, or agents who reasonably require access in order to carry out the terms of this Agreement and who have been informed of the confidential nature of the information and are obligated to maintain confidentiality in accordance with terms no less restrictive than those of this Agreement. Notwithstanding anything herein to the contrary, Confidential Information does not include information that: (a) was in the public domain at the time it was disclosed or has entered the public domain through no fault of the Receiving Party; (b) was lawfully known to the Receiving Party, without restriction, at the time of disclosure, as demonstrated by files in existence at the time of disclosure; (c) was independently developed by the Receiving Party without any use of the Disclosing Party's Confidential Information; or (d) becomes lawfully known to the Receiving Party, without restriction, from a source other than the Disclosing Party who had the right to disclose it to the Receiving Party without restriction.

12.3 Notwithstanding anything herein to the contrary, the Receiving Party may disclose the Confidential Information of the Disclosing Party to the extent such

~~disclose the Confidential Information of the Disclosing Party to the extent such disclosure is required by Law, but only if the Receiving Party provides prompt notice thereof to the Disclosing Party so that the Disclosing Party may seek a protective order or otherwise prevent or restrict such disclosure (except to the extent such notice is prohibited by Law).~~

13. MISCELLANEOUS.

13.1 Independent Contractor; No Third Party Beneficiaries. The Parties acknowledge and agree that TCCG is and at all times will remain an independent contractor of Client in performing the Services, and that nothing herein shall constitute or establish an employer-employee relationship or partnership, joint venture or other similar relationship between the Parties. There are no third party beneficiaries of this Agreement other than Related Parties entitled to indemnification hereunder.

13.2 Publicity. Neither Party may use the other Party's names or trademarks, or make, release or disseminate any public statements, promotions, press releases or announcements relating to the other Party, without the other Party's prior written consent, except that TCCG may use Client's name and logo as a reference or for other promotional purposes in print, electronic (including email and Internet), television and any other medium provided TCCG obtains Client's prior approval for the specific use, which approval will not be unreasonably withheld, conditioned or delayed.

13.3 Entire Agreement; Modification. This Agreement sets forth the entire understanding of the Parties and supersede all prior agreements, arrangements or understandings relating to the subject matter hereof. Any additional terms or conditions stated in any oral or written Client communication (including purchase orders), whether prior or subsequent to the Effective Date and regardless of whether TCCG responds to the same, will have no force or effect unless confirmed in a writing signed by an authorized representative of TCCG (an email will not suffice for this purpose). No subsequent agreement or any modification of this Agreement will be effective or binding unless it is made in writing and signed by authorized representatives of both Parties.

13.4 Waiver and Severability. A Party's failure to declare a breach or default or enforce compliance with any provision of this Agreement will not be considered a waiver of such provision or of any other provision of this Agreement or of any other default. If any part of this Agreement is held to be unenforceable, to the extent possible, such provision will be restated in a manner that is enforceable and reflects as closely as possible the original intentions of the Parties. Otherwise, it will be severed from the Agreement without invalidating the Agreement or affecting any other provisions of the Agreement.

13.5 Governing Law; Arbitration; Attorneys' Fees. This Agreement will be governed by, and construed and enforced in accordance with, the laws of the State of Colorado, without regard to its choice of law rules. All disputes, controversies and claims arising out of or relating to this Agreement shall be submitted to and finally resolved exclusively by binding arbitration in accordance with the Commercial Rules of the American Arbitration Association, which arbitration will be held in Denver, Colorado and conducted in English. Neither Party will commence any action, suit, or proceeding relating to this Agreement in any court, except for actions in any court of competent jurisdiction for interim, injunctive or conservatory relief, relief in support of arbitration, or to enforce any judgment, decree or award rendered in any such arbitration. Each of the Parties further agrees that notice as provided herein will constitute sufficient notice for arbitration and the Parties further waive any argument that such service is insufficient. In the event any legal action (including Arbitration) is taken or brought by a Party hereto to enforce the provisions of this Agreement or as a result of any violation of the Agreement, the prevailing Party will be entitled to recover any and all reasonable attorney's fees, costs, expenses and expert witness fees, incurred in enforcing or attempting to enforce or defending any of the terms hereof. The arbitrator or other trier of fact (for actions to enforce this Section or any arbitration award) in any proceeding will determine which is the prevailing Party by using the "substantially prevailing" party test. If both Parties have breached the Agreement, then each Party will bear its own

attempting to enforce or defending any of the terms hereof. The arbitrator or other trier of fact (for actions to enforce this Section or any arbitration award) in any proceeding will determine which is the prevailing Party by using the "substantially prevailing" party test. If both Parties have breached the Agreement, then each Party will bear its own respective attorney's fees. A Party can be the prevailing Party even if the proceedings are not brought to a final judgment or award. Judgment upon any award rendered by the arbitral tribunal may be entered in any court having jurisdiction thereof.

13.6 Assignment. Except in connection with a sale of all or substantially all of the equity or assets of a Party or a merger, consolidation, or reorganization of a Party, neither Party may assign or transfer any of its rights or obligations hereunder without the other Party's prior written consent. This Agreement will be binding upon and inure to the benefit of the Parties hereto and their respective permitted successors and assigns.

13.7 Force Majeure. Notwithstanding anything to the contrary contained herein, except for Client's payment obligations, neither Party will be responsible for a failure to perform or be liable hereunder for any losses, damages, costs or expenses to the extent resulting from events beyond such Party's reasonable control, including: acts of God; war; terrorism; civil commotion/riot; fire, flood or other casualty; shortages of transportation, fuel/energy, labor, materials or equipment; inclement weather; and actions or laws of federal, state or local governments, authorities or the military.

13.8 Survival. Any provision of this Agreement imposing or contemplating continuing obligations and/or restrictions (e.g. payment, confidentiality, and indemnification) will survive any expiration or termination of this Agreement.

13.9 Counterparts. This Agreement may be executed in counterparts, by signatures transmitted by telecopier, facsimile, or other electronic means, each of which shall be deemed an original and which together shall constitute one and the same agreement.

13.10 Captions. Captions to the sections and paragraphs of this Agreement are solely for the convenience of the Parties, are not a part of this Agreement, and shall not be used for the interpretation of any of the provisions of this Agreement.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement under seal as of the Effective Date.



THE CAPSULE CONSULTING GROUP

By: _____

By: _____

—

Name: _____

Name: Jonathan Gilinski

Title: _____

Title: Founder & CEO

Hawaiian Ola GKF 702 L Proposal PRJ-2016-00261-Q01

Surridge Pat (PANP/SPS) <Pat.Surridge@us.bosch.com>

Thu, Jan 14, 2016 at 7:18 AM

[REDACTED] (PANP/ADM)" <Shari.Novack@bosch.com>

Bosch is pleased to provide a budgetary proposal for the GKF 702 L capsule filling machine. The proposal for the GKF 702 L includes filling stations for liquid and powder. The proposal pricing includes validation documentation that may or may not be required so this documentation adds to the overall price. There also may be optional equipment that is not in the base pricing that your specific process may benefit from. We can discuss the specifics once you've reviewed the proposal.

When we spoke I also provided a brief review of the Capsylon line of capsule filling machines designed specifically for the nutra industry. The Capsylon line is designed to feed either powder or pellets into a capsule but cannot feed liquid.

Pricing for the Capsylon line range from \$135,000 for the Capsylon 705, \$260,000 for the Capsylon 1505 and \$365,000 for the Capsylon 3005.




Bosch looks forward to working with Hawaiian Ola on this and future projects.

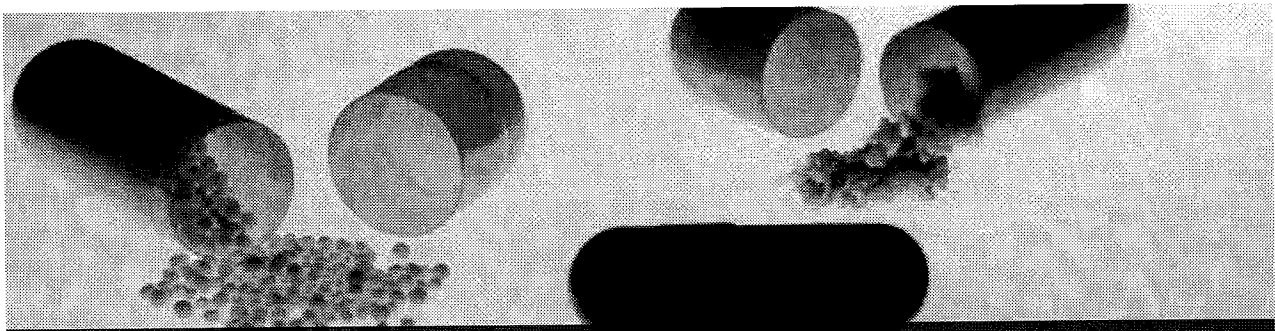
Thanks,

Pat

Patrick Surridge
Western Regional Sales Manager (PANP/SPS)
Bosch Packaging Technology, Inc.
Pharmaceutical Operations
(714) 514-5439
Pat.surridge@bosch.com
www.boschpharma-us.com
boschpackagingpharmana.wordpress.com
<http://boschpharma-blog.com/category/america-solid-dosage/>

3 attachments

-  **Hawaiian Ola GKF 702 Proposal PRJ-2016-00261-Q01.pdf**
562K
-  **GKF 702 2015.pdf**
1510K
-  **105835030-GKF-Capsylon-Capsule-Filling-Machine[1].pdf**
626K



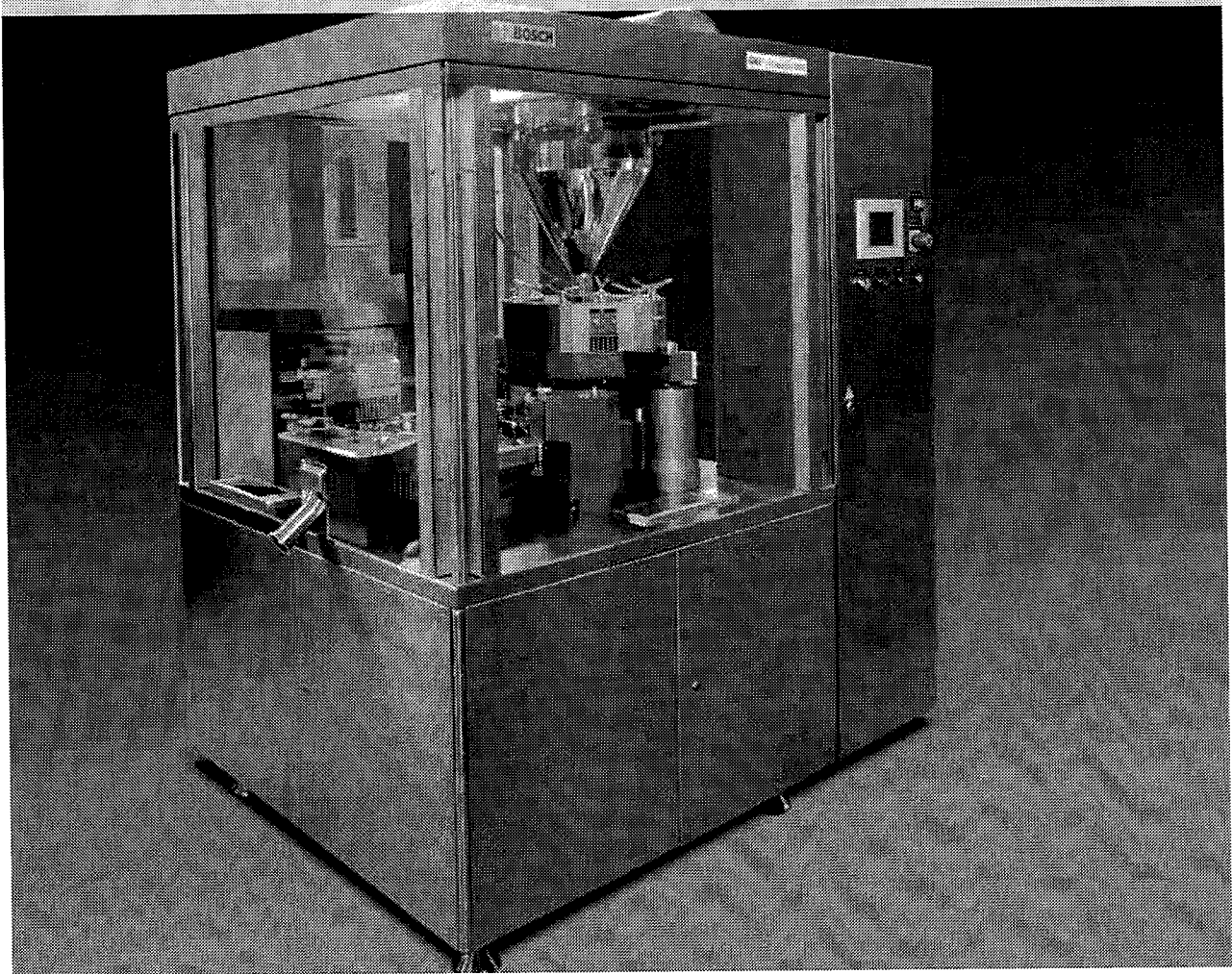
GKF 705 | GKF 1505 | GKF 3005

GKF Capsylon – Capsule Filling Machine

Packaging Technology



BOSCH
Invented for life



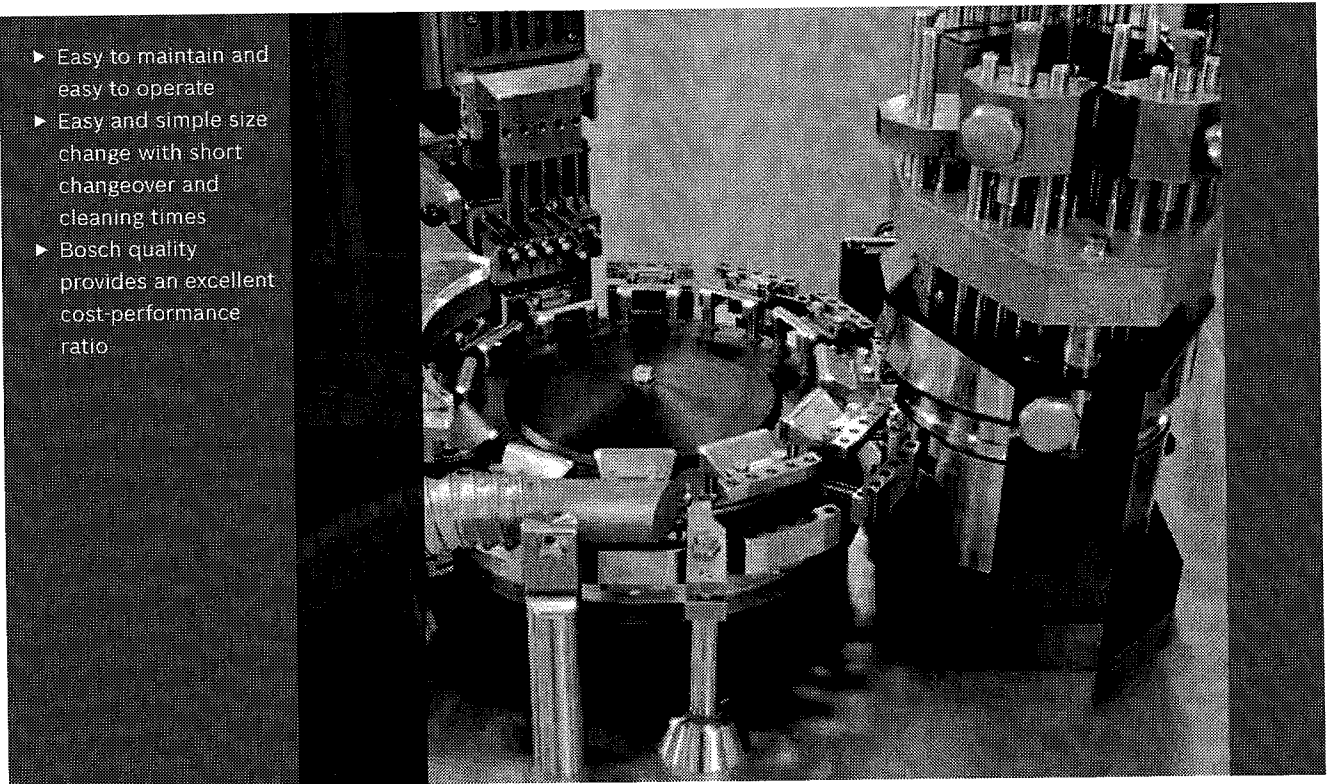
GKF **Capsylon**

Capsule filling machine from Bosch

Ideal for the Capsule filling of Pharmaceutical and Nutraceutical Products

The GKF Capsylon is a filling machine designed with renowned Bosch quality and an excellent cost-performance ratio. It answers the growing need from Nutraceutical markets for high efficiency, easy maintenance and easy operation.

- Easy to maintain and easy to operate
- Easy and simple size change with short changeover and cleaning times
- Bosch quality provides an excellent cost-performance ratio



Wide range of filling products

The GKF Capsylon is a unique machine suitable for a wide range of filling products. This ranges from typical nutraceutical products such as herbs or vitamins to pharmaceutical products such as powder, pellets, granules, or even special products with sticky, abrasive, fibrous, or other properties. The filling ingredients can be in the form of powder, granulates and pellets. The GKF Capsylon can accommodate different nutraceutical products as needed.

Flexible machine with different outputs

The GKF Capsylon offers excellent cost performance and flexible machine design. The segment alignment is stationed next to the filling station to minimize product loss before capsule closing. Furthermore, the smart design and experienced engineering allow easy and fast cleaning and format change-over.

**Powder**

From Echinacea to Ginseng extract or folic acid, powder filled capsules are one of the most popular options available on the market. Whether for dietary or nutritional purposes, the proper handling and processing of delicate powders is a primary benefit of the GKF Capsylon.

**Pellets**

Quickly becoming a favoured filling option for nutraceutical manufacturers, with products such as Vitamin C and Ferrous Sulphate steadily growing. The need to properly process pellets is becoming increasingly important.

**Granulates**

With a range of purposes, from skin care to anti oxidants like cinnamon bark or camellia sinensis leaf, granulates are a valued capsule filling option and an effective way to supply consumers with the latest in nutraceutical formulations.

Designed and built according to the latest GMP standards

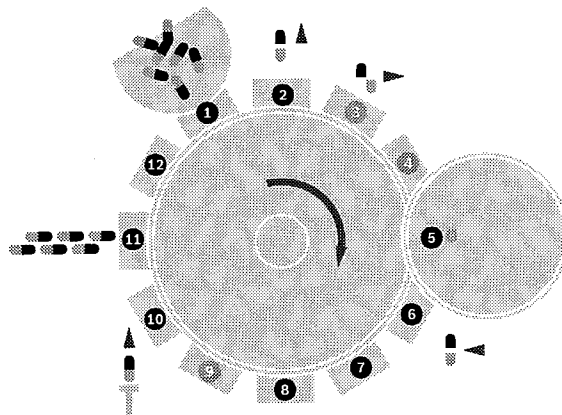
This specifically supports a quick cleaning process and economic parts handling. "We are glad to offer capsule filling solutions to the nutra- and pharmaceutical market with an excellent cost-performance ratio and easy operation, without compromising on Bosch quality and flexible design."

Bosch has successfully established its reputation as a provider of reliable machines with advanced functionality. With the GKF Capsylon, we are aiming to bring this quality to a wider range of industries, specifically the nutraceutical market, with affordable costs and easy operation. For most personnel, the training only takes one or two days and then the operator will be able to run the GKF Capsylon.

Easy maintenance, easy to operate

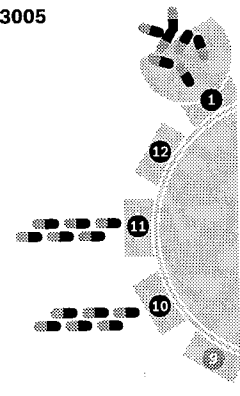
Faulty capsule ejection

GKF 705

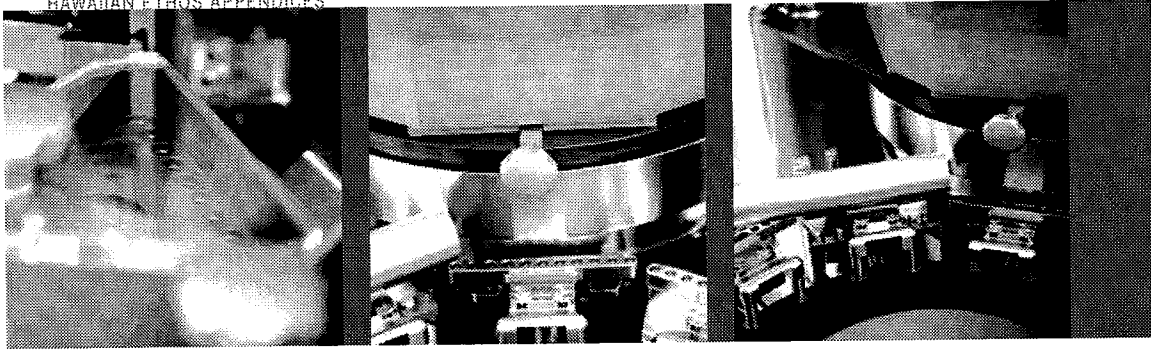


- ① Capsule alignment and separation
- ② Separation of segments
- ③ Free station
- ④ Free station
- ⑤ Dosing station for powder or pellets via a fixed or height-adjustable dosing disk
- ⑥ Segment alignment
- ⑦ Free station
- ⑧ Extraction for non-open capsules
- ⑨ Uniting of the segments
- ⑩ Capsule closing station
- ⑪ Capsule ejection of filled capsules
- ⑫ Segment cleaning station

GKF 1505/3005



- ① Capsule alignment and separation
- ② Capsule alignment and separation
- ③ Free station (bei GKF 1050)
- ④ Free station
- ⑤ Ejection of non-separated capsules
- ⑥ Dosing station for powder or pellets via a fixed or height-adjustable dosing disk
- ⑦ Capsule alignment and separation
- ⑧ Free station
- ⑨ Ejection of non-separated capsules
- ⑩ Dosing station for powder or pellets via a fixed or height-adjustable dosing disk
- ⑪ Capsule alignment and separation
- ⑫ Free station



Non-separated capsules are automatically rejected and extracted so that these faulty capsules are removed from the flow of good capsules prior to the ejection station. The closing station is just after the filling station to ensure minimal product loss from overfilled capsules.

GKF Capsylon 705

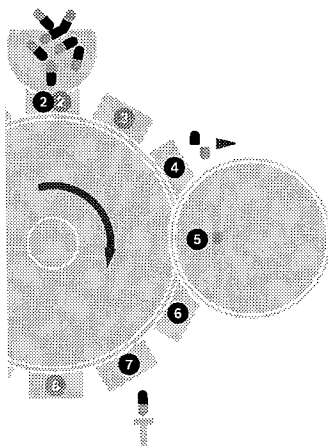
42,000 Capsules per hour

GKF Capsylon 1505

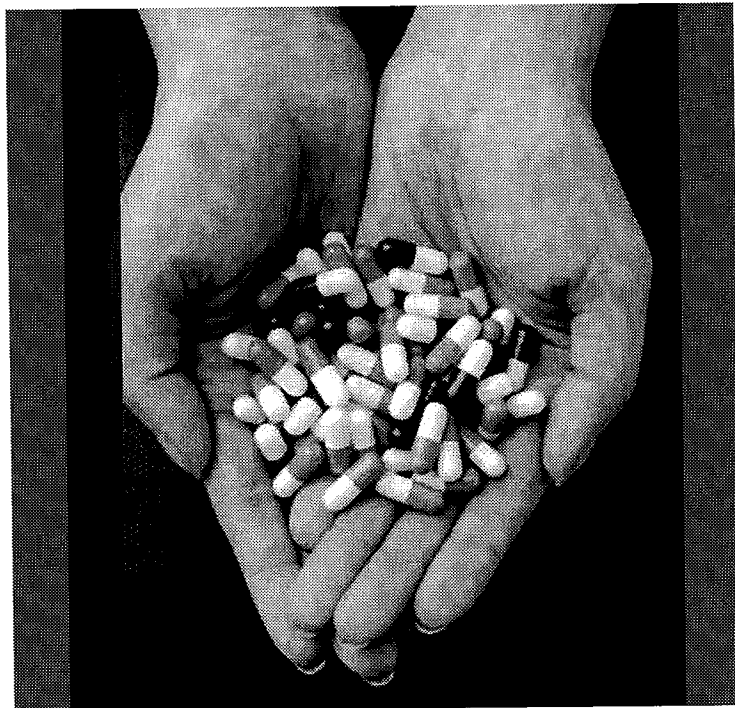
92,000 Capsules per hour

GKF Capsylon 3005

175,000 Capsules per hour



- ⑥ Segment alignment
- ⑦ Capsule closing station
- ⑧ Free station
- ⑨ Free station
- ⑩ Capsule ejection of filled capsules
- ⑪ Capsule ejection of filled capsules
- ⑫ Segment cleaning station



Technical specifications GKF 705/1505/3005

Machine cycles

- ▶ 140 cycles/min

Maximum series fuse

- ▶ 25A

Vacuum requirement

- ▶ 19–50 m³/h at 0.2 to 0.5 bar

Connections

- ▶ Compressed air supply Ø 13mm
- ▶ Vacuum connection Ø 30mm
- ▶ socket for vacuum pump
- ▶ socket for dust extractor
- ▶ Main electrical connection

Feeds

- ▶ powder feed triclamp Ø 100 mm
- ▶ Empty capsule feed Ø 85 mm
- ▶ (all feeds optional with Triclamp DN100) ¹

Standard equipment

- ▶ Basic machine with integrated control cabinet and built-in control panel
- ▶ Machine control: industrial PC
- ▶ Filling level sensor
- ▶ Capsule closing station with concave closing pins
- ▶ Identified segment cleaning station

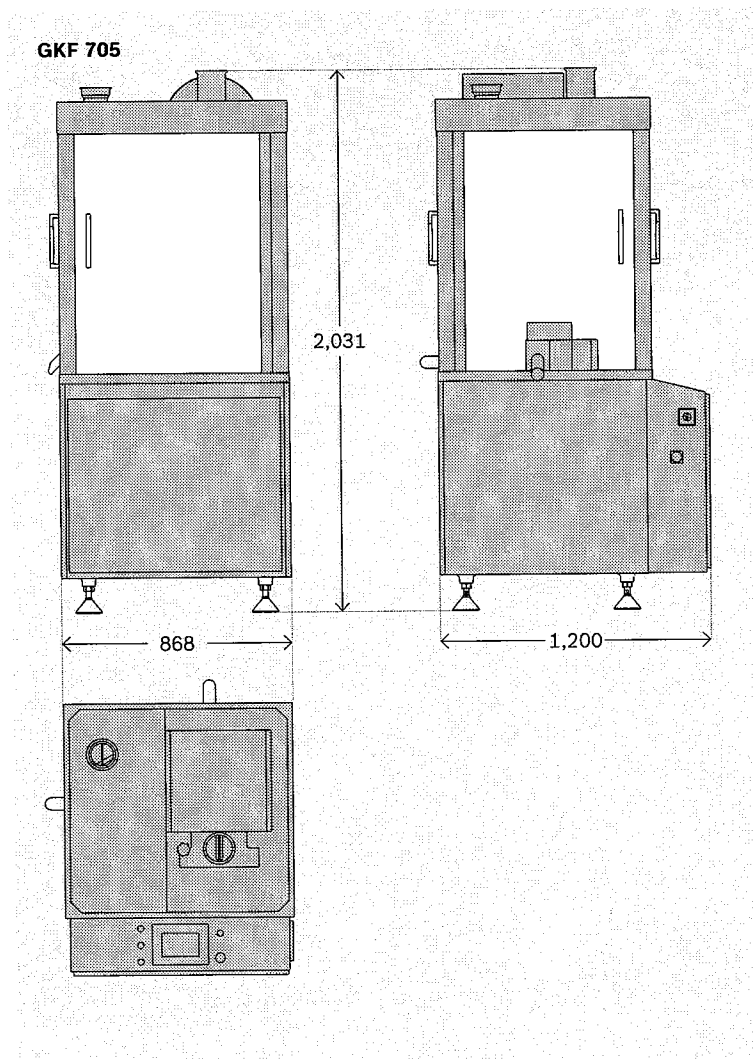
Format sizes

- ▶ Capsule size set optionally for all capsule sizes 00 bis 5, DB
- ▶ optionally fixed or height-adjustable dosing disk

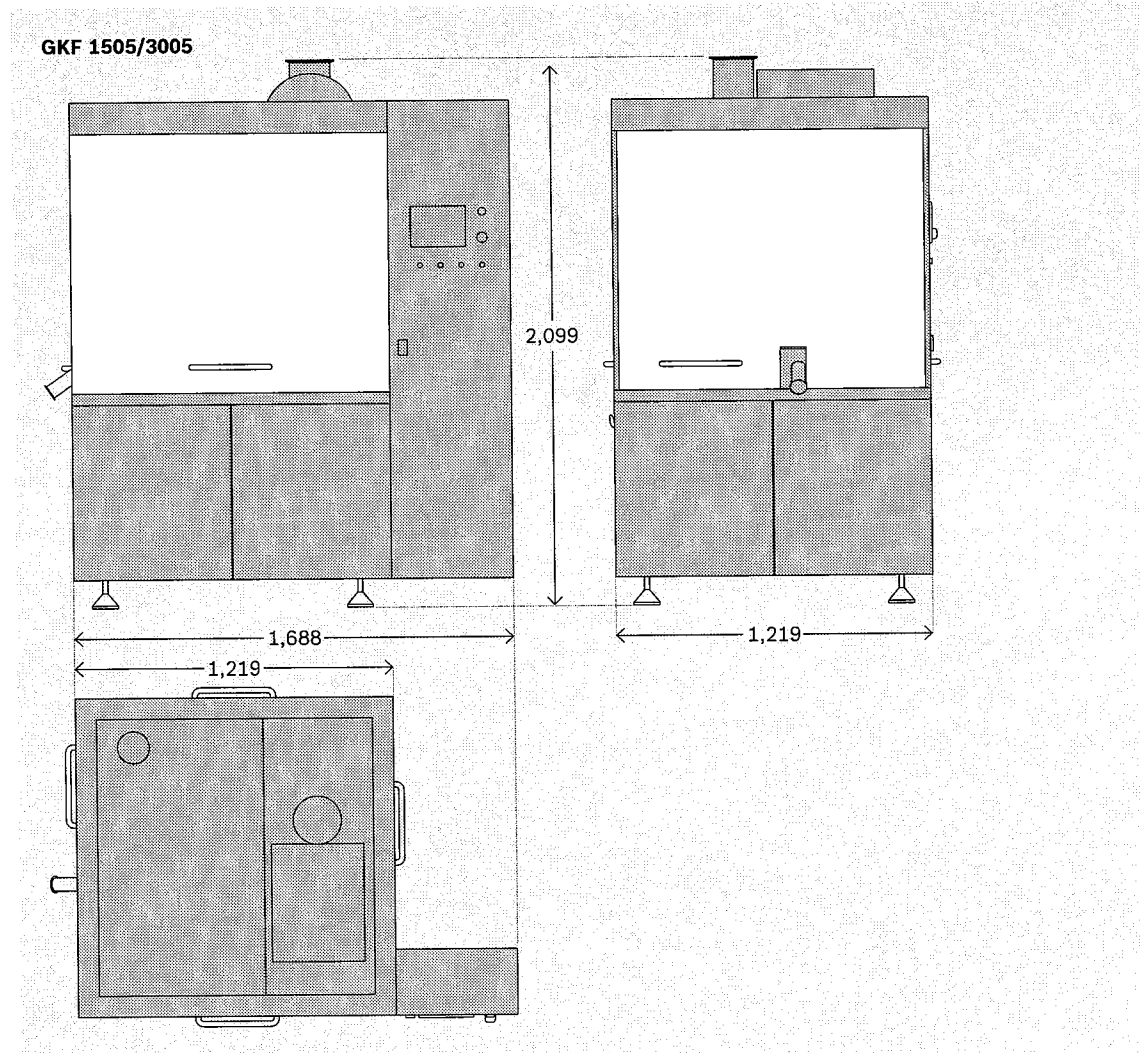
Accessories

- ▶ vacuum pump
- ▶ vacuum cleaner

1 only for GKF 705
Right reserved to effect technical modifications



	GKF 705	GKF 1505	GKF 3005
Output	42 000 capsules/h	92 000 capsules/h	175 000 capsules/h
Number of segment bores	5	11	21
Connected loads of the machine	400 V+/-10%, 50/60 Hz 3 ph/PE, 13A 9KVA nonstandard voltages	400 V+/-10%, 50/60 Hz 3 ph/ PE, 17A 12KVA nonstandard voltages	400 V+/-10%, 50/60 Hz 3ph/PE, 18,5A 13kVA nonstandard voltages
Connected load of the vacuum pump	230V, 550W	750W	1500W
Connected load of the dust extractor	230V, 1,5kW	2mal 1,5KW	2mal 2kW



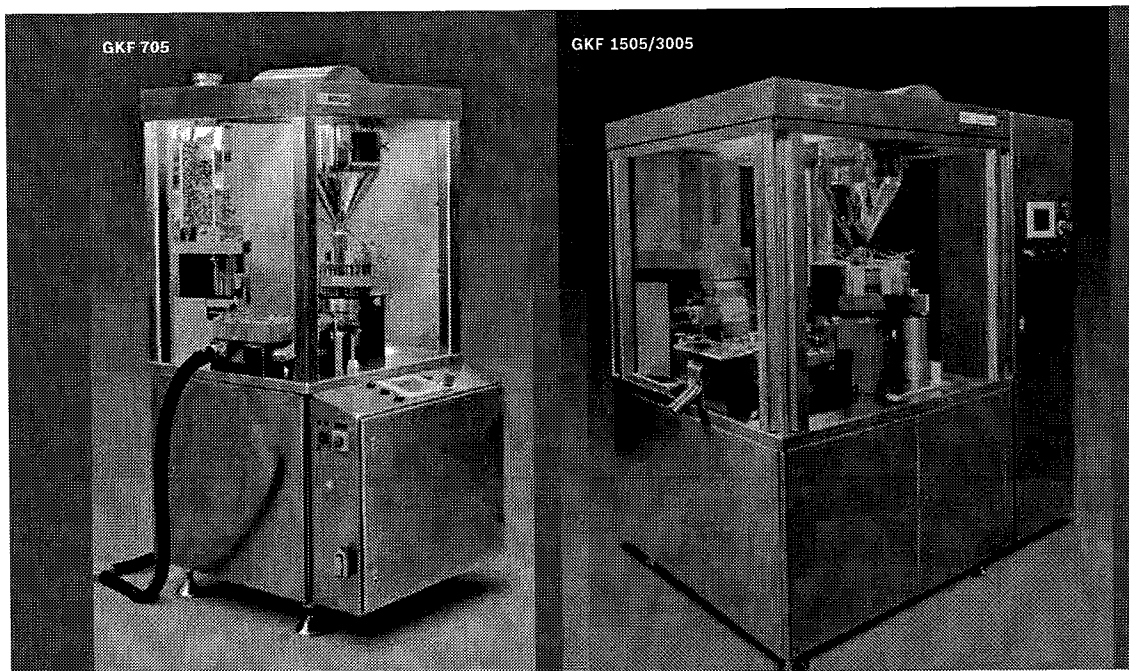
We are your **Specialists for the filling of Pharmaceutical and Nutraceutical Products**

With more than 50 years of experience in designing and building capsule filling machines, Bosch's quality has withstood the test of time.

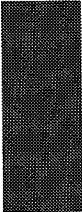
Many of the first Bosch machines are still used in production today. No matter where the Bosch

machines are made, there is only one Bosch Quality. This means Bosch Quality Worldwide!

Experience and high technical standards have promised an excellent costperformance ratio and a very reliable machine.



- ▶ Bosch – A recognized supplier of capsule filling machines – Bosch Packaging's world wide service network supports customers globally and immediately
- ▶ GKF Capsylon – A cost-efficient capsule filling machine for a wide range of dosing applications, especially for nutraceutical products
- ▶ GKF Capsylon – Answers the growing need for pharmaceutical, nutraceutical companies, and contract manufacturers to enhance production efficiency
- ▶ GKF Capsylon – Easy maintenance and operation make the Capsylon an ideal solution to have highly efficient and effective production processes.
- ▶ GKF Capsylon – Only one day of training enables most operators to run the Capsylon.



Robert Bosch GmbH
Packaging Technology
Product Division Pharma Solid

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71332 Waiblingen
Germany
Phone +49 711 811-0
www.boschpackaging.com
packaging@bosch.com

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PRJ-2016-00261-Q01

BOSCH PACKAGING GROUP**(Robert Bosch Packaging Technology, Inc., Bosch Packaging Technology, Inc. and Bosch Packaging Services Inc.)
NORTH AMERICAN TERMS AND CONDITIONS OF SALE FOR EQUIPMENT, SPARE PARTS AND SERVICES**

January 1, 2015

1. ORDERS/ACCEPTANCE: Customer may order Supplier's machines or components (collectively "Equipment"), spare parts ("Spare Parts") and/or modernization or repair services collectively ("Services") either by signing Supplier's proposal/quotation to Customer or submitting a purchase order. In either case, Customer's order will be subject to these terms and conditions, and any and all additional or different terms in a purchase order or other document sent by Customer will not be part of this agreement unless Supplier agrees in writing to those additional or different terms. Customer's orders are valid only when accepted by Supplier. Supplier's acceptance of Customer's order, and Customer's obligations under the order, will be effective upon (i) Supplier's transmittal of a written acceptance/acknowledgment, or (ii) Supplier's commencement of performance of Customer's order, whichever occurs first.

2. CHANGES: At any time prior to ninety (90) days before the scheduled shipping date, Customer shall have the right at any time to make changes in Specifications, materials, packaging, time and place of delivery, method of transportation or other changes. If changes required by Customer or proposed by Supplier result in a change in the price or a change in the amount of time required for performance, Supplier will provide Customer with a written quotation for such changes and Customer will issue a new Purchase Order or issue an addendum or supplement to the existing Purchase Order. Supplier shall incorporate such changes in revised plans, drawings and/or Specifications which shall be subject to Customer's approval.

3. SOFTWARE: The Equipment purchased may include software owned by Supplier or licensed to Supplier. When Customer pays the purchase price for the Equipment in full, Customer will have a single, perpetual, royalty-free, nonexclusive license to use the software in connection with the operation of the Equipment. Customer agrees not to modify, adapt, translate, reverse engineer, decompile or otherwise attempt to discover the source code of the software.

4. PRICE/OTHER CHARGES: Stated pricing and performance criteria for the Equipment, Spare Parts and Services quoted herein are based only on the information, parts, product samples and work descriptions available to Supplier at the time this Quotation was issued and apply only to the specifications, delivery schedule and materials specified in the Quotation. Customer understands that any changes to these terms after the date of the Quotation may increase the pricing or result in additional charges. Unless otherwise stated in Supplier's Quotation all pricing is F.C.A., Supplier's facility, and does not include packaging, local, state and federal taxes, duties and/or assessments. Charges will also include travel expenses, including reasonable transportation charges, meals and lodging for service personnel, and any additional work authorized by Customer at the time of the performance of Services will be an additional charge at Supplier's usual and customary service rates. If Supplier's technicians respond to an order for Services placed by Customer and are delayed or prevented from performing the services contemplated thereunder by Customer, all waiting time and any return Services so necessitated, shall be an additional charge to Customer at Supplier's established service rates then in effect. Unless otherwise stated in Supplier's quotation all pricing contained herein shall be in U.S. currency. Pricing for equipment manufactured in Europe is based upon Euro/US dollar exchange rate in effect at the time the quotation issued. Customer hereby assumes the risk of fluctuations in the exchange rate between the date of this quotation and the date of Customer's acceptance hereof for equipment manufactured in Europe.

5. PACKAGING; SHIPMENT; RISK OF LOSS: Supplier's standard packaging of the equipment is included in quoted prices. There will be additional charges for all requests for special packaging or handling. Unless Supplier otherwise agrees in writing, Supplier will arrange for shipment of the equipment to Customer's address specified in Supplier's proposal. Unless Supplier otherwise agrees in writing, Supplier will choose routing and method of domestic shipping. "CPT Supplier's place of manufacture Incoterms 2010," or for International shipment "CPT Supplier's place of Crating, Incoterms 2010". Customer will pay, or will reimburse Supplier upon receiving an invoice, for all transportation, packing, duties and other charges related to the shipment of the equipment to Customer. If an order is over \$100,000, Supplier will automatically charge for insurance and will be reimbursed by Customer. After the equipment is delivered to a carrier for shipment, all risk of loss, damage, theft, or destruction will be Customer's responsibility. Customer will inspect the equipment immediately when Customer receives it and promptly file claims with the carrier if there is evidence of shipping damage. No loss, damage, theft or destruction of equipment during shipment will affect Customer's obligations under this agreement.

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6. INSTALLATION: Supplier will not install the equipment, unless Supplier agrees to do so in the proposal provided to Customer. In the event Supplier has agreed to install the equipment, Customer will, at its expense, ensure that the site is prepared in accordance with Supplier's site planning instructions prior to the proposed shipping date stated in Supplier's proposal to Customer. Bosch Packaging Group *Page 2 of 5 North American Terms and Conditions of Sale January 1, 2015* Customer will, at its expense, uncrate and locate the equipment prior to start-up. Supplier may, at its discretion, inspect the site prior to shipment and supervise the movement of the equipment at the site. Customer will, at its expense, provide all utility requirements for the equipment at the site. Supplier's technicians shall have reasonable and free access to all equipment to provide service thereon and Customer will provide a safe place in which to perform such service, including working space, heat light, ventilation, electric current and outlets for the use of Supplier's technicians. In the event the Equipment is to be used in conjunction with other equipment not manufactured by Supplier, Customer will be solely responsible for the integration of the Equipment with any other equipment.

7. PAYMENT TERMS: Except as agreed to in writing otherwise, payments shall be made in United States currency as specified in the quotation. Notwithstanding anything to the contrary contained in the Quotation, Customer understands that the Equipment shall not be shipped until 90% of the contract price has been paid, and that the outstanding balance of 10% shall be upon the earlier of the date of installation or sixty (60) days from the date of shipment. Spare Parts are normally invoiced at time of shipment to Customer and due within (30) days of the date of invoice. Services are normally invoiced weekly and payment is due within thirty (30) days of the date of invoice. Modernization is normally invoiced in progress billings and is due according to the terms specified in the proposal. Payments are considered made when good funds in United States Dollars are received in the account specified on the invoice. No discount is allowed for earlier payments. Past due payment amounts will be subject to an interest charge of the lesser of eighteen percent (18) or the maximum legal rate permitted under law, from the date payment is due. Any costs and expenses incurred by Supplier as a result of non-payment or delinquent payment by Buyer, including collection costs, interest, and reasonable attorney's fees shall be paid by Customer. Supplier reserves the right to grant, deny, suspend or terminate credit terms, require cash or advance payment in its sole discretion. Customer authorizes Supplier to conduct a credit investigation for the purposes of determining whether to extend credit, and agrees to provide any documents or consents reasonably necessary to permit Supplier to do so. Should Customer become delinquent in payment or refuse to accept a C.O.D. shipment, Supplier shall have the right, in addition to any other right it may have under law, to cancel any order of Customer, to withhold future deliveries, declare all unpaid amounts immediately due and payable, and/or condition shipment, installation, or other assistance on receipt of payments due by Customer.

8. AGENT'S AUTHORITY: Customer understands and agrees that none of Supplier's agents, employees or representatives have the authority to make any promise, representation or warranty related to the equipment other than those warranties contained in this agreement or in the proposal Supplier provided to Customer.

9. WARRANTY: Supplier warrants the Equipment and Spare Parts manufactured by Supplier shall conform to the specifications contained in the proposal provided to Customer and be free from defects in workmanship and material under conditions of normal use and service for a period of one year from the earlier of the date of installation or thirty (30) days from the date of delivery, single shift operation or for a period of twenty-one hundred (2100) accumulated hours of use, whichever occurs first. Within the stated warranty period, Supplier, at Supplier's option, shall repair or replace the Equipment, components or Spare Parts thereof that prove defective under conditions of normal use, or shall refund the purchase price subject to Customer paying a fair market value for usage. Supplier will pay all shipping charges to return repaired or replaced equipment, but equipment which does not prove to be under warranty will be returned to Customer at its expense. All repaired and replaced parts shall assume the identity of the original for purposes of this warranty and this warranty shall not be extended with respect to such parts or the Equipment. Customer shall notify Supplier promptly in writing of any claims under this warranty and, upon request, will return the Equipment or components thereof to Supplier, on conditions to be agreed upon. Specifically excluded from this warranty are failures caused by abuse, misuse, neglect, improper installation, unauthorized service work, failure to follow maintenance and operating manuals, the use of unauthorized parts, ordinary wear and tear, failures due to external forces or compliance with Customer's design specifications. The warranty will be voided if modifications are made or non-Supplier parts are installed. Repairs or alterations performed by someone other than Supplier will not be covered by warranty and may void warranty. Customer agrees to indemnify and hold harmless Seller, its affiliated companies, officers, directors and employees with respect to any claims arising out of such failures.

These warranties does not cover (i) equipment not manufactured and supplied by Supplier, (ii) wrapper materials, bags, containers, labels, glues films or any other materials or accessories purchased from other parties for use with the Equipment, (iii) consumable, wearable, or disposable items included in the Equipment, including, without limitation, heat

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elements, cutting knives and sealing bands, and (iv) routine maintenance, such as lubrication, adjustments and replacement of expendable items and production consumable.

Supplier further warrants that the Services provided by Supplier will be performed in a timely and workmanlike manner, using only qualified technicians familiar with the Equipment and Spare Parts and their operation. Bosch Packaging Group *Page 3 of 5 North American Terms and Conditions of Sale January 1, 2015*

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THESE WARRANTY ARE THE SOLE AND EXCLUSIVE WARRANTIES PROVIDED BY SUPPLIER AND ALL OTHER WARRANTIES, EXPRESS AND IMPLIED, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY EXPRESSLY DISCLAIMED AND EXCLUDED BY SUPPLIER. THE REMEDIES SET FORTH IN THIS SECTION ARE THE SOLE AND EXCLUSIVE REMEDIES PROVIDED BY SUPPLIER IN THE EVENT THE EQUIPMENT IS DETERMINED TO NOT BE IN CONFORMITY WITH THE WARRANTY PROVIDED BY SUPPLIER.

10. DISCLAIMER AND LIMITATION OF DAMAGES: SUPPLIER WILL HAVE NO LIABILITY TO CUSTOMER OR ANY OTHER PERSON FOR ANY BUSINESS INTERRUPTION, LOSS OF PROFIT, REVENUE, MATERIALS, ANTICIPATED SAVINGS, DATA, CONTRACT, GOODWILL, DOWNTIME, OVERTIME COSTS, (WHETHER DIRECT OR INDIRECT IN NATURE), OR FOR ANY OTHER FORM OF INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES OF ANY KIND, WHETHER ARISING OUT OF BREACH OF WARRANTY OR BREACH OF ANY OTHER PROVISION HEREOF, NEGLIGENCE OR OTHER SORT, OR OTHERWISE, EVEN IF SUPPLIER HAS BEEN ADVISED OF THE POSSIBILITY OR LIKELIHOOD OF POTENTIAL LOSS OR DAMAGE. In addition, Supplier shall not be liable for any damages, regardless of type or the allegations supporting such damages, in excess of the total purchase price for the Equipment.

11. TITLE AND SECURITY INTEREST: Title to the equipment will pass to Customer upon delivery to the carrier for shipment to Customer. Customer will not sell the equipment or encumber its title until the purchase price has been paid in full to Supplier, and

Prior to moving the Equipment, shall notify Seller of the new location. Customer grants to Supplier a purchase money security interest in the Equipment and components thereof. Failure of Customer to make any payment when due shall entitle Supplier, in its sole discretion, to declare all obligations of Customer immediately due and payable and Supplier shall have all the rights and remedies of a secured party under applicable law. Customer agrees to execute upon request such documents, which may be deemed necessary or appropriate by Supplier to create, perfect and maintain the perfection of its security interest under applicable law. Customer hereby appoints Supplier as its attorney-in-fact to sign and file a financing statement and such other documents as Supplier deems necessary to create, file, perfect and maintain the protection of its security interest.

12. TIME OF DELIVERY SUBJECT TO INTERNATIONAL EXPORT CONTROL REGULATIONS: Deliveries and services (fulfillment of contract) will only be executed under the proviso that their fulfillment complies with national or international export control regulations and does not violate any embargoes or other sanctions. The Customer commits to supply all necessary information and documents necessary for the export or transfer to other EU member states. Delays due to export control assessments or export control licensing procedures invalidate terms and dates of delivery. When licenses are not granted, or the delivery and service is not licensable, this contract becomes void in respect of the affected parts. When re-exporting the Customer is responsible for applying for the required licenses. Customer commits to compliance with applicable export control regulations. The Customer is specifically advised to check the applicability of the US re-export control legislation.

13. INFRINGEMENT: Supplier warrants that the Equipment delivered hereunder shall be delivered free of rightful claims

for infringement of any United States patent or trademark, provided, however, that this warranty shall not apply to claims for patent infringement to the extent that any Equipment is (1) manufactured to Customer's specifications, (2) altered by Customer without the consent of Supplier, (3) used in combination with products not purchased from Supplier in a manner which infringes a patent covering the combination, or (4) used in a manner not reasonably anticipated by Supplier. Supplier's obligation hereunder is conditioned upon Customer giving Supplier prompt written notice of any infringement claim and cooperating fully with respect to the defense of such claim. In addition, upon Supplier's request, Customer shall turn over to Supplier control of the defense including settlement and/or litigation of such claim. Supplier shall be entitled, at its option, to obtain a license on Customer's behalf for the Equipment which (allegedly) infringes an intellectual property right, or alter the Equipment in a way or replace it by similar Equipment which does not infringe the intellectual property right.

14. FORCE MAJEURE; ALLOCATIONS: In the event either party is unable to fully perform its obligations hereunder (except for Customer's obligation to pay for Equipment ordered) due to events beyond its reasonable control including but not limited to acts of God, action by any governmental authority (whether valid or invalid), fires, floods, windstorms, explosions, riots, natural disasters, wars, sabotage, labor problems (including lockouts, strikes, slowdowns), inability to obtain power, material, labor, equipment or transportation, or court injunction or order, that party shall be relieved of its obligations to the extent it is unable to perform. Timely notice of such inability to perform shall be given to the other party. Supplier may, at its discretion and without liability to Customer, allocate any and all available equipment or parts thereof among Customer and any other persons or entities with which Supplier is obligated to provide such equipment and parts.

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15. CANCELLATION: Equipment - Customer may cancel its order by giving Supplier written notice delivered at least sixty (60) days before the scheduled shipping date. Upon receipt of a written cancellation notice by Supplier, Supplier will cease work on the equipment as promptly as reasonably possible. Customer agrees to pay Supplier either the full purchase price shown on Supplier's proposal to Customer or order for equipment if completed prior to receipt of the written cancellation notice, or Supplier's full cost, including but not limited to materials, parts labor, and overhead, plus 20% for equipment which had not been completed prior to receipt of the written cancellation notice. Supplier reserves the right to complete and ship equipment if written cancellation is received less than sixty (60) days prior to the scheduled shipping date.

Spare Parts – in the event Customer cancels an order for Spare Part after shipment, Customer agrees to pay a restocking fee equal to 35% of the proposal. Modernization - in the event Customer cancels an order for Modernization after work has begun, Customer agrees to pay for all costs incurred to date plus an additional 25%. Services - in the event Customer cancels an order for Services less than four (4) business days prior the scheduled work date, Customer agrees to pay a cancellation fee of \$1,000.00. Additionally, in the event Supplier's proposal entails specially manufactured goods or equipment, cancellation by Customer at any time after Supplier has commenced construction of the specially manufactured goods or equipment will not release Customer from liability for any loss Supplier incurs.

16. TRAVEL ASSISTANCE: In the event Supplier is to provide any technical services at Customer's site located outside of the United States, Customer agrees to provide all reasonable assistance necessary for Supplier's technician to obtain the travel documents required for such a visit by the authorities in the location of Customer's site.

17. NOTICE: All notices in connection with Customer's order shall be in writing and shall be given by (i) Federal Express or other reputable next day courier service, or (ii) U.S. mail, postage prepaid, certified or registered, return receipt requested, or (iii) in person. Each notice shall be addressed to the party at the address set forth on the face of this Agreement or at such other address as a party shall provide by notice to the other party. Notice shall be deemed effective upon delivery.

18. WAIVERS: No waiver shall be effective unless it is in writing. The failure of either party to require performance under any provision of this Agreement shall in no way affect the right of such party to require full performance at any subsequent time, nor shall the waiver by either party of a breach of any provision of this Agreement constitute a waiver of any succeeding breach of the same or any other provision.

19. SEVERABILITY: These Terms and Conditions shall be deemed severable and if any portion hereof shall be held to be invalid for any reason, the remainder shall not be deemed invalid but shall remain in full force and effect.

20. GOVERNING LAW/DISPUTE RESOLUTION: These Terms and Conditions shall be governed and construed in accordance with the laws of the State in which the Supplier's facility is located, except for its choice of law provisions. The United Nations Convention of the International Sale of Goods shall not apply. The parties shall attempt in good faith to resolve promptly any dispute arising out of or relating to this Agreement by negotiation. If the matter cannot be resolved in the normal course of business either party shall give the other party written notice of any such dispute not resolved, after which the dispute shall be referred to senior executives of both parties, who shall likewise attempt to resolve the dispute.

If the dispute has not been resolved by negotiation within forty-five (45) days of the party's written notice or of the parties fail to meet within twenty (20) days from such notice, either party may submitted the dispute to arbitration in accordance with the CPR Arbitration Rules and Commentary. A single, impartial arbitrator mutually acceptable to the parties shall conduct the arbitration. In the event the parties cannot agree on an arbitrator within twenty-one (21) days after the end of the aforesaid sixty (60) days, either party may have an arbitrator appointed by the CPR. The location of the arbitration will be in New York, NY, unless the parties agree otherwise. As a condition of appointment of the arbitrator, said arbitrator shall agree to use her/his best efforts to conclude the proceeding within sixty (60) days. Said arbitrator shall further have the authority to limit the volume of evidence and documents to be submitted by the parties. Any court having jurisdiction thereof may enter judgment upon the award rendered by the arbitrator.

This section shall, however, not be construed to limit or to preclude either party from bringing any action in any court of competent jurisdiction for injunctive or other provisional relief as necessary or appropriate.

21. MODIFICATION: These Terms and Conditions may not be amended, modified or supplemented at any time except by a written document signed by the parties.

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22. ENTIRE AGREEMENT: This is the complete and final agreement between the parties related to the subject matter of these Terms and Conditions and supersedes all prior writings, conversations, understandings or agreements.

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23. PARTIES IN INTEREST: These Terms and Conditions shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

24. ASSIGNMENT: Customer shall not assign Customer's order without the prior written consent of Supplier, which consent may be granted or withheld in the sole discretion of Supplier

25. ENFORCEMENT: Customer shall reimburse Supplier for all costs and expenses (including attorney fees) reasonably incurred in the enforcement of Customer's order and these Terms and Conditions.

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Eden Labs

Tue, Dec 29, 2015 at 9:34 AM

It was wonderful speaking to you yesterday. I am looking over your email and will do my best to provide you with all the information you will need for your presentation on Jan 4th. It will be overwhelming amount of paper work, so please CALL ME with any questions!

I will answer your questions in the order that you presented them and will add more information at the end.



- We would like a system capable of processing 50 Pounds of material per week. Our 20L 2K would work beautifully for you. It requires 10# of material per run. In this way, you could do one run a day and have room to ramp up production when time is right.

- We do not have a license yet and would not be awarded one until April. Our systems take anywhere from 8-12 weeks depending on our production schedule. So if you wanted a system for 60 days after April 15th, that would make it mid-July. I will discuss the pricing and timing more below.

- We have a facility location, but are still making structural plans for layout and workflow. I will send you the facilities requirements so you know what to include in your planning.

Below you will find several documents that will need to be filled out and sent back to me. The Purchase Order Terms and Conditions & the Product Application. These documents are to insure you are compliant and working in a legal state. This assures both of us we are legitimate businesses and are doing everything according to the law.

I've also sent you specs on the HiFlo FX2 specs. The FX2 is the second generation Co2 system. It is our newest and best system. It runs in half the time of the old model and produces almost double the amount of oil.

These units are at an introductory price of \$179K until February 15, after which time will increase in price. (by how much? We have not been informed of as of yet) In the event this is the system that would work best for you, we could arrange something to lock you into this price.

Would you be interested in post production as well? In the event you are, please let me know and I will send you information on our 'winterizer'.

I hope this information is a good place to start Chris, please let me know your thoughts. I'm here to help you in any way!

Thank you again,







1/23/16, 12:01 PM

Anna

Anna Mascio
Sales Representative
Eden Labs
206-245-4740
amascio@edenlabs.com

[Quoted text hidden]

6 attachments

-  **[Eden Labs] Purchase Order Terms and Conditions (1169714 v7).pdf**
168K
-  **Eden General Requirements.pdf**
150K
-  **Eden Product Application.pdf**
148K
-  **Facilities Requirements_HiFlo Pre Installation_Rev 072015 (1).pdf**
445K
-  **HiFlo FX2 Specs.pdf**
78K
-  **Utility Specs.pdf**

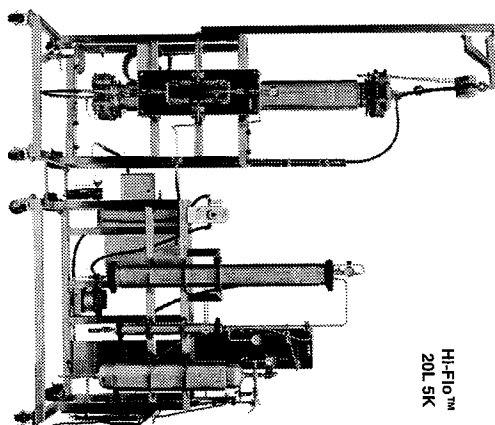


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Product Description

The Eden Lab's Hi-Flo™ Extraction System is a botanical extraction platform that utilizes Carbon Dioxide as an extraction solvent to produce high quality, whole plant extracts. It is constructed for Carbon Dioxide's super and subcritical extraction temperature and pressure ranges.

As leaders in the botanical extraction industry, the Hi-Flo™ has a proven track record for reliability and consistency in the production of premium extracts. The superior quality and easy-to-use design will allow operators to set parameters and run processes fit for multiple botanical industries. Utilizing the Fast Access Closure (FAC) system, reliable pumping system, and convenient valve & piping layout, the Hi-Flo™ will provide quick turnaround times and high yields for your production needs.

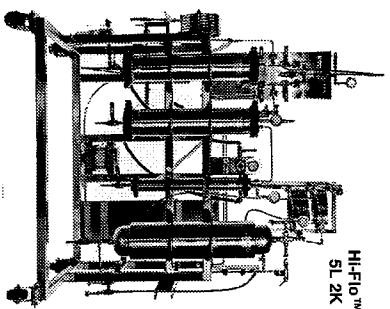


Hi-Flo™
20L 5K

Hi-Flo™ Specifications

Hi-Flo™ Model	Maximum Extraction Pressure PSIG	Approximate Load Capacity lbs.	Extraction Run Time hrs.	Average Yield %	Dimensions L x W x H in.	Minimum Recommended Working Space ft²
5 L 2K	2000	2.5 - 3	2.5 - 4.5	12 - 15	67.5" x 45.3" x 89.3"	290
5 L 5K	5000	2.5 - 3	1.5 - 3	12 - 15	67.5" x 45.3" x 89.3"	290
20 L 2K	2000	10	8 - 12	12 - 15	99.3" x 45.8" x 96.8"	310
20 L 5K	5000	10	6 - 10	12 - 15	106" x 57.8" x 126"	310

Hi-Flo™
5L 2K



Shipping Specifications

Hi-Flo™ Model	Dimensions L x W x H in.	Weights lbs.	Hi-Flo™ Dimensions L x W x H in.	Weights lbs.	Air Compressor Dimensions L x W x H in.	Weights lbs.	Chiller Dimensions L x W x H in.	Weights lbs.
5 L 2K	73" x 51" x 84"	1300	NA	NA	61" x 29" x 67"	500	48" x 26" x 47"	400
5 L 5K	73" x 51" x 84"	1500	NA	NA	61" x 29" x 67"	550		
20 L 2K	73" x 51" x 84"	1300	55" x 38" x 78"	700	61" x 29" x 67"	500		
20 L 5K	73" x 51" x 94"	1600	99" x 48" x 50"	1400	80" x 29" x 67"	850		

Load Capacity, Extraction Run Time, and Average Yields are dependent on plant material, plant quality, anatomy of plant processed, and protocol. The minimum recommended working space holds the standard, provided utilities and Hi-Flo™ unit. Check with your local fire and federal regulations for additional information. Shipping dimensions and weights may vary. All specifications subject to change. Stock photo may not represent actual Hi-Flo™.

4/2015

Utility Specifications

Compressor Specifications					
Hi-Flow™ Model	Dimensions L x W x H in.	HP	Phase	Voltage	Inlet Capacity cfm @ 145 psig
5 L 2K	56" x 22" x 49.4"	5		208 – 230/460	16.6
5 L 5K	56" x 22" x 49.4"	7.5	Three	208 – 230/460	21
20 L 2K	56" x 22" x 49.4"	5	Single phase available for custom orders	208 – 230/460	16.6
20 L 5K	76" x 25" x 58"	10		208 – 230/460	33

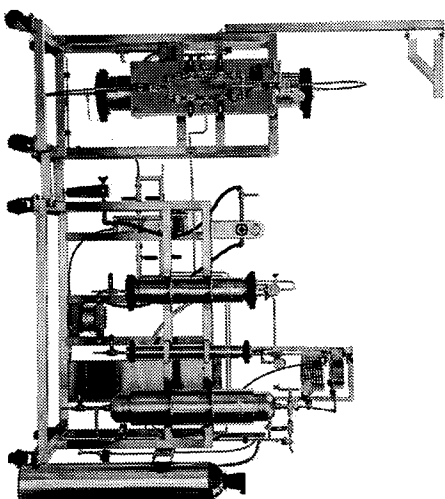
Compressor Electrical Data at 150 psig					
		Amps Drawn			
		HP			
V/Phase/Hz		5	7.5	10	
200 – 208/3/60		18.4	21.5	31.6	
230/3/60		15.8	19.5	29.9	
460/3/60		7.9	9.9	14.7	

Separator Heater Specifications					
Hi-Flow™ Model	Dimensions L x W x H in.	Pump Wattage	Heating Element Voltage	Wattage	Voltage
5 L 2K		40	115	4500	240
5 L 5K		40	115	4500	240
20 L 2K	31" x 12" x 13"	40	115	4500	240
20 L 5K		40	115	4500	240

Extraction Vessel Heater Specifications					
Hi-Flow™ Model	Dimensions L x W x H in.	Pump Wattage	Heating Element Voltage	Wattage	Voltage
5 L 2K		40	115	1700	120
5 L 5K		40	115	1700	120
20 L 2K	31" x 12" x 13"	40	115	1700	120
20 L 5K		40	115	4500	240

Chiller Specifications			
Hi-Flow™ Model	Dimensions L x W x H in.	Standard Cooling Capacity 60 Hz at 20°C	Voltage/Hz
5 L 2K			
5 L 5K			
20 L 2K	39" x 19.3" x 30.9"	5000 W	17076 BTU
20 L 5K			208 – 230 V/60 Hz 200 V/50Hz

Hi-Flow™
20L 2K



Utilities based on general specifications and electrical draw. Compressors specifications may vary. Single phase compressors available for custom orders and exclusively available for the 5L2K and 20L2K models. Provided specifications do not account for custom orders. All specifications subject to change without notice.

Contact your Eden Labs representative for more information or visit www.edenlabs.com.

HiFlo™ FX2

Product Specifications				Performance Specifications				
Model	Max Extraction Pressure	Dimensions	Approximate Load Capacity	Extraction Run Time	Avg. Yield	Down Time	Runs	Exp. Weight Yield
	psig	l x w x h (in.)	lbs	kgs	hrs	%	hr	g
5L2K	2000 (138)	68 x 46 x 90	1 - 3 (0.5 - 1.5)	2.5 - 4.5	12 - 15	1	4 - 6	980 - 1220
5L5K	5000 (345)	68 x 46 x 90	1 - 3 (0.5 - 1.5)	2.5 - 4.5	12 - 15	1	4 - 6	980 - 1220
20L2K	2000 (138)	100 x 46 x 107	4 - 12 (2 - 5.5)	5 - 9	12 - 15	1.5	2 - 3	1960 - 2450
20L5K w/ Fractionation	5000 (345)	168 x 52 x 107	4 - 12 (2 - 5.5)	5 - 9	12 - 15	1.5	2 - 3	1960 - 2450
2x20L5K w/ Fractionation	5000 (345)	404 x 104 x 107	8 - 24 (4 - 11)	2.5 - 4.5	12 - 15	0	5 - 9	6370 - 7960
Automation Platform		35 x 42 x 71						

Hi-Flo™ FX2

NEW FEATURES

- Cannabinoid Fractionation
- Semi and Full Automation w/ Remote Operating System
- Double the Throughput of the Hi-Flo™
- Separator Collection Cups
- New Condensing System
- Boosted Pumping System
- Temperature, Pressure, Run-Time Data Collection & Safety Monitoring

Model

Hi-Flo™ FX2 Product Packages

Model	Extraction Pressure	Fractionation	Automation	Liquid Pumping System	Electrical Power
5L	2000	NA	NA	Pneumatic-Drive	Single
5L	2000	NA	NA	Pneumatic-Drive	Three
5L	5000	NA	NA	Pneumatic-Drive	Three
20L	2000	NA	Semi	Pneumatic-Drive	Three
20L	2000	NA	Fully	Pneumatic-Drive	Three
20L	5000	Included	Semi	Pneumatic-Drive	Three
20L	5000	Included	Fully	Pneumatic-Drive	Three
2x20L	5000	Included	Semi/ Fully	Direct-Drive	Three

Product performance, specification, and packages subject to change. Performance specifications are dependent on plant material, anatomy of plant processed, and protocol. Stock photo may not represent actual product. Products purchased outside standard packages may have longer lead times. Pumping system compressor not included in Hi-Flo™ pricing. Contact your Eden Labs representative for more information.

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309 S. Cloverdale, Suite D-10 | Seattle, WA 98108 | 888.626.3271 | www.edenlabs.com

Rev Date Oct 2015



Hi-Flo Pre-installation Facility Requirements

Models: 5L2K, 5L5K, 20L2K, 20L5K

If you have any questions regarding these requirements please contact your sales representative for more information.

I. INTRODUCTION

In order for your Hi-Flo extraction unit to perform as designed, the facility where the unit will be installed must meet electrical supply, temperature, humidity, and ventilation requirements as specified by Eden Labs. The information you provide in this document will be used to purchase components of your Hi-Flo system.

II. INSTRUCTIONS

The project manager, and/ or primary stakeholder, that will be responsible for the installation and management of your Hi-Flo unit must read and sign this document. Please **initial each bullet** below indicating that you have read and understand the requirements as specified.

The requested information in Section V is to be provided by a licensed electrical contractor.

This information will be used by Eden Labs to purchase appropriately configured components for your Hi-Flo extraction unit.

III. ENVIRONMENTAL REQUIREMENTS - FACILITY (INITIALS)

_____ **Temperature:** 21-26°C (70-80°F)

_____ **Humidity:** 30-60%

_____ **Ventilation (general dilution):** 10 – 15 air exchanges per hour.

_____ **Ventilation (local):** sufficient to remove gases released from vent points on the Hi-Flo system.

IV. ELECTRICAL REQUIREMENTS - FACILITY (INITIALS)

_____ **Facility Electrical Supply Standard:** must meet United States National Electrical Code (NEC) standards and supply power at a frequency of 60 hertz.

_____ **Facility Electrical Supply Non-standard:** such as a generator, phase converter, power inverter, etc. will automatically **void the warranty** for all electrical components supplied with the Hi-Flo system.

_____ **Facility Electrical Supply Confirmation:** must be verified by a licensed electrical contractor. The results of the verification must be filled in below for completion of this form.

V. FACILITY ELECTRICAL SUPPLY CONFIRMATION

(TO BE COMPLETED BY LICENCED ELECTRICAL CONTRACTOR)

Total current available: _____ amps

Voltage and Phase available (fill in all available):

_____ volts / _____ phase (single or three) _____ volts / _____ phase (single or three)

_____ volts / _____ phase (single or three) _____ volts / _____ phase (single or three)



Hi-Flo Pre-installation Facility Requirements

Models: 5L2K, 5L5K, 20L2K, 20L5K

If you have any questions regarding these requirements please contact your sales representative for more information.

VI. Electrical Demand - Individual Hi-Flo Components (INITIALS)

- Scale - Compressed Gas Cylinder: 110-120 volt, AC to DC adapter
- Heater - Extraction Vessel: 1700 watt, 110-120 volt, 15 amps
- Heater - Liquid/Gas Separator: 4500 watt, 208-230 volt, 30 amps
- Chiller - Condenser/ Accumulator: 4500 watt (cooling) 208-230 volt, 15 amps (running)
- Air Compressor: Pump Drive - the voltage and current requirements for the compressor will depend on the electrical power configuration available at your facility.

The compressor supplied with your system is specifically matched to your facilities power configuration and the Hi-Flo system configuration as follows:

- 5 liter 2000 psi system - Air Compressor: 5 hp, 16-18 CFM @ 150-125 PSI
- 5 liter 5000 psi system - Air Compressor: 7.5 hp, 21-28 CFM @ 150-125 PSI
- 20 liter 2000 psi system - Air Compressor: 5 hp, 16-18 CFM @ 150-125 PSI
- 20 liter 5000 psi system- Air Compressor: 10 hp, 37 CFM, @125 PSI

VII. Ship to Address – Please include site contact and telephone number:

VIII. Certification (SIGNATURE)

By providing a signature below I certify that I have read and provided information as requested in this form.

Print Name	Signature	Date

EDEN LABS OFFICE USE ONLY	
Date Received	Received By

2014 Copyright Eden Labs, LLC	2 of 2	Form Revision: 07.29.2015
Eden Labs > Sales Dept > Sales Kit > Facilities Requirements_HiFlo Pre Installation_Rev 072015		

General Customer Requirements & Expectations



Congratulations! Thank you for choosing Eden Labs as your manufacturing partner!! Our goal is to ensure a smooth production of your chosen system! The following information is your guide to the general requirements necessary to build, train and successfully ship your system.

REQUIRED DOCUMENTS

- ☐ **Quote** – all pages must be signed / dated *before* submitting to Accounting
- ☐ **Product Application** – must accompany Quote
- ☐ **Purchase Order Terms & Conditions** – must accompany Quote
- ☐ **Business License** – Required for any cannabis processor if State law prescribes licensing.
- ☐ **Facility Requirements Form (FRF)** – Must be returned no later than 2 weeks from Invoice date.
COMPLETE FRF holds the system's place on the production schedule. If FRF is late production will continue to be delayed until FRF is submitted and reviewed for accuracy.
- ☐ **Shipping Questionnaire** – Due no later than 4 weeks from Invoice date.

PAYMENTS

- All payments are processed directly with Accounting. Customer *must* speak to Eden Labs CFO, Melissa Braddock, to arrange proper payment processing *in advance*.
 - Contact Accounting at 888-626-3271, Extension 6; or accounting@edenlabs.com
- Deposit (in full) must clear the bank *prior* to the order moving into Production.
- Manufacturing *begins* when the signed Quote, fully completed Product Application, signed Purchase Order Terms and Conditions, and Business License documents (as required) and the deposit are confirmed.
- **Final invoice will be sent 2 weeks before the system completion date, payment is due no later than 10 business days after system's scheduled completion date. Late fees will be assessed for late payment and/or if we have to store the completed system beyond a week after training.**

PRODUCTION

- Upon receipt of the initial Invoice, the Production Manager will assign a system name and serial number to your order placing it on the schedule. Sales will then be able to provide a target completion date (generally systems are manufactured in 10-12 weeks).
 - **SYSTEM DELIVERY** – Generally systems are shipped two (2) weeks after system completion and training. Factors involved, post system completion, include final quality control review/testing, shipment preparation and crating, and freight carrier schedule.

TRAINING

- **System must be paid in full prior to scheduling your training.**
- Training is scheduled as close to the system's completion date as possible.
- Training will consist of two days in our Seattle office. You will receive detailed information prior to arrival.
- A maximum of four individuals can be trained.
- Only Eden-trained individuals should operate the system; otherwise your warranty could be voided.

EDEN LABS PURCHASE ORDER CONFIRMATION AND TERMS

Thank you for your interest in the following specified Eden Labs equipment:

Equipment: _____

Price: _____

Quote: _____ **Invoice:** _____ **Salesperson:** _____

1. CONTRACT AND ACCEPTANCE.

1.1 This Purchase Order Confirmation and Terms ("Agreement") sets forth the terms and conditions of sale between Eden Labs LLC ("Seller") and Buyer (each a "Party" and collectively, the "Parties"). This Agreement shall apply to the sale and provision of any equipment, materials, items, products, components, parts, systems, drawings, specifications and any related services (the "Goods") offered for sale or provided by Seller to Buyer, including all requests made by Buyer for quotations or offers to purchase and to any offers made by Seller and are an integral part of any order accepted by Seller ("Order"). All Orders received by Seller, Seller's sales representatives or distributors are subject to acceptance by Seller's corporate office in Seattle Washington. SELLER'S ACCEPTANCE OF ANY ORDER IS EXPRESSLY CONDITIONED ON BUYER'S ACKNOWLEDGMENT OF, AND AGREEMENT WITH, THIS AGREEMENT. This Agreement shall prevail over any conflicting terms in Buyer's Purchase Order. No terms and conditions contained in any orders, prior offers or any other document issued by the Buyer shall be binding on Seller, even if they have not been expressly rejected. The failure of either Party at any time, to enforce any provision in this Agreement shall not be construed to be a waiver of the right of such Party to enforce any terms and conditions in this Agreement.

1.2. No order, amendment thereof, addition or a complement thereto shall be binding on Seller unless expressly accepted in writing by Seller.

1.3 If individual terms in this Agreement cannot be applied for any reason whatsoever, all other terms and conditions will remain unaffected.

1.4 Orders do not include installation or training services by Seller unless expressly included and agreed to in writing by Seller and as specified in an Order. If an Order includes installation and/or training, Buyer must have its facility ready (including, without limitation, having obtained any necessary permits) for installation upon the arrival of Seller's personnel or training representative. If the facility is not ready, the Buyer agrees to pay for a second trip by Seller and/or its agents to its facility including all reasonable travel expenses, lodging and meals and at the convenience of Seller's schedule.

2. TERMS OF PAYMENT; PRICES.

2.1 Sixty percent (60%) of the purchase price must be paid to Seller upon Seller's acceptance of the Order and the balance is due upon completion of the Order. Payment in full (including the costs set forth in section 2.2) must be received by Seller before the Goods will be shipped, unless otherwise specified in writing by Seller.

2.2 The cost of packing, crating, loading, storage, transportation, shipping and insurance is not included in the purchase price of the Goods and will be quoted on a case-by-case basis.

2.3 All payment must be made by wire transfer, check, cashier's check or credit card. Payment may not be made by cash or money order. All prices are set forth in U.S. dollars.

2.4 Buyer authorizes and permits Seller to perform background checks and obtain financial information about Buyer from credit reporting sources, banks and law enforcement agencies.

3. SHIPPING SCHEDULE

3.1 Shipment dates are approximate and represent Seller's best judgment at the time of quotation. Estimations of shipping dates are made in good faith, but they are NOT guaranteed and such dates are not the essence of an Order.

3.2 Seller reserves the right to make shipment in lots. Upon shipment of each lot, Seller shall have the right to immediately invoice an amount representing that appropriate portion of the total purchase price.

3.3 Seller shall have the right, in its sole discretion, to manufacture the Goods to be provided pursuant to this Agreement as far in advance of its estimated shipping schedule as it deems appropriate. Seller reserves the right to ship in advance of any Buyer request dates, except those dates stipulated "not before".

3.4 Should shipment be held beyond the scheduled date at the request of Buyer, Seller may charge Buyer for all expenses incident to such delay, including but not limited to storage of the Goods.

3.5 Seller will not be responsible for deviations in meeting specified shipping schedules nor for any losses, claims or damages to Buyer (or any third person) occasioned by deviation in the performance or the nonperformance of any of Seller's obligations hereunder, or by loss of or damages to the Goods when caused directly or indirectly by, or in any manner arising from, any casualty, riots, acts of Buyer, strikes, or by other labor difficulties, shortages of labor, supplies, and transportation facilities or any other similar or different cause or causes beyond Seller's reasonable control or the reasonable control of its suppliers or subcontractors.

4. PRICE QUOTATIONS.

4.1 All price quotations expire thirty (30) calendar days from the date of the quote unless sooner withdrawn by Seller. Prices of Goods scheduled for shipment more than twelve (12) months after the date of an Order shall be subject to escalation.

4.2 Unless otherwise stated, price quotations do not include cost of packing, crating, loading, storage, transportation, insurance and shipping.

5. TAXES. All prices quoted do not include any federal, state, municipal and other excise, sale, use or occupational or similar taxes unless otherwise stated. If, under law or governmental regulation, Seller is required to pay or collect any tax upon the Goods included in the Order or predicated upon, measured by or arising from the sale, transportation, delivery, use or consumption of said Goods, whether directly or indirectly, the price to be paid by the Buyer shall be increased by the amount of any such taxes. Buyer shall immediately, upon Seller's request, pay such taxes to Seller.

6. CANCELLATION. Cancellations of an Order may be accepted only with the prior written approval of Seller. A request to cancel an Order must be submitted by Buyer, in writing, to Seller within five (5) business days of the date of invoice to receive a 100% refund. For requests to cancel an Order that are submitted to Seller, in writing, five (5) or more business days after the date of invoice, Buyer must pay all costs already incurred by Seller, including the price of Goods and services required to fill the Order already committed by Seller as well as a reasonable allowance for Seller's overhead and profit. Seller may cancel any Order if the Buyer's representations herein, or in the Buyer Questionnaire, End-Use Statement, and Indemnification, are found to be materially inaccurate or misleading (a "Seller Cancellation"). In the event of a Seller Cancellation, Buyer shall pay all costs already incurred by Seller, including the price of Goods and services required to fill the Order committed to by Seller as well as a reasonable allowance for Seller's overhead and profit.

7. CHANGES. Seller shall have the right to charge Buyer for increased costs resulting from Buyer's changes to any accepted Order, including changes in delivery schedule, Goods, materials, or services.

8. WARRANTIES.

8.1 Except as set forth in this Agreement, Seller warrants that the Goods conform to the applicable drawings and specifications of Seller and will be free from any defects in material and workmanship for a period of twelve (12) months from the date of installation by Seller or eighteen (18) months from the date of shipment, whichever period expires first. Repairs utilizing new parts carry a one (1) year limited warranty against defects in such parts.

Repairs utilizing refurbished parts carry a ninety (90) day limited warranty against defects in such refurbished parts. Seller's labor is warranted for ninety (90) days.

8.2 If, within these stated warranty periods, Seller receives from Buyer written notice of any alleged defect in or nonconformance of any such Goods or parts, Buyer shall, at Seller's request, return the Goods or parts F.O.B. Seller's location, as designated by Seller. If Seller agrees that the Goods or parts do not conform or is found to be defective in material or workmanship, Seller shall repair or replace the defective Goods or parts at Seller's option and expense. Seller's sole responsibility, and Buyer's exclusive remedy hereunder, shall be limited to such repair or replacement as provided herein.

8.3 Goods, products and accessories supplied by Seller hereunder which are not manufactured by Seller are warranted by Seller only to the extent that Buyer or Seller is able to obtain warranty service or compensations from the manufacturers thereof.

8.4 THERE ARE NO OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING THOSE OF MERCHANTABILITY AND OF FITNESS FOR PURPOSE.

8.5 The warranties of Seller do not cover, and Seller makes no warranty with respect to: (a) Failures not reported to Seller within the warranty period specified above; (b) Failures or damage due to misapplication, abuse, improper installation, abnormal conditions of temperature, water, dirt, or corrosive matter; (c) Failures due to operation above rated capacities or in an otherwise improper manner; (d) Goods or products which have been in any way tampered with, modified or altered by anyone other than Seller; (e) Goods or products damaged in shipment or storage or otherwise without fault of Seller; (f) Labor and/or material expenses incurred by Buyer which relate in any manner to any allegedly defective Goods or products unless Buyer incurs such expense under express written authorization from Seller; and (g) Goods and parts which are subject to normal wear and tear, are scheduled for routine replacement within the guarantee period, and Goods and parts subject to the effects of corrosion or deterioration by chemical or other action.

8.6 The warranties of Seller do not cover any Goods or products supplied by Seller made to the Buyer's design or the design of which has been modified by the Buyer or used in a manner other than that approved by the Seller.

9. CLAIMS, SHORTAGES, AND RISK OF LOSS.

9.1 Any claims for loss, breakage or damages (obvious or concealed) are Buyer's responsibility and should be made to the carrier. Seller will render Buyer reasonable assistance in securing adjustment of such claims.

9.2 Any notices of shortages or other errors must be made in writing to Seller within fifteen (15) days after receipt of shipment. Failure to give such notice shall constitute unqualified acceptance and a waiver of all claims by Buyer.

9.3 Risk of loss for damages to the Goods sold hereunder passes to Buyer upon delivery by Seller to the carrier regardless of F.O.B. point. Title to the Goods sold hereunder passes to Buyer upon payment of the full purchase price. Buyer agrees to execute such documents as Seller requests to protect Seller's interest in the Goods.

10. **TRANSPORTATION CHARGES AND ALLOWANCES.** All prices are F.O.B. place of shipment. Buyer is responsible for the costs of packing, crating, loading, storage, transportation, insurance and shipping, unless otherwise agreed to in writing by Seller. If the quoted price includes shipping, Seller reserves the right to designate the common carrier and to ship in the manner it deems most economical. Buyer agrees to pay all additional costs due to special routing requested by Buyer. Under no circumstances shall any shipping or insurance costs be deducted from the purchase price. If the quoted price includes shipping costs, no reduction to the purchase price will be made in lieu thereof whether Buyer accepts shipment at factory, warehouse, freight station, or otherwise supplies its own transportation.

11. **ACCEPTANCE.** Final acceptance or rejection of the Goods shall be made promptly after delivery to Buyer. Unless earlier rejected, the Goods shall be deemed by the Parties to be formally accepted within thirty (30) days after delivery to Buyer. Upon acceptance of each unit of the Goods, Buyer expressly waives any right to revoke such acceptance for any reason, whether known or unknown to Buyer at the time of acceptance. Any alleged

defect or nonconformance which may become apparent in the Goods after acceptance shall be subject to the provisions of Section 8 herein above.

12. **RETURNED GOODS.** Seller reserves the right to refuse returned Goods unless such return is authorized in advance by Seller. A restocking charge of twenty percent (20%) of the purchase price will be levied on all returned Goods.

13. **SUBSTITUTIONS.** Seller reserves the right to furnish substitutes for materials which cannot be reasonably obtained because of any restrictions, voluntarily or compulsorily, established by or in connection with any governmental authority or program. In all cases, the materials of construction are subject to verification and acceptance by Buyer. Seller may, during any periods of shortage due to causes beyond control of Seller or its suppliers, prorate its supply of Goods among all of its buyers in such manner as may be deemed equitable in the sole judgment of Seller. Seller shall not incur any liability to Buyer because of any proration hereunder.

14. **HAZARDOUS OR TOXIC MATERIALS NOTICE.** It is the policy of Seller not to handle any unknown or potentially hazardous or toxic substances. Therefore, all Goods returned for any reason must be thoroughly cleaned and any hazardous or toxic substances completely removed and/or neutralized.

15. **USE; COMPLIANCE WITH LAW.** **Buyer represents and warrants that the Goods purchased from Seller will be used for commercial, business or research purposes, and not for personal, family, or household use and that all information provided to Seller up to the date of shipment is complete and accurate.**

16. **EXPORT REGULATIONS.** To ensure items will not be used in any manner which violates any laws, rules or regulations Buyer has agreed to fully and accurately complete and agree to the "Buyer Questionnaire, End-Use Statement and Indemnification" provided by Seller at <http://edenlabs.com/support/terms-and-conditions>. **BUYER MUST INFORM SELLER IMMEDIATELY OF ANY CHANGES TO BUYER'S ANSWERS THAT OCCUR PRIOR TO THE SHIPMENT OF THE GOODS, BY ELECTRONIC MAIL TO cs@edenlabs.com OR MAIL TO: Eden Labs, 309 S. Cloverdale, Suite D-10, Seattle, Washington 98108.** Seller reserves the right not to ship orders that do not comply with Seller's policies.

17. **LIMITATION ON LIABILITY.**

17.1 Notwithstanding anything contained herein to the contrary, Seller's responsibility for any claims, damages, losses or liabilities arising out of or related to its performance under this Agreement or the provision of the Goods provided and/or contemplated hereunder shall not exceed the purchase price hereunder.

17.2 **In no event shall Seller or its agents be liable to Buyer for any punitive, special, indirect, incidental or consequential damages of any kind or character, including but not limited to, loss of use of production facilities or equipment, lost profits or revenue, property damage (including property damage arising out of causes of action based on strict liability), damages to person, expenses incurred in reliance on Sellers performance hereunder, or lost production, whether suffered by Buyer or any third party.**

17.3 **SPECIFIC DESIGN RECOMMENDATIONS.** If before or during its performance under this Agreement, the Buyer obtains specific design and/or engineering assistance from Seller insofar as the compatibility or use of the Goods with elements or systems not supplied by Seller, it is understood and agreed by Buyer that such specific design and/or engineering assistance is provided as a service, even if Seller receives compensation therefore, and that Seller makes no warranties of any nature whatsoever with respect to the accuracy of such specific design and/or engineering assistance or with respect to any actions taken by Buyer or any third parties in reliance on such assistance.

18. **MISCELLANEOUS.**

18.1 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the STATE OF WASHINGTON exclusive of any conflict of laws provisions, and the parties hereby submit to the jurisdiction of the courts of Washington at Seattle.

18.2 **Entire Agreement; No Third Party Beneficiaries.** This Agreement, including any Exhibits or Attachments referred to herein, including the Buyer Questionnaire, End-Use Statement and Indemnification, constitutes the entire agreement and understanding between Seller and Buyer with respect to the subject matter herein and all

understandings and agreements heretofore had between Seller and Buyer are merged into this Agreement. This Agreement shall not be modified, altered, amended or assigned except as specifically provided for herein or by mutual written agreement of the Parties hereto. No course of prior dealings between the Parties and no usage of trade shall be used to supplement, explain or vary any of the terms of this Agreement. This Agreement is not intended to confer upon any person other than the Parties any rights, remedies or other benefits hereunder. Accordingly, Seller owes no duty or obligation to any such third parties pursuant to the terms of this Agreement and shall not be responsible for any claims made and/or damages asserted by any such third parties.

18.3 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of, the Parties and their successors, respective heirs and assigns.

18.4 No Waiver. The failure of either Party at any time to require performance by the other Party of any provisions hereof shall in no way affect the full right to require such performance at any time thereafter; nor shall the waiver by either Party of a breach of any provision hereof be taken as held to be a waiver of any succeeding breach of such provision or as a waiver of the provision itself. The failure of Seller to object to any provision in conflict herein, whether contained on Buyer's Purchase Order or otherwise, shall not be construed as a waiver of the provisions herein or as an acceptance of any such conflicting provision.

18.5 Notices. Except as otherwise provided in this Agreement, all notices sent or required to be sent hereunder shall be sent by registered or certified mail, postage prepaid, addressed as follows: to Eden Labs LLC, 309 S. Cloverdale St., Suite D-10, Seattle, WA 98108 and to the Buyer at the address that Buyer shall designate in writing.

18.6 Force Majeure. Neither Party shall be liable for any delay in the performance of any obligation hereunder or any loss resulting therefrom due to any cause beyond its control, including but not limited to acts of God, acts of civil or military authority, labor disputes, fires, floods, riots, civil disturbances, or war, and the performance of any such obligation shall be postponed for a reasonable period of time during the continuation of any such cause.

18.7 Severability. If any term or provision of this Agreement or the application thereof to any person, property or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby.

18.8 No Joint Venture. The relationship between Seller and Buyer is that of vendor and vendee. No agency, partnership, joint venture or employment relationship is created between the Parties by this Agreement.

19. Proprietary Information/Preservation of Confidentiality. Buyer agrees that it shall regard, maintain and preserve the secrecy and confidentiality of any and all information and data, whether in oral or written form, including but not limited to, costs, products, processes, methods, concepts, ideas, programs, formulae, apparatus, prototypes, photos, techniques, know-how, marketing plans, business plans, data, strategies, forecasts, customer or supplier lists or technical requirements of customers, or other information constituting trade secrets (collectively referred to herein as the "Proprietary Information") of Seller which may have been or may hereafter be disclosed to or obtained by them in connection with the manufacture of Goods by Seller or otherwise. Buyer acknowledges and agrees that the Proprietary Information constitutes protectable trade secrets of Seller's within the meaning of applicable law. Without limiting the generality of the foregoing, Seller anticipates disclosing to Buyer certain Proprietary Information pertaining directly or indirectly to the extraction and/or distillation of botanicals. Buyer shall take reasonable and necessary measures to preserve the secrecy and confidentiality and avoid the unauthorized use or disclosure of Seller's Proprietary Information, including, without limitation, taking such measures of protection as it takes to protect their own confidential, proprietary or trade secret information. Buyer shall limit access to the other party's Proprietary Information to those of its employees, agents, and consultants, who have a reasonable need for access to such information in connection with the discussion, exploration and possible later performance of the Order ("Recipients") and shall take reasonable steps to ensure that each Recipient is bound by restrictions which in all reasonable respects are materially the same as the restrictions contained herein.

20. Covenant Not to Use or Disclose. Buyer agrees that it will not, at any time, without the prior written consent of Seller, use or disclose Seller's Proprietary Information for any reason or in any manner whatsoever except as may be necessary for the discussion, exploration of purchasing Goods or services from Seller.

21. Covenant Not to Reproduce. Except as may be necessary for the discussion, exploration and completion of Seller's performance of manufacturing or services for Buyer and then only with the express permission of Seller, Buyer agrees that it will not make copies, photocopies, facsimiles, or other reproductions of any documents, drawings, products, electronic data or the like containing Seller's Proprietary Information. Upon conclusion or termination of the Order or forthwith upon the request of Seller, Buyer shall promptly return to Seller all such documents, drawings, electronic data or reproductions thereof which may have come into their possession.

22. Proprietary Rights. Buyer acknowledges that all property rights in Seller's Proprietary Information are owned by Seller and Buyer has no such rights to the Proprietary Information. Buyer further acknowledges that Seller has not granted and does not grant in this Agreement or outside of it any license to such Proprietary Information or intellectual property rights under Seller's patents, copyright, trade secret or other proprietary rights to use or reproduce any Proprietary Information of Seller's.

I certify that I have read the Purchase Order Confirmation and Terms and Conditions.

Buyer Signature

Buyer Printed Name

Date

Buyer Questionnaire, End-Use Statement, and Indemnification

CUSTOMER NAME: _____

CUSTOMER ADDRESS: _____

CUSTOMER PHONE NUMBER: _____

PURCHASE ORDER (PO) NUMBER, ORDER NUMBER, AND MODEL NO. (if applicable):

In regard to the item(s) purchased on the purchase order(s) _____, Eden Labs, LLC ("Eden Labs") requires you to fill out and return this questionnaire/statement with your signature below prior to order acceptance by Eden Labs. If for any reason, whether by you or another party, this (these) item(s) are exported outside of the United States, are used outside of the county and state listed below or is used for a purpose other than described herein, such export or use must comply with all United States Export Laws and regulations and all federal, state and local laws, regulations and ordinances for the location in which the item(s) will be used. The information provided will be used to confirm and validate legal compliance. **By your signature below, you agree and understand that Eden Labs will rely on the information provided to accept this order.**

1. What is the Buyers / End-Users age? _____

2. Is the item being exported from the United States? _____

3. Where is the item going (Intermediate consignee(s) and/or Ultimate Destination – including U.S. county and state, if applicable)? _____
_____4. Who is purchasing the item(s) and who will use the item(s) (Intermediate End-User and/or Ultimate End-User)? _____
_____5. What will they do with the item(s) (Ultimate End-Use)? Please state the specific use of the referenced item(s), what the item(s) will be used for, and whether it will be integrated into another device or items. Also, state the exact role the Ultimate End-User will have in the use of the referenced item(s).

_____6. What other functions/changes/activities will the Intermediate or Ultimate End User perform on the item(s)?

7. If at any time the above-referenced items will be transferred to another state or location within the state, or re-exported to a destination/End-User other than stated above, you are required to adhere to all applicable United States laws and regulations governing the export or re-export of the item(s) listed above. Specifically, you hereby certify by your signature below that the referenced item(s) will not be used or transferred:

(a) For any purpose associated with chemical, biological or nuclear weapons or missiles capable of delivering such weapons, nor will the referenced item(s) be re-exported or otherwise transferred if there is a reason or suspicion that the referenced item(s) are intended or likely to be used for such purpose; and

(b) To entities or persons excluded, denied, debarred or otherwise sanctioned or restricted by an agency of the United States as indicated on the Blocked, Denied Entity and Debarred Persons Lists maintained by United States agencies or entities otherwise subject to embargoes, sanctions or other restricted export programs implemented by the United States. The customer agrees to cooperate with Eden Labs to ensure that the referenced item(s) are not exported to any person or entity designated on these Lists or programs.

Buyer understands that the referenced item(s) may be subject to one or more United States export laws or regulations and the item(s) may fall under the jurisdiction of one or more United States agencies, including Department of State, Department of Commerce and the Food and Drug administration and/or the laws, regulations and ordinances of states, counties or municipalities. Buyer further understands that it is unlawful to export, or attempt to export, or otherwise transfer, sell or divert Eden Labs manufactured items or related technical data to any foreign person, whether outside or inside the United States, for which a license or other approval of an agency of the United States is required, without first obtaining the required license or written approval from the appropriate government agency. **Therefore, Buyer agrees that it will comply with all applicable export control laws.**

By signing below, I certify that, to the best of my knowledge and belief, the information given above is accurate and complete, and that I am duly authorized to provide the certifications and statements above. As a Buyer of Eden Labs, LLC systems, equipment, goods or accessories (collectively, the "Systems"), I represent and warrant that (1) the Systems purchased by Buyer will be used for commercial, business or research purposes, and not for personal, family or household use; (2) such Systems will not be used in any illegal or improper activities or in any manner which violates any federal, state and local laws, rules and regulations; (3) Buyer shall comply with all export control laws to the extent applicable to the Systems purchased; and (4) Buyer has reviewed the Warranties provided by Eden Labs.

Buyer agrees it shall indemnify, defend and hold Eden Labs, LLC harmless from and against any and all claims, suits, expenses, liabilities, losses and costs, including without limitation reasonable attorneys' fees, arising out of or resulting from any illegal or improper acts, omissions, or representations of Buyer, or its employees, agents, representatives, or other personnel in regards to the use of the Systems.

Signature: _____

Printed Name: _____

Title: _____

Date: _____

THIS STATEMENT, QUESTIONNAIRE AND INDEMNIFICATION MUST BE ACCURATELY COMPLETED PRIOR TO ORDER APPROVAL AND PROCESSING BY EDEN LABS OR ITS AUTHORIZED DISTRIBUTORS

https://mail.google.com/mail/u/0/?ui=2&ik=0b92cc607f&view...

Re:Glass dropper bottle filling capping machine / from Amy - Reliance Machinery

Tue, Dec 29, 2015 at 8:59 PM

Hope you are well.

This is Amy from Reliance Machinery, Thank you very much for inquiry for the glass dropper bottle filling and capping machine, we have two type for this machine.

A) Place dropper manually (USD 13500/Set.)

Watch video :

http://www.pharma-reliance.com/Details1?article_id=18

B) All fully automatic (USD 20000/Set)

watch video :

<https://youtu.be/8MVTYsC1zNM?list=PLBPqFBq4dzMYs-ANapQXJ9hR1NRYGu9bD>

Note:

1. can you show me the picture of your glass dropper bottle and caps?
2. how many different filling sizes?
3. what kind of liquid will be filled ? does it thick, Corrosive ?
4. May i know your company name ?

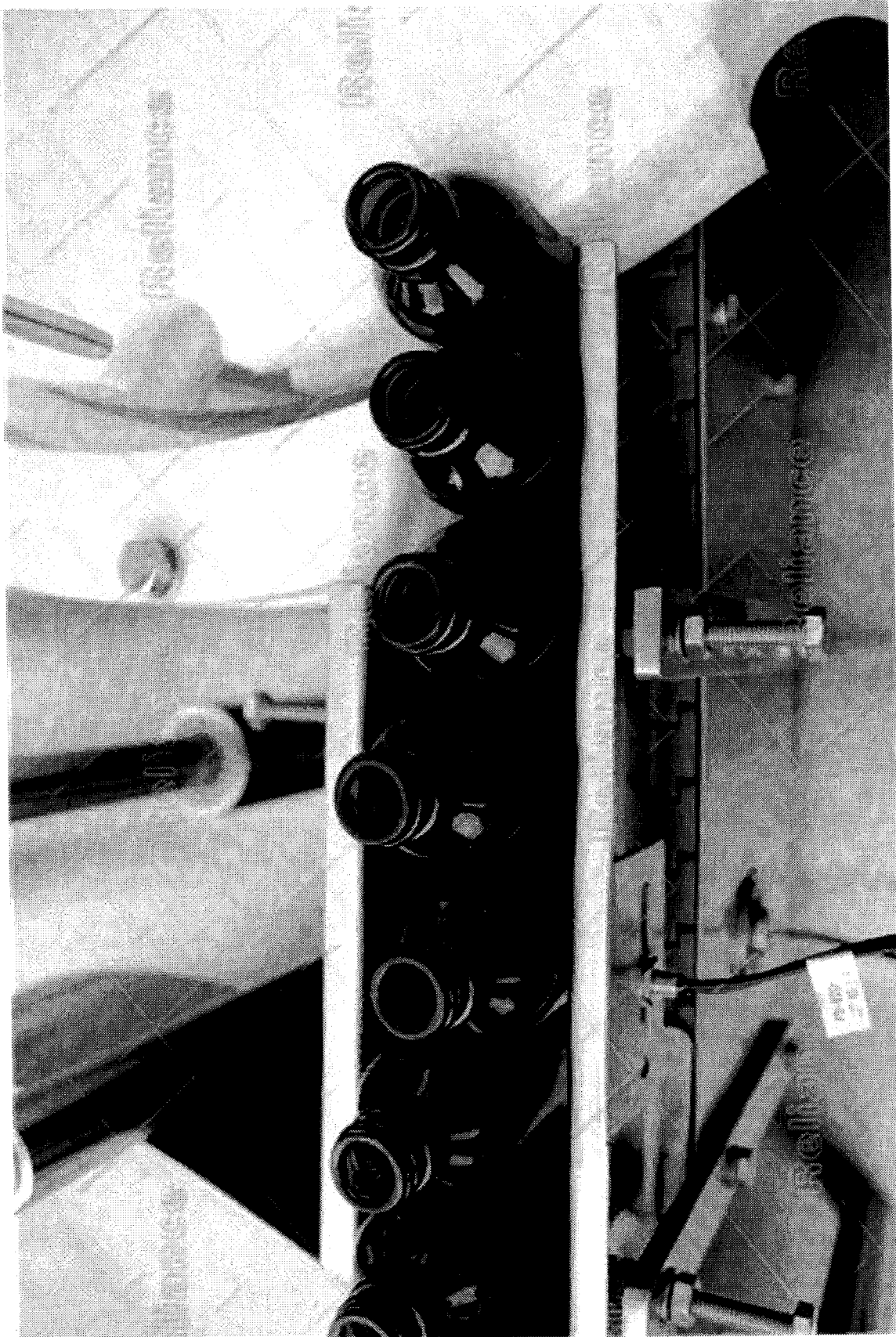
Hope hear from you soon. so that i can prepare more details and quotation .

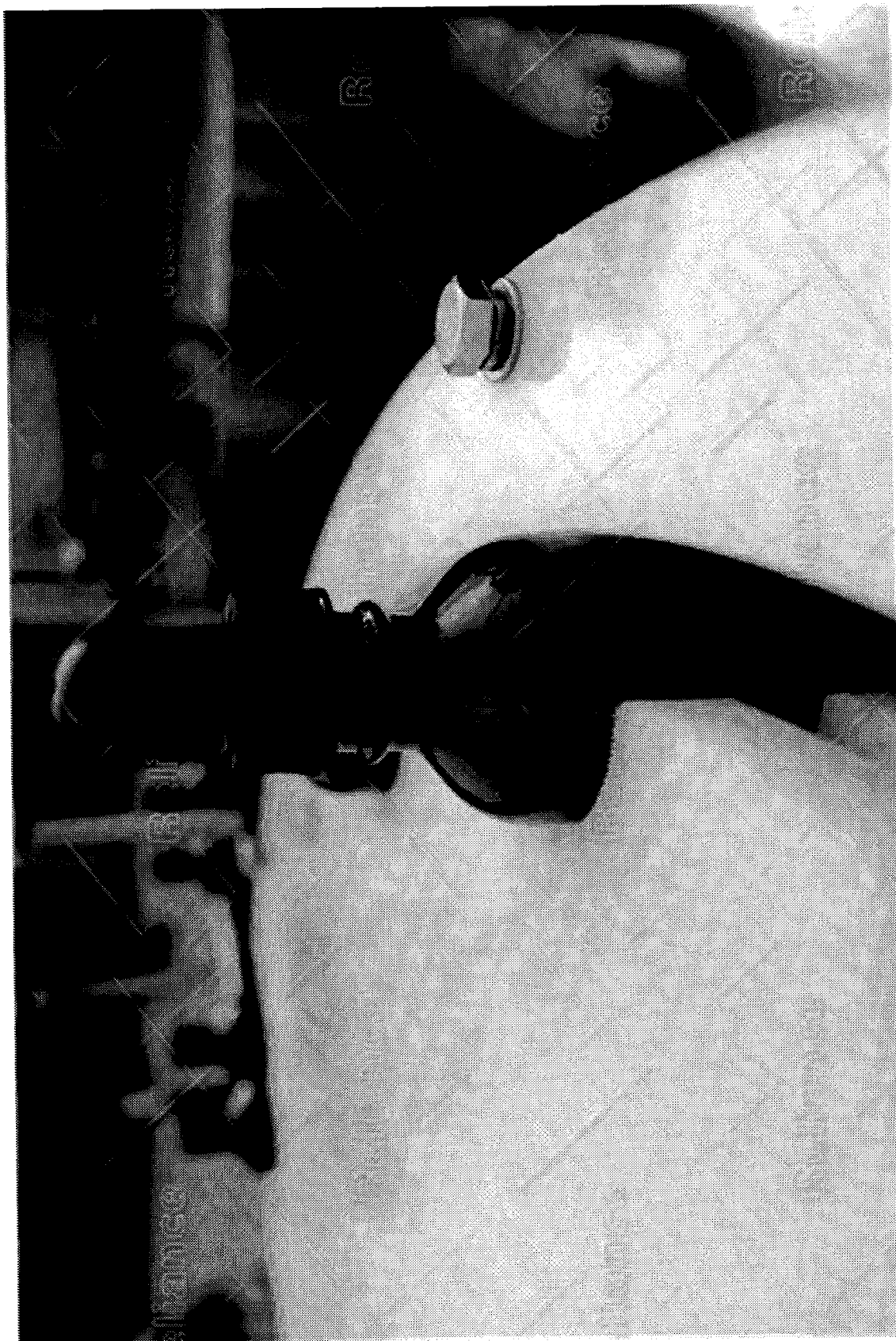
Best Regards,
Amy (Sales & Tech-Support)
Reliance Machinery Co.,Ltd

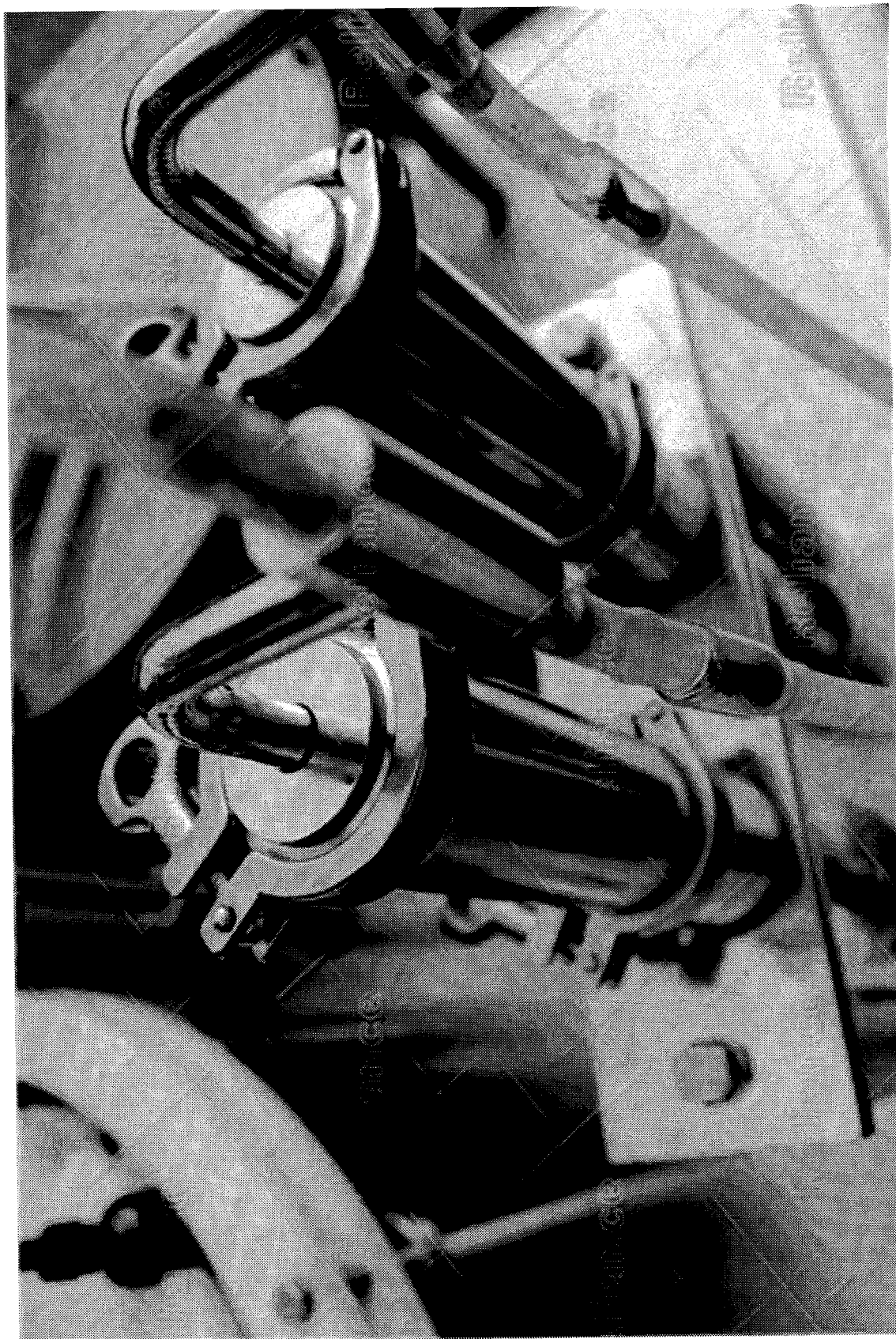
RELIANCE

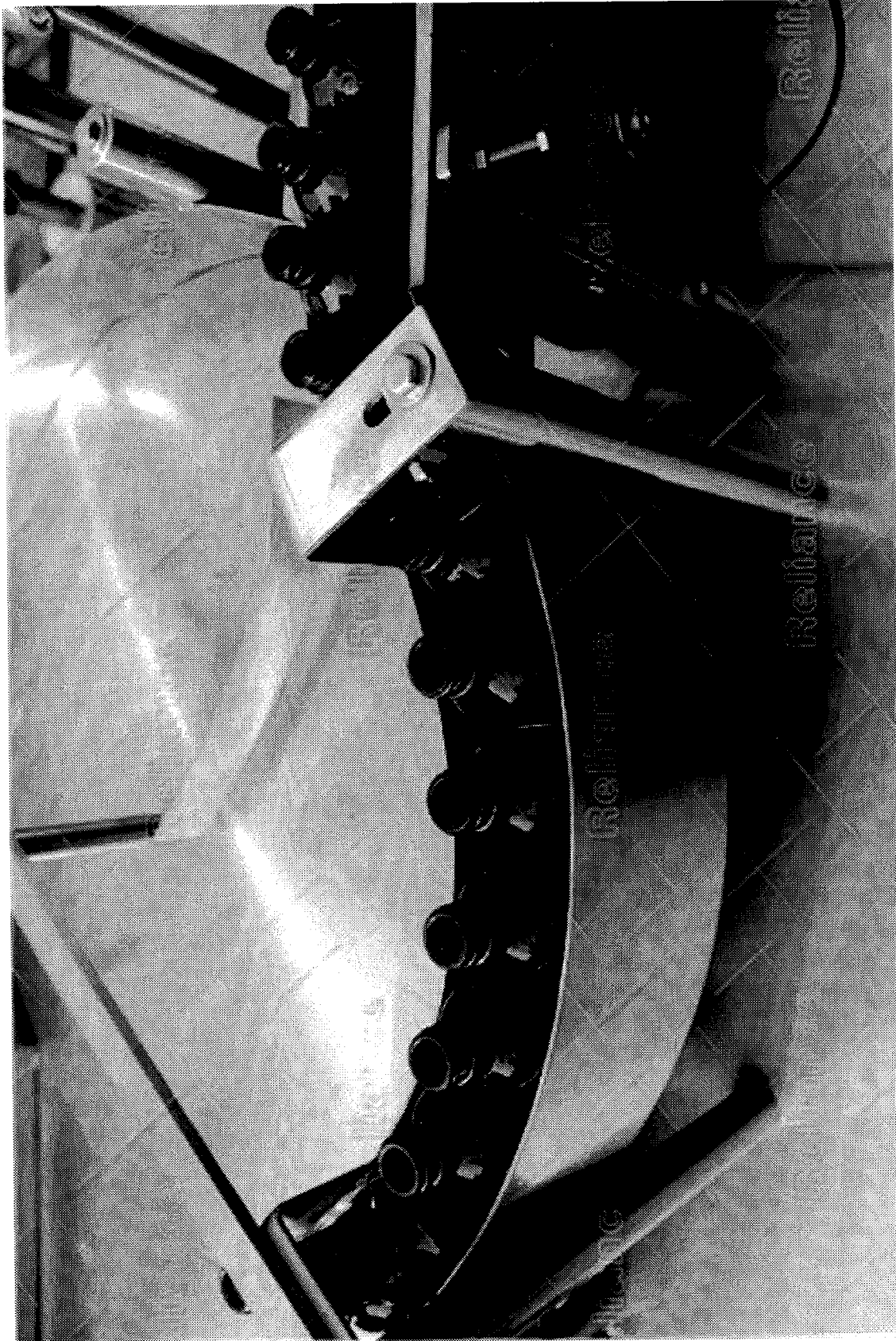
TEL/Fax: 0086-21-59972826 // Cell: 0086-13795446673 // Skype: amychanningcn Email:
amy@pharma-reliance.com // Web: www.pharma-reliance.com // Youtube : youtube.com/c
/AmyChanning

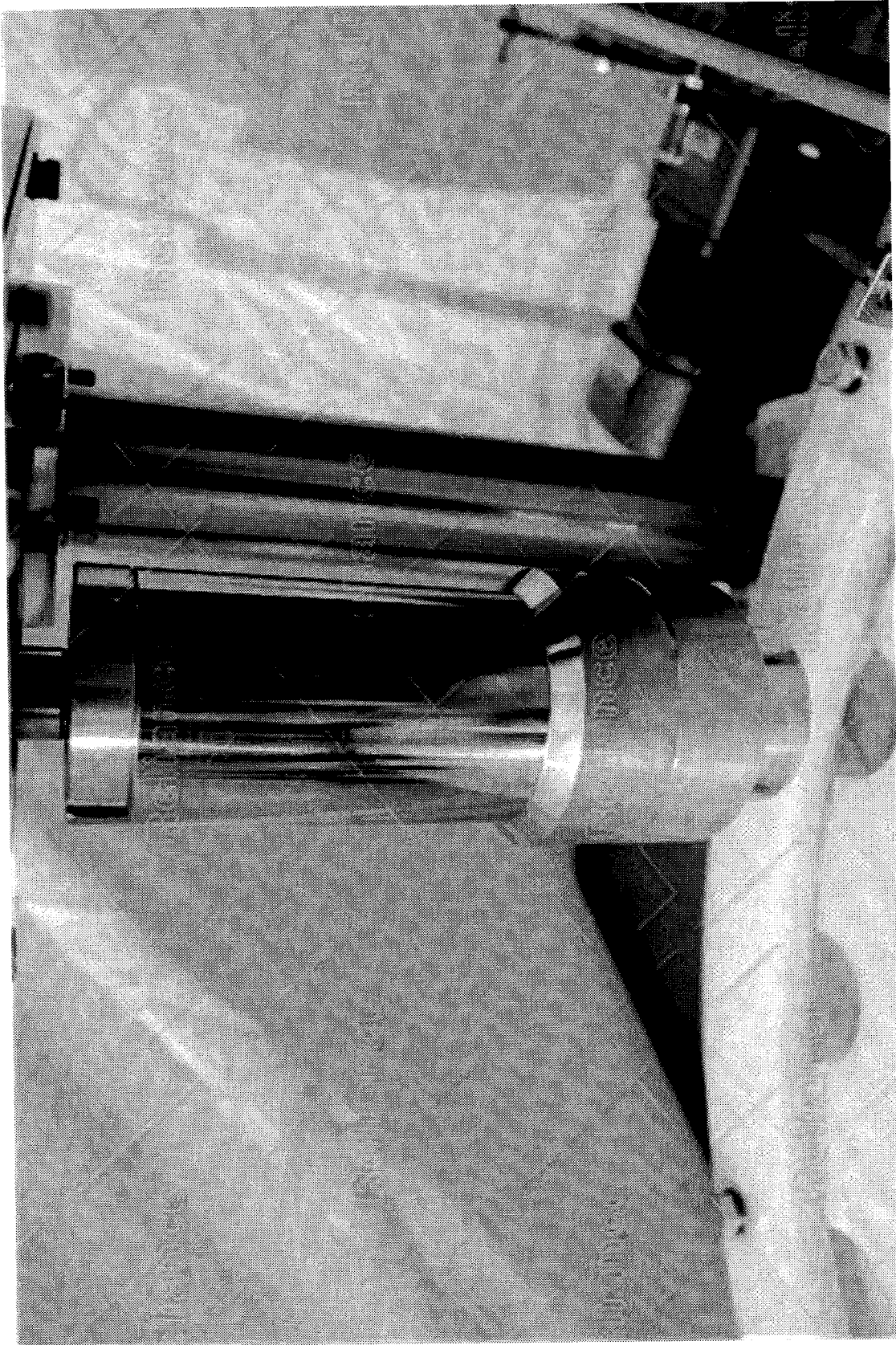
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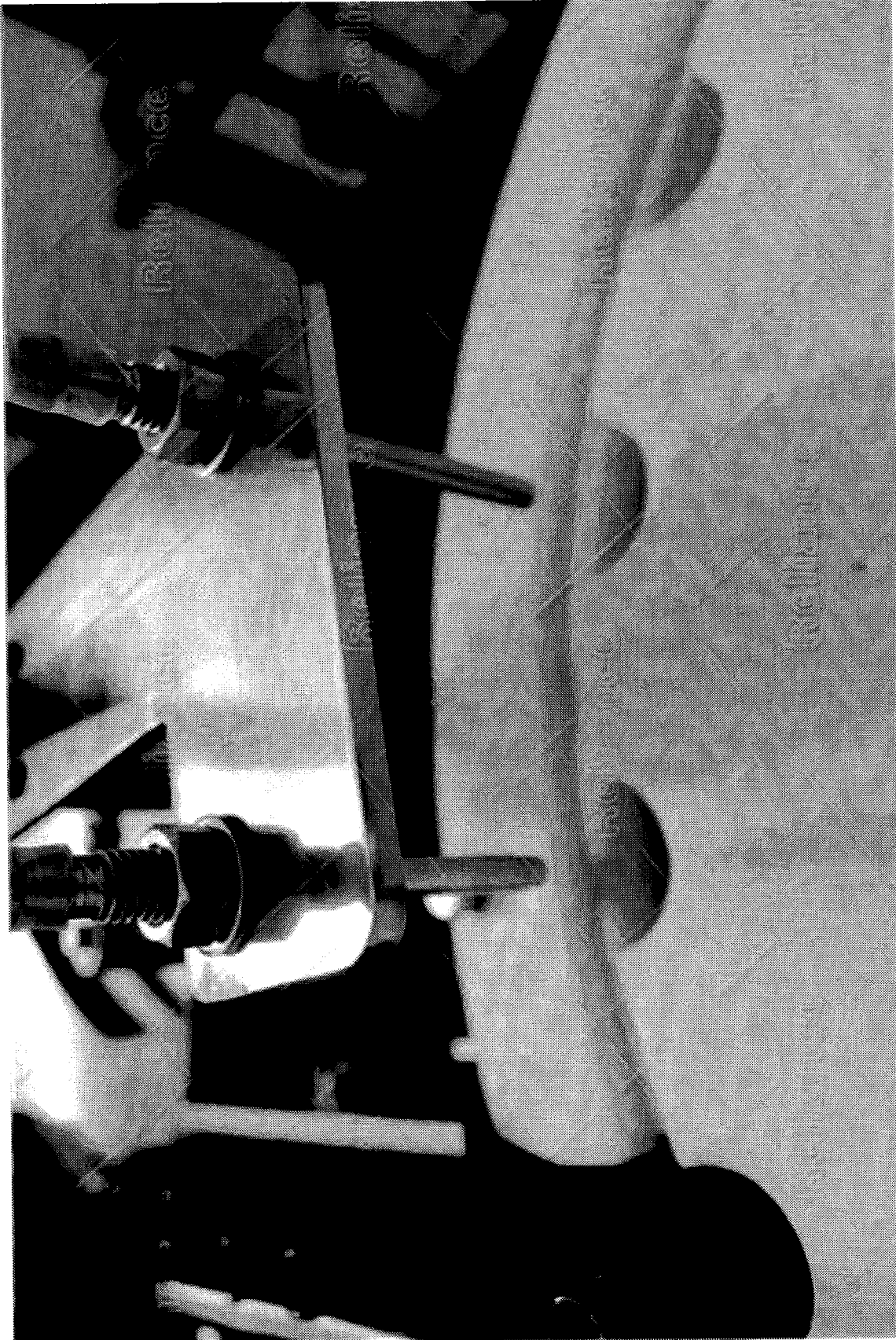














SUZHOU YUNBO GLASS CO.,LTD.

No.328, Xinghu street, Suzhou Industry park, Suzhou city,
Jiangsu province, China 215123
Tel:+86 512 62388479 Fax:+86 512 62388479

Euro Dropper Bottles

Suzhou Yunbo Glass Co., Ltd produce high grade essential oil glass bottles. It has a 18-400 neck finish and is ideal for personal care and pharmaceutical products. Used to store Essential Oils / Aromatherapy Blends / E-Liquid as they protect the oils from sunlight, helping to keep them fresher for longer. Also great for storing chemistry and laboratory chemicals or for materials that are sensitive to degradation from light



Amber Glass

Amber glass bottles offer industry standard ultraviolet light protection. Choose amber bottles when product integrity is critical.



Cobalt Blue Glass

Cobalt blue glass bottles illuminate your product. Convey a premium look with this rich cobalt color.



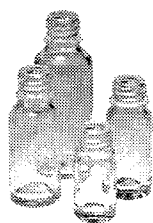
Green Glass

These bottles are made of feeder green glass, not spray coated, thus no need to worry about peeling. Let distinctive green glass bottles showcase your unique aromatherapy and essential oils.

• Capacity options: 5, 10, 15, 20, 30, 50 and 100 ml

• Capacity options: 5, 10, 15, 20, 30, 50 and 100 ml

• Capacity options: 5, 10, 15, 30, 50 and 100 ml



Clear (Flint) Glass

Flint glass bottles let your product shine through. These bottles are the clear choice for essential oils and extracts.

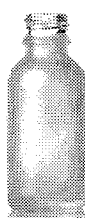
• Capacity options: 5, 10, 15, 20, 30, 50 and 100 ml



Frosted Glass

Frosted bottles, any color is available.

• Capacity options: 5, 10, 15, 30, 50 and 100 ml



Colored Glass, Shaded Color

Spray coated, any color is available.

• Capacity options: 5, 10, 15, 30, 50 and 100 ml

• All dropper bottles feature an 18 DIN neck designed to accommodate our Euro Drop closures

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Jiangsu province, China 215123
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Boston Round Bottles

Suzhou Yunbo Glass Co.,Ltd provides a large selection of Amber, Cobalt Blue, Green and Flint (clear) Boston Round Bottles that range from 1/2oz in size to 32oz. All bottles meet USP XXI requirements for light transmission with Type III and NP Chemical resistance tests. Please contact your customer service representatives to discuss your Boston Round needs.



Amber Glass

Amber glass bottles offer industry standard ultraviolet light protection. Choose amber bottles when product integrity is critical.

- Capacity options: 15,30,60,120ml, 250ml, 500ml and 1000ml



Cobalt Blue Glass

Cobalt blue glass bottles illuminate your product. Convey a premium look with this rich cobalt color.

- Capacity options: 15,30,60, 120ml, 250ml and 500 ml



Green Glass

These bottles are made of feeder green glass, not spray coated, thus no need to worry about peeling. Let distinctive green glass bottles showcase your unique aromatherapy and essential oils.

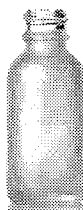
- Capacity options: 15,30,60, 120ml



Clear (Flint) Glass

Flint glass bottles let your product shine through. These bottles are the clear choice for essential oils and extracts.

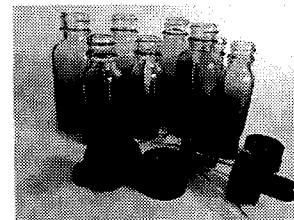
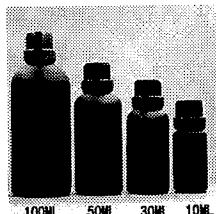
- Capacity options: 15,30,60, 120ml



Frosted Glass

Frosted bottles, any color is available.

- Capacity options: 15,30,60, 120ml



Colored Glass, Shaded Color

Spray coated, any color is available.

- Capacity options: 15,30,60, 120ml

- All boston round bottles are made according to G.P.I 400 standard

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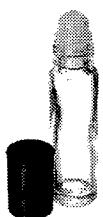


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Jiangsu province, China 215123
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Roll-On Bottles

Convenient Roll On bottles are great for thicker essential oils and aromatherapy scents. Easy to carry in a pocket or purse, these bottles are perfect for a quick reapplication on the go. Refillable and re-useable, our roller bottles are available in many colors, clear, amber, cobalt blue, also some spray colors. Each bottle comes complete with bottle, removeable roller ball, and black, silver and gold overcap.



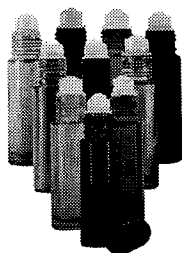
Clear Glass



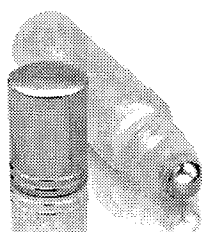
Amber Glass



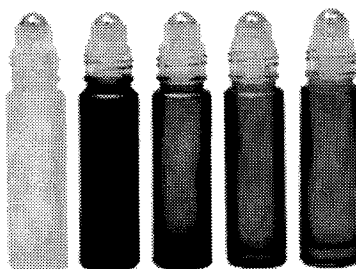
Cobalt Blue Glass



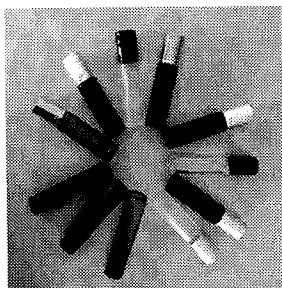
Spray Color Glass



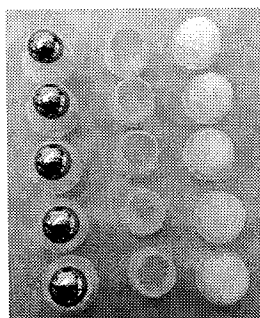
Frosted Color



Frosted Color



Various of Lids



**Glass Roller, Plastic Roller,
Stainless Steel Roller**



**Custom Made PVC, Small Box, Gift
Packaging Style**

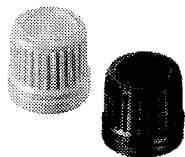
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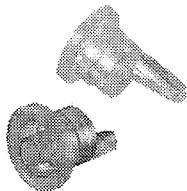
Closures

With different styles and functions, you'll want to consider what you need, and what works best for your product. As always, let us know if you need samples, or a specific trim length for the tube.



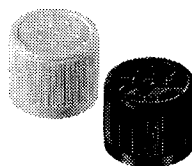
Plug Seal T/ E

Add Tamper-Evident protection when you don't need a dropper



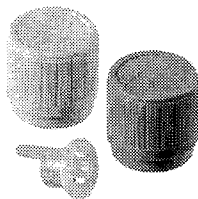
Vertical Droppers

The best choice for drop dispensing oils.



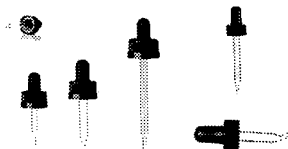
Plug Seal P/T

Push-Turn caps increase safety of products that can be hazardous



EuroDrop P/T-T/E

Combination Push-Turn and Tamper-Evidence offers safety and indication in one cap!



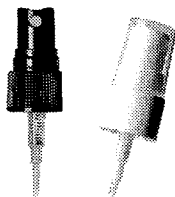
Dropper Pipettes

Wide user acceptance of this style of drop dispensing make Dropper Pipettes a practical dispenser for glass or rigid plastic bottles.



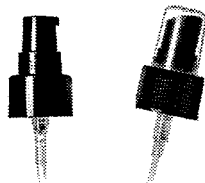
Phenolic Caps

Thermoset molding gives Phenolic Caps a wide range of product compatibility. Cone liners, or Tri-Foil liners insure a good seal with the bottle.



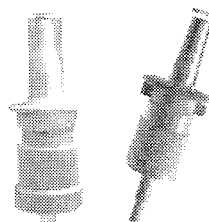
Fine Mist Sprayer

When the cap is removed, the sprayer top can be depressed.



Treatment Pump

Pump fit our glass dropper bottles, comes with protective clear cap.



Nasal Spray

This nose spray pump is equipped with a protective clear plastic cap, which prevents accidental discharge.

• All-in-one precise measuring and dispensing solution

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Pricing For Tincture Containers

Our MOQ is 10,000 pieces for each item.

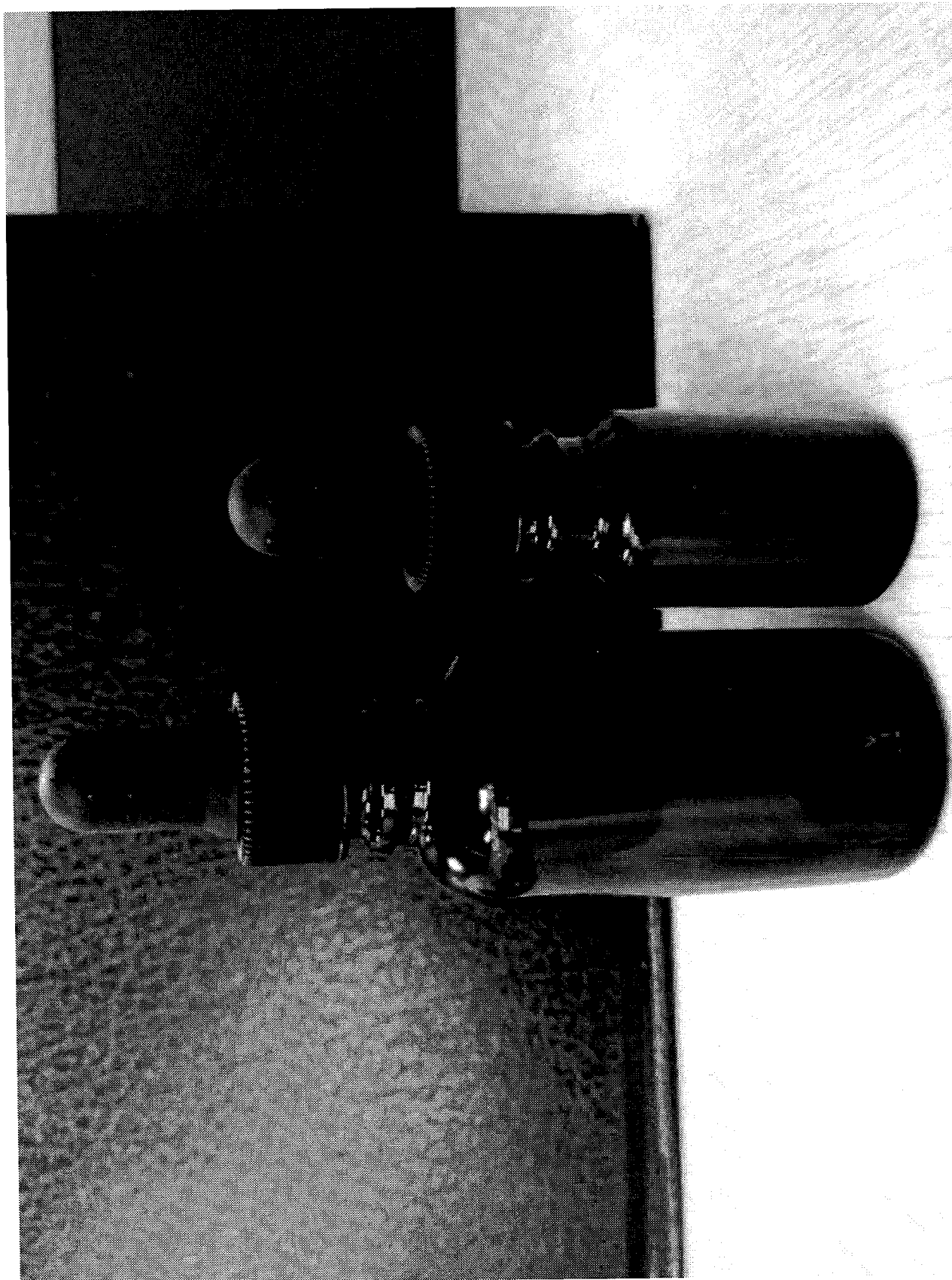
Based on 10,000pieces, for 30ml amber glass bottle with black standard glass dropper, our FOB SHANGHAI IN USD: 0.151usd/pc.

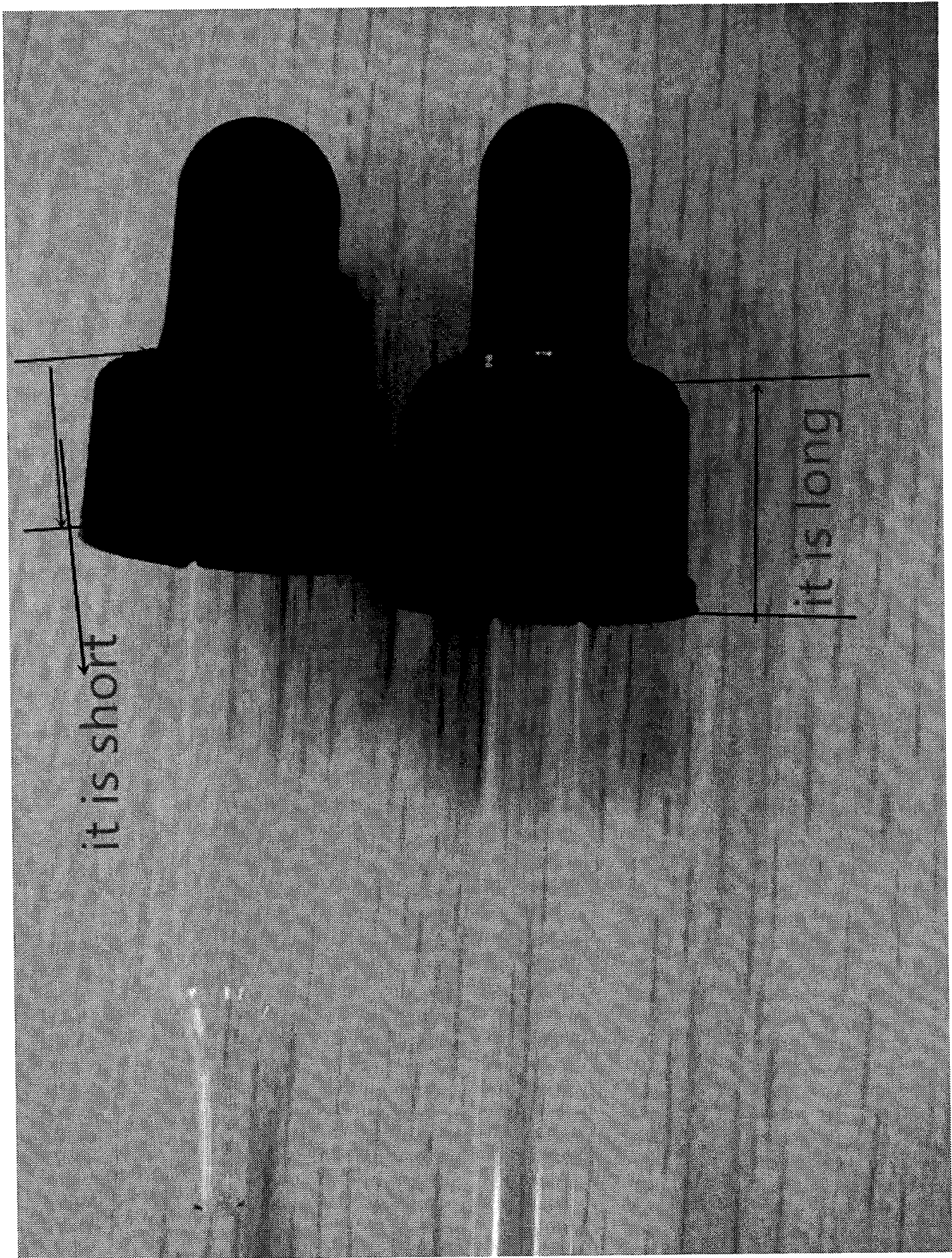
Based on 10,000pieces, for 10ml amber glass bottle with black standard glass dropper, our FOB SHANGHAI IN USD: 0.135usd/pc.

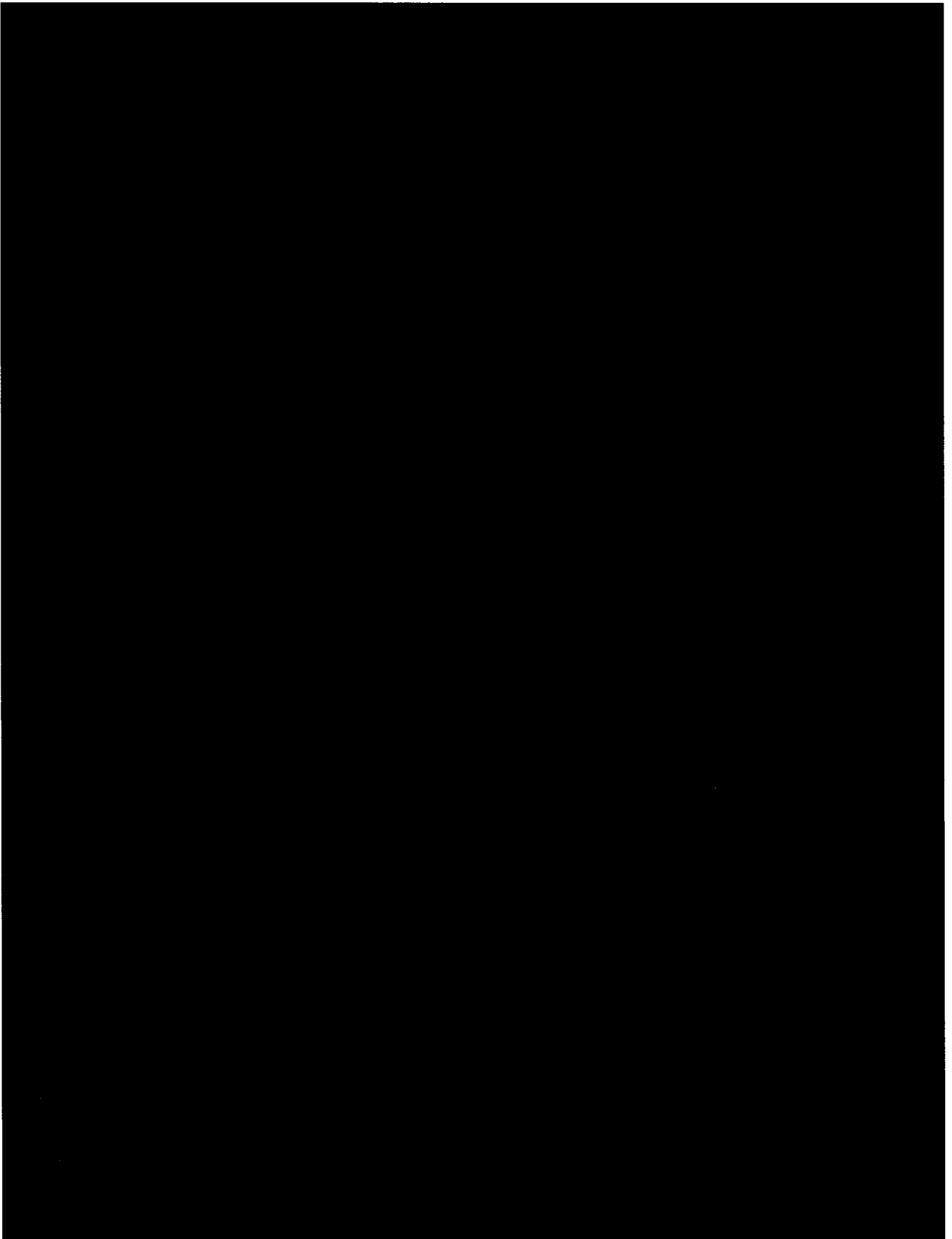
The more the quantity is, the better the price will be.

The picture of 30ml and 10ml amber bottle with glass dropper is attached for your reference.

As for shipping freight to port Honolulu Hawaii by sea, for 10000 30ml bottles with droppers and 10000 10ml bottles with droppers, the shipping freight is \$600.00 USD in total.









CannaGuard Security

5755 Jean Rd Ste 101
Lake Oswego, OR 97035

Estimate

Date	Quote #
1/26/2016	876

Name / Address
Hawaiian Ethos LLC



GROUND LEASE

[REDACTED] – LA`AU PONO

THIS LEASE (this “Lease”) made this [REDACTED] day of January, 2016, by and between [REDACTED] a married man, whose mailing address is [REDACTED] (“Lessor”) and LA`AU PONO INC. a Hawaii corporation whose mailing address is [REDACTED] (“Lessee”), sets forth the following terms and conditions under which Lessor shall lease to Lessee the Premises described below.

BASIC LEASE PROVISIONS

A. Leased Premises:

[REDACTED]

B. Term:

Commencement Date (as defined in Section D below) through March 31, 2021.

C. Option to Extend:

The Lease may be extended for the following three (3) successive five-year periods: (1) the five-year period commencing on April 1, 2021, and continuing until March 31, 2026; (2) the five-year period commencing on April 1, 2026, and continuing until March 31, 2031; and (3) the five-year period commencing on April 1, 2031, and continuing until March 31, 2036.

D. Commencement Date

(subject to change as specified in Section 1.5 of this Lease). The Commencement Date of this Lease shall be upon receipt by Hawaiian Ethos, LLC, a Hawaii limited liability company (“Hawaiian Ethos”), of notification from the State of Hawaii Department of Health (“DOH”) that it has selected Hawaiian Ethos’s application for a medical marijuana dispensary license (“Medical Marijuana License”), as defined in Hawaii Revised Statutes Chapter 329D (“Chapter 329D”), the anticipated date of which is April 15, 2016. Lessee shall promptly notify Lessor upon Lessee’s receipt of notification from Hawaiian Ethos that DOH has awarded the Medical Marijuana License to Hawaiian Ethos.


E. Rental Rate:

Pursuant to Section 3.1 of this Lease, payable monthly in advance and prorated for any period less than a full month:

For the period beginning on the Commencement Date, and ending on March 31, 2017, the monthly rent shall be



On April 1 of each year, beginning April 1, 2017, the Rent shall be escalated by the change in CPI, described further in Section 3.1(b) of this Lease.

- F. Additional Rent: Pro-rata share of real property taxes.
- G. Condition of Premises: "AS-IS"
- H. Water: Lessee shall install a submeter at its cost and will reimburse Lessor for actual water usage at prevailing County of Hawaii water rates plus Hawaii GET. Lessor shall be responsible for any repairs to the water line before the submeter, and the Lessee shall be responsible for any repairs in the transmission line after the submeter. The submeter shall be installed close to the County of Hawaii water meter.
- I. Electricity and Telecommunications System: Lessee is responsible for its own electricity and telecommunications costs. Lessee must obtain service from Hawaiian Electric Company and is responsible for all costs associated with setting up service.
- J. Repairs and Maintenance: Lessee shall be responsible for any and all repairs and maintenance of the Leased Premises.
- K. Security Deposit: None.
- L. Insurance: The Lessee shall maintain a comprehensive general liability insurance with limits of One Million Dollars  in the aggregate, plus additional insurance requirements for automobile liability, worker's compensation, commercial property, and business interruption, as further described in Section VI of this Lease.
- M. Improvements: All improvements must be in compliance with applicable laws and require the approval of Lessor prior to construction, which approval shall not be unreasonably withheld. Lessee shall submit a plan to Lessor prior to construction of any improvements. At the termination of the Lease, any buildings, the building pads, greenhouses and fencing shall remain on the property and become the owner of the Lessor.
- N. Sublease: Lessee shall not sublease any portion of the Leased Premises without the prior written approval of the Lessor.

- O. Roadway Access: Lessor shall ensure that Lessee has access to a two-wheel drive accessible roadway to and from the Leased Premises.
- P. Access Requirements: Lessor shall access the Premises only in compliance with the conditions and restrictions imposed by the Chapter 329D, including applicable administrative rules, and any other state or county laws related to medical marijuana (such laws collectively, "Hawaii Medical Marijuana Laws"). Lessor shall follow all protocol established by Lessee pursuant to the Hawaii Medical Marijuana Laws and reasonable best practices (such measures collectively, the "Access Requirements"), as further described in Section 5.12 of this Lease.
- Q. Federal Seizure Protection: If the Premises or any part thereof shall be seized, attached, executed, confiscated, levied upon under any legal process or under claim of legal right, or under forfeiture proceedings under state or federal laws (each, a "Seizure"), this Lease shall terminate immediately upon Seizure. If a Seizure occurs, Lessee shall use its best efforts to restore ownership of the Premises to Lessor (whether through legal action, the purchase of the Premises at auction or otherwise). Lessee shall control the strategy, defense and settlement of any such action and shall be responsible for all fees and expenses incurred in connection therewith. Lessee shall keep Lessor informed as to the status of any such litigation or negotiations.
- R. Contingency: This Lease shall be effective immediately upon the Commencement Date. In the event that the DOH does not select Hawaiian Ethos for a Medical Marijuana License, this Lease shall be null and void and of no further force and effect.
- S. Use: The Premises shall be used for the possessing, cultivating, processing, producing, manufacturing, storing and transporting marijuana and marijuana products in accordance with the Hawaii Medical Marijuana Laws.
- T. Modifications: Lessor and Lessee may amend or otherwise modify this Lease prior to the Commencement Date. Both parties agree to negotiate in good faith if the other party desires that the Lease be amended or modified.

I. DEMISE

1.1 Demised Premises. Lessor, in consideration of the rents reserved in this Lease and of the covenants contained in this Lease, and on the part of Lessee to be observed and performed, hereby demises and leases unto Lessee, and Lessee hereby accepts and leases from Lessor:

All of the real property consisting of the Primary Production Site, which includes a 3,000 square foot agricultural building, and the Buffer Area, which consists of approximately 50 feet in all directions, together with an easement for a two-wheel drive access roadway to and from Hualalai Road (the "Premises"), which Premises is located at [REDACTED] (portion) 31 more particularly described in Exhibit "A" attached and incorporated by reference (the "Property").

SUBJECT, HOWEVER, to the encumbrances described in Exhibit "A," and to the following reserved rights, except where such reserved rights are limited by this Lease:

(a) Water Rights. The right unto Lessor, Lessor's agents and any permittees or grantees of Lessor, from time to time to enter the Premises with any necessary equipment and to prospect, dig, bore, drill and tunnel for water thereon, to divert, collect and impound any water so developed and to construct, maintain, repair and replace thereon any dams and reservoirs to collect and impound such water any ditches, flumes and pipelines necessary to conduct such water from the Premises; provided, however, that this right shall be exercised in such manner as to occasion the least practicable interference with the use of the Premises by Lessee.

(b) Access. The right unto Lessor, Lessor's lessees and such other persons who now have or are hereafter granted rights of access to neighboring lands, to use in common with Lessee all roads and trails from time to time existing on the Premises.

(c) Utilities. All land and rights-of-way which Lessor in Lessor's sole discretion may from time to time require for Lessor, Lessor's other lessees, other grantees or permittees of Lessor, for roads, trails, ditches, flumes, pipelines or pole and wire lines and the right to enter the Premises and construct, maintain, repair and replace any such facilities; provided, however, that this right shall be exercised in such manner as to occasion the least practicable interference with the use of the Premises by Lessee, and the Rent reserved in this Lease for the remaining part of the Premises not used for such additional roads, trails, ditches or flumes shall be based on the reduced area of the Premises for the remaining Term as of the date of commencement of such use, it being intended that there shall be no reduction in Rent.

(d) Historic Sites. All historic sites, including without limitation places, objects or specimens, if any, which may be on the Premises, together with the right at all times to enter the Premises for the purpose of locating and exploring for objects, antiquities and specimens of Hawaiian or other ancient art or handicraft of prehistoric, historic or archeological interest, and removing the same for preservation.

(e) **Mineral Rights.** All mineral and metallic mines of every description.

(f) **Covenants, Conditions and Restrictions.** The right unto Lessor from time to time to approve and adopt reasonable covenants, conditions and restrictions regarding use of lands and water, to benefit and be binding upon Lessor's Property.

TO HAVE AND TO HOLD the same, together with all improvements, rights, easements, privileges and appurtenances thereunto belonging or appertaining, unto Lessee for the Term defined below, unless the Term shall be sooner terminated as provided in this Lease, Lessee YIELDING AND PAYING to Lessor net over and above all taxes, rates, assessments and other charges described below payable by Lessee, in advance during the Term, without any deduction, all Rent, as provided in this Lease.

1.2 **Term.** The term (the "Term") of this Lease shall be four (4) years and eleven (11) months, commencing on the Commencement Date, and ending on March 31, 2021. Thereafter, if Lessee is not then in default, this Lease may be extended for the following three (3) successive five-year periods: (1) the five-year period commencing on April 1, 2021, and continuing until March 31, 2026; (2) the five-year period commencing on April 1, 2026, and continuing until March 31, 2031; and (3) the five-year period commencing on April 1, 2031, and continuing until March 31, 2036. To exercise each extension period, Lessee must notify Lessor in writing at least one hundred eighty (180) days before the term of each five-year extension period commences, and have by that date mutually agree in writing upon the Rent for that five-year extension period.

1.3 **Early Termination.** In the event that Lessee's Medical Marijuana License from the DOH expires or is terminated for any reason, this Lease shall terminate thirty (30) days after the last date that the Medical Marijuana License was active.

1.4 **Quiet Enjoyment.** Upon observance and performance of the terms, covenants and conditions contained in this Lease and to be observed and performed by Lessee, Lessee shall peaceably hold and enjoy the Premises for the Term and any extensions thereof without hindrance or interruption by Lessor or any other person lawfully or equitably claiming by, through or under Lessor, except as otherwise expressly provided in this Lease.

1.5 **Contingency.** Commencement of this Lease shall be contingent on Hawaiian Ethos being awarded a Medical Marijuana License pursuant to Chapter 329D which is anticipated to be announced on April 15, 2016. Should the DOH delay the timeline to issue a Medical Marijuana License, the Commencement Date shall be delayed in accordance with the updated DOH schedule. This Lease shall be immediately terminated if Hawaiian Ethos is not awarded a Medical Marijuana License.

II. DEFINITIONS

2.1 Defined Terms in this Lease. For the purpose of this Lease, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined in this Lease):

DLNR: The State of Hawaii Department of Land and Natural Resources, or its successor.

DOA: The State of Hawaii Department of Agriculture, or its successor.

DOH: The State of Hawaii Department of Health, or its successor.

Event of Default: The meanings assigned to that term in Section 10.1 of this Lease.

Hazardous Discharge: Any event involving the use, deposit, disposal, spill, release or discharge of any Hazardous Material on, within or under the Premises.

Hazardous Materials: Any and all radioactive materials, asbestos, organic compounds known as polychlorinated biphenyls ("PCB") or substances or compounds containing PCB, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per square inch absolute) and any and all other substances or materials defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under, or for the purposes of, Hazardous Materials Laws.

Hazardous Materials Claim:

(a) Any and all enforcement, clean-up, removal, mitigation or other governmental or regulatory actions instituted, or to the best of Lessee's knowledge contemplated or threatened, in respect of the Premises pursuant to any Hazardous Materials Laws; and

(b) Any and all claims made or to the best of Lessee's knowledge contemplated or threatened, by any third party against Lease seeking damages, contribution, cost recovery, compensation, injunctive relief or similar relief resulting from any Hazardous Discharge or from the existence of any Hazardous Material on, within or under the Premises.

Hazardous Materials Laws: All federal, state or local laws, ordinances or regulations, now or hereafter in effect, relating to environmental conditions, industrial hygiene or Hazardous Materials on, within, under or about the Premises or any improvements thereon, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), as amended, 42 U.S.C. § 9601, et seq., the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq., the Clean Water Act, 33 U.S.C. §1251, et seq., the Clean Air Act, 42 U.S.C. § 7401, et seq., the Toxic Substances Control Act, 15 U.S.C. §§ 2601

through 2629, the Safe Drinking Water Act, 42 U.S.C. §§ 300f through 300j, the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11011 through 11050, the Water Quality Act of 1987, 33 U.S.C. § 1251 *et seq.*, and nonpoint source pollution management programs adopted thereunder, and Hawaii laws regarding Management and Disposal of Infectious Waste, H.R.S. § 321-21, Solid Waste, H.R.S. Chapter 340A, Safe Drinking Water, H.R.S. Chapter 340E, Air Pollution, H.R.S. Chapter 342B, Water Pollution, H.R.S. Chapter 342D, Noise Pollution, H.R.S. Chapter 342F, Solid Waste Pollution, H.R.S. Chapter 342H, Lead Battery Recycling, H.R.S. Chapter 342I, Hazardous Waste, H.R.S. Chapter 342J, Underground Storage Tanks, H.R.S. Chapter 342L, Used Oil Transport, Recycling and Disposal, H.R.S. Chapter 342N, the Hawaii Environmental Response Law, H.R.S. Chapter 128D, and any similar state or local laws or ordinances and the regulations now or hereafter adopted, published and/or promulgated pursuant thereto, as the same may be amended from time to time.

Premises: The Premises as described in Exhibit “A” attached and incorporated by reference, subject to the encumbrances described in this Lease.

Underground Storage Tank: Any one or combination of tanks (including pipes connected thereto) used to contain an accumulation of regulated substances, and the volume of which (including the volume of the underground pipes connected thereto) is ten percent (10%) or more beneath the surface of the ground, as defined in H.R.S. § 342L-1.

2.2 Accounting Terms. All accounting terms not specifically defined in this Lease shall be construed in accordance with generally accepted accounting principles, applied on a consistent basis.

III. RENT

3.1 Rent. Lessee will pay to Lessor rent (“Rent”) as follows:

(a) Primary Production Site and Buffer Area. For the period beginning on the Commencement Date, and ending on March 31, 2017, the monthly Rent for the Primary Production Site and the Buffer Area shall be [REDACTED]

(b) On April 1 of each year, beginning April 1, 2017, the Rent shall be escalated by the change in CPI, as described below, provided that in no event shall the Rent for any annual period be less than the Rent for the preceding annual period. The term “CPI” as used above, refers to the Consumer Price Index for All Urban Consumers (CPI-U), Honolulu Average (Base Year: 1982-84=100, not seasonally adjusted), published by the United States Department of Labor, Bureau of Labor Statistics, or the successor to such index, as reasonably determined by Lessor in the event it is discontinued. If the index is changed so that the base year differs from that used above, the index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. To determine the Rent for each year, the Rent for the preceding annual period shall be multiplied by a fraction, the numerator of which shall be the CPI last published nearest to April 1 of the subject year, and the denominator of which shall be the CPI last published nearest to April 1 of the preceding year.

3.2 Payment of Rent. Lessee shall pay Rent on the first day of each month during the Term of this Lease, beginning on the Commencement Date.

3.3 Security Deposit. Intentionally Omitted.

3.4 Proration. If any time period under this Lease commences on a day other than the first day of a month or ends on a day other than the last day of a month, Rent for such month shall be prorated based on the number of days in the month.

IV. USE

4.1 Use of the Premises. Lessee will use the Primary Production Site for the sole purpose of possessing, cultivating, processing, producing, manufacturing, storing and transporting marijuana and marijuana products in accordance with the Hawaii Medical Marijuana Laws (the "Chapter 329D Activities"). Except as provided in this Lease, Lessee shall not conduct any other business activity on the Primary Production Site or permit or suffer the use of the Primary Production Site for any other use or purpose. Lessee shall not cultivate any marijuana and marijuana products in the Buffer Area.

4.2 Good Husbandry. Lessee will keep the Premises in a good cultivated condition reasonably free from weeds and other noxious growth. Lessee will comply with county grading codes and ordinances and consult with the United States Department of Agriculture Natural Resources Conservation Service and will by proper construction and use of drainage ditches and otherwise take all reasonable precautions to prevent or arrest loss of soil by erosion. Lessee understands and agrees that neither Lessor nor Lessor's other lessees shall be required to perform any crop or weed control on any land adjoining the Premises.

V. LESSEE'S REPRESENTATIONS AND COVENANTS

Lessee hereby represents and covenants with Lessor as follows:

5.1 Lessee's Acceptance and Possession of the Premises.

(a) Acceptance and Condition of the Premises. Lessee acknowledges that Lessor has made no representations or warranties concerning the condition of the Premises or its suitability for Lessee's intended use or for any other purpose. Lessee has examined and shall accept the Premises in its then "as is" existing condition, Lessee having made such determinations as Lessee deems necessary regarding the suitability of the Premises for the purpose of cultivating wellness products. Lessee accepts and assumes all risks with respect to entry upon the Premises and the condition of the Premises, including, without limitation, all easements and any dangerous conditions (latent or patent) or Hazardous Materials thereon, and hereby releases and discharges Lessor and Lessor's officers, employees, agents, attorneys and assigns, from and against any and all suits, administrative proceedings, claims, demands, causes of action, damages, consequential damages, losses, costs and expenses of any kind, whether known or unknown, which Lessee had, has or at any time may have, based on:

(i) the presence or release of any Hazardous Materials from, on, in, under or affecting all or any portion of the Premises (including any ground water under the Premises) occurring during the Term of this Lease;

(ii) any violation or claim of violation by Lessee of any Hazardous Materials Law; or

(iii) the imposition of any claim for the recovery of any costs for environmental cleanup or other response costs relating to the release or threatened release of Hazardous Materials from, on, in or under the Premises.

(b) Lessee's Obligation to Obtain Approvals. Lessee shall be solely responsible for obtaining:

(i) all necessary consents, approvals and permits required to be obtained from any governmental agency for the use of the Premises; and

(ii) all roads, paths, water, sewer and other utility services and facilities required for or in connection with development of the Premises.

(c) Lessor's Obligation to Cooperate. Lessor will cooperate with Lessee in obtaining necessary governmental consents, approvals and permits required to be obtained from any governmental agency in order to develop the Premises for cultivation and agricultural purposes, including the joinder in any application as may from time to time be required by any governmental agency as a condition to the development of the Premises for such permitted use; provided, however, that Lessee shall bear all costs of obtaining such consents, approvals and permits, including costs for any joinder by Lessor.

5.2 Payment of Rent.

(a) Place of Payment. Lessee will pay Rent in lawful money of the United States of America at the times and in the manner stated above, without any deduction and without notice or demand, at the office of Lessor or to a representative of Lessor in Kailua-Kona, Hawaii. If any date for payment shall not be a Business Day, then Lessee shall make such payment on the next following Business Day.

(b) Additional Rent. If Lessee shall become delinquent in the payment of any Rent, or other payments required under this Lease to be made by Lessee to Lessor, Lessee will also pay to Lessor as additional rent interest on all such amounts at a rate of twelve percent (12%) per annum, but not to exceed the maximum rate permitted by law from the respective due dates of such payments until fully paid.

5.3 Electricity and Telecommunications. Lessee must obtain electric and telecommunication services from Hawaiian Electric Company and is responsible for all costs associated with setting up services. In the event that the Lessor has obtained new electric and telecommunication services on behalf of Lessee, Lessee shall reimburse Lessor within fifteen (15) days after receiving an invoice from Lessor for any installation and set up costs. In the event that Lessor pays for any electricity and telecommunications costs on behalf of Lessee,

Lessee must reimburse Lessor within fifteen (15) days of receiving an invoice from Lessor.

5.4 Taxes and Assessments.

(a) Real Property Tax.

(i) Payment of Tax. Lessee will at least ten (10) days before the same become delinquent pay as additional rent to Lessor, Lessee's pro rata share of real property taxes and assessments of every description to which the Premises or any part thereof or any building or improvement thereon, or Lessor or Lessee in respect thereof, are now or may during the Term be assessed or become liable, whether assessed to or payable by Lessor or Lessee. With respect to any assessment made under any betterment or improvement law which may be payable in installments, Lessee shall be required to pay only such installments of principal together with interest on unpaid balances thereof as shall become due and payable during the Term; and provided, further that such taxes and assessments shall be prorated as of the dates of commencement and expiration, respectively, of the Term. If at any time during the Term there shall be assessed against the Premises or any building or improvement or any rents payable to Lessor or against Lessor any new taxes (other than federal or state taxes on net income or any other taxes existing at the commencement of the Term) which are in substitution for real property taxes or are in lieu of increases, Lessee will also pay to Lessor as additional rent, Lessee's pro rata share at least ten (10) days before the same become delinquent, all such new taxes.

(ii) Appeal of Real Property Tax and Assessments. Lessor or Lessee may contest in good faith, by appropriate proceedings commenced before the same become delinquent, the validity or amount of any such real property tax or assessment, in the name of Lessor or in the name of Lessee, or both of them as Lessor or Lessee may deem advisable.

(A) Lessor may bring such appeal or proceeding at Lessor's own cost and expense, only after payment of such taxes, assessments or other charges or impositions if required by law or regulation for bringing such appeal or proceeding.

(B) Lessee may bring such appeal or proceeding at Lessee's own cost and expense, only after payment of such taxes, assessments or other charges or impositions if required by law or regulation for bringing such appeal or proceeding, and Lessee shall indemnify and hold Lessor harmless against any and all loss, costs or expenses of any kind that may be incurred by or imposed upon Lessor in connection with such appeal or proceeding. In addition, Lessee shall comply with the following procedures:

(1) Lessee shall promptly notify Lessor of the institution of any such proceedings to appeal or challenge any such tax or assessment and shall notify Lessor of the progress of such proceedings;

(2) Lessee shall in good faith, by appropriate action diligently pursue contest or cause to be contested the amount, applicability or validity thereof;

(3) Lessee shall provide to any government authority imposing such tax or assessment and to Lessor a bond or other security to stay enforcement or collection of such tax or assessment during the pendency of any such proceedings; and

(4) nonpayment of such tax or assessment during the pendency of any such proceedings will not subject the Premises or any part thereof to forfeiture or loss (or the reasonable probability of forfeiture or loss).

(C) Any refunds or adjustments resulting from a tax appeal shall be distributed or credited to the parties hereto on a pro rata basis.

(b) Conveyance Tax. Lessee will pay all conveyance taxes imposed by the State of Hawaii with respect to this Lease or any amendment to, extension of or assignment of this Lease, unless an exemption from such tax is available.

(c) General Excise Tax. Any law or regulation to the contrary notwithstanding, Lessee will pay to Lessor as additional rent, at the time and together with each payment of rent or other charges, including, without limitation, real property taxes and assessments, required to be paid by Lessee to Lessor which is subject to the Hawaii general excise tax on gross income or any successor or similar tax, an amount which, when added to the rent or other charges (whether actually or constructively received by Lessor), shall yield to Lessor, after deduction of all such taxes payable by Lessor with respect thereto, a net amount equal to that which Lessor would have realized therefrom had no such taxes been imposed, which amount of additional rent is presently four and one hundred sixty-six one thousandths percent (4.166%) of each amount, and which amount of additional rent is subject to change with increases or decreases to the Hawaii general excise tax on gross income or any successor or similar tax.

(d) Rates and Other Charges. Lessee will pay directly before the same become delinquent all utility charges, water and sewer rates, garbage rates and other charges of every description to which the Premises or any part thereof or any buildings or improvements thereon, or Lessor or Lessee in respect thereof, may during the Term be assessed or become liable, whether assessed to or payable by Lessor or Lessee. If Lessee should fail to pay any such rates or charges as provided in this Lease, Lessor may at any time thereafter pay the same, together with interest, penalties, fines and costs accrued thereon or imposed in connection therewith and Lessee will also pay to Lessor on demand interest on all such amounts paid or advanced by Lessor, at a rate of twelve percent (12%) per annum, but not to exceed the maximum rate permitted by law, from the date of payment or advance by Lessor until fully paid.

(e) New Taxes. If at any time during the Term there shall be assessed against the Premises or any part thereof or any building or improvement thereon or any rents payable to Lessor therefor or against Lessor in respect thereof any new taxes (other than federal or state taxes on net income) or any other taxes existing at the dates of commencement of the Term, which are in substitution for real property taxes or are in lieu of increases thereof, Lessee will also pay to Lessor as additional rent, at least ten (10) days before the same become delinquent, all such new taxes.

5.5 Roadway Access. Lessor shall ensure that Lessee has access to a two-wheel drive accessible roadway to and from the Premises.

5.6 Improvements. Prior to the start of any construction on the Premises, Lessee must submit a plan and obtain Lessor's approval, which approval shall not be unreasonably withheld. At the termination of this Lease, any buildings, the building pads, greenhouses, and fencing shall remain on the Premises, and become the property of the Lessor.

5.7 Improvements Required By Law. Lessee will, at its own expense during the whole of the Term, make, build, maintain and repair all fences, sewers, drains, roads and parking areas which may be required by law to be made, built, maintained and repaired upon or adjoining or in connection with or for the use of the Premises or any part thereof or any improvements on the Premises.

5.8 Water. Lessee shall install a submeter at its cost and will reimburse Lessor for actual water usage at prevailing County of Hawaii water rates plus Hawaii GET. If allowed, Lessor may apply for agricultural water use rates from the County of Hawaii. Lessor shall be responsible for any repairs to the water line located before and including the submeter and the Lessee shall be responsible for any repairs in the transmission line after the submeter. The submeter shall be installed close to the County of Hawaii water meter.

5.9 Restoration, Repair and Maintenance. Lessee shall be responsible for any and all repairs and maintenance of the Premises, including but not limited to all water line repairs after installation of a sub water meter, security of all crops and animals, fencing, erosion control, and noxious weed control within the Premises. If any private roadway shall be damaged by Lessee or any person claiming by, through or under Lessee, Lessee shall immediately upon written notice by Lessor repair such roadway to the condition that existed prior to such damage, and if Lessee shall fail to repair such damage within a reasonable period (in Lessor's sole discretion), Lessor may accomplish such repair at Lessee's expense.

5.10 Observance of Laws. Lessor and Lessee acknowledge that, although Chapter 329D Activities are lawful under Hawaii state law, the use, possession, cultivation, possession for sale, sale, distribution, transportation and other activities related to marijuana remain illegal under the federal Controlled Substances Act (21 U.S.C. §863), applicable civil and criminal forfeiture statutes, applicable money-laundering laws, and related rules, regulations, standards, directives, interpretations, orders, decrees or requirements pertaining to the use, possession, cultivation, possession for sale, sale, distribution or transportation of marijuana, marijuana products and marijuana paraphernalia (collectively, the "Federal Marijuana Laws"). The federal government has enforced Federal Marijuana Laws within states that have legalized and regulated the use of marijuana for medical purposes, bringing criminal prosecutions and civil actions against individuals and related real and personal properties used in violation of Federal Marijuana Laws.

5.11 Waste or Nuisance. Lessee agrees that Lessee will not make or allow any waste or stripping of the Premises, or maintain or permit to be maintained a nuisance or allow or make any unlawful, improper, offensive, noisy or disorderly use of the Premises. For purposes of this

Section, any non-compliance with Hazardous Materials Laws or the requirements of prudent Hazardous Materials management practices shall constitute “waste.”

5.12 Lessor Access To Leased Premises. Lessor shall access the Premises only in compliance with the conditions and restrictions imposed by the Hawaii Medical Marijuana Laws. Lessor shall follow all protocol established by Lessee pursuant to the Hawaii Medical Marijuana Laws and the Access Requirements. The Access Requirements include, but are not limited to, the following:

(a) Except in the case of an emergency such as fire, flood or any event that may result in an immediate threat of destruction of the Premises, Lessor and its consultants shall provide reasonable advance notice to Lessee, such notice being required to allow Lessee sufficient time to arrange for a Lessee representative to accompany Lessor and its consultants while on the Premises (it being understood that if a Lessee representative is not available at a requested time, then Lessor and its consultants shall not have access to the Premises); and

(b) Neither Lessor nor its representatives shall show the Premises to prospective lenders, purchasers or lessees without the prior consent of Lessee, such consent not to be unreasonably withheld, conditioned or delayed.

5.13 Inspection and Repair. In accordance with Section 5.12 above, Lessee shall provide Lessor access to the Premises for routine inspections. Lessee will repair and cure all defects required by the terms of this Lease to be repaired by Lessee, of which written notice shall be given within thirty (30) days after the giving of any notice of defects and request to cure by Lessor or Lessor’s agents, at Lessee’s own expense; provided, however, that if the nature of such defect is such that the cure cannot reasonably be completed within thirty (30) days, Lessee may have such additional time as may be reasonably necessary to cure such defect so long as such cure is commenced within such thirty (30) day period and diligently and continuously pursued to completion. If Lessee shall refuse or neglect to commence and complete such cure within the time period provided in this Section, Lessor may make such repairs or cure such defect and shall not be responsible to Lessee or any person claiming by or through Lessee for any loss or damage that may be caused to Lessee or such person claiming by or through Lessee by reason of such repair or cure. If Lessor shall make such repair or cure, Lessee shall pay forthwith on demand to Lessor the cost of such repair or cure with interest thereon computed at the rate of interest provided in Section 5.4(d) from the date of advance by Lessor until fully paid.

5.14 Liens. Lessee will not commit or suffer any act or neglect whereby the Premises or any improvements thereon or the estate of Lessee shall at any time during the Term become subject to any attachment, judgment, lien, charge or encumbrance whatsoever, except as expressly provided in this Lease, and will indemnify and hold Lessor harmless from and against all loss, cost and expense, including reasonable attorneys’ fees with respect thereto. If any lien for work, labor, services or materials performed for or supplied regardless of who contracted therefor is filed against the Premises or any improvements, Lessee shall have thirty (30) days from the date of filing in which to cause such lien to be discharged of record, released or satisfied by payment, deposit or bond.

5.15 Indemnity. Lessee will indemnify and hold Lessor harmless from and against all claims and demands for loss or damage, including property damage, personal injury and wrongful death, arising out of or in connection with the use or occupancy of the Premises, or the use of any roadways of Lessor in the County and State of Hawaii, by Lessee or any person claiming by, through or under him, or any accident or fire on the Premises, or any nuisance made or suffered thereon, or any failure by Lessee to keep the Premises or any adjoining land as set forth in this Lease in a safe condition, or to perform any of the covenants contained in this Lease, and will reimburse Lessor for all costs and expenses including reasonable attorneys' fees incurred by Lessor in connection with the defense of any such claims.

5.16 Overhanging Trees. Lessee will not during the Term plant, cultivate or maintain on the Premises any trees whatsoever so close to any boundary of the Premises as to overhang an adjoining lot, road or trail, and if necessary to comply with this covenant will remove any trees or branches thereof which at any time shall overhang an adjoining lot, road or trail.

5.17 Land Adjoining Road and Boundaries. Lessee will at all times during the Term maintain and keep any adjoining land lying between any established road and the boundary of the Premises along such road in a safe, neat and orderly condition free from all brush, weeds and debris of every kind, and will also maintain and keep any ditch now or hereafter existing within such adjoining land free from all boulders and other obstructions to flood waters.

5.18 Subletting. Lessee shall not sublease any portion of the Leased Premises, without the prior written approval of the Lessor. Any Lease made without such consent shall be void.

5.19 Assignment. Lessee shall not without the prior written consent of Lessor, except as expressly provided in this Lease, assign, mortgage (except pursuant to Section 8.1), sell, transfer, convey, pledge, exchange or encumber this Lease, the Premises or any portion of the Premises or any interest conferred under this Lease or in the Premises. It understood that Lessor and Lessor will consent to any assignment of this Lease by way of mortgage to a bank or an established financial institution.

Lessor may, but shall not be required to consent to an assignment to an unrelated third party, provided no Event of Default has occurred or is continuing, and Lessee furnishes Lessor with the assignee's current financial statement and statement of the consideration being paid for the transfer. Lessor may require Lessee to pay the fee Lessor incurs to prepare the consent to assignment, as described in section 5.20 below.

5.20 Expenses of Lessor. Lessee will pay to Lessor, within ten (10) days after notice therefor:

(a) all costs and expenses including reasonable attorneys' fees paid or incurred by Lessor but required to be paid by Lessee under any covenant contained in this Lease or paid or incurred by Lessor in enforcing any of Lessee's covenants contained in this Lease, in protecting Lessor against any breach thereof, in remedying any breach by Lessee of Lessee's covenants, in recovering possession of the Premises, in collecting or causing to be paid any delinquent rent, taxes or other charges hereunder payable by Lessee, or in connection with any

litigation (other than condemnation proceedings) commenced by or against Lessee to which Lessor shall without fault be made parties; and

(b) a reasonable fee for reviewing and processing any request by Lessee for Lessor's consent or approval, which fee shall be all costs and expenses paid or incurred by Lessor, including without limitation, reasonable fees of attorneys and other consultants retained by Lessor and the costs of Lessor's regular salaried staff in connection with reviewing the request for consent.

5.21 Dedication of Premises. Lessor or Lessee may, at Lessee's option at any time during the Term, petition the Director of Finance of the County of Hawaii for dedication for agricultural uses of all or such portion of the Premises as shall qualify under the provisions of Section 19-60, Article 8, Chapter 19, of the Hawaii County Code, as amended. If at any time after such dedication or classification by or at the request of Lessee, Lessee shall fail to observe the restrictions on the use of such portion of the Premises or shall cancel or cause such dedication or classification to be cancelled for any reason whatsoever, Lessee will promptly pay or cause to be paid to Lessor all taxes, penalties, roll back taxes and other charges imposed by the County of Hawaii and paid or to be paid by Lessor on account of such cancellation, together with the amount of all Hawaii general excise taxes payable thereon by Lessor, whether actually or constructively received. Lessee acknowledges that any dedication in effect at the commencement of the Term was made by or at the request of Lessee.

5.22 Hazardous Materials. At all times during the Term of this Lease:

(a) Compliance with Hazardous Materials Laws. Lessee shall comply with all Hazardous Materials Laws which are now in force or may hereafter be in force.

(b) Notice to Lessor. Lessee shall immediately advise Lessor, in writing, if Lessee at any time:

(i) becomes aware of any Hazardous Discharge or of any Hazardous Materials Claims in respect of the Premises;

(ii) receives notice from any governmental authority having jurisdiction thereof of any infraction or violation of any Hazardous Materials Law; or

(iii) desires to install or remove any Underground Storage Tank.

Lessee shall provide to Lessor such detailed reports thereof as Lessor reasonably requests. Lessor may join and participate in, as a party if it so elects, in any settlement, remedial action, legal proceeding or action initiated in respect of any Hazardous Materials Claims. Lessee shall pay Lessor's reasonable costs for making such repairs or taking any other action upon receipt of a bill therefor from Lessor. Lessee will promptly cure and have dismissed with prejudice any such actions and proceeding to the satisfaction of Lessor. Lessee will keep the Premises free of any lien imposed pursuant to any Hazardous Materials Law.

(c) Payment of Assessments. Lessee shall pay and discharge all amounts assessed to remove Hazardous Materials and any unused Underground Storage Tank from the

Premises under the Hazardous Materials Laws; provided, however, that nothing contained in this Section shall be deemed to require Lessee to pay any assessment or charge so long as:

- (i) Lessee in good faith, by appropriate action diligently pursued shall contest or cause to be contested the amount, applicability or validity thereof;
- (ii) nonpayment of the assessment during the pendency of any such proceedings will not subject the Premises or any part thereof to forfeiture or loss (or reasonable probability thereof) or otherwise impair the security afforded by this Lease; and
- (iii) Lessee promptly notified Lessor of the institution of any such proceedings.

If Lessee fails to make payment, Lessor may, without notice of demand to Lessee, pay the same, and any advances made by Lessor in discharge of the assessments and other charges shall be a lien on the Premises, payable on demand with interest at a rate of twelve percent (12%) per annum.

(d) Environmental Liens. Lessee shall keep the Premises free of all environmental liens under the Hazardous Materials Laws; provided, however, that Lessee may contest any environmental lien in good faith so long as:

- (i) Lessee shall promptly notify Lessor of the institution of any proceedings to challenge an environmental lien and shall notify Lessor of the progress of such proceedings;
- (ii) Lessee shall provide to any governmental authority imposing such environmental lien and to Lessor a bond or other security to stay enforcement of such environmental lien during the pendency of any such proceedings; and
- (iii) nonpayment of any such environmental lien during the pendency of any such proceedings will not subject the Premises to forfeiture or loss (or the reasonable probability of forfeiture or loss).

(e) No Use of Hazardous Materials. Lessee shall not without prior written consent of Lessor, use, generate, manufacture, treat, handle, refine, produce, process, store, discharge, release, dispose of or allow to exist, any Hazardous Material (including any pesticide or herbicide containing any Hazard Materials) on, within, under or about the Premises or install or remove any Underground Storage Tank on, within, under or about the Premises, except in full compliance with all applicable Hazardous Materials Laws.

(f) Indemnification. Lessee shall pay, indemnify and hold Lessor harmless against all costs and expenses (including reasonable attorney's fees), losses, damages (including foreseeable or unforeseeable consequential damages) and liabilities incurred by Lessor which may arise out of or may directly or indirectly be attributable to:

- (i) any Hazardous Discharge on, within, under or about the Premises;

- (ii) the use, generation, manufacture, treatment, handling, refining, production, processing, storage, release, discharge, disposal or presence of any Hazardous Material or Underground Storage Tank on, within, under or about the Premises;
 - (iii) Lessor's investigation and handling (including the defense) of any Hazardous Materials Claims, whether or not any lawsuit or other formal legal proceeding shall have been commenced in respect thereof;
 - (iv) any misrepresentation, inaccuracy or breach of any warranty, covenant or agreement contained or referred to in this Section;
 - (v) any violation or claim of violation by Lessee of any Hazardous Materials Law;
 - (vi) any amounts assessed against Lessor pursuant to Hazardous Materials Laws; or the imposition of any lien for the recovery of any costs for environmental cleanup or other response costs relating to any Hazardous Discharge; or
 - (vii) Lessor's enforcement of this Lease, whether or not suit is brought therefor.
- (g) **Environmental Site Assessment.** Lessor will have the right at all reasonable times and from time to time to conduct an environmental site assessment of the Premises, and Lessee will cooperate in granting entry for the conduct of each such environmental site assessment. The assessment shall be conducted by an environmental engineer or consultant of Lessor's choosing in accordance with the then current standards and protocols of the American Society for Testing and Materials. If: (i) any Hazardous Materials are detected; or (ii) the environmental assessment reveals that the environmental quality of the Premises has declined from the condition revealed under the Baseline Assessment; or (iii) if a violation of any of the warranties, representations, or covenants contained in this Article V is discovered, the fees and expenses of such environmental consultant will be borne by Lessee and Lessee will pay the fees and expenses as additional rent under this Lease on demand by Lessor.
- (h) **Lessor's Right to Cure and to Recover Expenses.** If Lessee fails to comply with any of the foregoing warranties, representations, and covenants, Lessor may cause the removal (or other cleanup acceptable to Lessor) of any Hazardous Discharge or of any Hazardous Materials from the Premises. Without waiving any claim Lessor may have against Lessee for recovery, Lessor may recover the costs of Hazardous Materials removal and any other cleanup (including transportation and storage costs) will be additional rent under this Lease, whether or not a court or governmental agency has ordered the cleanup, and Lessee will pay such costs as additional rent on demand by Lessor. Lessee will give Lessor, Lessor's agents, and employees access to the Premises to remove or otherwise clean up any Hazardous Materials. Lessor, however, has no affirmative obligation to remove or otherwise clean up any Hazardous Materials, and this Lease will not be construed as creating any such obligation.
- (i) **Confidentiality of Reports.** Lessee shall keep all information, data, findings, conclusions, communications and reports regarding the presence of Hazardous Materials on, under or in the Premises strictly confidential and shall not disclose this information

to any person or entity without the prior written consent of Lessor, including any governmental agency or body; provided, however that Lessee may disclose this information to:

- (i) any governmental agency, if Lessee is required under any Hazardous Materials Law to disclose such material;
- (ii) any adverse party in litigation, if Lessee is compelled to disclose such material in discovery proceedings or at trial; or
- (iii) any person or entity necessary for Lessee to meet Lessee's obligations under this Section. Lessee's obligation to maintain this confidentiality shall survive the termination of this Lease.

(j) Survival. This indemnification is the personal obligation of Lessee and will survive termination of this Lease. Lessee, its successors and assigns waive, release, and agree not to make any claim or bring any cost recovery action against Lessor under CERCLA, RCRA or H.R.S. Chapter 128D, or any other equivalent or any other Hazardous Materials Law enacted after this date. To the extent that Lessor is strictly liable under any such Hazardous Materials Law, Lessee's obligation to Lessor under this indemnity will likewise be without regard to fault on the part of Lessee with respect to the violation or condition that results in liability to Lessor.

5.23 Surrender.

(a) Possession. At the end of the Term or other sooner termination of this Lease, Lessee will peaceably deliver up to Lessor possession of the Premises, together with any buildings, all building pads, greenhouses, boundary fences, roads, bridges and underground sewers and drains and all agriculture upon or belonging to the Premises, all in good order and tidy condition (in as good or better condition than on the Commencement Date of this Lease, reasonable wear and tear excepted). If no Event of Default has occurred or is continuing under this Lease, Lessee shall have the right upon such termination of this Lease to remove from the Premises all improvements on the Premises made by Lessee above ground level, including without limitation, any water tanks and surface pipelines, and underground storage tanks, but excluding any improvements or pipelines that serve the Premises as well as other properties, and the buildings and improvements listed in Section 5.6. Lessee shall promptly repair to Lessor's satisfaction all damage caused by such repair, and to Lessor's satisfaction all damage caused by such removal, and shall leave the Premises all in tidy condition (in as good or better condition than on the Commencement Date of this Lease, reasonable wear and tear excepted).

(b) Compliance with Hazardous Materials Laws.

(i) Upon such surrender or sooner termination of this Lease, Lessor may conduct a Phase I environmental site assessment of the Premises and any buildings and improvements remaining on the Premises. The Phase I environmental site assessment shall be conducted by an environmental engineer or consultant selected by Lessor and performed pursuant to the standards and protocols of the American Society for Testing and Materials. The written report resulting from the Phase I environmental site assessment shall state whether any buildings and improvements remaining on the Premises are free of Hazardous Materials

discharged by or under the control of Lessee and whether Lessee has fully complied with all Hazardous Materials Laws. Lessor shall pay the cost of the Phase I environmental site assessment. However, if the Phase I environmental site assessment reveals: (A) a recommendation in the Phase I environmental site assessment; (B) the environmental quality of the Premises has declined in comparison to the Baseline Assessment; or (C) a Hazardous Discharge occurred on the Premises after the Commencement Date; or (D) Lessee has violated any warranty, representation, or covenant of Section 5.22, Lessee shall pay the cost of the Phase I environmental site assessment, and provide Lessor with and perform the recommended Phase II environmental testing and develop and implement a Phase III Hazardous Materials removal plan at Lessee's sole cost and expense. Lessee shall remove or cause to be removed to Lessor's satisfaction all Hazardous Materials from the Premises using the most effective methods and the best available technology, prior to surrender or termination and shall fully comply with all Hazardous Materials Laws and requirements of any governmental authority having jurisdiction therefor, including, without limitation, fully comply with any requirement to file such environmental site assessment, mitigation plan, risk assessment certificate or other information with any such governmental authority prior to surrender or termination. Following termination of this Lease, as between Lessor and Lessee only but: not for purposes of limiting liability under any federal or state law, Lessee would be liable to Lessor to remove or remediate any Hazardous Materials discovered at any time following termination of this Lease.

(ii) If the Phase I environmental assessment recommends a Phase II testing plan but does not determine that the Hazardous Materials were discharged on the Premises after the Commencement Date, Lessor and Lessee shall perform a Phase II testing plan at Lessee's sole cost. Although not recommended by the Phase I environmental assessment, Lessor may perform, at Lessor's sole cost, Phase II environmental testing. If the Phase II environmental testing reveals that: (A) the environmental quality of the Premises has declined in comparison to the Baseline Assessment, (B) a Hazardous Discharge occurred on the Premises after the Commencement Date, or (C) Lessee has violated any of the warranties, representations or covenants of Section, Lessee shall reimburse Lessor for Lessor's reasonable costs of performing the Phase II environmental testing and implement a Phase III Hazardous Materials removal plan at Lessee's sole cost and expense.

(iii) Any dispute regarding compliance with Hazardous Materials Laws shall be resolved by mediation and arbitration pursuant to Section 9.1 of this Lease.

(c) Cost of Removal. All costs incurred by Lessor in effecting such removal of buildings and other improvements shall be at Lessee's expense and Lessee will, within thirty (30) days from Lessee's receipt of demand by Lessor, reimburse Lessor for such costs advanced by Lessor, together with interest at a rate of twelve percent (12%) per annum, but not to exceed the maximum rate permitted by law, from the date of advance by Lessor until fully paid. Until such full compliance or removal is completed, either by Lessee or Lessor, and all costs therefor have been paid by Lessee or reimbursed by Lessee to Lessor, together with interest thereon, if any, the Premises and this Lease shall not be deemed surrendered even though Lessee have vacated the Premises, and Lessee shall continue to pay rent on the Premises or portion thereof being surrendered in an amount equal to the total of all rent paid by Lessee during the calendar year preceding termination, prorated for the period of time from termination to surrender and for the area being surrendered.

(d) **Survival.** Lessee shall not be relieved of its obligations under this Lease until surrender is completed in accordance with the provisions of this Section. Final inspection and release of the Premises by applicable governmental authorities, if any, and by Lessor shall be a condition precedent to completion of surrender and termination of Lessee's obligations hereunder. Nothing in this Lease shall be deemed to relieve Lessee of an obligation, such as the obligation to indemnify Lessor, which by its specific terms survives termination of this Lease.

5.24 **Holdover.** If Lessee remains in possession of the Premises or any buildings or improvements thereon after the expiration of the Term, Lessee shall be deemed to occupy the Premises and any buildings and improvements thereon only as a Lessee from month-to-month at twice the Rent then charged under this Lease and on all the covenants, conditions and provisions contained in this Lease which are not inconsistent with a month-to-month tenancy.

5.25 **Indemnity Against Claims.** Lessee hereby assumes all risks of personal injury or wrongful death and of loss of or damage to property by whomsoever owned, on or in the Premises, arising from or in connection with the use and occupancy of the Premises by Lessee, any Lessee, employee, guest, invitee and Lessee, or caused by any accident or fire on the Premises, or occasioned by any nuisance made or suffered thereon, or resulting from any failure on the part of Lessee to conform or observe laws pursuant to Section 5.10 or to maintain the Premises in a good or safe condition. Lessee hereby agrees to indemnify and hold Lessor harmless against and from any and all claims for personal injury or wrongful death by third persons (including, without limiting the generality of the foregoing, officers, employees, or agents of Lessor or Lessee) and any and all claims for loss or damage to property so caused, occasioned or resulting and will reimburse Lessor for all Lessor's costs and expenses (including reasonable attorneys' fees) incurred in connection with the defense of any such claims.

5.26 **Disease Control.**

(a) **Participation in Quarantine Program.** Lessee will observe and perform all federal and State of Hawaii laws, rules and regulations regarding plant disease control and will observe: and perform the protocols of any quarantine program, policy or regulation required by DOA, DLNR or DOH to eradicate blight or other plant disease on an area-wide basis at Lessee's sole cost and expense, including, without limitation, destruction of trees or crops. If Lessee fails to implement such required regulation within the time imposed by DOA, DLNR, or DOH, Lessor may, without notice or demand to Lessee, enter the Premises and effect compliance. Any reasonable cost incurred by Lessor in implementing such compliance shall be a lien on Lessee's interest in the Premises, payable on demand with interest at a rate of twelve percent (12%) per annum.

(b) **No Compensation.** Lessee expressly waives and releases Lessor, DOA, DLNR, DOH, and any other applicable government agency from any claim for compensation for damages for the roguing or mandatory destruction of agriculture as a part of any quarantine program.

5.27 **Attorney's Fees.** In case Lessor shall without any fault be made party to any litigation commenced by or against Lessee or for any other reason shall incur expense because of litigation arising out of Lessee's occupancy of the Premises or interest therein (other than

condemnation proceedings), then Lessee shall and will pay all costs and reasonable attorneys' fees incurred by or imposed on Lessor by or in connection with such litigation, and Lessee will also pay all costs and reasonable attorneys' fees which may be incurred or paid by Lessor in enforcing the covenants and agreements contained in this Lease, including costs for collection of delinquent taxes and other charges.

5.28 Security and Management. Lessee will assume responsibility for security and management of the Premises from and after the Commencement Date in accordance with the Hawaii Medical Marijuana Laws. Lessee shall also control access to the Premises from and after the Commencement Date in accordance Section 5.12 above.

5.29 Subdivision by Lessor. At any time or times during the Term, Lessor may subdivide the Premises into two or more lots in accordance with all applicable governmental rules and regulations, and Lessee shall cooperate with Lessor in securing approval of such subdivision; provided, however, that Lessor shall bear all costs for or in connection with such approval.

5.30 Sale of the Premises. Lessor reserves the right to sell the Premises, subject to this Lease, and assign Lessor's interest in this Lease to the purchaser.

5.31 Lease Subordinate to Mortgage. This Lease shall be subordinate to any mortgage Lessor may place on Lessor's lands in the County of Hawaii, including the Premises. Lessee agrees to execute a subordination agreement, and shall grant Lessor a power of attorney, coupled with an interest to execute any such subordination agreement.

VI. INSURANCE

6.1 General Requirements. Lessee will, at Lessee's own expense, at all times during the Term of this Lease, keep in force policies of insurance and bonds as required in this Lease. All policies shall be issued by insurance or surety companies acceptable to Lessor. All insurance policies shall name Lessor as an Additional Insured, and shall be primary to any other insurance that may be available to Lessor. All insurance policies shall contain a clause stating that the insurer will not cancel or reduce coverages without first giving Lessor thirty (30) days prior written notice. Lessee will provide Lessor with current certificates of such insurance within thirty (30) days after execution of this Lease, and no less frequently than annually thereafter, and will provide copies of such insurance policies together with endorsements upon Lessor's request.

6.2 Liability Insurance.

(a) Policy Requirements. Lessee will maintain comprehensive general liability insurance with respect to the Premises and any business operations conducted by Lessee and any Lessee. This insurance shall provide coverage for bodily injury and property damage liability; personal injury liability; blanket contractual liability; independent contractor's liability; and fire damage liability for buildings and improvements only.

The policy or policies of insurance shall provide coverages on an "occurrence" basis (not on a "claims made" form) and shall provide limits of no less than the following:



If Lessee, or any independent contractor, engages in any construction, demolition or excavation operations, any policy or policies covering these operations shall be endorsed to provide coverages for explosion, collapse and underground hazards. Lessor shall be named as an Additional Insured under Lessee's commercial liability insurance policy as provided under the standard ISO endorsement CG 20 24 entitled: "Additional Insured--Owners or Other Interests From Whom Land Has Been Leased", or its equivalent.

(b) **Primary Coverage.** These limits of insurance may be satisfied by the use of a combination of primary and excess liability insurance policies. Lessor may from time to time require, with due regard to prevailing prudent business practices, that these limits be increased, or that additional liability coverage be provided, as may be reasonably adequate for Lessor's protection.

(c) **Additional Insured.** The policy or policies shall name Lessor as an additional insured, shall specifically insure Lessee's obligation to indemnify and hold Lessor harmless as hereinafter provided in this Lease and shall provide that thirty (30) days' written notice shall be given to Lessor before any cancellation shall be effective. The policy or policies of insurance shall not exclude coverage for products and completed operations, contractual liability, and personal and advertising injury. The policies shall contain a provision that Lessor, although named as an additional insured, shall nevertheless be entitled to recovery under such policies for any loss occasioned to Lessor, its servants, agents and employees by reason of the acts, omissions and/or negligence of Lessee. Lessee may effect and maintain such insurance coverage by extending the coverage of Lessee's existing blanket policies of insurance to the Premises and any improvements thereon and to Lessor.

6.3 **Fire and Other Casualty Insurance.** Lessee will at its own expense at all times during the Term keep all buildings and improvements constructed on the Premises having a fair market value in excess of TWENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$25,000.00) insured against:

- (a) loss or damage by fire (group I perils);
- (b) the risks covered by the standard extended coverage endorsements (group II perils) and all risk (special perils); and
- (c) such other hazards or risks which a prudent businessman would insure against by an insurance company authorized to do business in Hawaii and in time of war against war damage to the extent such governmental insurance is obtainable at reasonable cost, and provided in the standard "Causes of Loss – Special Form," in an amount as near as practicable to the full replacement cost thereof without deduction for depreciation through the replacement cost endorsement, and if applicable, the inflation guard endorsement to ensure policy limits are maintained at full replacement value, by blanket policy or policies in the joint names of and payable in case of loss to Lessor and Lessee as their building coverage interests. The policy or

policies of insurance shall provide that thirty (30) days prior written notice shall be given to Lessor before any cancellation shall be effective.

6.4 Payment of Insurance Proceeds. In every case of loss or damage to any buildings or improvements on the Premises, Lessee shall with all reasonable speed, rebuild, repair or otherwise reinstate the buildings and improvements in accordance with the original plans or such modified plans conforming to laws and regulations then in effect as approved in writing by Lessor and any mortgagee. All proceeds of such insurance (excluding the proceeds of any rental value or use and occupancy insurance of Lessee) shall be used for such purpose, and Lessee will make up any deficiency in the insurance proceeds from its own funds.

6.5 Policy Form. All policies of insurance provided for in this Lease shall be issued by insurance companies with general policyholders' rating of not less than A and a financial rating of AAA as rated in the most current available "Best's Insurance Reports," and qualified to do business in the State of Hawaii, and shall be issued in the names of Lessor and Lessee. Such policies shall be for the mutual and joint benefit and protection of Lessor and Lessee, and executed copies of such policies of insurance or certificates thereof shall be delivered to Lessor within ten (10) days after delivery of possession of the Premises to Lessee and thereafter within thirty (30) days prior to the expiration of the term of each existing policy. All policies of insurance shall include a waiver by the insurer of the right of subrogation. All public liability and property damage policies shall contain a provision that Lessor, although named as an insured, shall nevertheless be entitled to recovery under such policies for any loss occasioned to Lessor, Lessor's servants, agents and employees by reason of the negligence of Lessee. All public liability, property damage and other casualty policies shall be written as primary policies, not contributing with and not in excess of coverage which Lessor may carry.

6.6 Workers' Compensation and Employer's Liability Insurance. Lessee will maintain workers' compensation insurance with minimum limits as required by HRS Chapter 386 and regulations thereunder for all employees of Lessee.

6.7. Other Insurance. Lessee will maintain automobile, commercial property, and business interruption insurance.

VII. CONDEMNATION

7.1 Condemnation. In the event during the Term of this Lease or any extension of the Term, the Premises or any part thereof shall be required, taken or condemned by any authority having the power of eminent domain, then and in such event, the estate and interest of Lessee in any part of the Premises so taken or condemned shall cease and terminate as of the date Lessee is required to vacate the Premises, and the Rent in this Lease reserved for the Premises shall be reduced for and during the unexpired balance of the Term, effective as of the date of such taking, to an amount determined by multiplying the current Rent by the ratio that the area of such remaining portion of the Premises not so taken bears to the total area of the Premises prior to the taking, and Lessor shall credit to the account of Lessee any unearned portion of Rent paid in advance prior to such date of taking.

7.2 Compensation and Damages. In every such case of taking or condemnation of the Premises or any part thereof or any improvements thereon, all compensation and damages payable for or on account of the Premises hereby demised and any buildings and other improvements, water tanks, surface pipelines, fences and agriculture existing on the Premises at the commencement of the Term shall be payable to and be the sole property of Lessor, and Lessee shall have no interest or claim to such compensation or damages or any part thereof whatsoever; and all compensation and damages payable for or on account of any buildings, improvements, water tanks, surface pipelines and fences erected on the Premises during the Term and any plans and other preparations therefor shall be divided between Lessor and Lessee as of the date when Lessee loses the right to possession of such buildings, improvements, water tanks, surface pipelines and fences, according to the ratio that the then expired and unexpired portions respectively of the Term, as extended, bear to the sum of such portions, except that Lessee's share shall be applied first to the satisfaction of any other obligation of Lessee to Lessor under the terms of this Lease, to rebuild, replace, repair or reinstate any building or other improvements taken or condemned upon Lessor's or Lessee's election as provided in Section 7.3 below and any remaining amounts shall be paid to Lessee.

7.3 Termination of Lease.

(a) In the event only part of the Premises having more than fifty percent (50%) or more of the total area shall be so taken or condemned, either Lessor or Lessee shall have the option, by giving prior written notice thereof to the other party within thirty (30) days after filing of a notice of condemnation or if applicable, an order for possession, to determine that continuation of the cultivation of wellness products on the remaining portion of the Premises has been rendered uneconomic, and therefore to terminate this Lease.

(b) Upon either party's exercise of the right to terminate and upon Lessor's written request, Lessee shall restore the Premises to a good and orderly condition as provided in Section 5.23 of this Lease. Upon such termination Lessee shall be relieved of all further obligations under this Lease, except for the obligations set forth in Section 5.23 and Section 5.24 of this Lease, which obligations shall expressly survive termination.

(c) If the Premises or any part thereof shall be seized, attached, executed, confiscated, levied upon under any legal process or under claim of legal right, or under forfeiture proceedings under state or federal laws (each, a "Seizure"), this Lease shall terminate immediately upon Seizure. If a Seizure occurs, Lessee shall use its best efforts to restore ownership of the Premises to Lessor (whether through legal action, the purchase of the Premises at auction or otherwise). Lessee shall control the strategy, defense and settlement of any such action and shall be responsible for all fees and expenses incurred in connection therewith. Lessee shall keep Lessor informed as to the status of any such litigation or negotiations.

VIII. MORTGAGES

8.1 Consent to Mortgage. Lessee may from time to time with the prior written consent of Lessor assign this Lease by way of one or more mortgages to any bank, insurance company or other established lending institution or governmental agency, as mortgagee,

provided that Lessee shall upon execution of such mortgage promptly deliver a true copy of such mortgage to Lessor.

8.2 Enforcement of Mortgage. The mortgagee or its assigns may enforce such mortgage and acquire title to this Lease in any lawful way, and pending foreclosure of such mortgage (or pending sale of this Lease in lieu of foreclosure of such mortgage) may take possession of and rent the Premises, and upon foreclosure thereof (or upon such conveyance in lieu of foreclosure thereof) may without further consent of Lessor sell and assign this Lease by assignment in which the assignee shall expressly assume and agree to observe and perform all the covenants of Lessee contained in this Lease, and such assignee may make a purchase money mortgage of this Lease to the assignor, provided that upon execution of any such assignment or mortgage a true copy thereof shall be delivered promptly to Lessor and that no other or further assignment of this Lease for which any provision hereof requires the written consent of Lessor shall be made without such consent. Upon delivery and recordation of the conveyance through foreclosure (or delivery and recordation of the conveyance in lieu of foreclosure) of this Lease and the Premises and/or the mortgagee's sale or assignment thereof, this Lease shall remain in full force and effect as a direct Lease between Lessor and the mortgagee or such assignee. The mortgagee or its assigns of such mortgage shall be liable to perform the obligations in this Lease imposed on Lessee only during the period such person has possession or ownership of this Lease and the Premises. Nothing contained in such mortgage shall release or be deemed to relieve Lessee from the full and faithful observance and performance of its covenants contained in this Lease or from any liability for the nonobservance or nonperformance thereof, nor be deemed to constitute a waiver of any rights of Lessor under this Lease, and the terms, covenants and conditions of this Lease shall control in case of any conflict with the provisions of such mortgage.

8.3 Protection of Mortgagee.

(a) During the continuance in effect of any authorized mortgage of this Lease, Lessor will not (except as provided below) terminate or accept a surrender of this Lease:

(i) because of any Event of Default for the failure of Lessee to pay rent or any other charges under this Lease if the mortgagee or its assigns, within thirty (30) days after Lessor has mailed to the mortgagee or its assigns at the last known address thereof a written notice of intention to terminate this Lease for such cause, shall cure such monetary Event of Default by the payment of money, and shall thereafter pay all rent and other charges as and when due under this Lease, or

(ii) because of any Event of Default for the failure of Lessee to observe or perform any of the other covenants or conditions contained in this Lease not curable by the payment of money, if such mortgagee or assignee within sixty (60) days after Lessor has mailed to the mortgagee or its assigns such written notice of intention to terminate this Lease for such cause, shall cure such non-monetary default, and shall undertake in writing to perform and shall thereafter and perform all the covenants of this Lease capable of performance by the mortgagee or its assigns until such time as this Lease shall be sold upon foreclosure of such mortgage commenced promptly and completed with due diligence.

(b) Any Event of Default:

(i) consisting of Lessee's failure promptly to discharge any lien, charge or encumbrance against the Premises or any improvements thereon, junior in priority to such mortgage, or

(ii) which is otherwise not susceptible to cure by mortgagee except upon obtaining possession of the Premises or any improvements thereon, or foreclosure, shall be deemed to be duly cured if such mortgage shall be foreclosed by appropriate action instituted within such 90 day period and thereafter prosecuted in a diligent and timely manner. If any such non-monetary Event of Default may be cured within a reasonable period of time, but such cure may not reasonably be completed within ninety (90) days, then such cure shall be deemed to be made if begun within such ninety (90) day period and thereafter continuously and diligently undertaken to completion by mortgagee; provided, however, that the mortgagee has cured all monetary Events of Default and is paying all rent and other charges as and when due under this Lease.

(c) The provisions of this Section to the contrary notwithstanding, Lessor may terminate this Lease and Lessee's rights in this Lease during the thirty (30) day or ninety (90) day period, as appropriate, provided that in the event of such termination Lessor shall restore this Lease in favor of the mortgagee upon satisfactory cure by a mortgagee within such thirty (30) day or ninety (90) day period, as appropriate.

(d) Lessor agrees that simultaneously with mailing or delivering any notice of default or breach under or with respect to this Lease to Lessee, that it will mail or deliver a copy to the mortgagee(s) of this Lease at their last known addresses.

IX. ARBITRATION AND APPRAISAL

9.1 Arbitration. Any disagreement, dispute or claim arising under this Lease provided to be resolved by agreement of the parties or by arbitration pursuant to this Lease which cannot be resolved to the mutual satisfaction of Lessor and Lessee, any and all claims, controversies or disputes arising out of or relating to this Lease, or the breach thereof, including, without limitation, a dispute regarding any Event of Default which remain unresolved after direct negotiations between the parties, except for non-payment of Rent (which need not be resolved by arbitration) shall first be submitted to confidential mediation in accordance with the Rules, Procedures, and Protocols for Mediation of Disputes of Dispute Prevention & Resolution, Inc. of Honolulu, Hawaii, or similar organization, then in effect. If any issues, claims or disputes remain unresolved after mediation concludes, the parties agree to submit any such issues to binding arbitration before three (3) arbitrators, one to be appointed by each of the parties. Lessor and Lessee each shall promptly name one such arbitrator and give written notice of appointment to the other party, and in case either party shall fail so to do within ten (10) days after such notice of the appointment of the first arbitrator, the party naming the first arbitrator may apply to a judge of the Circuit Court of the Third Circuit of the State of Hawaii for appointment of a second arbitrator, and the two arbitrators thus appointed shall appoint a third arbitrator, and in case of their failure so to do within ten (10) days after appointment of the second arbitrator, either party may have the third arbitrator appointed by such judge, and the three arbitrators so appointed shall

proceed to determine the matter in question. The arbitration proceedings shall be conducted in Hawaii under the Arbitration Rules, Procedures and Protocols of Dispute Prevention & Resolution, Inc., or similar organization in effect at the time the demand for arbitration is made. The decision of the arbitrators shall be final and binding on both parties, their respective legal representatives, successors and assigns, and judgment may be entered thereon in an appropriate court of law pursuant to H.R.S. Chapter 658. Any provision contained in this Section to the contrary notwithstanding, the arbitrators shall not have the authority to determine: (a) any claim for an award of exemplary or punitive damages, or (b) any dispute involving parties other than Lessor and Lessee. If a third party is necessary to provide full and complete relief, Lessor and Lessee shall litigate such dispute. Lessor and Lessee each shall pay one-half (½) of the arbitrators' fees, and the dispute resolution organization's charges. Lessor and Lessee agree that the arbitrators shall have the authority to award attorney's fees and costs. If the arbitrators choose not to award attorney's fees and costs, Lessor and Lessee shall each bear its own expenses of arbitration, including their own witness and attorneys' fees and costs.

9.2 Appraisal. Whenever this Lease provides that the fair market value of the Premises shall be determined by appraisal for computation of the Rent pursuant to Redetermination of Rent pursuant to Section 7.5 of this Lease or Consent to Mortgages pursuant to Section 8.1 of this Lease, such fair market value shall be determined by one qualified real estate appraiser to be appointed by Lessor, who shall be a member of the Appraisal Institute, whose name shall be provided to Lessee. The real estate appraiser will be independent appraiser retained by Lessor. The expense of such appraisal shall be borne by Lessee.

X. EVENTS OF DEFAULT

10.1 Events of Default. The occurrence of any one or more of the following events shall be an Event of Default under this Lease:

- (a) If Lessee shall fail to pay any amount of Rent payable under this Lease and if such payment is not made within ten (10) days after the due date of such payment; or
- (b) If Lessee shall fail to observe or perform any covenant, condition or agreement contained in this Lease performable by the payment of money (other than the payment of rent) and such failure shall continue for thirty (30) days after written notice of such failure shall have been given to Lessee by Lessor; or
- (c) If Lessee shall fail to observe or perform any covenant, condition or agreement contained in this Lease (other than a covenant, condition or agreement performable by the payment of money), and such failure shall continue for a period of thirty (30) days after written notice shall have been given to Lessee by Lessor specifying such failure and requiring that the same be remedied without cure; provided, however, that if the nature of such default is such that the cure cannot reasonably be completed within thirty (30) days, Lessee may have such additional time as may be reasonably necessary to cure such default, so long as such cure is commenced within such thirty (30) day period and diligently and continuously pursued to completion; or

(d) If Lessee shall become insolvent, or shall make an assignment for the benefit of creditors, or shall admit in writing any inability to pay its debts as they become due, or shall be the subject of a voluntary petition in bankruptcy, or shall be adjudicated bankrupt or insolvent, or shall file any petition or answer seeking for itself any arrangement, composition, adjustment, liquidation, dissolution or similar relief to which it may be entitled under any present or future statute, law or regulation, or shall file any answer admitting the material allegations of any petition filed against Lessee in any such proceedings, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of all or substantial part of Lessee's properties or assets, including the Premises; or if the State of Hawaii or any other governmental authority having jurisdiction over Lessee shall dissolve Lessee, or cancel, revoke, withdraw or approve the withdrawal of any charter, certificate, registration or authority to maintain Lessee's existence or right of Lessee to do business in the State of Hawaii; or,

(e) If Lessee shall abandon the Premises or discontinue the permitted cultivation of diversified agriculture on the Premises; or

(f) If Lessee shall breach Lessee's covenant regarding compliance with any Hazardous Materials Laws;

Lessee shall then be in default under this Lease and Lessor, without prejudice to any other remedy or right of action, shall have the remedies provided in Section 10.2 below.

10.2 Remedies. If any Event of Default shall occur, Lessor may in any such case at once re-enter the Premises or any part thereof or any improvements thereon in the name of the whole, and upon or without such entry, at its option, terminate this Lease without service of notice of legal process, and may expel and remove Lessee and all persons claiming under Lessee and their effects from the Premises or any buildings and improvements thereon which has not been previously surrendered under this Lease without being deemed guilty of any trespass or becoming liable for any loss or damage occasioned thereby, and may bring an action for summary possession of the Premises or any improvements thereon, all without prejudice to any other remedy or right of action which Lessor may have for arrears of rent or for any preceding or other breach of contract. Such termination may but need not necessarily be made effective by recording an affidavit thereof by Lessor or a judgment thereof by a court of competent jurisdiction, in the Bureau of Conveyances of the State of Hawaii and the Office of the Assistant Registrar of the State of Hawai'i.

10.3 Lessor's Costs and Expenses. In addition to the foregoing remedies for breach of this Lease, Lessor shall have the right to recover from Lessee all damages, loss, costs, expenses and fees that may be suffered by Lessor as a result of Lessee's breach of this Lease, including reasonable attorney's fees.

XI. MISCELLANEOUS

11.1 Nonwaiver. Acceptance of rent by Lessor or its agent shall not be deemed to be a waiver by Lessor of any breach by Lessee of any covenant contained in this Lease or of Lessor's right to re-enter for breach of condition. The delay or failure of Lessor or Lessee in exercising any right, power or privilege under this Lease or any single or partial exercise of any such right,

power or privilege or any abandonment or discontinuance of steps to enforce such a right, power or privilege shall not affect such right, power or privilege. Any waiver, permit, consent or approval of any kind by Lessor or Lessee of any breach or Event of Default under this Lease, or any waiver of any provisions or conditions of this Lease must be in writing and shall be effective only to the extent set forth in writing.

11.2 Notices. All notices, demands or documents which are required or permitted to be given or served hereunder shall be in writing and sent by: (i) first class, registered, or certified mail, postage prepaid, (ii) hand delivery or (iii) electronic mail, provided the other party to this Note confirms in writing the receipt of notice, addressed as follows:

If to Lessor:



If to Lessee:

LA'AU PONO, INC.



Any such address may be changed from time to time by serving notice to all other parties as above provided. Service of such notice or demand shall be deemed complete on the day of actual delivery or at the expiration of the second day after the date of mailing, whichever is earlier.

11.3 Paragraph Headings. The headings of paragraphs and subparagraphs in this Lease are inserted only for convenience and reference and shall in no way define, expand or limit the scope or intent of any provisions of this Lease.

11.4 Attorney's Fees. In the event of a dispute or Event of Default Lessor may recover from Lessee all reasonable costs and reasonable attorney's fees expended or incurred by the prevailing party in enforcing this Lease, in actions for declaratory relief in any way related to this Lease, and on any and every account, or during the existence of any Event of Default in the enforcement of the provisions of this Agreement, and the investigation and policing of the Event of Default in question, and in actions to recover damages under this Lease.

11.5 Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of Hawaii.

11.6 Entire Agreement. This Lease, together with any attached exhibits, is a complete integration of every agreement and representation made by or on behalf of Lessor and Lessee

with respect to the Premises, and supersedes all prior leases and agreements between the parties and no implied covenant or prior oral or written agreement shall be held to vary the provisions of this Lease, any law or custom to the contrary notwithstanding. Lessor and Lessee may amend or otherwise modify this Lease prior to the Commencement Date. Both parties agree to negotiate in good faith if the other party desires that the Lease be amended or modified. The provisions of this Lease shall only be amended by a written amendment executed by Lessor and Lessee which refers to the specific provisions of this Lease to be amended.

11.7 Inurement. The provisions of this Lease shall be binding upon and inure to the benefit of Lessor and (subject to the restrictions on assignment contained in this Lease) Lessee, and their respective successors, successors in trust and permitted assigns as the context of this Lease may require. Any liability which may arise as a consequence of the execution of this Lease by or on behalf of Lessor shall be a liability of Lessor. Any liability which may arise as a consequence of the execution of this Lease by or on behalf of Lessee shall be the joint and several liability of Lessee. Throughout this Lease, the terms "Lessor" and "Lessee" shall mean and include the singular and the plural and the use of a pronoun of one gender shall refer to all genders.

11.8 Time of Essence. Time is of the essence in the performance of any obligations under this Lease.

11.9 Severability. If any provision of this Lease is held to be invalid or unenforceable, the validity and enforceability of the other provisions of this Lease will remain unaffected.

11.10 Neither Party Deemed Drafter. All provisions of this Agreement have been negotiated at arm's length and with full representation of legal counsel and neither Lessor nor Lessee shall be deemed to be the drafter of this Lease. If this Lease is ever construed by a court of law or by a board of arbitrators, such court or board shall not construe this Lease or any provision of this Lease against either Lessor or Lessee as the drafter of this Lease.

11.11 Maximum Rate of Interest. Any interest payable under the terms of this Lease shall not exceed the maximum rate permitted by law.

11.12 Recordation of Lease. This Lease shall not be recorded in the Bureau of Conveyances of the State of Hawaii or filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii without the written consent of Lessor and Lessee. Lessee shall pay all conveyance tax assessed on any recordation of this Lease and the recordation of any subsequent conveyance, amendment or extension of this Lease.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have duly executed these presents on the day and year first above mentioned.

[REDACTED]

LESSOR

LA'AU PONO, INC.,
a Hawaii corporation

By: _____

Name:

Its:

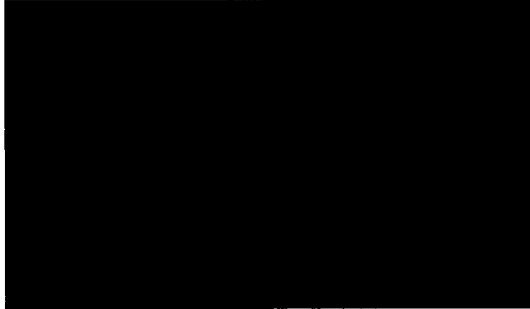
LESSEE

EXHIBIT "A"
Property Description for Leased Premises

1/27/16 12194-1 951936 La`au Pono Ground Lease #2 32

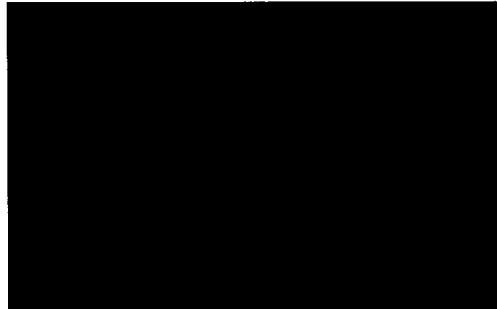
NON BINDING LETTER OF INTENT TO LEASE

January 29, 2016



This Letter of Intent shall serve to outline a proposal for the lease of a warehouse located at 75-456 Hualalai Road, Kailua-Kona, Hawaii. As more fully explained and shown on Exhibit A ("Premises"). This proposal does not constitute a binding agreement between the parties. It only evidences Lessee's offer to negotiate in good faith with Lessor for a building lease. The basic terms of the proposal are as follows:

A. Lessor:



B. Lessee:

C. Effective Date: January 29, 2016

D. Permitted Use of Premises: Lessee shall use the Premises only for the following purpose: The premises shall be used for the processing, producing, manufacturing, cultivating, storing marijuana and marijuana products in accordance with the Hawaii Medical Marijuana Laws. Any changes to said use or the format of Lessee's business shall require the prior written consent of Lessor.

E. Lease Term: 5 Years

F. Condition of Premises: "AS IS". Lessee acknowledges that Lessor has made no representations or warranties concerning the condition of the Premises or its suitability for Lessee's intended use or for any other purpose. Lessee has examined and shall accept the Premises in its then "as is" existing condition.

G. Option: Lessee shall have two (2) successive option to extend the Lease Term for a period of sixty (60) months ("Option Term") at the then fair market rent exercisable in

writing no less than 180 calendar days prior to the expiration of the original lease term. Option rent shall not be less than the rent paid in the preceding period;

Rent Commencement Date: Rent and all other charges shall commence upon thirty (30) days after Delivery Date.

- H. Delivery Date:** Lessor shall deliver the Premises to Lessee for construction on or about April 15, 2016.
- I. Minimum Rent:** For the period beginning on the Commencement Date, the monthly rent shall be [REDACTED] plus Hawaii general excise tax ("GET"). On each anniversary date, Minimum Rent shall increase annually at a rate of five percent (5%) for duration of the initial lease term.
- J. Relocation Fee:** Lessee will pay Lessor in the sum of [REDACTED] for relocation of current tenant on the Premises.
- K. Additional Rent:** In addition to the Minimum Rent, Lessee shall pay the pro-rata share of real property taxes. Proration shall be based on assessment on usage and improvement values. Payments are due to Lessor at least 10 days prior to due date.
- L. General Excise Tax Rate:** Lessee shall pay the Hawaii General Excise Tax on all rent. The current effective rate is 4.166%.
- M. Insurance Expense:** Lessee shall be responsible for maintaining its own policy of commercial general liability insurance for the Premises and a policy of property insurance (ISO Special Form) for all furniture, fixtures, inventory and other improvements made by Lessee within the Premises, together with business interruption, automobile liability and worker's compensation with Lessor being named as an additional insured thereunder, all in accordance with the requirements and limits to be set forth in the lease agreement
- N. Utilities:** Lessee shall pay for its own utilities including but not limited to water, sewer, gas and electricity consumed within the Premises, including the costs of utilities furnished by Lessor, if any, to the Premises, whether directly assessed or reasonably allocable to Lessee.
- a. **Water:** Lessee shall install a submeter at its cost and shall be responsible for any repairs in the transmission line after the submeter.
 - b. **Electricity and Telecommunications System:** Lessee is responsible for its own electricity and telecommunication costs. Lessee must obtain services from the appropriate agencies and is responsible for all costs associated with setting up service.
- O. Common Area Maintenance:** Lessee shall keep the Premises in good condition reasonably free from weeds and other noxious growth. Lessee will comply with county

grading codes and ordinances and will construct necessary drainage ditches or other precautions to prevent or arrest loss of soil by erosion.

- P. Security Deposit:** Upon execution of the lease agreement, Lessee shall deposit an amount equal to 1 month's rent plus G.E. Tax (4.166%) with Lessor to secure Lessee's performance under the lease agreement. Lessor shall hold the deposit, without interest, for the term of the lease agreement.
- Q. Improvements:** All improvements must be in compliance with applicable laws and require the approval of Lessor prior to construction, which approval shall not be unreasonably withheld. At the termination of the lease, any buildings, the building pads, greenhouses, fencing and all improvements shall remain on the property and become the owner of the Lessor.
- R. Sublease:** Lessee shall not sublease any portion of the Leased premises without the prior written approval of the Lessor.
- S. Guarantor:** Lessee's principal shall provide personal guarantee to Lessor for the full and timely payment of rent and all other amounts provided to be paid under the Lease and do also guarantee the full and timely observance and performance of all other covenants, terms and conditions of the Lease.
- T. Lease Agreement.** Upon the acceptance by Lessee and Lessor of the terms of this Letter of Intent, Lessee shall instruct its attorneys to prepare a form of lease agreement which conforms with the terms hereof and which contains such other terms and conditions as may be mutually agreed to by Lessor and Lessee. The lease agreement shall not be binding on the parties until both of the parties have executed and delivered the lease agreement.
- U. Nature of this Letter of Intent:** As noted above, this Letter of Intent constitutes Lessee's offer to negotiate with Lessor. If the terms of this Letter of Intent are accepted by Lessor, this Letter of Intent shall only constitute the agreement of Lessee and Lessor to negotiate with each other in good faith for a lease having the basic terms set forth in this Letter of Intent. This Letter of Intent may not be relied upon by any party as evidence of a binding agreement or commitment between Lessor and Lessee and no legal rights and obligations between the parties shall be created or deemed to exist with respect to the Premises until the parties have fully executed and delivered the lease agreement described above.
- V. Confidentiality:** The parties shall maintain in the strictest confidence all matters concerning (1) the terms of this Agreement, (2) any information or documentation related to the negotiations relating to this Agreement, and (3) the transaction set forth in this Agreement. If asked about any of the above matters, each party shall respond that it is not at liberty to discuss these matters because they are the subject of a confidentiality agreement. Notwithstanding the foregoing, the parties may disclose (i) information necessary to enforce their rights under this Agreement, (ii) information which the parties

are required to disclose pursuant to due process of law, and (iii) such limited information concerning this Agreement to such persons required to have knowledge of such information in order for the parties to comply with the terms and conditions of this Agreement. Lessor and Lessee agree not to make any public disclosure concerning the transaction contemplated hereby without the prior written approval of the other party, and agree not to disclose such matters except to such attorneys, accountants, lenders and others as are reasonably required in order to consummate the transaction. A breach of this covenant shall entitle the aggrieved party to damages caused by such disclosure as well as injunctive relief. The term of this paragraph shall survive the expiration or termination of this Letter of Intent.

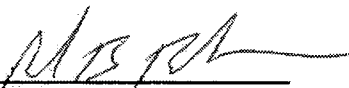
We look forward to your response to the above. Please contact us should you have any comments or questions.

Very truly yours,

By: 

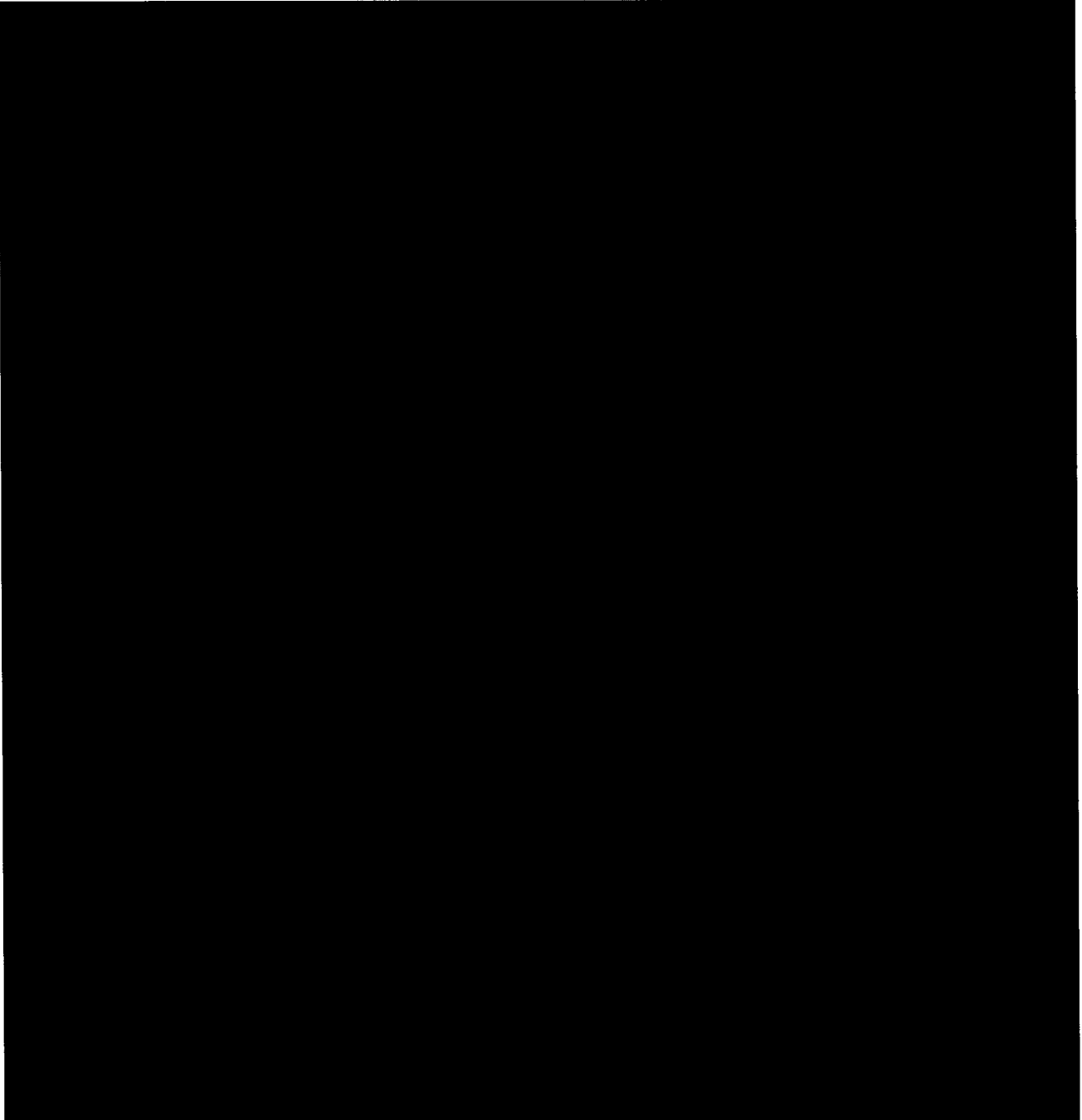
Its: VP Director

Acceptance:

By: 

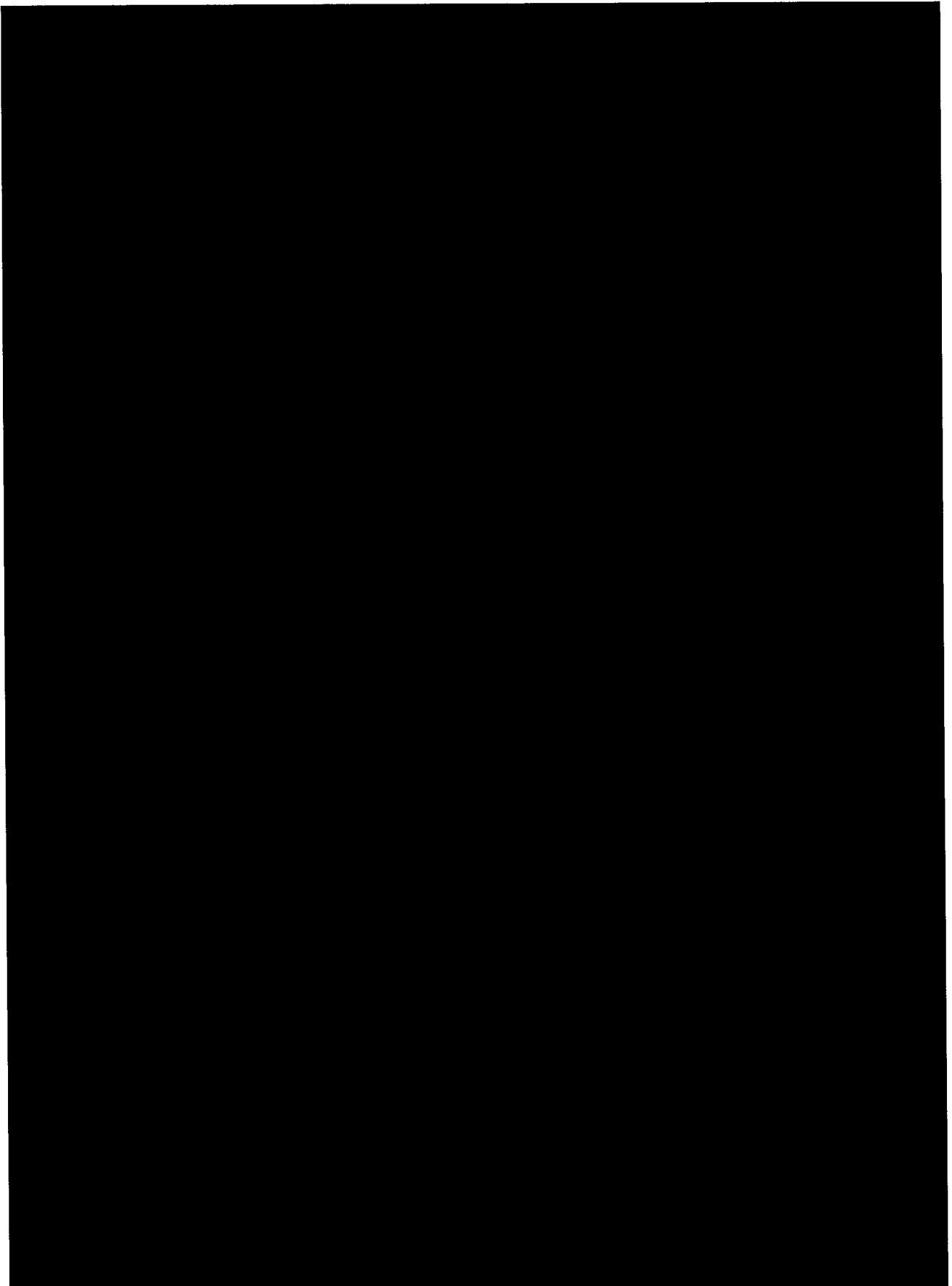
Its: OWNER

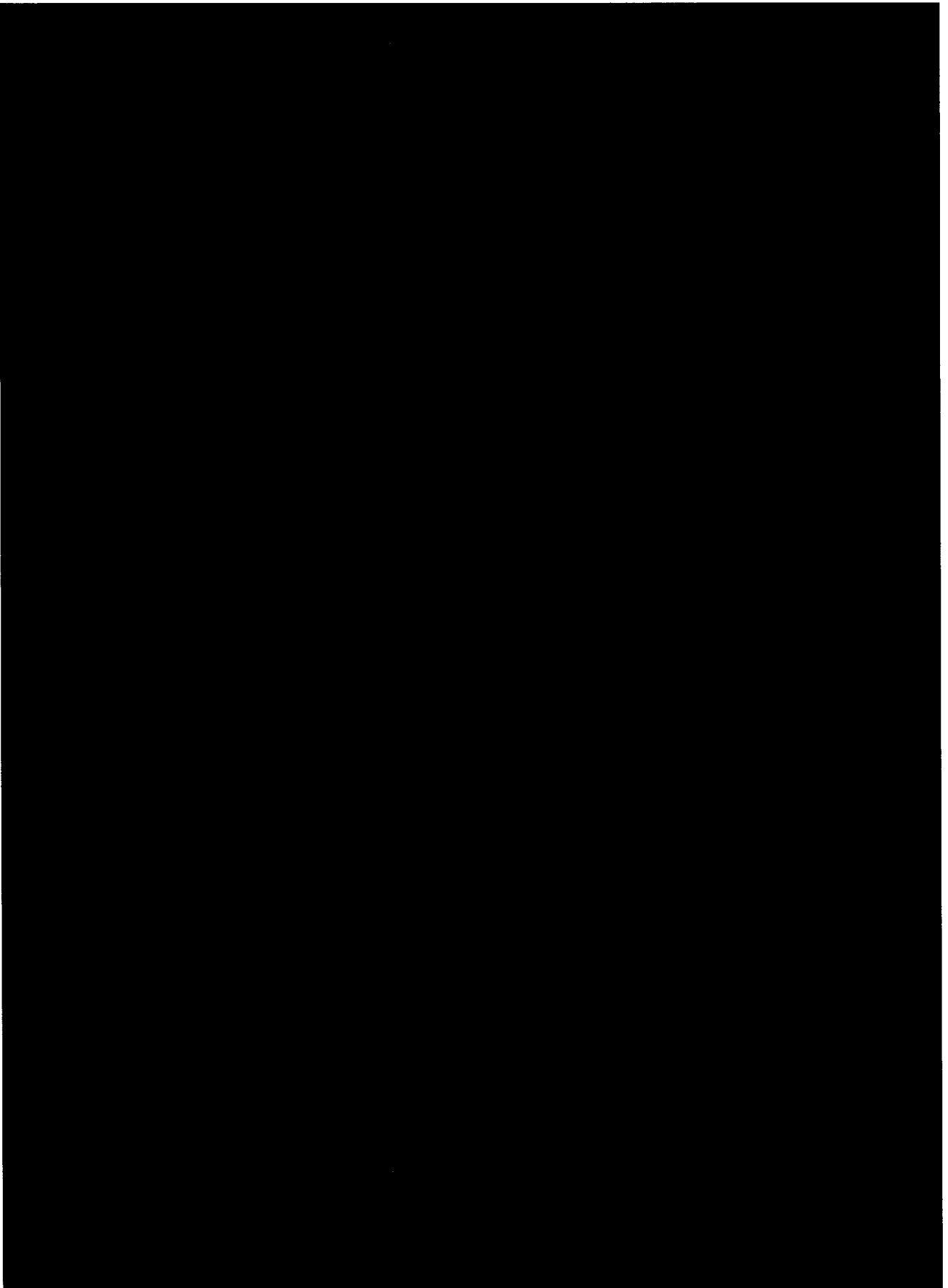
EXHIBIT A

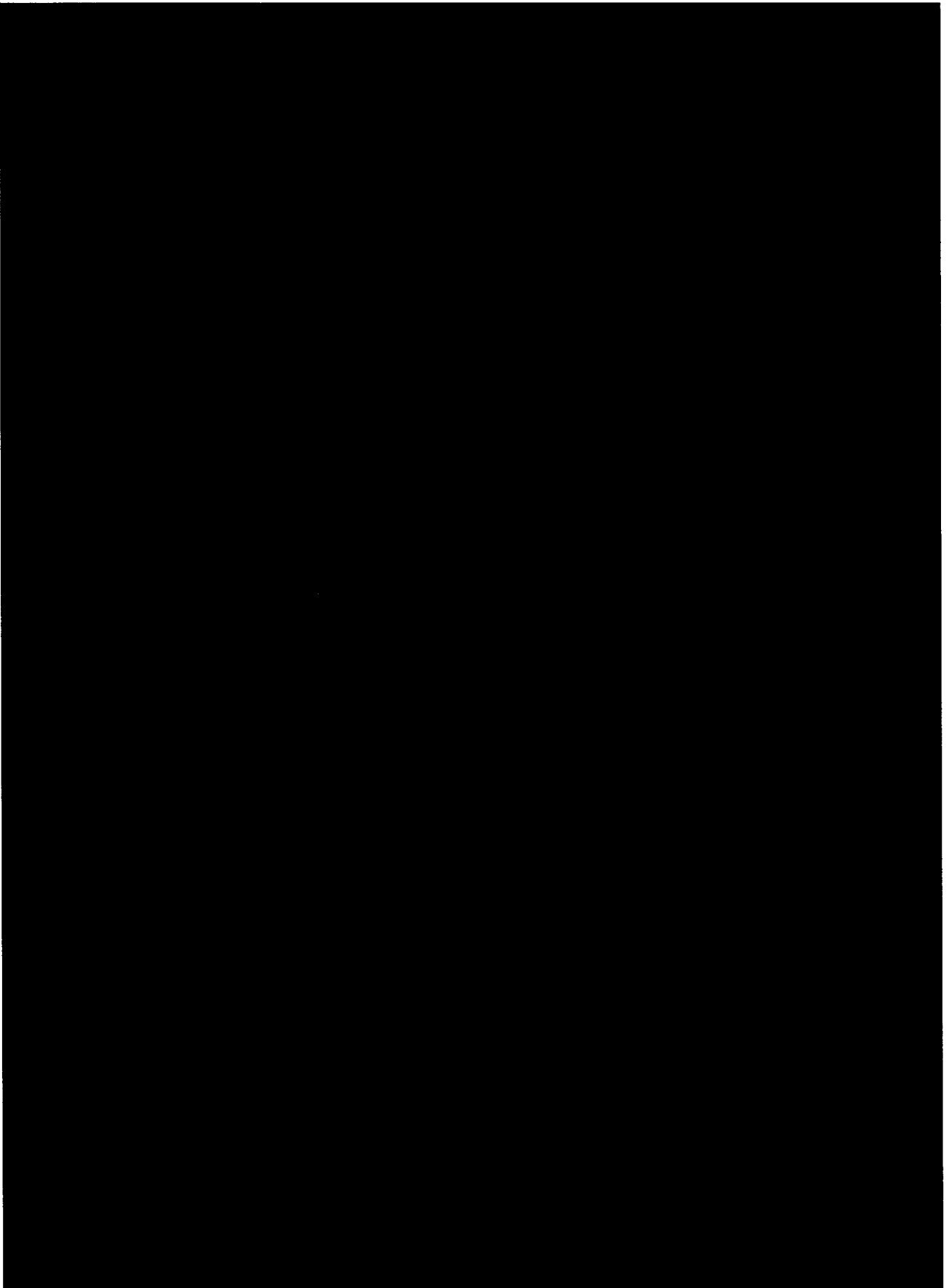


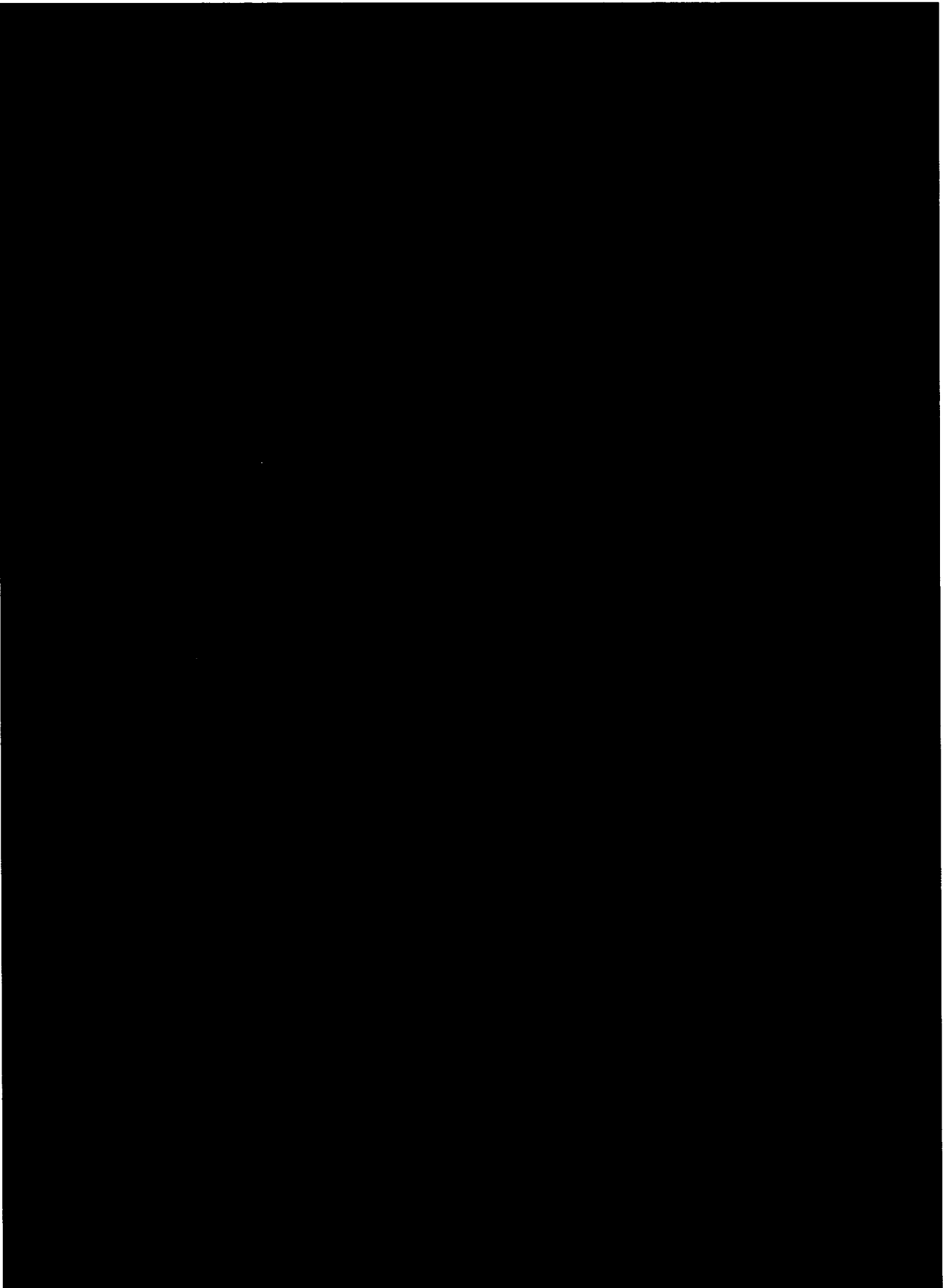
Hawaiian**Ethos**

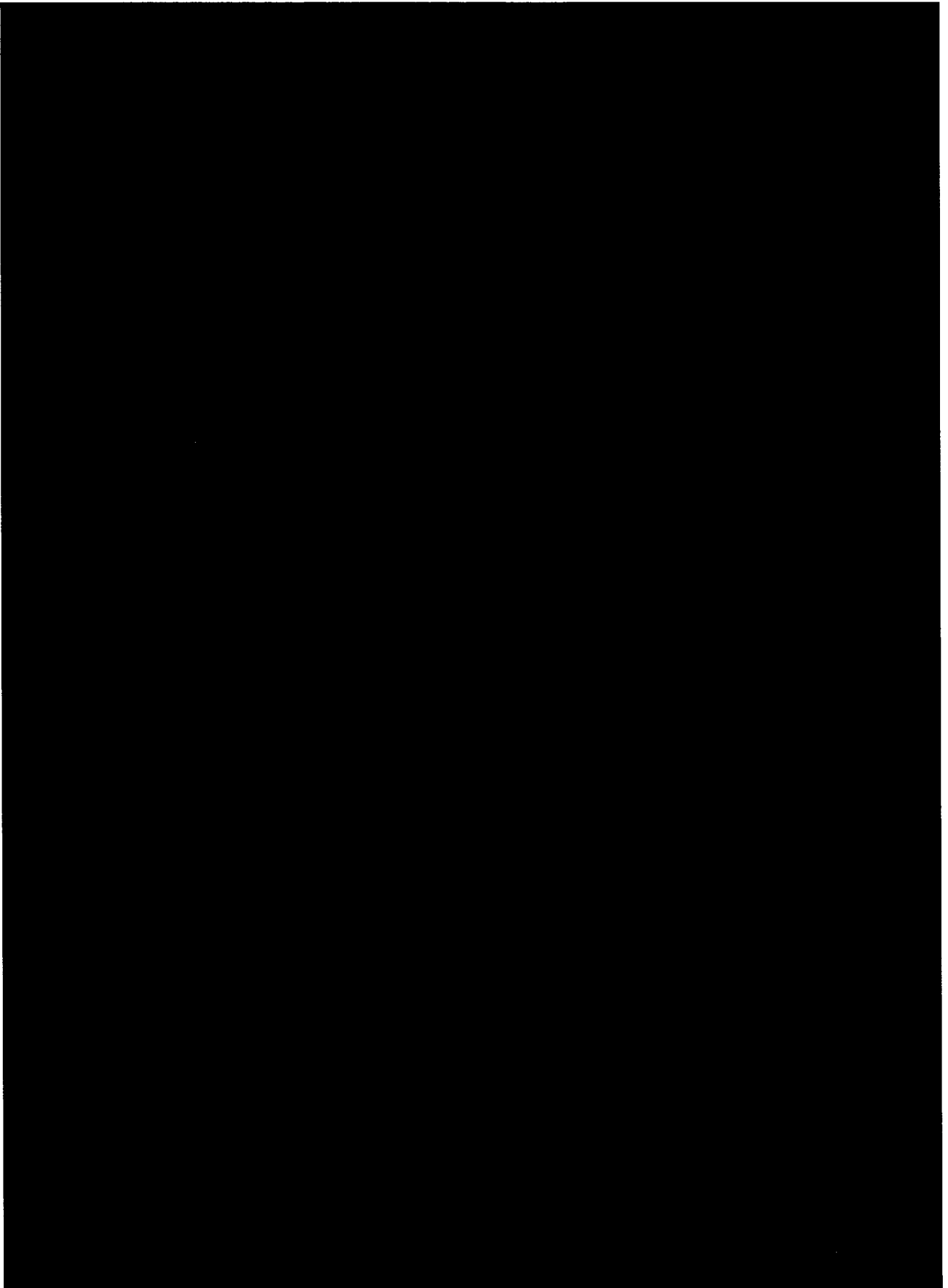
Permanent Cultivation Center

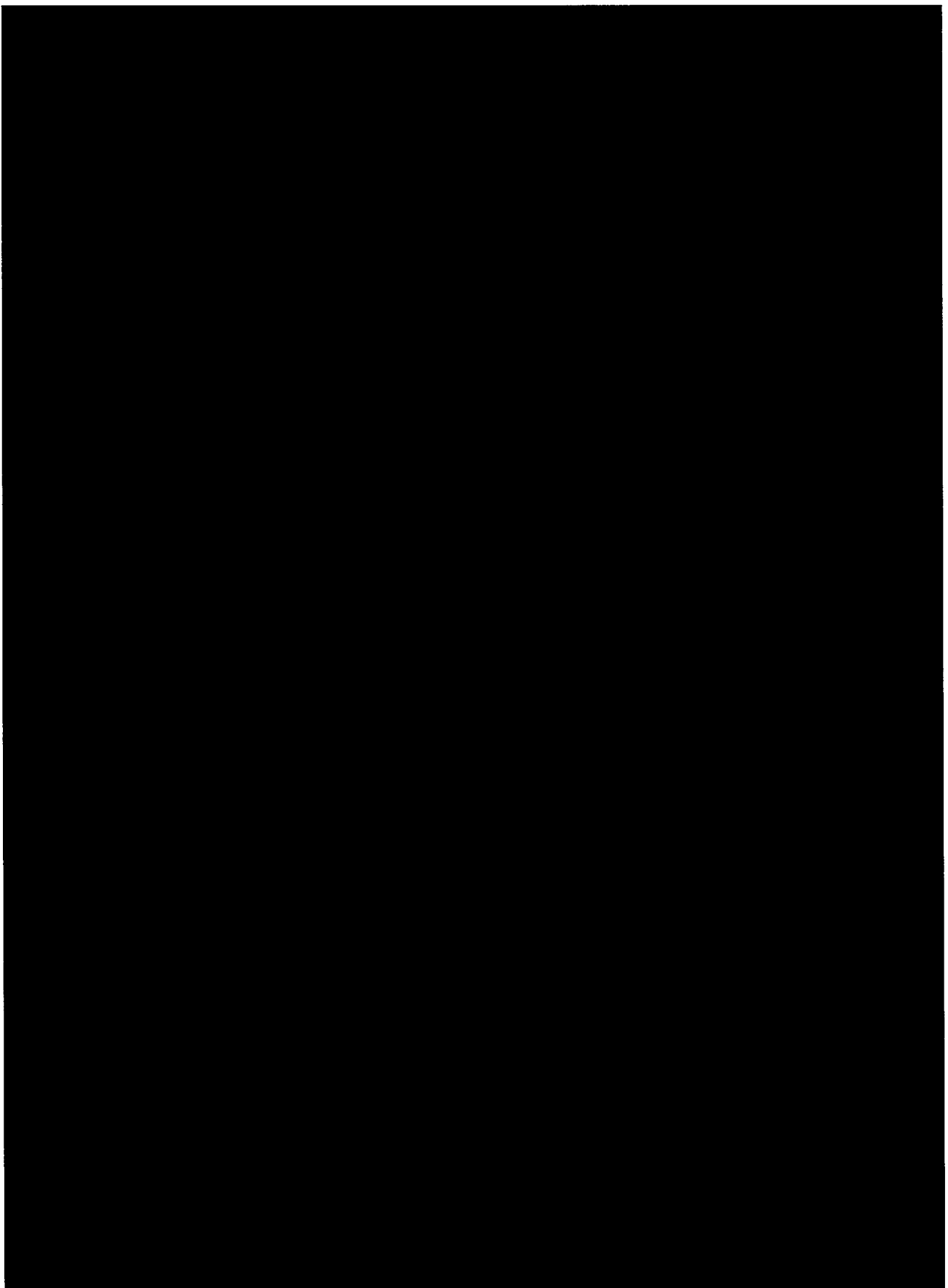


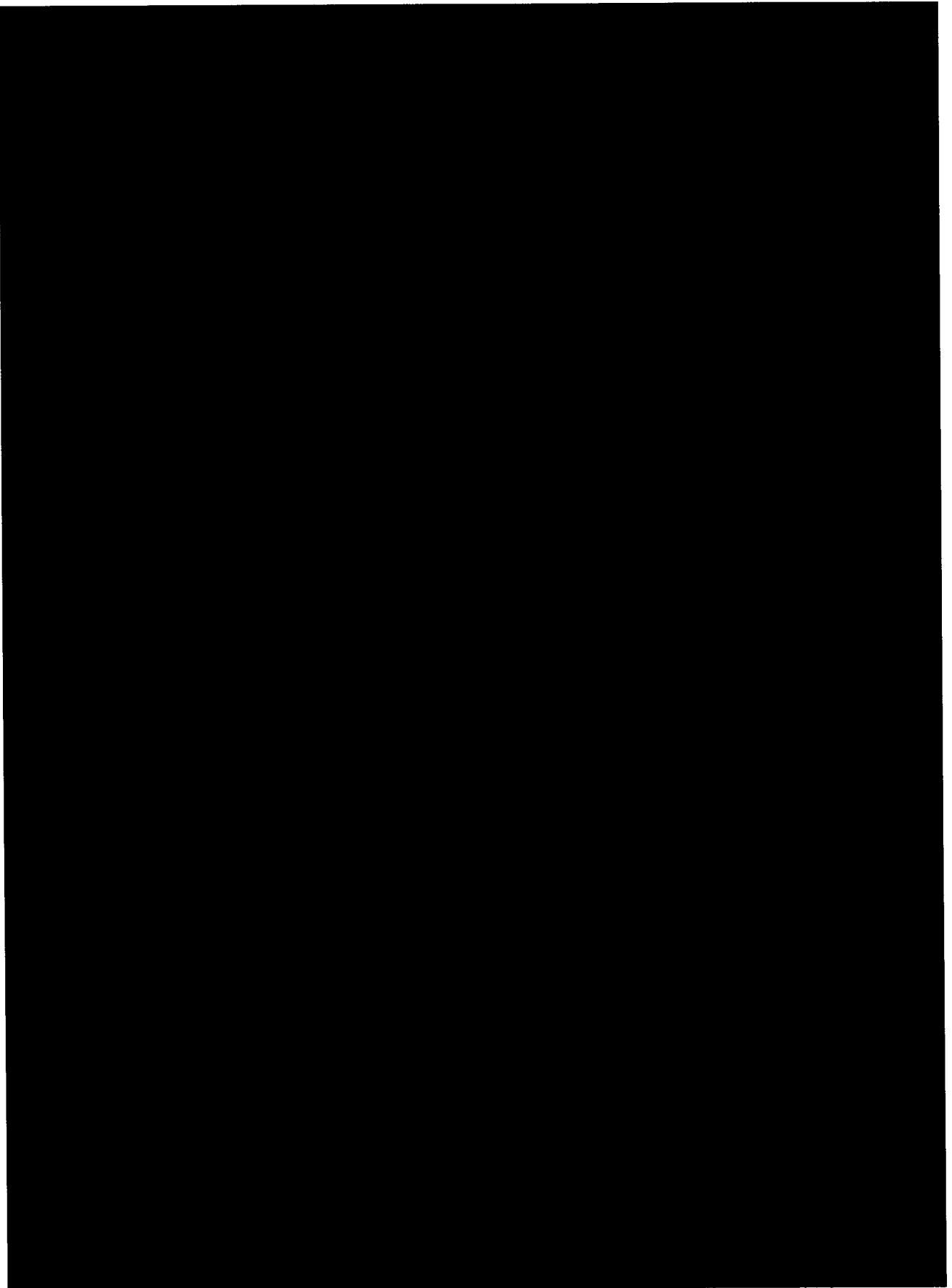


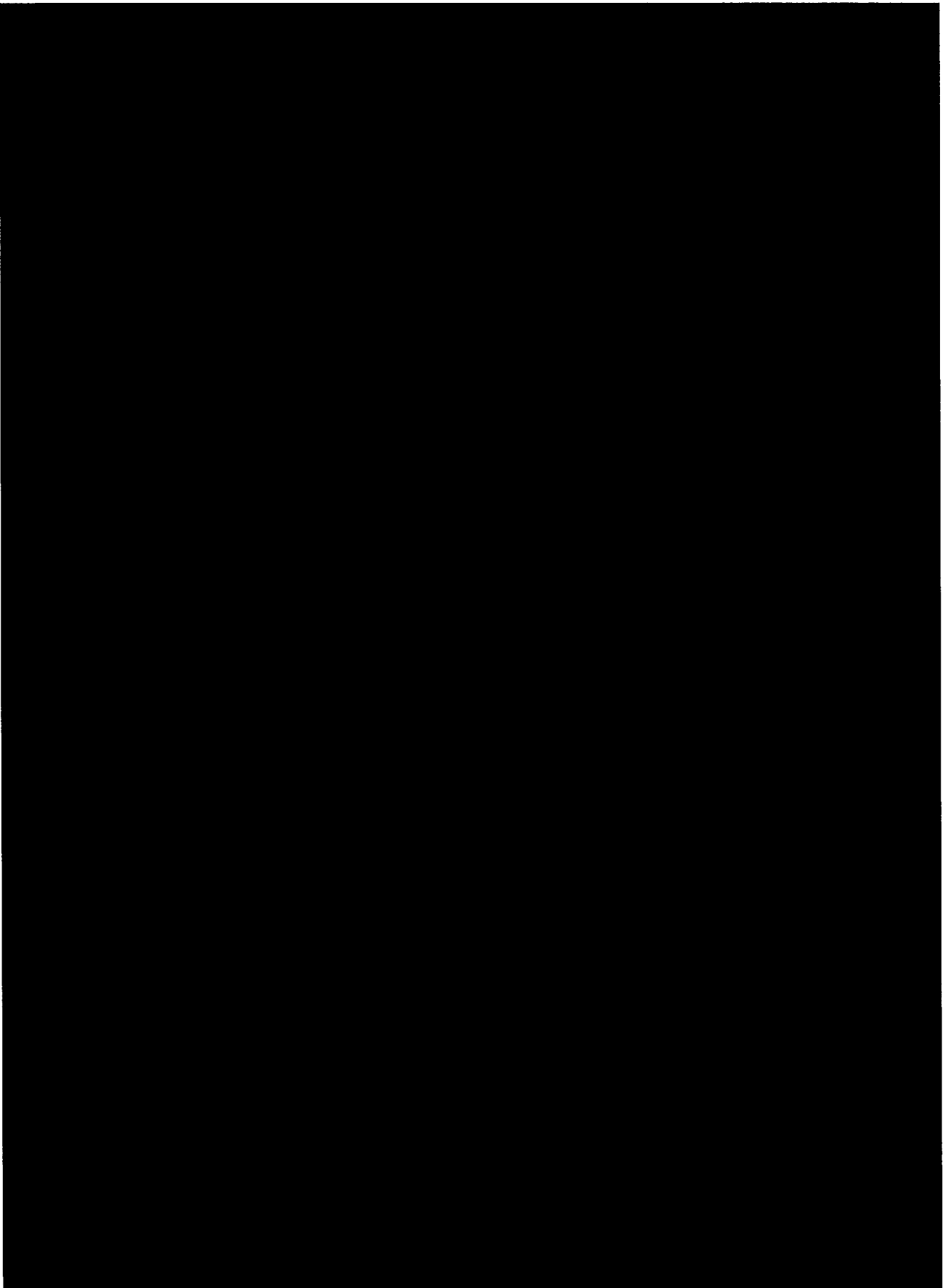


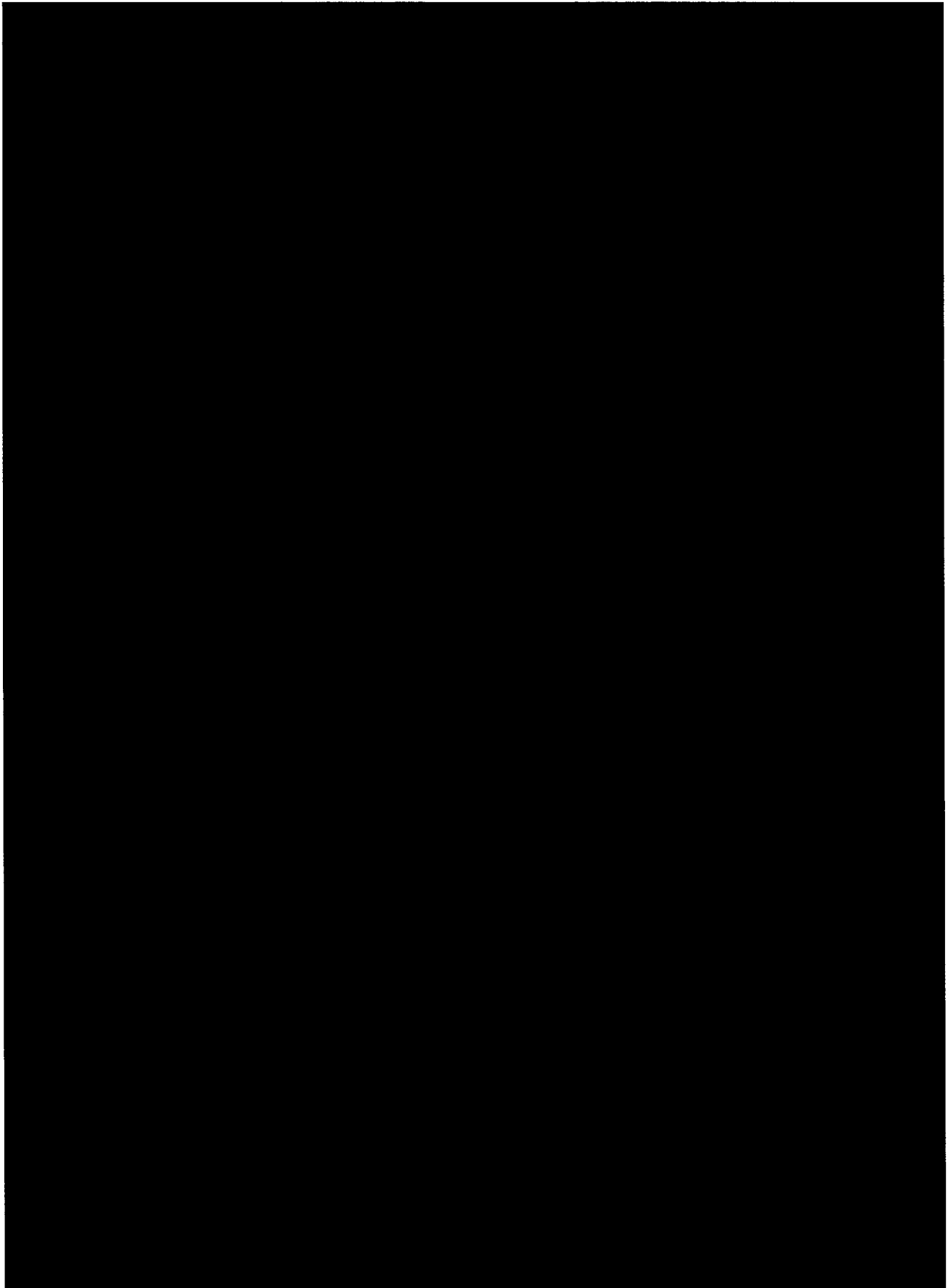


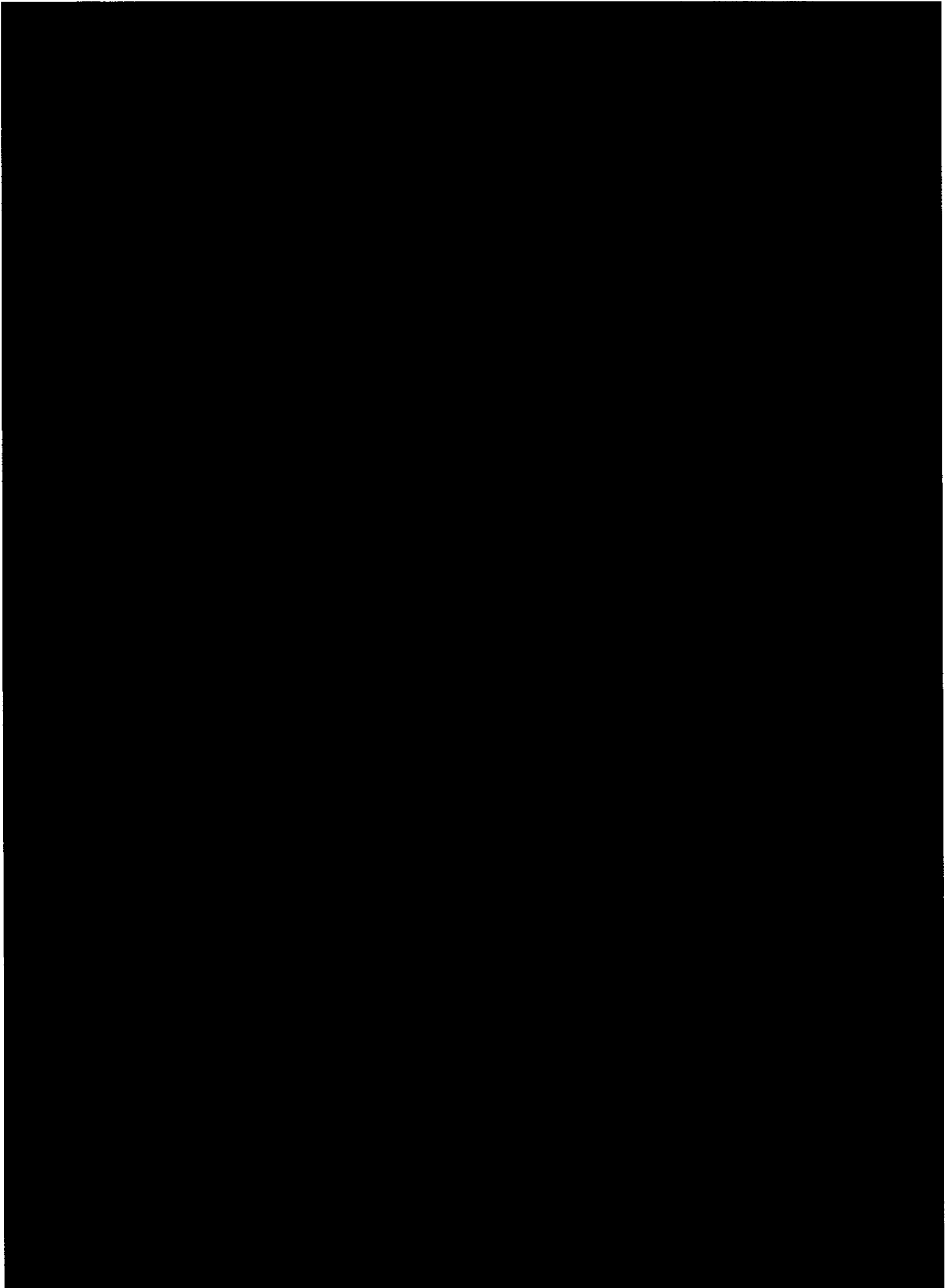


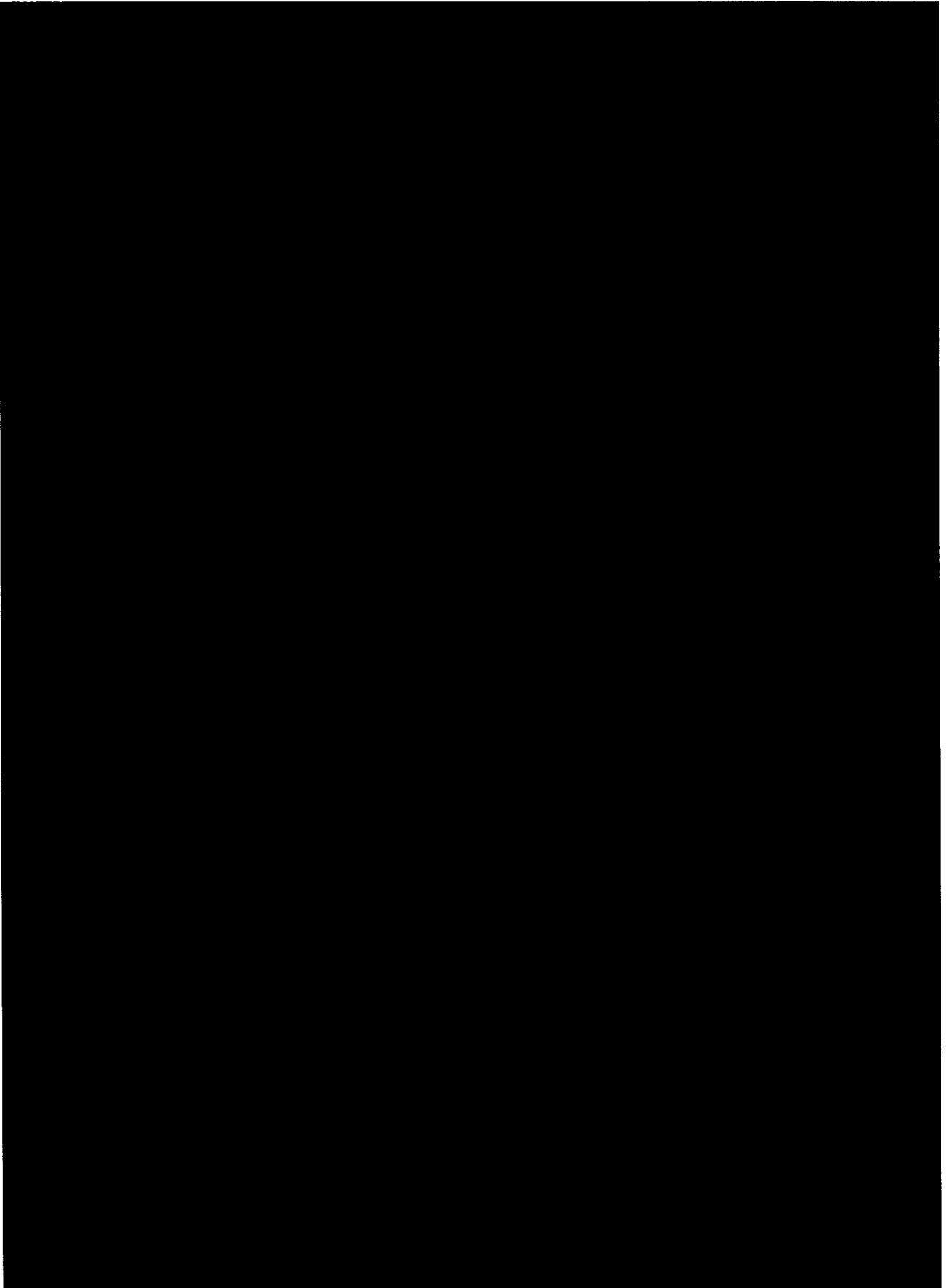


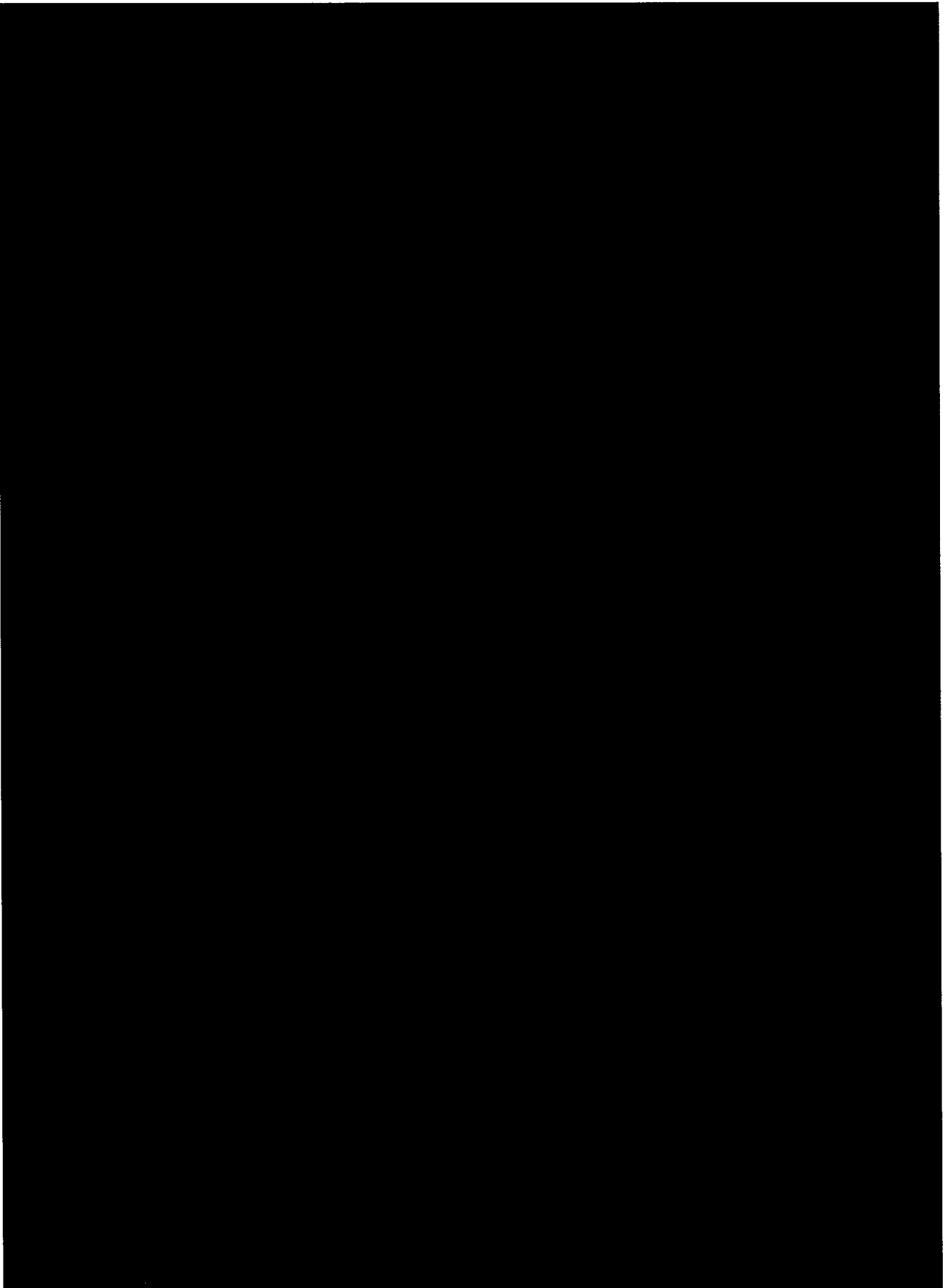


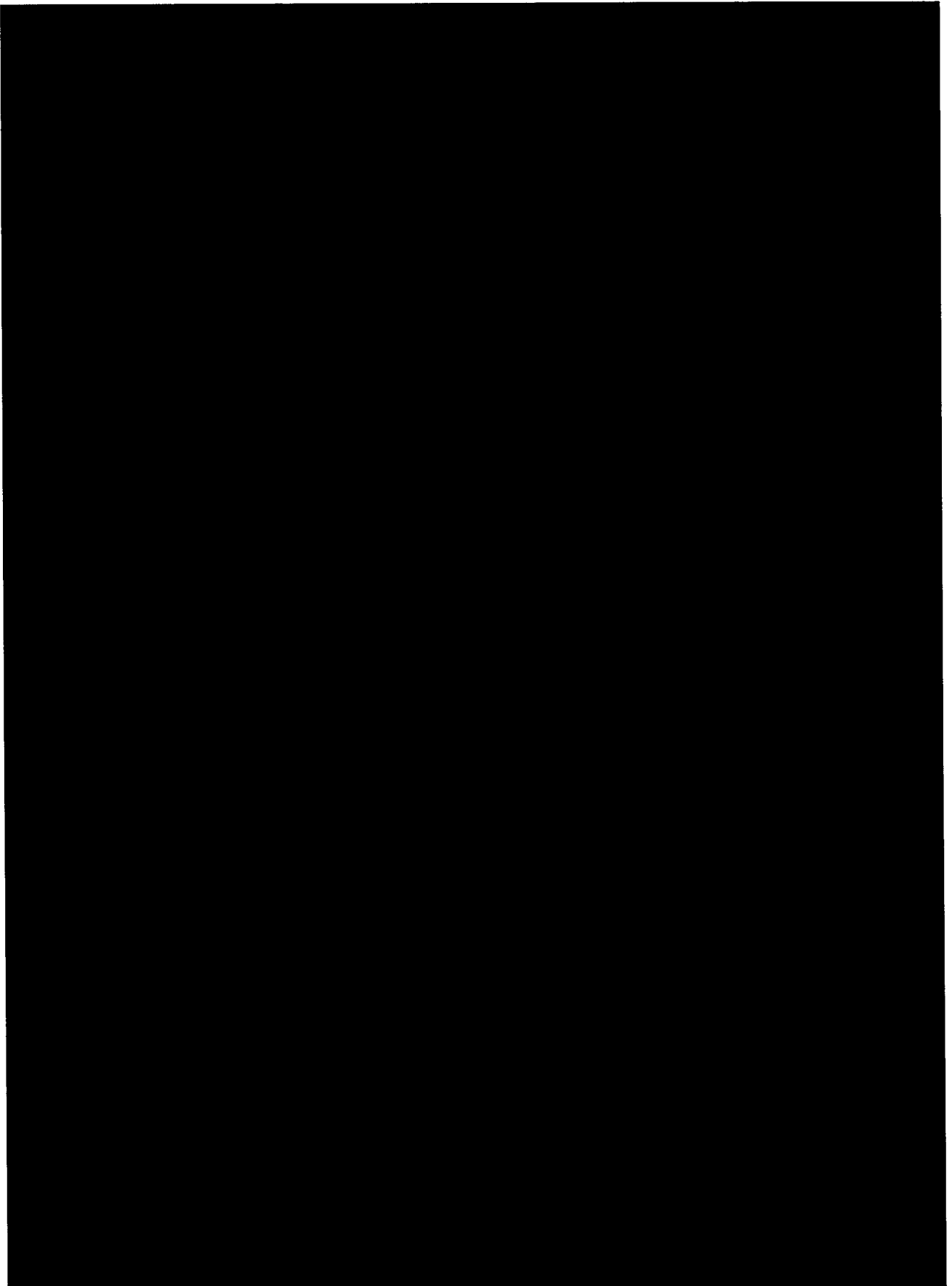


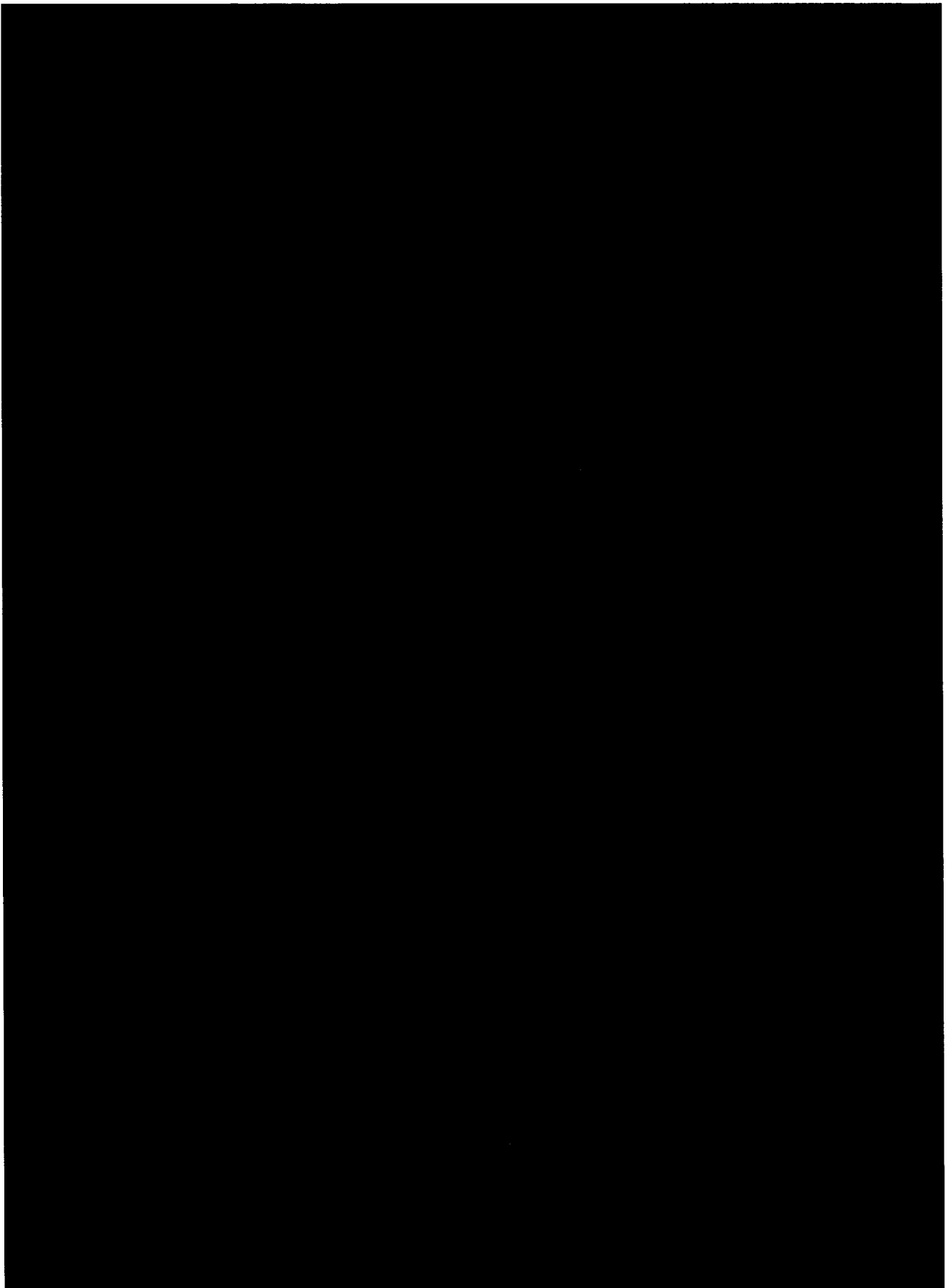


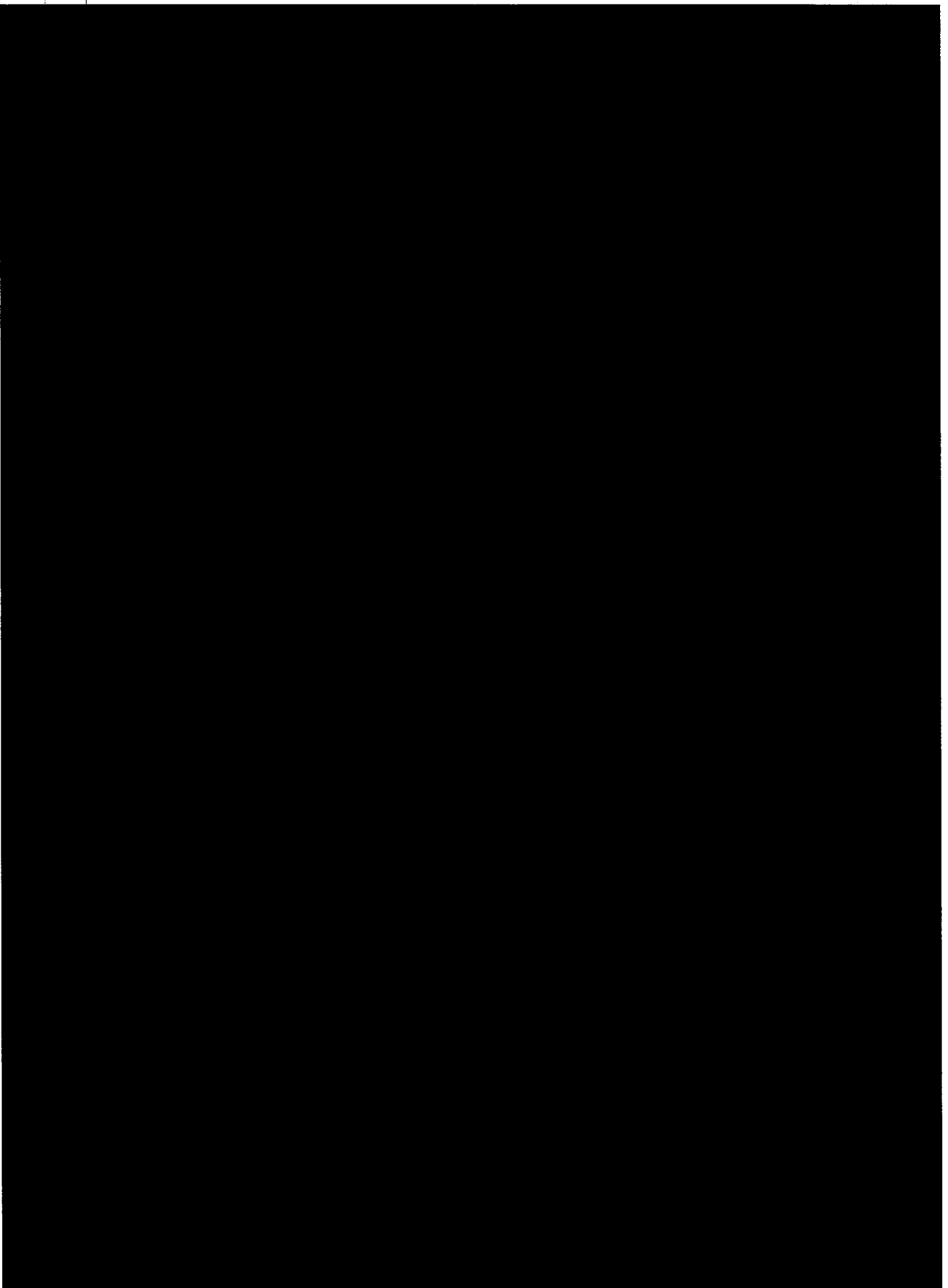


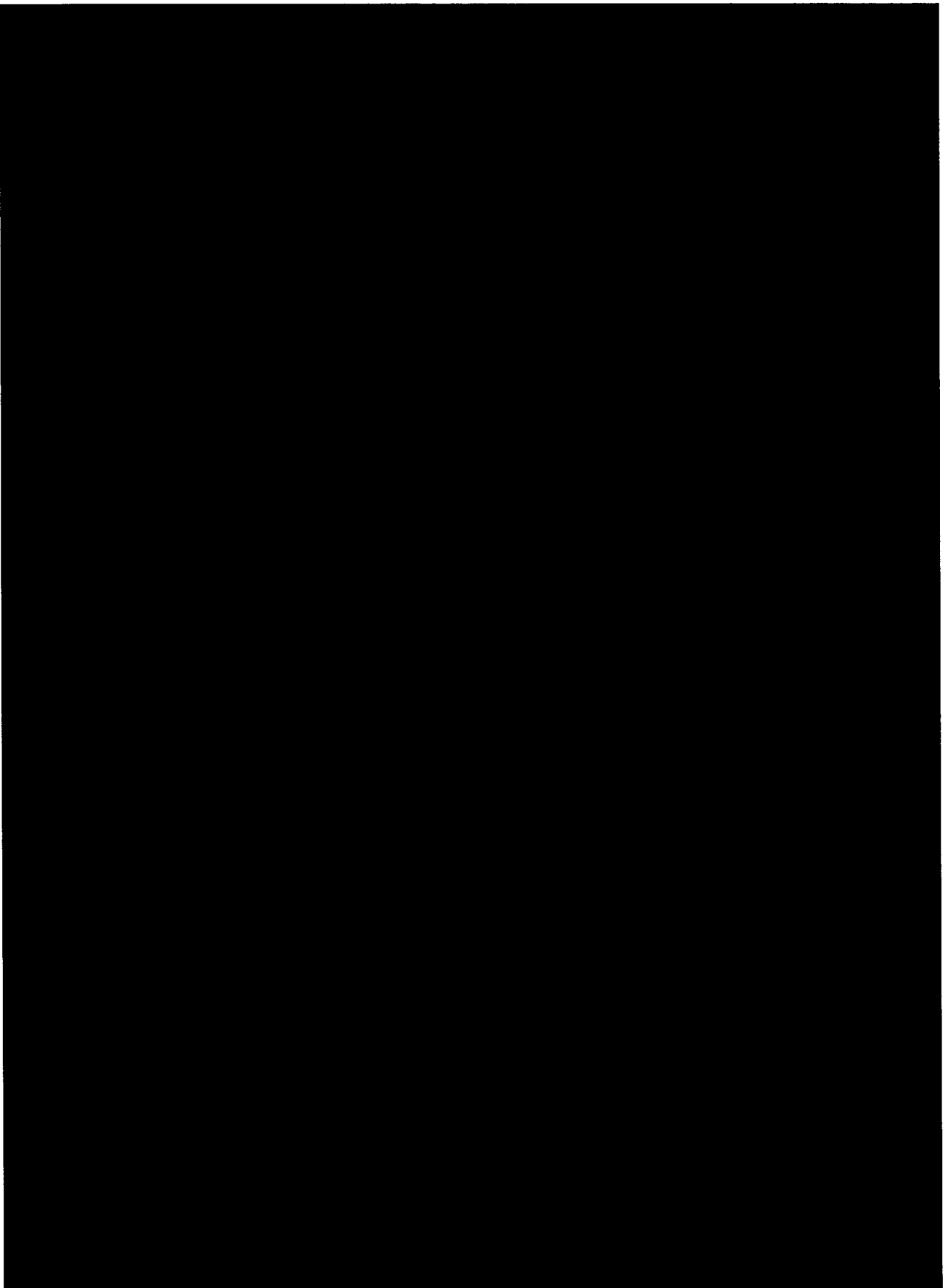


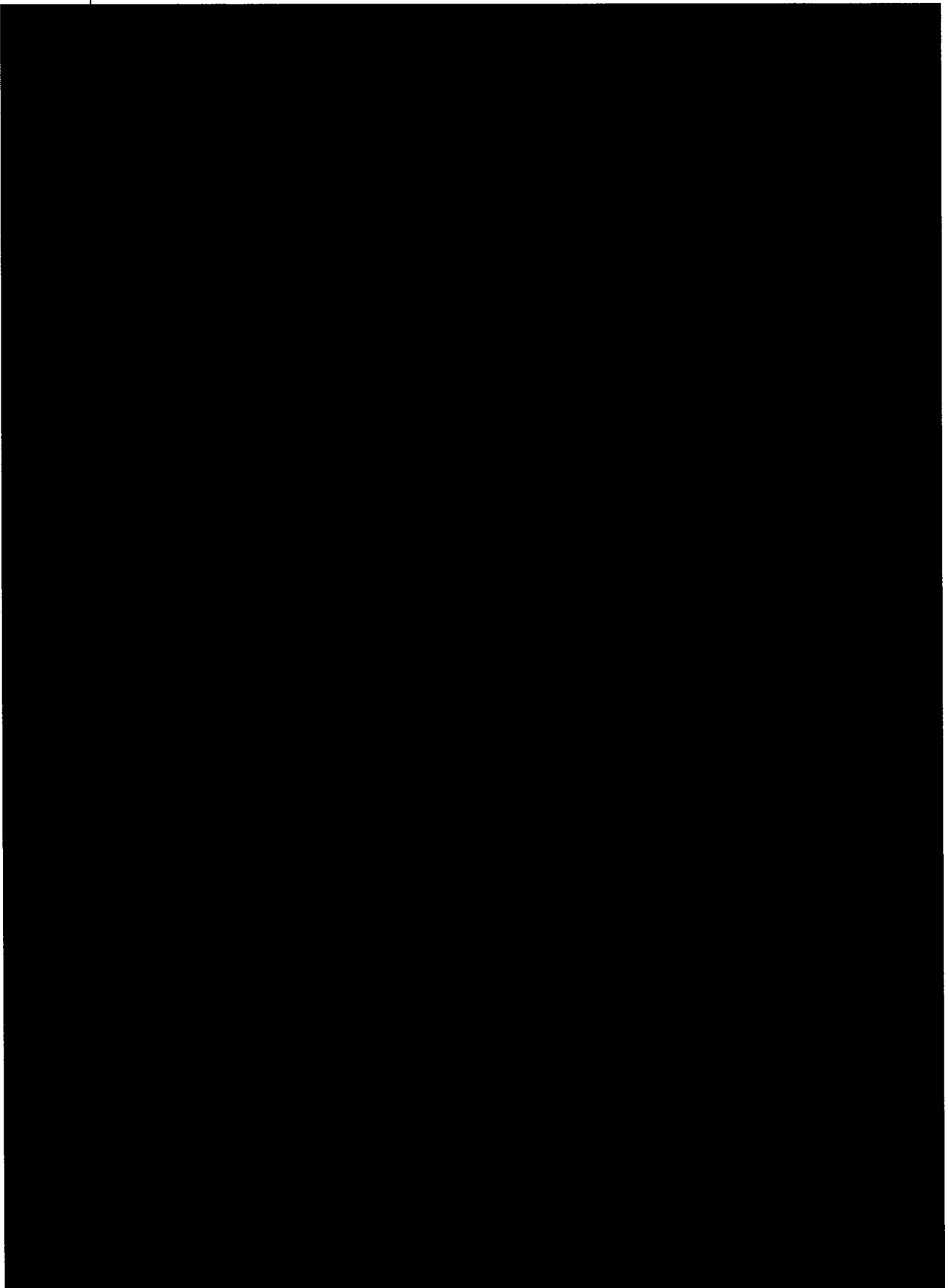


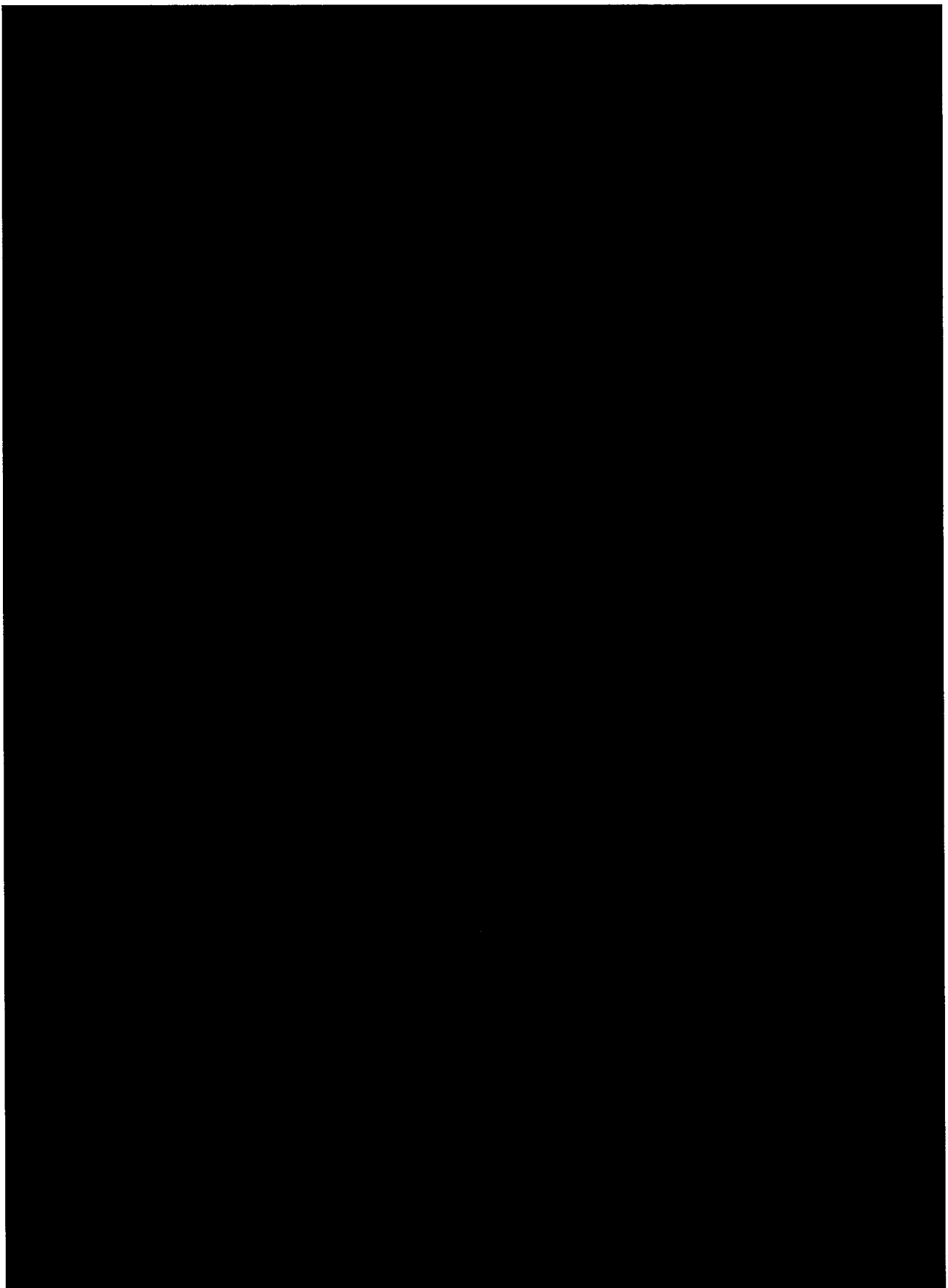


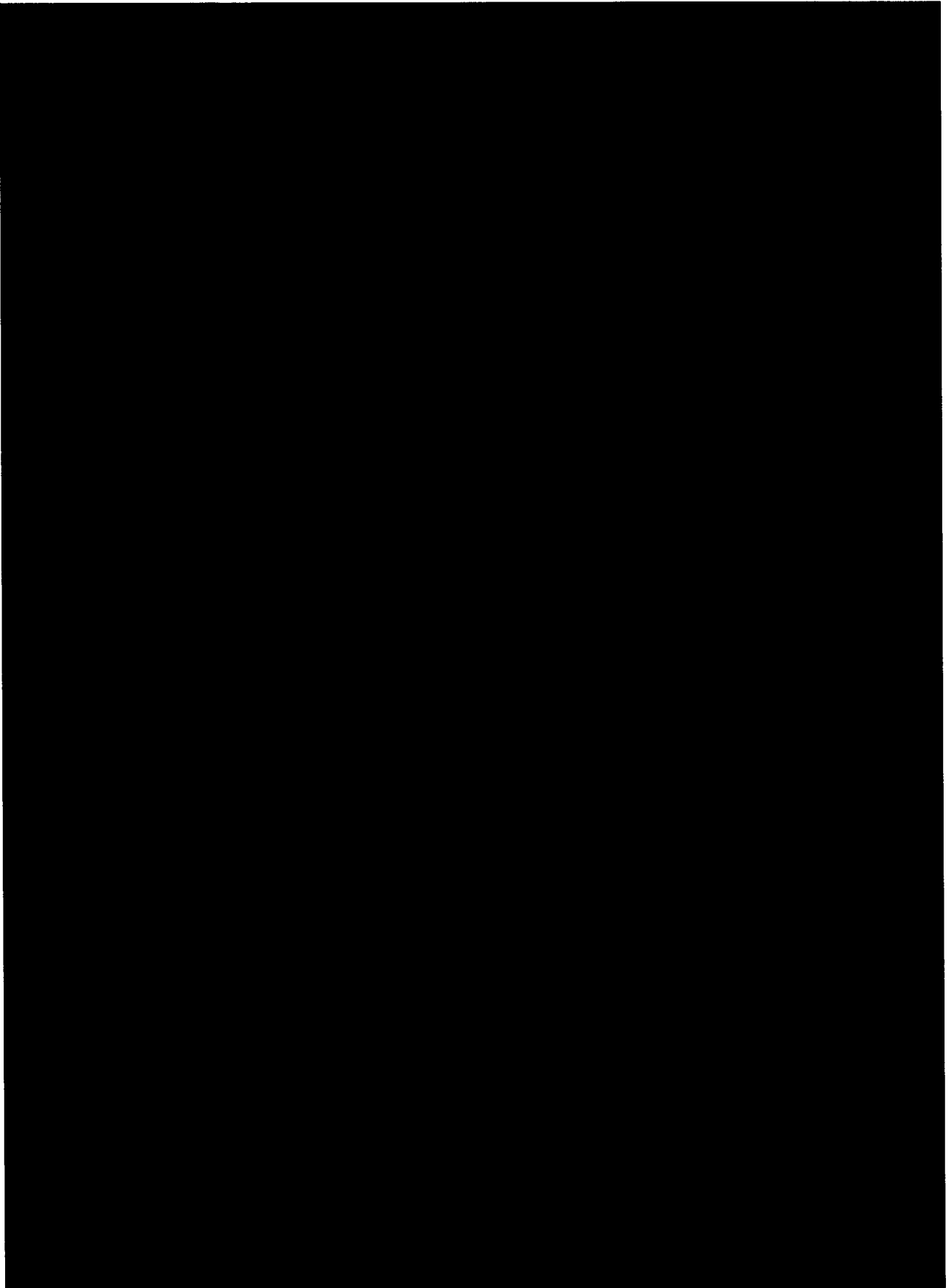


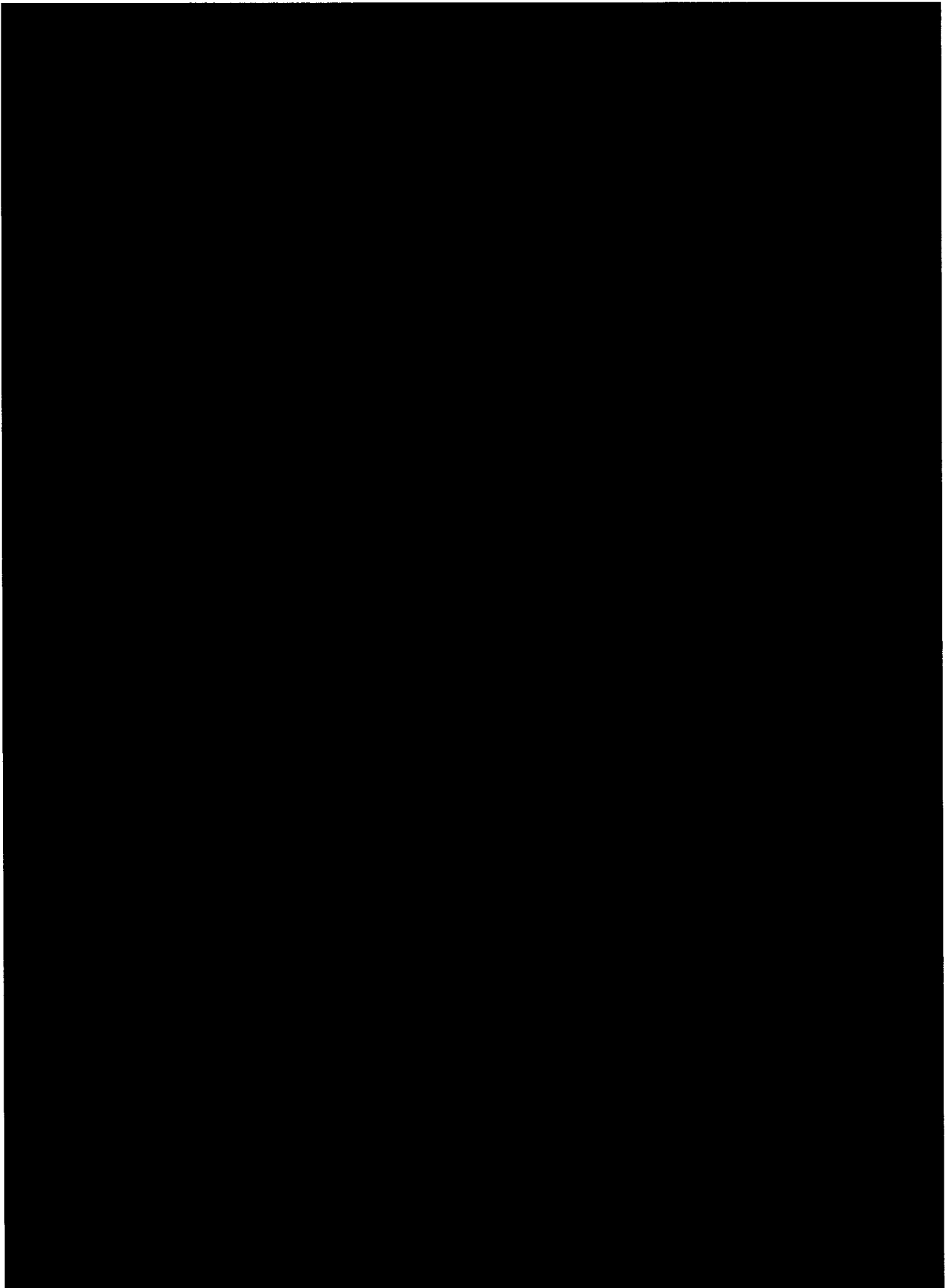


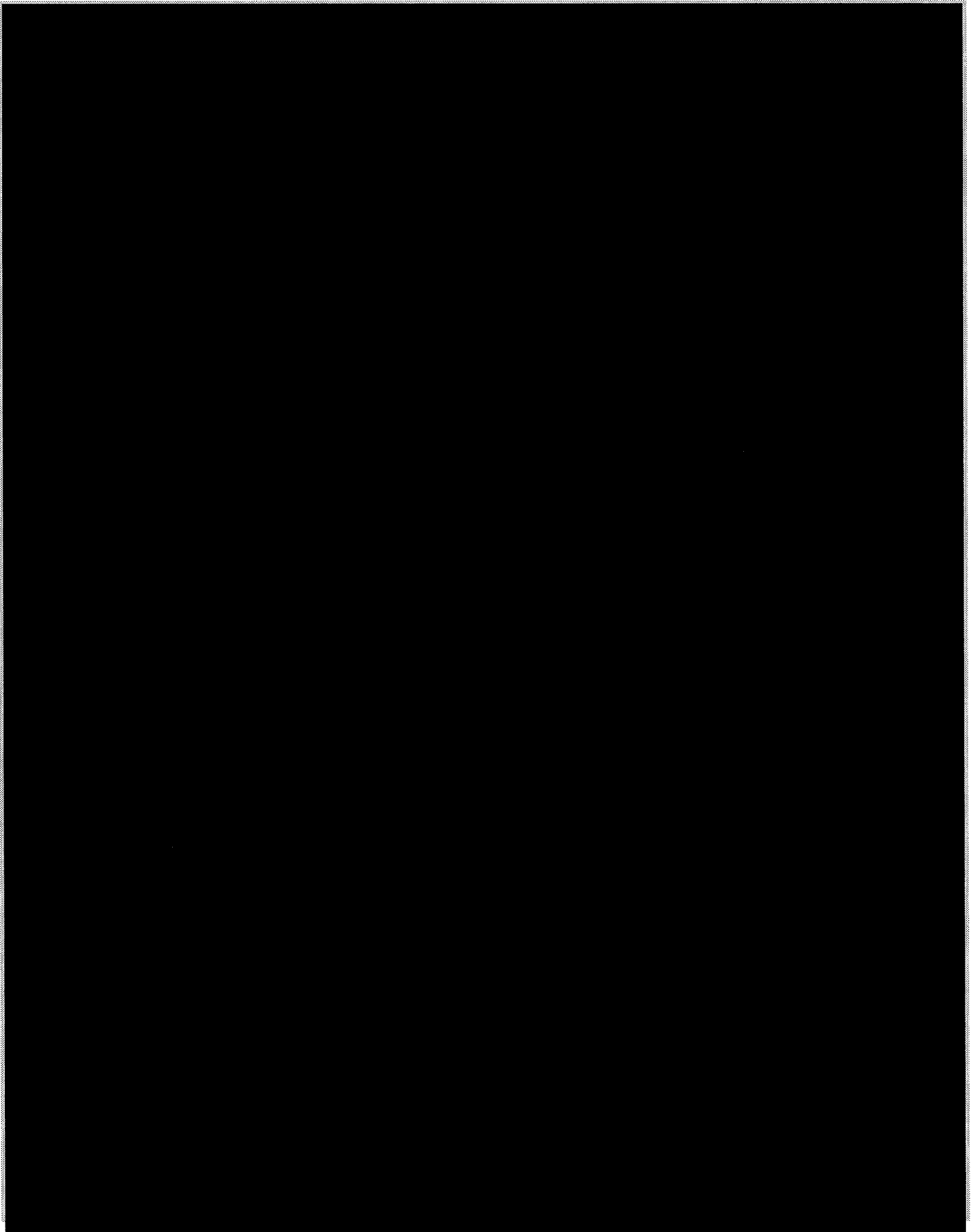


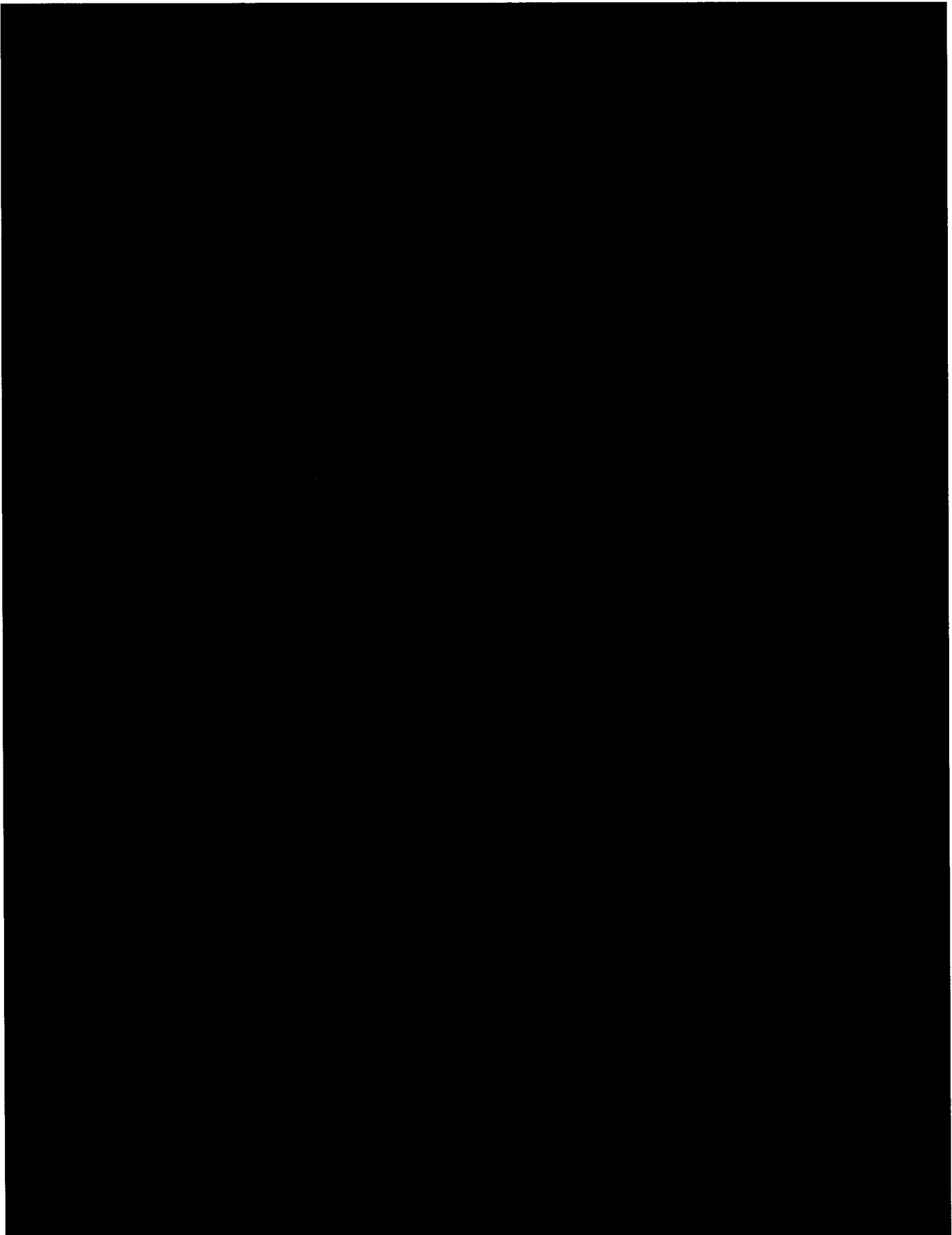


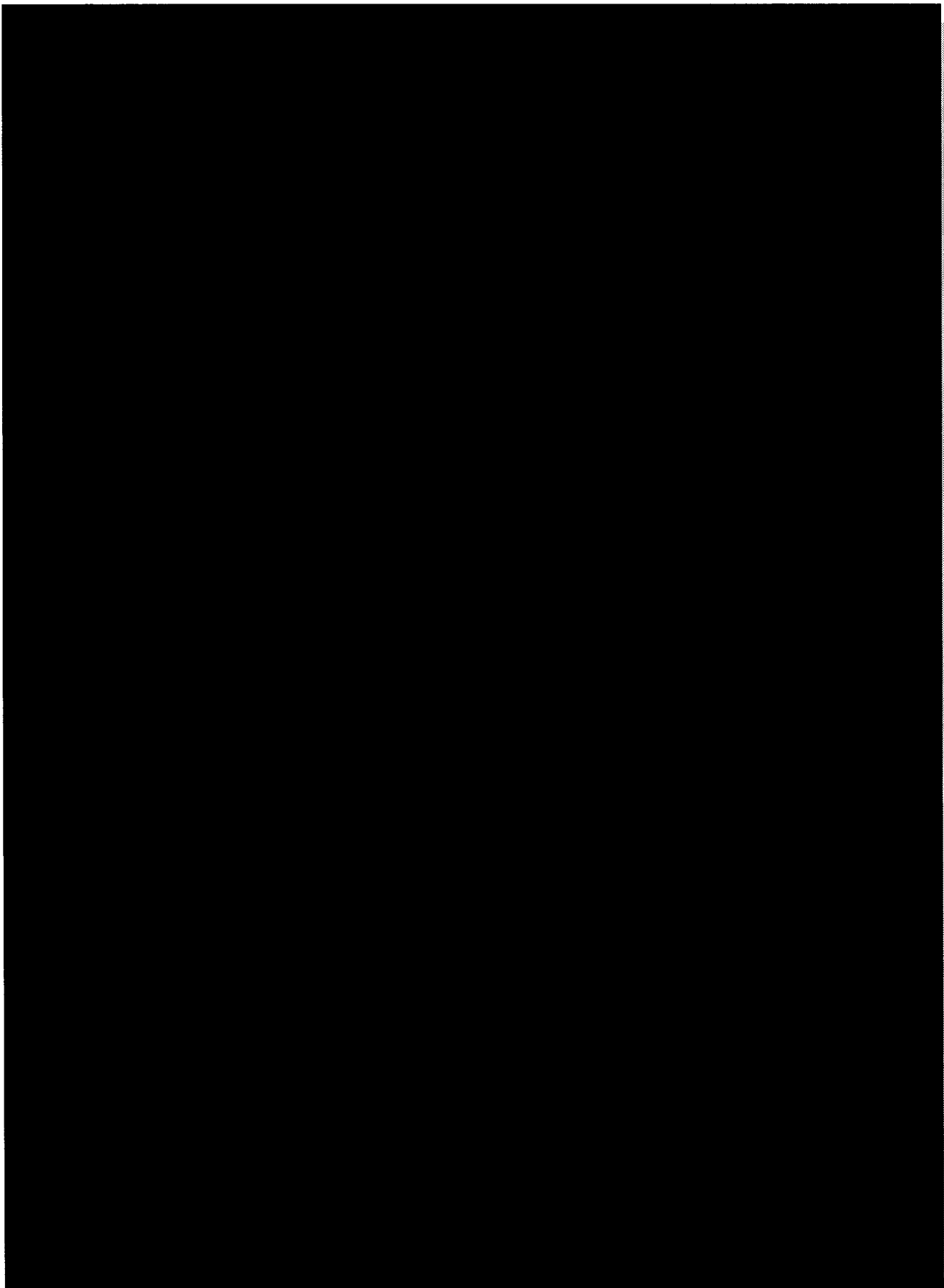


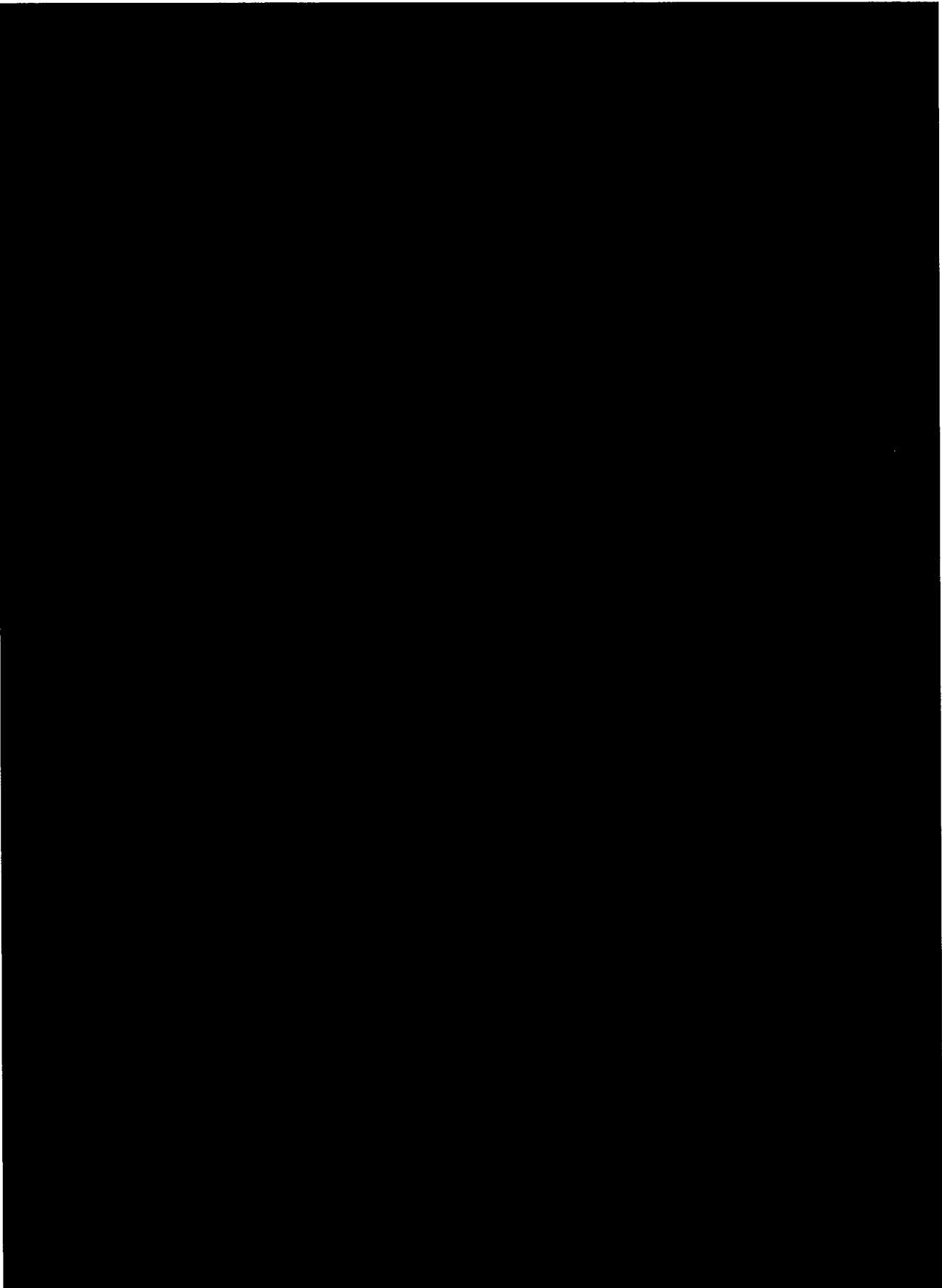


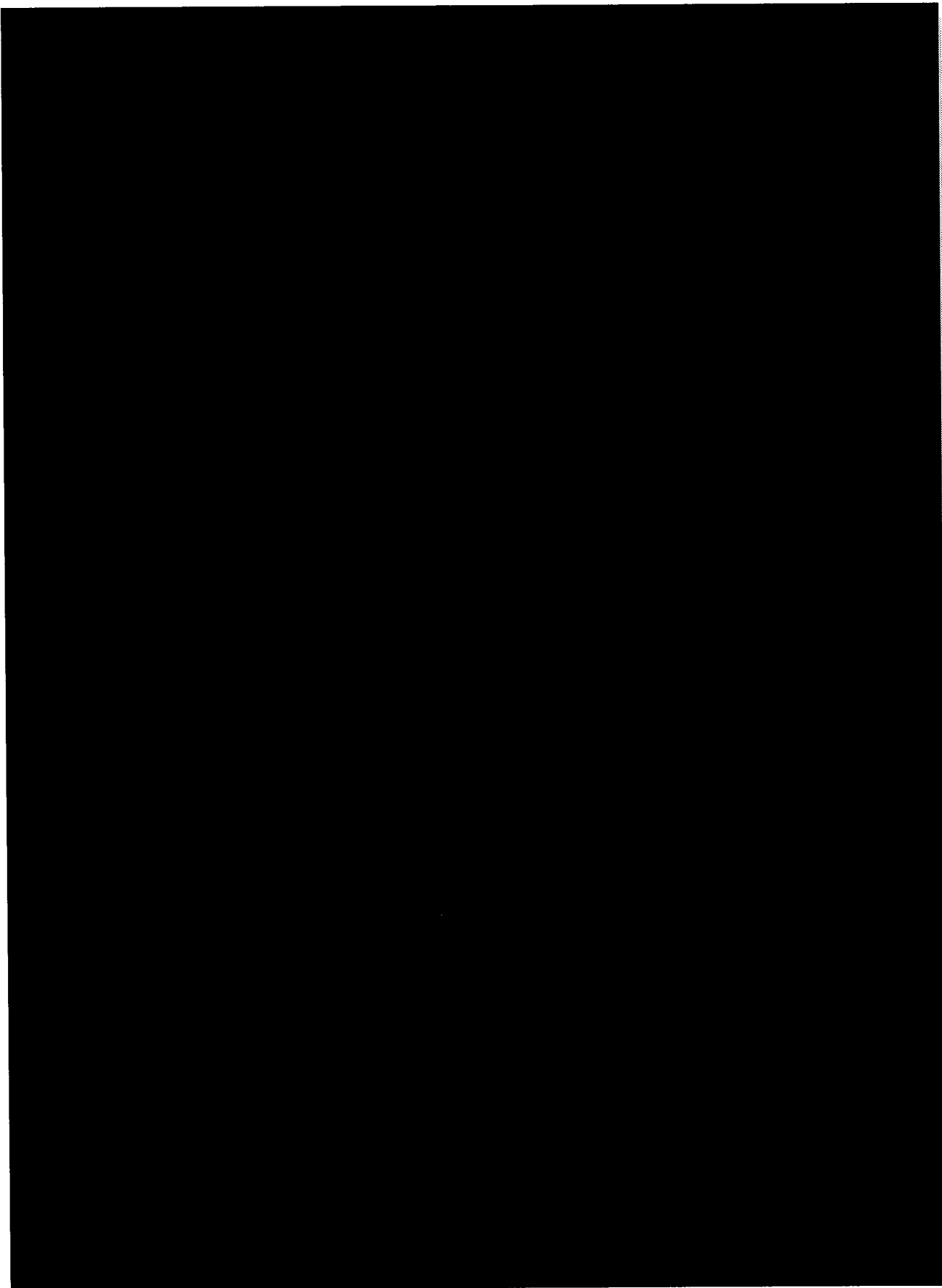


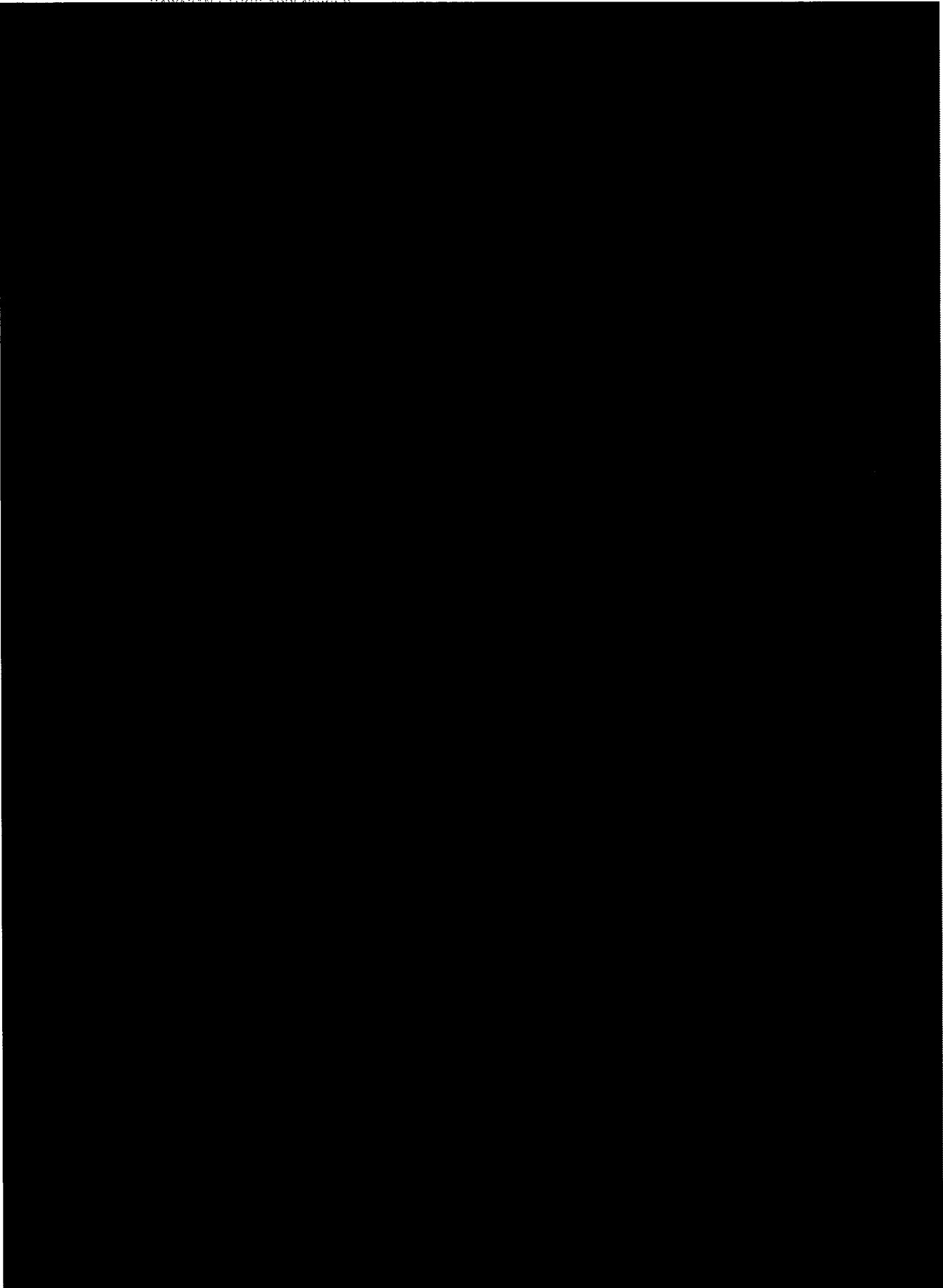












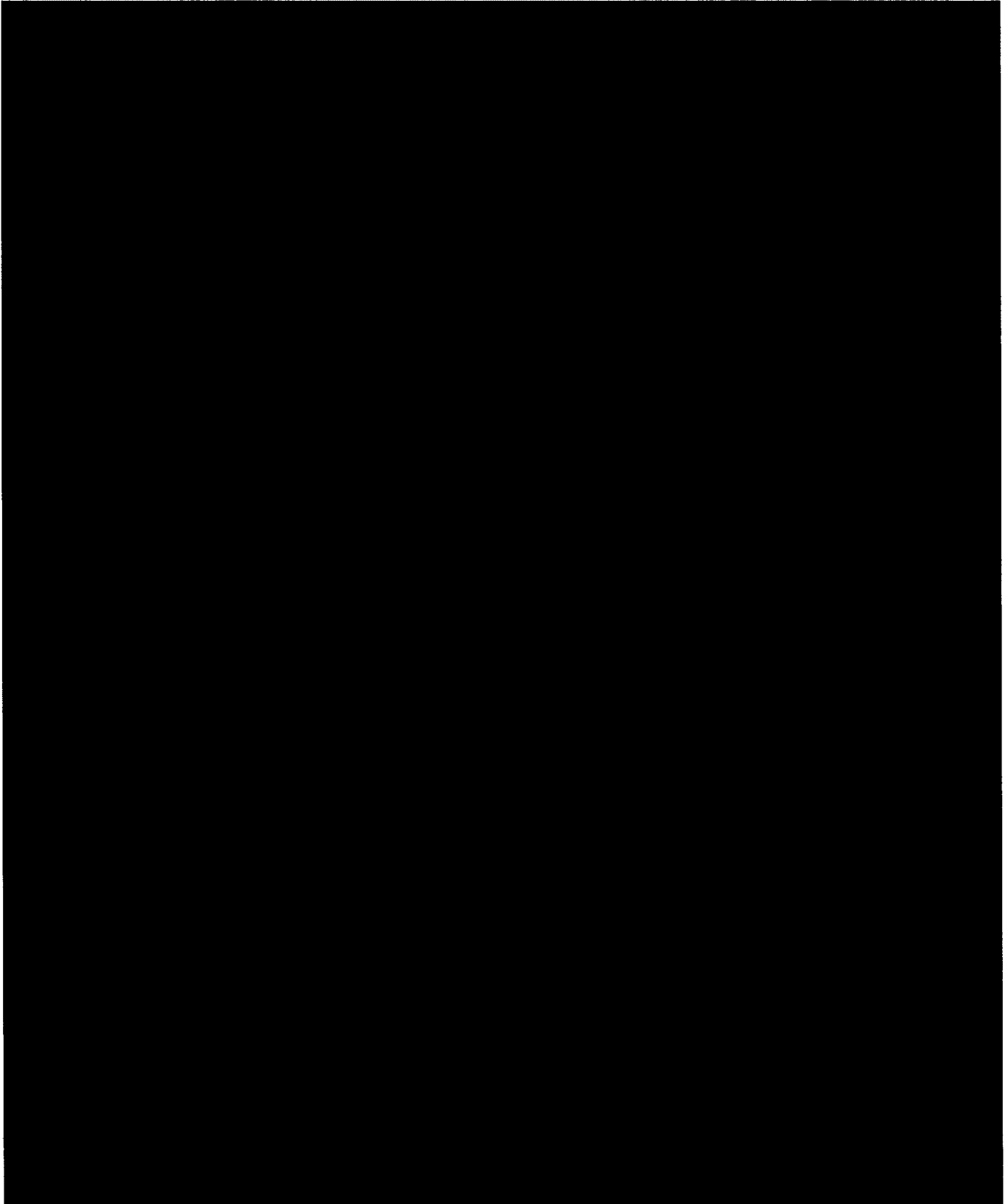
HAWAIIAN ETHOS APPENDICES



5755 SW Jean Road
Lake Oswego, OR 97035

Hawaiian Ethos

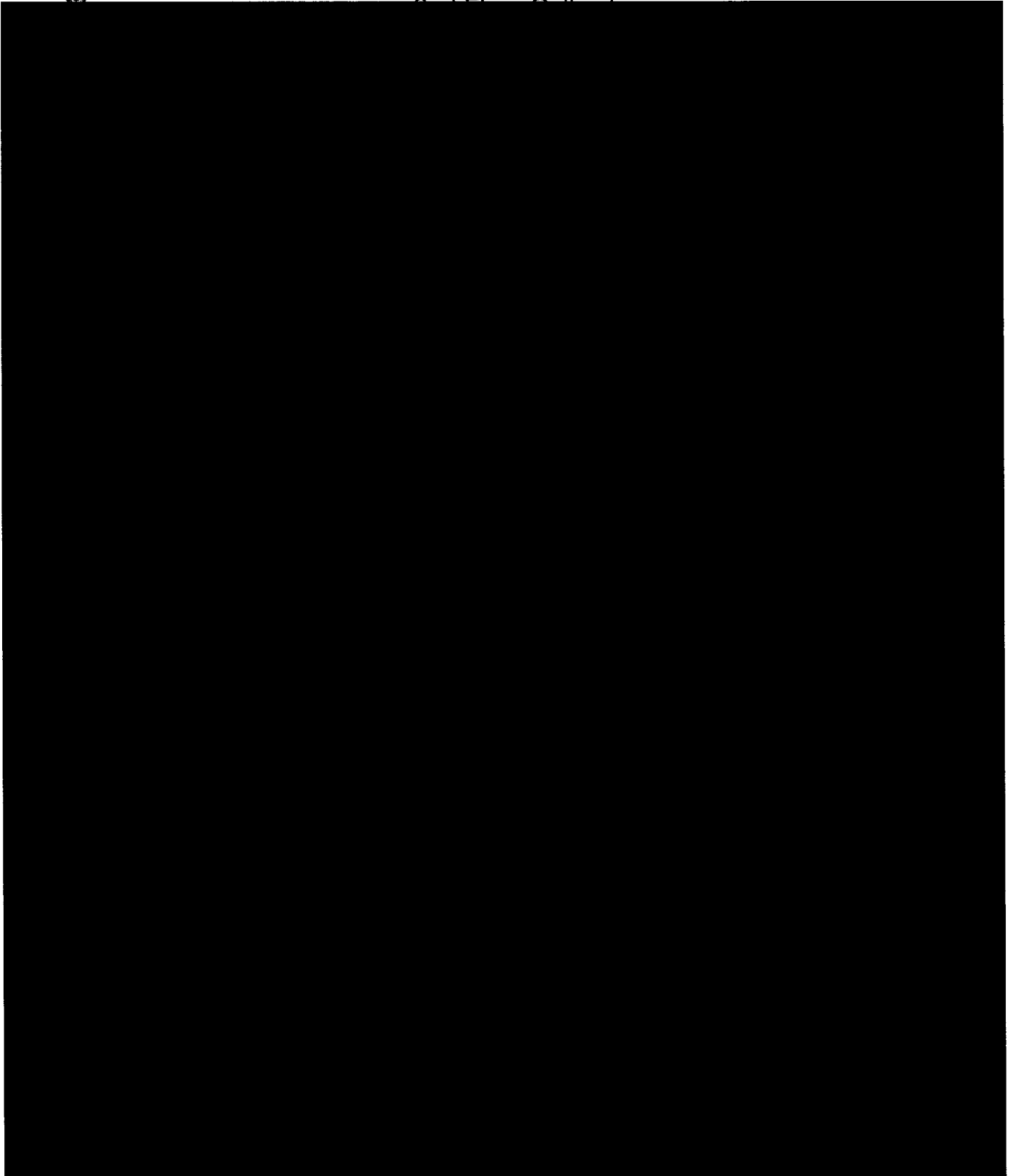
1st Floor Cultivation

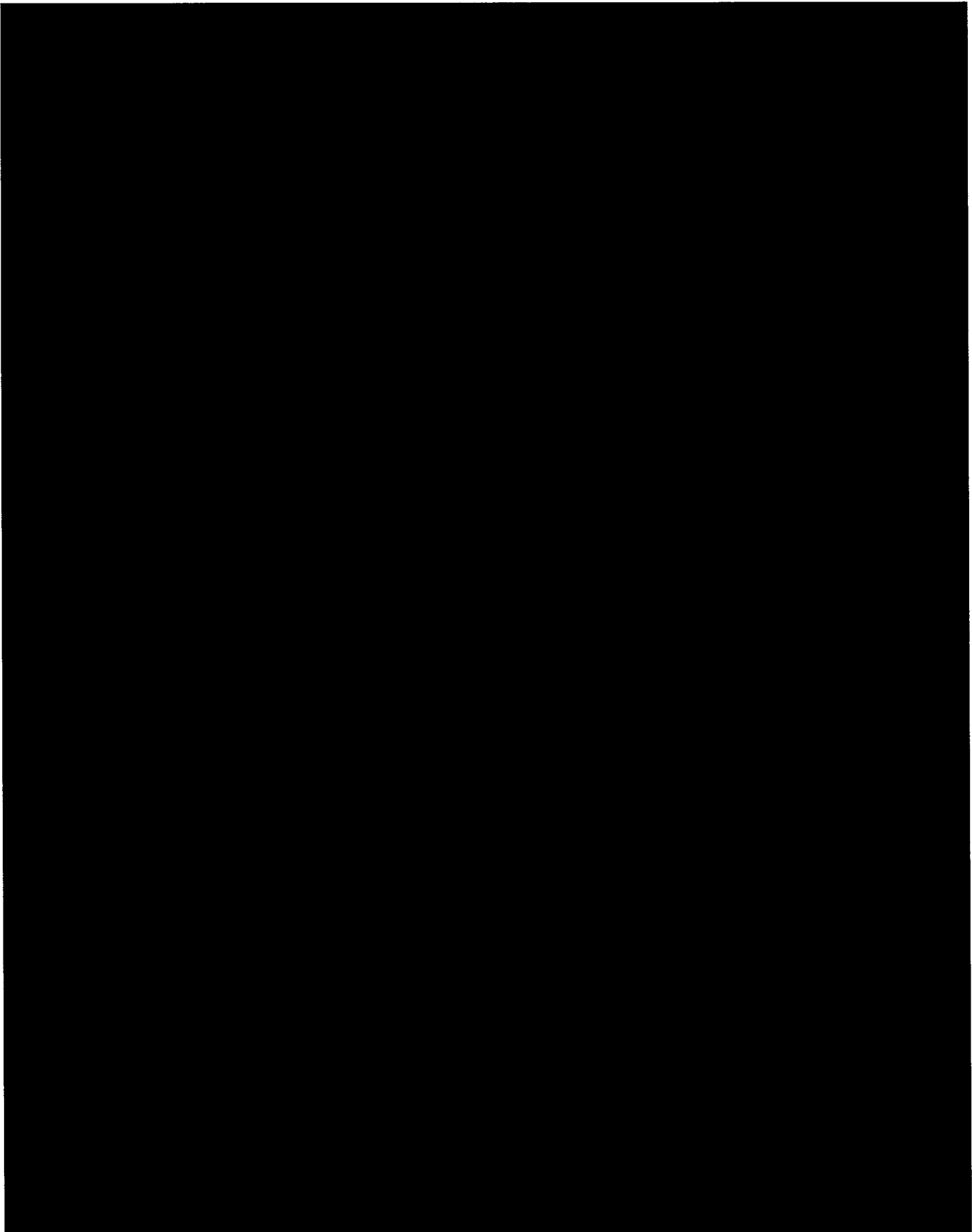




5755 SW Jean Road
Lake Oswego, OR 97035

Hawaiian Ethos







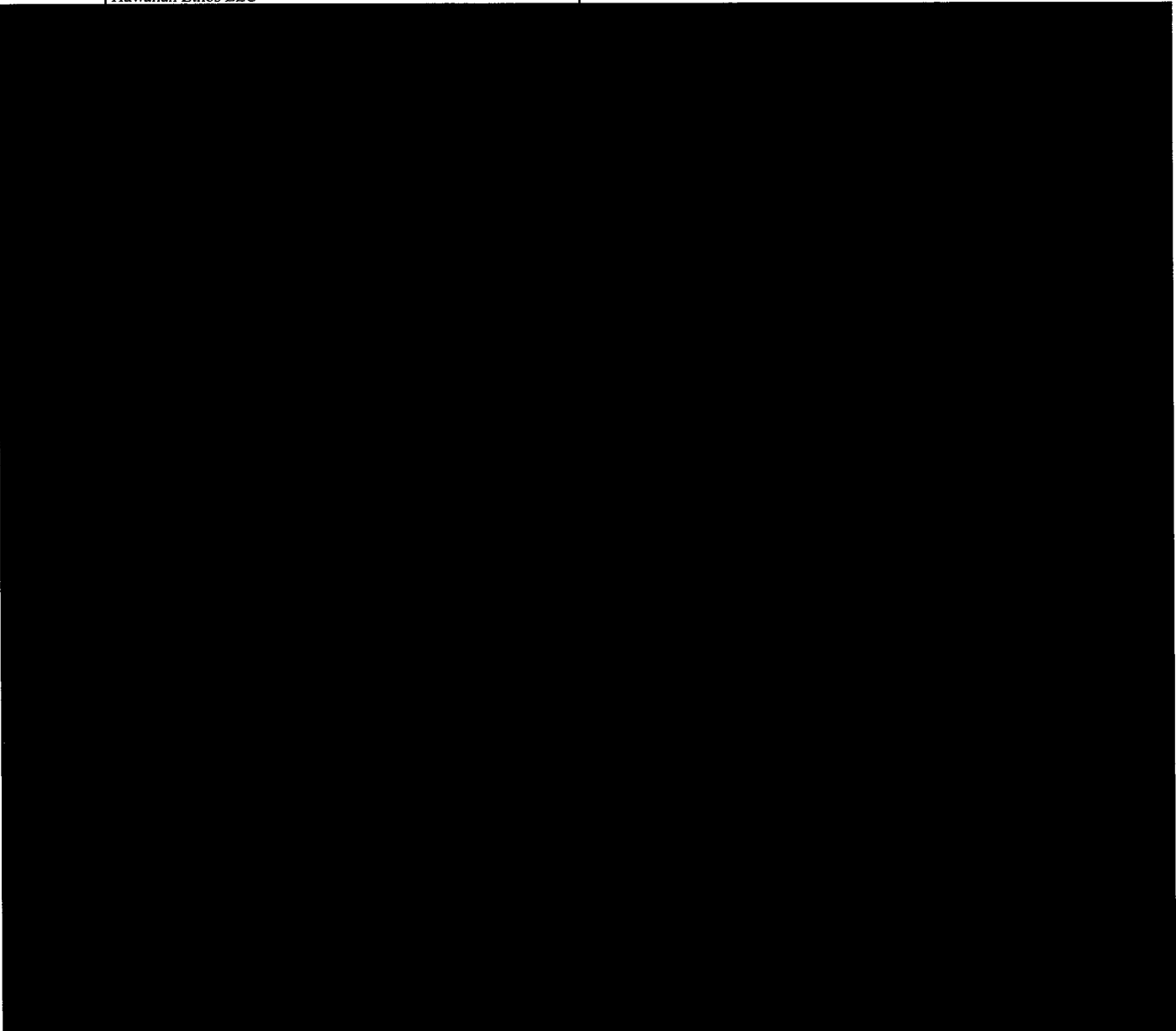
CannaGuard Security

5755 Jean Rd Ste 101
Lake Oswego, OR 97035

Estimate

Date	Quote #
1/20/2016	849

Name / Address
Hawaiian Ethos LLC



Signature _____

GROUND LEASE

— LA'AU PONO

THIS LEASE (this "Lease") made this [REDACTED] day of January, 2016, by and between [REDACTED], whose mailing address is [REDACTED] ("Lessor"), and LA'AU PONO, INC., a Hawaii corporation, whose mailing address is [REDACTED] ("Lessee"), sets forth the following terms and conditions under which Lessor shall lease to Lessee the Premises described below.

BASIC LEASE PROVISIONS

- | | | |
|----|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A. | Leased Premises: | |
| B. | Term: | Commencement Date (as defined in Section D below) through March 31, 2021. |
| C. | Option to Extend: | The Lease may be extended for the following three (3) successive five-year periods: (1) the five-year period commencing on April 1, 2021, and continuing until March 31, 2026; (2) the five-year period commencing on April 1, 2026, and continuing until March 31, 2031; and (3) the five-year period commencing on April 1, 2031, and continuing until March 31, 2036. |
| D. | Commencement Date | (subject to change as specified in Section 1.5 of this Lease). Hawaiian Ethos, LLC, a Hawaii limited liability company ("Hawaiian Ethos"), is applying to the State of Hawaii Department of Health ("DOH") for a medical marijuana dispensary license ("Medical Marijuana License"), as defined in Hawaii Revised Statutes Chapter 329D ("Chapter 329D"), the anticipated notification date for which is April 15, 2016 (the "License Notification"). Lessee shall promptly notify Lessor upon Lessee's receipt of notification from Hawaiian Ethos of the License Notification. Within 180 days of receipt of the License Notification, Lessee shall apply for all required permits from the County of Hawaii Public Works Department (Building Division) in order to occupy the Premises. The "Commencement Date" of this Lease shall be the date that Lessee receives final approval from the County of Hawaii Public Works Department (Building Division) to occupy the Premises. |

- E. Rental Rate: Pursuant to Section 3.1 of this Lease, payable monthly in advance and prorated for any period less than a full month:
- For the period beginning on the Commencement Date, and ending on March 31, 2017, the monthly rent shall be [REDACTED] plus Hawaii general excise tax ("GET").
- On April 1 of each year, beginning April 1, 2017, the Rent shall be escalated by the change in CPI, described further in Section 3.1(b) of this Lease.
- F. Additional Rent: Pro-rata share of real property taxes.
- G. Condition of Premises: "AS-IS"
- H. Water: Lessee shall install a submeter at its cost and will reimburse Lessor for actual water usage at prevailing County of Hawaii water rates plus Hawaii GET. Lessor shall be responsible for any repairs to the water line before the submeter, and the Lessee shall be responsible for any repairs in the transmission line after the submeter. The submeter shall be installed close to the County of Hawaii water meter.
- I. Electricity and Telecommunications System: Lessee is responsible for its own electricity and telecommunications costs. Lessee must obtain service from Hawaiian Electric Company and is responsible for all costs associated with setting up service.
- J. Repairs and Maintenance: Lessee shall be responsible for any and all repairs and maintenance of the Leased Premises.
- K. Security Deposit: None.
- L. Insurance: The Lessee shall maintain a comprehensive general liability insurance with limits of One Million Dollars [REDACTED] in the aggregate, plus additional insurance requirements for automobile liability, worker's compensation, commercial property, and business interruption, as further described in Section VI of this Lease.
- M. Improvements: All improvements must be in compliance with applicable laws and require the approval of Lessor prior to construction, which approval shall not be unreasonably withheld. Lessee shall submit a plan to Lessor prior to construction of any improvements. At the termination of the Lease, any

- buildings, the building pads, greenhouses and fencing shall remain on the property and become the owner of the Lessor.
- N. Sublease: Lessee shall not sublease any portion of the Leased Premises without the prior written approval of the Lessor.
- O. Roadway Access: Lessor shall ensure that Lessee has access to a two-wheel drive accessible roadway to and from the Leased Premises.
- P. Access Requirements: Lessor shall access the Premises only in compliance with the conditions and restrictions imposed by the Chapter 329D, including applicable administrative rules, and any other state or county laws related to medical marijuana (such laws collectively, "Hawaii Medical Marijuana Laws"). Lessor shall follow all protocol established by Lessee pursuant to the Hawaii Medical Marijuana Laws and reasonable best practices (such measures collectively, the "Access Requirements"), as further described in Section 5.12 of this Lease.
- Q. Federal Seizure Protection: If the Premises or any part thereof shall be seized, attached, executed, confiscated, levied upon under any legal process or under claim of legal right, or under forfeiture proceedings under state or federal laws (each, a "Seizure"), this Lease shall terminate immediately upon Seizure. If a Seizure occurs, Lessee shall use its best efforts to restore ownership of the Premises to Lessor (whether through legal action, the purchase of the Premises at auction or otherwise). Lessee shall control the strategy, defense and settlement of any such action and shall be responsible for all fees and expenses incurred in connection therewith. Lessee shall keep Lessor informed as to the status of any such litigation or negotiations.
- R. Contingency: This Lease shall be effective immediately upon the Commencement Date. In the event that the DOH does not select Hawaiian Ethos for a Medical Marijuana License, this Lease shall be null and void and of no further force and effect.
- S. Use: The Premises shall be used for the possessing, cultivating, processing, producing, manufacturing, storing and transporting marijuana and marijuana products in accordance with the Hawaii Medical Marijuana Laws.
- T. Modifications: Lessor and Lessee may amend or otherwise modify this Lease

prior to the Commencement Date. Both parties agree to negotiate in good faith if the other party desires that the Lease be amended or modified.

I. DEMISE

1.1 Demised Premises. Lessor, in consideration of the rents reserved in this Lease and of the covenants contained in this Lease, and on the part of Lessee to be observed and performed, hereby demises and leases unto Lessee, and Lessee hereby accepts and leases from Lessor:

All of the real property consisting of the Primary Production Site and the Buffer Area, which consists of approximately 50 feet in all directions, together with an easement for a two-wheel drive access roadway to and from Hualalai Road (the "Premises"), which Premises is located at [REDACTED] more particularly described in Exhibit "A" attached and incorporated by reference (the "Property").

SUBJECT, HOWEVER, to the encumbrances described in Exhibit "A," and to the following reserved rights, except where such reserved rights are limited by this Lease:

(a) Water Rights. The right unto Lessor, Lessor's agents and any permittees or grantees of Lessor, from time to time to enter the Premises with any necessary equipment and to prospect, dig, bore, drill and tunnel for water thereon, to divert, collect and impound any water so developed and to construct, maintain, repair and replace thereon any dams and reservoirs to collect and impound such water any ditches, flumes and pipelines necessary to conduct such water from the Premises; provided, however, that this right shall be exercised in such manner as to occasion the least practicable interference with the use of the Premises by Lessee.

(b) Access. The right unto Lessor, Lessor's lessees and such other persons who now have or are hereafter granted rights of access to neighboring lands, to use in common with Lessee all roads and trails from time to time existing on the Premises.

(c) Utilities. All land and rights-of-way which Lessor in Lessor's sole discretion may from time to time require for Lessor, Lessor's other lessees, other grantees or permittees of Lessor, for roads, trails, ditches, flumes, pipelines or pole and wire lines and the right to enter the Premises and construct, maintain, repair and replace any such facilities; provided, however, that this right shall be exercised in such manner as to occasion the least practicable interference with the use of the Premises by Lessee, and the Rent reserved in this Lease for the remaining part of the Premises not used for such additional roads, trails, ditches or flumes shall be based on the reduced area of the Premises for the remaining Term as of the date of commencement of such use, it being intended that there shall be no reduction in Rent.

(d) Historic Sites. All historic sites, including without limitation places, objects or specimens, if any, which may be on the Premises, together with the right at all times to enter the Premises for the purpose of locating and exploring for objects, antiquities and

specimens of Hawaiian or other ancient art or handicraft of prehistoric, historic or archeological interest, and removing the same for preservation.

(e) **Mineral Rights.** All mineral and metallic mines of every description.

(f) **Covenants, Conditions and Restrictions.** The right unto Lessor from time to time to approve and adopt reasonable covenants, conditions and restrictions regarding use of lands and water, to benefit and be binding upon Lessor's Property.

TO HAVE AND TO HOLD the same, together with all improvements, rights, easements, privileges and appurtenances thereunto belonging or appertaining, unto Lessee for the Term defined below, unless the Term shall be sooner terminated as provided in this Lease, Lessee YIELDING AND PAYING to Lessor net over and above all taxes, rates, assessments and other charges described below payable by Lessee, in advance during the Term, without any deduction, all Rent, as provided in this Lease.

1.2 **Term.** The term (the "Term") of this Lease shall be four (4) years and eleven (11) months, commencing on the Commencement Date, and ending on March 31, 2021. Thereafter, if Lessee is not then in default, this Lease may be extended for the following three (3) successive five-year periods: (1) the five-year period commencing on April 1, 2021, and continuing until March 31, 2026; (2) the five-year period commencing on April 1, 2026, and continuing until March 31, 2031; and (3) the five-year period commencing on April 1, 2031, and continuing until March 31, 2036. To exercise each extension period, Lessee must notify Lessor in writing at least one hundred eighty (180) days before the term of each five-year extension period commences, and have by that date mutually agree in writing upon the Rent for that five-year extension period.

1.3 **Early Termination.** In the event that Lessee's Medical Marijuana License from the DOH expires or is terminated for any reason, this Lease shall terminate thirty (30) days after the last date that the Medical Marijuana License was active.

1.4 **Quiet Enjoyment.** Upon observance and performance of the terms, covenants and conditions contained in this Lease and to be observed and performed by Lessee, Lessee shall peaceably hold and enjoy the Premises for the Term and any extensions thereof without hindrance or interruption by Lessor or any other person lawfully or equitably claiming by, through or under Lessor, except as otherwise expressly provided in this Lease.

1.5 **Contingency.** Commencement of this Lease shall be contingent upon: (i) Hawaiian Ethos being awarded a Medical Marijuana License pursuant to Chapter 329D, which is anticipated to be announced on April 15, 2016 (the "License Notification"), and (ii) application by Lessee (within 180 days of receipt of such License Notification) for permits from the County of Hawaii Public Works Department (Building Division) to occupy the Premises and final approval thereof (the "Commencement Date"). This Lease shall be immediately terminated if Hawaiian Ethos is not awarded a Medical Marijuana License.

II. DEFINITIONS

2.1 Defined Terms in this Lease. For the purpose of this Lease, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined in this Lease):

DLNR: The State of Hawaii Department of Land and Natural Resources, or its successor.

DOA: The State of Hawaii Department of Agriculture, or its successor.

DOH: The State of Hawaii Department of Health, or its successor.

Event of Default: The meanings assigned to that term in Section 10.1 of this Lease.

Hazardous Discharge: Any event involving the use, deposit, disposal, spill, release or discharge of any Hazardous Material on, within or under the Premises.

Hazardous Materials: Any and all radioactive materials, asbestos, organic compounds known as polychlorinated biphenyls ("PCB") or substances or compounds containing PCB, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per square inch absolute) and any and all other substances or materials defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under, or for the purposes of, Hazardous Materials Laws.

Hazardous Materials Claim:

(a) Any and all enforcement, clean-up, removal, mitigation or other governmental or regulatory actions instituted, or to the best of Lessee's knowledge contemplated or threatened, in respect of the Premises pursuant to any Hazardous Materials Laws; and

(b) Any and all claims made or to the best of Lessee's knowledge contemplated or threatened, by any third party against Lease seeking damages, contribution, cost recovery, compensation, injunctive relief or similar relief resulting from any Hazardous Discharge or from the existence of any Hazardous Material on, within or under the Premises.

Hazardous Materials Laws: All federal, state or local laws, ordinances or regulations, now or hereafter in effect, relating to environmental conditions, industrial hygiene or Hazardous Materials on, within, under or about the Premises or any improvements thereon, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), as amended, 42 U.S.C. § 9601, et seq., the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq., the Clean Water Act, 33 U.S.C. § 1251, et seq., the Clean Air Act, 42 U.S.C. § 7401, et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601

through 2629, the Safe Drinking Water Act, 42 U.S.C. §§ 300f through 300j, the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11011 through 11050, the Water Quality Act of 1987, 33 U.S.C. § 1251 *et seq.*, and nonpoint source pollution management programs adopted thereunder, and Hawaii laws regarding Management and Disposal of Infectious Waste, H.R.S. § 321-21, Solid Waste, H.R.S. Chapter 340A, Safe Drinking Water, H.R.S. Chapter 340E, Air Pollution, H.R.S. Chapter 342B, Water Pollution, H.R.S. Chapter 342D, Noise Pollution, H.R.S. Chapter 342F, Solid Waste Pollution, H.R.S. Chapter 342H, Lead Battery Recycling, H.R.S. Chapter 342I, Hazardous Waste, H.R.S. Chapter 342J, Underground Storage Tanks, H.R.S. Chapter 342L, Used Oil Transport, Recycling and Disposal, H.R.S. Chapter 342N, the Hawaii Environmental Response Law, H.R.S. Chapter 128D, and any similar state or local laws or ordinances and the regulations now or hereafter adopted, published and/or promulgated pursuant thereto, as the same may be amended from time to time.

Premises: The Premises as described in Exhibit “A” attached and incorporated by reference, subject to the encumbrances described in this Lease.

Underground Storage Tank: Any one or combination of tanks (including pipes connected thereto) used to contain an accumulation of regulated substances, and the volume of which (including the volume of the underground pipes connected thereto) is ten percent (10%) or more beneath the surface of the ground, as defined in H.R.S. § 342L-1.

2.2 Accounting Terms. All accounting terms not specifically defined in this Lease shall be construed in accordance with generally accepted accounting principles, applied on a consistent basis.

III. RENT

3.1 Rent. Lessee will pay to Lessor rent (“Rent”) as follows:

(a) Primary Production Site and Buffer Area. For the period beginning on the Commencement Date, and ending on March 31, 2017, the monthly Rent for the Primary Production Site and the Buffer Area shall be [REDACTED]

(b) On April 1 of each year, beginning April 1, 2017, the Rent shall be escalated by the change in CPI, as described below, provided that in no event shall the Rent for any annual period be less than the Rent for the preceding annual period. The term “CPI” as used above, refers to the Consumer Price Index for All Urban Consumers (CPI-U), Honolulu Average (Base Year: 1982-84=100, not seasonally adjusted), published by the United States Department of Labor, Bureau of Labor Statistics, or the successor to such index, as reasonably determined by Lessor in the event it is discontinued. If the index is changed so that the base year differs from that used above, the index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. To determine the Rent for each year, the Rent for the preceding annual period shall be multiplied by a fraction, the numerator of which shall be the CPI last published nearest to April 1 of the subject year, and the denominator of which shall be the CPI last published nearest to April 1 of the preceding year.

3.2 Payment of Rent. Lessee shall pay Rent on the first day of each month during the Term of this Lease, beginning on the Commencement Date.

3.3 Security Deposit. Intentionally Omitted.

3.4 Proration. If any time period under this Lease commences on a day other than the first day of a month or ends on a day other than the last day of a month, Rent for such month shall be prorated based on the number of days in the month.

IV. USE

4.1 Use of the Premises. Lessee will use the Primary Production Site for the sole purpose of possessing, cultivating, processing, producing, manufacturing, storing and transporting marijuana and marijuana products in accordance with the Hawaii Medical Marijuana Laws (the “Chapter 329D Activities”). Except as provided in this Lease, Lessee shall not conduct any other business activity on the Primary Production Site or permit or suffer the use of the Primary Production Site for any other use or purpose. Lessee shall not cultivate any marijuana and marijuana products in the Buffer Area.

4.2 Good Husbandry. Lessee will keep the Premises in a good cultivated condition reasonably free from weeds and other noxious growth. Lessee will comply with county grading codes and ordinances and consult with the United States Department of Agriculture Natural Resources Conservation Service and will by proper construction and use of drainage ditches and otherwise take all reasonable precautions to prevent or arrest loss of soil by erosion. Lessee understands and agrees that neither Lessor nor Lessor’s other lessees shall be required to perform any crop or weed control on any land adjoining the Premises.

V. LESSEE’S REPRESENTATIONS AND COVENANTS

Lessee hereby represents and covenants with Lessor as follows:

5.1 Lessee’s Acceptance and Possession of the Premises.

(a) Acceptance and Condition of the Premises. Lessee acknowledges that Lessor has made no representations or warranties concerning the condition of the Premises or its suitability for Lessee’s intended use or for any other purpose. Lessee has examined and shall accept the Premises in its then “as is” existing condition, Lessee having made such determinations as Lessee deems necessary regarding the suitability of the Premises for the purpose of cultivating wellness products. Lessee accepts and assumes all risks with respect to entry upon the Premises and the condition of the Premises, including, without limitation, all easements and any dangerous conditions (latent or patent) or Hazardous Materials thereon, and hereby releases and discharges Lessor and Lessor’s officers, employees, agents, attorneys and assigns, from and against any and all suits, administrative proceedings, claims, demands, causes of action, damages, consequential damages, losses, costs and expenses of any kind, whether known or unknown, which Lessee had, has or at any time may have, based on:

(i) the presence or release of any Hazardous Materials from, on, in, under or affecting all or any portion of the Premises (including any ground water under the Premises) occurring during the Term of this Lease;

(ii) any violation or claim of violation by Lessee of any Hazardous Materials Law; or

(iii) the imposition of any claim for the recovery of any costs for environmental cleanup or other response costs relating to the release or threatened release of Hazardous Materials from, on, in or under the Premises.

(b) Lessee's Obligation to Obtain Approvals. Lessee shall be solely responsible for obtaining:

(i) all necessary consents, approvals and permits required to be obtained from any governmental agency for the use of the Premises; and

(ii) all roads, paths, water, sewer and other utility services and facilities required for or in connection with development of the Premises.

(c) Lessor's Obligation to Cooperate. Lessor will cooperate with Lessee in obtaining necessary governmental consents, approvals and permits required to be obtained from any governmental agency in order to develop the Premises for cultivation and agricultural purposes, including the joinder in any application as may from time to time be required by any governmental agency as a condition to the development of the Premises for such permitted use; provided, however, that Lessee shall bear all costs of obtaining such consents, approvals and permits, including costs for any joinder by Lessor.

5.2 Payment of Rent.

(a) Place of Payment. Lessee will pay Rent in lawful money of the United States of America at the times and in the manner stated above, without any deduction and without notice or demand, at the office of Lessor or to a representative of Lessor in Kailua-Kona, Hawaii. If any date for payment shall not be a Business Day, then Lessee shall make such payment on the next following Business Day.

(b) Additional Rent. If Lessee shall become delinquent in the payment of any Rent, or other payments required under this Lease to be made by Lessee to Lessor, Lessee will also pay to Lessor as additional rent interest on all such amounts at a rate of twelve percent (12%) per annum, but not to exceed the maximum rate permitted by law from the respective due dates of such payments until fully paid.

5.3 Electricity and Telecommunications. Lessee must obtain electric and telecommunication services from Hawaiian Electric Company and is responsible for all costs associated with setting up services. In the event that the Lessor has obtained new electric and telecommunication services on behalf of Lessee, Lessee shall reimburse Lessor within fifteen (15) days after receiving an invoice from Lessor for any installation and set up costs. In the event that Lessor pays for any electricity and telecommunications costs on behalf of Lessee,

Lessee must reimburse Lessor within fifteen (15) days of receiving an invoice from Lessor.

5.4 Taxes and Assessments.

(a) Real Property Tax.

(i) Payment of Tax. Lessee will at least ten (10) days before the same become delinquent pay as additional rent to Lessor, Lessee's pro rata share of real property taxes and assessments of every description to which the Premises or any part thereof or any building or improvement thereon, or Lessor or Lessee in respect thereof, are now or may during the Term be assessed or become liable, whether assessed to or payable by Lessor or Lessee. With respect to any assessment made under any betterment or improvement law which may be payable in installments, Lessee shall be required to pay only such installments of principal together with interest on unpaid balances thereof as shall become due and payable during the Term; and provided, further that such taxes and assessments shall be prorated as of the dates of commencement and expiration, respectively, of the Term. If at any time during the Term there shall be assessed against the Premises or any building or improvement or any rents payable to Lessor or against Lessor any new taxes (other than federal or state taxes on net income or any other taxes existing at the commencement of the Term) which are in substitution for real property taxes or are in lieu of increases, Lessee will also pay to Lessor as additional rent, Lessee's pro rata share at least ten (10) days before the same become delinquent, all such new taxes.

(ii) Appeal of Real Property Tax and Assessments. Lessor or Lessee may contest in good faith, by appropriate proceedings commenced before the same become delinquent, the validity or amount of any such real property tax or assessment, in the name of Lessor or in the name of Lessee, or both of them as Lessor or Lessee may deem advisable.

(A) Lessor may bring such appeal or proceeding at Lessor's own cost and expense, only after payment of such taxes, assessments or other charges or impositions if required by law or regulation for bringing such appeal or proceeding.

(B) Lessee may bring such appeal or proceeding at Lessee's own cost and expense, only after payment of such taxes, assessments or other charges or impositions if required by law or regulation for bringing such appeal or proceeding, and Lessee shall indemnify and hold Lessor harmless against any and all loss, costs or expenses of any kind that may be incurred by or imposed upon Lessor in connection with such appeal or proceeding. In addition, Lessee shall comply with the following procedures:

(1) Lessee shall promptly notify Lessor of the institution of any such proceedings to appeal or challenge any such tax or assessment and shall notify Lessor of the progress of such proceedings;

(2) Lessee shall in good faith, by appropriate action diligently pursue contest or cause to be contested the amount, applicability or validity thereof;

(3) Lessee shall provide to any government authority imposing such tax or assessment and to Lessor a bond or other security to stay enforcement or collection of such tax or assessment during the pendency of any such proceedings; and

(4) nonpayment of such tax or assessment during the pendency of any such proceedings will not subject the Premises or any part thereof to forfeiture or loss (or the reasonable probability of forfeiture or loss).

(C) Any refunds or adjustments resulting from a tax appeal shall be distributed or credited to the parties hereto on a pro rata basis.

(b) Conveyance Tax. Lessee will pay all conveyance taxes imposed by the State of Hawaii with respect to this Lease or any amendment to, extension of or assignment of this Lease, unless an exemption from such tax is available.

(c) General Excise Tax. Any law or regulation to the contrary notwithstanding, Lessee will pay to Lessor as additional rent, at the time and together with each payment of rent or other charges, including, without limitation, real property taxes and assessments, required to be paid by Lessee to Lessor which is subject to the Hawaii general excise tax on gross income or any successor or similar tax, an amount which, when added to the rent or other charges (whether actually or constructively received by Lessor), shall yield to Lessor, after deduction of all such taxes payable by Lessor with respect thereto, a net amount equal to that which Lessor would have realized therefrom had no such taxes been imposed, which amount of additional rent is presently four and one hundred sixty-six one thousandths percent (4.166%) of each amount, and which amount of additional rent is subject to change with increases or decreases to the Hawaii general excise tax on gross income or any successor or similar tax.

(d) Rates and Other Charges. Lessee will pay directly before the same become delinquent all utility charges, water and sewer rates, garbage rates and other charges of every description to which the Premises or any part thereof or any buildings or improvements thereon, or Lessor or Lessee in respect thereof, may during the Term be assessed or become liable, whether assessed to or payable by Lessor or Lessee. If Lessee should fail to pay any such rates or charges as provided in this Lease, Lessor may at any time thereafter pay the same, together with interest, penalties, fines and costs accrued thereon or imposed in connection therewith and Lessee will also pay to Lessor on demand interest on all such amounts paid or advanced by Lessor, at a rate of twelve percent (12%) per annum, but not to exceed the maximum rate permitted by law, from the date of payment or advance by Lessor until fully paid.

(e) New Taxes. If at any time during the Term there shall be assessed against the Premises or any part thereof or any building or improvement thereon or any rents payable to Lessor therefor or against Lessor in respect thereof any new taxes (other than federal or state taxes on net income) or any other taxes existing at the dates of commencement of the Term, which are in substitution for real property taxes or are in lieu of increases thereof, Lessee will also pay to Lessor as additional rent, at least ten (10) days before the same become delinquent, all such new taxes.

5.5 Roadway Access. Lessor shall ensure that Lessee has access to a two-wheel drive accessible roadway to and from the Premises.

5.6 Improvements. Prior to the start of any construction on the Premises, Lessee must submit a plan and obtain Lessor's approval, which shall not be unreasonably withheld. At the termination of this Lease, any buildings, the building pads, greenhouses, and fencing shall remain on the Premises, and become the property of the Lessor. Preliminary building blueprints, which may be modified by either party from time to time, for a 12,600 square foot agricultural building are attached as Exhibit "B."

5.7 Improvements Required By Law. Lessee will, at its own expense during the whole of the Term, make, build, maintain and repair all fences, sewers, drains, roads and parking areas which may be required by law to be made, built, maintained and repaired upon or adjoining or in connection with or for the use of the Premises or any part thereof or any improvements on the Premises.

5.8 Water. Lessee shall install a submeter at its cost and will reimburse Lessor for actual water usage at prevailing County of Hawaii water rates plus Hawaii GET. If allowed, Lessor may apply for agricultural water use rates from the County of Hawaii. Lessor shall be responsible for any repairs to the water line located before and including the submeter and the Lessee shall be responsible for any repairs in the transmission line after the submeter. The submeter shall be installed close to the County of Hawaii water meter.

5.9 Restoration, Repair and Maintenance. Lessee shall be responsible for any and all repairs and maintenance of the Premises, including but not limited to all water line repairs after installation of a sub water meter, security of all crops and animals, fencing, erosion control, and noxious weed control within the Premises. If any private roadway shall be damaged by Lessee or any person claiming by, through or under Lessee, Lessee shall immediately upon written notice by Lessor repair such roadway to the condition that existed prior to such damage, and if Lessee shall fail to repair such damage within a reasonable period (in Lessor's sole discretion), Lessor may accomplish such repair at Lessee's expense.

5.10 Observance of Laws. Lessor and Lessee acknowledge that, although Chapter 329D Activities are lawful under Hawaii state law, the use, possession, cultivation, possession for sale, sale, distribution, transportation and other activities related to marijuana remain illegal under the federal Controlled Substances Act (21 U.S.C. §863), applicable civil and criminal forfeiture statutes, applicable money-laundering laws, and related rules, regulations, standards, directives, interpretations, orders, decrees or requirements pertaining to the use, possession, cultivation, possession for sale, sale, distribution or transportation of marijuana, marijuana products and marijuana paraphernalia (collectively, the "Federal Marijuana Laws"). The federal government has enforced Federal Marijuana Laws within states that have legalized and regulated the use of marijuana for medical purposes, bringing criminal prosecutions and civil actions against individuals and related real and personal properties used in violation of Federal Marijuana Laws.

5.11 Waste or Nuisance. Lessee agrees that Lessee will not make or allow any waste or stripping of the Premises, or maintain or permit to be maintained a nuisance or allow or make

any unlawful, improper, offensive, noisy or disorderly use of the Premises. For purposes of this Section, any non-compliance with Hazardous Materials Laws or the requirements of prudent Hazardous Materials management practices shall constitute “waste.”

5.12 Lessor Access To Leased Premises. Lessor shall access the Premises only in compliance with the conditions and restrictions imposed by the Hawaii Medical Marijuana Laws. Lessor shall follow all protocol established by Lessee pursuant to the Hawaii Medical Marijuana Laws and the Access Requirements. The Access Requirements include, but are not limited to, the following:

(a) Except in the case of an emergency such as fire, flood or any event that may result in an immediate threat of destruction of the Premises, Lessor and its consultants shall provide reasonable advance notice to Lessee, such notice being required to allow Lessee sufficient time to arrange for a Lessee representative to accompany Lessor and its consultants while on the Premises (it being understood that if a Lessee representative is not available at a requested time, then Lessor and its consultants shall not have access to the Premises); and

(b) Neither Lessor nor its representatives shall show the Premises to prospective lenders, purchasers or lessees without the prior consent of Lessee, such consent not to be unreasonably withheld, conditioned or delayed.

5.13 Inspection and Repair. In accordance with Section 5.12 above, Lessee shall provide Lessor access to the Premises for routine inspections. Lessee will repair and cure all defects required by the terms of this Lease to be repaired by Lessee, of which written notice shall be given within thirty (30) days after the giving of any notice of defects and request to cure by Lessor or Lessor’s agents, at Lessee’s own expense; provided, however, that if the nature of such defect is such that the cure cannot reasonably be completed within thirty (30) days, Lessee may have such additional time as may be reasonably necessary to cure such defect so long as such cure is commenced within such thirty (30) day period and diligently and continuously pursued to completion. If Lessee shall refuse or neglect to commence and complete such cure within the time period provided in this Section, Lessor may make such repairs or cure such defect and shall not be responsible to Lessee or any person claiming by or through Lessee for any loss or damage that may be caused to Lessee or such person claiming by or through Lessee by reason of such repair or cure. If Lessor shall make such repair or cure, Lessee shall pay forthwith on demand to Lessor the cost of such repair or cure with interest thereon computed at the rate of interest provided in Section 5.4(d) from the date of advance by Lessor until fully paid.

5.14 Liens. Lessee will not commit or suffer any act or neglect whereby the Premises or any improvements thereon or the estate of Lessee shall at any time during the Term become subject to any attachment, judgment, lien, charge or encumbrance whatsoever, except as expressly provided in this Lease, and will indemnify and hold Lessor harmless from and against all loss, cost and expense, including reasonable attorneys’ fees with respect thereto. If any lien for work, labor, services or materials performed for or supplied regardless of who contracted therefor is filed against the Premises or any improvements, Lessee shall have thirty (30) days from the date of filing in which to cause such lien to be discharged of record, released or satisfied by payment, deposit or bond.

5.15 Indemnity. Lessee will indemnify and hold Lessor harmless from and against all claims and demands for loss or damage, including property damage, personal injury and wrongful death, arising out of or in connection with the use or occupancy of the Premises, or the use of any roadways of Lessor in the County and State of Hawaii, by Lessee or any person claiming by, through or under him, or any accident or fire on the Premises, or any nuisance made or suffered thereon, or any failure by Lessee to keep the Premises or any adjoining land as set forth in this Lease in a safe condition, or to perform any of the covenants contained in this Lease, and will reimburse Lessor for all costs and expenses including reasonable attorneys' fees incurred by Lessor in connection with the defense of any such claims.

5.16 Overhanging Trees. Lessee will not during the Term plant, cultivate or maintain on the Premises any trees whatsoever so close to any boundary of the Premises as to overhang an adjoining lot, road or trail, and if necessary to comply with this covenant will remove any trees or branches thereof which at any time shall overhang an adjoining lot, road or trail.

5.17 Land Adjoining Road and Boundaries. Lessee will at all times during the Term maintain and keep any adjoining land lying between any established road and the boundary of the Premises along such road in a safe, neat and orderly condition free from all brush, weeds and debris of every kind, and will also maintain and keep any ditch now or hereafter existing within such adjoining land free from all boulders and other obstructions to flood waters.

5.18 Subletting. Lessee shall not sublease any portion of the Leased Premises, without the prior written approval of the Lessor. Any Lease made without such consent shall be void.

5.19 Assignment. Lessee shall not without the prior written consent of Lessor, except as expressly provided in this Lease, assign, mortgage (except pursuant to Section 8.1), sell, transfer, convey, pledge, exchange or encumber this Lease, the Premises or any portion of the Premises or any interest conferred under this Lease or in the Premises. It understood that Lessor and Lessor will consent to any assignment of this Lease by way of mortgage to a bank or an established financial institution.

Lessor may, but shall not be required to consent to an assignment to an unrelated third party, provided no Event of Default has occurred or is continuing, and Lessee furnishes Lessor with the assignee's current financial statement and statement of the consideration being paid for the transfer. Lessor may require Lessee to pay the fee Lessor incurs to prepare the consent to assignment, as described in section 5.20 below.

5.20 Expenses of Lessor. Lessee will pay to Lessor, within ten (10) days after notice therefor:

(a) all costs and expenses including reasonable attorneys' fees paid or incurred by Lessor but required to be paid by Lessee under any covenant contained in this Lease or paid or incurred by Lessor in enforcing any of Lessee's covenants contained in this Lease, in protecting Lessor against any breach thereof, in remedying any breach by Lessee of Lessee's covenants, in recovering possession of the Premises, in collecting or causing to be paid any delinquent rent, taxes or other charges hereunder payable by Lessee, or in connection with any

litigation (other than condemnation proceedings) commenced by or against Lessee to which Lessor shall without fault be made parties; and

(b) a reasonable fee for reviewing and processing any request by Lessee for Lessor's consent or approval, which fee shall be all costs and expenses paid or incurred by Lessor, including without limitation, reasonable fees of attorneys and other consultants retained by Lessor and the costs of Lessor's regular salaried staff in connection with reviewing the request for consent.

5.21 Dedication of Premises. Lessor or Lessee may, at Lessee's option at any time during the Term, petition the Director of Finance of the County of Hawaii for dedication for agricultural uses of all or such portion of the Premises as shall qualify under the provisions of Section 19-60, Article 8, Chapter 19, of the Hawaii County Code, as amended. If at any time after such dedication or classification by or at the request of Lessee, Lessee shall fail to observe the restrictions on the use of such portion of the Premises or shall cancel or cause such dedication or classification to be cancelled for any reason whatsoever, Lessee will promptly pay or cause to be paid to Lessor all taxes, penalties, roll back taxes and other charges imposed by the County of Hawaii and paid or to be paid by Lessor on account of such cancellation, together with the amount of all Hawaii general excise taxes payable thereon by Lessor, whether actually or constructively received. Lessee acknowledges that any dedication in effect at the commencement of the Term was made by or at the request of Lessee.

5.22 Hazardous Materials. At all times during the Term of this Lease:

(a) Compliance with Hazardous Materials Laws. Lessee shall comply with all Hazardous Materials Laws which are now in force or may hereafter be in force.

(b) Notice to Lessor. Lessee shall immediately advise Lessor, in writing, if Lessee at any time:

(i) becomes aware of any Hazardous Discharge or of any Hazardous Materials Claims in respect of the Premises;

(ii) receives notice from any governmental authority having jurisdiction thereof of any infraction or violation of any Hazardous Materials Law; or

(iii) desires to install or remove any Underground Storage Tank.

Lessee shall provide to Lessor such detailed reports thereof as Lessor reasonably requests. Lessor may join and participate in, as a party if it so elects, in any settlement, remedial action, legal proceeding or action initiated in respect of any Hazardous Materials Claims. Lessee shall pay Lessor's reasonable costs for making such repairs or taking any other action upon receipt of a bill therefor from Lessor. Lessee will promptly cure and have dismissed with prejudice any such actions and proceeding to the satisfaction of Lessor. Lessee will keep the Premises free of any lien imposed pursuant to any Hazardous Materials Law.

(c) Payment of Assessments. Lessee shall pay and discharge all amounts assessed to remove Hazardous Materials and any unused Underground Storage Tank from the

Premises under the Hazardous Materials Laws; provided, however, that nothing contained in this Section shall be deemed to require Lessee to pay any assessment or charge so long as:

(i) Lessee in good faith, by appropriate action diligently pursued shall contest or cause to be contested the amount, applicability or validity thereof;

(ii) nonpayment of the assessment during the pendency of any such proceedings will not subject the Premises or any part thereof to forfeiture or loss (or reasonable probability thereof) or otherwise impair the security afforded by this Lease; and

(iii) Lessee promptly notified Lessor of the institution of any such proceedings.

If Lessee fails to make payment, Lessor may, without notice of demand to Lessee, pay the same, and any advances made by Lessor in discharge of the assessments and other charges shall be a lien on the Premises, payable on demand with interest at a rate of twelve percent (12%) per annum.

(d) Environmental Liens. Lessee shall keep the Premises free of all environmental liens under the Hazardous Materials Laws; provided, however, that Lessee may contest any environmental lien in good faith so long as:

(i) Lessee shall promptly notify Lessor of the institution of any proceedings to challenge an environmental lien and shall notify Lessor of the progress of such proceedings;

(ii) Lessee shall provide to any governmental authority imposing such environmental lien and to Lessor a bond or other security to stay enforcement of such environmental lien during the pendency of any such proceedings; and

(iii) nonpayment of any such environmental lien during the pendency of any such proceedings will not subject the Premises to forfeiture or loss (or the reasonable probability of forfeiture or loss).

(e) No Use of Hazardous Materials. Lessee shall not without prior written consent of Lessor, use, generate, manufacture, treat, handle, refine, produce, process, store, discharge, release, dispose of or allow to exist, any Hazardous Material (including any pesticide or herbicide containing any Hazard Materials) on, within, under or about the Premises or install or remove any Underground Storage Tank on, within, under or about the Premises, except in full compliance with all applicable Hazardous Materials Laws.

(f) Indemnification. Lessee shall pay, indemnify and hold Lessor harmless against all costs and expenses (including reasonable attorney's fees), losses, damages (including foreseeable or unforeseeable consequential damages) and liabilities incurred by Lessor which may arise out of or may directly or indirectly be attributable to:

(i) any Hazardous Discharge on, within, under or about the Premises;

(ii) the use, generation, manufacture, treatment, handling, refining, production, processing, storage, release, discharge, disposal or presence of any Hazardous Material or Underground Storage Tank on, within, under or about the Premises;

(iii) Lessor's investigation and handling (including the defense) of any Hazardous Materials Claims, whether or not any lawsuit or other formal legal proceeding shall have been commenced in respect thereof;

(iv) any misrepresentation, inaccuracy or breach of any warranty, covenant or agreement contained or referred to in this Section;

(v) any violation or claim of violation by Lessee of any Hazardous Materials Law;

(vi) any amounts assessed against Lessor pursuant to Hazardous Materials Laws; or the imposition of any lien for the recovery of any costs for environmental cleanup or other response costs relating to any Hazardous Discharge; or

(vii) Lessor's enforcement of this Lease, whether or not suit is brought therefor.

(g) Environmental Site Assessment. Lessor will have the right at all reasonable times and from time to time to conduct an environmental site assessment of the Premises, and Lessee will cooperate in granting entry for the conduct of each such environmental site assessment. The assessment shall be conducted by an environmental engineer or consultant of Lessor's choosing in accordance with the then current standards and protocols of the American Society for Testing and Materials. If: (i) any Hazardous Materials are detected; or (ii) the environmental assessment reveals that the environmental quality of the Premises has declined from the condition revealed under the Baseline Assessment; or (iii) if a violation of any of the warranties, representations, or covenants contained in this Article V is discovered, the fees and expenses of such environmental consultant will be borne by Lessee and Lessee will pay the fees and expenses as additional rent under this Lease on demand by Lessor.

(h) Lessor's Right to Cure and to Recover Expenses. If Lessee fails to comply with any of the foregoing warranties, representations, and covenants, Lessor may cause the removal (or other cleanup acceptable to Lessor) of any Hazardous Discharge or of any Hazardous Materials from the Premises. Without waiving any claim Lessor may have against Lessee for recovery, Lessor may recover the costs of Hazardous Materials removal and any other cleanup (including transportation and storage costs) will be additional rent under this Lease, whether or not a court or governmental agency has ordered the cleanup, and Lessee will pay such costs as additional rent on demand by Lessor. Lessee will give Lessor, Lessor's agents, and employees access to the Premises to remove or otherwise clean up any Hazardous Materials. Lessor, however, has no affirmative obligation to remove or otherwise clean up any Hazardous Materials, and this Lease will not be construed as creating any such obligation.

(i) Confidentiality of Reports. Lessee shall keep all information, data, findings, conclusions, communications and reports regarding the presence of Hazardous Materials on, under or in the Premises strictly confidential and shall not disclose this information

to any person or entity without the prior written consent of Lessor, including any governmental agency or body; provided, however that Lessee may disclose this information to:

- (i) any governmental agency, if Lessee is required under any Hazardous Materials Law to disclose such material;
- (ii) any adverse party in litigation, if Lessee is compelled to disclose such material in discovery proceedings or at trial; or
- (iii) any person or entity necessary for Lessee to meet Lessee's obligations under this Section. Lessee's obligation to maintain this confidentiality shall survive the termination of this Lease.

(j) **Survival.** This indemnification is the personal obligation of Lessee and will survive termination of this Lease. Lessee, its successors and assigns waive, release, and agree not to make any claim or bring any cost recovery action against Lessor under CERCLA, RCRA or H.R.S. Chapter 128D, or any other equivalent or any other Hazardous Materials Law enacted after this date. To the extent that Lessor is strictly liable under any such Hazardous Materials Law, Lessee's obligation to Lessor under this indemnity will likewise be without regard to fault on the part of Lessee with respect to the violation or condition that results in liability to Lessor.

5.23 Surrender.

(a) **Possession.** At the end of the Term or other sooner termination of this Lease, Lessee will peaceably deliver up to Lessor possession of the Premises, together with any buildings, all building pads, greenhouses, boundary fences, roads, bridges and underground sewers and drains and all agriculture upon or belonging to the Premises, all in good order and tidy condition (in as good or better condition than on the Commencement Date of this Lease, reasonable wear and tear excepted). If no Event of Default has occurred or is continuing under this Lease, Lessee shall have the right upon such termination of this Lease to remove from the Premises all improvements on the Premises made by Lessee above ground level, including without limitation, any water tanks and surface pipelines, and underground storage tanks, but excluding any improvements or pipelines that serve the Premises as well as other properties, and the buildings and improvements listed in Section 5.6. Lessee shall promptly repair to Lessor's satisfaction all damage caused by such repair, and to Lessor's satisfaction all damage caused by such removal, and shall leave the Premises all in tidy condition (in as good or better condition than on the Commencement Date of this Lease, reasonable wear and tear excepted).

(b) **Compliance with Hazardous Materials Laws.**

(i) Upon such surrender or sooner termination of this Lease, Lessor may conduct a Phase I environmental site assessment of the Premises and any buildings and improvements remaining on the Premises. The Phase I environmental site assessment shall be conducted by an environmental engineer or consultant selected by Lessor and performed pursuant to the standards and protocols of the American Society for Testing and Materials. The written report resulting from the Phase I environmental site assessment shall state whether any buildings and improvements remaining on the Premises are free of Hazardous Materials

discharged by or under the control of Lessee and whether Lessee has fully complied with all Hazardous Materials Laws. Lessor shall pay the cost of the Phase I environmental site assessment. However, if the Phase I environmental site assessment reveals: (A) a recommendation in the Phase I environmental site assessment; (B) the environmental quality of the Premises has declined in comparison to the Baseline Assessment; or (C) a Hazardous Discharge occurred on the Premises after the Commencement Date; or (D) Lessee has violated any warranty, representation, or covenant of Section 5.22, Lessee shall pay the cost of the Phase I environmental site assessment, and provide Lessor with and perform the recommended Phase II environmental testing and develop and implement a Phase III Hazardous Materials removal plan at Lessee's sole cost and expense. Lessee shall remove or cause to be removed to Lessor's satisfaction all Hazardous Materials from the Premises using the most effective methods and the best available technology, prior to surrender or termination and shall fully comply with all Hazardous Materials Laws and requirements of any governmental authority having jurisdiction therefor, including, without limitation, fully comply with any requirement to file such environmental site assessment, mitigation plan, risk assessment certificate or other information with any such governmental authority prior to surrender or termination. Following termination of this Lease, as between Lessor and Lessee only but: not for purposes of limiting liability under any federal or state law, Lessee would be liable to Lessor to remove or remediate any Hazardous Materials discovered at any time following termination of this Lease.

(ii) If the Phase I environmental assessment recommends a Phase II testing plan but does not determine that the Hazardous Materials were discharged on the Premises after the Commencement Date, Lessor and Lessee shall perform a Phase II testing plan at Lessee's sole cost. Although not recommended by the Phase I environmental assessment, Lessor may perform, at Lessor's sole cost, Phase II environmental testing. If the Phase II environmental testing reveals that: (A) the environmental quality of the Premises has declined in comparison to the Baseline Assessment, (B) a Hazardous Discharge occurred on the Premises after the Commencement Date, or (C) Lessee has violated any of the warranties, representations or covenants of Section, Lessee shall reimburse Lessor for Lessor's reasonable costs of performing the Phase II environmental testing and implement a Phase III Hazardous Materials removal plan at Lessee's sole cost and expense.

(iii) Any dispute regarding compliance with Hazardous Materials Laws shall be resolved by mediation and arbitration pursuant to Section 9.1 of this Lease.

(c) Cost of Removal. All costs incurred by Lessor in effecting such removal of buildings and other improvements shall be at Lessee's expense and Lessee will, within thirty (30) days from Lessee's receipt of demand by Lessor, reimburse Lessor for such costs advanced by Lessor, together with interest at a rate of twelve percent (12%) per annum, but not to exceed the maximum rate permitted by law, from the date of advance by Lessor until fully paid. Until such full compliance or removal is completed, either by Lessee or Lessor, and all costs therefor have been paid by Lessee or reimbursed by Lessee to Lessor, together with interest thereon, if any, the Premises and this Lease shall not be deemed surrendered even though Lessee have vacated the Premises, and Lessee shall continue to pay rent on the Premises or portion thereof being surrendered in an amount equal to the total of all rent paid by Lessee during the calendar year preceding termination, prorated for the period of time from termination to surrender and for the area being surrendered.

(d) **Survival.** Lessee shall not be relieved of its obligations under this Lease until surrender is completed in accordance with the provisions of this Section. Final inspection and release of the Premises by applicable governmental authorities, if any, and by Lessor shall be a condition precedent to completion of surrender and termination of Lessee's obligations hereunder. Nothing in this Lease shall be deemed to relieve Lessee of an obligation, such as the obligation to indemnify Lessor, which by its specific terms survives termination of this Lease.

5.24 **Holdover.** If Lessee remains in possession of the Premises or any buildings or improvements thereon after the expiration of the Term, Lessee shall be deemed to occupy the Premises and any buildings and improvements thereon only as a Lessee from month-to-month at twice the Rent then charged under this Lease and on all the covenants, conditions and provisions contained in this Lease which are not inconsistent with a month-to-month tenancy.

5.25 **Indemnity Against Claims.** Lessee hereby assumes all risks of personal injury or wrongful death and of loss of or damage to property by whomsoever owned, on or in the Premises, arising from or in connection with the use and occupancy of the Premises by Lessee, any Lessee, employee, guest, invitee and Lessee, or caused by any accident or fire on the Premises, or occasioned by any nuisance made or suffered thereon, or resulting from any failure on the part of Lessee to conform or observe laws pursuant to Section 5.10 or to maintain the Premises in a good or safe condition. Lessee hereby agrees to indemnify and hold Lessor harmless against and from any and all claims for personal injury or wrongful death by third persons (including, without limiting the generality of the foregoing, officers, employees, or agents of Lessor or Lessee) and any and all claims for loss or damage to property so caused, occasioned or resulting and will reimburse Lessor for all Lessor's costs and expenses (including reasonable attorneys' fees) incurred in connection with the defense of any such claims.

5.26 **Disease Control.**

(a) **Participation in Quarantine Program.** Lessee will observe and perform all federal and State of Hawaii laws, rules and regulations regarding plant disease control and will observe: and perform the protocols of any quarantine program, policy or regulation required by DOA, DLNR or DOH to eradicate blight or other plant disease on an area-wide basis at Lessee's sole cost and expense, including, without limitation, destruction of trees or crops. If Lessee fails to implement such required regulation within the time imposed by DOA, DLNR, or DOH, Lessor may, without notice or demand to Lessee, enter the Premises and effect compliance. Any reasonable cost incurred by Lessor in implementing such compliance shall be a lien on Lessee's interest in the Premises, payable on demand with interest at a rate of twelve percent (12%) per annum.

(b) **No Compensation.** Lessee expressly waives and releases Lessor, DOA, DLNR, DOH, and any other applicable government agency from any claim for compensation for damages for the roguing or mandatory destruction of agriculture as a part of any quarantine program.

5.27 **Attorney's Fees.** In case Lessor shall without any fault be made party to any litigation commenced by or against Lessee or for any other reason shall incur expense because of litigation arising out of Lessee's occupancy of the Premises or interest therein (other than

condemnation proceedings), then Lessee shall and will pay all costs and reasonable attorneys' fees incurred by or imposed on Lessor by or in connection with such litigation, and Lessee will also pay all costs and reasonable attorneys' fees which may be incurred or paid by Lessor in enforcing the covenants and agreements contained in this Lease, including costs for collection of delinquent taxes and other charges.

5.28 Security and Management. Lessee will assume responsibility for security and management of the Premises from and after the Commencement Date in accordance with the Hawaii Medical Marijuana Laws. Lessee shall also control access to the Premises from and after the Commencement Date in accordance Section 5.12 above.

5.29 Subdivision by Lessor. At any time or times during the Term, Lessor may subdivide the Premises into two or more lots in accordance with all applicable governmental rules and regulations, and Lessee shall cooperate with Lessor in securing approval of such subdivision; provided, however, that Lessor shall bear all costs for or in connection with such approval.

5.30 Sale of the Premises. Lessor reserves the right to sell the Premises, subject to this Lease, and assign Lessor's interest in this Lease to the purchaser.

5.31 Lease Subordinate to Mortgage. This Lease shall be subordinate to any mortgage Lessor may place on Lessor's lands in the County of Hawaii, including the Premises. Lessee agrees to execute a subordination agreement, and shall grant Lessor a power of attorney, coupled with an interest to execute any such subordination agreement.

VI. INSURANCE

6.1 General Requirements. Lessee will, at Lessee's own expense, at all times during the Term of this Lease, keep in force policies of insurance and bonds as required in this Lease. All policies shall be issued by insurance or surety companies acceptable to Lessor. All insurance policies shall name Lessor as an Additional Insured, and shall be primary to any other insurance that may be available to Lessor. All insurance policies shall contain a clause stating that the insurer will not cancel or reduce coverages without first giving Lessor thirty (30) days prior written notice. Lessee will provide Lessor with current certificates of such insurance within thirty (30) days after execution of this Lease, and no less frequently than annually thereafter, and will provide copies of such insurance policies together with endorsements upon Lessor's request.

6.2 Liability Insurance.

(a) Policy Requirements. Lessee will maintain comprehensive general liability insurance with respect to the Premises and any business operations conducted by Lessee and any Lessee. This insurance shall provide coverage for bodily injury and property damage liability; personal injury liability; blanket contractual liability; independent contractor's liability; and fire damage liability for buildings and improvements only.

The policy or policies of insurance shall provide coverages on an "occurrence" basis (not on a "claims made" form) and shall provide limits of no less than the following:

[REDACTED]

If Lessee, or any independent contractor, engages in any construction, demolition or excavation operations, any policy or policies covering these operations shall be endorsed to provide coverages for explosion, collapse and underground hazards. Lessor shall be named as an Additional Insured under Lessee's commercial liability insurance policy as provided under the standard ISO endorsement CG 20 24 entitled: "Additional Insured--Owners or Other Interests From Whom Land Has Been Leased", or its equivalent.

(b) Primary Coverage. These limits of insurance may be satisfied by the use of a combination of primary and excess liability insurance policies. Lessor may from time to time require, with due regard to prevailing prudent business practices, that these limits be increased, or that additional liability coverage be provided, as may be reasonably adequate for Lessor's protection.

(c) Additional Insured. The policy or policies shall name Lessor as an additional insured, shall specifically insure Lessee's obligation to indemnify and hold Lessor harmless as hereinafter provided in this Lease and shall provide that thirty (30) days' written notice shall be given to Lessor before any cancellation shall be effective. The policy or policies of insurance shall not exclude coverage for products and completed operations, contractual liability, and personal and advertising injury. The policies shall contain a provision that Lessor, although named as an additional insured, shall nevertheless be entitled to recovery under such policies for any loss occasioned to Lessor, its servants, agents and employees by reason of the acts, omissions and/or negligence of Lessee. Lessee may effect and maintain such insurance coverage by extending the coverage of Lessee's existing blanket policies of insurance to the Premises and any improvements thereon and to Lessor.

6.3 Fire and Other Casualty Insurance. Lessee will at its own expense at all times during the Term keep all buildings and improvements constructed on the Premises having a fair market value in excess of [REDACTED]

- (a) loss or damage by fire (group I perils);
- (b) the risks covered by the standard extended coverage endorsements (group II perils) and all risk (special perils); and
- (c) such other hazards or risks which a prudent businessman would insure against by an insurance company authorized to do business in Hawaii and in time of war against war damage to the extent such governmental insurance is obtainable at reasonable cost, and provided in the standard "Causes of Loss – Special Form," in an amount as near as practicable to the full replacement cost thereof without deduction for depreciation through the replacement cost endorsement, and if applicable, the inflation guard endorsement to ensure policy limits are maintained at full replacement value, by blanket policy or policies in the joint names of and payable in case of loss to Lessor and Lessee as their building coverage interests. The policy or

policies of insurance shall provide that thirty (30) days prior written notice shall be given to Lessor before any cancellation shall be effective.

6.4 Payment of Insurance Proceeds. In every case of loss or damage to any buildings or improvements on the Premises, Lessee shall with all reasonable speed, rebuild, repair or otherwise reinstate the buildings and improvements in accordance with the original plans or such modified plans conforming to laws and regulations then in effect as approved in writing by Lessor and any mortgagee. All proceeds of such insurance (excluding the proceeds of any rental value or use and occupancy insurance of Lessee) shall be used for such purpose, and Lessee will make up any deficiency in the insurance proceeds from its own funds.

6.5 Policy Form. All policies of insurance provided for in this Lease shall be issued by insurance companies with general policyholders' rating of not less than A and a financial rating of AAA as rated in the most current available "Best's Insurance Reports," and qualified to do business in the State of Hawaii, and shall be issued in the names of Lessor and Lessee. Such policies shall be for the mutual and joint benefit and protection of Lessor and Lessee, and executed copies of such policies of insurance or certificates thereof shall be delivered to Lessor within ten (10) days after delivery of possession of the Premises to Lessee and thereafter within thirty (30) days prior to the expiration of the term of each existing policy. All policies of insurance shall include a waiver by the insurer of the right of subrogation. All public liability and property damage policies shall contain a provision that Lessor, although named as an insured, shall nevertheless be entitled to recovery under such policies for any loss occasioned to Lessor, Lessor's servants, agents and employees by reason of the negligence of Lessee. All public liability, property damage and other casualty policies shall be written as primary policies, not contributing with and not in excess of coverage which Lessor may carry.

6.6 Workers' Compensation and Employer's Liability Insurance. Lessee will maintain workers' compensation insurance with minimum limits as required by HRS Chapter 386 and regulations thereunder for all employees of Lessee.

6.7. Other Insurance. Lessee will maintain automobile, commercial property, and business interruption insurance.

VII. CONDEMNATION

7.1 Condemnation. In the event during the Term of this Lease or any extension of the Term, the Premises or any part thereof shall be required, taken or condemned by any authority having the power of eminent domain, then and in such event, the estate and interest of Lessee in any part of the Premises so taken or condemned shall cease and terminate as of the date Lessee is required to vacate the Premises, and the Rent in this Lease reserved for the Premises shall be reduced for and during the unexpired balance of the Term, effective as of the date of such taking, to an amount determined by multiplying the current Rent by the ratio that the area of such remaining portion of the Premises not so taken bears to the total area of the Premises prior to the taking, and Lessor shall credit to the account of Lessee any unearned portion of Rent paid in advance prior to such date of taking.

7.2 Compensation and Damages. In every such case of taking or condemnation of the Premises or any part thereof or any improvements thereon, all compensation and damages payable for or on account of the Premises hereby demised and any buildings and other improvements, water tanks, surface pipelines, fences and agriculture existing on the Premises at the commencement of the Term shall be payable to and be the sole property of Lessor, and Lessee shall have no interest or claim to such compensation or damages or any part thereof whatsoever; and all compensation and damages payable for or on account of any buildings, improvements, water tanks, surface pipelines and fences erected on the Premises during the Term and any plans and other preparations therefor shall be divided between Lessor and Lessee as of the date when Lessee loses the right to possession of such buildings, improvements, water tanks, surface pipelines and fences, according to the ratio that the then expired and unexpired portions respectively of the Term, as extended, bear to the sum of such portions, except that Lessee's share shall be applied first to the satisfaction of any other obligation of Lessee to Lessor under the terms of this Lease, to rebuild, replace, repair or reinstate any building or other improvements taken or condemned upon Lessor's or Lessee's election as provided in Section 7.3 below and any remaining amounts shall be paid to Lessee.

7.3 Termination of Lease.

(a) In the event only part of the Premises having more than fifty percent (50%) or more of the total area shall be so taken or condemned, either Lessor or Lessee shall have the option, by giving prior written notice thereof to the other party within thirty (30) days after filing of a notice of condemnation or if applicable, an order for possession, to determine that continuation of the cultivation of wellness products on the remaining portion of the Premises has been rendered uneconomic, and therefore to terminate this Lease.

(b) Upon either party's exercise of the right to terminate and upon Lessor's written request, Lessee shall restore the Premises to a good and orderly condition as provided in Section 5.23 of this Lease. Upon such termination Lessee shall be relieved of all further obligations under this Lease, except for the obligations set forth in Section 5.23 and Section 5.24 of this Lease, which obligations shall expressly survive termination.

(c) If the Premises or any part thereof shall be seized, attached, executed, confiscated, levied upon under any legal process or under claim of legal right, or under forfeiture proceedings under state or federal laws (each, a "Seizure"), this Lease shall terminate immediately upon Seizure. If a Seizure occurs, Lessee shall use its best efforts to restore ownership of the Premises to Lessor (whether through legal action, the purchase of the Premises at auction or otherwise). Lessee shall control the strategy, defense and settlement of any such action and shall be responsible for all fees and expenses incurred in connection therewith. Lessee shall keep Lessor informed as to the status of any such litigation or negotiations.

VIII. MORTGAGES

8.1 Consent to Mortgage. Lessee may from time to time with the prior written consent of Lessor assign this Lease by way of one or more mortgages to any bank, insurance company or other established lending institution or governmental agency, as mortgagee,

provided that Lessee shall upon execution of such mortgage promptly deliver a true copy of such mortgage to Lessor.

8.2 Enforcement of Mortgage. The mortgagee or its assigns may enforce such mortgage and acquire title to this Lease in any lawful way, and pending foreclosure of such mortgage (or pending sale of this Lease in lieu of foreclosure of such mortgage) may take possession of and rent the Premises, and upon foreclosure thereof (or upon such conveyance in lieu of foreclosure thereof) may without further consent of Lessor sell and assign this Lease by assignment in which the assignee shall expressly assume and agree to observe and perform all the covenants of Lessee contained in this Lease, and such assignee may make a purchase money mortgage of this Lease to the assignor, provided that upon execution of any such assignment or mortgage a true copy thereof shall be delivered promptly to Lessor and that no other or further assignment of this Lease for which any provision hereof requires the written consent of Lessor shall be made without such consent. Upon delivery and recordation of the conveyance through foreclosure (or delivery and recordation of the conveyance in lieu of foreclosure) of this Lease and the Premises and/or the mortgagee's sale or assignment thereof, this Lease shall remain in full force and effect as a direct Lease between Lessor and the mortgagee or such assignee. The mortgagee or its assigns of such mortgage shall be liable to perform the obligations in this Lease imposed on Lessee only during the period such person has possession or ownership of this Lease and the Premises. Nothing contained in such mortgage shall release or be deemed to relieve Lessee from the full and faithful observance and performance of its covenants contained in this Lease or from any liability for the nonobservance or nonperformance thereof, nor be deemed to constitute a waiver of any rights of Lessor under this Lease, and the terms, covenants and conditions of this Lease shall control in case of any conflict with the provisions of such mortgage.

8.3 Protection of Mortgagee.

(a) During the continuance in effect of any authorized mortgage of this Lease, Lessor will not (except as provided below) terminate or accept a surrender of this Lease:

(i) because of any Event of Default for the failure of Lessee to pay rent or any other charges under this Lease if the mortgagee or its assigns, within thirty (30) days after Lessor has mailed to the mortgagee or its assigns at the last known address thereof a written notice of intention to terminate this Lease for such cause, shall cure such monetary Event of Default by the payment of money, and shall thereafter pay all rent and other charges as and when due under this Lease, or

(ii) because of any Event of Default for the failure of Lessee to observe or perform any of the other covenants or conditions contained in this Lease not curable by the payment of money, if such mortgagee or assignee within sixty (60) days after Lessor has mailed to the mortgagee or its assigns such written notice of intention to terminate this Lease for such cause, shall cure such non-monetary default, and shall undertake in writing to perform and shall thereafter and perform all the covenants of this Lease capable of performance by the mortgagee or its assigns until such time as this Lease shall be sold upon foreclosure of such mortgage commenced promptly and completed with due diligence.

(b) Any Event of Default:

(i) consisting of Lessee's failure promptly to discharge any lien, charge or encumbrance against the Premises or any improvements thereon, junior in priority to such mortgage, or

(ii) which is otherwise not susceptible to cure by mortgagee except upon obtaining possession of the Premises or any improvements thereon, or foreclosure, shall be deemed to be duly cured if such mortgage shall be foreclosed by appropriate action instituted within such 90 day period and thereafter prosecuted in a diligent and timely manner. If any such non-monetary Event of Default may be cured within a reasonable period of time, but such cure may not reasonably be completed within ninety (90) days, then such cure shall be deemed to be made if begun within such ninety (90) day period and thereafter continuously and diligently undertaken to completion by mortgagee; provided, however, that the mortgagee has cured all monetary Events of Default and is paying all rent and other charges as and when due under this Lease.

(c) The provisions of this Section to the contrary notwithstanding, Lessor may terminate this Lease and Lessee's rights in this Lease during the thirty (30) day or ninety (90) day period, as appropriate, provided that in the event of such termination Lessor shall restore this Lease in favor of the mortgagee upon satisfactory cure by a mortgagee within such thirty (30) day or ninety (90) day period, as appropriate.

(d) Lessor agrees that simultaneously with mailing or delivering any notice of default or breach under or with respect to this Lease to Lessee, that it will mail or deliver a copy to the mortgagee(s) of this Lease at their last known addresses.

IX. ARBITRATION AND APPRAISAL

9.1 Arbitration. Any disagreement, dispute or claim arising under this Lease provided to be resolved by agreement of the parties or by arbitration pursuant to this Lease which cannot be resolved to the mutual satisfaction of Lessor and Lessee, any and all claims, controversies or disputes arising out of or relating to this Lease, or the breach thereof, including, without limitation, a dispute regarding any Event of Default which remain unresolved after direct negotiations between the parties, except for non-payment of Rent (which need not be resolved by arbitration) shall first be submitted to confidential mediation in accordance with the Rules, Procedures, and Protocols for Mediation of Disputes of Dispute Prevention & Resolution, Inc. of Honolulu, Hawaii, or similar organization, then in effect. If any issues, claims or disputes remain unresolved after mediation concludes, the parties agree to submit any such issues to binding arbitration before three (3) arbitrators, one to be appointed by each of the parties. Lessor and Lessee each shall promptly name one such arbitrator and give written notice of appointment to the other party, and in case either party shall fail so to do within ten (10) days after such notice of the appointment of the first arbitrator, the party naming the first arbitrator may apply to a judge of the Circuit Court of the Third Circuit of the State of Hawaii for appointment of a second arbitrator, and the two arbitrators thus appointed shall appoint a third arbitrator, and in case of their failure so to do within ten (10) days after appointment of the second arbitrator, either party may have the third arbitrator appointed by such judge, and the three arbitrators so appointed shall

proceed to determine the matter in question. The arbitration proceedings shall be conducted in Hawaii under the Arbitration Rules, Procedures and Protocols of Dispute Prevention & Resolution, Inc., or similar organization in effect at the time the demand for arbitration is made. The decision of the arbitrators shall be final and binding on both parties, their respective legal representatives, successors and assigns, and judgment may be entered thereon in an appropriate court of law pursuant to H.R.S. Chapter 658. Any provision contained in this Section to the contrary notwithstanding, the arbitrators shall not have the authority to determine: (a) any claim for an award of exemplary or punitive damages, or (b) any dispute involving parties other than Lessor and Lessee. If a third party is necessary to provide full and complete relief, Lessor and Lessee shall litigate such dispute. Lessor and Lessee each shall pay one-half (½) of the arbitrators' fees, and the dispute resolution organization's charges. Lessor and Lessee agree that the arbitrators shall have the authority to award attorney's fees and costs. If the arbitrators choose not to award attorney's fees and costs, Lessor and Lessee shall each bear its own expenses of arbitration, including their own witness and attorneys' fees and costs.

9.2 Appraisal. Whenever this Lease provides that the fair market value of the Premises shall be determined by appraisal for computation of the Rent pursuant to Redetermination of Rent pursuant to Section 7.5 of this Lease or Consent to Mortgages pursuant to Section 8.1 of this Lease, such fair market value shall be determined by one qualified real estate appraiser to be appointed by Lessor, who shall be a member of the Appraisal Institute, whose name shall be provided to Lessee. The real estate appraiser will be independent appraiser retained by Lessor. The expense of such appraisal shall be borne by Lessee.

X. EVENTS OF DEFAULT

10.1 Events of Default. The occurrence of any one or more of the following events shall be an Event of Default under this Lease:

- (a) If Lessee shall fail to pay any amount of Rent payable under this Lease and if such payment is not made within ten (10) days after the due date of such payment; or
- (b) If Lessee shall fail to observe or perform any covenant, condition or agreement contained in this Lease performable by the payment of money (other than the payment of rent) and such failure shall continue for thirty (30) days after written notice of such failure shall have been given to Lessee by Lessor; or
- (c) If Lessee shall fail to observe or perform any covenant, condition or agreement contained in this Lease (other than a covenant, condition or agreement performable by the payment of money), and such failure shall continue for a period of thirty (30) days after written notice shall have been given to Lessee by Lessor specifying such failure and requiring that the same be remedied without cure; provided, however, that if the nature of such default is such that the cure cannot reasonably be completed within thirty (30) days, Lessee may have such additional time as may be reasonably necessary to cure such default, so long as such cure is commenced within such thirty (30) day period and diligently and continuously pursued to completion; or

(d) If Lessee shall become insolvent, or shall make an assignment for the benefit of creditors, or shall admit in writing any inability to pay its debts as they become due, or shall be the subject of a voluntary petition in bankruptcy, or shall be adjudicated bankrupt or insolvent, or shall file any petition or answer seeking for itself any arrangement, composition, adjustment, liquidation, dissolution or similar relief to which it may be entitled under any present or future statute, law or regulation, or shall file any answer admitting the material allegations of any petition filed against Lessee in any such proceedings, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of all or substantial part of Lessee's properties or assets, including the Premises; or if the State of Hawaii or any other governmental authority having jurisdiction over Lessee shall dissolve Lessee, or cancel, revoke, withdraw or approve the withdrawal of any charter, certificate, registration or authority to maintain Lessee's existence or right of Lessee to do business in the State of Hawaii; or,

(e) If Lessee shall abandon the Premises or discontinue the permitted cultivation of diversified agriculture on the Premises; or

(f) If Lessee shall breach Lessee's covenant regarding compliance with any Hazardous Materials Laws;

Lessee shall then be in default under this Lease and Lessor, without prejudice to any other remedy or right of action, shall have the remedies provided in Section 10.2 below.

10.2 Remedies. If any Event of Default shall occur, Lessor may in any such case at once re-enter the Premises or any part thereof or any improvements thereon in the name of the whole, and upon or without such entry, at its option, terminate this Lease without service of notice of legal process, and may expel and remove Lessee and all persons claiming under Lessee and their effects from the Premises or any buildings and improvements thereon which has not been previously surrendered under this Lease without being deemed guilty of any trespass or becoming liable for any loss or damage occasioned thereby, and may bring an action for summary possession of the Premises or any improvements thereon, all without prejudice to any other remedy or right of action which Lessor may have for arrears of rent or for any preceding or other breach of contract. Such termination may but need not necessarily be made effective by recording an affidavit thereof by Lessor or a judgment thereof by a court of competent jurisdiction, in the Bureau of Conveyances of the State of Hawaii and the Office of the Assistant Registrar of the State of Hawai'i.

10.3 Lessor's Costs and Expenses. In addition to the foregoing remedies for breach of this Lease, Lessor shall have the right to recover from Lessee all damages, loss, costs, expenses and fees that may be suffered by Lessor as a result of Lessee's breach of this Lease, including reasonable attorney's fees.

XI. MISCELLANEOUS

11.1 Nonwaiver. Acceptance of rent by Lessor or its agent shall not be deemed to be a waiver by Lessor of any breach by Lessee of any covenant contained in this Lease or of Lessor's right to re-enter for breach of condition. The delay or failure of Lessor or Lessee in exercising any right, power or privilege under this Lease or any single or partial exercise of any such right,

power or privilege or any abandonment or discontinuance of steps to enforce such a right, power or privilege shall not affect such right, power or privilege. Any waiver, permit, consent or approval of any kind by Lessor or Lessee of any breach or Event of Default under this Lease, or any waiver of any provisions or conditions of this Lease must be in writing and shall be effective only to the extent set forth in writing.

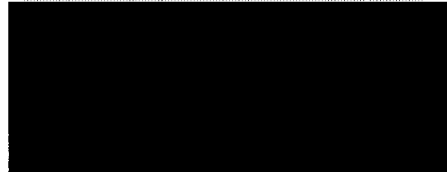
11.2 Notices. All notices, demands or documents which are required or permitted to be given or served hereunder shall be in writing and sent by: (i) first class, registered, or certified mail, postage prepaid, (ii) hand delivery or (iii) electronic mail, provided the other party to this Note confirms in writing the receipt of notice, addressed as follows:

If to Lessor:



If to Lessee:

LA`AU PONO, INC.



Any such address may be changed from time to time by serving notice to all other parties as above provided. Service of such notice or demand shall be deemed complete on the day of actual delivery or at the expiration of the second day after the date of mailing, whichever is earlier.

11.3 Paragraph Headings. The headings of paragraphs and subparagraphs in this Lease are inserted only for convenience and reference and shall in no way define, expand or limit the scope or intent of any provisions of this Lease.

11.4 Attorney's Fees. In the event of a dispute or Event of Default Lessor may recover from Lessee all reasonable costs and reasonable attorney's fees expended or incurred by the prevailing party in enforcing this Lease, in actions for declaratory relief in any way related to this Lease, and on any and every account, or during the existence of any Event of Default in the enforcement of the provisions of this Agreement, and the investigation and policing of the Event of Default in question, and in actions to recover damages under this Lease.

11.5 Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of Hawaii.

11.6 Entire Agreement. This Lease, together with any attached exhibits, is a complete integration of every agreement and representation made by or on behalf of Lessor and Lessee

with respect to the Premises, and supersedes all prior leases and agreements between the parties and no implied covenant or prior oral or written agreement shall be held to vary the provisions of this Lease, any law or custom to the contrary notwithstanding. Lessor and Lessee may amend or otherwise modify this Lease prior to the Commencement Date. Both parties agree to negotiate in good faith if the other party desires that the Lease be amended or modified. The provisions of this Lease shall only be amended by a written amendment executed by Lessor and Lessee which refers to the specific provisions of this Lease to be amended.

11.7 Inurement. The provisions of this Lease shall be binding upon and inure to the benefit of Lessor and (subject to the restrictions on assignment contained in this Lease) Lessee, and their respective successors, successors in trust and permitted assigns as the context of this Lease may require. Any liability which may arise as a consequence of the execution of this Lease by or on behalf of Lessor shall be a liability of Lessor. Any liability which may arise as a consequence of the execution of this Lease by or on behalf of Lessee shall be the joint and several liability of Lessee. Throughout this Lease, the terms "Lessor" and "Lessee" shall mean and include the singular and the plural and the use of a pronoun of one gender shall refer to all genders.

11.8 Time of Essence. Time is of the essence in the performance of any obligations under this Lease.

11.9 Severability. If any provision of this Lease is held to be invalid or unenforceable, the validity and enforceability of the other provisions of this Lease will remain unaffected.

11.10 Neither Party Deemed Drafter. All provisions of this Agreement have been negotiated at arm's length and with full representation of legal counsel and neither Lessor nor Lessee shall be deemed to be the drafter of this Lease. If this Lease is ever construed by a court of law or by a board of arbitrators, such court or board shall not construe this Lease or any provision of this Lease against either Lessor or Lessee as the drafter of this Lease.

11.11 Maximum Rate of Interest. Any interest payable under the terms of this Lease shall not exceed the maximum rate permitted by law.

11.12 Recordation of Lease. This Lease shall not be recorded in the Bureau of Conveyances of the State of Hawaii or filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii without the written consent of Lessor and Lessee. Lessee shall pay all conveyance tax assessed on any recordation of this Lease and the recordation of any subsequent conveyance, amendment or extension of this Lease.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have duly executed these presents on the day and year first above mentioned.

_____

LESSOR

LA`AU PONO, INC.,
a Hawaii corporation

By: _____
Name:

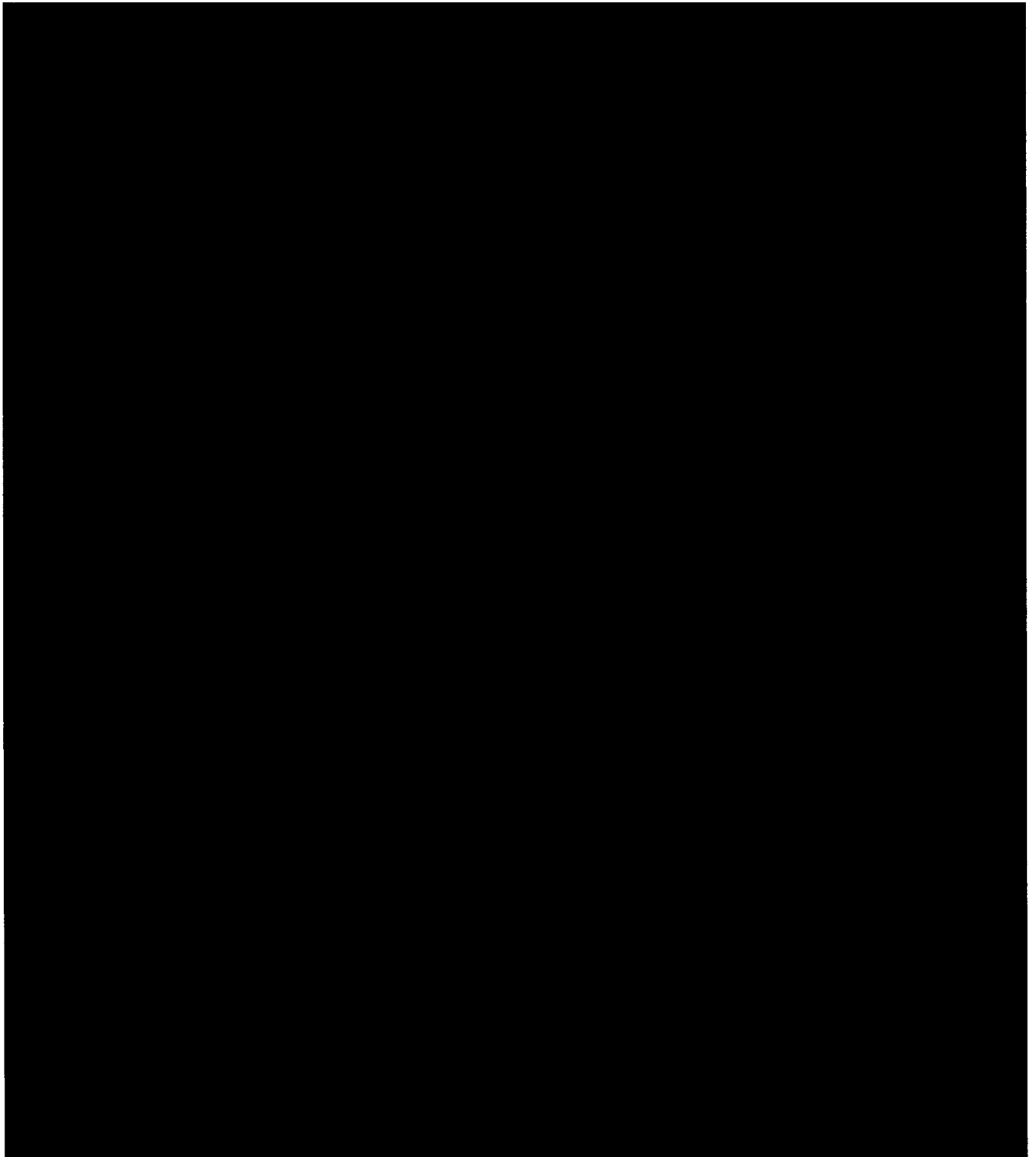
Its:

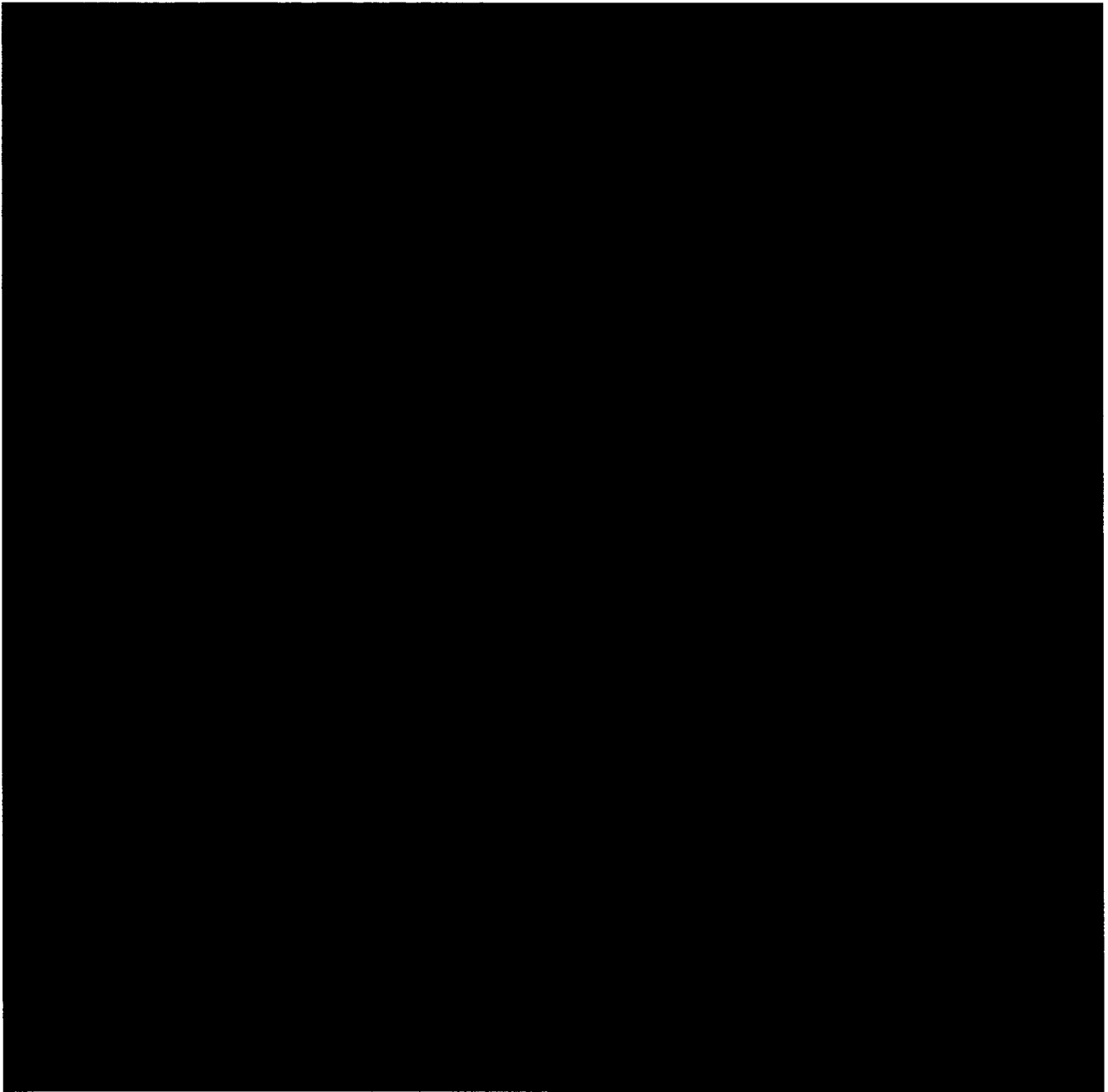
LESSEE

EXHIBIT “A”
Property Description for Leased Premises

1/27/16 12194-1 952134 La`au Pono Ground Lease #1 32

EXHIBIT “B”
Preliminary Building Blueprints





Print _____

Print _____

Sign _____

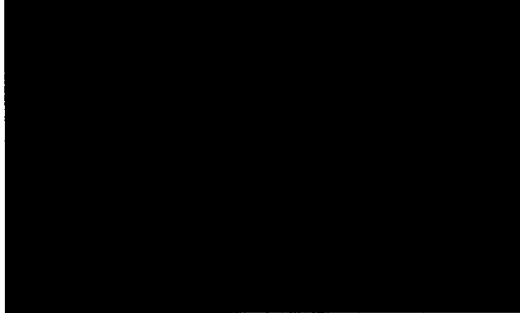
Sign _____

Date _____

Date _____

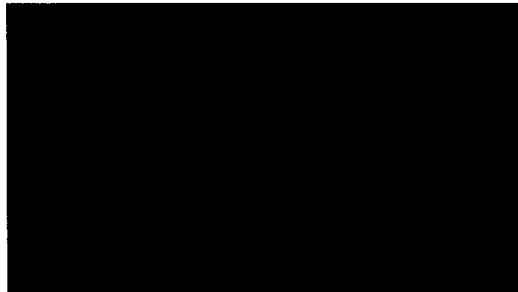
NON BINDING LETTER OF INTENT TO LEASE

January 29, 2016



This Letter of Intent shall serve to outline a proposal for the lease of a primary production site located at [REDACTED] Hawaii. As more fully explained and shown on Exhibit A ("Premises"). This proposal does not constitute a binding agreement between the parties. It only evidences Lessee's offer to negotiate in good faith with Lessor for a building lease. The basic terms of the proposal are as follows:

A. Lessor:



B. Lessee:

C. Effective Date: January 29, 2016

D. Permitted Use of Premises: Lessee shall use the Premises only for the following purpose: The premises shall be used for the processing, producing, manufacturing, cultivating, storing marijuana and marijuana products in accordance with the Hawaii Medical Marijuana Laws. Any changes to said use or the format of Lessee's business shall require the prior written consent of Lessor.

E. Lease Term: 5 Years

F. Option: Lessee shall have two (2) successive option to extend the Lease Term for a period of sixty (60) months ("Option Term") at the then fair market rent exercisable in writing no less than 180 calendar days prior to the expiration of the original lease term. Option rent shall not be less than the rent paid in the preceding period;

G. Rent Commencement Date: Rent and all other charges shall commence upon thirty (30) days after Delivery Date. Lessee agrees upon execution of this Letter of Intent to commence design drawings and submit plans to Lessor for approval within 45 days.

Lessee agrees to apply for building permit within 10 days after approval of Lessee's plans by Lessor.

H. Delivery Date: Lessor shall deliver the Premises to Lessee for construction on or about April 15, 2016.

I. Minimum Rent: For the period beginning on the Commencement Date, the monthly rent shall be [REDACTED] plus Hawaii general excise tax ("GET"). On each anniversary date, Minimum Rent shall increase annually at a rate of five percent (5%) for duration of the initial lease term.

J. Additional Rent: In addition to the Minimum Rent, Lessee shall pay the pro-rata share of real property taxes. Proration shall be based on assessment on usage and improvement values. Payments are due to Lessor at least 10 days prior to due date.

K. General Excise Tax Rate: Lessee shall pay the Hawaii General Excise Tax on all rent. The current effective rate is 4.166%.

L. Insurance Expense: Lessee shall be responsible for maintaining its own policy of commercial general liability insurance for the Premises and a policy of property insurance (ISO Special Form) for all furniture, fixtures, inventory and other improvements made by Lessee within the Premises, together with business interruption, automobile liability and worker's compensation with Lessor being named as an additional insured thereunder, all in accordance with the requirements and limits to be set forth in the lease agreement

M. Utilities: Lessee shall pay for its own utilities including but not limited to water, sewer, gas and electricity consumed within the Premises, including the costs of utilities furnished by Lessor, if any, to the Premises, whether directly assessed or reasonably allocable to Lessee.

a. **Water:** Lessee shall install a submeter at its cost and shall be responsible for any repairs in the transmission line after the submeter.

b. **Electricity and Telecommunications System:** Lessee is responsible for its own electricity and telecommunication costs. Lessee must obtain services from the appropriate agencies and is responsible for all costs associated with setting up service.

N. Common Area Maintenance: Lessee shall keep the Premises in good condition reasonably free from weeds and other noxious growth. Lessee will comply with county grading codes and ordinances and will construct necessary drainage ditches or other precautions to prevent or arrest loss of soil by erosion.

O. Security Deposit: Upon execution of the lease agreement, Lessee shall deposit an amount equal to 1 month's rent plus G.E. Tax (4.166%) with Lessor to secure Lessee's performance under the lease agreement. Lessor shall hold the deposit, without interest, for the term of the lease agreement.