

- P. 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.
- Q. Sublease:** Lessee shall not sublease any portion of the Leased premises without the prior written approval of the Lessor.
- R. 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.
- S. 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.
- T. 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.
- U. 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: FFD Director

Acceptance:

By: 

Its: owner







Sign MBR

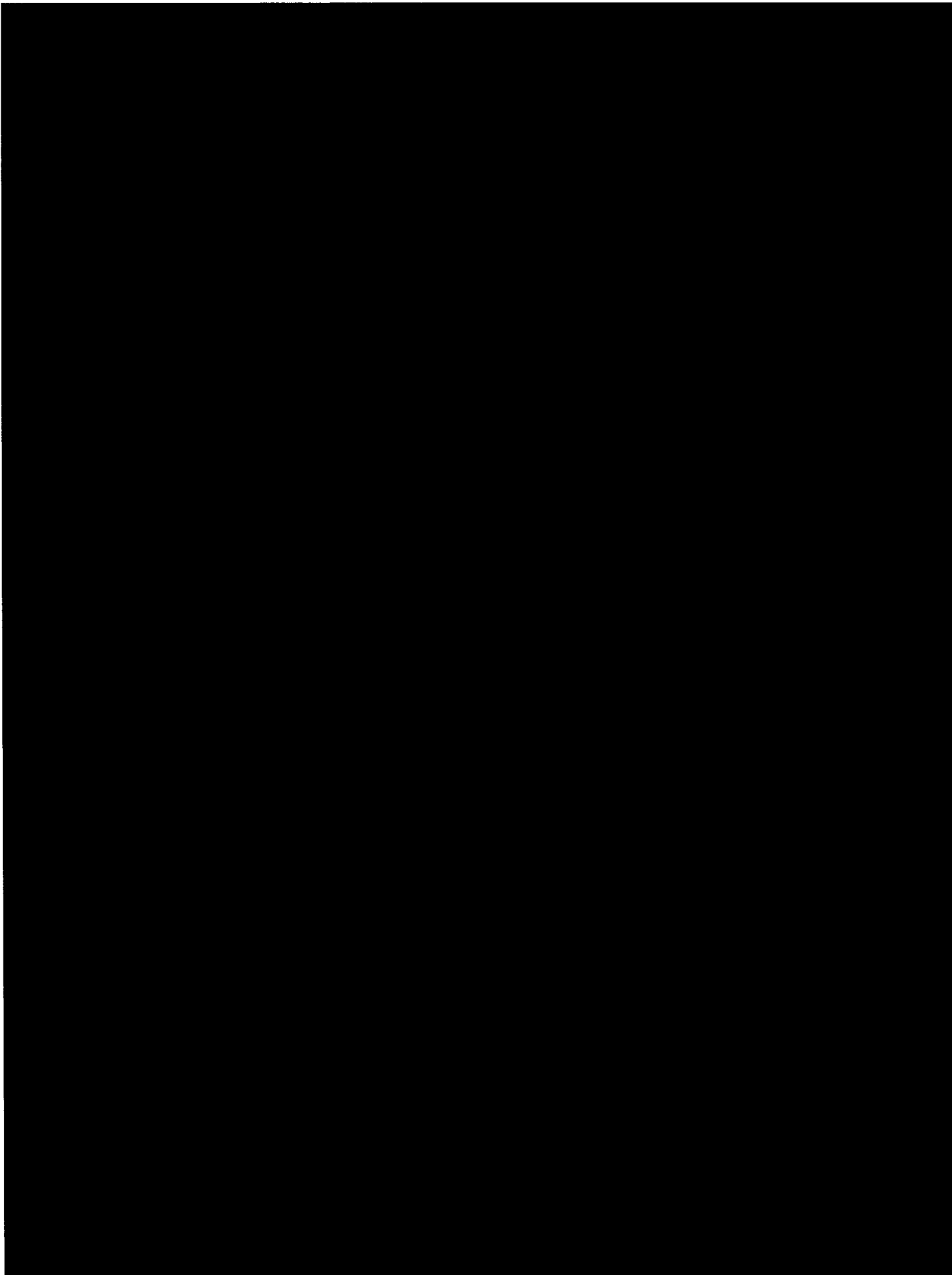
Date 01-28-2016

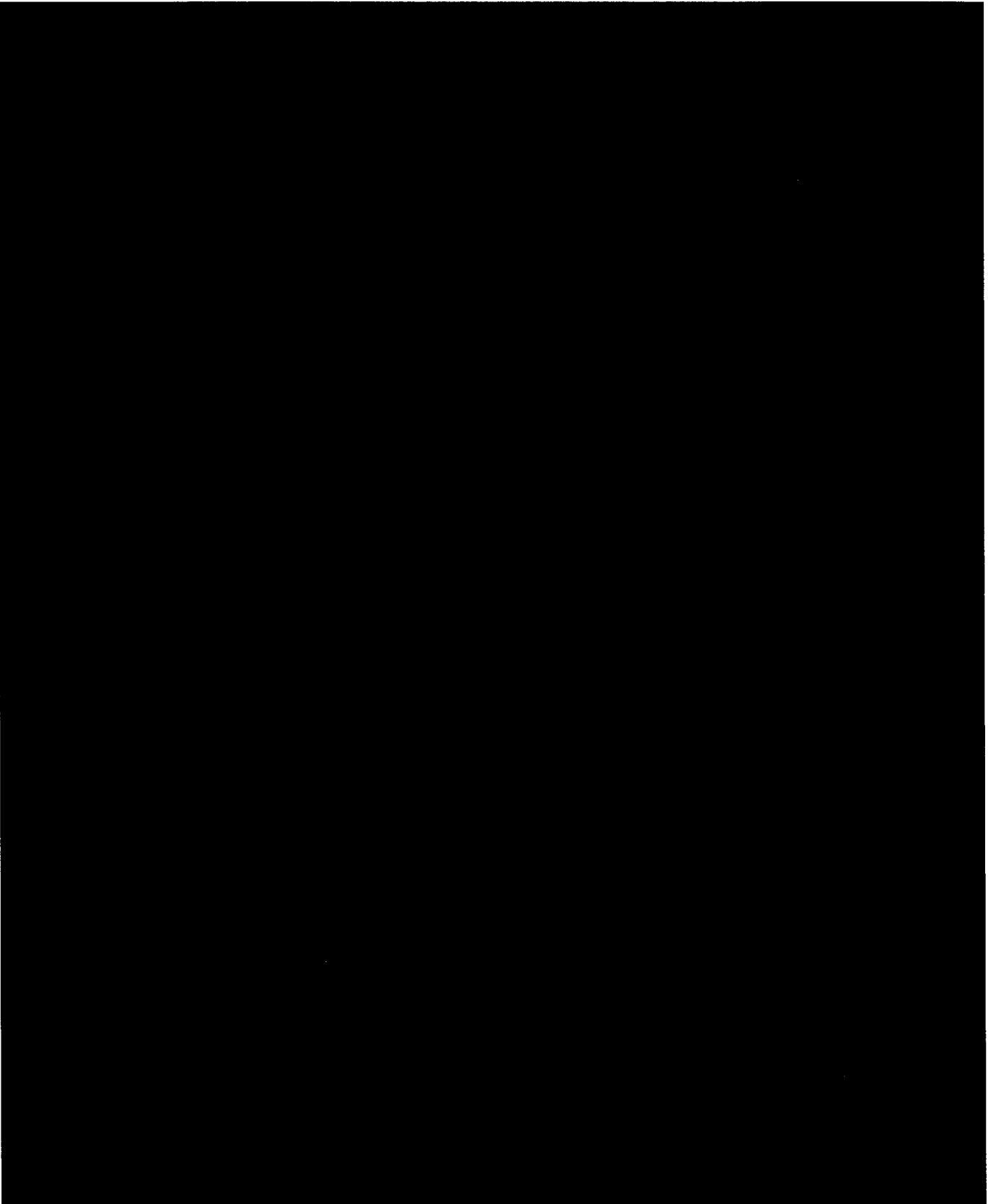
Sign [Signature]

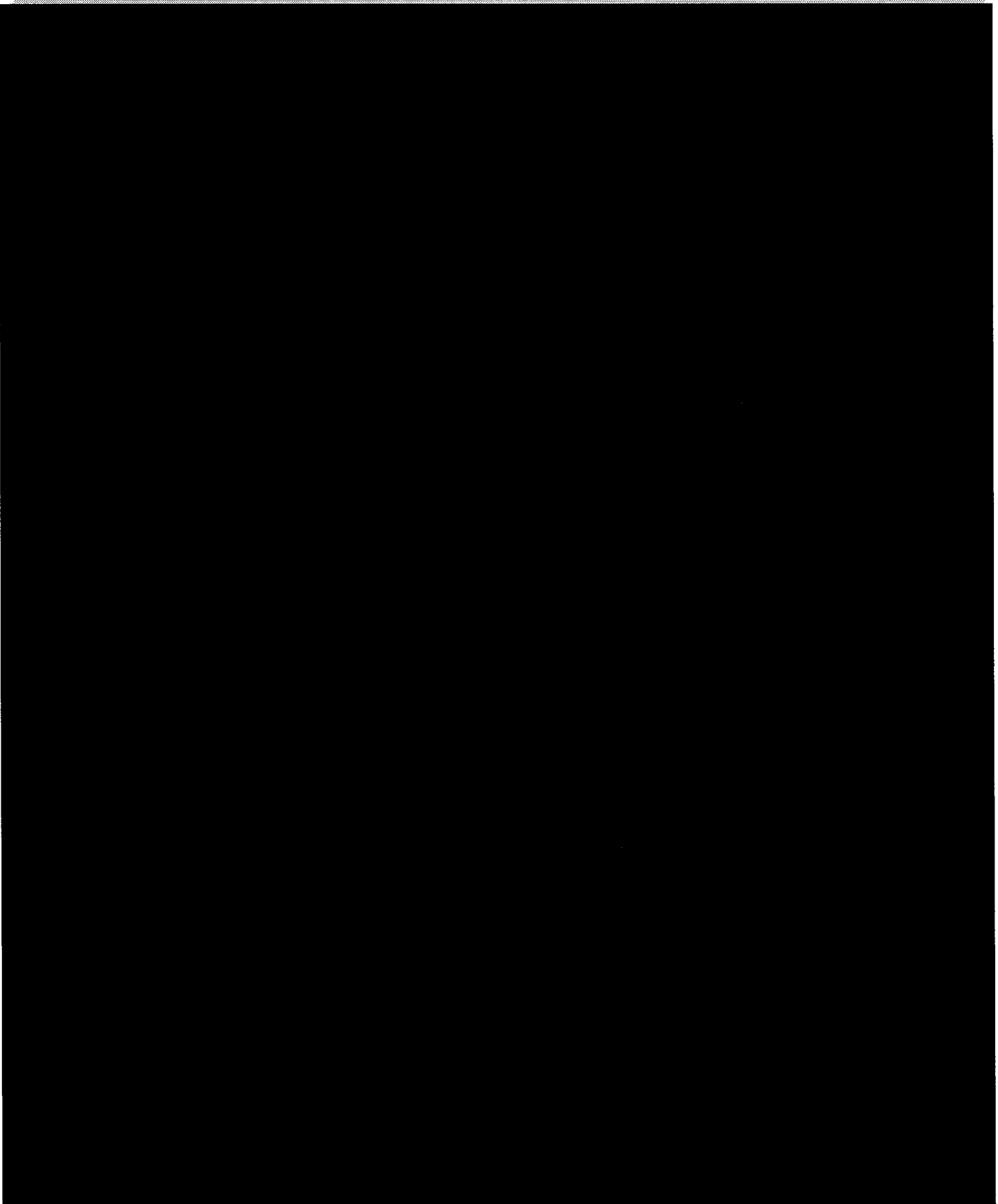
Date 29 January 2016

# Hawaiian**Ethos**

Primary Dispensary Locations



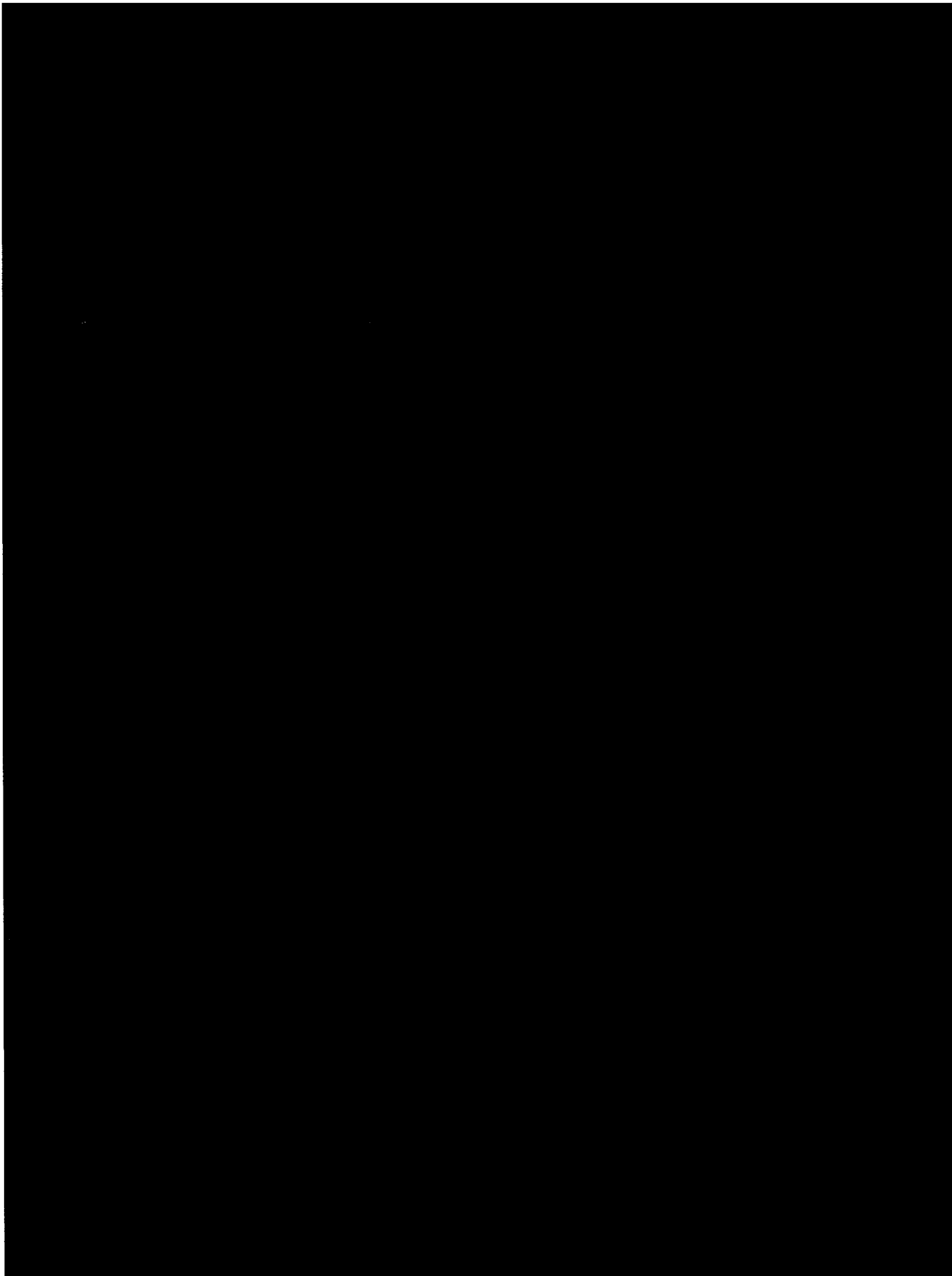






5755 SW Jean Road  
Lake Oswego, OR 97035

## Hawaiian Ethos





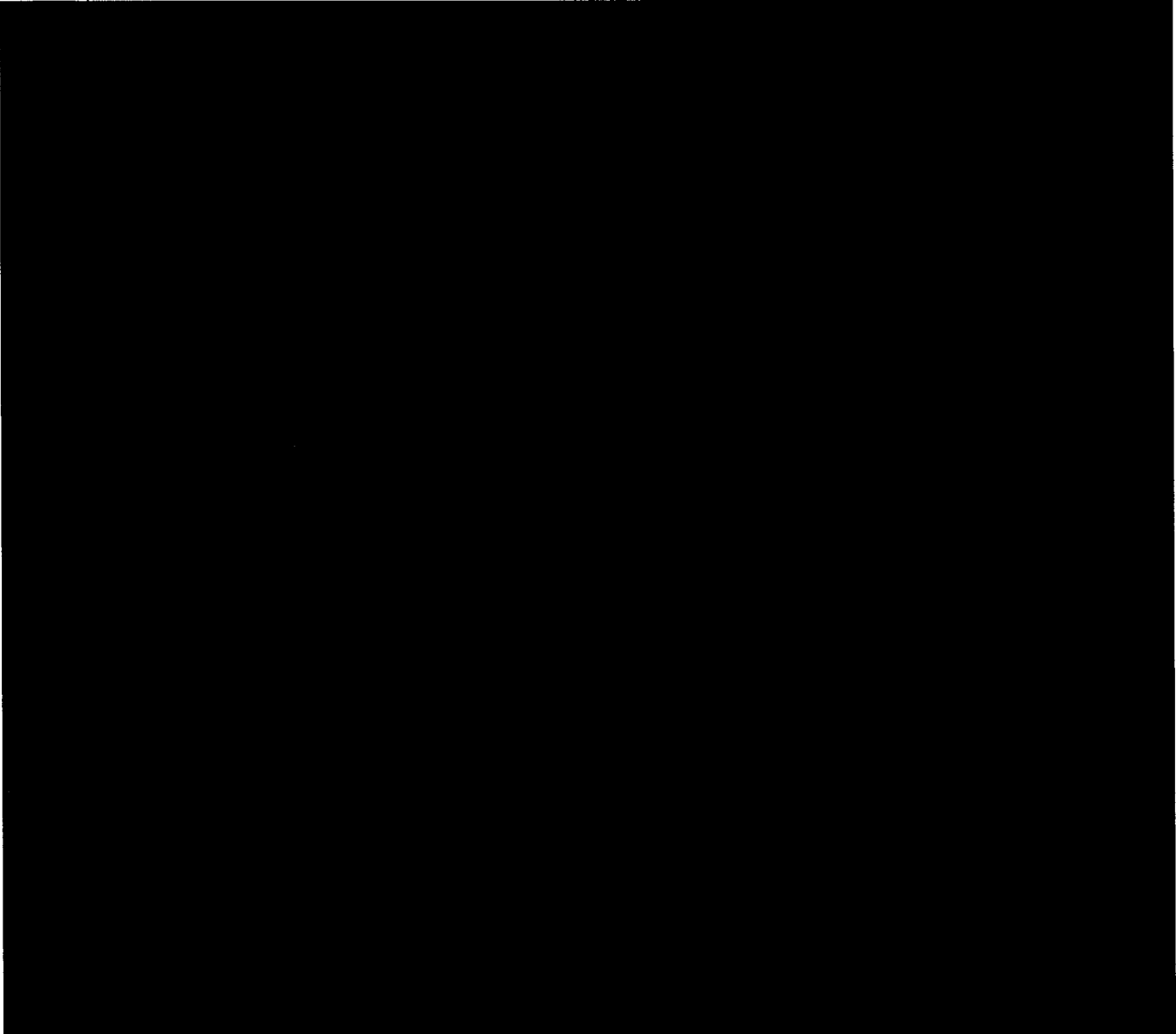
**CannaGuard Security**

5755 Jean Rd Ste 101  
Lake Oswego, OR 97035

**Estimate**

Date	Quote #
1/25/2016	864

Name / Address
Hawaiian Ethos LLC



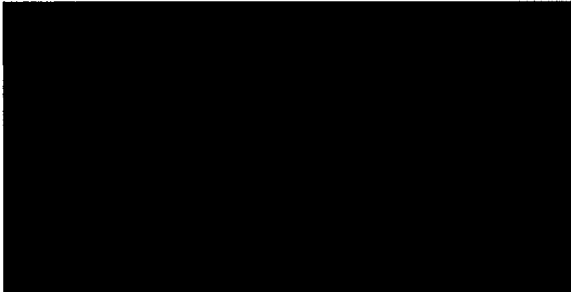
Signature \_\_\_\_\_





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**LOI for Hualalai Medical Center**



Wed, Jan 27, 2016 at 3:26 PM

The terms look good. We are in agreement. Please prepare a lease.

Jared Watumull  
Watumull Properties Corp.  
307 Lewers St 6th Floor  
Honolulu, HI 96815  
(808)971-8826 - Phone  
(808)971-8824 - Fax  
jared@wpchawaii.com

PLEASE NOTE MY NEW EMAIL ADDRESS

<https://mail.google.com/mail/u/0/?ui=2&ik=ff57552c5c&view=pt&search=inbox&msg=1...> 1/27/2016



Reference Date: 25-1-2016

Reviewed by, \_\_\_\_\_, Principal Broker/Broker-in-Charge

**OFFER TO LEASE**

This offer to lease (hereinafter, "Offer"), contains the terms and conditions under which the Landlord and Tenant identified below propose to lease the premises described below. This Offer is not legally binding upon either the Landlord or Tenant (other than the terms of the Binding Conditions contained below which shall be binding upon the parties upon execution of this Offer by both Landlord and Tenant), notwithstanding anything to the contrary elsewhere in this Offer.

**IDENTIFICATION OF PARTIES****Landlord:**

Hualalai Gulsons LLC Jared Watumull  
307 Lewers Street  
Honolulu HI 96815  
Phone 808 971 8817

E-mail jared@wpchawaii.com

**IDENTIFICATION OF BROKERS****Landlord's Broker:**

Sperry Van Ness / Clark Commercial Group  
75-5722 Kuakini Hwy suite 214  
Kailua-Kona HI 96740  
Phone 808 329 6446

E-mail gogin@svn.com

**Tenant's Broker:**

Sperry Van Ness / Clark Commercial Group Suite 1  
75-5722 Kuakini Hwy suite 214  
Kailua-Kona HI 96740  
Phone 808 329 6446

Hil

E-mail rbutter@svn.com

The undersigned, hereinafter referred to as Tenant, hereby offers and agrees to lease from **Hualalai Gulsons LLC**, Landlord, those certain premises located at the property commonly known as the **Hualalai Medical Center**, located at **75-184 Hualalai Rd Kailua-Kona HI 96740**, TMK: 3-7-5-8-30 (the "Property"), and more particularly described as follows:

Area to be Leased: Approximately 1596 square feet.  
Location on Property: 75-184 Hualalai Rd Kailua-Kona Suite 100/101 (the "Premises").  
Use: The space shall be used for the following purposes: **Medical Marijuana dispensary office.**

Throughout the term of the lease, it is Tenant's sole responsibility to ensure that Tenant's use is permitted under applicable zoning and other laws; and that there is sufficient parking for such use; and that Tenant will be able to secure the necessary approvals for Tenant's signage, if any.

Tenant agrees to execute the Landlord's standard lease within **fourteen (14)** days of receipt, which shall contain, among others, the following terms and conditions:

Term: For a term of 5 years and 0 months, commencing on the 15th day of April, 2016, and ending on April, 14th 2021. Option to renew for 5 years at Fair Market

Rental Rate: The basic monthly rental (base rent) per square foot of the demised Premises shall be:

1 <sup>st</sup> Year: \$ 1.90	4 <sup>th</sup> Year: \$ 2.07
2 <sup>nd</sup> Year: \$ 1.96	5 <sup>th</sup> Year: \$ 2.13
3 <sup>rd</sup> Year: \$ 2.01	

Tenant's Initials SWF

Page 1 | 3

75-5722 Kuakini Highway, Suite 214 | Kailua-Kona, HI 96740 | P: 808 329 5999 | F: 808 329 8102 | www.svnccg.com  
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Percentage Rent: Tenant will pay 0 % of gross sales in lieu of base rent or whichever amount is greater.

Additional Charges: Tenant shall pay monthly a pro rata share of building operating expenses in accordance with the terms of the lease, including maintenance, utilities, property taxes, ground rent increases, management fees, insurance, and other general expenses associated with the operation of the property, which is estimated to be **\$ .92 per square foot per month for 2015.**

If the Premises' utilities are not separately metered, the estimated charges will be:  
 \$ \_\_\_\_\_ Tenant ☒ shall pay the utility company directly for the leased Premises' electricity.

General Excise Tax: Tenant shall pay with each payment due under the lease an amount equal to the Hawaii General Excise Tax (currently **4.166%**).

Condition of Leased Area: Tenant agrees to accept the Premises as is, unless otherwise specified under SPECIAL PROVISIONS below. Tenant further understands that any alterations or improvements shall be performed in accordance with the Landlord's specifications. All leasehold improvements shall remain as property of the Landlord.

Insurance: Tenant agrees to effect and maintain Comprehensive General Liability Insurance covering the Landlord and Tenant with respect to the demised premises, at Tenant's expense in accordance with the provisions of the Landlord's Standard Lease and with the following limits: Commercial General Liability: \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury, death, and property damage, including liquor liability if liquor is sold.

Financial Statement: This offer is subject to the Landlord's review and acceptance of the Tenant's demonstrated financial conditions. A copy of the latest balance sheet and statement of operations and federal and state tax returns for the past two years for the Tenant's company must be submitted within three (3) calendar days after the proposal is accepted by Landlord. Further, Tenant hereby grants Landlord permission to perform a credit check.

Security Deposit: Upon execution of the Lease, Tenant deposits the sum of **\$4,660** and these funds will remain on deposit with Landlord without interest, for the full term of the lease as security of Tenant's performance. At Lease execution, Tenant shall also deposit an additional sum of **\$4,660**, which is to be applied to the first rental payment due under the terms of the Lease.

There are no other representations of agreements, provisions, or conditions, written or verbal, except as noted below.

Special Provisions: Tenant shall have **NO BASE rent for 1<sup>st</sup> 4 months. Rent Starts Aug 1<sup>st</sup> 2016**

Tenant assures that there will be no smells from the dispensary affecting other tenants also no loose product in or around suite.

*OPF* Landlord may terminate said lease if government agency deems tenant use to be illegal in any way. *lease contingent upon Tenant receiving license from State of Hawaii.*

Binding Provisions: Notwithstanding the foregoing, the Landlord and Tenant intend the following provisions to be legally binding.

**Indemnification by Tenant regarding exercise of Inspection Rights.** Tenant agrees to indemnify, defend and hold Landlord, Landlord's Broker, and Tenant's Broker harmless from any actions, suits, liens, claims, damages, expenses, losses and liability for damage to personal property or personal injury to the extent arising from or attributable to any acts performed by Tenant or its authorized agents in exercising Tenant's inspection rights, if any, under this Offer. This agreement to indemnify Landlord, Landlord's Broker, and Tenant's Broker shall survive any termination of this agreement.

Tenant's Initials

*OPF*

Page 2 | 3

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**Confidentiality.** The parties shall keep confidential each of the provisions of this Offer. Tenant shall keep confidential all information Tenant obtains from Landlord about the Premises, and building in which the Premises are located, and the Property. Landlord shall keep confidential all information Landlord obtains from Tenant about Tenant's financial condition, business strategy, plans or marketing information. The foregoing duties of confidentiality shall survive this Offer and continue until the earlier of the date the lease contemplated hereby is fully executed and delivered, or one year from the date of this Offer.

**Disclaimer.** Neither Clark Realty Corporation, dba Sperry Van Ness / Clark Commercial Group, nor any individuals employed by Sperry Van Ness / Clark Commercial Group shall be liable in any manner whatsoever to any person for any inaccuracies or omissions in this Offer or use of this Offer. The parties are advised to consult an attorney, engineer, architect, accountant or other appropriate professional for advice.

**Execution of this Offer.** Faxed or e-mailed signatures shall be acceptable to both parties for this Offer. This offer remains open for acceptance until **5:00PM HST on Feb 4, 2016**. If Landlord and Tenant do not execute this Offer by the date and hour specified above, this Offer shall be null and void.

**Agency Disclosure.** Landlord is represented by the company identified on Page 1 above ("Landlord's Broker"). Tenant is represented by the company identified on Page 1 above ("Tenant's Broker"). Clark Realty Corporation, dba Sperry Van Ness / Clark Commercial Group, X is acting as a dual agent in this transaction, and if Clark Realty Corporation, dba Sperry Van Ness / Clark Commercial Group, is acting as a dual agent, the attached Dual Agency Consent Agreement shall be made a part of this Offer. By initialing below, Landlord and Tenant confirm that oral or written disclosure of such representation was provided to them before the signing of this Offer.

\_\_\_\_\_  
Initials                      Tenant's Initials                      Landlord's

Landlord's Broker and Tenant's Broker specifically disclaim any responsibility for, and Landlord and Tenant acknowledge that they shall not rely upon, any disclosures made by either Landlord's Broker or Tenant's Broker about the Premises or the other party unless such disclosures are in writing and signed by the broker making the disclosure. Landlord's Broker and Tenant's Broker strongly recommend that the parties consult an attorney, architect, accountant, building contractor, environmental specialists, or other appropriate professional for further assistance in gathering and analyzing information about the Premises and/or the other party and specifically disclaim any responsibility for providing such specialized advice.

**Offer submitted by:**

Clark Realty Corporation, dba  
Sperry Van Ness / Clark Commercial Group

By \_\_\_\_\_  
Gregory G. Ogin, Principal Broker/Broker-in-Charge

Date \_\_\_\_\_

**Accepted by Landlord:**

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

**Accepted by Tenant:**

By \_\_\_\_\_

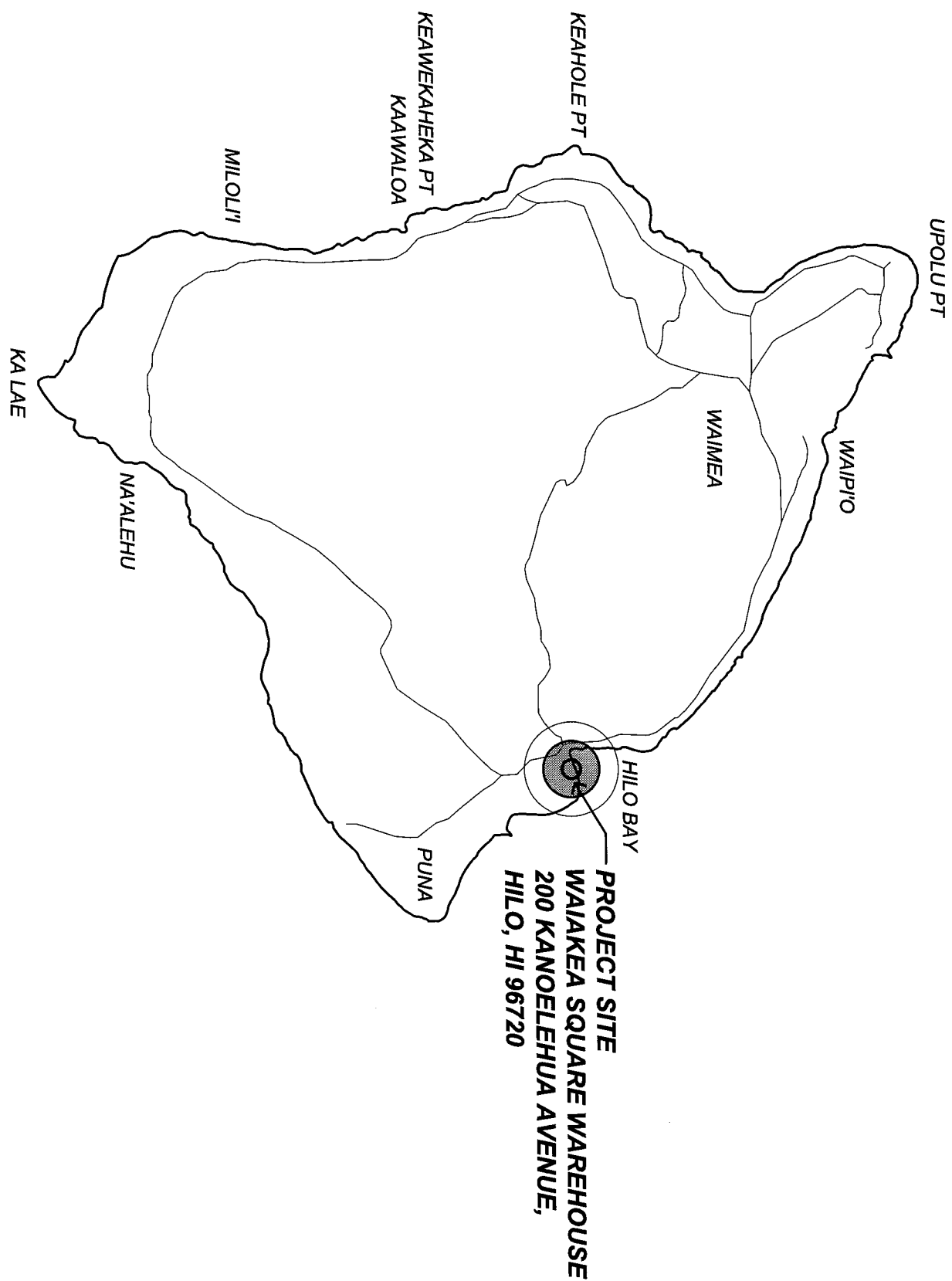
Title Manager, Hawaiian Ethos LLC

Date 1.27.16

Tenant's Initials SAF

Page 3 | 3

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1-25-16



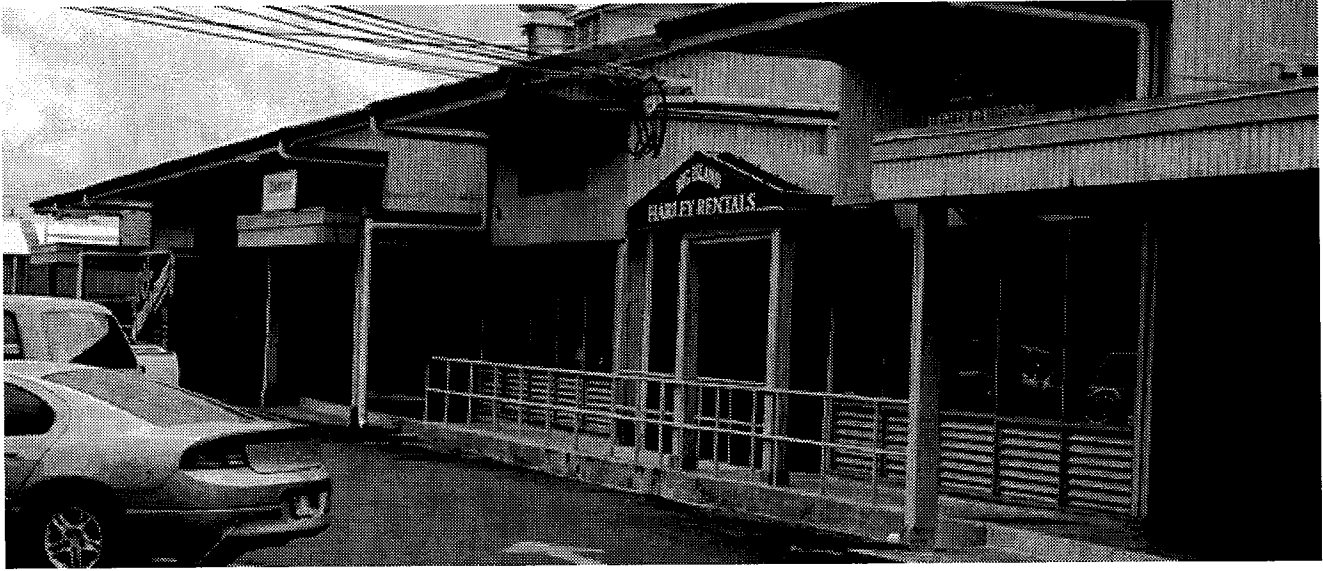


FOR LEASE | RETAIL

# WAIAKEA WAREHOUSE

200 Kanoiehua Avenue, Hilo, HI 96720

## Executive Summary



### LEASE OVERVIEW

AVAILABLE SF:	1,466 - 1,611 SF
LEASE RATE:	\$1.25 SF/Month (NNN)
LOT SIZE:	1.64 Acres
BUILDING SIZE:	24,646 SF
YEAR BUILT:	1977
RENOVATED:	2009
ZONING:	MCX-1A
MARKET:	Island Of Hawaii
SUB MARKET:	East Hawaii
CROSS STREETS:	Kanoiehua Avenue & Kuawa Street

### PROPERTY DESCRIPTION

27,000 square foot retail strip center with direct exposure to the main highway in the heart of Hilo. Highly trafficked and high visibility! Anchor tenants include Air Liquide America and Rent A Center. CAM is currently estimated at \$0.53/sf/month.



HI #RB-16614

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The Information Listed above has been obtained from sources we believe to be reliable, however, we accept no responsibility for its correctness.

GREGORY G. OGIN, CCIM, CPM

Managing Director  
808.329.6446  
gogin@svn.com  
HI #RB-16053

svnccg.com

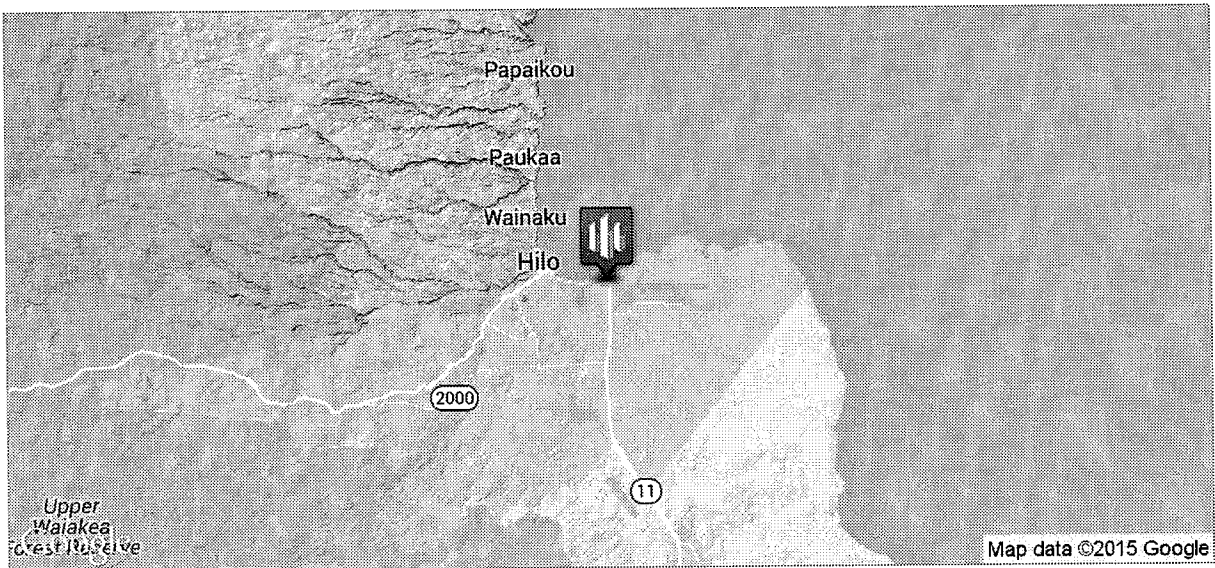
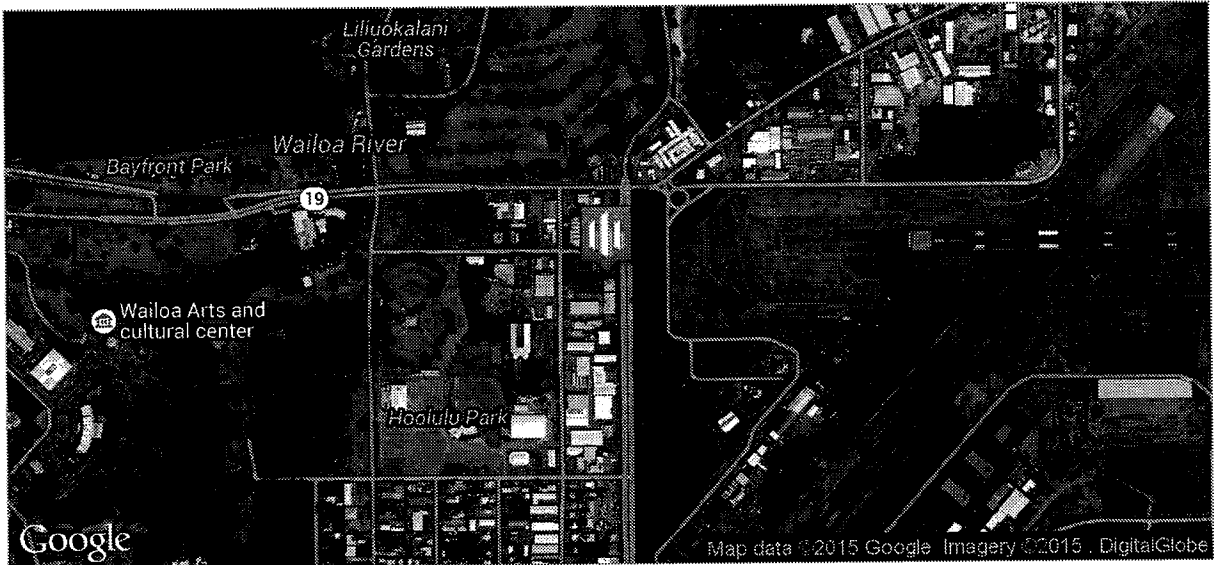


FOR LEASE | RETAIL

# WAIAKEA WAREHOUSE

200 Kanoiehua Avenue, Hilo, HI 96720

## Location Maps



**Sperry Van Ness.**  
Clark Commercial Group



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GREGORY G. OGIN, CCIM, CPM

Managing Director

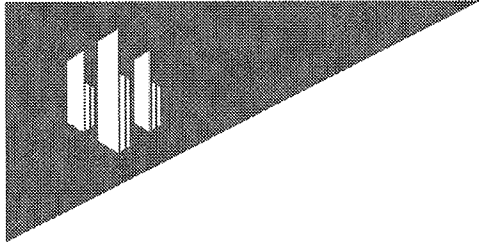
808.329.6446

gogin@svn.com

HI #RB-16053

svnccg.com





FOR LEASE | RETAIL

# WAIAKEA WAREHOUSE

200 Kanoelehua Avenue, Hilo, HI 96720

## Property Description

### PROPERTY OVERVIEW

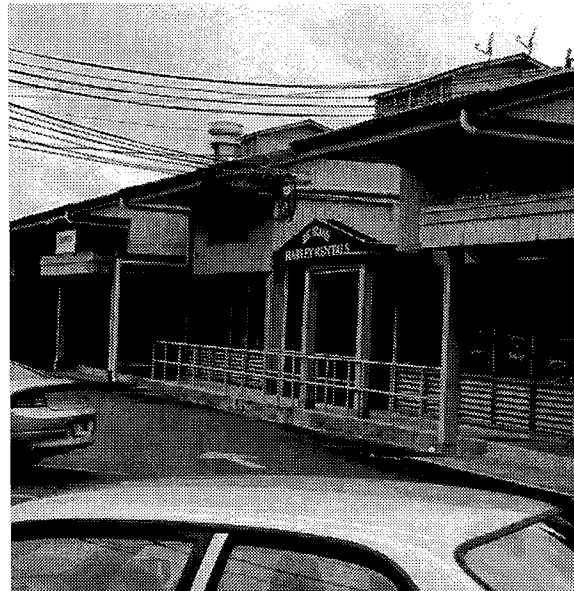
27,000 square foot retail strip center with direct exposure to the main highway in the heart of Hilo. Highly trafficked and high visibility! Anchor tenants include Air Liquide America and Rent A Center. CAM is currently estimated at \$0.53/sf/month.

### LOCATION OVERVIEW

Great visibility in a heavily trafficked area. Highway frontage on the edge of Hilo close to Hilo Airport and Hilo Harbor.

### PROPERTY HIGHLIGHTS

CAM is currently only \$0.53/sf/month  
 High traffic counts!  
 Near tourist destination of Hilo Bay  
 National Tenants - Air Liquide America; Rent A Center  
 Great street visibility!



GREGORY G. OGIN, CCIM, CPM  
 Managing Director  
 808.329.6446  
 gogin@svn.com  
 HI #RB-16053

HI #RB-16614  
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svncg.com



FOR LEASE | RETAIL

# WAIAKEA WAREHOUSE

200 Kanoelehua Avenue, Hilo, HI 96720



**Sperry Van Ness**  
Clark Commercial Group



HI #RB-16614

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GREGORY G. OGIN, CCIM, CPM

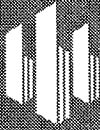
Managing Director

808.329.6446

gogin@svn.com

HI #RB-16053

svncg.com

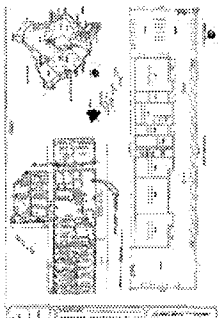


FOR LEASE | RETAIL

# WAIIAKEA WAREHOUSE

200 Kanoielehua Avenue, Hilo, HI 96720

Additional Photos



**Sperry Van Ness.**  
Clark Commercial Group



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GREGORY G. OGIN, CCIM, CPM

Managing Director

808.329.6446

gogin@svn.com

HI #RB-16053

svnccg.com



FOR LEASE | RETAIL

## WAIAKEA WAREHOUSE

200 Kanoiehua Avenue, Hilo, HI 96720

## Available Spaces

Lease Rate: \$1.25 SF/MONTH (NNN)

Total Space 1,466 - 1,611 SF

Lease Type: NNN

Lease Term: Negotiable

SPACE	SPACE USE	LEASE RATE	LEASE TYPE	SIZE (SF)	TERM	COMMENTS
Waiakea Square - 105	Strip Center	\$1.25 SF/MONTH	NNN	1,611 SF	36 months	
Waiakea Square - 101	Strip Center	\$1.25 SF/MONTH	NNN	1,466 SF	36 months	



Clark Commercial Group



HI #RB-16614

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GREGORY G. OGIN, CCIM, CPM

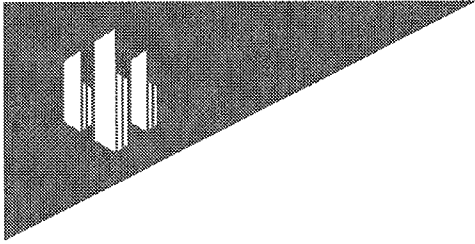
Managing Director

808.329.6446

gogin@svn.com

HI #RB-16053

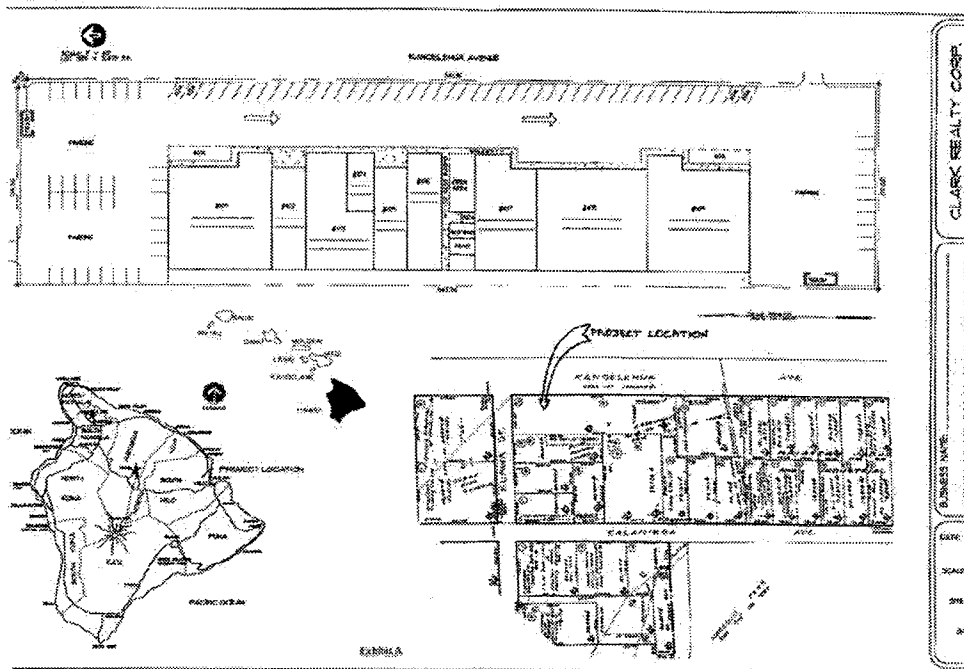
svnccg.com



# FOR LEASE | RETAIL WAIIAKEA WAREHOUSE

200 Kanoelehua Avenue, Hilo, HI 96720

Site Plan



**Sperry Van Ness**  
Clark Commercial Group



HI #RB-16614

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GREGORY G. OGIN, CCIM, CPM  
Managing Director  
808.329.6446  
gogin@svn.com  
HI #RB-16053

svnccg.com

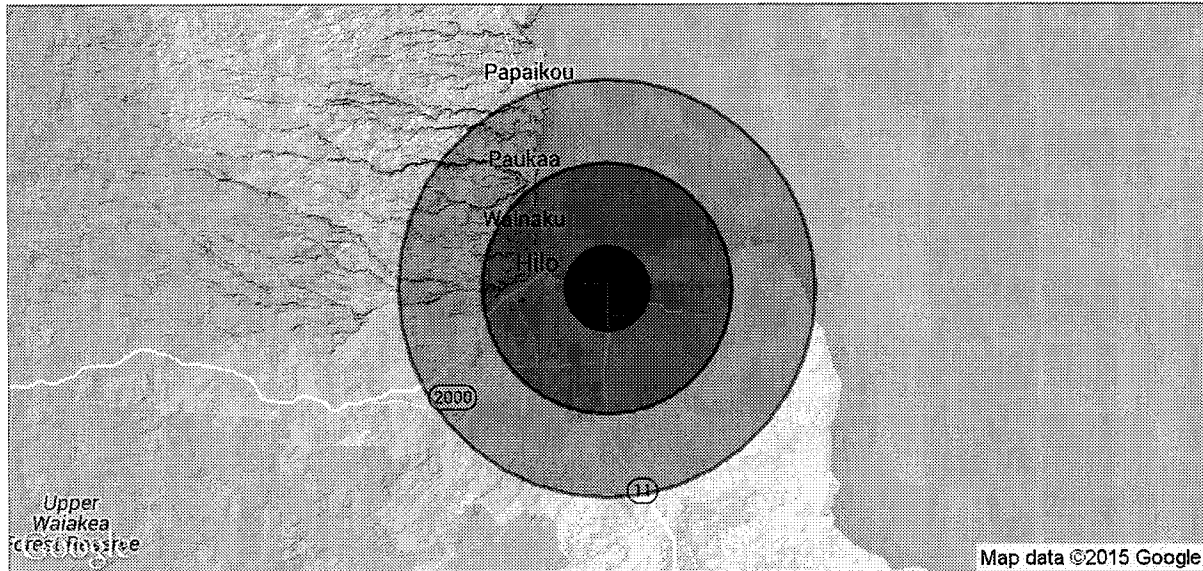


FOR LEASE | RETAIL

# WAIAKEA WAREHOUSE

200 Kanoelehua Avenue, Hilo, HI 96720

## Demographics Map



POPULATION	1 MILE	3 MILES	5 MILES
TOTAL POPULATION	3,678	23,179	41,780
MEDIAN AGE	27.8	33.9	38.1
MEDIAN AGE (MALE)	27.4	32.4	36.9
MEDIAN AGE (FEMALE)	28.1	35.4	39.5
HOUSEHOLDS & INCOME	1 MILE	3 MILES	5 MILES
TOTAL HOUSEHOLDS	1,160	7,997	14,558
# OF PERSONS PER HH	3.2	2.9	2.9
AVERAGE HH INCOME	\$51,273	\$58,421	\$66,521
AVERAGE HOUSE VALUE	\$320,933	\$354,776	\$367,007



HI #RB-16614

All Sperry Van Ness' Offices Independently Owned &amp; Operated.

The information listed above has been obtained from sources we believe to be reliable, however, we accept no responsibility for its correctness.

GREGORY G. OGIN, CCIM, CPM

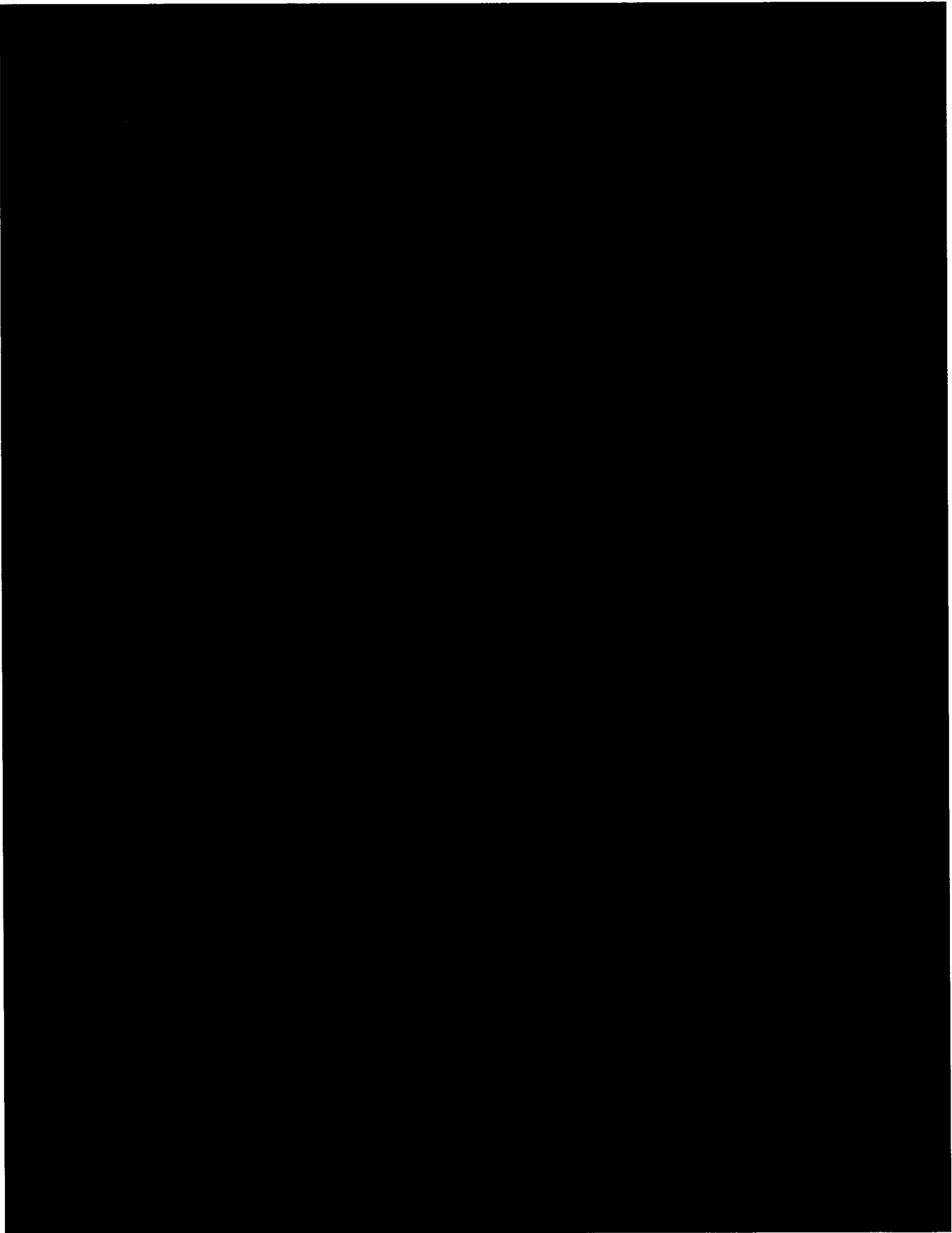
Managing Director

808.329.6446

gogin@svn.com

HI #RB-16053

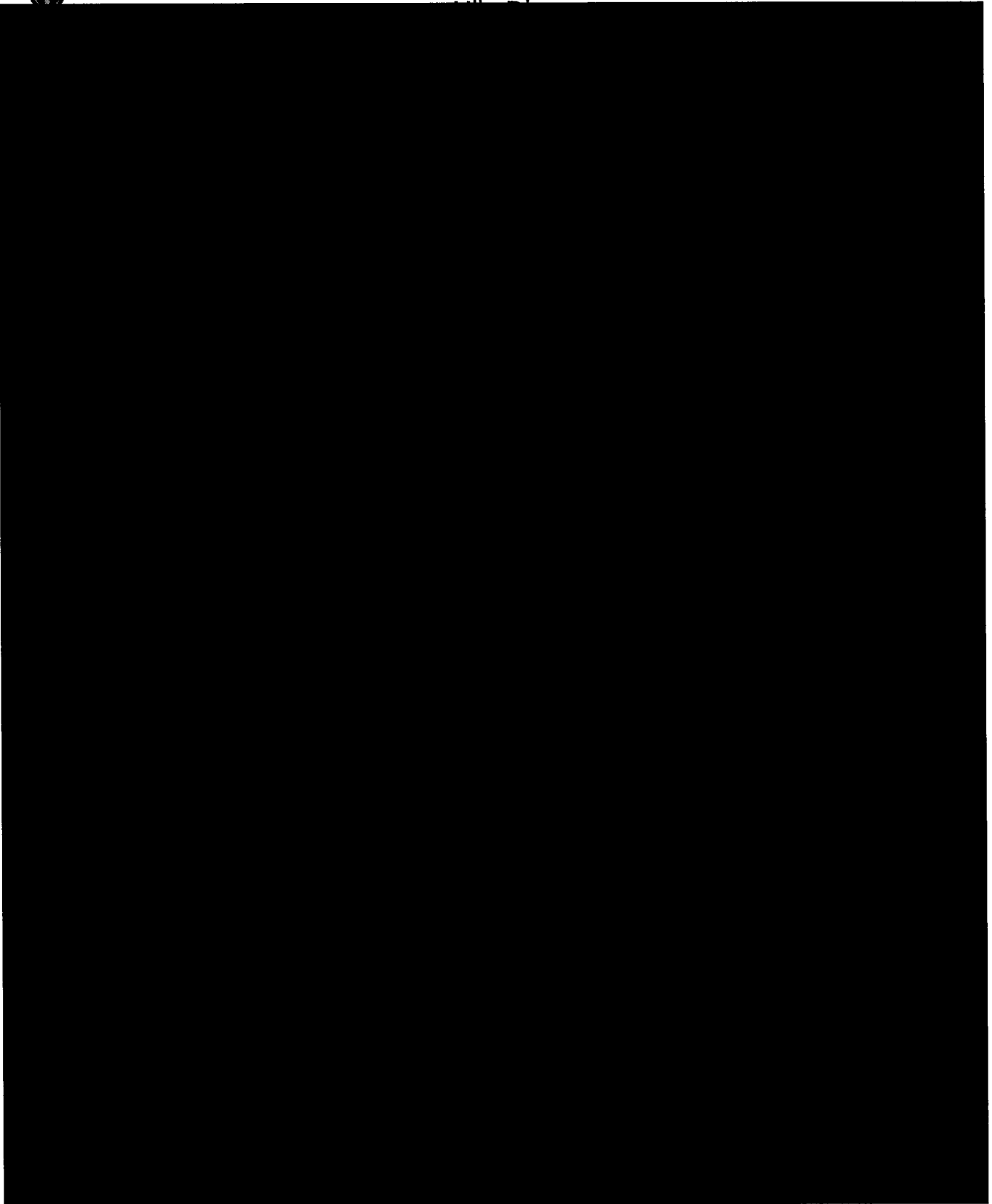
svnccg.com





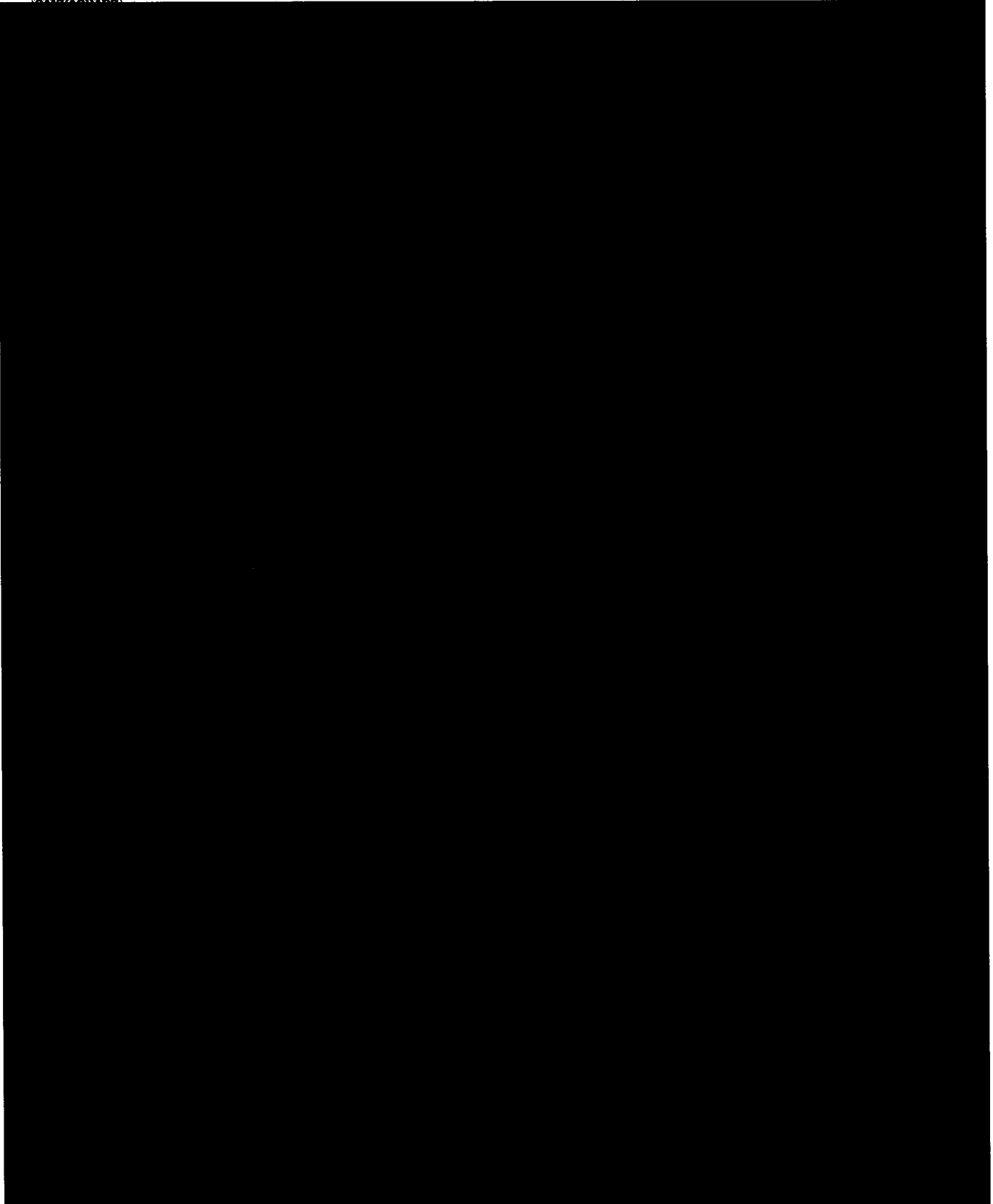
5755 SW Jean Road  
Lake Oswego, OR 97035

# Hawaiian Ethos





## Estimate



**CannaGuard Security**

5755 Jean Rd Ste 101  
Lake Oswego, OR 97035

**Estimate**

Date	Quote #
1/25/2016	865

Name / Address
Hawaiian Ethos LLC

Signature \_\_\_\_\_



H a w a i i

Reference Date: January 25, 2016Tenant's Initials: SM Landlord's Initials: \_\_\_\_\_

Reviewed by \_\_\_\_\_, Principal Broker/Broker-in-Charge, who hereby certifies that this is a true imprint of the Hawaii Certified Commercial Investment Member Chapter standard form. This form is available for use by the entire real estate industry. The use of this form is not intended to identify the real estate licensee as a CCIM.<sup>TM</sup>

## Non-Binding Letter of Intent for a Commercial Lease

Re: Hawaiian Ethos LLC

This letter of intent ("Letter of Intent") contains the terms and conditions under which the Landlord and the Tenant identified below propose to lease the premises described below. This Letter of Intent is not legally binding upon either Landlord or Tenant (other than the terms of Sections 28 to 32 below which shall be binding upon the parties upon execution of this Letter of Intent by both Landlord and Tenant), notwithstanding anything to the contrary elsewhere in this Letter of Intent.

### IDENTIFICATION OF PARTIES:

Landlord: Beatrice Choy Family Limited Trust  
 Street Address: 75-5722 Kuakini Highway, Suite 214  
Kailua Kona, HI., 96740  
 Phone: \_\_\_\_\_  
 Fax: \_\_\_\_\_  
 E-mail: \_\_\_\_\_

Tenant: \_\_\_\_\_  
 Street Address: \_\_\_\_\_  
 Phone: \_\_\_\_\_  
 Fax: \_\_\_\_\_  
 E-mail: \_\_\_\_\_

### IDENTIFICATION OF BROKERS:

Landlord's Broker: Clark Realty Corporation  
 Street Address: 75-5722 Kuakini Highway, Suite 214  
Kailua Kona, HI., 96740  
 Phone: (808) 329-6446  
 Fax: (808) 329-8102  
 E-mail: gogin@clarkcommercial.com

Tenant's Broker: Self  
 Street Address: \_\_\_\_\_  
 Phone: \_\_\_\_\_  
 Fax: \_\_\_\_\_  
 E-mail: \_\_\_\_\_

## NON-BINDING PROVISIONS

Check and fill in applicable provisions. Any provisions not checked or filled in are not applicable.

### 1) DESCRIPTION OF PREMISES

- A. General Description: (TMK: (3) 2 - 2 - 32 : 96 ☐ portion)  
☐ The space (the "Premises") identified as ☐ Room/Space No. 101 on the 1st floor in the ☐ building OR ☐ shopping center known as Waiea Square Warehouse located at 200 Kanoelehua Avenue, Hilo, HI., 96720 (the "Project").  
☐ The building (the "Premises") known as \_\_\_\_\_, located at \_\_\_\_\_.  
☐ That certain real property (the "Premises") located at \_\_\_\_\_.
- B. Rentable and Usable Square Feet: The Premises are shown on the attached Exhibit A. Note: Attach this Exhibit  
☐ The Premises contain approximately \_\_\_\_\_ rentable square feet and \_\_\_\_\_ usable square feet.  
☐ The actual square footage of the Premises shall be determined ☐ by Landlord ☐ by Tenant ☐ prior to the Term Commencement Date (defined below) ☐ after completion of tenant improvements ☐ pursuant to ☐ the Standard Method for Measuring Floor Area in Office Buildings (ANSI/BOMA Z65.1, 1996);  
☐ \_\_\_\_\_
- ☐ The Premises consist of approximately ☒ 1,466 square feet ☐ \_\_\_\_\_ acres.

Reference Date: January 25, 2016Tenant's Initials: SMP Landlord's Initials: \_\_\_\_\_☒ The base rent shall be as follows: Tenant shall have a 25,000 credit against base rent

The base rent shall be:

- ☐ Inclusive of all operating expenses; OR  
☒ Net of all operating expenses;  
☐ Inclusive of operating expenses for the base year, with Tenant responsible for increases in operating expenses over the base year;  
☐ \_\_\_\_\_

Payment of base rent shall commence on the following date (the "Rent Commencement Date") (or the ☐ earliest ☐ latest of the following dates, if more than one date is checked):

- ☐ The Term Commencement Date set forth above.  
☐ \_\_\_\_\_ or the date that Tenant opens for business, whichever is earlier.  
☐ the date that Tenant opens for business.  
☐ \_\_\_\_\_

8) CONCESSIONS ☐ Applicable ☒ Not ApplicableA. Rent Abatements: ☐ Tenant shall be entitled to a rent abatement as follows:

B. Other: \_\_\_\_\_

9) SHARED EXPENSES ☒ Applicable ☐ Not ApplicableA. Estimated Percentage Share: ☐ \_\_\_\_\_ percent (\_\_\_\_%) ☒ to be determined

B. Estimated Shared Expenses:

☒ \$ 0.53 (estimated) per rentable square foot per month.

C. Commencement Date of Shared Expenses:

- ☐ \_\_\_\_\_  
☒ the Term Commencement Date.  
☐ the Rent Commencement Date.

## 10) TENANT IMPROVEMENTS

☒ Tenant improvements: Any improvements, alterations, or construction to the Premises (except as otherwise provided in this section) shall be at Tenant's sole expense and shall be in conformity with the terms of the lease and (if checked):

- ☐ the specifications attached hereto as Exhibit \_\_\_\_\_;  
☐ \_\_\_\_\_

☐ Tenant improvement allowance: Tenant shall receive a tenant improvement allowance in the amount of ☒ \$ 25,000.00 ☒ \$ \_\_\_\_\_ per rentable square foot on the following terms:☒ Landlord improvements completed: Landlord improvements to the Premises are completed.☐ Landlord work: Landlord shall do the following work on the following terms:☐ Other: \_\_\_\_\_

## 11) HAWAII GENERAL EXCISE TAX

Tenant shall also pay with each payment due under the lease an amount equal to the Hawaii general excise tax or any successor tax assessed against Landlord on such payment.

12) SECURITY DEPOSIT ☒ Applicable ☐ Not ApplicableUpon ☒ execution of the lease ☒ execution of this Letter of Intent, Tenant shall deposit with ☒ Landlord ☐ Landlord's Broker a security deposit equal to the following:

- ☒ one month's base rent.  
☒ plus one month's operating expenses  
☐ \$ \_\_\_\_\_  
☒ plus General Excise Tax (GET).

Reference Date: January 25, 2016Tenant's Initials: DM Landlord's Initials: \_\_\_\_\_**16) LANDLORD'S SERVICES**

Landlord shall provide the following services and utilities:

- ☐ air-conditioning; \_\_\_\_\_  
☒ electricity; Common Area only \_\_\_\_\_  
☒ water and other supplies for restrooms; Common Area only \_\_\_\_\_  
☐ janitorial service ☐ five days a week ☐ seven days a week ☐ \_\_\_\_\_  
☐ automatic elevator service; \_\_\_\_\_  
☒ trash removal; Central location \_\_\_\_\_  
☐ \_\_\_\_\_  
☐ \_\_\_\_\_

Landlord shall provide such services and utilities:

- ☒ normal building hours.  
☐ during the following hours: \_\_\_\_\_  
☒ The cost of these services is included in the shared expenses paid by Tenant except for the following services which are paid for by Landlord: none \_\_\_\_\_  
☐ Landlord will pay for these services without reimbursement by Tenant.  
☐ Rules and Regulations are attached to this Letter of Intent.

**17) LANDLORD'S MAINTENANCE** ☒ *Applicable* ☐ *Not Applicable*

- Landlord shall maintain the ☐ Project ☒ the building in which the Premises are located ☐ \_\_\_\_\_  
☐ Landlord shall ☐ at Landlord's sole expense OR ☐ at Tenant's expense be responsible only for normal repairs to the structure and exterior of the \_\_\_\_\_  
☐ \_\_\_\_\_  
☒ The cost of Landlord's maintenance is included in the shared expenses paid by Tenant.  
☐ Landlord will pay for Landlord's maintenance without reimbursement by Tenant.

**18) TENANT'S RESPONSIBILITIES**

Tenant shall maintain the Premises. Tenant shall provide the following at Tenant's sole expense:

- ☒ its own janitorial services;  
☒ its own trash removal;  
☐ sorting of trash for recycling;  
☐ removal of trash from a central collection point;  
☒ separate metering for electricity;  
☒ separate metering for water;  
☐ payment of its own real property taxes;  
☐ \_\_\_\_\_  
☐ \_\_\_\_\_  
☐ \_\_\_\_\_

**19) SUBLEASING AND ASSIGNMENT**

Tenant may sublease or assign its interest in the Premises on the following terms:

- ☒ Only with consent of Landlord, which consent shall not be unreasonably withheld.  
☐ Only with consent of Landlord, which consent may be withheld in Landlord's sole discretion.  
☐ The foregoing notwithstanding, Tenant may sublease or assign all or part of its interest in the Premises to \_\_\_\_\_ ☐ its affiliates ☐ its parent company ☐ any related entity.

For purposes of this provision, any mergers, acquisitions, changes in ownership or control or changes in organizational structure, shall be deemed a sublease or assignment.

- ☐ Landlord shall have the right to recapture any space to be subleased or assigned by Tenant on the following terms:  
 \_\_\_\_\_  
 \_\_\_\_\_  
☐ \_\_\_\_\_  
 \_\_\_\_\_

**20) GUARANTIES**The lease shall be guaranteed by Dr. Vernon Oi \_\_\_\_\_**21) APPROVALS**☒ *Applicable* ☐ *Not Applicable*

This Letter of Intent is subject to the following approvals, and this Letter of Intent shall be null and void if such approvals are not received by \_\_\_\_\_ :

- ☐ Approval by the Landlord's board of directors or partners or \_\_\_\_\_  
☐ Approval by the Tenant's board of directors or partners or \_\_\_\_\_

Reference Date: January 25, 2016Tenant's Initials: SNP Landlord's Initials: \_\_\_\_\_**29) CONFIDENTIALITY****A. Confidentiality Obligation:**

- ☒ The parties shall keep confidential each of the provisions of this Letter of Intent.
- ☐ Tenant shall keep confidential all information Tenant obtains from Landlord about the Premises, the building in which the Premises are located, and the Project.
- ☐ Landlord shall keep confidential all information Landlord obtains from Tenant about Tenant's financial condition, business strategy, plans, or marketing information.
- ☐

**B. Exceptions to Confidentiality Obligations:** The parties' obligations of confidentiality shall be subject to the following exceptions (1) if and to the extent the information is already a matter of public knowledge; (2) if and to the extent the information is acquired totally apart from the other party or its employees, agents or representatives; (3) if such disclosures as may be necessary to the disclosing party's broker, lender, attorney, accountant, and space planner (collectively, "Permitted Confidants") on the condition that such party shall require each of its Permitted Confidants to keep that information confidential; and (4) if such disclosures as are required by law or by any litigation between the parties hereto with respect to the Premises, the building in which the Premises are located, or the Project on the condition that prior to making any disclosures required by law, the disclosing party shall give the other party as much notice thereof as is legally permitted, along with a copy of the proposed disclosure.**C. Binding Effect of Confidentiality Obligations:** The foregoing duties of confidentiality shall survive this Letter of Intent and continue until the ☐ earlier of (a) the date the lease contemplated hereby is fully executed and delivered, or (b) one year from the date of this Letter of Intent; OR ☐**30) DISCLAIMER**

Neither CCIM nor any attorneys employed by CCIM to prepare this form shall be liable in any manner whatsoever to any person for any inaccuracies or omissions in this form or in the use of this form. Persons using this form are advised to consult an attorney, engineer, architect, accountant, or other appropriate professional for advice.

**31) EXECUTION OF THIS LETTER OF INTENT**

- A. Faxed Signatures:** Faxed signatures shall be acceptable to both parties for this Letter of Intent.
- B. Acceptance:** If Landlord and Tenant do not execute this Letter of Intent by 5:00 p.m. HST on February 1, 2016, this Letter of Intent shall be null and void.

**32) AGENCY DISCLOSURE**

- A. Landlord's Broker:** Landlord is represented by the company (and all its licensees and salespeople), if any, identified on page 1 above ("Landlord's Broker").
- B. Tenant's Broker:** Tenant is represented by the company (and all its licensees salespeople), if any, identified on page 1 above ("Tenant's Broker").
- C. Additional Disclosures:** \_\_\_\_\_

**D. Acknowledgement by Landlord and Tenant:** By initialing below, Landlord and Tenant acknowledge that oral or written disclosure of such representation was provided to them and that they have read and understand the agency disclosure set forth in A through C above and the disclaimers set forth in E and F below.

Landlord's Initials: \_\_\_\_\_

Tenant's Initials: \_\_\_\_\_

- E. Written Disclosures:** Landlord's Broker and Tenant's Broker specifically disclaim any responsibility for, and Landlord and Tenant acknowledge that they shall not rely upon, any disclosures made by either Landlord's Broker or Tenant's Broker about the Premises or the other party unless such disclosures are in writing and signed by the broker making the disclosure.
- F. No Specialized Advice:** Landlord's Broker and Tenant's Broker strongly recommend that the parties consult an attorney, architect, accountant, building contractor, environmental specialist, or other appropriate professional for further assistance in gathering and analyzing information about the Premises and/or the other party and specifically disclaim any responsibility for providing such specialized advice.

Reference Date: January 25, 2016  
Tenant's Initials: SH Landlord's Initials: \_\_\_\_\_

**SIGNATURE(S) - Landlord**  
Beatrice Choy Family Limited Trust

By [Signature]  
Its Mattison  
Dated: 1/25/16  
  
By \_\_\_\_\_  
Its \_\_\_\_\_  
Dated: \_\_\_\_\_

**SIGNATURE(S) - Tenant**

Hawaiian Ethos LLC  
By [Signature]  
Its Mattison  
Dated: 1-27-16  
  
By \_\_\_\_\_  
Its \_\_\_\_\_  
Dated: \_\_\_\_\_

**EXHIBITS ATTACHED**

Reference Date: January 25, 2016Tenant's Initials: SH Landlord's Initials: \_\_\_\_\_

- 22) **LANDLORD REVIEW OF TENANT FINANCIAL INFORMATION** ☒ *Applicable* ☐ *Not Applicable*  
 Within 7 calendar days of the date of this Letter of Intent, Tenant and any guarantors shall provide copies of the following to Landlord for Landlord's review and approval:  
☐ Federal and state tax returns for the past 2 years;  
☐ Financial statements for the past 1 years;  
☐ \_\_\_\_\_

- 23) **RECORDING THE LEASE AND PAYMENT OF CONVEYANCE TAX AND RECORDING COSTS**  
 Tenant shall pay any conveyance tax imposed in connection with the lease.  
☒ The lease may not be recorded.  
☐ Tenant may record the lease, or a memorandum thereof on the following conditions:  
☐ Tenant pays all taxes and recording fees connected with such recordation.  
☐ Tenant simultaneously delivers a termination of lease, in form and content reasonably satisfactory to Landlord, to \_\_\_\_\_ to be recorded at the direction of only Landlord upon the expiration or other termination of the lease.  
☐ \_\_\_\_\_

24) **SPECIAL CONDITIONS**

~~1. In the event lease is cancelled, unamortized portion of free rent, commissions, and Tenant improvements will be due to landlord upon vacating space. 2. Tenant will conduct his business in a manner that will not affect other tenants. 3. Hawaiian Ethos may cancel this non-binding LOI within 15 days of being notified by State of Hawaii.~~

25) **EXHIBITS AND ADDENDA**

Attached to this Letter of Intent are the following exhibits and addenda:

- Exhibit A: Depiction of the Premises  
☐ Exhibit \_\_\_\_\_: Parking Plan and \_\_\_\_\_  
☐ \_\_\_\_\_  
☐ \_\_\_\_\_  
☐ \_\_\_\_\_

26) **FORM OF LEASE**

- ☒ The initial form of lease shall be provided by Landlord.  
☐ The initial form of lease shall be provided by Tenant.  
☐ Within \_\_\_\_\_ calendar days of execution of this Letter of Intent, the party responsible for preparing the lease shall provide the other party with a form of lease.

27) **BROKERAGE COMMISSION**

Landlord shall pay the following brokerage commission:

- ☒ An amount set forth in a separate agreement signed by Landlord.  
☐ \_\_\_\_\_  
 \_\_\_\_\_

*The foregoing provisions of this Letter of Intent shall not be deemed an offer to lease, an agreement to negotiate, a lease or other agreement, to contain all necessary material terms, to be legally binding to any extent, or to confer any rights of usage or occupancy. Rather, the foregoing provisions are subject to withdrawal and modification, at any time, by either party, without cause, and there shall be no legal obligation with respect thereto unless and until the parties execute and deliver a formal lease agreement designated as such. No reliance, performance, change or loss of position, or other action or expectation now or hereafter made or incurred based upon any of those provisions, whether or not at the request or urging of the other party, shall be deemed to create any obligation or agreement of any type.*

**BINDING PROVISIONS**

*Check and fill in applicable provisions. Any provisions not checked or filled in are not applicable.*

Notwithstanding the foregoing, the parties intend the following provisions to be legally binding:

28) **INDEMNIFICATION BY TENANT REGARDING EXERCISE OF INSPECTION RIGHTS**

Tenant agrees to indemnify, defend and hold Landlord, Landlord's Broker, and Tenant's Broker harmless from any actions, suits, liens, claims, damages, expenses, losses and liability for damage to personal property or personal injury to the extent arising from or attributable to any acts performed by Tenant or its authorized agents in exercising Tenant's inspection rights, if any, under this Letter of Intent. This agreement to indemnify Landlord, Landlord's Broker, and Tenant's Broker shall survive any termination of this Agreement.

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Page 6



Reference Date: January 25, 2016Tenant's Initials: MM Landlord's Initials: \_\_\_\_\_

- (13) **RETAIL PROVISIONS** ☐ *Applicable* ☒ *Not Applicable*
- A. **Percentage Rent:** \_\_\_\_\_ percent (\_\_\_\_%) of Tenant's gross sales for a lease year in excess of ☐ Base Rent ☐ \$ \_\_\_\_\_. Percentage Rent is
- ☐ payable monthly and annualized.
- ☐ payable monthly without annualization.
- ☐ payable annually.
- ☐ payable \_\_\_\_\_.
- B. **Radius Clause:** ☐ *Applicable* ☒ *Not Applicable*
- ☐ Tenant is prohibited from opening a similar business within \_\_\_\_\_ miles from the Premises.
- ☐ \_\_\_\_\_
- C. **Exclusive Use Clause:** ☐ *Applicable* ☒ *Not Applicable*
- \_\_\_\_\_
- D. **Opening and Continuous Operation Requirements:** ☐ *Applicable* ☒ *Not Applicable*
- ☐ Tenant shall open for business no later than \_\_\_\_\_ or the Rent Commencement Date, whichever is earlier.
- ☐ the Rent Commencement Date.
- ☐ \_\_\_\_\_
- ☐ Tenant shall remain open for the following minimum hours:
- Monday through Thursday: \_\_\_\_\_
- Friday: \_\_\_\_\_
- Saturday: \_\_\_\_\_
- Sunday: \_\_\_\_\_
- E. **Signage:** \_\_\_\_\_
- \_\_\_\_\_
- F. **Advertising or Promotional Fund Contributions:** \$ \_\_\_\_\_/month. Tenant's obligation to make such contribution shall commence upon ☐ the Rent Commencement Date; ☐ the Term Commencement Date; ☐ \_\_\_\_\_
- (14) **EXPANSION RIGHTS** ☐ *Applicable* ☒ *Not Applicable*
- Tenant has ☐ the option to lease; ☐ the first right of refusal regarding additional space (the "Expansion Space")
- ☐ on floors \_\_\_\_\_; ☐ located adjacent to the Premises; ☐ shown on Exhibit \_\_\_\_\_;
- ☐ \_\_\_\_\_ on the following terms:
- \_\_\_\_\_
- A. **Time Period for Exercise of Right:**
- ☐ term of the lease.
- ☐ \_\_\_\_\_
- B. **Rent for Expansion Space:**
- ☐ equivalent to rent per square foot for Premises.
- ☐ to be determined by mutual agreement.
- ☐ equal to the then current fair market rental value.
- ☐ equal to bona-fide offer made by third-party.
- ☐ \_\_\_\_\_
- C. **More than One Space at Issue:** If more than one space is at issue, Tenant must exercise option as follows:
- \_\_\_\_\_
- \_\_\_\_\_
- (15) **INSURANCE REQUIREMENTS**
- Tenant shall carry the following minimum limits:
- A. **Commercial General Liability:** \$ 1,000,000.00 per occurrence and \$ 2,000,000.00 aggregate for bodily injury, death, and property damage, including liquor liability if liquor is sold. Landlord and Landlord's agent shall be named as additional insureds.
- B. **Hazard:** \_\_\_\_\_
- \_\_\_\_\_
- C. **Other:** \_\_\_\_\_
- \_\_\_\_\_

Reference Date: January 25, 2016Tenant's Initials: SNV Landlord's Initials: \_\_\_\_\_2) **CONDITION OF PREMISES**

- ☒ Tenant has inspected the Premises and agrees to accept the Premises in its existing "AS IS" condition.
- ☐ Tenant shall have the period of time (the "Inspection Period"), commencing at 8 a.m. HST on the day after the date of this Letter of Intent to \_\_\_\_\_, to inspect the Premises. Landlord shall allow Tenant reasonable access to the Premises, during normal business hours, during the Inspection Period.
- ☐ Landlord shall provide Tenant with copies of the following documents for review during the Inspection Period:

☐ Landlord ☐ Tenant shall be responsible for obtaining a certificate of occupancy for the Premises.

3) **PARKING**

☒ **Applicable** ☐ **Not Applicable**

- ☒ Tenant shall have the right to use \_\_\_\_\_ reserved parking spaces and 5 unreserved parking spaces located ☐ in the Project OR ☐ \_\_\_\_\_.
- ☐ The parking plan and the location of the reserved parking spaces, if any, are shown on Exhibit \_\_\_\_\_.
- ☐ Tenant shall pay the following additional rental for the use of such spaces:
- ☐ a monthly fee of \$ \_\_\_\_\_ per space.
- ☐ a monthly fee of \$ \_\_\_\_\_ per unreserved space.
- ☐ a monthly fee of \$ \_\_\_\_\_ per reserved space.
- ☐ \_\_\_\_\_
- ☐ Parking shall be at prevailing rates. Current monthly rates per stall per month are \$ \_\_\_\_\_ for each reserved stall, and \$ \_\_\_\_\_ for each unreserved stall.
- ☐ No employee parking shall be allowed.

4) **PERMITTED USE**

Tenant shall use the Premises for the following uses only:

Licensed Medical Marijuana dispensary as allowed by law.

Tenant is solely responsible for confirming (a) that Tenant's proposed use of the Premises is permitted under applicable zoning and other laws; (b) that there is sufficient parking for such use; and (c) that Tenant will be able to secure the necessary approvals for Tenant's signage, if any.

5) **INITIAL TERM**

The term of the lease shall be for a period commencing on the date of the lease and ending 5 years and 0.0 months after the following date (the "Term Commencement Date") (or the ☐ earliest ☐ latest of the following dates, if more than one date is checked):

☒ April 15, 2016

- ☐ the date of completion of construction of tenant improvements by ☐ Tenant ☐ Landlord.
- ☐ the date that Tenant opens for business.

Tenant shall have possession of the Premises on: upon LL receipt of insurance cert, signed lease and SD and rent.

6) **OPTIONS TO EXTEND**

☐ **Applicable** ☒ **Not Applicable**

Tenant shall have 1 extension option(s) of 5 year(s) each upon 180 calendar days' written notice prior to the expiration of the term of the lease at the following rental:

- ☐ \_\_\_\_\_
- ☐ to be determined by mutual agreement.
- ☒ equal to fair market rental value.

7) **BASE RENT**

☒ The monthly base rent shall be as follows:

<input checked="" type="checkbox"/> \$ <u>1.50</u>	per rentable square foot	<u>September 1, 2016</u>	to	<u>August 31, 2017</u>
<input checked="" type="checkbox"/> \$ <u>1.55</u>	per rentable square foot	<u>September 1, 2017</u>	to	<u>August 31, 2018</u>
<input checked="" type="checkbox"/> \$ <u>1.59</u>	per rentable square foot	<u>September 1, 2018</u>	to	<u>August 31, 2019</u>
<input checked="" type="checkbox"/> \$ <u>1.64</u>	per rentable square foot	<u>September 1, 2019</u>	to	<u>August 1, 2020</u>
<input checked="" type="checkbox"/> \$ <u>1.69</u>	per rentable square foot	<u>September 1, 2020</u>	to	<u>August 1, 2021</u>
<input type="checkbox"/> \$ _____	per rentable square foot	_____	to	_____
<input type="checkbox"/> _____	_____	_____	_____	_____

# Hawaiian**Ethos**

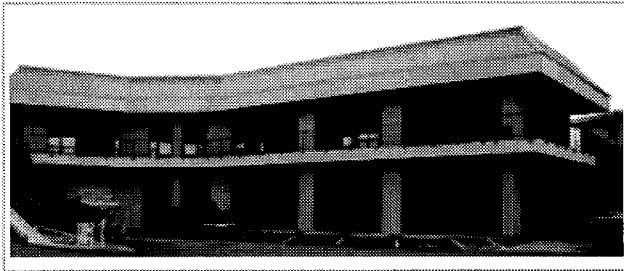
## Contingent Dispensary Locations

**Company Not Provided**

Retail Property For Lease

## Honokohau Commercial Plaza

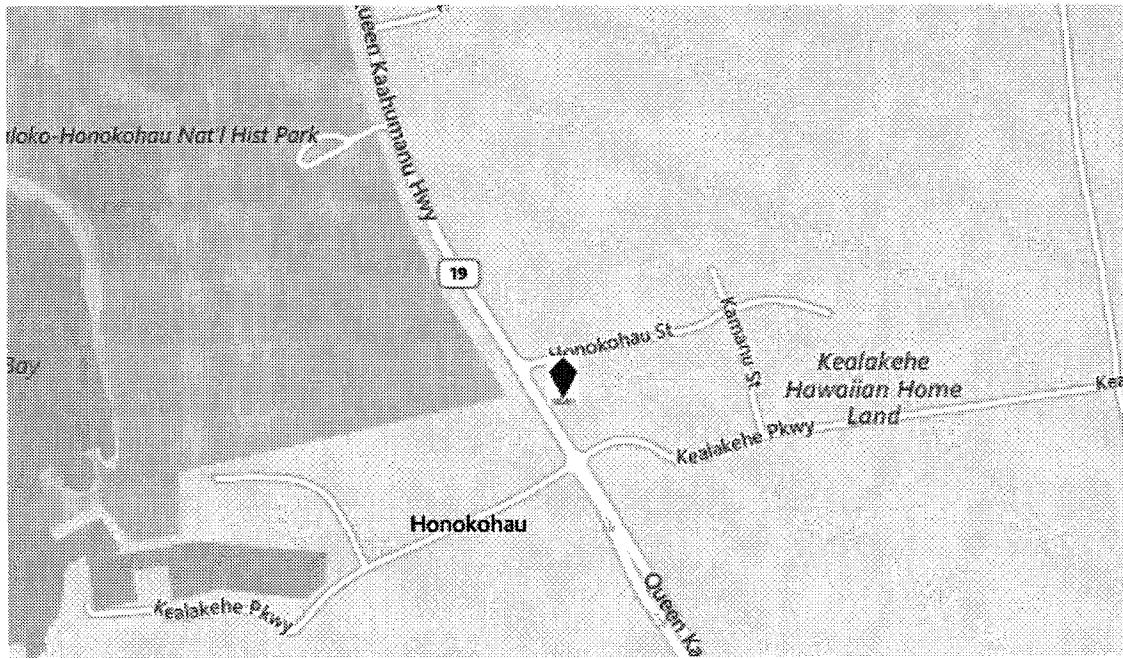
74-5035 Queen Kaahumanu Hwy., Kailua Kona, HI 96740

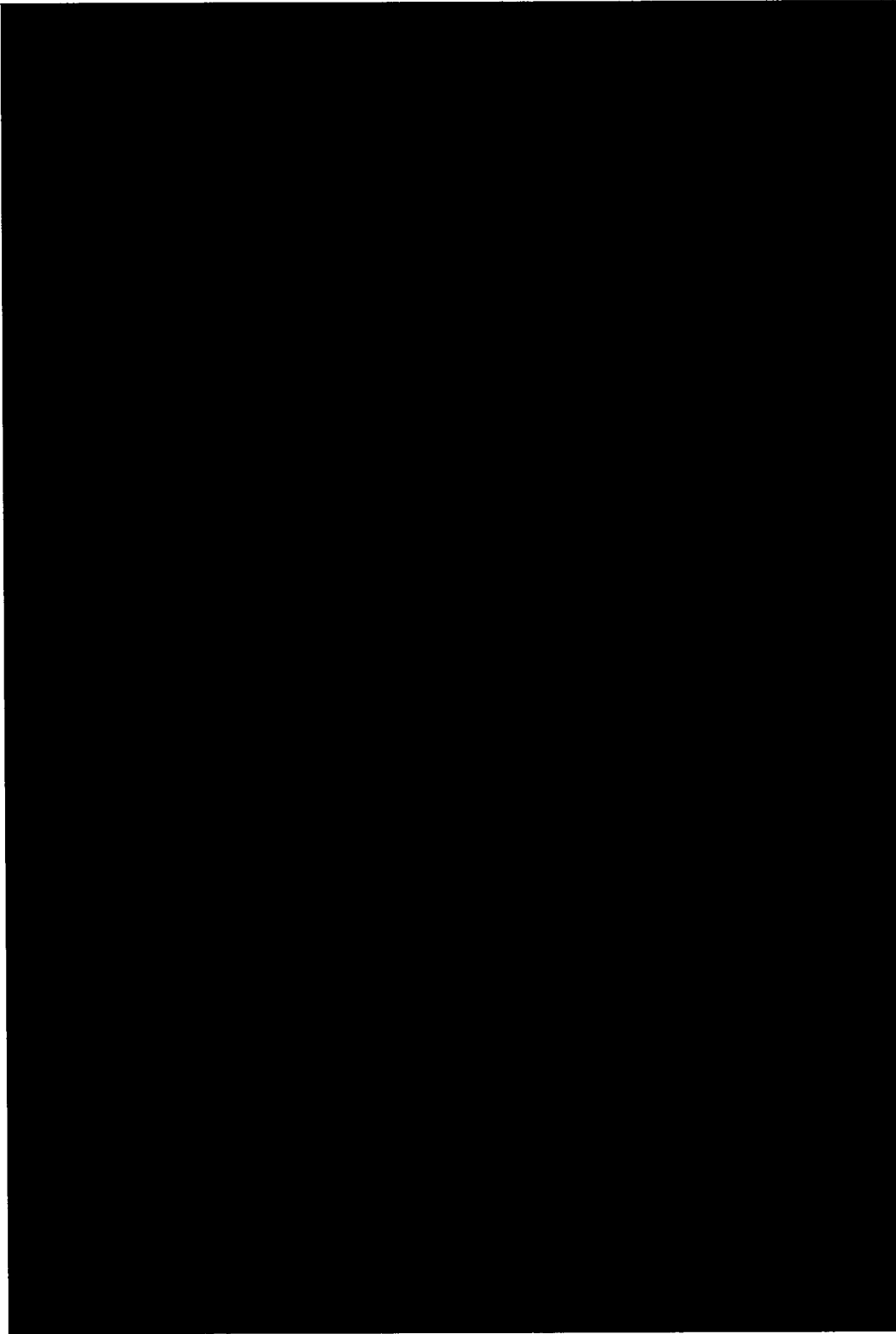


Total Space Available:	5,000 <i>SF</i>
Rental Rate:	\$1.75 - \$2.50 / <i>SF</i> /Month
Min. Divisible:	600 <i>SF</i>
Max. Contiguous:	2,458 <i>SF</i>
Property Type:	Retail
Property Sub-type:	Retail (Other)
Additional Sub-types:	Flex Space Office Building
Building Size:	7,500 <i>SF</i>
Lot Size:	3 AC
Listing ID	18207769
Last Updated	21 days ago

[Find Out More...](#)

Map of 74-5035 Queen Kaahumanu Hwy., Kailua Kona, HI 96740 (Hawaii County)





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HONOKOHAU COMMERCIAL

NON BINDING LETTER OF INTENT FOR LEASE

January 25, 2016



Letter of Intent to Lease: 74-5035 Queen Kaahumanu Hwy. Suite 3101 Kailua Kona HI 96740

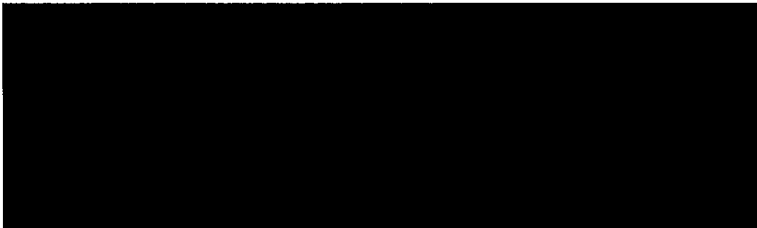
Dear Mr. Floyd:

This correspondence shall serve as a Non-binding Letter of Intent to lease the property located at 4-5035 Queen Kaahumanu Hwy. Suite 3101 Kailua Kona HI 96740.

Proposed Terms and Conditions:

- Lease Term: Primary term to be five (5) years effective May, 2016 or upon completion of the premises or Tenants occupancy the later of which shall be the determining date.
- Property Access: Tenant to have full and complete access to the Property thirty (30) days prior to Lease Commencement date in order for Tenant to initiate and complete Tenant improvements necessary for the intended use of the premises.
- Lease Rate: \$\_\_\_\_\_ per month for the first \_\_\_\_\_ (\_\_\_\_) years of the primary term. Rent for years \_\_\_\_\_ of the primary term shall be \$\_\_\_\_\_ per month. Rent for option period to be \$\_\_\_\_\_ per month.  
Lease rate shall be determined in Lease Agreement.
- Deposit: A deposit check in the amount equal to the first months rent shall the executed Lease Agreement.
- Premises: The Premises contain approximately the number of square feet of floor area specified in the Lease Agreement. The exterior areas, including the sidewalk area, shall not constitute part of the Premises and shall not be utilized or promoted for any purpose.

SVF

- H/VAC: Landlord to insure that all H/VAC systems are in good working condition prior to occupancy and shall, for a period of thirty days (30) days from date of occupancy, be responsible for any repair and/or replacement necessary.
- Electrical/Plumbing: Landlord to insure that all existing electrical system(s) and plumbing system(s) are in good operating condition prior to occupancy. Thereafter Tenant shall be solely responsible for all Electrical & Plumbing systems (Tenant responsible only for plumbing above the slab. Landlord to warrant all plumbing for 60 days from lease commencement)
- Permits: Lease Agreement is contingent upon Tenant obtaining all necessary permits to include occupancy, zoning etc. necessary for operating the intended business.
- Signage: Tenant to be responsible for any new signage for the leased property. All signage, including but not limited to, exterior, window and interior signage that can be seen from the exterior, must receive landlord's approval as well as comply with the Hawaii administrative Rules Chapter 11-850-91. Landlord shall be responsible for the removal of any unwanted existing signage.
- Environmental: Tenant cannot be responsible for any existing contamination at the site. Although Tenant does not anticipate environmental problems, Tenant will require copies of whatever environmental information that the Landlord may have to assist in the environmental evaluation of the Property prior to Lease execution.
- ADA Compliance: If required by Hawaii or Federal law, Landlord shall be responsible for the property to comply with ADA regulations for restrooms and property access.
- Tenant: 
- Intended Use: Lessee shall operate a dispensary of State of Hawaii, Department of Health Medical Marijuana Retail Sales.
- Lease Agreement: Lease Agreement shall be provided by the Landlord provided tenant is awarded State of Hawaii Department of Health Medical Marijuana license on April 15th, 2016.

SIATF



Non-Binding: This Letter of Intent is completely non-binding and has no effect on either party whatsoever until a Lease Agreement has been fully executed by both Tenant and Landlord.

Each party shall keep confidential each of the provisions of this Letter of Intent and all information each party obtains regarding the other party, and Landlord shall not offer subject property to any other prospective tenant during the term of this Letter of Intent. This Letter of Intent supersedes any and all previous negotiations with Tenant, whether written or verbal.

If the above terms and conditions are acceptable, please indicate in the appropriate space provided. If Lessor and Lessee do not execute this Letter of Intent by 5:00 p.m. HST on January 31, 2016 this Letter of Intent shall be null and void.

Sincerely,

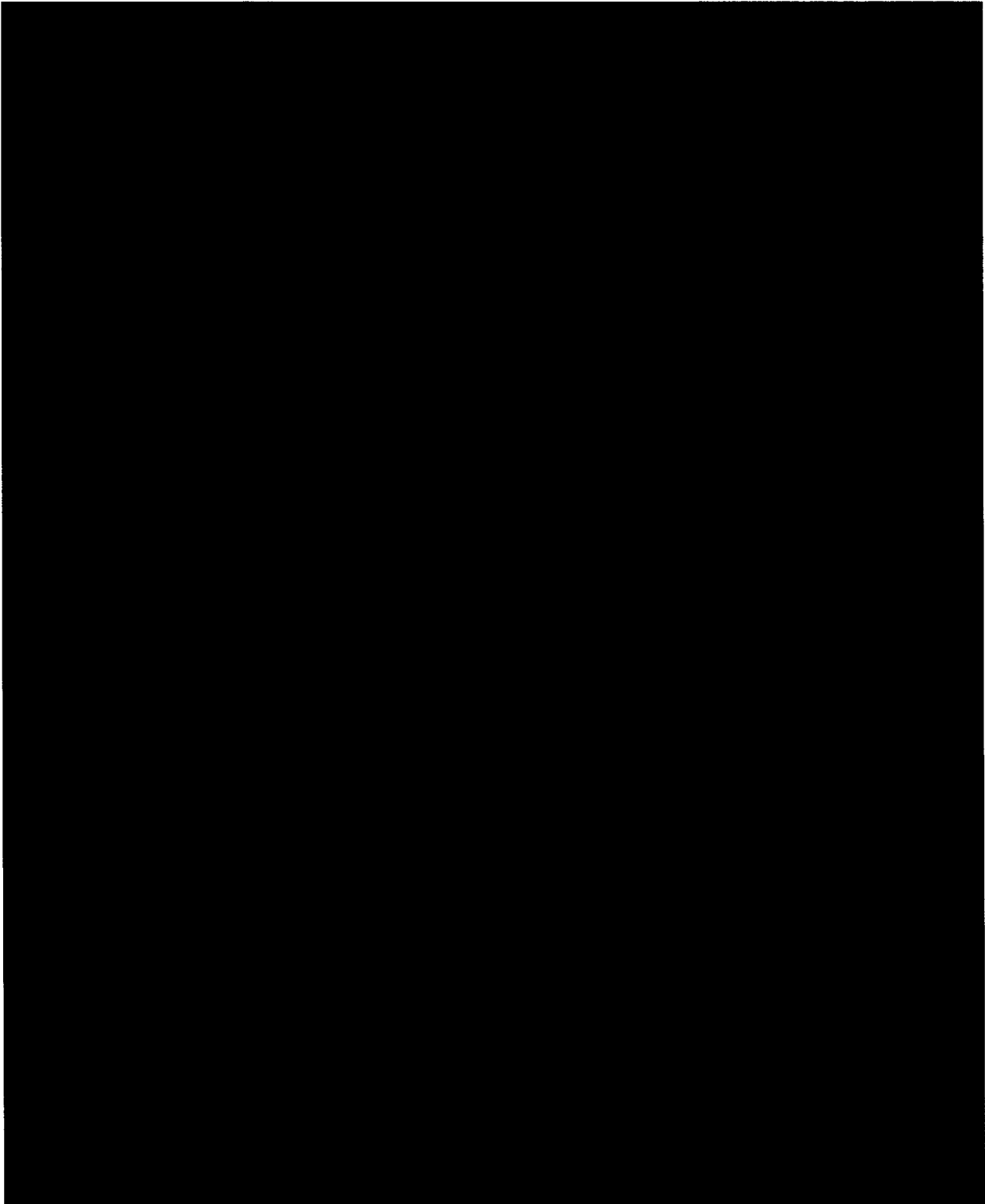
Agreed to and Accepted:

TENANT

LANDLORD

Hawaiian Ethos LLC \_\_\_\_\_  
Tiffany Taylor  
Date  
By Its Manager \_\_\_\_\_ Date 1/26/16  
Its: Attorney in Fact for Patricia Taylor, Trustee for the  
Patricia Taylor Revocable Trust dated December 18,  
1980 General Partner

SMF





**CannaGuard Security**

5755 Jean Rd Ste 101  
Lake Oswego, OR 97035

## Estimate

Date	Quote #
1/26/2016	877

Name / Address
----------------

Hawaiian Ethos LLC
--------------------

Signature



**CannaGuard Security**

5755 Jean Rd Ste 101  
Lake Oswego, OR 97035

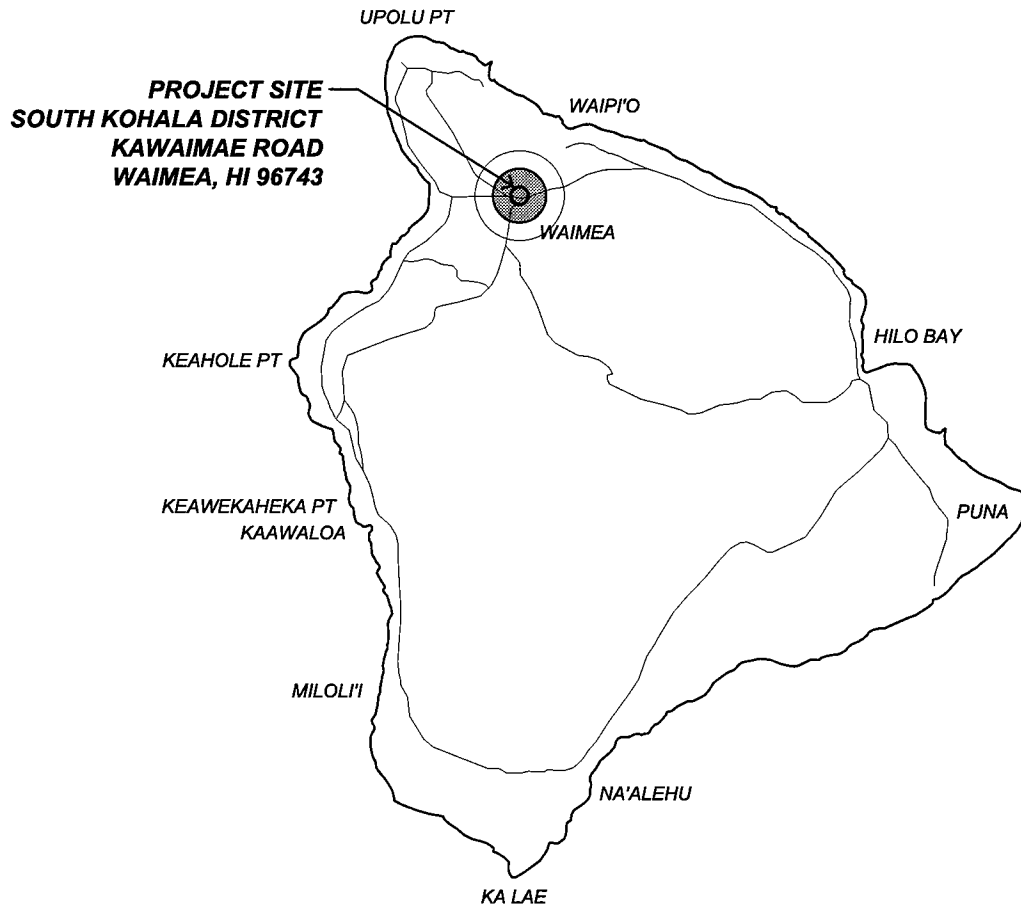
**Estimate**

Date	Quote #
1/26/2016	877

Name / Address

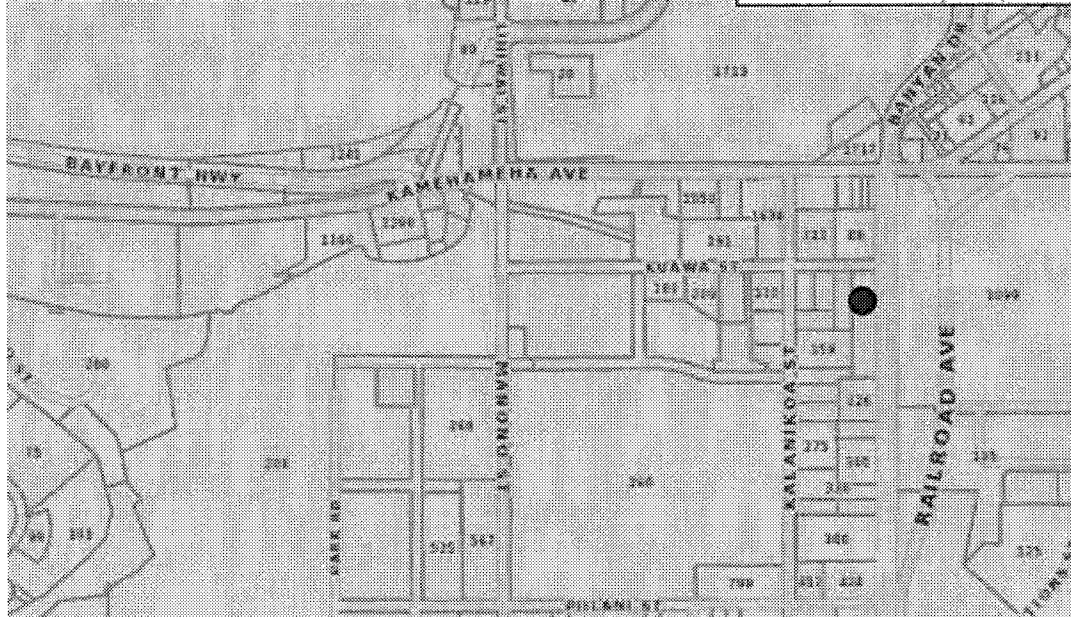
Hawaiian Ethos LLC

Signature \_\_\_\_\_



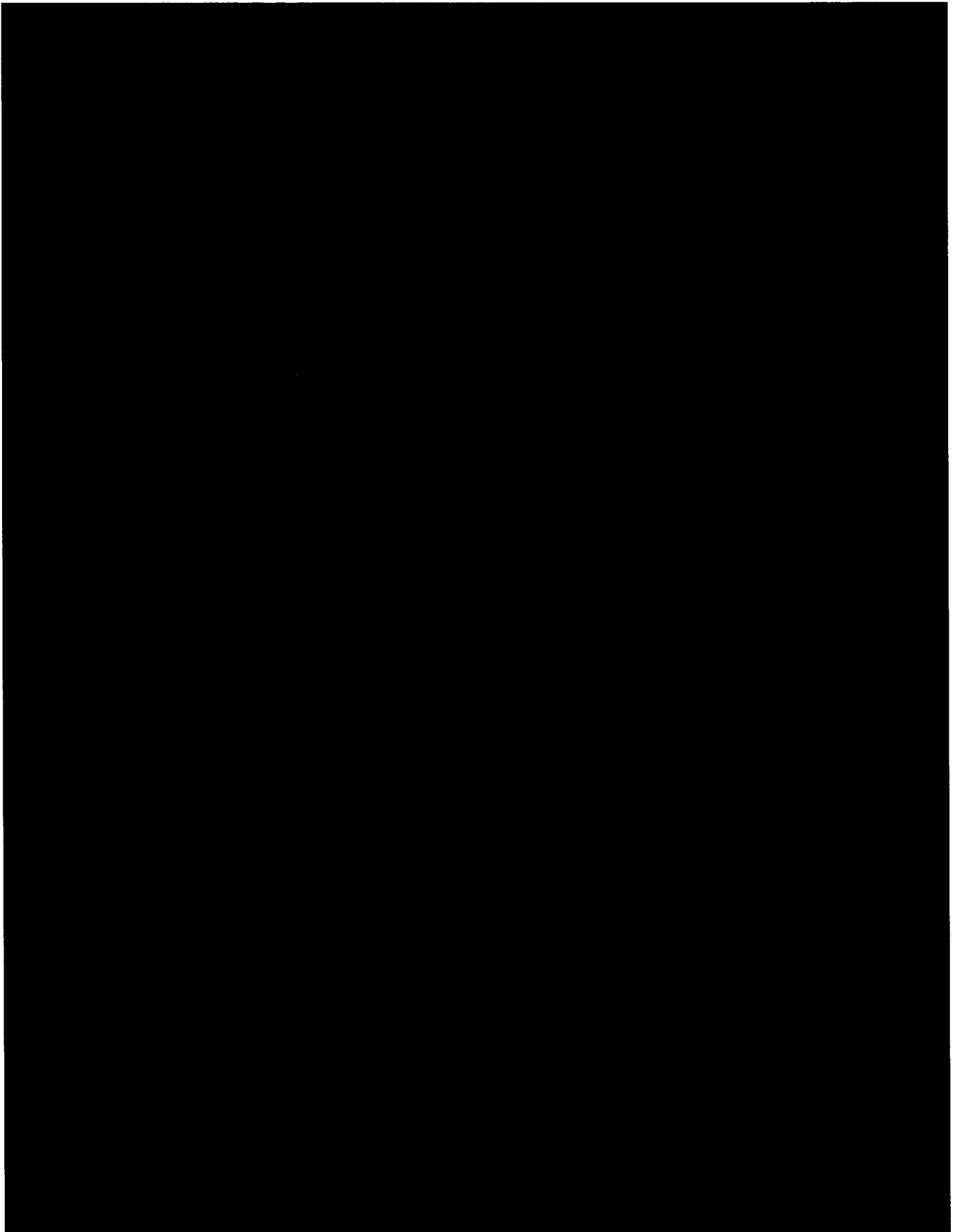
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WAIIAKEA, (continued)

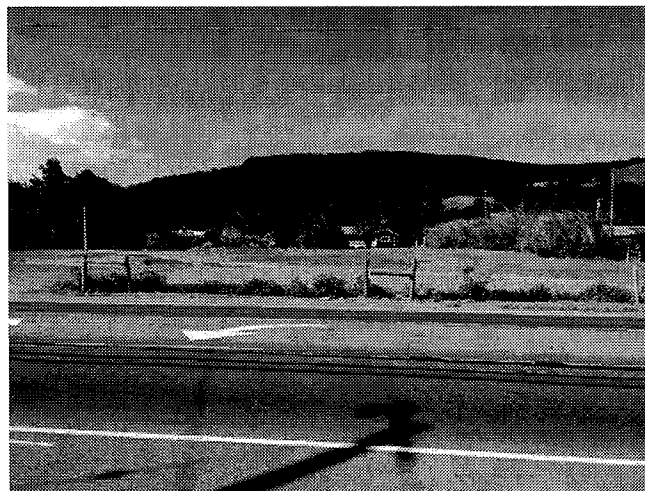
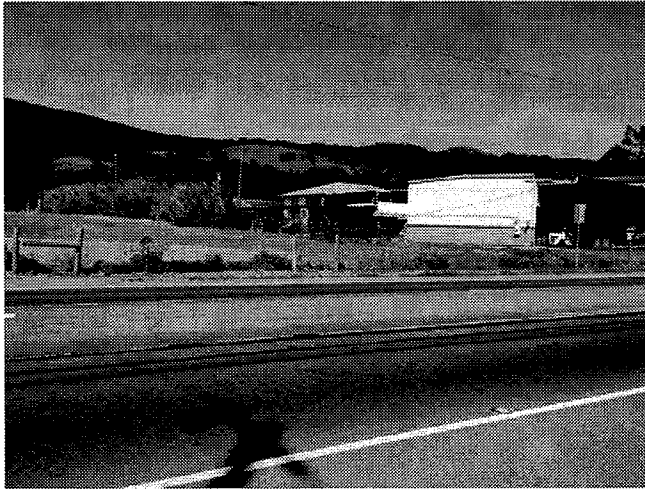


WAIMEA









The Wakayama Family  
64-1010 Mamelahoa Hwy.  
Kamuela, Hi. 96743

January 23, 2016

To the Department of Health of the State of Hawaii

Re: Lease of Property for Medical Marajuana Dispensary

This is to confirm that we, the fee simple owners of that certain unimproved real property consisting of approximately 15,936 sq. ft. and identified as TMK 3-6-4-1-43, have committed to lease the property to Hawaiian Ethos LLC as a site for the construction of a medical marajuana dispensary, conditioned upon the receipt of a license for the purpose from the Department of Health.

If you have further questions about this matter, you may contact

[REDACTED]

Very truly yours,

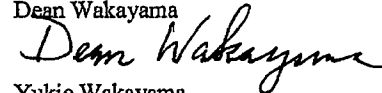
Alvin Wakayama



Clyde Wakayama



Dean Wakayama



Yukie Wakayama

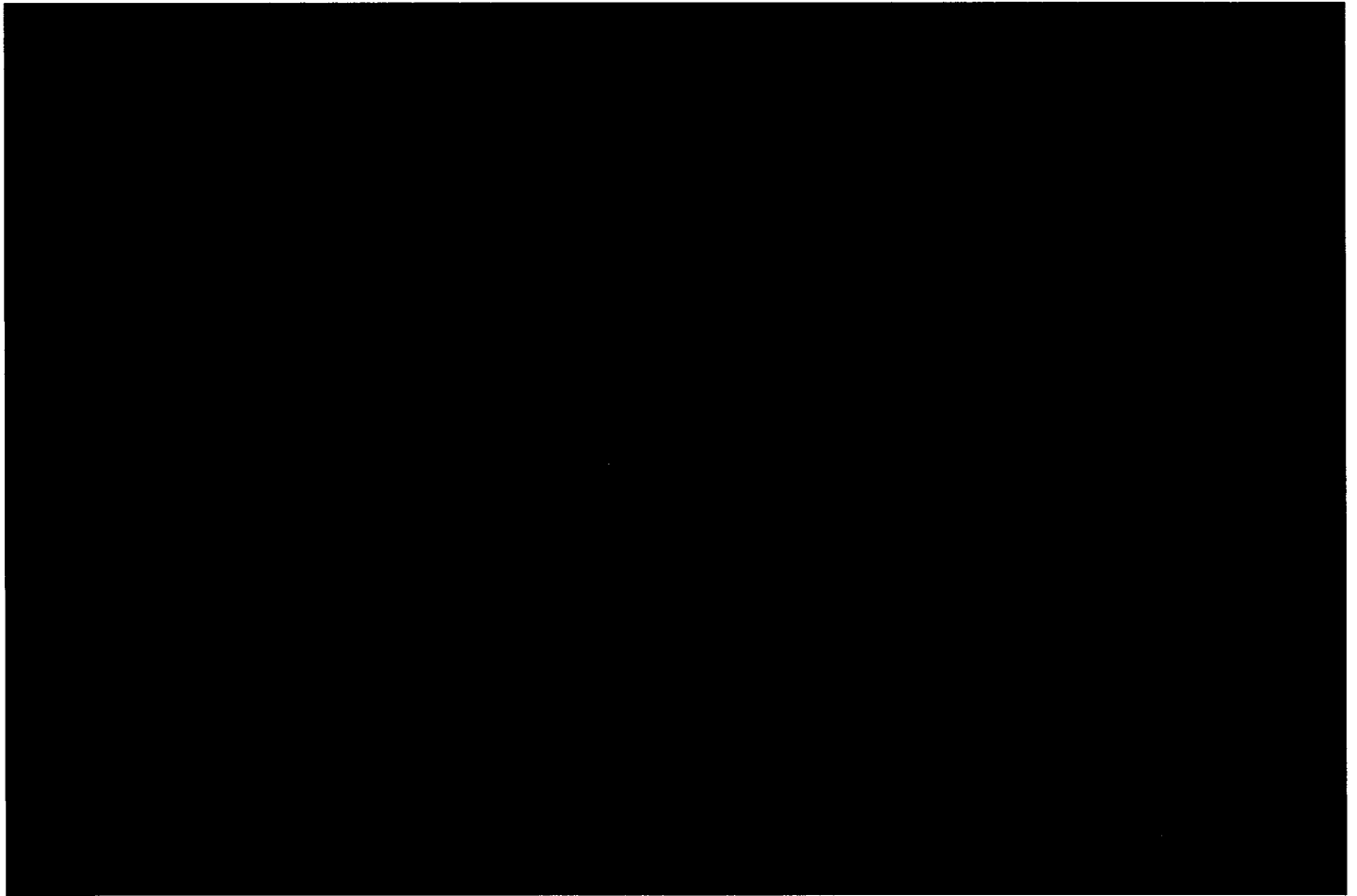




5755 SW Jean Road  
Lake Oswego, OR 97035  
1-844-CANNAGUARD

## Hawaiian Ethos Walmea Dispensary

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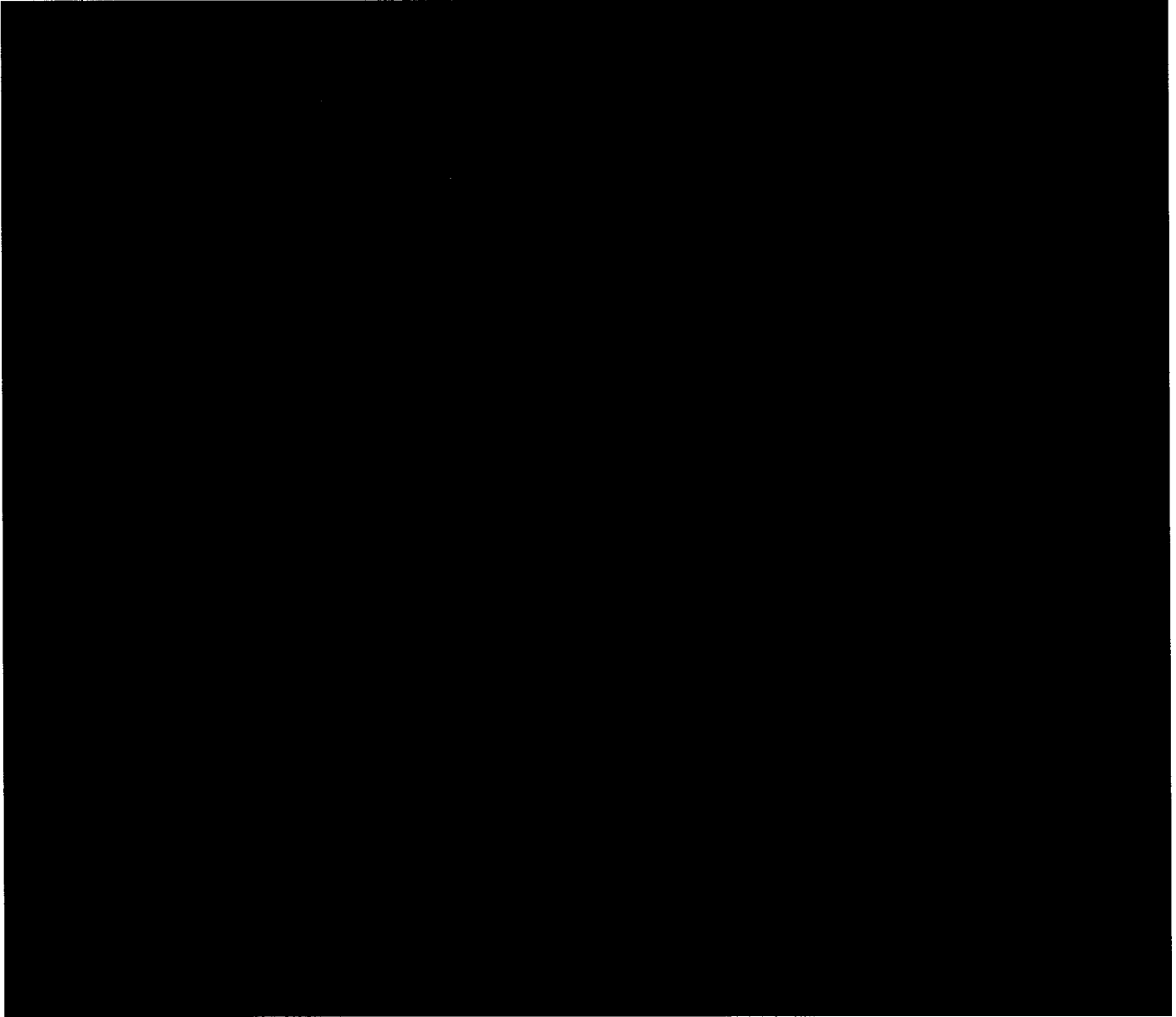
**CannaGuard Security**

5755 Jean Rd Ste 101  
Lake Oswego, OR 97035

**Estimate**

Date	Quote #
1/25/2016	863

Name / Address
Hawaiian Ethos LLC



Signature



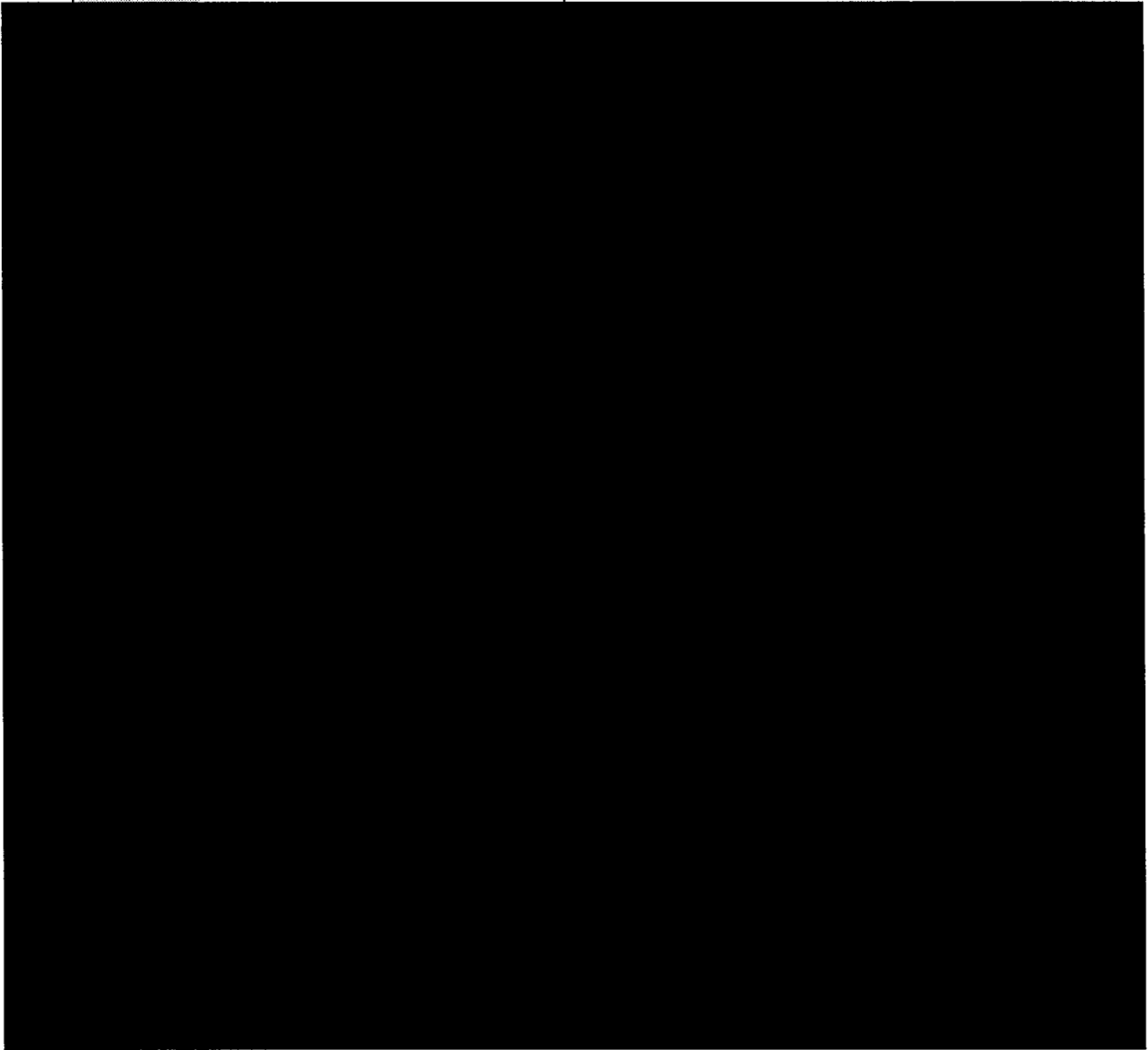
**CannaGuard Security**

5755 Jean Rd Ste 101  
Lake Oswego, OR 97035

**Estimate**

Date	Quote #
1/25/2016	863

Name / Address
Hawaiian Ethos LLC



Signature \_\_\_\_\_

# Hawaiian**Ethos**

## Market Assumptions

# Market Assumptions

## Summary

	Colorado	Washington	Arizona (*4)	Michigan (*5)	Avg	Hawaii Estimates by 2018
<b>Annualized Medical Sales (*1)</b>	\$450,000,000	\$109,000,000	112,000,000	200,000,000	\$217,750,000	\$36,638,644.62
<b>Population (*2)</b>	5,268,367	6,971,406	6,626,624	9,895,000	7,190,349	1,400,000
<b>Patients</b>	111,804	103,444	61,732	146,811	105,948	17,753
<b>Patients Per 1,000 Residents (*3)</b>	21	15	9	15	15	13
<b>Annual Medicine Purchased Per Patient</b>	\$4,025	\$1,054	\$1,814	\$1,362	\$2,064	\$2,064
<b>Avg Price Per Ounce</b>	\$275	\$300	\$350	\$350	\$319	\$250
<b>Ounces Per Patient Per Year</b>	14.64	3.51	5.18	3.89	6.47	8.26
<b>Grams Per Day Per Patient</b>	1.12	0.27	0.40	0.30	0.50	0.63
<b>\$ Per Resident Per Year</b>	\$85.42	\$15.64	\$16.90	\$20.21	\$30.28	\$26.17

SOURCES: (1) <http://medicalmarijuana.procon.org/view.resource.php?resourceID=005889> (2) <http://medicalmarijuana.procon.org/view.resource.php?resourceID=005889> (3) <http://medicalmarijuana.procon.org/view.resource.php?resourceID=005889> (4) <http://azdhs.gov/documents/licensing/medical-marijuana/reports/2014/arizona-medical-marijuana-end-of-year-report-2014.pdf> (5) <http://www.theweetblog.com/122-million-in-taxes-michigans-reward-for-legalized-marijuana/>

## Patients

### Market Assumptions For Hawaii Patients

	440,895	Potential Eligible Patients	% of Population	14327	% of Patients
<b>Cachexia</b>	21,668	4.91%	1.10%	239	1.67%
<b>Cancer</b>	4,907	1.11%	9.27%	455	3.18%
<b>Chronic Pain</b>	283,527	64.31%	3.83%	10,872	75.88%
<b>Crohn's disease</b>	2,800	0.64%	0.00%	0	0.00%
<b>Glaucoma</b>	15,000	3.40%	1.29%	194	1.35%
<b>HIV or AIDS</b>	3,500	0.79%	2.17%	76	0.53%
<b>Nausea</b>	10,000	2.27%	7.85%	785	5.48%
<b>Persistent muscle spasm</b>	20,000	4.54%	7.66%	1532	10.69%
<b>Post Traumatic Stress</b>	59,864	13.58%	3.83%	2295.507	16.02%
<b>Seizures</b>	19,629	4.45%	0.89%	174	
			4.11%		

### Projections & Growth Assumptions

<b>Current Status</b>	2015 MMJ Patient base in Hawaii State (Mention 2.95 below here)	13,000
	Percentage of eligibale patients that choose medical marijuana	2.95%
	Current Patient base in Hawaii county	5,000
<b>2016 Growth</b>	Increase In patients from PTSD (Hawaii county) (* Show assumption at bottom)	801
	Percentage increase from PTSD	16.02%
	Total Patients by end of 2016 in Hawaii County	5,801
<b>2017 Growth</b>	Increase in 2017 due to more access, better quality and price	580
	Percentage increase from quality product priced better (* Show Asmptn at btm)	10%
	Total patients end of 2017	6,381
<b>2018 Growth</b>	Increase in 2018 from out of state patients	447
	tourist patients (* Show 7% assumption at bottom)	7%
	Total Patients end of 2018 (* Show 38% assumption at bottom)	6,828



## Assumption Drivers By Patient Ailment

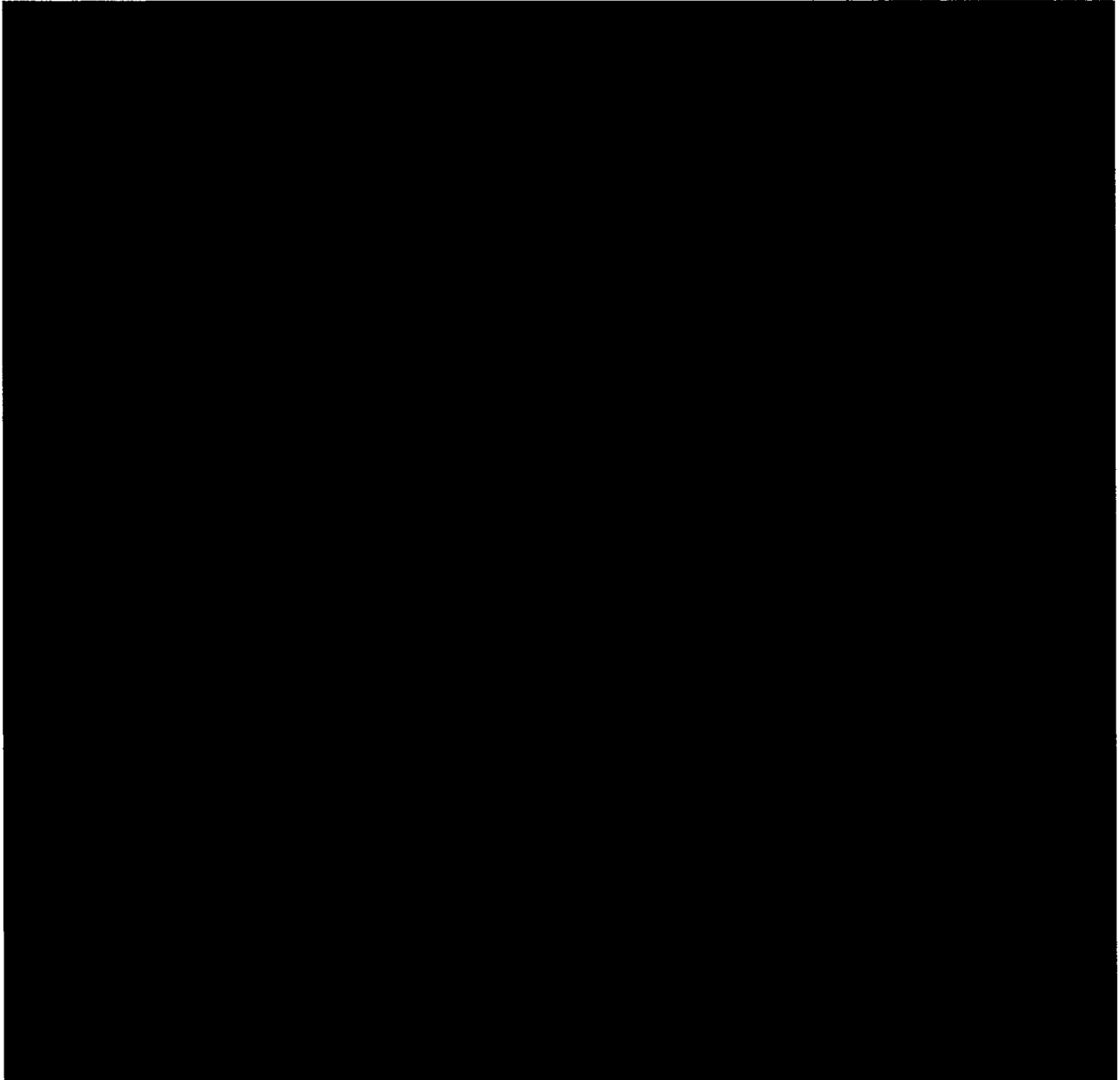
AILMENT	PATIENT DATA	
<b>Cachexia</b>	5,000,000	In The Usa (1)
	321,368,864	Usa Population (2)
	1,392,704	Hawaii Population (3)
	1,090,487	Hawaii Adult Population (4)
	0.43%	Hawaii Residents % Of Total Population
	21,668	Estimated In Hawaii
<b>Cancer</b>	0.45%	Of The Population Will Be Diagnosed With Cancer Each Year (5)
	1,090,487	Hawaii Adult Population (6)
	4907	Number Of New Cancer Patients Per Year In Hawaii
<b>Crohn's disease</b>	780,000	Currently Have Crohn's Disease In The Usa (7)
	0.43%	Hawaii Residents % Of Total Population
	3,380	Estimated Patinets With Crohn's Disease In Hawaii
<b>Chronic Pain</b>	26%	Of The Adult The Usa Adult Population Has Chronic Pain (8)
	283,527	Estimated Patinets With Chronic Pain In Hawaii
	10,872	3.83%
<b>Glaucoma</b>	15,064	Patients Ages 40 Or Over (9)
<b>HIV/AIDS</b>	3,500	Patients Diagnosed Or Undiagnosed In Hawaii (10)
<b>Seizures</b>	1.80%	Of The Usa Adult Population Has Been Diagnosed With Epilepsy Or Seizure Disorder
	1,090,487	Hawaii Adult Population
	19,629	Patients In Hawaii
<b>Post Traumatic Stress</b>	0	Of The Adult Population Will Have Ptsd At Some Point In Their Lives (11)
	1090487	Hawaii Adult Population
	85058	Potential Patients Base
	8000000	Adults In The Usa Have Ptsd In A Given Year (12)
	0	Hawaii Residents % Of Total Population
	34669	Conservative Patient Base
	59864	Estimated Ptsd Patients In Hawaii
<b>Nausea</b>	1000	Low Estimate Based On Limited Conclusive Data
<b>Persistant Muscle Spasm</b>	1000	Low Estimate Based On Limited Conclusive Data

**SOURCES:** (1) <http://ajcn.nutrition.org/content/83/4/735.full> (2) <http://www.census.gov/popclock/> (3) [http://files.hawaii.gov/dbedt/census/acs/ACS2014/ACS2014\\_5\\_Year/Other\\_Files/Highlights\\_2010\\_14\\_acs5yr\\_final.pdf](http://files.hawaii.gov/dbedt/census/acs/ACS2014/ACS2014_5_Year/Other_Files/Highlights_2010_14_acs5yr_final.pdf) (4) <http://quickfacts.census.gov/qfd/states/15000.html> (5) <http://www.cdc.gov/cancer/dcpc/data/state.htm> (6) <http://quickfacts.census.gov/qfd/states/15000.html> (7) <http://www.ccfa.org/assets/pdfs/updatedibdfactbook.pdf> (8) <http://www.rxreform.org/wp-content/uploads/2011/06/Toblin-2011-Kansas-Pain-corrected-proof.pdf> (9) <http://www.visionproblemsus.org/glaucoma/glaucoma-map.html> (10) [http://www.cdc.gov/mmwr/preview/mmwrhtml/mm6424a2.htm?s\\_cid=mm6424a2\\_e](http://www.cdc.gov/mmwr/preview/mmwrhtml/mm6424a2.htm?s_cid=mm6424a2_e) (11) <http://www.ptsd.va.gov/public/PTSD-overview/basics/how-common-is-ptsd.asp> (12) <http://www.ptsd.va.gov/public/PTSD-overview/basics/how-common-is-ptsd.asp>

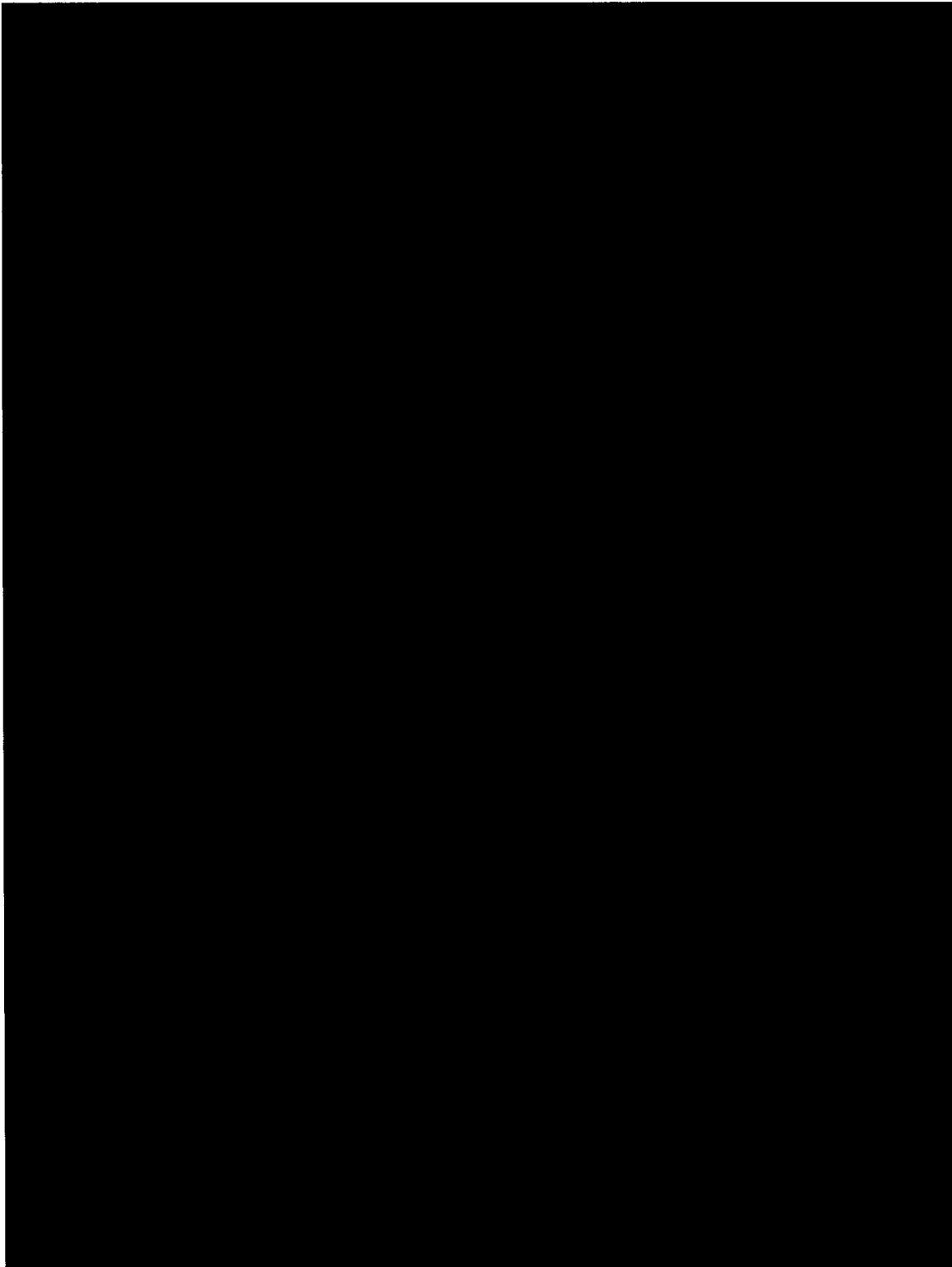
# Hawaiian**Ethos**

Agressive Financials

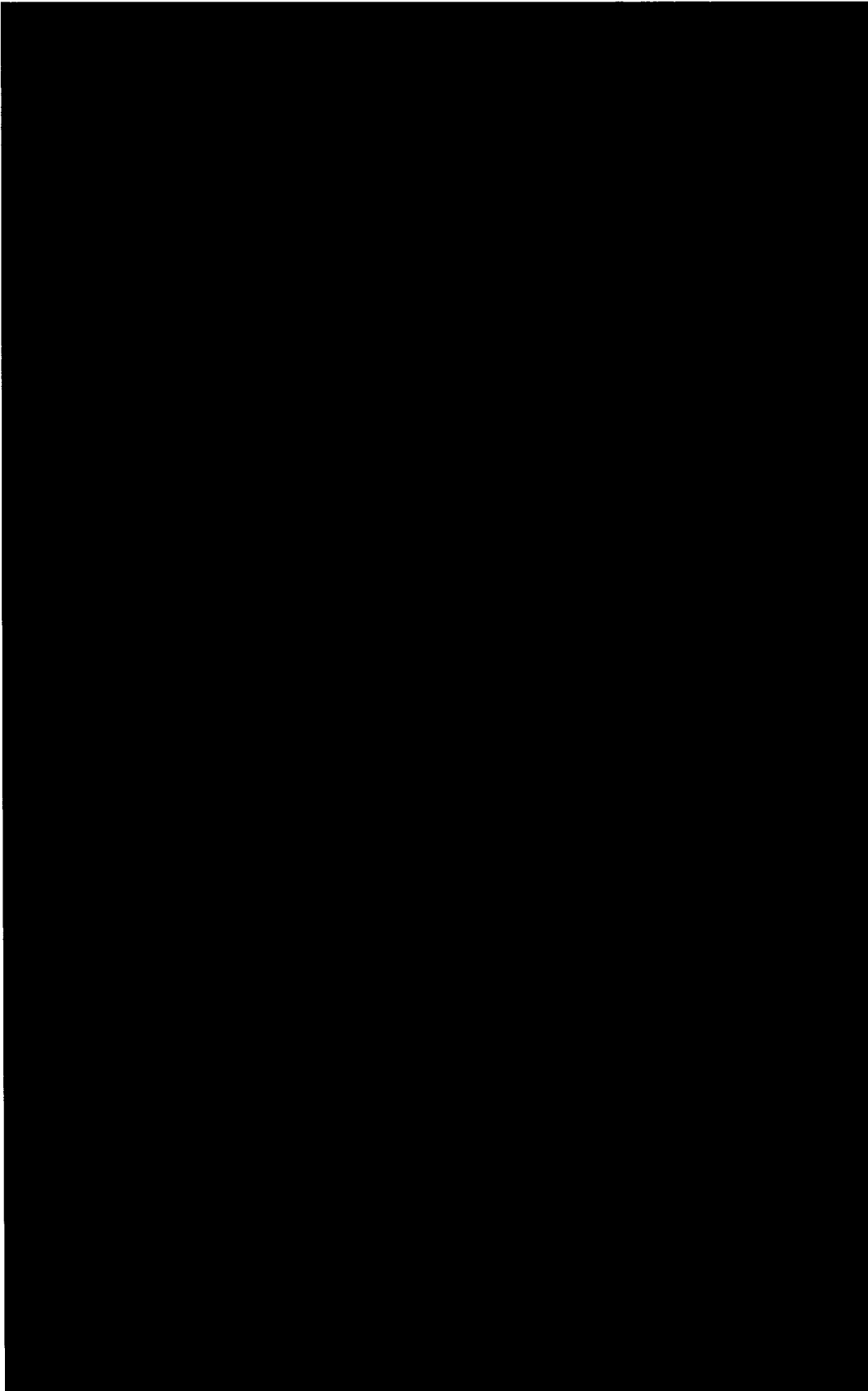
## **La'au Pono & Hawaiian Ethos**



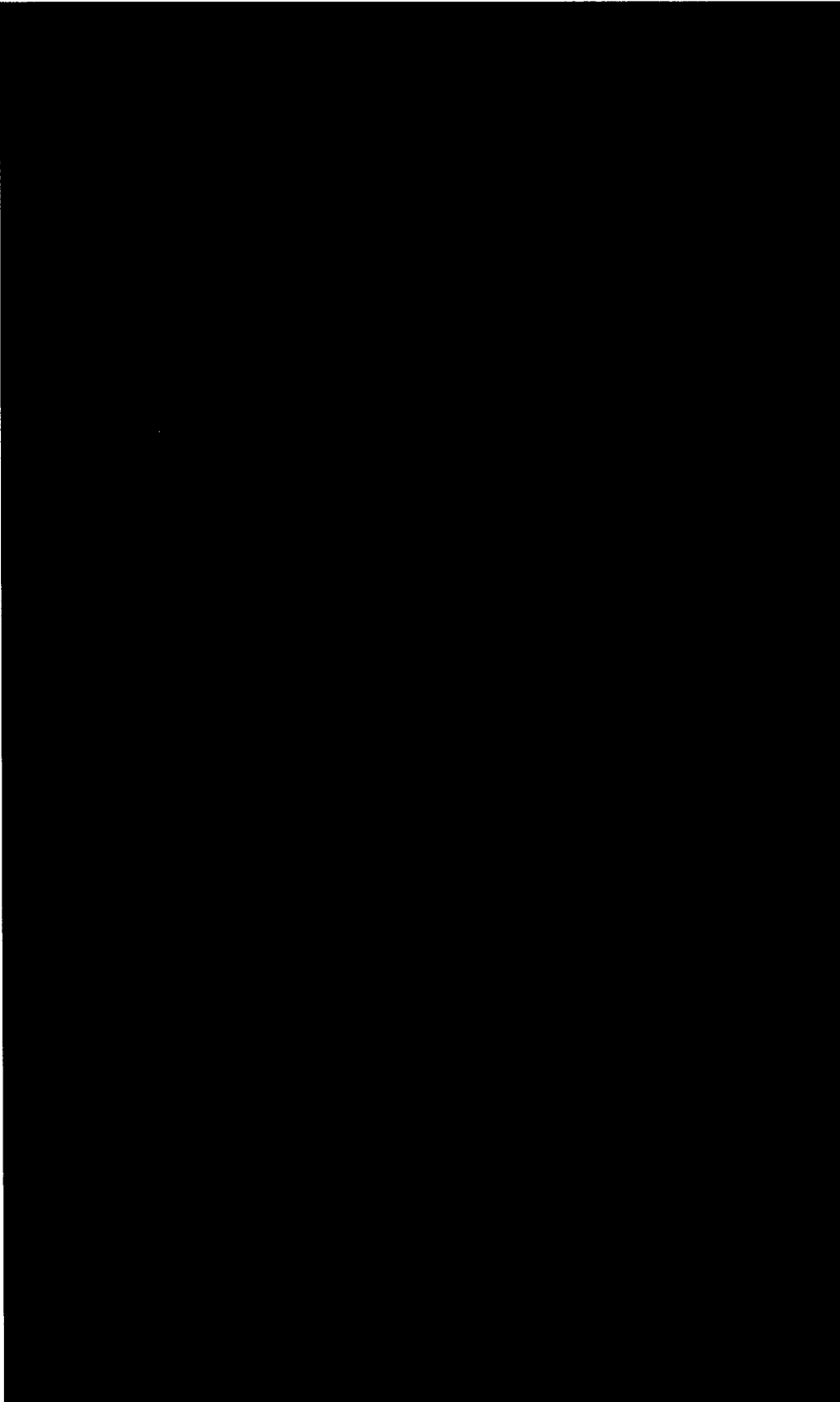
## **Hawaiian Ethos P & L Summary**



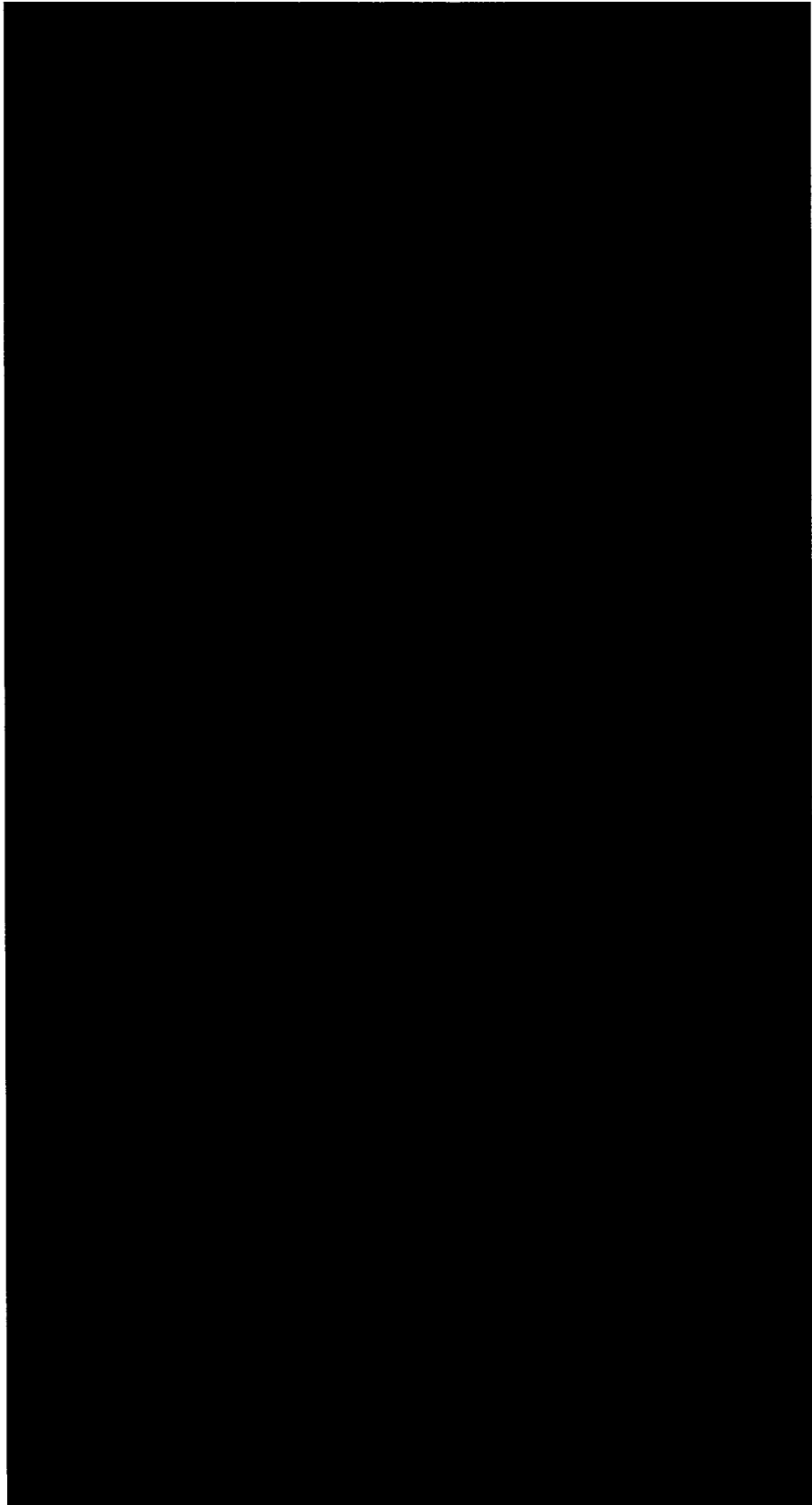
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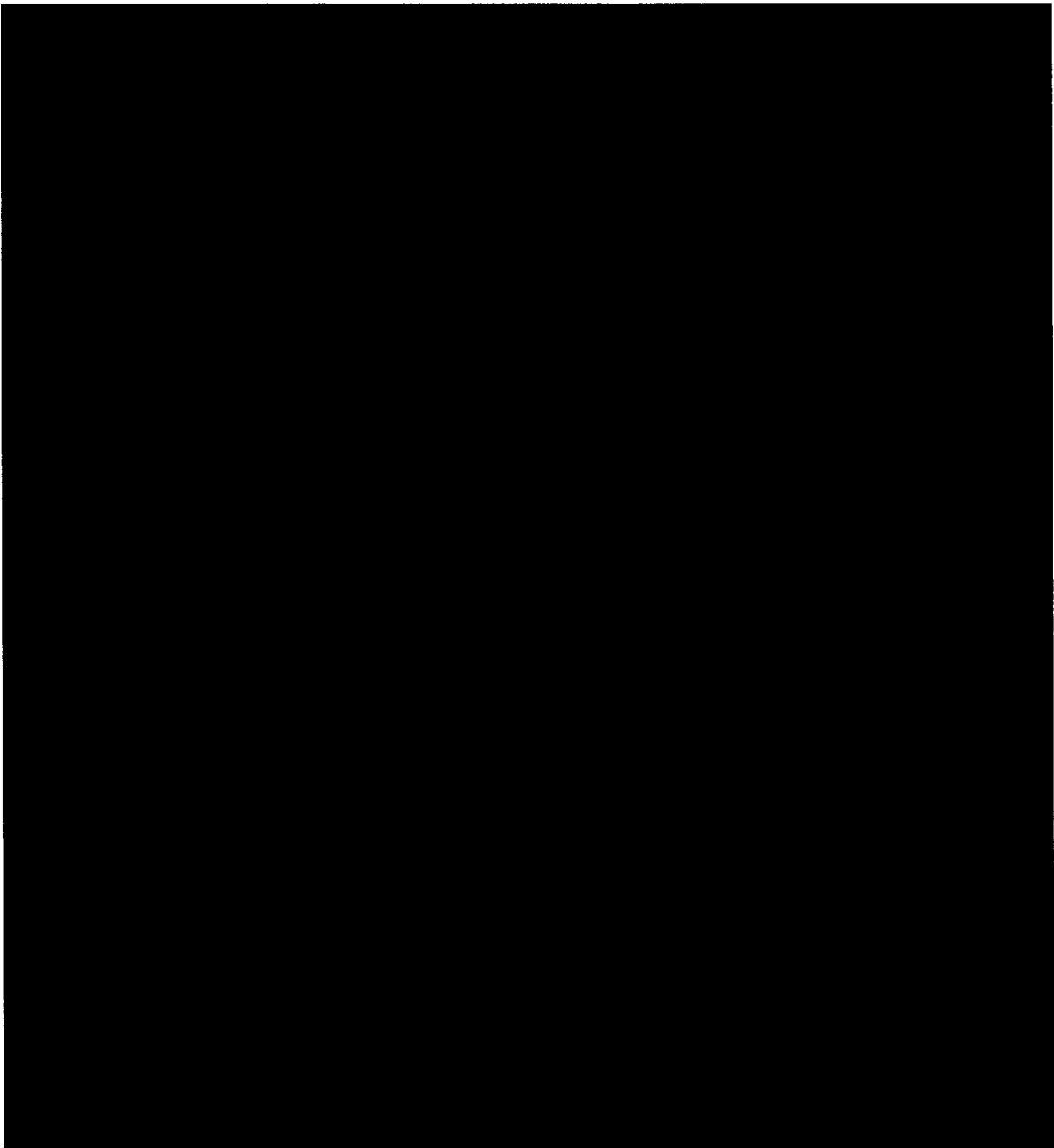
**Hawaiian Ethos P&L Year 2**



**Hawaiian Ethos P&L Year 3**



## **Hawaiian Ethos Sales Summary**

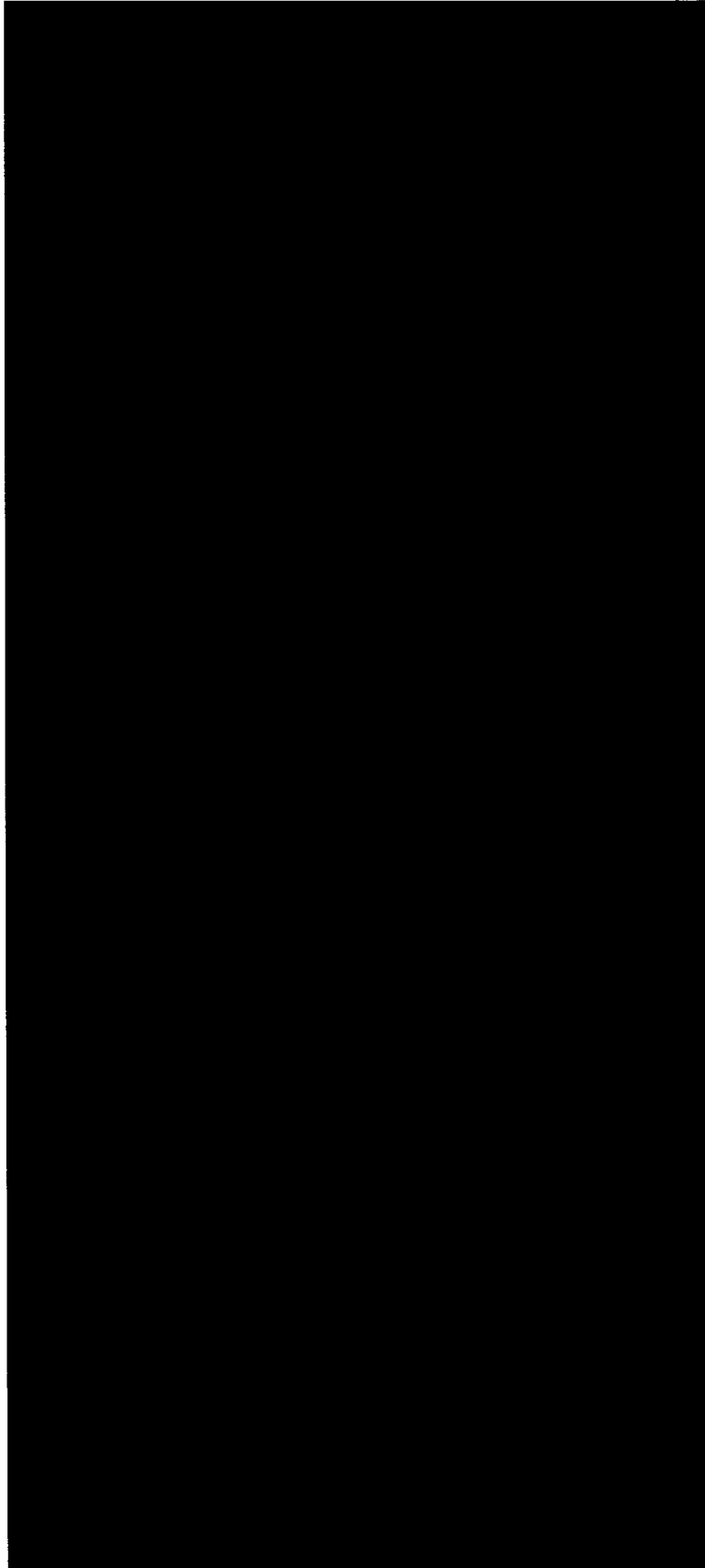




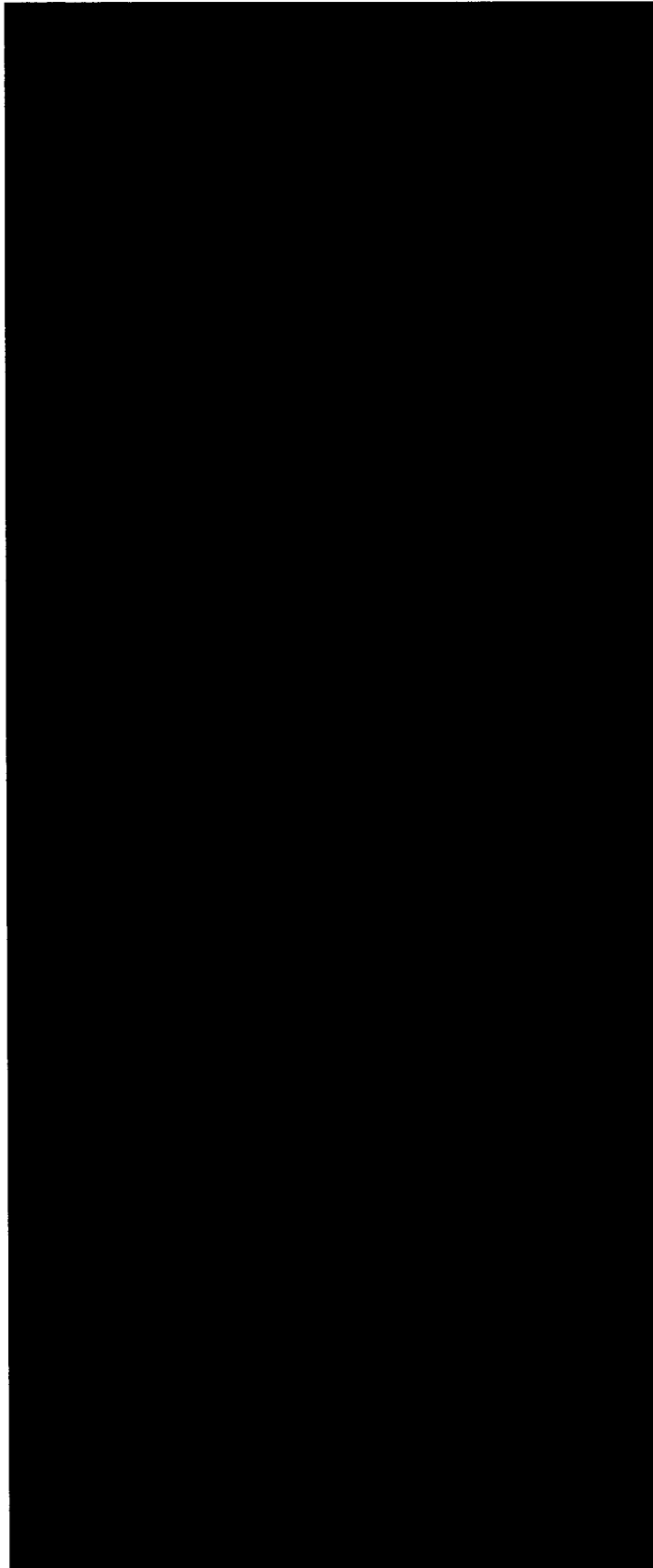
**Hawaiian Ethos Sales Year 1**



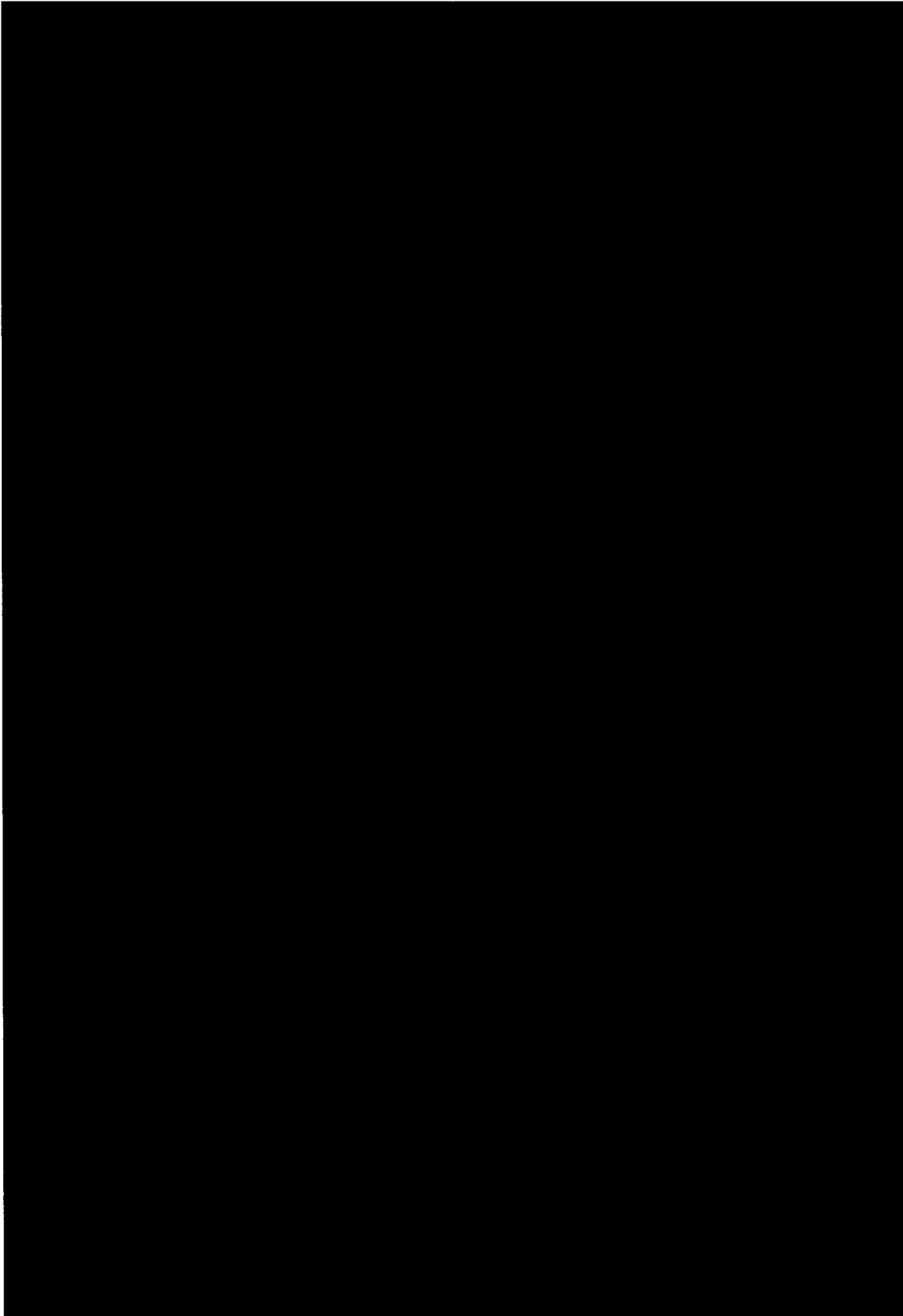
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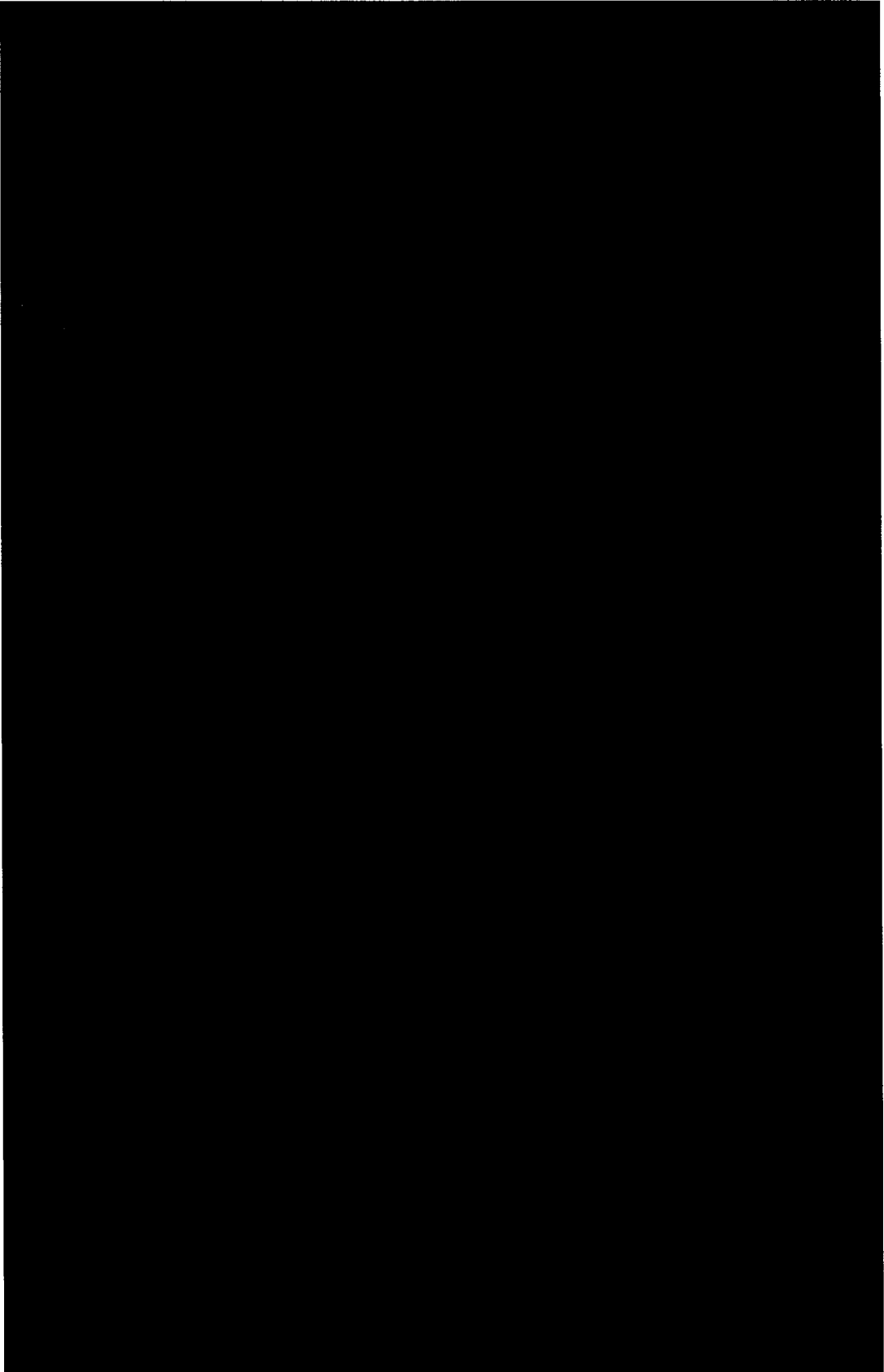


**Hawaiian Ethos Sales Year 3**

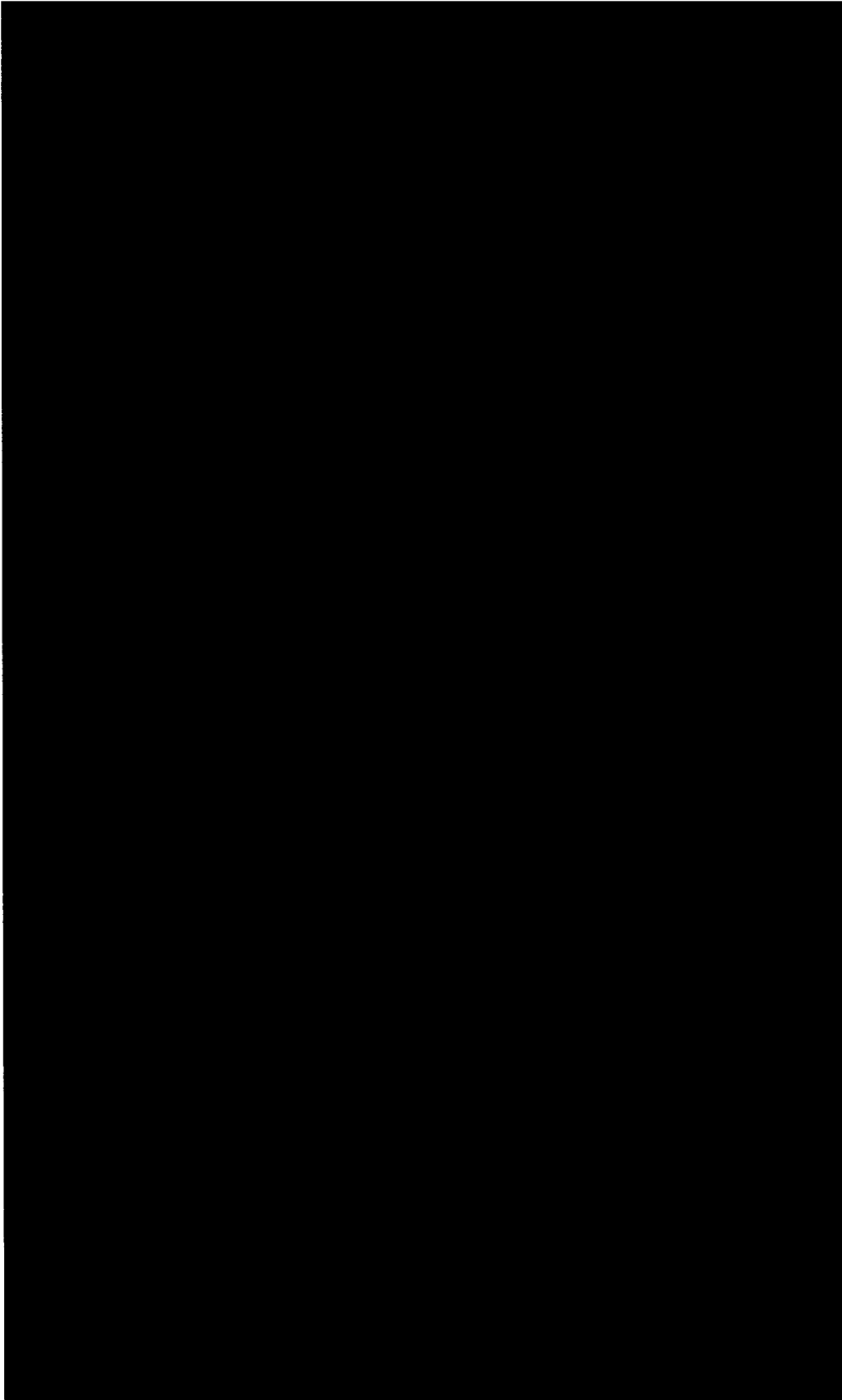


### **Laa Pono P&L Summary**

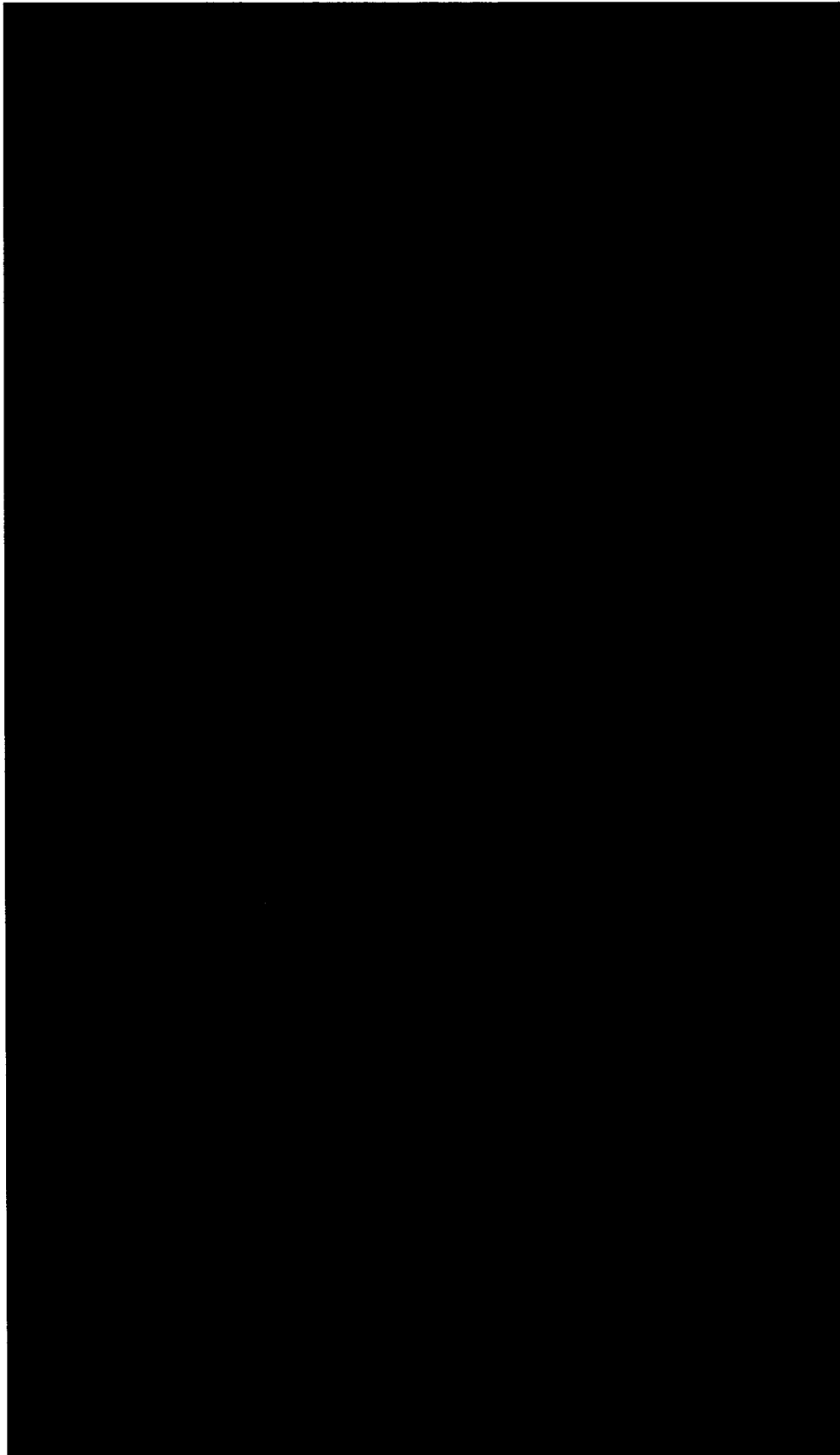




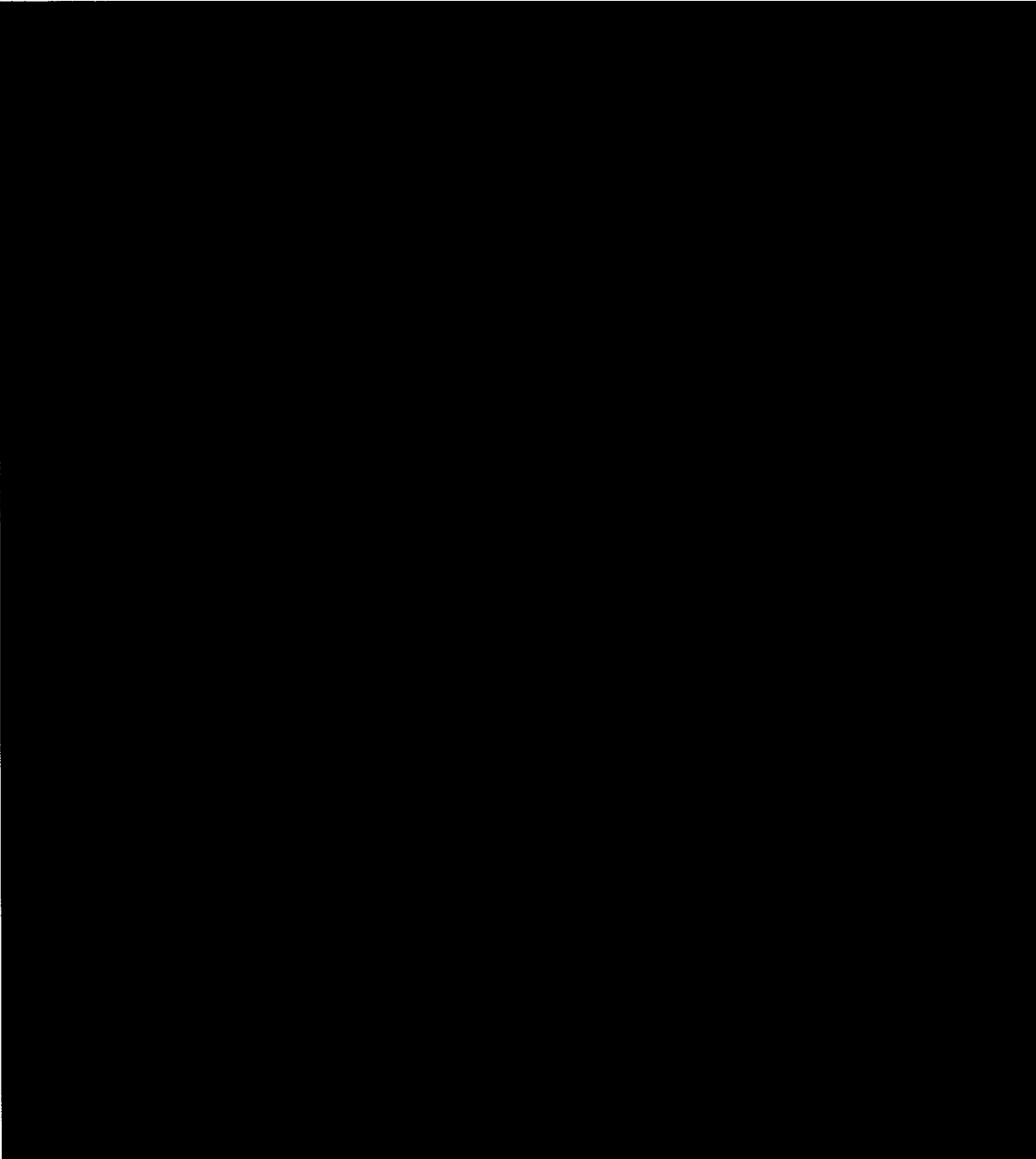
La'au Pono P&L Year 2



**La'au Pono P&L Year 3**

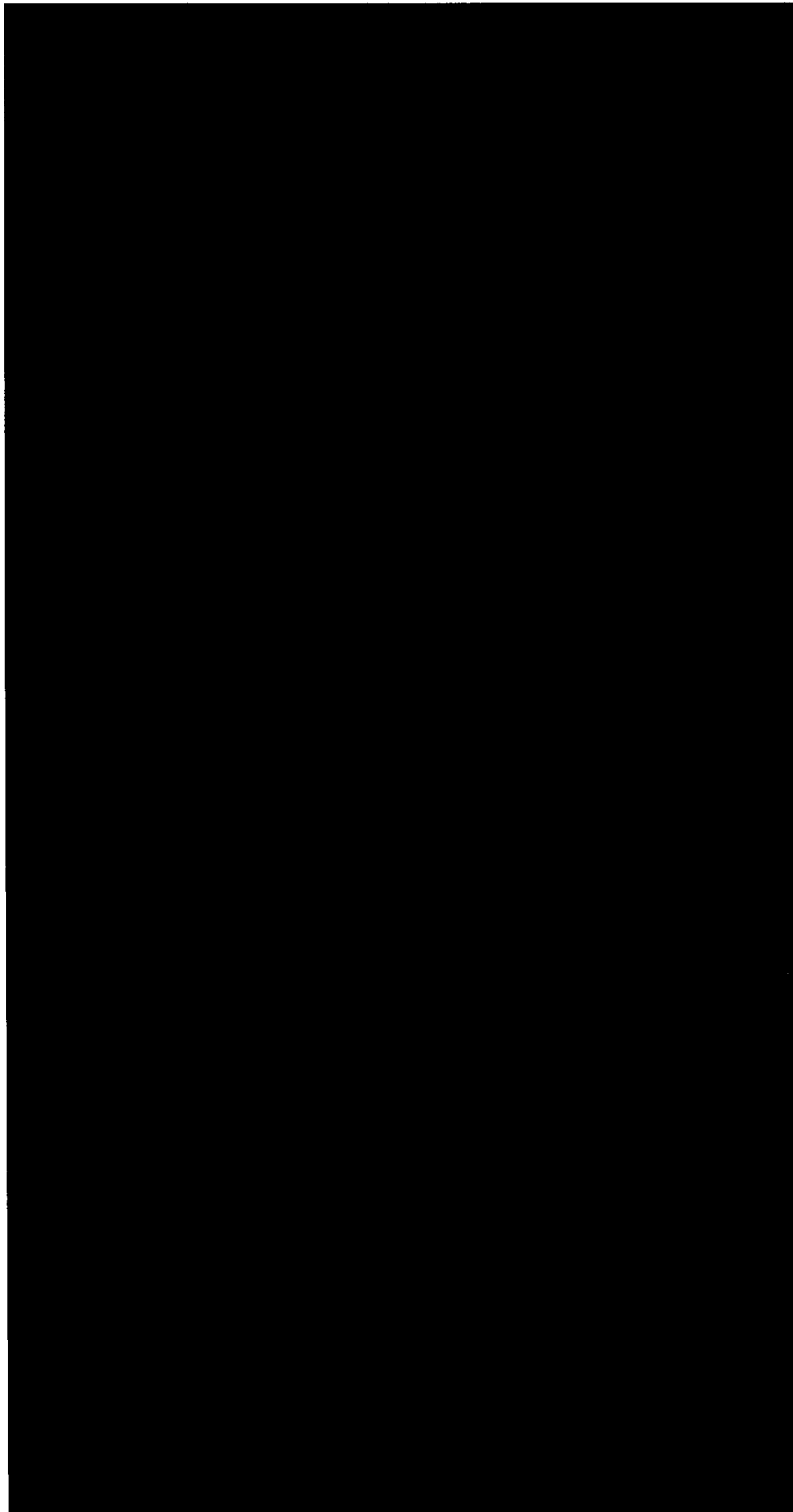


## La'au Pono Sales Summary

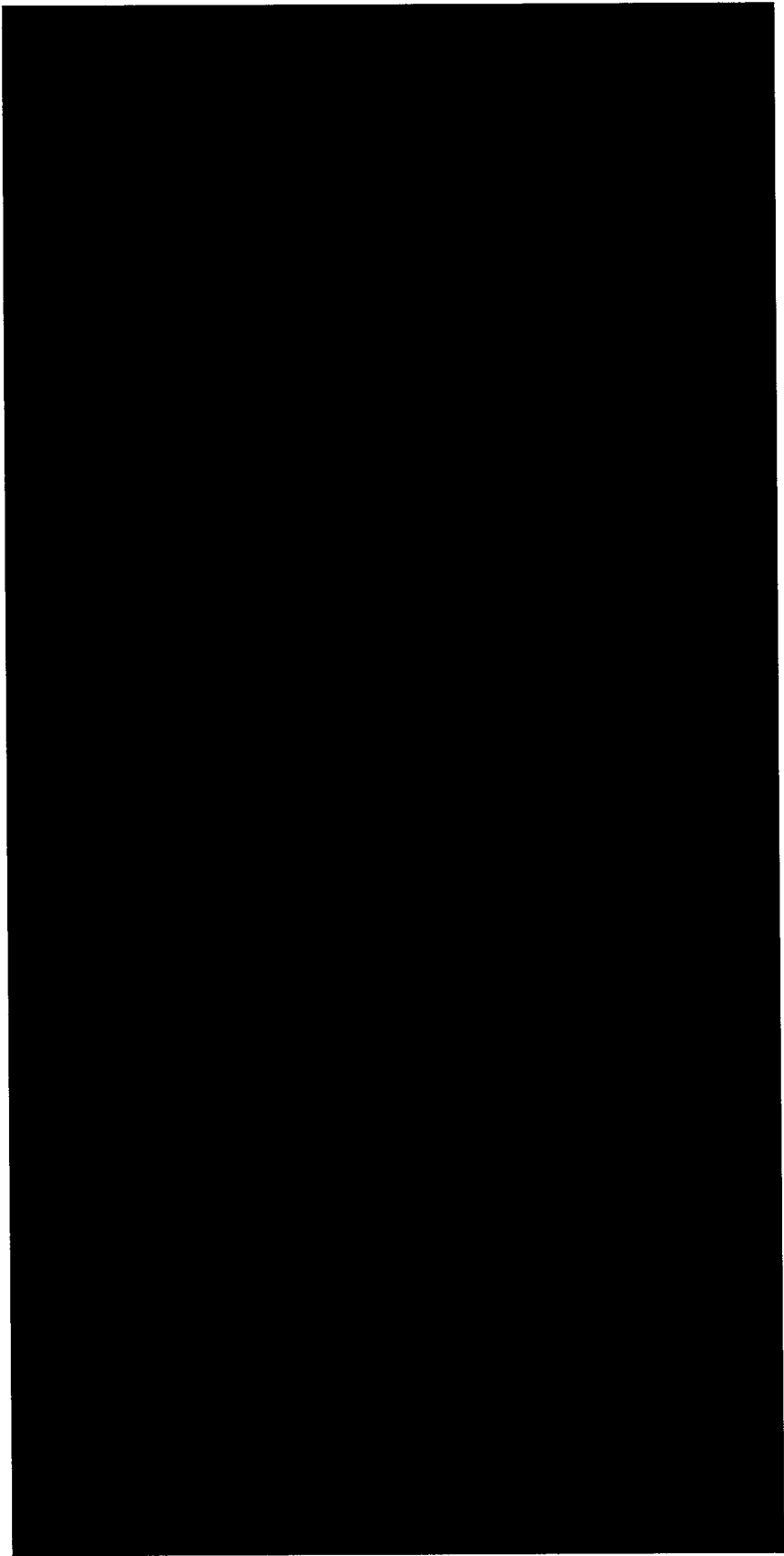




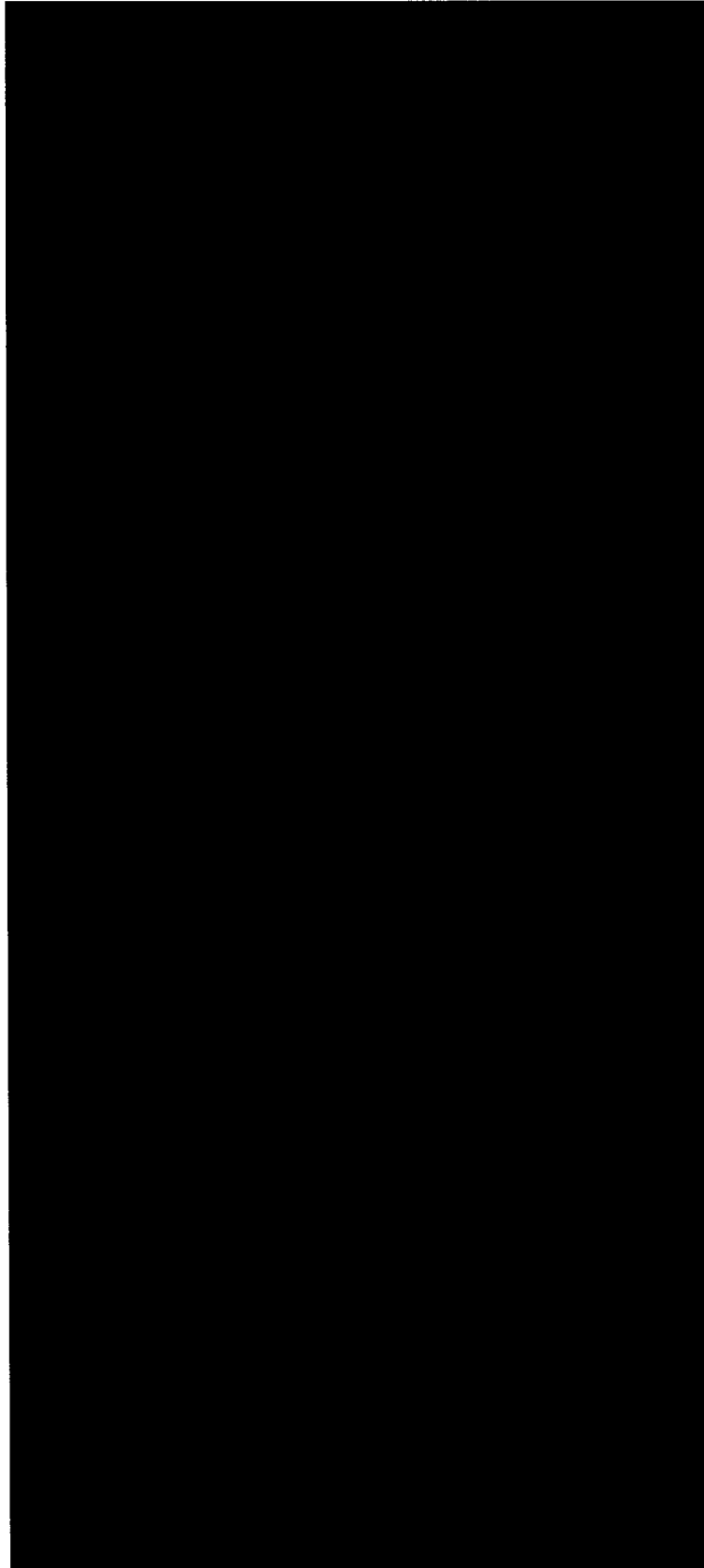
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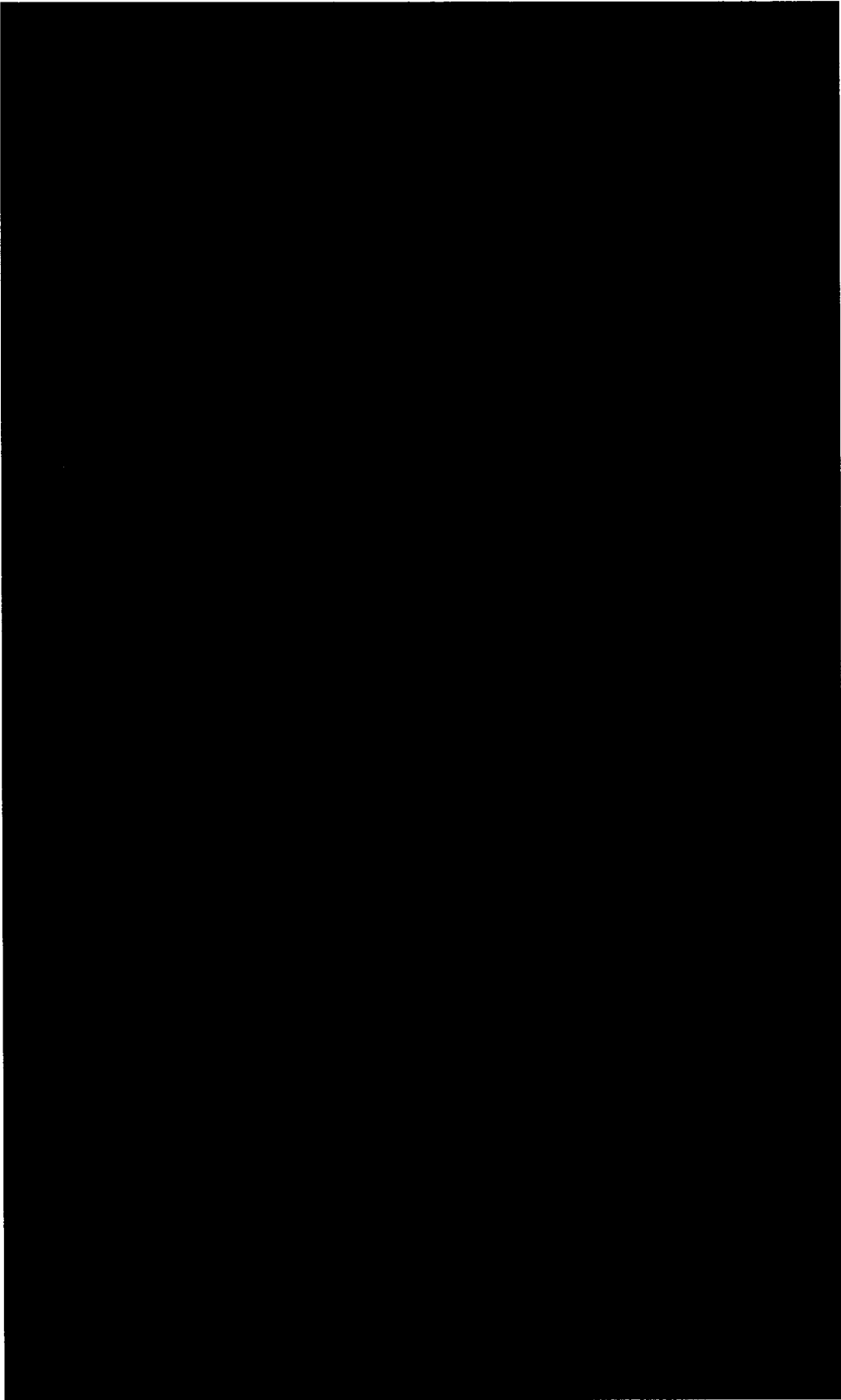
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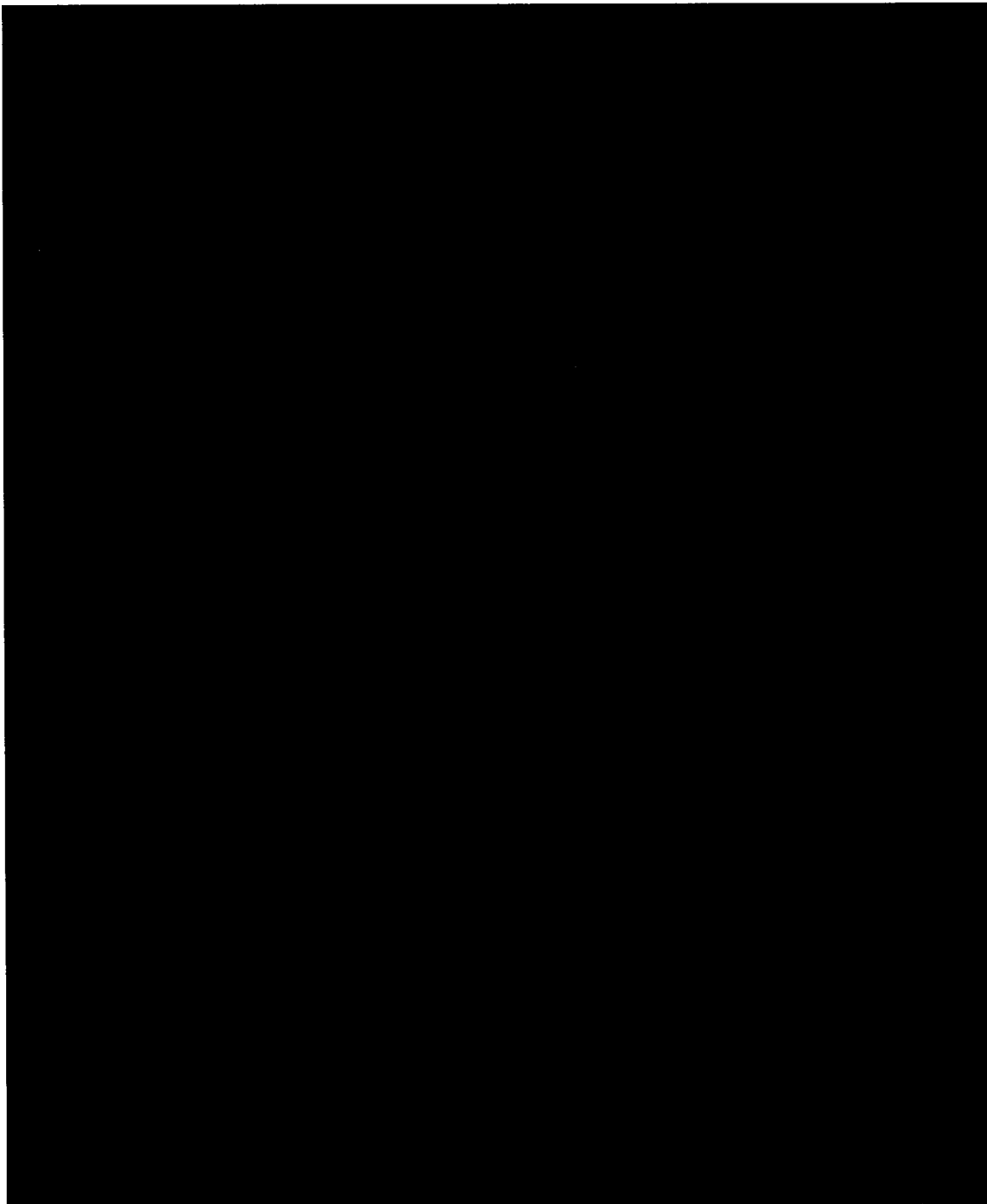
**La'au Pono Sales Year 3**



**Lā'au Pono & Hawaiian Ethos Labor**



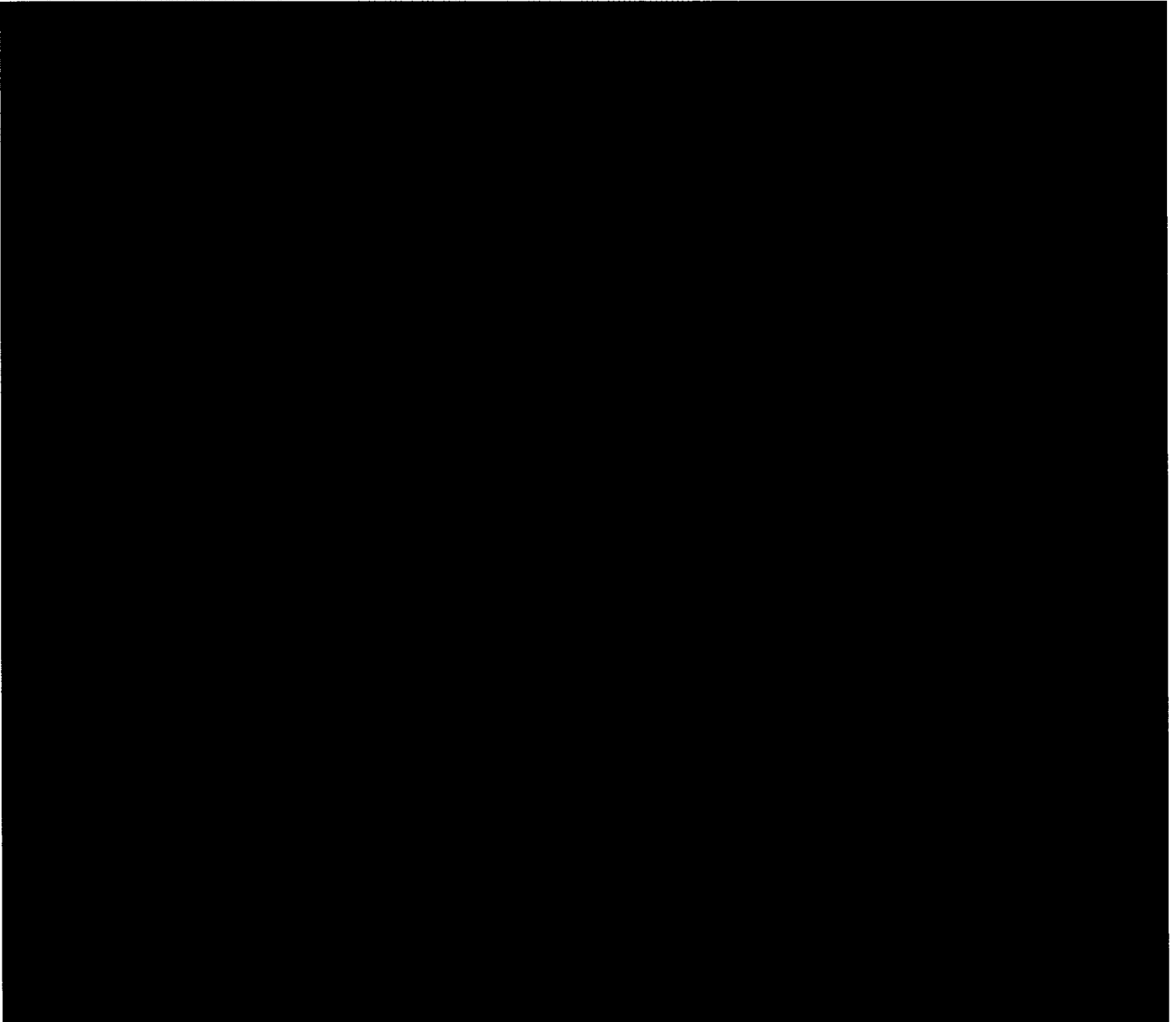
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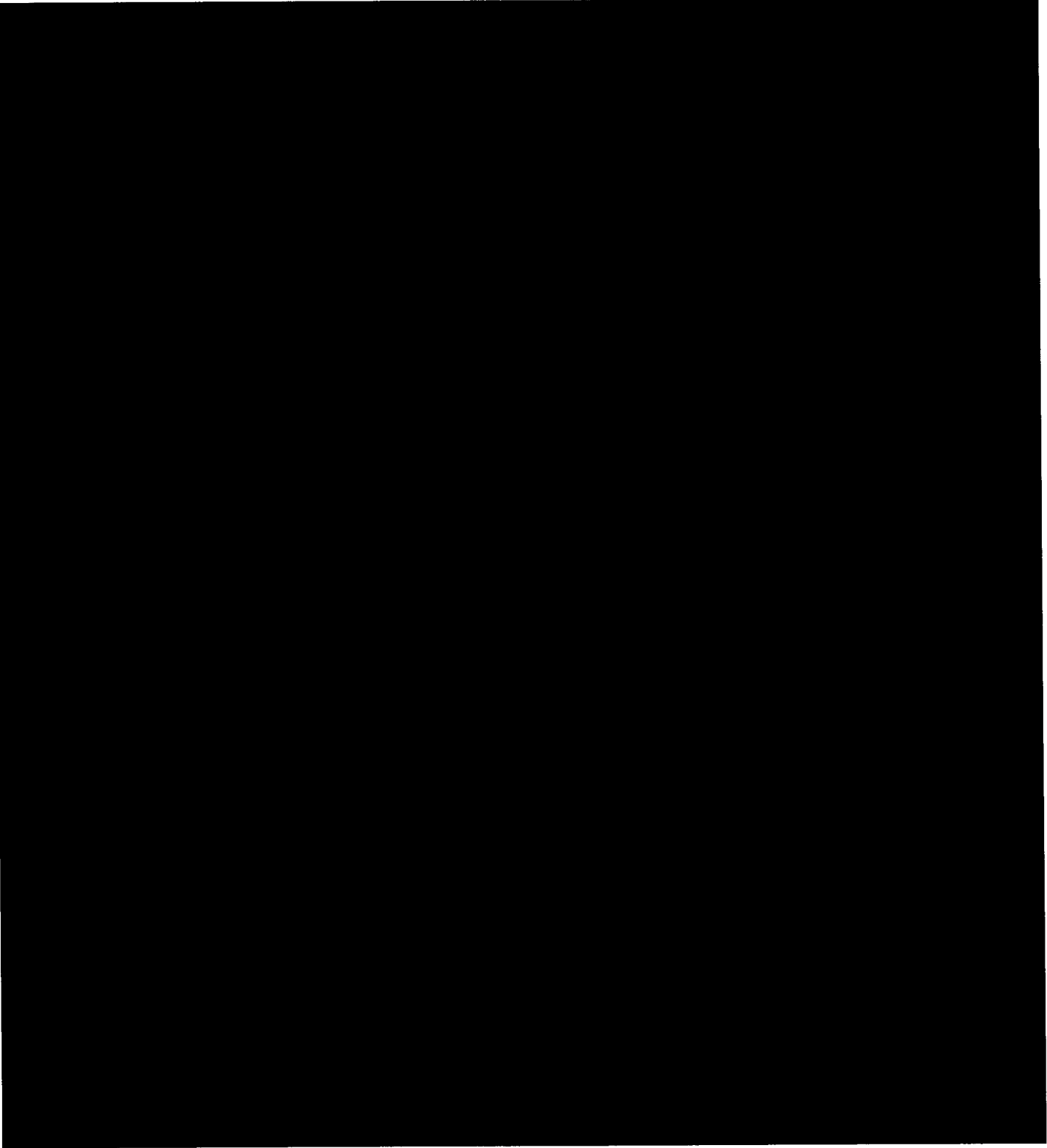
# Hawaiian**Ethos**

Conservative Financials

## Financial Summary Conservative (500 to 2,500 patients over 3 years)

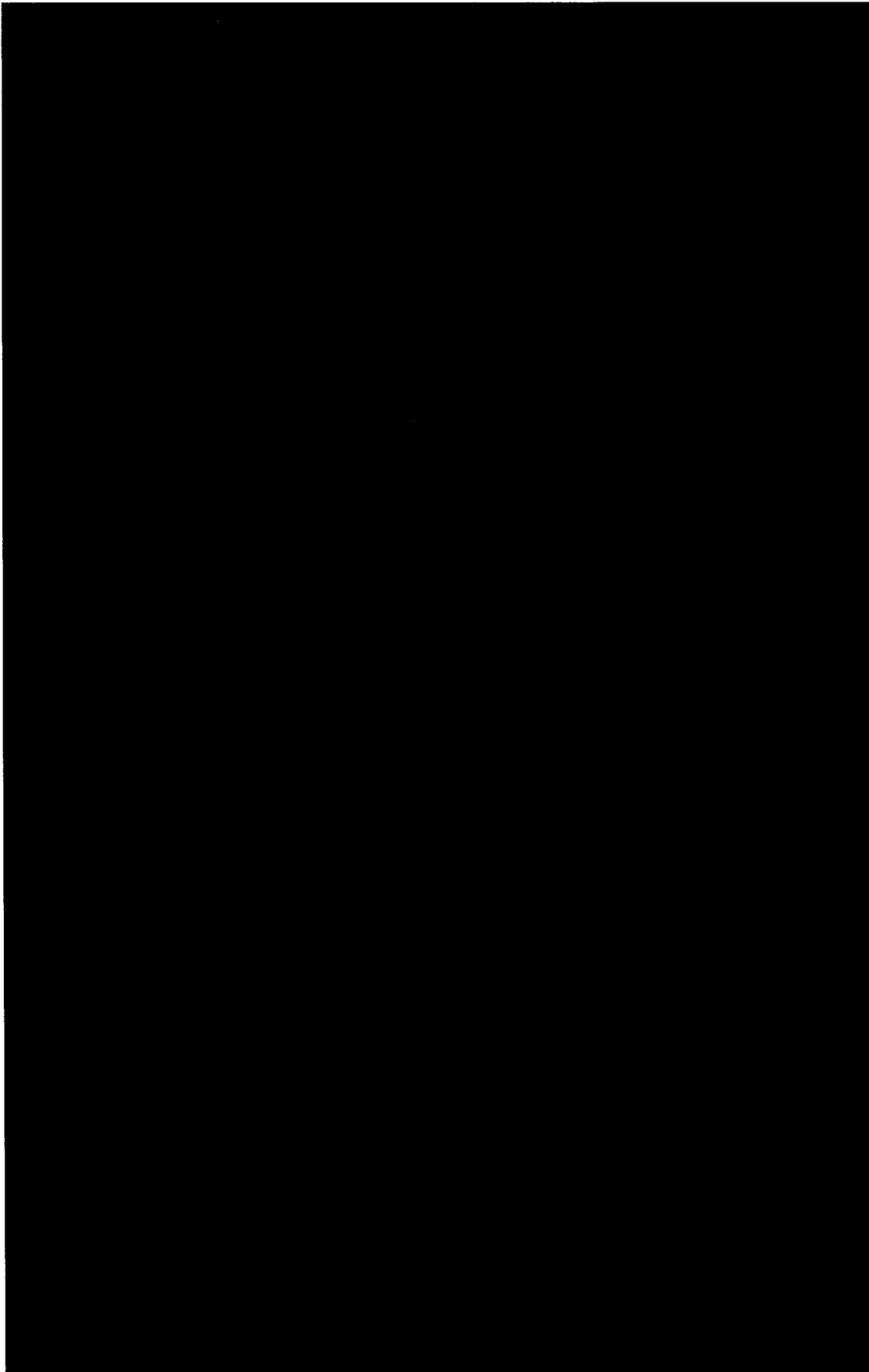


**Hawaiian Ethos Summary P&L**

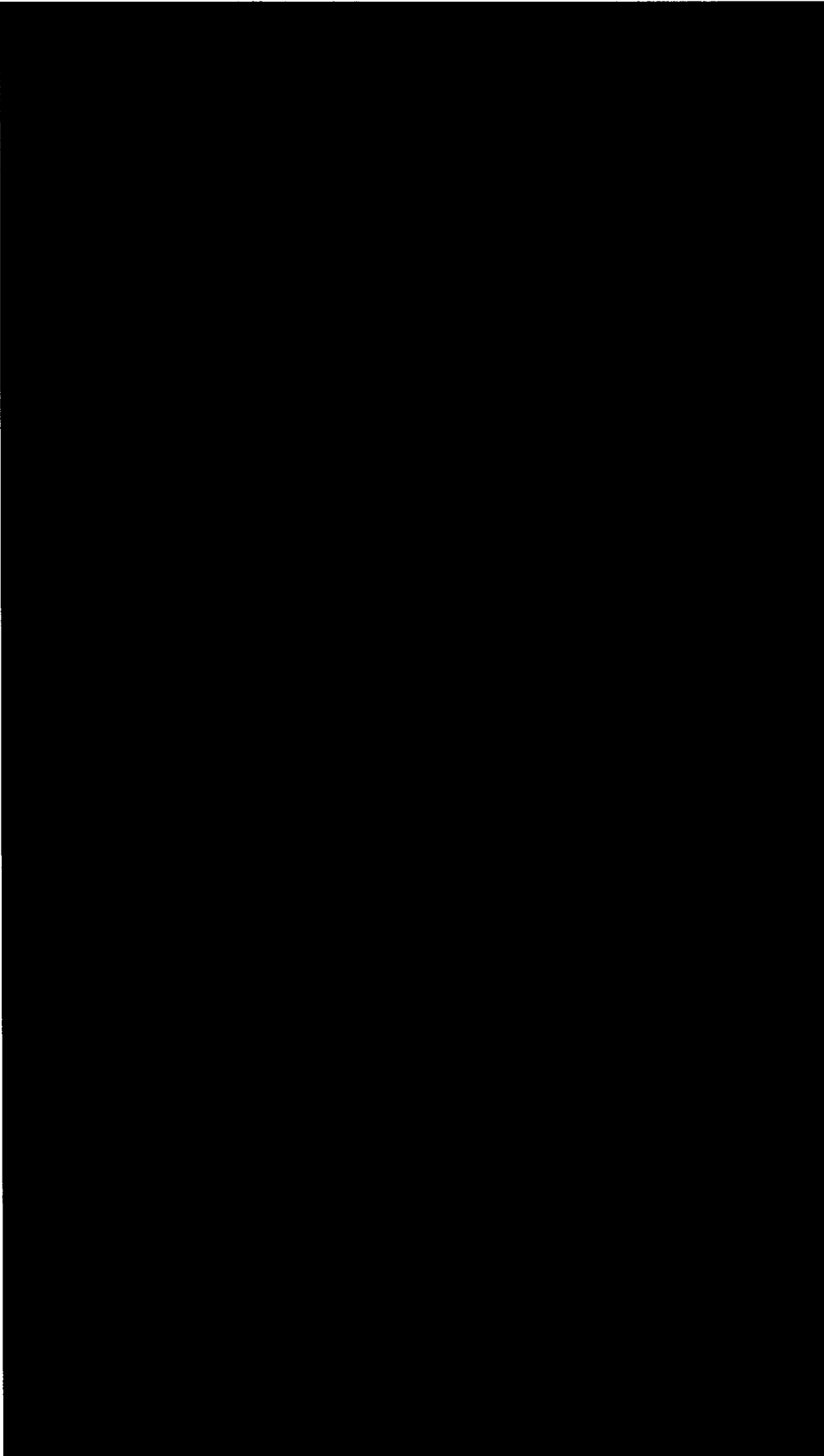




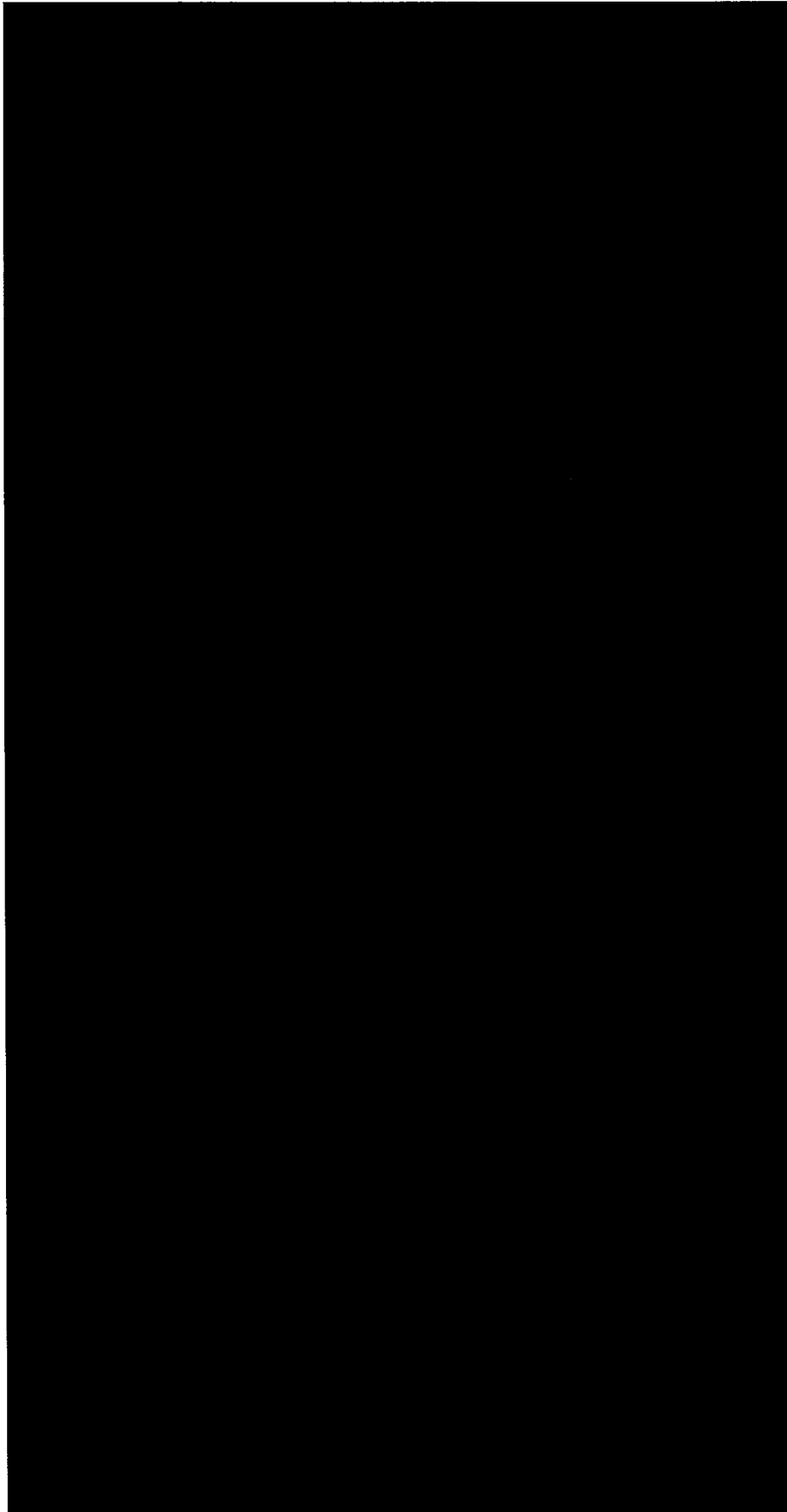
**Hawaiian Ethos P&L Year 1**



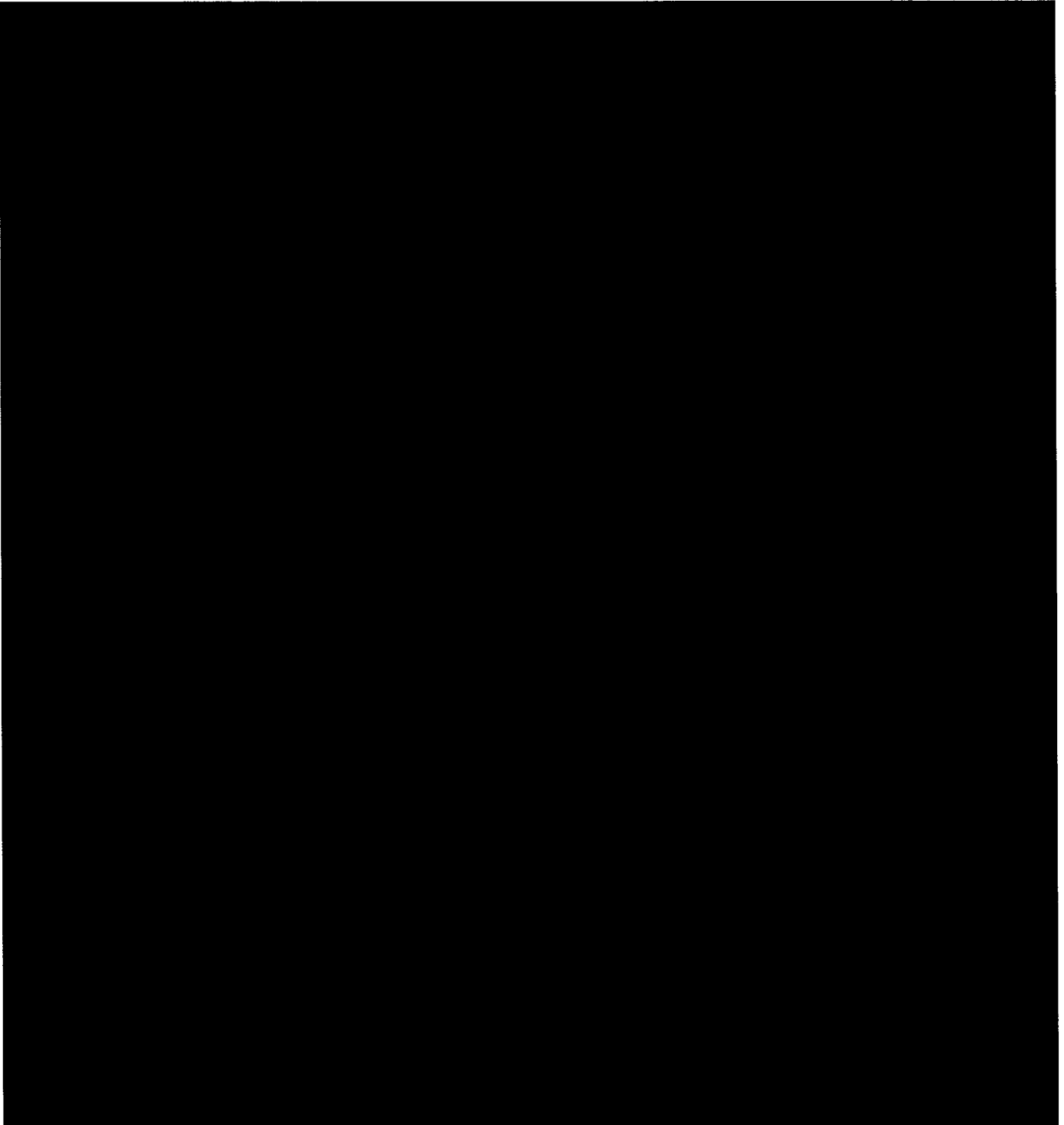
**Hawaiian Ethos P&L Year 2**



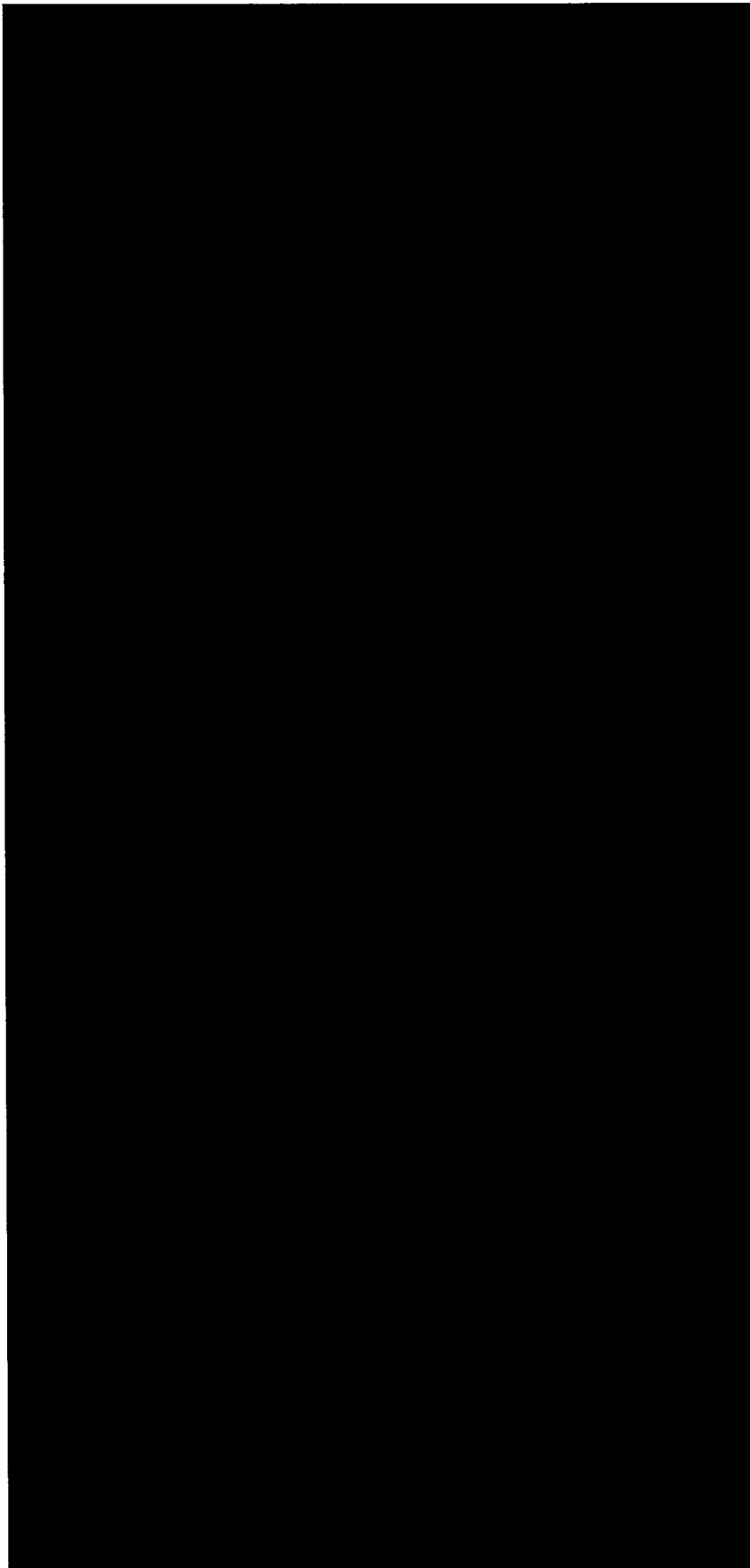
**Hawaiian Ethos P&L Year 3**



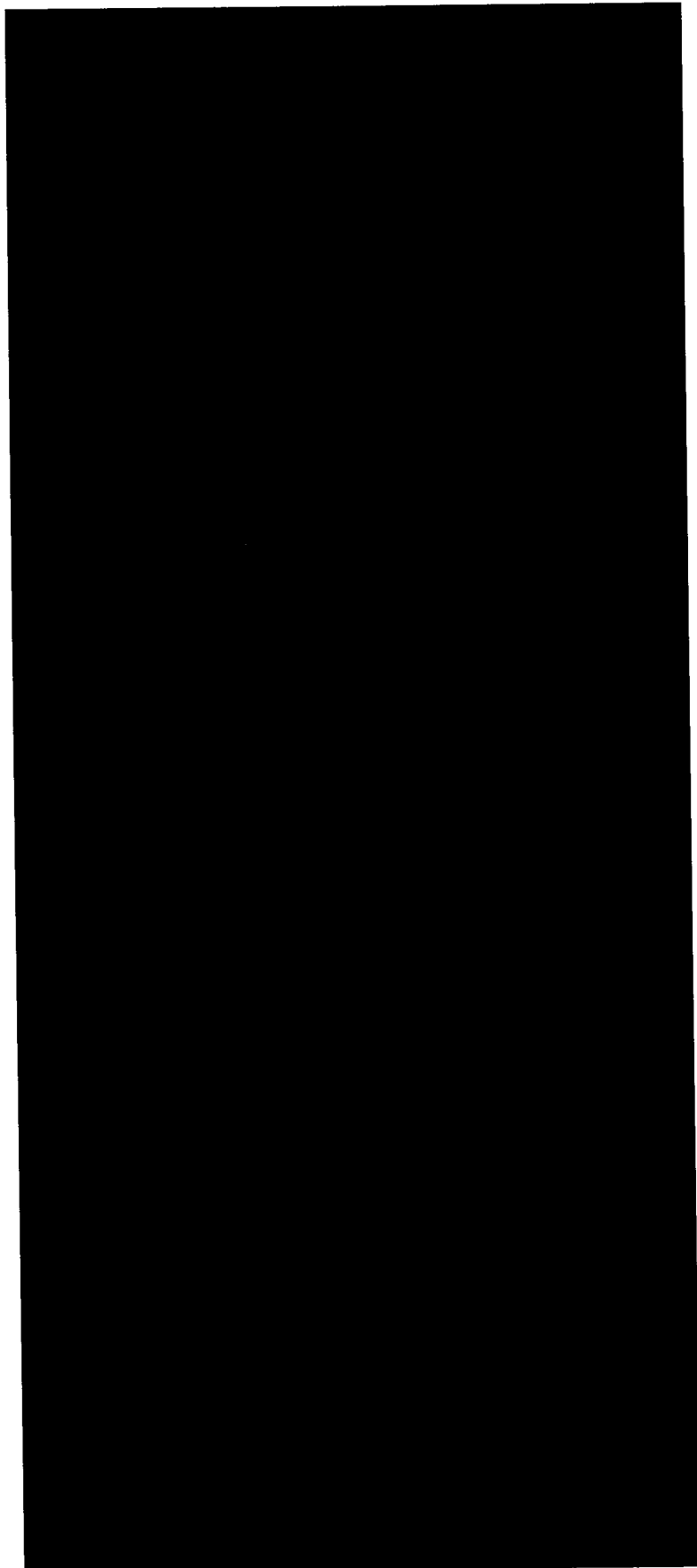
## Hawaiian Ethos Sales Summary



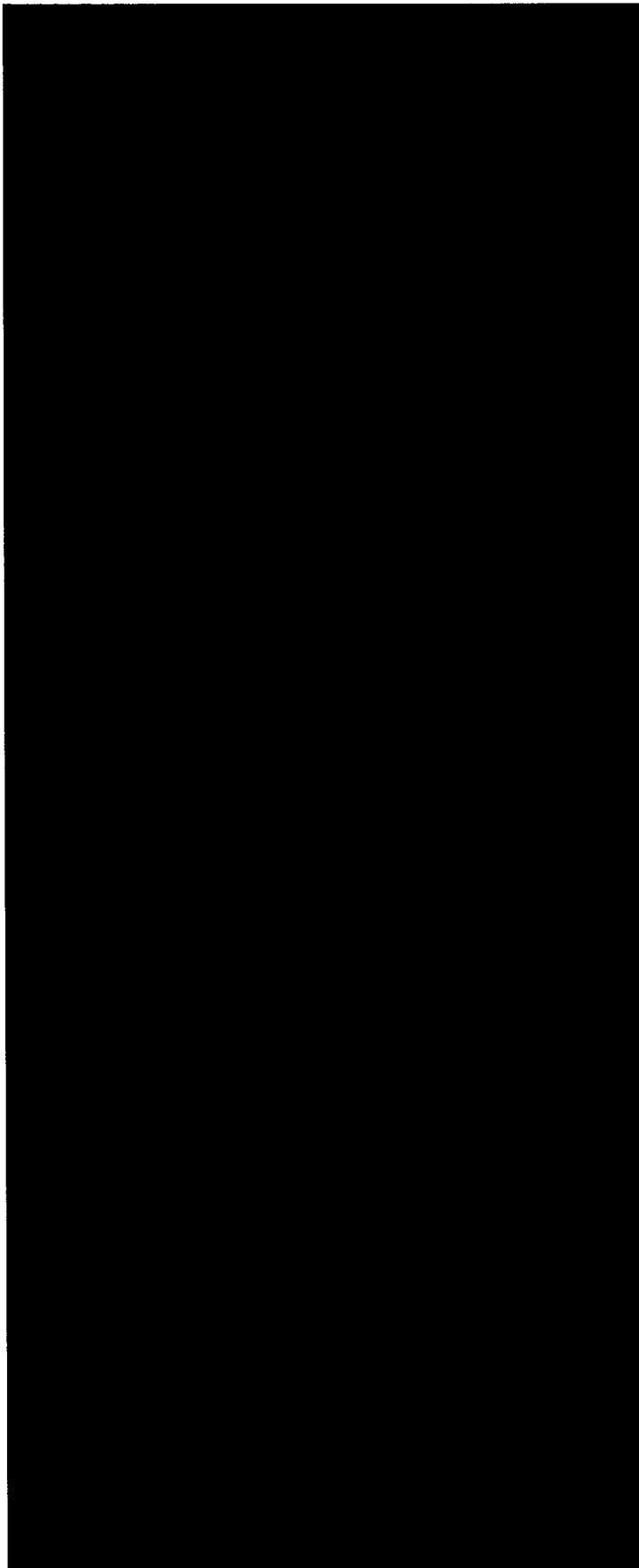
**Hawaiian Ethos Sales Year 1**



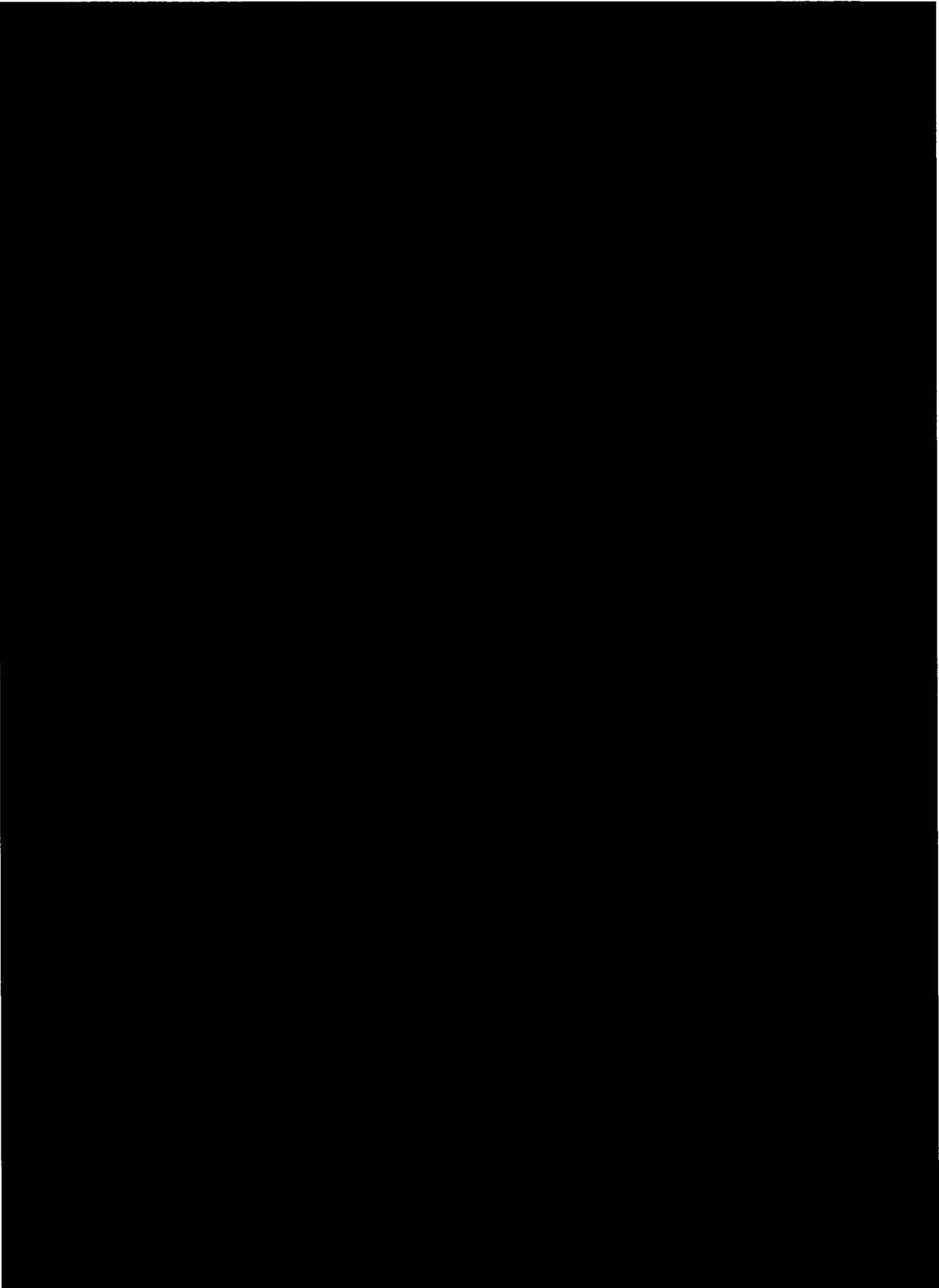
**Hawaiian Ethos Sales Year 2**



**Hawaiian Ethos Sales Year 3**

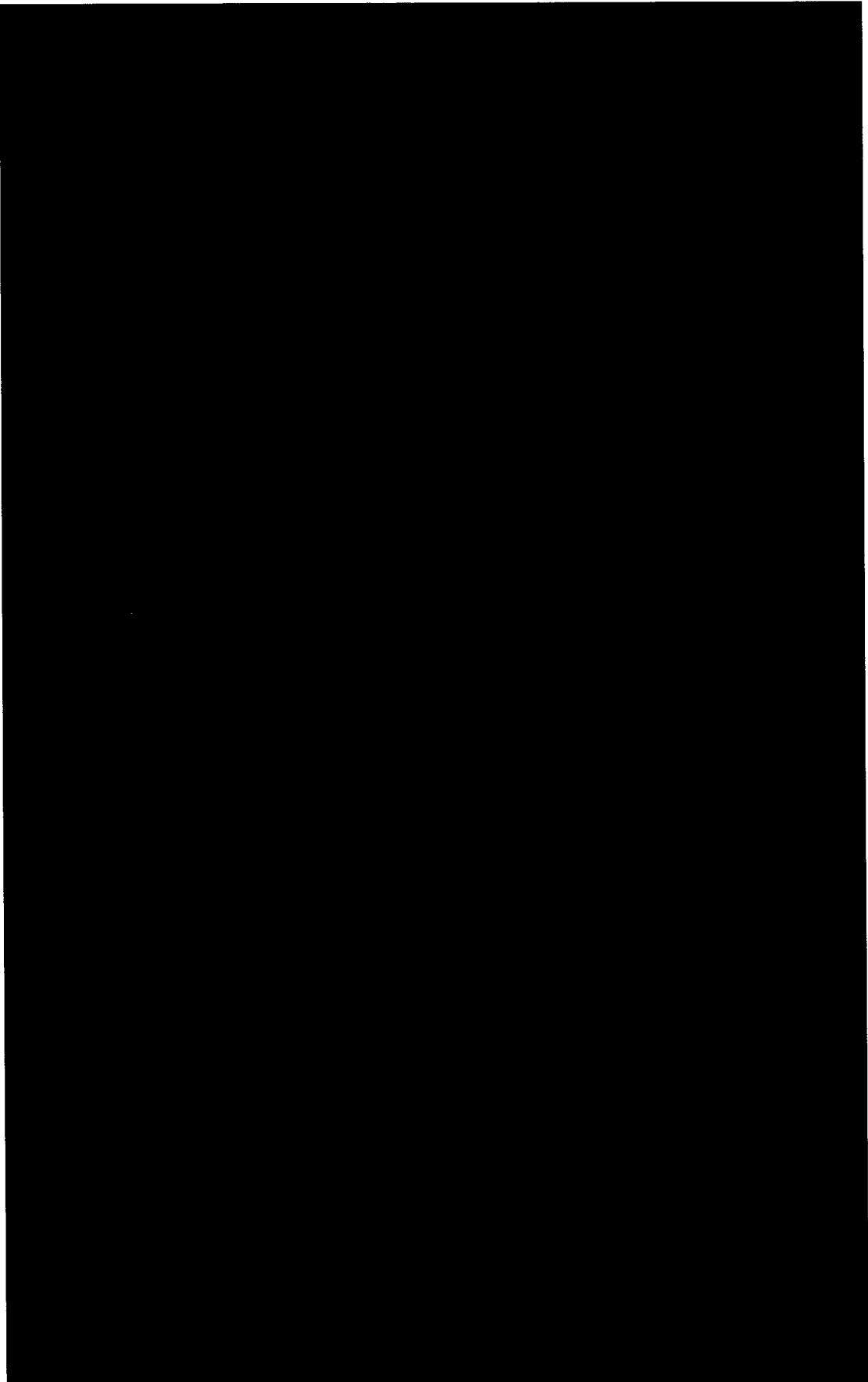


## La'au Pono P&L Summary

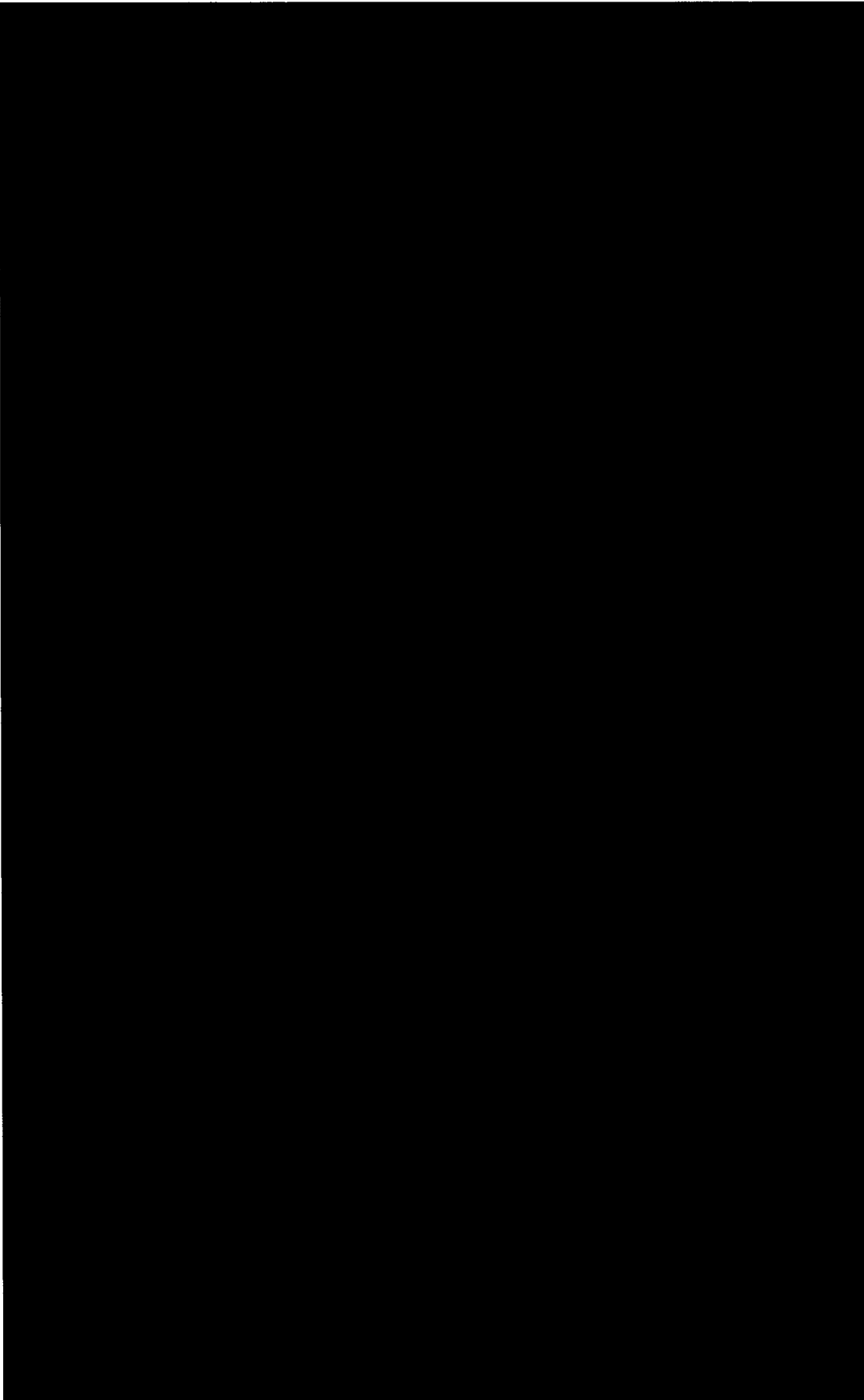




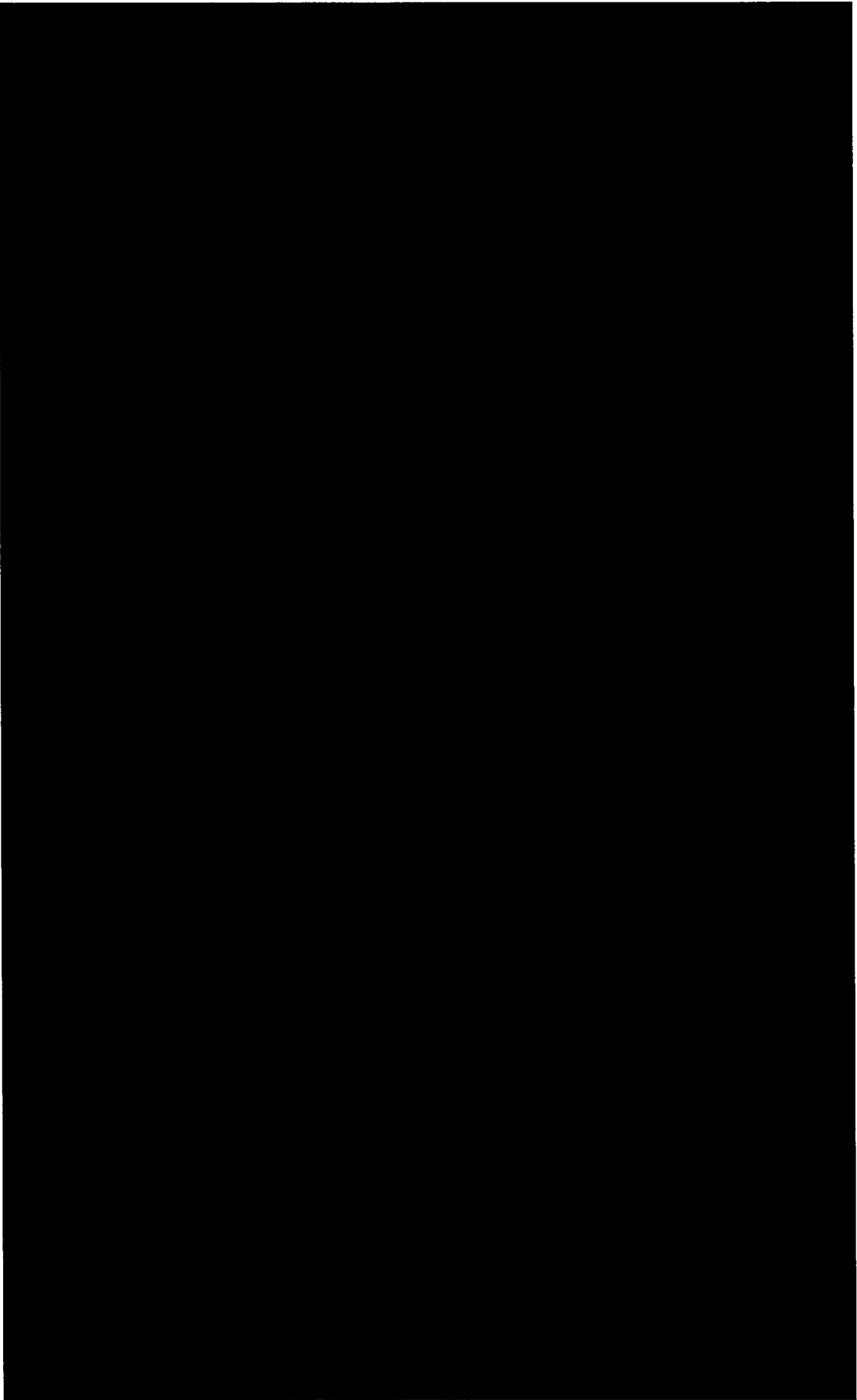
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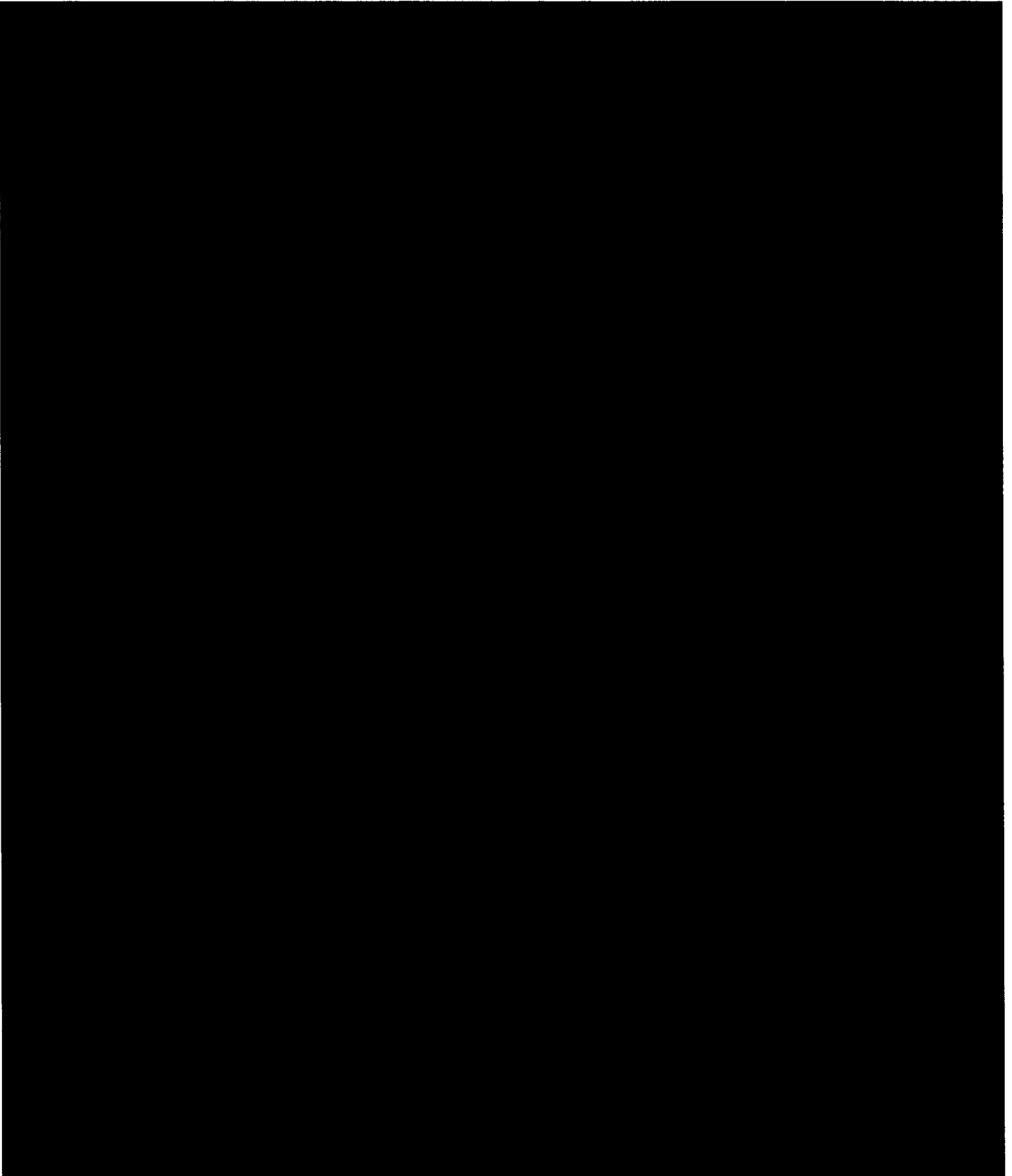
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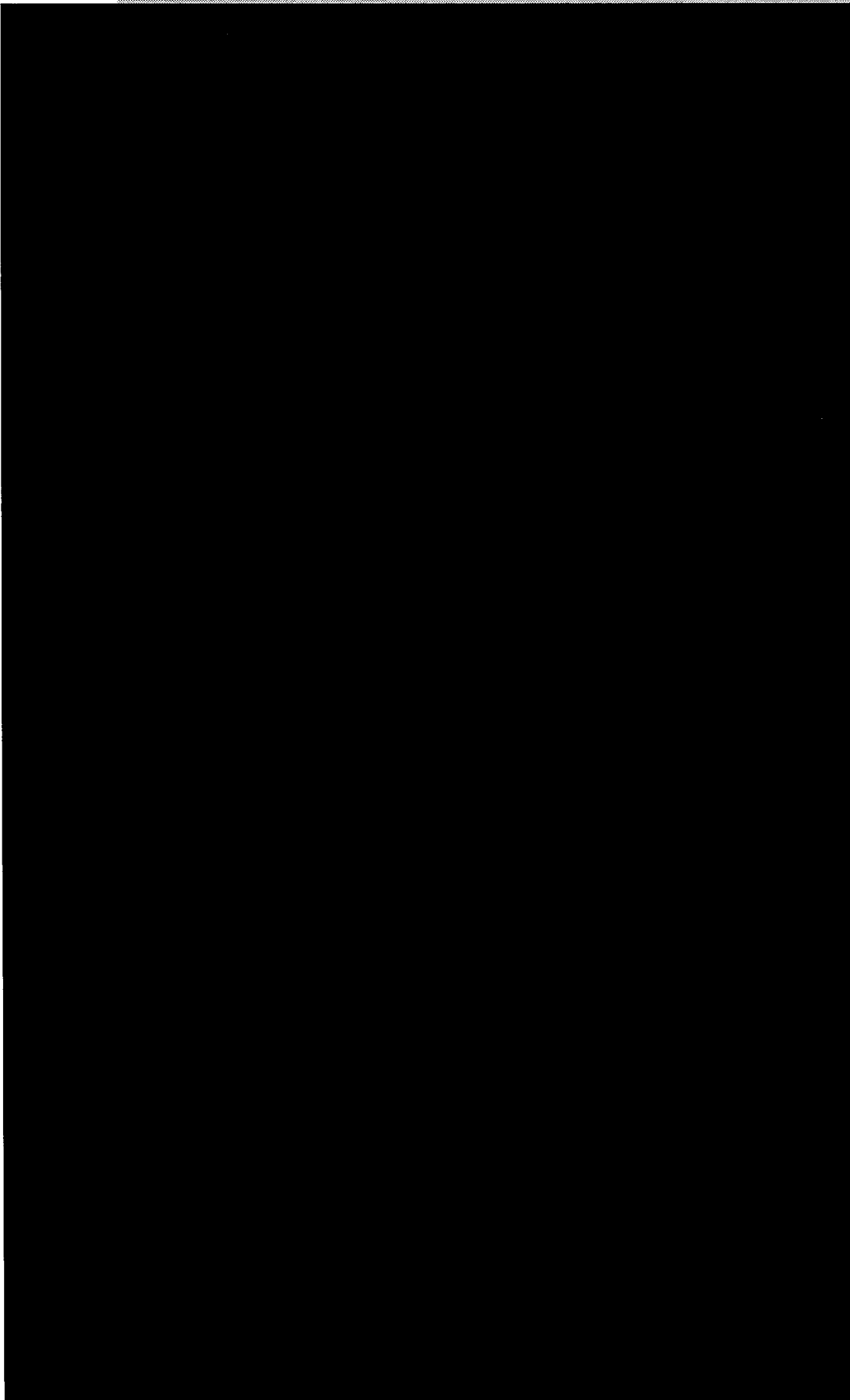
**La'au Pono P&L Year 3**



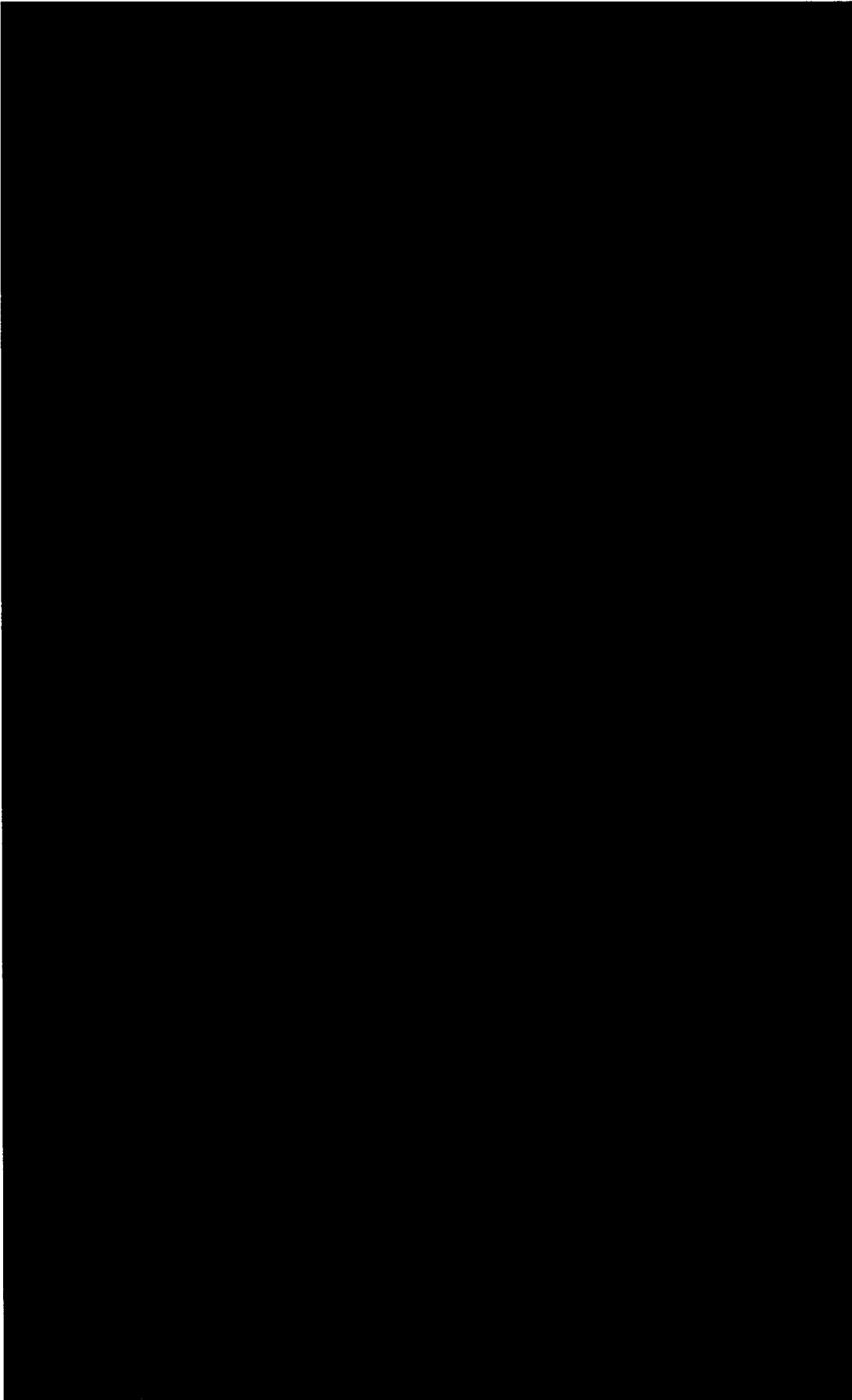
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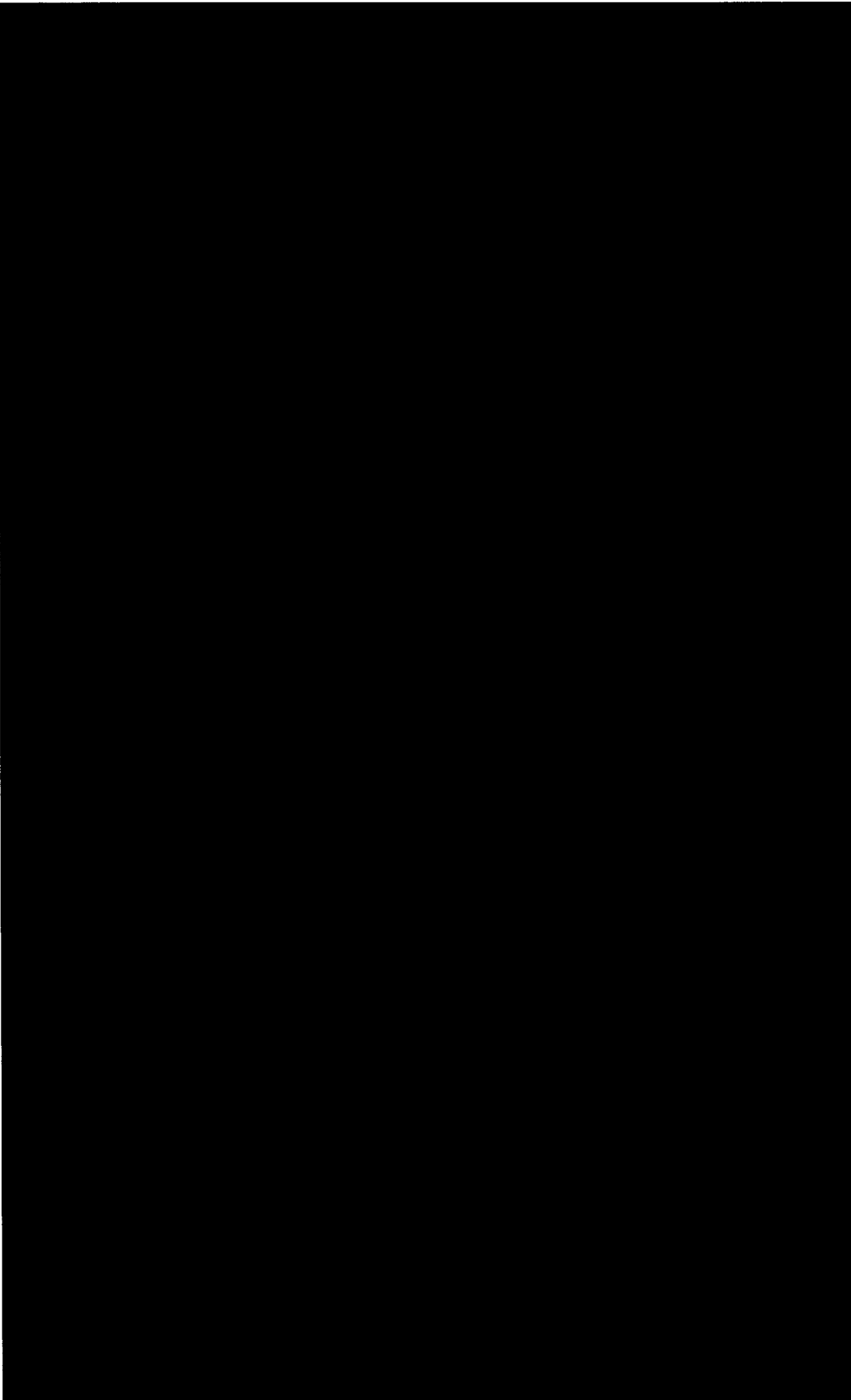
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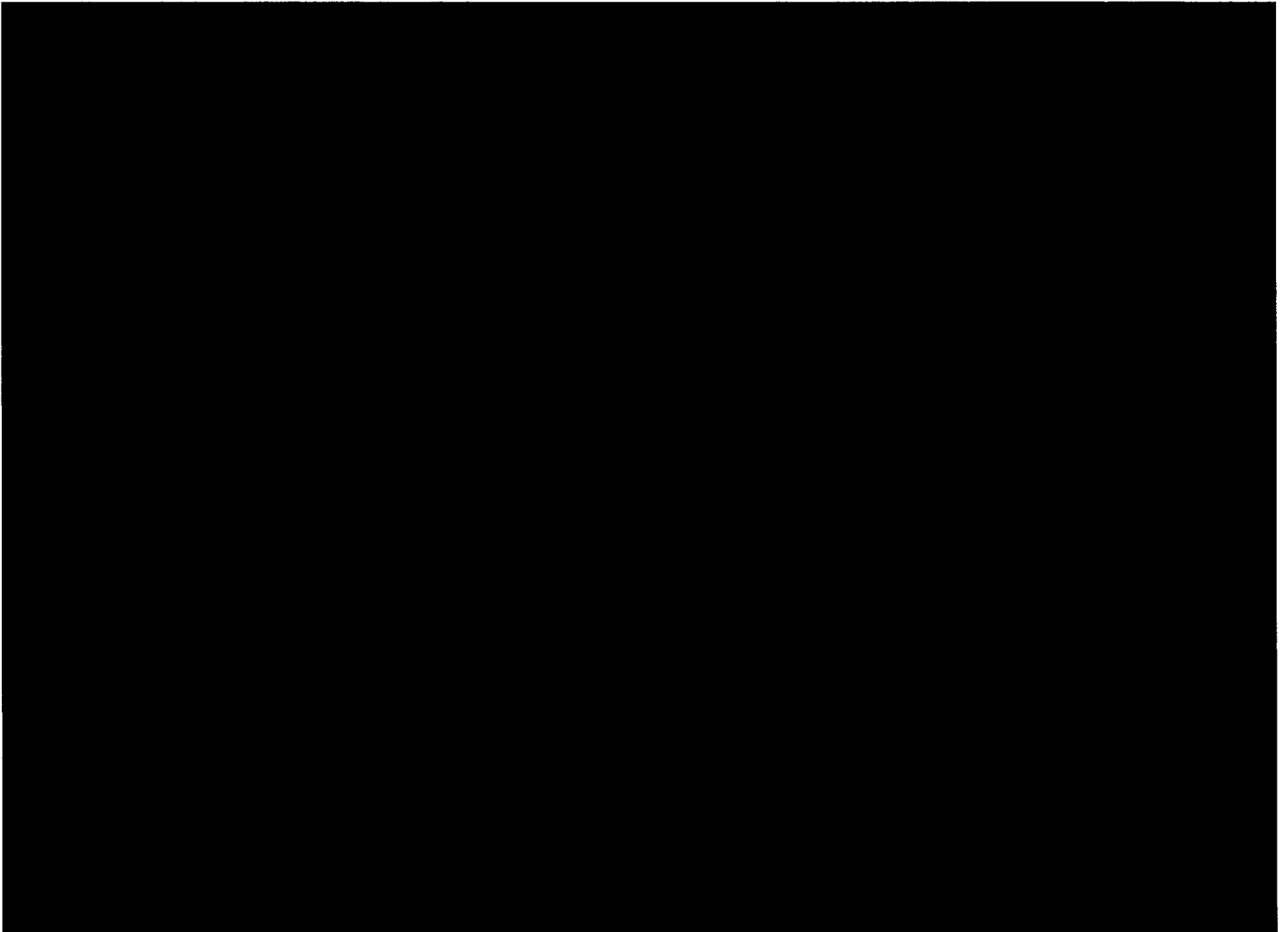
**La'au Pono Sales Year 2**



**La'au Pono Sales Year 3**

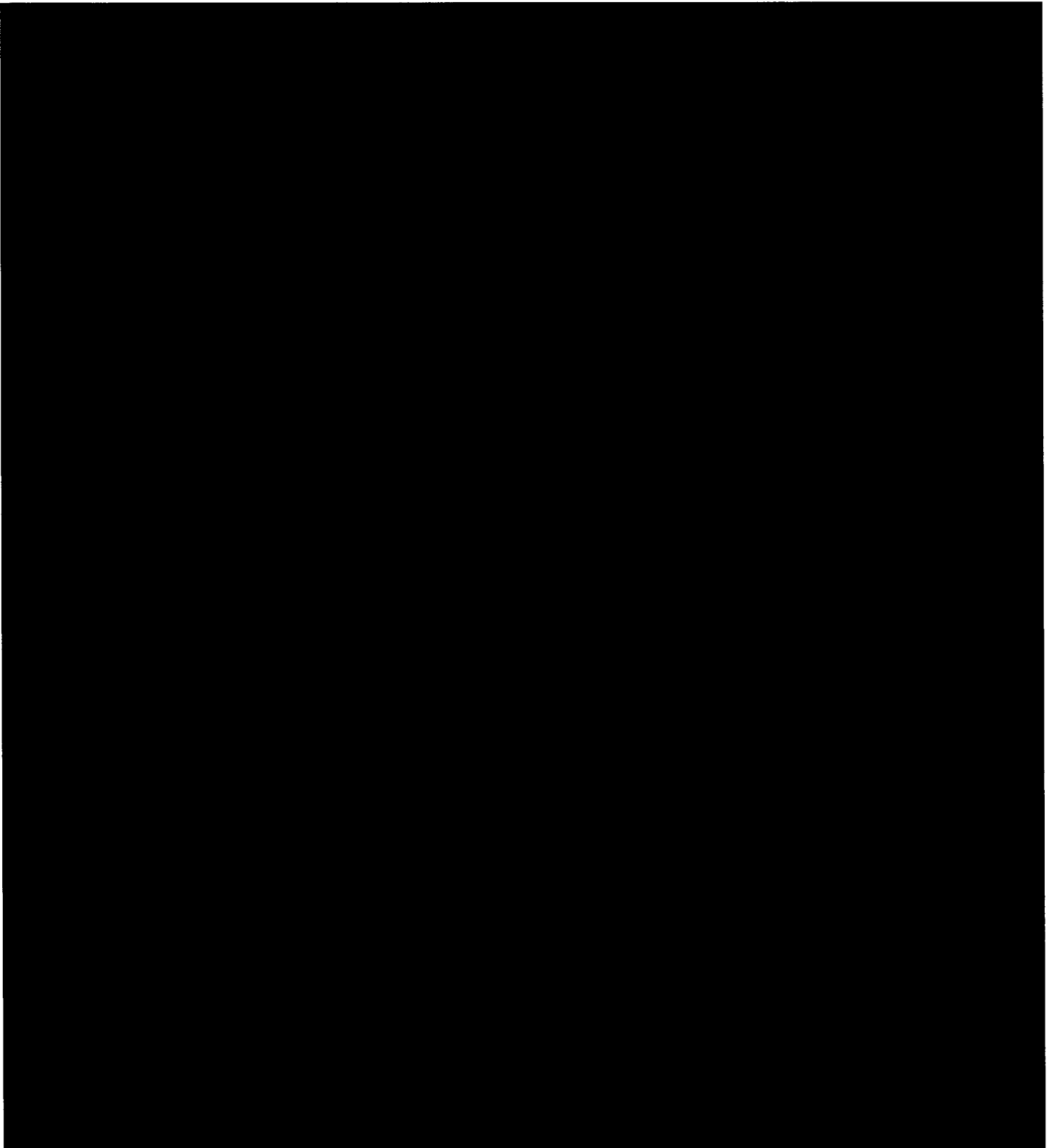


## La'au Pono & Hawaiian Ethos Labor





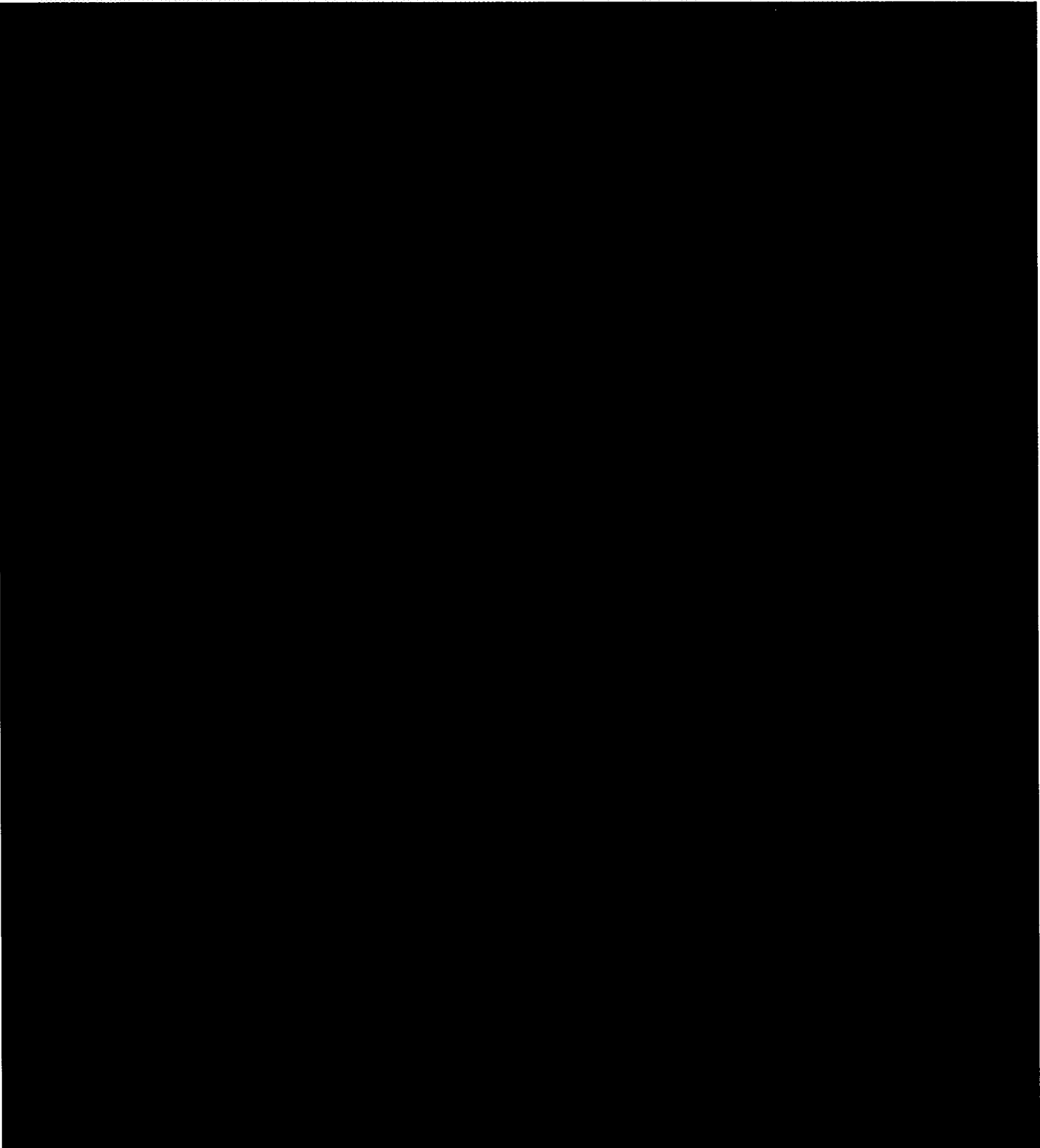
## La'au Pono / Hawaiian Ethos



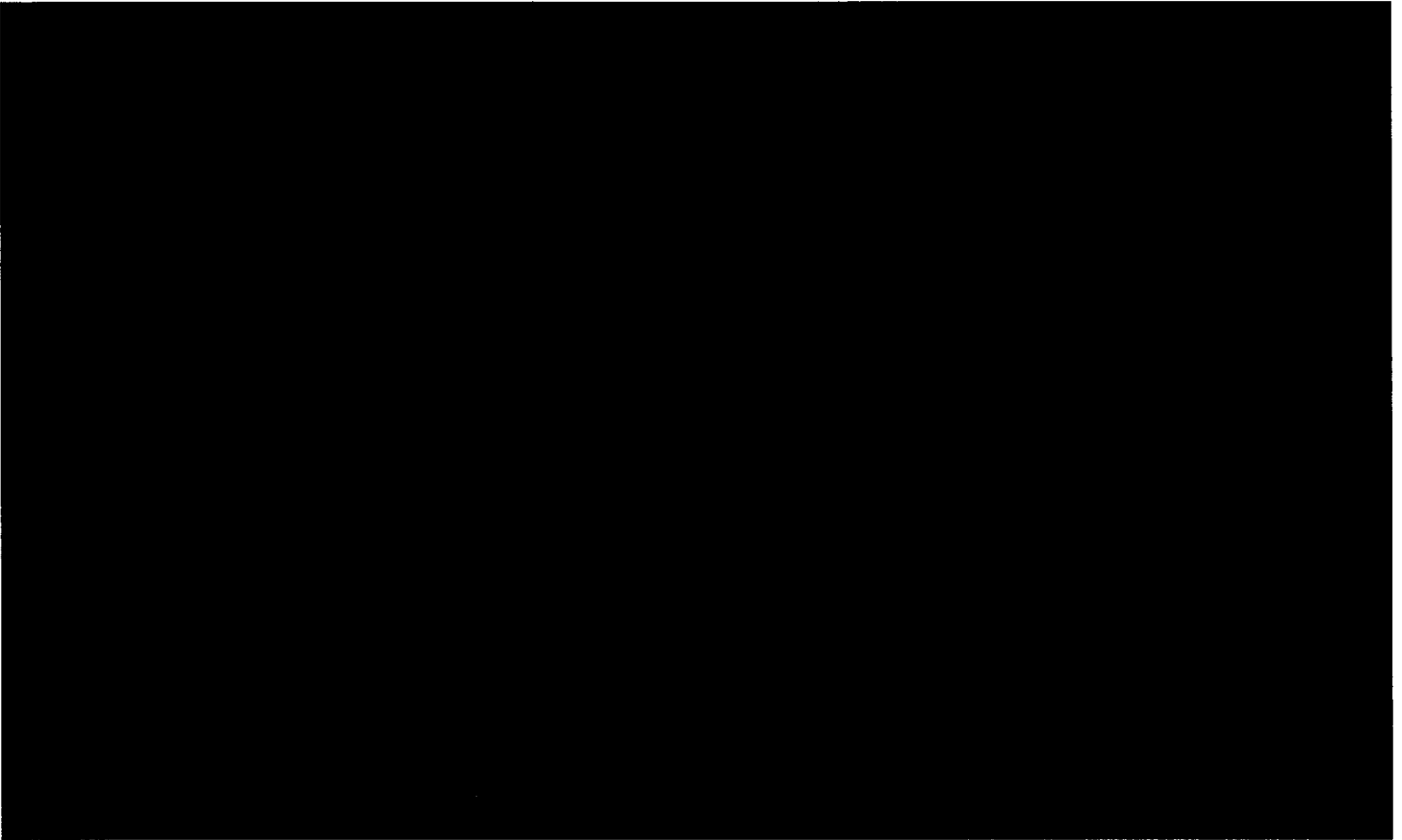
# Hawaiian**Ethos**

## Common Financials

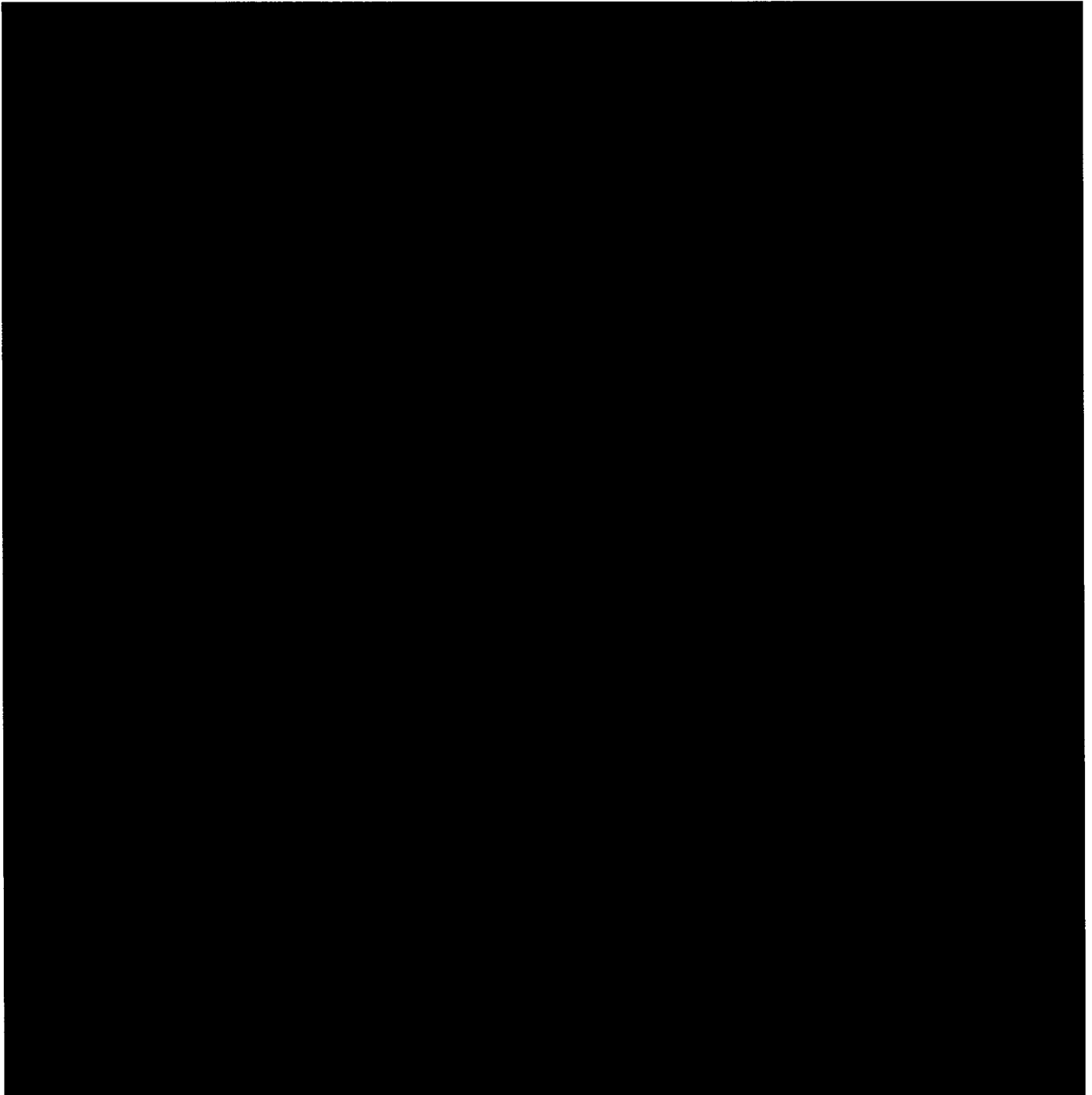
## Dispensary Build Out



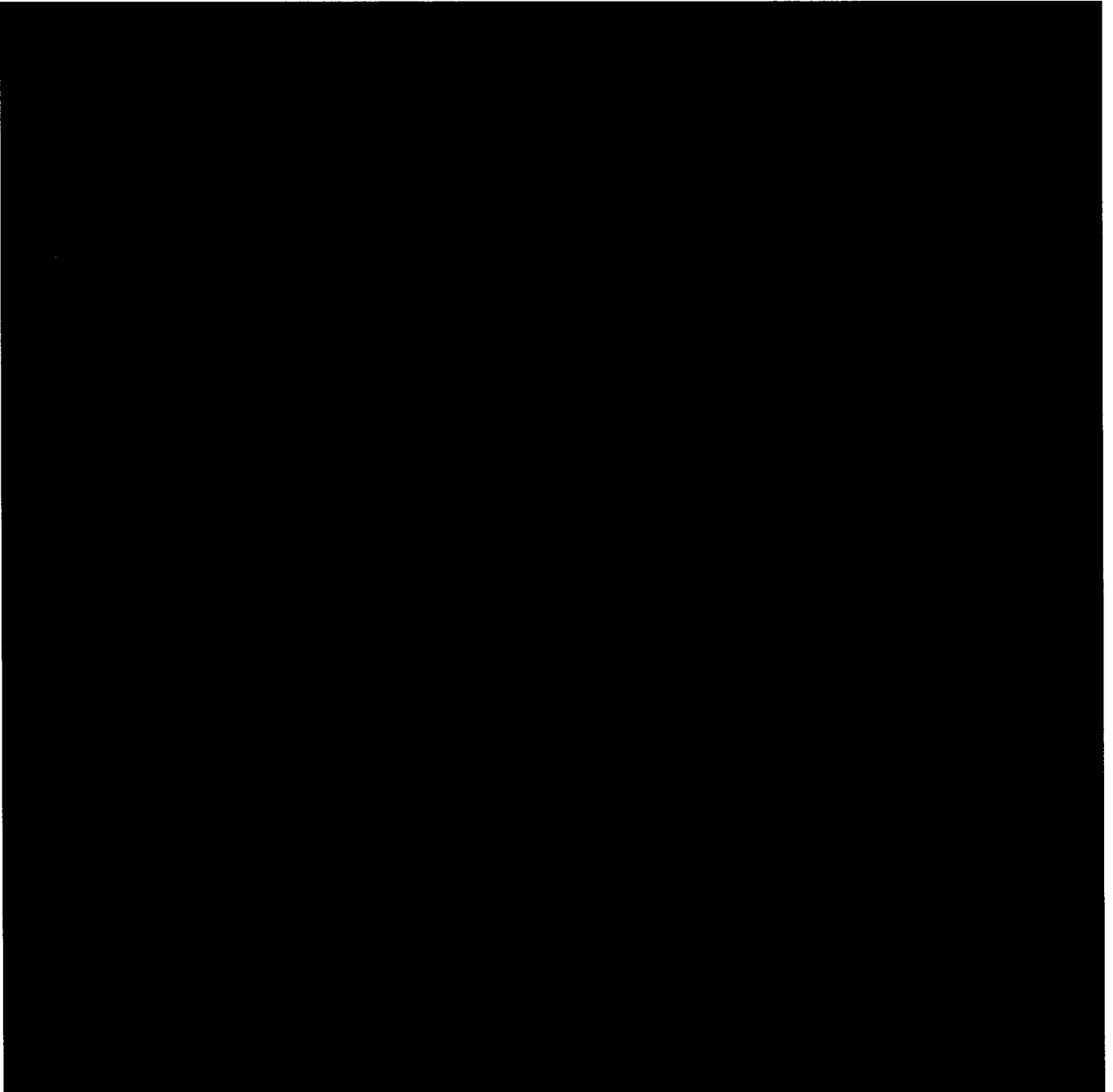
## Interim Budget



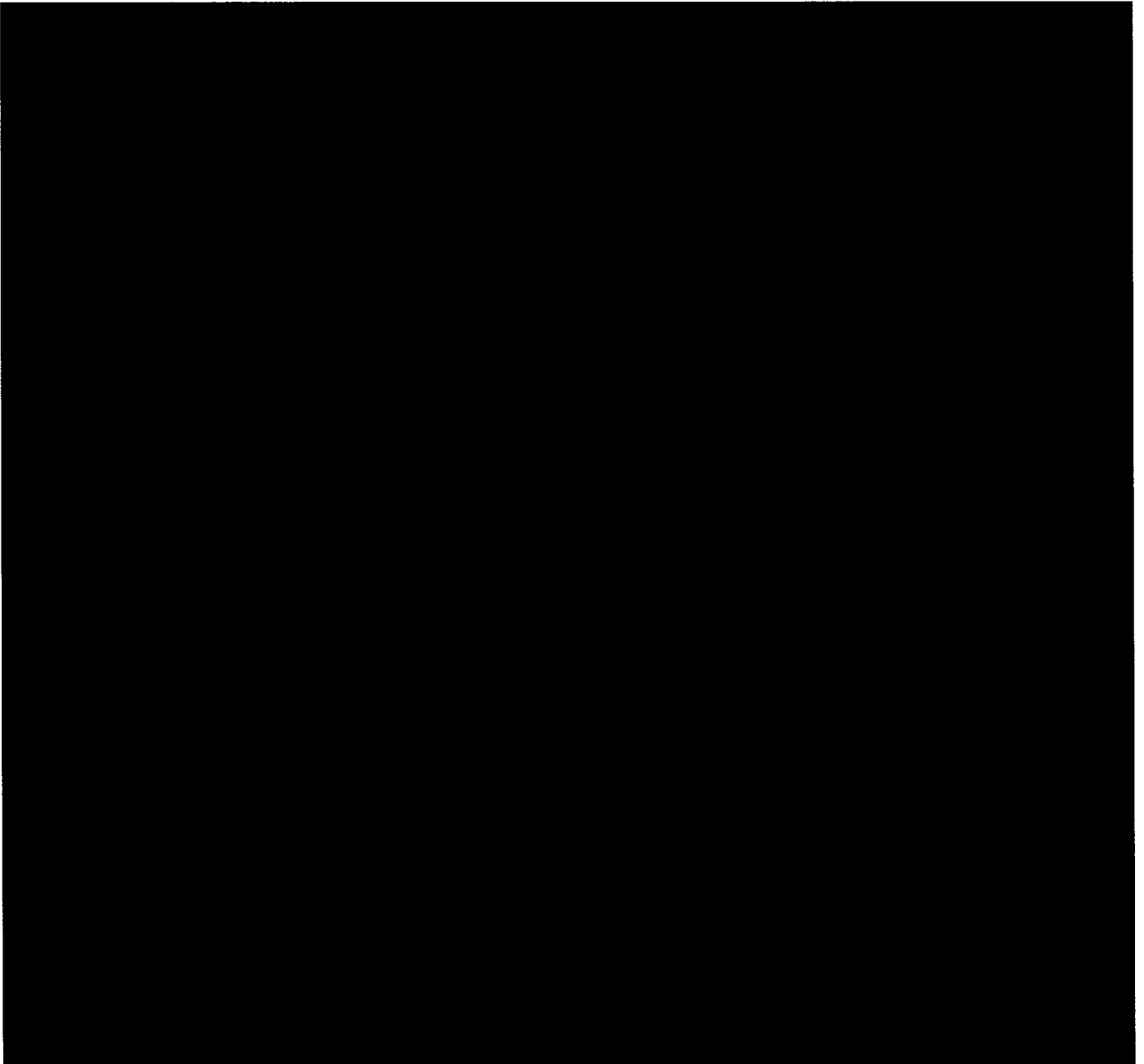
## Interim Grow Room Budget



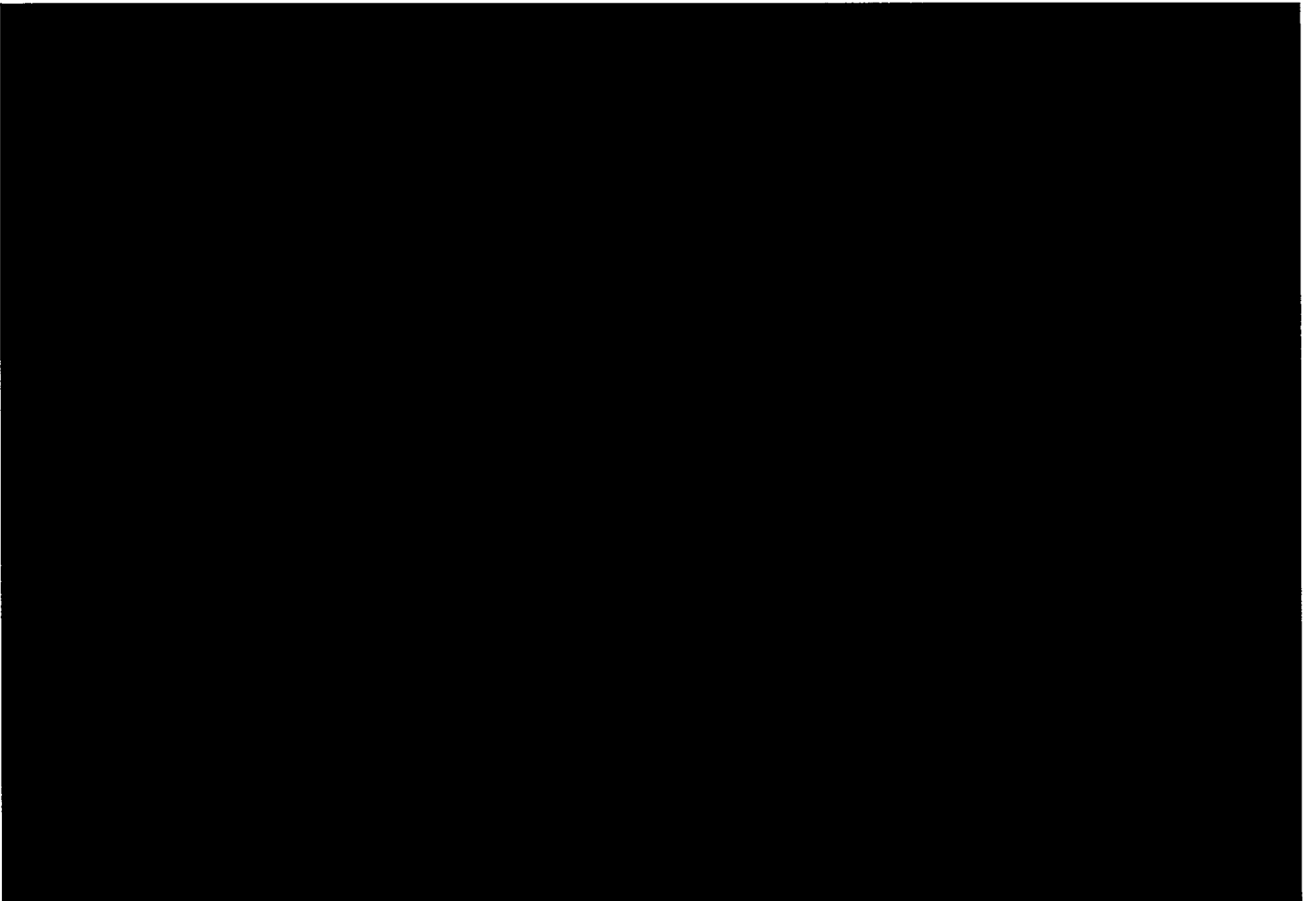
## Interim Mom / Vegetation Budget



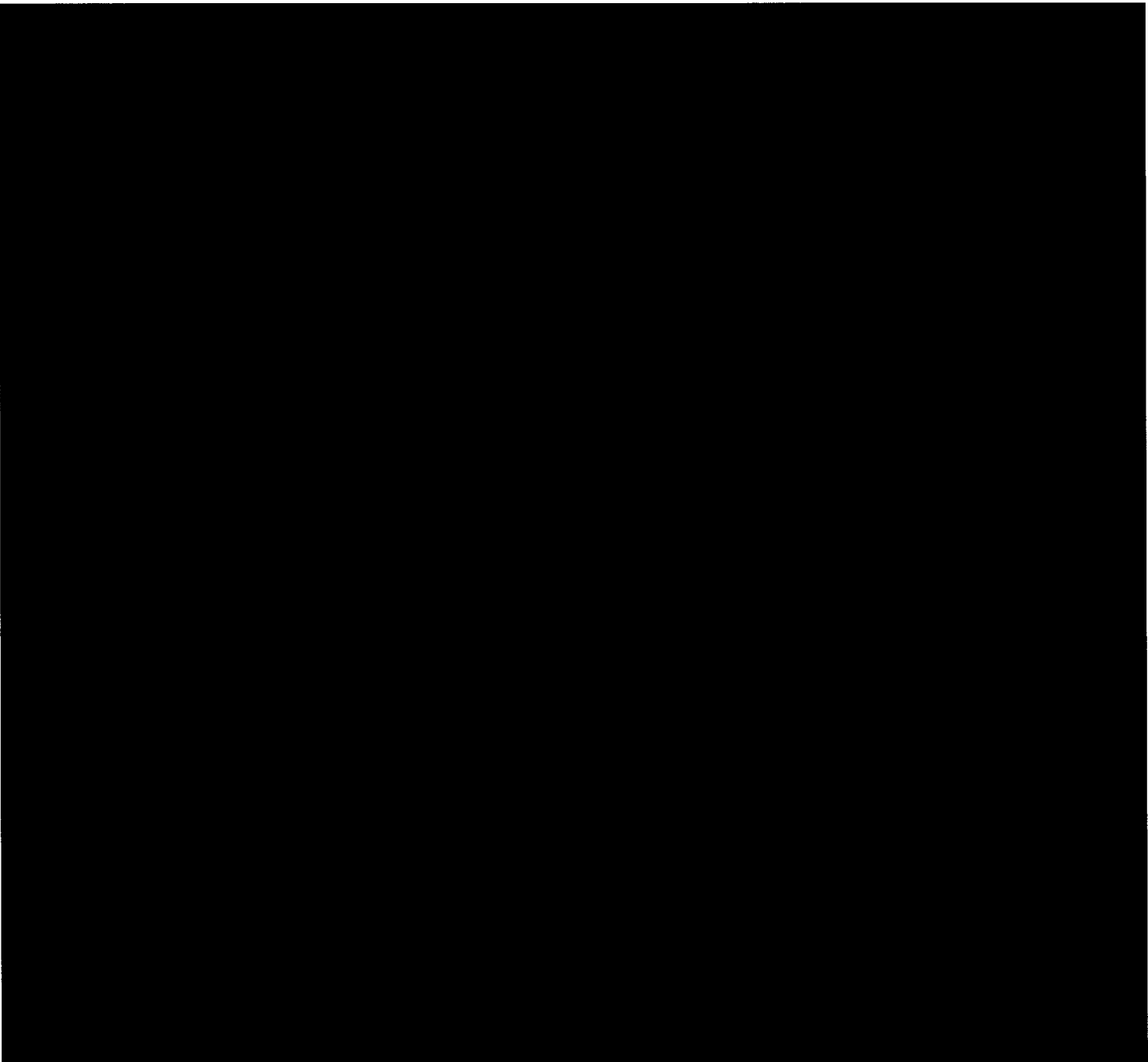
## Interim Drying / Packaging Budget

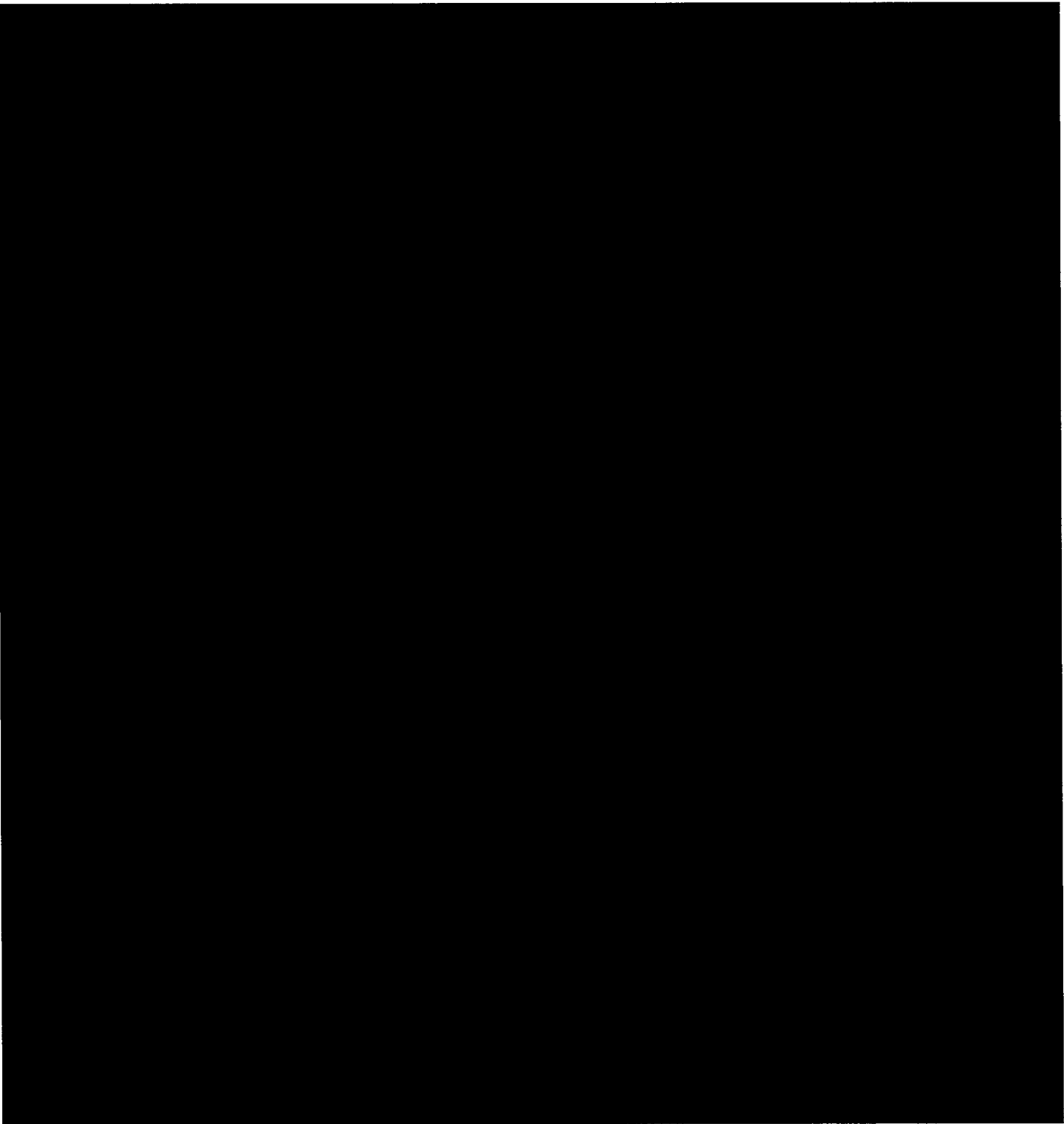


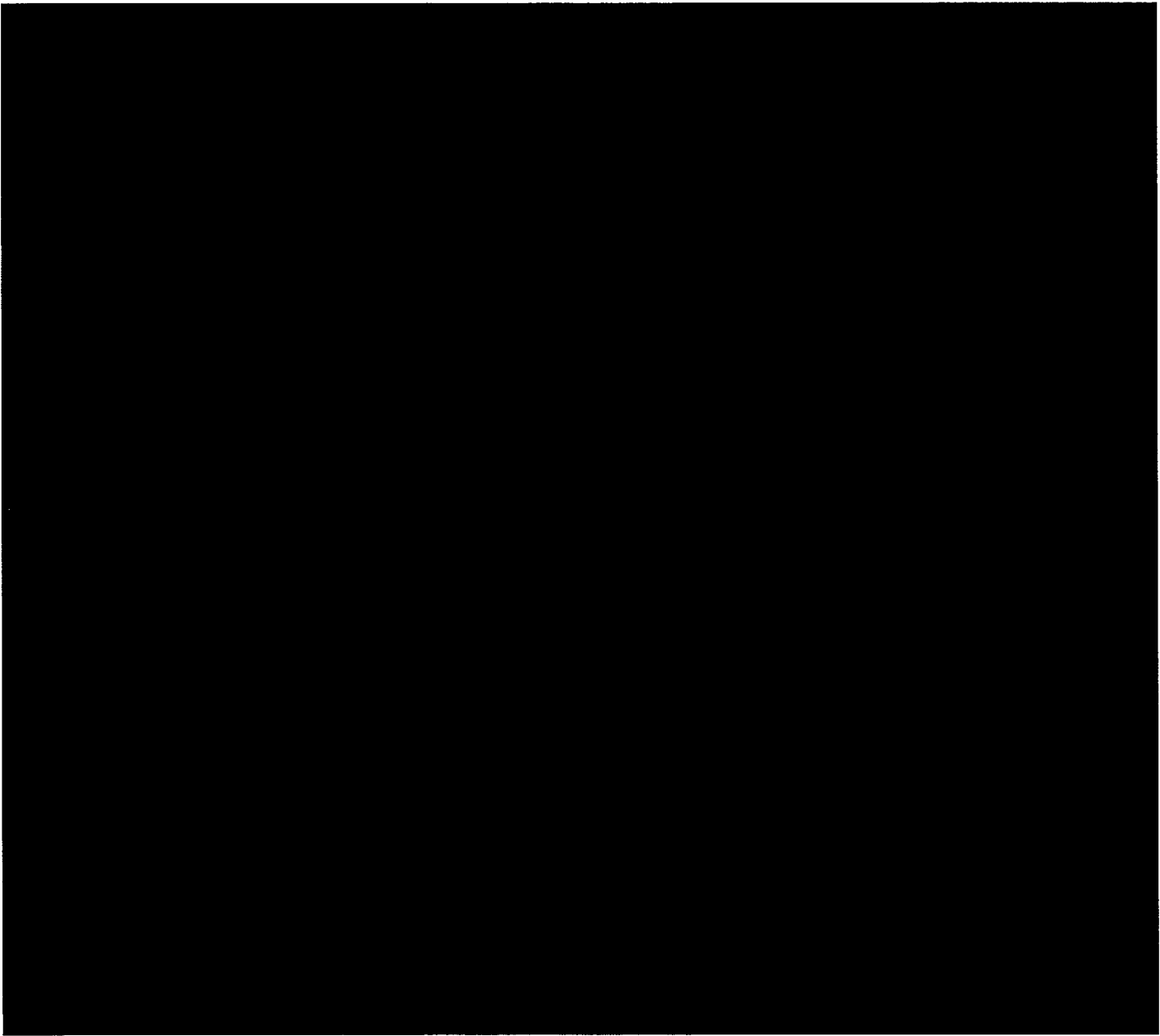
## Interim Vault Budget

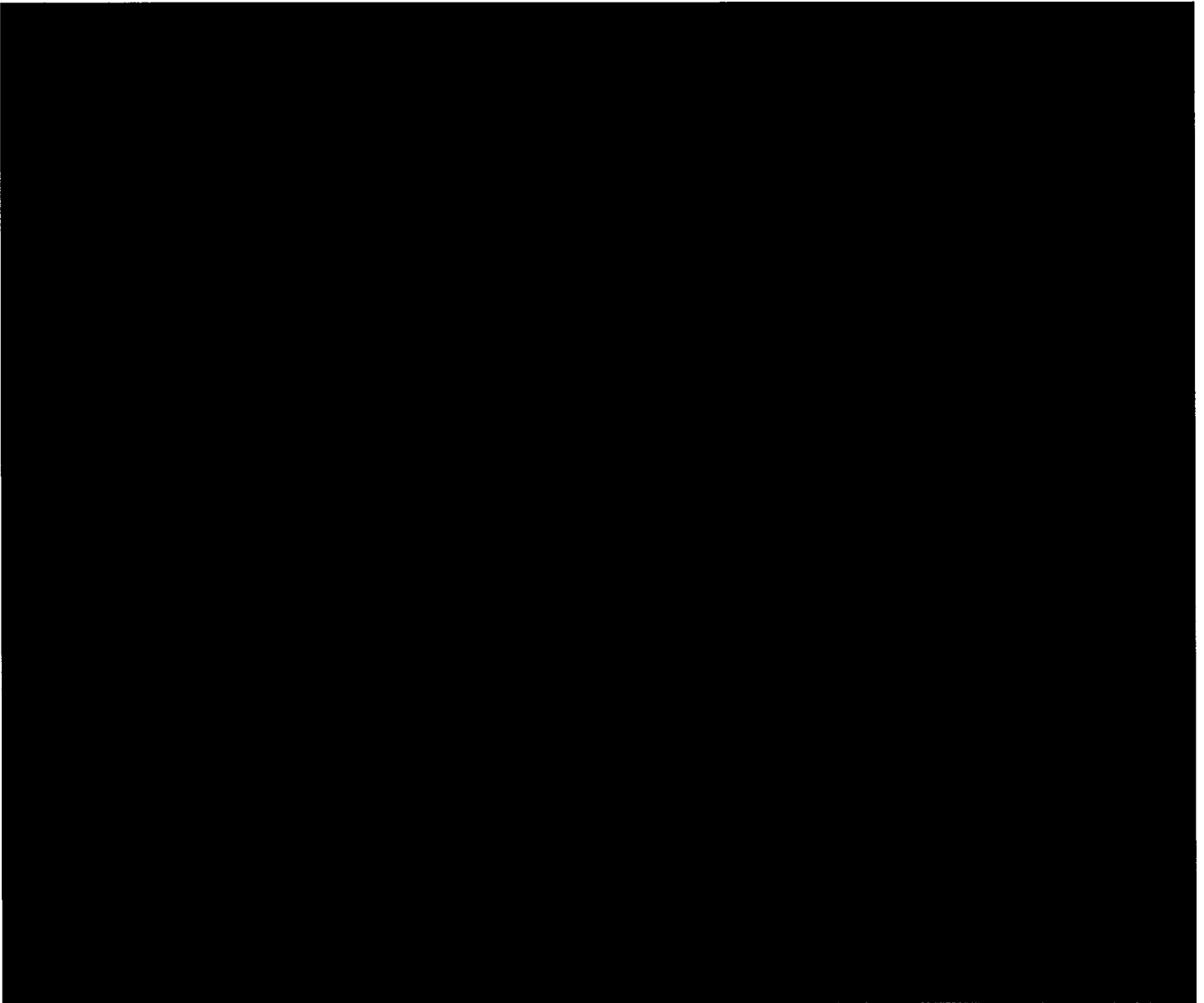












# Hawaiian**Ethos**

Patient Literature



# Hawaiian**Ethos**

HAWAIIAN ETHOS LLC: GUIDE TO MEDICAL CANNABIS FOR FIRST-TIME PATIENTS

## Medical Cannabis Guide For New Patients

This guide is designed by Hawaiian Ethos for patients authorized to possess dried marijuana, fresh marijuana, cannabis oil and other cannabis products for medical purposes. It is a summary only - it will not provide you with all the facts about marijuana for medical purposes. Contact your health care practitioner if you have any questions.

### SERIOUS WARNINGS AND PRECAUTIONS:

- Keep any fresh or dried marijuana and cannabis oil out of reach of children.
- Cannabis (marihuana, marijuana) contains hundreds of substances, some of which can affect the proper functioning of the brain and central nervous system.
- The use of this product involves risks to health, some of which may not be known or fully understood. Studies supporting the safety and efficacy of cannabis for therapeutic purposes are limited and do not meet the standard required by the Food and Drug Administration.
- Do not smoke or vaporize cannabis in the presence of children.
- Using cannabis or any cannabis product can impair your concentration, your ability to think and make decisions, and your reaction time and coordination. This can affect your motor skills, including your ability to drive. It can also increase anxiety and cause panic attacks, and in some cases cause paranoia and hallucinations.
- Cognitive impairment may be greatly increased when cannabis is consumed along with alcohol or other drugs which affect the activity of the nervous system (e.g. opioids, sleeping pills, other psychoactive drugs)

### Possible Side Effects

The potential therapeutic and adverse effects associated with cannabis use may vary depending on the amount of cannabis used and the concentration of cannabinoids in the cannabis product, the frequency of cannabis use, the patient's age and medical condition, previous experience with cannabis or cannabinoids, and the use of other prescription or non-prescription drugs.

For more detailed information on potential therapeutic uses and adverse effects, please consult with your physician.

## Active Ingredients

Hawaiian Ethos manufactures a wide variety of medical marijuana products, which may contain different combinations of the active ingredients Tetrahydrocannabinol (THC) and Cannabidiol (CBD).

The type and amount of these ingredients may vary depending on the composition of a cannabis product or the strain of cannabis if you are using flowers. See the Hawaiian Ethos formulary guide for more information on active ingredients and how to understand medical cannabis product labeling.

You do not have to be a Hawaii resident to be eligible, but must have a “bona fide” relationship with a Hawaii-licensed physician. Minors may be eligible for treatment, with additional requirements.

### Other Constituents

There are over 70 different cannabinoids as well as hundreds of other chemicals in cannabis. Many of the chemicals found in tobacco smoke are also found in cannabis smoke. #Talk about terpenes here, as well.

### What The Product Does

One of the principal active ingredients in cannabis (THC) acts on very specific targets found in the body known as cannabinoid receptors. Other cannabinoids, such as CBD, may also have targets other than the cannabinoid receptors.

Cannabinoid receptors are found throughout the body, in most tissues and organs, but they are especially numerous in the brain and nervous system. Cannabinoid receptors are involved in the regulation of many bodily functions including: brain and nervous system activity, heart rate and blood pressure, digestion, inflammation, immune system activity, perception of pain, reproduction, wake/sleep cycle, regulation of stress and emotional state and many other functions. For more detailed information, see the Hawaiian Ethos Formulary Guide for Patients at [www.hawaiianethos.com](http://www.hawaiianethos.com)



## Safe Use and Interactions

### When the product should not be used

Medical Cannabis should not be used if you:

- Are allergic to any cannabinoid or to smoke
- Have serious liver, kidney, heart or lung disease
- Have a personal or family history of serious mental disorders such as schizophrenia or psychosis.
- Are pregnant, are planning to get pregnant, or are breast-feeding
- Are a man who wishes to start a family
- Have a history of alcohol or drug abuse or substance dependence

Talk to your healthcare practitioner if you have any of these conditions. There may be other conditions where this product should not be used, but which are unknown due to limited scientific information.

### Interactions With This Product

Cannabis may interact with several drugs. Make sure to tell your health care practitioner which prescription drugs, non-prescription drugs or herbal products you are currently taking, particularly:

- Any drugs which slow down the central nervous system, causing drowsiness. These may include sleeping pills, tranquilizers, some pain medications, some allergy or cold medications, or anti-seizure medications.
- Other drugs may include antiretroviral drugs used in the treatment of HIV/AIDS, certain anti-depressants, stomach acid inhibitors, certain antibiotic and antifungal medications, certain heart medications, and Saint John's Wort.



*"Medical Cannabis has  
helped me with pain"*

- ETHOS PATIENT

## Dosing & Routes of Administration

There is no scientifically defined dose of cannabis for any specific medical condition. If you have not consumed cannabis before, it would be prudent to have someone with you the first time you use it. Dosing remains highly individualized and relies greatly on titration (i.e. finding the right dose where potential therapeutic effects are maximized while adverse effects are minimized). The current available information suggests most individuals use less than 3 grams daily of dried marijuana, whether that amount is taken orally, inhaled, or a combination of both.

Patients with no prior experience with cannabis or cannabinoids are cautioned to begin at a very low dose and to stop therapy if unacceptable or undesirable effects occur. Hawaiian Ethos advises patients Stop using cannabis right away and consult your health care practitioner if you begin to experience any side effects (see side effects section for additional information). See the first time 5 patient guide on first time dosing for more information on planning your experience responsibly.

### Absorption Methods

There are a small number of clinical studies of short duration with smoked/vaporized cannabis for therapeutic purposes. Smoking/vaporizing cannabis results in a more rapid onset of action (within minutes), higher blood levels of cannabinoids, and a shorter duration of acute effects compared to oral ingestion. While there are no established dosing guidelines for smoking/vaporizing cannabis for therapeutic purposes, it is prudent to proceed slowly and cautiously in a gradual fashion, waiting between puffs or inhalations for a minimum of 30 minutes to gauge for strength of effects or for possible overdosing. A dosing increase should be carried out slowly, only if required, and only until you reach a comfortable dose.

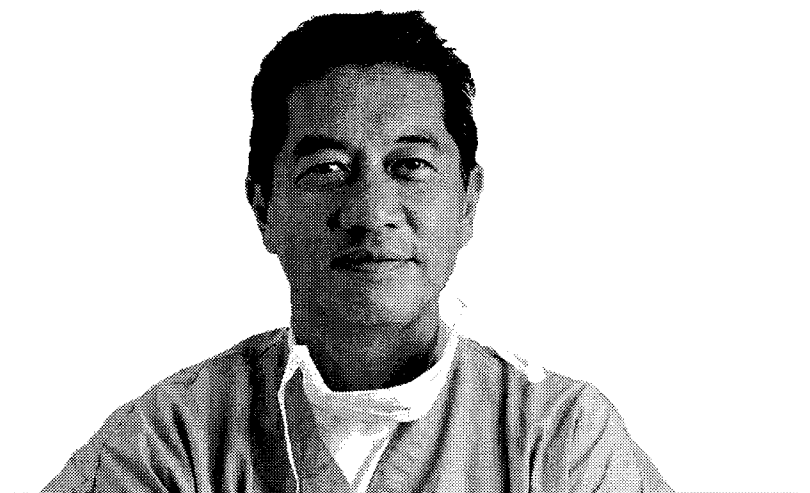
In contrast to smoked/vapourized cannabis, there are no clinical studies of cannabis-based edible products for therapeutic purposes (e.g. oils, foods). Absorption of cannabinoids by the oral route is known to be slow and erratic, and the onset of acute effects is delayed with the acute effects generally lasting much longer compared to smoking/vapourizing. Furthermore, dosages for orally administered products are even less well-established than for smoking/vapourization. These particularities have contributed to overdoses with some orally administered products. If ingesting cannabis orally (e.g. in oils, foods) wait a minimum of 2 hours between administration of single doses of oral products to gauge for strength of effects or for possible overdosing.

## Overdose

Symptoms of overdose may include: sleepiness, confusion, disorientation, clumsiness/loss of coordination, fainting, dizziness, chest pain, fast, slow or pounding heartbeat, panic attacks, loss of contact with reality, and seizures.

Seek immediate medical attention in case of overdose, and especially if experiencing chest pain, panic attacks, loss of contact with reality, or seizures.

Cannabis should be used with caution in patients receiving concomitant therapy with other psychoactive drugs because of the potential for greatly enhanced effects on the brain and other parts of the nervous system. An overdose can also occur if a patient is smoking/vapourizing cannabis and at the same time consuming orally administered cannabinoids whether from prescription cannabinoid medications, or from consumption of oils, teas, baked goods or other products.



## Side Effects

The information on side effects associated with therapeutic use of cannabis is limited. Some of the more well-known side effects are intoxication-like reactions including:

- Dizziness, drowsiness, feeling faint or lightheaded, fatigue, headache;
- Impaired memory and disturbances in attention, concentration and ability to think and make decisions;
- Disorientation, confusion, feeling drunk, feeling abnormal or having abnormal thoughts, feeling “too high”, feelings of unreality, feeling an extreme slowing of time;
- Impairments in motor skills and perception, altered bodily perceptions, loss of full control of bodily movements, falls;
- Suspiciousness, nervousness, episodes of anxiety resembling a panic attack, paranoia (loss of contact with reality), hallucinations (seeing or hearing things that do not exist);
- Dry mouth, throat irritation, coughing;
- Worsening of seizures;
- Hypersensitivity reactions (contact dermatitis/hives);
- Higher or lower blood levels of certain medications;
- Nausea, vomiting; and
- Fast heartbeat.

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### Long Term Use May:

- Increase risk of triggering or aggravating psychiatric and/or mood disorders (schizophrenia, psychosis, anxiety, & bipolar disorder);
- Increase the risk of developing respiratory infections or chronic cough (when smoking);
- Decrease sperm count, and motility, and increase abnormal sperm morphology;
- Negatively impact the behavioral and cognitive development of children born to mothers who used cannabis during pregnancy;
- Negatively affect cognitive functions (ability to think and make decisions);
- Lead to a decrease in one or more of the effects of cannabis (tolerance);
- Lead to withdrawal-type symptoms when use is abruptly halted or discontinued. Withdrawal symptoms may include anger or aggression, irritability, anxiety, nightmares/strange dreams, insomnia/sleep difficulties, craving, headache, restlessness, and decreased appetite or weight loss, depressed mood, chills, stomach pain, shakiness and sweating; and
- Result in psychological dependence (addiction), which is characterized by impaired control over drug use, compulsive use, continued use despite harm, and craving.

# Hawaiian**Ethos**

Packaging Safety & Education

## Hawaiian Ethos Packaging

### Dispensary Exit Packaging

All purchases will be sealed in bags, which may not be opened on dispensary premises.

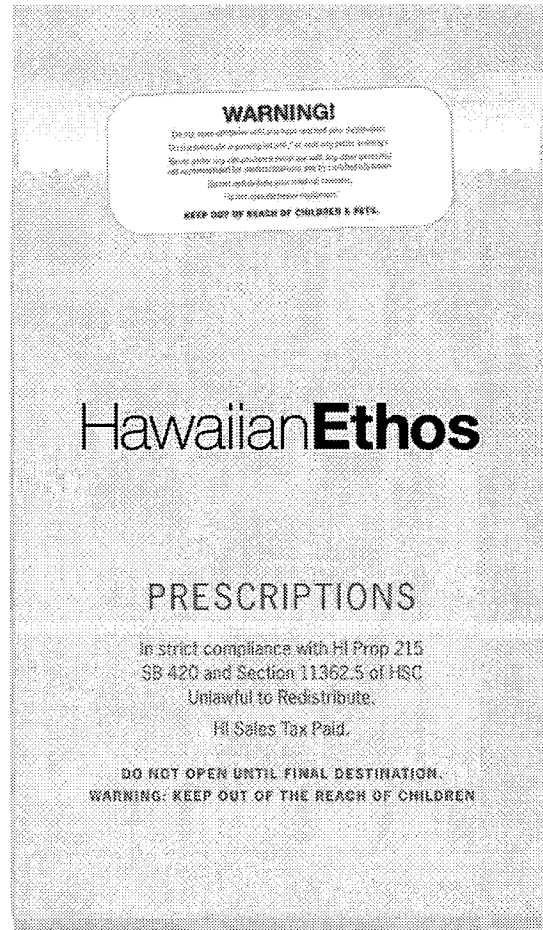
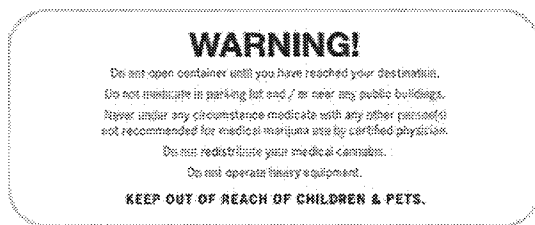
#### PACKAGING QUALITIES

Sealed Bag

Patient Warning

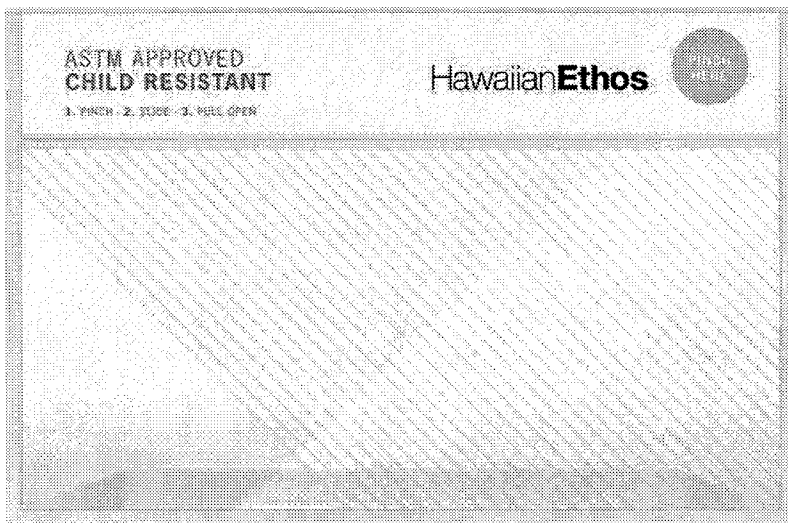
Contact Information

Completely Opaque

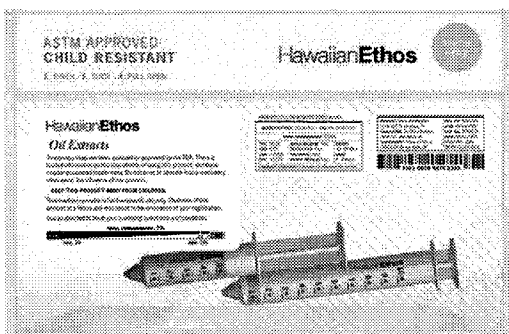


## Child Resistant Zip-Containers

For additional protection, certain products will be sold in sealed child-resistant containers.



### ORAL OIL EXTRACTS



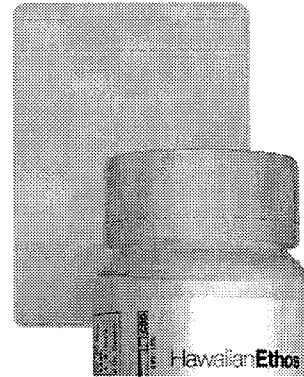
### MEDICATED LOZENGES



### Tamper Evident Shrink Sleeves

Products, such as capsules and tinctures will be sealed with tamper evident shrink sleeves. This will ensure that they have not been opened prior to reaching the patient.

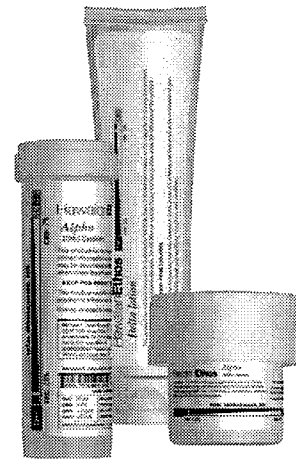
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### Child Resistant Containers

All cannabis based medicines will be provided to patients in child resistant packaging. Containers for capsules, ointments, and cannabis flowers will be sealed in containers equipped with child resistant caps.

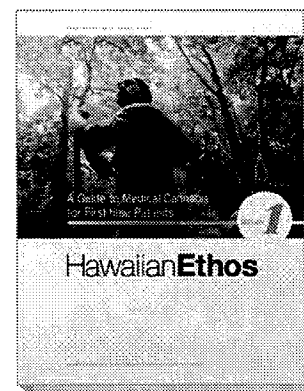
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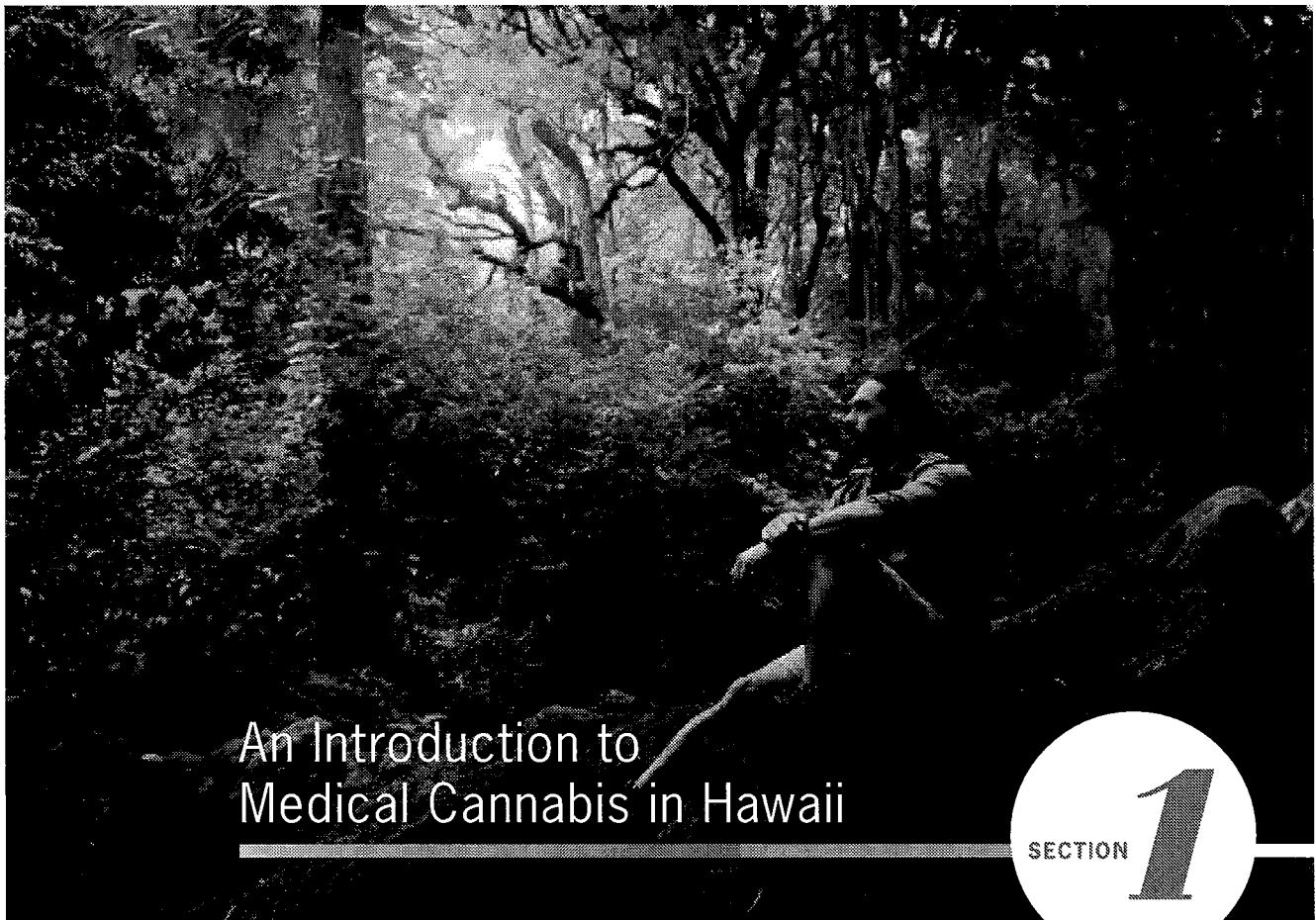
### Patient Education

All purchases made at Hawaiian Ethos locations will be accompanied by documentation intended to educate patients on the responsible use of cannabis-based medicines and the associated risks of consuming cannabis products.

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# Hawaiian**Ethos**

HAWAIIAN ETHOS LLC: AN INTRODUCTION TO MEDICAL CANNABIS IN HAWAII

## Patient Guide

### WHAT IS MEDICAL CANNABIS?

In Hawaii, medical marijuana was first approved in 2000. In July 2015, Hawaii passed additional legislation approving the licensing of dispensaries. The terms medical marijuana or medical cannabis refer to patient medicines containing a variety of active ingredients found in the cannabis plant. Permitted forms of these medicines include: dried flowers, oils & oil extracts, capsules, tinctures, topical lotions/ointments, and lozenges.

### WHO CAN USE MEDICAL CANNABIS?

Health care practitioners may authorize the use of cannabis (medical marijuana) for the relief of symptoms associated with a variety of disorders, which have not responded to conventional medical treatments. Cancer, Glaucoma, Positive status for human immunodeficiency virus, Acquired immune deficiency syndrome, post-traumatic stress disorder (added effective July 1, 2015 as per Act 241), or a chronic or debilitating disease or medical condition or its treatment that produces one or more of the following: Cachexia or wasting syndrome, Severe pain, Severe nausea, Seizures, including those characteristic of epilepsy, or, Severe and persistent muscle spasms, including those characteristic of multiple sclerosis or Crohn's disease.

These symptoms (or conditions) may include: severe refractory nausea and vomiting associated with cancer chemotherapy; loss of appetite and body weight in cancer patients and patients with HIV/AIDS; pain and muscle spasms associated with multiple sclerosis; chronic non-cancer pain (mainly neuropathic); severe refractory cancer-associated pain; insomnia and depressed mood associated with chronic diseases (HIV/AIDS, chronic non-cancer pain); and symptoms encountered in the palliative/end-of-life care setting. This is not an exhaustive list of symptoms or conditions for which cannabis may be authorized for use by your health care practitioner.

### CONTACTING A PHYSICIAN?

Doctors with a valid Hawaii Medical License number and a valid Hawaii Controlled Substance License number are able to certify qualifying patients, at their discretion. If you do not currently have a doctor willing or able to certify you, you may contact the Drug Policy Forum at [info@dpfhi.org](mailto:info@dpfhi.org). They are compiling a third-party list of doctors that may be able to assist. At this time, the DOH does not offer a list of recommended physicians.



## Applications & Registration

If you have a medical condition that potentially qualifies you for medical marijuana, the first recommended step is to talk with your doctor and discuss what the best treatment is for you. Schedule an appointment with your physician and go online to create a free secure account with the DOH. Fill out the online application and pay registration fees (\$38.50, non-refundable). Submit your application to your physician who, after certifying your condition, will submit your application to the DOH. More information on how to register is at the Hawaii Department of Health's website, <http://health.hawaii.gov/medicalmarijuana>

- Patients must wait until they have received a valid 329 card before they may legally possess or use medical marijuana.
- Patients are required to carry their valid ID and 329 card at any time they are in possession of medical marijuana. This applies to caregivers, as well.
- Patients must renew 329 cards through the DOH annually to continue being eligible for medical marijuana.
- The cost to renew is \$38.50. Patients must meet with a physicians to be recertified when renewing.

Patients must notify DOH of any changes to your general information, name, caregiver, grow site location, and to void card in cases of relocation, or if the patient no longer needs treatment. If you need a new card or to replace a lost, stolen, or damaged card (\$16.50).



Medical Cannabis Formulary  
Guide for Patients

SECTION

2

# Hawaiian**Ethos**

HAWAIIAN ETHOS LLC: MEDICAL CANNABIS FORMULARY GUIDE FOR PATIENTS

## Active Cannabis Ingredients

At Hawaiian Ethos we understand that every patient may experience the effects of cannabis differently. We believe in providing patients and their physicians with the quantitative information they need to make informed decisions about using medical cannabis in ways that compliment the unique needs of each individual.

Our cannabis products are made from two essential plant varieties: cannabis Indica and Cannabis Sativa. A wide spectrum of beneficial active-ingredients has been identified in cannabis; however, the most medicinally understood are THC and CBD.

For many patients, these chemicals are more beneficial when taken together rather than separately. In fact, CBD has been shown to positively compliment many of the unwanted side effects commonly experienced by THC users.

Medical cannabis products prepared by Hawaiian Ethos are carefully blended to represent a variety of specific CBD to THC ratios. All Hawaiian Ethos products, including flowers, are labeled to clearly show these relationships on packaging. The labeling system was designed to inform and empower patients and their physicians when making decisions about an ideal mixture for treatment.

### INDICA

Cannabis strains of the Indica variety are associated with a relaxing and calming condition. The experience is body centric and kinesthetically restful. Well suited for night use.

### SATIVA

Cannabis strains of the Sativa variety are associated with an uplifting, energetic, cerebral feeling. The user experiences cognitive or psychoactive effects. Well suited for day use.

### CANNABIDIOL

CBD is the abbreviation for cannabidiol. This active cannabis ingredient has recently been found to produce a variety of medicinal benefits without the psychoactive effects of THC. Cannabis strains containing high concentrations of CBD have recently become popular following new research, which shows a variety of patient benefits and medical potential.

### TETRAHYDROCANNABINOL

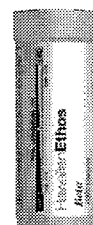
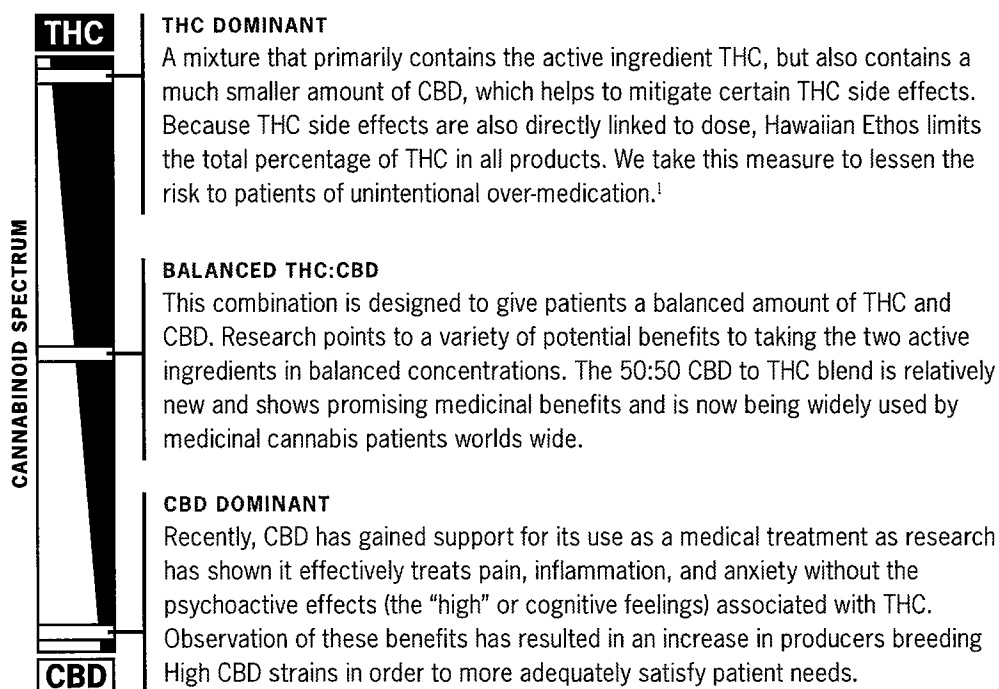
THC is an abbreviation for tetrahydrocannabinol. THC is the most well-known and most abundantly available cannabinoid in marijuana plants. THC is also the component in marijuana that is responsible for the psychoactive effects, or the "high." Strains bred specifically for their THC content may contain between 4% and 35% THC.



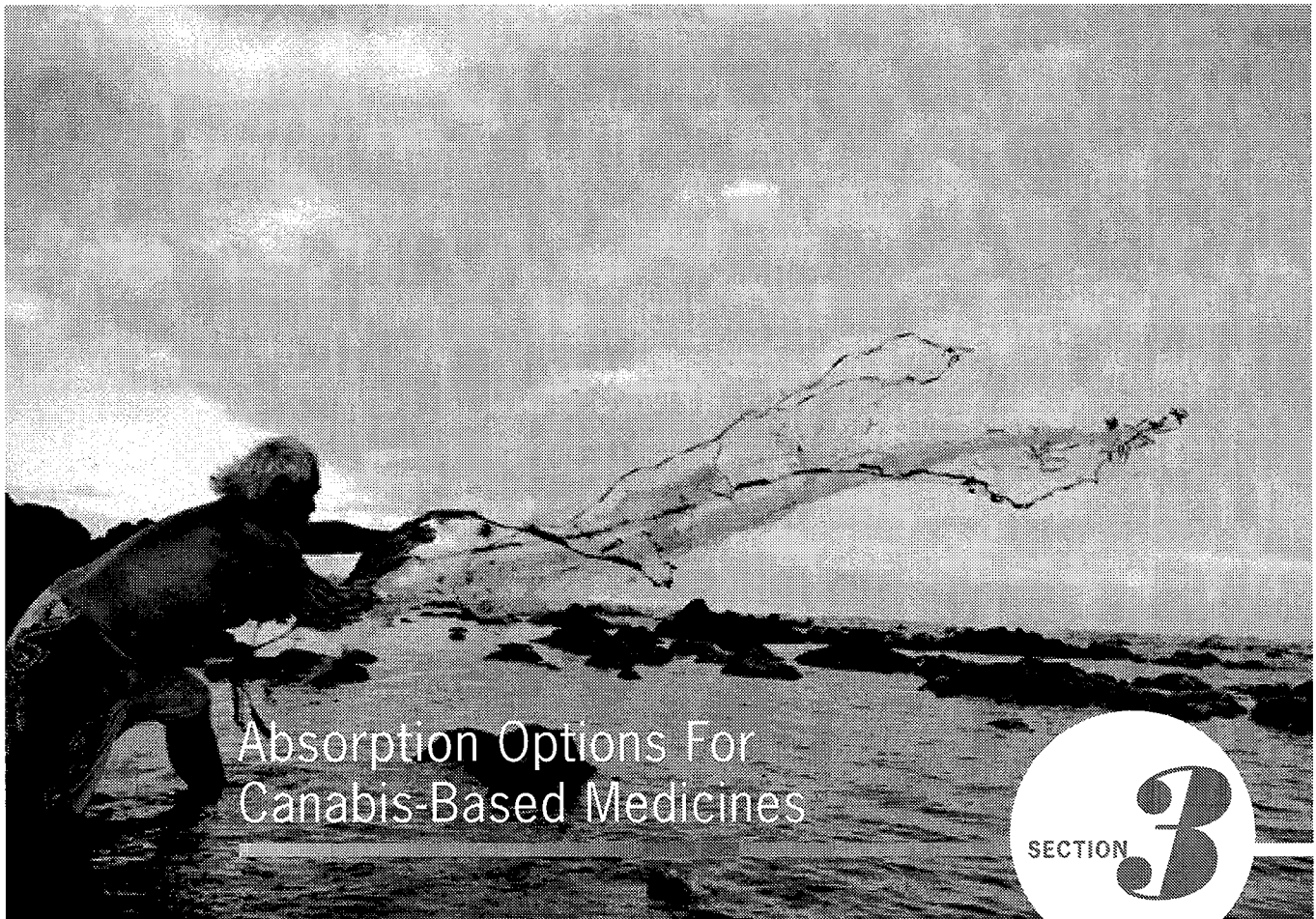
## The Right Formula For You

In order to safely and effectively incorporate cannabis into a patient's medical treatment plan it is essential to first understand the underlying needs and conditions of the patient. Research shows that different mixtures of THC and CBD can be effective for treating a wide variety of conditions. For example: CBD dominant mixtures are commonly preferred by patients who suffer from epilepsy, while patients undergoing cancer treatments, such as chemotherapy, find the effects of THC dominant mixtures to be most helpful in treating symptoms such as, nausea and vomiting.

**Other Constituents:** In addition to THC and CBD, cannabis also contains other ingredients such as terpenes and lesser-known cannabinoids. These ingredients occur in the plant less frequently than THC and CBD. Other cannabinoids include THCA, THCV, and CBDA. Terpenes are responsible for many of the smell and taste characteristics that set strains apart from each other. The effects of these additional chemicals are just beginning to be studied; however, many researchers are hopeful that they may hold powerful medicinal benefits for patients.



<sup>1</sup> According to the Hawaii Department of Health, No medical marijuana products shall contain an excess of 10mg (cannabinoids) per dose or serving, and in cases where multipacks of individual products are sold, no such container shall contain more than 100mg total cannabinoids.



# Hawaiian**Ethos**

HAWAIIAN ETHOS LLC: ABSORPTION OPTIONS FOR CANNABIS-BASED MEDICINES

# Absorption Options for Cannabis-Based Medicines

## Delivery Options For Patients

### **MAKING INFORMED CHOICES:**

There are numerous ways to consume and apply medicinal marijuana, and based on a patient's diagnosis and symptoms, Hawaiian Ethos offers multiple products and applications so as to better serve our patients needs. Absorption methods of medicinal marijuana vary depending on the product type, while also determining the degree of strength and onset time.

## Absorption Methods

### **SUBLINGUAL:**

Sublingual absorption, or absorbed under the tongue, is the most direct form to absorb medicinal marijuana. Being more direct, it is often faster, and ensures that the substance will risk degradation only by salivary enzymes before entering the bloodstream, whereas orally administered drugs must survive passage through gastrointestinal tract, which risks degrading them by stomach acid or bile, or by other enzymes.

### **TOPICAL:**

Topical application of medicinal marijuana products localizes the healing. The skin is one of our largest organs and is capable of absorbing medicine, as well as expelling waste. Topical medical marijuana products include lotions, balms, and oils are absorbed through the skin for localized relief of pain, soreness and inflammation. Topical medications are a minimally invasive way to administer, and reduces side affects.

### **ORAL:**

Oral absorption of medicinal marijuana products varies in both absorption of medicine, onset of relief and physical healing throughout the body. Oral absorption methods undergo degradation of medicinal marijuana due to digestive enzymes are additional variables affecting absorption and therefore onset of relief. However, when taken orally, medical marijuana is digested through the liver. During this process, products high in THC turns into 11-hydroxy-THC giving the medicine a psychoactive affect; whereas products high in CBD do not give a psychoactive affect when digested.



## Absorption Options for Cannabis-Based Medicines

### Starting Slow

**EFFECTS MAY VARY:**

Onset of all absorption types vary slightly for each individual, as onset and affects of medicine are often dependent the patients' weight, metabolism, and eating habits can that may alter dosage effects. These variations include onset and duration of medicinal effects as well as effectiveness of medicine. Patients are advised to consult their Dr. to determine which absorption method will be most effective for their symptoms.

**SMALL DOSES:**

Regardless of the method of absorption, new patients are advised to take small doses, monitor effects, and modify dosage accordingly. We recommend that all patients begin their dosage at no more than 5mg, wait at least one hour before taking additional medications. Please refer to our First Time Five guide to assist patients on making educated decisions on dosages.

## Formulation Considerations

### Understanding Formulation & Absorption

There are two important factors that contribute to how a patient may experience the effects of cannabis-based medicines. The first is the absorption method, which as we learned, is the delivery system used to carry cannabinoids to specific areas of the body. The second factor is formulation, which describes the kinds of cannabinoids that are being delivered.

Hawaiian Ethos is committed to offering patients a wide variety of cannabis-based medicine options for their care. In addition to providing a diverse array of absorption options, Hawaiian Ethos also manufactures all products in a wide spectrum of cannabinoid formulations. The varied cannabis formulas offer different ratios of the two most well understood active cannabis ingredients, THC and CBD. These active ingredients can affect patients very differently and are associated with unique benefits for varied conditions.

**CBD:** Cannabidiol, or CBD for short, tends to be the second most abundant cannabinoid in marijuana. It is a non-psychoactive component that is believed to reduce and regulate the effects of THC. CBD itself has a long list of medicinal properties. The main of which relieve things such as chronic pain, inflammation, migraines, arthritis, spasms and epilepsy and schizophrenia. CBD has also been shown to have some anti cancer properties, and new uses are being found all the time as more research is conducted..

**THC:** This is the most commonly recognized and abundantly found cannabinoid within cannabis; it stands for delta-9-tetrahydrocannabinol. This cannabinoid is responsible to the main psychoactive effect experienced when consuming cannabis, it stimulates parts of the brain causing the release of dopamine – creating a sense of euphoria and well being. THC also has analgesic effects, relieving the symptoms of pain and inflammation. Combined they can cause patients to experience a sensation of relaxation.

All Hawaiian Ethos medical marijuana products can be purchased in ratios that are either THC dominant, CBD dominant, or in a variety of balanced blends. Creating a patient-centric plan for integrating the use of cannabis-based medicines into a person's care often involves pairing the right cannabinoid formula with the right delivery system or absorption method. Because everyone is different, Hawaiian Ethos offers a variety of options in order to serve the needs of all possible patients.

Please see the Ethos Formulary Guide for more information on formula blends. If you have questions about what formula & absorption pairing is right for you, we encourage you to talk with your doctor or trusted physician to learn more about what options might be best.

## Hawaiian Ethos Cannabis-Based Medicines

### Capsules

Capsules are defined as a solid dosage in which medicinal marijuana is enclosed in a hard or soft soluble container, usually inside a gelatin. Their main advantages are their easy-to-swallow characteristics and their ability to break down quickly in the stomach, therefore this form gives a more rapid onset time. The medication is absorbed through the gastrointestinal tract, and metabolized by the liver.

We offer two options for capsules. The first is an oil based capsule, in which a medicinal marijuana extract is added to a carrier oil and the second a powder form of the flower, both of which have been decarboxylated, or heated for bioavailability of the medicinal compounds.

Onset of ingesting capsules is between 20 minutes to an hour and 30 minutes. Duration of medicinal affects range from four to 6 hours. Well suited for treating chronic conditions that need to be regularly and steadily medicated throughout the day..

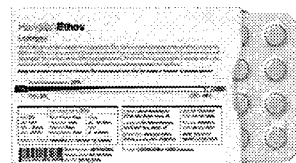


## Hawaiian Ethos Cannabis-Based Medicines

### Lozenges

Lozenges as small medicinal tablet, originally in the shape of a lozenge, dissolved in the mouth. Lozenges are recommended for acute pain and immediate relief. Place lozenge between the gum and cheek, or sublingually and dissolve entirely, so as to enter the bloodstream immediately.

Patients will feel the onset of affects within 15 minutes, and will plateau at 30-40 minutes. Medicinal effects will last anywhere between 2 -5 hours depending on the mg per dose.



### Oil Extracts

Cannabis oil has a multitude of uses. It is an excellent pain reliever, as it stimulates localized THC and CBD receptors throughout our bodies. It also acts as an anti-inflammatory by stimulating circulation. Oils and Oil Extract are composed of compounds, extracted from the cannabis plant by distillation. Full extract cannabis oils are used topically as well as ingested orally with food or liquid. When applied topically, patients will feel almost immediate relief that will last up to five hours.

Best forms of topical use include: Blood circulation, Inflammation, and Muscle Pain and Soreness.



## Tinctures

Tinctures are a liquid cannabis extract for patients looking for dosage control and fast-acting effects without the health risks associated with smoking or vaporizing. Tinctures are made from an alcohol based soak of dry cannabis. This method is used to extract all the medicinal compounds from the plant.

Tinctures can be consumed through several ways, diversifying the onset of relief as well as the strength of dosage. Taken sublingually, the effects are noticeable almost immediately, as the tincture enters directly through the bloodstream, rather than digested like other oral absorption methods. Applied topically, the tincture acts as any other ointment, localizing the medicinal benefits to a designated area causing no psychoactive affects. Ingested orally, the tincture is digested through the liver, creating a more potent effect.

Onset of effects will be noticeable within 15 minute begin to plateau around 30 minutes after intake. Tinctures are will last anywhere between 2 -5 hours depending on the mg per dose. .

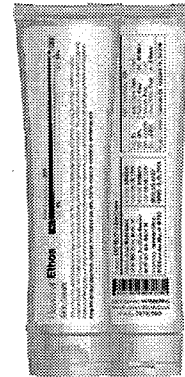


### Ointments & Skin Cream (Topical Medications)

Topical absorption includes skin lotions, ointments, salves, oils and tinctures. Topical application is best used for localized healing as well as for patients who prefer not to experience the psycho-active affects caused by oral absorption. Patients looking to remedy acute pain from chronic pain and injuries. Medicines not only help to relieve current pain, but also help to improve healing of pain over time.

Onset of relief for topical lotions, ointments, and salves varies with dosage paired with the metabolism and body chemistry of each patient, though alleviation of symptoms should be noticeable within 15 minutes of application for a duration of between 3 to 5 hours of relief.

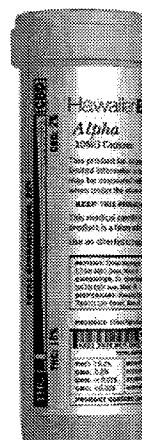
Because trans-dermic application does not reach the central nervous system, patients will feel pain relief with no psychoactive affects. Topical products can also be used Marijuana may also be used topically for stopping migraines and headaches.



Hawaiian Ethos provides Medical Marijuana to patients in the form of dried cannabis flowers. The absorption method for dried flowers will vary based on how the patient chooses to prepare material. For instance, patients will often use flowers in order to prepare, at home, their own oils or creams for topical use.

Hawaiian Ethos does not make any specific recommendations on how to prepare dried cannabis flowers and advises patients to consult with their doctor or trusted physician when considering a new or unfamiliar preparation method.

Hawaiian Ethos is also aware that some patients may choose to smoke dried cannabis flowers. For such individuals it is important that they know that the Hawaii Department of Health does not condone smoking or vaping of any material, including medical marijuana.





## HIPAA & Privacy for Medical Marijuana Patients

SECTION

2

# Hawaiian**Ethos**

HAWAIIAN ETHOS LLC: HIPAA & PRIVACY FOR MEDICAL MARIJUANA PATIENTS



## Patient Privacy

### What is HIPAA?

The Health Insurance Portability and Accountability Act (HIPAA) is a 1996 federal law designed to protect sensitive health care information and reduce the administrative burden for health care providers. Today, Medical marijuana now falls within this purview.

Like any controlled substance, medical marijuana requires a robust system of patient verification to ensure that patients who are receiving prescriptions are identified properly using computerized patient verification systems. Medical marijuana is subject to HIPAA regulations. In fact, medicinal cannabis is treated similarly to any other prescription or treatment.

Because of the sometimes negative connotation that comes with the medical cannabis industry, HIPAA makes sure that they are meticulous about staying within the parameters of the law, and in doing so, rely heavily on these patient verification systems. The HIPAA systems can in some cases contain sensitive health information such as patient contact information, medical records, a patient's diagnosis and other personal information such as driver's license numbers.

### Your Privacy

So what does this mean for you as a medical marijuana patient? It means that all of your sensitive information is safe within a compliant medical marijuana dispensary such as Hawaiian Ethos. All information is hosted in a HIPAA Compliant data point rather than an on-site location.


### Information Safety

Additionally, all information supplied when qualifying for a medical marijuana card is also covered under HIPAA and cannot be released without the patient's written consent or a court subpoena.


When it comes to complying with HIPAA regulations, the medical cannabis rules are very similar to the rules for any other medical substance or service. Patients' information is safe under these regulations in terms of both data storage and employee probes. Businesses that are not in compliance are subject to fines and certain legal actions.

# Hawaiian**Ethos**

Hawaiian Ethos Website



- About Us
- Locations
- Leadership
- For Patients
- For Healthcare Professionals
- Hawaii DOH
- FAQ
- News



*Because patients deserve a safe and consistent medical choice.*

CLICK HERE FOR MORE INFORMATION

### Cultivate

Grown by expert horticulturists, our plants thrive in our secure production facility, which uses efficient technology and smart growing practices to preserve water and energy.

### Extract


Our team naturally extracts the vital concentrates without harsh chemicals, using state-of-the-art equipment and technology to ensure our medicines are pure and natural.

### Formulate

Our experts formulate precise Ethos Spectrum of cannabis-derived medications, allowing patients to receive the correct formula and dosage to meet their specific medical needs.

### Provide

Hawaiian Ethos gives patients the specific medications and information they need. Our “Go Low. Start Slow.” approach helps patients safely find the optimal treatment for their tolerance.



- Home
- For Patients
- Make An Appointment
- Locations
- FAQ

- About Us
- Leadership Team
- For Healthcare Professionals
- News
- Employment Opportunities

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# Hawaiian**Ethos**

Hawaiian Ethos Mobile Application

January | 2016

Hawaiian Ethos Software Requirements

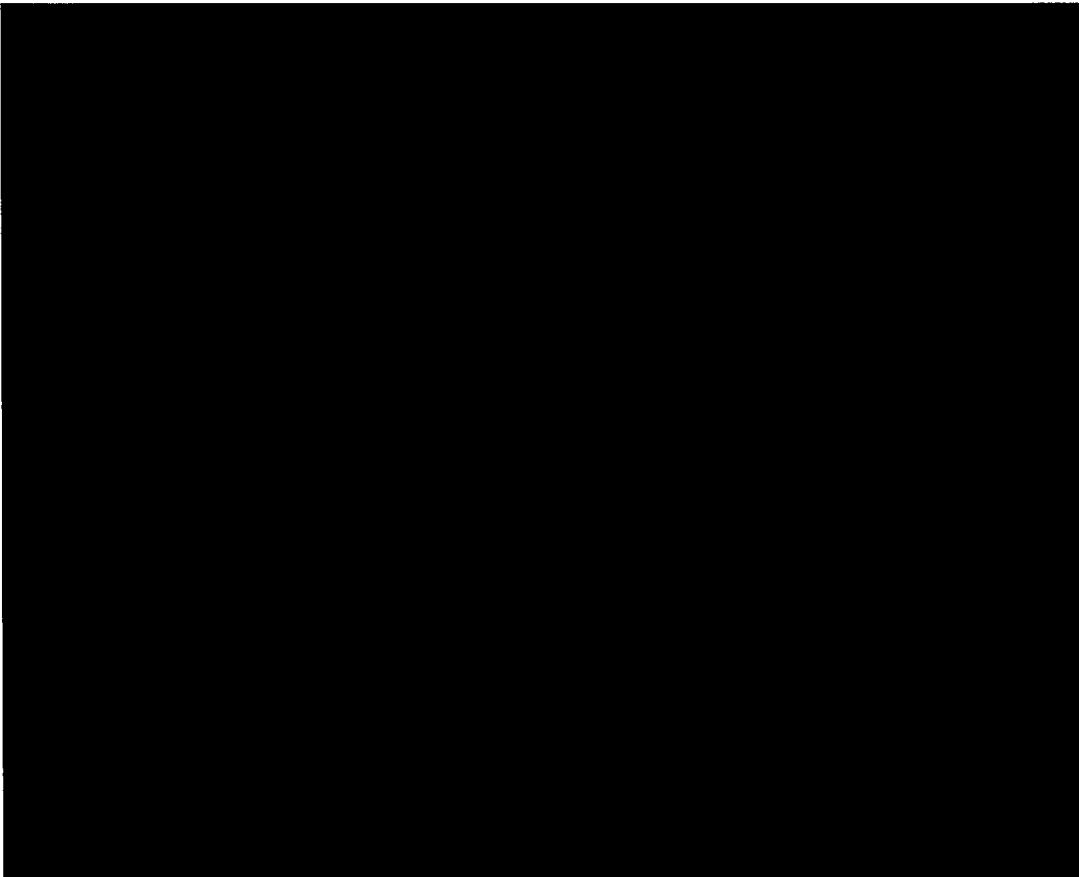
**Hawaiian Ethos Patient Mobile v1 Sketch file.....42**

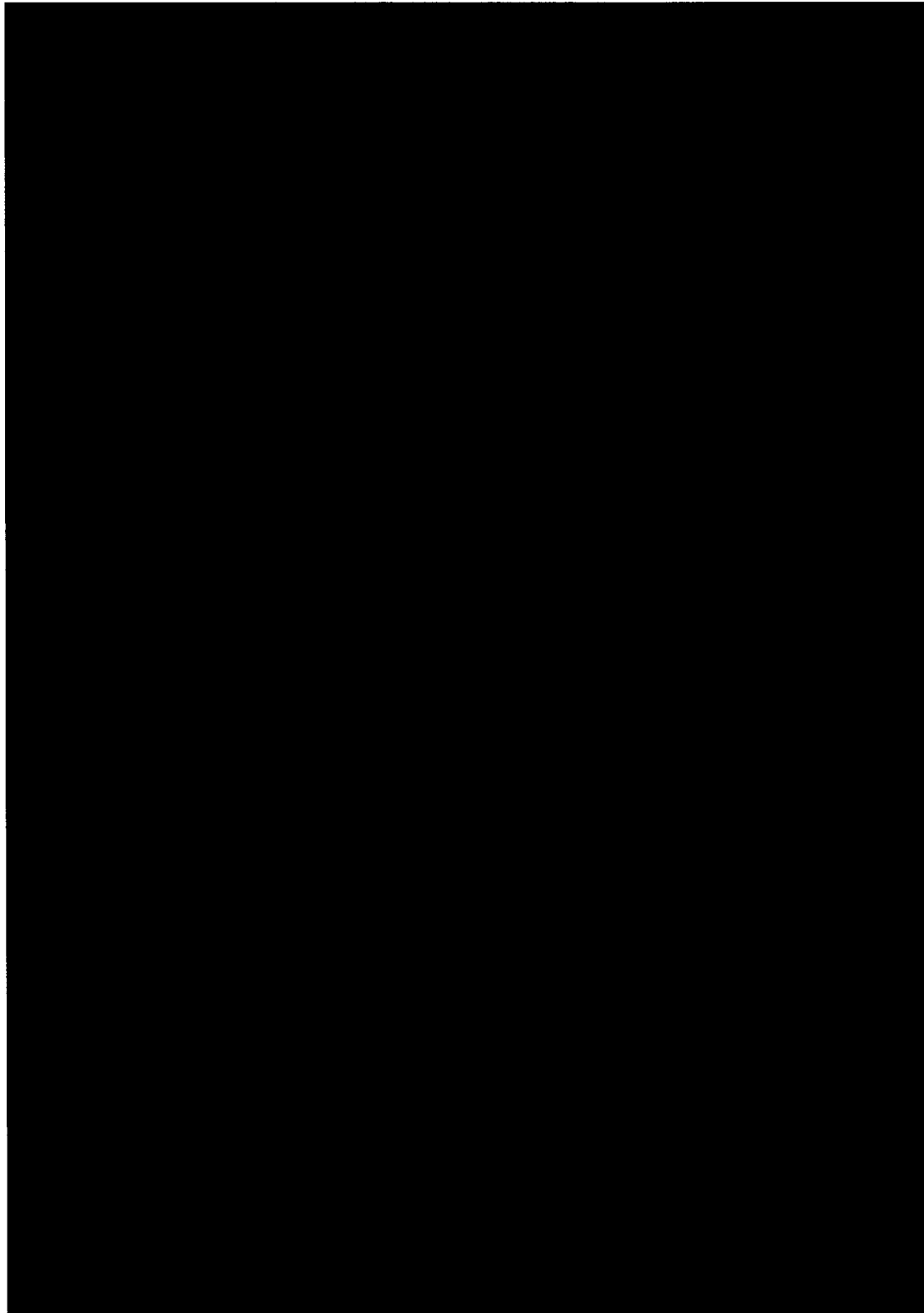
## **1 Introduction**

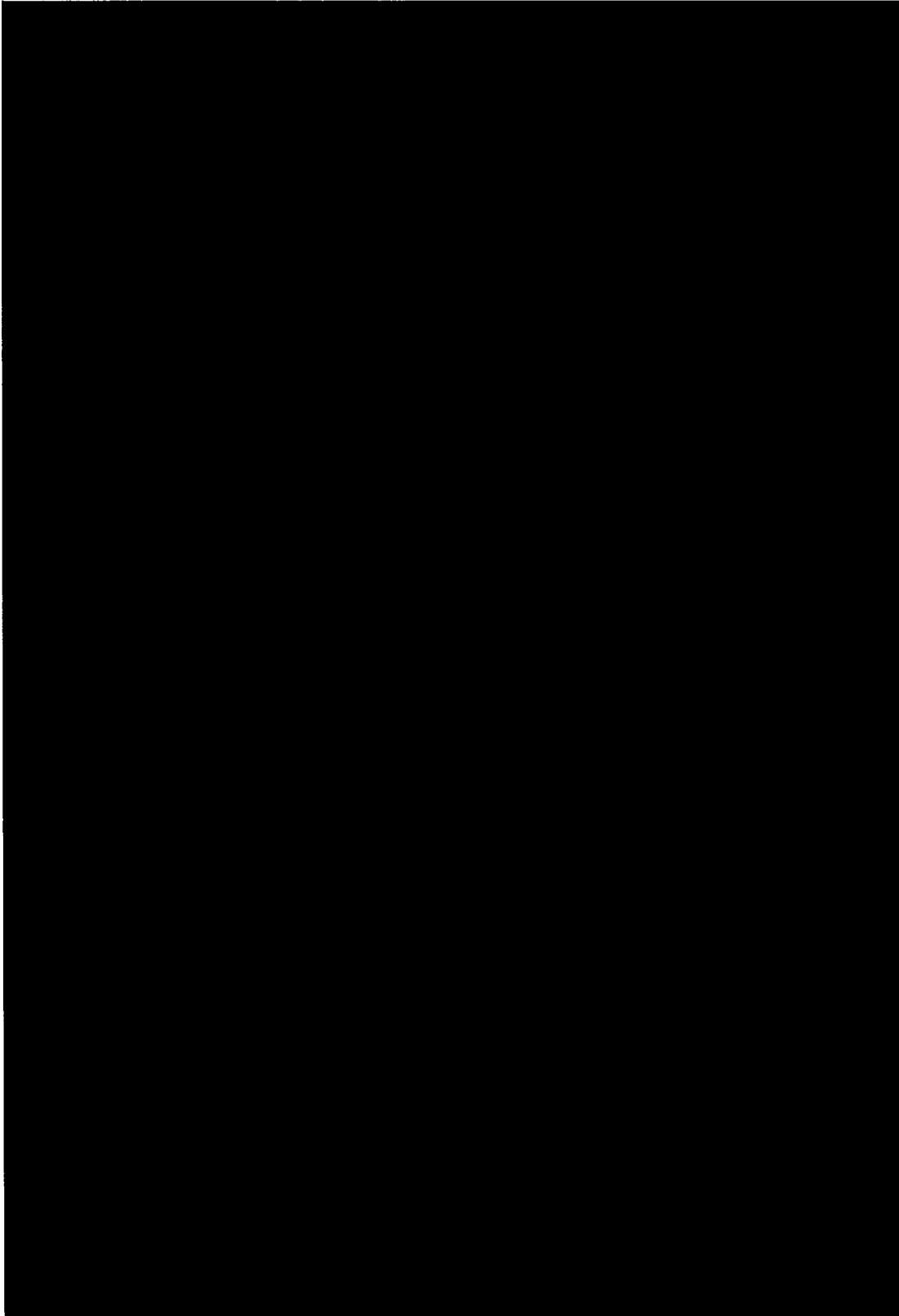
This section provides a scope description and overview of what is included in this Software Requirements Specifications (SRS) document.

### **1.1 Purpose**

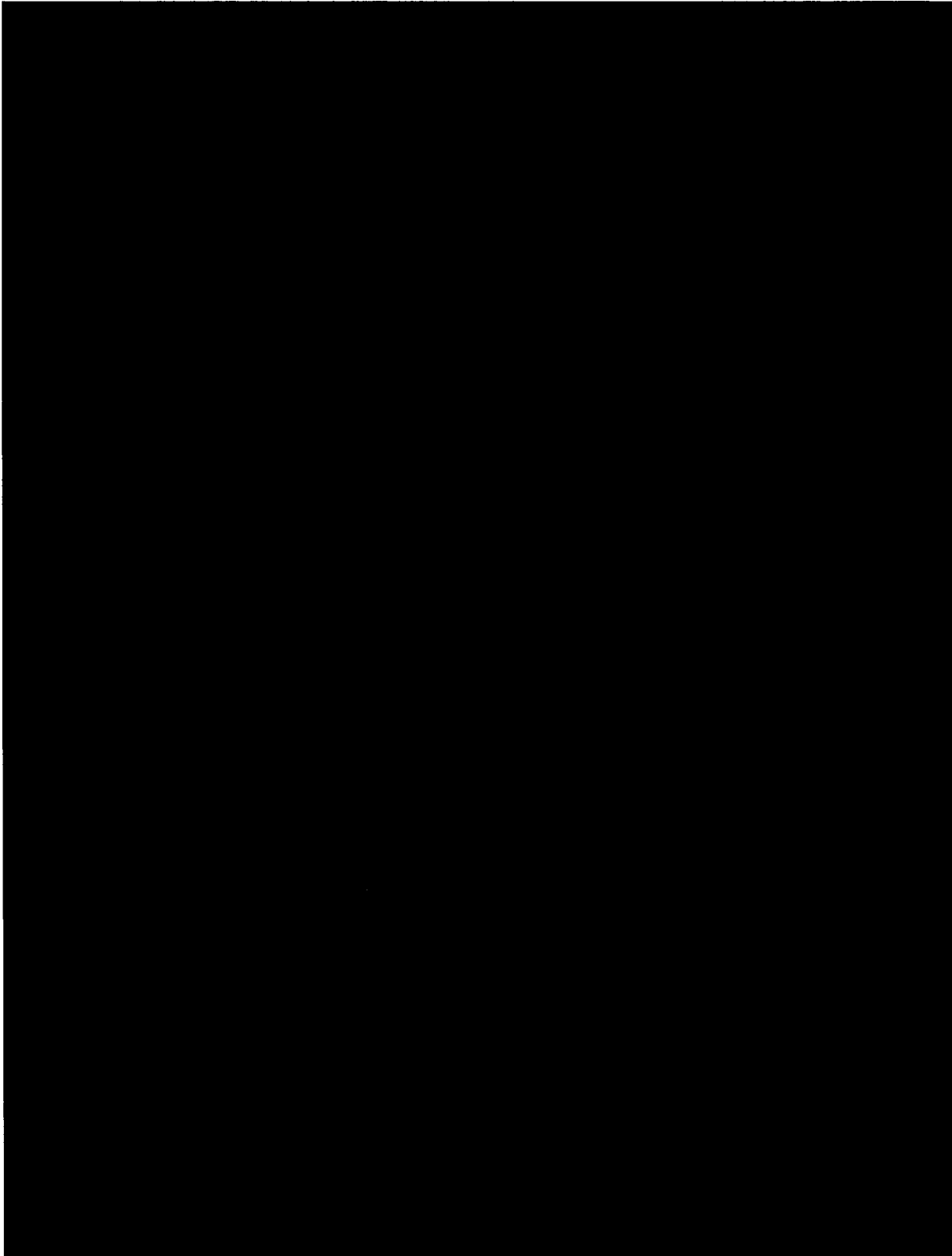
The purpose of this document is to provide a detailed description of the requirements for the Hawaiian Ethos web and mobile applications for patients and physicians. It will illustrate the purpose and complete declaration for the development of the system, explain system constraints, interface, and interactions with other external applications. This document is primarily intended to be a reference for developing the first version of the system for the development team.

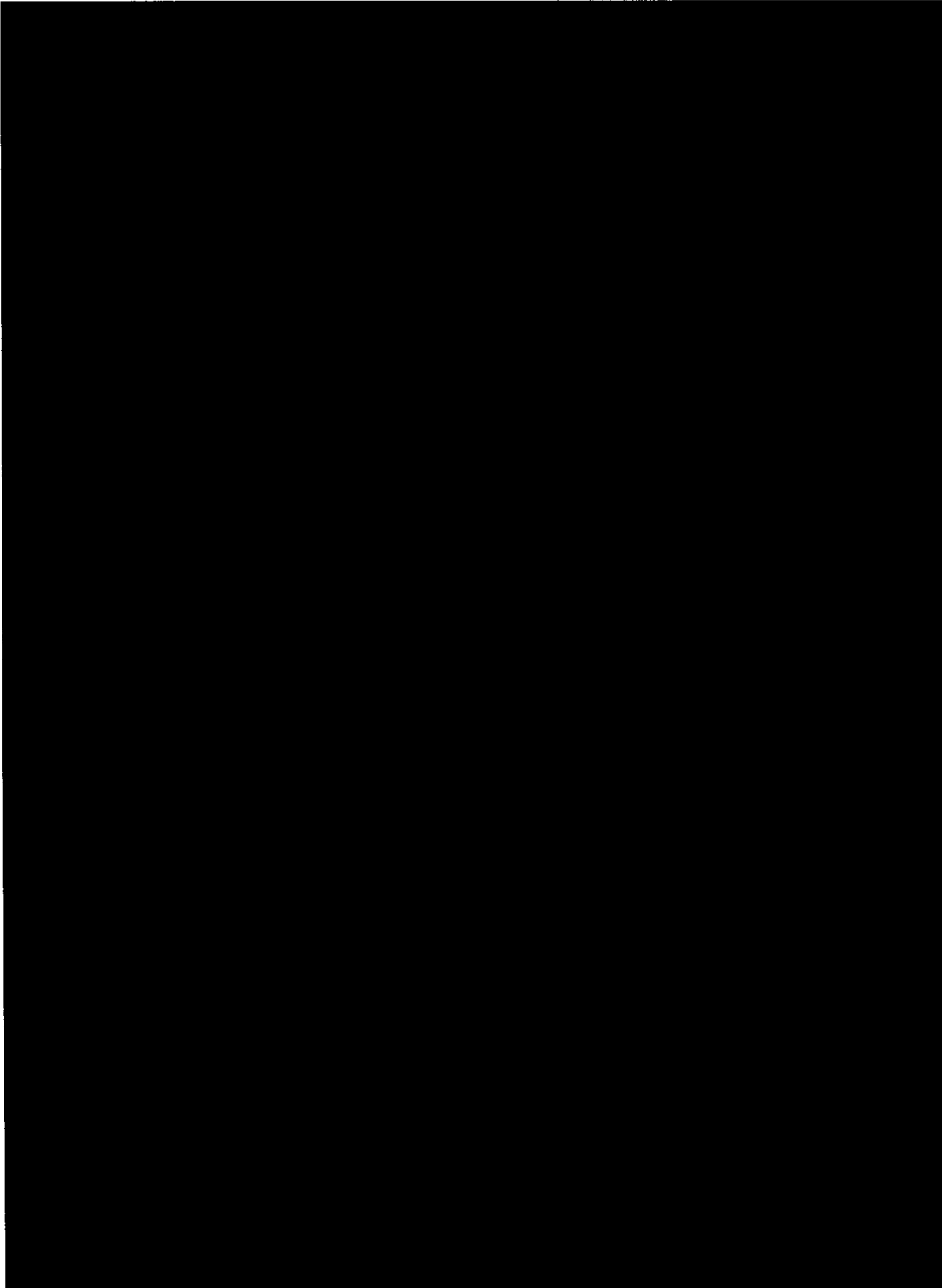


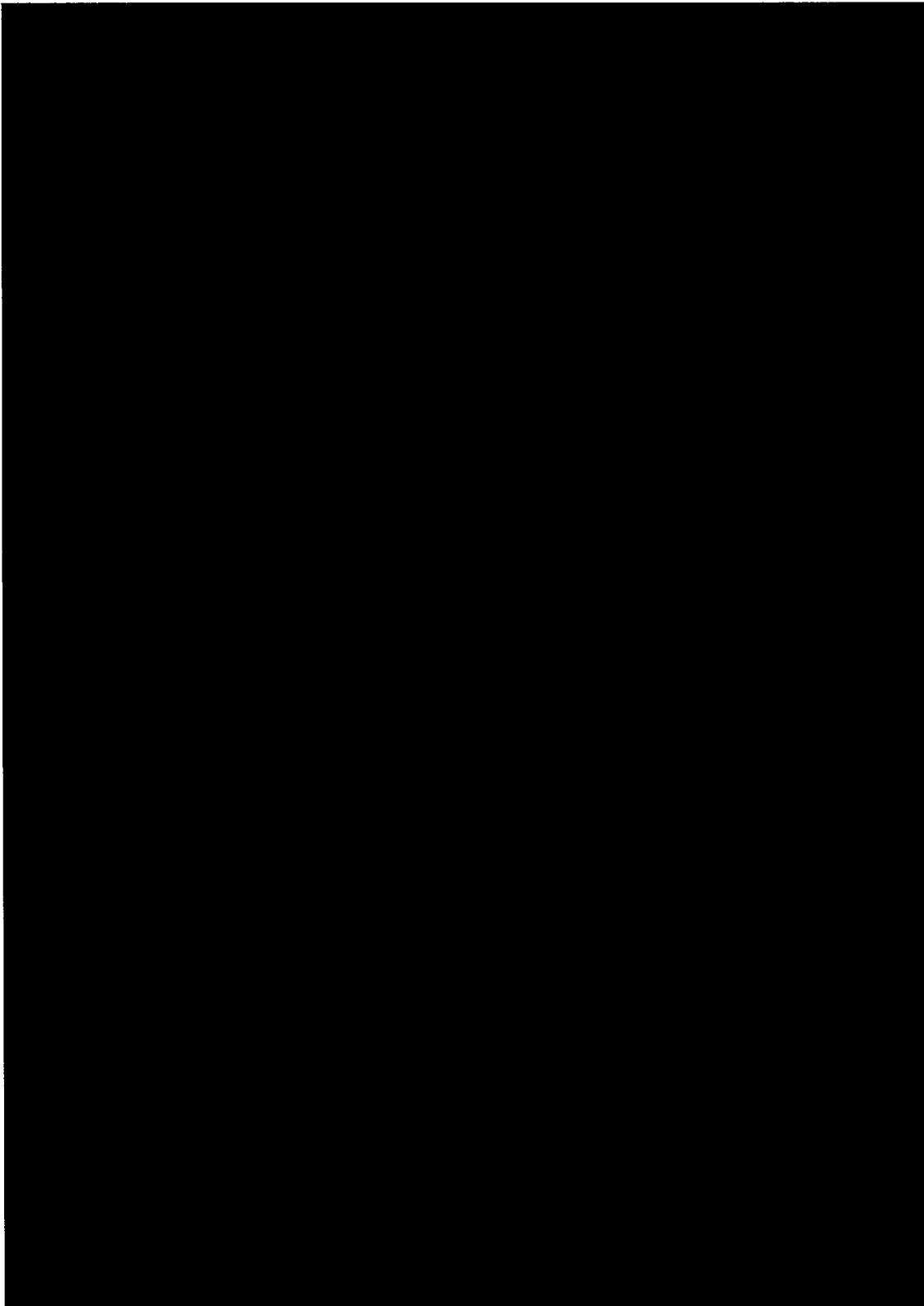


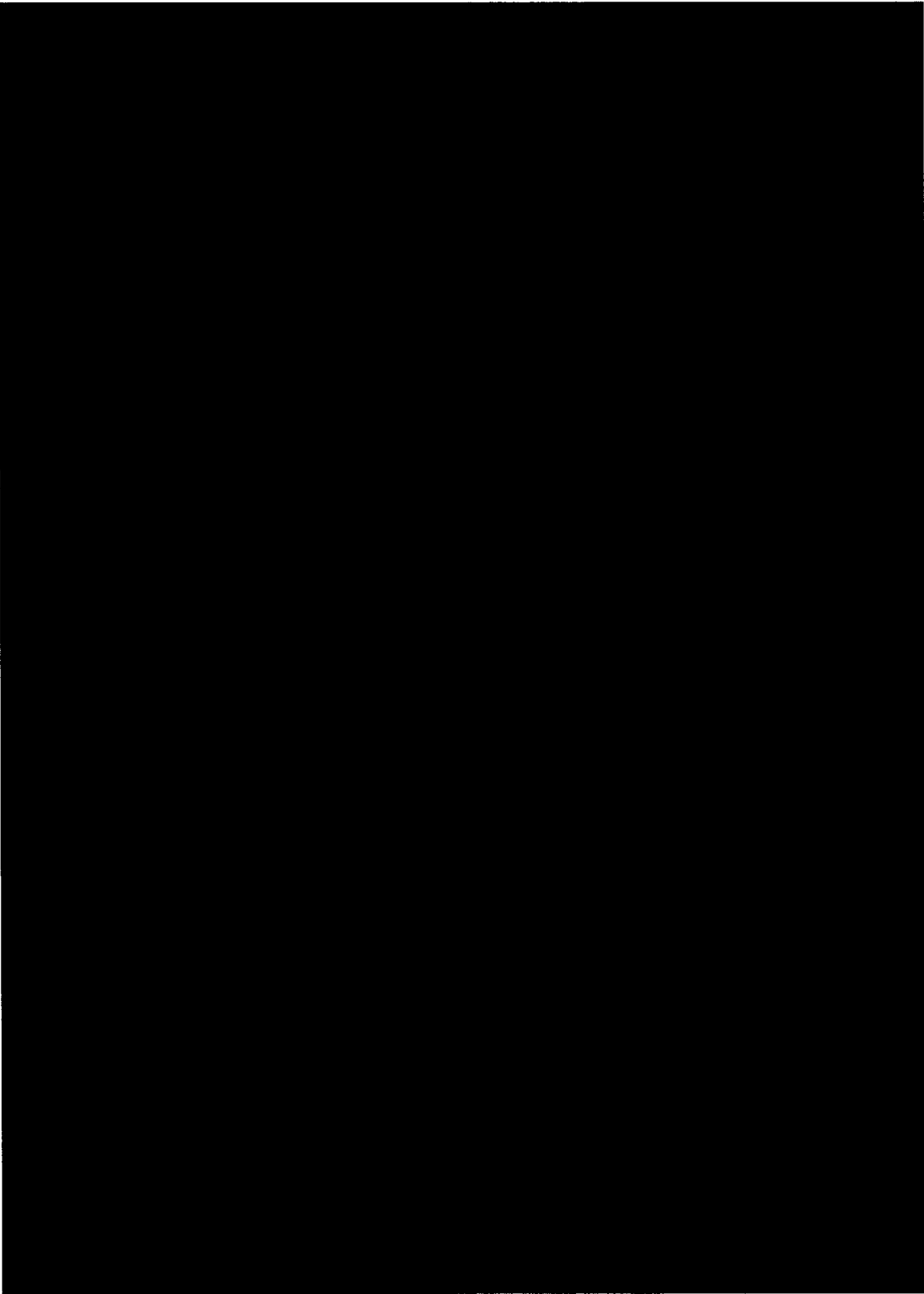


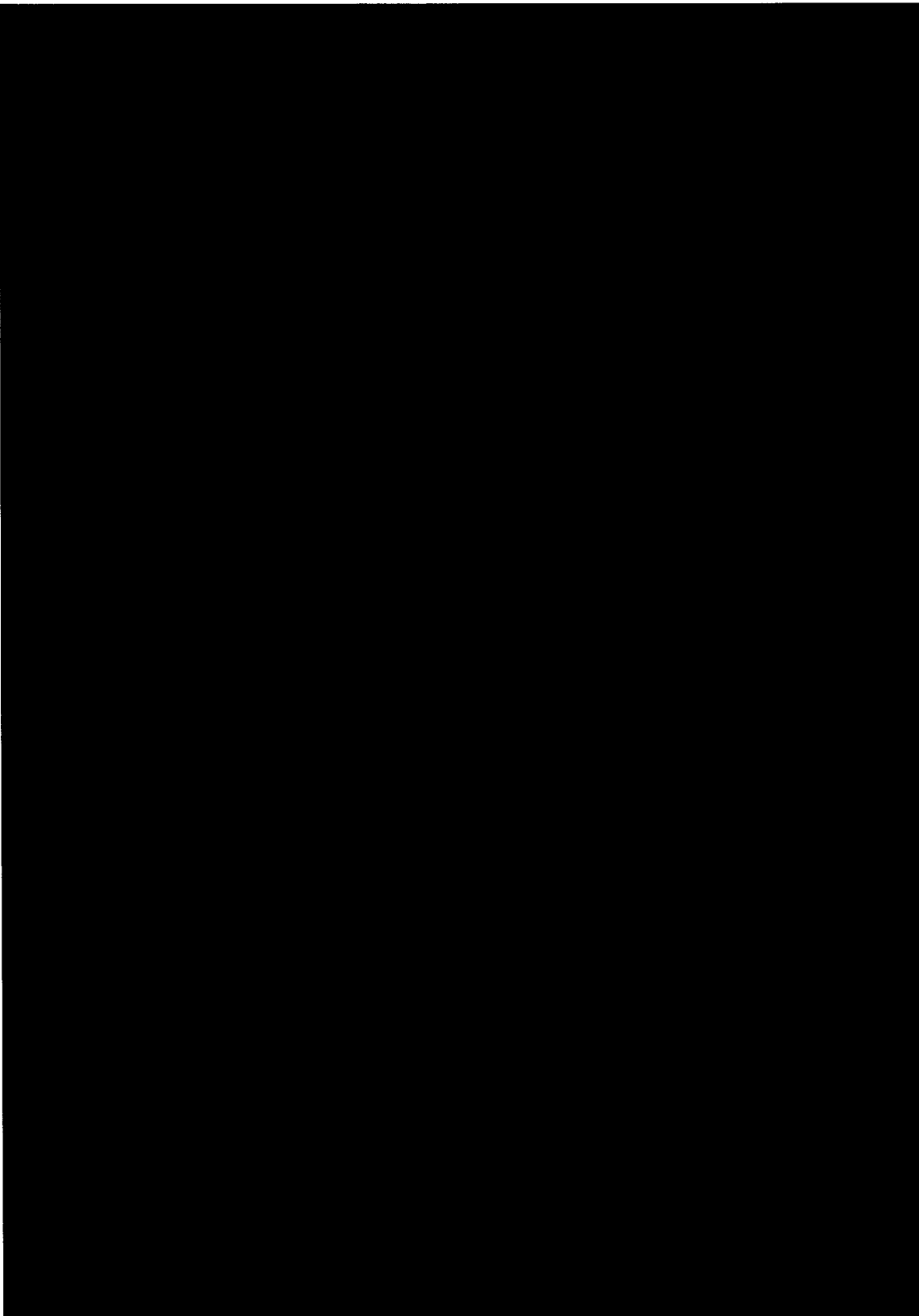


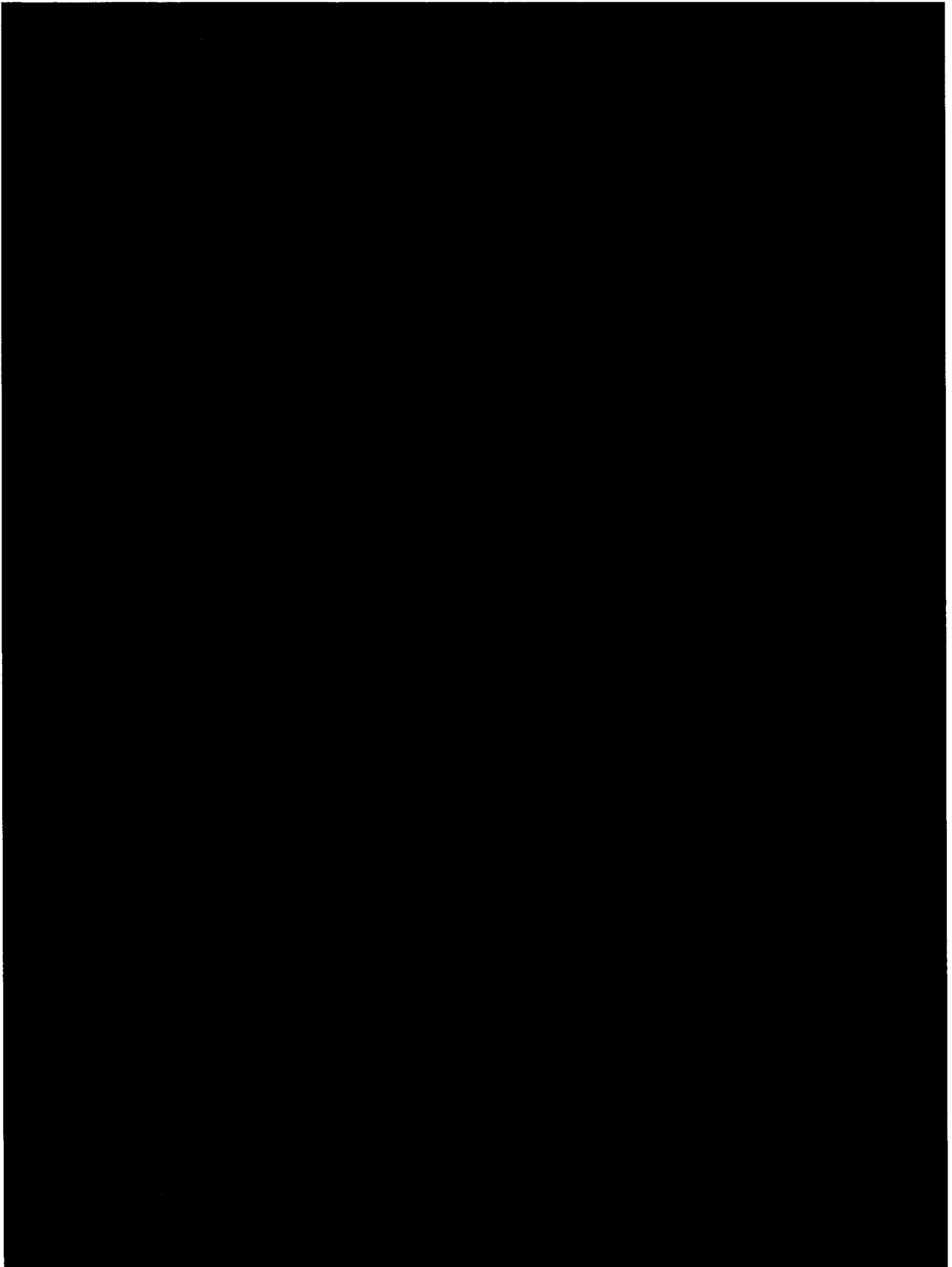


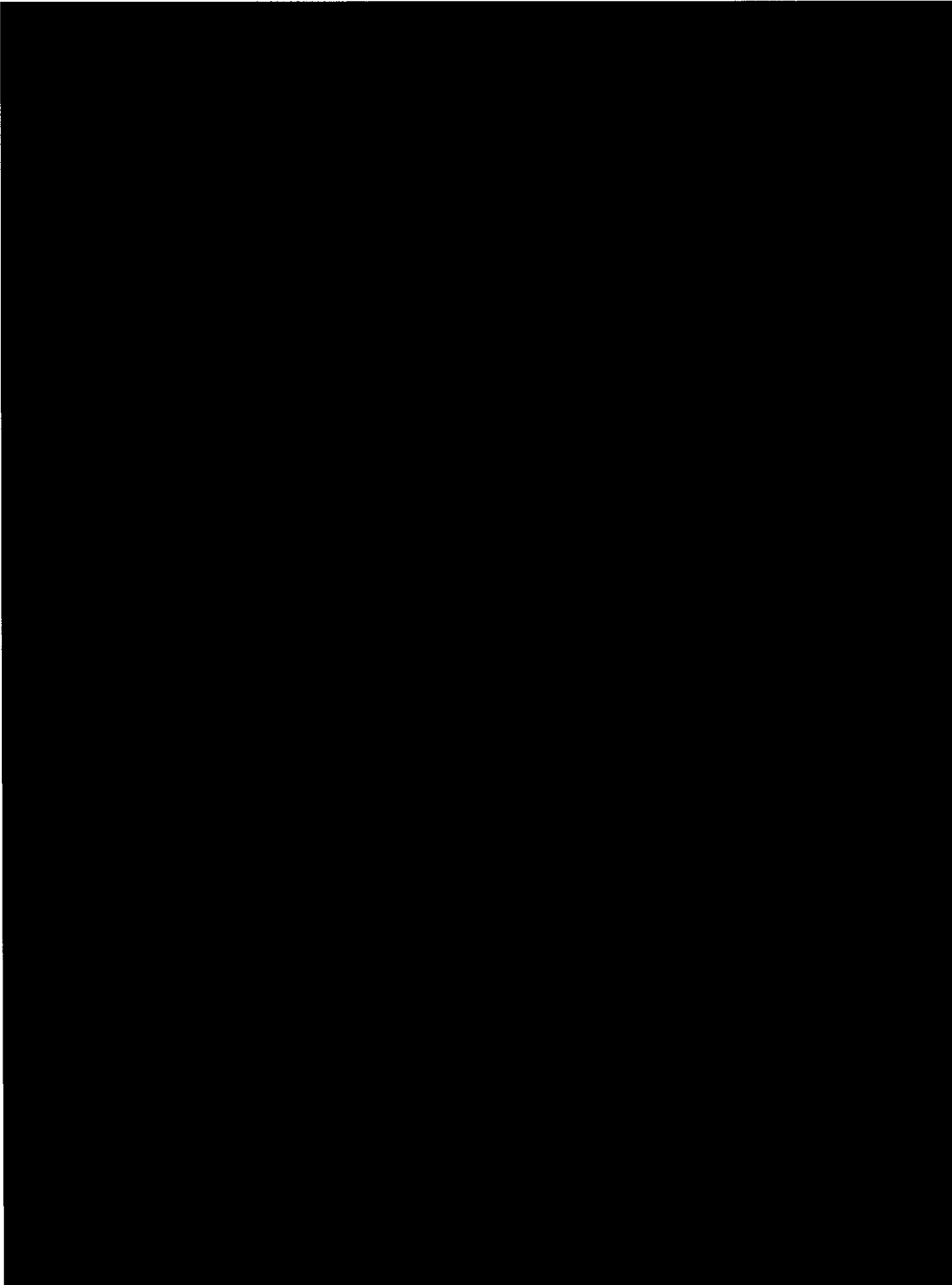


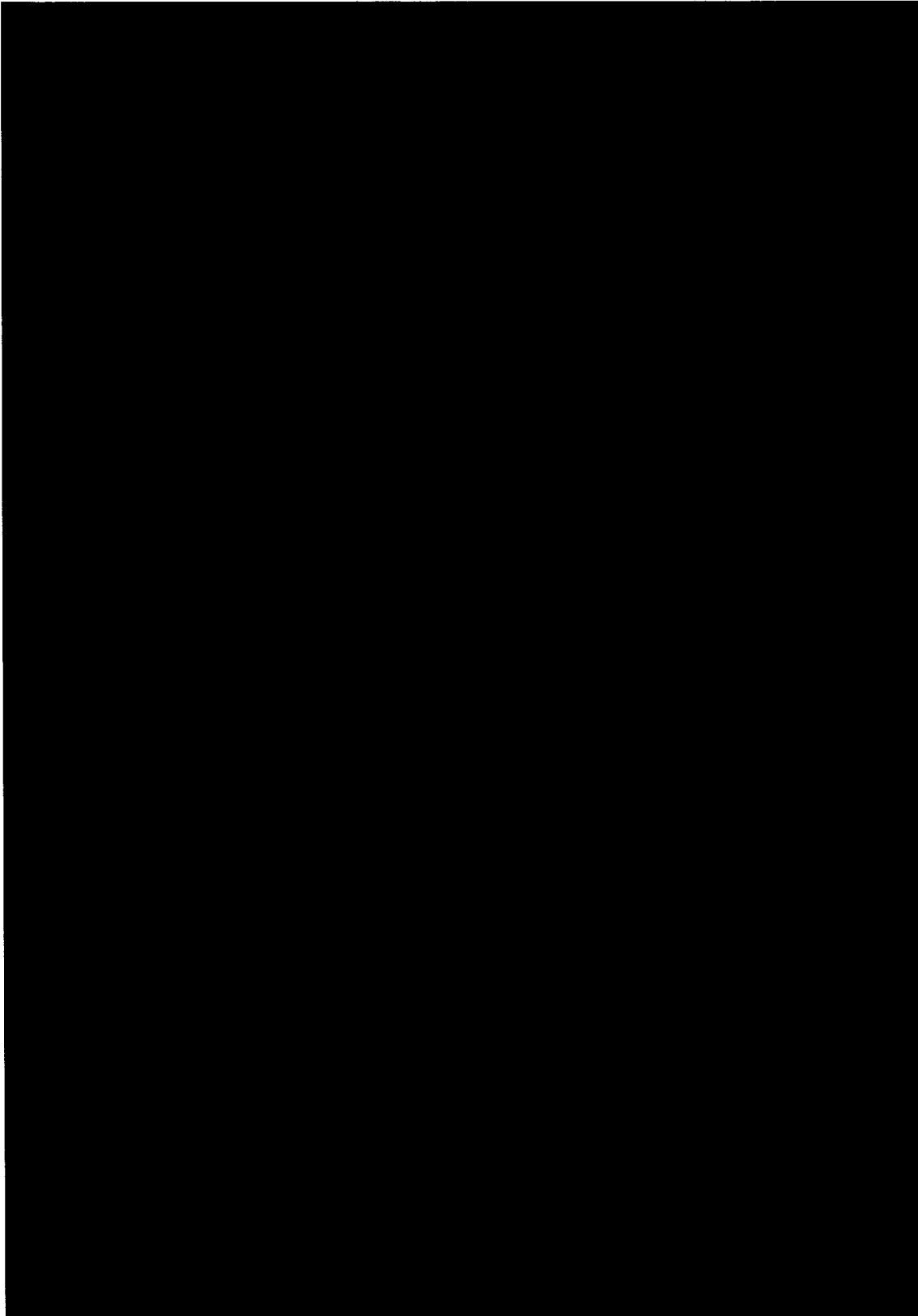














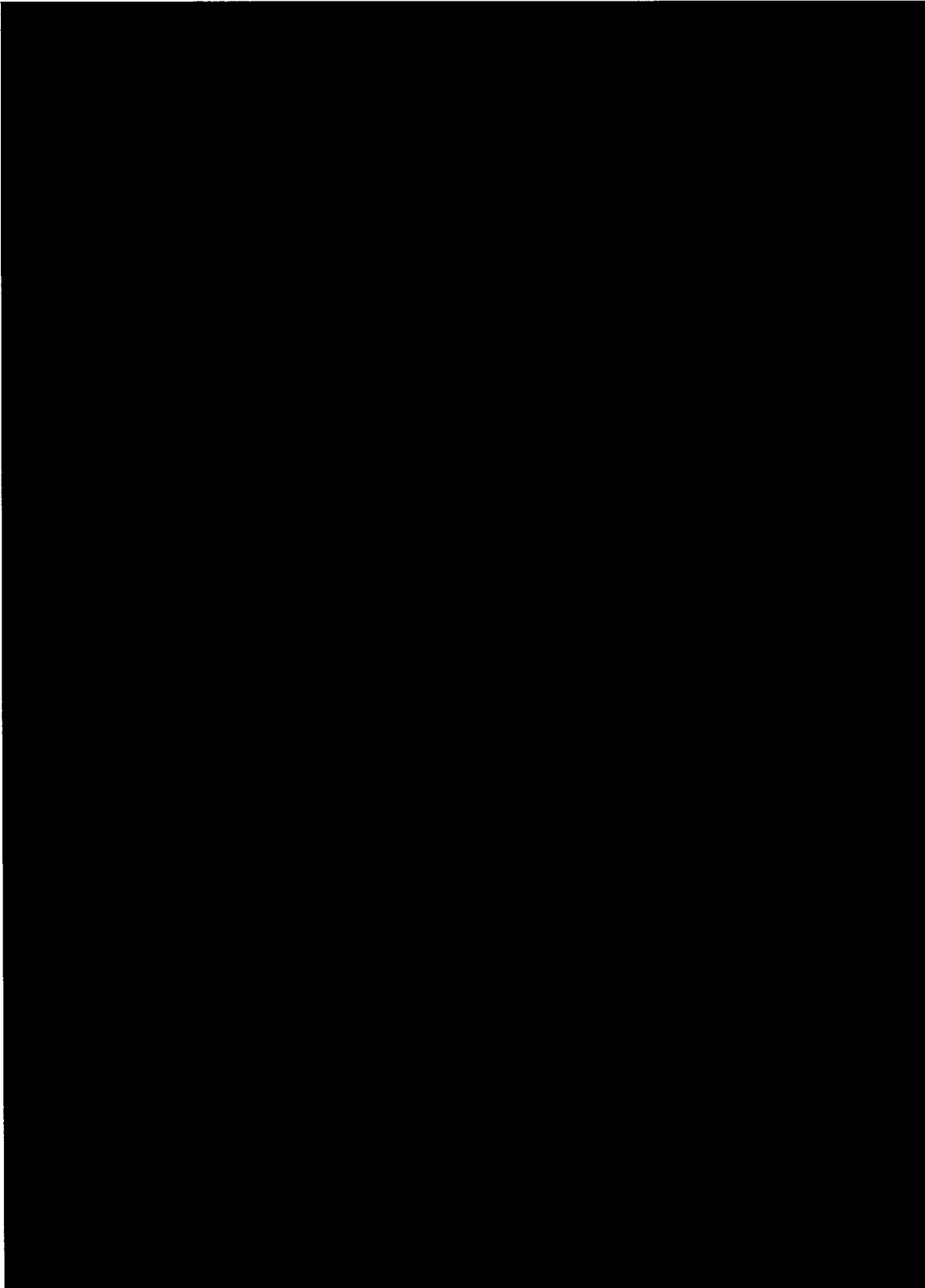






Figure 5: Register Page



Figure 6:  
Dashboard Page

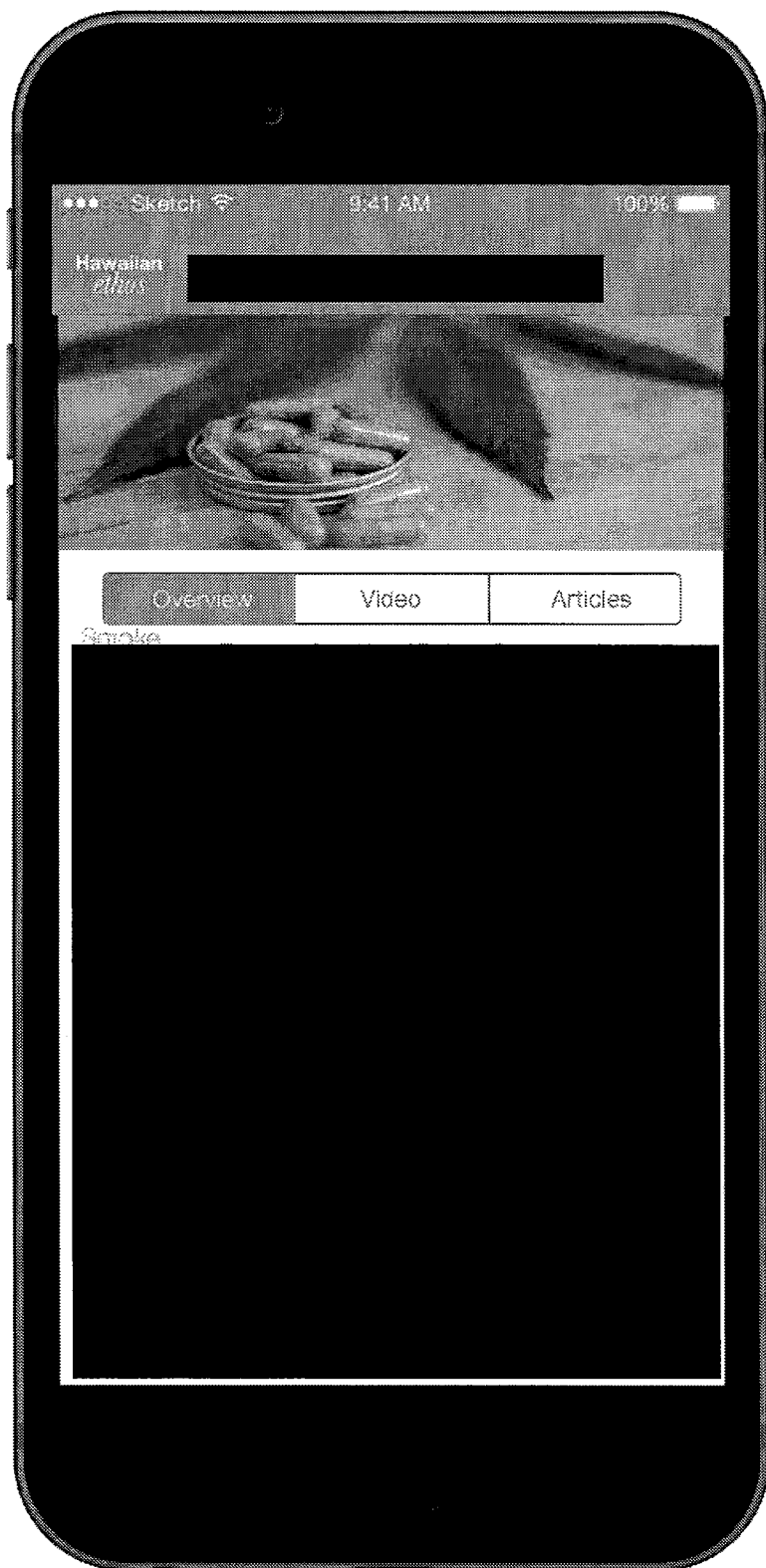


Figure 8:  
MyEducation - Oral  
Delivery Choices  
Page

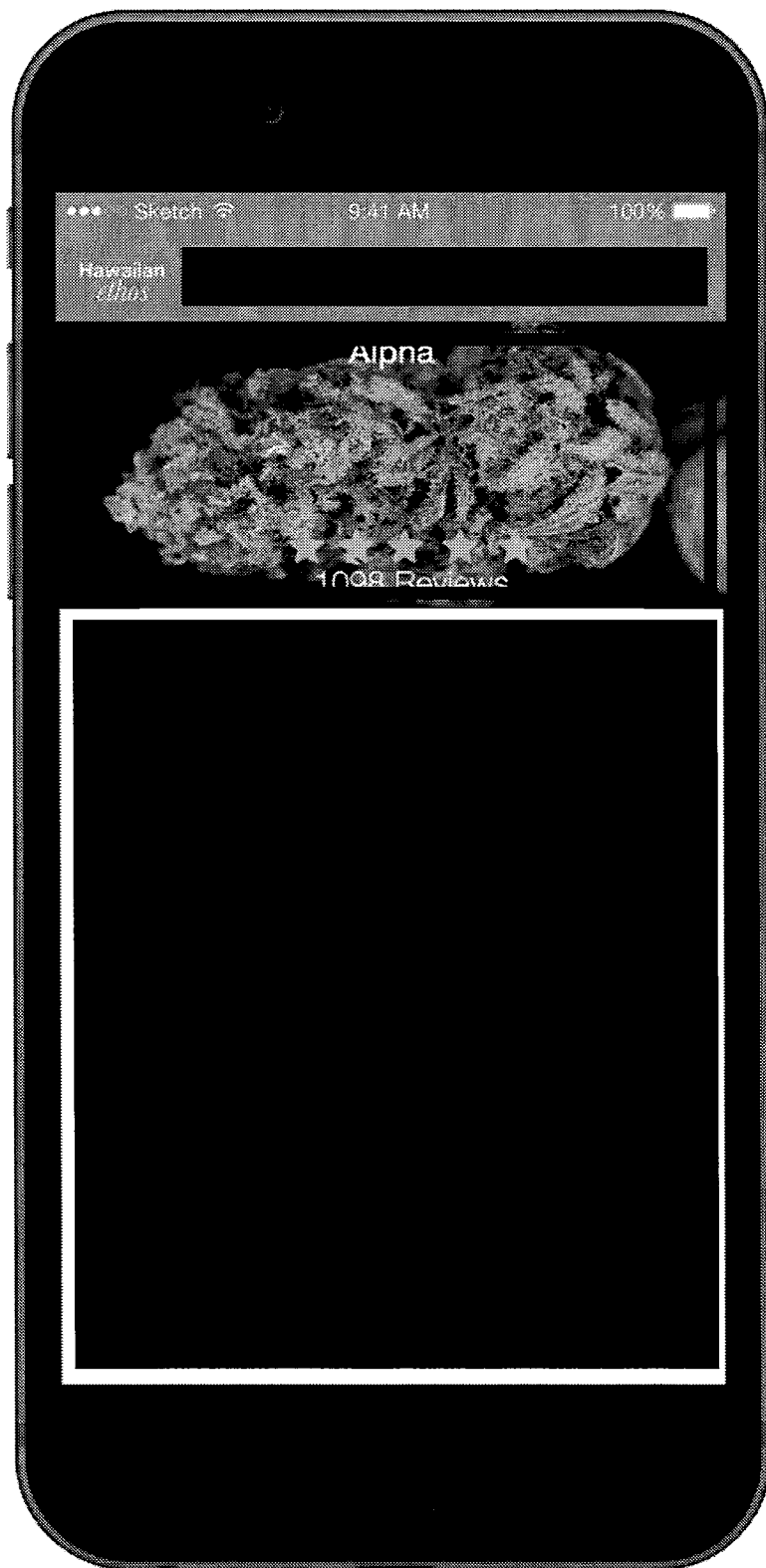


Figure 9:  
MyEducation –  
Strain Information  
– Specific Strain  
Page

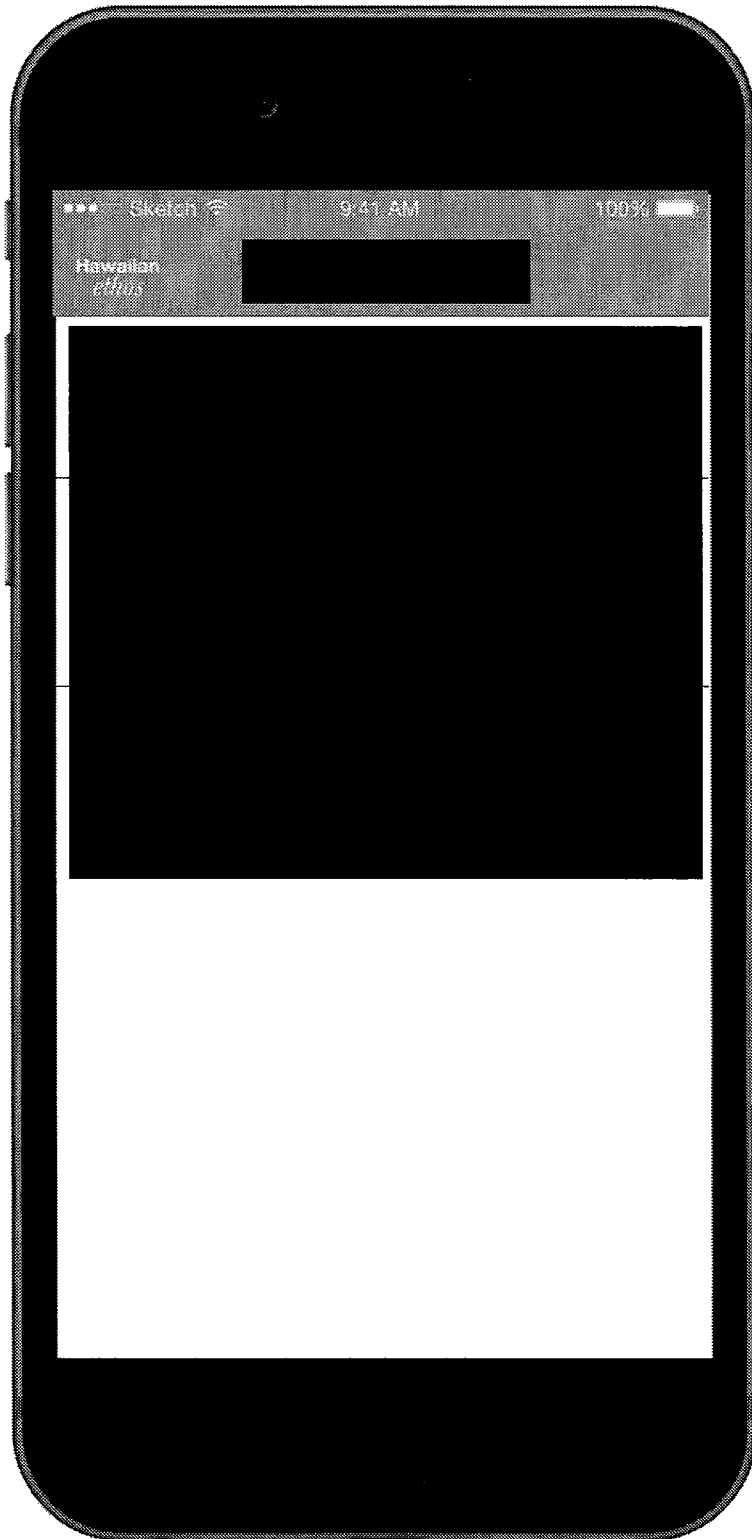


Figure 10:  
MyFeedback -  
General Page

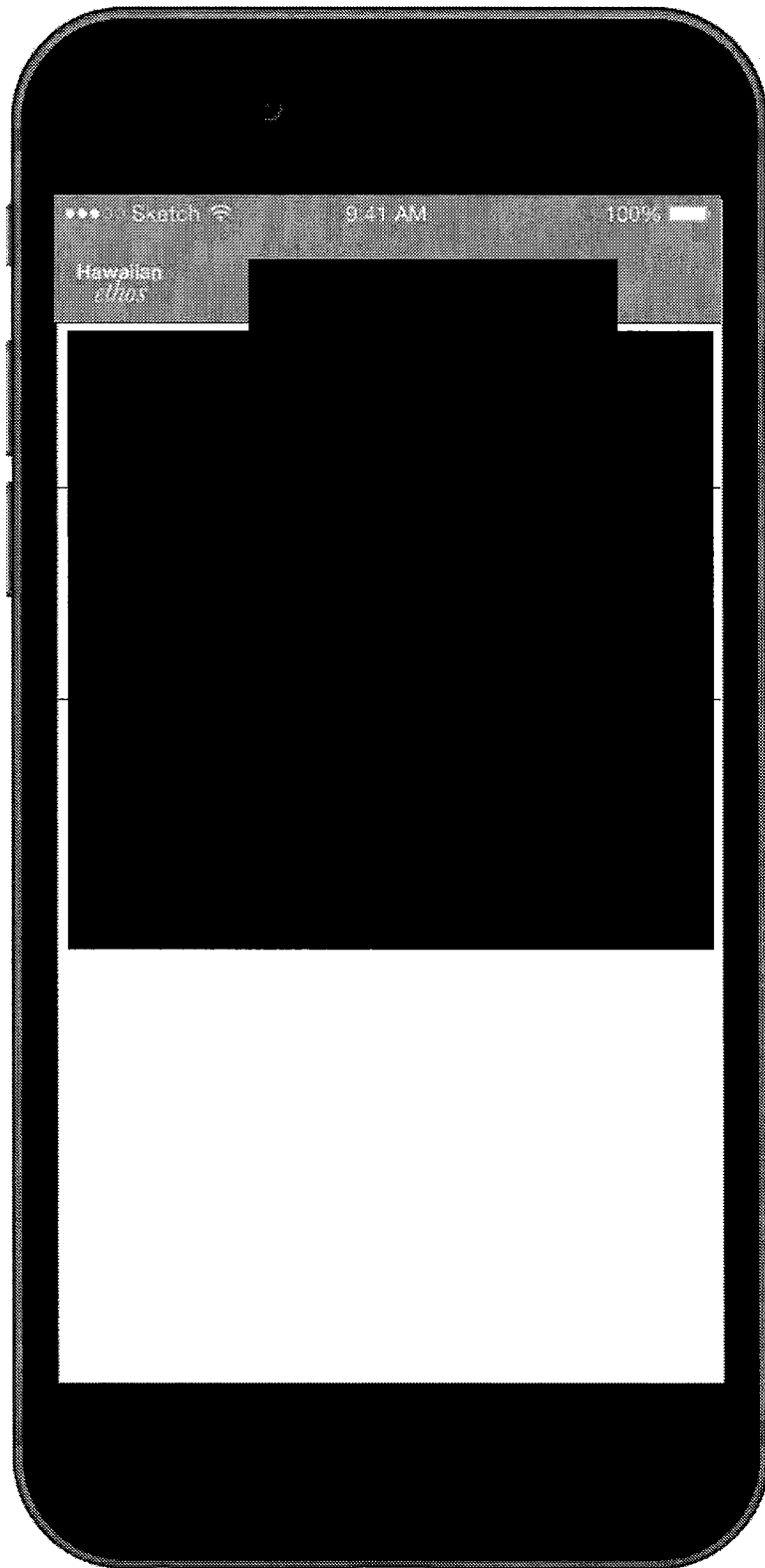


Figure 11:  
MyFeedback -  
Ailments Page



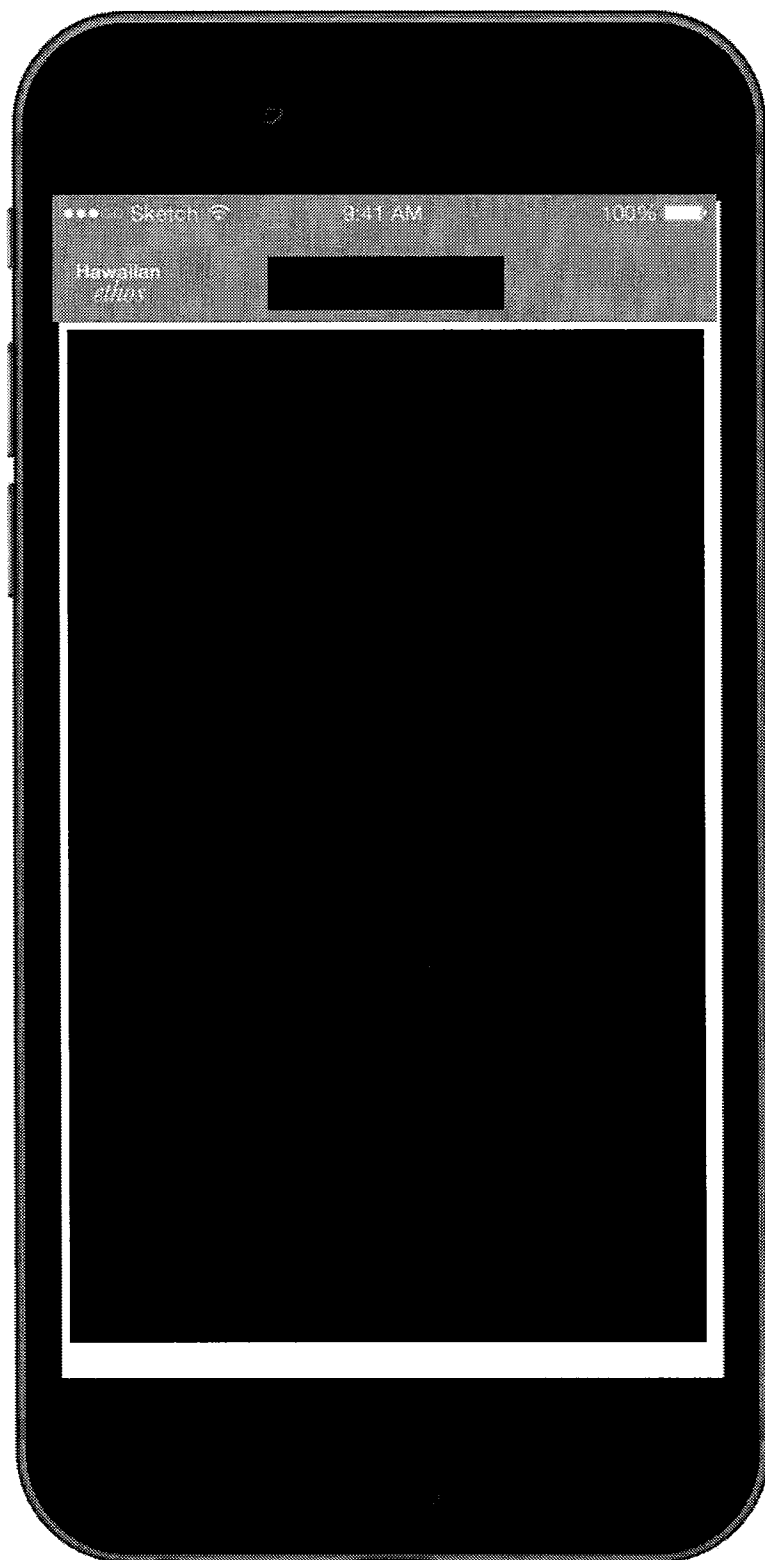


Figure 12:  
MyFeedback – Pain  
Questionnaire,  
Uncompleted Page

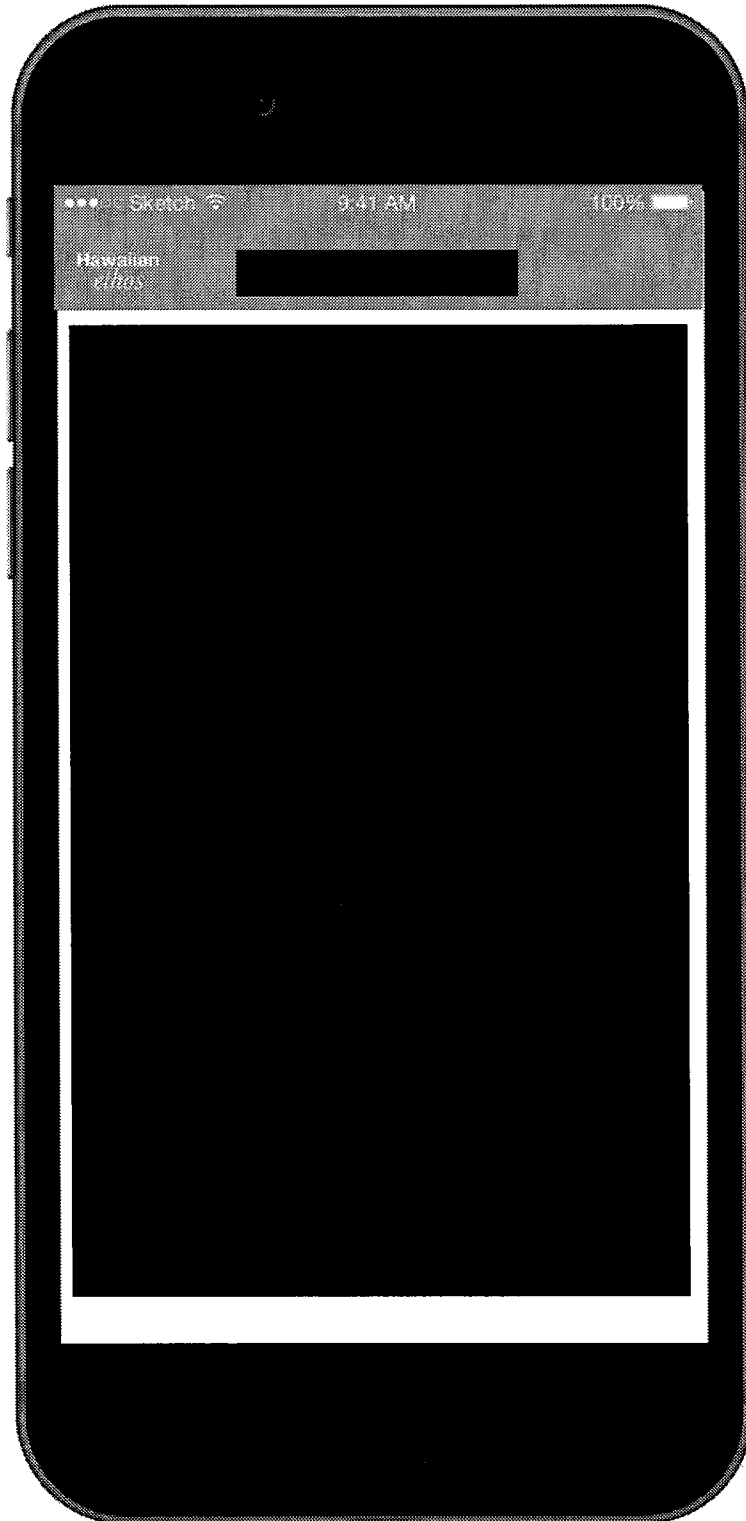


Figure 13:  
MyFeedback - Pain  
Questionnaire,  
Completed Page

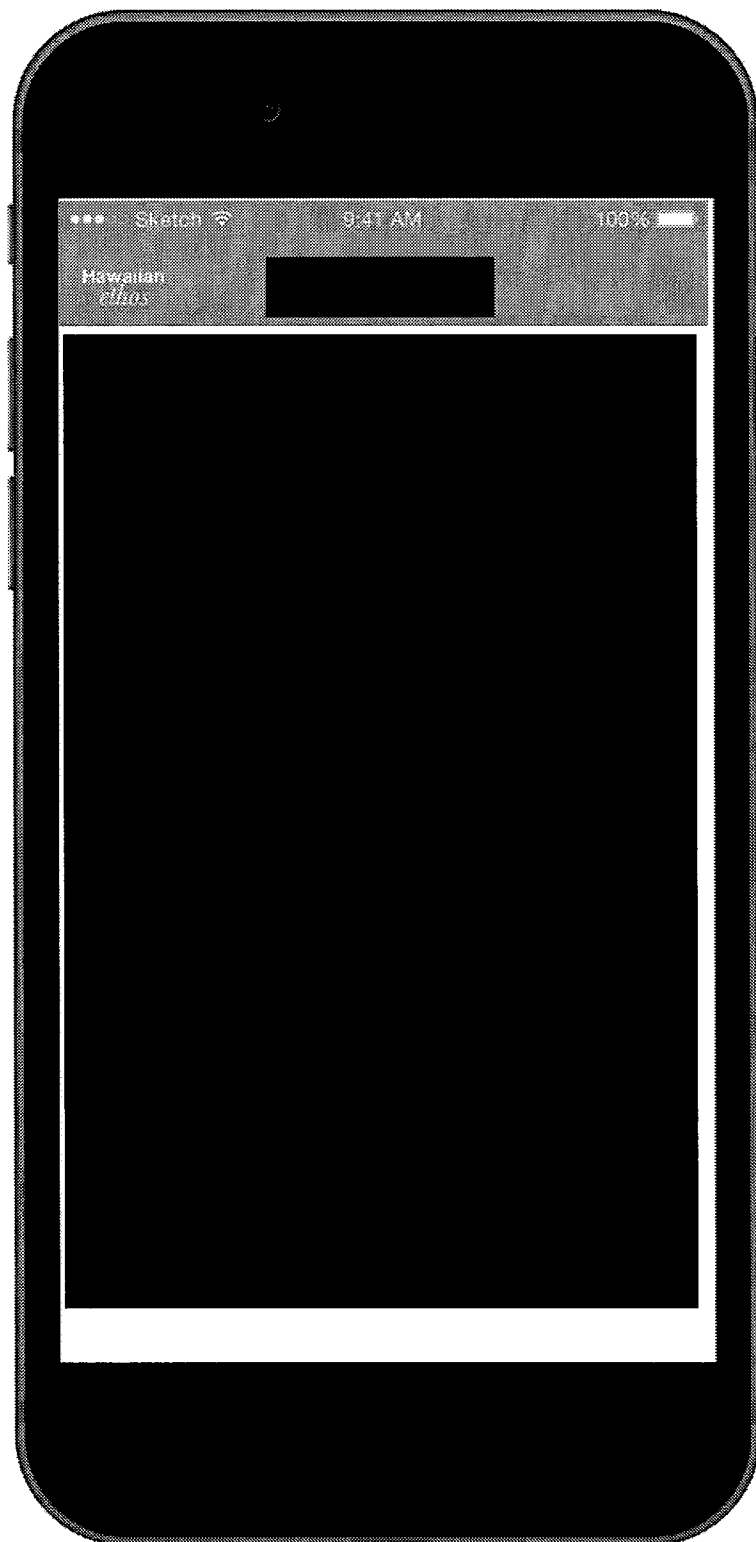


Figure 14:  
MyFeedback - MS  
Questionnaire,  
Uncompleted Page

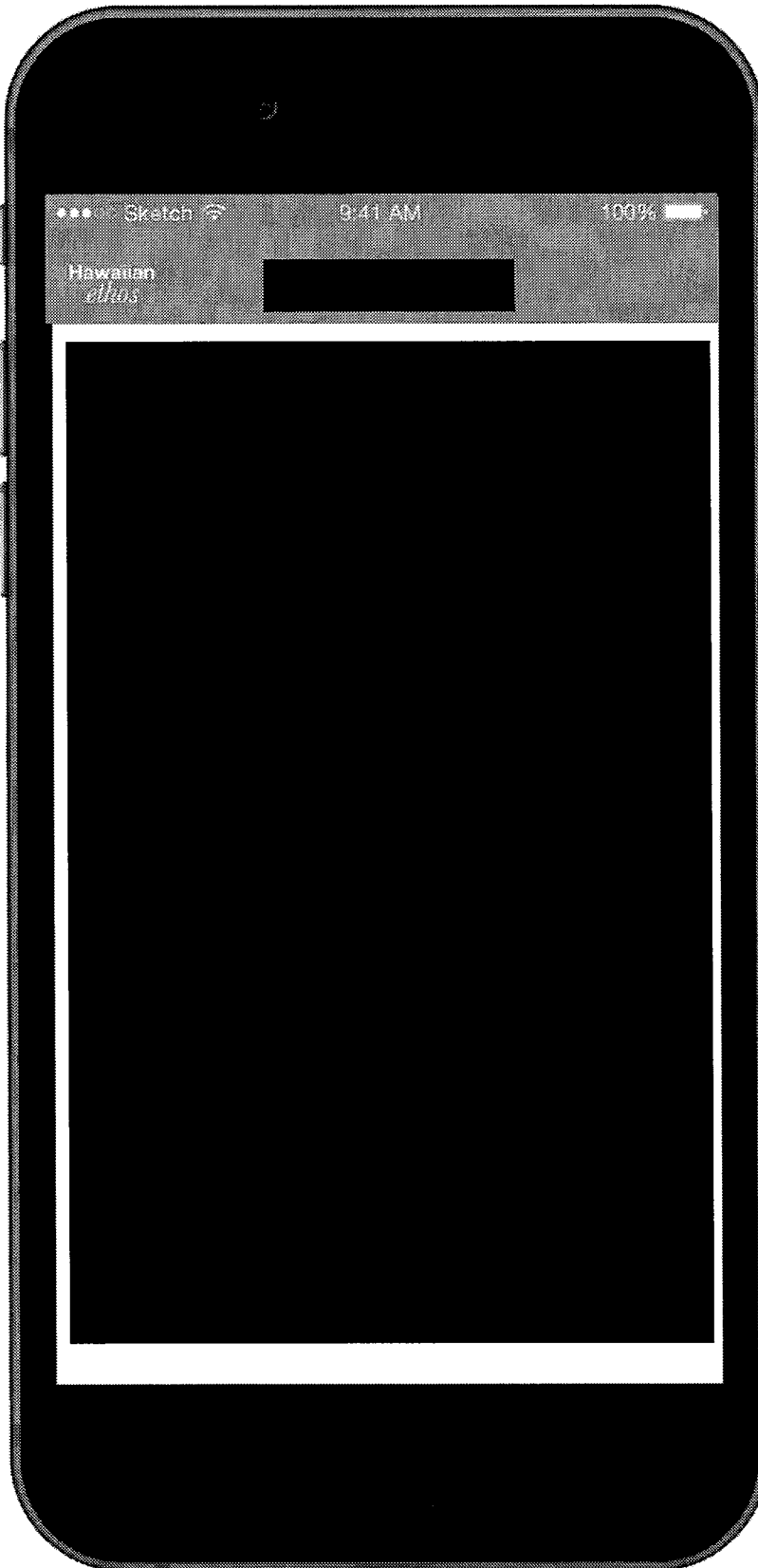
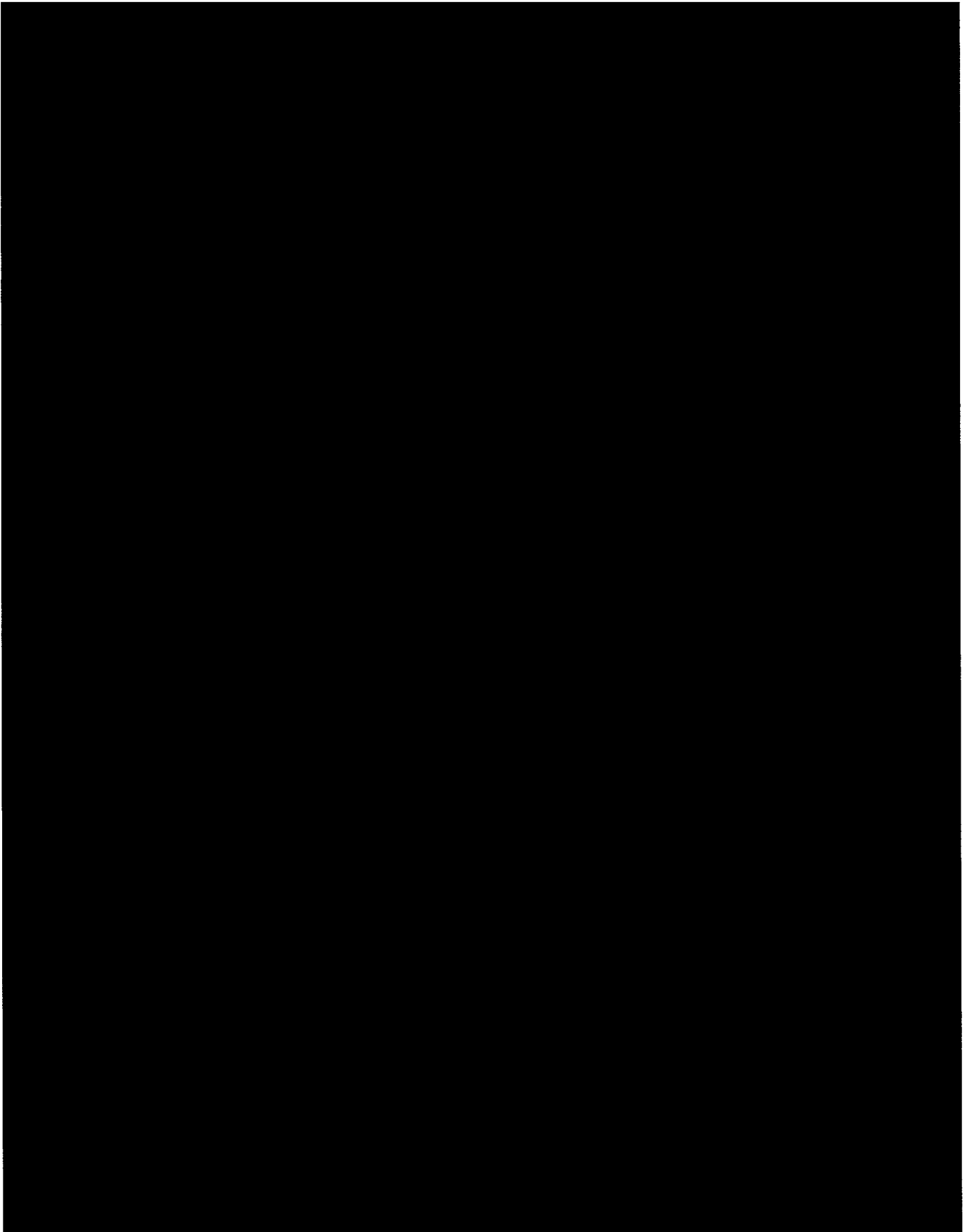
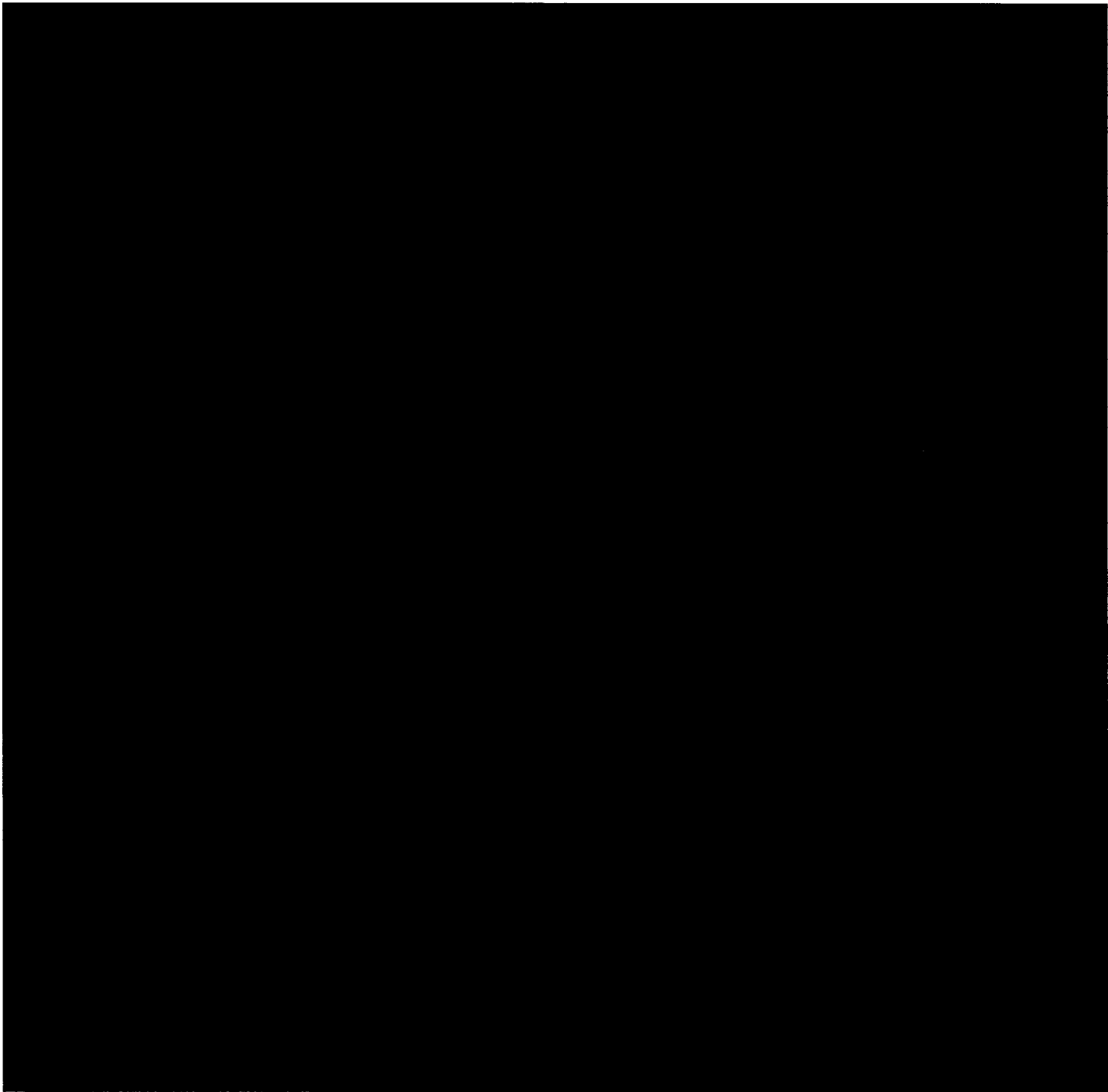
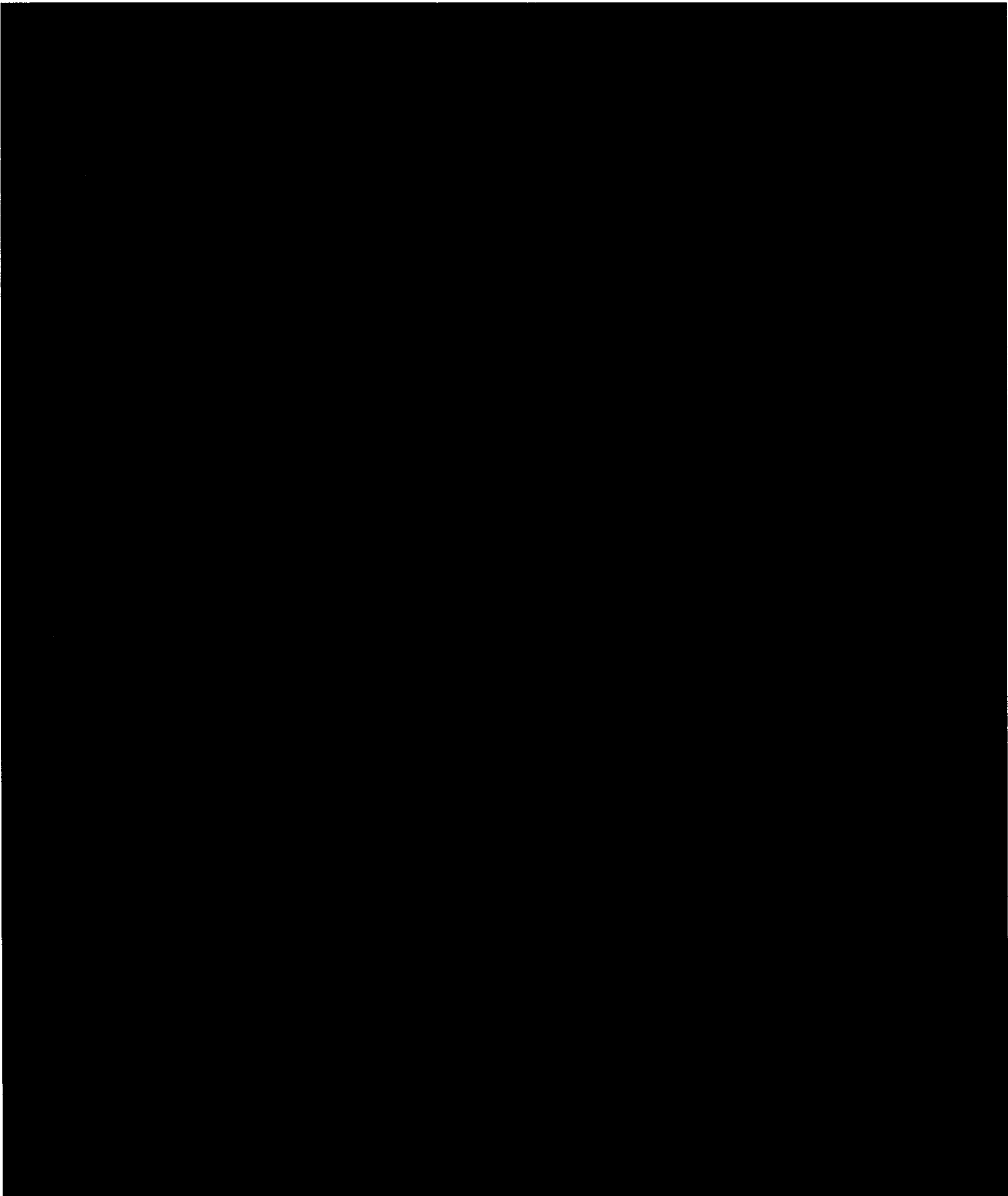
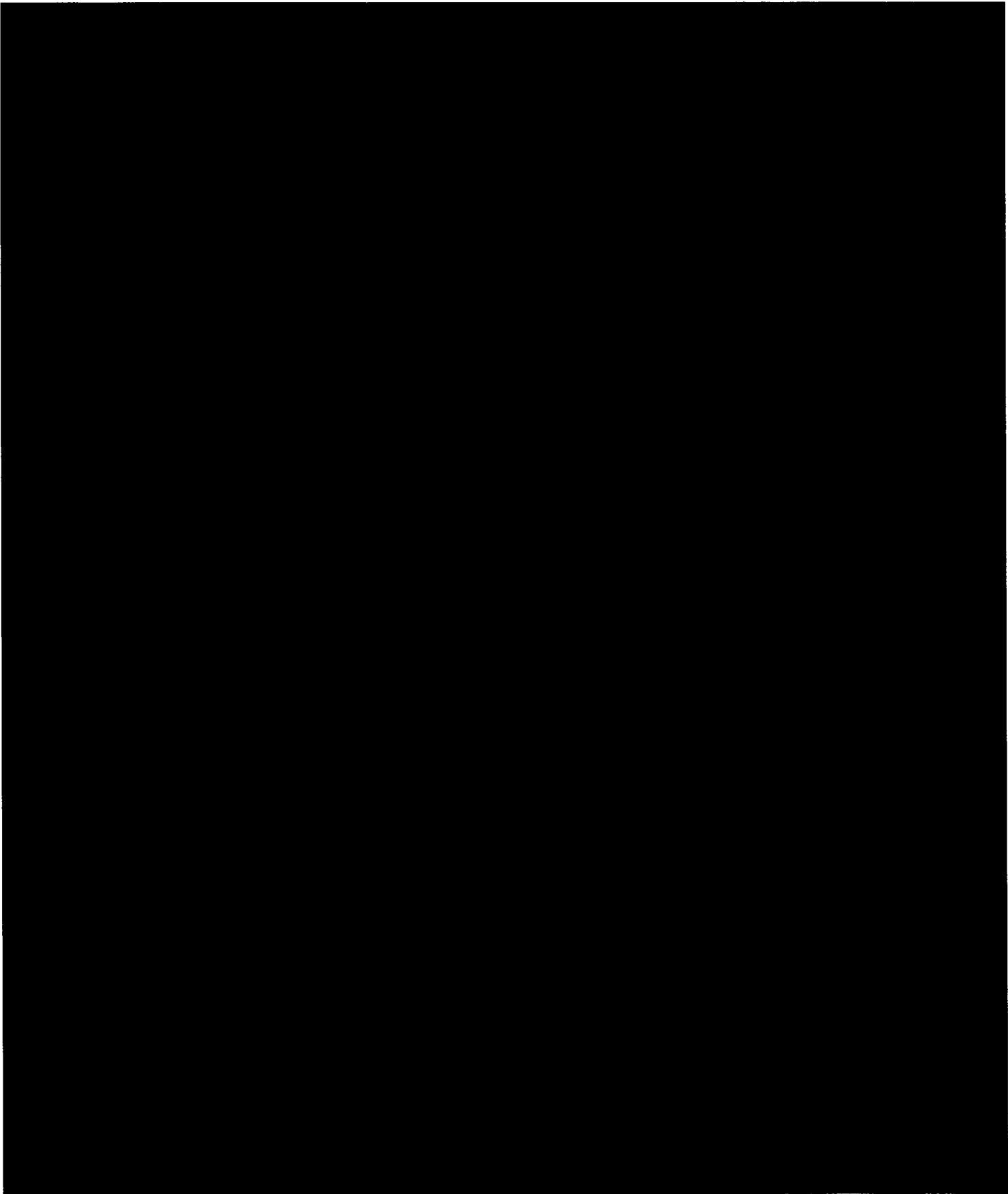


Figure 15:  
MyFeedback - MS  
Questionnaire,  
Completed Page

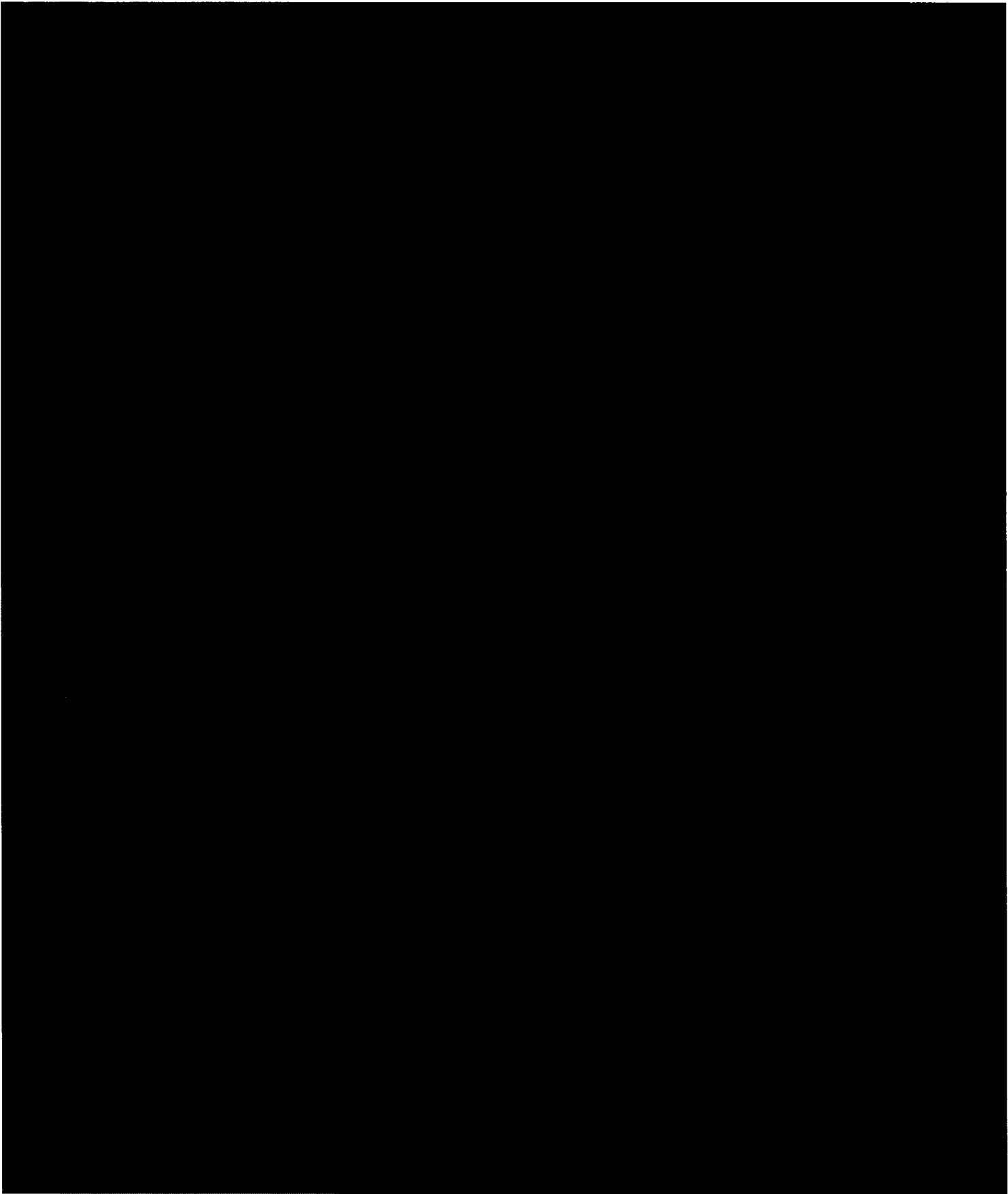


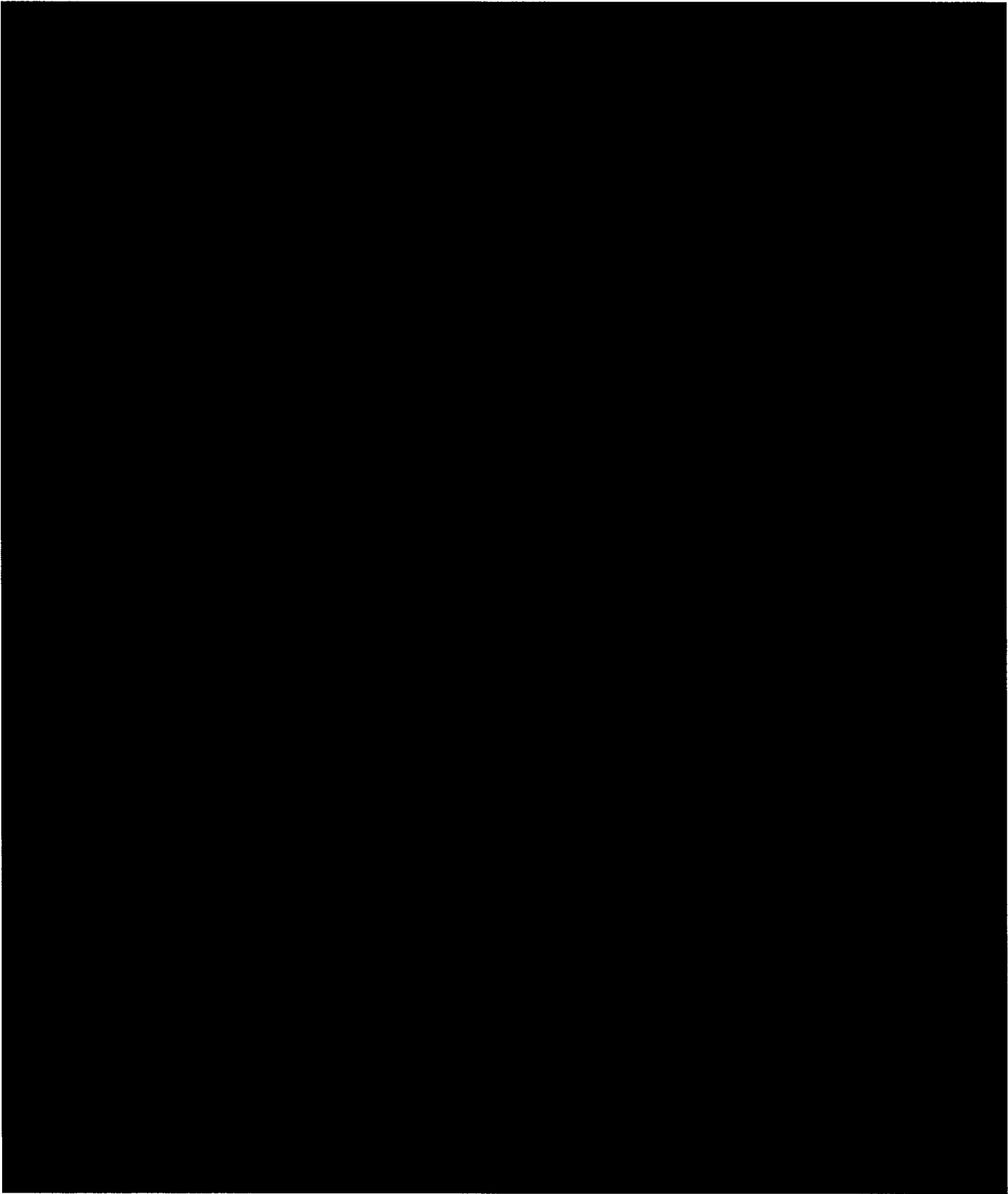












# Hawaiian**Ethos**

CannaGuard Security



CannaGuard Security is the nation's premier Security and Compliance verification company. The Company provides specialized security consulting, security system design, equipment installation, monitoring, and ancillary security services for marijuana cultivators, processors, wholesalers, and retailers.

CannaGuard has worked with over 2000 applicants and licensees across the country. The company has completed over 150 installations in the highly regulated markets of OR and WA alone with a 100% first-inspection approval rate.

CannaGuard Security brings a robust background in security and technology to its operations, along with highly specialized industry knowledge regarding the legal and regulatory requirements for marijuana business security in each state. CannaGuard works very closely with the regulatory agencies not only to ensure licensees are maintaining compliance at all times, but to help make the agencies' jobs easier.

Noah Stokes, founder of CannaGuard, has worked on multiple of advisory committees in the creation of regulations, and has participated in industry conferences and associations educating people across the country on compliance.

Politically, Noah is a member of the Oregon Cannabis PAC and has worked hand in hand with the OLCC in the crafting of the rules and regulations for recreational MJ in Oregon. He is also very active in the fight for normal access to banking for the cannabis industry. He has addressed politicians in DC on multiple occasions, been asked to join senators and representatives press conferences, and testified to joint committees on MJ regulation because of his tireless work in driving the industry forward. He has also trained the OLCC cannabis regulators.

As a founding sponsor of the Cannabis Creative Conference (CCC), CannaGuard was instrumental in the implementation and success of the one of the largest, and arguably most successful cannabis B2B/educational conferences in the state of Oregon to date.

#### **Industry participation:**

- Member, OLCC Rules Advisory Committee, Wholesale Subcommittee
- Member, Oregon Cannabis PAC
- Member, Oregon Cannabis Association
- Founding sponsor, MJBA Portland Chapter
- Advise OLCC on Compliance Verification regulations (helped craft the language for the compliance and security draft rules)
- Testify to Joint Committee for MJ regulations
- Consultant/Trainer for new OLCC inspectors
- Advisor for OHA Updated Rules – per request of Attorney General
- Committee Chair - Security, FOCUS (Foundation of Cannabis Unified Standards), Standards Creation Committee



- Participant, Banking Reform Panel (w/ Senator Wyden, Senator Merkley, Congressman Blumenauer)
- Founding Partner/Industry Representative/Emcee: Cannabis Creative Conference

**Past Conference/Speaker Participation:**

MJ Biz Daily Conference & Expo, Illinois  
Cannabis Creative Conference, Oregon (speaker and emcee)  
NCIA Cannabis Business Conference, Colorado  
CannaCon 1.0 and 2.0, Washington  
CannaCon, Denver  
MJBA, Washington & Oregon  
NCIA, Washington  
OR Cannabis Institute, Oregon

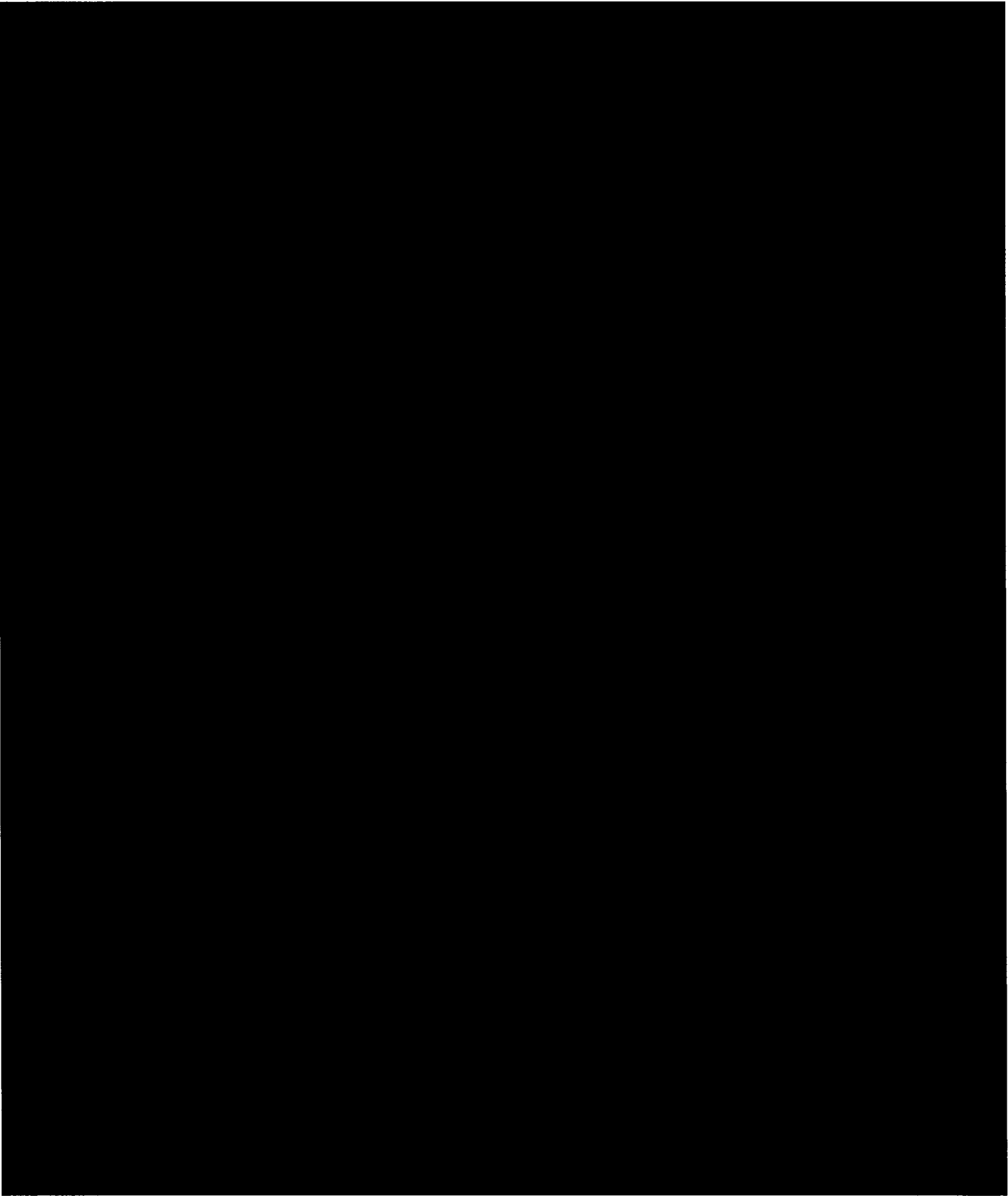
**Press:**

Forbes, Willamette Week, KGW-TV, KATU-TV, Ganjapreneur (full list at [cannaguard.com](http://cannaguard.com))

**Contact:**

Noah Stokes, Founder/CEO  
CannaGuard Security  
O: 844.226.6248  
M: 503.686.8100  
E: [noah@cannaguardsecurity.com](mailto:noah@cannaguardsecurity.com)





**CannaGuard Security**

5755 Jean Rd Ste 101  
Lake Oswego, OR 97035

**Estimate**

Date	Quote #
1/20/2016	849

Name / Address
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Hawaiian Ethos LLC
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Signature \_\_\_\_\_



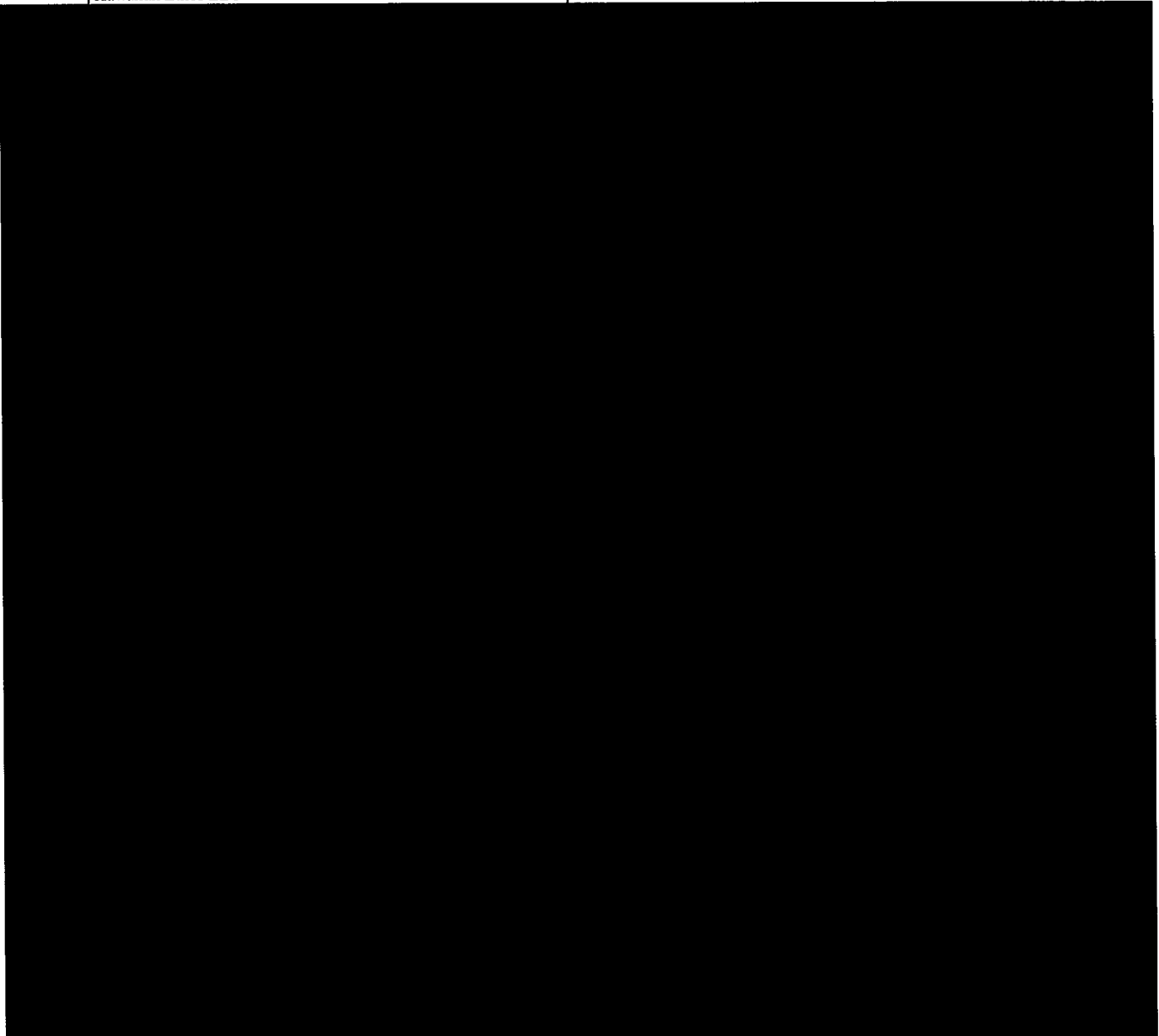
**CannaGuard Security**

5755 Jean Rd Ste 101  
Lake Oswego, OR 97035

**Estimate**

Date	Quote #
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Name / Address
Hawaiian Ethos LLC



Signature





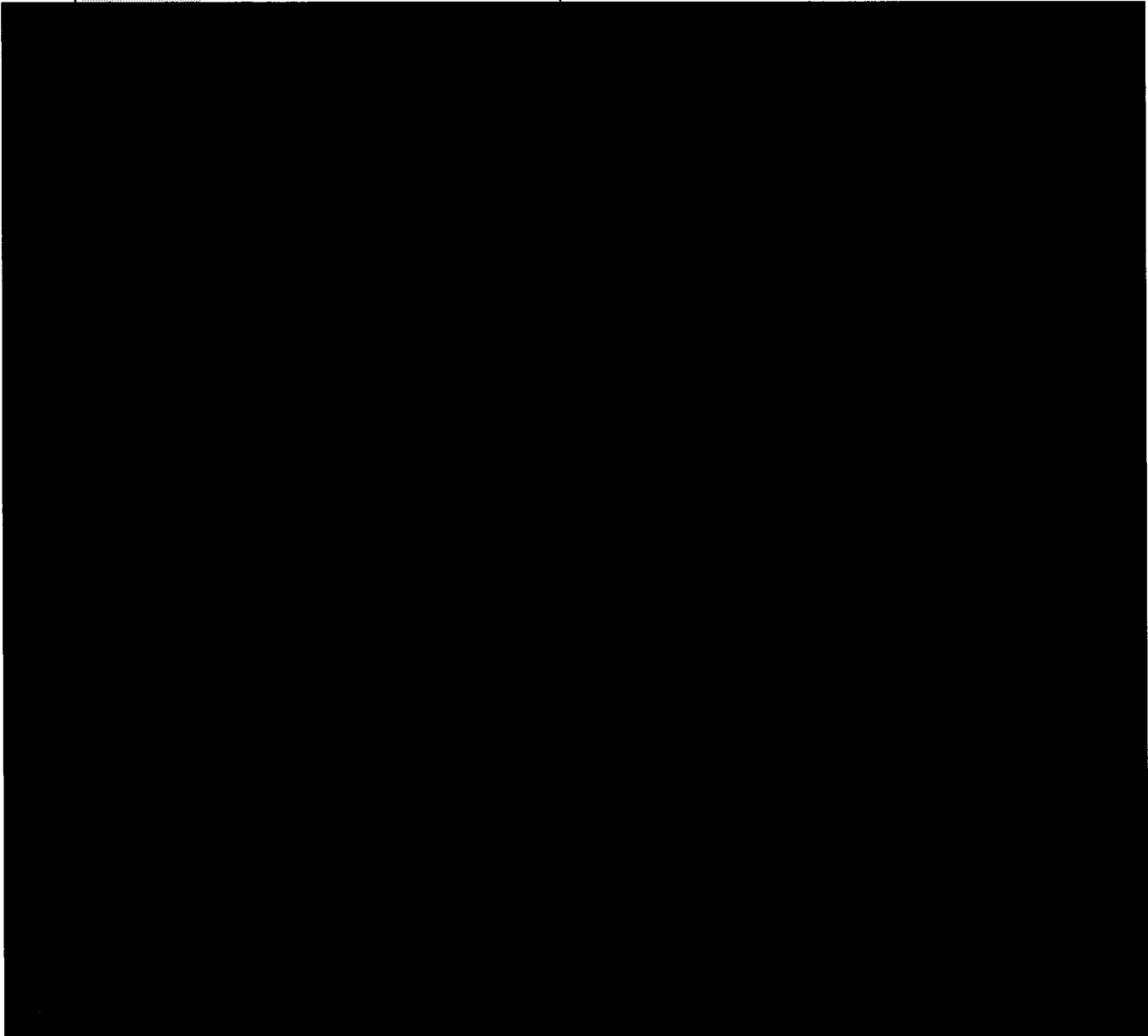
**CannaGuard Security**

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Date	Quote #
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Hawaiian Ethos LLC



Signature \_\_\_\_\_

**CannaGuard Security**

5755 Jean Rd Ste 101  
Lake Oswego, OR 97035

**Estimate**

Date	Quote #
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Name / Address
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Hawaiian Ethos LLC
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Signature

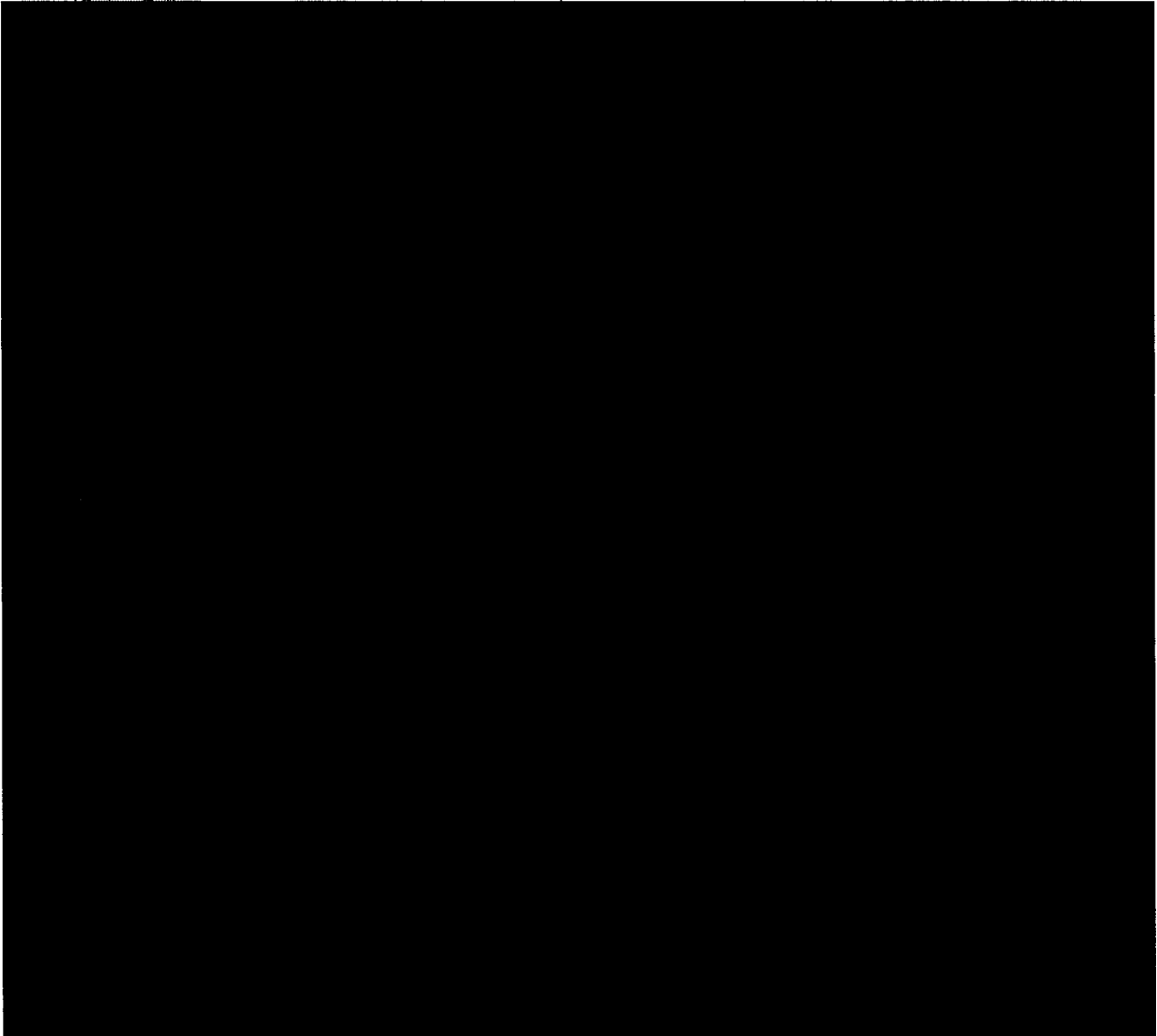


**CannaGuard Security**  
 5755 Jean Rd Ste 101  
 Lake Oswego, OR 97035

## Estimate

Date	Quote #
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Name / Address
Hawaiian Ethos LLC



Signature \_\_\_\_\_



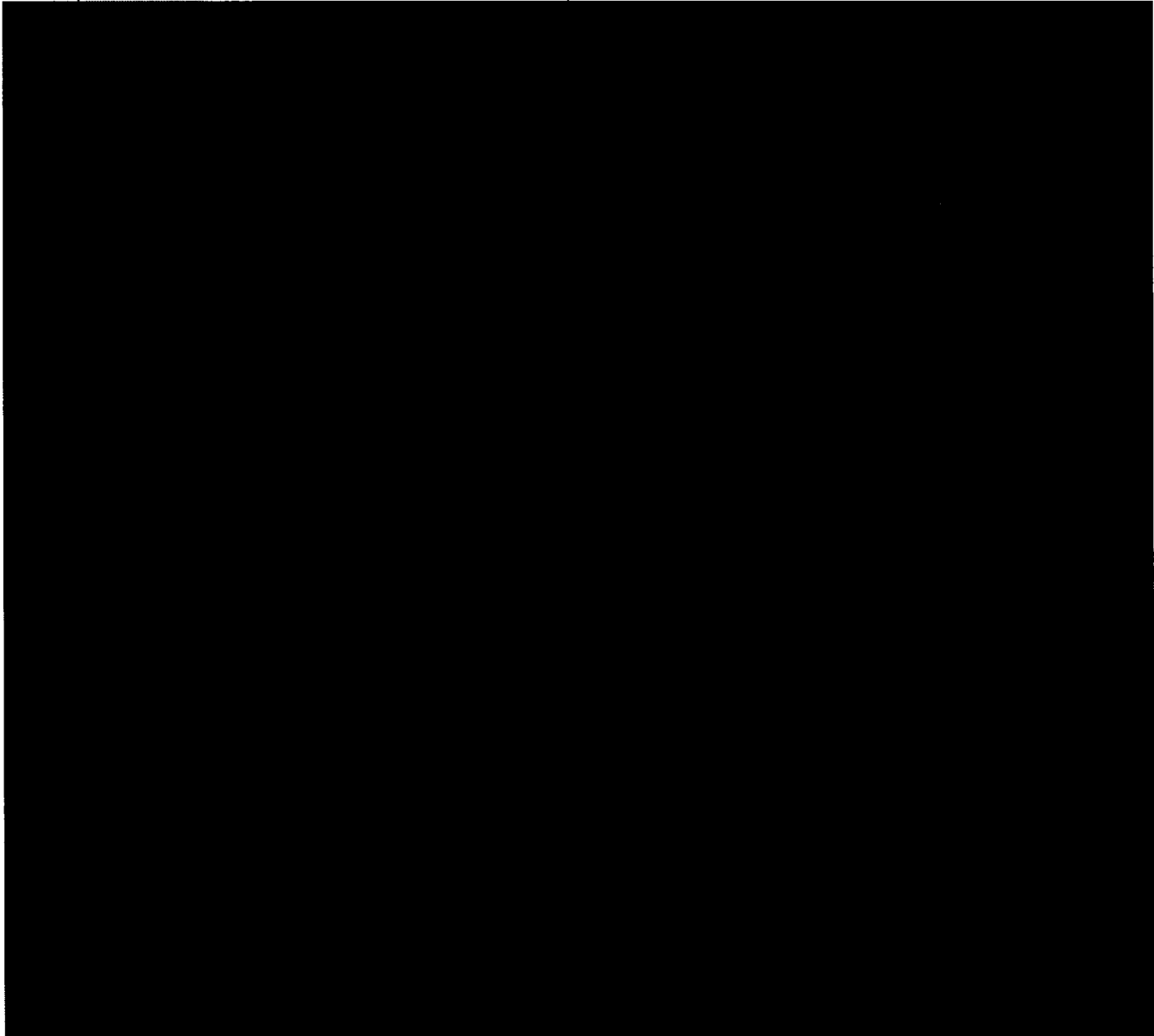
## CannaGuard Security

5755 Jean Rd Ste 101  
Lake Oswego, OR 97035

## Estimate

Date	Quote #
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Hawaiian Ethos LLC



Signature



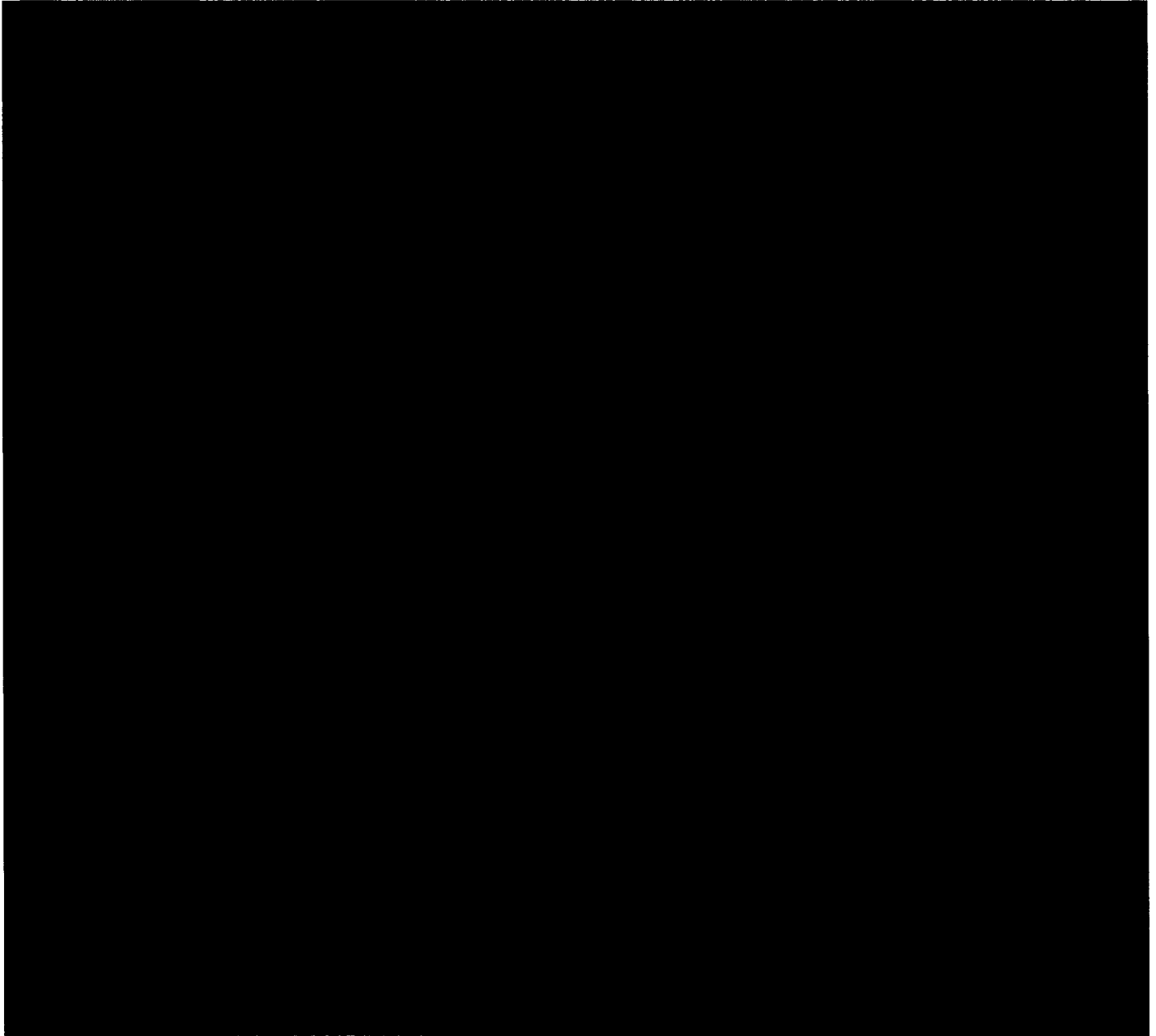
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5755 Jean Rd Ste 101  
Lake Oswego, OR 97035

**Estimate**

Date	Quote #
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Name / Address
Hawaiian Ethos LLC



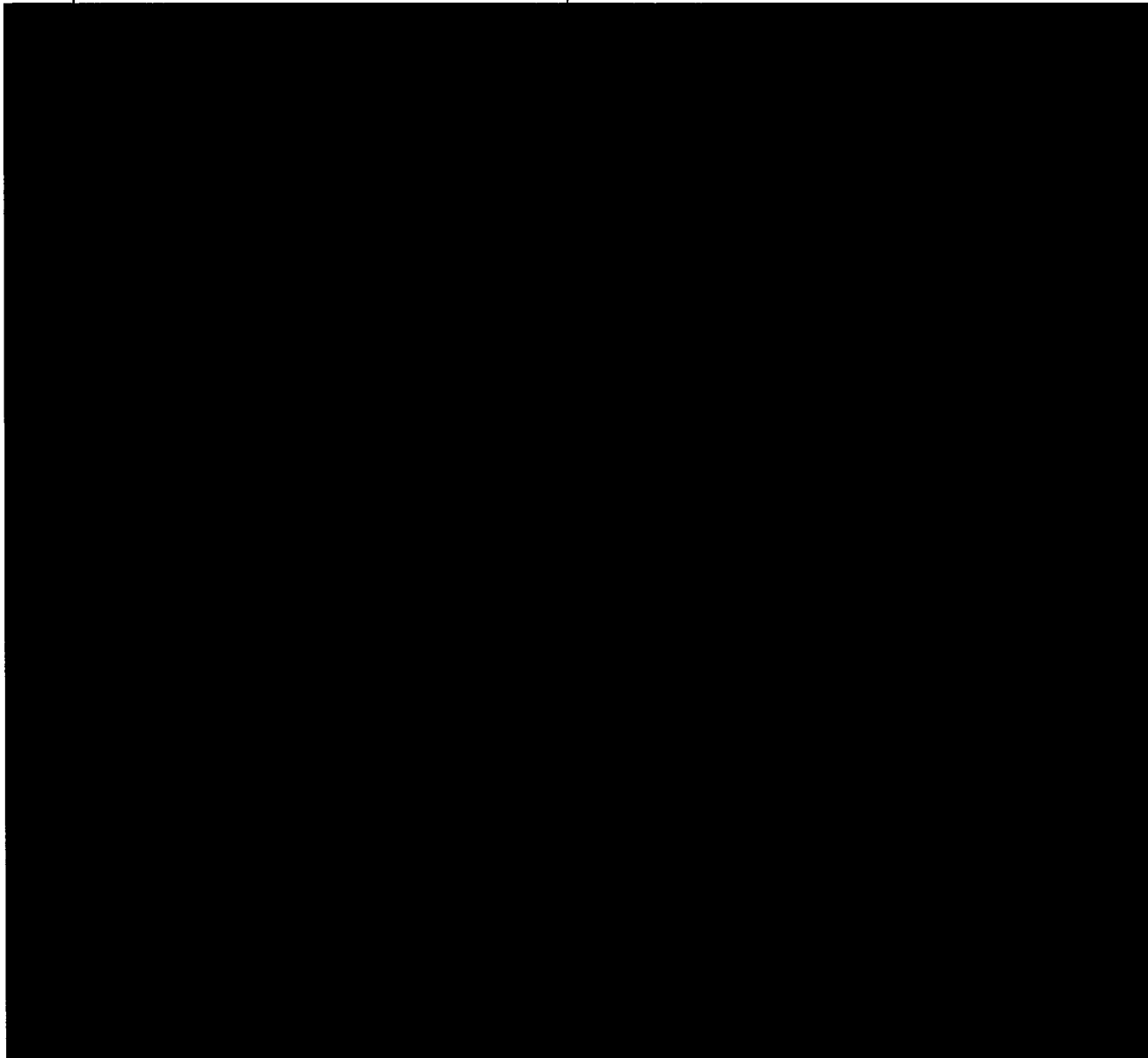
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5755 Jean Rd Ste 101  
Lake Oswego, OR 97035

**Estimate**

Date	Quote #
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Name / Address
Hawaiian Ethos LLC



Signature

**CannaGuard Security**

5755 Jean Rd Ste 101  
Lake Oswego, OR 97035

**Estimate**

Date	Quote #
1/26/2016	876

Name / Address
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Hawaiian Ethos LLC
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Signature \_\_\_\_\_



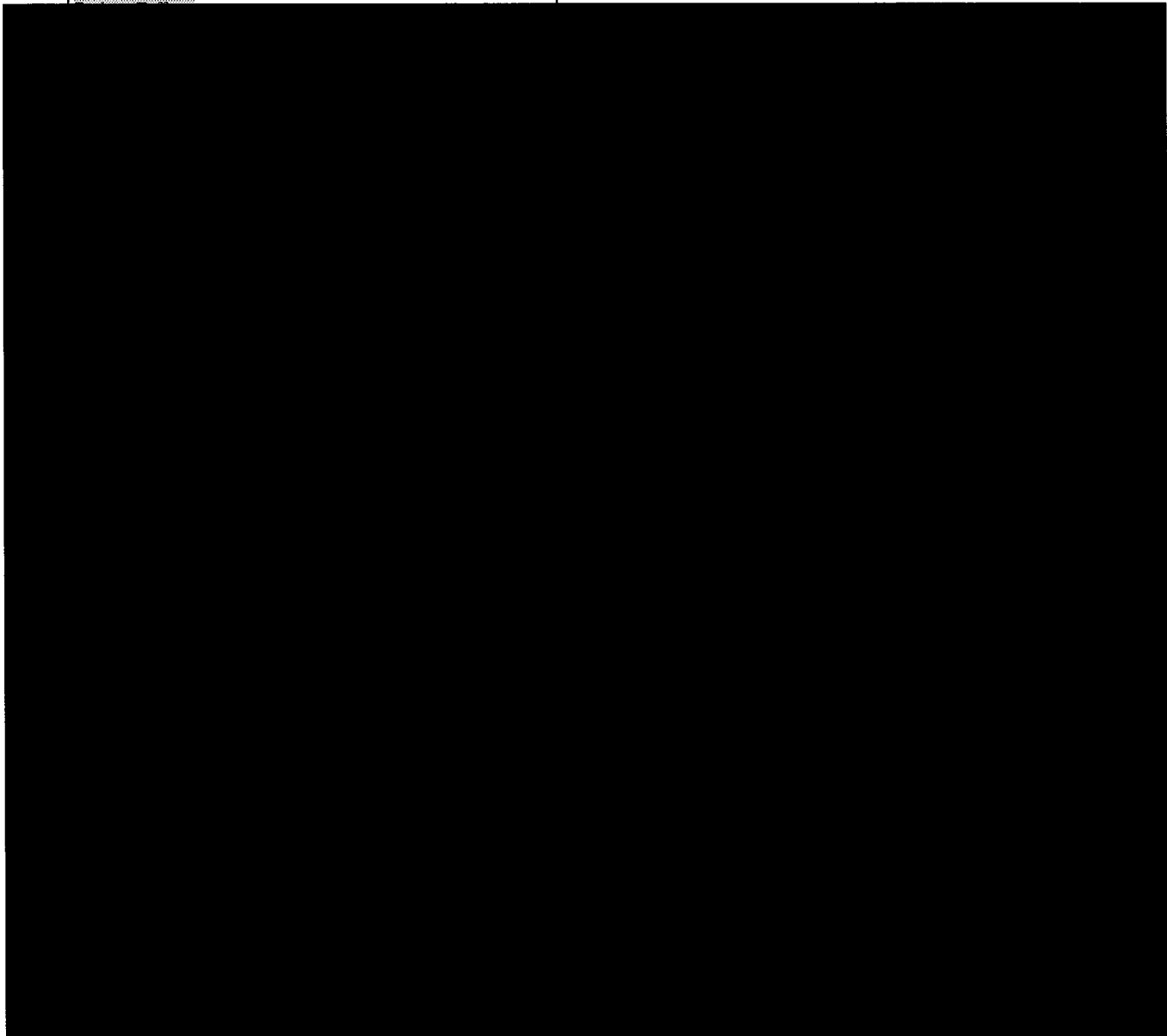
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Lake Oswego, OR 97035

**Estimate**

Date	Quote #
1/26/2016	877

Name / Address
Hawaiian Ethos LLC



Signature





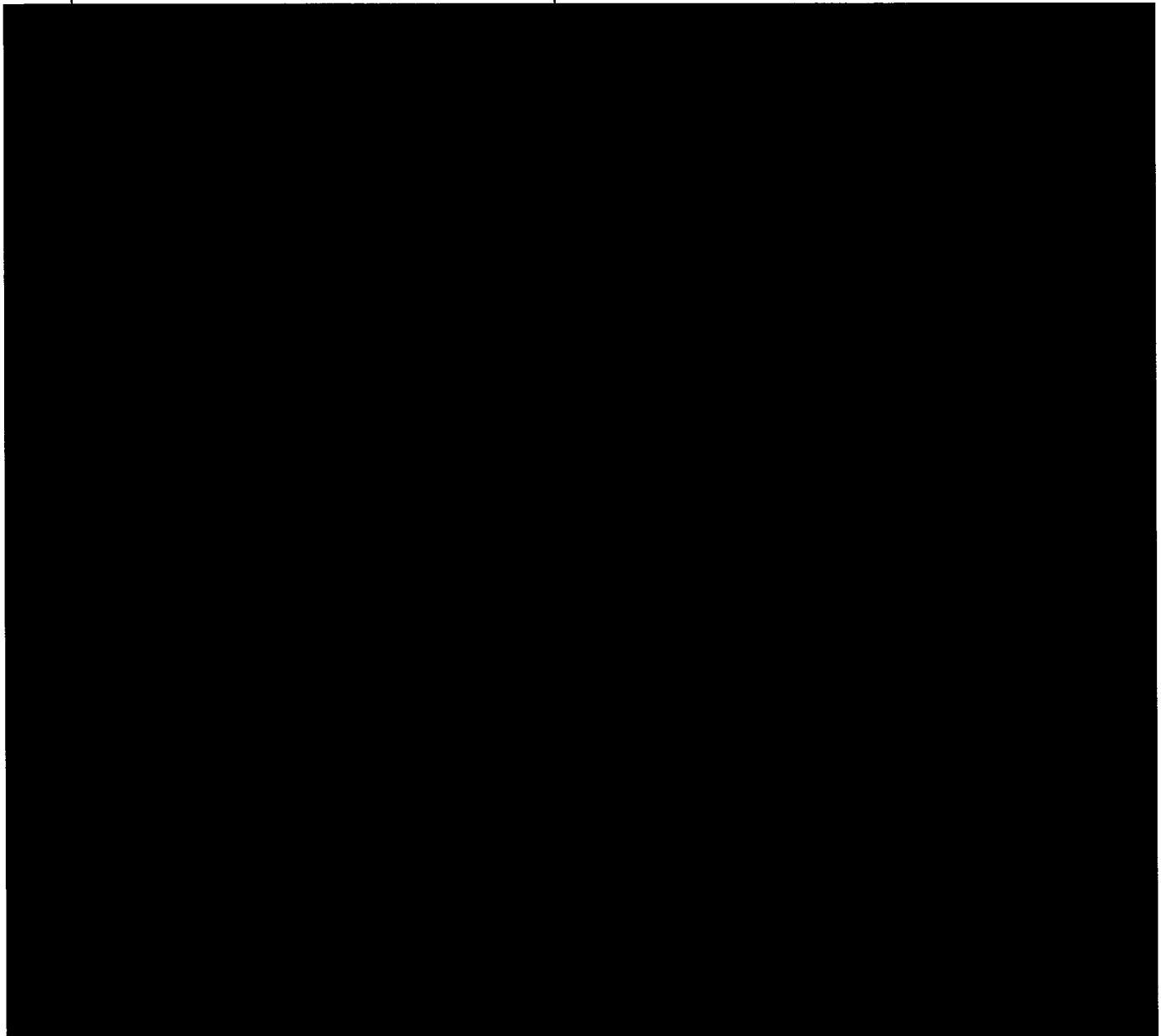
## CannaGuard Security

5755 Jean Rd Ste 101  
Lake Oswego, OR 97035

## Estimate

Date	Quote #
1/26/2016	877

Name / Address
Hawaiian Ethos LLC



Signature \_\_\_\_\_

# Hawaiian**Ethos**

CatchFire Dispensary Auditing Services



From: Kimberly Nasief

10200 Forest Green Blvd., Suite 112

Louisville, KY 40223

502-345-4692

To: Hawaiian Ethos & Other Concerned Parties

This letter is written on behalf of CatchFire CX, a division of Measure Consumer Perspectives, to serve as a formal intention to provide mystery shopping, brand auditing, and third party compliance checks for Hawaiian Ethos dispensaries. I have spoken with Chris Whidden at Hawaiian Ethos and analyzed their specific needs and thus feel confident writing this letter as public demonstration of our intention to provide solutions within the context of our expertise.

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

CatchFireCX also provides end-to-end solutions to dispensaries, compliance firms, cultivation sites, banks and infused product manufacturers that need both technological solutions and / or ways to ensure that clients, customers, patients, employees, and prospects are compliant with municipal and state regulations. Because we have a global workforce, we are able to quickly scale and move where our clients need us, which we are pleased to announce, includes Hawaii.

CatchFireCX uses traditional, mobile, geocoded, and hidden recording technologies in order to bring our 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 technology solutions, and stellar customer service, in a highly scalable way.

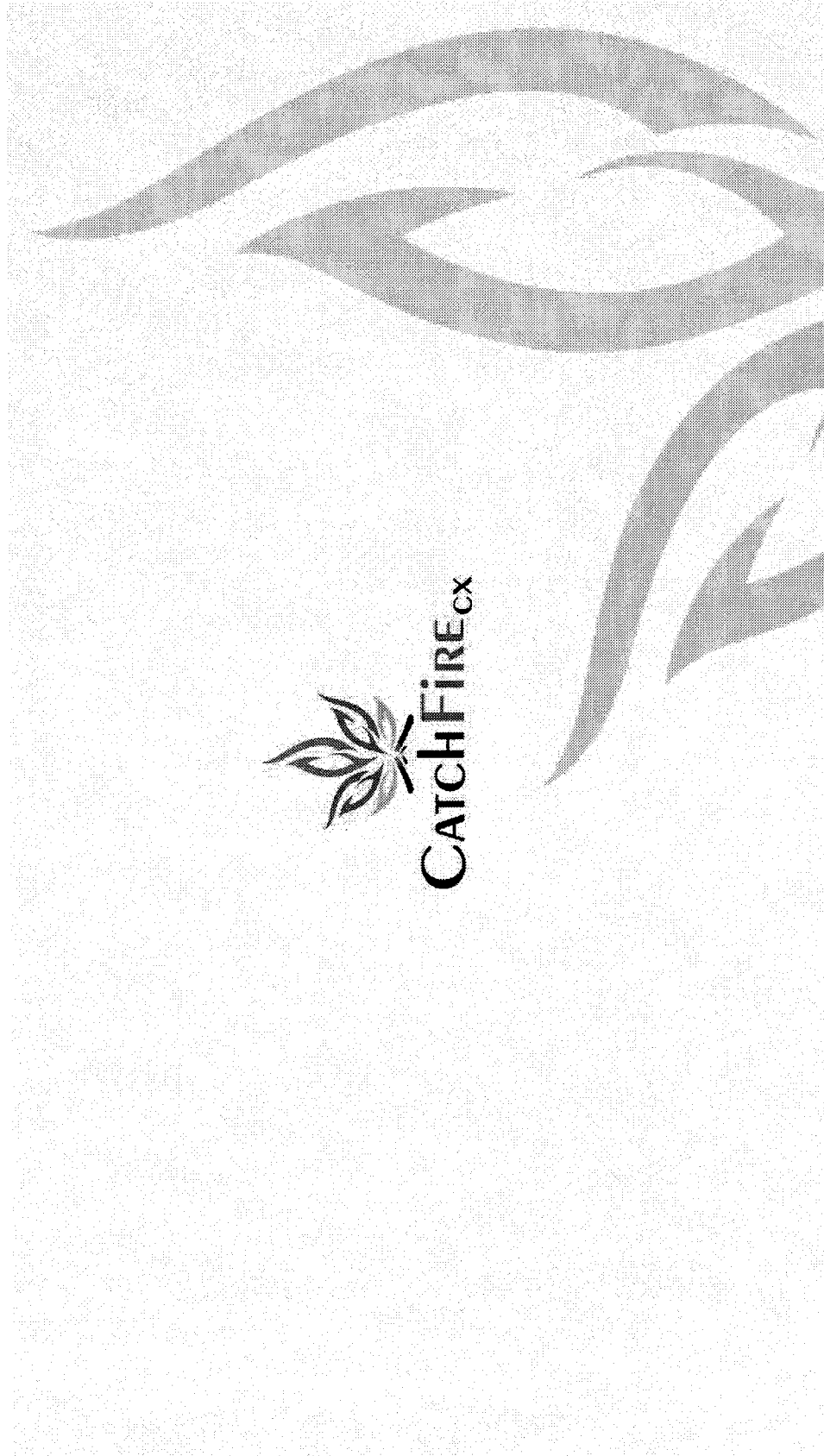
**We believe in Hawaiian Ethos' ability to follow through on their mission and business plan and are looking forward to contributing our expertise and services to their work.**

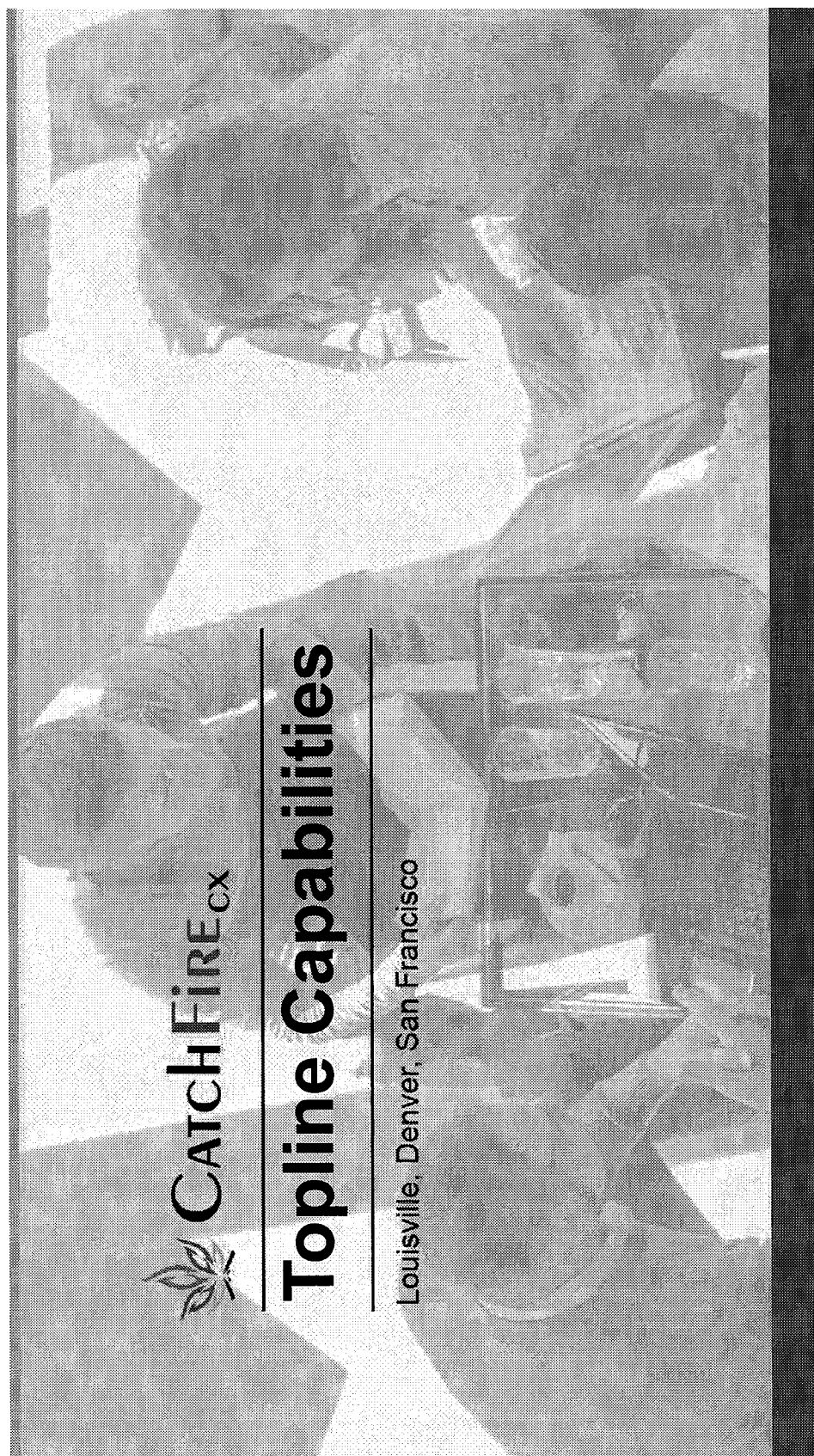
If you have any questions about our agreement, feel free to contact me at (502-345-4692)

Thank you,

Sincerely,

-----  
Kimberly Nasief, CEO





## Topline Capabilities

Louisville, Denver, San Francisco



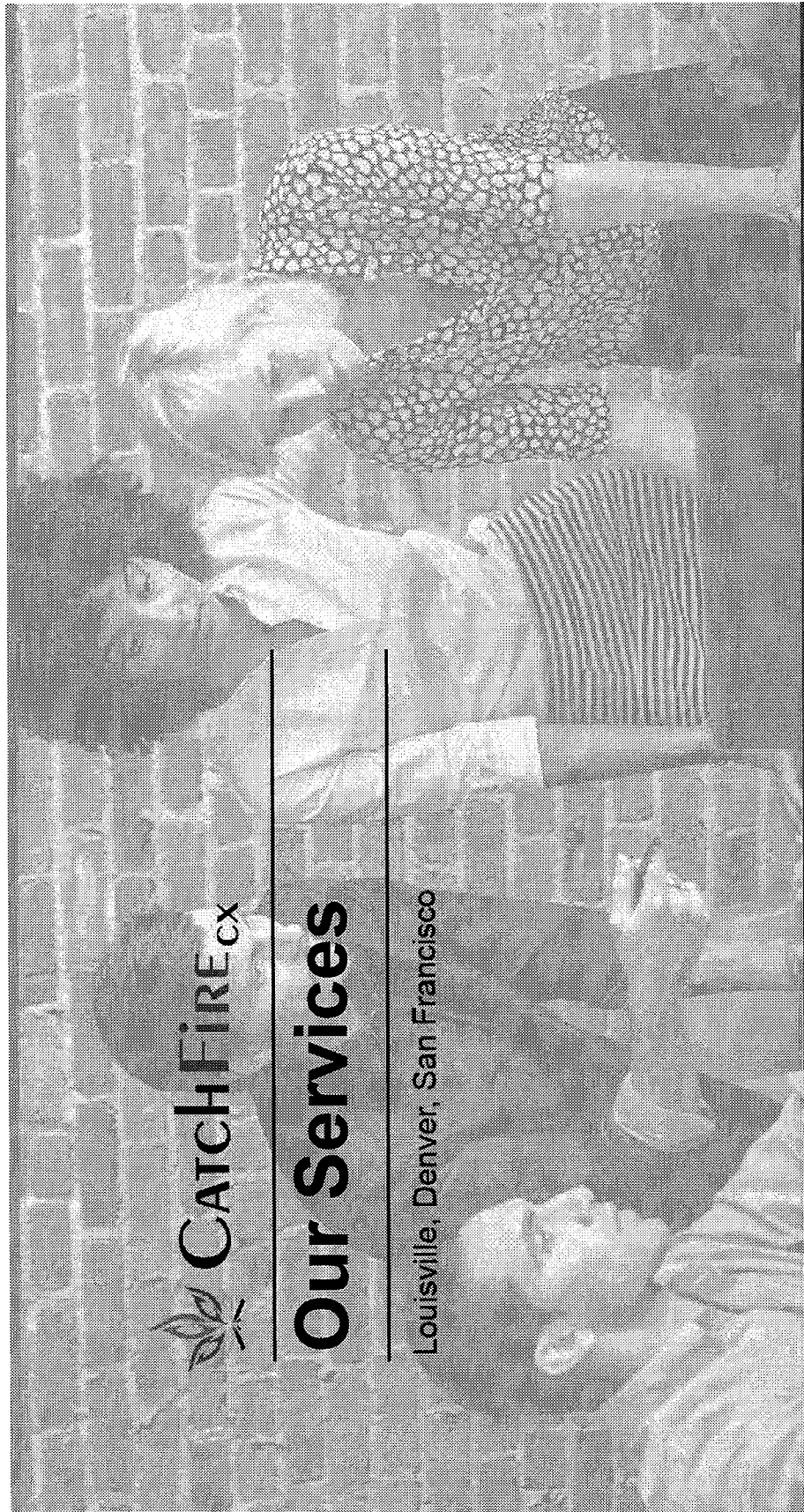
#### About CatchFireCX


## Engage • Understand • Activate

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

CatchFireCX also provides end-to-end solutions to dispensaries, compliance firms, cultivation sites, banks and infused product manufacturers that need both technological solutions and / or ways to ensure that clients, customers, patients, employees, and prospects are compliant with municipal and state regulations. Because we have a global workforce, we are able to quickly scale and move where our clients needs us.

CatchFireCX uses traditional, mobile, geocoded, and hidden recording technologies in order to bring our 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 technology solutions, and stellar customer service, in a highly scalable way.



 **CATCHFIRE<sub>cx</sub>**

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**Our Services**

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Louisville, Denver, San Francisco

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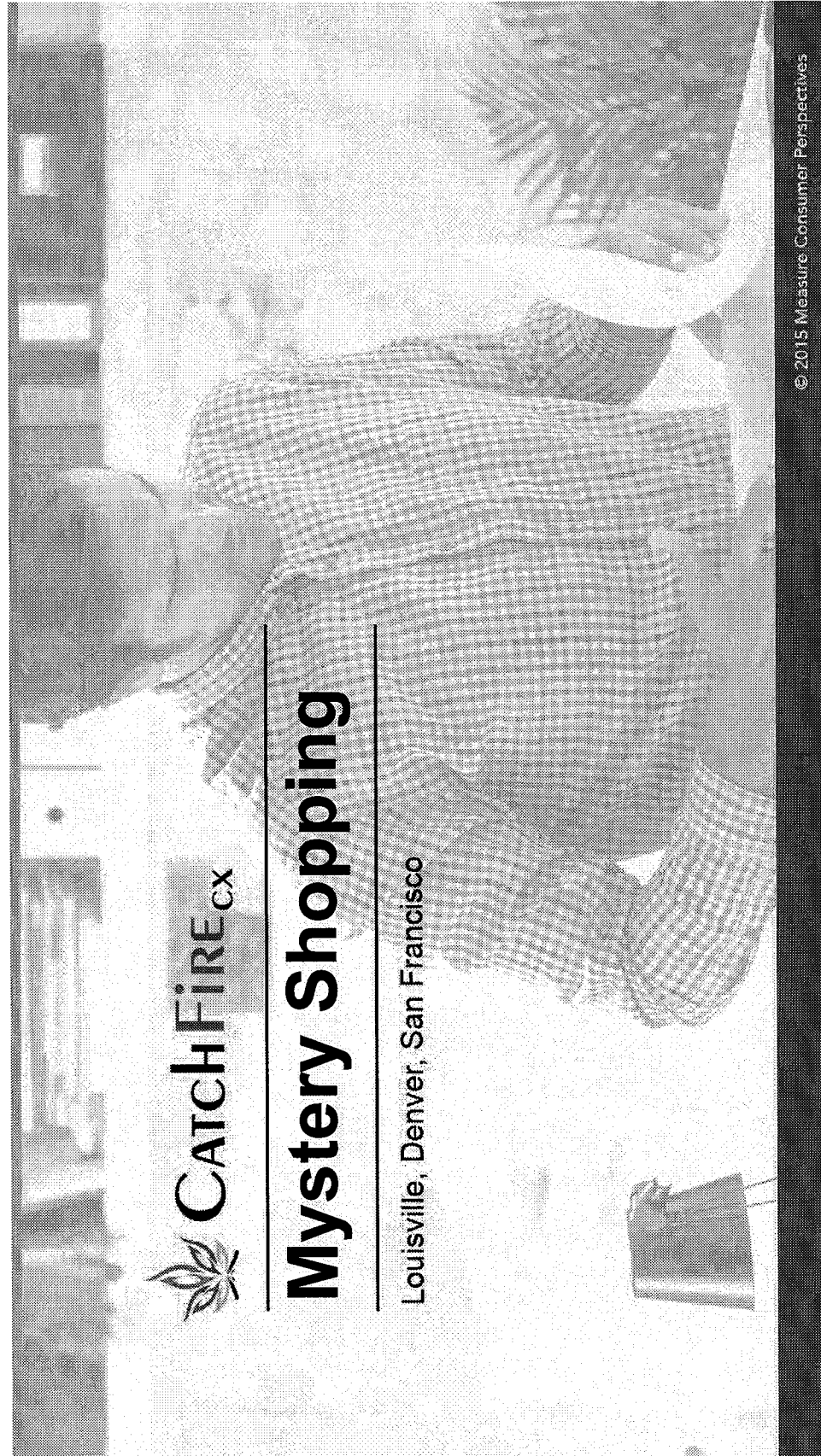
## Services


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 weaves its way 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 fully developed, secure platform that allows us to scale with our clients, as well as our clients' clients, regardless 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 data by our agents. It also allows our clients to use the very same platform to submit data, in real time, when they are on the premises of their business, or their clients' business. Therefore, we are able to allow firms the scalability, flexibility, and ease of real time data collection or input while in the field, regardless of what is being assessed (Think: New license pre-opening regulatory compliance, to cultivation site checklists).





 **CATCHFIRE<sub>CX</sub>**

---

**Mystery Shopping**

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Louisville, Denver, San Francisco

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### Mystery Shopping

**Mystery Shopping** - We 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. The benefit for dispensaries with multiple locations, and as brands continue to expand within the state, and outside of the state, is that brands can ensure a consistent, duplicable customer service experience, regardless of where the consumer interacts 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, grows, law firms, etc. To evaluate their own compliance grow or dispensary can access the state registry we built into the system, or can upload their own compliance checklist or day to day checklist



 **CATCHFIRE<sub>CX</sub>**

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# Action Planning

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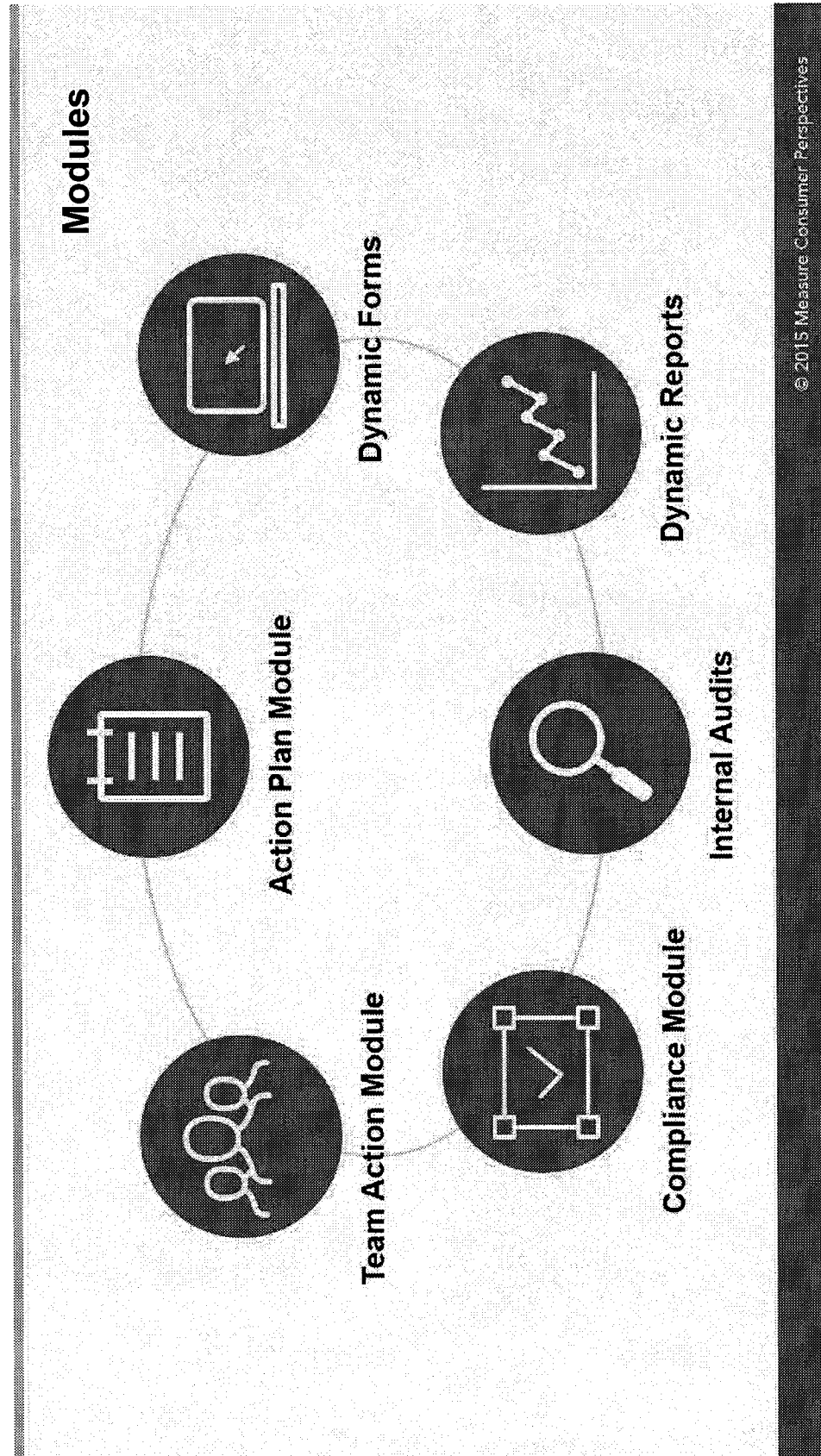
### Action Planning


Now, whenever audits or mystery shops uncover critical issues, an Action Plan is immediately sent to everyone involved (managers, vendors, senior leadership...) that details what the problem is, what must be done 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 wins.

Here's how it works: We / White Label Client develop Action Plans for critical issues. When these issues are uncovered (by mystery shoppers, internal auditors, or both) an Action Plan is generated and sent to everyone necessary to correct the problem. It comes complete with a deadline, and all the steps necessary to 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. A Light bulb Action Plan gets triggered, telling the location manager that they have to 1) Confirm the issue, 2) Contact maintenance to get the bulbs replaced and 3) take a picture of the newly-replaced bulbs to assure senior leadership that the issue was resolved. This all happens automatically, and with an incredible client interface that allows everyone to manage, track and trend Action Plans with ease.





**CatchFire<sub>cx</sub>**

**800,000 people nationwide where it's medically legal**

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#### Age Compliance Shops

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

As such, those businesses contract with us and our parent company to conduct covert operations to look out for potential age compliance or medical ID card issues. This type of program helps mitigate risk, avoid fines, and keeps you from losing a license. It also helps keep employees keen and aware and doing 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 toll-free 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 (double opt-in 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



**CATCHFIRE<sup>cx</sup>**

Employee and Vendor Satisfaction

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

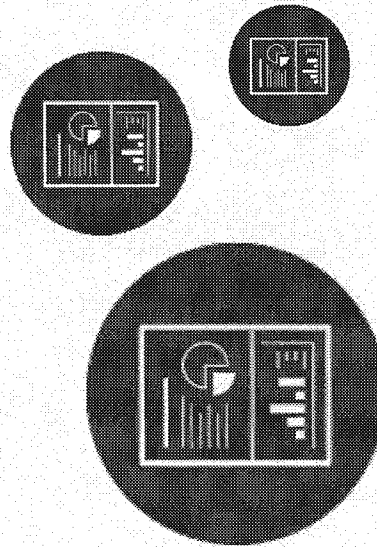
Conduct Entrance Interviews (when a new employee is hired) to determine why the employee wanted to work for the organization, what they hope to learn, and what the employee onboarding process was like.

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.



## Advanced Analytics

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





### Call Tracking and Grading

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

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

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## Reporting

The CatchFireCX system isn't just a repository for data. It comes complete with reporting. There are well over 40 customized reports in the system to demonstrate rank, trending, by score, dashboards, etc. There are also ad hoc reporting tools that allow clients to slice and dice the data in infinite ways. The data can be accessed and restricted based on hierarchical permissions and restrictions.

Reporting within the survey  
or audit

Visualization

Dashboarding

Stacked trending

KPI Measurement

Performance by question

Specified areas for

improvement

Location based coaching

Aggregate Excellence Report, distributed  
to hierarchy leaders Hierarchy-level

visualization

Hierarchy-level Dashboarding

Hierarchy-level Stacked ranking

Hierarchy-level KPI Measurement

Hierarchy-level performance by question

Hierarchy-level specified areas for

improvement



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

# 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 varietals 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 varietals 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 out-sourced 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.

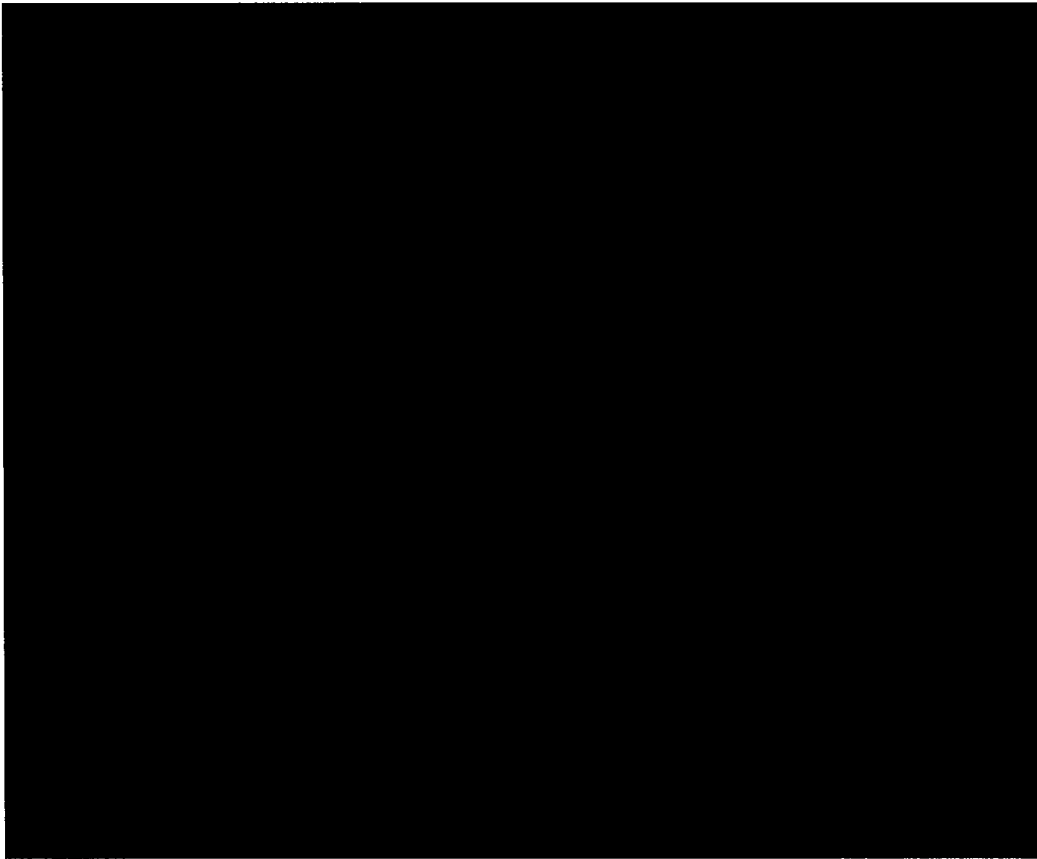
### *Methods of Training:*

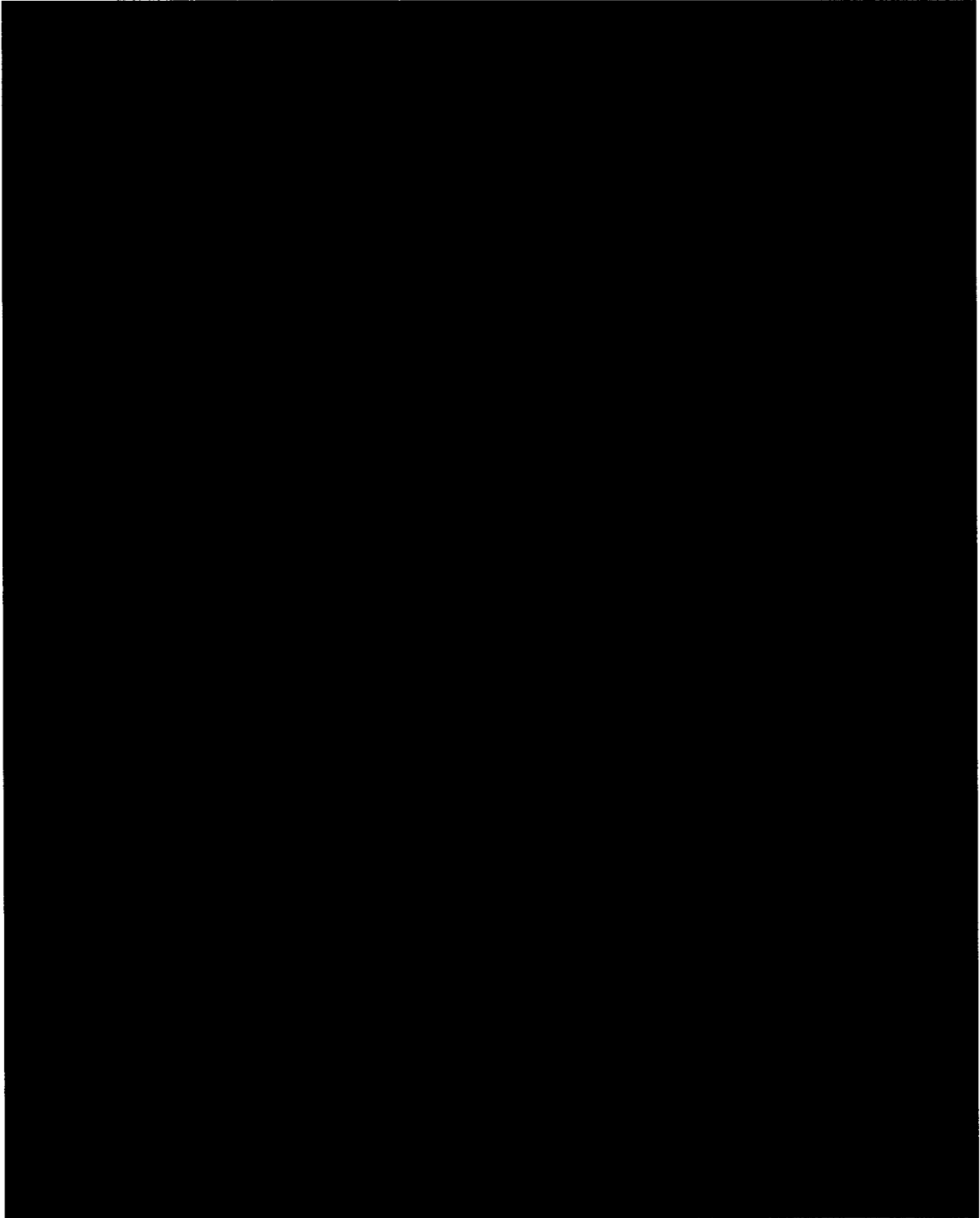
Hawaiian Ethos employees will receive specialized training in the following areas from third party experts: Basic Medical Marijuana Education provided by Clover University, HIPAA Patient Confidentiality Training from by our partners at Supremus Group, Safety and Security

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

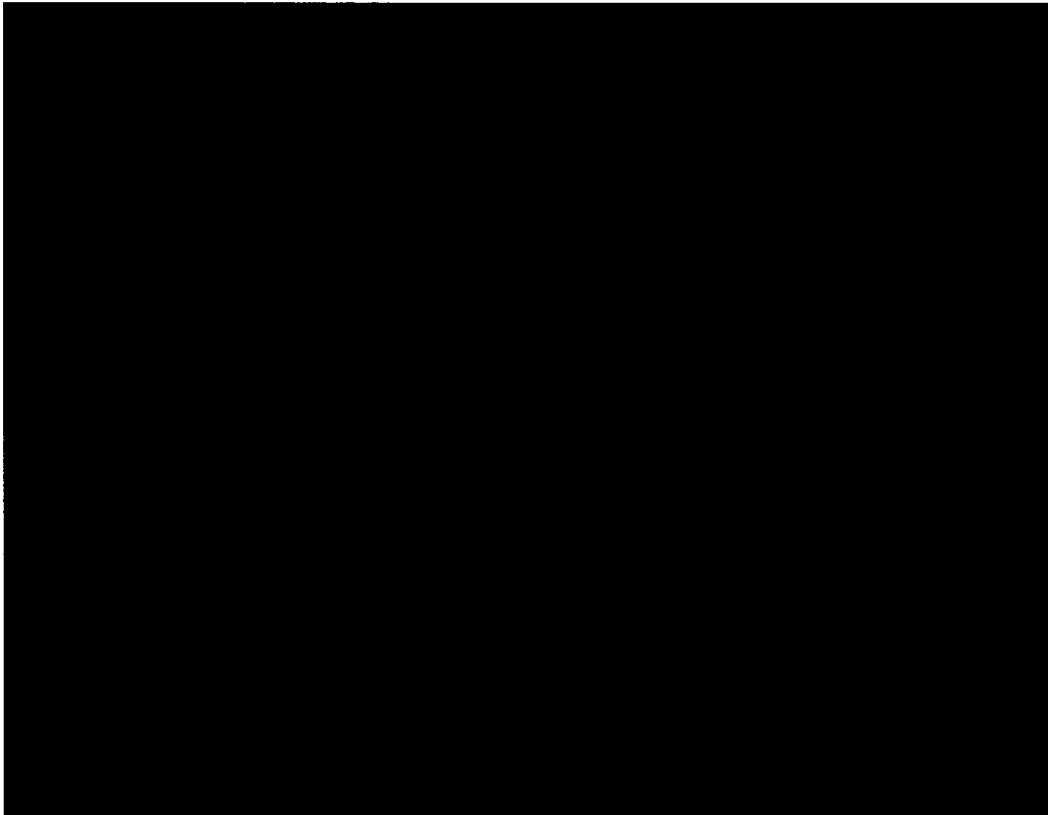
*Safety and Security:*

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](http://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:

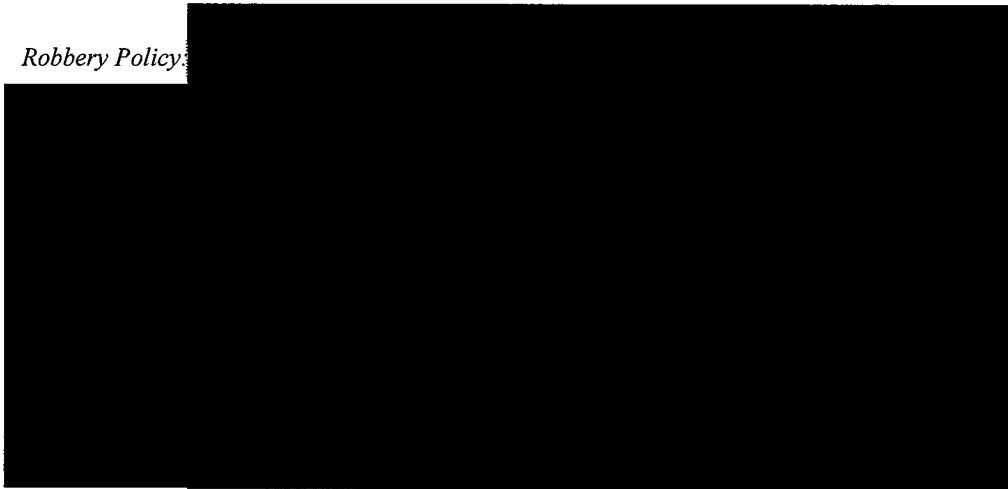
- Each day’s starting inventory
- Acquisitions
- Sales
- Disbursements
- Disposal of unusable Medical Marijuana inventory

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

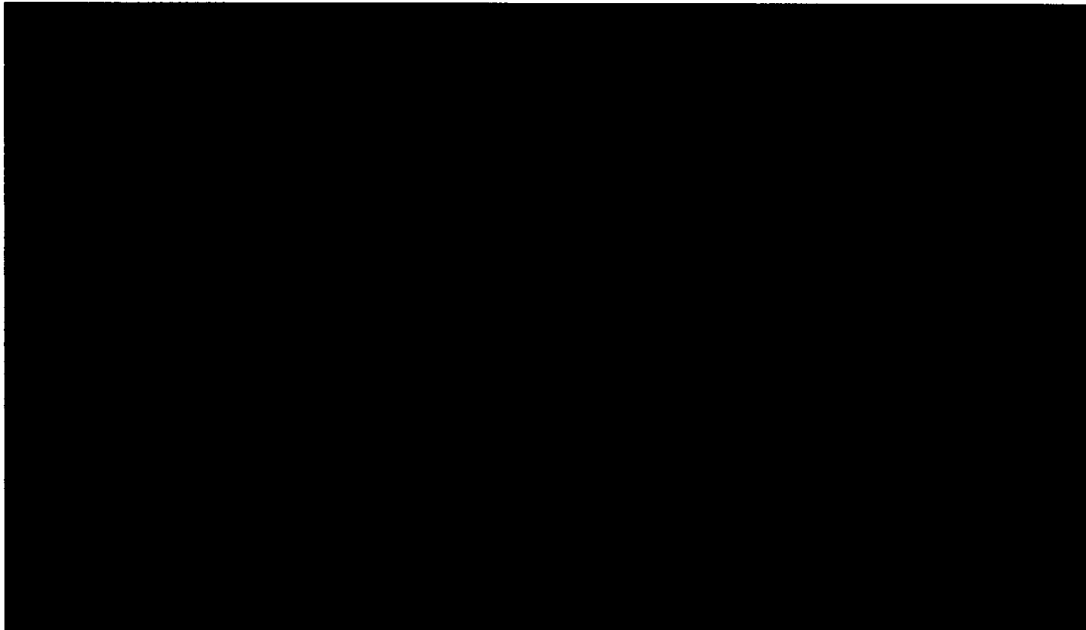
activity by an employee at Hawaiian Ethos, the dispensary shall report the employee to the DOH and to the appropriate law enforcement agencies.

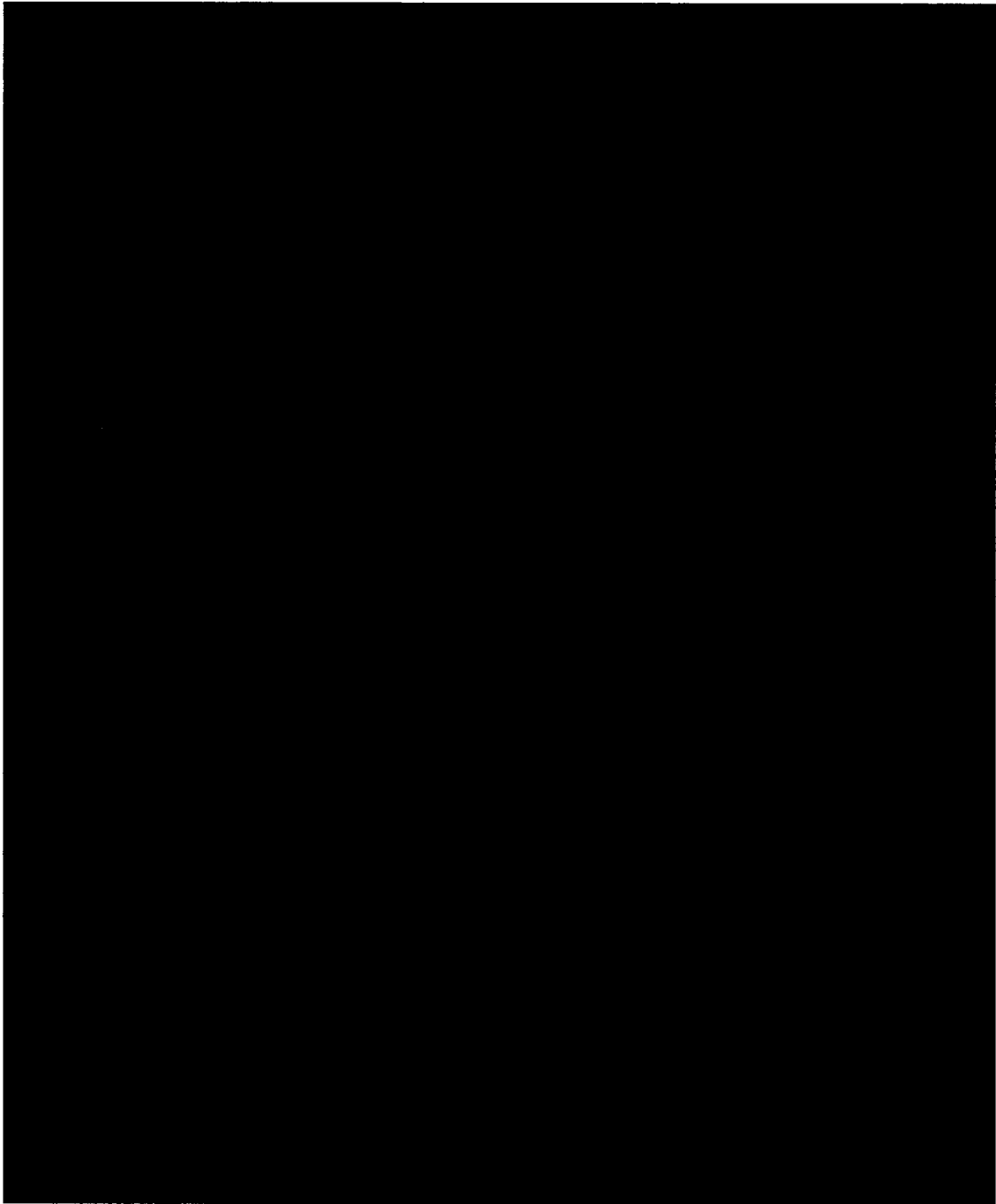
#### IN THE EVENT OF AN EMERGENCY

##### *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

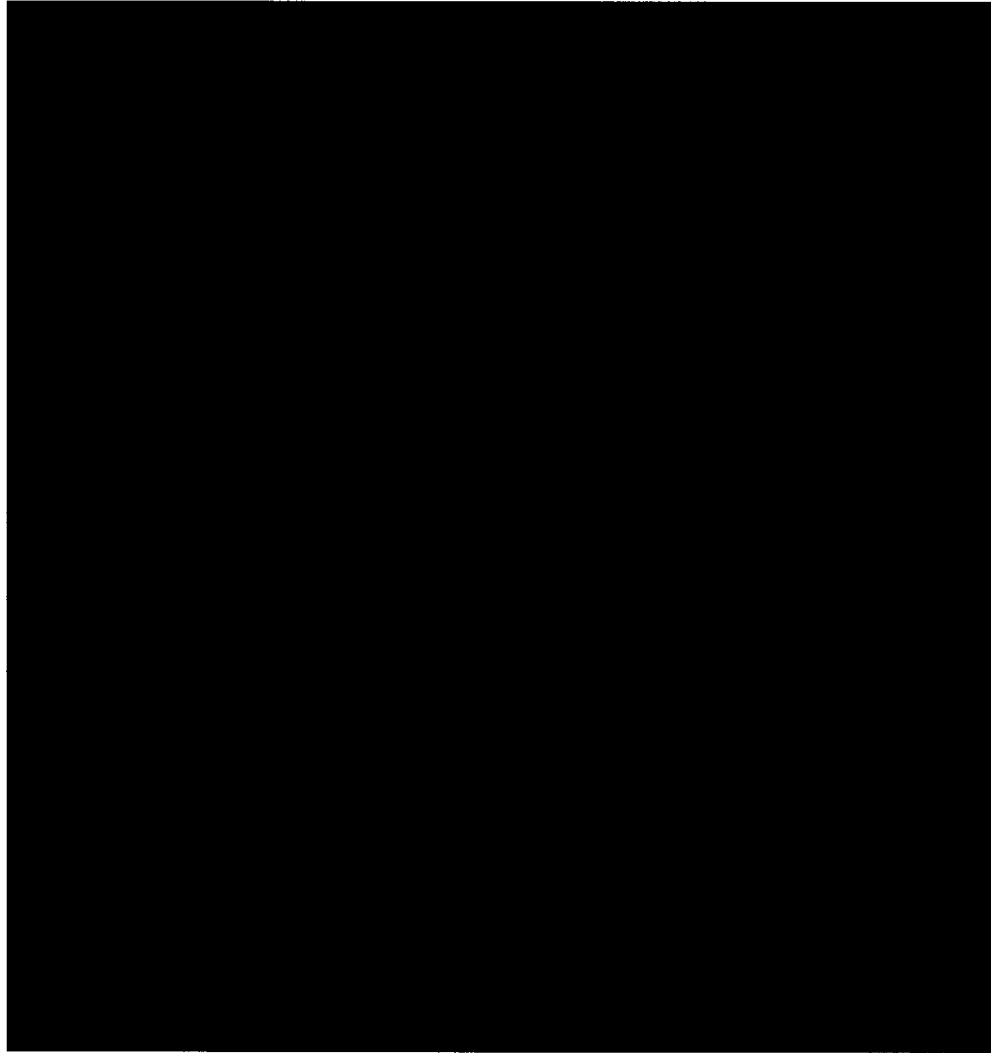
Hawaiian Ethos wishes to maintain a work environment that is free of illegal drugs, alcohol, firearms, explosives, or other improper materials. To this end, Hawaiian Ethos prohibits the possession, transfer, sale, or use of such materials on its premises. Hawaiian Ethos requires the cooperation of all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

## Hawaiian Ethos Employee Manual

# **HAWAIIAN ETHOS**

## *EMPLOYEE HANDBOOK AND CODE OF ETHICS*



## RECEIPT OF HAWAIIAN ETHOS EMPLOYEE HANDBOOK

The Employee Handbook is a compilation of personnel policies, practices and procedures currently in effect at Hawaiian Ethos, an equal opportunity employer. The Manual handbook and the information within it are confidential.

This handbook is designed to introduce employees to the organization, familiarize you with Hawaiian Ethos policies as they pertain to you as an employee, provide general guidelines on work rules, disciplinary procedures and other issues related to your employment, and to help answer many of the questions that may arise in connection with your employment.

This handbook and any other provisions contained herein do not constitute a guarantee of employment or an employment contract, express or implied. You understand that your employment is "at-will" and that your employment may be terminated for any reason, with or without cause, and with or without notice. Only the CEO or other authorized representative(s) of Hawaiian Ethos has the authority to enter into a signed written agreement guaranteeing employment for a specific term. This handbook is intended solely to describe the present policies and working conditions at Hawaiian Ethos. This handbook does not purport to include every conceivable situation; it is merely meant as a guideline and, unless laws prescribe otherwise, common sense shall prevail. Of course, federal, state and local laws will take precedence over Hawaiian Ethos policies when applicable.

Personnel policies are applied at the discretion of Hawaiian Ethos. Hawaiian Ethos reserves the right to change, withdraw, apply or amend any of our policies or benefits, including those covered in this handbook, at any time. Hawaiian Ethos may notify you of such changes via email, or via a printed memo, notice, amendment to or reprinting of this handbook, but may, in its discretion, make such changes at any time, with or without notice and without a written revision of this handbook.

By signing below, you acknowledge that you have received a copy of Hawaiian Ethos Employee Handbook, and understand that it is your responsibility to read and comply with the policies contained within it and any revisions made to it. Furthermore, you acknowledge that you are employed "at-will" and that this handbook is neither a contract of employment nor a legal document.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Please print your full name

Please sign and date one copy of this notice and return it to Human Resources. Retain a second copy for your reference.

## WELCOME MESSAGE

Dear Valued Employee,

Welcome to Hawaiian Ethos! We are pleased with your decision to join our team.

Hawaiian Ethos is committed to providing superior quality and unparalleled customer service in all aspects of our business. We believe each employee contributes to the success and growth of our company.

This handbook is designed to acquaint you with Hawaiian Ethos and provide you with general information about working conditions, benefits and policies affecting your employment.

The information contained in this handbook applies to all employees of Hawaiian Ethos. Following the policies detailed within the handbook is considered a condition of continuous employment. The contents of this manual shall not constitute nor be construed as a promise of employment or as a contract between Hawaiian Ethos and any of its employees. The handbook is a summary of our policies, which are presented here only as a matter of information.

You are responsible for reading, understanding and complying with the provisions of this handbook. Our objective is to provide you with a work environment that is constructive to both personal and professional growth.

Welcome aboard. We look forward to working with you!

Sincerely,

CEO

## CHANGE POLICY

Hawaiian Ethos understands that change is a very important part of growth. Therefore, we reserve the right to modify, suspend, cancel or question all provisions of this handbook with or without notice; any and all parts of our policies, procedures, and benefits at any time. Changes will be effective and updated on the dates designated by Hawaiian Ethos, and subsequently all previous policies and regulations will be applicable.

Please note that individual managers or supervisors do *not* have the authority to alter or change any policies on their own.

Please consult a supervisor or the Director of Human Resources with any clarifying questions on unclear policies and/or procedures.

## HAWAIIAN ETHOS EVENTS

At times, social events will be hosted by Hawaiian Ethos for employees to attend. These events may take place due to the hiring or promotion of an employee, or for other reasons.

Some events will be celebrated with a group luncheon, arranged by management. Other events (such as employee birthdays or service anniversaries) will be recognized with a card or gift from Human Resources. At times, Hawaiian Ethos may also host parties or social gatherings outside of working hours. These events may take place to celebrate holidays or Hawaiian Ethos successes, or for many other reasons.

At all Hawaiian Ethos social functions, employees are responsible for behaving in a professional manner. While alcohol may be served, employees should refrain from becoming intoxicated in order to avoid disruptive behavior.

Even at social functions, employees must remember that they are representing Hawaiian Ethos and need to ensure that they are upholding Hawaiian Ethos' positive reputation at all times.

## GENERAL EMPLOYMENT

### NATURE OF EMPLOYMENT

The policies set forth in this employee handbook are the policies that are in effect at the time of publication. They may be amended, modified, or terminated at any time by Hawaiian Ethos, except for the policy on at-will employment, which may be modified only by a signed, written agreement between Hawaiian Ethos partners and the employee act issue. Nothing in this

handbook may be construed as creating a promise of future benefits or a binding contract between Hawaiian Ethos and any of its employees.

## EQUAL OPPORTUNITY

Hawaiian Ethos is committed to creating a diverse environment and is proud to be an Equal Opportunity employer. Hawaiian Ethos hires employees based upon qualifications and capabilities to perform the essential functions of the particular job. Pursuant to this commitment, Hawaiian Ethos does not discriminate on the basis of sex, gender or gender identity; race; color; national origin; religion; creed; age; disability; citizenship; marital or domestic partnership status; sexual orientation or affectional status; genetic predisposition or carrier status; military or veteran status.

This Equal Opportunity policy is a constant throughout all aspect of employment and including, but not limited to, selection, job assignment, compensation, discipline, termination, and access to benefits and training.

In order to maintain a safe and supportive work environment, Hawaiian Ethos strongly urges the report of all instances of discrimination and prohibits retaliation against any individual who reports discrimination or participates in an investigation of such report.

## ETHICS

At Hawaiian Ethos, employees are held to the utmost ethical standard at all times. Because our employees are all representations of Hawaiian Ethos, and all actions of each individual are a reflection of Hawaiian Ethos itself. We encourage our employees to practice sound decision-making and to take actions that will preserve Hawaiian Ethos' culture of practicing the highest standards of both personal and business integrity. It is the responsibility of each employee to become familiar with and adhere to the policies and any supplemental policies and procedures to which your business and legal entity is subject.

We expect that *all* Hawaiian Ethos staff comply with our ethics policy and to refrain from engaging in any acts of illegal, dishonest, or unethical behavior. In the event that employees do not adhere to ethical standards, they may be subject to a number of disciplinary action including but not limited to suspension or termination. We encourage all employees to consult a supervisor if there is any question of ethical clarity.



## CONFIDENTIALITY

At Hawaiian Ethos, we hold a high value our internal company information. It is the responsibility of all current and former employees to adhere to all aspects of confidentiality. In the event that employees do not adhere to confidentiality stated in this agreement, they may be subject to a number of disciplinary action including but not limited to suspension or termination. Confidential business information include but is not limited to:

- Any material developed using company resources and/or time;
- Compensation data;
- Computer processes;
- Computer programs and codes;
- Conversations between any persons associated with the company;
- Customer lists;
- Customer preferences;
- Financial information;
- Genetics library;
- Labor relations strategies;
- Marketing strategies;
- Medical cannabis research and developments;
- New materials research;
- Pending projects and proposals;
- Proprietary production processes;
- Personnel/payroll records;
- Research and development strategies;
- Scientific data;
- Scientific formulae;
- Scientific prototypes;
- Strains;
- Technological data; and
- Technological prototypes.

## INTELLECTUAL PROPERTY

Hawaiian Ethos restricts employees' use and disclose of the company's confidential information and intellectual property (see above). Beyond these mandatory restrictions, you should treat Hawaiian Ethos valuable knowledge and other confidential information and intellectual property accordingly, so as not to jeopardize them through any vehicle of delivery. In addition, you should

avoid misappropriating or infringing the intellectual property of other companies and individuals, as it could create potential liability for yourself and for Hawaiian Ethos.

Do not use Hawaiian Ethos' logos, brand names, tag-lines, slogans or other trademarks, or post any confidential or proprietary information of the company, without prior written permission.

Intellectual property includes, but is not limited to the following:

- Inventions;
- Discoveries;
- Trade secrets;
- Trademarks;
- Writings;
- Software;
- Marketing campaigns; and
- Product formulas

#### SOLICITATION

In an effort to ensure a productive and harmonious work environment, persons not employed by Hawaiian Ethos may not solicit or distribute literature in the workplace at any time for any purpose.

Hawaiian Ethos recognizes that employees may have interests in events and organizations outside the workplace. However, employees may not solicit or distribute literature concerning these activities during working time. (Working time does not include lunch periods, work breaks, or any other periods in which employees are not on duty.)

Examples of impermissible forms of solicitation include:

- The collection of money, goods, or gifts for political groups
- The circulation of petitions
- The distribution of literature not approved by the employer
- The solicitation of memberships, fees, or dues

In addition, the posting of written solicitations on company bulletin boards is restricted. These bulletin boards display important information, and employees should consult them frequently for:

- Affirmative Action statement
- Employee announcements
- Internal memoranda
- Organization announcements

- Workers' compensation insurance information
- State disability insurance/unemployment insurance information

If employees have a message of interest to the workplace, they may submit it to the Human Resources Director for approval. All approved messages will be posted by the Human Resources Director.

## EMPLOYEE RELATIONS

Hawaiian Ethos sees an immense value in providing paramount work environments, wages and benefits for our team. In doing so we also encourage that employees communicate openly with supervisors and peers alike to cultivate and maintain a standard openness and positivity. Based on prior experience, we have found that positive working environment increases not only moral, but promotes positive work ethic, and raises overall happiness of employees.

If any Hawaiian Ethos employees develop concerns about work conditions and or compensation, they are strongly encouraged to discuss these concerns with their supervisors and/or the Director of Human Resources.

## OPEN DOOR POLICY

Hawaiian Ethos is always willing and open to discuss business-related concerns as well as suggestions for improvements that are in relations to the well-being of the company and its successes.

Please contact the Director of Human Resources with any questions, concerns, and suggestions and we will be happy to address them.

## EMPLOYEE IDENTIFICATION CARD REQUIREMENTS

In order to protect the welfare of the clients, customers, employees, and resources of Hawaiian Ethos, it is our policy— as well as a requirement under the law – to require employees to possess a Hawaii Department Health-issued Employee Identification Card. An employee of Hawaiian Ethos must keep his or her employee identification card visible at all times when on any Hawaiian Ethos property and during the transportation of medical cannabis to a distribution facility.

Applicants who apply for positions in which the essential job duties require the use of vehicles must have a driving record in good standing. A driving record check will be made only after a

conditional job offer has been made pending the results of the check. For all employees, continued use of company vehicles is contingent on their maintenance of a good driving record, which will be assessed annually.

#### DRUG TESTING

In order to promote and maintain the well-being of our work environment, Hawaiian Ethos refrains from employing individuals use illegal drugs. Due to this policy, Hawaiian Ethos reserves the right to mandate any and all employees to adhere to a drug test as a continuing practice throughout the duration of their employment.

Drug tests will be administered as part of the application process as well as once they have been offered an employment opportunity. Refusal to submit initial drug test, or results testing positive for illegal drug use will result in denial of employment. Employees refusing to submit to a drug test, or employees who test positive, may be suspended from duty pending further investigation and subject to disciplinary action, up to and including termination of employment.

#### MEDICAL EXAMINATIONS

*Purpose:* Hawaiian Ethos requires current employees and applicants to whom a conditional offer of employment has been extended to undergo medical examinations whenever management determines that these are necessary for the safe operation of the organization or job-related as consistent with business necessity.

*Scope:* Successful applicants for employment may be required, as a condition of employment, to take a medical examination to establish their fitness to perform the jobs for which they have applied without endangering the health and safety of themselves or others. If management determines that an examination is appropriate to a particular position, all applicants for the job to whom a conditional offer of employment has been made should be examined.

Employees may be required to have a medical examination on other occasions when the examination is job-related and consistent with business necessity. For example, a medical examination may be required when an employee is exposed to toxic or unhealthful conditions, requests an accommodation for a particular disability, or has a questionable ability to perform essential job functions due to a medical condition.

*Cost of Required Examinations:* Medical examinations required by Hawaiian Ethos will be paid for by Hawaiian Ethos and will be performed by a physician or licensed medical facility designated or approved by the company. Medical examinations paid for by Hawaiian Ethos are the property of the company, and the examination records will be treated as confidential and kept in separate medical files. However, records of specific examinations, if required by law or regulation, will be made available to the employee, persons designated and authorized by the employee, public agencies, relevant insurance companies or the employee's doctor.

*Use of Prescription Drugs at Work:* Employees who need to use prescription or nonprescription legal drugs while at work must report this requirement to their supervisor if the use might impair their ability to perform the job safely. Depending on the circumstances, employees may be reassigned, prohibited from performing certain tasks or prohibited from working if they are determined to be unable to perform their jobs safely while taking prescription or nonprescription legal drugs.

#### CHARACTER REFERENCE CHECKS

Hawaiian Ethos is committed to a building a quality team if employees, skilled and cable of the position which they are hired for. To ensure that individuals who join our team maintain a safe and productive work environment, we maintain the right to perform pre-employment character reference on all applicants who accept employment opportunities from Hawaiian Ethos, which may also include criminal record check. Please note that criminal convictions do not automatically bar an applicant from employment. Background checks for Hawaiian Ethos are subject to include verification of any information on the applicant's resume or application form.

Should there be information obtained from these reference check that will lead to denial of employment by Hawaiian Ethos, the applicant will be provided a copy of the report and subsequently have the opportunity to dispute the report's accuracy.

#### CONFLICT OF INTEREST

Employees of Hawaiian Ethos must avoid any relationships or activity that could impair, outwardly or internally, their ability to act objectively in their position. Employees should not find themselves in any situation in which their exterior responsibilities affect any aspect of their work within Hawaiian Ethos. In addition, employees should not utilize company property, information, or business opportunities in any instance for personal gain.

Conflicts of interest in Hawaiian Ethos may arise in the a diverse situations, therefore we insist that our employees be mindful and aware under all circumstances. Such circumstances include but are not limited to hiring and supervising family members; accepting gifts, favors, and /or discounts; being employed by and/or acting as a consultant to a competitor, serving on the board of a competitor's company. Should an employee at Hawaiian Ethos find themselves an a situation that may involve any conflicts of this nature, employees must notify their supervisor or the Director of Human Resources so as to preemptively mitigate any potential conflict.

#### OUTSIDE EMPLOYMENT

Employees of Hawaiian Ethos are permitted to engage in outside work or to hold other jobs, subject to certain restrictions as outlined below.

Activities and conduct away from the job must not compete with, conflict with or compromise Hawaiian Ethos interests or adversely affect job performance and the ability to fulfill all job responsibilities. Employees are prohibited from performing any services for customers on nonworking time that are normally performed by Hawaiian Ethos. This prohibition also extends to the unauthorized use of any company tools or equipment and the unauthorized use or application of any confidential information. In addition, employees are not to solicit or conduct any outside business during paid working time.

Employees are cautioned to carefully consider the demands that additional work activity will create before accepting outside employment. Outside employment will not be considered an excuse for poor job performance, absenteeism, tardiness, leaving early, refusal to travel or refusal to work overtime or different hours. If Hawaiian Ethos determines that an employee's outside work interferes with performance, the employee may be asked to terminate the outside employment.

Employees who have accepted outside employment may not use paid sick leave to work on the outside job. Fraudulent use of sick leave will result in disciplinary action up to and including termination.

#### EMPLOYEE SUGGESTIONS

As employees of Hawaiian Ethos you have the opportunity to contribute to our future success and growth by submitting suggestions for practical work-improvement or cost-savings ideas.

All regular employees are eligible to participate in the suggestion program.

A suggestion is an idea that will benefit Hawaiian Ethos by solving a problem, reducing costs, improving operations or procedures, enhancing customer service, eliminating waste or spoilage, or making Hawaiian Ethos a better or safer place to work. Statements of problems without accompanying solutions, or recommendations concerning co-workers and management are not appropriate suggestions.

#### EMPLOYEE COMPLAINTS

Hawaiian Ethos strives to openly communicate with all employees. Any concerns employees have should be promptly reported to management so that a solution may be devised.

Examples of some complaints employees may have:

- Suggestions for improvement
- Concerns about working conditions
- Issues with co-workers
- Concerns about treatment at work

When a complaint is voiced, management will do its best to remedy the situation. While every employee may not be satisfied with every solution, employee's input is valued and Hawaiian Ethos wants to foster an environment where all employees feel comfortable reporting their concerns.

Please contact your supervisor or Human Resources with all complaints.

## EMPLOYEE ORIENTATION

For all employees hired by Hawaiian Ethos, the first 90 days of employment are considered to be an orientation period. During this time, the employee will undergo training and orientation as directed by the employee's supervisor. The employee's supervisor will also monitor the employee's performance during this time period.

During the first 90 days of employment, the employee is encouraged and expected to ask questions concerning his or her job responsibilities, and to determine if he or she is satisfied with the position. If the employee's job performance is found to be unsatisfactory by his or her supervisor at any time during the first 90 days of employment, the employment will be terminated.

All new employees will receive a confidential performance evaluation from their supervisor at the end of the orientation period. At that time, the employee will be eligible for employee benefits.

## TRAINING AND PROFESSIONAL DEVELOPMENT

Hawaiian Ethos is dedicated to provide continual opportunities for education and training and professional development in all relevant fields of study for all employees. In doing so, Hawaiian Ethos will not only provide a thorough training for new hires with all the information and skills necessary to be successful in their position.

Employee training and development is essential in responding to the rapid business changes that occur due to continual economic fluctuations, global economy, enhanced technology, and cultural and demographic factors. Hawaiian Ethos strongly encourages the training and development of employees to aid them in improving their ability to succeed. Hawaiian Ethos employees receive job-specific training regularly.

Hawaiian Ethos sees the benefit in continuing training and staying current on relevant information to give our employees and therefore our customer base the best possible services to the best of our ability.

#### EMPLOYMENT OF RELATIVES

Hawaiian Ethos wants to ensure that corporate practices do not create situations such as conflict of interest or favoritism. This extends to practices that involve employee hiring, promotion and transfer. Close relatives, partners, those in a dating relationship or members of the same household are not permitted to be in positions that have a reporting responsibility to each other. Close relatives are defined as husband, wife, domestic partner, father, mother, father-in-law, mother-in law, grandfather, grandmother, son, son-in-law, daughter, daughter-in law, uncle, aunt, nephew, niece, brother, sister, brother-in-law, sister-in-law, step relatives, cousins and domestic partner relatives.

If employees begin a dating relationship or become relatives, partners or members of the same household and if one party is in a supervisory position, that person is required to inform management and Human Resources of the relationship.

Hawaiian Ethos reserves the right to apply this policy to situations where there is a conflict or the potential for conflict because of the relationship between employees, even if there is no direct-reporting relationship or authority involved.

#### EMPLOYMENT OF MINORS

Hawaiian Ethos only hires individuals who are legally authorized to work as provided by federal, state and county laws. In accordance with Hawaii state law, Hawaiian Ethos will only employ individuals 21 years of age and above.

#### IMMIGRATION LAW COMPLIANCE

The United States immigration laws require that individuals complete an employment verification procedure before they are permitted to work. Any individual who has not completed the specified form (Form I-9) and provided the appropriate verification will not be permitted to work and will not be paid until the procedure is completed.



## WHISTLEBLOWER POLICY

Hawaiian Ethos prides ourselves on our high standards of conduct and ethics and place the utmost importance on maintaining those standards. The Whistle Blower Policy is designed to encourage all employees to report any dishonest or fraudulent behaviors ( i.e. to act as a “whistleblower”) that contradict the act of upholding these values with integrity and ethical foresight, regardless of their position. Process of filing a complaint may include but not limited to:

- Reporting a good faith complaint regarding suspected employee in violation of the law or involved in fraudulent behavior;
- Making a good faith complaint regarding accounting, internal accounting controls, or auditing matters that may lead to incorrect, or misrepresentations in, financial accounting;
- Providing information to assist in an investigation regarding violations of the law; or
- Files, testifies, or participates in a proceeding in relation to alleged violations of the law.

Reports should include any information to substantiate concerns, as well as adequate information to allow an appropriate investigation. Hawaiian Ethos encourages all reports, including anonymous reports, however if these anonymous reports do not have sufficient information supervisors and/or Human Resources will not be able to follow through with an investigation.

Hawaiian Ethos does not tolerate any retaliation against “whistleblowers,” and will therefore do our best to protect such individuals against all counteractions. Whistleblower concerns will be handled with confidentiality, discretion and care to the extent allowed by circumstances and the law.

## EMPLOYEE BENEFITS

### PERFORMANCE AND SALARY REVIEW

Performance appraisals are conducted on an annual cycle. Employees will receive a performance review on the established date each year. The performance appraisal will be discussed, and both the employee and manager will sign the form to ensure that all strengths, areas for improvement and job goals for the next review period have been clearly communicated. Performance evaluation forms will be retained in the employee’s personnel file.

Merit increases are based on company performance and financials and are not guaranteed. A performance review does not always result in an automatic salary increase. The employee’s overall performance and salary level relative to his/her position responsibilities are evaluated to determine if a salary increase would be warranted.

Budget allocations for merit increases are planned for and allocated before the start of each calendar year. The annual salary increase program is designed to assist management in planning and allocating merit and promotional increases that reward individual performance, that are market competitive and that are internally equitable.

Salary adjustments are occasionally requested or warranted at times other than the employee's scheduled annual salary reviews. Out-of-cycle salary increases must be pre-approved by the department manager, Human Resources and Hawaiian Ethos CEO. Human Resources will review all salary increase/adjustment requests to ensure internal equity and compliance with company policies and guidelines.

## HOLIDAYS

Hawaiian Ethos recognizes nine paid holidays each year:

- New Year's Day
- Martin Luther King Jr. Day
- Presidents Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Day After Thanksgiving
- Christmas Day

Should a holiday fall on a weekend, the holiday will be observed on the work day closest to the holiday.

Time off may be granted to employees who desire to observe a religious holiday that is not recognized by Hawaiian Ethos.

## VACATION

All full- and part-time Hawaiian Ethos employees are eligible for vacation leave benefits. Part-time employees working 20 to 29 hours per week will earn vacation on a prorated basis. Full-time employees are those working 30-plus hours per week. Vacation accrual begins on the first day of full- or part-time employment. Vacation is accrued according to the schedule in this policy. Vacation can be used only after it is earned. Vacation leave will not be earned during an unpaid leave of absence.

To schedule vacation time, Hawaiian Ethos employees should submit a completed leave form to the supervisor at least two weeks before the requested leave. Employees must ensure that they have enough accrued leave available to cover the dates requested. Requests will be approved based on a number of factors, including department operating and staffing requirements. The supervisor should return the leave request to the employee within three business days of the date it is submitted indicating that the request has been approved or denied. If the request for vacation leave is denied, the supervisor should provide an appropriate reason on the form returned to the employee.

Vacation will be paid at the employee's base rate at the time the leave is taken. Vacation pay is not included in overtime calculation and does not include any special forms of compensation such as incentives, commissions, bonuses or shift differentials. If a holiday falls during the employee's vacation, the day will be charged to holiday pay rather than to vacation pay.

Leave taken beyond an employee's available vacation balance may be unpaid unless otherwise required under state or federal law.

If employment is terminated, accrued unused vacation leave earned through the last day of active employment will be paid at the employee's base rate of pay at termination. In the event of the employee's death, earned unused vacation time will be paid to the employee's estate or designated beneficiary.

#### SICK PAY

All full-time, regular employees at Hawaiian Ethos accrue sick leave from the date of hire, for a total of 10 days per year. Part-time, regular employees accrue sick leave from the date of hire, in a prorated amount using the full-time total of 10 days per year and the average number of hours the part-time employee works per week.

Sick leave may be used for an employee's personal illness, well-care, and medical and dental appointments. Sick leave may also be used for illness and well-care in an employee's immediate family.

Sick leave may be accrued to a maximum of 120 hours. Sick leave may not be used before accrual. If sick leave is exhausted, any available vacation hours will be used in its place. An employee who has a sick leave absence in excess of three consecutive working days must present medical documentation for the absence. Employees are not paid for unused sick leave upon termination of employment.

## JURY DUTY

Upon receipt of notification from the state or federal courts of an obligation to serve on a jury, employees of Hawaiian Ethos must notify their supervisor and provide him/her with a copy of the jury summons. Hawaiian Ethos will pay regular full-time and regular part-time employees for time off for jury duty up to one week of pay.

## VOTING TIME

All employees should be able to vote either before or after regularly assigned work hours. However, when this is not possible due to work schedules, employees will receive up to three hours during the work day to vote. Time off for voting should be reported and coded appropriately on timekeeping records.

Hawaiian Ethos employees who are chosen to serve as election officials at polling sites will be permitted to take required time off to serve in this capacity. It is incumbent on employees who are chosen to act as election officials to notify their manager a minimum of seven days in advance of their need for time off in order to accommodate the necessary rescheduling of work periods. Time engaged as an election official should be reported and coded appropriately on timekeeping records.

## MILITARY LEAVE

Hawaiian Ethos is committed to protecting the job rights of employees absent on military leave. In accordance with federal and state law, it is Hawaiian Ethos' policy that no employee or prospective employee will be subjected to any form of discrimination on the basis of that person's membership in or obligation to perform service for any of the Uniformed Services of the United States. Specifically, no person will be denied employment, reemployment, promotion or other benefit of employment on the basis of such membership. Furthermore, no person will be subjected to retaliation or adverse employment action because such person has exercised his or her rights under applicable law or company policy. If any employee believes that he or she has been subjected to discrimination in violation of Hawaiian Ethos policy, the employee should immediately contact Human Resources.

Employees taking part in a variety of military duties are eligible for benefits under this policy. Such military duties include leaves of absence taken by members of the uniformed services, including Reservists and National Guard members, for training, periods of active military service and funeral honors duty, as well as time spent being examined to determine fitness to perform such service. Subject to certain exceptions under the applicable laws, these benefits are generally limited to five years of leave of absence.

Employees requesting leave for military duty should contact Human Resources to request leave as soon as they are aware of the need for leave. For request forms and detailed information on eligibility, employee rights while on leave and job restoration upon completion of leave, contact Human Resources for all company policies, procedures and forms.

## BEREAVEMENT LEAVE

A Hawaiian Ethos employee who wishes to take time off due to the death of an immediate family member should notify his or her supervisor immediately.

Bereavement leave will be granted unless there are unusual business needs or staffing requirements.

Paid bereavement leave is granted according to the following schedule:

- Employees are allowed five days of paid leave in the event of the death of the employee's spouse, child, father, father-in-law, mother, mother-in-law, brother, sister, stepfather, stepmother, stepbrother, stepsister, stepson or stepdaughter.
- Employees are allowed three days of paid leave in the event of death of the employee's brother-in-law, sister-in-law, son-in-law, daughter-in-law, aunt, uncle, grandparent, grandchild or spouse's grandparent.
- Employees are allowed up to four hours of bereavement leave to attend the funeral of an employee or retiree of Hawaiian Ethos

## HEALTH INSURANCE

Hawaiian Ethos employees will receive health insurance through Anthem Blue Cross. This will be available to any full-time employee who has worked thirty (30) or more hours per week or averaged thirty (30) or more hours per week for the reporting period. Hawaiian Ethos will also make contributions to the Fund on behalf of any regular part-time employee working less than thirty (30) hours per week. Hawaiian Ethos will pay 100% of the contributions for full-time and part-time participants subsequent to the initial probation period.

## WORKERS' COMPENSATION

Hawaiian Ethos will provide workers' compensation, a type of accident and injury insurance, that compensates an employee for lost time, medical expenses and loss of life or dismemberment from an

injury arising out of or in the course of work. Employees must report any work-related injury or disease immediately (or as soon as practicable) to their supervisor and Human Resources so that the necessary paperwork can be completed in a timely manner. Please note that under state laws, employees who fail to report work-related injuries in a timely manner may see a reduction or denial of their workers' compensation benefits.

Employees returning to work from an injury or illness for which they were receiving workers' compensation must provide proof of rehabilitation or treatment from a licensed physician and verification that they are able to complete all job-related tasks. In the event that the employee returns to work under strict medical restrictions, Hawaiian Ethos will make every reasonable effort to accommodate the employee's work ability and job responsibilities. Once a physician removes work restrictions, the employee is expected to perform his or her regular duties and will no longer receive workers' compensation benefits.

## **TIME KEEPING AND PAYROLL**

### **TIME KEEPING**

A work hour is any hour of the day that is worked and should be recorded to the nearest tenth of an hour. The workday is defined as the 24-hour period starting at 12:00 a.m. and ending at 11:59 p.m. The workweek covers seven consecutive days beginning on Sunday and ending on Saturday. The usual workweek period is 40 hours.

Overtime is defined as hours worked by an hourly or nonexempt employee in excess of 40 hours in a workweek and should be recorded to the nearest tenth of an hour. Overtime must be approved in advance by the manager to whom the employee reports.

Employees will submit their time record weekly as directed by their manager. Each employee is to maintain an accurate daily record of his or her hours worked. All absences from work schedules should be appropriately recorded.

### **PAY DAYS**

All employees are paid biweekly every Friday. Each paycheck will include earnings for all work performed through the end of the previous payroll period.

In the event that a regularly scheduled payday falls on a day off such as a weekend or holiday, employees will receive pay on the last day of work before the regularly scheduled payday.

If the normal payday falls on a company-recognized holiday, paychecks will be distributed one workday before the aforementioned schedule.

Employees may be paid by check or through direct deposit of funds to either a savings or checking account at the financial institution of their choice.

In the event of a lost paycheck, the Human Resource department must be notified in writing as soon as possible and before a replacement check can be issued. In the event the lost paycheck is recovered and Hawaiian Ethos identifies the endorsement as that of the employee, the employee must remit the amount of the replacement check to Hawaiian Ethos within 24 hours of the time it is demanded.

If an employee's marital status changes or the number of exemptions previously claimed increases or decreases, a new Form W-4 must be submitted to the Human Resource department.

Except for extreme emergencies and vacation pay, no salary advances will be made.

## OVERTIME

Nonexempt employees who exceed 40 hours of work time in a workweek will be paid time and one half. Paid leave, such as holiday, sick or vacation pay, does not apply toward work time. The workweek begins at 12:00 a.m. on Sunday morning and ends at 11:59 p.m. on Saturday night. Supervisors are required to obtain approval from managers prior to the use of overtime.

Employees who anticipate the need for overtime to complete the week's work must notify the supervisor in advance and obtain approval before working hours that extend beyond their normal schedule. During busy periods employees may be required to work extended hours.

## ON CALL PAY (NON-EXEMPT EMPLOYEES)

An on-call employee who is called back to work outside his or her normal work schedule shall be paid for the time worked or a minimum of two (2) hours, whichever is greater.

Time worked while on call will be calculated at the employee's regular rate of pay. If an employee is called back to work, he or she will be paid for travel time. If an on-call employee is not called back, no pay will be earned. Overtime compensation is applicable only when total hours worked exceed 40 hours in a workweek.

## EMPLOYEE TRAVEL TIME AND REIMBURSEMENTS

Employees will be reimbursed for reasonable expenses incurred in connection with approved travel on behalf of Hawaiian Ethos.

Travelers seeking reimbursement should incur the lowest reasonable travel expenses and exercise care to avoid the appearance of impropriety. If a circumstance arises that is not specifically covered in the travel policies, the most conservative course of action should be adopted.

Travel for staff must be authorized in advance. Travelers should verify that planned travel is eligible for reimbursement before making travel arrangements. Upon completion of the trip, and within 30 days, the traveler must submit a Travel Reimbursement Form and supporting documentation to obtain reimbursement of expenses.

Exempt employees will be paid their regular salary for weeks in which they travel. Nonexempt employees will be paid for travel time in accordance with federal and state wage payment laws.

#### GARNISHMENTS

Hawaiian Ethos honors federal and state required withholdings from your paycheck upon court order or for the purpose of child support, or repayment of unpaid student loans or federal, state, local municipality or school taxes.

Upon Company receipt of a notice of wage demand, the employee will be immediately notified of the name of the creditor, the amount claimed and whether the demand is based on a wage deduction or a wage assignment. All garnishments will abide by applicable withholding limits as prescribed by law.

Hawaiian Ethos does not discriminate or take any adverse action against an employee whose wages are subject to garnishment.

#### PAY CORRECTIONS

Hawaiian Ethos works diligently to ensure that all employees receive paychecks on time, with the correct wages.

In the unlikely event that there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of the Payroll Director so that corrections can be made as quickly as possible.

#### DEMOTIONS

Occasions may arise in Hawaiian Ethos when a demotion, or a downgrade of responsibilities and/or wages. Demotions may be proposed for a number of different reasons, including poor employee performance, disciplinary actions, position elimination or organizational restructuring,



and at times an employee-desired reduction in responsibility. Demoting is the best interest of Hawaiian Ethos and the employee in question as an alternative to laying off or termination of employment.

Each circumstance will be carefully considered prior to determining that a demotion is the appropriate action. Subsequently the employee in question will discuss the available role and responsibilities differing from previous contracts.

## **EMPLOYMENT STATUS AND RECORD KEEPING**

### **EMPLOYMENT CLASSIFICATION**

All employees are designated as either nonexempt or exempt under state and federal wage and hour laws. The following is intended to help employees understand employment classifications and employees' employment status and benefit eligibility. These classifications do not guarantee employment for any specified period of time. The right to terminate the employment-at-will relationship at any time is retained by both the employee and Hawaiian Ethos.

*Nonexempt employees* are employees whose work is covered by the Fair Labor Standards Act (FLSA). They are NOT exempt from the law's requirements concerning minimum wage and overtime.

*Exempt employees* are generally managers or professional, administrative or technical staff who ARE exempt from the minimum wage and overtime provisions of the FLSA. Exempt employees hold jobs that meet the standards and criteria established under the FLSA by the U.S. Department of Labor.

Hawaiian Ethos has established the following categories for both nonexempt and exempt employees:

- *Regular, full time:* Employees who are not in a temporary status and who are regularly scheduled to work the company's full-time schedule of 37.5 hours per week. Generally, these employees are eligible for the full benefits package, subject to the terms, conditions and limitations of each benefits program.
- *Regular, part time:* Employees who are not in a temporary status and who are regularly scheduled to work less than the full-time schedule but at least 20 hours each week. Regular, part-time employees are eligible for some of the benefits offered by Hawaiian Ethos subject to the terms, conditions and limitations of each benefits program.
- *Temporary, full time:* Employees who are hired as interim replacements to temporarily supplement the workforce or to assist in the completion of a specific project and who are

temporarily scheduled to work Hawaiian Ethos' full-time schedule for a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status.

- *Temporary, part time:* Employees who are hired as interim replacements to temporarily supplement the workforce or to assist in the completion of a specific project and who are temporarily scheduled to work less than Hawaiian Ethos full-time schedule for a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status.

Temporary workers are not eligible for company benefits unless specifically stated otherwise in company policy or are deemed eligible according to plan documents.

#### WORK SCHEDULES:

Work schedules be determined once officially hired into Hawaiian Ethos team. While we aim to have consistently regular schedule for all of our team members Hawaiian Ethos understands that adjustments are inevitable. Schedules will be available on a weekly basis.

Should you have any questions regarding scheduling please address any concerns with your supervisor. While there is no guarantee that these requests will be honored, please inform your supervisor of any changes that you may need in advance so that other scheduling can be arranged.

#### PERSONNEL FILES

Hawaiian Ethos strives to keep accurate and up-to-date personnel records. Employee personnel files may include the following:

- Employee demographic information
- Job application
- Position description
- Resume
- Training records
- Salary history
- Disciplinary action records
- Performance reviews
- Coaching and mentoring records

To ensure the accuracy of your personnel records, please notify us immediately of the following changes:

- Name
- Address
- Telephone number
- Marital status
- Dependent status
- Tax status

Personnel records are confidential and are not available to anyone outside of Hawaiian Ethos, unless you have personally authorized their release. A release may not be required when reporting certain information as required by law or when an authorized governmental agency inspects certain records. To obtain access to your records, contact Human Resources.

## SALARY ADMINISTRATION

The salary administration program at Hawaiian Ethos was created to achieve consistent pay practices, comply with federal and state laws, mirror our commitment to Equal Employment Opportunity, and offer competitive salaries within our labor market. Because recruiting and retaining talented employees is critical to our success, Hawaiian Ethos is committed to paying its employees equitable wages that reflect the requirements and responsibilities of their positions and are comparable to the pay received by similarly situated employees in other organizations in the area.

Compensation for every position is determined by several factors, including the essential duties and responsibilities of the job, and salary survey data on pay practices of other employers. Hawaiian Ethos periodically reviews its salary administration program and restructures it as necessary. Merit-based pay adjustments may be awarded in conjunction with superior employee performance documented by the performance evaluation process.

Employees should bring their pay-related questions or concerns to the attention of their immediate supervisors, who are responsible for the fair administration of departmental pay practices. The Director of Human Resources is also available to answer specific questions about the salary administration program.

## INTRODUCTORY PERIOD

The introductory period is intended to give new employees the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets their expectations. Hawaiian Ethos uses this period to evaluate employee capabilities, work habits, and overall performance. Either the employee or Hawaiian Ethos may end the employment relationship at will at any time during or after the introductory period, with or without cause or advance notice.

All new and rehired employees work on an introductory basis for the first 90 calendar days after their date of hire. Employees who are promoted or transferred within Hawaiian Ethos must complete a secondary introductory period of the same length with each reassignment to a new position. Any significant absence will automatically extend an introductory period by the length of the absence. If Hawaiian Ethos determines that the designated introductory period does not allow sufficient time to thoroughly evaluate the employee's performance, the introductory period may be extended for a specified period.

In cases of promotions or transfers within Hawaiian Ethos, an employee who, in the sole judgment of management, is not successful in the new position can be removed from that position at any time during the secondary introductory period. If this occurs, the employee may be allowed to return to his or her former job or to a comparable job for which the employee is qualified, depending on the availability of such positions and Hawaiian Ethos' needs.

Upon satisfactory completion of the initial introductory period, employees enter the "regular" employment classification.

During the initial introductory period, new employees are eligible for those benefits that are required by law, such as workers' compensation insurance and Social Security. After becoming regular employees, they may also be eligible for other Hawaiian Ethos -provided benefits, subject to the terms and conditions of each benefits program. Employees should read the information for each specific benefits program for the details on eligibility requirements.

Benefits eligibility and employment status are not changed during the secondary introductory period that results from a promotion or transfer within Hawaiian Ethos.

## HIPAA

To improve the efficiency and effectiveness of the health care system, the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, included Administrative Simplification provisions that required HHS to adopt national standards for electronic health care transactions and code sets, unique health identifiers, and security. At the same time, Congress recognized that advances in electronic technology could erode the privacy of health information. Consequently, Congress incorporated into HIPAA provisions that mandated the adoption of Federal privacy protections for individually identifiable health information.

HHS published a final **Privacy Rule** in December 2000, which was later modified in August 2002. This Rule set national standards for the protection of individually identifiable health information by three types of covered entities: health plans, health care clearinghouses, and health care providers who conduct the standard health care transactions electronically.

Compliance with the Privacy Rule was required as of April 14, 2003 (April 14, 2004, for small health plans).

HHS published a final **Security Rule** in February 2003. This Rule sets national standards for protecting the confidentiality, integrity, and availability of electronic protected health information. Compliance with the Security Rule was required as of April 20, 2005 (April 20, 2006 for small health plans).

The **Enforcement Rule** provides standards for the enforcement of all the Administrative Simplification Rules.

HHS enacted a final Omnibus rule that implements a number of provisions of the HITECH Act to strengthen the privacy and security protections for health information established under HIPAA, finalizing the Breach Notification Rule.

View the Combined Regulation Text (as of March 2013). This is an unofficial version that presents all the HIPAA regulatory standards in one document. The official version of all federal regulations is published in the Code of Federal Regulations (CFR). View the official versions at 45 C.F.R. Part 160, Part 162, and Part 164.

#### *Your Privacy Rights:*

At Hawaiian Ethos, you have the following rights:

- The right to authorize disclosure of your protected health information to third parties;
- The right to revoke previously authorized disclosures;
- The right to request limited disclosure of your health information;
- The right to inspect and copy your protected health information;
- The right to amend information;
- The right to request a listing of personnel who have accessed your information; and
- The right to request to be placed on a mailing list to receive notice of updates to

If you have any questions regarding this material you, please do not hesitate to consult your supervisor and/or the director of HR.

\*\*\*The Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA, Title II) require the Department of Health and Human Services (HHS) to adopt national standards for electronic health care transactions and national identifiers for providers, health plans, and employers. To date, the implementation of HIPAA standards has increased the use of electronic data interchange. Provisions under the Affordable Care Act of 2010 will further these increases and include requirements to adopt:

- operating rules for each of the HIPAA covered transactions
- a unique, standard Health Plan Identifier (HPID)

- a standard and operating rules for electronic funds transfer (EFT) and electronic remittance advice (RA) and claims attachments.

In addition, health plans will be required to certify their compliance. The Act provides for substantial penalties for failures to certify or comply with the new standards and operating rules.

For more information regarding HIPAA including additional provisions under the Patient Protections and Affordable Care Act (Affordable Care Act or ACA) of 2010, go to the "Related Links Outside CMS".

## 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*

Employee Information will be disclosed to a limited number of Hawaiian Ethos employees whose job necessitates that they maintain, compile, or otherwise have access to Employee Information; these employees are authorized by Hawaiian Ethos and have specific employee data responsibilities. Hawaiian Ethos may also disclose Employee Information to a third party when it believes that such disclosure is reasonably necessary to comply with any law or to protect the rights, property or safety of another person. Additionally, Hawaiian Ethos may disclose Employee Information to a third party employee benefit provider, including but not limited to, employee benefit providers and payroll services. If Hawaiian Ethos does disclose information to third party, we will ensure that the third party either subscribes to the privacy principles or is subject to adhere to a written agreement with such third party which requires the third party to provide at least the same level of privacy protection as is required by the relevant Principles. Lastly, Hawaiian Ethos may transfer or otherwise disclose Employee Information in connection with the sale of its business to a third party.

### *Employee Consent:*

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's 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.

## JOB DESCRIPTIONS

Hawaiian Ethos does its very best to create opportunities for its staff to succeed. In doing so, it is incredibly important to communicate exactly what is expected of each of our employees. Therefore, Hawaiian Ethos supervisors perform frequent and thorough check ins with employees on progress of projects as well as accuracy of job descriptions. As often as necessary, job descriptions will be modified by supervisors to fit job fulfillment. In addition, Hawaiian Ethos employees may be asked to contribute to these modifications in order to draft accurate expectations.

These job descriptions outlined by employer and employee are not bound or absolute. Hawaiian Ethos employees may be asked to perform tasks that are not outlined in their job descriptions from time to time, and are expected to comply. Should employees choose not to fulfill these tasks outside of their job descriptions, they may be subject to disciplinary action.

## HIRING PROCESS

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

## REHIRING

Former employees who left Hawaiian Ethos in good standing and were classified as eligible for rehire may be considered for reemployment. An application must be submitted to the Human Resource department, and the applicant must meet all minimum qualifications and requirements of the position, including any qualifying exam, when required.

Supervisors must obtain approval from the Human Resource director or designee prior to rehiring a former employee. Rehired employees begin benefits just as any other new employee. Previous tenure will not be considered in calculating longevity, leave accruals or any other benefits.



An applicant or employee who is terminated for violating policy or who resigned in lieu of termination from employment due to a policy violation will be ineligible for rehire.

#### INTERNAL TRANSFER AND PROMOTIONS:

Employees with more than twelve months of service at Hawaiian Ethos may request consideration to transfer to other jobs as vacancies become available and will be considered along with other applicants. At the same time, Hawaiian Ethos may initiate transfers of employees between departments and facilities to meet specified work requirements and reassignment of work requirements. Hawaiian Ethos offers employees promotions to higher-level positions when appropriate. Management prefers to promote from within and may first consider current employees with the necessary qualifications and skills to fill vacancies above the entry level, unless outside recruitment is considered to be in Hawaiian Ethos' best interest.

To be considered, employees must have held their current position for at least 12 months, have a satisfactory performance record and have no disciplinary actions during the last 12 months. Management retains the discretion to make exceptions to the policy.

#### ATTENDANCE AND PUNCTUALITY

It is important for all employees to project a professional image while at work by being appropriately attired. Hawaiian Ethos employees are expected to be neat, clean and well groomed while on the job. Clothing must be consistent with the standards for a business environment and must be appropriate to the type of work being performed.

All employees must be covered from shoulders to knees at all times (no see-through or sleeveless clothing is permitted at any time). Natural and artificial scents may become a distraction from a well-functioning workplace and are also subject to this policy.

Hawaiian Ethos is confident that employees will use their best judgment regarding attire and appearance. Management reserves the right to determine appropriateness. Any employee who is improperly dressed will be counseled or in severe cases may be sent home to change clothes. Continued disregard of this policy may be cause for disciplinary action, which may result in termination.

#### SEPARATION OF EMPLOYMENT

All employees are required to participate in training regarding the Company's Hazard Communication standard. Employees with responsibilities that require the routine use of handling of potentially hazardous chemicals are required to participate in additional training conducted by their supervisor.

Questions regarding this policy should be directed to your supervisor.

#### HAZARDOUS MATERIALS

All employees are responsible for reporting safety concerns and potential hazards. Each employee is expected to obey safety rules and exercise caution and common sense in all work activities. Employees must immediately report any unsafe conditions to their supervisor. Employees who violate safety standards; cause hazardous or dangerous situations; or fail to report or, where appropriate, remedy such situations may be subject to disciplinary action, up to and including termination of employment.

Employees cleaning up hazardous materials must do so in accordance with operation procedures in cleaning hazardous materials. When cleaning hazardous materials, use the hazardous materials kit.

In the case of an accident that results in injury, regardless of how insignificant the injury may appear, employees must notify their supervisor.

#### HAZARDOUS WASTE

There are a variety of safety provisions that regulate the management, storage, and disposal of hazardous waste. Hawaiian Ethos fully 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. Hawaiian Ethos 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 Hawaiian Ethos 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)

Hawaiian Ethos 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.

## DISABILITY ACCOMODATION

Hawaiian Ethos is committed to complying fully with the Americans with Disabilities Act (ADA) and ensuring equal opportunity in employment for qualified persons with disabilities. All employment practices and activities are conducted on a non-discriminatory basis.

Hiring procedures have been reviewed and provide persons with disabilities meaningful employment opportunities. Pre-employment inquiries are made only regarding an applicant's ability to perform the duties of the position.

Post-offer medical examinations are required only for those positions in which there is a bona fide job-related physical requirement. They are given to all persons entering the position only after conditional job offers. Medical records will be kept separate and confidential.

Reasonable accommodation is available to all disabled employees, where their disability affects the performance of job functions. All employment decisions are based on the merits of the situation in accordance with defined criteria, not the disability of the individual.

Qualified individuals with disabilities are entitled to equal pay and other forms of compensation (or changes in compensation) as well as in job assignments, classifications, organizational structures, position descriptions, lines of progression, and seniority lists. Leave of all types will be available to all employees on an equal basis.

Hawaiian Ethos is also committed to not discriminating against any qualified employees or applicants because they are related to or associated with a person with a disability. Hawaiian Ethos will follow any state or local law that provides individuals with disabilities greater protection than the ADA.

This policy is neither exhaustive nor exclusive. Hawaiian Ethos is committed to taking all other actions necessary to ensure equal employment opportunity for persons with disabilities in accordance with the ADA and all other applicable federal, state, and local laws.

## PERSONAL PROPERTY

It is the policy of Hawaiian Ethos to ask employees to refrain from bringing unnecessary or inappropriate personal property to work.

Hawaiian Ethos recognizes that employees may need to bring certain personal items to work. However, personal property that is not related to the employee's job performance may disrupt work or pose a safety risk to other employees.

Employees are expected to exercise reasonable care to safeguard personal items brought to work. Hawaiian Ethos is not responsible for the loss, damage, or theft of personal belongings, and employees are advised not to carry unnecessary amounts of cash or other valuables with them when they come to work.

#### LOST AND FOUND

Any items found within the facility should be delivered to the Manager. The Manager will keep the item until its rightful owner claims it.

In the event an item is not claimed within 10 days, the Manager will make a posting of the missing item on bulletin boards. If the item is not claimed within 30 days, it will first be offered to the finder, and if refused will be discarded.

Hawaiian Ethos is not responsible for lost or stolen personal items.

#### RETURN OF COMPANY PROPERTY

Employees are responsible for items issued to them by Hawaiian Ethos or in their possession or control, such as the following:

- Cell phones
- Gate Remotes
- Credit Cards
- Equipment
- Identification badges
- Keys
- Protective Equipment
- Security Passes
- Tools
- Uniforms
- Vehicles
- Written materials

Employees must return all Hawaiian Ethos property immediately upon request or upon termination of employment. Where permitted by applicable laws, Hawaiian Ethos may withhold from the employee's check or final paycheck the cost of any items that are not returned when required. Hawaiian Ethos may also take all action deemed appropriate to recover or protect its property.

## **SMOKING**

In keeping with Hawaiian Ethos intent to provide a safe and healthful work environment, smoking is prohibited throughout the workplace.

This policy applies equally to all employees, customers, and visitors.

## **COMPANY HOURS**

Supervisors at Hawaiian Ethos will advise employees of their scheduled shift, including starting and ending times. Business needs may necessitate a variation in your starting and ending times as well as in the total hours you may be scheduled to work each day and each week.

## **MEAL AND REST PERIODS**

Each workday, full-time nonexempt employees are provided with 2 rest periods of 10 minutes in length. To the extent possible, rest periods will be provided in the middle of work periods. Since this time is counted and paid as time worked, employees must not be absent from their work stations beyond the allotted rest period time.

All full-time Full time nonexempt employees are provided with one meal period of 30 minutes in length each workday. Supervisors will schedule meal periods to accommodate operating requirements. Employees will be relieved of all active responsibilities and restrictions during meal periods and will not be compensated for that time.

## **EMPLOYEE CONDUCT**

### **STANDARD OF CONDUCT**

The work rules and standards of conduct for Hawaiian Ethos are important, and the company regards them seriously. All Hawaiian Ethos employees are urged to become familiar with these rules and standards. In addition, employees are expected to follow the rules and standards faithfully in doing their jobs and conducting business on behalf of Hawaiian Ethos. Please note that any employee who deviates from these rules and standards will be subject to disciplinary action, up to and including termination of employment.

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

- Theft or inappropriate removal or possession of property
- Falsification of timekeeping records
- Working under the influence of alcohol or illegal drugs
- Possession, manufacture, distribution, sale, transfer, dispensation or use of alcohol or illegal drugs
- Fighting or threatening violence in the workplace
- Immoral actions or intimidating others
- Boisterous or disruptive activity in the workplace
- Negligence or improper conduct leading to damage of Hawaiian Ethos or customer property
- Insubordination or other disrespectful conduct
- Violation of safety or health rules
- Smoking in the workplace
- Sexual or other unlawful or unwelcome harassment or touching
- Excessive absenteeism or any absence without notice
- Unauthorized use of telephones or other Hawaiian Ethos equipment
- Using Hawaiian Ethos equipment for purposes other than business (e.g., playing games on computers or personal Internet usage)
- Unauthorized disclosure of confidential information
- Violation of personnel policies
- Unsatisfactory performance or conduct

These rules apply to any and all interactions with customers, fellow employees or anyone else associated with the workplace.

## 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.

## WORKPLACE ETIQUETTE

Hawaiian Ethos strives to maintain a positive work environment where employees treat each other with respect and courtesy. Sometimes issues arise when employees are unaware that their behavior in the workplace may be disruptive or annoying to others. Many of these day-to-day issues can be addressed by politely talking with a co-worker to bring the perceived problem to his or her attention. In most cases, common sense will dictate an appropriate resolution. Hawaiian Ethos encourages all employees to keep an open mind and graciously accept constructive feedback or a request to change behavior that may be affecting another employee's ability to concentrate and be productive.

The following workplace etiquette guidelines are not necessarily intended to be hard and fast work rules with disciplinary consequences. They are simply suggestions for appropriate workplace behavior to help everyone be more conscientious and considerate of co-workers and the work environment. Please contact the Office Manager if you have comments, concerns, or suggestions regarding these workplace etiquette guidelines.

- Avoid public accusations or criticisms of other employees. Address such issues privately with those involved or your supervisor.
- Try to minimize unscheduled interruptions of other employees while they are working.
- Communicate by e-mail or phone whenever possible, instead of walking unexpectedly into someone's office or workspace.
- Keep socializing to a minimum, and try to conduct conversations in areas where the noise will not be distracting to others.
- Refrain from using inappropriate language (swearing) that others may overhear.
- Avoid discussions of your personal life/issues in public conversations that can be easily overheard.
- Clean up after yourself and do not leave behind waste or discarded papers.

## EMPLOYEE RELATIONSHIPS IN THE WORKPLACE



The employment of relatives or individuals involved in a dating relationship in the same area of an organization may cause serious conflicts and problems with favoritism and employee morale. In addition to claims of partiality in treatment at work, personal conflicts from outside the work environment can be carried over into day-to-day working relationships.

For purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage. A dating relationship is defined as a relationship that may be reasonably expected to lead to the formation of a consensual "romantic" or sexual relationship. This policy applies to all employees without regard to the gender or sexual orientation of the individuals involved.

Relatives of current employees may not occupy a position that will be working directly for or supervising their relative. Individuals involved in a dating relationship with a current employee may also not occupy a position that will be working directly for or supervising the employee with whom they are involved in a dating relationship. Hawaiian Ethos also reserves the right to take prompt action if an actual or potential conflict of interest arises involving relatives or individuals involved in a dating relationship who occupy positions at any level (higher or lower) in the same line of authority that may affect the review of employment decisions.

If a relative relationship or dating relationship is established after employment between employees who are in a reporting situation described above, it is the responsibility and obligation of the supervisor involved in the relationship to disclose the existence of the relationship to management. The individuals concerned will be given the opportunity to decide who is to be transferred to another available position. If that decision is not made within 30 calendar days, management will decide who is to be transferred or, if necessary, terminated from employment.

In other cases where a conflict or the potential for conflict arises because of the relationship between employees, even if there is no line of authority or reporting involved, the employees may be separated by reassignment or terminated from employment. Employees in a close personal relationship should refrain from public workplace displays of affection or excessive personal conversation.

## WORKPLACE VIOLENCE

- Any employee who feels that he or she has been threatened should immediately report the incident to their supervisor and Human Resources.
- If you observe anyone exhibiting threatening behavior or making threatening statements, warn others in the area and immediately notify Human Resources—stay away from the person exhibiting the threatening behavior.
- Depending upon the level of concern, 911 may be called immediately.

- Never attempt to confront any person exhibiting threatening behavior.

If you have reason to believe that events in your personal life could result in acts of violence occurring at work, you are strongly urged to confidentially discuss the issue with Human Resources so that a prevention plan can be developed.

## VISITORS IN THE WORKPLACE

Hawaiian Ethos cares about the safety and security of its employees. In an effort to maintain the maximum safety and security possible at a minimum inconvenience to you, we have guidelines in place regarding facility access and visitors.

All visitors are to be escorted by authorized personnel at all times. Please do not allow visitors to roam the premises unattended.

## COMPUTER, EMAIL AND INTERNET USAGE

The following guidelines have been established for using the Internet, company-provided cell phones and e-mail in an appropriate, ethical and professional manner:

- Internet, company-provided equipment (e.g., cell phone, laptops, computers) and services may not be used for transmitting, retrieving or storing any communications of a defamatory, discriminatory, harassing or pornographic nature.
- The following actions are forbidden: using disparaging, abusive, profane or offensive language; creating, viewing or displaying materials that might adversely or negatively reflect upon Hawaiian Ethos or be contrary to Hawaiian Ethos' best interests; and engaging in any illegal activities, including piracy, cracking, extortion, blackmail, copyright infringement, and unauthorized access of any computers and company-provided equipment such as cell phones and laptops.
- Employees may not copy, retrieve, modify or forward copyrighted materials, except with permission or as a single copy to reference only.
- Employees must not use the system in a way that disrupts its use by others. Employees must not send or receive large files that could be saved/transferred via thumb drives. Employees are prohibited from sending or receiving files that are not related to work.
- Employees should not open suspicious e-mails, pop-ups or downloads. Contact IT with any questions or concerns to reduce the release of viruses or to contain viruses immediately.
- Internal and external e-mails are considered business records and may be subject to discovery in the event of litigation. Be aware of this possibility when sending e-mail within and outside the company.

All company-supplied technology and company-related work records belong to Hawaiian Ethos and not to the employee. Hawaiian Ethos routinely monitors use of company-supplied technology. Inappropriate or illegal use or communications may be subject to disciplinary action up to and including termination of employment.

## TELEPHONE POLICY

Hawaiian Ethos telephones are intended for the sole use of conducting company business.

Business phone calls - Much of our business is conducted over the phone, making our telephone techniques extremely important. A friendly but businesslike telephone manner should always be projected. When you are away from your work area, make a habit of forwarding your calls to the appropriate extension.

Personal phone calls - We recognize that periodically, personal phone calls must be made or received during the business hours. Such calls should be held at a minimum so that they do not interfere with the workflow.

Personal cellphone calls - In order to provide an optimum work environment, employees are expected to have cellphones turned off during work hours. Ringing cellphones are a distraction to co-workers and can interfere with productivity. Cellphones should only be used during breaks, lunches and outside of the office. Flexibility will be provided in circumstances demanding immediate or emergency attention.

Voicemail - Company telephones are also equipped with voicemail. Voicemail was installed to help maintain our high quality of service for clients and to increase efficiency throughout the office. Voicemail will be an option to the caller; the call will not be put directly through to voicemail. It is recommended that employee greetings be changed daily. They should be brief and communicate your availability to clients.

Please contact Human Resources with questions about our Phone Call Policy.

## PHOTOGRAPHY AND VIDEOTAPING IN THE WORKPLACE

Photography and videotaping has the potential to disclose confidential company information and jeopardizes employee privacy rights. As such, Hawaiian Ethos strictly prohibits photography and videotaping in the workplace, unless expressly authorized by Company management.

Employees are prohibited from using any device that has the capacity to capture photographic images or video images; this includes company issued and personal cell phones.

Any employee found to have violated this policy will be subject to disciplinary action, up to and including immediate termination of employment.

## PERSONAL APPEARANCE

Dress, grooming, and personal cleanliness standards contribute to the morale of all employees and affect the business image Hawaiian Ethos presents to customers and visitors.

During business hours or when representing Hawaiian Ethos, you are expected to present a clean, neat, and tasteful appearance. You should dress and groom yourself according to the requirements of your position and accepted social standards. This is particularly true if your job involves dealing with customers or visitors in person.

Your supervisor or department head is responsible for establishing a reasonable dress code appropriate to the job you perform. If your supervisor feels your personal appearance is inappropriate, you may be asked to leave the workplace until you are properly dressed or groomed. Under such circumstance, you will not be compensated for the time away from work. Consult your supervisor if you have questions as to what constitutes appropriate appearance. Where necessary, reasonable accommodation may be made to a person with a disability.

Without unduly restricting individual tastes, the following personal appearance guidelines should be followed:

- Personal Protection Equipment (ex. Hearing, Eye, Fall, Back, Dust) must be used when required
- Shoes must provide safe, secure footing, and offer protection against hazards.
- Canvas or athletic type shoes are not appropriate professional attire.
- Tank tops, tube or halter tops, or shorts may not be worn under any circumstances.
- Offensive body odor and poor personal hygiene is not professionally acceptable.
- Jewelry should not be functionally restrictive, dangerous to job performance, or excessive.

## HYGIENE

### *Employee Hygiene*

Hawaiian Ethos encourages the practice of appropriate employee hygiene within the workplace.

This includes but is not limited to:

- Washing hands after using the restroom;
- Limiting or abstaining from the excessive use of perfumes and colognes;
- Appropriate use of deodorant;
- Appropriate bodily cleanliness;
- Kept hair (pulled back); and
- Containment of communicable diseases.

### *Workplace Hygiene*

Hawaiian Ethos encourages the practice of clean hygiene within the workplace.

This includes but is not limited to:

- Washing hands after using the restroom;
- The proper disposal of garbage;
- Proper sanitation in eating areas; and
- Cleanliness of workspace.

Managers and supervisors are responsible for interpreting and enforcing the hygiene policy at their discretion. This includes advising employees with inappropriate hygiene standards. Reasonable accommodation can be made in extreme circumstances.

Business necessity does call for professional standards in order to protect a clean and non distracting work place. Questions or concerns should be handled by an employee's immediate supervisor or the Director of Human Resources. Any employee may be sent home in order to correct a problem. Hawaiian EthoS seeks to remain in compliance with all relevant state and federal laws.

### HOUSEKEEPING

Hawaiian Ethos expects all employees to keep work areas, break rooms, and Hawaiian Ethos property clean and well maintained at all times. The use of the break room and Hawaiian Ethos facilities is a privilege and proper care is required.

The break room and coffee station are available for employee use. Employees are permitted to use the refrigerator, microwave, toaster, and coffee maker. Employees are expected to clean all areas after using them.

Employee workspaces are also expected to be kept neat and orderly. Prior to leaving for the day, all employees are required to tidy up their work area and return all items to their proper location.

Any employee found to be contributing to unsanitary conditions will be subject to discipline, up to and including immediate termination of employment.

Questions regarding this policy should be directed to your supervisor.

### MEDIA RELATIONS

Hawaiian Ethos is committed to providing the media with accurate information. To avoid discrepancies, specific guidelines should be followed when a media inquiry is received.

All media inquiries regarding Hawaiian Ethos and its operation must be immediately referred to Dispensary Manager, who is authorized to make or approve public statements regarding company business. Unless specifically designated by this person, you are not authorized to make those statements. If you wish to write or publish an article, paper or other publication on behalf of Hawaiian Ethos, you must first obtain approval.

Hawaiian Ethos will generally provide a response to media inquiries within 24 hours. Should the response require a detailed technical explanation, a spokesperson will be designated to address the issue. The spokesperson will be chosen carefully, based on their area(s) of expertise.

Media inquiries include, but are not limited to, official statements, press releases and advertisements.

Please contact Dispensary Manager with any questions or concerns you have regarding the Media Relations Policy.

#### COMPANY CREDIT CARD

Hawaiian Ethos offers company credit cards for employees who travel frequently for their duties, purchase large volumes of goods for use by the company or incur frequent business expenses that can be paid by credit card.

As a general rule, corporate credit cards cannot be used to obtain cash advances, bank checks or electronic cash transfers for anything other than the expenses incurred by the employee whose name appears on the credit card. The card is not to be used for personal expenses of the employee, either.

- Misuse of a Company credit card will result in cancellation of the card. If the card is used for personal expenses, Hawaiian Ethos has the right to recover these expenses from the cardholder. All employee cardholders will be required to sign an agreement authorizing Hawaiian Ethos to recover any amounts that are incurred for personal reasons out of their salaries.
- Credit card expenditures must be submitted with original receipts to Human Resources at the end of each calendar month. Cardholders who do not submit their expenditures within this time frame will be asked to submit them immediately.
- If a credit card holder does not follow this Policy, his or her card will be cancelled.
- Lost or stolen Hawaiian Ethos credit cards must be reported to Human Resources immediately.

#### COMMUNITY AFFAIRS

Hawaiian Ethos encourages employee involvement in community and civic activities. However, employees are expected to keep such activities in practical balance with their job requirements,

which take first priority. Employees must also be sure that their involvement in community affairs does not present an apparent or actual conflict of interest with Hawaiian Ethos.

## POLITICAL ACTIVITY

Employees of Hawaiian Ethos may engage in political activities outside of work hours, but should not allow their political affiliation to affect the performance of their work responsibilities and duties or relationships with coworkers and other employees.

## SOCIAL NETWORKING AND SOCIAL MEDIA

Hawaiian Ethos is committed to maintaining a good relationship with its employees and the marketplace. The way the public views Hawaiian Ethos is vital to maintaining business, gaining new business, retaining first-class employees, recruiting new employees and marketing our products and services.

While Hawaiian Ethos has no intention of controlling employee actions outside of work, employees should practice caution and use discretion when posting content on all social media platforms. Employees have the right to use social media for personal expression on their own time, and Hawaiian Ethos will not violate employee privacy by attempting to access content that has not been made available publicly. This policy serves as a notice on the practice of social networking for all employees to read and understand. As more concerns develop and legislation is released, this policy is subject to change.

The purpose of this policy is to:

- To guarantee a constructive relationship between the company and its employees
- To manage risk and preserve Hawaiian Ethos' positive reputation
- To discourage the use of company time for personal social media activities
- To promote awareness among employees of the number of individuals who can access information presented on social networking sites

### Definitions

*Social networking* and *social media* refer to any activity that involves interaction in online communities. This interaction includes, but is not limited to, browsing profiles and photos, reading messages sent through social networking forums and participating in instant messaging services.

A *social networking site* is any website that links individuals electronically and provides a forum where users can connect and share information. These websites can be tailored to specific interests or to certain types of users.

A *social networking profile* is a user's personalized page within a specific social networking site, usually containing personal information such as name, birthday, photo and interests.

*Micro-blogging* is the practice of publishing your recent whereabouts, thoughts or activities on a social networking site for other users to see. While not all social networking sites use micro-blogging, this is a primary focus of sites such as Twitter and Facebook.

*Business purposes* is considered using a social networking site for the company's gain, usually as a task or assignment given by a manager or supervisor. This can be done either through a specific company account on a given social networking site or through a personal account set up for the purposes of recruiting or marketing for Hawaiian Ethos.

The term *Working Hours* includes any time employees are being paid to conduct company business. Standard working hours are from 8:00am to 5:00pm, Monday through Friday. This timeframe may vary based on job type and responsibilities.

## **Procedures**

### *Prohibited Use*

It is important that employees use their time at work for business purposes. Employees are not blocked from access to social networking sites on Hawaiian Ethos computers because, under some circumstances, social networking is a powerful business tool that can be channeled to gain positive publicity for the company and to connect with clients. However, access to such websites should follow company policy. The following actions are prohibited during working hours:

- Using social networking sites to conduct personal or non-company business with a company computer or device.
- Browsing social networking sites for non-company business on company time with a company computer or device.
- Reading e-mail alerts regarding personal social networking account activity or using Hawaiian Ethos e-mail to correspond with personal social networking contacts.
- Updating information, uploading photos or otherwise engaging with one's personal social networking profile for non-business purposes with a company computer or device.
- Micro-blogging for a non-business purpose on a social networking site throughout the day, whether it is on a company-provided computer or a personal smart phone device.

### *Prohibited Conduct*

Having your own individual social networking account and using it on your own time is certainly permissible. However, keep in mind that some actions on your personal site are visible for the entire social networking community and may no longer be considered private matters. Hawaiian Ethos has put in place a set of conduct guidelines to protect its brand and prevent the unwanted disclosure of confidential information. Please follow these guidelines:



- Do not use micro-blogging features to disclose trade secrets, publish internal reports, provide tips based on inside information or participate in other activities that may be considered insider trading.
- We urge you to consider resolving workplace grievances internally. If you choose to address a grievance using social media, we recommend you refrain from posting comments and materials that could be viewed as malicious, obscene, threatening, intimidating or that could create a hostile environment on the basis of race, sex, disability, religion or any other status protected by law.
- We also recommend you refrain from posting any opprobrious, reckless or maliciously untrue comments. These communications may not be protected by law.
- Do not impersonate Hawaiian Ethos or its employees, make statements on behalf of Hawaiian Ethos without authorization, or make statements that can be construed as establishing Hawaiian Ethos' official position or policy on any particular issue.

As stated above, the purpose of this policy is to protect Hawaiian Ethos' brand and prevent the disclosure of confidential information. It is not Hawaiian Ethos intent to interfere with its employees' legal rights. Whenever state or federal law govern an area of social media participation, Hawaiian Ethos policies should be interpreted as to comply with them.

## SUBSTANCE ABUSE

It is Hawaiian Ethos' desire to provide a drug-free, healthful, and safe workplace. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner.

While on Hawaiian Ethos premises and while conducting business-related activities off Hawaiian Ethos premises, no employee may use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs. The legal use of prescribed drugs is permitted on the job only if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger other individuals in the workplace.

Violations of this policy may lead to disciplinary action, up to and including immediate termination of employment, and/or required participation in a substance abuse rehabilitation or treatment program. Such violations may also have legal consequences.

To inform employees about important provisions of this policy, Hawaiian Ethos has established a drug-free awareness program. The program provides information on the dangers and effects of substance abuse in the workplace, resources available to employees, and consequences for violations of this policy.

Employees with questions or concerns about substance dependency or abuse are encouraged to discuss these matters with their supervisor to receive assistance or referrals to appropriate resources in the community.

Employees with drug or alcohol problems that have not resulted in, and are not the immediate subject of, disciplinary action may request approval to take unpaid time off to participate in a rehabilitation or treatment program. Leave may be granted if the employee agrees to abstain from use of the problem substance; abides by all Hawaiian Ethos policies, rules, and prohibitions relating to conduct in the workplace; and if granting the leave will not cause Hawaiian Ethos any undue hardship.

Under the Drug-Free Workplace Act, an employee who performs work for a government contract or grant must notify Hawaiian Ethos of a criminal conviction for drug-related activity occurring in the workplace. The report must be made within five days of the conviction.

Employees with questions on this policy or issues related to drug or alcohol use in the workplace should raise their concerns with their supervisor without fear of reprisal.

## SEXUAL AND UNLAWFUL HARASSMENT

Hawaiian Ethos is committed to providing a work environment that is free from all forms of discrimination and conduct that can be considered harassing, coercive, or disruptive, including sexual harassment. Actions, words, jokes, or comments based on an individual's sex, race, color, national origin, age, religion, disability, sexual orientation, or any other legally protected characteristic will not be tolerated. Hawaiian Ethos provides ongoing sexual harassment training to ensure you the opportunity to work in an environment free of sexual and other unlawful harassment.

Sexual harassment is defined as unwanted sexual advances, or visual, verbal, or physical conduct of a sexual nature. This definition includes many forms of offensive behavior and includes gender-based harassment of a person of the same sex as the harasser. The following is a partial list of sexual harassment examples:

- Unwanted sexual advances.
- Offering employment benefits in exchange for sexual favors.
- Making or threatening reprisals after a negative response to sexual advances.
- Visual conduct that includes leering, making sexual gestures, or displaying of sexually suggestive objects or pictures, cartoons or posters.
- Verbal conduct that includes making or using derogatory comments, epithets, slurs, or jokes
- Verbal sexual advances or propositions.
- Verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, or suggestive or obscene letters, notes, or invitations.
- Physical conduct that includes touching, assaulting, or impeding or blocking movements.

Unwelcome sexual advances (either verbal or physical), requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when: (1) submission to such conduct is made either explicitly or implicitly a term or condition of employment; (2) submission or rejection of the conduct is used as a basis for making employment decisions; or, (3) the conduct has the purpose or effect of interfering with work performance or creating an intimidating, hostile, or offensive work environment.

If you experience or witness sexual or other unlawful harassment in the workplace, report it immediately to your supervisor. If the supervisor is unavailable or you believe it would be inappropriate to contact that person, you should immediately contact the Risk Manager or any other member of management. You can raise concerns and make reports without fear of reprisal or retaliation.

All allegations of sexual harassment will be quickly and discreetly investigated. To the extent possible, your confidentiality and that of any witnesses and the alleged harasser will be protected against unnecessary disclosure. When the investigation is completed, you will be informed of the outcome of the investigation.

Any supervisor or manager who becomes aware of possible sexual or other unlawful harassment must immediately advise the supervisor or any member of management so it can be investigated in a timely and confidential manner. Anyone engaging in sexual or other unlawful harassment will be subject to disciplinary action, up to and including termination of employment.

## OFF DUTY CONDUCT

While Hawaiian Ethos does not seek to interfere with the off-duty and personal conduct of its employees, certain type of off-duty conduct may interfere with the Hawaiian Ethos legitimate business interests and organizational goals. For this reason, employees should be aware of the following policies:

- Employees are expected to conduct their personal affairs in a manner that does not adversely affect the Hawaiian Ethos' or their integrity, reputation, or credibility. Illegal or immoral off duty conduct that adversely affects the Hawaiian Ethos' legitimate business interests or the employee's ability to perform his or her job will not be tolerated.
- While employed by the Hawaiian Ethos, full time employees are expected to devote their energies to their jobs with the Hawaiian Ethos. For this reason, second jobs are strongly discouraged (unless it clearly does not interfere with the work at the Hawaiian Ethos). The following types of outside employment are strictly prohibited:

1. Employment that conflicts with an employee's work schedule, duties, and responsibilities;

2. Employment that creates a conflict of interest or is incompatible with the employee's employment with Hawaiian Ethos.
3. Employment that impairs or has a detrimental effect on the employee's work performance with Hawaiian Ethos.
4. Employment that requires the employee to conduct work or related activities on the Hawaiian Ethos' property during Hawaiian Ethos' working hours, using the Hawaiian Ethos' property during Hawaiian Ethos' working hours, or using the Hawaiian Ethos' facilities and/or equipment.
5. Employment that directly or indirectly competes with the business or the interests of Hawaiian Ethos. Employees who wish to engage in outside employment that may create a real or apparent conflict or interest must submit a written request to the Unit Director or Human Resources explaining the details of the outside employment. If the outside employment is authorized, Hawaiian Ethos assumes no responsibility for the outside employment. Hawaiian Ethos shall not provide workers' compensation coverage or any other benefit for injuries occurring from or arising out of outside employment.

## PERSONAL PROPERTY WAIVER

Hawaiian Ethos assumes no liability whatsoever for the damage, loss or theft caused by third parties to the personal property of staff members.

All storage facilities, offices and workspaces, including desks and lockers, are the property of Hawaiian Ethos, and Hawaiian Ethos reserves the right to have access to these areas and to such property at any time, without advance notice to any employee. Therefore, employees should not expect that such property will be treated as private and personal to the employee. Likewise, electronic mail and voice mail are also company property and are to be used only for business purposes. Internet accounts are also to be used only for company business. Hawaiian Ethos reserves the right to inspect, monitor and have access to company computers, electronic mail, voice mail messages and Internet communications.

To promote the safety of employees and company visitors, as well as the security of its facilities, Hawaiian Ethos reserves the right to conduct video surveillance of any portion of its premises at any time. Video cameras will be positioned in appropriate places within and around company buildings. The only exceptions to this policy include private areas of restrooms, showers and dressing rooms.

### *Employee Acknowledgement:*

I acknowledge that I have received a copy of Hawaiian Ethos' policy on personal property and expectations of privacy. I have also been given the opportunity to read and ask questions about the policy. I understand that by signing this acknowledgement, I agree to accept the policy as a condition of my employment or continuing employment with Hawaiian Ethos.

Print Name:

Date:

Signature:

REPORT OF JURY DUTY PAY

Employee Name: \_\_\_\_\_ Date: \_\_\_\_\_

Employee Location: \_\_\_\_\_ Employee ID#: \_\_\_\_\_

This form should be submitted to Human Resources.

I was out of the office on jury duty from \_\_\_\_\_ to \_\_\_\_\_, or (if you did not serve on consecutive days) on these dates: \_\_\_\_\_.

This is a copy of my jury duty pay statement. I understand that, although Hawaiian Ethos' benefits program includes pay continuation during jury duty, the additional money I earn while performing jury duty must be paid to Hawaiian Ethos. I understand, therefore, that my jury duty pay—pay only, not the transportation allowance—will be:

- ☐ Subtracted from a future paycheck
- ☐ Endorsed and paid directly to Hawaiian Ethos.

Signed: \_\_\_\_\_

#### RECEIPT OF HARRASSMENT POLICIES

As described in the Harassment Policy and the Sexual Harassment Policy, harassment is prohibited at Hawaiian Ethos.

By signing below, you acknowledge that you have received a copy of Hawaiian Ethos' Harassment Policy and Sexual Harassment Policy, and understand that it is your responsibility to read and comply with both policies and any revisions made to them.

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Signature

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Date

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Print your full name

### VACATION REQUEST FORM

Employees of Hawaiian Ethos must submit their vacation requests for approval at least 2 weeks in advance. Vacations may be taken in full days

Employee Name: \_\_\_\_\_

Supervisor Name: \_\_\_\_\_

Department: \_\_\_\_\_

Date: \_\_\_\_\_ Number of Hours: \_\_\_\_\_

Reason for Vacation:

Vacation Request is: ☐ Approved ☐ Denied

Supervisor Signature: \_\_\_\_\_ Date: \_\_\_\_\_



# 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, over all 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.

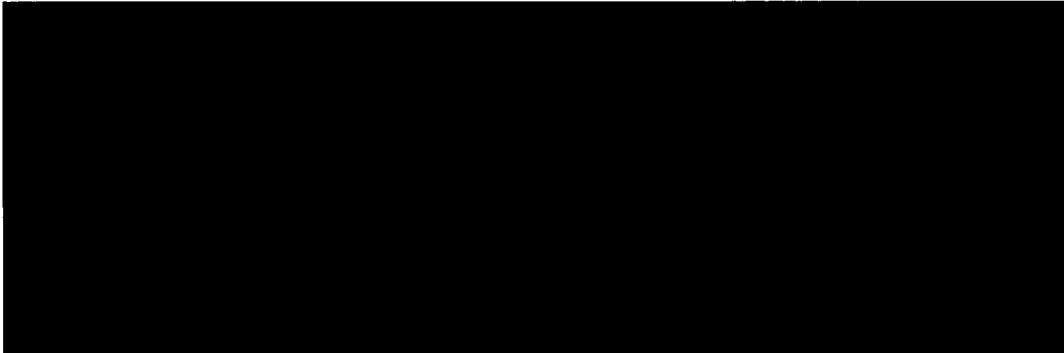
*Current Regulations:* The entire staff must be trained in all current regulations. A test shall be administered to all team members by the team supervisor and cover any regulations that pertain directly to team members duties.

*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.

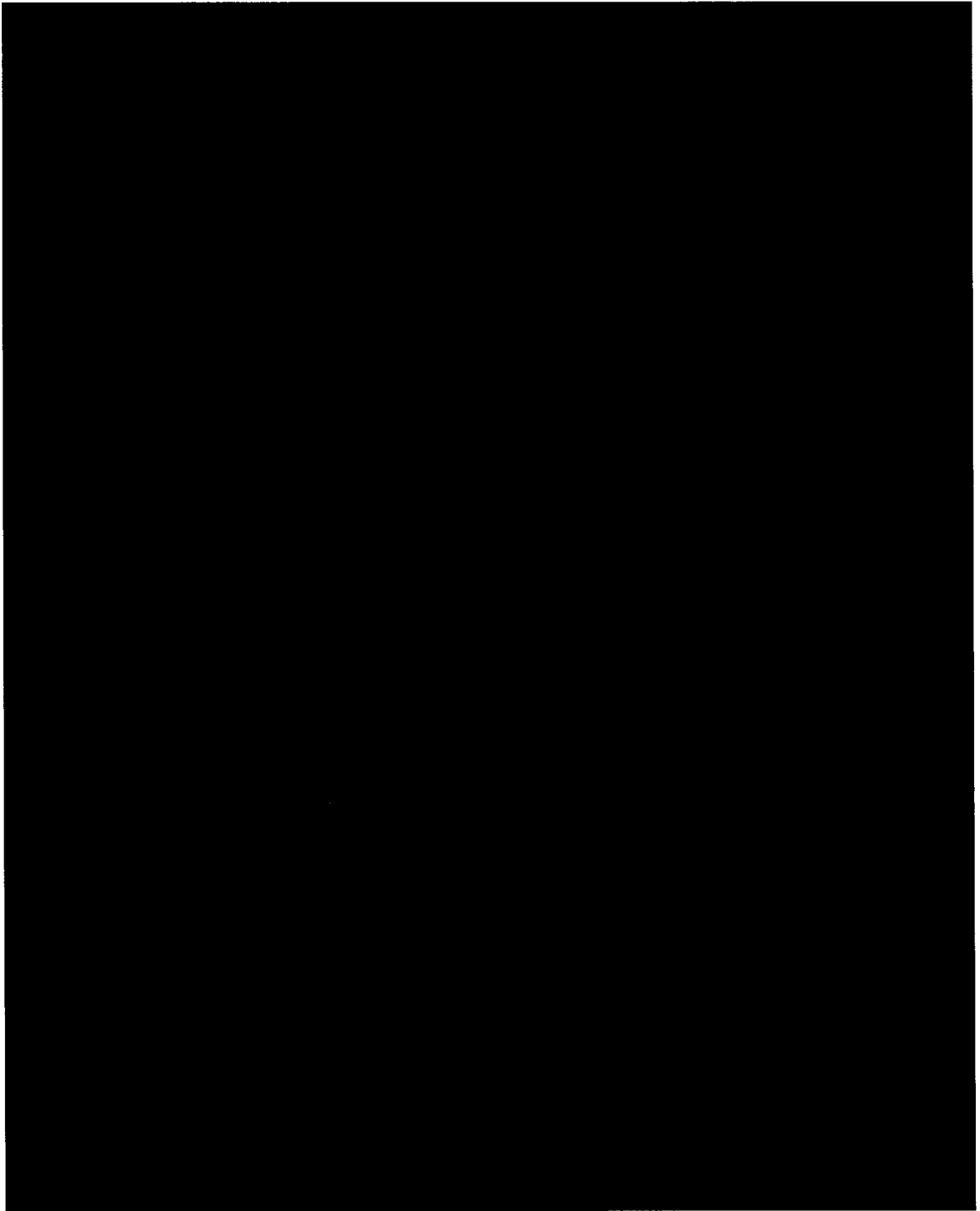
SAFETY AND SECURITY:



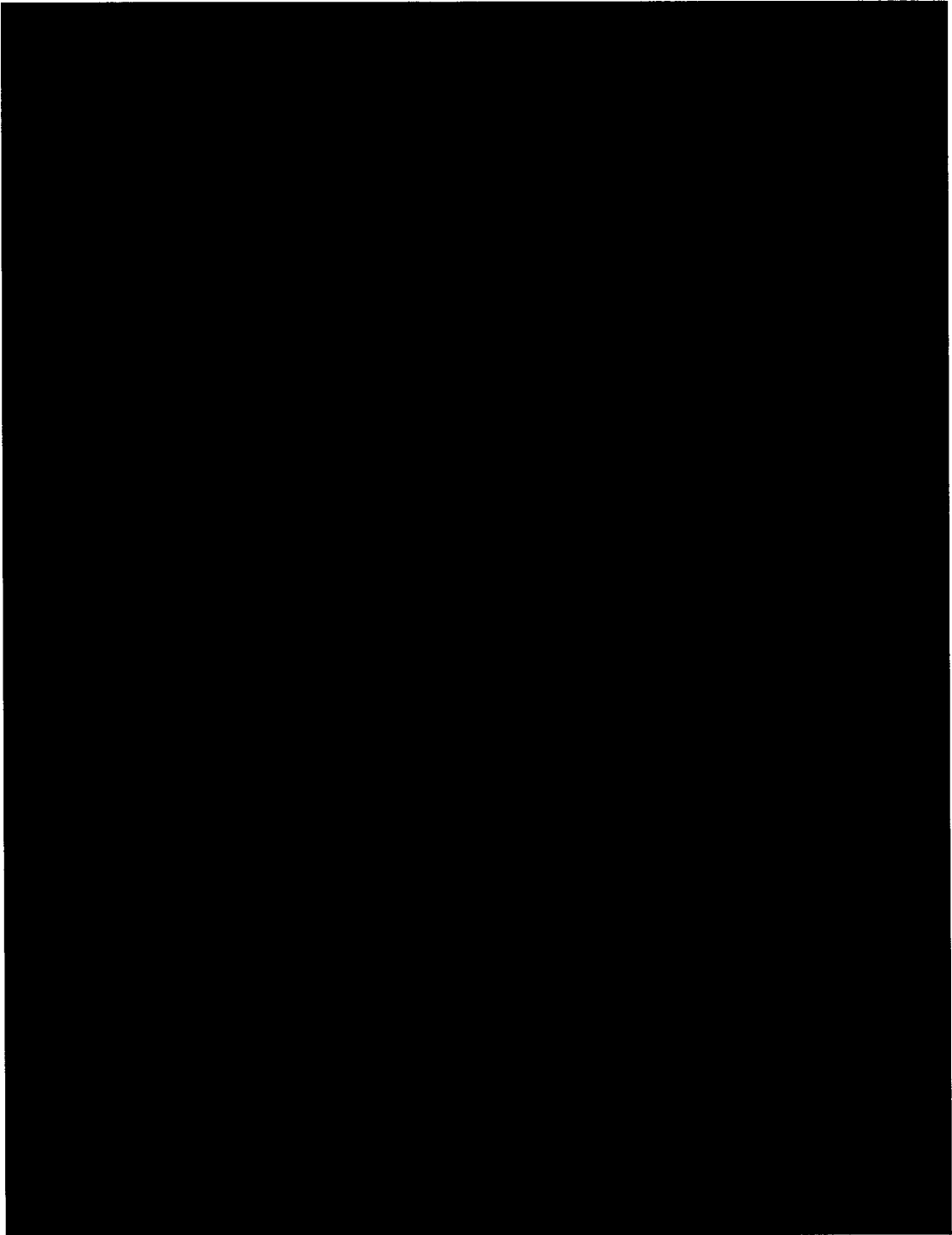
Hawaiian Ethos and La'au Pono are collaborating to build a brand new, state of the art, cultivation facility to exact specifications. This gives us the advantage of engineering the building type and layout to maximize security.

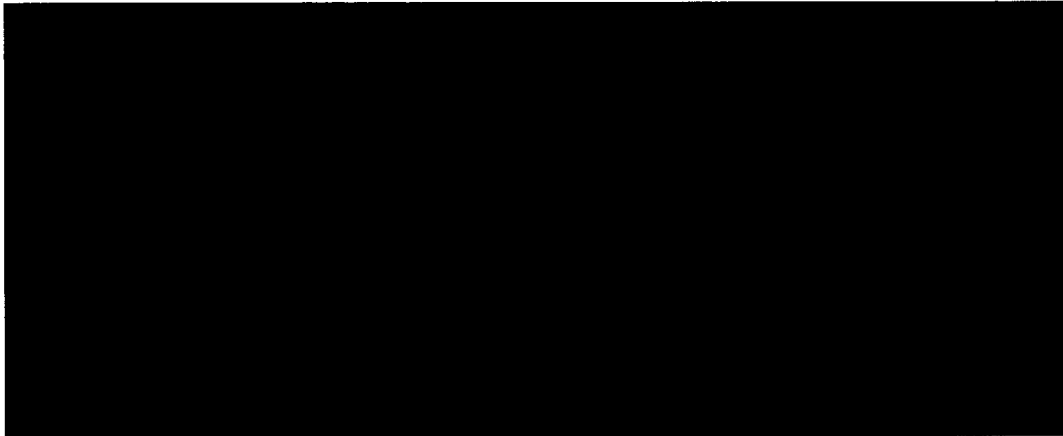


*Surveillance:*









#### SECURITY INSPECTIONS

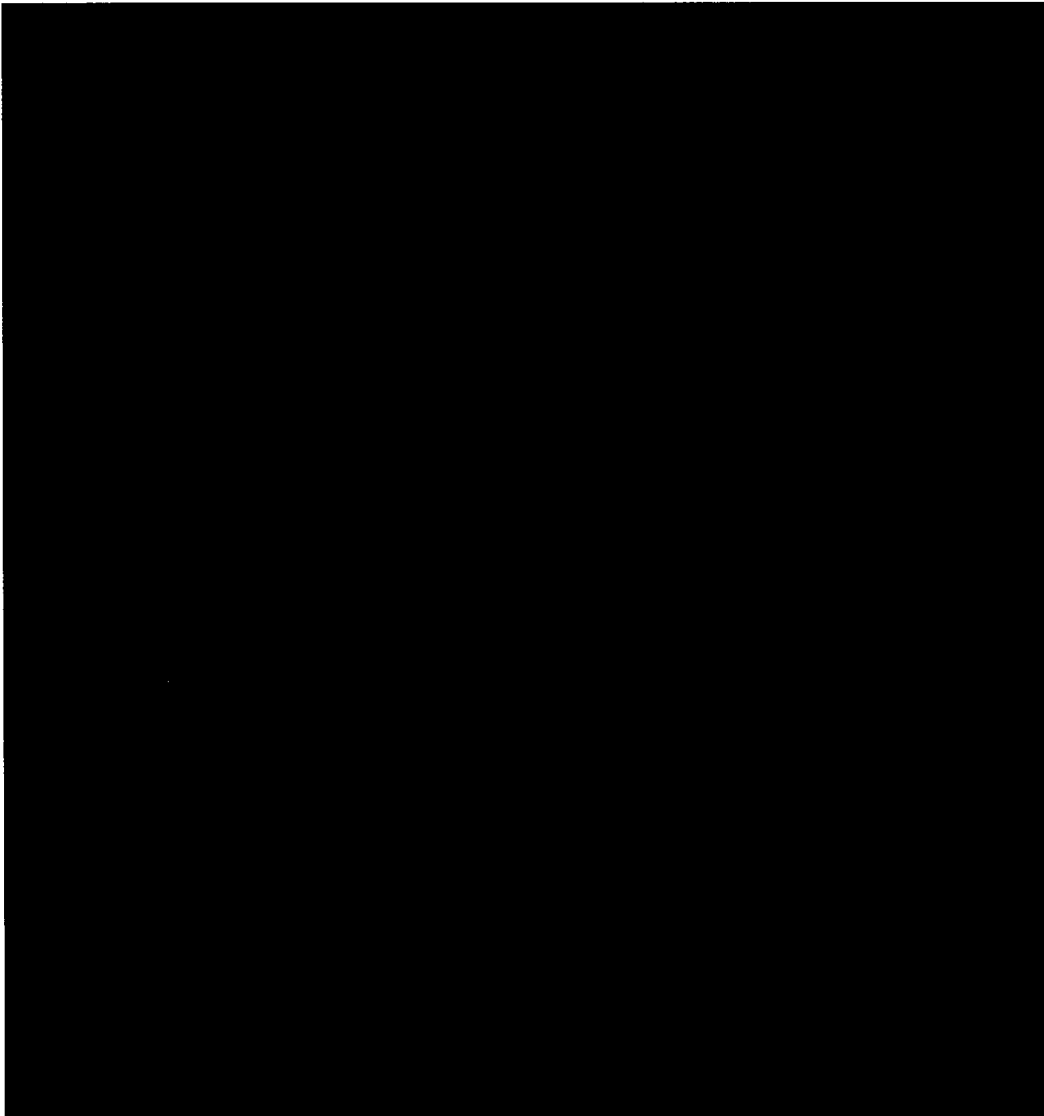
Hawaiian Ethos wishes to maintain a work environment that is free of illegal drugs, alcohol, firearms, explosives, or other improper materials. To this end, Hawaiian Ethos prohibits the possession, transfer, sale, or use of such materials on its premises. Hawaiian Ethos requires the cooperation of all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

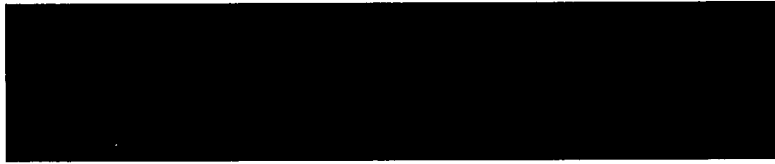
Desks, lockers, and other storage devices may be provided for the convenience of employees but remain the sole property of Hawaiian Ethos. Accordingly, they, as well as any articles found within them, can be inspected by any agent or representative of Hawaiian Ethos at any time, either with or without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

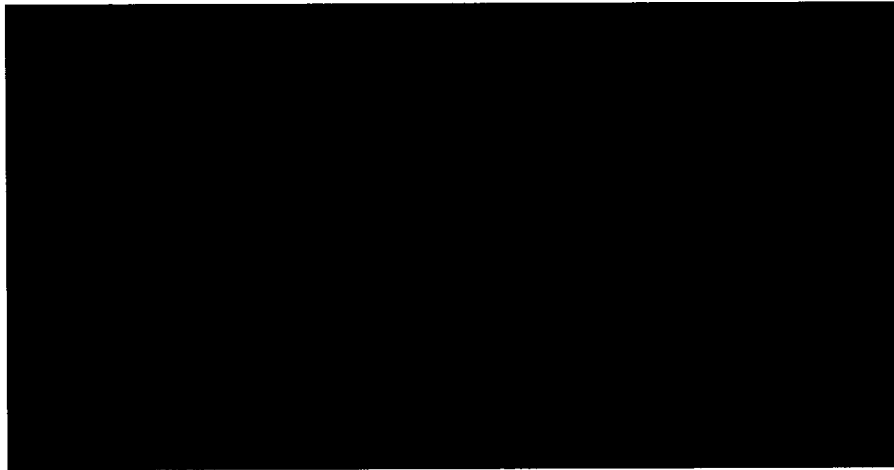
avoid inspection of any articles or materials should not bring such items onto employees, premises.

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





- o Activation of the Hawaiian Ethos Incident Management Team



- 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)

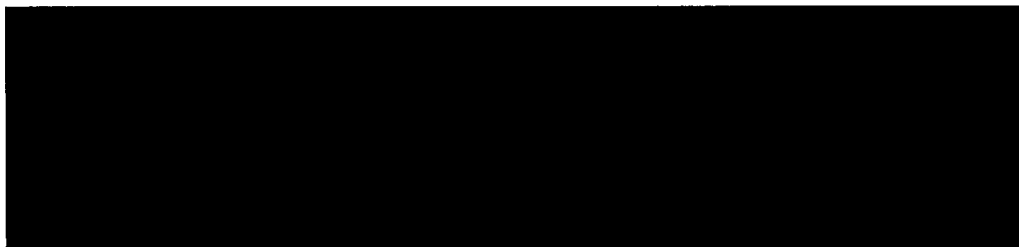
- Within 72 hours of the resumption of operations, an after action report will be completed identifying the causes of the failure or breaches and corrective measures put in place to mitigate future failures or breaches

- o Notifications to the Hawaii Department of Health:

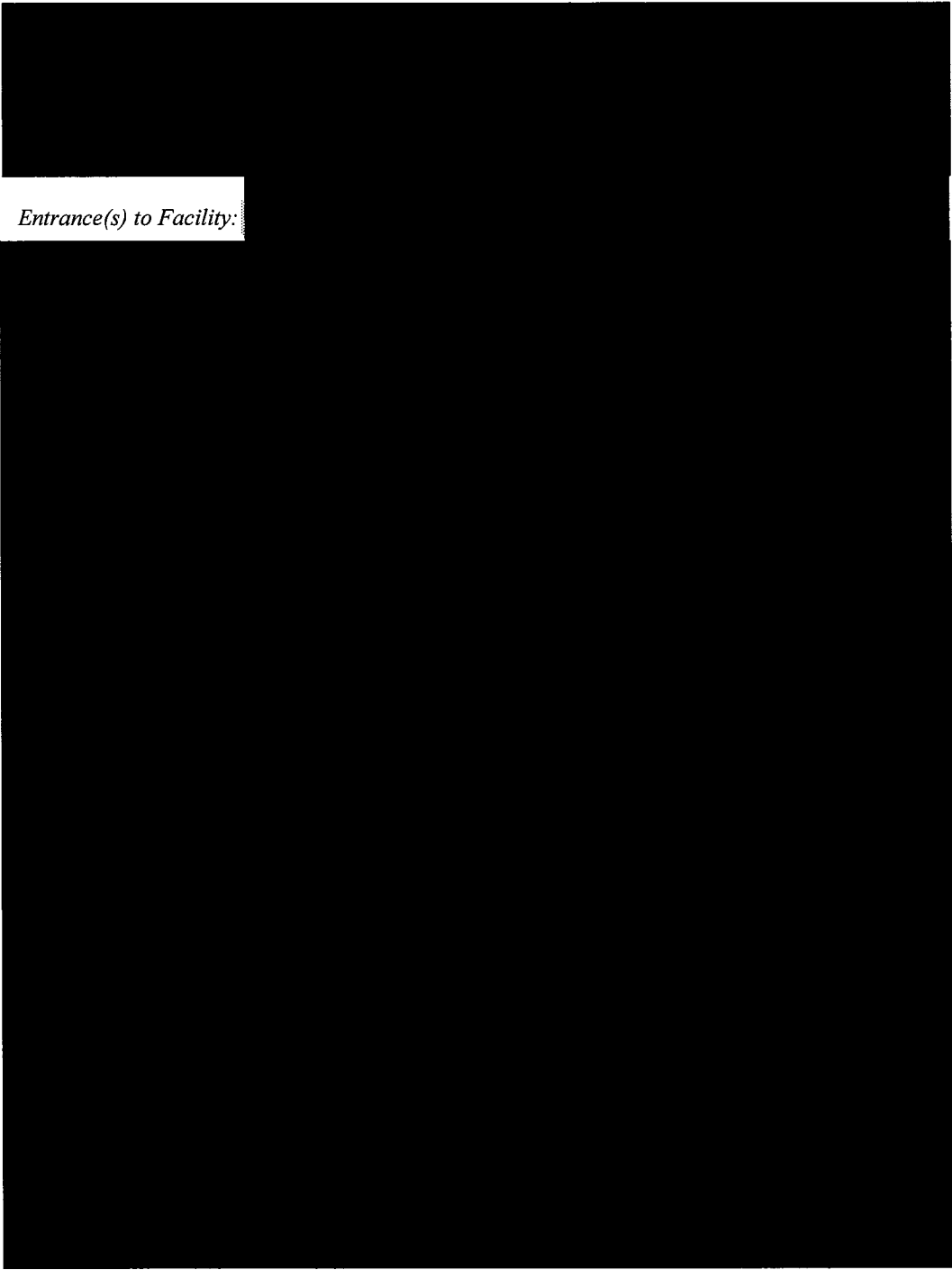
- Hawaiian Ethos will notify the Hawaii Department of Health that there was a breach or failure and protocols followed to ensure the security and safety of the facilities and mitigation strategies

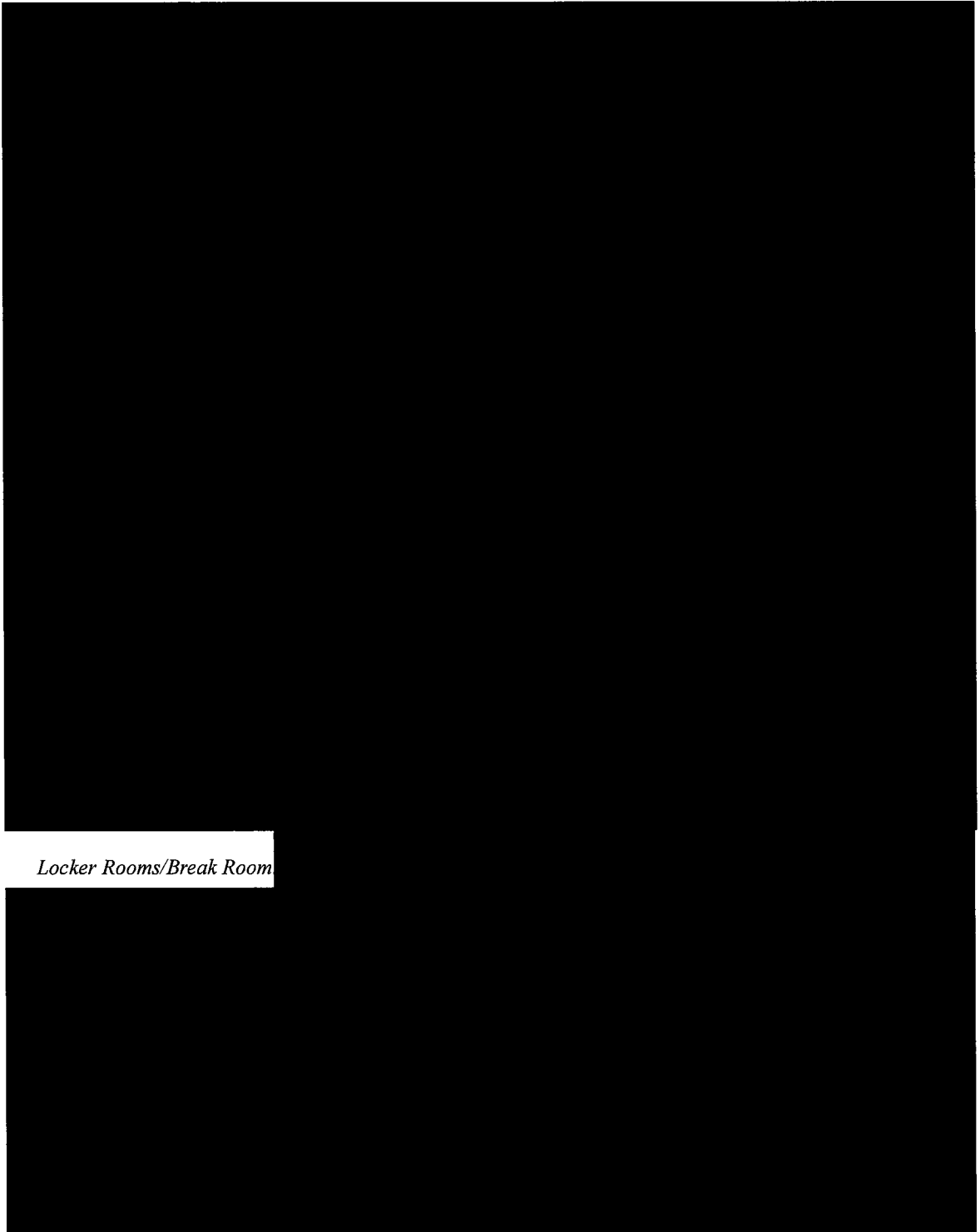
*Training Manuals:* Training manuals will be left on site and will not be available to bring home as a measure of Security. Manuals will be studied prior to any actual operation during the employees first few days on the job.

*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. Oftentimes 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)



*Entrance(s) to Facility:*





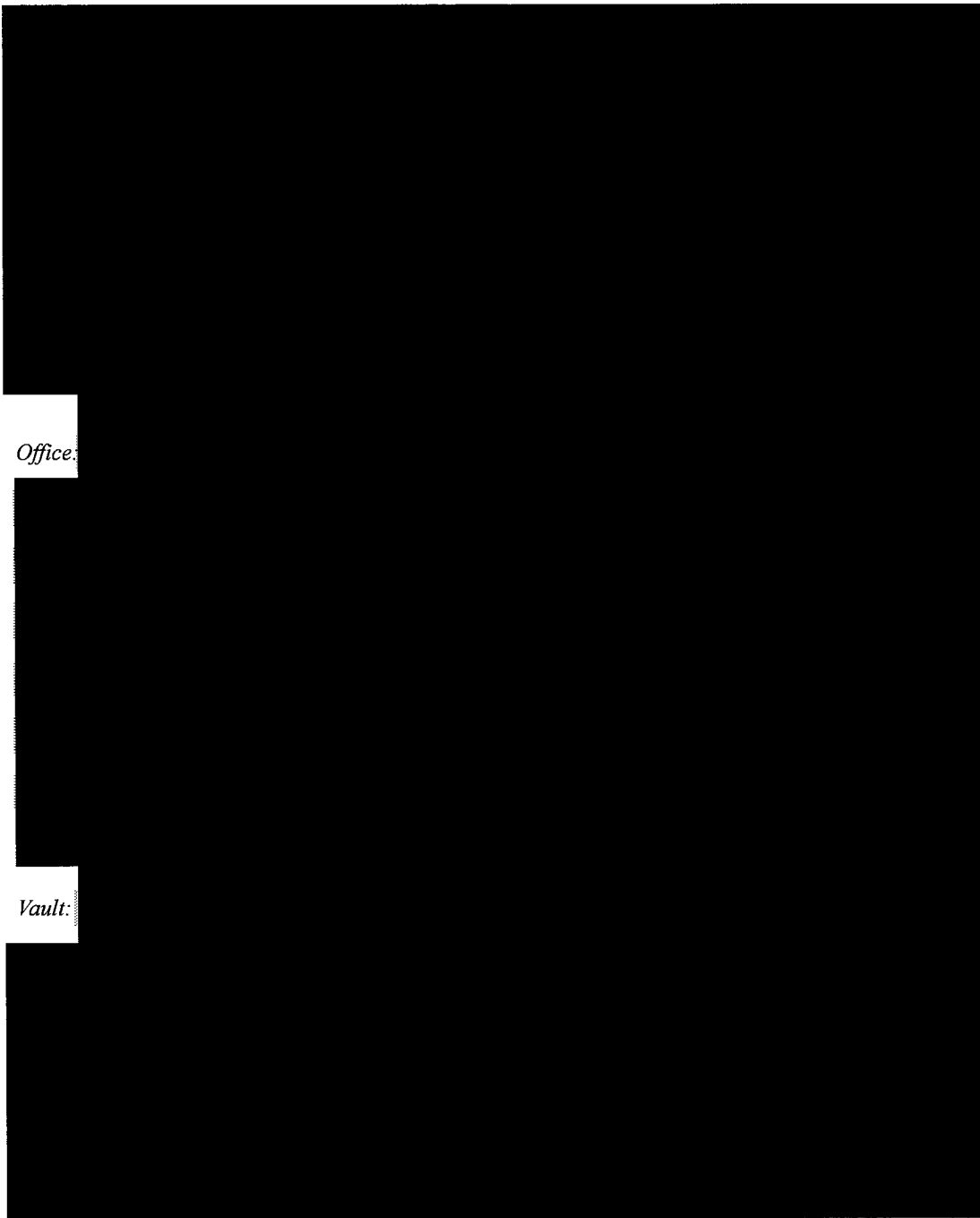
*Locker Rooms/Break Room*

*Security Room:*

*Trimming Room*

*Laboratory:*





Office:

Vault:


*Mother Room:*



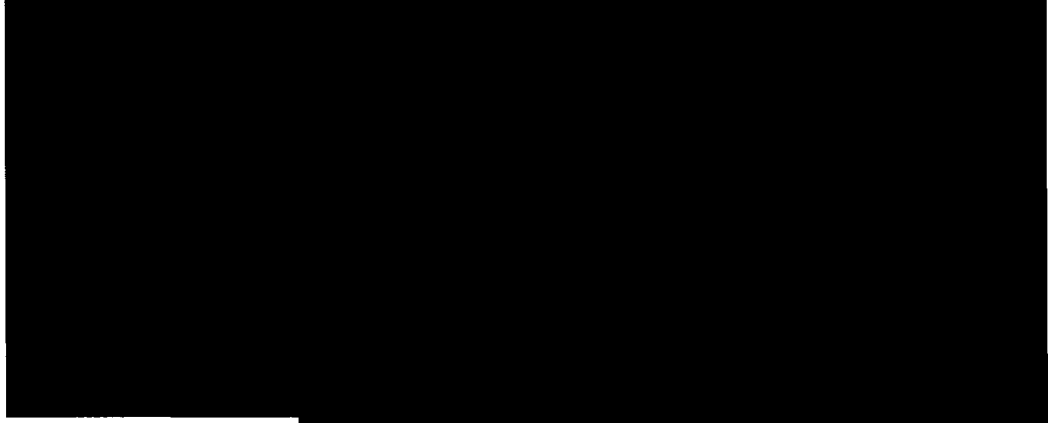
*Cloning Room:*

*Vegetation Rooms:*

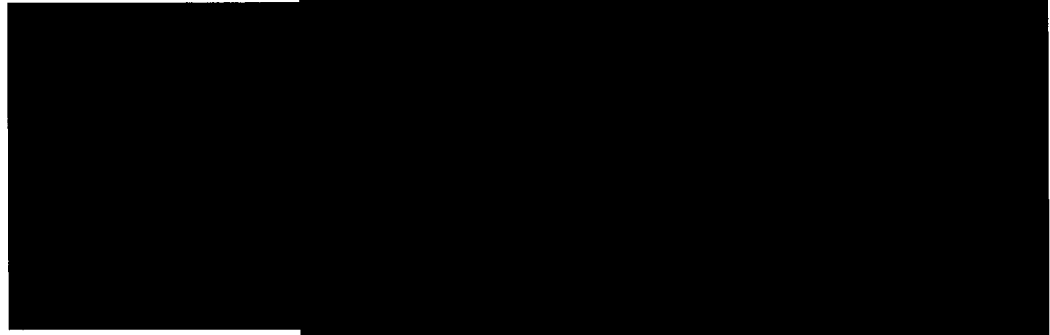
*Flowering Rooms:*

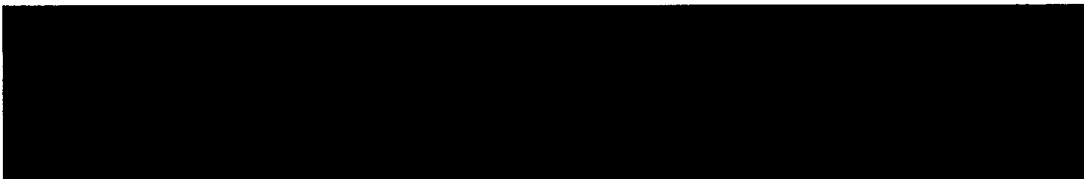


*Drying Room:*



*Packaging/Refining Room:*

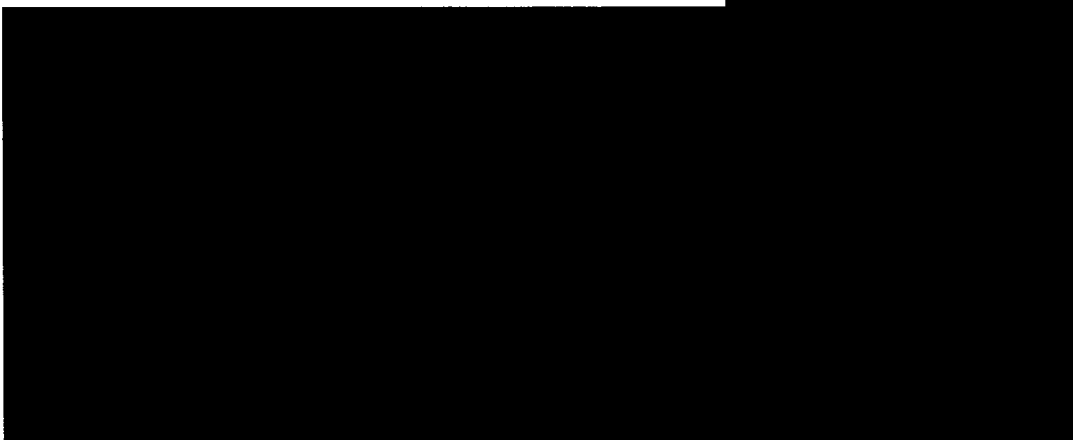




#### EXPECTED RESOURCE USAGE

*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.




*Lighting:*



*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.

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.





*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.



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 (CO<sub>2</sub>) 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 CO<sub>2</sub> 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 CO<sub>2</sub> enrichment. CO<sub>2</sub> supplementation will be used to expedite growth, however, this is not necessary in all steps of cultivation.



*Air Circulation:*

*Odor Control:*



*Drainage:*

*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.



*Power*

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

All power is estimated at 220V Estimated Year KWH

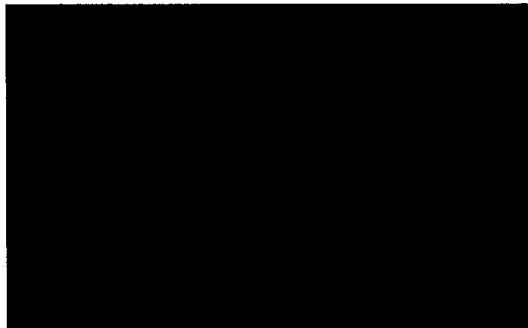
Lighting for cultivation area

Receptacles for cultivation

Lighting for manufacturing area

Receptacles for manufacturing area

HVAC for entire building



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 [redacted] 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.

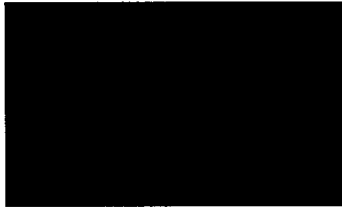
*Coco Coir:* Coco coir with a top drip-feeding system is the recommended replacement for hydroponic gardening as it solves every problem associated with hydroponics and can achieve similar results. Hybrid system utilizes coco coir as a component while still utilizing an organic base for additional terpene 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:



*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:



*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:*

*Directions:*

*Compost Tea:*

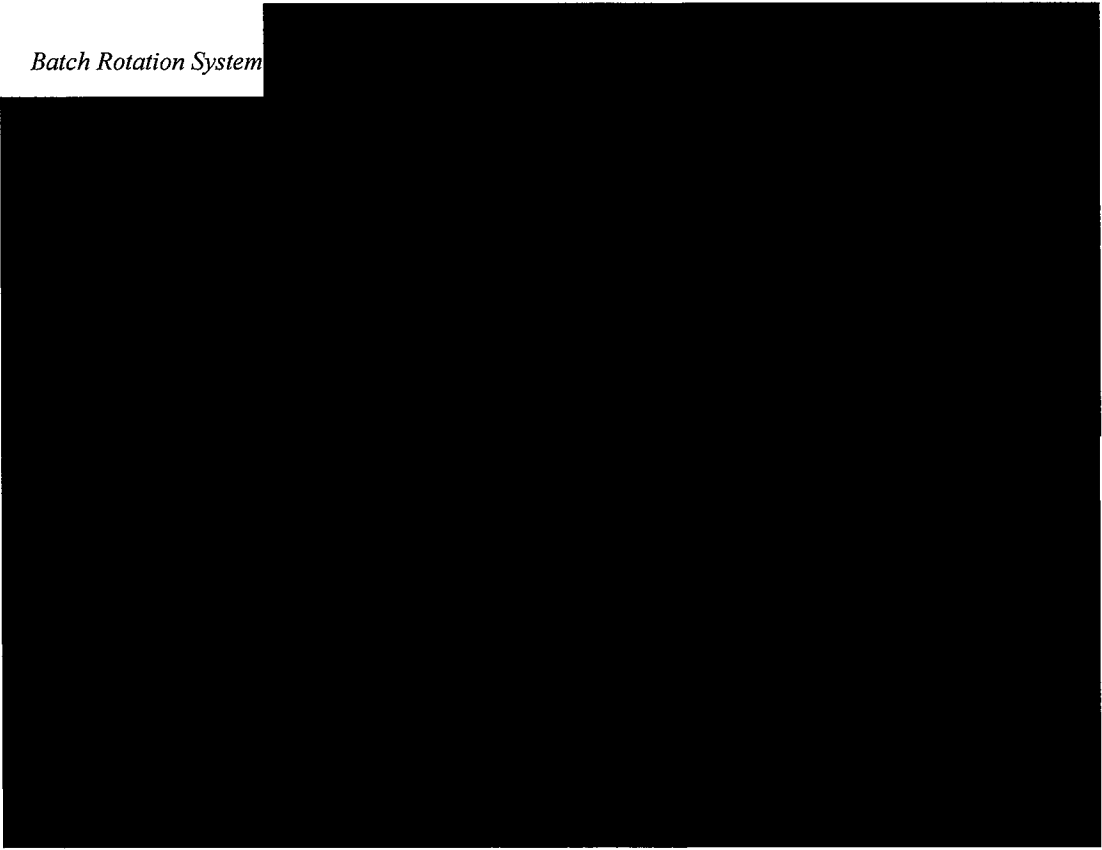
*Organic Nutrients:* Organic bottled nutrients: 100% OMRI certified bottled nutrients will be

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

#### CULTIVATION METHODS

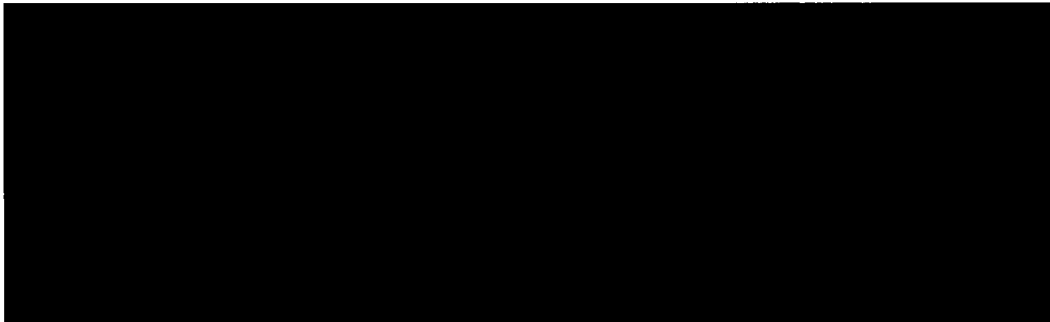
*Medical Marijuana Life Span:* The following steps will be taken to ensure the quality of the medical marijuana, including purity and consistency of dose and the presence of potential contaminants. This includes standard operating procedures, a description of the testing process and frequency, and plans 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.



*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:*

*Cloning Medium*

Procedure for taking Clones:

*Watering Clones:*

*Transplanting Clones:*

*Early Vegetative Phase 1 (P1):*




*Transplant P1:*

*Watering Transplants:*

*Late Vegetation:*

*Transplant P2:*

*Flowering:*Phase 3 flowering room (P3):



*Flushing:*

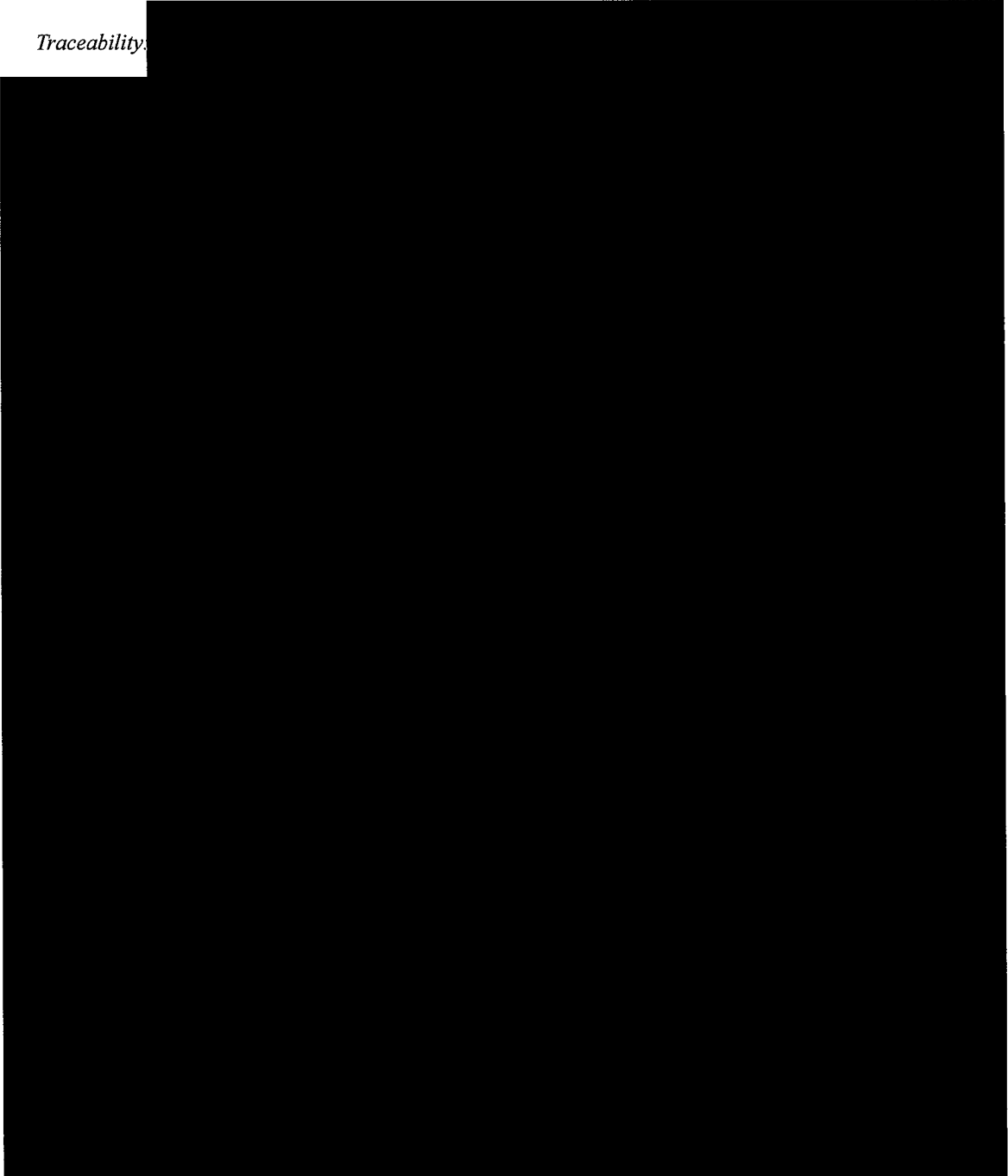
*Materials for Flushing Finished Plants:*

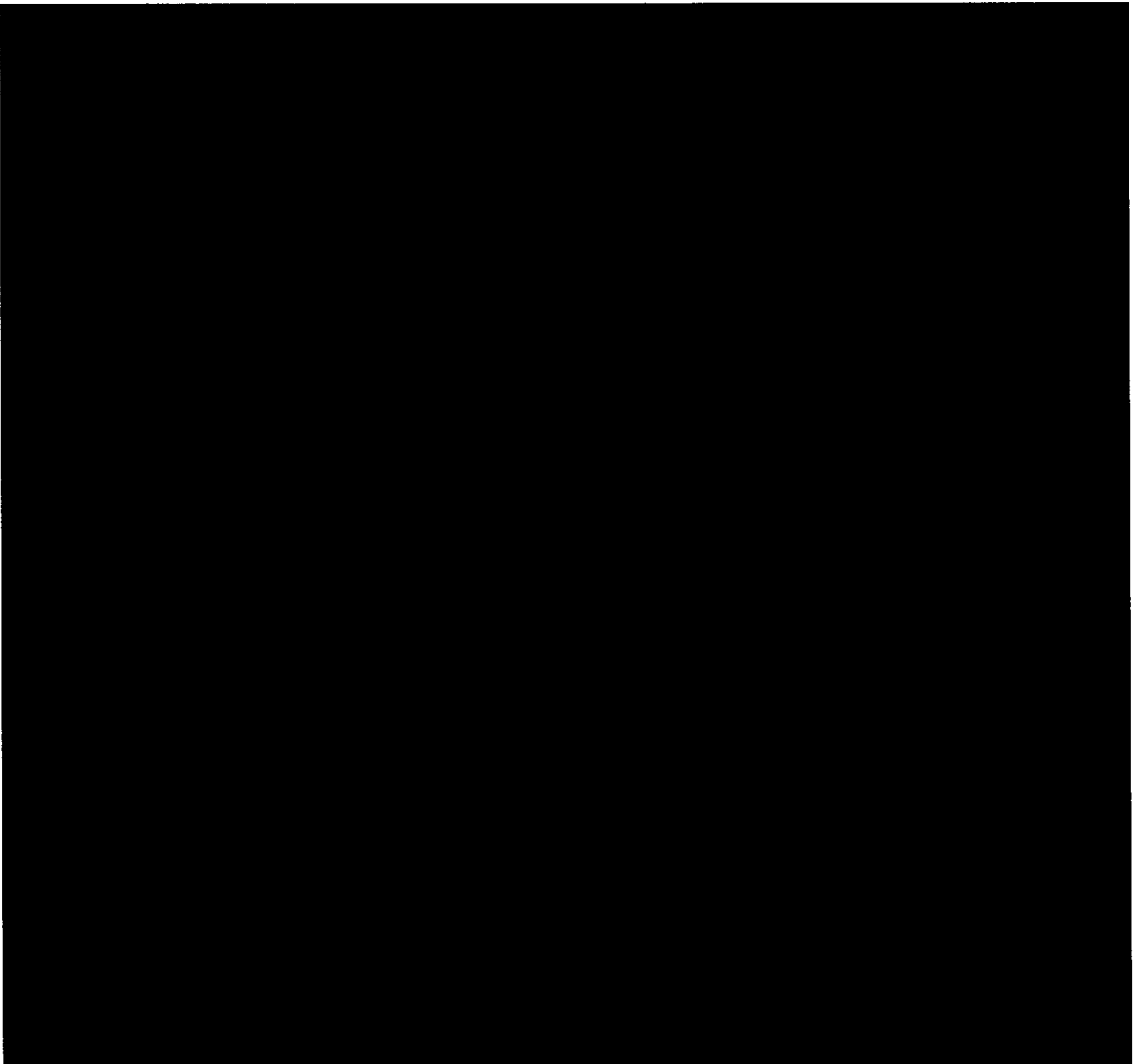
*Harvesting:*

*Drying:*

*Batch Segregation:*

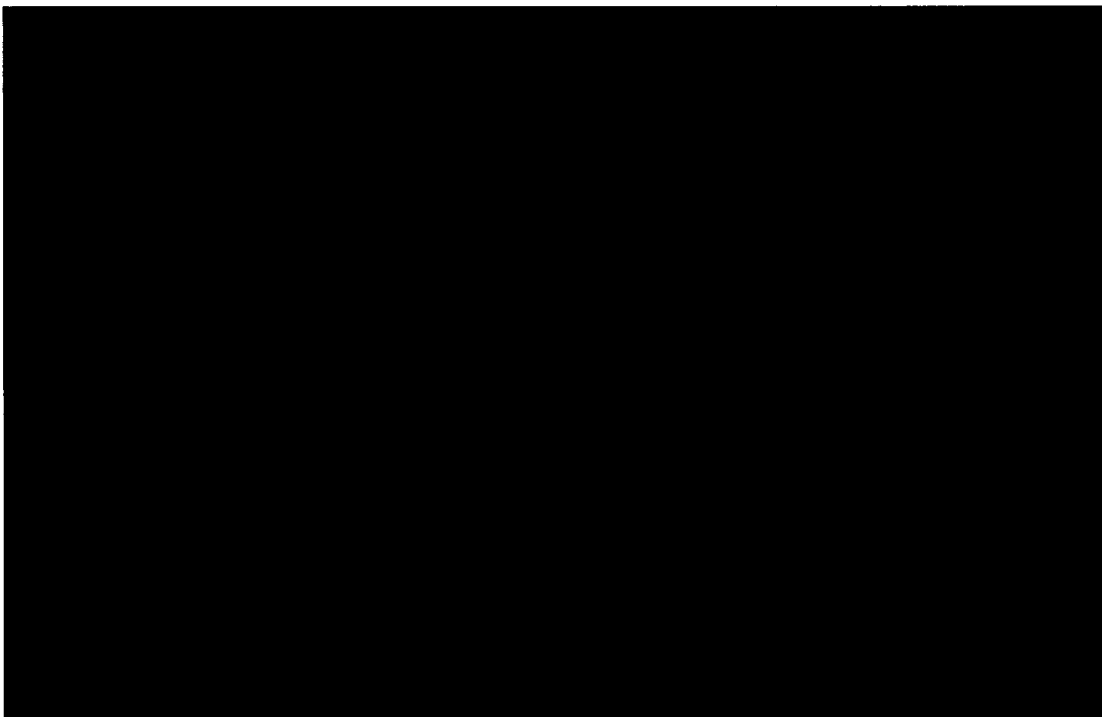
*Traceability:*



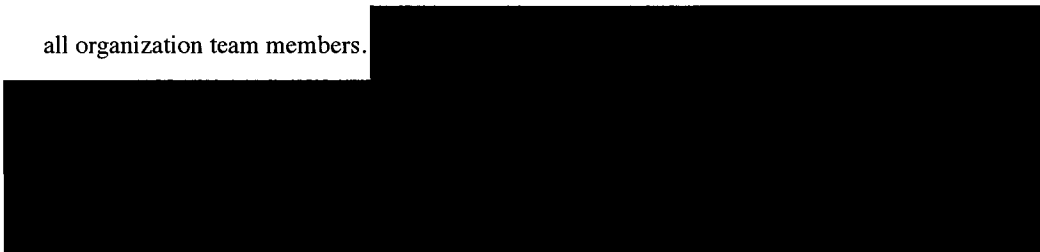


*Preparing Inventory for Delivery:*

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.



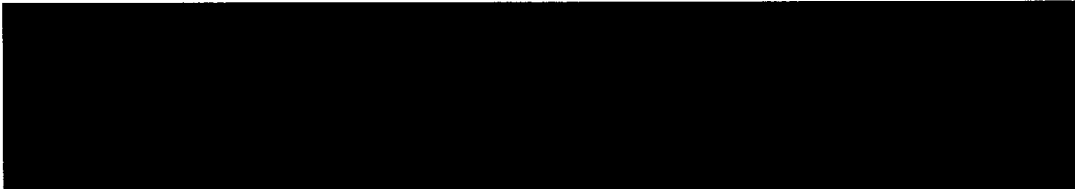
*Transportation:* All applicable state and local laws and regulations will be strictly adhered to by all organization team members.



*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.



#### 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.

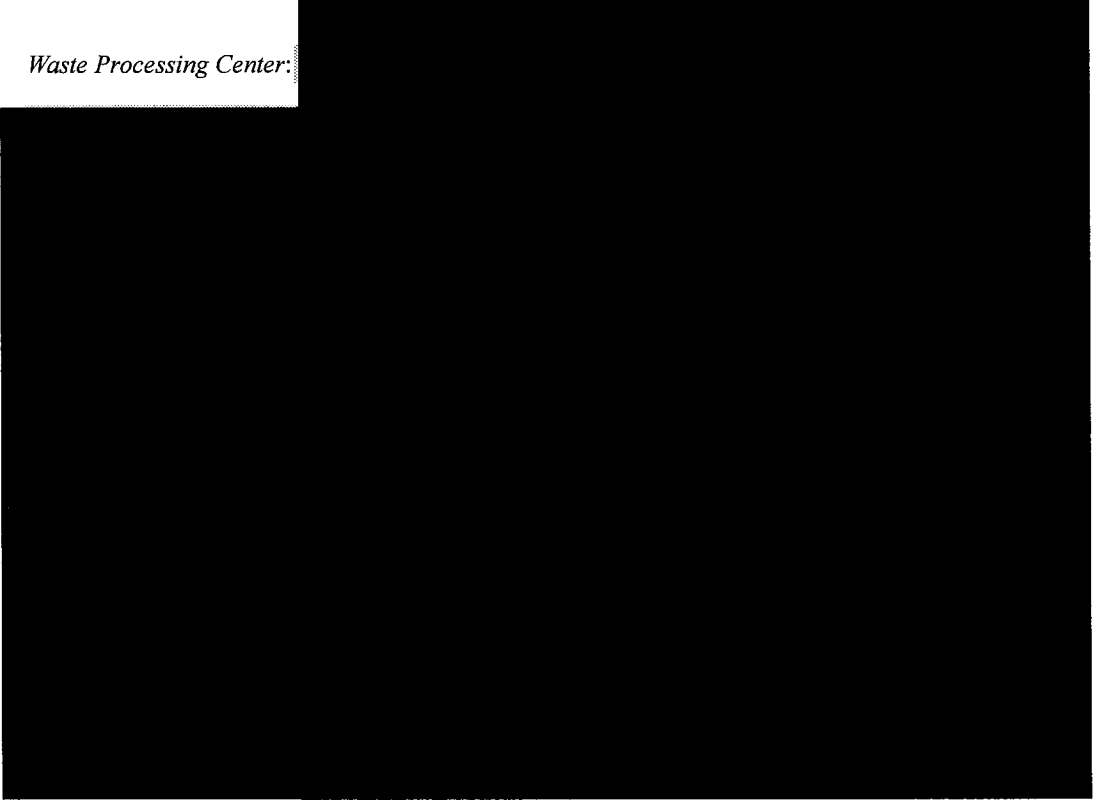
La'au Pono's policy is to maintain a safe and healthy working environment at all times, and to comply with Occupational Safety and Health Administration (OSHA) regulations as well as state and local safety requirements.

#### 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:*



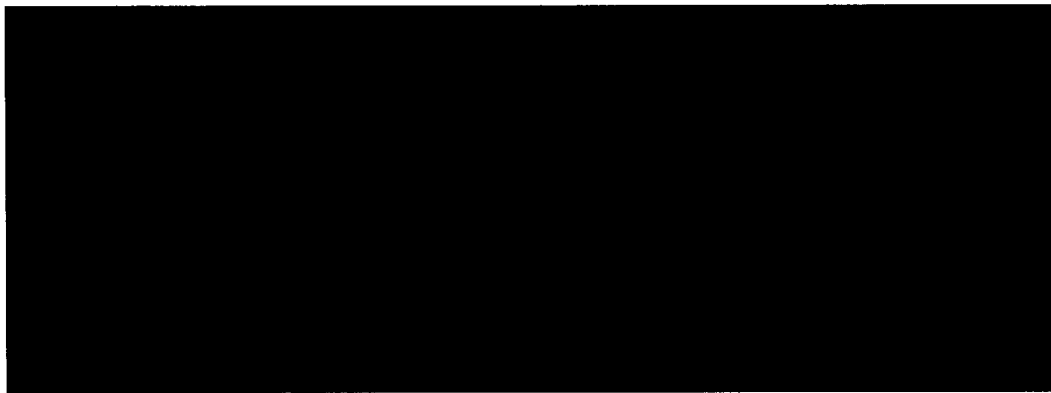
Preparation of waste shall be contained within the secured processing center in order to prevent any cross-contamination with any cultivation areas or product processing areas, and to avoid any possibility of product diversion.

*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:*



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**

La'au Pono Employee Manual



# LA'AU PONO

## *EMPLOYEE HANDBOOK AND CODE OF ETHICS*



## RECEIPT OF LA'AU PONO EMPLOYEE HANDBOOK

The Employee Handbook is a compilation of personnel policies, practices and procedures currently in effect at La'au Pono, an equal opportunity employer. The Manual handbook and the information within it are confidential.

This handbook is designed to introduce employees to the organization, familiarize you with La'au Pono policies as they pertain to you as an employee, provide general guidelines on work rules, disciplinary procedures and other issues related to your employment, and to help answer many of the questions that may arise in connection with your employment.

This handbook and any other provisions contained herein do not constitute a guarantee of employment or an employment contract, express or implied. You understand that your employment is "at-will" and that your employment may be terminated for any reason, with or without cause, and with or without notice. Only the CEO or other authorized representative(s) of La'au Pono has the authority to enter into a signed written agreement guaranteeing employment for a specific term. This handbook is intended solely to describe the present policies and working conditions at La'au Pono. This handbook does not purport to include every conceivable situation; it is merely meant as a guideline and, unless laws prescribe otherwise, common sense shall prevail. Of course, federal, state and local laws will take precedence over La'au Pono policies when applicable.

Personnel policies are applied at the discretion of La'au Pono. La'au Pono reserves the right to change, withdraw, apply or amend any of our policies or benefits, including those covered in this handbook, at any time. La'au Pono may notify you of such changes via email,

or via a printed memo, notice, amendment to or reprinting of this handbook, but may, in its discretion, make such changes at any time, with or without notice and without a written revision of this handbook.

By signing below, you acknowledge that you have received a copy of La'au Pono's Employee Handbook, and understand that it is your responsibility to read and comply with the policies contained within it and any revisions made to it. Furthermore, you acknowledge that you are employed "at-will" and that this handbook is neither a contract of employment nor a legal document.

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Signature

---

Date

---

Please print your full name

Please sign and date one copy of this notice and return it to Human Resources. Retain a second copy for your reference.

## WELCOME MESSAGE

Dear Valued Employee,

Welcome to La'au Pono! We are pleased with your decision to join our team.

La'au Pono is committed to providing superior quality and unparalleled customer service in all aspects of our business. We believe each employee contributes to the success and growth of our company.

This handbook is designed to acquaint you with La'au Pono and provide you with general information about working conditions, benefits and policies affecting your employment.

The information contained in this handbook applies to all employees of La'au Pono. Following the policies detailed within the handbook is considered a condition of continuous employment. The contents of this manual shall not constitute nor be construed as a promise of employment or as a contract between the Company and any of its employees. The handbook is a summary of our policies, which are presented here only as a matter of information.

You are responsible for reading, understanding and complying with the provisions of this handbook. Our objective is to provide you with a work environment that is constructive to both personal and professional growth.

Welcome aboard. We look forward to working with you!

Sincerely,

CEO

## CHANGE POLICY

La'au Pono understands that change is a very important part of growth. Therefore, we reserve the right to modify, suspend, cancel or question all provisions of this handbook with or without notice; any and all parts of our policies, procedures, and benefits at any time. Changes will be effective and updated on the dates designated by La'au Pono, and subsequently all previous policies and regulations will be applicable.

Please note that individual managers or supervisors do *not* have the authority to alter or change any policies on their own.

Please consult a supervisor or the Director of Human Resources with any clarifying questions on unclear policies and/or procedures.

## LA'AU PONO EVENTS

At times, social events will be hosted by La'au Pono for employees to attend. These events may take place due to the hiring or promotion of an employee, or for other reasons.

Some events will be celebrated with a group luncheon, arranged by management. Other events (such as employee birthdays or service anniversaries) will be recognized with a card or gift from Human Resources. At times, La'au Pono may also host parties or social gatherings outside of working hours. These events may take place to celebrate holidays or La'au Pono successes, or for many other reasons.

At all La'au Pono social functions, employees are responsible for behaving in a professional manner. While alcohol may be served, employees should refrain from becoming intoxicated in order to avoid disruptive behavior.

Even at social functions, employees must remember that they are representing La'au Pono and need to ensure that they are upholding La'au Pono's positive reputation at all times.

## GENERAL EMPLOYMENT

### NATURE OF EMPLOYMENT

The policies set forth in this employee handbook are the policies that are in effect at the time of publication. They may be amended, modified, or terminated at any time by La'au Pono, except for the policy on at-will employment, which may be modified only by a signed, written agreement between La'au Pono partners and the employee act issue. Nothing in this handbook

may be construed as creating a promise of future benefits or a binding contract between La'au Pono and any of its employees.

## EQUAL OPPORTUNITY

La'au Pono is committed to creating a diverse environment and is proud to be an Equal Opportunity employer. La'au Pono hires employees based upon qualifications and capabilities to perform the essential functions of the particular job. Pursuant to this commitment, La'au Pono does not discriminate on the basis of sex, gender or gender identity; race; color; national origin; religion; creed; age; disability; citizenship; marital or domestic partnership status; sexual orientation or affectional status; genetic predisposition or carrier status; military or veteran status.

This Equal Opportunity policy is a constant throughout all aspect of employment and including, but not limited to, selection, job assignment, compensation, discipline, termination, and access to benefits and training.

In order to maintain a safe and supportive work environment, La'au Pono strongly urges the report of all instances of discrimination and prohibits retaliation against any individual who reports discrimination or participates in an investigation of such report.

## ETHICS

At La'au Pono, employees are held to the utmost ethical standard at all times. Because our employees are all representations of La'au Pono, and all actions of each individual are a reflection of La'au Pono itself. We encourage our employees to practice sound decision-making and to take actions that will preserve La'au Pono's culture of practicing the highest standards of both personal and business integrity. It is the responsibility of each employee to become familiar with and adhere to the policies and any supplemental policies and procedures to which your business and legal entity is subject.

We expect that *all* La'au Pono staff comply with our ethics policy and to refrain from engaging in any acts of illegal, dishonest, or unethical behavior. In the event that employees do not adhere to ethical standards, they may be subject to a number of disciplinary action including but not limited to suspension or termination. We encourage all employees to consult a supervisor if there is any question of ethical clarity.

## CONFIDENTIALITY

At La'au Pono, we hold a high value our internal company information. It is the responsibility of all current and former employees to adhere to all aspects of confidentiality. In the event that employees do not adhere to confidentiality stated in this agreement, they may be subject to a number of disciplinary action including but not limited to suspension or termination.

Confidential business information include but is not limited to:

- Any material developed using company resources and/or time;
- Compensation data;
- Computer processes;
- Computer programs and codes;
- Conversations between any persons associated with the company;
- Customer lists;
- Customer preferences;
- Financial information;
- Genetics library;
- Labor relations strategies;
- Marketing strategies;
- Medical cannabis research and developments;
- New materials research;
- Pending projects and proposals;
- Proprietary production processes;
- Personnel/payroll records;
- Research and development strategies;
- Scientific data;
- Scientific formulae;
- Scientific prototypes;
- Strains;
- Technological data; and
- Technological prototypes.

## INTELLECTUAL PROPERTY

La'au Pono restricts employees' use and disclose of the company's confidential information and intellectual property (see above). Beyond these mandatory restrictions, you should treat La'au Pono valuable knowledge and other confidential information and intellectual property accordingly, so as not to jeopardize them through any vehicle of delivery. In addition, you should avoid misappropriating or infringing the intellectual property of other companies and individuals, as it could create potential liability for yourself and for La'au Pono.

Do not use La'au Pono's logos, brand names, tag-lines, slogans or other trademarks, or post any confidential or proprietary information of the company, without prior written permission.

Intellectual property includes, but is not limited to the following:

- Inventions;
- Discoveries;
- Trade secrets;
- Trademarks;
- Writings;
- Software;
- Marketing campaigns; and
- Product formulas

## SOLICITATION

In an effort to ensure a productive and harmonious work environment, persons not employed by La'au Pono may not solicit or distribute literature in the workplace at any time for any purpose.

La'au Pono recognizes that employees may have interests in events and organizations outside the workplace. However, employees may not solicit or distribute literature concerning these activities during working time. (Working time does not include lunch periods, work breaks, or any other periods in which employees are not on duty.)

Examples of impermissible forms of solicitation include:

- The collection of money, goods, or gifts for political groups
- The circulation of petitions
- The distribution of literature not approved by the employer
- The solicitation of memberships, fees, or dues

In addition, the posting of written solicitations on company bulletin boards is restricted. These bulletin boards display important information, and employees should consult them frequently for:

- Affirmative Action statement
- Employee announcements
- Internal memoranda
- Organization announcements
- Workers' compensation insurance information
- State disability insurance/unemployment insurance information



If employees have a message of interest to the workplace, they may submit it to the Human Resources Director for approval. All approved messages will be posted by the Human Resources Director.

#### EMPLOYEE RELATIONS

La'au Pono sees an immense value in providing paramount work environments, wages and benefits for our team. In doing so we also encourage that employees communicate openly with supervisors and peers alike to cultivate and maintain a standard openness and positivity. Based on prior experience, we have found that positive working environment increases not only moral, but promotes positive work ethic, and raises overall happiness of employees.

If any La'au Pono employees develop concerns about work conditions and or compensation, they are strongly encouraged to discuss these concerns with their supervisors and/or the Director of Human Resources.

#### OPEN DOOR POLICY

La'au Pono is always willing and open to discuss business-related concerns as well as suggestions for improvements that are in relations to the well-being of the company and its successes.

Please contact the Director of Human Resources with any questions, concerns, and suggestions and we will be happy to address them.

#### EMPLOYEE IDENTIFICATION CARD REQUIREMENTS

In order to protect the welfare of the clients, customers, employees, and resources of La'au Pono, it is our policy– as well as a requirement under the law – to require employees to possess a Hawaii Department Health-issued Employee Identification Card. An employee of La'au Pono must keep his or her employee identification card visible at all times when on any La'au Pono property and during the transportation of medical cannabis to a distribution facility.

Applicants who apply for positions in which the essential job duties require the use of vehicles must have a driving record in good standing. A driving record check will be made only after a conditional job offer has been made pending the results of the check. For all employees, continued use of company vehicles is contingent on their maintenance of a good driving record, which will be assessed annually.

## DRUG TESTING

In order to promote and maintain the well-being of our work environment, La'au Pono refrains from employing individuals use illegal drugs. Due to this policy, La'au Pono reserves the right to mandate any and all employees to adhere to a drug test as a continuing practice throughout the duration of their employment.

Drug tests will be administered as part of the application process as well as once they have been offered an employment opportunity. Refusal to submit initial drug test, or results testing positive for illegal drug use will result in denial of employment. Employees refusing to submit to a drug test, or employees who test positive, may be suspended from duty pending further investigation and subject to disciplinary action, up to and including termination of employment.

## MEDICAL EXAMINATIONS

*Purpose:* La'au Pono requires current employees and applicants to whom a conditional offer of employment has been extended to undergo medical examinations whenever management determines that these are necessary for the safe operation of the organization or job-related as consistent with business necessity.

*Scope:* Successful applicants for employment may be required, as a condition of employment, to take a medical examination to establish their fitness to perform the jobs for which they have applied without endangering the health and safety of themselves or others. If management determines that an examination is appropriate to a particular position, all applicants for the job to whom a conditional offer of employment has been made should be examined.

Employees may be required to have a medical examination on other occasions when the examination is job-related and consistent with business necessity. For example, a medical examination may be required when an employee is exposed to toxic or unhealthful conditions, requests an accommodation for a particular disability, or has a questionable ability to perform essential job functions due to a medical condition.

*Cost of Required Examinations:* Medical examinations required by La'au Pono will be paid for by La'au Pono and will be performed by a physician or licensed medical facility designated or approved by the company. Medical examinations paid for by La'au Pono are the property of the company, and the examination records will be treated as confidential and kept in separate medical files. However, records of specific examinations, if required by law or regulation, will be made available to the employee, persons designated and authorized by the employee, public agencies, relevant insurance companies or the employee's doctor.

*Use of Prescription Drugs at Work:* Employees who need to use prescription or nonprescription legal drugs while at work must report this requirement to their supervisor if the use might impair their ability to perform the job safely. Depending on the circumstances, employees may be

reassigned, prohibited from performing certain tasks or prohibited from working if they are determined to be unable to perform their jobs safely while taking prescription or nonprescription legal drugs.

#### CHARACTER REFERENCE CHECKS

La'au Pono is committed to building a quality team of employees, skilled and capable of the position which they are hired for. To ensure that individuals who join our team maintain a safe and productive work environment, we maintain the right to perform pre-employment character reference on all applicants who accept employment opportunities from La'au Pono, which may also include criminal record check. Please note that criminal convictions do not automatically bar an applicant from employment. Background checks for La'au Pono are subject to include verification of any information on the applicant's resume or application form.

Should there be information obtained from these reference checks that will lead to denial of employment by La'au Pono, the applicant will be provided a copy of the report and subsequently have the opportunity to dispute the report's accuracy.

#### CONFLICT OF INTEREST

Employees of La'au Pono must avoid any relationships or activity that could impair, outwardly or internally, their ability to act objectively in their position. Employees should not find themselves in any situation in which their exterior responsibilities affect any aspect of their work within La'au Pono. In addition, employees should not utilize company property, information, or business opportunities in any instance for personal gain.

Conflicts of interest in La'au Pono may arise in a diverse situations, therefore we insist that our employees be mindful and aware under all circumstances. Such circumstances include but are not limited to hiring and supervising family members; accepting gifts, favors, and /or discounts; being employed by and/or acting as a consultant to a competitor, serving on the board of a competitor's company. Should an employee at La'au Pono find themselves in a situation that may involve any conflicts of this nature, employees must notify their supervisor or the Director of Human Resources so as to preemptively mitigate any potential conflict.

#### OUTSIDE EMPLOYMENT

Employees of La'au Pono are permitted to engage in outside work or to hold other jobs, subject to certain restrictions as outlined below.

Activities and conduct away from the job must not compete with, conflict with or compromise La'au Pono interests or adversely affect job performance and the ability to fulfill all job responsibilities. Employees are prohibited from performing any services for customers on nonworking time that are normally performed by La'au Pono. This prohibition also extends to the unauthorized use of any company tools or equipment and the unauthorized use or application of any confidential information. In addition, employees are not to solicit or conduct any outside business during paid working time.

Employees are cautioned to carefully consider the demands that additional work activity will create before accepting outside employment. Outside employment will not be considered an excuse for poor job performance, absenteeism, tardiness, leaving early, refusal to travel or refusal to work overtime or different hours. If La'au Pono determines that an employee's outside work interferes with performance, the employee may be asked to terminate the outside employment.

Employees who have accepted outside employment may not use paid sick leave to work on the outside job. Fraudulent use of sick leave will result in disciplinary action up to and including termination.

## EMPLOYEE SUGGESTIONS

As employees of La'au Pono, you have the opportunity to contribute to our future success and growth by submitting suggestions for practical work-improvement or cost-savings ideas.

All regular employees are eligible to participate in the suggestion program.

A suggestion is an idea that will benefit La'au Pono by solving a problem, reducing costs, improving operations or procedures, enhancing customer service, eliminating waste or spoilage, or making La'au Pono a better or safer place to work. Statements of problems without accompanying solutions, or recommendations concerning co-workers and management are not appropriate suggestions.

## EMPLOYEE COMPLAINTS

La'au Pono strives to openly communicate with all employees. Any concerns employees have should be promptly reported to management so that a solution may be devised

Examples of some complaints employees may have:

- Suggestions for improvement
- Concerns about working conditions
- Issues with co-workers

- Concerns about treatment at work

When a complaint is voiced, management will do its best to remedy the situation. While every employee may not be satisfied with every solution, employee's input is valued and La'au Pono wants to foster an environment where all employees feel comfortable reporting their concerns.

Please contact your supervisor or Human Resources with all complaints.

## EMPLOYEE ORIENTATION

For all employees hired by La'au Pono, the first 90 days of employment are considered to be an orientation period. During this time, the employee will undergo training and orientation as directed by the employee's supervisor. The employee's supervisor will also monitor the employee's performance during this time period.

During the first 90 days of employment, the employee is encouraged and expected to ask questions concerning his or her job responsibilities, and to determine if he or she is satisfied with the position. If the employee's job performance is found to be unsatisfactory by his or her supervisor at any time during the first 90 days of employment, the employment will be terminated.

All new employees will receive a confidential performance evaluation from their supervisor at the end of the orientation period. At that time, the employee will be eligible for employee benefits.

## TRAINING AND PROFESSIONAL DEVELOPMENT

La'au Pono is dedicated to provide continual opportunities for education and training and professional development in all relevant fields of study for all employees. In doing so, La'au Pono will not only provide a thorough training for new hires with all the information and skills necessary to be successful in their position.

Employee training and development is essential in responding to the rapid business changes that occur due to continual economic fluctuations, global economy, enhanced technology, and cultural and demographic factors. La'au Pono strongly encourages the training and development of employees to aid them in improving their ability to succeed. La'au Pono employees receive job-specific training regularly.

La'au Pono sees the benefit in continuing training and staying current on relevant information to give our employees and therefore our customer base the best possible services to the best of our ability.

## EMPLOYMENT OF RELATIVES

La'au Pono wants to ensure that corporate practices do not create situations such as conflict of interest or favoritism. This extends to practices that involve employee hiring, promotion and transfer. Close relatives, partners, those in a dating relationship or members of the same household are not permitted to be in positions that have a reporting responsibility to each other. Close relatives are defined as husband, wife, domestic partner, father, mother, father-in-law, mother-in-law, grandfather, grandmother, son, son-in-law, daughter, daughter-in-law, uncle, aunt, nephew, niece, brother, sister, brother-in-law, sister-in-law, step relatives, cousins and domestic partner relatives.

If employees begin a dating relationship or become relatives, partners or members of the same household and if one party is in a supervisory position, that person is required to inform management and Human Resources of the relationship.

La'au Pono reserves the right to apply this policy to situations where there is a conflict or the potential for conflict because of the relationship between employees, even if there is no direct-reporting relationship or authority involved.

## EMPLOYMENT OF MINORS

La'au Pono only hires individuals who are legally authorized to work as provided by federal, state and county laws. In accordance with Hawaii state law, La'au will only employ individuals 21 years of age and above.

## IMMIGRATION LAW COMPLIANCE

The United States immigration laws require that individuals complete an employment verification procedure before they are permitted to work. Any individual who has not completed the specified form (Form I-9) and provided the appropriate verification will not be permitted to work and will not be paid until the procedure is completed.

## WHISTLEBLOWER POLICY

La'au Pono prides ourselves on our high standards of conduct and ethics and place the utmost importance on maintaining those standards. The Whistle Blower Policy is designed to encourage all employees to report any dishonest or fraudulent behaviors (i.e. to act as a "whistleblower")

that contradict the act of upholding these values with integrity and ethical foresight, regardless of their position. Process of filing a complaint may include but not limited to:

- Reporting a good faith complaint regarding suspected employee in violation of the law or involved in fraudulent behavior;
- Making a good faith complaint regarding accounting, internal accounting controls, or auditing matters that may lead to incorrect, or misrepresentations in, financial accounting;
- Providing information to assist in an investigation regarding violations of the law; or
- Files, testifies, or participates in a proceeding in relation to alleged violations of the law.

Reports should include any information to substantiate concerns, as well as adequate information to allow an appropriate investigation. La'au Pono encourages all reports, including anonymous reports, however if these anonymous reports do not have sufficient information supervisors and/or Human Resources will not be able to follow through with an investigation.

La'au Pono does not tolerate any retaliation against "whistleblowers," and will therefore do our best to protect such individuals against all counteractions. Whistleblower concerns will be handled with confidentiality, discretion and care to the extent allowed by circumstances and the law.

## **EMPLOYEE BENEFITS**

### **PERFORMANCE AND SALARY REVIEW**

Performance appraisals are conducted on an annual cycle. Employees will receive a performance review on the established date each year. The performance appraisal will be discussed, and both the employee and manager will sign the form to ensure that all strengths, areas for improvement and job goals for the next review period have been clearly communicated. Performance evaluation forms will be retained in the employee's personnel file.

Merit increases are based on company performance and financials and are not guaranteed. A performance review does not always result in an automatic salary increase. The employee's overall performance and salary level relative to his/her position responsibilities are evaluated to determine if a salary increase would be warranted.

Budget allocations for merit increases are planned for and allocated before the start of each calendar year. The annual salary increase program is designed to assist management in planning and allocating merit and promotional increases that reward individual performance, that are market competitive and that are internally equitable.

Salary adjustments are occasionally requested or warranted at times other than the employee's scheduled annual salary reviews. Out-of-cycle salary increases must be pre-approved by the

department manager, Human Resources and La'au Pono president. Human Resources will review all salary increase/adjustment requests to ensure internal equity and compliance with company policies and guidelines.

## HOLIDAYS

La'au Pono recognizes nine paid holidays each year:

- New Year's Day
- Martin Luther King Jr. Day
- Presidents Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Day After Thanksgiving
- Christmas Day

Should a holiday fall on a weekend, the holiday will be observed on the work day closest to the holiday.

Time off may be granted to employees who desire to observe a religious holiday that is not recognized by La'au Pono.

## VACATION

All full- and part-time La'au Pono employees are eligible for vacation leave benefits. Part-time employees working 20 to 29 hours per week will earn vacation on a prorated basis. Full-time employees are those working 30-plus hours per week. Vacation accrual begins on the first day of full- or part-time employment. Vacation is accrued according to the schedule in this policy. Vacation can be used only after it is earned. Vacation leave will not be earned during an unpaid leave of absence.

To schedule vacation time, La'au Pono employees should submit a completed leave form to the supervisor at least two weeks before the requested leave. Employees must ensure that they have enough accrued leave available to cover the dates requested. Requests will be approved based on a number of factors, including department operating and staffing requirements. The supervisor should return the leave request to the employee within three business days of the date it is submitted indicating that the request has been approved or denied. If the request for vacation leave is denied, the supervisor should provide an appropriate reason on the form returned to the employee.



Vacation will be paid at the employee's base rate at the time the leave is taken. Vacation pay is not included in overtime calculation and does not include any special forms of compensation such as incentives, commissions, bonuses or shift differentials. If a holiday falls during the employee's vacation, the day will be charged to holiday pay rather than to vacation pay.

Leave taken beyond an employee's available vacation balance may be unpaid unless otherwise required under state or federal law.

If employment is terminated, accrued unused vacation leave earned through the last day of active employment will be paid at the employee's base rate of pay at termination. In the event of the employee's death, earned unused vacation time will be paid to the employee's estate or designated beneficiary.

#### SICK PAY

All full-time, regular employees at La'au Pono accrue sick leave from the date of hire, for a total of 10 days per year. Part-time, regular employees accrue sick leave from the date of hire, in a prorated amount using the full-time total of 10 days per year and the average number of hours the part-time employee works per week.

Sick leave may be used for an employee's personal illness, well-care, and medical and dental appointments. Sick leave may also be used for illness and well-care in an employee's immediate family.

Sick leave may be accrued to a maximum of 120 hours. Sick leave may not be used before accrual. If sick leave is exhausted, any available vacation hours will be used in its place. An employee who has a sick leave absence in excess of three consecutive working days must present medical documentation for the absence. Employees are not paid for unused sick leave upon termination of employment.

#### JURY DUTY

Upon receipt of notification from the state or federal courts of an obligation to serve on a jury, employees of La'au Pono must notify their supervisor and provide him/her with a copy of the jury summons. La'au Pono will pay regular full-time and regular part-time employees for time off for jury duty up to one week of pay.

## VOTING TIME

All employees should be able to vote either before or after regularly assigned work hours. However, when this is not possible due to work schedules, employees will receive up to three hours during the work day to vote. Time off for voting should be reported and coded appropriately on timekeeping records.

La'au Pono Employees who are chosen to serve as election officials at polling sites will be permitted to take required time off to serve in this capacity. It is incumbent on employees who are chosen to act as election officials to notify their manager a minimum of seven days in advance of their need for time off in order to accommodate the necessary rescheduling of work periods. Time engaged as an election official should be reported and coded appropriately on timekeeping records.

## MILITARY LEAVE

La'au Pono is committed to protecting the job rights of employees absent on military leave. In accordance with federal and state law, it is La'au Pono's policy that no employee or prospective employee will be subjected to any form of discrimination on the basis of that person's membership in or obligation to perform service for any of the Uniformed Services of the United States. Specifically, no person will be denied employment, reemployment, promotion or other benefit of employment on the basis of such membership. Furthermore, no person will be subjected to retaliation or adverse employment action because such person has exercised his or her rights under applicable law or company policy. If any employee believes that he or she has been subjected to discrimination in violation of La'au Pono policy, the employee should immediately contact Human Resources.

Employees taking part in a variety of military duties are eligible for benefits under this policy. Such military duties include leaves of absence taken by members of the uniformed services, including Reservists and National Guard members, for training, periods of active military service and funeral honors duty, as well as time spent being examined to determine fitness to perform such service. Subject to certain exceptions under the applicable laws, these benefits are generally limited to five years of leave of absence.

Employees requesting leave for military duty should contact Human Resources to request leave as soon as they are aware of the need for leave. For request forms and detailed information on eligibility, employee rights while on leave and job restoration upon completion of leave, contact Human Resources for all company policies, procedures and forms.

## BEREAVEMENT LEAVE

A La'au Pono employee who wishes to take time off due to the death of an immediate family member should notify his or her supervisor immediately.

Bereavement leave will be granted unless there are unusual business needs or staffing requirements.

Paid bereavement leave is granted according to the following schedule:

- Employees are allowed five days of paid leave in the event of the death of the employee's spouse, child, father, father-in-law, mother, mother-in-law, brother, sister, stepfather, stepmother, stepbrother, stepsister, stepson or stepdaughter.
- Employees are allowed three days of paid leave in the event of death of the employee's brother-in-law, sister-in-law, son-in-law, daughter-in-law, aunt, uncle, grandparent, grandchild or spouse's grandparent.
- Employees are allowed up to four hours of bereavement leave to attend the funeral of an employee or retiree of La'au Pono.

## HEALTH INSURANCE

La'au Pono employees will receive health insurance through [REDACTED]. This will be available to any full-time employee who has worked thirty (30) or more hours per week or averaged thirty (30) or more hours per week for the reporting period. La'au Pono will also make contributions to the Fund on behalf of any regular part-time employee working less than thirty (30) hours per week. La'au Pono will pay 100% of the contributions for full-time and part-time participants subsequent to the initial probation period.

## WORKERS' COMPENSATION

La'au Pono will provide workers' compensation, a type of accident and injury insurance, that compensates an employee for lost time, medical expenses and loss of life or dismemberment from an injury arising out of or in the course of work. Employees must report any work-related injury or disease immediately (or as soon as practicable) to their supervisor and Human Resources so that the necessary paperwork can be completed in a timely manner. Please note that under state laws, employees who fail to report work-related injuries in a timely manner may see a reduction or denial of their workers' compensation benefits.

Employees returning to work from an injury or illness for which they were receiving workers' compensation must provide proof of rehabilitation or treatment from a licensed physician and

verification that they are able to complete all job-related tasks. In the event that the employee returns to work under strict medical restrictions, La'au Pono will make every reasonable effort to accommodate the employee's work ability and job responsibilities. Once a physician removes work restrictions, the employee is expected to perform his or her regular duties and will no longer receive workers' compensation benefits.

## **TIME KEEPING AND PAYROLL**

### **TIME KEEPING**

A work hour is any hour of the day that is worked and should be recorded to the nearest tenth of an hour. The workday is defined as the 24-hour period starting at 12:00 a.m. and ending at 11:59 p.m. The workweek covers seven consecutive days beginning on Sunday and ending on Saturday. The usual workweek period is 40 hours.

Overtime is defined as hours worked by an hourly or nonexempt employee in excess of 40 hours in a workweek and should be recorded to the nearest tenth of an hour. Overtime must be approved in advance by the manager to whom the employee reports.

Employees will submit their time record weekly as directed by their manager. Each employee is to maintain an accurate daily record of his or her hours worked. All absences from work schedules should be appropriately recorded.

### **PAY DAYS**

All employees are paid biweekly every Friday. Each paycheck will include earnings for all work performed through the end of the previous payroll period.

In the event that a regularly scheduled payday falls on a day off such as a weekend or holiday, employees will receive pay on the last day of work before the regularly scheduled payday.

If the normal payday falls on a company-recognized holiday, paychecks will be distributed one workday before the aforementioned schedule.

Employees may be paid by check or through direct deposit of funds to either a savings or checking account at the financial institution of their choice.

In the event of a lost paycheck, the Human Resource department must be notified in writing as soon as possible and before a replacement check can be issued. In the event the lost paycheck is recovered and La'au Pono identifies the endorsement as that of the employee, the employee must remit the amount of the replacement check to La'au Pono within 24 hours of the time it is demanded.

If an employee's marital status changes or the number of exemptions previously claimed increases or decreases, a new Form W-4 must be submitted to the Human Resource department.

Except for extreme emergencies and vacation pay, no salary advances will be made.

## OVERTIME

Nonexempt employees who exceed 40 hours of work time in a workweek will be paid time and one half. Paid leave, such as holiday, sick or vacation pay, does not apply toward work time. The workweek begins at 12:00 a.m. on Sunday morning and ends at 11:59 p.m. on Saturday night. Supervisors are required to obtain approval from managers prior to the use of overtime.

Employees who anticipate the need for overtime to complete the week's work must notify the supervisor in advance and obtain approval before working hours that extend beyond their normal schedule. During busy periods employees may be required to work extended hours.

## ON CALL PAY (NON-EXEMPT EMPLOYEES)

An on-call employee who is called back to work outside his or her normal work schedule shall be paid for the time worked or a minimum of two (2) hours, whichever is greater.

Time worked while on call will be calculated at the employee's regular rate of pay. If an employee is called back to work, he or she will be paid for travel time. If an on-call employee is not called back, no pay will be earned. Overtime compensation is applicable only when total hours worked exceed 40 hours in a workweek.

## EMPLOYEE TRAVEL TIME AND REIMBURSEMENTS

Employees will be reimbursed for reasonable expenses incurred in connection with approved travel on behalf of La'au Pono.

Travelers seeking reimbursement should incur the lowest reasonable travel expenses and exercise care to avoid the appearance of impropriety. If a circumstance arises that is not specifically covered in the travel policies, the most conservative course of action should be adopted.

Travel for staff must be authorized in advance. Travelers should verify that planned travel is eligible for reimbursement before making travel arrangements. Upon completion of the trip, and within 30 days, the traveler must submit a Travel Reimbursement Form and supporting documentation to obtain reimbursement of expenses.

Exempt employees will be paid their regular salary for weeks in which they travel. Nonexempt employees will be paid for travel time in accordance with federal and state wage payment laws.

#### GARNISHMENTS

La'au Pono honors federal and state required withholdings from your paycheck upon court order or for the purpose of child support, or repayment of unpaid student loans or federal, state, local municipality or school taxes.

Upon Company receipt of a notice of wage demand, the employee will be immediately notified of the name of the creditor, the amount claimed and whether the demand is based on a wage deduction or a wage assignment. All garnishments will abide by applicable withholding limits as prescribed by law.

La'au Pono does not discriminate or take any adverse action against an employee whose wages are subject to garnishment.

#### PAY CORRECTIONS

La'au Pono works diligently to ensure that all employees receive paychecks on time, with the correct wages.

In the unlikely event that there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of the Payroll Director so that corrections can be made as quickly as possible.

#### DEMOTIONS

Occasions may arise in La'au Pono when a demotion, or a downgrade of responsibilities and/or wages. Demotions may be proposed for a number of different reasons, including poor employee performance, disciplinary actions, position elimination or organizational restructuring, and at times an employee-desired reduction in responsibility. Demoting is the best interest of La'au Pono and the employee in question as an alternative to laying off or termination of employment.

Each circumstance will be carefully considered prior to determining that a demotion is the appropriate action. Subsequently the employee in question will discuss the available role and responsibilities differing from previous contracts.

## EMPLOYMENT STATUS AND RECORD KEEPING

### EMPLOYMENT CLASSIFICATION

All employees are designated as either nonexempt or exempt under state and federal wage and hour laws. The following is intended to help employees understand employment classifications and employees' employment status and benefit eligibility. These classifications do not guarantee employment for any specified period of time. The right to terminate the employment-at-will relationship at any time is retained by both the employee and La'au Pono.

*Nonexempt employees* are employees whose work is covered by the Fair Labor Standards Act (FLSA). They are NOT exempt from the law's requirements concerning minimum wage and overtime.

*Exempt employees* are generally managers or professional, administrative or technical staff who ARE exempt from the minimum wage and overtime provisions of the FLSA. Exempt employees hold jobs that meet the standards and criteria established under the FLSA by the U.S. Department of Labor.

La'au Pono has established the following categories for both nonexempt and exempt employees:

- *Regular, full time:* Employees who are not in a temporary status and who are regularly scheduled to work the company's full-time schedule of 37.5 hours per week. Generally, these employees are eligible for the full benefits package, subject to the terms, conditions and limitations of each benefits program.
- *Regular, part time:* Employees who are not in a temporary status and who are regularly scheduled to work less than the full-time schedule but at least 20 hours each week. Regular, part-time employees are eligible for some of the benefits offered by La'au Pono subject to the terms, conditions and limitations of each benefits program.
- *Temporary, full time:* Employees who are hired as interim replacements to temporarily supplement the workforce or to assist in the completion of a specific project and who are temporarily scheduled to work La'au Pono's full-time schedule for a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status.
- *Temporary, part time:* Employees who are hired as interim replacements to temporarily supplement the workforce or to assist in the completion of a specific project and who are temporarily scheduled to work less than La'au Pono's full-time schedule for a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status.

Temporary workers are not eligible for company benefits unless specifically stated otherwise in company policy or are deemed eligible according to plan documents.

#### WORK SCHEDULES:

Work schedules be determined once officially hired into La'au Pono team. While we aim to have consistently regular schedule for all of our team members La'au Pono understands that adjustments are inevitable. Schedules will be available on a weekly basis.

Should you have any questions regarding scheduling please address any concerns with your supervisor. While there is no guarantee that these requests will be honored, please inform your supervisor of any changes that you may need in advance so that other scheduling can be arranged.

#### PERSONNEL FILES

La'au Pono strives to keep accurate and up-to-date personnel records. Employee personnel files may include the following:

- Employee demographic information
- Job application
- Position description
- Resume
- Training records
- Salary history
- Disciplinary action records
- Performance reviews
- Coaching and mentoring records

To ensure the accuracy of your personnel records, please notify us immediately of the following changes:

- Name
- Address
- Telephone number
- Marital status
- Dependent status
- Tax status

Personnel records are confidential and are not available to anyone outside of La'au Pono, unless you have personally authorized their release. A release may not be required when reporting certain



information as required by law or when an authorized governmental agency inspects certain records. To obtain access to your records, contact Human Resources.

## SALARY ADMINISTRATION

The salary administration program at La'au Pono was created to achieve consistent pay practices, comply with federal and state laws, mirror our commitment to Equal Employment Opportunity, and offer competitive salaries within our labor market. Because recruiting and retaining talented employees is critical to our success, La'au Pono is committed to paying its employees equitable wages that reflect the requirements and responsibilities of their positions and are comparable to the pay received by similarly situated employees in other organizations in the area.

Compensation for every position is determined by several factors, including the essential duties and responsibilities of the job, and salary survey data on pay practices of other employers. La'au Pono periodically reviews its salary administration program and restructures it as necessary. Merit-based pay adjustments may be awarded in conjunction with superior employee performance documented by the performance evaluation process.

Employees should bring their pay-related questions or concerns to the attention of their immediate supervisors, who are responsible for the fair administration of departmental pay practices. The Director of Human Resources is also available to answer specific questions about the salary administration program.

## INTRODUCTORY PERIOD

The introductory period is intended to give new employees the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets their expectations. La'au Pono uses this period to evaluate employee capabilities, work habits, and overall performance. Either the employee or La'au Pono may end the employment relationship at will at any time during or after the introductory period, with or without cause or advance notice.

All new and rehired employees work on an introductory basis for the first 90 calendar days after their date of hire. Employees who are promoted or transferred within La'au Pono must complete a secondary introductory period of the same length with each reassignment to a new position. Any significant absence will automatically extend an introductory period by the length of the absence. If La'au Pono determines that the designated introductory period does not allow

sufficient time to thoroughly evaluate the employee's performance, the introductory period may be extended for a specified period.

In cases of promotions or transfers within La'au Pono, an employee who, in the sole judgment of management, is not successful in the new position can be removed from that position at any time during the secondary introductory period. If this occurs, the employee may be allowed to return to his or her former job or to a comparable job for which the employee is qualified, depending on the availability of such positions and La'au Pono's needs.

Upon satisfactory completion of the initial introductory period, employees enter the "regular" employment classification.

During the initial introductory period, new employees are eligible for those benefits that are required by law, such as workers' compensation insurance and Social Security. After becoming regular employees, they may also be eligible for other La'au Pono-provided benefits, subject to the terms and conditions of each benefits program. Employees should read the information for each specific benefits program for the details on eligibility requirements.

Benefits eligibility and employment status are not changed during the secondary introductory period that results from a promotion or transfer within La'au Pono.

## HIPAA

To improve the efficiency and effectiveness of the health care system, the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, included Administrative Simplification provisions that required HHS to adopt national standards for electronic health care transactions and code sets, unique health identifiers, and security. At the same time, Congress recognized that advances in electronic technology could erode the privacy of health information. Consequently, Congress incorporated into HIPAA provisions that mandated the adoption of Federal privacy protections for individually identifiable health information.

HHS published a final **Privacy Rule** in December 2000, which was later modified in August 2002. This Rule set national standards for the protection of individually identifiable health information by three types of covered entities: health plans, health care clearinghouses, and health care providers who conduct the standard health care transactions electronically. Compliance with the Privacy Rule was required as of April 14, 2003 (April 14, 2004, for small health plans).

HHS published a final **Security Rule** in February 2003. This Rule sets national standards for protecting the confidentiality, integrity, and availability of electronic protected health information. Compliance with the Security Rule was required as of April 20, 2005 (April 20, 2006 for small health plans).

The **Enforcement Rule** provides standards for the enforcement of all the Administrative Simplification Rules.

HHS enacted a final Omnibus rule that implements a number of provisions of the HITECH Act to strengthen the privacy and security protections for health information established under HIPAA, finalizing the Breach Notification Rule.

View the Combined Regulation Text (as of March 2013). This is an unofficial version that presents all the HIPAA regulatory standards in one document. The official version of all federal regulations is published in the Code of Federal Regulations (CFR). View the official versions at 45 C.F.R. Part 160, Part 162, and Part 164.

*Your Privacy Rights:*

At La'au Pono, you have the following rights:

- The right to authorize disclosure of your protected health information to third parties;
- The right to revoke previously authorized disclosures;
- The right to request limited disclosure of your health information;
- The right to inspect and copy your protected health information;
- The right to amend information;
- The right to request a listing of personnel who have accessed your information; and
- The right to request to be placed on a mailing list to receive notice of updates to

If you have any questions regarding this material you, please do not hesitate to consult your supervisor and/or the director of HR.

\*\*\*The Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA, Title II) require the Department of Health and Human Services (HHS) to adopt national standards for electronic health care transactions and national identifiers for providers, health plans, and employers. To date, the implementation of HIPAA standards has increased the use of electronic data interchange. Provisions under the Affordable Care Act of 2010 will further these increases and include requirements to adopt:

- operating rules for each of the HIPAA covered transactions
- a unique, standard Health Plan Identifier (HPID)
- a standard and operating rules for electronic funds transfer (EFT) and electronic remittance advice (RA) and claims attachments.

In addition, health plans will be required to certify their compliance. The Act provides for substantial penalties for failures to certify or comply with the new standards and operating rules.

For more information regarding HIPAA including additional provisions under the Patient Protections and Affordable Care Act (Affordable Care Act or ACA) of 2010, go to the "Related Links Outside CMS".

## 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.

### *Disclosure of Employee Information*

Employee Information will be disclosed to a limited number of La'au Pono employees whose job necessitates that they maintain, compile, or otherwise have access to Employee Information; these employees are authorized by La'au Pono and have specific employee data responsibilities. La'au Pono may also disclose Employee Information to a third party when it believes that such disclosure is reasonably necessary to comply with any law or to protect the rights, property or safety of another person. Additionally, La'au Pono may disclose Employee Information to a third party employee benefit provider, including but not limited to, employee benefit providers and payroll services. If La'au Pono does disclose information to third party, we will ensure that the third party either subscribes to the privacy principles or is subject to adhere to a written agreement with such third party which requires the third party to provide at least the same level of privacy protection as is required by the relevant Principles. Lastly, La'au Pono may transfer or otherwise disclose Employee Information in connection with the sale of its business to a third party.

### *Employee Consent:*

Unless you withdraw your consent, in writing, you agree to and accept the proposed use, disclosure and transmission of your Employee Information by La'au Pono as set forth in this Policy. Upon any modification of this Policy, La'au Pono 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 La'au Pono's collection of information, use, disclosure or transmission of certain Employee Information, La'au Pono 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 La'au Pono, 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 La'au Pono 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 La'au Pono's Director of Human Resources.

- Review La'au Pono's process and procedures for electronically transmitting Employee Information, as set forth in Practice for Protection and Transmission of Employee Data as well as the La'au Pono's 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 La'au Pono determines to be necessary for continued employment.
- In the event that La'au Pono 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 La'au Pono 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.

## JOB DESCRIPTIONS

La'au Pono does it's very best to create opportunities for its staff to succeed. In doing so, it is incredibly important to communicate exactly what is expected of each of our employees. Therefore, La'au Pono supervisors perform frequent and thorough check in's with employees on progress of projects as well as accuracy of job descriptions. As often as necessary, job descriptions will be modified by supervisors to fit job fulfillment. In addition, La'au Pono employees may be asked to contribute to these modifications in order to draft accurate expectations.

These job descriptions outlined be employer and employee are not bound or absolute. La'au Pono employees may be asked to perform tasks that are not outlined in their job descriptions from time to time, and are expected to comply. Should employees choose not to fulfill these tasks outside of their job descriptions, they may be subject to disciplinary action.

## HIRING PROCESS

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

## REHIRING

Former employees who left La'au Pono in good standing and were classified as eligible for rehire may be considered for reemployment. An application must be submitted to the Human Resource department, and the applicant must meet all minimum qualifications and requirements of the position, including any qualifying exam, when required.

Supervisors must obtain approval from the Human Resource director or designee prior to rehiring a former employee. Rehired employees begin benefits just as any other new employee. Previous tenure will not be considered in calculating longevity, leave accruals or any other benefits.

An applicant or employee who is terminated for violating policy or who resigned in lieu of termination from employment due to a policy violation will be ineligible for rehire.

#### INTERNAL TRANSFER AND PROMOTIONS:

Employees with more than twelve months of service at La'au Pono may request consideration to transfer to other jobs as vacancies become available and will be considered along with other applicants. At the same time, La'au Pono may initiate transfers of employees between departments and facilities to meet specified work requirements and reassignment of work requirements. La'au Pono offers employees promotions to higher-level positions when appropriate. Management prefers to promote from within and may first consider current employees with the necessary qualifications and skills to fill vacancies above the entry level, unless outside recruitment is considered to be in La'au Pono's best interest.

To be considered, employees must have held their current position for at least 12 months, have a satisfactory performance record and have no disciplinary actions during the last 12 months. Management retains the discretion to make exceptions to the policy.

#### ATTENDANCE AND PUNCTUALITY

It is important for all employees to project a professional image while at work by being appropriately attired. La'au Pono employees are expected to be neat, clean and well groomed while on the job. Clothing must be consistent with the standards for a business environment and must be appropriate to the type of work being performed.

All employees must be covered from shoulders to knees at all times (no see-through or sleeveless clothing is permitted at any time). Natural and artificial scents may become a distraction from a well-functioning workplace and are also subject to this policy.

La'au Pono is confident that employees will use their best judgment regarding attire and appearance. Management reserves the right to determine appropriateness. Any employee who is improperly dressed will be counseled or in severe cases may be sent home to change clothes. Continued disregard of this policy may be cause for disciplinary action, which may result in termination.

#### SEPARATION OF EMPLOYMENT

Separation of employment within an organization can occur for several different reasons.

*Resignation:* Although we hope your employment with us will be a mutually rewarding experience, we understand that varying circumstances cause employees to voluntarily resign employment. Resigning employees are encouraged to provide two weeks' notice, preferably in

writing, to facilitate a smooth transition out of the organization. Management reserves the right to provide an employee with two weeks' pay in lieu of notice in situations where job or business needs warrant such action. If an employee provides less notice than requested, the employer may deem the individual to be ineligible for rehire depending on the circumstances regarding the notice given.

*Retirement:* Employees who wish to retire are required to notify their department director and the Human Resource department in writing at least one (1) month before the planned retirement date.

It is the practice of La'au Pono to give special recognition to employees at the time of their retirement. The recipient must be employed with La'au Pono for five (5) years to be eligible for a retirement gift. The amount provided for the gift is \$100 per year, based on the employee's uninterrupted full-time service. The department director should contact the Human Resource department to purchase a gift or a gift card. Departmental funds may not be used to augment the gift.

*Job abandonment:* Employees who fail to report to work or contact their supervisor for three (3) consecutive workdays shall be considered to have abandoned the job without notice, effective at the end of their normal shift on the third day. The supervisor shall notify the Human Resource department at the expiration of the third workday and initiate the paperwork to terminate the employee. Employees who are separated due to job abandonment are ineligible to receive accrued benefits and are ineligible for rehire.

*Termination:* Employees of La'au Pono are employed on an at-will basis, and the company retains the right to terminate an employee at any time.

#### *Return of Company Property*

The separating employee must return all company property at the time of separation, including uniforms, cell phones, keys, PCs and identification cards. Failure to return some items may result in deductions from the final paycheck. An employee will be required to sign the Wage Deduction Authorization Agreement to deduct the costs of such items from the final paycheck.

#### *Exit Interviews*

The separating employee shall contact the Human Resource department as soon as notice is given to schedule an exit interview. The interview will be on the employee's last day of work or another day, as mutually agreed on.

Accrued vacation leave will be paid in the last paycheck unless the employee resigned and did not give and work a full two weeks' notice.



## **WORKING CONDITIONS AND HOURS**

### **SAFETY**

It is the responsibility of each employee to conduct all tasks in a safe and efficient manner complying with all local, state and federal safety and health regulations and program standards, and with any special safety concerns for use in a particular area or with a client.

Although most safety regulations are consistent throughout each department and program, each employee has the responsibility to identify and familiarize her/himself with the emergency plan for his/her working area. Each facility shall have posted an emergency plan detailing procedures in handling emergencies such as fire, weather-related events and medical crises.

It is the responsibility of the employee to complete an Accident and Incident Report for each safety and health infraction that occurs by an employee or that the employee witnesses. Failure to report such an infraction may result in employee disciplinary action, including termination.

Furthermore, management requires that every person in the organization assumes the responsibility of individual and organizational safety. Failure to follow company safety and health guidelines or engaging in conduct that places the employee, client or company property at risk can lead to employee disciplinary action and/or termination.

The Health and Safety Committee and the safety director shall have the responsibility to develop and the authority to implement the safety and health program in the interest of a safer work environment.

### **SECURITY**

It is La'au Pono's policy to provide a workplace that is safe and free from all threatening and intimidating conduct. Therefore, La'au Pono will not tolerate violence or threats of violence of any form in the workplace, at work-related functions or outside of work if it affects the workplace. This policy applies to La'au Pono employees, clients, customers, guests, vendors and persons doing business with La'au Pono.

It is a violation of this policy for any individual to engage in any conduct, verbal or physical, that intimidates, endangers or creates the perception of intent to harm persons or property. Examples include but are not limited to:

- Physical assaults or threats of physical assault, whether made in person or by other means (i.e., in writing, by phone, fax or email)

- Verbal conduct that is intimidating and has the purpose or effect of threatening the health or safety of a co-worker
- Any other conduct or acts that management believes represent an imminent or potential danger to workplace safety or security

Anyone with questions or complaints about workplace behaviors that fall under this policy may discuss them with a supervisor or a Human Resources representative. La'au Pono will promptly and thoroughly investigate any reported occurrences or threats of violence. Violations of this policy will result in disciplinary action, up to and including immediate termination of employees. Where such actions involve non-employees, La'au Pono will take action appropriate for the circumstances. Where appropriate and/or necessary, La'au Pono will also take whatever legal actions are available and necessary to stop the conduct and protect La'au Pono employees and property.

## EMERGENCY PROCEDURES

La'au Pono recognizes that our people drive our business. As our most critical resource, employees are safeguarded through training, provision of appropriate work surroundings, and procedures that foster protection of health and safety. No duty, no matter what its perceived result, is more important than employee health and safety.

### *General Guidelines in an Emergency*

Stay calm and think through your actions. Know important emergency numbers, such as:

- Fire/Police/Ambulance 911
- Human Resources
- Operator

### *Be aware of your surroundings*

- Know where stairwell exits are located
- In the event of an emergency, use only stairs—do not take elevators.
- Do not hesitate to call or alert others if you believe that an emergency is occurring.

### *Fire Evacuation:*

- Employees will be notified of a fire by either the fire alarm system or a paged announcement.
- Upon hearing the alarm, immediately evacuate the building using the closest stairwell exit—do not use the elevators or delay evacuation to gather personal belongings, finish a phone call or wait for friends.
- Notify Emergency Floor Leaders or their backups.

*Floor Leaders/Backups:*

- (List floor numbers and floor leaders/backups)
- Emergency Floor Leaders should be the last persons to leave the area—they should check in conference rooms, restrooms and offices to ensure all employees have evacuated, then close all doors after clearing an area.
- Any employee with mobility, visual, hearing or other conditions that may hinder them from becoming aware of an emergency or evacuation should disclose their condition to Human Resources at the time of hire so that special assistance can be provided should an emergency occur.
- Upon exiting the building, report to HR for headcount confirmation by the Emergency Floor Leaders.
- If an employee or known guest or visitor is missing, immediately report the missing person's name to an Emergency Floor Leader who will in turn report it to the proper Company and civil authorities.

## EMERGENCY CLOSINGS

At times, emergencies such as severe weather, fires, power failures, or earthquakes, can disrupt company operations. In extreme cases, these circumstances may require the closing of a work facility.

When operations are officially closed due to emergency conditions, the time off from scheduled work will be unpaid. However, with supervisory approval, employees may use available paid leave time, such as unused vacation benefits.

In cases where an emergency closing is not authorized, employees who fail to report for work will not be paid for the time off. Employees in essential operations may be asked to work on a day when operations are officially closed. In these circumstances, employees who work will receive regular pay.

## MEDICAL EMERGENCIES

*Medical Emergency:*

- Upon discovering a medical emergency, call 911.
- Call the receptionist and page an emergency announcement, if possible.
- Stay with the ill or injured person, being careful not to come into contact with any body fluids unless properly trained and protected.
- Send one person to alert Human Resources so they can notify family members of the ill or injured person.

- Employees in the immediate vicinity of the emergency, but not involved in the emergency effort, should leave the area.

## WEAPONS

Unless prohibited by state law, La'au Pono prohibits the possession of firearms or any other lethal weapon on La'au Pono property, in a vehicle being used on Company business, in any company-owned or leased parking facility or at a work-related function. This applies to all employees, visitors and customers on Company property, even those who are licensed to carry weapons. The only exception to this is an employee who is required to possess weapons in order to fulfill his or her job duties.

Some examples of prohibited weapons include but are not limited to:

- Firearms (pistols, revolvers, shotguns, rifles and bb guns)
- Knives (switchblades, gravity knives or any knife with a blade longer than three inches)
- Metal knuckles
- Bows and arrows
- Tasers

We prohibit weapons to ensure the safety and security of all employees and persons visiting La'au Pono. Any employee found in violation of this policy will be subject to disciplinary action, up to and including immediate termination. If you have questions or concerns regarding this policy, please contact Human Resources.

## ROBBERY POLICY

If you are ever confronted with a hold-up, you are required to comply with the orders of the robber. Employees are urged not to take any chances in disobeying the individual; doing so could put your life in jeopardy.

- Remain calm. Try not to panic, most robberies are over quickly.
- Remember the safety of you, your customers and staff is paramount.
- If there is a hold-up alarm installed activate it but only if it is safe to do so.
- Remember as much detail of scenario, description etc. as possible.

### *Actions During a Robbery*

Every staff member must be familiar with La'au Pono's policy and instructions regarding robbery attempts. Employees should follow the instructions of would-be robbers and not take any action that would antagonize the robber(s), or place the life of any employee or customer in jeopardy.

Employees being robbed or employees observing a robbery attempt should activate the alarm and surveillance system if the activation can be accomplished safely.

If the robbery involves only one person trying to discreetly control one individual, the individual being robbed should make no effort to signal or gain the attention of any other employees of the branch.

Employees should give no more than the amount demanded. They should be trained to ensure that bait money is also given.

Employees should attempt to provide a good description of the robber(s). Attention should be paid to the following items:

- clothing
- weapons
- speech patterns
- facial characteristics
- the method of operation
- other mannerisms or peculiarities that attract attention.

Employees should be trained to observe areas touched or objects handled by the robber(s) so that they can be processed for fingerprints. If a demand note is used, it should be kept for evidence if it is safe to do so.

If possible and without taking undue risks, an attempt should be made to obtain a complete description of the method of transportation used by the robber(s). This may include type, model, make and color of the vehicle, the license number and the direction of travel. This should be done by observing from windows. No attempt should be made to exit the branch.

Once the robber(s) has left the bank, the bank doors should be locked to prevent the robber(s) from returning and taking hostages.

Employees must not make an attempt to follow or detain a robber.

#### *Actions After a Robbery Has Occurred*

The institution's Manager of Branch Operations and/or management in charge at the time of the robbery 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 the institution's administration personnel are to be allowed into the branch until customer service 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 customers.
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.

## 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

La'au Pono wishes to maintain a work environment that is free of illegal drugs, alcohol, firearms, explosives, or other improper materials. To this end, La'au Pono prohibits the possession, transfer, sale, or use of such materials on its premises. La'au Pono 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 La'au Pono. Accordingly, they, as well as any articles found within them, can be inspected by any agent or representative of La'au Pono at any time, either with or without prior notice.

La'au Pono likewise wishes to discourage theft or unauthorized possession of the property of La'au Pono, employees, visitors, and customers. 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.

## HAZARD COMMUNICATION

In accordance with the Occupational Safety and Health (OSH) Act, the Hazard Communication Policy of La'au Pono provides for the right of both employees and employers to know of any potential dangers to health or physicality in the workplace.

Every chemical used at La'au Pono is evaluated with regard to its potential physical and health hazards. All known chemical hazards are revealed to employees through the manufacturer's Material Safety Data Sheet (MSDS), or if the chemical was created on Company premises, through an MSDS created by the individual mixing the chemicals. Chemical inventories as well as all MSDS forms are kept in every department with chemical substances present.

In addition, all containers of hazardous chemicals are labeled to reflect the identity of the chemical, the hazard warning, and the name and address of the chemical manufacturer. Chemicals are stored in spill-proof bottles or containers.

All employees are required to participate in training regarding the Company's Hazard Communication standard. Employees with responsibilities that require the routine use of handling of potentially hazardous chemicals are required to participate in additional training conducted by their supervisor.

Questions regarding this policy should be directed to your supervisor.

#### HAZARDOUS MATERIALS

All employees are responsible for reporting safety concerns and potential hazards. Each employee is expected to obey safety rules and exercise caution and common sense in all work activities. Employees must immediately report any unsafe conditions to their supervisor. Employees who violate safety standards; cause hazardous or dangerous situations; or fail to report or, where appropriate, remedy such situations may be subject to disciplinary action, up to and including termination of employment.

Employees cleaning up hazardous materials must do so in accordance with operation procedures in cleaning hazardous materials. When cleaning hazardous materials, use the hazardous materials kit.

In the case of an accident that results in injury, regardless of how insignificant the injury may appear, employees must notify their supervisor.

#### HAZARDOUS WASTE

There are a variety of safety provisions that regulate the management, storage, and disposal of hazardous waste. La'au Pono fully 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 La'au Pono's 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.

## DISABILITY ACCOMODATION

La'au Pono is committed to complying fully with the Americans with Disabilities Act (ADA) and ensuring equal opportunity in employment for qualified persons with disabilities. All employment practices and activities are conducted on a non-discriminatory basis.

Hiring procedures have been reviewed and provide persons with disabilities meaningful employment opportunities. Pre-employment inquiries are made only regarding an applicant's ability to perform the duties of the position.

Post-offer medical examinations are required only for those positions in which there is a bona fide job-related physical requirement. They are given to all persons entering the position only after conditional job offers. Medical records will be kept separate and confidential.

Reasonable accommodation is available to all disabled employees, where their disability affects the performance of job functions. All employment decisions are based on the merits of the situation in accordance with defined criteria, not the disability of the individual.

Qualified individuals with disabilities are entitled to equal pay and other forms of compensation (or changes in compensation) as well as in job assignments, classifications, organizational structures, position descriptions, lines of progression, and seniority lists. Leave of all types will be available to all employees on an equal basis.

La'au Pono is also committed to not discriminating against any qualified employees or applicants because they are related to or associated with a person with a disability. La'au Pono will follow any state or local law that provides individuals with disabilities greater protection than the ADA.

This policy is neither exhaustive nor exclusive. La'au Pono is committed to taking all other actions necessary to ensure equal employment opportunity for persons with disabilities in accordance with the ADA and all other applicable federal, state, and local laws.

## PERSONAL PROPERTY

It is the policy of La'au Pono to ask employees to refrain from bringing unnecessary or inappropriate personal property to work.

La'au Pono recognizes that employees may need to bring certain personal items to work. However, personal property that is not related to the employee's job performance may disrupt work or pose a safety risk to other employees.

Employees are expected to exercise reasonable care to safeguard personal items brought to work. La'au Pono is not responsible for the loss, damage, or theft of personal belongings, and

employees are advised not to carry unnecessary amounts of cash or other valuables with them when they come to work.

#### LOST AND FOUND

Any items found within the facility should be delivered to the Manager. The Manager will keep the item until its rightful owner claims it.

In the event an item is not claimed within 10 days, the Manager will make a posting of the missing item on bulletin boards. If the item is not claimed within 30 days, it will first be offered to the finder, and if refused will be discarded.

La'au Pono is not responsible for lost or stolen personal items.

#### RETURN OF COMPANY PROPERTY

Employees are responsible for items issued to them by La'au Pono or in their possession or control, such as the following:

- Cell phones
- Gate Remotes
- Credit Cards
- Equipment
- Identification badges
- Keys
- Protective Equipment
- Security Passes
- Tools
- Uniforms
- Vehicles
- Written materials

Employees must return all La'au Pono property immediately upon request or upon termination of employment. Where permitted by applicable laws, La'au Pono may withhold from the employee's check or final paycheck the cost of any items that are not returned when required. La'au Pono may also take all action deemed appropriate to recover or protect its property.

## **SMOKING**

In keeping with La'au Pono intent to provide a safe and healthful work environment, smoking is prohibited throughout the workplace.

This policy applies equally to all employees, customers, and visitors.

## **COMPANY HOURS**

Supervisors at La'au Pono will advise employees of their scheduled shift, including starting and ending times. Business needs may necessitate a variation in your starting and ending times as well as in the total hours you may be scheduled to work each day and each week.

## **MEAL AND REST PERIODS**

Each workday, full-time nonexempt employees are provided with 2 rest periods of 10 minutes in length. To the extent possible, rest periods will be provided in the middle of work periods. Since this time is counted and paid as time worked, employees must not be absent from their work stations beyond the allotted rest period time.

All full-time Full time nonexempt employees are provided with one meal period of 30 minutes in length each workday. Supervisors will schedule meal periods to accommodate operating requirements. Employees will be relieved of all active responsibilities and restrictions during meal periods and will not be compensated for that time.

## **EMPLOYEE CONDUCT**

### **STANDARD OF CONDUCT**

The work rules and standards of conduct for La'au Pono are important, and the company regards them seriously. All La'au Pono employees are urged to become familiar with these rules and standards. In addition, employees are expected to follow the rules and standards faithfully in doing their jobs and conducting business on behalf of La'au Pono. Please note that any employee who deviates from these rules and standards will be subject to disciplinary action, up to and including termination of employment.

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

- Theft or inappropriate removal or possession of property
- Falsification of timekeeping records
- Working under the influence of alcohol or illegal drugs
- Possession, manufacture, distribution, sale, transfer, dispensation or use of alcohol or illegal drugs
- Fighting or threatening violence in the workplace
- Immoral actions or intimidating others
- Boisterous or disruptive activity in the workplace
- Negligence or improper conduct leading to damage of La'au Pono or customer property
- Insubordination or other disrespectful conduct
- Violation of safety or health rules
- Smoking in the workplace
- Sexual or other unlawful or unwelcome harassment or touching
- Excessive absenteeism or any absence without notice
- Unauthorized use of telephones or other La'au Pono equipment
- Using La'au Pono equipment for purposes other than business (e.g., playing games on computers or personal Internet usage)
- Unauthorized disclosure of confidential information
- Violation of personnel policies
- Unsatisfactory performance or conduct

These rules apply to any and all interactions with customers, fellow employees or anyone else associated with the workplace.

#### DISCIPLINARY ACTION

Disciplinary action at La'au Pono 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. La'au Pono reserves the right to administer disciplinary action at its discretion and based upon the circumstances.

La'au Pono 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 La'au Pono business practices or any other confidential information; and
- Violating any state or local law regarding the sale, production, or distribution of medical marijuana.

## WORKPLACE ETTIQUETTE

La'au Pono strives to maintain a positive work environment where employees treat each other with respect and courtesy. Sometimes issues arise when employees are unaware that their behavior in the workplace may be disruptive or annoying to others. Many of these day-to-day issues can be addressed by politely talking with a co-worker to bring the perceived problem to his or her attention. In most cases, common sense will dictate an appropriate resolution. La'au Pono encourages all employees to keep an open mind and graciously accept constructive feedback or a request to change behavior that may be affecting another employee's ability to concentrate and be productive.

The following workplace etiquette guidelines are not necessarily intended to be hard and fast work rules with disciplinary consequences. They are simply suggestions for appropriate workplace behavior to help everyone be more conscientious and considerate of co-workers and the work environment. Please contact the Office Manager if you have comments, concerns, or suggestions regarding these workplace etiquette guidelines.

- Avoid public accusations or criticisms of other employees. Address such issues privately with those involved or your supervisor.
- Try to minimize unscheduled interruptions of other employees while they are working.
- Communicate by e-mail or phone whenever possible, instead of walking unexpectedly into someone's office or workspace.
- Keep socializing to a minimum, and try to conduct conversations in areas where the noise will not be distracting to others.
- Refrain from using inappropriate language (swearing) that others may overhear.
- Avoid discussions of your personal life/issues in public conversations that can be easily overheard.
- Clean up after yourself and do not leave behind waste or discarded papers.

## EMPLOYEE RELATIONSHIPS IN THE WORKPLACE

The employment of relatives or individuals involved in a dating relationship in the same area of an organization may cause serious conflicts and problems with favoritism and employee morale.

In addition to claims of partiality in treatment at work, personal conflicts from outside the work environment can be carried over into day-to-day working relationships.

For purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage. A dating relationship is defined as a relationship that may be reasonably expected to lead to the formation of a consensual "romantic" or sexual relationship. This policy applies to all employees without regard to the gender or sexual orientation of the individuals involved.

Relatives of current employees may not occupy a position that will be working directly for or supervising their relative. Individuals involved in a dating relationship with a current employee may also not occupy a position that will be working directly for or supervising the employee with whom they are involved in a dating relationship. La'au Pono also reserves the right to take prompt action if an actual or potential conflict of interest arises involving relatives or individuals involved in a dating relationship who occupy positions at any level (higher or lower) in the same line of authority that may affect the review of employment decisions.

If a relative relationship or dating relationship is established after employment between employees who are in a reporting situation described above, it is the responsibility and obligation of the supervisor involved in the relationship to disclose the existence of the relationship to management. The individuals concerned will be given the opportunity to decide who is to be transferred to another available position. If that decision is not made within 30 calendar days, management will decide who is to be transferred or, if necessary, terminated from employment.

In other cases where a conflict or the potential for conflict arises because of the relationship between employees, even if there is no line of authority or reporting involved, the employees may be separated by reassignment or terminated from employment. Employees in a close personal relationship should refrain from public workplace displays of affection or excessive personal conversation.

## WORKPLACE VIOLENCE

- Any employee who feels that he or she has been threatened should immediately report the incident to their supervisor and Human Resources.
- If you observe anyone exhibiting threatening behavior or making threatening statements, warn others in the area and immediately notify Human Resources—stay away from the person exhibiting the threatening behavior.
- Depending upon the level of concern, 911 may be called immediately.
- Never attempt to confront any person exhibiting threatening behavior.

If you have reason to believe that events in your personal life could result in acts of violence occurring at work, you are strongly urged to confidentially discuss the issue with Human Resources so that a prevention plan can be developed.

#### VISITORS IN THE WORKPLACE

La'au Pono cares about the safety and security of its employees. In an effort to maintain the maximum safety and security possible at a minimum inconvenience to you, we have guidelines in place regarding facility access and visitors.

All visitors are to be escorted by authorized personnel at all times. Please do not allow visitors to roam the premises unattended.

#### COMPUTER, EMAIL AND INTERNET USAGE

The following guidelines have been established for using the Internet, company-provided cell phones and e-mail in an appropriate, ethical and professional manner:

- Internet, company-provided equipment (e.g., cell phone, laptops, computers) and services may not be used for transmitting, retrieving or storing any communications of a defamatory, discriminatory, harassing or pornographic nature.
- The following actions are forbidden: using disparaging, abusive, profane or offensive language; creating, viewing or displaying materials that might adversely or negatively reflect upon La'au Pono or be contrary to La'au Pono's best interests; and engaging in any illegal activities, including piracy, cracking, extortion, blackmail, copyright infringement, and unauthorized access of any computers and company-provided equipment such as cell phones and laptops.
- Employees may not copy, retrieve, modify or forward copyrighted materials, except with permission or as a single copy to reference only.
- Employees must not use the system in a way that disrupts its use by others. Employees must not send or receive large files that could be saved/transferred via thumb drives. Employees are prohibited from sending or receiving files that are not related to work.
- Employees should not open suspicious e-mails, pop-ups or downloads. Contact IT with any questions or concerns to reduce the release of viruses or to contain viruses immediately.
- Internal and external e-mails are considered business records and may be subject to discovery in the event of litigation. Be aware of this possibility when sending e-mail within and outside the company.



All company-supplied technology and company-related work records belong to La'au Pono and not to the employee. La'au Pono routinely monitors use of company-supplied technology. Inappropriate or illegal use or communications may be subject to disciplinary action up to and including termination of employment.

#### TELEPHONE POLICY

La'au Pono telephones are intended for the sole use of conducting company business.

**Business phone calls** - Much of our business is conducted over the phone, making our telephone techniques extremely important. A friendly but businesslike telephone manner should always be projected. When you are away from your work area, make a habit of forwarding your calls to the appropriate extension.

**Personal phone calls** - We recognize that periodically, personal phone calls must be made or received during the business hours. Such calls should be held at a minimum so that they do not interfere with the workflow.

**Personal cellphone calls** - In order to provide an optimum work environment, employees are expected to have cellphones turned off during work hours. Ringing cellphones are a distraction to co-workers and can interfere with productivity. Cellphones should only be used during breaks, lunches and outside of the office. Flexibility will be provided in circumstances demanding immediate or emergency attention.

**Voicemail** - Company telephones are also equipped with voicemail. Voicemail was installed to help maintain our high quality of service for clients and to increase efficiency throughout the office. Voicemail will be an option to the caller; the call will not be put directly through to voicemail. It is recommended that employee greetings be changed daily. They should be brief and communicate your availability to clients.

Please contact Human Resources with questions about our Phone Call Policy.

#### PHOTOGRAPHY AND VIDEOTAPING IN THE WORKPLACE

Photography and videotaping has the potential to disclose confidential company information and jeopardizes employee privacy rights. As such, La'au Pono strictly prohibits photography and videotaping in the workplace, unless expressly authorized by Company management.

Employees are prohibited from using any device that has the capacity to capture photographic images or video images; this includes company issued and personal cell phones.

Any employee found to have violated this policy will be subject to disciplinary action, up to and including immediate termination of employment.

## PERSONAL APPEARANCE

Dress, grooming, and personal cleanliness standards contribute to the morale of all employees and affect the business image La'au Pono presents to customers and visitors.

During business hours or when representing La'au Pono, you are expected to present a clean, neat, and tasteful appearance. You should dress and groom yourself according to the requirements of your position and accepted social standards. This is particularly true if your job involves dealing with customers or visitors in person.

Your supervisor or department head is responsible for establishing a reasonable dress code appropriate to the job you perform. If your supervisor feels your personal appearance is inappropriate, you may be asked to leave the workplace until you are properly dressed or groomed. Under such circumstance, you will not be compensated for the time away from work. Consult your supervisor if you have questions as to what constitutes appropriate appearance. Where necessary, reasonable accommodation may be made to a person with a disability.

Without unduly restricting individual tastes, the following personal appearance guidelines should be followed:

- Personal Protection Equipment (ex. Hearing, Eye, Fall, Back, Dust) must be used when required
- Shoes must provide safe, secure footing, and offer protection against hazards.
- Canvas or athletic type shoes are not appropriate professional attire.
- Tank tops, tube or halter tops, or shorts may not be worn under any circumstances.
- Offensive body odor and poor personal hygiene is not professionally acceptable.
- Jewelry should not be functionally restrictive, dangerous to job performance, or excessive.

## HYGIENE

### *Employee Hygiene*

La'au Pono encourages the practice of appropriate employee hygiene within the workplace. This includes but is not limited to:

- Washing hands after using the restroom;
- Limiting or abstaining from the excessive use of perfumes and colognes;
- Appropriate use of deodorant;
- Appropriate bodily cleanliness;
- Kept hair (pulled back); and

- Containment of communicable diseases.

#### *Workplace Hygiene*

La'au Pono encourages the practice of clean hygiene within the workplace.

This includes but is not limited to:

- Washing hands after using the restroom;
- The proper disposal of garbage;
- Proper sanitation in eating areas; and
- Cleanliness of workspace.

Managers and supervisors are responsible for interpreting and enforcing the hygiene policy at their discretion. This includes advising employees with inappropriate hygiene standards.

Reasonable accommodation can be made in extreme circumstances.

Business necessity does call for professional standards in order to protect a clean and non distracting work place. Questions or concerns should be handled by an employee's immediate supervisor or the Director of Human Resources. Any employee may be sent home in order to correct a problem. La'au Pono seeks to remain in compliance with all relevant state and federal laws.

#### HOUSEKEEPING

La'au Pono expects all employees to keep work areas, break rooms, and La'au Pono property clean and well maintained at all times. The use of the break room and La'au Pono facilities is a privilege and proper care is required.

The break room and coffee station are available for employee use. Employees are permitted to use the refrigerator, microwave, toaster, and coffee maker. Employees are expected to clean all areas after using them.

Employee workspaces are also expected to be kept neat and orderly. Prior to leaving for the day, all employees are required to tidy up their work area and return all items to their proper location.

Any employee found to be contributing to unsanitary conditions will be subject to discipline, up to and including immediate termination of employment.

Questions regarding this policy should be directed to your supervisor.

## MEDIA RELATIONS

La'au Pono is committed to providing the media with accurate information. To avoid discrepancies, specific guidelines should be followed when a media inquiry is received.

All media inquiries regarding La'au Pono and its operation must be immediately referred to Marketing Director, who is authorized to make or approve public statements regarding company business. Unless specifically designated by this person, you are not authorized to make those statements. If you wish to write or publish an article, paper or other publication on behalf of La'au Pono, you must first obtain approval.

La'au Pono will generally provide a response to media inquiries within 24 hours. Should the response require a detailed technical explanation, a spokesperson will be designated to address the issue. The spokesperson will be chosen carefully, based on their area(s) of expertise.

Media inquiries include, but are not limited to, official statements, press releases and advertisements.

Please contact Marketing Director with any questions or concerns you have regarding the Media Relations Policy.

## COMPANY CREDIT CARD

La'au Pono offers company credit cards for employees who travel frequently for their duties, purchase large volumes of goods for use by the company or incur frequent business expenses that can be paid by credit card.

As a general rule, corporate credit cards cannot be used to obtain cash advances, bank checks or electronic cash transfers for anything other than the expenses incurred by the employee whose name appears on the credit card. The card is not to be used for personal expenses of the employee, either.

- Misuse of a Company credit card will result in cancellation of the card. If the card is used for personal expenses, La'au Pono has the right to recover these expenses from the cardholder. All employee cardholders will be required to sign an agreement authorizing La'au Pono to recover any amounts that are incurred for personal reasons out of their salaries.
- Credit card expenditures must be submitted with original receipts to Human Resources at the end of each calendar month. Cardholders who do not submit their expenditures within this time frame will be asked to submit them immediately.
- If a credit card holder does not follow this Policy, his or her card will be cancelled.
- Lost or stolen La'au Pono credit cards must be reported to Human Resources immediately.

## COMMUNITY AFFAIRS

La'au Pono encourages employee involvement in community and civic activities. However, employees are expected to keep such activities in practical balance with their job requirements, which take first priority. Employees must also be sure that their involvement in community affairs does not present an apparent or actual conflict of interest with La'au Pono.

## POLITICAL ACTIVITY

Employees of La'au Pono may engage in political activities outside of work hours, but should not allow their political affiliation to affect the performance of their work responsibilities and duties or relationships with coworkers and other employees.

## SOCIAL NETWORKING AND SOCIAL MEDIA

La'au Pono is committed to maintaining a good relationship with its employees and the marketplace. The way the public views La'au Pono is vital to maintaining business, gaining new business, retaining first-class employees, recruiting new employees and marketing our products and services.

While La'au Pono has no intention of controlling employee actions outside of work, employees should practice caution and use discretion when posting content on all social media platforms. Employees have the right to use social media for personal expression on their own time, and La'au Pono will not violate employee privacy by attempting to access content that has not been made available publicly. This policy serves as a notice on the practice of social networking for all employees to read and understand. As more concerns develop and legislation is released, this policy is subject to change.

The purpose of this policy is to:

- To guarantee a constructive relationship between the company and its employees
- To manage risk and preserve La'au Pono's positive reputation
- To discourage the use of company time for personal social media activities
- To promote awareness among employees of the number of individuals who can access information presented on social networking sites

### Definitions

*Social networking* and *social media* refer to any activity that involves interaction in online communities. This interaction includes, but is not limited to, browsing profiles and photos, reading messages sent through social networking forums and participating in instant messaging services.

A *social networking site* is any website that links individuals electronically and provides a forum where users can connect and share information. These websites can be tailored to specific interests or to certain types of users.

A *social networking profile* is a user's personalized page within a specific social networking site, usually containing personal information such as name, birthday, photo and interests.

*Micro-blogging* is the practice of publishing your recent whereabouts, thoughts or activities on a social networking site for other users to see. While not all social networking sites use micro-blogging, this is a primary focus of sites such as Twitter and Facebook.

*Business purposes* is considered using a social networking site for the company's gain, usually as a task or assignment given by a manager or supervisor. This can be done either through a specific company account on a given social networking site or through a personal account set up for the purposes of recruiting or marketing for La'au Pono.

The term *Working Hours* includes any time employees are being paid to conduct company business. Standard working hours are from 8:00am to 5:00pm, Monday through Friday. This timeframe may vary based on job type and responsibilities.

## **Procedures**

### *Prohibited Use*

It is important that employees use their time at work for business purposes. Employees are not blocked from access to social networking sites on La'au Pono computers because, under some circumstances, social networking is a powerful business tool that can be channeled to gain positive publicity for the company and to connect with clients. However, access to such websites should follow company policy. The following actions are prohibited during working hours:

- Using social networking sites to conduct personal or non-company business with a company computer or device.
- Browsing social networking sites for non-company business on company time with a company computer or device.
- Reading e-mail alerts regarding personal social networking account activity or using La'au Pono e-mail to correspond with personal social networking contacts.
- Updating information, uploading photos or otherwise engaging with one's personal social networking profile for non-business purposes with a company computer or device.
- Micro-blogging for a non-business purpose on a social networking site throughout the day, whether it is on a company-provided computer or a personal smart phone device.

### *Prohibited Conduct*

Having your own individual social networking account and using it on your own time is certainly permissible. However, keep in mind that some actions on your personal site are visible for the entire social networking community and may no longer be considered private matters. La'au Pono has put

it in place a set of conduct guidelines to protect its brand and prevent the unwanted disclosure of confidential information. Please follow these guidelines:

- Do not use micro-blogging features to disclose trade secrets, publish internal reports, provide tips based on inside information or participate in other activities that may be considered insider trading.
- We urge you to consider resolving workplace grievances internally. If you choose to address a grievance using social media, we recommend you refrain from posting comments and materials that could be viewed as malicious, obscene, threatening, intimidating or that could create a hostile environment on the basis of race, sex, disability, religion or any other status protected by law.
- We also recommend you refrain from posting any opprobrious, reckless or maliciously untrue comments. These communications may not be protected by law.
- Do not impersonate La'au Pono or its employees, make statements on behalf of La'au Pono without authorization, or make statements that can be construed as establishing La'au Pono's official position or policy on any particular issue.

As stated above, the purpose of this policy is to protect La'au Pono's brand and prevent the disclosure of confidential information. It is not La'au Pono's intent to interfere with its employees' legal rights. Whenever state or federal law govern an area of social media participation, La'au Pono policies should be interpreted as to comply with them.

## SUBSTANCE ABUSE

It is La'au Pono's desire to provide a drug-free, healthful, and safe workplace. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner.

While on La'au Pono premises and while conducting business-related activities off La'au Pono premises, no employee may use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs. The legal use of prescribed drugs is permitted on the job only if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger other individuals in the workplace.

Violations of this policy may lead to disciplinary action, up to and including immediate termination of employment, and/or required participation in a substance abuse rehabilitation or treatment program. Such violations may also have legal consequences.

To inform employees about important provisions of this policy, La'au Pono has established a drug-free awareness program. The program provides information on the dangers and effects of substance abuse in the workplace, resources available to employees, and consequences for violations of this policy.

Employees with questions or concerns about substance dependency or abuse are encouraged to discuss these matters with their supervisor to receive assistance or referrals to appropriate resources in the community.

Employees with drug or alcohol problems that have not resulted in, and are not the immediate subject of, disciplinary action may request approval to take unpaid time off to participate in a rehabilitation or treatment program. Leave may be granted if the employee agrees to abstain from use of the problem substance; abides by all La'au Pono policies, rules, and prohibitions relating to conduct in the workplace; and if granting the leave will not cause La'au Pono any undue hardship.

Under the Drug-Free Workplace Act, an employee who performs work for a government contract or grant must notify La'au Pono of a criminal conviction for drug-related activity occurring in the workplace. The report must be made within five days of the conviction.

Employees with questions on this policy or issues related to drug or alcohol use in the workplace should raise their concerns with their supervisor or the Risk Manager without fear of reprisal.

## SEXUAL AND UNLAWFUL HARASSMENT

La'au Pono is committed to providing a work environment that is free from all forms of discrimination and conduct that can be considered harassing, coercive, or disruptive, including sexual harassment. Actions, words, jokes, or comments based on an individual's sex, race, color, national origin, age, religion, disability, sexual orientation, or any other legally protected characteristic will not be tolerated. La'au Pono provides ongoing sexual harassment training to ensure you the opportunity to work in an environment free of sexual and other unlawful harassment.

Sexual harassment is defined as unwanted sexual advances, or visual, verbal, or physical conduct of a sexual nature. This definition includes many forms of offensive behavior and includes gender-based harassment of a person of the same sex as the harasser. The following is a partial list of sexual harassment examples:

- Unwanted sexual advances.
- Offering employment benefits in exchange for sexual favors.
- Making or threatening reprisals after a negative response to sexual advances.
- Visual conduct that includes leering, making sexual gestures, or displaying of sexually suggestive objects or pictures, cartoons or posters.
- Verbal conduct that includes making or using derogatory comments, epithets, slurs, or jokes
- Verbal sexual advances or propositions.



- Verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, or suggestive or obscene letters, notes, or invitations.
- Physical conduct that includes touching, assaulting, or impeding or blocking movements.

Unwelcome sexual advances (either verbal or physical), requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when: (1) submission to such conduct is made either explicitly or implicitly a term or condition of employment; (2) submission or rejection of the conduct is used as a basis for making employment decisions; or, (3) the conduct has the purpose or effect of interfering with work performance or creating an intimidating, hostile, or offensive work environment.

If you experience or witness sexual or other unlawful harassment in the workplace, report it immediately to your supervisor. If the supervisor is unavailable or you believe it would be inappropriate to contact that person, you should immediately contact the Risk Manager or any other member of management. You can raise concerns and make reports without fear of reprisal or retaliation.

All allegations of sexual harassment will be quickly and discreetly investigated. To the extent possible, your confidentiality and that of any witnesses and the alleged harasser will be protected against unnecessary disclosure. When the investigation is completed, you will be informed of the outcome of the investigation.

Any supervisor or manager who becomes aware of possible sexual or other unlawful harassment must immediately advise the Risk Manager or any member of management so it can be investigated in a timely and confidential manner. Anyone engaging in sexual or other unlawful harassment will be subject to disciplinary action, up to and including termination of employment.

## OFF DUTY CONDUCT

While the Club does not seek to interfere with the off-duty and personal conduct of its employees, certain type of off-duty conduct may interfere with the Club's legitimate business interests and organizational goals. For this reason, employees should be aware of the following policies:

- Employees are expected to conduct their personal affairs in a manner that does not adversely affect the Club's or their integrity, reputation, or credibility. Illegal or immoral off duty conduct that adversely affects the Club's legitimate business interests or the employee's ability to perform his or her job will not be tolerated.
- While employed by the Club, full time employees are expected to devote their energies to their jobs with the Club. For this reason, second jobs are strongly discouraged (unless it clearly does

not interfere with the work at the Club). The following types of outside employment are strictly prohibited:

1. Employment that conflicts with an employee's work schedule, duties, and responsibilities;
2. Employment that creates a conflict of interest or is incompatible with the employee's employment with the Club.
3. Employment that impairs or has a detrimental effect on the employee's work performance with the Club.
4. Employment that requires the employee to conduct work or related activities on the Club's property during Club's working hours, using the Club's property during the Club's working hours, or using the Club's facilities and/or equipment.
5. Employment that directly or indirectly competes with the business or the interests of the Club. Employees who wish to engage in outside employment that may create a real or apparent conflict or interest must submit a written request to the Unit Director or Human Resources explaining the details of the outside employment. If the outside employment is authorized, the Club assumes no responsibility for the outside employment. The Club shall not provide workers' compensation coverage or any other benefit for injuries occurring from or arising out of outside employment.

## PERSONAL PROPERTY WAIVER

La'au Pono assumes no liability whatsoever for the damage, loss or theft caused by third parties to the personal property of staff members.

All storage facilities, offices and workspaces, including desks and lockers, are the property of La'au Pono, and La'au Pono reserves the right to have access to these areas and to such property at any time, without advance notice to any employee. Therefore, employees should not expect that such property will be treated as private and personal to the employee. Likewise, electronic mail and voice mail are also company property and are to be used only for business purposes. Internet accounts are also to be used only for company business. La'au Pono reserves the right to inspect, monitor and have access to company computers, electronic mail, voice mail messages and Internet communications.

To promote the safety of employees and company visitors, as well as the security of its facilities, La'au Pono reserves the right to conduct video surveillance of any portion of its premises at any time. Video cameras will be positioned in appropriate places within and around company buildings. The only exceptions to this policy include private areas of restrooms, showers and dressing rooms.

### *Employee Acknowledgement:*

I acknowledge that I have received a copy of La'au Pono's policy on personal property and expectations of privacy. I have also been given the opportunity to read and ask questions about the policy. I understand that by signing this acknowledgement, I agree to accept the policy as a condition of my employment or continuing employment with La'au Pono.

Print Name:

Date:

Signature:

## REPORT OF JURY DUTY PAY

Employee Name: \_\_\_\_\_ Date: \_\_\_\_\_

Employee Location: \_\_\_\_\_ Employee ID#: \_\_\_\_\_

This form should be submitted to Human Resources.

I was out of the office on jury duty from \_\_\_\_\_ to \_\_\_\_\_, or (if you did not serve on consecutive days) on these dates: \_\_\_\_\_.

This is a copy of my jury duty pay statement. I understand that, although La'au Pono's benefits program includes pay continuation during jury duty, the additional money I earn while performing jury duty must be paid to La'au Pono. I understand, therefore, that my jury duty pay—pay only, not the transportation allowance—will be:

- ☐ Subtracted from a future paycheck
- ☐ Endorsed and paid directly to La'au Pono.

Signed: \_\_\_\_\_

#### RECEIPT OF HARASSMENT POLICIES

As described in the Harassment Policy and the Sexual Harassment Policy, harassment is prohibited at La'au Pono.

By signing below, you acknowledge that you have received a copy of La'au Pono's Harassment Policy and Sexual Harassment Policy, and understand that it is your responsibility to read and comply with both policies and any revisions made to them.

---

Signature

---

Date

---

Print your full name

### VACATION REQUEST FORM

Employees of La'au Pono must submit their vacation requests for approval at least 2 weeks in advance. Vacations may be taken in full days

Employee Name: \_\_\_\_\_

Supervisor Name: \_\_\_\_\_

Department: \_\_\_\_\_

Date: \_\_\_\_\_ Number of Hours: \_\_\_\_\_

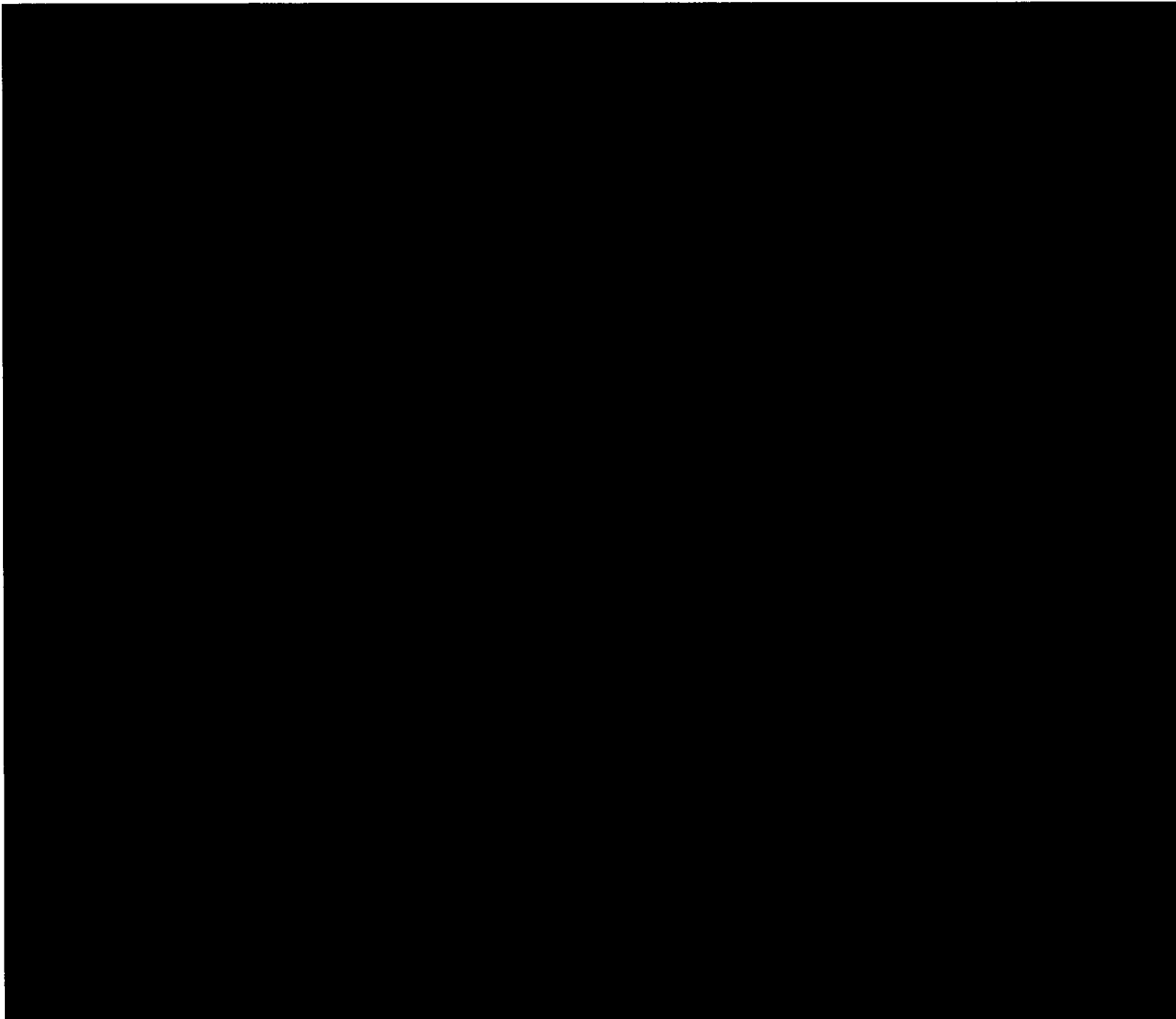
Reason for Vacation:

Vacation Request is: ☐ Approved ☐ Denied

Supervisor Signature: \_\_\_\_\_ Date: \_\_\_\_\_

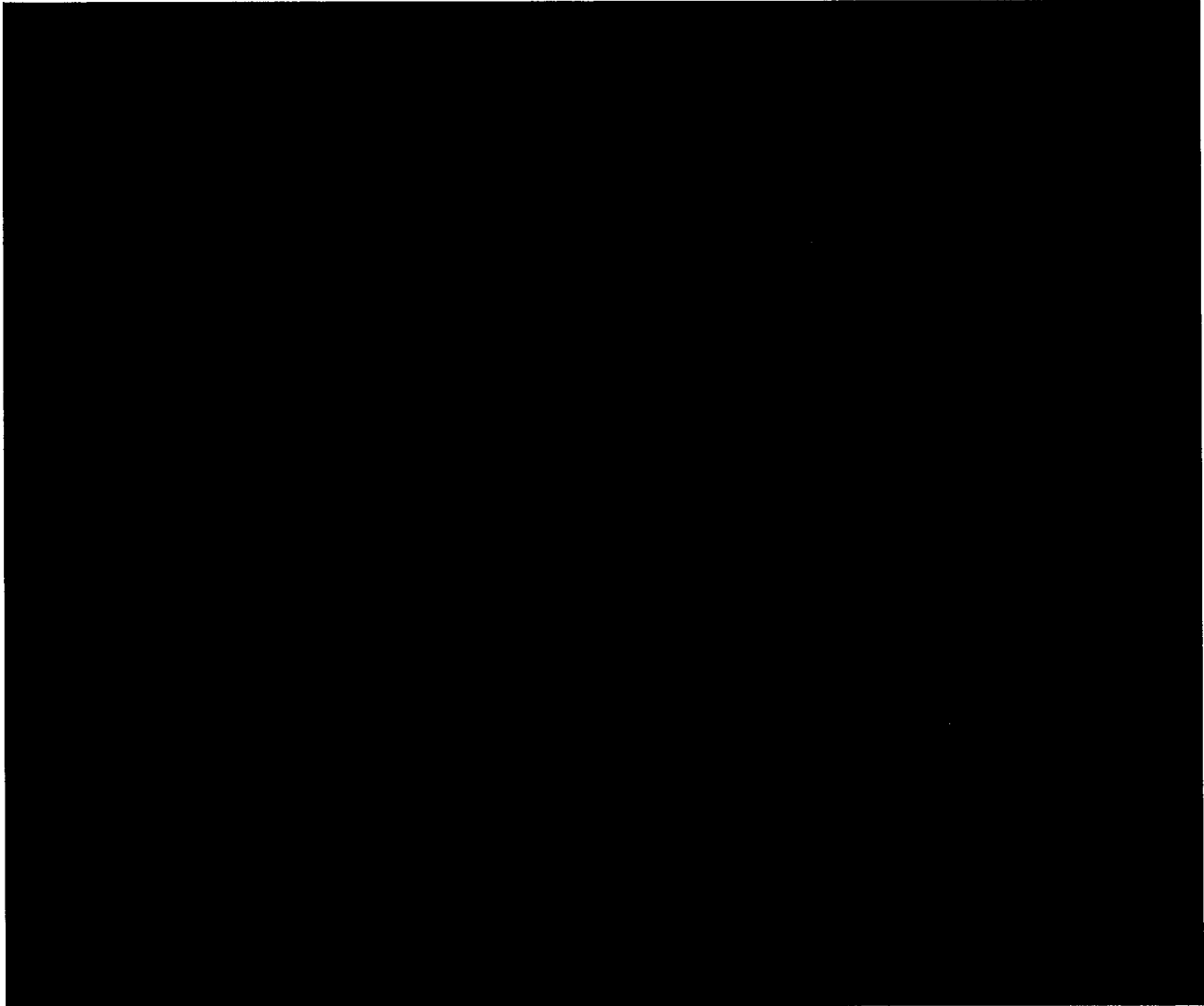
# Hawaiian**Ethos**

## Consent to Background Checks

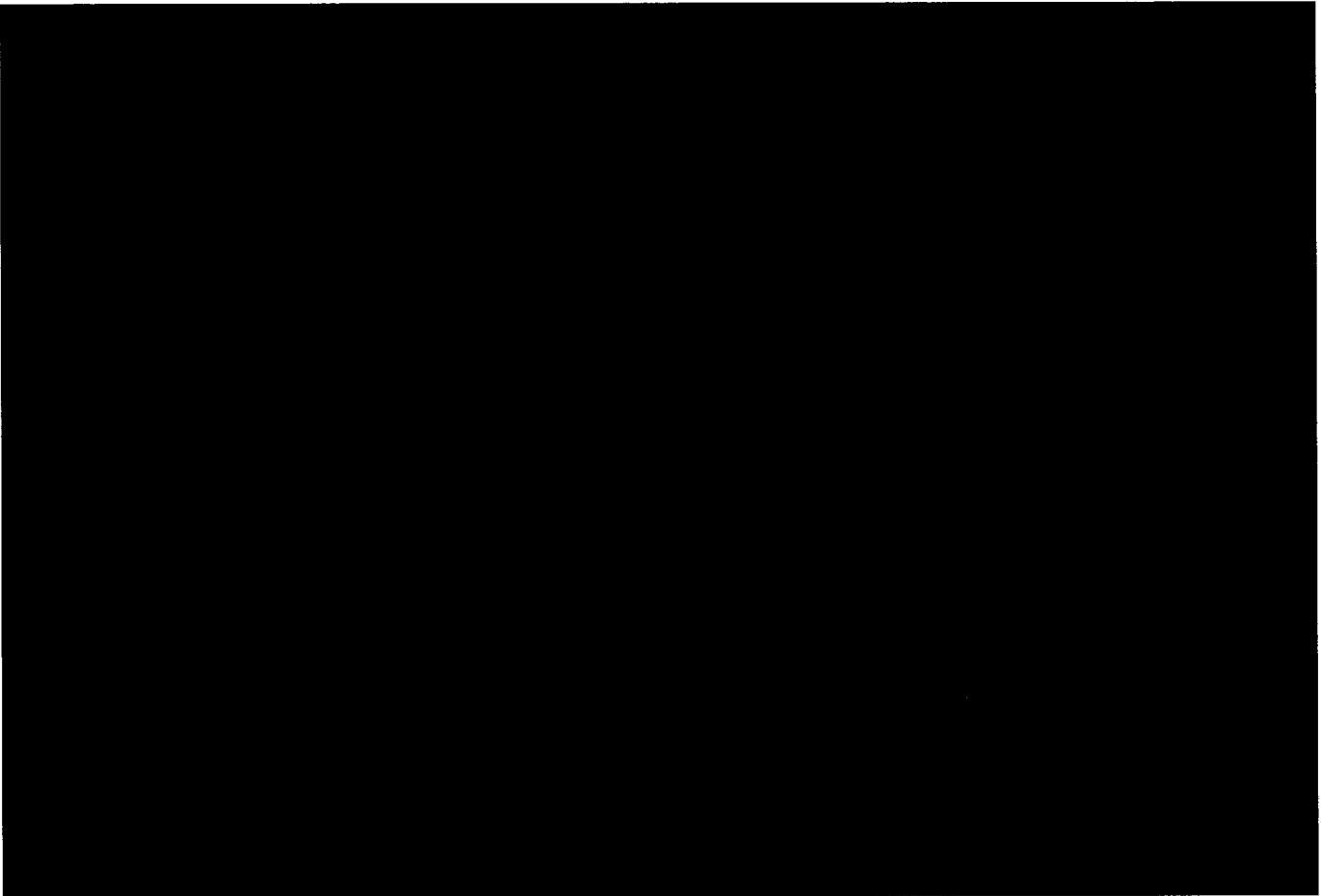


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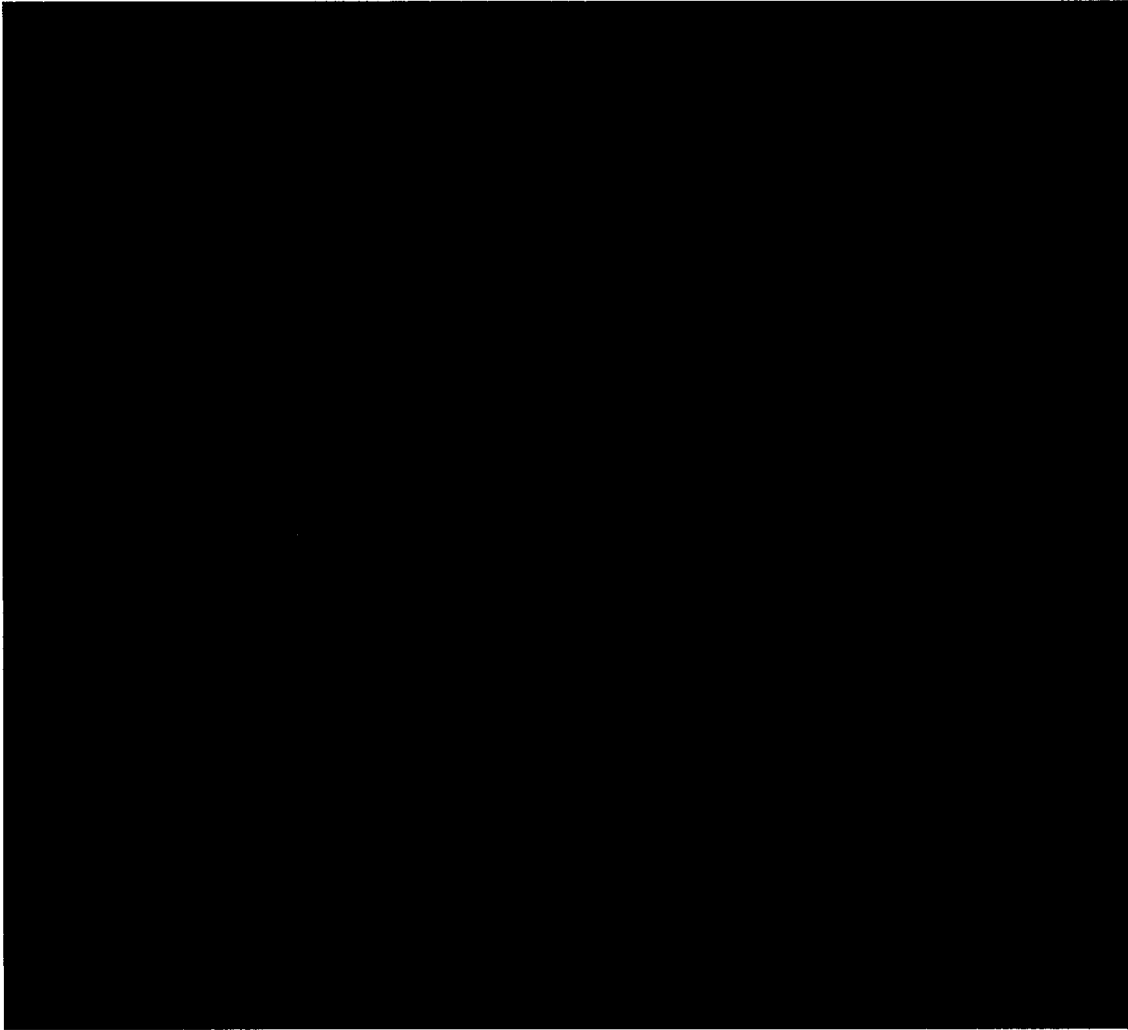




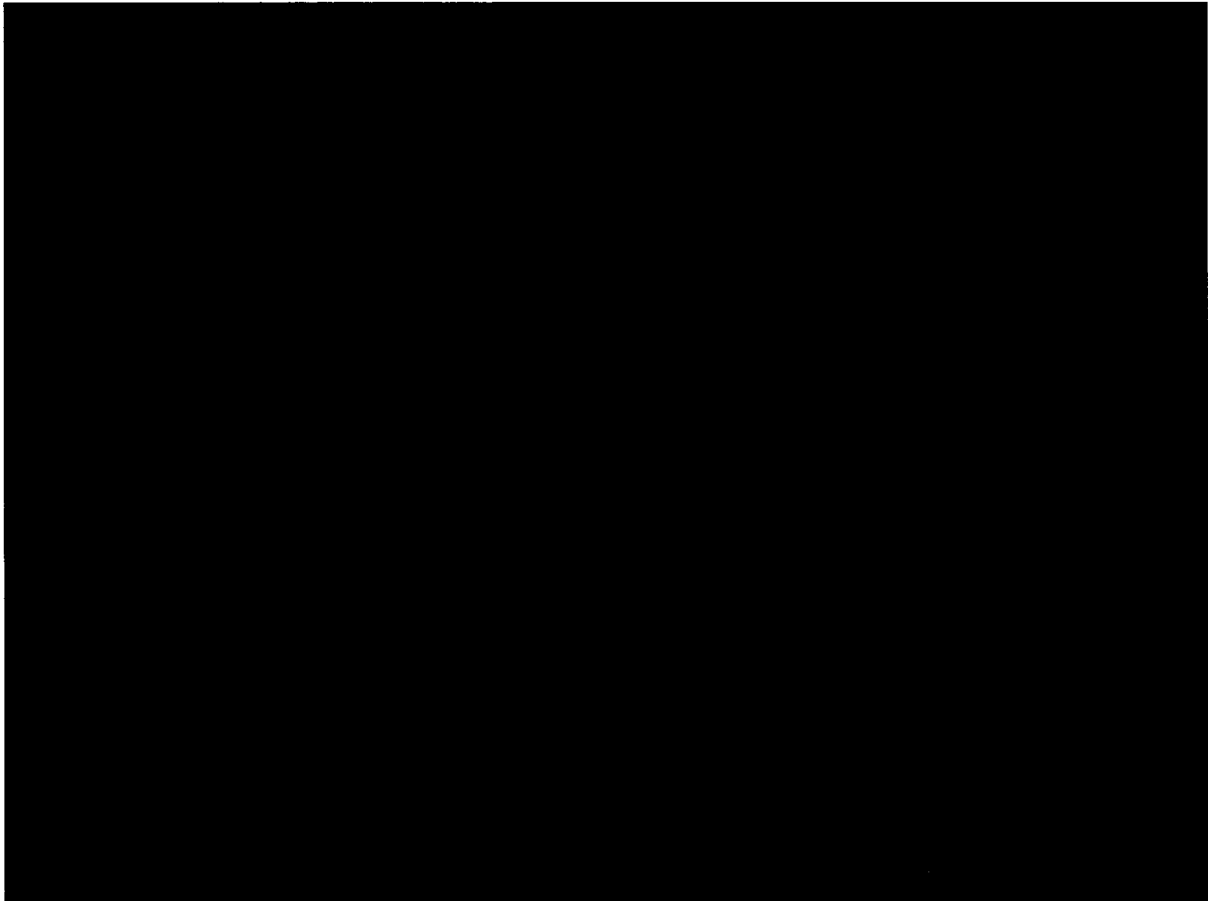
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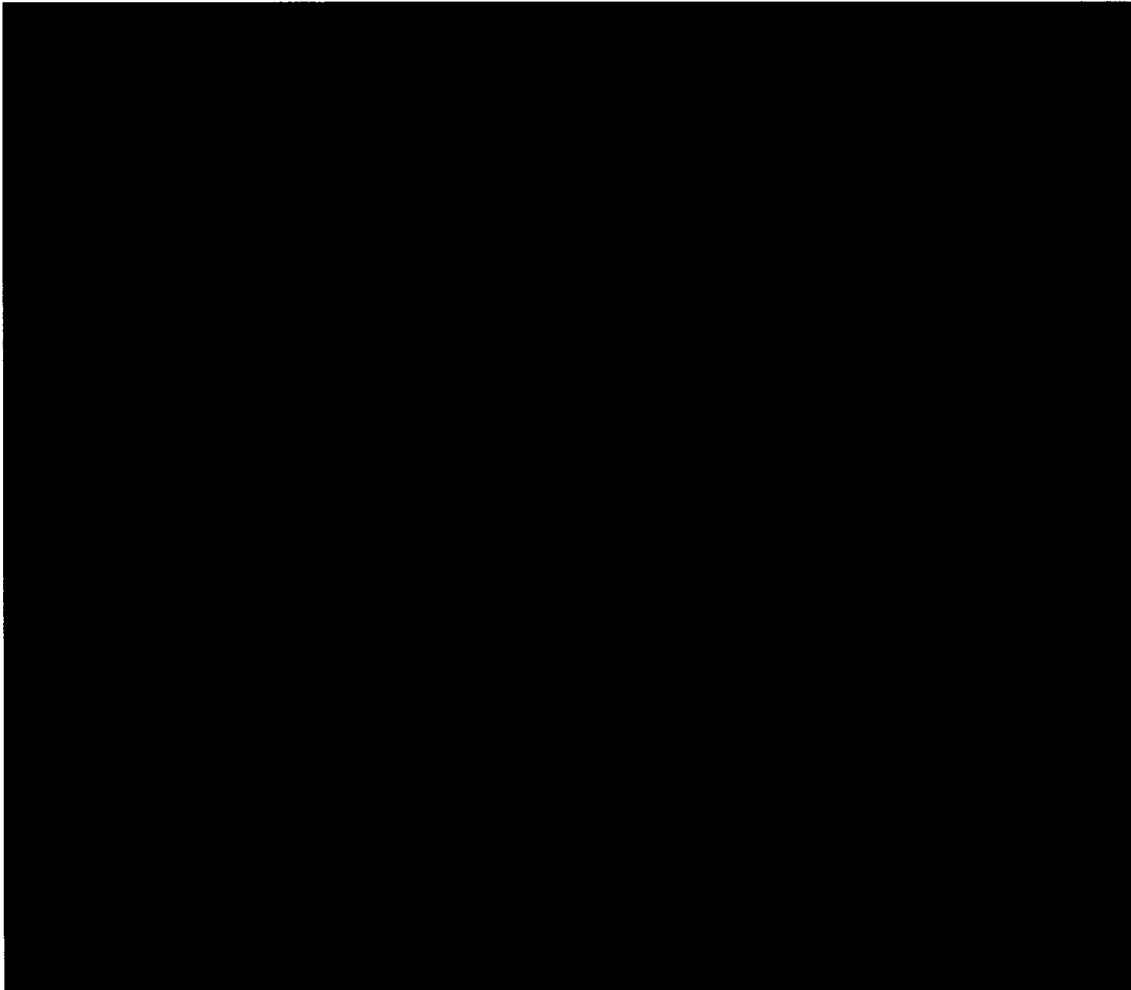
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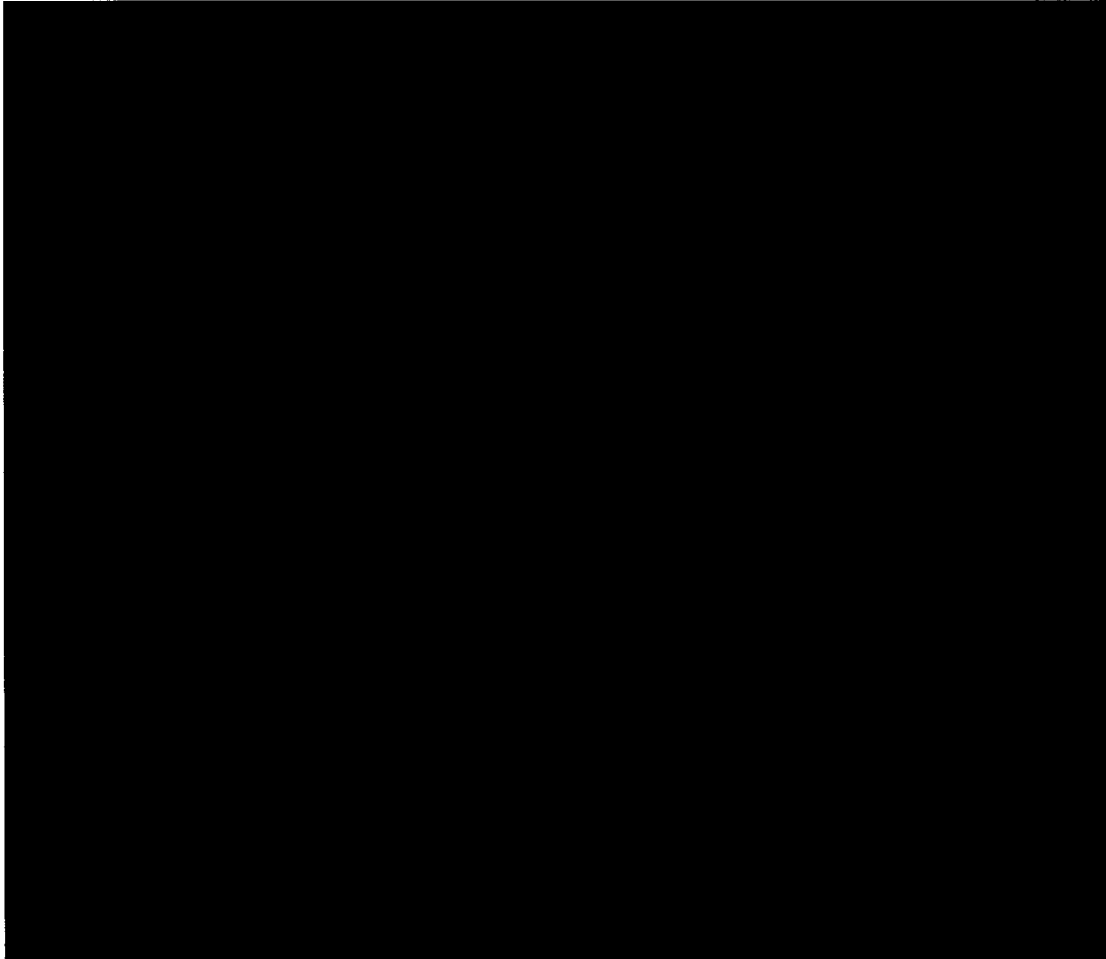
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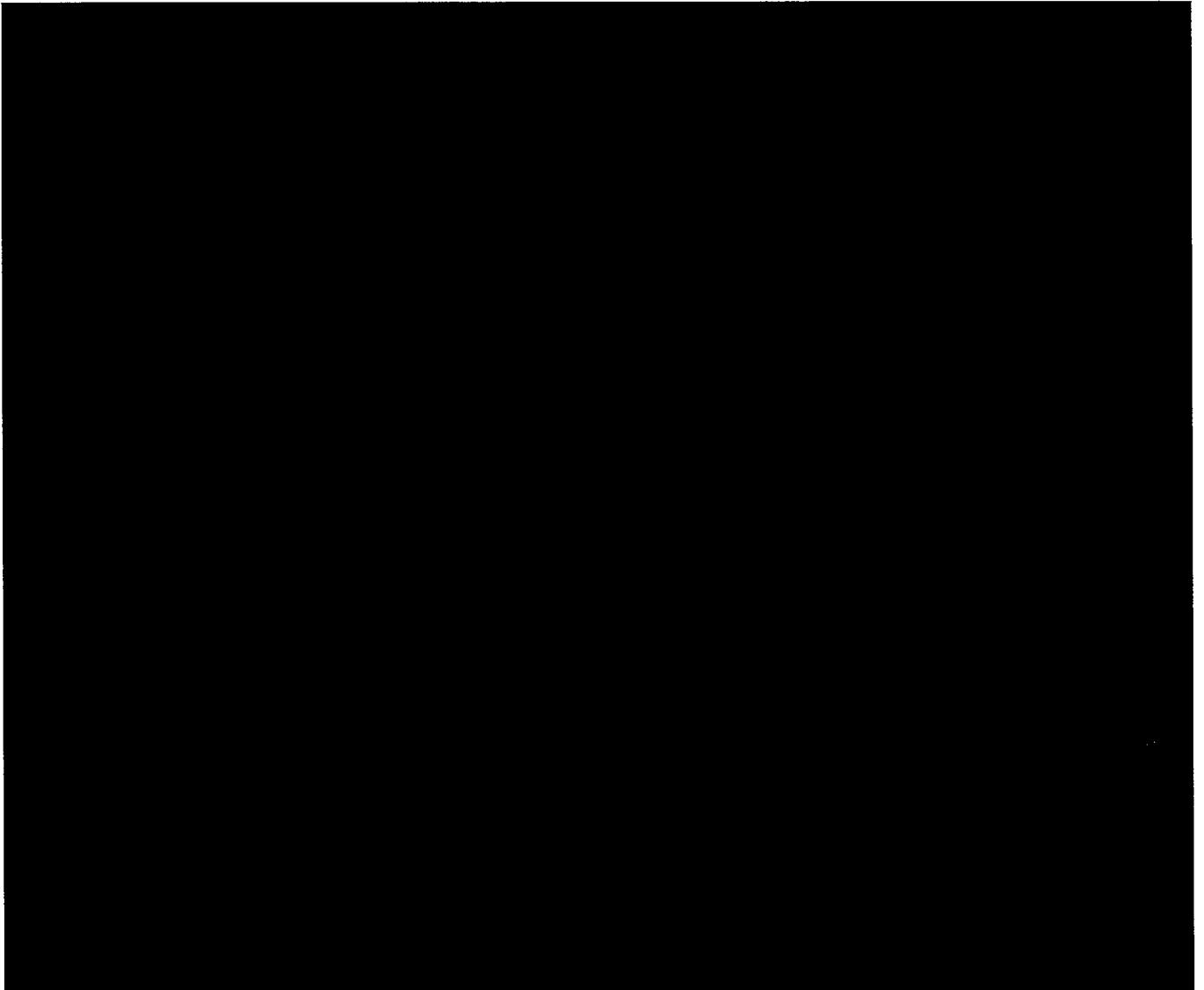
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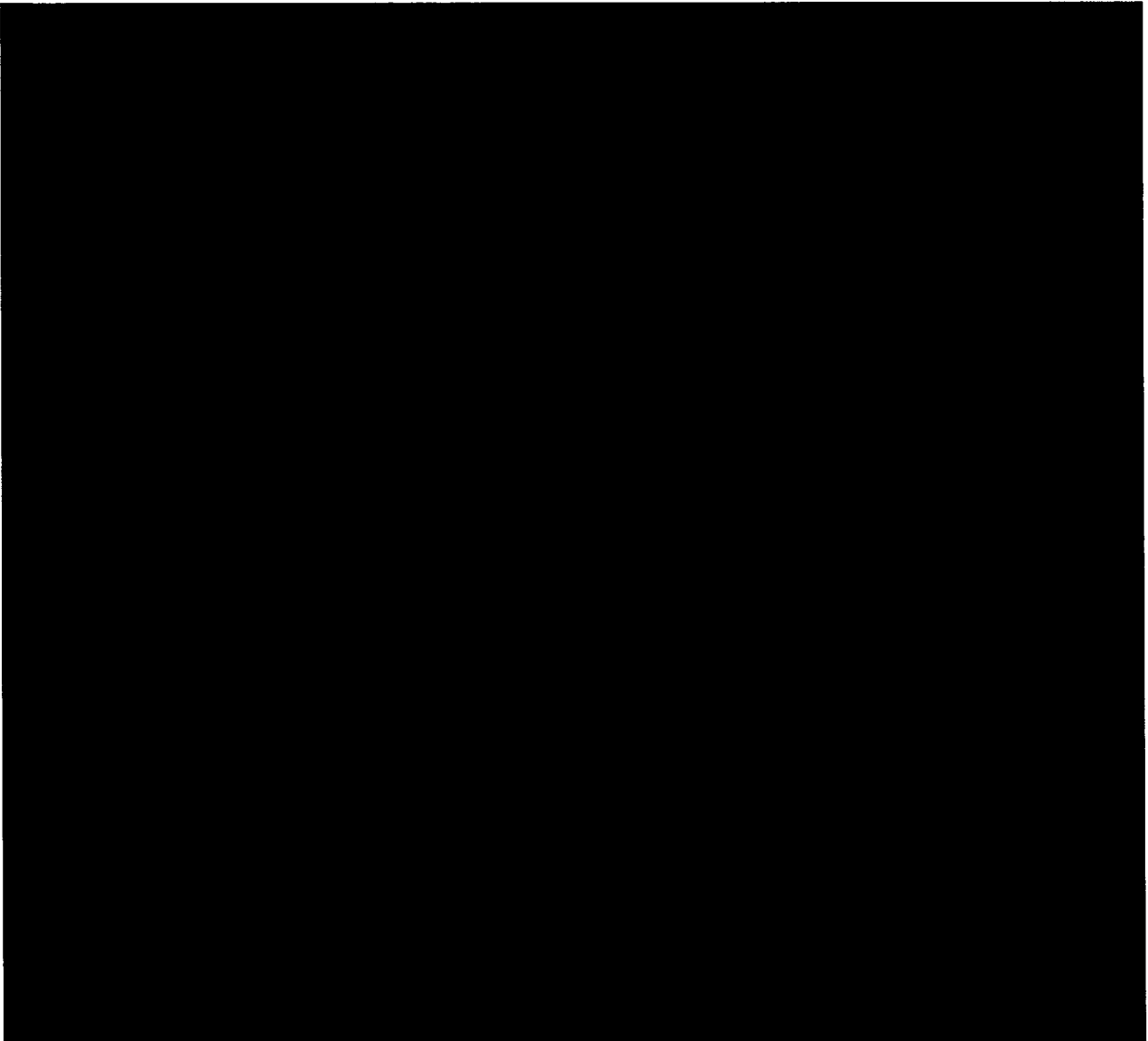
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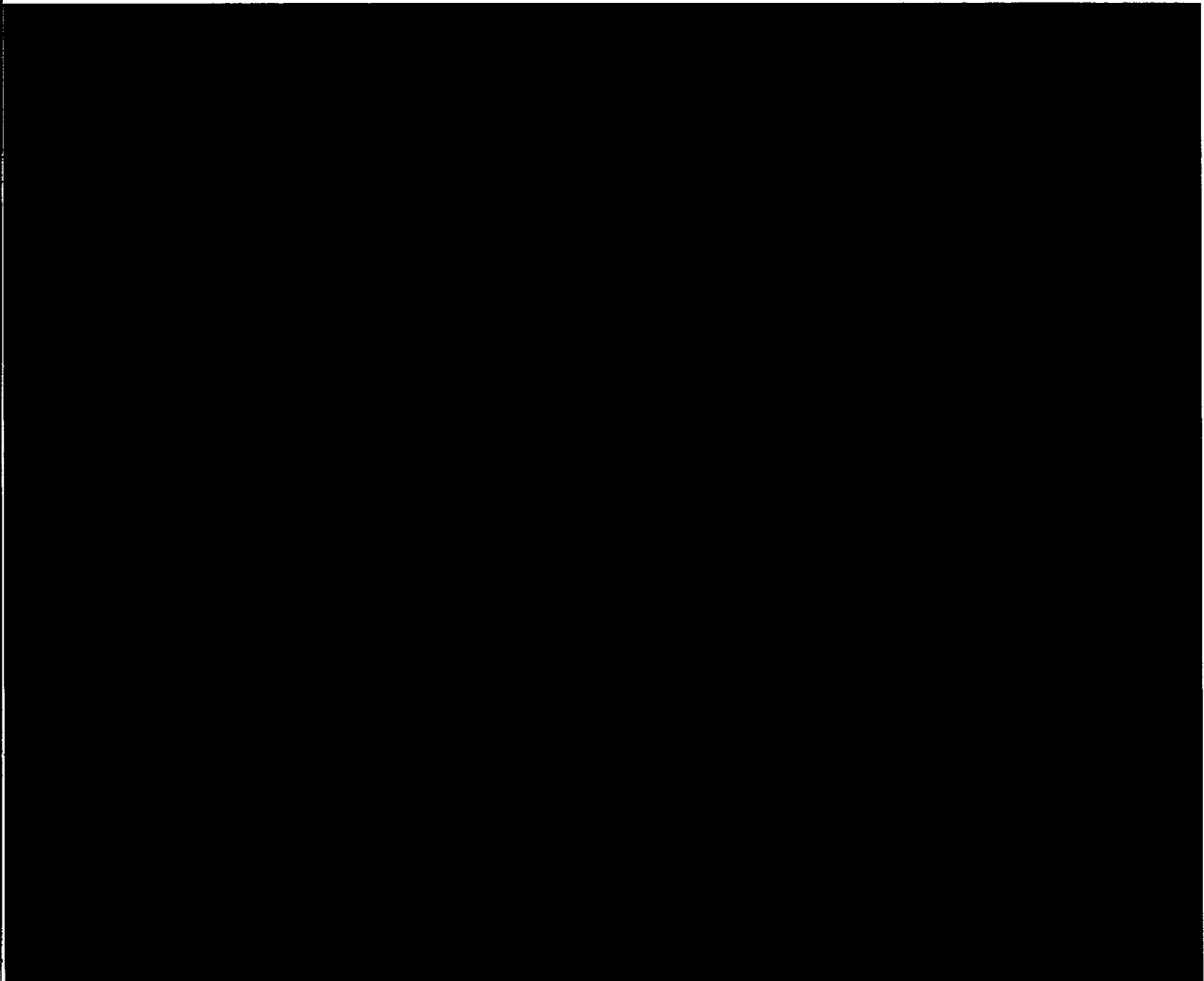


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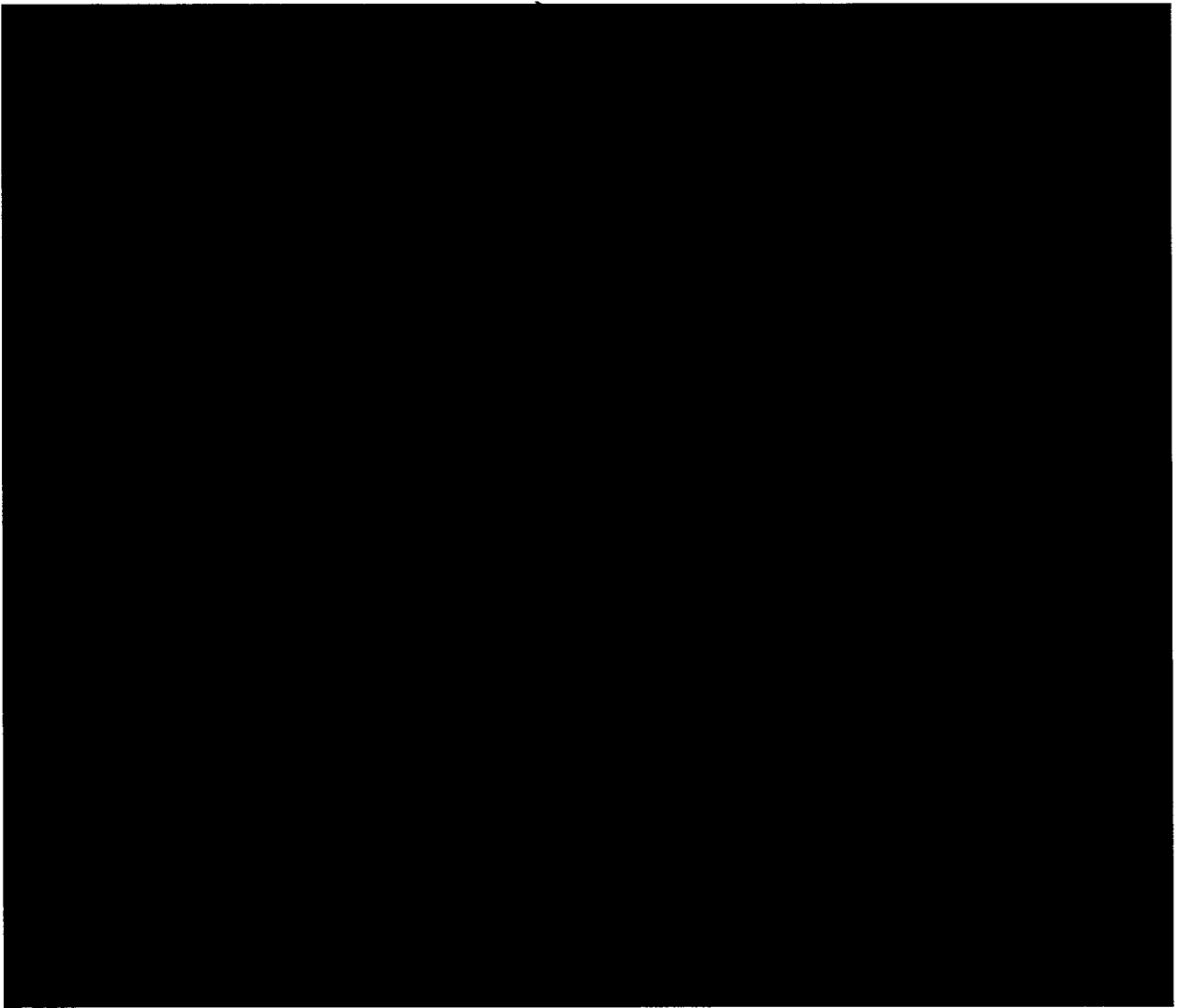


HAWAIIAN ETHOS LLC: APPENDICES - CONSENT TO BACKGROUND CHECKS

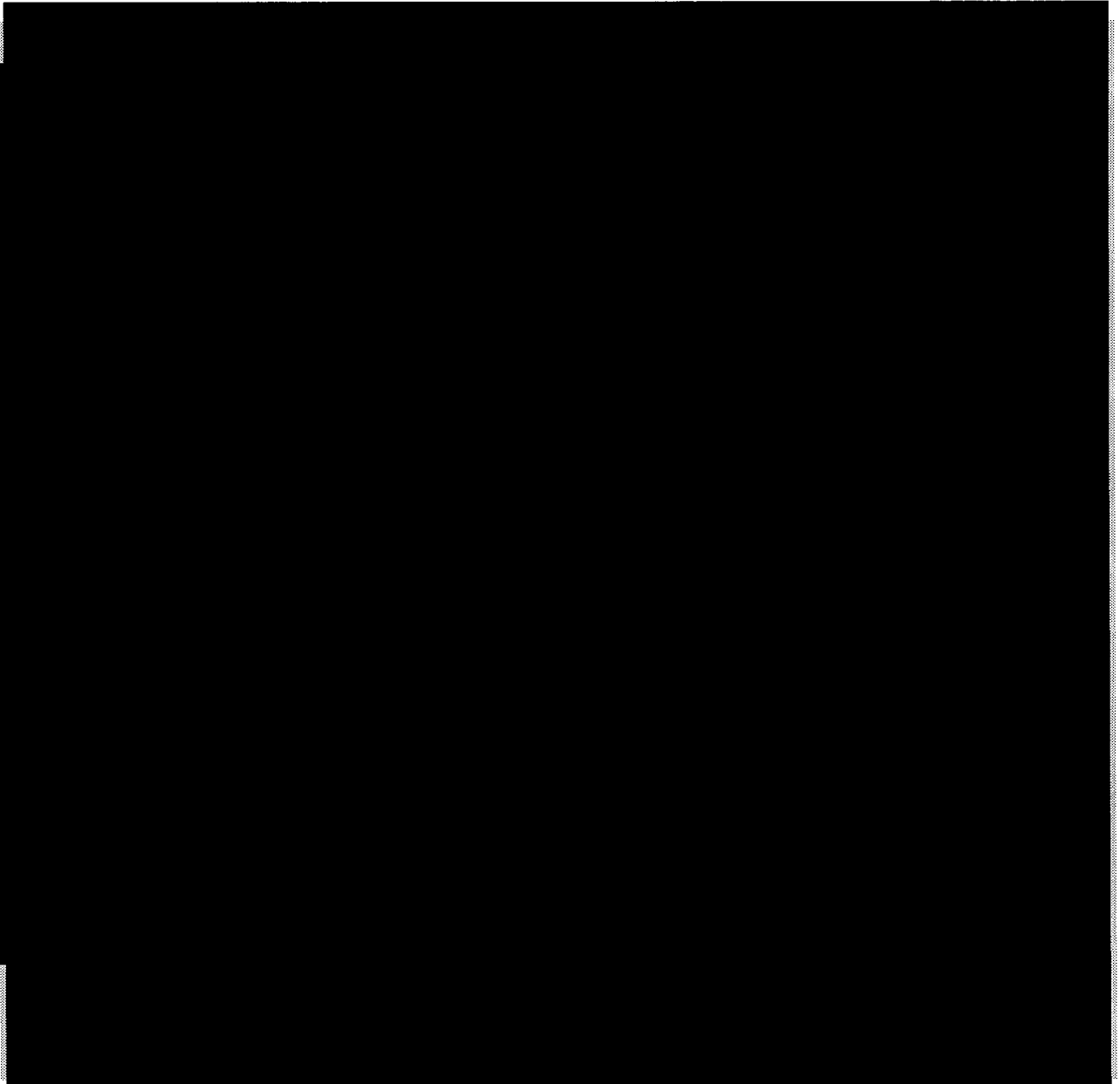




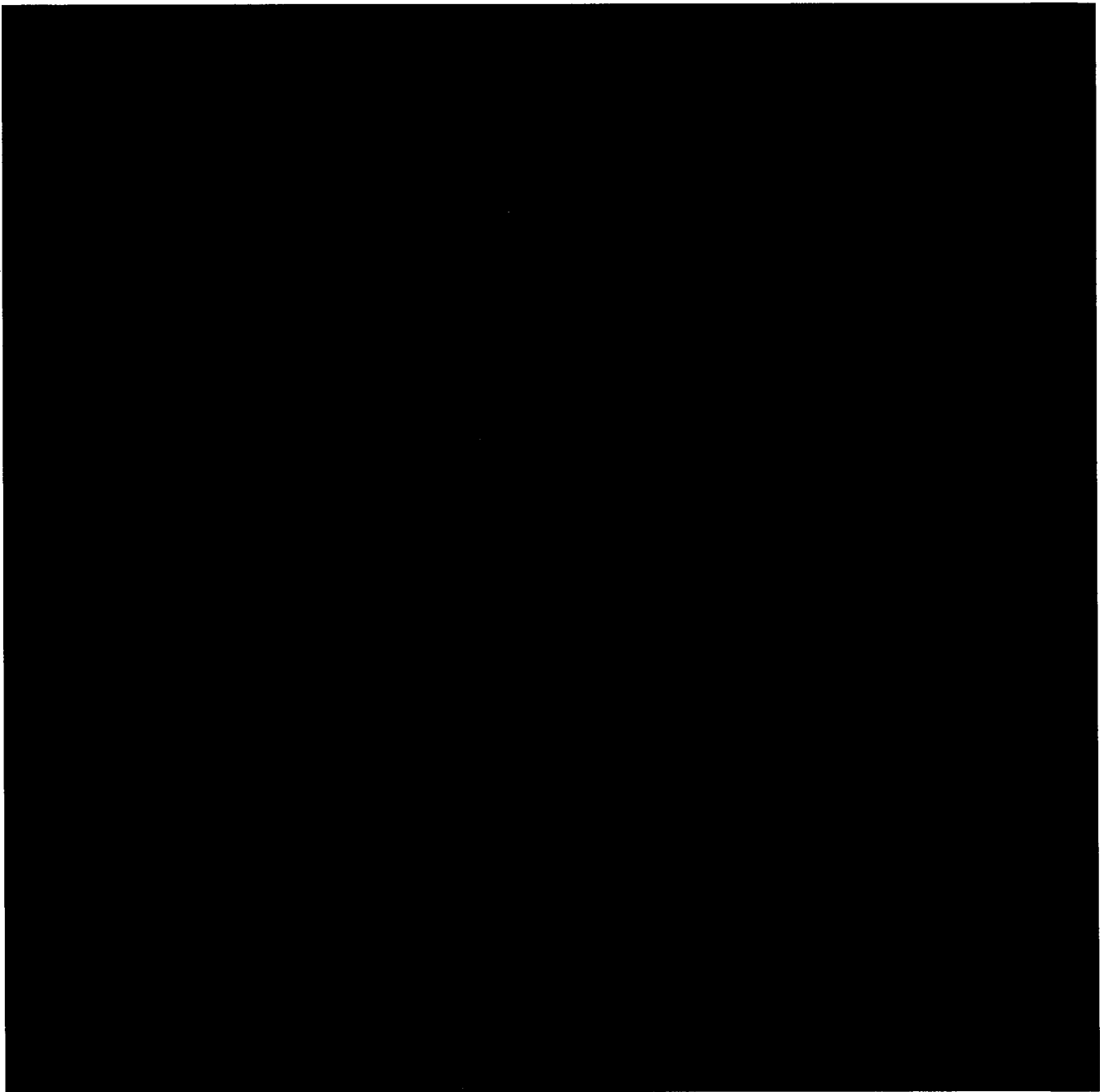
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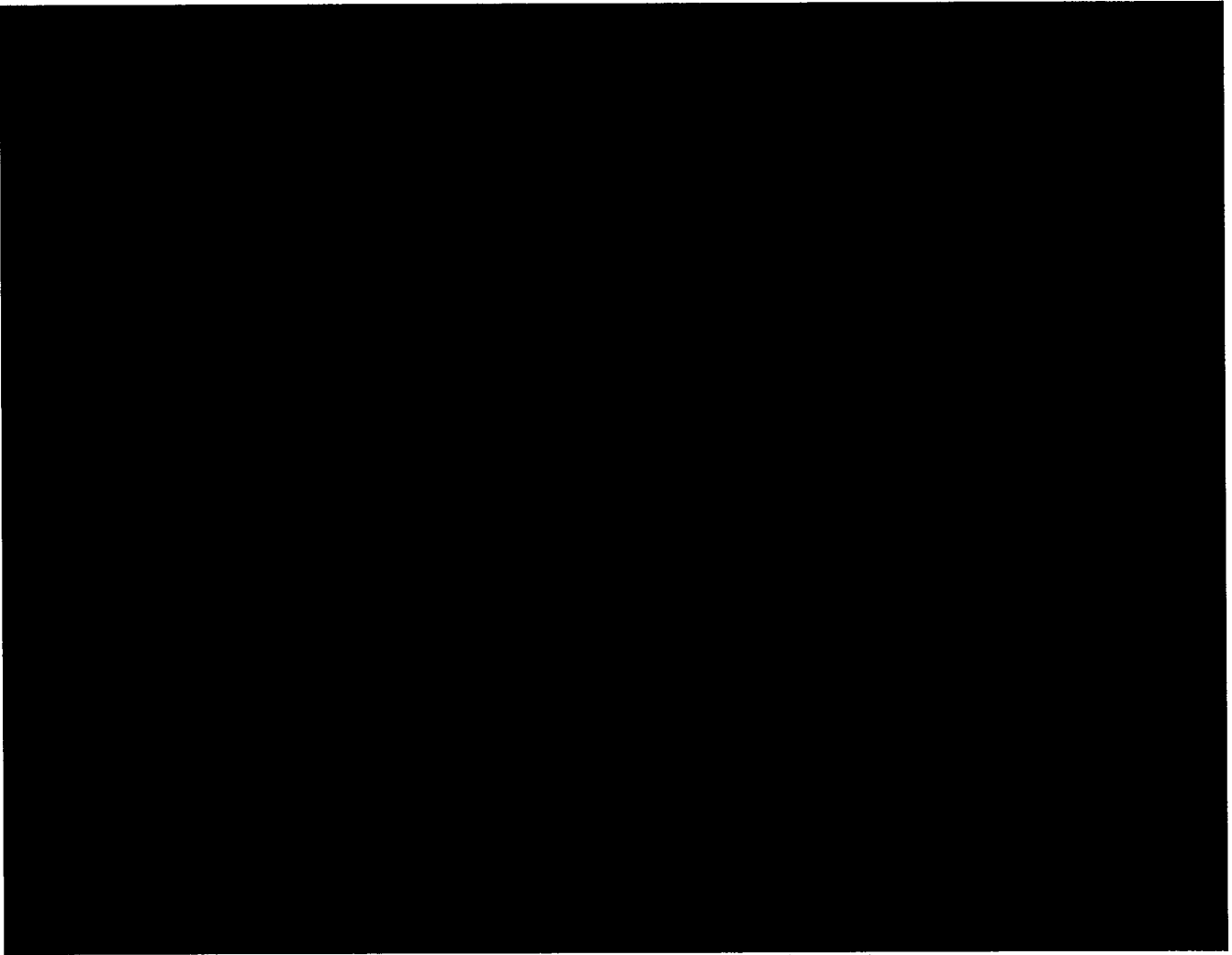
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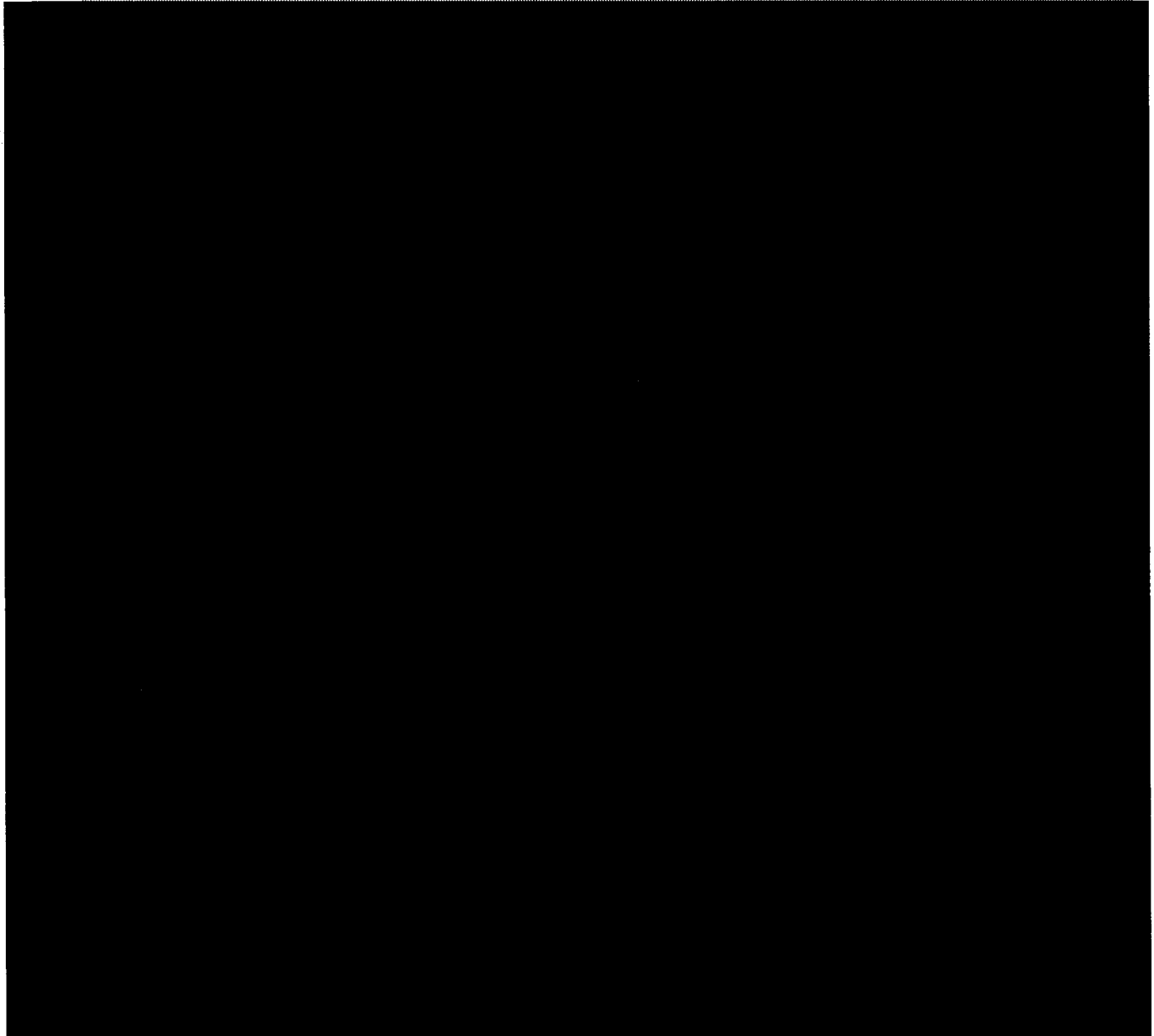
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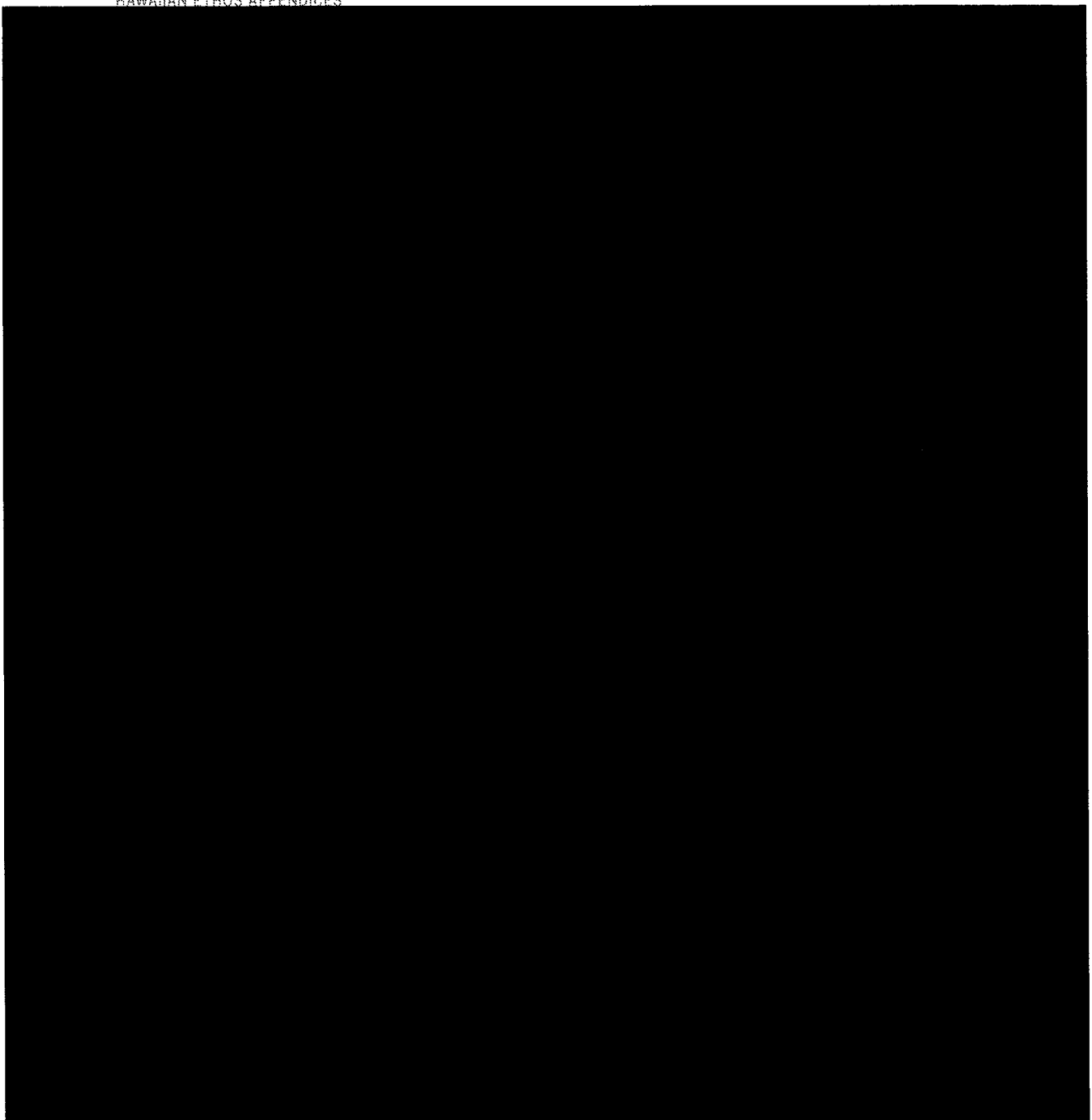


THE HAWAIIAN ETHOS LLC  
1000 KALANIANAʻOHE AVENUE, SUITE 1000  
HONOLULU, HI 96813  
TEL: (808) 551-1000  
WWW.HAWAIIANETHOS.COM

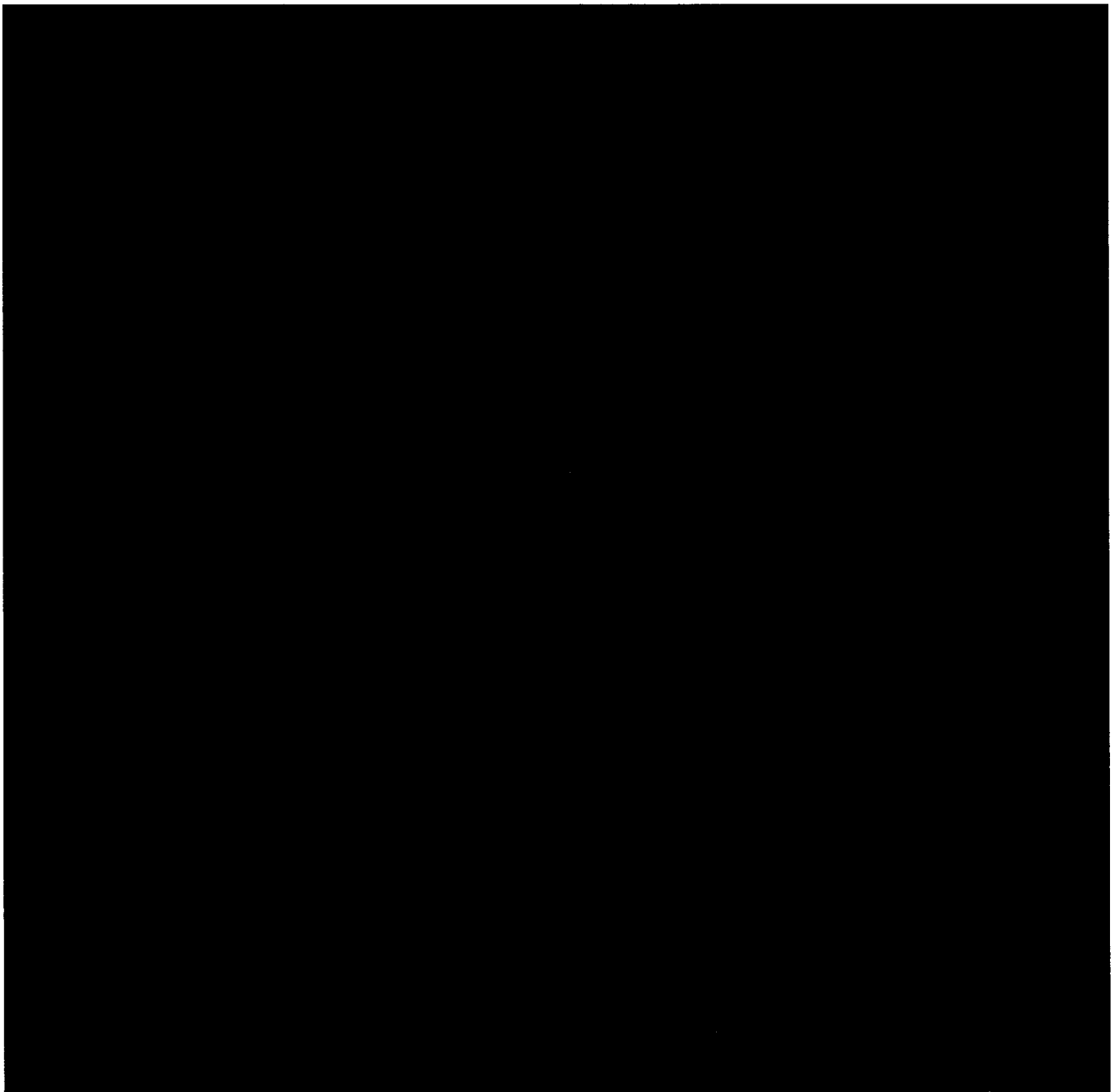
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THE HAWAIIAN ETHOS LLC





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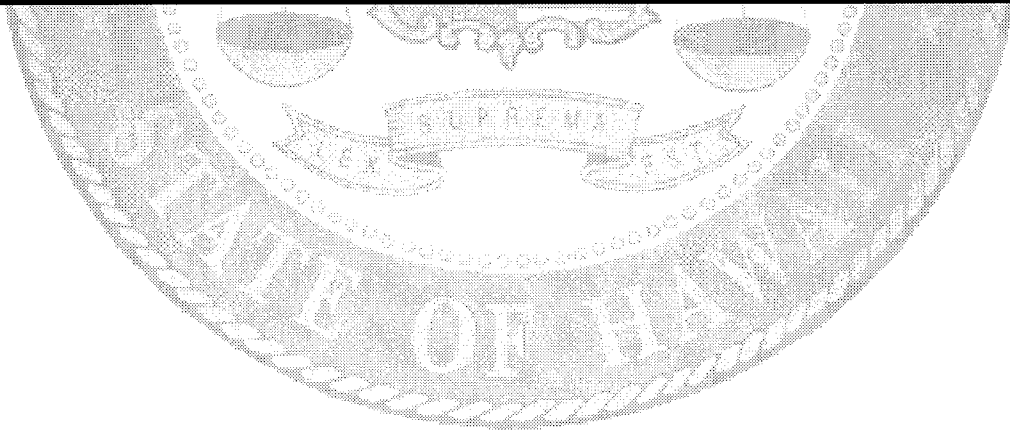
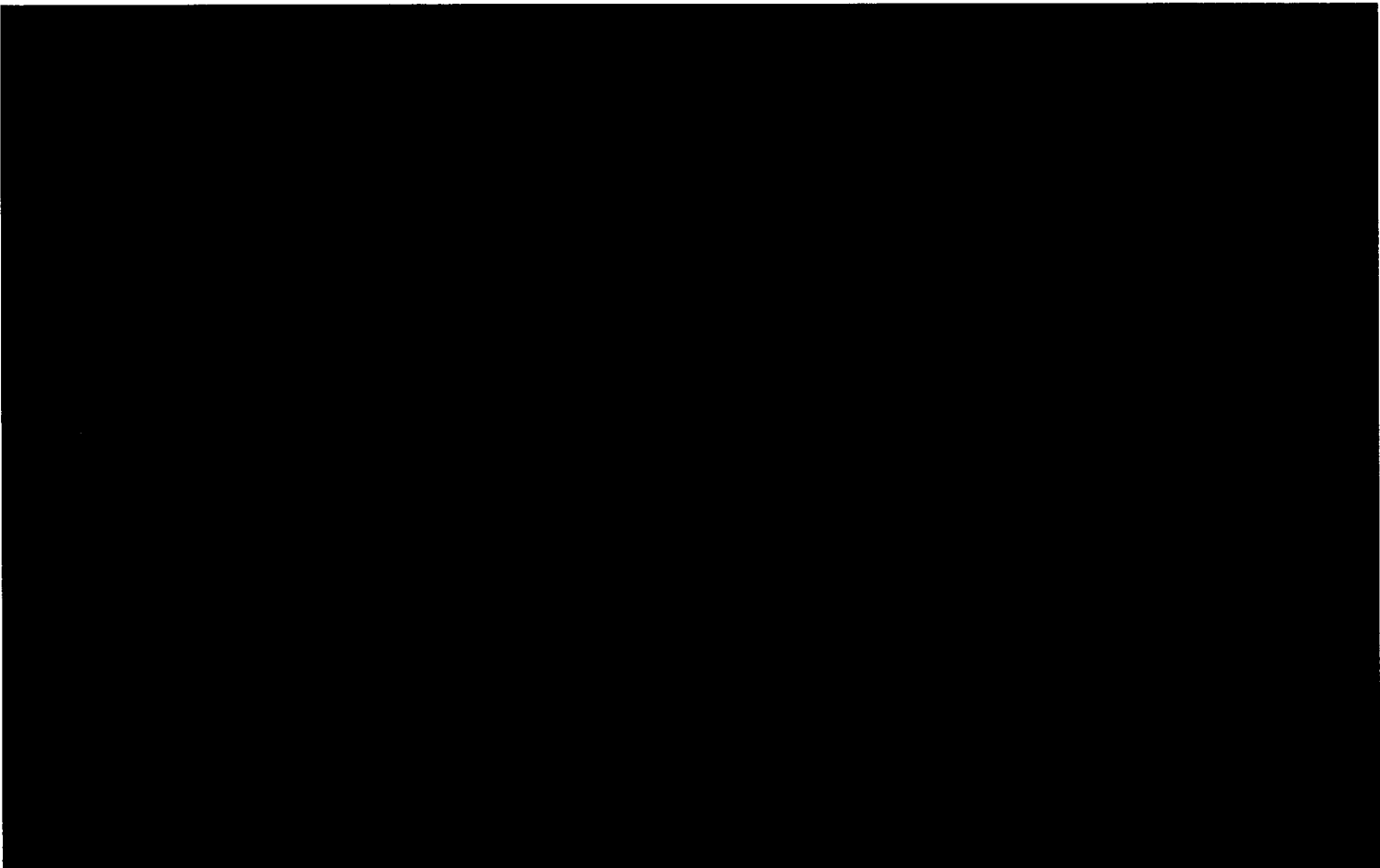


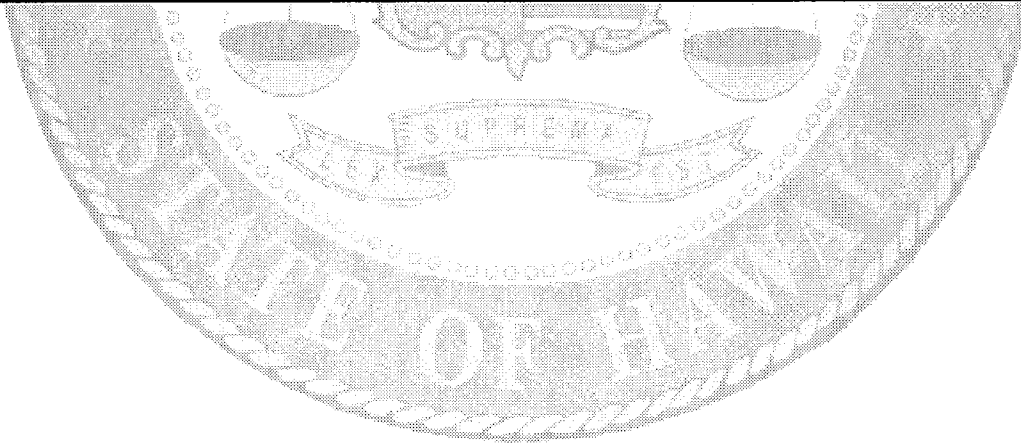
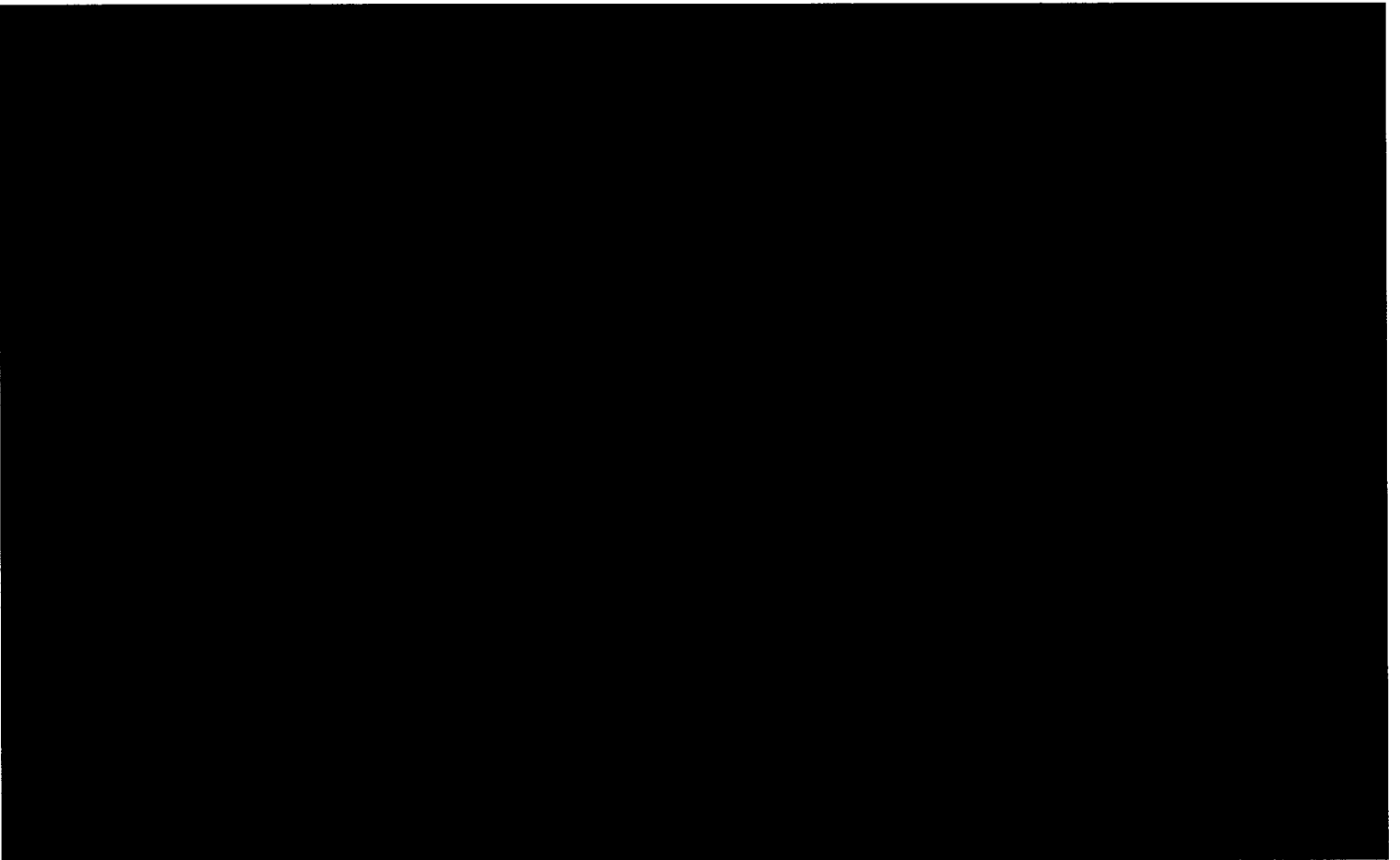
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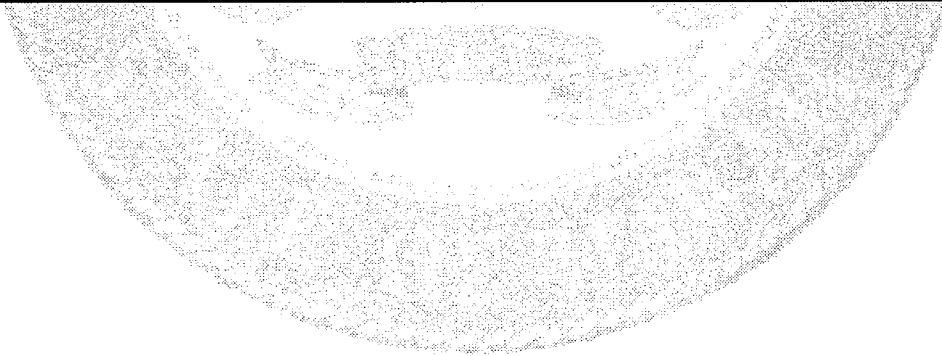
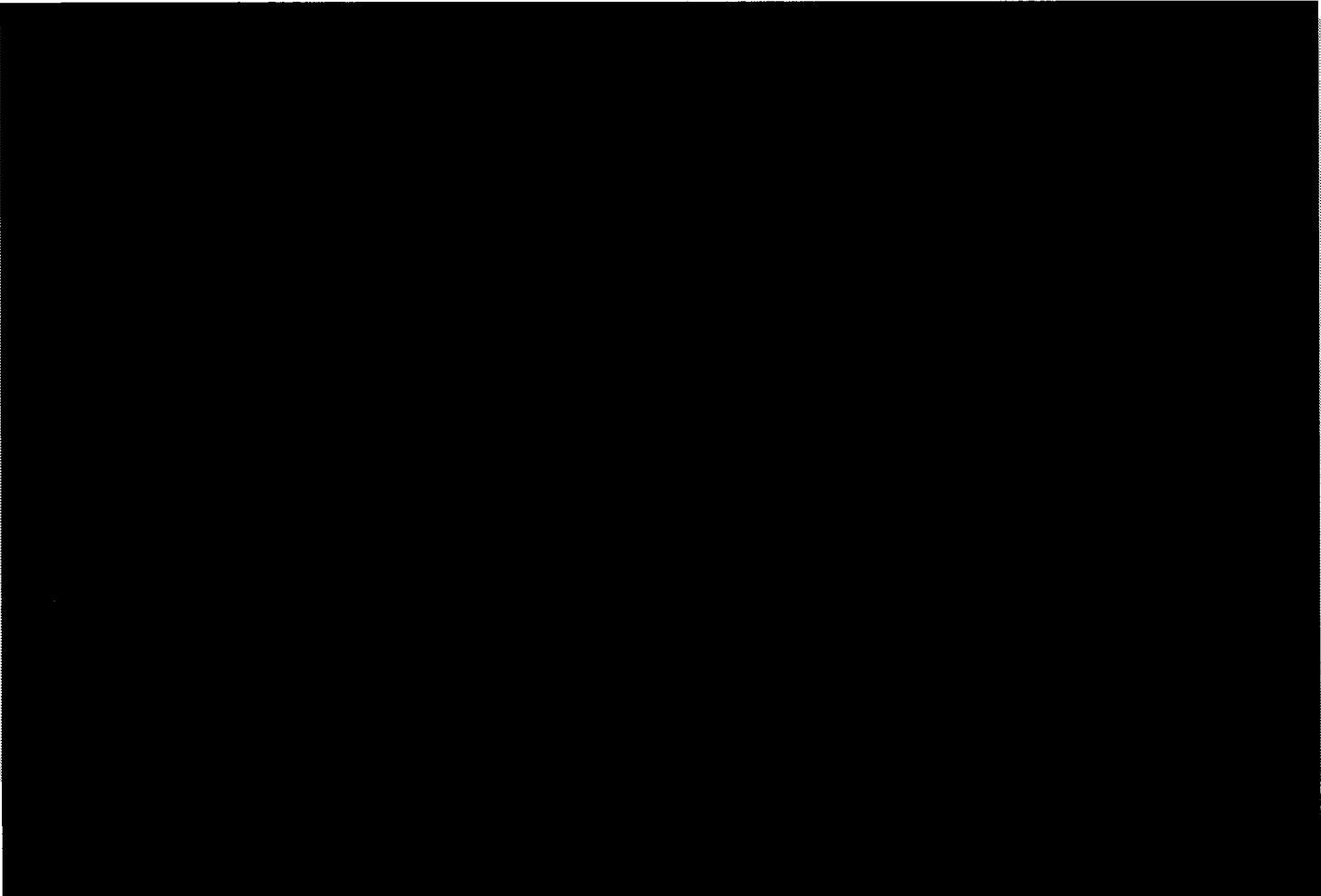


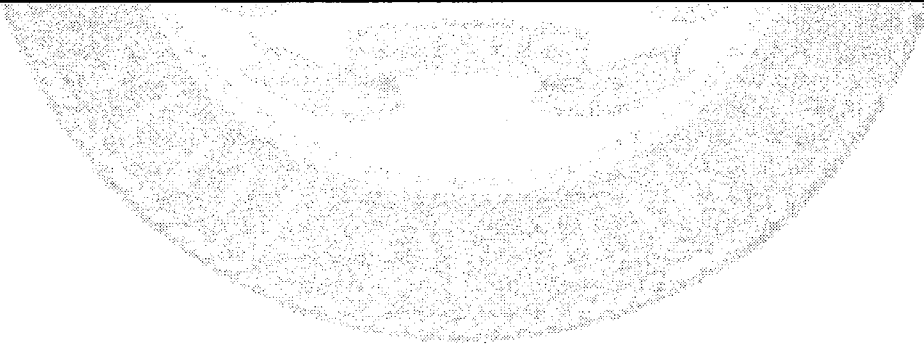
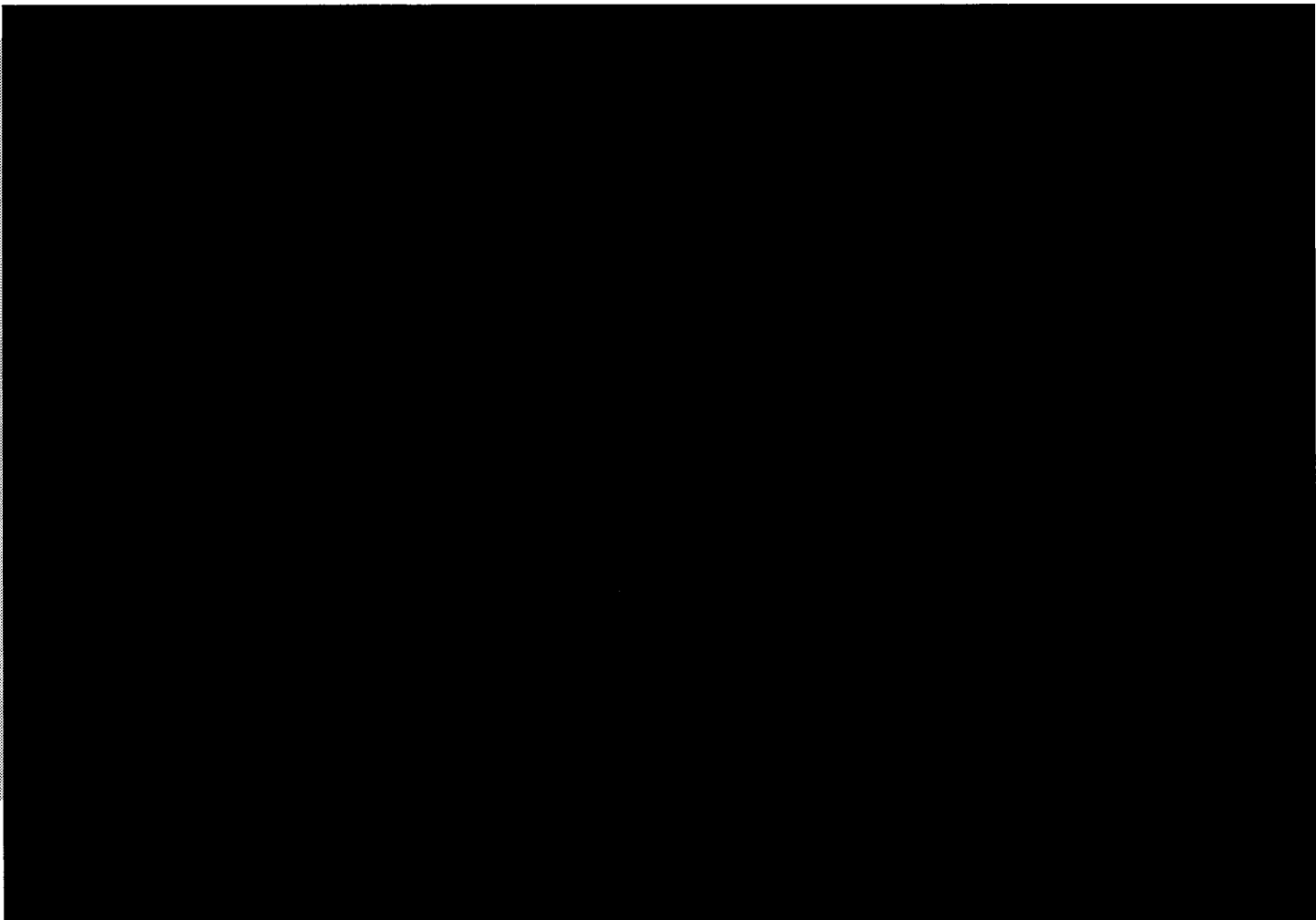
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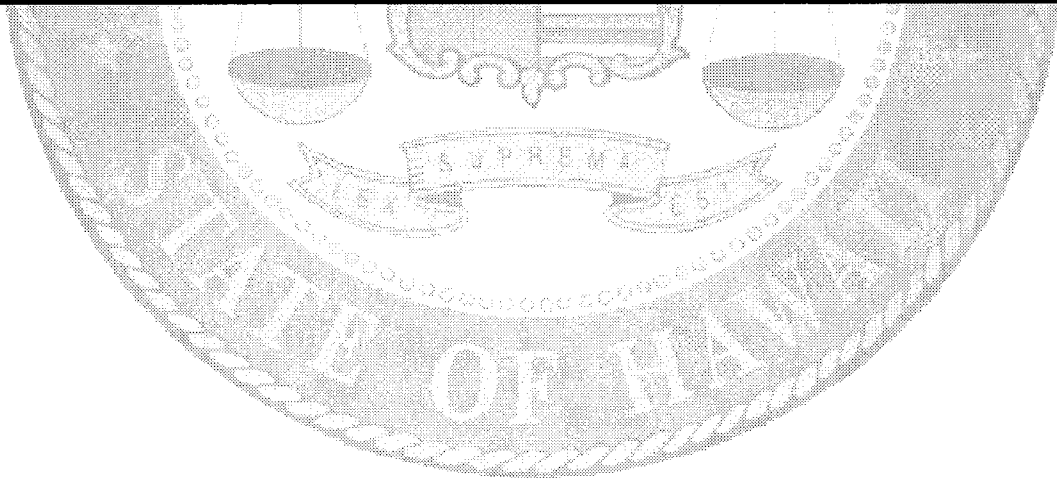
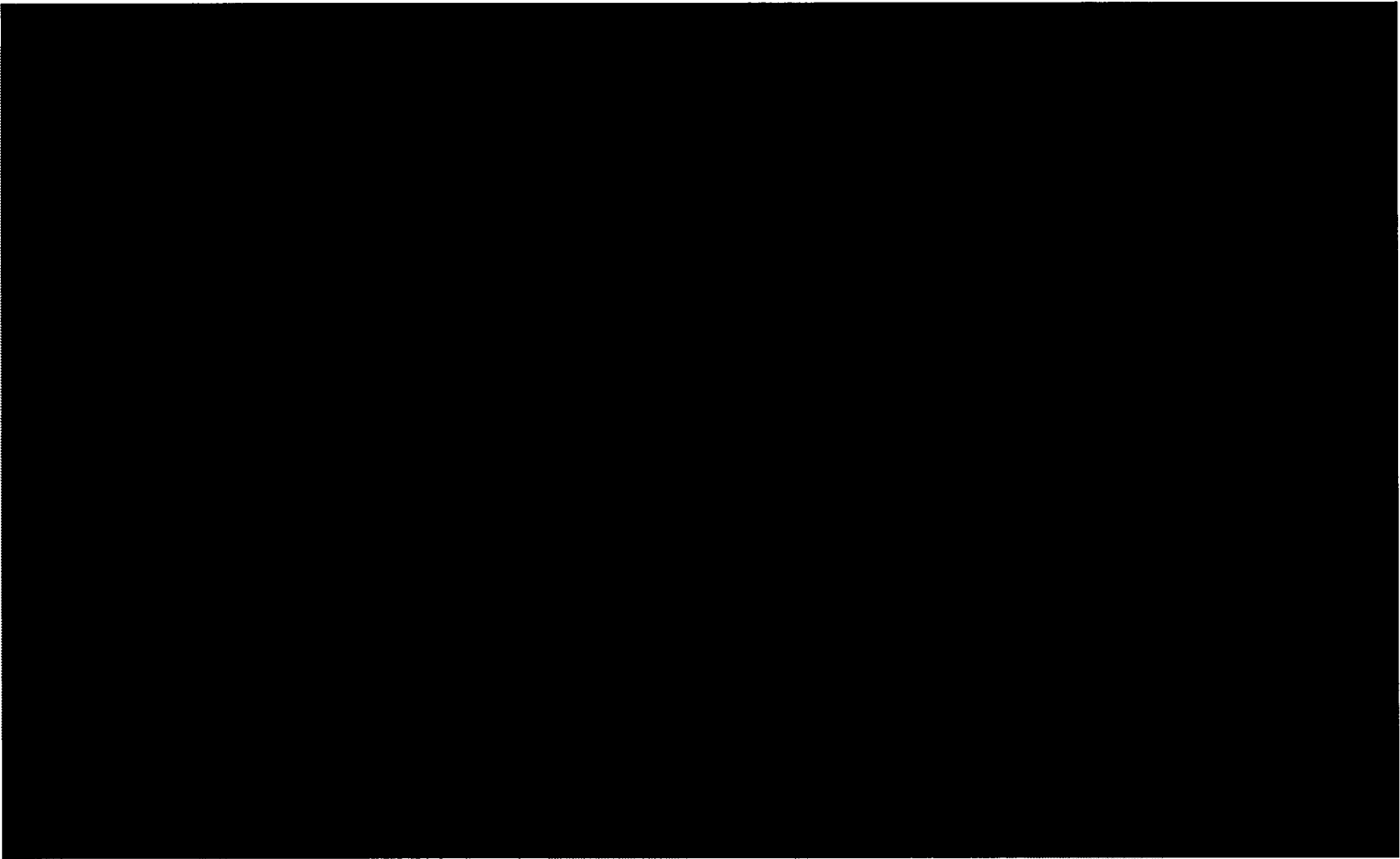
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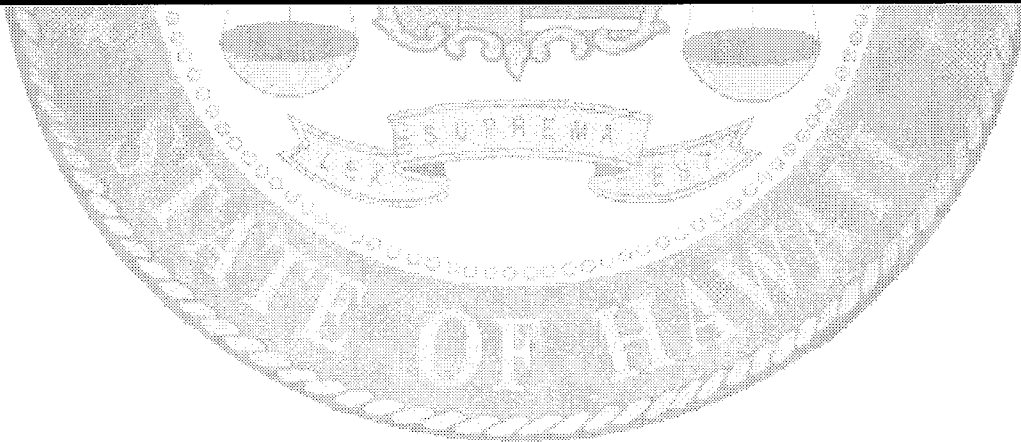
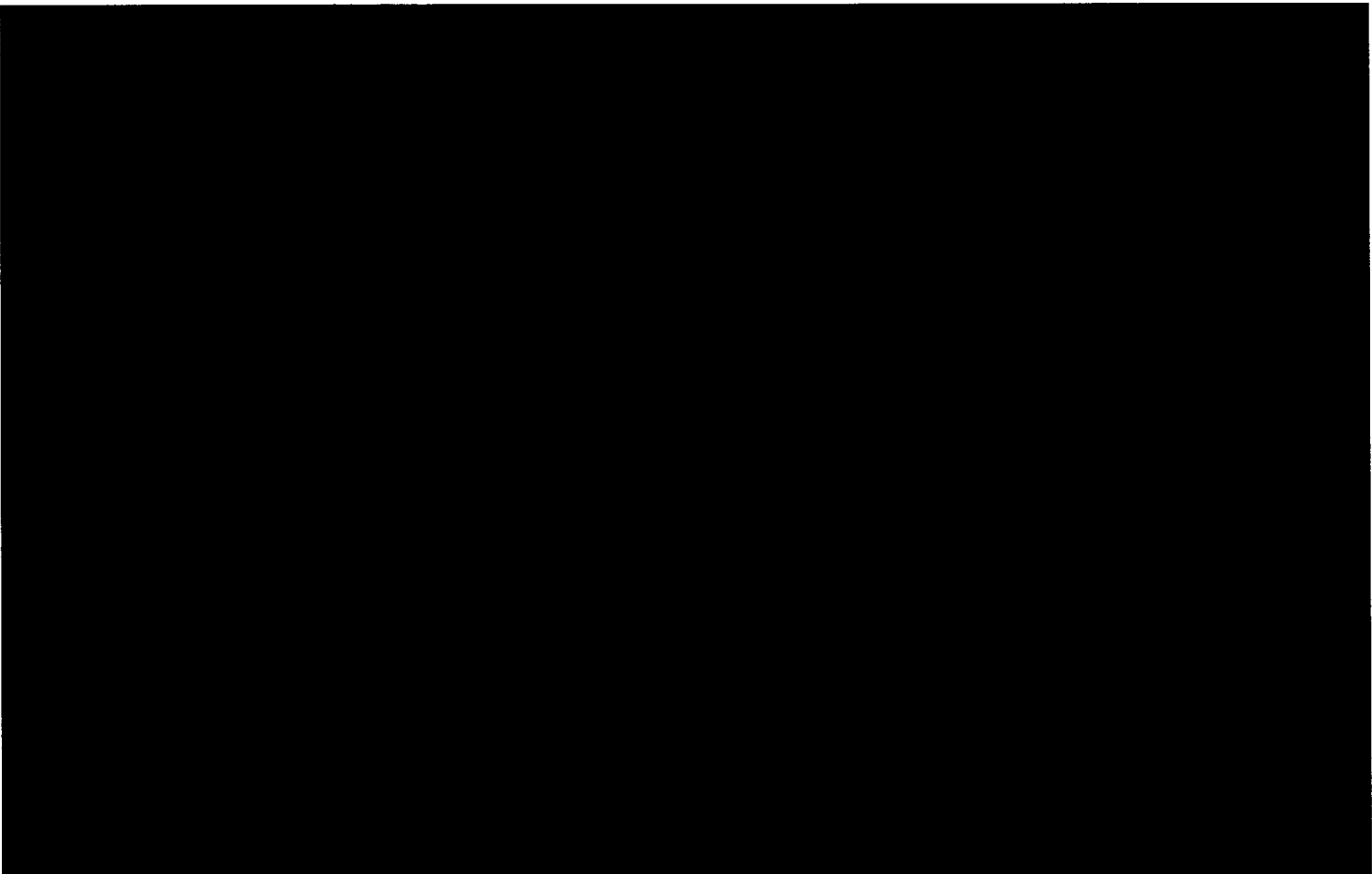


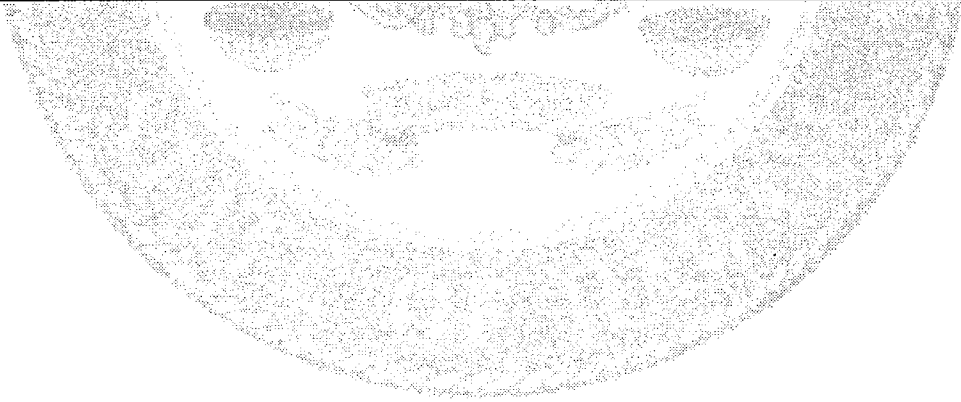
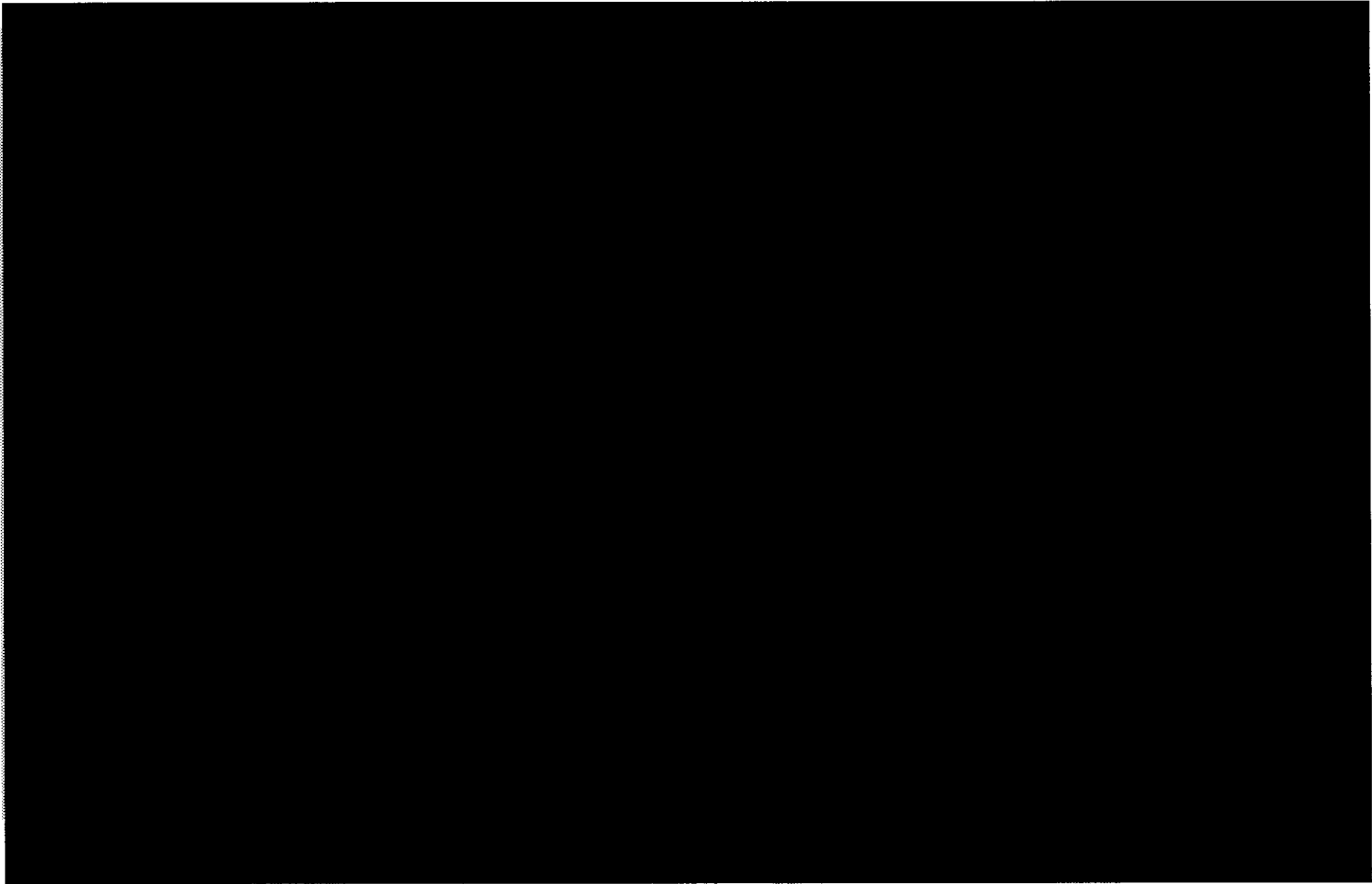




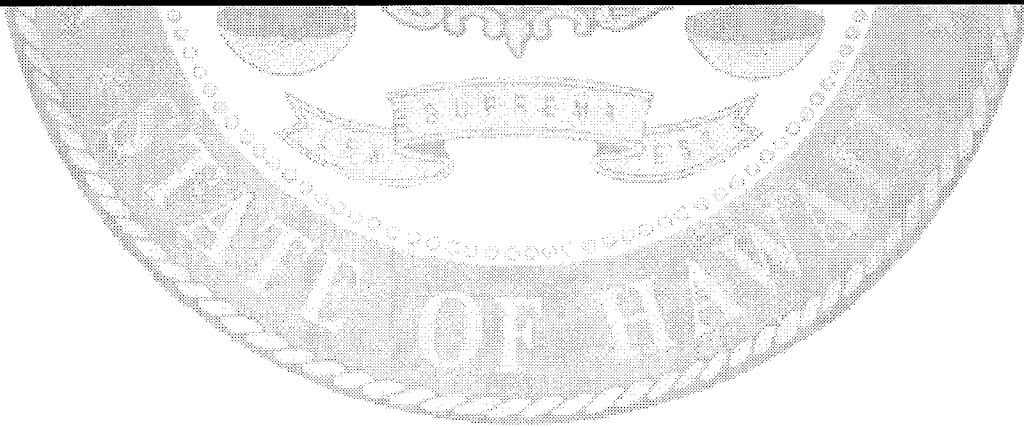
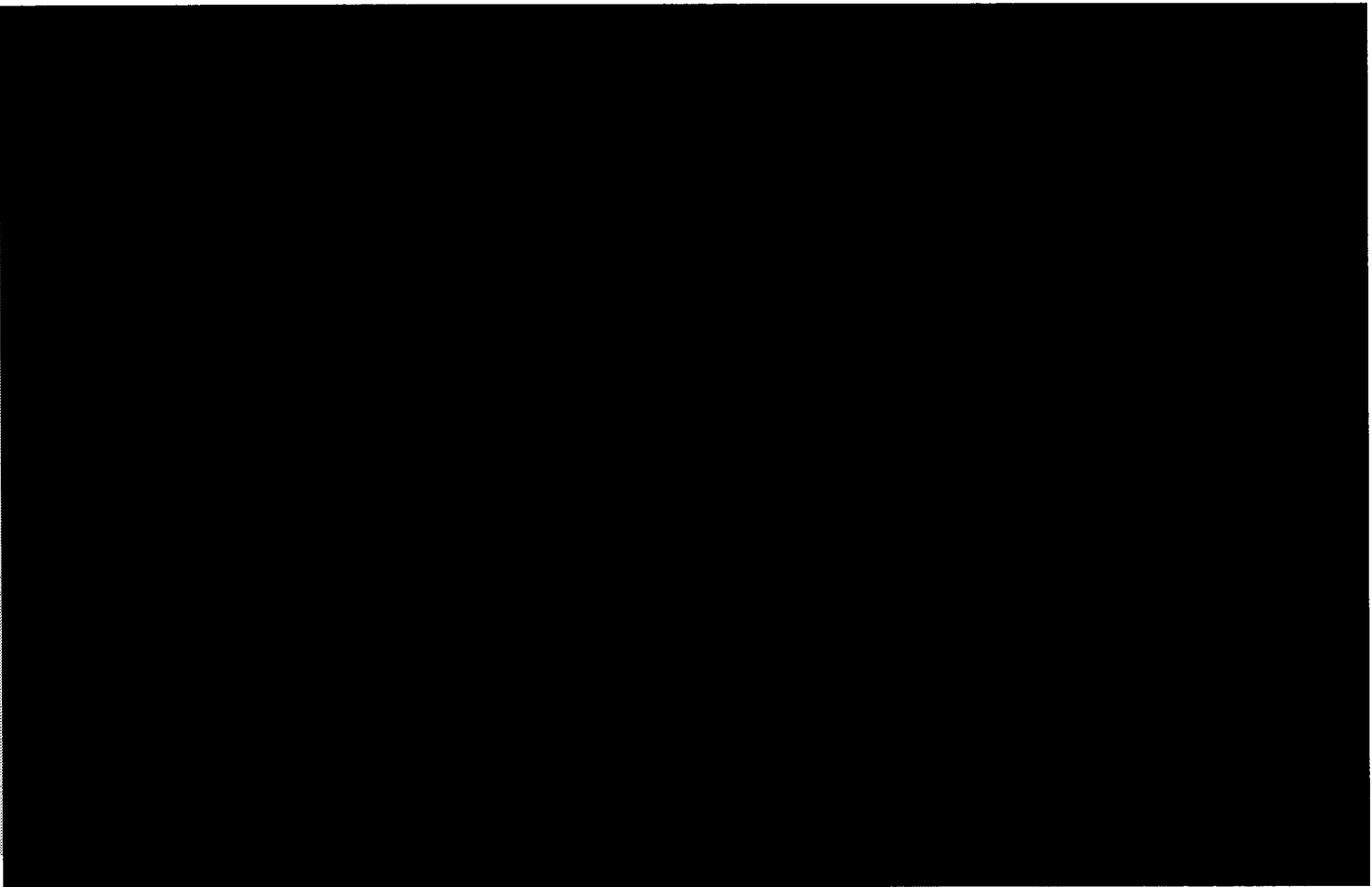


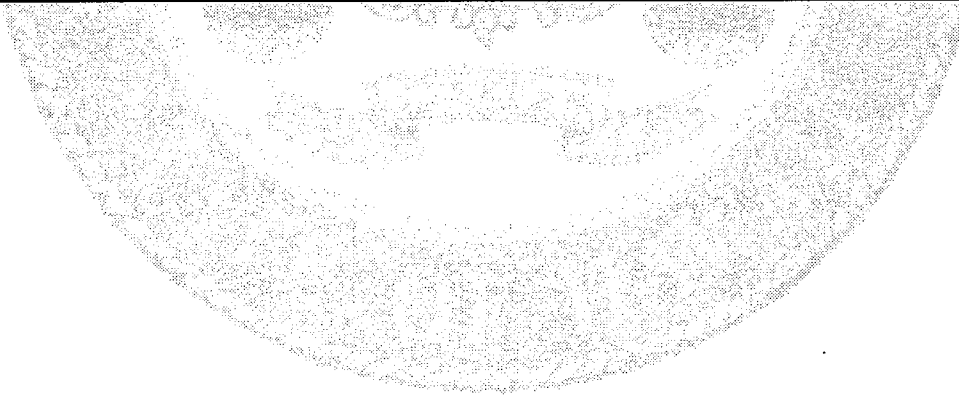


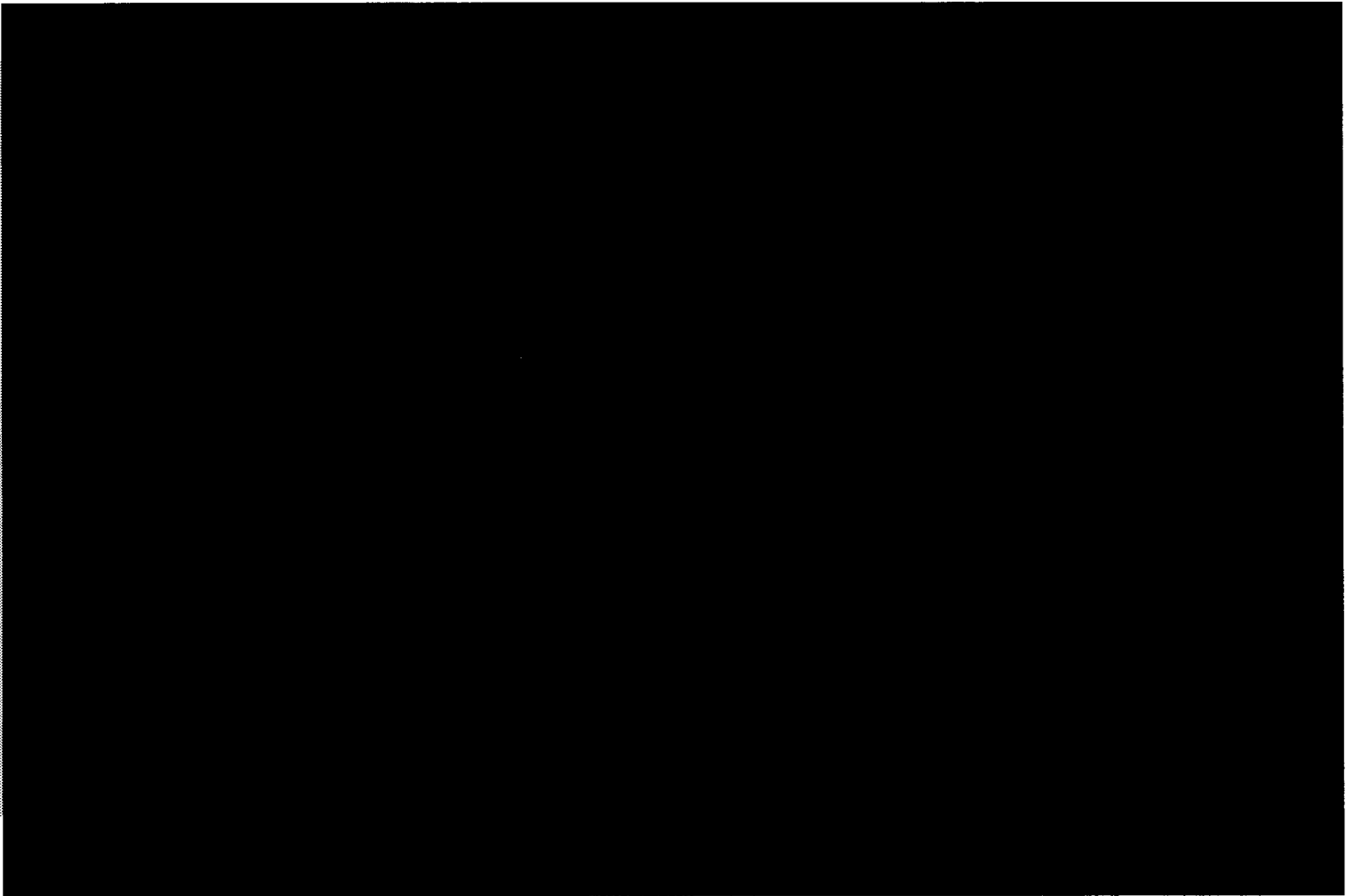


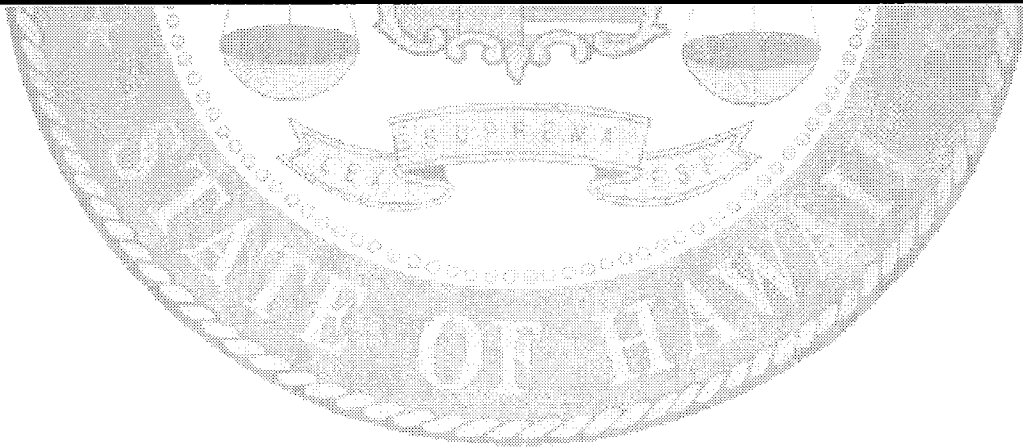
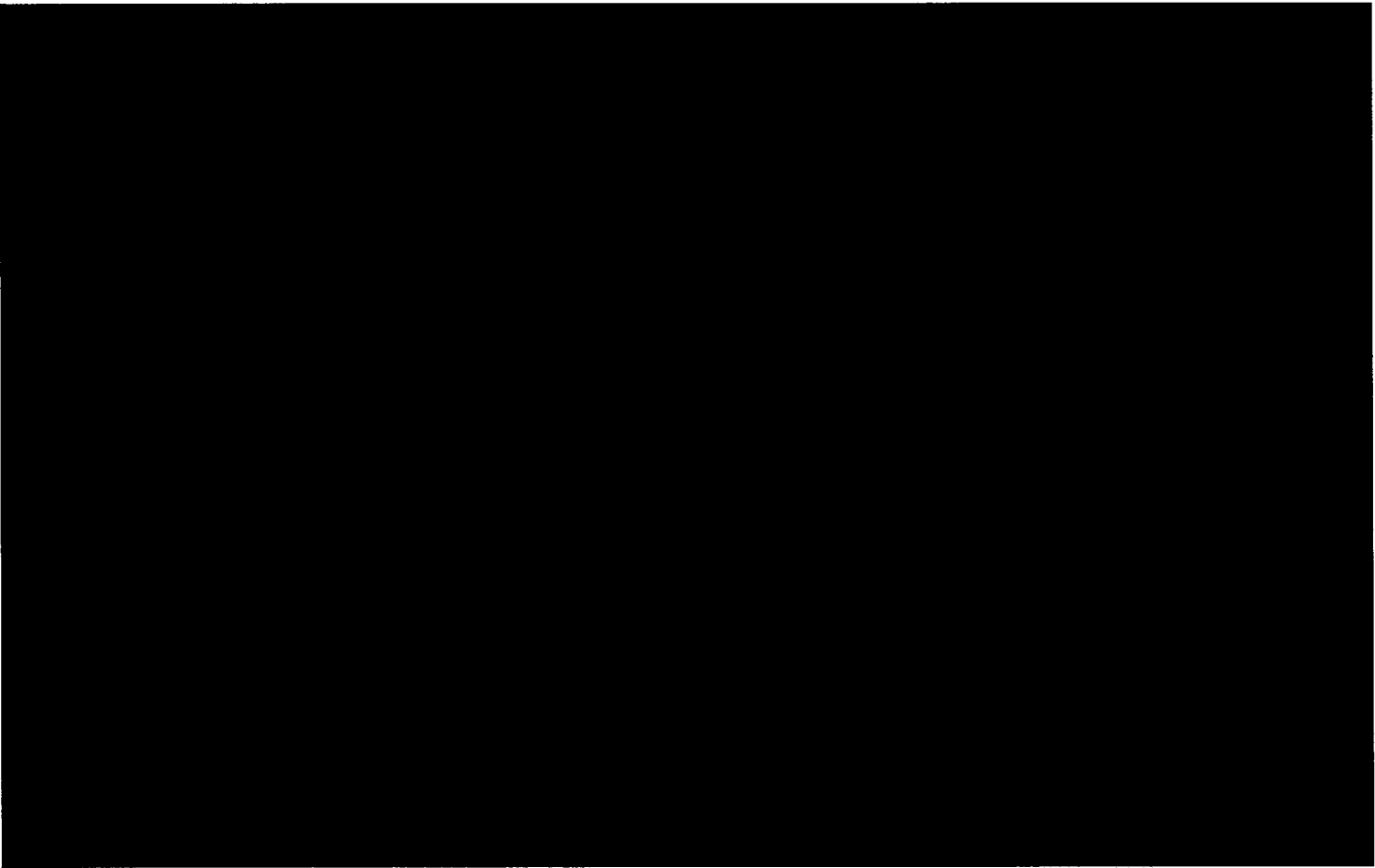


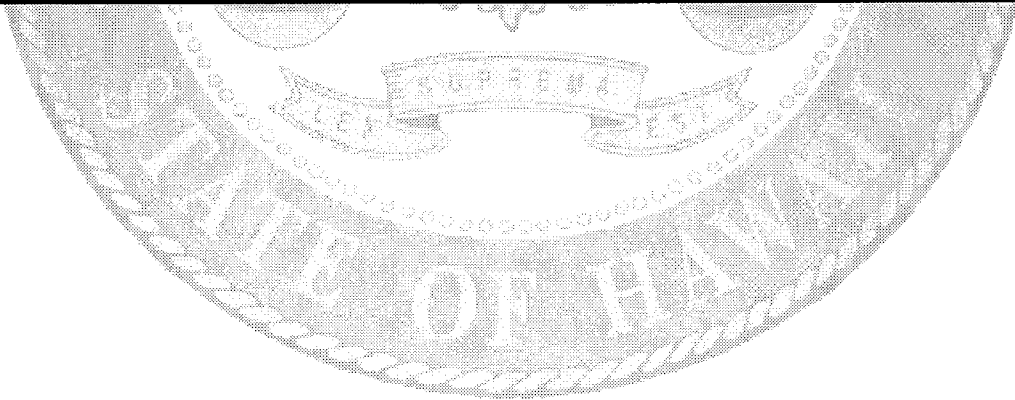
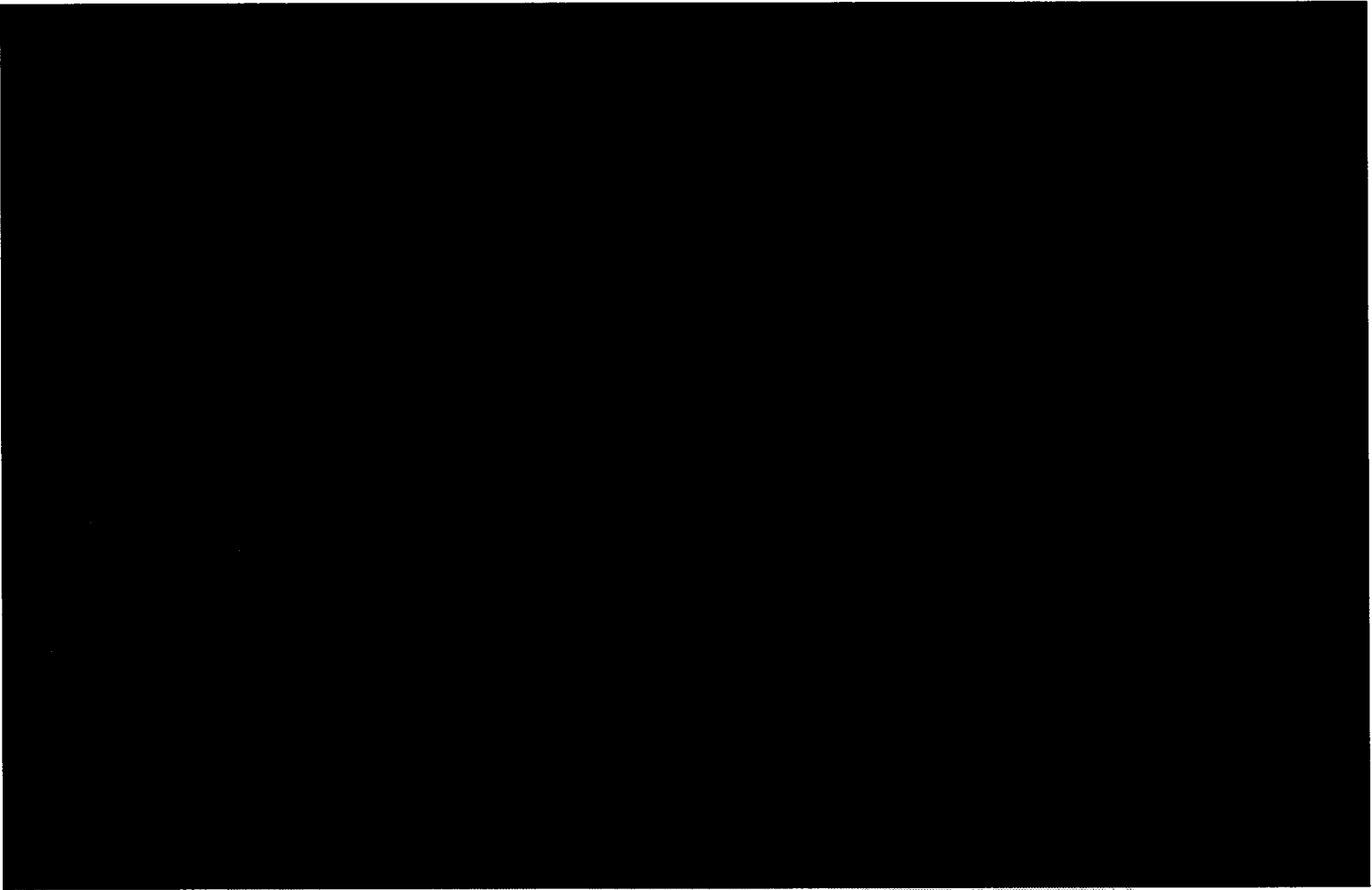


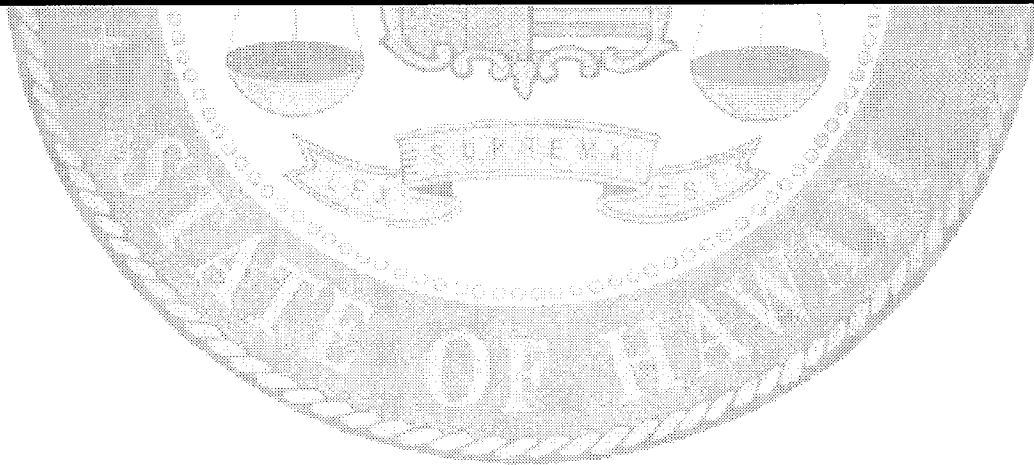
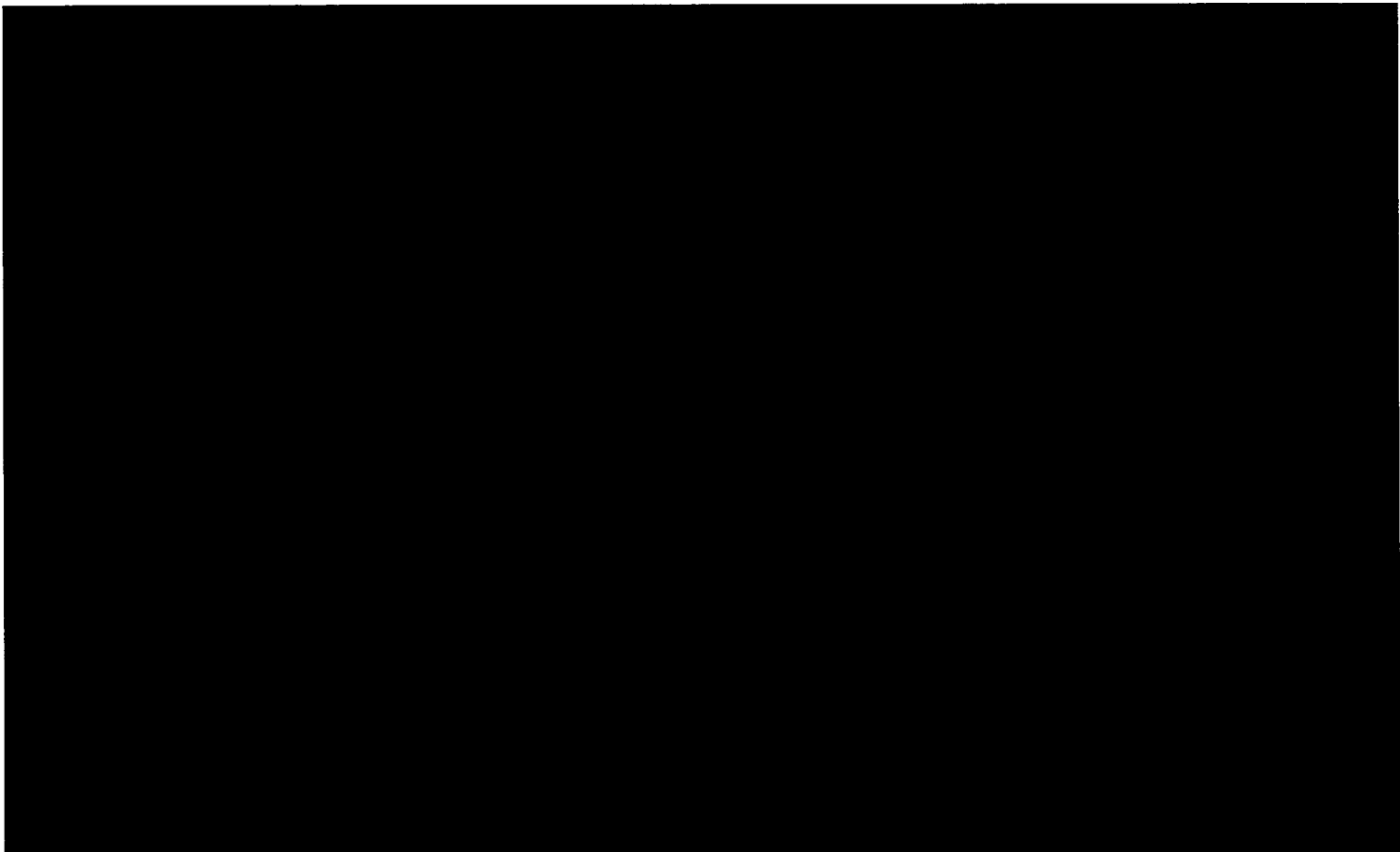


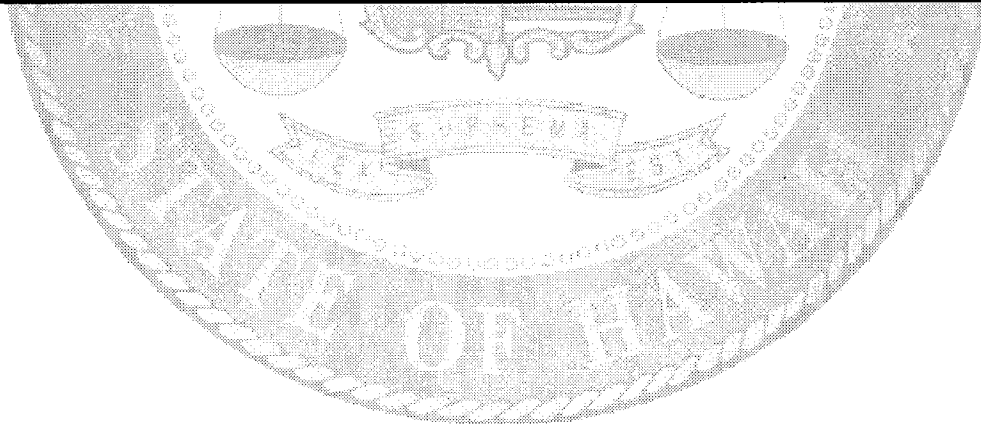
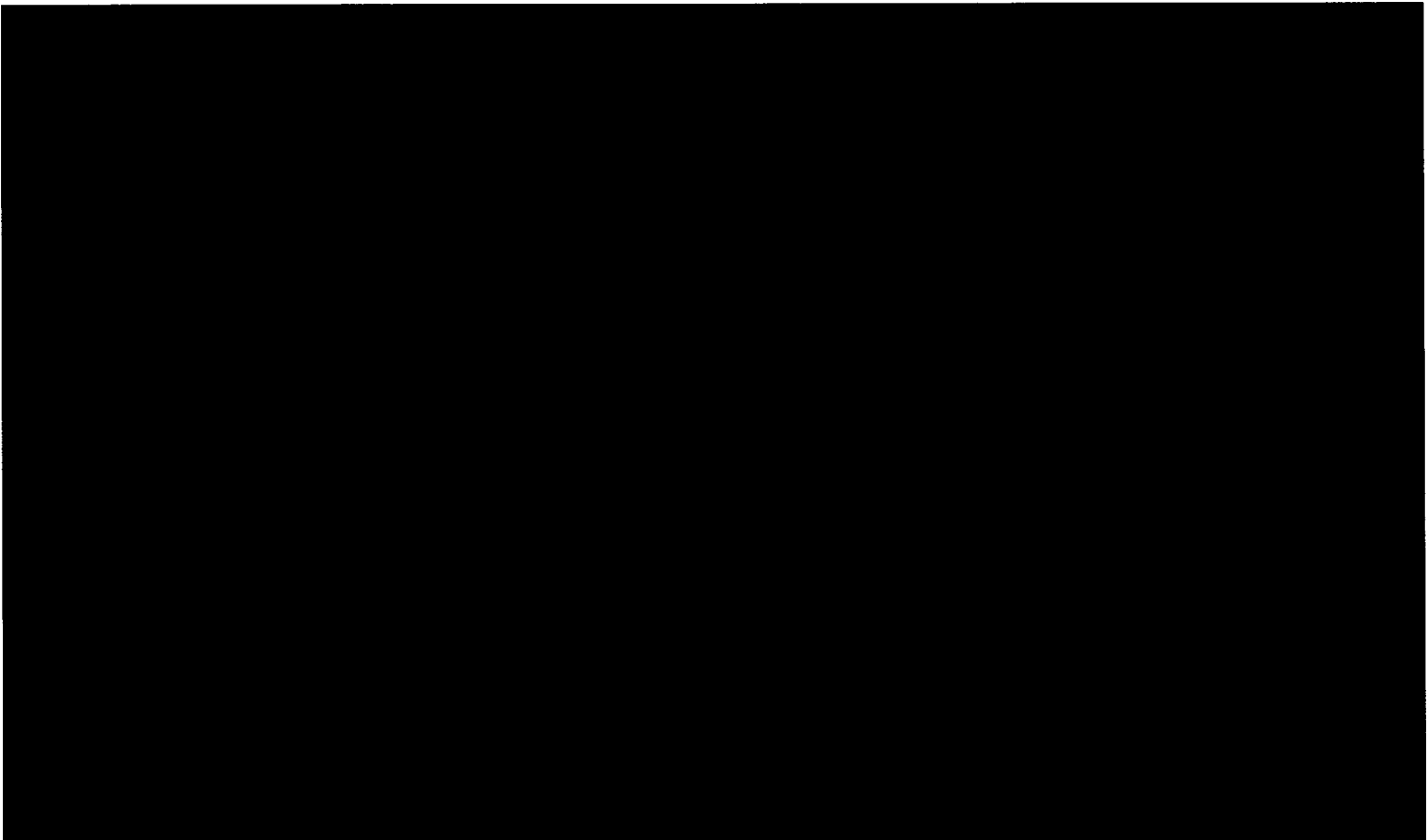


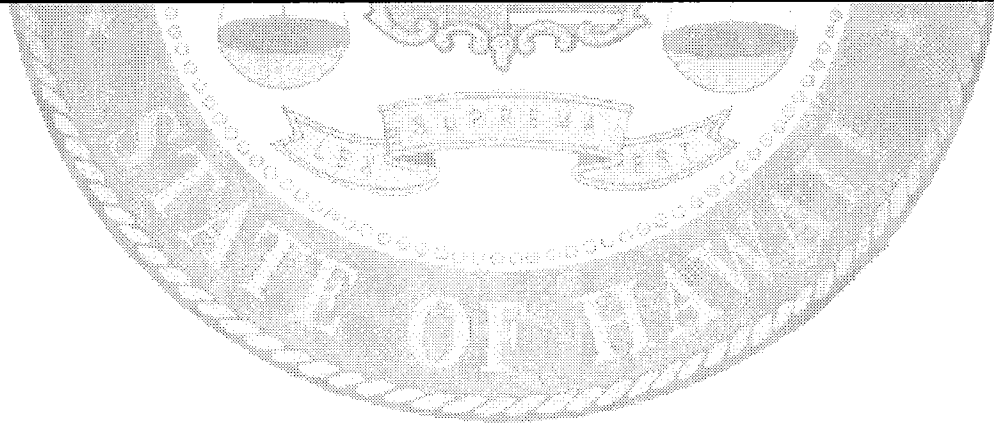
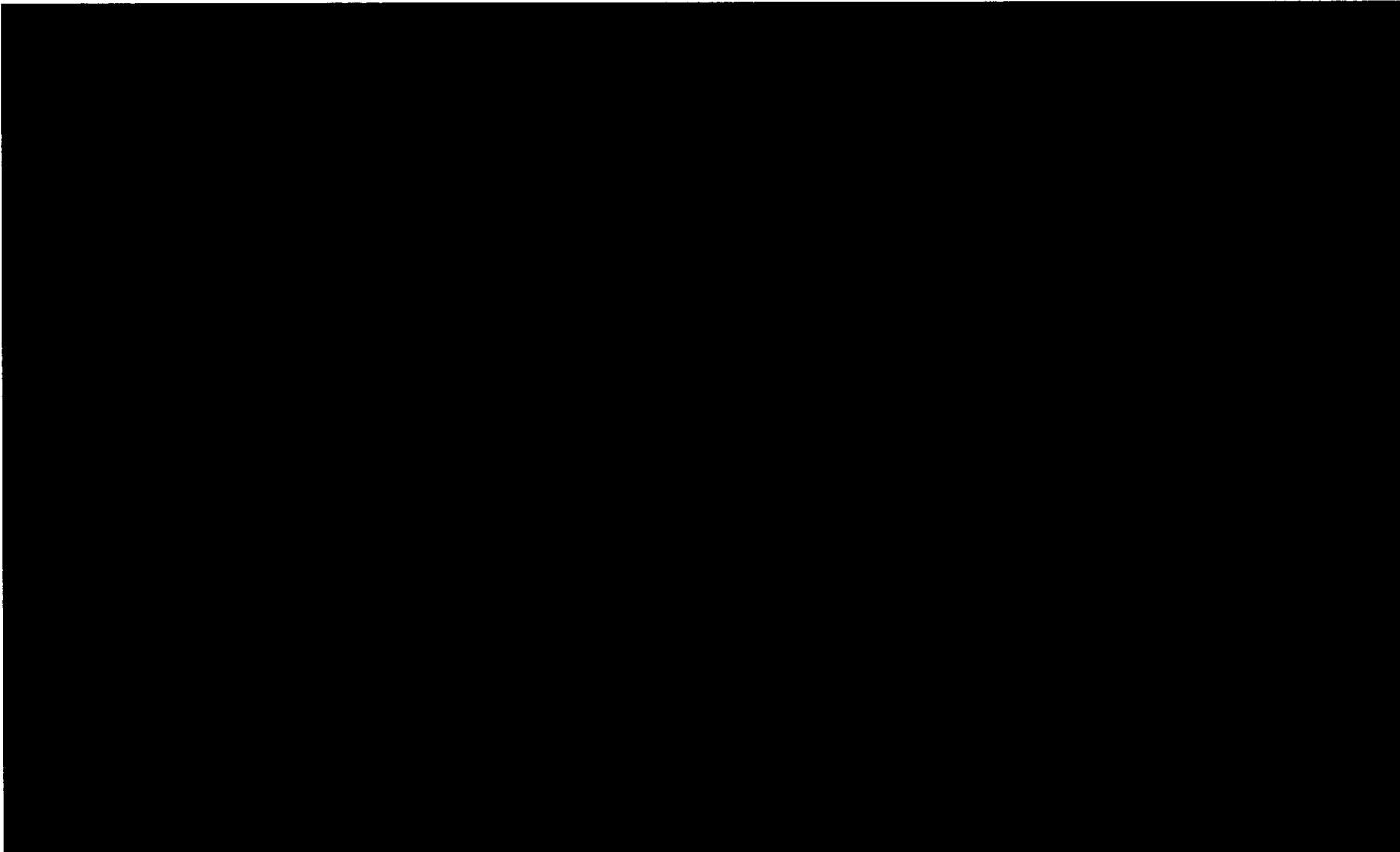




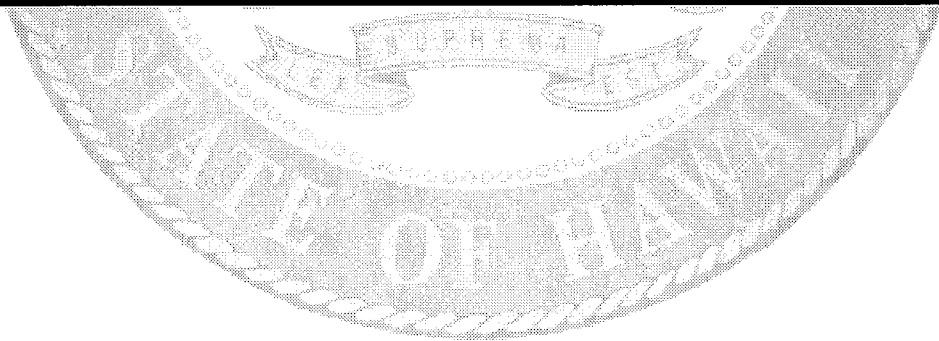
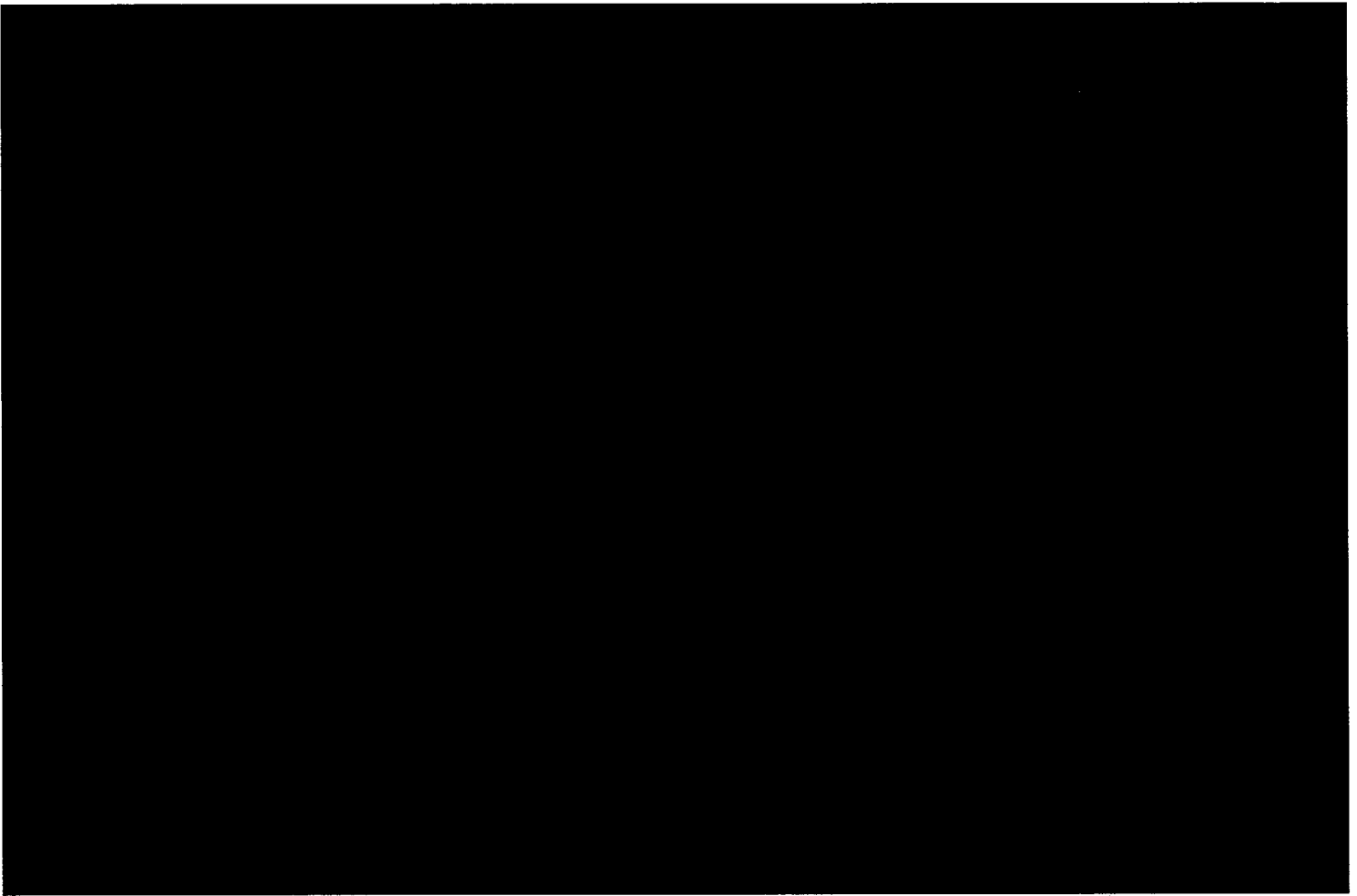






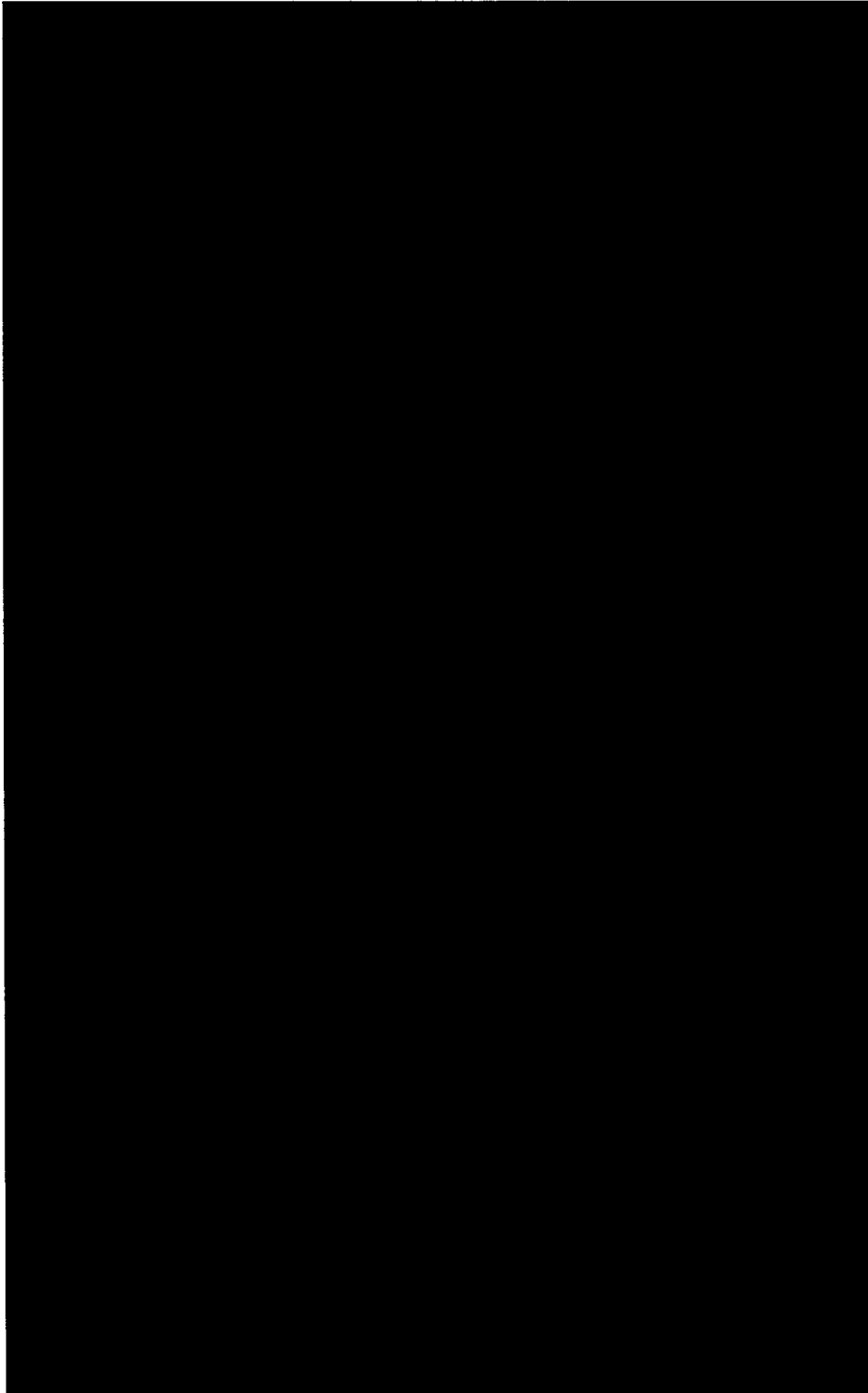


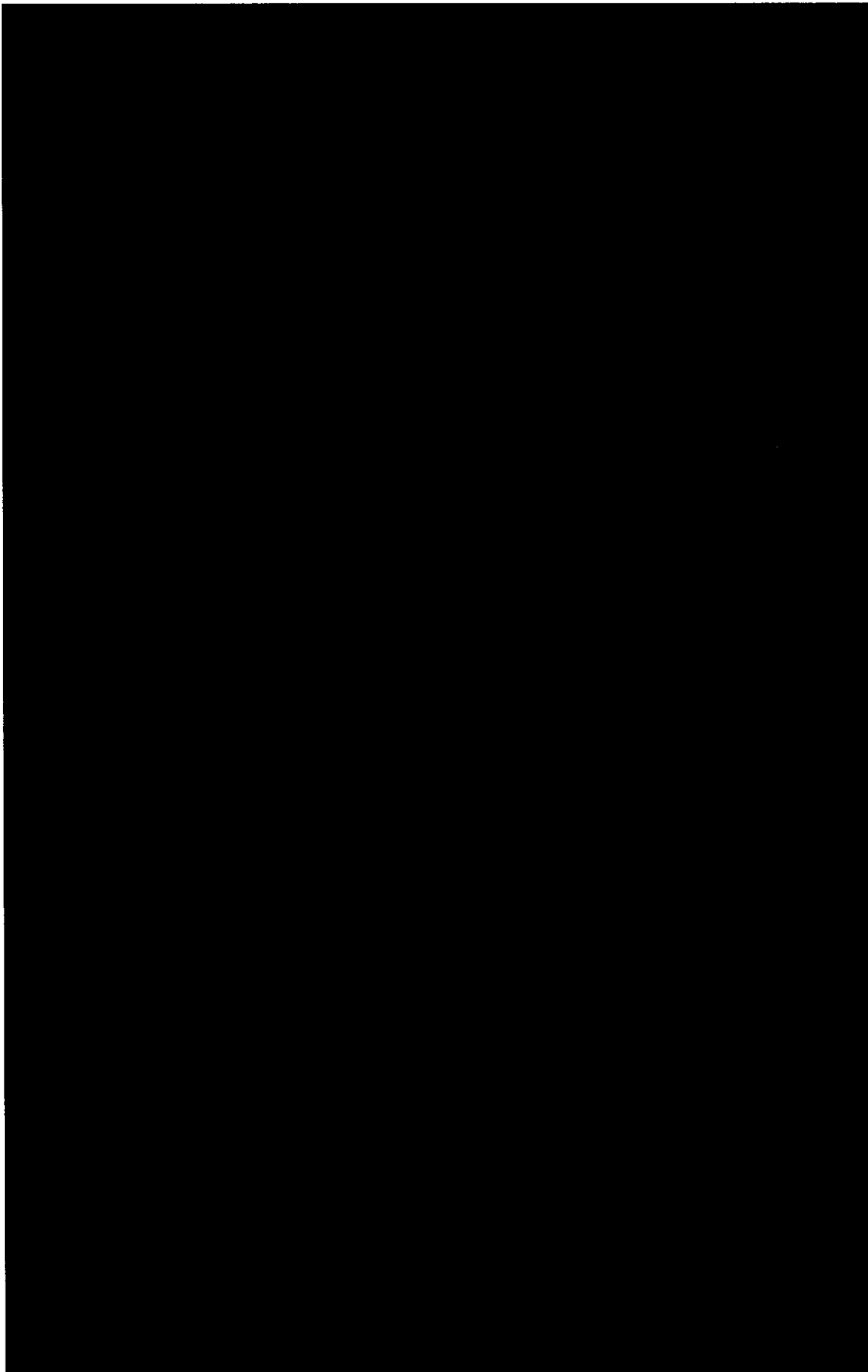


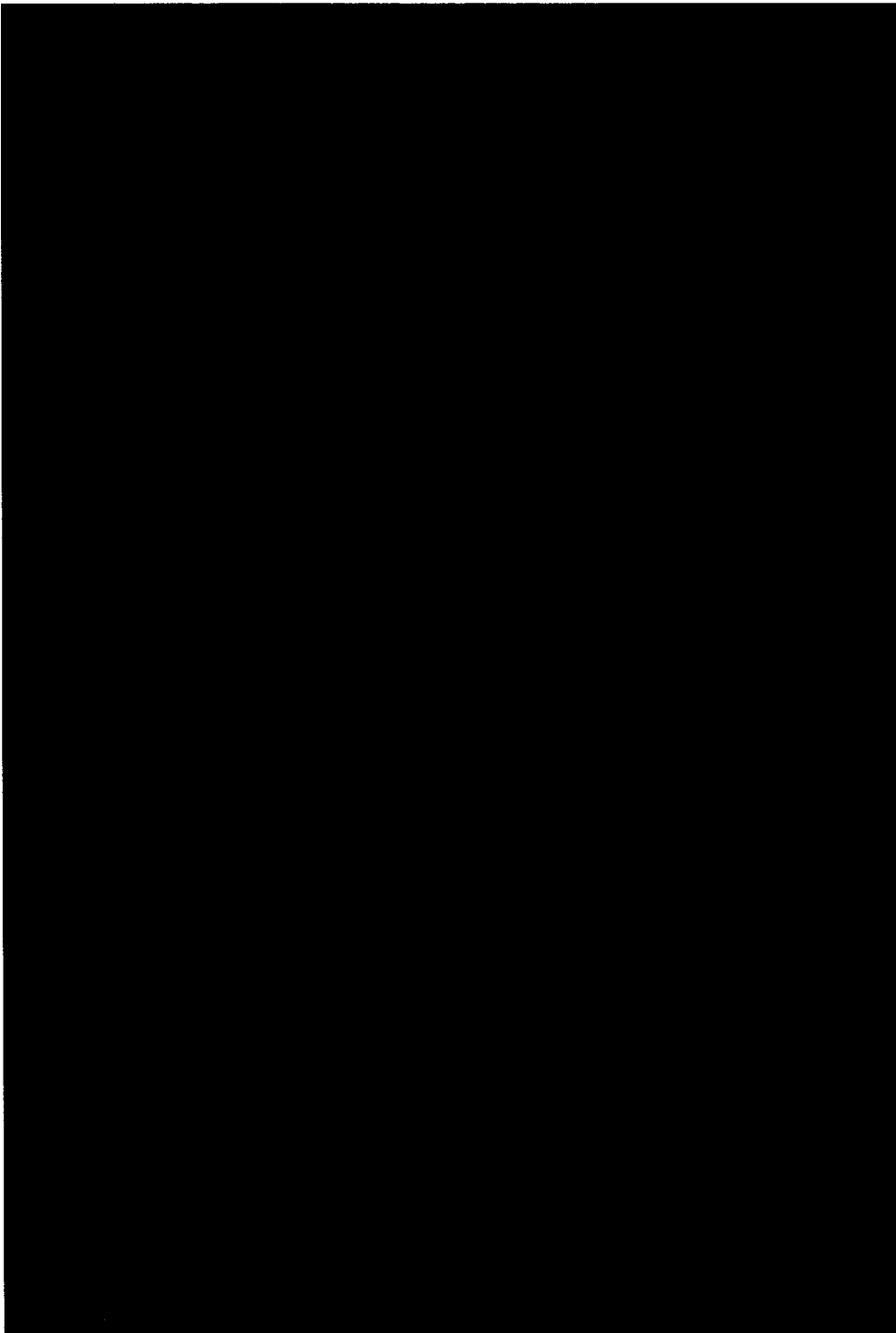


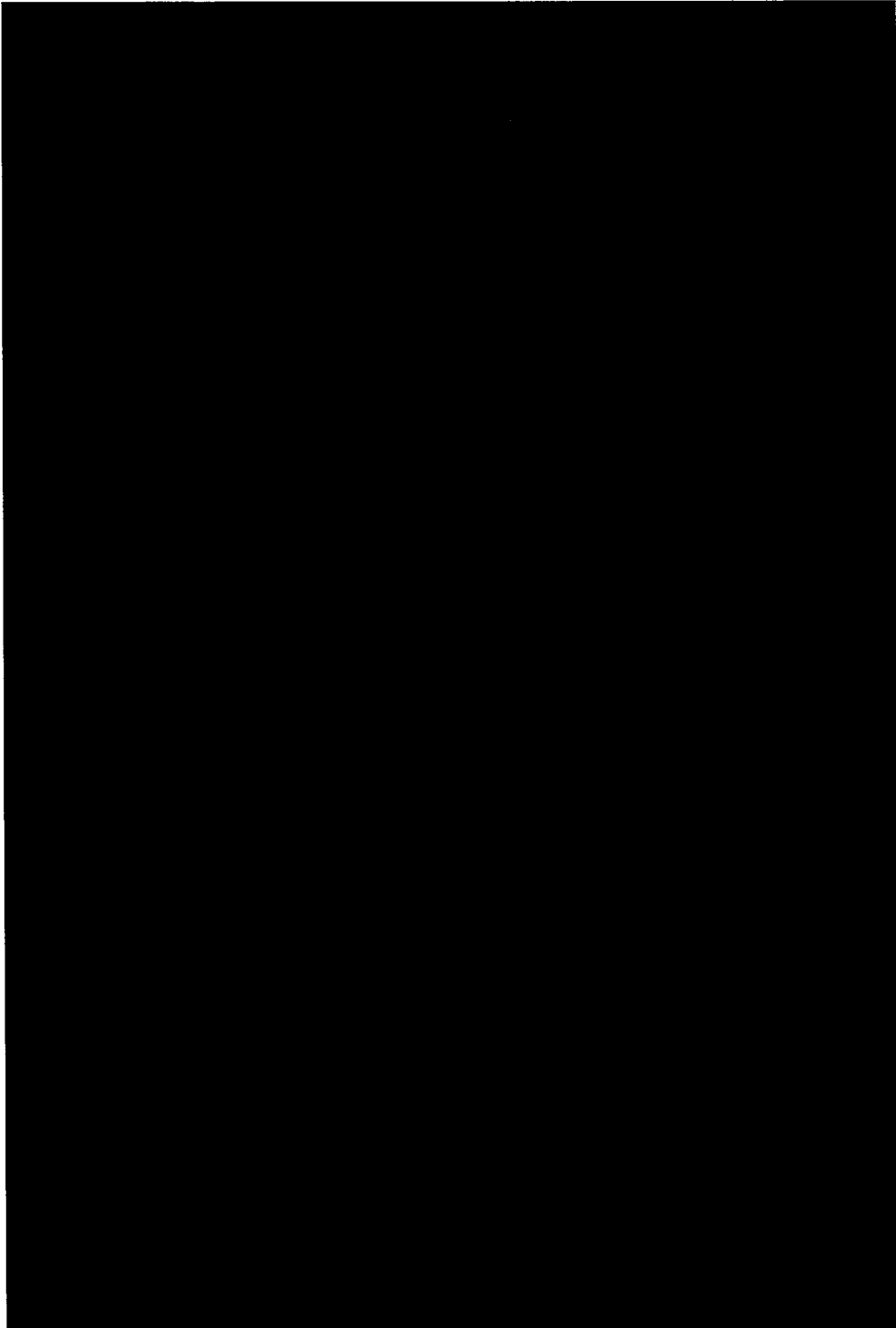
# Hawaiian**Ethos**

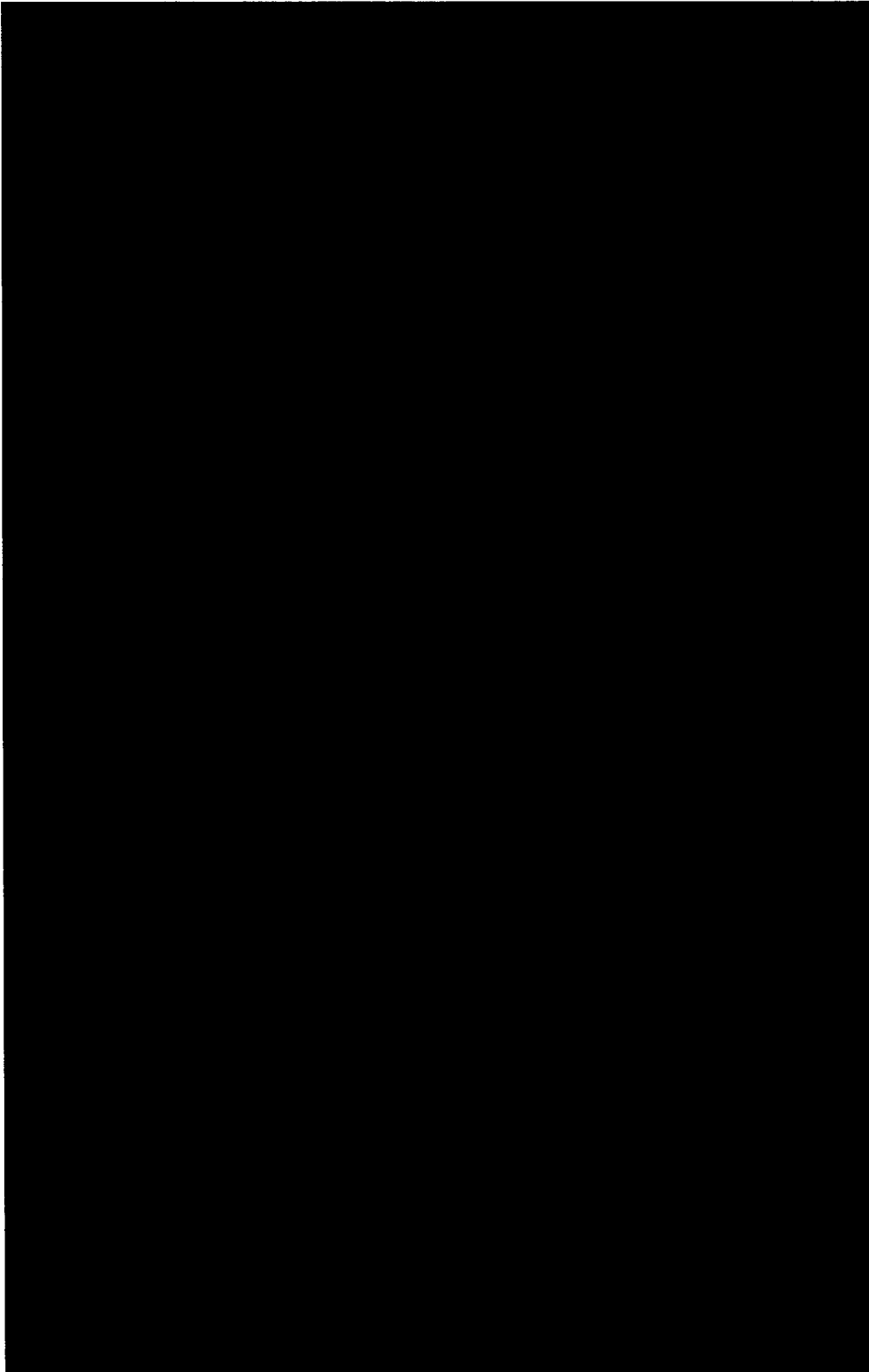
## Photo Identification

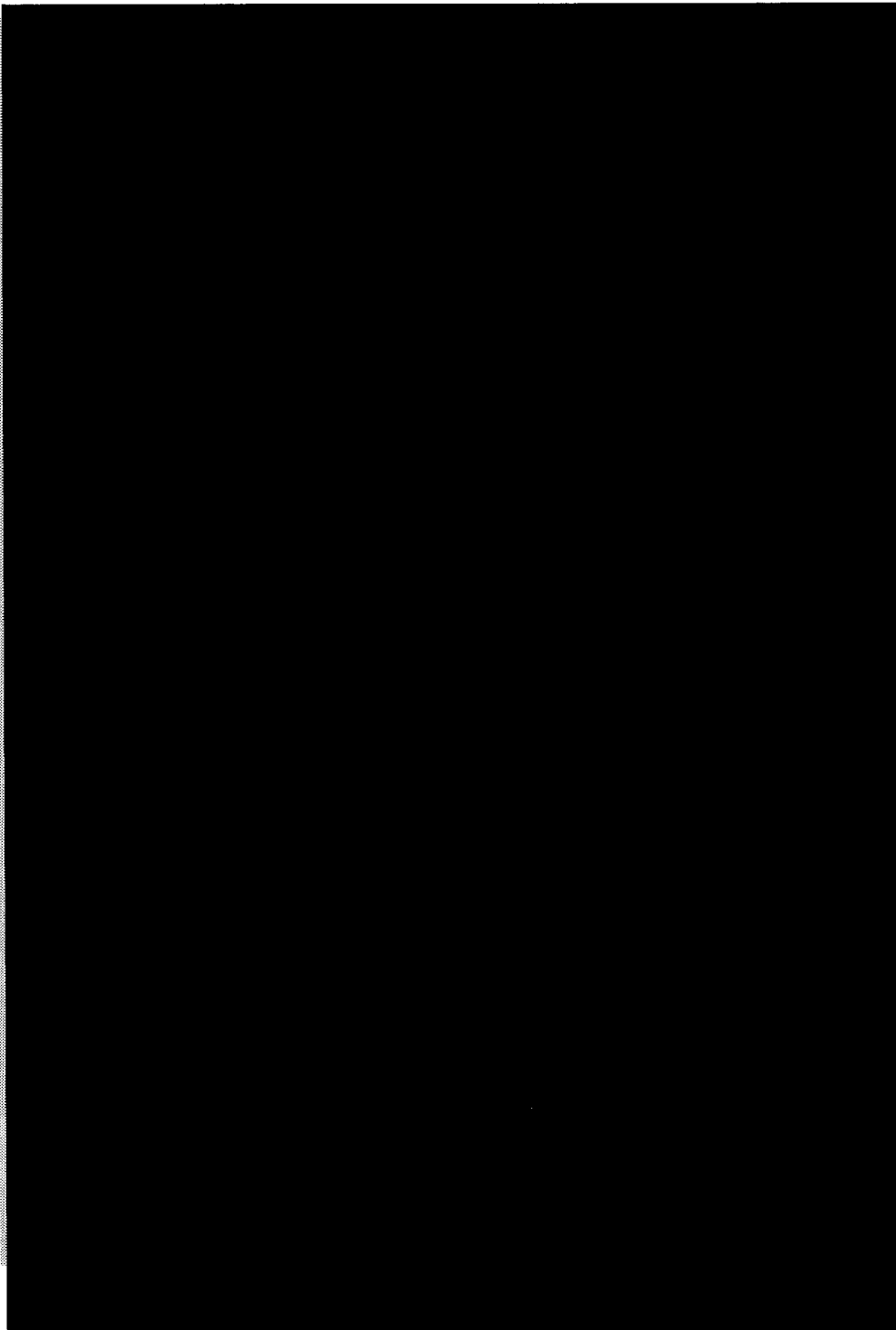




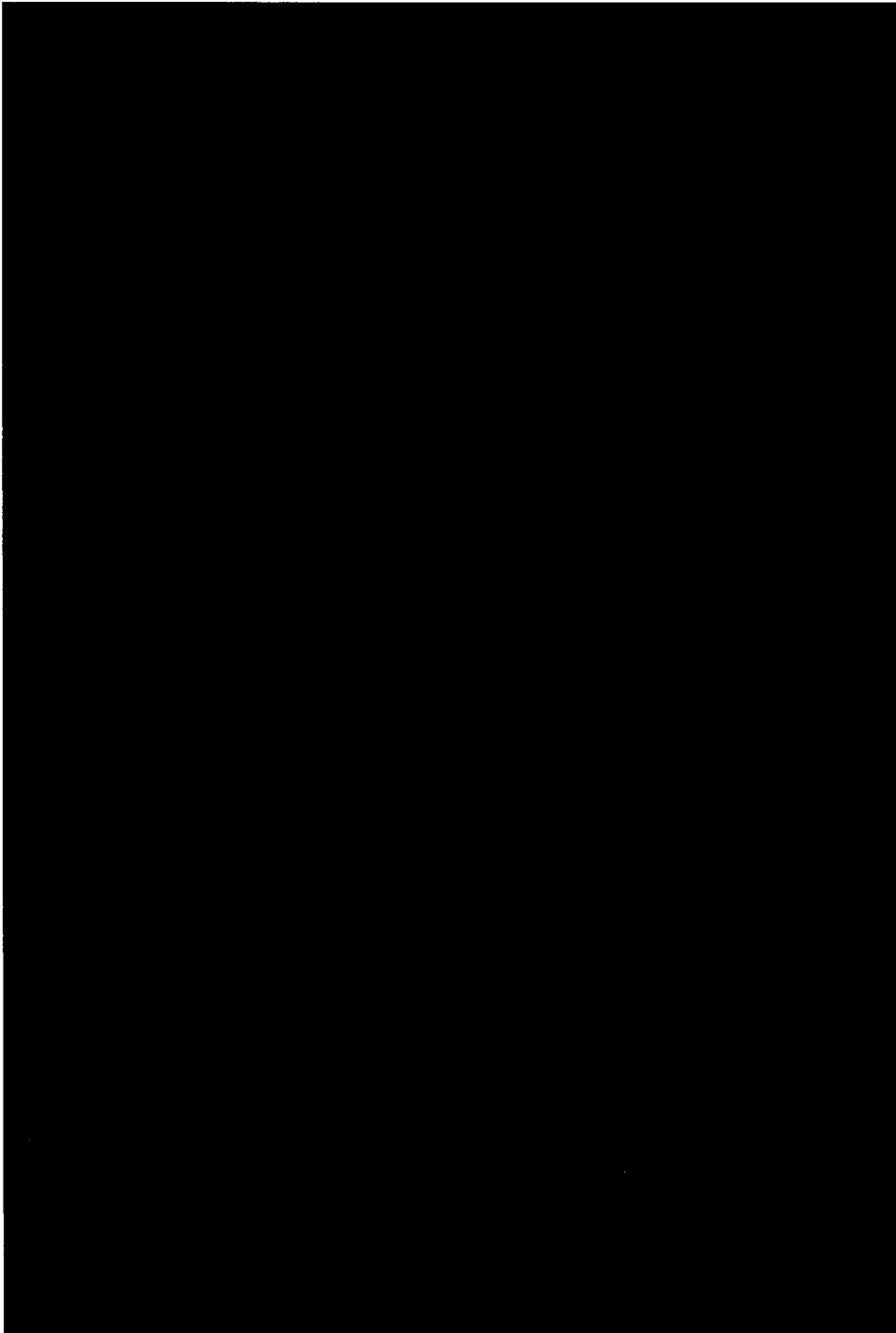


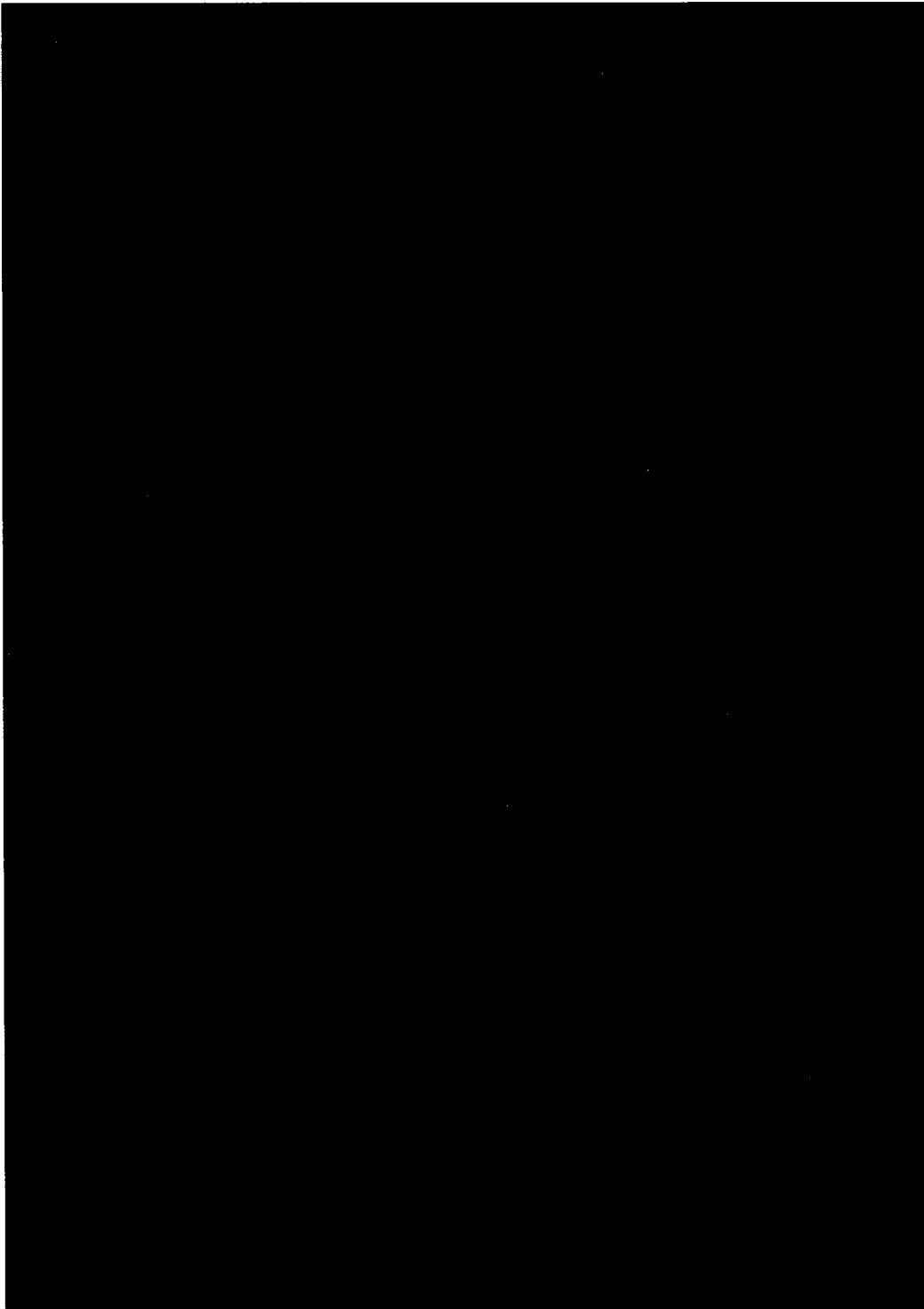












### **Inventory Tracking, Sales Limits, & Security**

Hawaiian Ethos and its subcontractee La'au Pono will be working with software providers BioTrackTHC in order to offer patients safe access to medical marijuana, while complying with all rules related to inventory tracking, regulating sales limits for patients, and security in compliance with the rules set forth in 329 & 329D, HRS. Additionally La'au Pono and Hawaiian Ethos have established policies and protocols, which are described in their operations plans, for tracking and maintaining control and of all medical marijuana and medical marijuana products from propagation to sale. (See Appendix Pg 3-84 Operations plans for La'au Pono and Hawaiian Ethos.)

BioTrackTHC provides effective technology solutions for the emerging medical marijuana industry. Their solutions not only prevent product theft, but assist businesses in running cultivation, processing, packaging, and retail operations securely and within compliance. BioTrackTHC ensures all sensitive business and patient data is secured with encryption. BioTrackTHC is the industry's only true seed-to-sale software system with enterprise resource planning, complete inventory tracking, point-of-sale functionality, financial reporting, and seamless regulatory compliance features. The BioTrackTHC solution is server-equipped with advanced security features assuring no one may access patients' information without permission. (See Appendix Pg 85-109 Biotrack)

*Inventory Tracking:* Using the BioTrack THC software, Hawaiian Ethos will track electronically the dispensary's inventory of marijuana and manufactured marijuana products through each stage of processing, from propagation to point of sale, disposal, or destruction, and maintain a record of clear, unbroken chain of custody at all stages, including transport of the

inventory between dispensary facilities and between a dispensary facility and a DOH assigned laboratory.

The BioTrackTHC system is comprised of several components; all of which are designed to seamlessly integrate with one another. Recognized as the industry leader in seed-to-sale tracking, the BioTrackTHC cultivation, processor, and retail tracking components are completely interoperable with one another. The tracking requirements include monitoring and tracking of plants, trimmings, waste, conversion, dispensing; and can be adapted to future requirements by Hawai'i State Statutes.

The BioTrackTHC System assigns a global, unique, non-repeating 16-digit identification number to each plant. At every stage in the product lifecycle where inventory items need to be differentiated, the system issues a new identifier. For example: separating flower from stems during the harvest processor dividing batches, going to different dispensary locations. The System issues the identifier to prevent accidental or intentional identifier duplication by the user, and the 16-digit identifier ensures scalability and longevity—the System is capable of generating 1-million IDs per second and will not run out of unique IDs.

All system ID's are associated with a quantity, which is measured in either discrete units or a weight depending on the item's classification; for example, plants, seeds, and extracts are measured in discrete units, whereas bulk flower and stems are measured in continuous weight. This creates an unbroken audit chain. By selecting any identification number, Hawai'i state regulators and Hawaiian Ethos can retrospectively trace the medical cannabis product's lineage all the way back to the plant from which it came. Additionally, the system is capable of tracing every gram to its location in inventory, where it has been dispensed, to whom it was dispensed,

and all details surrounding the conditions in which it was destroyed. (See Appendix Pg 85-109 Bio Track Support Doc)

Laboratory testing is built-in and tied directly into the inventory cataloging system. This allows for the programming of complex or simple rules on what needs to be tested, specific testing requirements, and test tolerances or limits. This testing paradigm provides a model for ensuring that only properly tested medicine may be sold to a patient. The system's integrated features can be setup to prevent the sale or transfer of products that have not passed state mandated laboratory tests, if necessary.

*Sales Limits:* Hawaiian Ethos will track electronically all sales of marijuana and manufactured marijuana products to qualified patients and primary caregivers from both of its dispensary locations in Hawai'i County. The dispensaries will ensure that no sales are authorized in excess of legal limits as set forth in section 3290-7, HRS. Additionally, Hawaiian Ethos sales system, which is provided by BioTrackTHC will automatically prohibit sales in excess of the legal limits and cannot be overridden manually.

The BioTrackTHC allows administrators to establish and regulate the permissible quantities of medical marijuana allotted to a patient or caregiver. The system stores patient purchases and cross-references with DOH defined limits. The system will record every transaction, and this data can be parsed, filtered, and reported on at any time. The system is also able issue stop purchase alerts, if a patient attempt to exceed the defined limits, and disallow the completion of such a sale.

In the event that a patient has exceeded their purchasing limit; the retail dispensing location will be notified within the tracking system that the patient has exceeded their sales limit.

In response, the system will issue a stop purchase alert. The System does not allow for a retail dispensing location to transact with a patient that has exceeded their pre-defined sales limit.

*DOH Access:* Hawaiian Ethos and La‘au Pono will operate using the BioTrackTHC software, which is a secure computer software tracking system that interfaces with the DOH’s computer software tracking system to allow the department real time, twenty-four hour access to the Hawaiian Ethos’ tracking system and inventory records. The tracking system will capture and report all the data required by the department's tracking system.

BioTrackTHC won the state contract for Hawai‘i’s computer software tracking system for the medical marijuana dispensary system based on and in compliance with Chapter 329D HRS. BioTrackTHC’s commercial software provides seamless data exchange integration between a licensee and the state’s marijuana tracking system. There will be integration via the application program interface (API) between Hawaiian Ethos’ BioTrackTHC enterprise system and the state interface utilized by the Hawai‘i DOH. This will allow data to be sent in real time, not only from the Hawaiian Ethos to the DOH, but it will allow Hawaiian Ethos to retrieve transferred data from the DOH.

*System failure response:* In the event of a breach or failure of its tracking system, Hawaiian Ethos dispensaries shall suspend operations dependent on the tracking system until the tracking system is fully operable. The dispensary will notify the department immediately upon the breach or failure, and again when operations are resumed. In the event of a loss of Internet access, BioTrackTHC software has the ability to stop all operations and disallow further sales until service is restored. The system is also able to operate in ‘Offline mode’. While operating in Offline mode a facility may continue to process sales with an on-site server. When service is restored, all changes made in Offline mode will be updated and synced within the system.

*Security Compliance:* Hawaiian Ethos is committed to maintaining security and upholding the highest standards for patient privacy. In partnership with BioTrackTHC and in accordance with applicable state rules, Hawaiian Ethos will implement systems for secure inventory tracking and control.

All BioTrackTHC authentication will be encrypted via industry standard secured socket layers (SSL) hardware, which is managed and maintained internally. Patient data security is a top priority at BioTrackTHC. The software utilizes the latest SSL encryption technology to ensure a secure operating experience. All technology supporting remote access to the BioTrackTHC solution is fully secure and founded on current industry standards of strong authentication, encryption, and HIPAA compliance. The connection state is always encrypted, end-to-end, from browser to web server using the secure socket layer over all network types (wired/wireless or commercial/government ISP). Database connections are also encrypted via standard authentication in addition to SSL. At no point in the network path will data be unencrypted.

*Hardware Technology:* Hawaiian Ethos and La‘au Pono intend to work with the technology supply company Rocky Mountain Hardware (RMH) to provide all equipment needed for: dispensary check-in & POS systems, card scanners, plant tagging systems, network servers, propagation/growing/harvest/ input stations, and manufacturing / transport input systems. RMH came recommended by BioTrackTHC as a preferred partner. RMH and BioTrackTHC have a long history of working together to provide complimentary systems, which are designed to work together. All hardware purchased from RMH will come pre-configured with the latest BioTrackTHC software installed, tested, and ready for integration into the facility. (See Appendix Pg 110-122 for quote and letter of intent RMH)

## **Section Seven Appendix**

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BioTrackTHC Software	85
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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 out-sourced 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:*

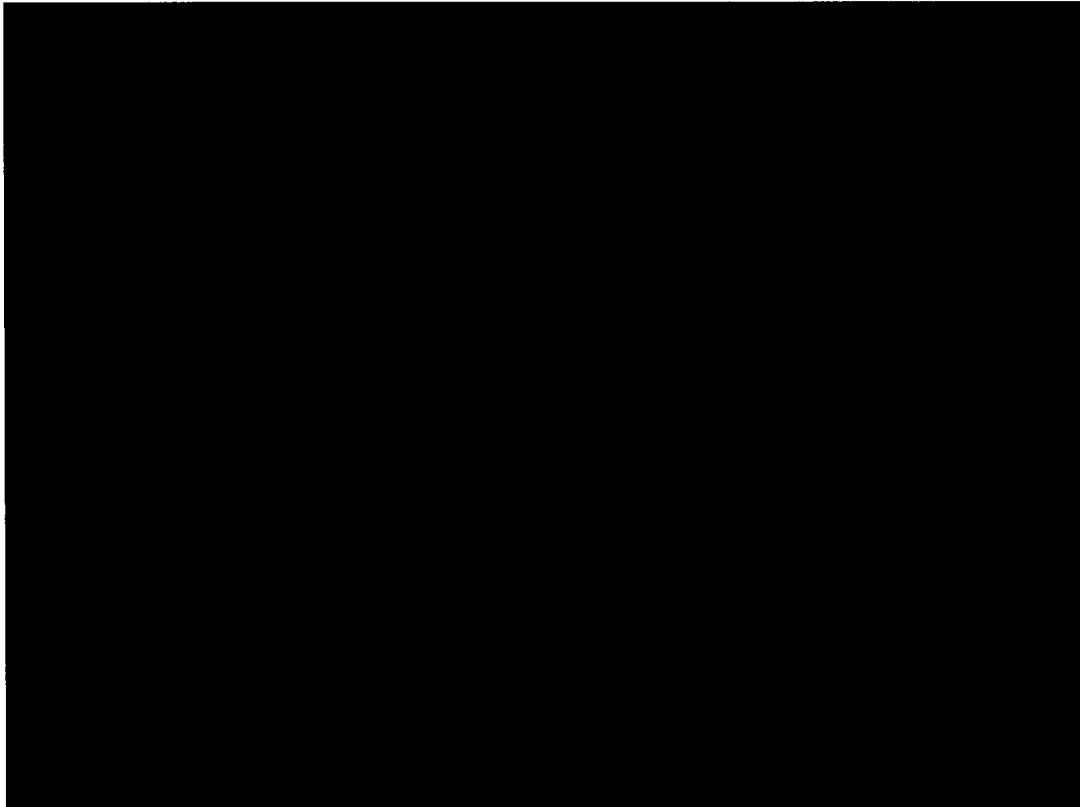
Hawaiian Ethos employees will receive specialized training in the following areas from third party experts: Basic Medical Marijuana Education provided by Clover University, HIPAA Patient Confidentiality Training from by our partners at Supremus Group, Safety and Security

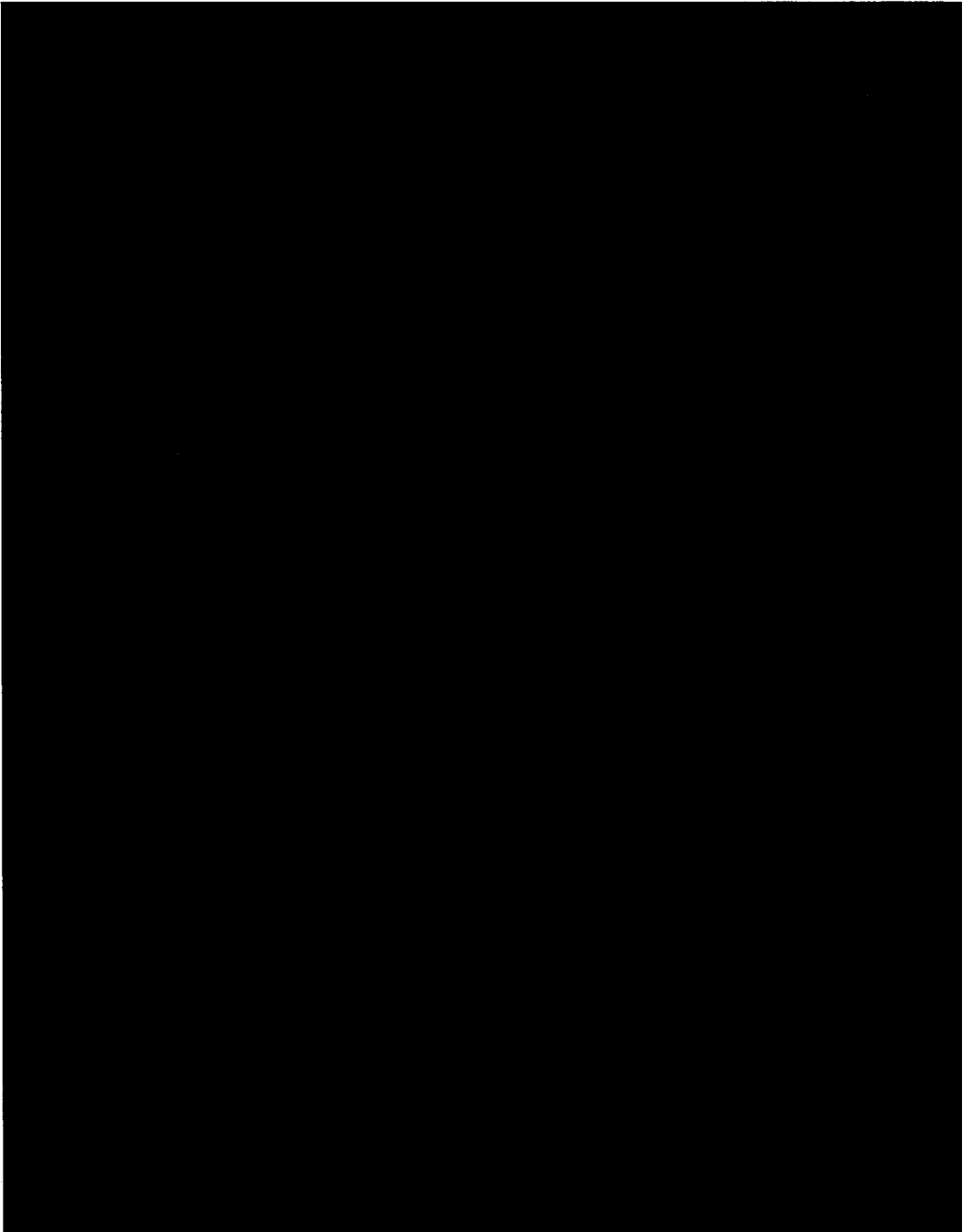


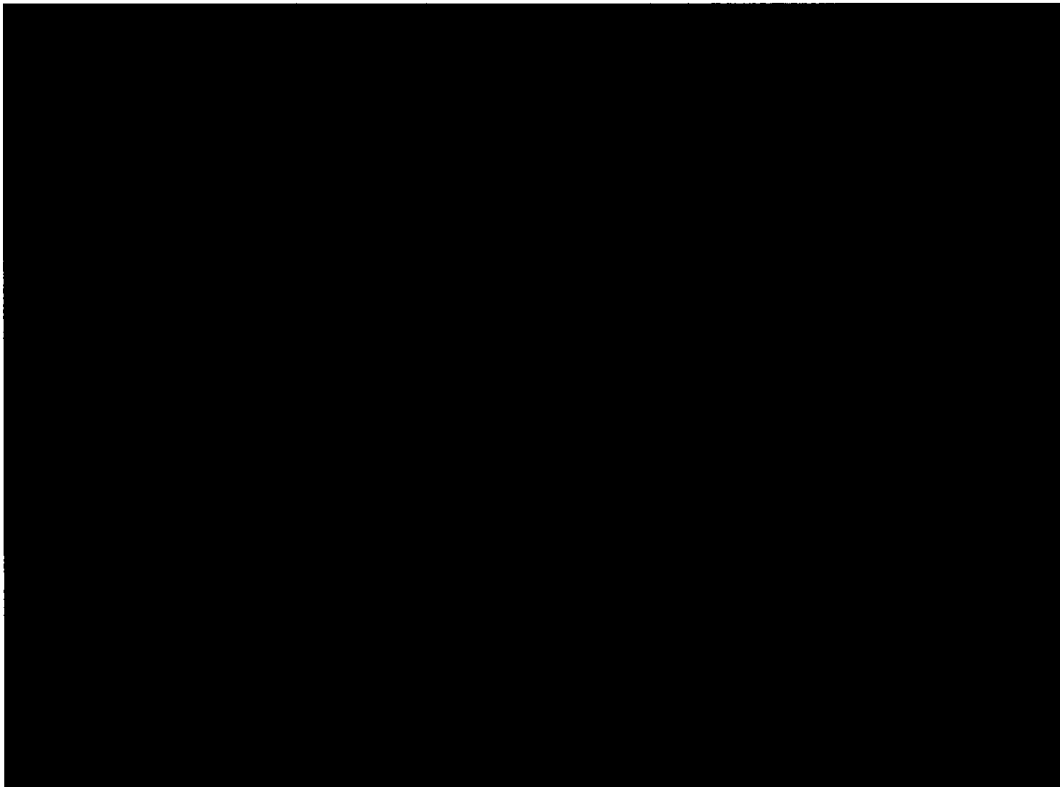
from PSG and software training on job-specific aspects of using the company wide software systems developed by our partners at BioTrackTHC.

*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](http://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:

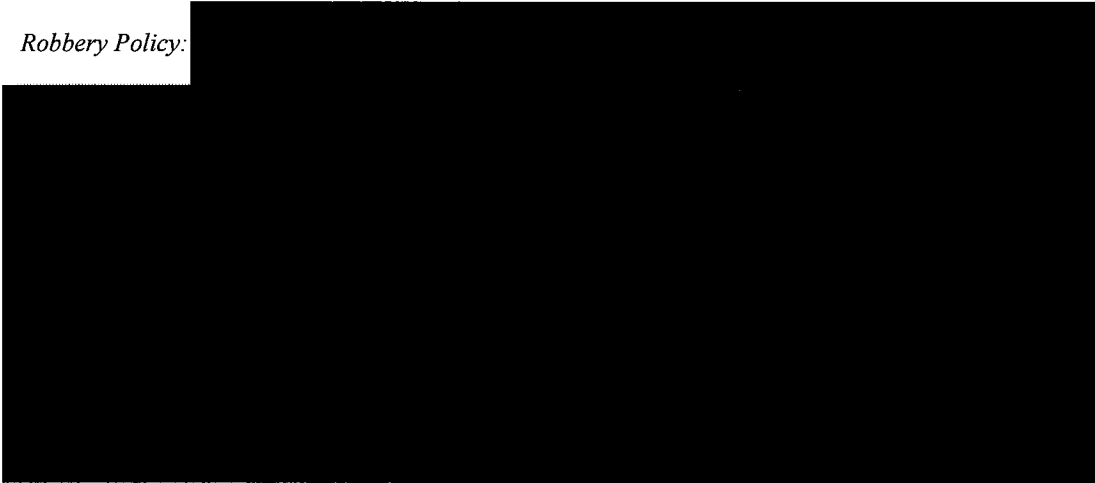
- Each day’s starting inventory
- Acquisitions
- Sales
- Disbursements
- Disposal of unusable Medical Marijuana inventory

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

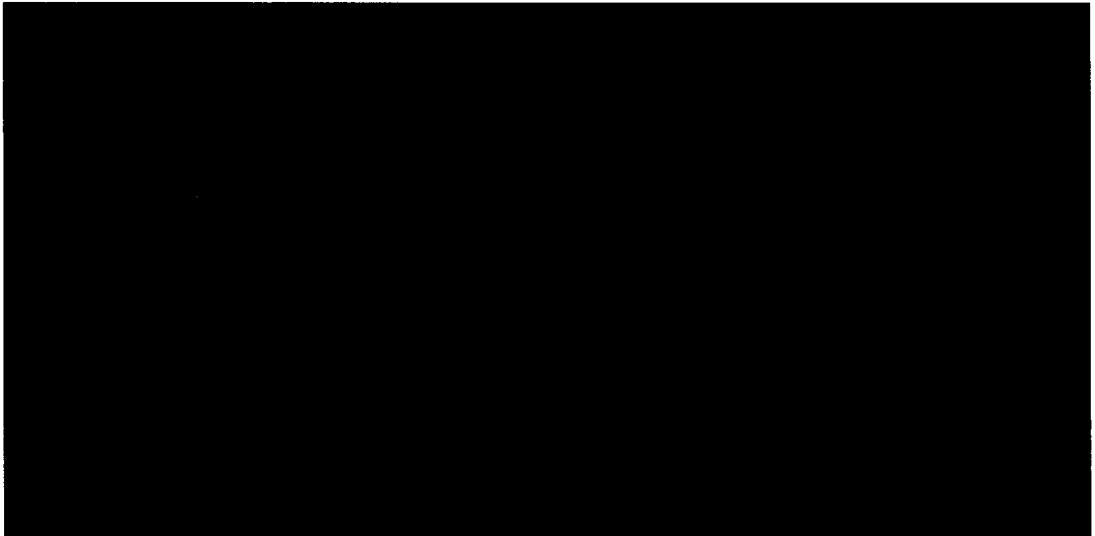
activity by an employee at Hawaiian Ethos, the dispensary shall report the employee to the DOH and to the appropriate law enforcement agencies.

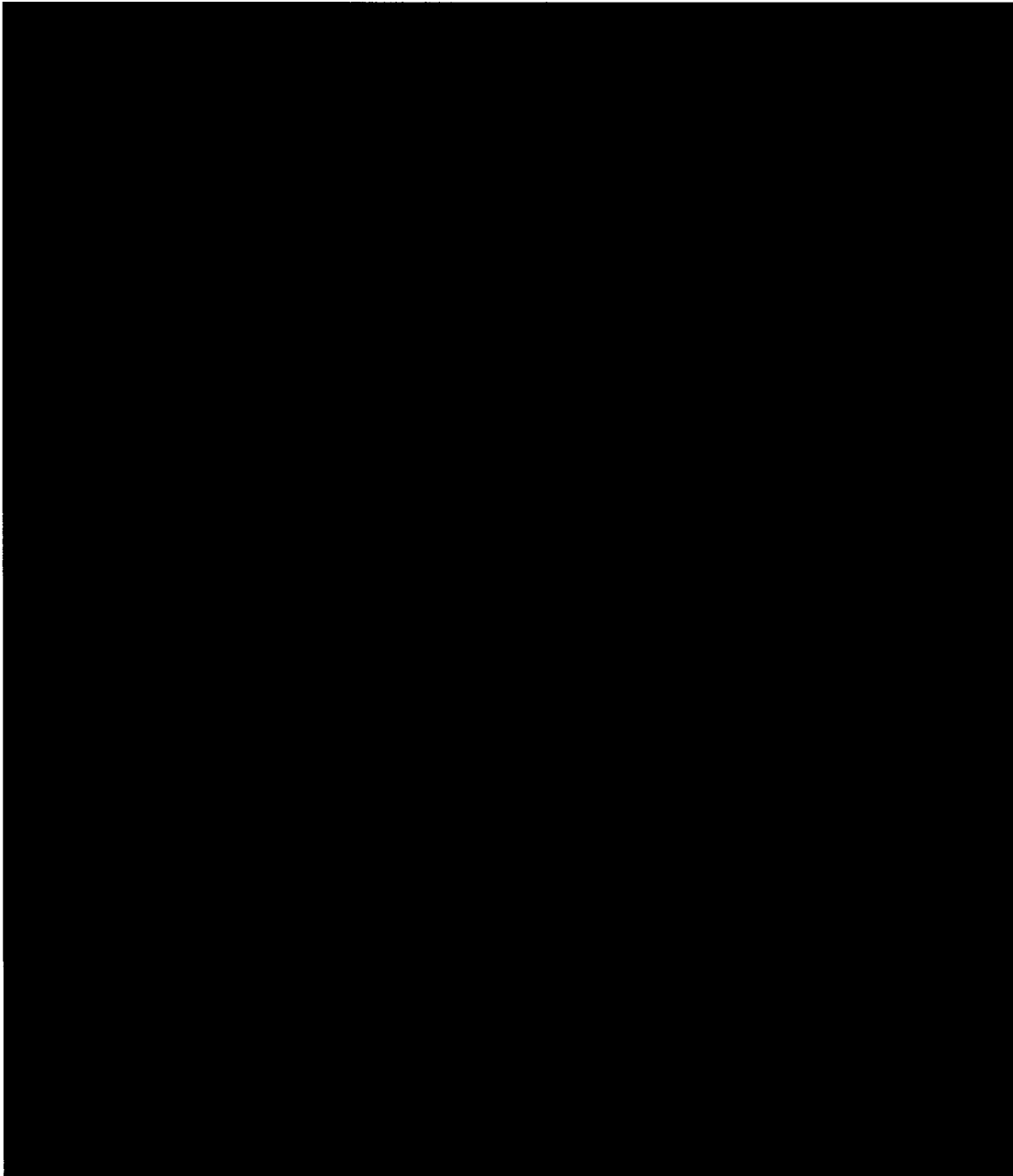
#### IN THE EVENT OF AN EMERGENCY

*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.

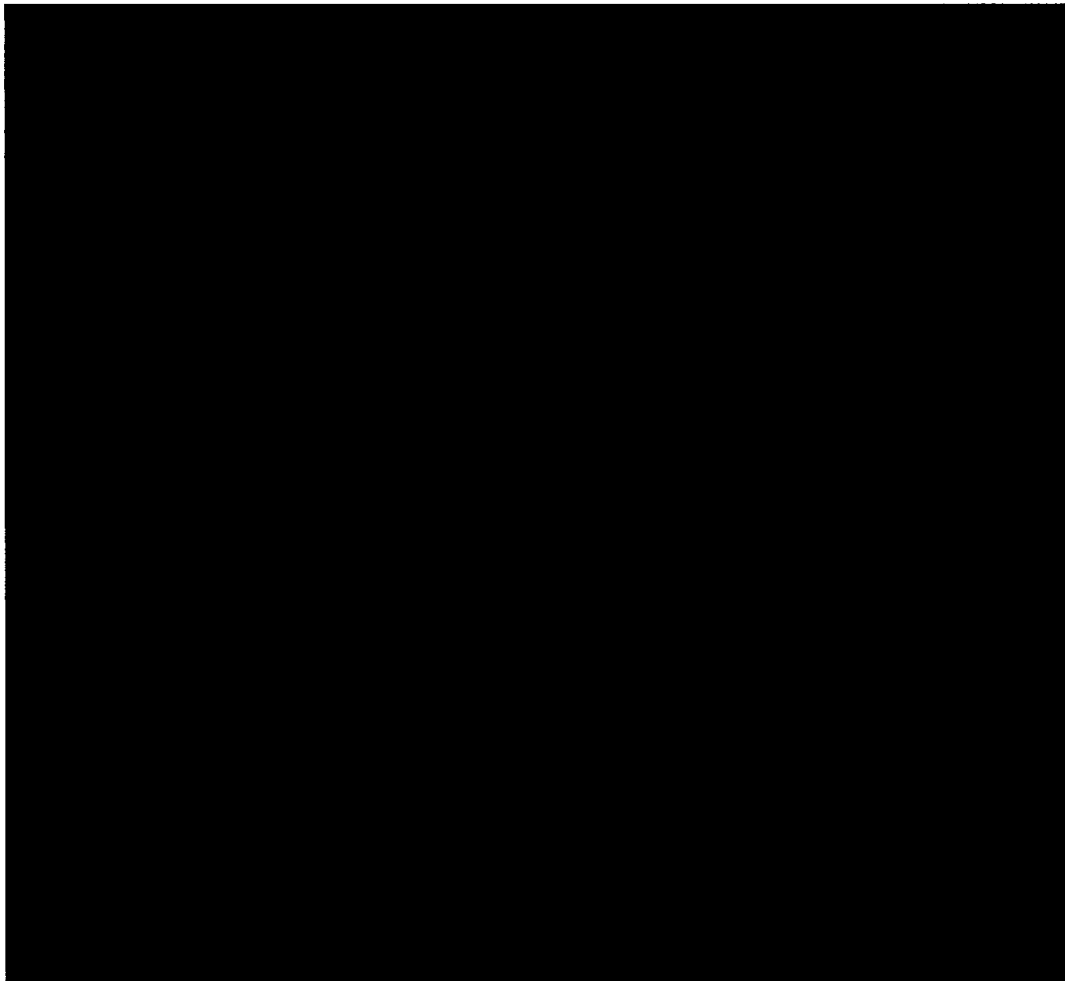
Desks, lockers, and other storage devices may be provided for the convenience of employees but remain the sole property of Hawaiian Ethos. Accordingly, they, as well as any articles found within them, can be inspected by any agent or representative of Hawaiian Ethos at any time, either with or without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



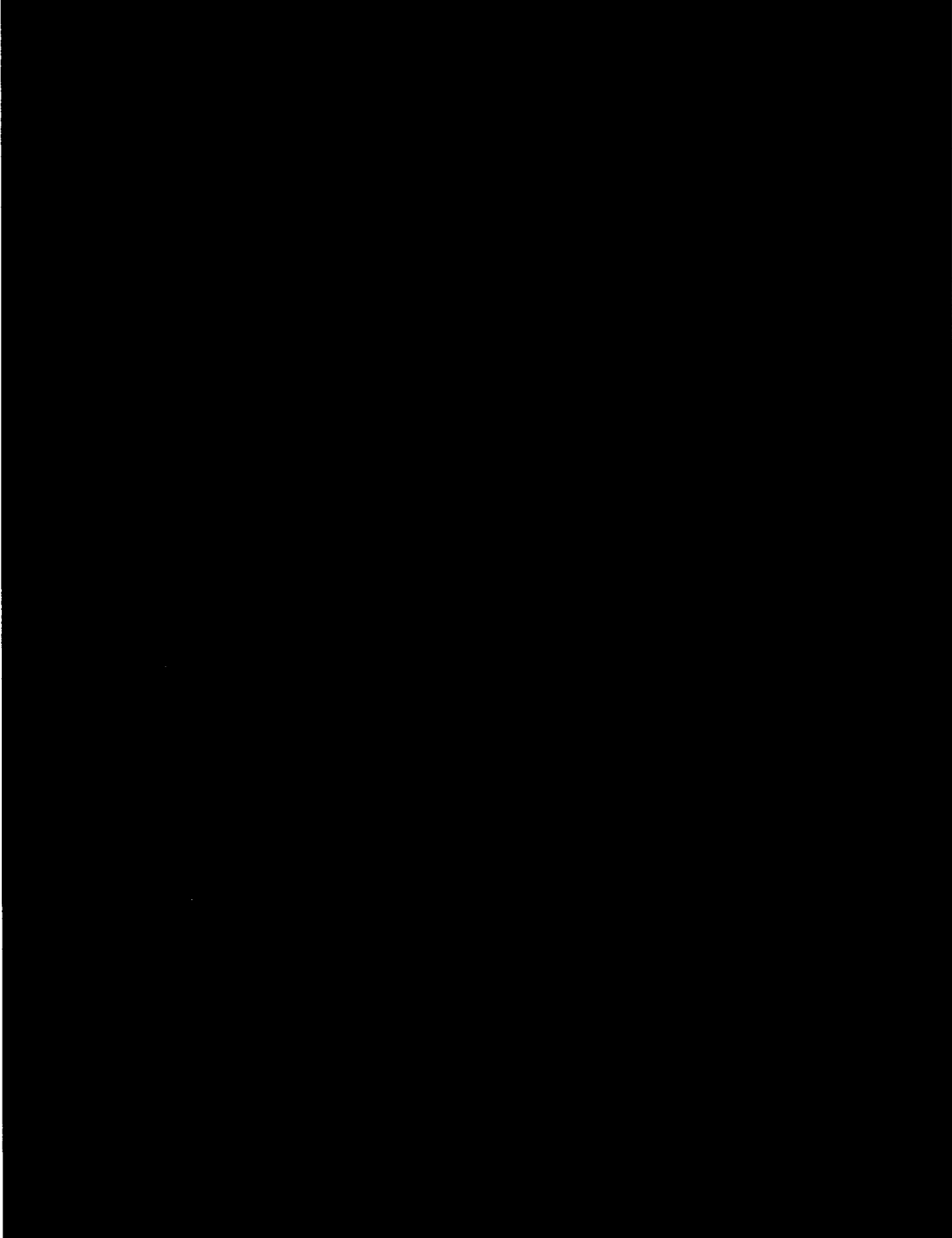
SAFETY AND SECURITY:

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.

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.

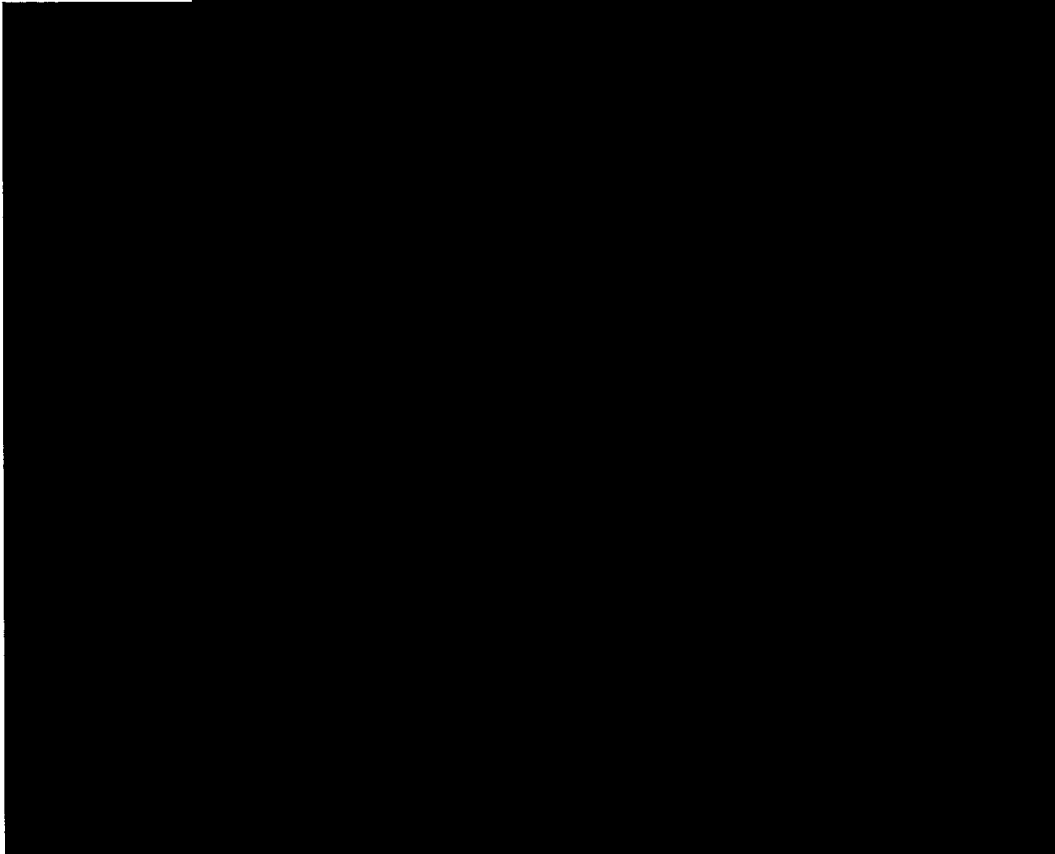


*Surveillance:*

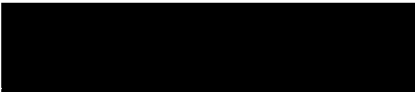




*Alarm System:*



Prior to beginning work at La'au Pono Cultivation Facility all newly hired employees will participate in a training for basic operating procedures for the facility as well as for their individual department and job title. During this training, new employees will be trained on safety and security. All employees will go through the policies and procedures for entering and exiting individuals rooms and the cultivation center. This will include how to enter and exit the exterior and interior fence and gate systems.



#### 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.

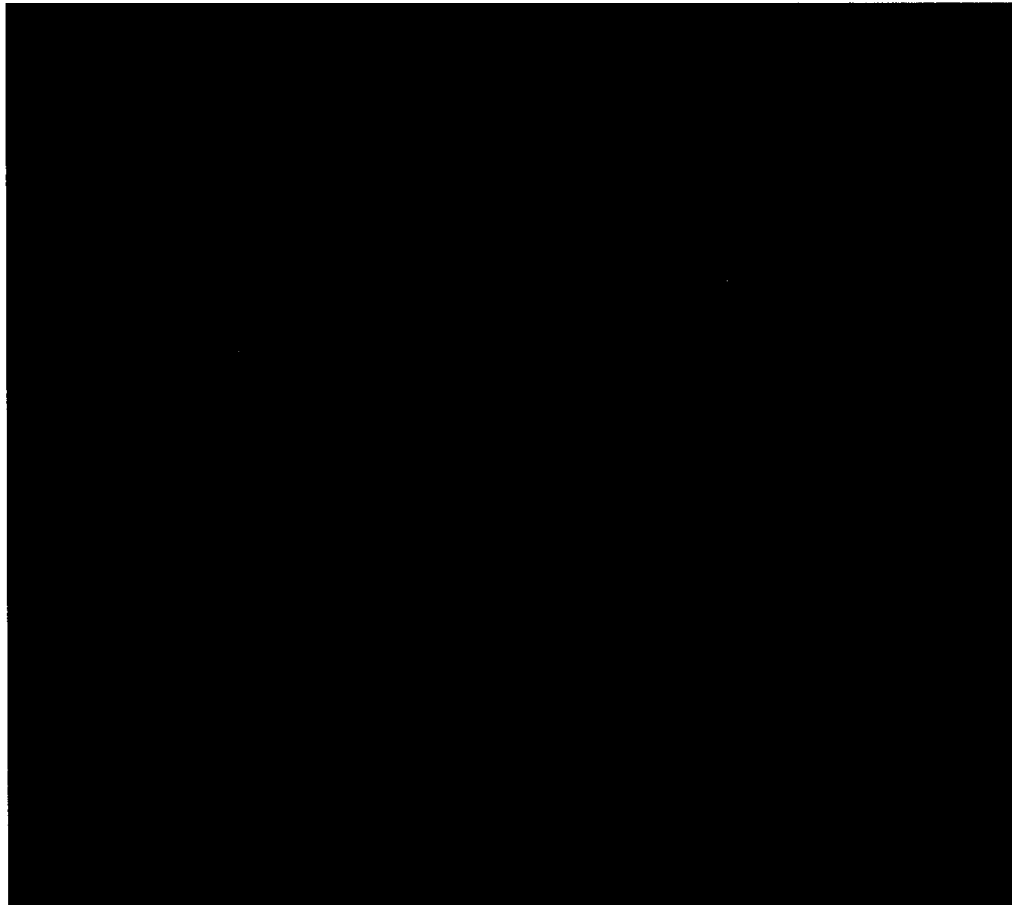
Desks, lockers, and other storage devices may be provided for the convenience of employees but remain the sole property of Hawaiian Ethos. Accordingly, they, as well as any articles found within them, can be inspected by any agent or representative of Hawaiian Ethos at any time, either with or without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

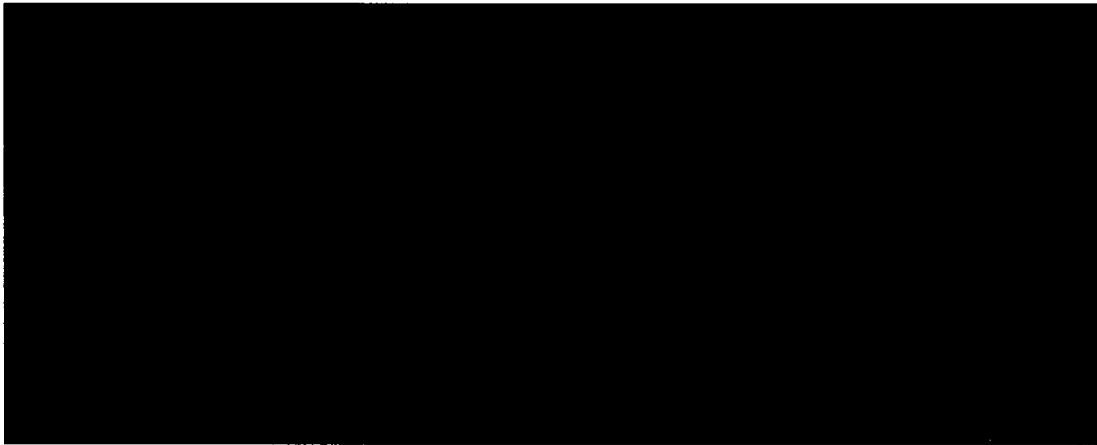
Hawaiian Ethos has comprehensive security protocols in place to limit risk to its operations and ensure the safety of its employees, customers, and facilities.

- 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:

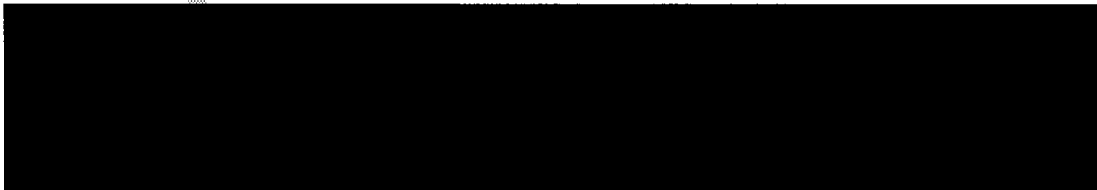




- o Activation of the Hawaiian Ethos Incident Management Team



- o Resumption of Operations



- o After Action Reports (AAR)

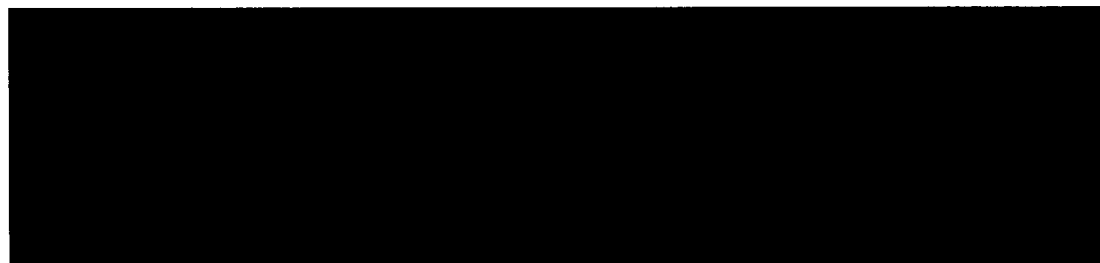
- Within 72 hours of the resumption of operations, an after action report will be completed identifying the causes of the failure or breaches and corrective measures put in place to mitigate future failures or breaches

- o Notifications to the Hawaii Department of Health:



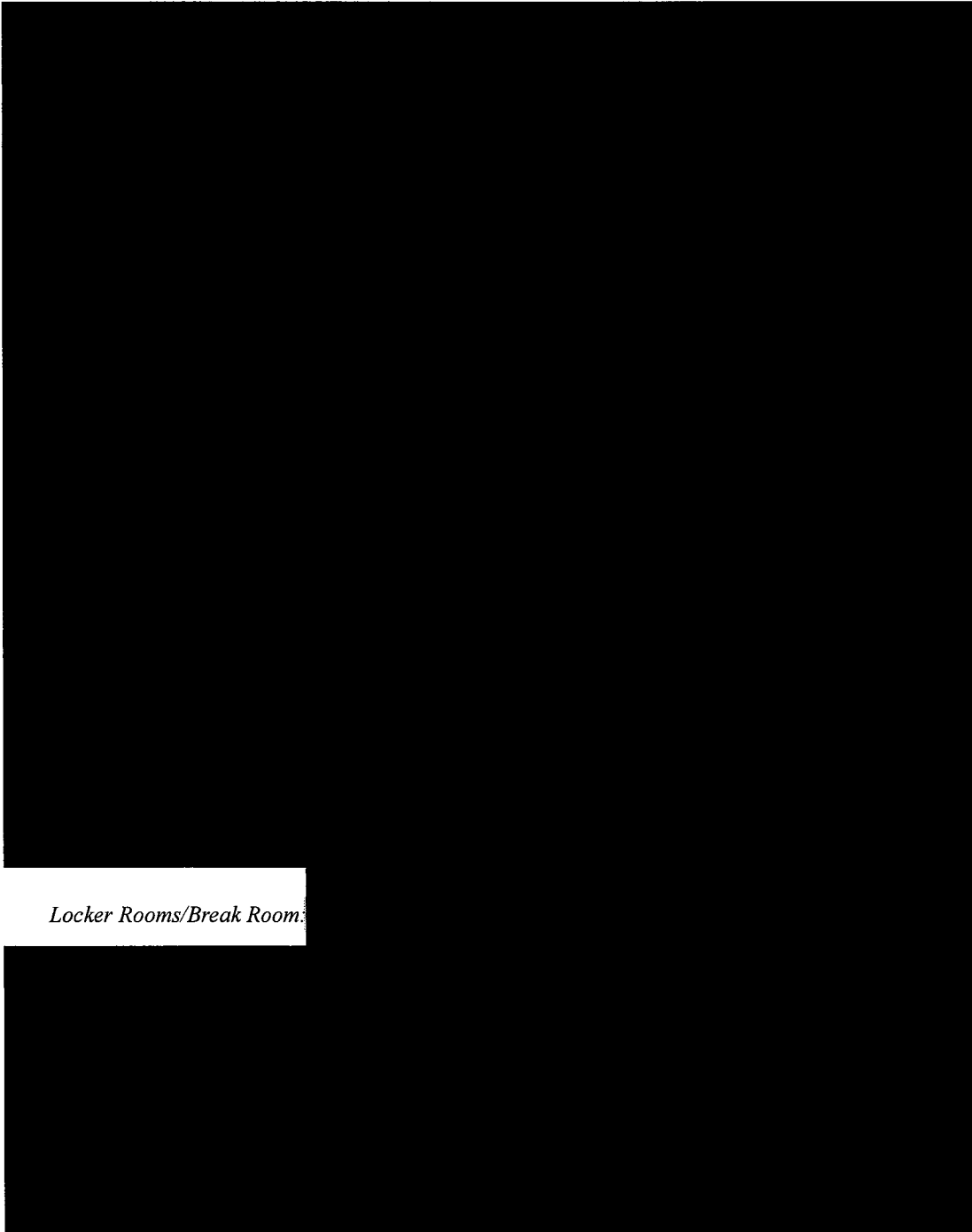
*Training Manuals:* Training manuals will be left on site and will not be available to bring home as a measure of Security. Manuals will be studied prior to any actual operation during the employees first few days on the job.

*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)





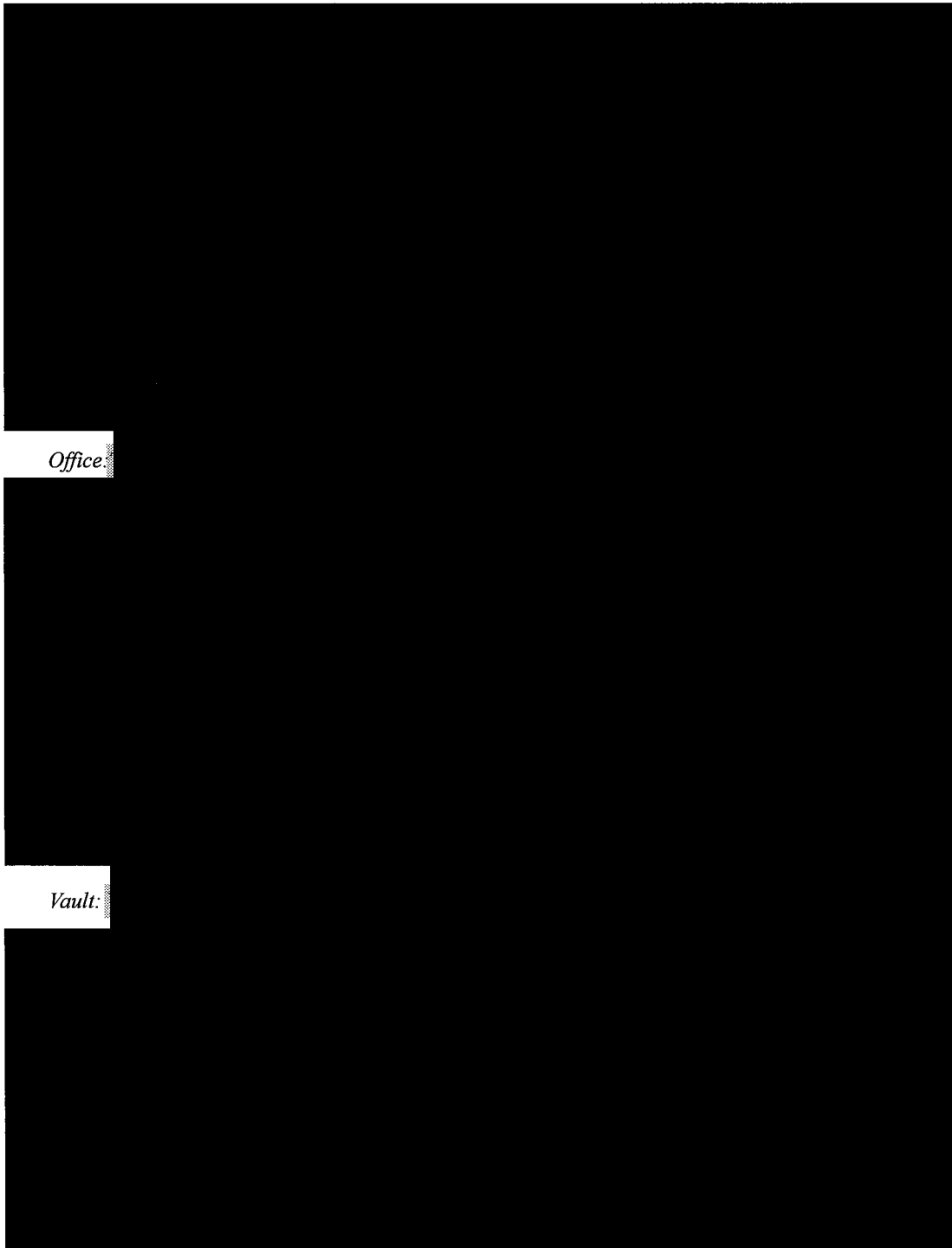
*Entrance(s) to Facility:*



*Security Room:*

*Trimming Room*

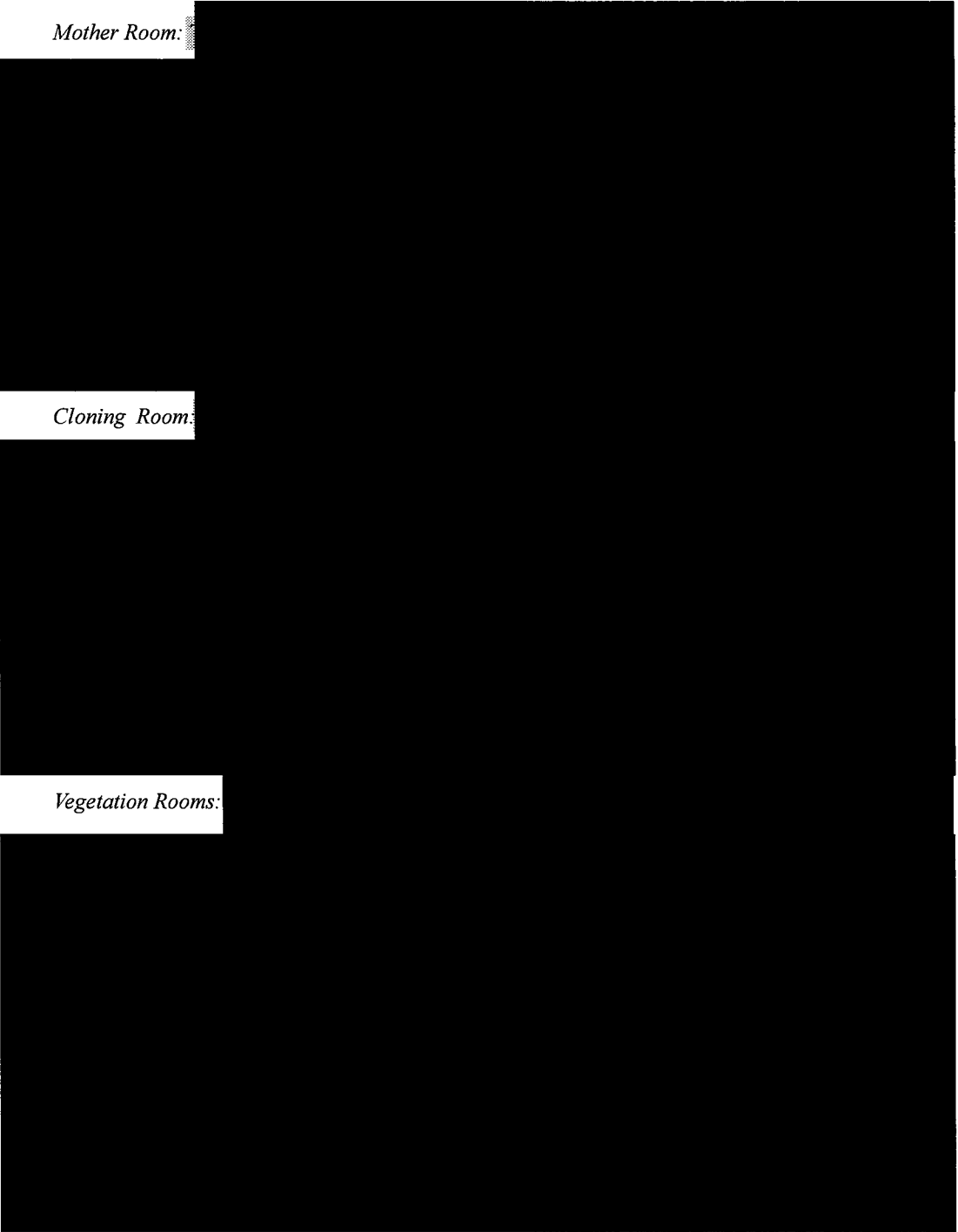
*Laboratory:*



*Office:*

*Vault:*

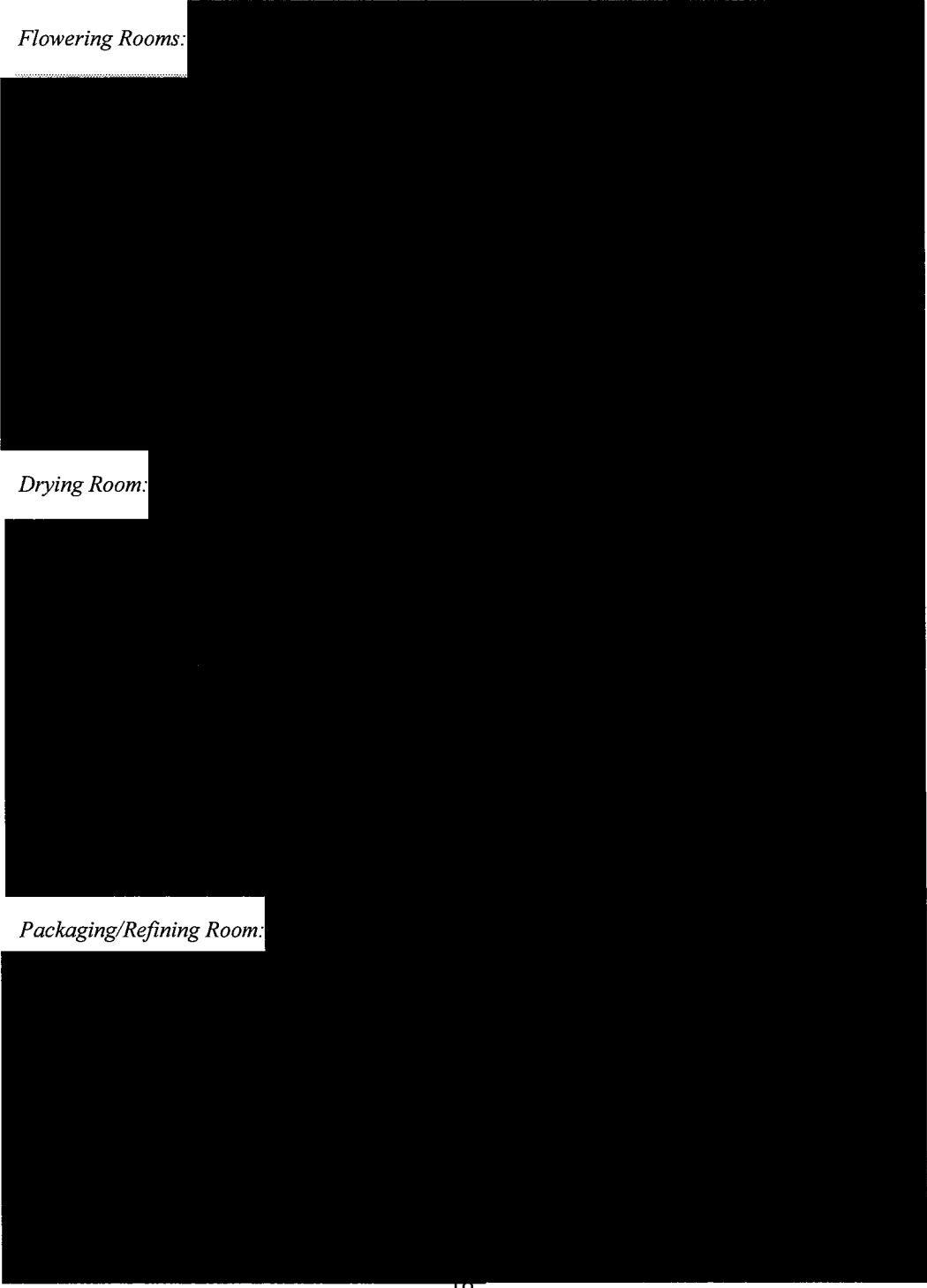
*Mother Room:*



*Cloning Room:*

*Vegetation Rooms:*

*Flowering Rooms:*



*Drying Room:*

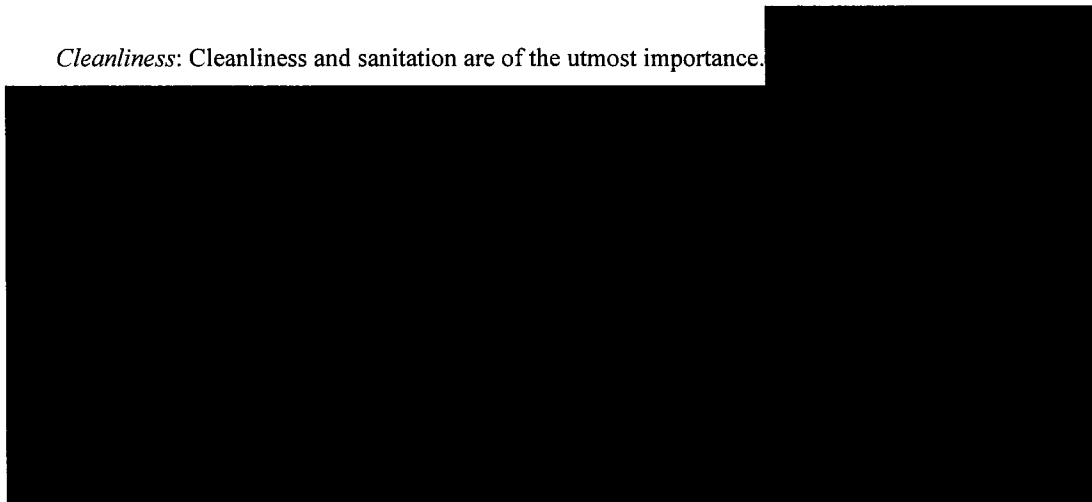
*Packaging/Refining Room:*



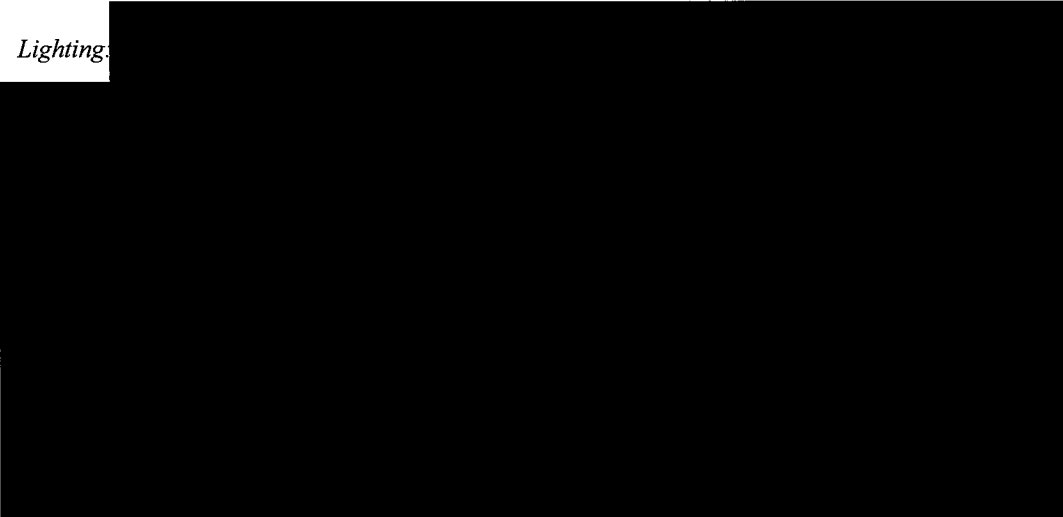
#### EXPECTED RESOURCE USAGE

*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.



*Lighting:*

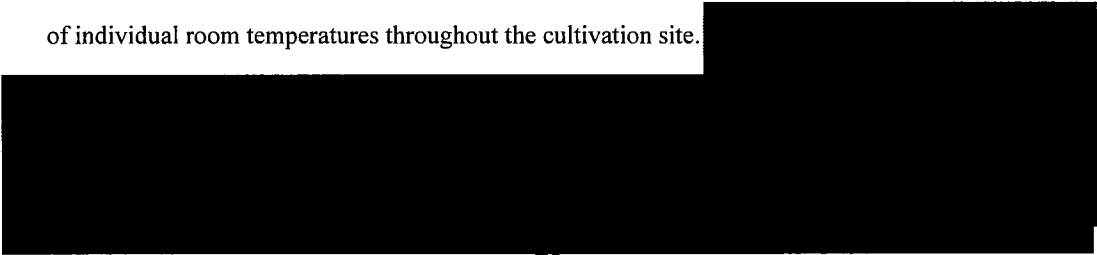


*Temperature:* Climate is the most important dominating factor influencing the suitability of a crop to a particular region. Therefore, it is imperative that room temperatures are thoroughly and consistently monitored, as the growth of medicinal marijuana is highly dependent on the level temperatures.

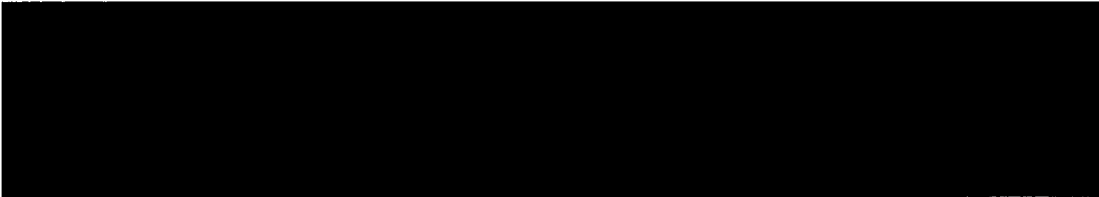


It is imperative that temperatures are steady, as the well-being of the plants are dependent on the proper temperatures.



All temperatures will be monitored on a central system, to ensure accurate and punctual readings of individual room temperatures throughout the cultivation site.





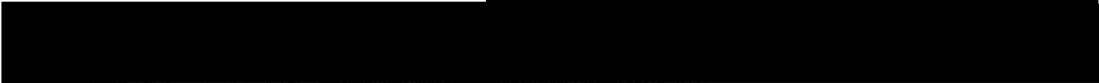



*Humidity:* Relative Humidity (RH) -or the ratio of actual water vapor content to the saturated water vapor content at a given temperature and pressure expressed in percentage (%), directly influences the water relations of plant and indirectly affects the stages of growth.



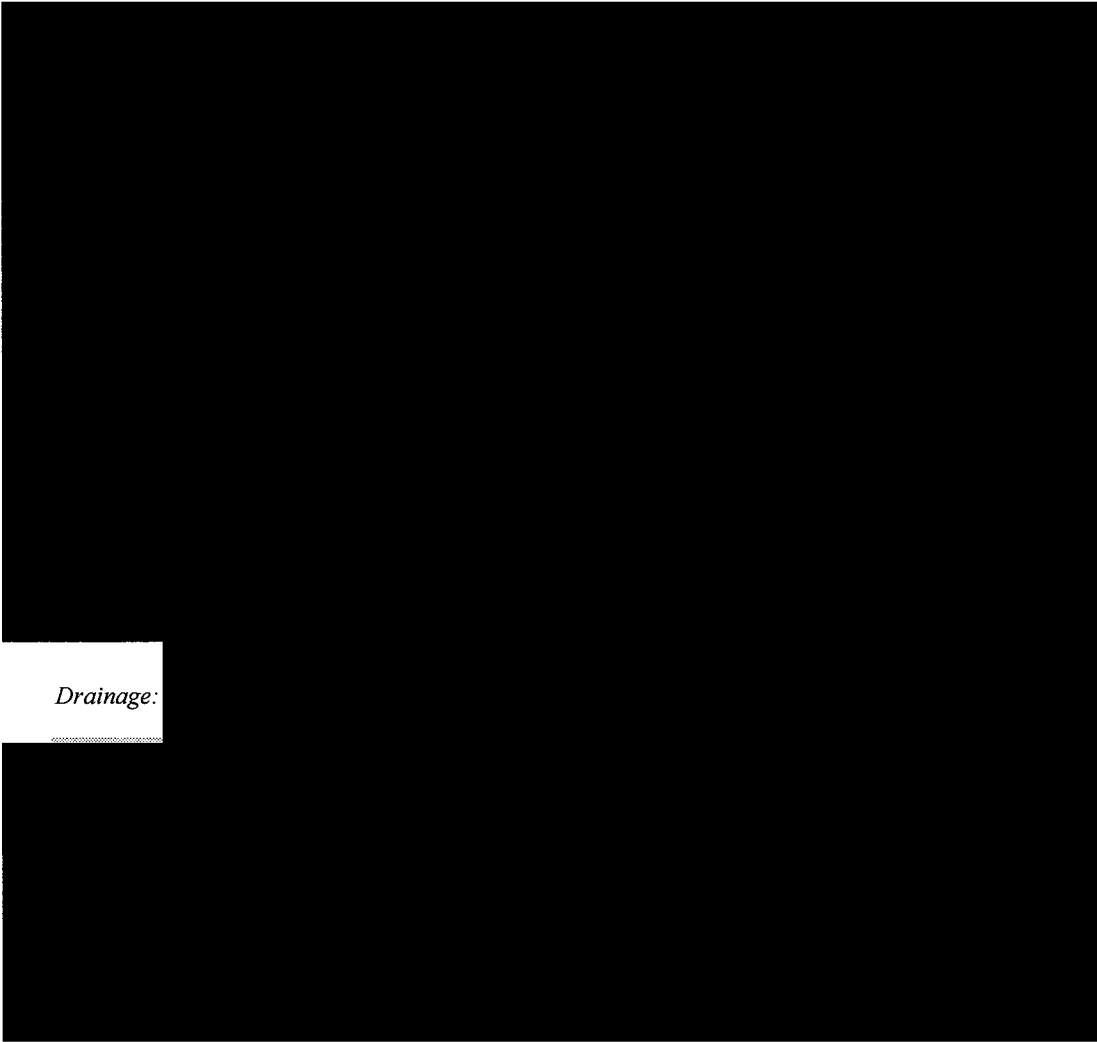
The RH will be monitored on a central system, allowing trouble shooting to happen if necessary on a daily bases. RH will be checked for all rooms every 4 hours and logged.

*Co2:* The benefits of carbon dioxide supplementation on plant growth and production within the greenhouse environment, Carbon Dioxide (CO<sub>2</sub>) 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 CO<sub>2</sub> 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 CO<sub>2</sub> enrichment. CO<sub>2</sub> supplementation will be used to expedite growth, however, this is not necessary in all steps of cultivation.



*Air Circulation:*

*Odor Control:*



*Drainage:*

*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.



*Power*

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

All power is estimated at 220V

Estimated Year KWH

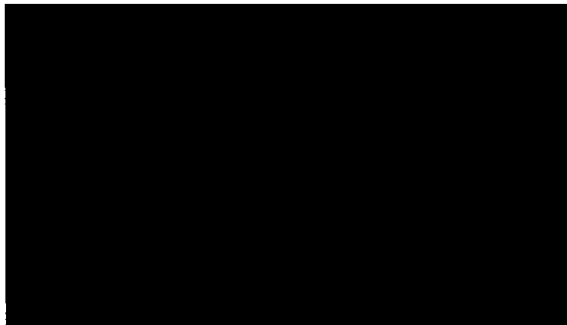
Lighting for cultivation area

Receptacles for cultivation

Lighting for manufacturing area

Receptacles for manufacturing area

HVAC for entire building



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 [redacted] soil in planting mediums in order to provide a solid

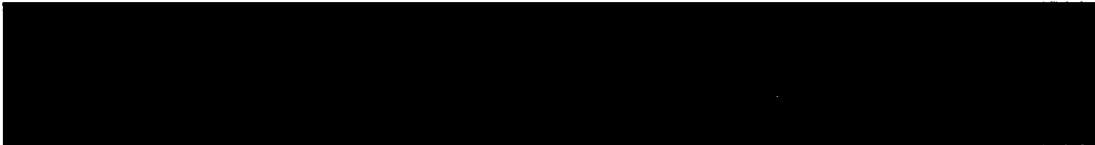
foundation for beneficial bacteria and fungal growth. These beneficial organisms provide all the aspects needed within the growing substrate to ensure plants reach MGP. The cultivation facility manager and each respective zone manager shall manage the application of organic soil composts and teas.

*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.

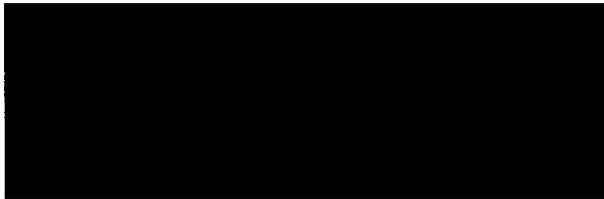
*Coco Coir:* Coco coir with a top drip-feeding system is the recommended replacement for hydroponic gardening as it solves every problem associated with hydroponics and can achieve similar results. Hybrid system utilizes coco coir as a component while still utilizing an organic base for additional terpene 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:



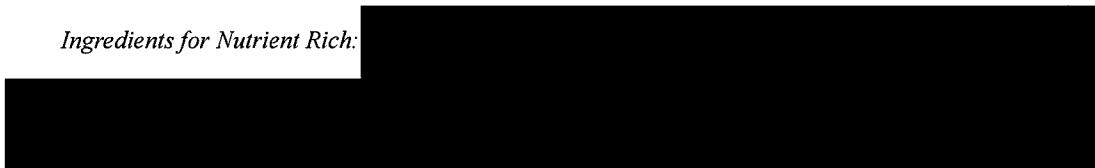
*Moisture/Water Holding Capacity:* A good growing medium will have ample water holding capacity and still be porous enough to allow excess water to drain away. In cannabis gardening, coconut coir is a perfect inert substrate that will hold water. It is imperative to strive towards the perfect balance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



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

*Ingredients for Nutrient Rich:*



*Ratio:*

*Directions:*

*Compost Tea:*

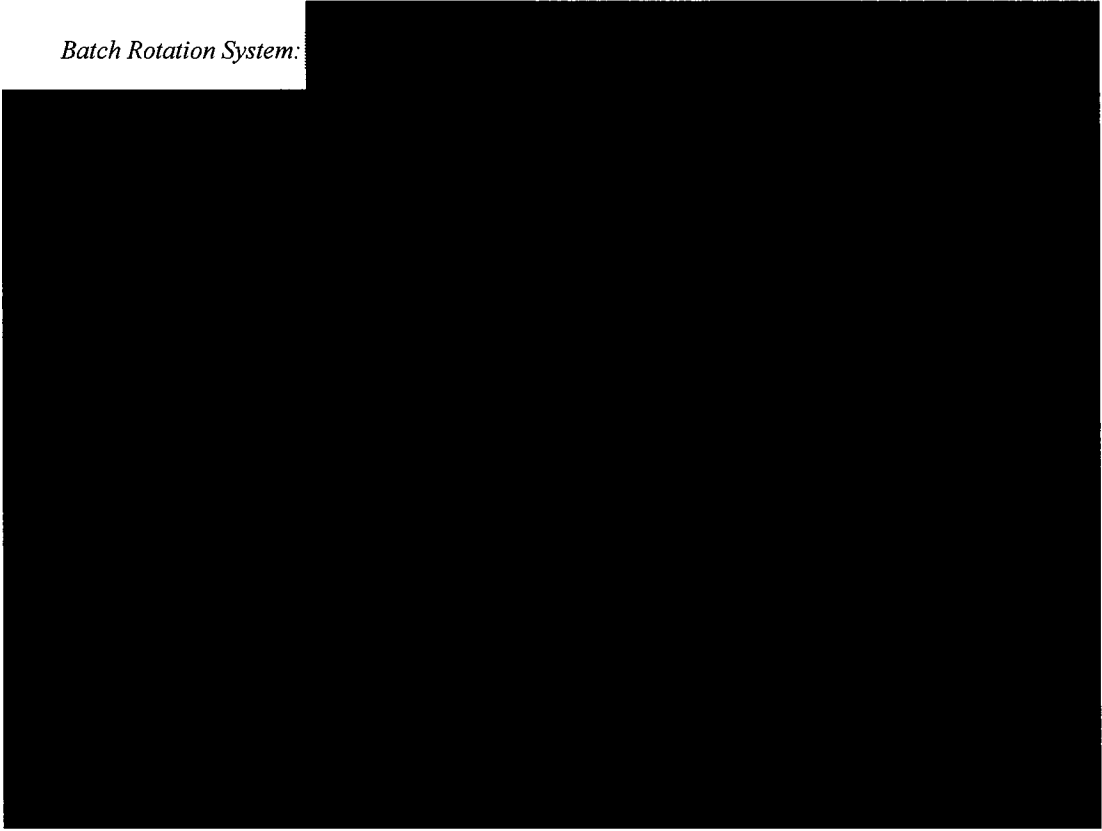
*Organic Nutrients:* Organic bottled nutrients: 100% OMRI certified bottled nutrients will be

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.

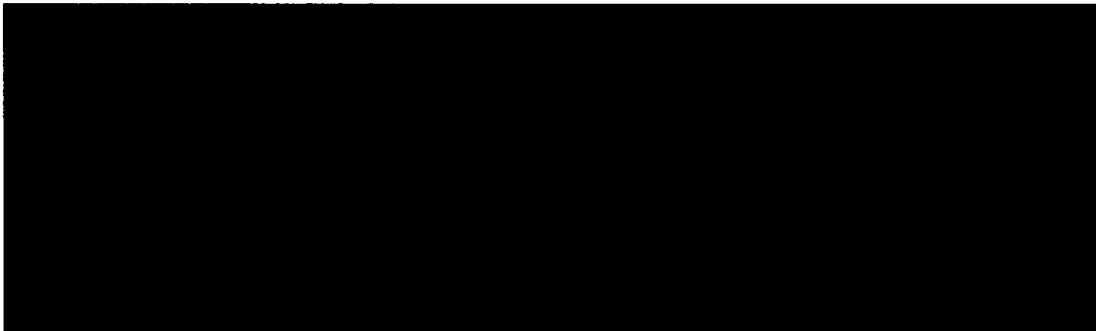
*Batch Rotation System:*





*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.



*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:*

*Cloning Medium:*

Procedure for taking Clones:

*Watering Clones:*

*Transplanting Clones:*

*Early Vegetative Phase 1 (P1):*

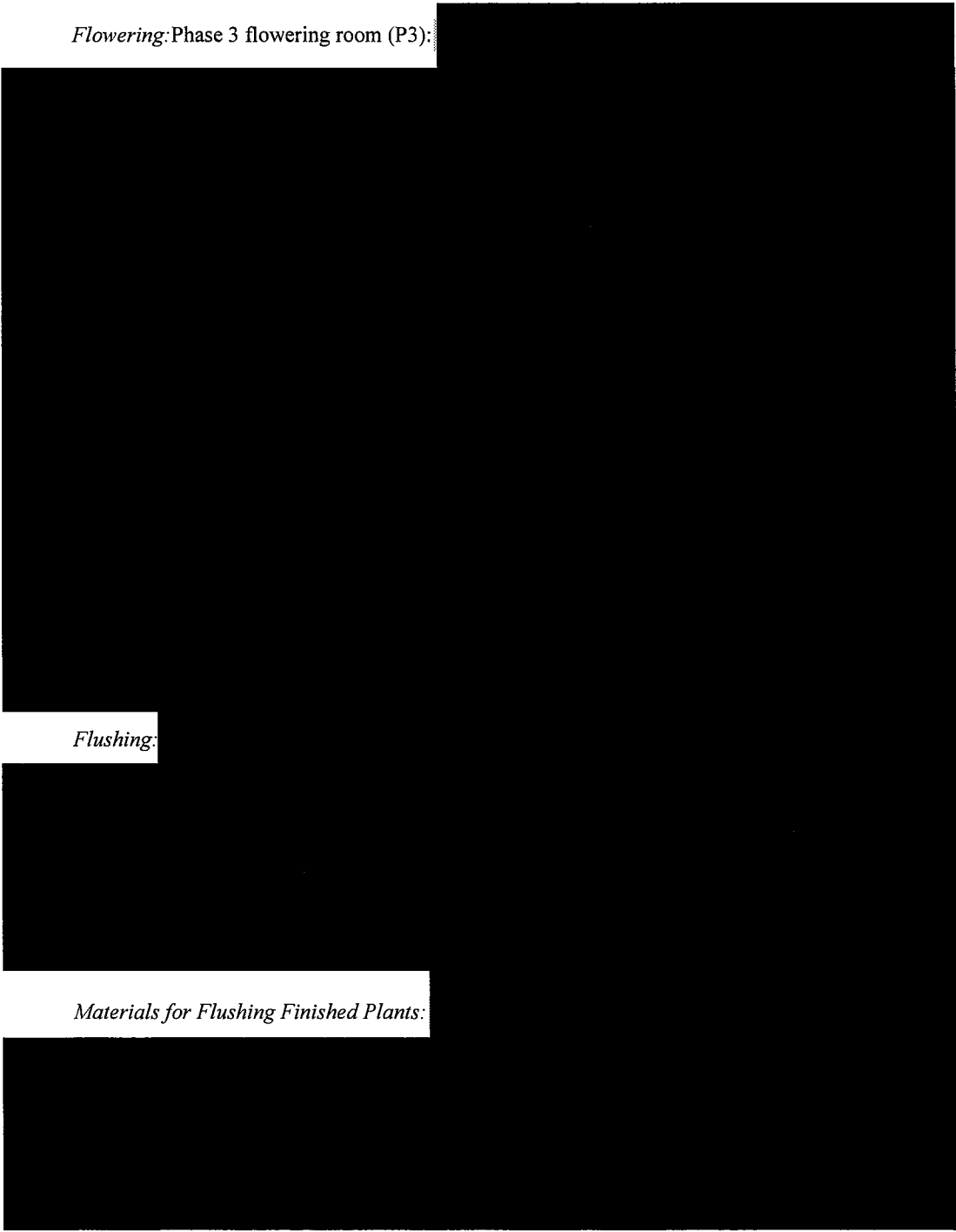
*Transplant P1:*

*Watering Transplants:*

*Late Vegetation:*

*Transplant P2:*

*Flowering:* Phase 3 flowering room (P3):



*Flushing:*

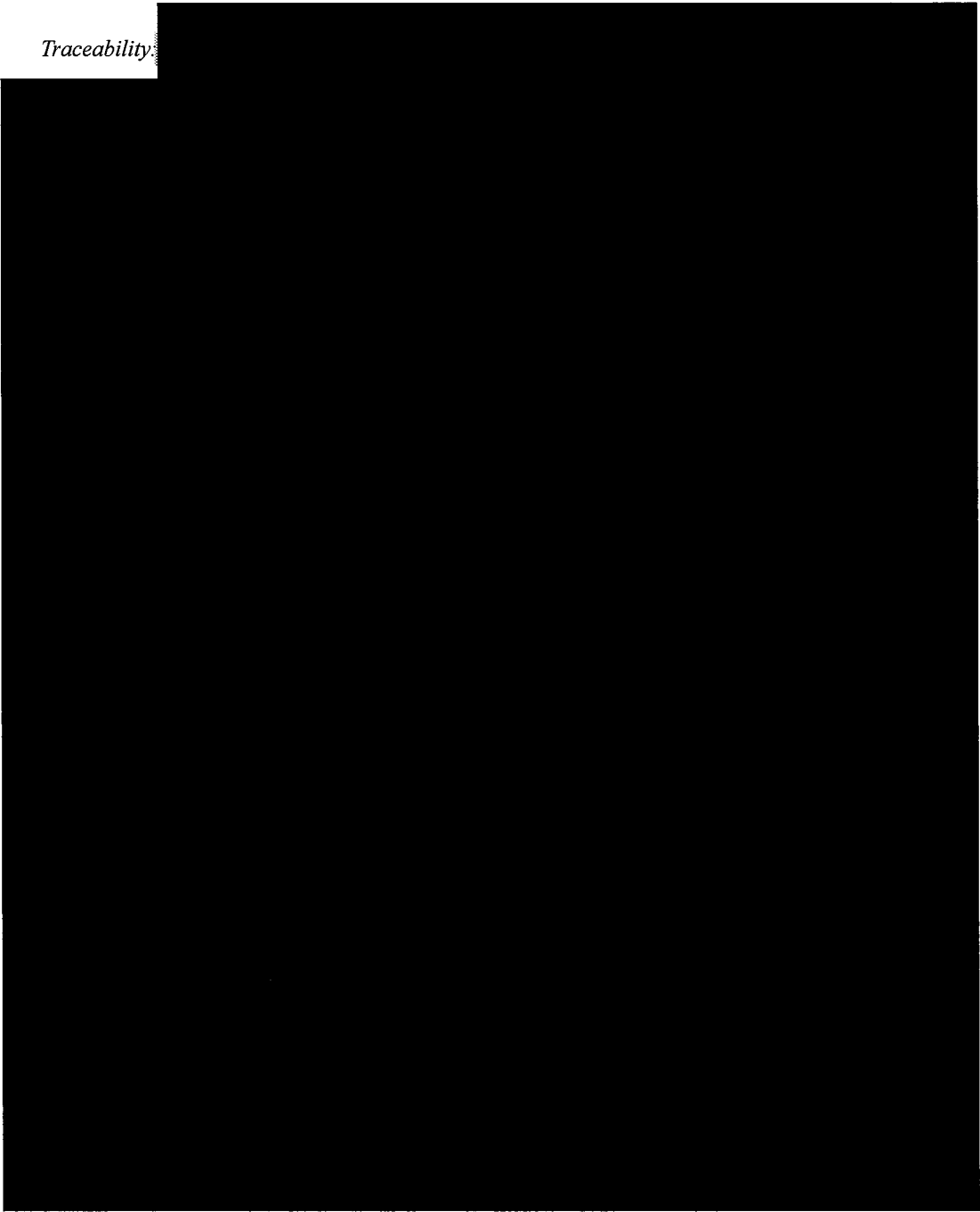
*Materials for Flushing Finished Plants:*

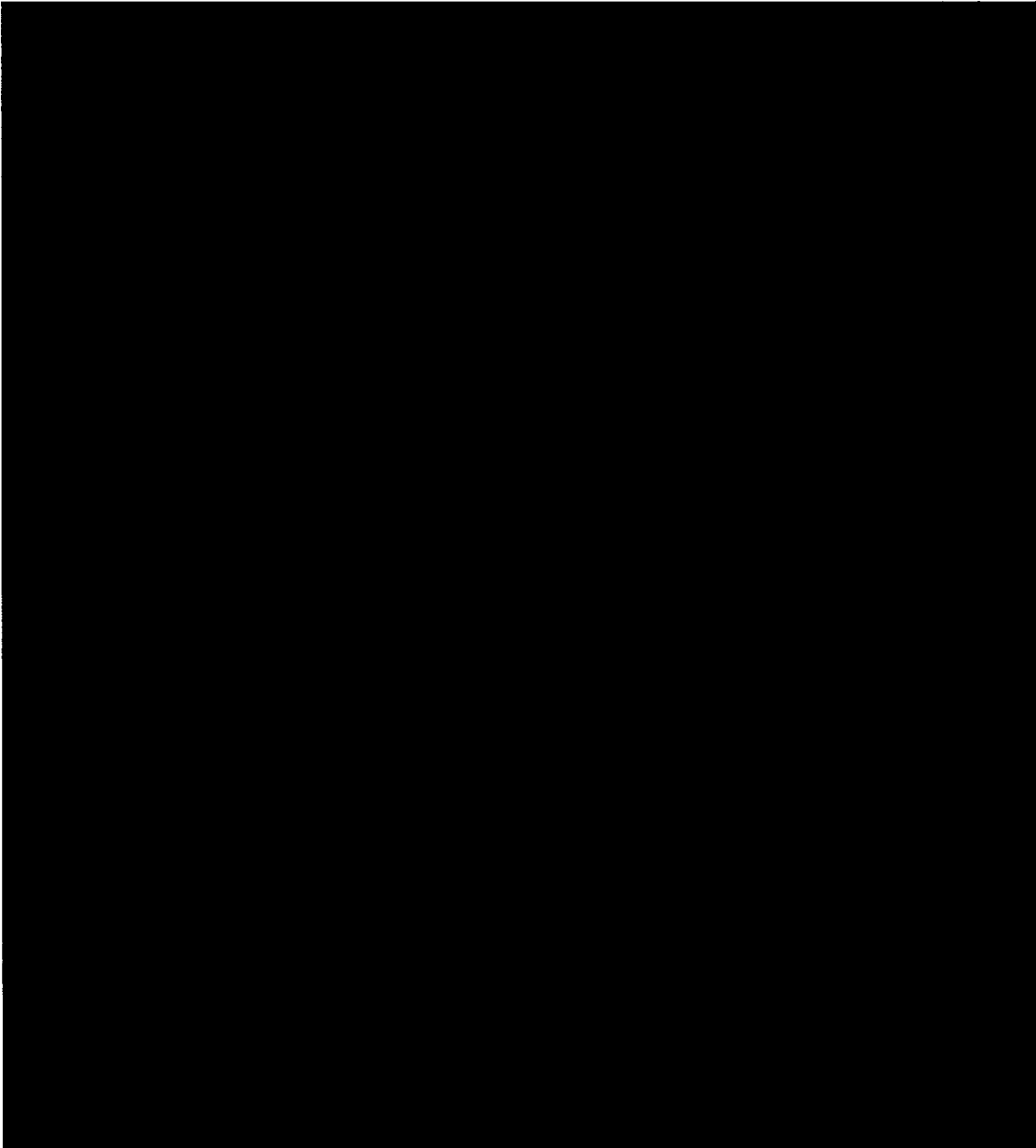
*Harvesting:*

*Drying:*

*Batch Segregation:*

*Traceability:*

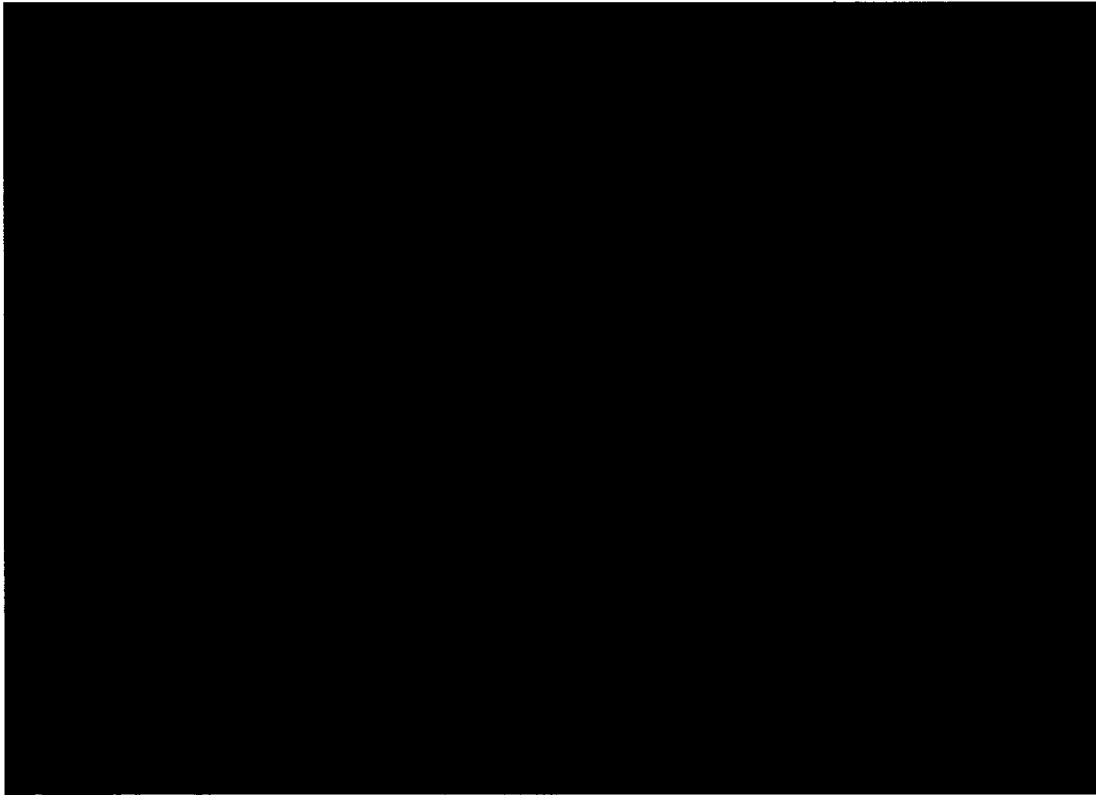




*Preparing Inventory for Delivery:*

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.





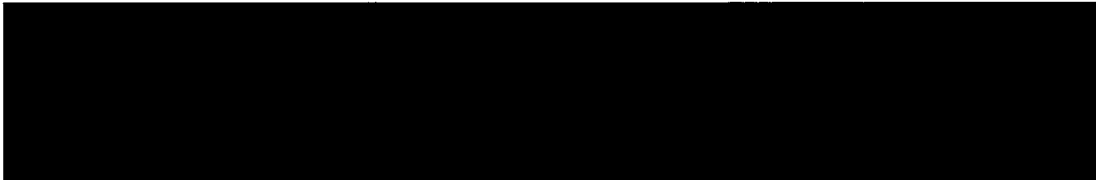
*Transportation:* All applicable state and local laws and regulations will be strictly adhered to by all organization team members.

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.



#### 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.

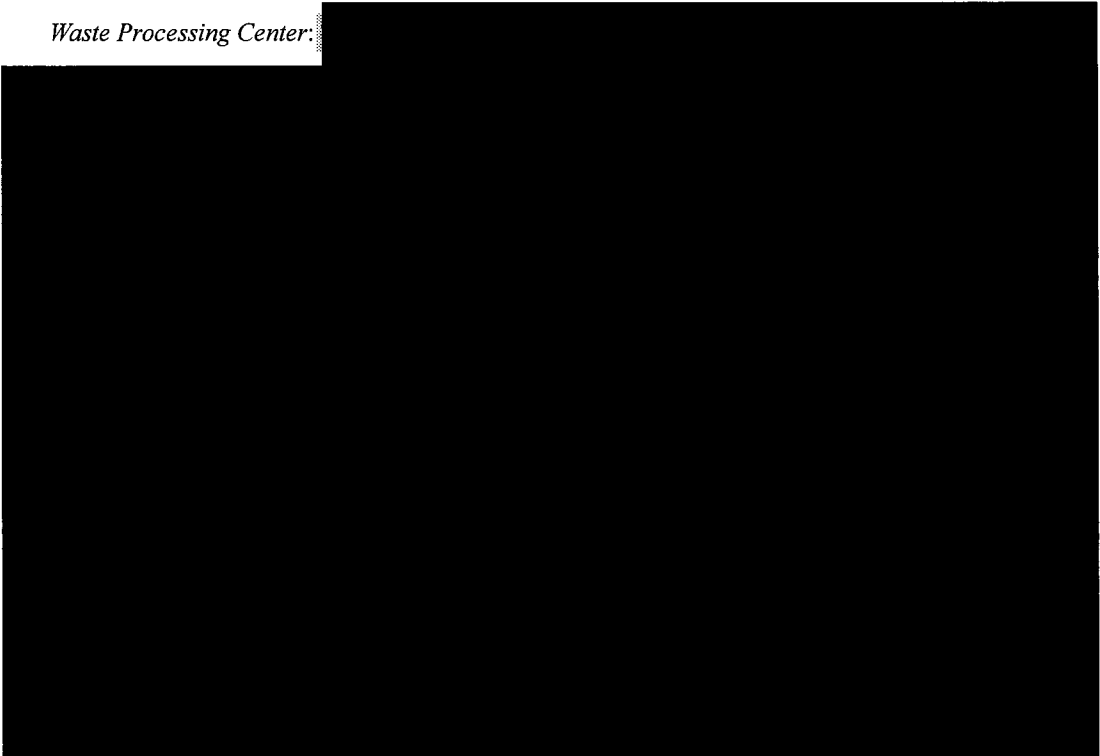
La'au Pono's policy is to maintain a safe and healthy working environment at all times, and to comply with Occupational Safety and Health Administration (OSHA) regulations as well as state and local safety requirements.

#### 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:*

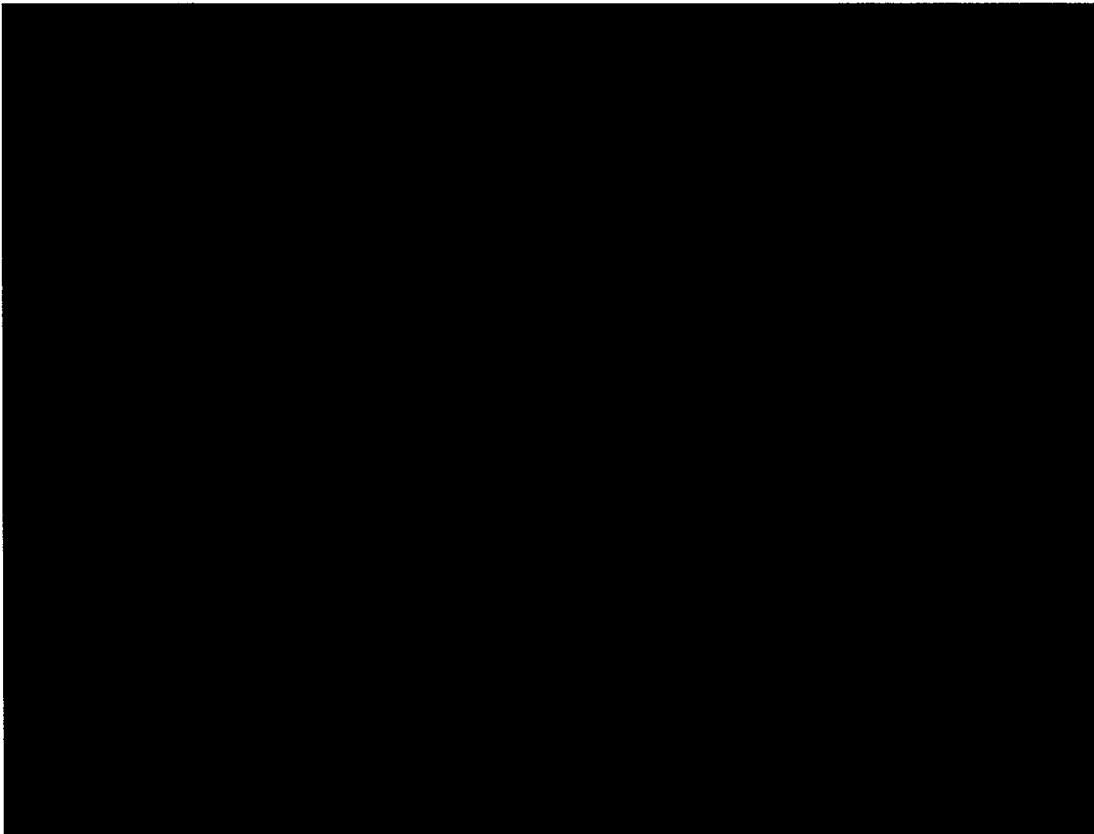


Preparation of waste shall be contained within the secured processing center in order to prevent any cross-contamination with any cultivation areas or product processing areas, and to avoid any possibility of product diversion.

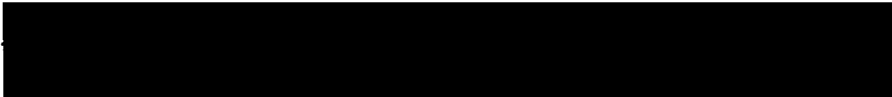
*Disposing of Waste:* A minimum of seven days prior to rendering the secured green waste unusable and disposing of said waste, employees of La'au Pono manufacturing Facility team shall utilize the traceability system built into the BioTrackTHC software, to notify the

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



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**

BioTrackTHC Software



1/12/2015

Reference: BioTrackTHC Support Document  
Hawaiian Ethos, LLC

Dear Chris,

BioTrackTHC provides effective cutting - edge technology solutions for the emerging legal marijuana industry. Solutions that not only prevent product theft, but assist business owners in running their cultivation, processing, packaging, and retail operations more profitably and more legally compliant. Furthermore, this is all done 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. Subsequently, because it is a server - based system with advanced security features, customers can rest assured that no one,- not even the BioTrackTHC team,- can access their business or consumer information without their permission.

This document confirms BioTrackTHC's intentions to enter into a formal agreement with Hawaiian Ethos, LLC to provide software solutions guaranteed to meet published Hawaii Department of Health reporting, regulation, and compliance guidelines for cannabis production facilities in the event that an authorized license is obtained.

Thank you for your consideration of BioTrackTHC. We are eager to assist you in your efforts to acquire a license and look forward to entering into a software solution agreement with you upon receipt of that license.

Best Regards,

A handwritten signature in black ink, appearing to read 'Moe Afaneh', with a stylized flourish at the end.

Moe Afaneh  
Chief Operating Officer



### Hawaii HB 321

- (A) Secure inventory tracking and control;
- (B) Protecting confidential customer information;
  - (1) Ability to comply with the requirements in this chapter and chapters 329 and 3290, HRS, for inventory tracking, security, and sales limits for qualifying patients;
    - (1) Ability to maintain confidentiality of a qualifying patient's medical condition, health status, and purchases of marijuana or manufactured marijuana products;
  - (2) Ability to comply with the requirements for certified laboratory testing on marijuana and manufactured marijuana products pursuant to this chapter and sections 3290-7 and 3290-8, HRS;
  - (3) Ability to comply with requirements for signage, packaging, labeling, and chain of custody of products;
  - (4) A plan for secure disposal or destruction of marijuana and manufactured marijuana products;

*BioTrackTHC™ enables the business to collect, store, and retrieve all data and activity -- with respect to inventory records, quality assurance/laboratory testing, supplier records, patient records, client-records, employee records, recall reports, quarantine and waste reporting, sales/transaction records, disposal records, and all scanned documents -- at any time, in real time, either in-system or through the report generation tool. The System is able to record transfers of small amounts of marijuana product to a laboratory for testing. Input may include fields including but not limited to: date of transfer, transferred by, order number, source license number, laboratory name, laboratory license number, and list of transferred products including product ID, product name, lot and/or batch number, and quantity. BioTrackTHC creates a 16 digit non-repeatable identifier for each plant. This identifier is printed onto a barcode that is affixed to the plant and will remain associated with this given plant throughout its lifecycle. A user can trace the lineage of any product all the way back to the plant from which it derived. Any action performed by an employee is stored within the system indefinitely and is searchable.*

- (a) A dispensary licensee shall not transfer any marijuana or manufactured marijuana products to any other dispensary.
- (b) A dispensary licensee shall not accept any marijuana or manufactured marijuana products from any other dispensary.

**NO pre-rolls, no samples, no paraphernalia****§11-850-35 Employee records**

(a) A dispensary licensee shall have available at each dispensary facility a time clock or other adequate method to record the month, day, year, and time that each employee arrives at and leaves the facility.

(b) Time record entries shall be made at the time an employee reports for duty and again when the employee goes off duty and at any time the employee leaves and returns to the premises for any reason.

(c) A dispensary licensee shall maintain all employee records, including the specific employee training provided and hours worked.

*The Time Clock function within BioTrackTHC records the date and time that every employee clocks into and out of the system. A manager can be granted the permission within the system to modify the clock in/out times for an employee in the event of an error or someone forgetting to clock out.*

**§11-850-36 Transport**

(a) A dispensary may transport marijuana and manufactured marijuana products between its facilities, and between its facilities and a laboratory for testing.

(b) Only employees designated by the dispensary licensee, who are trained and knowledgeable on the transportation protocols required by this chapter, shall transport marijuana and manufactured marijuana products. Every transport of marijuana and manufactured marijuana products shall be accompanied by at least two employees.

(c) Each time marijuana and manufactured marijuana products are transported, the dispensary licensee shall prepare a manifest on a form prescribed by the department that lists the elements required by the department's tracking system. A dispensary licensee shall only transport marijuana or manufactured marijuana products that are listed on the manifest. A dispensary licensee shall transport marijuana or manufactured marijuana products in secured containers. The dispensary licensee shall include a copy of the manifest in the interior and on the exterior of the container.

(b) Upon receipt of marijuana and manufactured marijuana products the dispensary licensee or the laboratory shall immediately report to the department any discrepancies between what is received and what is on the manifest.



- (c) The designated employees transporting marijuana and manufactured marijuana products shall not stop at a location not listed on the manifest.
- (d) The dispensary licensee shall transport marijuana and manufactured marijuana products using routes that reduce the possibility of theft or diversion.
- (e) A dispensary licensee shall not transport marijuana or manufactured marijuana products:
  - (1) Off site to qualifying patients or to primary caregivers;
  - (2) To another county or another island within the same county; or
  - (3) To, from, or within any federal fort or arsenal, national park or forest, any other federal enclave, or any other property possessed or occupied by the federal government.

***BioTrackTHC provides functionality for Cultivators, Processors and Dispensary Licensees to create transfer manifest documents. Transfer manifests will be stored and tracked by the System. Input data may include, but is not limited to, the following fields: ship from name, license number and route description. For each item include destination address, destination name, license number, address, product description, product ID and lot number, quantity and units of measure. Transfer manifests will be used as shipping documents for transfers between locations within an organization or sales between Licensees.***

- (b) A dispensary licensee shall give the department access to all parts of the dispensary property, equipment, records, documents, and any other substance, material, or information relevant to ensure the dispensary licensee's compliance with this chapter, upon request.

***BioTrackTHC™ enables the business to collect, store, and retrieve all data and activity -- with respect to inventory transfers, inventory-tracking records, supplier records, patient records, client-records, employee records, recall reports, quarantine and waste reporting, sales/transaction records, disposal records, and all scanned documents -- at any time, in real time, either in-system or through the report creation tool.***

#### §11-850-38 Reports.

- (a) A dispensary licensee shall submit quarterly reports on January 15, April 15, July 15, and October 15.

If the due date for submitting a quarterly report falls on a Saturday, Sunday, or State holiday, the report will be on time if it is submitted on the next day that is not a Saturday, Sunday, or State holiday. Reports shall be submitted on a form and in a manner prescribed by the department.

- (b) Reports shall include but not be limited to:
  - 1. Records of entry and exit for all individuals who entered a dispensary facility;



2. Amounts by category of marijuana produced and manufactured marijuana products manufactured and offered for sale;
3. Amounts by category of marijuana and manufactured marijuana products sold;
4. A list of all marijuana, manufactured marijuana products, or unusable marijuana materials that have been destroyed or will be destroyed;
5. A summary financial statement;
6. Laboratory results of all tests conducted;
7. Description of any breach or halt in its security system and tracking system; and
8. Any other information requested by the department.

***BioTrackTHC™ enables the business to collect, store, and retrieve all data and activity -- with respect to inventory transfers, inventory-tracking records, supplier records, patient records, client-records, employee records, recall reports, quarantine and waste reporting, sales/transaction records, disposal records, and all scanned documents -- at any time, in real time, either in-system or through the report creation tool.***

#### §11-850-39 Audits

- (a) A dispensary licensee shall obtain an independent financial audit annually, at the dispensary licensee's expense, and shall provide a copy of the audit's findings to the department.
- (b) The report shall be completed and submitted to the department no later than sixty days prior to the end of the license expiration date, or at another time as the department may direct.
- (c) When a license is revoked, suspended, surrendered, or expires, a dispensary licensee shall file a final report thirty days following revocation, suspension, surrender, or expiration.

***In the course of doing business, a user can perform inventory audits to confirm or adjust what's showing in your inventory and what the user actually has on hand. After clicking on the Inventory Audit icon a list will populate showing all of the items for inventory in the current inventory room. If the user wishes to run a "Blind Audit" this will prevent the employee from seeing the original weights or any differences. The Inventory Shrinkage report allows you to total loss across various products for a given time period with a threshold to ignore adjustments outside of a certain increment (mistakes).***

#### §11-850-41 Record retention.

- (a) A dispensary licensee shall retain for a minimum of six years business operation records including but not limited to:
  - (1) Inventory tracking including transport of marijuana and manufactured marijuana products;





- (2) Sales and compliance with dispensing limitations for each qualifying patient and primary caregiver;
- (3) Financial records including income, expenses, bank deposits and withdrawals, and audit reports;
- (4) Logs of entry and exit for dispensary facilities; and
- (5) Employee records.

(b) A dispensary licensee shall retain for a minimum of one year all security recordings.

***BioTrackTHC™ enables the business to collect, store, and retrieve all data and activity. All inventory records, patient records, recall reports, sales/transaction records, product disposal records, and all scanned documents can be accessed at any time (real time), either in-system or through the report creation tool. Though system actions can be adjusted or voided, at no time is any data ever fully deleted as BioTrackTHC™ maintains a log of every action, including adjustments and voids, so that the entire history of the system may be reconstructed. The availability and report ability of the system data enables the said entity to produce any information necessary for the Department during an inspection or at the Department's request.***

#### §11-850-42 Allowed quantities for dispensing.

(a) A dispensary licensee may dispense to a qualifying patient or primary caregiver any combination of marijuana or manufactured marijuana products that shall not exceed four ounces of marijuana during a period of fifteen consecutive days, and shall not exceed eight ounces of marijuana during a period of thirty consecutive days .

(b) Consistent with section 11-850-61, a dispensary licensee shall determine the quantity of marijuana or manufactured marijuana products purchased by a qualifying patient or primary caregiver from any other licensed dispensary within the state and shall not sell any amount of marijuana or manufactured marijuana products to that qualifying patient or primary caregiver of a qualifying patient that exceeds the limits identified in this chapter.

***Within "Sales Limits" a user can regulate the permissible quantities allotted to a patient or caregiver.***

#### §11-850-43 Disposal or destruction.

(a) A dispensary licensee or laboratory certified by the department to test marijuana and manufactured marijuana products shall dispose of or destroy unused, unsold, contaminated, or expired marijuana or manufactured marijuana products, or waste products resulting from the



cultivating or manufacturing process, including any inventory existing at the time of revocation or surrender of a license, in a way that assures that the marijuana or manufactured marijuana product does not become available to unauthorized persons and is documented as subtracted from inventory.

(b) A dispensary licensee shall destroy or dispose of unused, unsold, contaminated, or expired marijuana or manufactured marijuana products by a means prescribed by the department or the department of public safety narcotics enforcement division administrator.

(c) A dispensary licensee shall establish written policies and procedures to be followed by all of its employees for the disposal or destruction of unused, unsold, contaminated, or expired marijuana and manufactured marijuana products.

*During or after a Harvest or Cure, a user would create a batch for the "green waste" which would include broad leaf trim, and stems that weren't going to be converted into a concentrated format. All waste would be weighed, given it's own 16-digit barcode, which is permanently stored in the system prior to it being destroyed. When a BioTrackTHC user sends a sample for Quality Assurance testing and the sample does not meet minimum standards, a user may; 1) Place the product into quarantine for destruction, or, 2) Convert the product into a different format. If the user converts the non-conforming sample and originating lot, the new converted product must be retested.*

#### §11-850-61 Tracking requirements

(a) A dispensary licensee shall track electronically the dispensary's inventory of marijuana and manufactured marijuana products through each stage of processing, from propagation to point of sale, disposal, or destruction, and maintain a record of clear and unbroken chain of custody at all stages, including during transport of the inventory between dispensary facilities and between a dispensary facility and a laboratory.

(b) A dispensary licensee shall track electronically all sales of marijuana and manufactured marijuana products to qualified patients and primary caregivers from all dispensaries in the State, to ensure that no sales are authorized in excess of legal limits, as set out in section 3290-7, HRS, and shall have a sales system that automatically prohibits sales in excess of the legal limits and that cannot be overridden manually.

(c) A dispensary licensee shall acquire, operate, and maintain a secure computer software tracking system that interfaces with the department's computer software tracking system to allow the department real time, twenty-four hour access to the dispensary licensee's tracking system and inventory records. The dispensary licensee's tracking system shall capture and report all the data required by the department's tracking system.



(d) In the event of a breach or failure of its tracking system, a dispensary licensee shall suspend operations dependent on the tracking system until the tracking system is fully operable. The dispensary licensee shall notify the department immediately upon the breach or failure, and again when it resumes operations.

*BioTrackTHC™ enables the business to collect, store, and retrieve all data and activity -- with respect to inventory records, quality assurance/laboratory testing, supplier records, patient records, client-records, employee records, recall reports, quarantine and waste reporting, sales/transaction records, disposal records, and all scanned documents -- at any time, in real time, either in-system or through the report generation tool. The System is able to record transfers of small amounts of marijuana product to a laboratory for testing. Input may include fields including but not limited to: date of transfer, transferred by, order number, source license number, laboratory name, laboratory license number, and list of transferred products including product ID, product name, lot and/or batch number, and quantity. BioTrackTHC creates a 16 digit non-repeatable identifier for each plant. This identifier is printed onto a barcode that is affixed to the plant and will remain associated with this given plant throughout its lifecycle. A user can trace the lineage of any product all the way back to the plant from which it derived. Any action performed by an employee is stored within the system indefinitely and is searchable.*

## PRODUCTS AND PRODUCT STANDARDS

### §11-850-71 Marijuana.

(a) A dispensary licensee may dispense marijuana only in the form of dried matured processed flowers of female cannabis plants.

### §11-850-72 Manufactured marijuana products.

(a) A dispensary licensee may manufacture marijuana products limited to capsules, lozenges, pills, oils and oil extracts, tinctures, ointments, and skin lotions.

### §11-850-74 Equivalent weights for manufactured marijuana products.

(a) A dispensary licensee that produces manufactured marijuana products shall calculate the equivalent physical weight of the marijuana that is used to manufacture the product, and shall make available to the department and to consumers of the manufactured marijuana product the equivalency calculations and the formulas used.

(b) A dispensary licensee shall include the equivalent physical weight of marijuana on the label of the products offered for sale.



*BioTrackTHC is a complete inventory control system that also creates a searchable, secure, tamper-evident record of each and every action performed within the system. The name and address of the recipient, the quantity delivered, and the product name, potency, batch number, and lot number of the product can all be recorded for each distribution.*

## LABORATORY CERTIFICATION, TESTING, AND STANDARDS

### §11-850-81 Laboratory testing required.

A dispensary licensee shall not dispense marijuana or manufactured marijuana products unless a laboratory certified by the department pursuant to this chapter has tested the marijuana and manufactured marijuana products and they meet the requirements set out in this chapter.

### §11-850-85 Laboratory standards and testing

(a) A certified laboratory shall test a statistically representative sample from each batch of marijuana or manufactured marijuana products. The dispensary licensee shall maintain in a secure tamper-proof manner a similar sample from the same batch, for verification testing as directed by the department.

(a) A certified laboratory shall issue to the dispensary licensee and the department a certificate of analysis for each batch of marijuana and manufactured marijuana products tested for that dispensary; provided that a certified laboratory may only test and report on those things for which it is certified. The certificate of analysis shall include the results with supporting data for the following:

- (1) The chemical profile of the batch for the following compounds:
  - (A) 9 (delta 9) - Tetrahydrocannabinol (THC)
  - (B) Tetrahydrocannabinol Acid (THCA)
  - (C) Cannabidiol (CBD)
  - (D) Cannabidiolic Acid (CBDA)
  - (E) Cannabigerol (CBG)
  - (F) Cannabinol (CBN)
- (2) The presence of the following contaminants, which shall not exceed the following levels:
  - (A) Heavy metals:
    - (i) Arsenic 10.0 ppm
    - (ii) Lead 6.0 ppm
    - (iii) Cadmium 4.0 ppm
    - (iv) Mercury 2.0 ppm



- (B) Pesticides regulated by the U.S. Environmental Protection Agency: 1.0 ppm
- (C) Solvents:
  - (i) Butanes 800 ppm
  - (ii) Heptanes 500 ppm (iii) Benzene\*\* 1 ppm
  - (iv) Toluene\*\* 1 ppm (v) Hexane\*\* 10 ppm
  - (vi) Total Xylenes (m,o,p-xylene) 1 ppm

\*\* Contaminants in solvents
- (D) Any visible foreign or extraneous material, that is not intended to be part of the product being produced, including but not limited to mold, hair, insects, metal, or plastic;
- (E) Moisture content of plant material <15%
- (F) Microbiological impurities, including but not limited to:
  - 1. Total Viable Aerobic Bacteria:
    - a. Unprocessed and Processed Materials: 105 Colony Forming Unit (CFU)/g
    - b. C02 and Solvent Based Extracts: 104 CFU/g
  - 2. Total Yeast and Mold:
    - (a) Unprocessed and Processed Materials: 104 CFU/g
    - (b) C02 and Solvent Based Extracts: 103 CFU/g
  - (iii) Total Coliforms:
    - (a) Unprocessed and Processed Materials: 103 CFU/g
    - (b) C02 and Solvent Based Extracts: 102 CFU/g
  - (iv) Bile-tolerant Gram Negative Bacteria:
    - (a) Unprocessed and Processed Materials: 103 CFU/g
    - (b) C02 and Solvent Based Extracts: 102 CFU/g
  - (v) *E. coli* (pathogenic strains) and *Salmonella spp.*: Not detected in 1 g
  - (vi) *Aspergillus fumigatus*, *Aspergillus flavus*, *Aspergillus niger* : <1 CFU/g;
  - (vii) Mycotoxins: <20 µg (micrograms) of any mycotoxin per kg of material; and
- (3) Additional testing requested at the discretion of the department.



*The above information can all be generated within BioTrackTHC and reflected on the label for each product.*

(d) The certified laboratory may retest or reanalyze the sample or a different sample from the same batch by following its standard operating procedure to confirm or refute the original result, upon request by the dispensary licensee or upon request by the department at the dispensary licensee's expense.

(e) The certified laboratory shall return to the dispensary licensee or destroy in a manner approved by the department any samples or portions of samples of marijuana or manufactured marijuana products that remain after testing and analysis are completed.

(f) A certified laboratory shall create, and maintain for a period of at least five years, records of testing it conducts on marijuana and manufactured marijuana products, including but not limited to:

1. The time and date the sample was obtained;
2. A description of the sample, including the amount;
3. What tests were conducted on each sample;
4. The results of the tests including the certificate of analysis; and
5. Evidence of the time, date, and method of disposal or destruction of a sample after testing is completed, and the amount of sample disposed of or destroyed, or the time and date a sample was returned to a dispensary with a description including the amount;
6. and shall make all the records available to the department upon request.

(g) A dispensary licensee shall ensure that each sample is tested and analyzed for each of the items set out in subsection (c), and may obtain results from different laboratories for different items if a laboratory cannot perform all the tests.

(h) A dispensary licensee shall maintain records of all laboratory testing results including the certificate of analysis.

(i) The level of contaminants in marijuana and manufactured marijuana products shall not exceed the standards provided in subsection (c), and if any of the standards are exceeded, the dispensary licensee shall not dispense any portion of the batch of marijuana or manufactured marijuana product that does not conform to the standards.

(j) A dispensary licensee shall destroy a batch that does not conform to the testing standards set out in subsection (c) as indicated by the certificate of analysis; provided that a dispensary licensee shall quarantine a non-conforming batch until any retesting pursuant to subsection (d) is completed, after which the dispensary licensee shall dispose of or destroy the batch if the results of retesting confirm that the batch is non-conforming. For purposes of this section, quarantine means that the batch shall be separated from all other inventory and the quarantine status shall be indicated in the tracking system. The quarantine shall be lifted only by the department, and only upon



receipt by the department of a certificate of analysis indicating that the batch conforms to the testing standards set out in subsection (c).

*BioTrackTHC automatically syncs testing data upon receipt from a certified testing location. Testing will ensure the product is free of contaminants with consistent THC and/or CBD levels. Furthermore, every plant interaction is recorded, including but certainly not limited to what additives are used and when, allowing cultivators to replicate results or make applicable changes to increase plant quality and consistency. BioTrackTHC syncs testing data to the applicable plant batch or barcode for easy display and retrieval. To simplify the process that information can be directly ported onto the associated product labels.*

*All aspects of the marijuana plants, byproduct wastes, weights, ID numbers and associated data is stored in the system indefinitely. Destruction event information and explanations are also documented and stored within the BioTrackTHC system. This data cannot be modified or deleted by the cultivation center employees or even by BioTrackTHC.*

*BioTrackTHC records manual inventory adjustments through a detailed notes section. The reason for disposal and, if applicable, disposal company are recorded and archived to the 16 digit barcode associated with the disposed cannabis. As with all transactions in the BioTrackTHC system, the employee responsible for the transaction is required to enter a PIN number or biometric fingerprint recording the date, time, and reason for the transaction.*

#### §11-850-92 Packaging and labeling for retail sale.

(b) Each package shall be labeled using only black lettering on a white background with no pictures or graphics and shall include:

- (1) Information about the contents and potency of the marijuana and manufactured marijuana product, including but not limited to:
  - (A) Net weight in ounces and grams or volume; and for manufactured marijuana products, also the equivalent physical weight of the marijuana used to produce the manufactured marijuana product;
  - (B) The concentration of tetrahydrocannabinol or 9 tetrahydrocannabinol, total tetrahydrocannabinol and activated tetrahydrocannabinol-A, and cannabidiol;
- (2) The dispensary licensee's license number and the name of the production center where marijuana in the product was produced;
- (3) The batch number and date of packaging;



- (4) Includes a computer tracking inventory identification number barcode generated by tracking software;
- (5) Date of harvest or manufacture and "Use by date";
- (6) Instructions for use;
- (7) The phrases "For medical use only" and "Not for resale or transfer to another person";
- (8) The following warnings:
  - (A) "This product may be unlawful outside of the State of Hawaii and is unlawful to possess or use under federal law";
  - (B) "This product has intoxicating effects and may be habit forming";
  - (C) "Smoking is hazardous to your health";
  - (D) "There may be health risks associated with consumption of this product";
  - (E) "This product is not recommended for use by women who are pregnant or breast feeding";
  - (F) "Marijuana can impair concentration, coordination, and judgment. Do not operate a vehicle or machinery under the influence of this drug"; and "When eaten or swallowed, the effects of this drug may be delayed by two or more hours";
- (6) A disclosure of the type of extraction method, including any solvents, gases, or other chemicals or compounds used to produce the manufactured marijuana product; and
- (9) The name of the laboratory that performed the testing;
  - provided that the information in paragraphs (1) through (7) shall appear on the package, and the remainder may appear on a package insert or on the package.
  - (c) A dispensary licensee shall not label as organic any marijuana or manufactured marijuana product unless permitted by the United States Department of Agriculture in accordance with the Organic Foods Production Act.

***BioTrackTHC™'s label creation tool enables licensed producers to create custom container-client labels with any fields necessary to comply with applicable law. All aforementioned required fields can be added as variables. In addition to this a user can add custom disclaimers and warnings. The system will automatically print the container-client specific label upon completion of the sale.***







### Hawaii Medical Marijuana Dispensary License Application Support Document

The format of the application asks for one's education, knowledge and experience with the sections outlined below, among others. The information contained within this document is to be used to assist an applicant with answering the questions that fall within the scope of the capabilities of BioTrackTHC; i.e. inventory tracking, sales limits, labeling, etc.

**No guarantees or warranties, either expressed or implied, are associated with this document.**

**I) Secure inventory tracking and control**

All authentication is encrypted via industry standard SSL and hardware is managed and maintained internally. As with any system involving patient data, security is a top priority at BioTrackTHC. Each BioTrackTHC client utilizes the latest Secure Socket Layer (SSL) encryption technology to ensure a secure operating experience. All technology supporting remote access to the BioTrackTHC based solution can be described as fully secure and founded on current industry standards of strong authentication, encryption and HIPAA Compliance. Regardless of network connection type being wired/wireless or commercial/government ISP, the connection state is always encrypted end-to-end from browser to web server using Secure Socket Layer (SSL). Database connections are also encrypted via standard authentication + SSL. At no point in the network path will data be unencrypted.

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

- (1) A protocol for admitting qualifying patients or primary caregivers with valid government issued photo identification and medical marijuana registration cards issued pursuant to chapter 329, HRS, prior to allowing them access to the secured room for sales;**

This is the responsibility of the licensee.

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



## SUBCHAPTER 5 TRACKING REQUIREMENTS

### §11-850-61 Tracking requirements.

- (a) **A dispensary licensee shall track electronically the dispensary's inventory of marijuana and manufactured marijuana products through each stage of processing, from propagation to point of sale, disposal, or destruction, and maintain a record of clear and unbroken chain of custody at all stages, including during transport of the inventory between dispensary facilities and between a dispensary facility and a laboratory.**

The BioTrackTHC system is comprised of several components; all of which are designed to seamlessly integrate with one another. Recognized as the industry leader in seed-to-sale tracking, the BioTrackTHC producer, processor and retail tracking components are completely interoperable with one another. Whether the tracking requirements include plants, trimmings, waste, conversion, dispensing or anything in between; the BioTrackTHC system, in concert with its unique inventory typing system, can currently track anything the industry allows by law.

The BioTrackTHC System issues a globally unique, non-repeating 16-digit identification number to each plant. At every stage in the product lifecycle where something needs to be differentiated, the System issues a new “child” identifier (e.g., separating flower from stems during the harvest process, separating edible batches that are going to different dispensaries, the creation of new clones or seeds from a mother plant, etc...). The System issues the identifier to prevent accidental or intentional identifier duplication by the user, and the 16-digit identifier ensure scalability and longevity—the System could generate 1,000,000 identification numbers per second and it would not run out of unique identifiers for over 317 years.

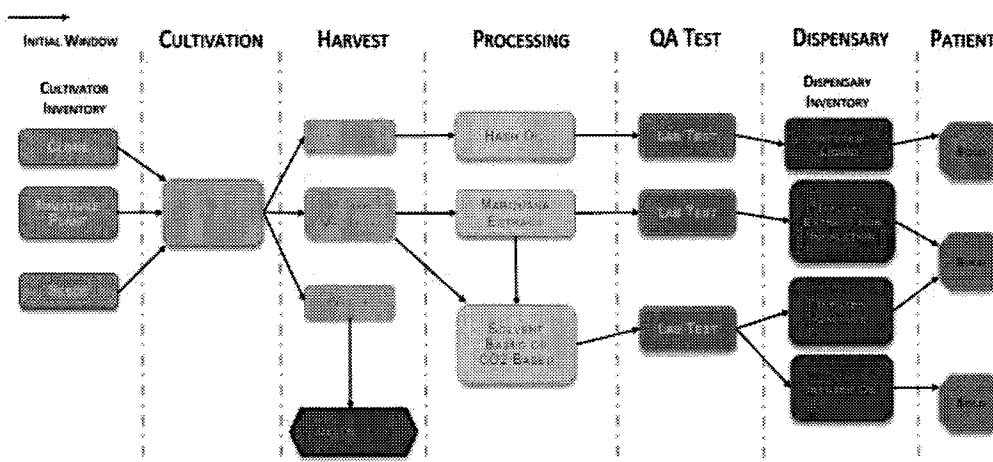
Every identifier is associated with a quantity that is measured in either discrete units or a weight depending on the item's classification; for example, plants, seeds, and infused edibles are measured in discrete units, whereas, bulk flower and stems are measured in continuous weight. This creates an unbroken audit chain. Select any identification number and both the State and the registered organization can backwards-trace the medical cannabis product's lineage all the way



back to the plant from which it came, and also forwards-trace every gram to where it is still in inventory, where it has been dispensed, to whom it was dispensed, and where it was destroyed.

As an example, if 100 grams were harvested from plant 98765: in this case, 2 grams were consumed by the testing laboratory, 8 grams were dispensed to patient Smith, 15 grams were dispensed to patient Jones, 55 grams are still in inventory, and 20 grams have been destroyed.

Laboratory testing is built-in and tied directly into the inventory typing system. This allows for very complex or very simple rules on what needs to be tested, what the testing requirements are, the pass/fail limits, etc. This testing paradigm provides a model for ensuring that only properly tested product may be sold to a patient. The system's integrated features can be setup to prevent the sale or transfer of product that has not passed state mandated laboratory tests, if necessary.



- (b) A dispensary licensee shall track electronically all sales of marijuana and manufactured marijuana products to qualified patients and primary caregivers from all dispensaries in the State, to ensure that no sales are authorized in excess of legal limits, as set out in section 3290-7, HRS, and shall have a sales system that automatically prohibits sales in excess of the legal limits and that cannot be overridden manually.

Within "Sales Limits" a BioTrackTHC user can regulate the permissible quantities allotted to a patient or caregiver. The system stores patient purchases and cross-references with any Department defined limits. As the system will be recording every transaction, this data can be



parsed, filtered and reported against at any time. The system can also issue stop purchase alerts if a patient attempts to exceed said defined limits and disallow the completion of such a sale.

In the event that a patient has exceeded their purchasing limit; the retail dispensing location will be notified within the Tracking System that the patient has exceeded their sales limit; in response, the System will issue a stop purchase alert. The System does not allow for a retail dispensing location to transact with a patient that has exceeded their pre-defined sales limit.

**Sales Limits**

**Instructions**

Here you can set various sales options including whether or not employees are alerted if they are attempting to make a sale of a medicated item before or after any potential legal time periods.

If you do not wish for alerts to be issued, simply ensure that Enabled is unchecked.

You may also change the default customer sales limit.

**Sales Hours**

☒ Enabled

Before 8 00 A.M. ▼

After 7 00 P.M. ▼

Action Block Sale ▼

**Sales Limits**

Usable Marijuana 1 Ounces ▼

Solid Edibles 16 Ounces ▼

Liquid Edibles 72 Ounces ▼

Marijuana Extracts 7 Grams ▼

Action Block Sale ▼

Cancel OK

- (c) **A dispensary licensee shall acquire, operate, and maintain a secure computer software tracking system that interfaces with the department's computer software tracking system to allow the department real time, twenty-four hour access to the dispensary licensee's tracking system and inventory records. The dispensary licensee's tracking system shall capture and report all the data required by the department's tracking system.**

BioTrackTHC is the winner apparent to the state contract for Hawaii's computer software tracking system for the medical marijuana dispensary system based on and in compliance with Chapter 329D HRS. BioTrackTHC's commercial software provides seamless data exchange integration between a licensee and the state's marijuana tracking system. There will be integration via the application program interface (API) between the registered organization's BioTrackTHC enterprise system and the state interface utilized by the Hawaii DOH. This will



allow data to be sent in real time, not only from the registered organization to the state, but it will allow the registered organization to retrieve transferred data by Hawaii DOH.

- (d) **In the event of a breach or failure of its tracking system, a dispensary licensee shall suspend operations dependent on the tracking system until the tracking system is fully operable. The dispensary licensee shall notify the department immediately upon the breach or failure, and again when it resumes operations.**

In the event of a loss of internet access, BioTrackTHC has the ability to operate in Offline mode. While operating in Offline mode a facility may continue to process sales with an on-site server, even if the internet connectivity goes down. When service is restored, all changes made in Offline mode will be updated and synced within the system.

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

BioTrackTHC provides record retention of patient data including purchases and medical information that is voluntarily offered by the patient. Confidentiality of a patient's medical information is the responsibility of the licensee and their staff.

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

**Labels for medical marijuana and medical marijuana products will be labeled using only black lettering on a white background with no pictures or graphics[i] and will include:**

- a) **Net weight in ounces and equivalent physical weight of the marijuana used to produce the product.**
- b) **The concentration of tetrahydrocannabinol or tetrahydrocannabinol, total tetrahydrocannabinol and activated tetrahydrocannabinol-A, and cannabidiol; as well as the name of the laboratory that performed the testing**
- c) **The dispensary licensee's license number and the name of the production center**
- d) **The batch number and date of packaging**
- e) **A computer tracking inventory identification number barcode generated by tracking software.**
- f) **Date of harvest or manufacture and Use By Date**
- g) **Instructions for use**
- h) **The phrases: "For medical use only"; "Not for resale or transfer to another person"; "This product may be unlawful outside of the State of Hawaii and is unlawful to possess or use under federal law", "This product has intoxicating effects and may be habit forming"; "Smoking is hazardous to your health"; "There may be health risks associated**



**with consumption of this product"; "This product is not recommended for use by women who are pregnant or breast feeding"; "Marijuana can impair concentration, coordination, and judgment. Do not operate a vehicle or machinery under the influence of this drug"; "When eaten or swallowed, the effects of this drug may be delayed by two or more hours"; and a disclosure of the type of extraction method including any solvents, gases, or other chemicals used (if applicable)**

BioTrackTHC's label creation tool enables licensees to create custom container-client labels with any fields necessary to comply with applicable law. All aforementioned required fields can be added as variables. In addition to this a user can add custom disclaimers and warnings. The system will automatically print the container-client specific label upon completion of the sale. The name and address of the recipient, the quantity delivered, and the product name, potency, batch number, and lot number of the product can all be recorded for each distribution.

The following list contains the fields already integrated into BioTrackTHC. Should the State desire additional fields, BioTrackTHC will create and implement those fields per request.

- Custom Text Fields
- Images
- Lines
- Additives
- Barcode
- Batch #
- Custom Batch #
- Customer MMJ #
- Customer Name
- Date
- Date and time
- Employee Name
- Employee License #
- Grow License #
- Harvest Date
- Inventory Grade
- License #
- MITS ID
- Package Date
- Package Weight
- Plant Birthdate
- Product Expiration
- Product Ingredients
- Product Name



- Strain
- Strain Type
- Testing Date
- Testing Lab
- Usable Weight
- Weight
- Test Results
  - All Available
  - CBC
  - CBD
  - CBD-A
  - CBG
  - CBN
  - D8-THC
  - D9-THC
  - D9-THC-A
  - H2O
  - Heavy Metals
  - Mold
  - Mildew
  - Total THC
  - Total Cannabinoids

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

The BioTrackTHC MMJ Tracking System tracks and reports on all disposal of marijuana and marijuana products within a licensed facility. The System allows for the adjustment of inventory quantities as the result of both non-sales operational activities (such as disposal, wastage, moisture loss, mistakes, and inventory audits) and external factors (such as theft and seizure by law enforcement). Data related to disposal information may include, but is not limited to: the amount disposed, reasons for disposal, day/time, identity of the employee(s) conducting the disposal, and manner of disposal in addition to all product-related data such as inventory classification, etc.

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

After a testing laboratory has entered sample test results into the System, the licensee retrieves the testing laboratory results and the System applies those results to the original lot from which





the sample came. Only if the inventory item has a status of "Passed QA" can it be placed on a manifest. A registered organization user cannot, under any circumstance, place an item on transportation manifest if that item requires testing and does not have a "Passed QA" status (e.g. not yet tested or failed testing).



3101 N. Federal Highway, Suite 400  
Fort Lauderdale, FL 33306  
Phone: (800) 797-4711  
Fax: (954) 206-0200

Quote: Hawaiian Ethos LLC  
Software, & Install  
Name Chris Whidden  
Date: 1/4/2016

License Types		Contract Term:	Contact:			
2 Med Dispensary License 1 Med Cultivation License		Month to Month	Steve Flaks			
Qty	Item	Description	Base Price	Dis \$	Unit Price	Total
2	Hawaii	Dispensary-MED				
1	Hawaii	Cultivation-MED				
	**Customer can have up to 21 installs**.					
3	Set- up and Install One time set up fee for all locations for installation, training.	Includes installation of software, deployment of SSL certificates, configuration of the server, additional training and technical support				
3	Monthly Cost Total for All Locations	Monthly subscription of BiotrackTHC software, full technical support and coverage, monthly updates to software, regulation changes.				
			<b>Subtotal</b>			
			<b>Tax</b>		TBD---	
			<b>Balance Due:</b>			

**Quotation valid for seven (7) days.**

To accept this quotation, sign here, and return: X \_\_\_\_\_ Date: \_\_\_\_\_  
Quotation prepared by:

Due:	
------	--

**Quotation valid for seven (7) days.**

To accept this quotation, sign here, and return: X \_\_\_\_\_ Date: \_\_\_\_\_

Quotation prepared by:

# Hawaiian**Ethos**

Rocky Mountain Hardware

**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/rl for GC420d Printer (priced per roll)
BMB-F026151	RM-175 3 1/8x230' THERMAL RECEIPT ROLLS

CHECKOUT

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

PROCESS

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

OPTIO

ESTII

COMPLETE PACI



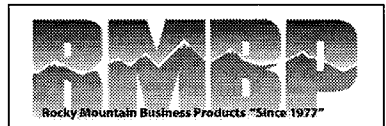
3101 North Federal Hwy,  
Fort Lauderdale FL, 33306  
800.797.4711  
[www.biotrackthc.com](http://www.biotrackthc.com)

### Supported Equipment Sheet

The following is a list of equipment that best supports the BioTrackTHC system. Based on our seven years of experience, we strongly recommend the use of the suggested equipment. State or country compliance requirements will dictate the specific medical marijuana dispensary equipment that's needed to support the BioTrackTHC system. Rocky Mountain High business Products or Green Thumb Industries will pre-load the BioTrackTHC software on your server and configure all your devices to ensure proper synchronization between your peripheral devices. All equipment is commercial grade quality, rigorously tested, with a proven track record of integration with our system.



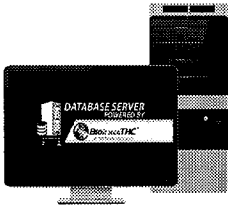
Allen Nguyen - 253.981.4132



Jay Tittman - 303.947.2020

*Below are the minimum specs required for server and terminals to ensure optimal performance of BioTrackTHC hardware and software. Please note, you can purchase equipment on your own or place an order with one of our vendors directly.*

#### Server/VPS Requirements



**OS**  
Windows 7 or better / Windows Server 2010 or better.

**Processor**  
Intel i5/Intel i7 2.0GHZ dual-core or faster with support for pae, nx, and sse2.

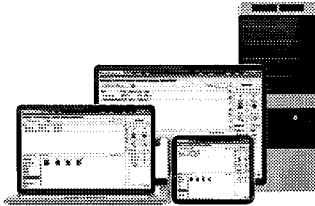
**RAM**  
6 GB or more (Based on 1-4 facility locations)

**HDD**  
1 TB (7200 rpm speed or better)

**VPS Server Providers**

[www.dotblock.com](http://www.dotblock.com)

#### Terminal Requirements



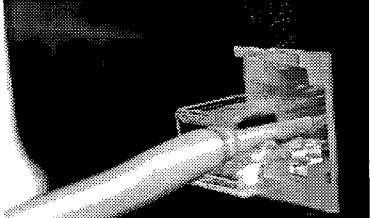
**OS**  
Windows 7 or better / Windows Server 2010 or better.

**Processor**  
Intel i5/Intel i7 2.0GHZ dual-core or faster with support for pae, nx, and sse2.

**RAM**  
4 GB or more

**HDD**  
200 GB+ (7200 rpm speed or better)

#### Internet Requirements



**Internet Access**  
Business-grade cable access or better. This applies to both Server and Terminal machines (ISP fees apply)

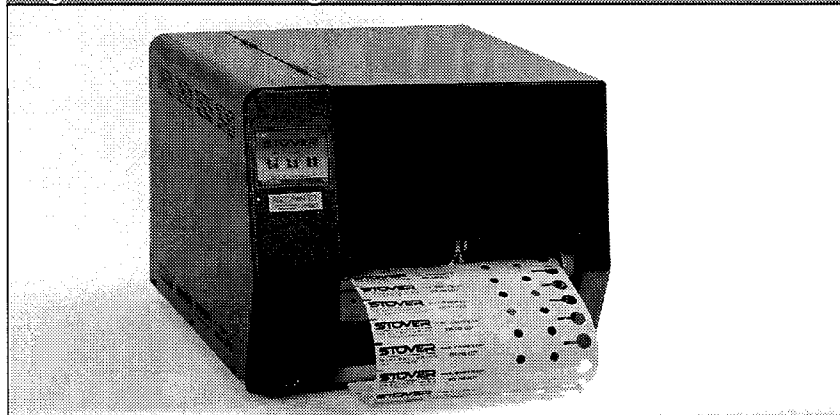
**Speed**  
25 MB - Download  
8 MB - Upload

*Questions or concerns don't hesitate to contact us at 1.800.797.4711*



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[www.biotrackthc.com](http://www.biotrackthc.com)

## High Volume Plant Tag Printer



Model

The Stover Manufacturing 4.25" Modified Thermal Printer

### Features

- Color LCD touch screen display
- Solid die cast Aluminum Chassis
- Will not rust or flex in harsh conditions
- 300 dpi near edge printhead
- Prints on heavy .020 and .022 poly tags
- Dual motor eliminates ribbon wrinkles
- Standard USB and Ethernet ports
- User setups eliminate manual calibration
- 4.25" Print Head
- Integrates completely with BioTrackTHC™

**STOVER**  
**THERMAL TAGS & LABELS**  
for NURSERY, GREENHOUSE, & RETAIL

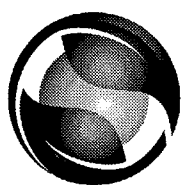
BioTrackTHC™ together with Stover Manufacturing have developed a high-volume Plant Tagging Solution for our customers with large operations and those interested in saving time and resources. The Stover Manufacturing 4.25" Modified Thermal Printer is a Horticultural Grade Printer that prints directly on a plant ready tag and integrates seamlessly with the BioTrackTHC™ software system while offering superior performance and reliability for heavy use.

This Stover Printer is an investment that will pay for itself in just a few months. At less than 10 cents per plant ready Stover Plant Tag, compared to Zebra's 30 cents per label assembly (label and plant tag), you could potentially reduce label costs by more than \$200 for every 1000 labels produced – not to mention the savings in time and labor.

**For complete pricing details contact Jeff at Stover Manufacturing at  
855-246-3227 and mention BioTrackTHC™**

Questions or concerns don't hesitate to contact us at 1.800.797.4711

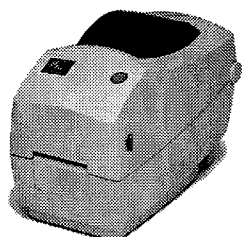




**BioTrackTHC™**  
The Only Seed to Sale Solution

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### Standard Label Printers



#### Model

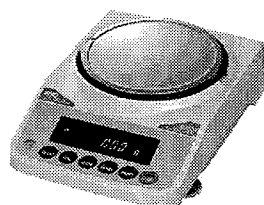
**TLP 2824 PLUS Thermal  
Transfer Desktop Printer**

#### Features

- Standard tear-off mode
- Head-up sensor
- Auto calibration of media
- Reset feature button

For more information [Click Here](#)

### Scales



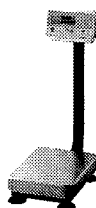
#### Model

**A&D FX1200iN**

#### Specs

<b>Weigh Modes:</b> g, oz, lb	<b>Capacity Levels:</b> 1220 x 0.01g
<b>Features:</b>	43.0 x 0.0005oz
Legal For Trade	2.68 x 0.00005lb
Parts Counting	
RS-232c	
NTEP Class II	

For more information [Click Here](#)



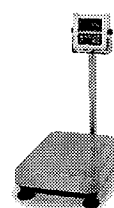
#### Model

**A&D FG-30KAMN NTEP**

#### Specs

<b>Weigh Modes:</b> lb, kg, oz	<b>Capacity Levels:</b> 60 lb x 0.02 lb
<b>Features:</b>	30 kg x 0.01 kg
Legal For Trade	960 oz x 0.5 oz
Parts Counting	
NTEP Class III	

For more information [Click Here](#)



#### Model

**A&D Washdown HV-60KWP**

#### Specs

<b>Weight Modes:</b> kg, lb, oz	<b>Capacity Levels:</b> 60/30/15 x
<b>Features:</b>	.02/.01/.005kg
Legal For Trade	150/60/30 x
Parts Counting	.05/.02/.01lb
RS-232c	480/960/2400 x
Washdown	0.2/0.5/1oz
NTEP Class III	

For more information [Click Here](#)

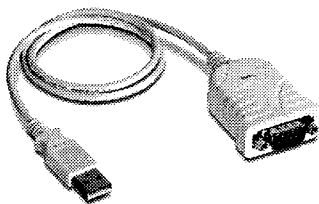
Questions or concerns don't hesitate to contact us at 1.800.797.4711



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### Cables and Adapters

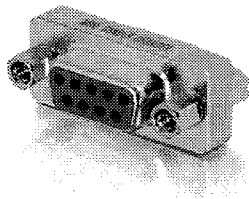


#### Model

TRENDnet TU-S9 USB to  
RS232 Serial Converter

#### Specs

USB to Serial converter is  
used to connect a scale  
to the terminal to therefore  
integrate it in BioTrackTHC



#### Model

Serial RS232  
Mini Gender Changer

#### Specs

Serial RS232 Gender Changer is  
used to connect the USB to Serial  
converted cable to back of scale.

### POS-X System



All the components can be sold  
separately and also include a 3  
year 2 business day replacement  
as a standard warranty.

To Download Drivers [Click Here](#)



#### Model

POS-X Xm95

#### Features

- USB or PS/2 Interfaces
- Velcro or Screw  
mounting options
- OPOS/JPOS compatible

For more information [Click Here](#)



#### Model

ION-TP3A-D4H3

#### Specs

15" ION TP3, Atom 1.86DC,  
4GB, 320GB HDD, WIN7PRO  
For more information [Click Here](#)



#### Model

ION-C16A-1B

#### Specs

ION Cash Drawer, 16x16,  
Black, Media Slot



#### Model

EVO-SG1-ALU

#### Specs

EVO Laser Bar-code  
Scanner, USB  
For more information [Click Here](#)



#### Model

EVO-PT3-2GUS

#### Specs

EVO Green Thermal Receipt  
Printer, Auto cutter, USB & Serial  
For more information [Click Here](#)

Questions or concerns don't hesitate to contact us at 1.800.797.4711



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800.797.4711  
[www.biotrackthc.com](http://www.biotrackthc.com)

### Barcode Scanners



#### Model

Motorola LI4278 - Cordless

#### Radio Specifications

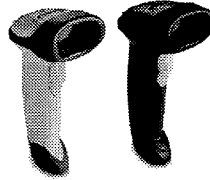
Radio type

Bluetooth

Radio range

330 ft./100 m (line of sight)

For more information [Click Here](#)



#### Model

Motorola Symbol LS2208  
(Not Cordless)

#### Specs

Interfaces Supported  
USB

For more information [Click Here](#)



#### Model

Unitech MS380 - Cordless

#### Specs

Radio type

2.4GHz Bluetooth, Class 1

Radio range

300 feet (open space)

For more information [Click Here](#)

### Receipt Printer



#### Model

STAR TSP100 Thermal  
RECEIPT PRINTER

#### Features

- All-in-one-box accessories and software
- Fast printing speed up to 125mm/sec
- Prints crisp, clear logos, coupons and barcodes
- Easy-to-use features
- Integrated power supply
- Lowest power consumption in its class

For more information [Click Here](#)

### Finger Print Scanner



#### Model

Futronic's FS80H / FS81H  
USB2.0 Fingerprint Scanner

#### Features

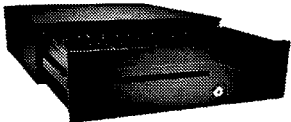

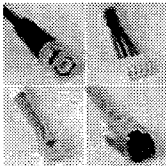
Futronic's FS80H USB2.0 Fingerprint Scanner uses advanced CMOS sensor technology and precise optical system to deliver high quality fingerprint image. It can capture an almost un-distorted raw fingerprint image into PC in 100ms. So it is good for any fingerprint recognition application.


For more information [Click Here](#)

Questions or concerns don't hesitate to contact us at 1.800.797.4711



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Fort Lauderdale FL, 33306  
800.797.4711  
[www.biotrackthc.com](http://www.biotrackthc.com)

Cash Drawer	Accessories	
		
Model	Model	Model
APG Series 100	Mounting Bracket	Cash Drawer Cable Splitter
Specs		
Dimensions 16"x16.7"x4.9" 16"x19.5"x4.9"		
Color Options Black White		
For more information <a href="#">Click Here</a>		

Portable Grow Cart

Model
Mayline® Empire Mobile PC Cart
Specs
Compact design offers ample space for computer equipment and supplies. Slide-out tray hides keyboard when not in use. Perforated CPU shelf allows ventilation of air. Color: Anthracite; Caster/Glide/Wheel: Four 2" Casters (2 Locking); Material(s): Steel; Overall Width: 29 3/4".

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Grow Terminal
Minimum Specs/Internet Access
Barcode Scanner Options
Motorola LI4278 - Cordless
Unitech MS380 - Cordless
EVO-SG1-ALU
Label Printer Options
The Stover Modified Thermal Printer (High Volume)
Zebra TLP 2824 PLUS (Low Volume)
Recommended
Mayline® Empire Mobile PC Cart
Optional
Futronic's FS80H / FS81H USB2.0 Fingerprint Scanner

Processing Terminal
Minimum Specs/Internet Access
Scale
A&D FX1200iN Approved in WA/CO/NV/AZ/OR
Scale Accessories (both needed for seamless integration)
TRENDnet TU-S9 USB to RS232 Serial Converter
Serial RS232 Mini Gender Changer
Label Printer
Zebra TLP 2824 PLUS
Optional
Futronic's FS80H / FS81H USB2.0 Fingerprint Scanner

Point Of Sale Terminal
Minimum Specs/Internet Access
POS-X all-in-one bundle
Scale
A&D FX1200iN Approved in WA/CO/NV/AZ/OR
Scale Accessories (both needed for seamless integration)
TRENDnet TU-S9 USB to RS232 Serial Converter
Serial RS232 Mini Gender Changer
Barcode Scanner Options
Motorola LI4278 - Cordless
Unitech MS380 - Cordless
EVO-SG1-ALU - Cordless
Motorola Symbol LS2208 (Not Cordless)
Cash Drawer Options
APG Series 100 + Accessories
ION Cash Drawer
Receipt printer Options
EVO-PT3-2GUS
STAR TSP100
Optional
Futronic's FS80H / FS81H USB2.0 Fingerprint Scanner

Harvest Terminal
Minimum Specs/Internet Access
Barcode Scanner Options
Motorola LI4278 - Cordless
Unitech MS380 - Cordless
EVO-SG1-ALU - Cordless
Scale Options
A&D FG-30KAMN NTEP
A&D Washdown HV-60KWP Approved in WA/CO/Canada
Scale Accessories (both needed for seamless integration)
TRENDnet TU-S9 USB to RS232 Serial Converter
Serial RS232 Mini Gender Changer
Label Printer
Zebra TLP 2824 PLUS
Optional
Futronic's FS80H / FS81H USB2.0 Fingerprint Scanner

Check in Station Terminal
Minimum Specs/Internet Access
Optional
POS-X Xm95 (magnetic stripe reader)
Futronic's FS80H / FS81H Fingerprint Scanner

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