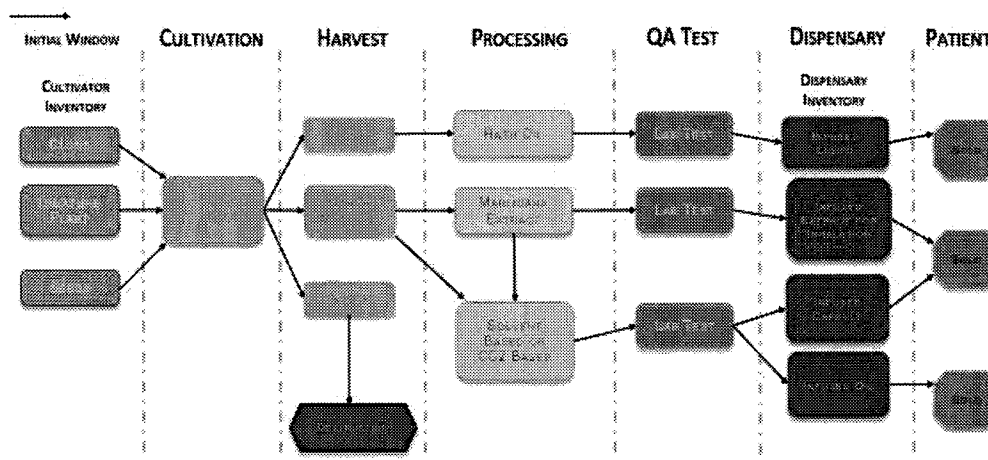




back to the plant from which it came, and also forwards-trace every gram to where it is still in inventory, where it has been dispensed, to whom it was dispensed, and where it was destroyed.

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.

- (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.				
			Subtotal			
			Tax			TBD---
			Balance Due:			

Quotation valid for seven (7) days.

To accept this quotation, sign here, and return: X _____
Quotation prepared by:

Date: _____

Due:

--

Quotation valid for seven (7) days.

To accept this quotation, sign here, and return: X _____ Date: _____

Quotation prepared by:

Ensuring Product Safety

Hawaiian Ethos will comply with all product safety measures in accordance with Chapter 11-850 and Sections 329D-8, 329D-10, 329D-11, HRS, both directly and through its production subcontractor, La'au Pono Inc. All relevant standards are specified in the La'au Pono subcontract. (See Appendix Pg 3-12 production agreement)

Cultivation Standards: Cultivation will be conducted under strict policies and procedures to ensure that all cannabis plant materials remain free of unwanted pathogens, contaminants, and foreign materials, which do not comply with the standards set forth in Chapter 11-850-85 (c)(2). Specific policies and procedures in place to uphold clean pharmaceutical grade cultivation standards are found in the La'au Pono operating guide (See Appendix Pg 13-59). They include: the use of gloves at all times when handling any plant materials; the use of hair and beard nets when working with plant materials at all stages; the use of sterilizing foot mats on entering the facility; required showering and basic decontamination practices for all employees coming into contact with plant materials; mandatory sterile gloves to be worn by employees handling plant materials; and device and tool sterilization policies. All employees handling marijuana products will be required to have pre-employment and annual TB screens. (See Appendix Pg 60-122 La'au Pono employee manual)

Manufacturing Standards: Hawaiian Ethos will maintain standards for manufacturing, which will create consistent, safe, cannabis-based medicines for patients. La'au Pono will extract and isolate a variety of cannabinoids, such as THC and CBD as well as other compounds, such as terpenes from cannabis plant materials using a state-of-the-art C02 extraction system designed by Eden Labs LLC (See Appendix Pg 123-139 C02 extractor). Packaged goods will be made from concentrated oils produced by the extraction system. Working under the guidance of

Hawaiian Ethos' Chief Science Officer Dr. Vernon Oi and in conjunction with advisers at Cannabis Capsules, (See Appendix Pg 140-167 Cannabis Capsule Consulting Group) who will provide support in extracting the cannabinoid mixtures and formulations, Hawaiian Ethos and La'au Pono will design specific product formulas, which can be calculated with a high degree of accuracy in order to make certain that specific amounts of active cannabis ingredients are in products. This measure ensures that patients receive precise dosages in all medical marijuana and marijuana infused products. The systems to be used to prepare and package marijuana products rely on food and pharmaceutical grade equipment, including but not limited to: Bosch (Model GKF702) High Accuracy Capsule Filling System, Reliance Brand 30ml Automated Liquid Glass Dropper Filling Machine, and Med Pack MB6X9 Lozenge Sealing Machine. (See Appendix Pg 168-184 capsule fill machine) Additionally, La'au Pono will receive advisory support from its shareholder Dragononi Inc. (dba Hawaiian Ola), which has extensive manufacturing, safety, and packaging experience for both food and supplement products. See www.hawaiianola.com.

Laboratory Standards & Testing: In accordance with [§329D-8] Hawaiian Ethos through its subcontractee La'au Pono will uphold all standards for laboratory-based testing of marijuana and manufactured marijuana products for content, contamination, and consistency. Anticipating that the Hawaii Department of Health may certify laboratories to test marijuana and manufactured marijuana products prior to their transport to dispensaries or sale to patients, La'au Pono will prepare, in strict accordance with guidelines set forth by the DOH, product samples for all medical marijuana and marijuana-containing products, which are representative of their origin batches for the purpose of testing. Batches that are tested and found to be out of compliance with testing standards will be destroyed in accordance with the process set forth in the La'au Pono

operations manual and per the rules Chapter 11-850 Subchapter 7. Medical marijuana or marijuana containing products will not be transported to Hawaiian Ethos dispensaries and thus made available to patients before the batch has been tested and is found to meet the standards set forth in Chapter 11-850-85)

Internal Testing: La‘au Pono, under the guidance of SC Labs, will establish in-house facilities to perform quality control testing and propagation work. The internal laboratory will be capable of: soil sample testing, plate testing for microbiological contamination, plant nutritional testing, plant clone tissue-propagation, and accelerated shelf life testing. (See Appendix Pg 185-186 SC Labs)

BioTrackTHC Measure: After sample test results from a testing laboratory have been entered into the networked BioTrackTHC system, La‘au Pono will be alerted to retrieve the testing laboratory results and the BioTrackTHC system will automatically apply, in the database, those results to the original lot from which the sample came. Only the items in the system’s inventory, which have a status of “Passed QA” will be allowed by the software system to be placed on a manifest for transport to a Hawaiian Ethos dispensary. The tracking system will not permit a registered La‘au Pono system user, under any circumstance, to place an item on a transportation manifest if that item requires testing and does not have a “Passed QA” status. (See Appendix Pg 187-211 we need to reference BioTrack Document)

Manufactured Marijuana Products: Pursuant to [§329D-10] in accordance with the rules set forth in Chapter 11-850, La‘au Pono will only manufacture medical marijuana products for Hawaiian Ethos to dispense to patients, in the following approved forms: capsules, lozenges, pills, oils & oil extracts, tinctures, ointments, skin lotions, and any other products permitted by the DOH. The entities acknowledge that "lozenge" means “a small tablet manufactured in a

manner to allow for the dissolving of its medicinal or therapeutic component slowly in the mouth.” All medical marijuana and marijuana infused products delivered to Hawaiian Ethos dispensaries will be completely sealed, labeled, and contained in tamper evident packaging at the time they leave the production facility. No “Bud Tending” will be required or permitted by dispensary employees. All products will be clearly labeled so that it will not be necessary for dispensary employees or patients to open any medical marijuana containers at the dispensary. (See Appendix Pg 212-224 menu of absorption options and formulary guide)

Advertising & packaging: In accordance with [§329D-11] all packaging for marijuana and manufactured marijuana products produced by La‘au Pono for sale in Hawaiian Ethos dispensaries will comply with all DOH standards regarding advertising and packaging.

Packaging for all Hawaiian Ethos products: (1) is child-resistant and opaque and the product cannot be seen from outside the packaging; (2) uses only black lettering on a white background with no pictures or graphics; (3) is clearly labeled with the phrase "For medical use only"; (4) is clearly labeled with the phrase "Not for resale or transfer to another person"; (5) includes instructions for use and "use by date"; (6) contains information about the contents and potency of the product; (7) includes the name of the La‘au Pono production center where the marijuana in the product was produced, including the batch number and date of packaging; (8) includes a barcode generated by the BioTrackTHC tracking software; and (9) with respect to manufactured marijuana products, includes a listing of the equivalent physical weight of the marijuana used to manufacture the amount of the product that is within the packaging. Capsules, lozenges, and pills containing marijuana or the constituent tetrahydrocannabinol (THC) will be packaged so that one dose, serving, or single wrapped item will contain no more than ten milligrams of tetrahydrocannabinol. Manufactured marijuana products, which are sold in a pack of multiple

doses, servings, or single wrapped items, including containers of oils, will contain no more than a total of one hundred milligrams of tetrahydrocannabinol per pack or container. (See Appendix Pg 225-233 Hawaiian ethos packaging)

Additional Safety Measures: In addition to establishing product safety measures for advertising and labeling for the packaging of medical marijuana and marijuana products, Hawaiian Ethos will also provide patients with supplemental literature on safety and the responsible use of cannabis-based medications, including: a guide to medical marijuana for first time patients, a formulary guide for understanding dosages, and an absorption options primer, which describes how different cannabis-containing products may affect patients. (See Appendix Pg 234-244 patient guides) Additionally, all purchased products from Hawaiian Ethos dispensaries will be given to patients in opaque exit bags sealed with an adhesive warning label stating: “Do not open container until you have reached your destination. Do not medicate in parking lot and / or near any public buildings. Never under any circumstance medicate with any other person(s) not recommended for medical marijuana use by certified physician. Do not redistribute your medical cannabis. Do not operate heavy equipment. Keep Out of Reach of Children and Pets.” Each bag will also contain a piece of literature, designed to educate patients on responsible cannabis use: Notice To Hawaiian Ethos Patients (See Appendix Pg 225-233 packaging document).

A Compliance Committee responsible for assuring compliance with product and employee safety requirements, as well as other regulatory requirements, will conduct regular reviews of operations and report directly to the Hawaiian Ethos executive committee.

Section Twelve Appendix

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Hawaiian**Ethos**

Agreement Between La'au Pono & Hawaiian Ethos

PRODUCTION AGREEMENT

THIS PRODUCTION AGREEMENT (this "Agreement") is entered into this ____ day of January, 2016, but effective as of the Effective Date (defined below), by and between HAWAIIAN ETHOS, LLC, a Hawaii limited liability company ("Buyer"), whose address is [REDACTED] and LA'AU PONO, INC., a Hawaii corporation ("Seller"), whose address is [REDACTED]

RECITALS.

- A. Seller has facilities (the "Facilities") for the cultivation, processing, production, manufacture, storage and transport of marijuana and marijuana products (the "Regulated Goods").
- B. Buyer desires to purchase certain Regulated Goods exclusively from Seller, and Seller desires to sell such Regulated Goods to Buyer.
- C. In consideration of the foregoing and the mutual agreements contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, and intending to be legally bound, Buyer and Seller agree as follows:

AGREEMENT.

1. Condition Precedent. Buyer is applying for a license (the "MMJ License") from the State of Hawaii Department of Health (the "DOH") to own and operate medical marijuana dispensaries and production centers in the County of Hawaii, as defined in Hawaii Revised Statutes Chapter 329D ("Chapter 329D," and including applicable administrative rules, and any other state or county laws related to medical marijuana (such laws collectively, the "Hawaii Medical Marijuana Laws"). This Agreement shall be effective immediately upon the receipt by Buyer of notification of award of the MMJ License to Buyer (the "Effective Date"). **In the event that the DOH does not grant Buyer the MMJ License, this Agreement shall be null and void and of no further force and effect.**
2. Term. The initial term of this Agreement shall commence on the Effective Date and shall continue for a period of ten (10) years from the Effective Date (the "Initial Term" or the "Term"), unless sooner terminated or extended as set forth in this Agreement.
3. Automatic Renewal. Unless terminated by agreement of Buyer and Seller, in writing, within sixty (60) days prior to the end of the Initial Term, the Term shall automatically extend for an additional ten (10) year period.
4. Supply and Purchase Obligations. Seller shall produce dried, trimmed flowers (the "Product") from marijuana plants grown and processed at the Facilities. Buyer shall be the sole customer of Seller. Seller shall offer for sale a minimum of [REDACTED] of Product or equivalent manufactured goods. The Product will be measured, tested, packaged,

labeled and delivered in accordance with the conditions and restrictions imposed by the Hawaii Medical Marijuana Laws.

5. Purchase Price. The purchase price for each pound of the Product shall be [REDACTED] plus Hawaii general excise tax (the "Purchase Price"). Buyer shall make payment to Seller within fifteen (15) days of Seller's delivery, and Buyer's acceptance, of the Product.

6. Interest on Late Payments. If Buyer shall become delinquent in the payment of any amounts in respect of the Purchase Price, Buyer shall also pay to Seller as an additional fee, interest on the delinquent Purchase Price from the respective due dates thereof until fully paid at the rate of [REDACTED]

7. Delivery and Acceptance.

(a) Delivery by Appointment Only. Prior to each delivery, Seller shall arrange with Buyer an appointment to deliver the Product to Buyer's licensed dispensaries on the Island of Hawaii ("Licensed Dispensaries"), which shall be at least weekly.

(b) Transport and Delivery. [REDACTED] transportation and delivery, in accordance with the conditions and restrictions imposed by the Hawaii Medical Marijuana Laws (including, without limitation, that security and control requirements thereof), of the Product from the Facilities to the Licensed Dispensaries.

(c) Receiving and Inspection. Upon [REDACTED] delivery of the Product at the Licensed Dispensaries, Buyer's representative will: (i) inspect the Product for indications of tampering; (ii) weigh the Product; and (iii) confirm proper order fulfillment.

(d) Rejection. At the time that Buyer inspects the Product prior to final sale, Buyer may reject any portion of the Product that Buyer determines is wet, damaged or otherwise not fit for sale to consumers (as determined by Buyer in its reasonable discretion). Buyer shall secure rejected Product until [REDACTED] delivery. Seller shall reclaim such Product rejected by Buyer and remove it from the Licensed Dispensaries at Seller's cost.

(e) Acceptance and Purchase. Seller's Product is deemed "accepted and purchased" upon Buyer's completion of its gross weighing process. At such time, Buyer will issue a bill of sale to Seller summarizing Seller's delivery. Any Product later discovered to be defective shall be treated as rejected Product, in accordance with Section 7(d), and amounts paid in respect of such defective Product shall be credited to Seller's account.

8. Passage of Title and Risk of Loss. All risk of loss and damage to Seller's Product shall remain Seller's responsibility until such Product is delivered to and accepted by Buyer pursuant to Section 7. Title and risk of loss and damage shall pass to Buyer at the time Seller's Product is accepted by Buyer pursuant to Section 7.

9. Seller's Representations, Warranties and Covenants. Seller represents and warrants as of the date of this Agreement, and at all times during the Term, that Seller does and shall continue to:

- (a) operate in accordance with the Hawaii Medical Marijuana Laws (which shall include conducting employee background checks, restricting access to the Facilities, and security measures, among other requirements);
- (b) maintain ownership or possession of all property and equipment, and maintain access to the labor, reasonably necessary to produce the amount of Product to be sold to Buyer under this Agreement;
- (c) implement good agricultural practices (including, but not limited to, pest management and sound water management systems), maintain records with regard to fertilizer usage and application, and implement any practices which have been identified as best management practices under Hawaii state law;
- (d) utilize only those herbicides, fungicides, insecticides, nematocides, growth regulators and ripening agents that are labeled for use on the Regulated Goods in the United States and strictly adhere to all label recommendations, requirements and application rates for any product used;
- (e) maintain records as required by the Environmental Protection Agency, the DOH and any other governmental agency with regard to the purchase and application of agriculture chemicals; and
- (f) remove or cause to be released all liens and financing interests with respect to the Product, effective as of the time Seller delivers the Product to the Licensed Dispensaries.

10. Hawaii Medical Marijuana Laws. As the holder of the MMJ License, Buyer is subcontracting to Seller its rights under the MMJ License to cultivate and produce the Product. Seller shall not initiate contact with the DOH without the prior express approval of Buyer. Any provision of this Agreement to the contrary notwithstanding, Buyer and Seller covenant and agree that each party will perform its respective obligations under this Agreement only in compliance with the conditions and restrictions imposed by the Hawaii Medical Marijuana Laws. Seller and Buyer further covenant and agree that each shall take all steps necessary to facilitate compliance by the other party with the Hawaii Medical Marijuana Laws.

11. Right of Entry and Inspection. Buyer shall have reasonable access to the Facilities and shall be entitled to monitor and inspect all phases of Seller's marijuana cultivation, including, but not limited to, the monitoring of crop progress, the inspection of production or drying practices, and the testing and sampling of marijuana or soil; provided, however, that

Buyer shall access the Facilities only in compliance with the Hawaii Medical Marijuana Laws. Seller shall cooperate with Buyer in such inspection, monitoring and testing.

12. Takings. If the Product shall be seized, attached, executed, confiscated or levied upon under any legal process or under claim of legal right, or under forfeiture proceedings under state or federal laws, this Agreement shall terminate immediately upon seizure. In any such event, Buyer shall be entitled to prosecute a claim for the taking independent of any action by Seller.

13. Force Majeure. Neither party shall be liable to the other for its failure to perform any of its obligations under this Agreement during any period in which such performance is delayed by circumstances beyond its reasonable control, including, without limitation, acts of God, fire, flood, war, strike, riot, or inability to secure transportation facilities, or the intervention of any governmental authority. If any such delaying cause continues for more than sixty (60) days, the party continuing to perform shall have the right to terminate this Agreement.

14. Insurance. Seller shall maintain, at all times, the insurance required by those two certain Ground Leases, dated January ___, 2016, by and between [REDACTED] and Seller pursuant to which Seller leases the Facilities from [REDACTED]

15. Termination of this Agreement.

(a) Triggering Events. Either party may terminate this Agreement at any time upon written notice to the other with immediate effect in the event that:

(i) the other party enters into voluntary bankruptcy or a petition for involuntary bankruptcy of the other party is not dismissed for a period of sixty (60) days;

(ii) the other party becomes insolvent or unable to pay its debts as they mature, ceases to pay its debts as they mature in the ordinary course of business, or makes an assignment for the benefit of its creditors;

(iii) a receiver is appointed for the other party or its property; or

(iv) the other party is in material breach of any of the provisions of this Agreement in a manner which is not capable of remedy, or, where such breach is capable of remedy, such other party does not, following receipt of a notice requiring that the breach be remedied, remedy the breach within the reasonable time specified in the notice.

(b) Effect of Termination. Upon termination of this Agreement pursuant to Section 15(a), Seller shall:

(i) deliver, at Seller's expense (unless the termination is as a result of the default by Buyer in which case at the expense of Buyer), all Product in Seller's possession or

the possession of its agents to one or both of Buyer's Licensed Dispensaries or a disposal site approved by the DOH;

(ii) execute all documents reasonably necessary to enable Buyer to carry out its obligations to customers and make commercially reasonable efforts to cooperate with Buyer in making the necessary transition; and

(iii) make commercially reasonable efforts to cooperate with Buyer in the preparation of a final accounting. The balance owed to either party as evidenced by the final accounting shall be paid within thirty (30) days of the termination of this Agreement.

(c) MMJ License. Any provision in this Agreement to the contrary notwithstanding, in the event that Buyer's MMJ License expires or terminates prior to expiration of the Term, including, without limitation, due to the DOH's revocation of, or failure to renew, Buyer's MMJ License, this Agreement shall terminate on the last day that the MMJ License is in effect. Buyer shall promptly notify Seller of the expiration or termination of the MMJ License. The balance owed to either party as evidenced by the final accounting shall be paid within thirty (30) days of the termination of this Agreement.

(d) Seizure. If the Facilities or any part thereof shall be seized, attached, executed, confiscated, levied upon under any legal process or under claim of legal right, or under forfeiture proceedings under state or federal laws, this Agreement shall terminate immediately upon seizure. The balance owed to either party as evidenced by the final accounting shall be paid within thirty (30) days of the termination of this Agreement.

16. Assignment. This Agreement shall be binding upon the parties and their respective representatives, agents, successors and assigns. Seller shall not assign this Agreement without the express written consent of Buyer, which consent shall not be unreasonably withheld.

17. No Waiver. No failure on the part of either party, or any of their respective agents, to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by either party or any of their respective agents of any right, power or remedy under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies herein are cumulative and are not exclusive of any remedies provided by law.

18. Section Headings. The headings of sections in this Agreement are inserted only for convenience and reference and shall in no way define or limit the scope or intent of any provision of this Agreement.

19. Severability. If any provision of this Agreement is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law: (i) the other provisions of this Agreement shall remain in full force and effect in such jurisdiction and shall be liberally

construed in favor of Buyer in order to carry out the intentions of the parties to this Agreement as nearly as may be possible, (ii) such provision shall be ineffective, but only to the extent of such invalidity and unenforceability, and (iii) the invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

20. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior agreements and understandings between the parties to this Agreement. No amendment or modification of any provision of this Agreement shall be binding upon either party unless made in writing and signed by each party.

21. Independent Contractors. The parties to this Agreement are independent contractors. Nothing in this Agreement is intended nor shall it be deemed to constitute a partnership, agency, franchise, or joint venture relationship between the parties. No party shall incur any debts or make any commitments for the other except to the extent, if at all, specifically provided in this Agreement.

22. Notices. All notices, demands or documents which are required or permitted to be given or served hereunder shall be in writing and sent by: (i) first class, registered, or certified mail, postage prepaid, (ii) hand delivery or (iii) electronic mail, provided the other party to this Note confirms in writing the receipt of notice, addressed as follows:

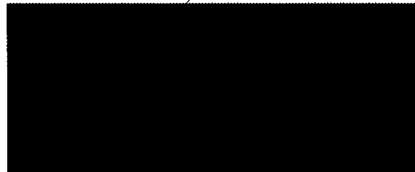
If to Buyer:

HAWAIIAN ETHOS, LLC



If to Seller:

LA'AU PONO, INC.



Any such address may be changed from time to time by serving notice to all other parties as above provided. Service of such notice or demand shall be deemed complete on the day of actual delivery or at the expiration of the second day after the date of mailing, whichever is earlier.

23. Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of Hawaii, without regard to the choice of laws provisions thereof.

24. Time of Essence. Time is of the essence in the performance of any obligations under this Agreement.

25. Neither Party Deemed Drafter. All provisions of this Agreement have been negotiated at arm's length and with full opportunity to be represented of legal counsel and neither party shall be deemed to be the drafter of this Agreement. If this Agreement is ever construed by a court of law or by a board of arbitrators, such court or board shall not construe this Agreement or any provision of this Agreement against either party as the drafter of this Agreement.

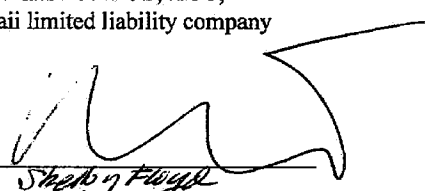
26. Maximum Rate of Interest. Any interest payable under the terms of this Agreement shall not exceed the maximum rate permitted by law.

27. Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and either of the parties to this Agreement may execute this Agreement by signing any such counterpart.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

HAWAIIAN ETHOS, LLC,
a Hawaii limited liability company

By: 
Name: *Shelby Fung*
Title: *Manager*
Buyer

LA'AU PONO, INC.,
a Hawaii corporation

By: _____
Name: _____
Title: _____
Seller

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

HAWAIIAN ETHOS, LLC,
a Hawaii limited liability company

By: _____
Name:
Title:

Buyer

LA'AU PONO, INC.,
a Hawaii corporation

By: 
Name: *Vernon Toshiaki O'i*
Title:

Seller

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:

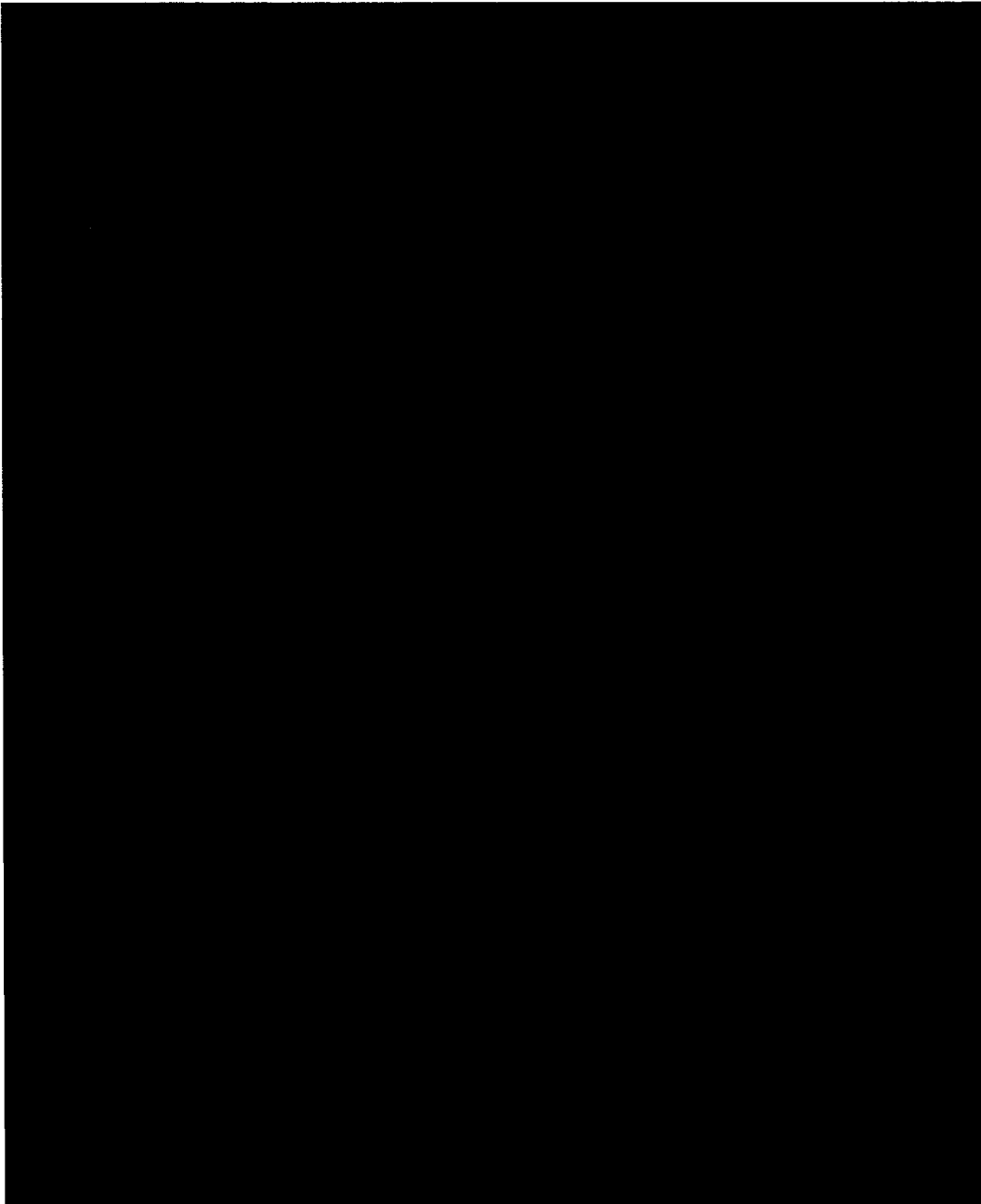
All approved and licensed facilities owned and operated by Hawaiian Ethos and La'au Pono including medical marijuana dispensaries and the cultivation facility will be equipped with commercial grade, non-residential locking mechanisms on all points of entry, exit and on all windows that open. All locking 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.

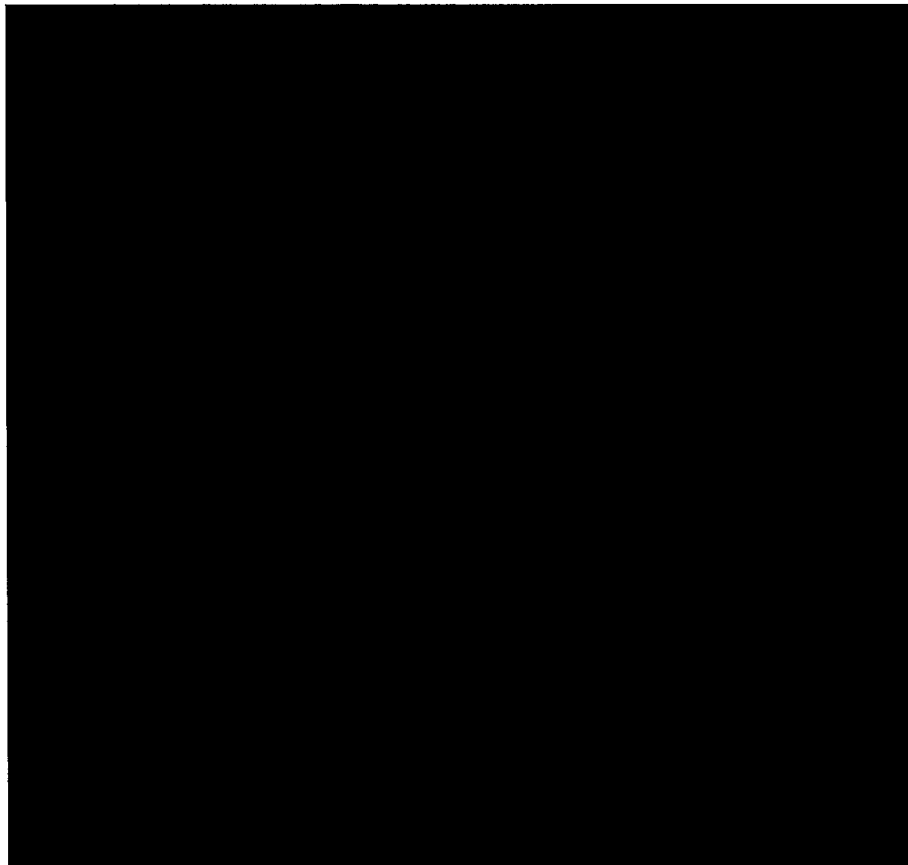
Desks, lockers, and other storage devices may be provided for the convenience of employees but remain the sole property of Hawaiian Ethos. Accordingly, they, as well as any articles found within them, can be inspected by any agent or representative of Hawaiian Ethos at any time, either with or without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

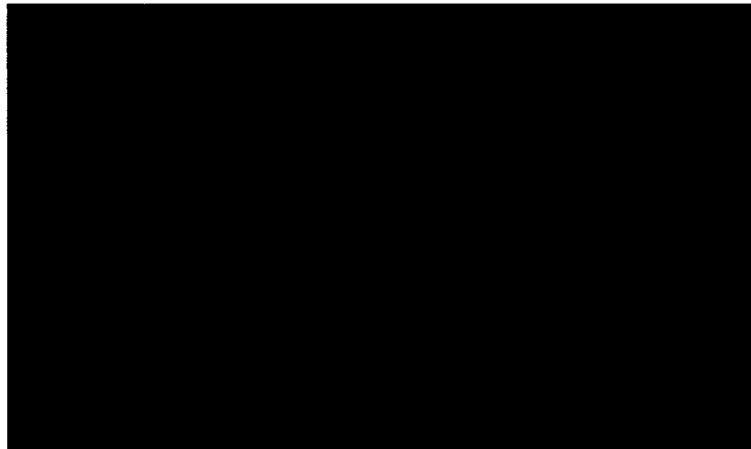
- In the event the dispensary facility experiences a security system breach or failure, facility management will secure the facility and immediately suspended all operations and the following measures will be followed:





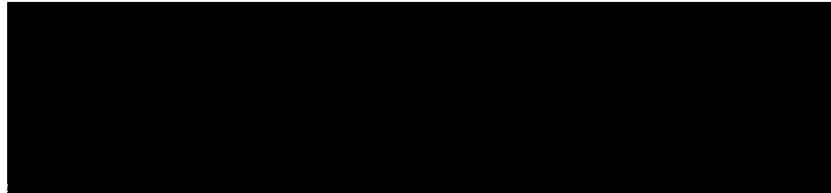
- o Activation of the Hawaiian Ethos Incident Management Team

-



- 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

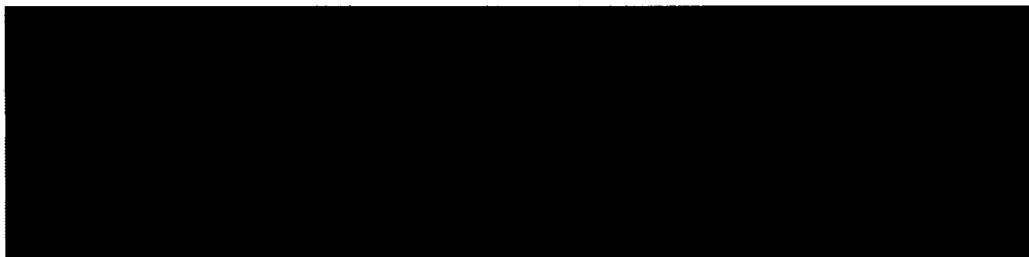
- o Notifications to the Hawaii Department of Health:

-



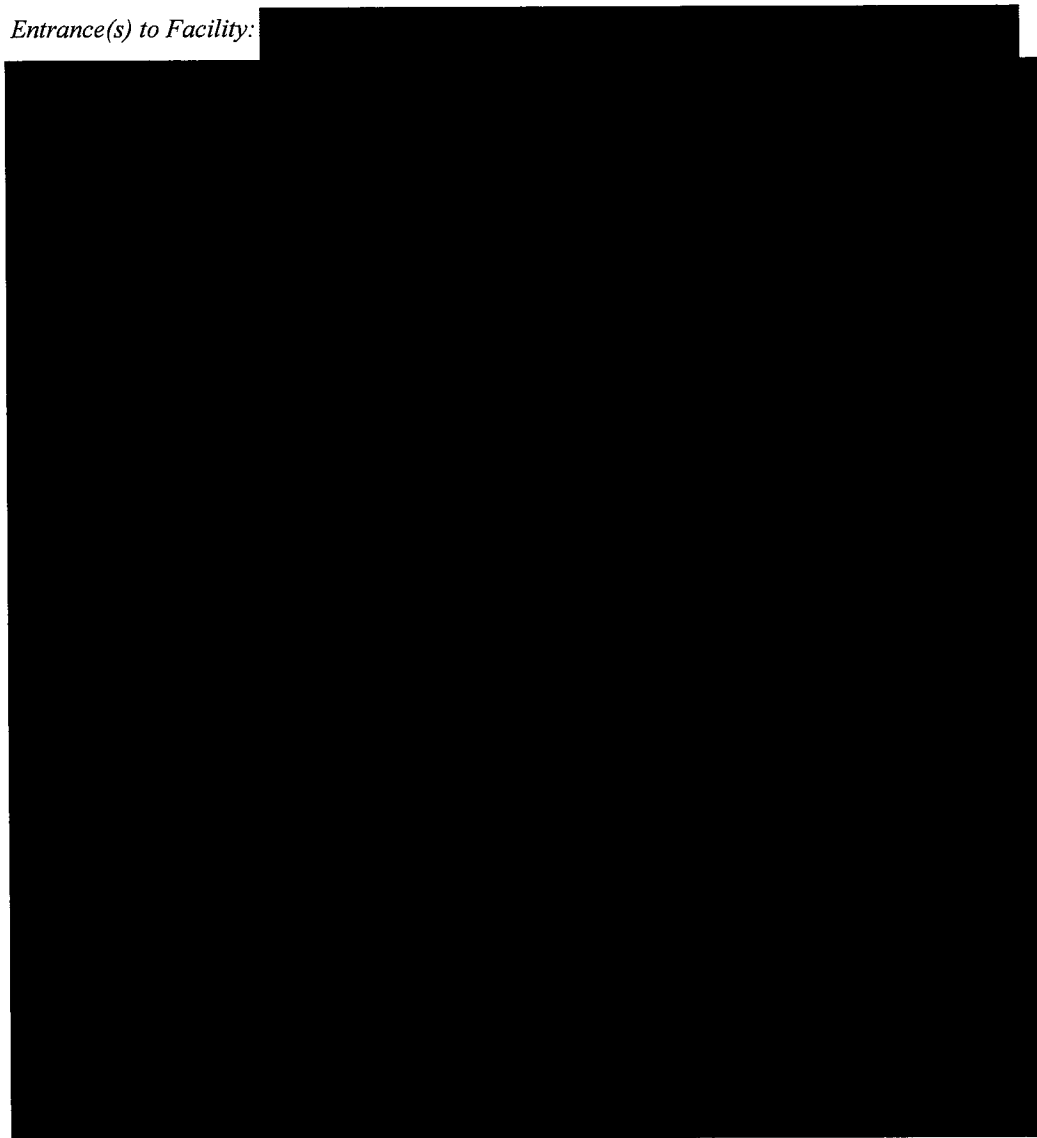
Training Manuals: Training manuals will be left on site and will not be available to bring home as a measure of Security. Manuals will be studied prior to any actual operation during the employees first few days on the job.

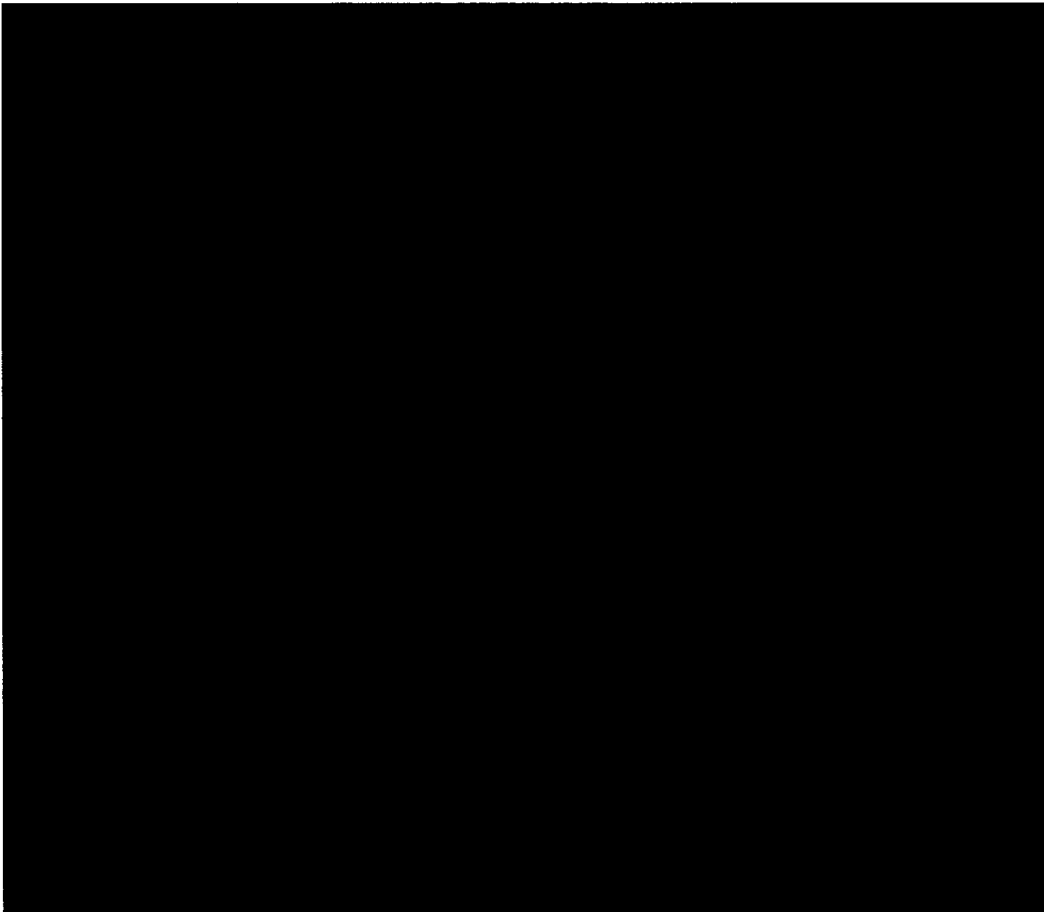
Cultivation Facility Layout and Access by Personnel/Department: The Cultivation Facility is designed in such a way that employees access is limited to the area of their work duties for the day. This will, in turn lower the security risk of unnecessary visitation into the facility. Oftentimes employees 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)



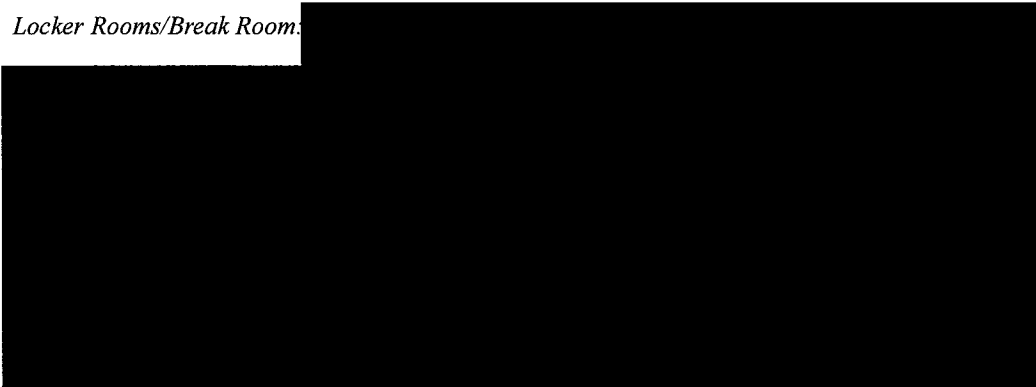


Entrance(s) to Facility:





Locker Rooms/Break Room:



[REDACTED]

Security Room:

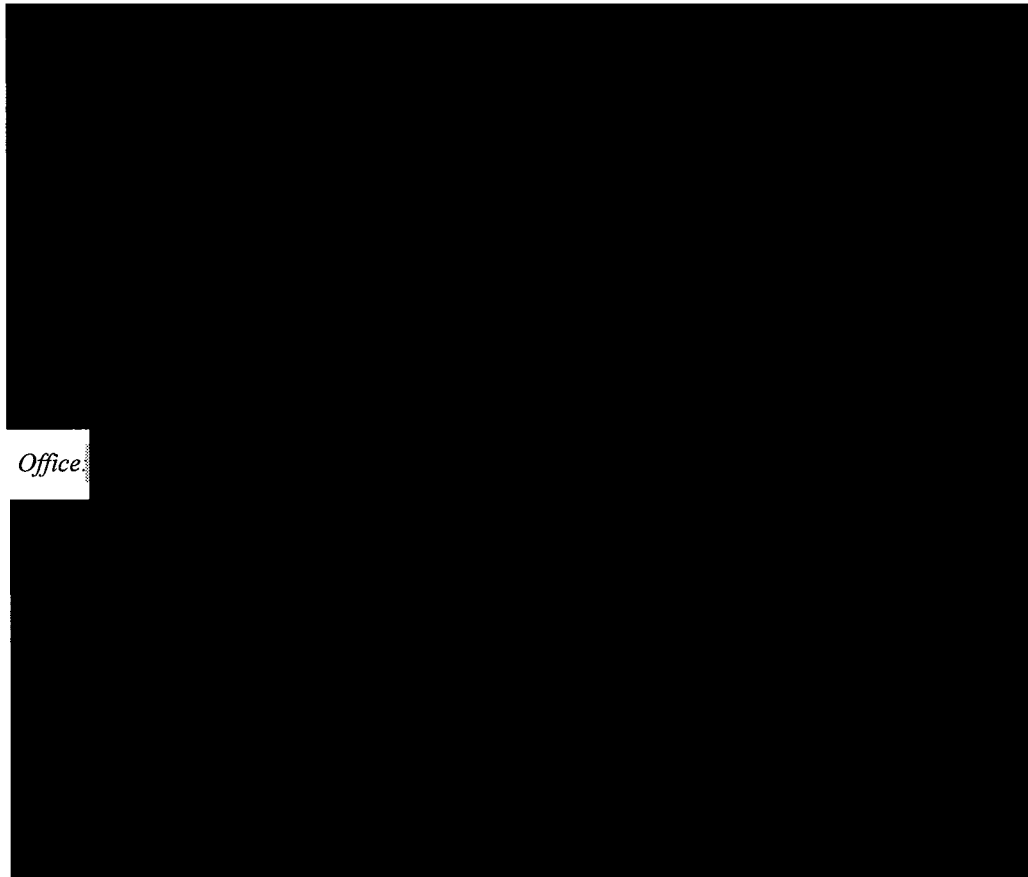
[REDACTED]

Trimming Room:

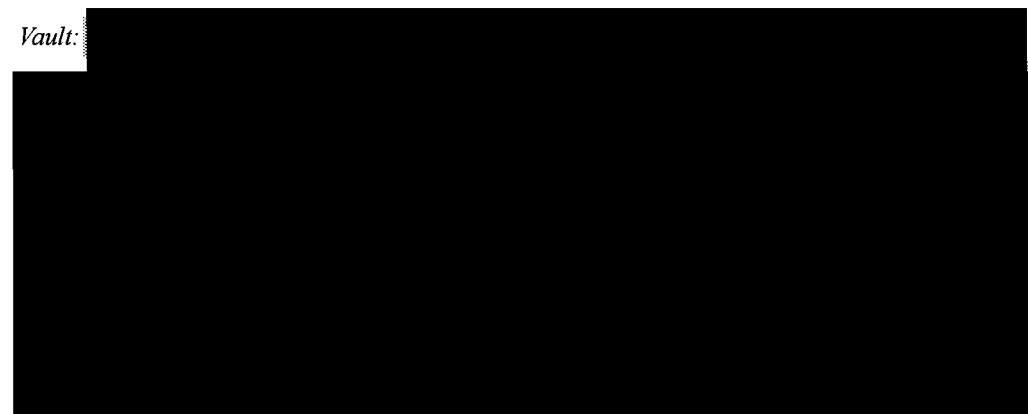
[REDACTED]

Laboratory:

[REDACTED]



Office:

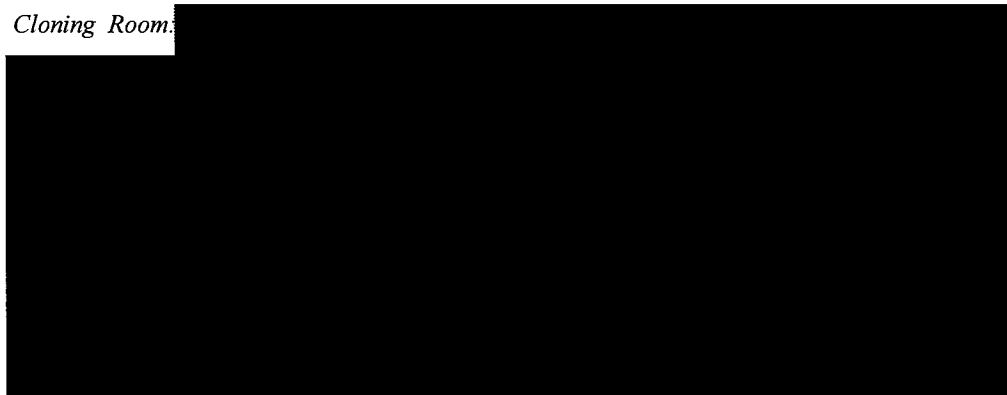


Vault:

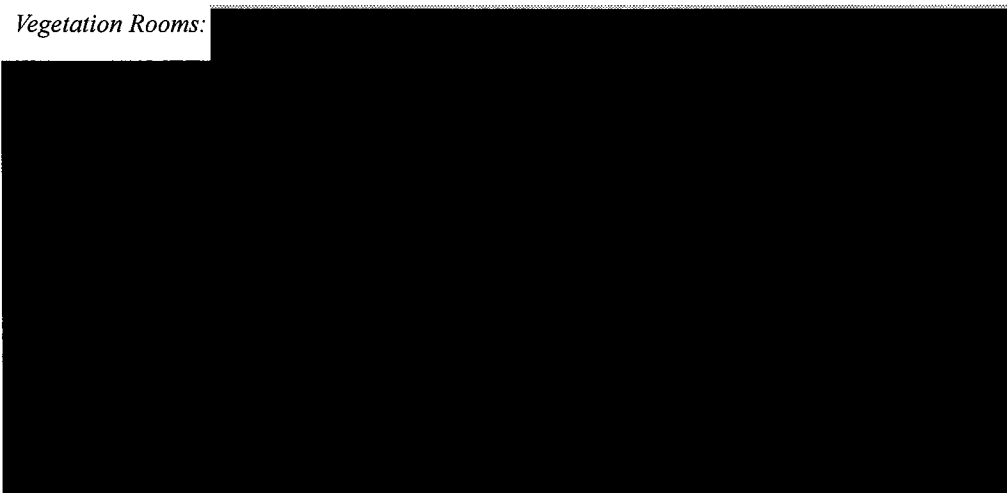
Mother Room:



Cloning Room:



Vegetation Rooms:



Flowering Rooms:

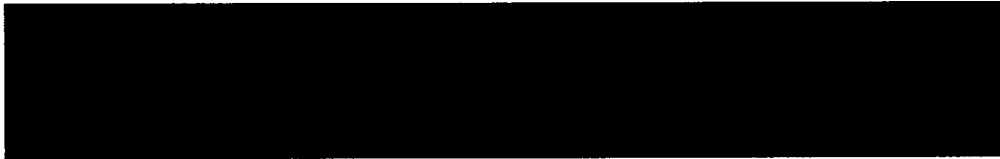


Drying Room:



Packaging/Refining Room:

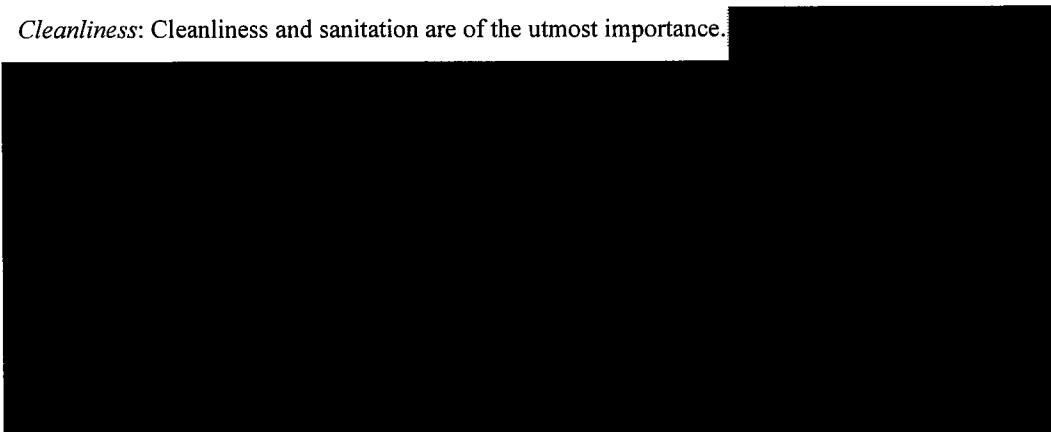




EXPECTED RESOURCE USAGE

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.

[REDACTED]

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.

[REDACTED]

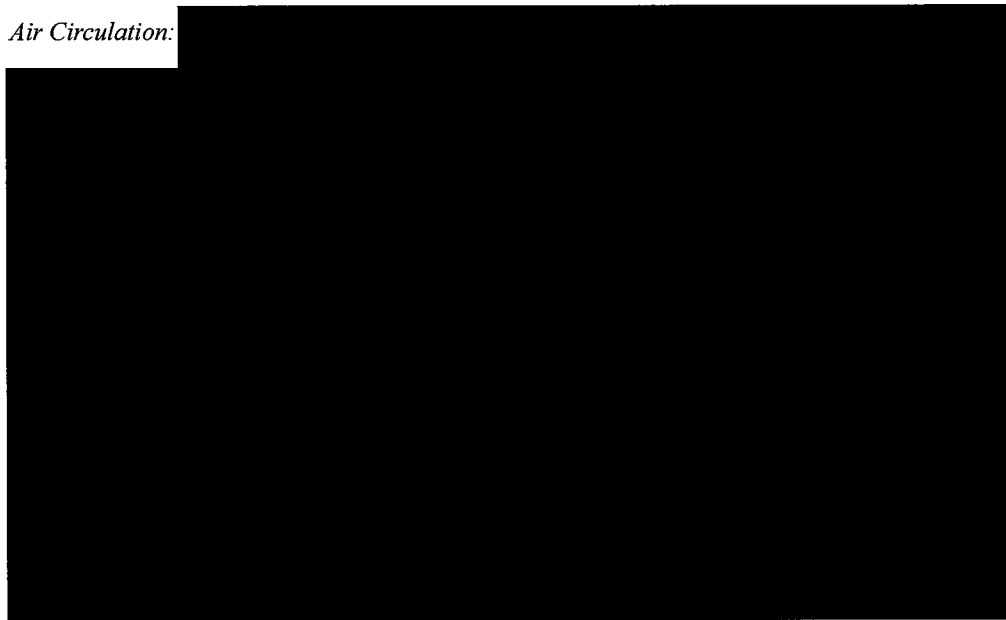
[REDACTED] The RH will be monitored on a central system, allowing trouble shooting to happen if necessary on a daily bases. RH will be checked for all rooms every 4 hours and logged.

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

[REDACTED]



Air Circulation:



Odor Control:



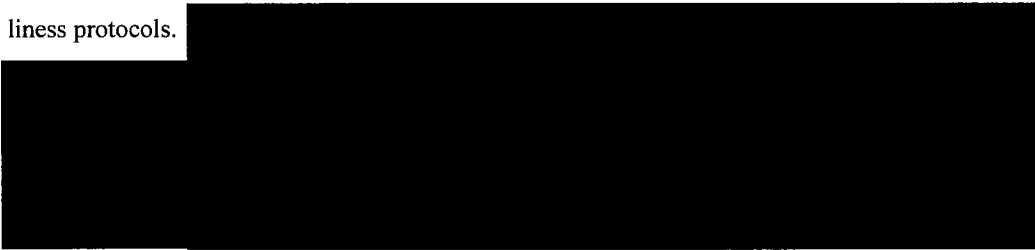


Drainage:



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

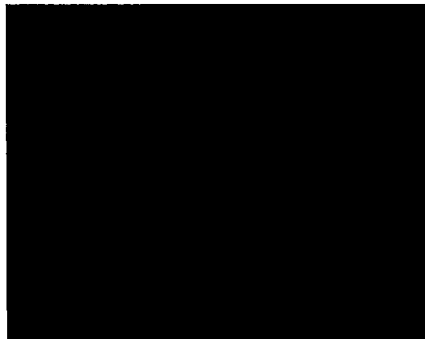
Lighting for cultivation area

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  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:

[REDACTED]

Directions:

[REDACTED]

Compost Tea:

[REDACTED]

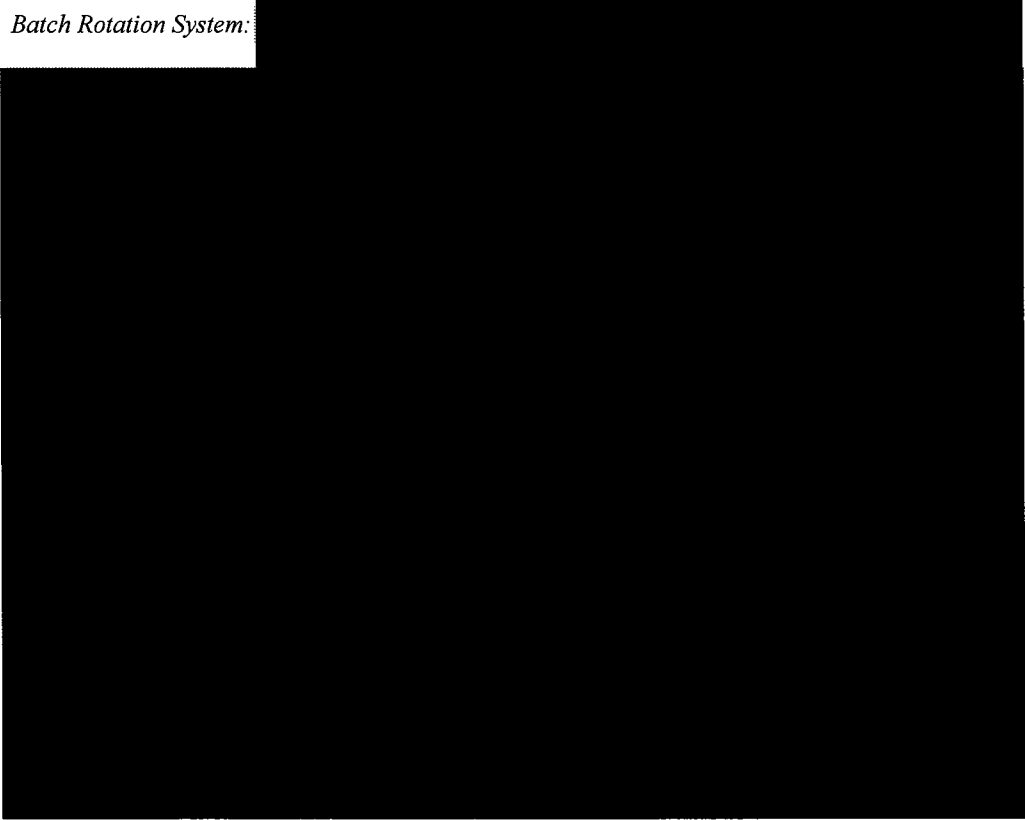
Organic Nutrients: Organic bottled nutrients: 100% OMRI certified bottled nutrients will be

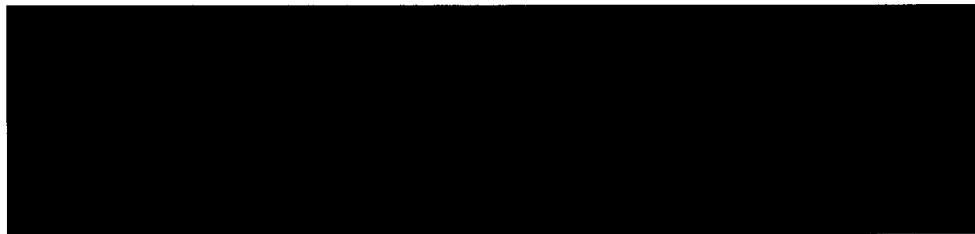
used from time to time to increase a specific nutrient if any signs of a deficiency shall show.

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.

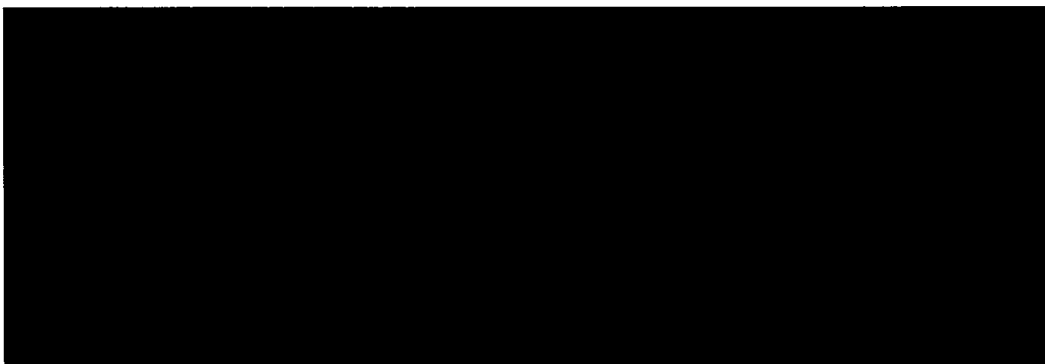
Batch Rotation System:





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.

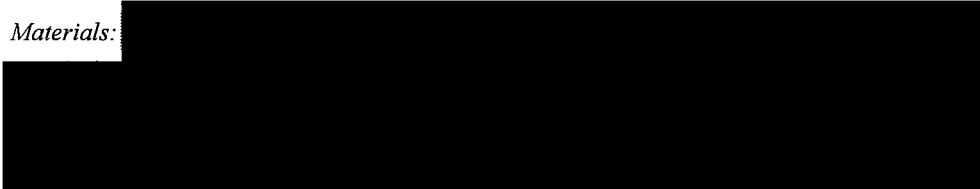


Cloning: In order to achieve a high success ratio between clones clipped from a mother plant and the amount of rooted clones, La'au Pono emphasizes thorough cleanliness in every step of the process. All cloning will be conducted and/or supervised by cultivation manager.

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.

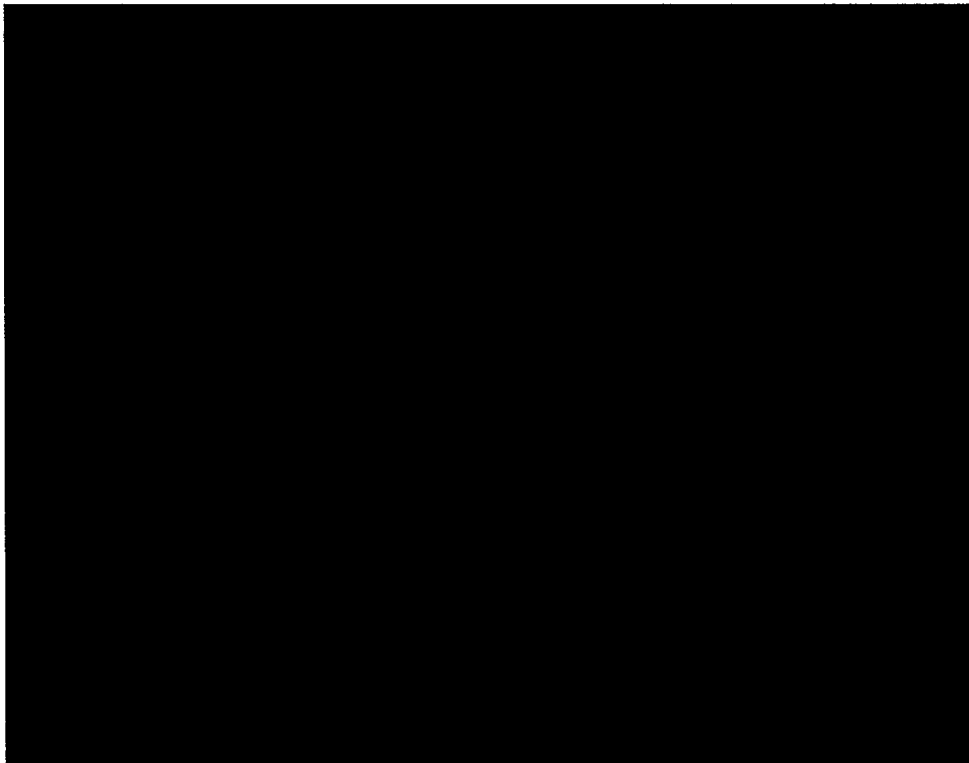
Materials:

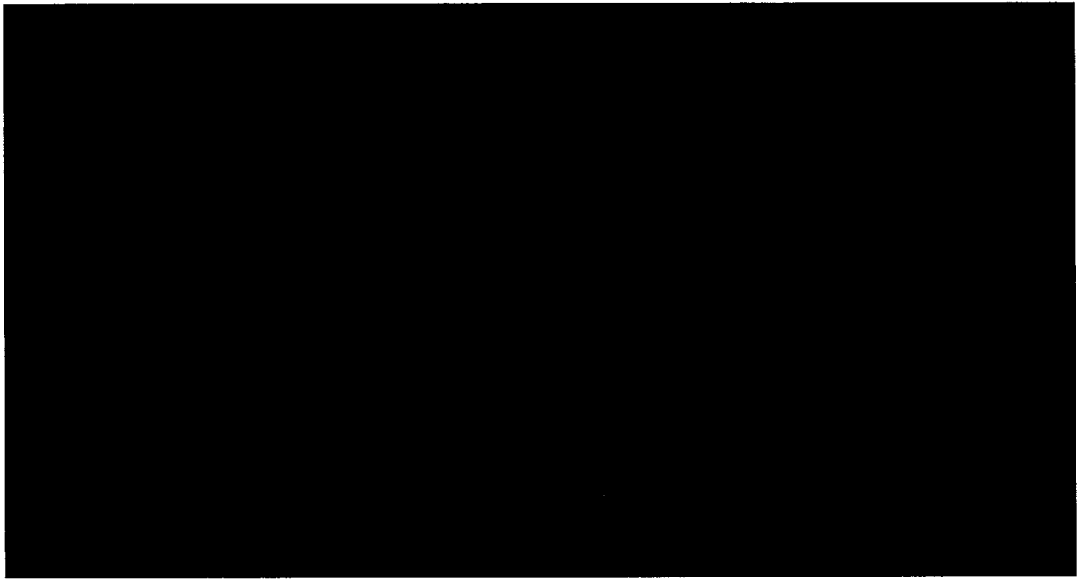


Cloning Medium:



Procedure for taking Clones:

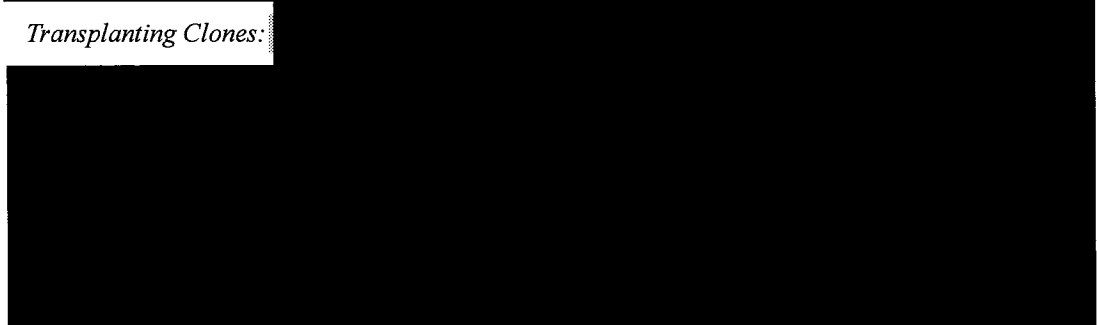




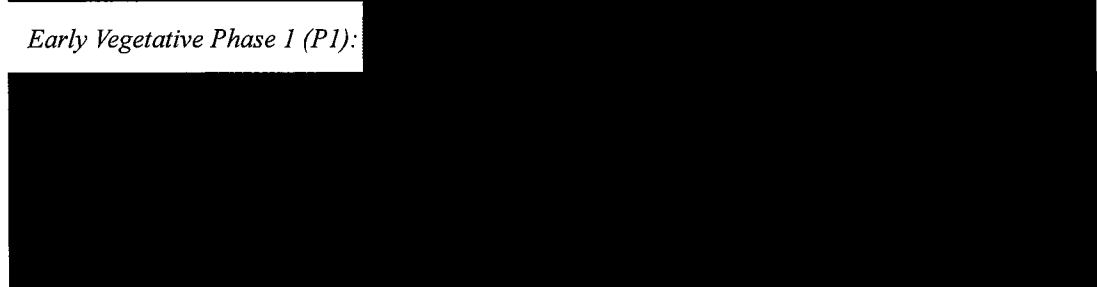
Watering Clones:



Transplanting Clones:



Early Vegetative Phase 1 (P1):



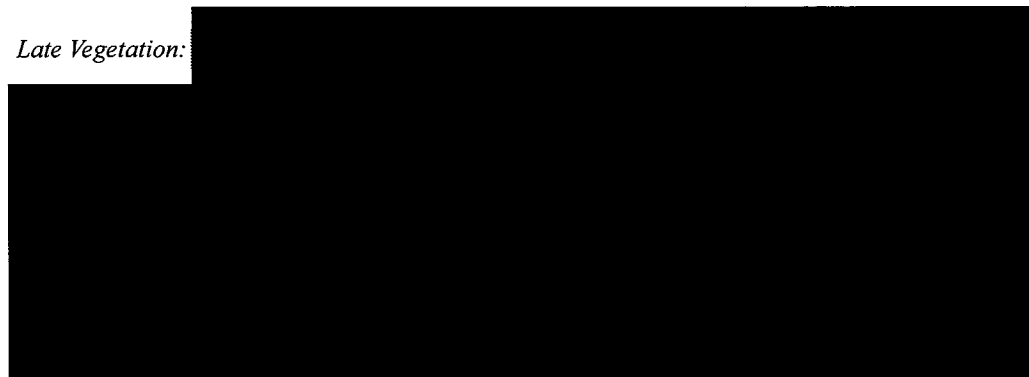
Transplant P1:



Watering Transplants:



Late Vegetation:



Transplant P2:



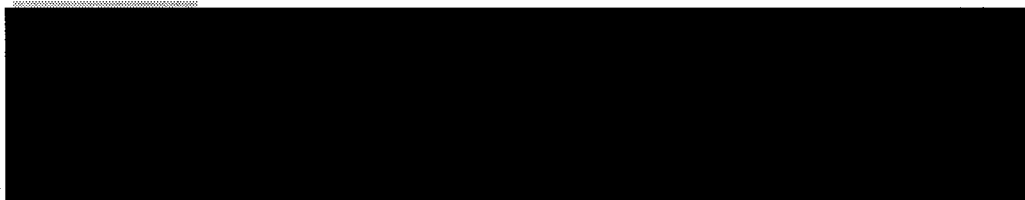
Flowering: Phase 3 flowering room (P3):



Flushing:



Materials for Flushing Finished Plants:



[REDACTED]

Harvesting:

[REDACTED]

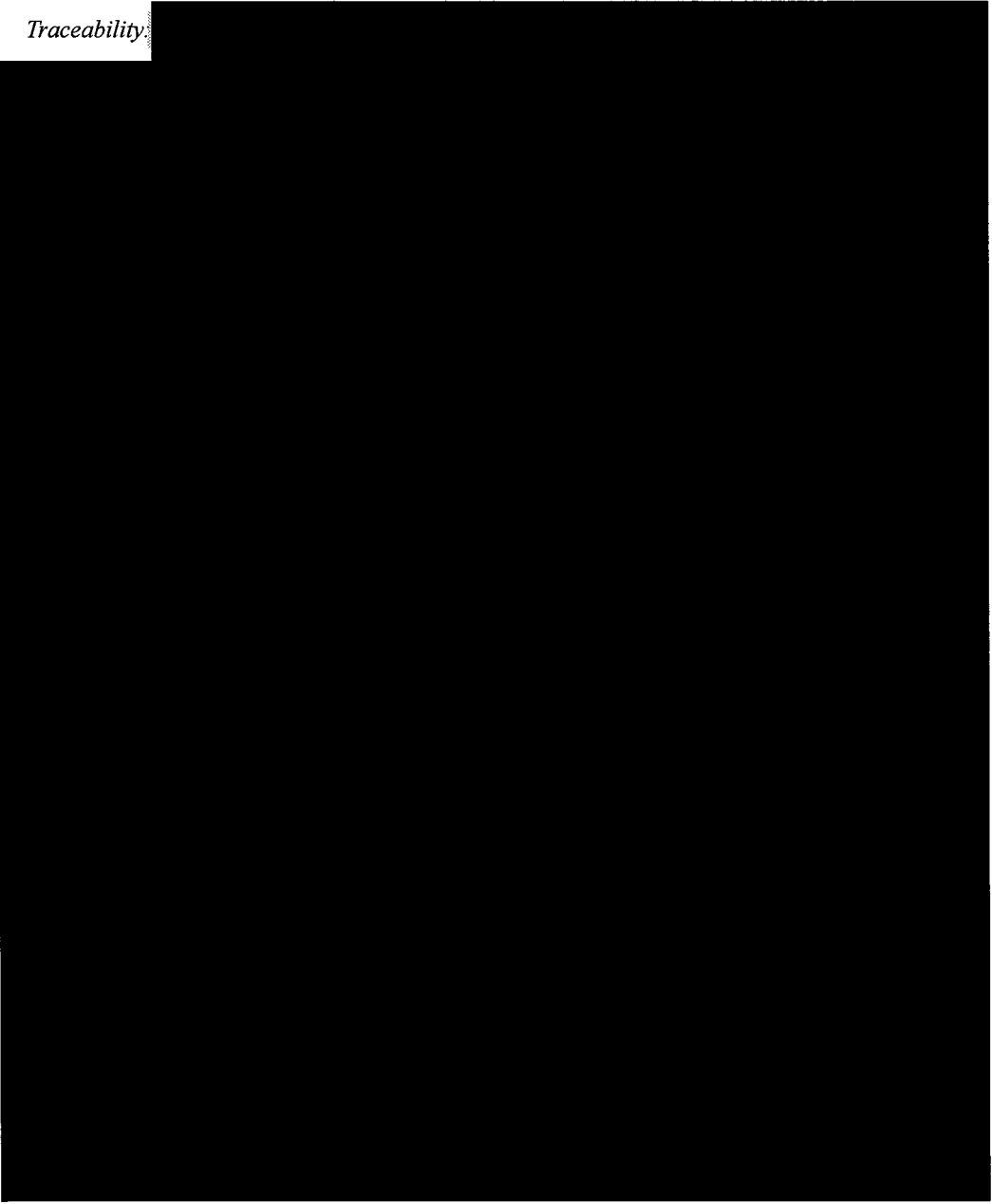
Drying:

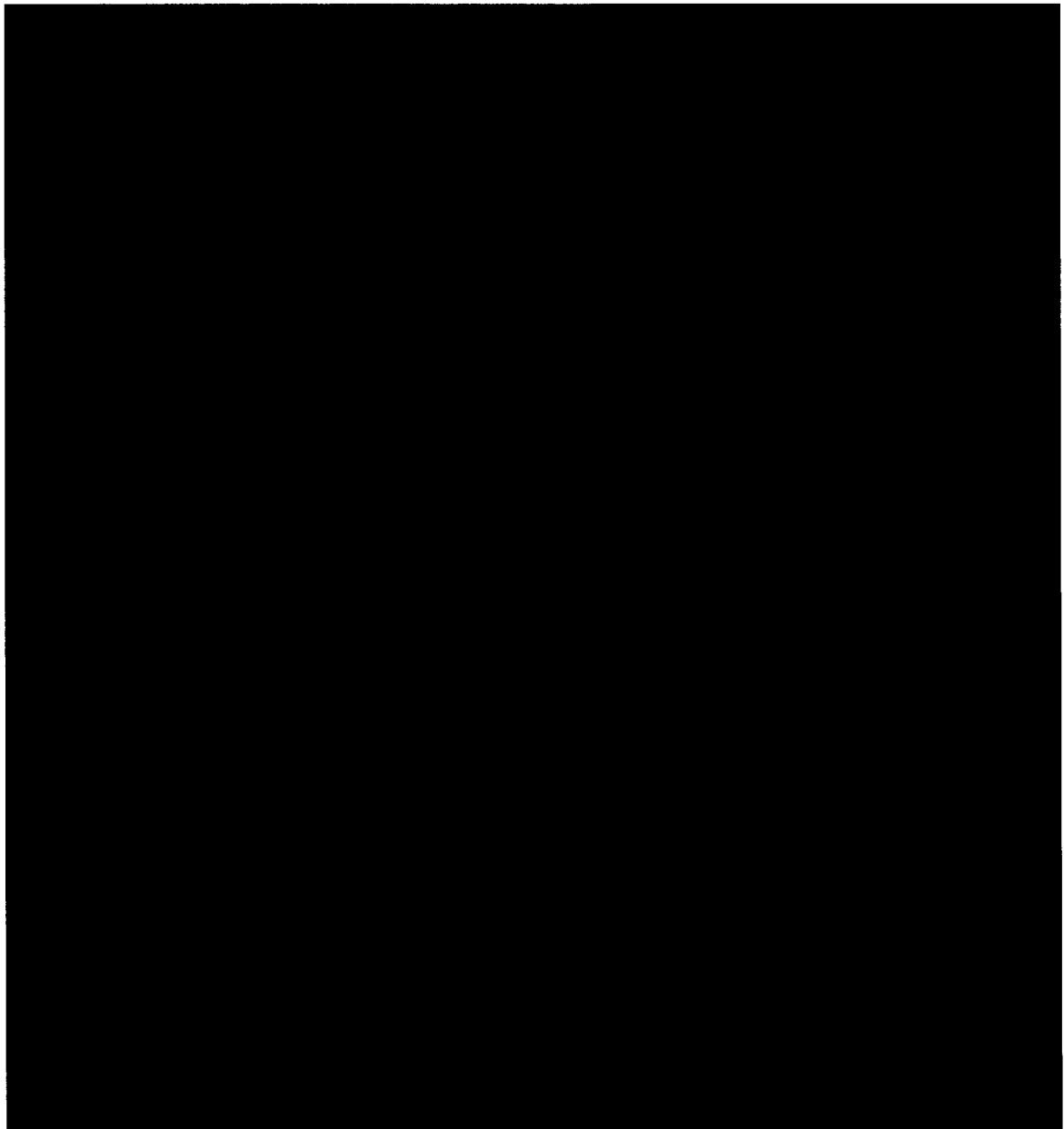
[REDACTED]

Batch Segregation:

[REDACTED]

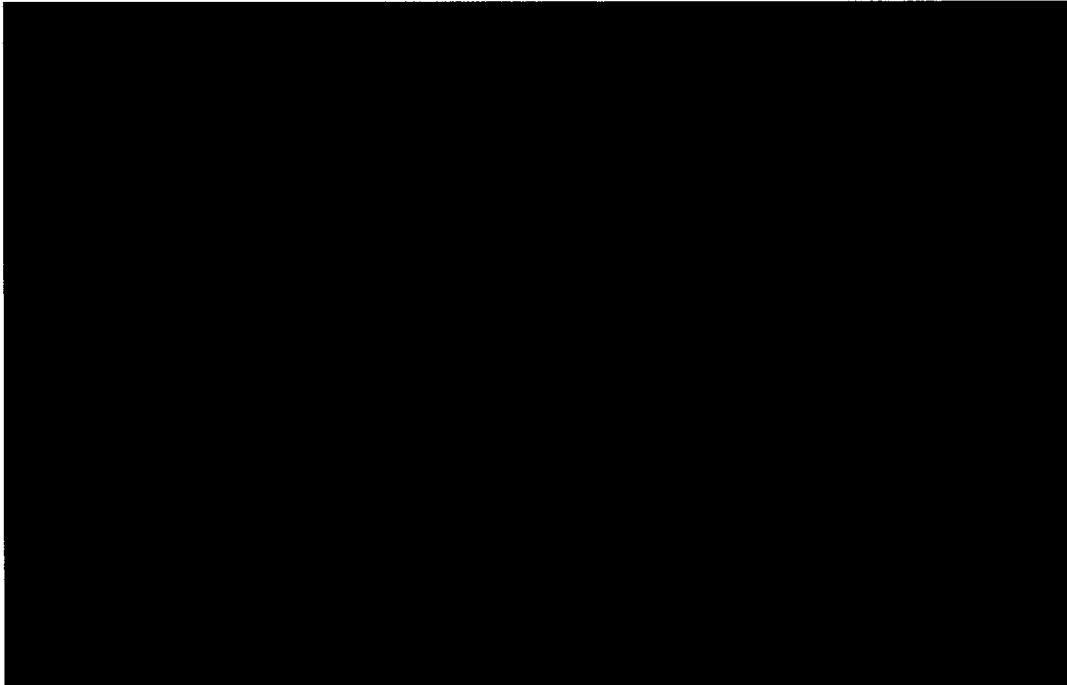
Traceability:



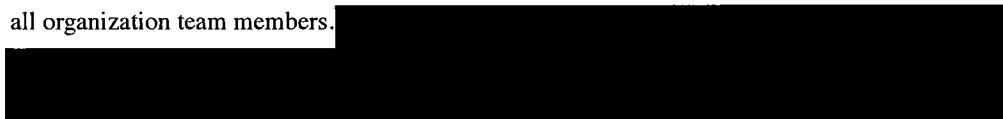


Preparing Inventory for Delivery:

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.

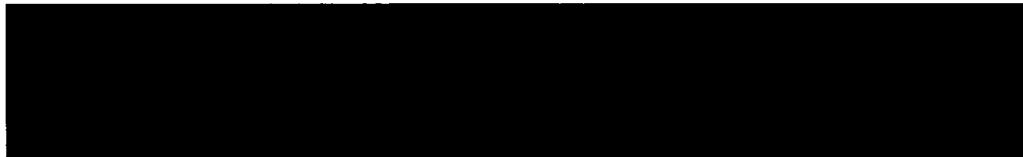


see Appendix Transportation guide.

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 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.

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 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, 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 by 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.

- 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 of 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**

Eden Labs CO2 Extractor

Hawaiian Oia Mail - Eden Labs

<https://mail.google.com/mail/u/0/?ui=2&ik=0b92cc607f&view...>

Chris Whidden <c.whidden@hawaiianola.com>

Eden Labs


Aloha 

It was wonderful speaking to you yesterday. I am looking over your email and will do my best to provide you with all the information you will need for your presentation on Jan 4th.

It will be overwhelming amount of paper work, so please CALL ME with any questions!

I will answer your questions in the order that you presented them and will add more information at the end.



- We would like a system capable of processing 50 Pounds of material per week. Our 20L 2K would work beautifully for you. It requires 10# of material per run. In this way, you could do one run a day and have room to ramp up production when time is right.

- We do not have a license yet and would not be awarded one until April. Our systems take anywhere from 8-12 weeks depending on our production schedule. So if you wanted a system for 60 days after April 15th, that would make it mid-July. I will discuss the pricing and timing more below.

- We have a facility location, but are still making structural plans for layout and workflow. I will send you the facilities requirements so you know what to include in your planning.

Below you will find several documents that will need to be filled out and sent back to me. The Purchase Order Terms and Conditions & the Product Application. These documents are to insure you are compliant and working in a legal state. This assures both of us we are legitimate businesses and are doing everything according to the law.

I've also sent you specs on the HiFlo FX2 specs. The FX2 is the second generation Co2 system. It is our newest and best system. It runs in half the time of the old model and produces almost double the amount of oil.

These units are at an introductory price of \$179K until February 15, after which time will increase in price. (by how much? We have not been informed of as of yet) In the event this is the system that would work best for you, we could arrange something to lock you into this price.

Would you be interested in post production as well? In the event you are, please let me know and I will send you information on our 'winterizer'.

I hope this information is a good place to start  please let me know your thoughts. I'm here to help you in any way!

Thank you again,

1/23/16, 12:01 PM

Hawaiian Oia Mail - Eden Labs









Anna



[Quoted text hidden]

6 attachments

-  **[Eden Labs] Purchase Order Terms and Conditions (1169714 v7).pdf**
168K
-  **Eden General Requirements.pdf**
150K
-  **Eden Product Application.pdf**
148K
-  **Facilities Requirements_HiFlo Pre Installation_Rev 072015 (1).pdf**
445K
-  **HiFlo FX2 Specs.pdf**
78K
-  **Utility Specs.pdf**
435K



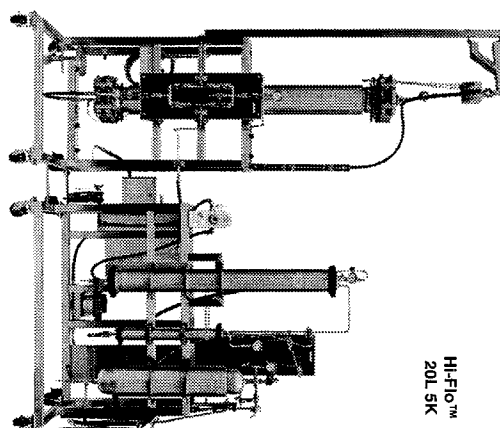
309 S. Cloverdale St. Suite D10
Seattle, WA 98108
Phone: (888) 626 – 3271
Website: www.edenlabs.com

EXTRACTION TECHNOLOGIES

Product Description

The Eden Lab's **Hi-Flo™** Extraction System is a botanical extraction platform that utilizes Carbon Dioxide as an extraction solvent to produce high quality, whole plant extracts. It is constructed for Carbon Dioxide's super and subcritical extraction temperature and pressure ranges.

As leaders in the botanical extraction industry, the **Hi-Flo™** has a proven track record for reliability and consistency in the production of premium extracts. The superior quality and easy-to-use design will allow operators to set parameters and run processes fit for multiple botanical industries. Utilizing the Fast Access Closure (FAC) system, reliable pumping system, and convenient valve & piping layout, the **Hi-Flo™** will provide quick turnaround times and high yields for your production needs.

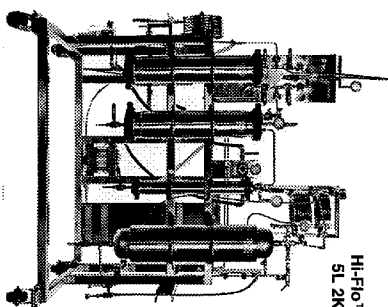


Hi-Flo™
20L 5K

Hi-Flo™ Specifications

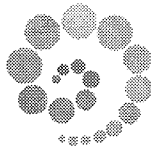
Hi-Flo™ Model	Maximum Extraction Pressure PSIG	Approximate Load Capacity lbs.	Extraction Run Time hrs.	Average Yield %	Dimensions L x W x H in.	Minimum Recommended Working Space ft²
5 L 2K	2000	2.5 – 3	2.5 – 4.5	12 – 15	67.5" x 45.3" x 89.3"	290
5 L 5K	5000	2.5 – 3	1.5 – 3	12 – 15	67.5" x 45.3" x 89.3"	290
20 L 2K	2000	10	8 – 12	12 – 15	99.3" x 45.8" x 96.8"	310
20 L 5K	5000	10	6 – 10	12 – 15	106" x 57.8" x 126"	310

Hi-Flo™
5L 2K



Shipping Specifications						
Hi-Flo™ Model	Dimensions L x W x H in.	Hi-Flo™		Air Compressor		Chiller
		Weights lbs.	Dimensions L x W x H in.	Weights lbs.	Dimensions L x W x H in.	Weights lbs.
5 L 2K	73" x 51" x 84"	1300	NA	NA	61" x 29" x 67"	500
5 L 5K	73" x 51" x 84"	1500	NA	NA	61" x 29" x 67"	550
20 L 2K	73" x 51" x 84"	1300	55" x 38" x 78"	700	61" x 29" x 67"	500
20 L 5K	73" x 51" x 94"	1600	99" x 48" x 50"	1400	80" x 29" x 67"	850
						48" x 26" x 47"
						400

Load Capacity, Extraction Run Times, and Average Yields are dependent on plant material, plant quality, anatomy of plant processed, and protocol. The minimum recommended working space hides the standard, provided utilities and Hi-Flo™ unit. Check with your local fire and federal regulations for additional information. Shipping dimensions and weights may vary. All specifications subject to change. Stock photo may not represent actual Hi-Flo™.



**Eden
LABS LLC**
EXTRACTION TECHNOLOGIES

309 S. Cloverdale St. Suite D10
Seattle, WA 98108
Phone: (888) 626 – 3271
Website: www.edenlabs.com

Utility Specifications

Compressor Specifications					
Hi-Flo™ Model	Dimensions L x W x H in.	HP	Phase	Voltage	Inlet Capacity cfm @ 145 psig
5 L 2K	56" x 22" x 49.4"	5	Three <small>Single phase available for custom orders</small>	208 – 230/460	16.6
5 L 5K	56" x 22" x 49.4"	7.5		208 – 230/460	21
20 L 2K	56" x 22" x 49.4"	5		208 – 230/460	16.6
20 L 5K	76" x 25" x 58"	10		208 – 230/460	33

Compressor Electrical Data at 150 psig Amps Drawn				
V/Phase/Hz	5	7.5	10	
200 – 208/3/60	18.4	21.5	31.6	
230/3/60	15.8	19.5	29.9	
460/3/60	7.9	9.9	14.7	

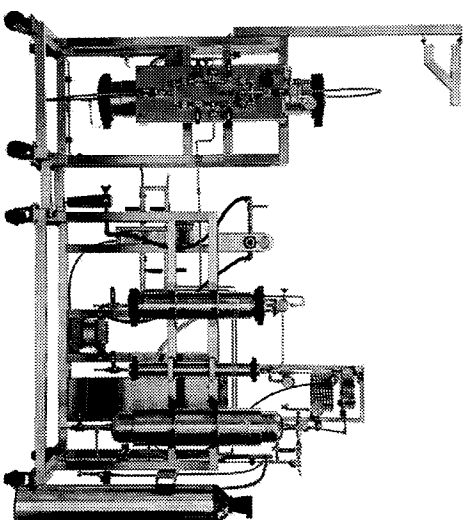
Separator Heater Specifications					
Hi-Flo™ Model	Dimensions L x W x H in.	Pump Wattage	Heating Element Voltage	Wattage	Voltage
5 L 2K	31" x 12" x 13"	40	115	4500	240
5 L 5K		40	115	4500	240
20 L 2K		40	115	4500	240
20 L 5K		40	115	4500	240

Extraction Vessel Heater Specifications					
Hi-Flo™ Model	Dimensions L x W x H in.	Pump Wattage	Heating Element Voltage	Wattage	Voltage
5 L 2K	31" x 12" x 13"	40	115	1700	120
5 L 5K		40	115	1700	120
20 L 2K		40	115	1700	120
20 L 5K		40	115	4500	240

Chiller Specifications

Hi-Flo™ Model	Dimensions L x W x H in.	Standard Cooling Capacity 60 Hz at 20°C	Voltage/Hz
5 L 2K	39" x 19.3" x 30.9"	5000 W	208 – 230 V/60 Hz
5 L 5K			
20 L 5K			

Hi-Flo™
20 L 2K



Utilities based on general specifications and electrical draw. Compressor specifications may vary. Single phase compressors available for custom orders and exclusively available for the 5L2K and 20L2K models. Provided specifications do not account for custom orders. All specifications subject to change without notice.

Contact your Eden Labs representative for more information or visit www.edenlabs.com

HiFlo™ FX2

Model			Product Specifications			Performance Specifications				
Max Extraction Pressure	Dimensions	Approximate Load Capacity	Extraction Run Time per run, 2420 is per EV	Avg. Yield per run	Down Time	Runs per 24 hrs	Exp. Weight Yield At max load capacity and max runs per 24 hours			
								psig	barg	L x W x H (in.)
5L2K	2000 (138)	68 x 46 x 90	1 - 3 (0.5 - 1.5)	2.5 - 4.5	12 - 15	1	4 - 6	980 - 1220		
5L5K	5000 (345)	68 x 46 x 90	1 - 3 (0.5 - 1.5)	2.5 - 4.5	12 - 15	1	4 - 6	980 - 1220		
20L2K	2000 (138)	100 x 46 x 107	4 - 12 (2 - 5.5)	5 - 9	12 - 15	1.5	2 - 3	1960 - 2450		
20L5K w/ Fractionation	5000 (345)	168 x 52 x 107	4 - 12 (2 - 5.5)	5 - 9	12 - 15	1.5	2 - 3	1960 - 2450		
2x20L5K w/ Fractionation	5000 (345)	404 x 104 x 107	8 - 24 (4 - 11)	2.5 - 4.5	12 - 15	0	5 - 9	6370 - 7960		
Automation Platform		35 x 42 x 71								

HiFlo™ FX2

NEW FEATURES

- Cannabinoid Fractionation
- Semi and Full Automation w/ Remote Operating System
- Double the Throughput of the Hi-Flo™
- Separator Collection Cups
- New Condensing System
- Boosted Pumping System
- Temperature, Pressure, Run-Time Data Collection & Safety Monitoring

Model

HiFlo™ FX2 Product Packages

Extraction Pressure	Fractionation	Automation	Liquid Pumping System	Electrical Power
5L	2000	NA	Pneumatic-Drive	Single
5L	2000	NA	Pneumatic-Drive	Three
5L	5000	NA	Pneumatic-Drive	Three
20L	2000	Semi	Pneumatic-Drive	Three
20L	2000	Fully	Pneumatic-Drive	Three
20L	5000	Semi	Pneumatic-Drive	Three
20L	5000	Fully	Pneumatic-Drive	Three
2x20L	Included	Semi/ Fully	Direct-Drive	Three

Product performance, specification, and packages subject to change. Performance specifications are dependent on plant material, anatomy of plant processed, and protocol. Stock photo may not represent actual product. Products purchased outside standard packages may have longer lead times. Pumping system compressor not included in Hi-Flo™ pricing. Contact your Eden Labs representative for more information.

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309 S. Cloverdale, Suite D-10 |

Seattle, WA 98108 | 888.626.3271 |

www.edenlabs.com

Rev Date Oct 2015



Hi-Flo Pre-installation Facility Requirements

Models: 5L2K, 5L5K, 20L2K, 20L5K

If you have any questions regarding these requirements please contact your sales representative for more information.

I. INTRODUCTION

In order for your Hi-Flo extraction unit to perform as designed, the facility where the unit will be installed must meet electrical supply, temperature, humidity, and ventilation requirements as specified by Eden Labs. The information you provide in this document will be used to purchase components of your Hi-Flo system.

II. INSTRUCTIONS

The project manager, and/ or primary stakeholder, that will be responsible for the installation and management of your Hi-Flo unit must read and sign this document. Please initial each bullet below indicating that you have read and understand the requirements as specified.

The requested information in Section V is to be provided by a licensed electrical contractor.

This information will be used by Eden Labs to purchase appropriately configured components for your Hi-Flo extraction unit.

III. ENVIRONMENTAL REQUIREMENTS - FACILITY (INITIALS)

_____ **Temperature:** 21-26°C (70-80°F)

_____ **Humidity:** 30-60%

_____ **Ventilation (general dilution):** 10 – 15 air exchanges per hour.

_____ **Ventilation (local):** sufficient to remove gases released from vent points on the Hi-Flo system.

IV. ELECTRICAL REQUIREMENTS - FACILITY (INITIALS)

_____ **Facility Electrical Supply Standard:** must meet United States National Electrical Code (NEC) standards and supply power at a frequency of 60 hertz.

_____ **Facility Electrical Supply Non-standard:** such as a generator, phase converter, power inverter, etc. will automatically **void the warranty** for all electrical components supplied with the Hi-Flo system.

_____ **Facility Electrical Supply Confirmation:** must be verified by a licensed electrical contractor. The results of the verification must be filled in below for completion of this form.

V. FACILITY ELECTRICAL SUPPLY CONFIRMATION

(TO BE COMPLETED BY LICENCED ELECTRICAL CONTRACTOR)

Total current available: _____ amps

Voltage and Phase available (fill in all available):

_____ volts / _____ phase (single or three) _____ volts / _____ phase (single or three)

_____ volts / _____ phase (single or three) _____ volts / _____ phase (single or three)



Hi-Flo Pre-installation Facility Requirements

Models: 5L2K, 5L5K, 20L2K, 20L5K

If you have any questions regarding these requirements please contact your sales representative for more information.

VI. Electrical Demand - Individual Hi-Flo Components (INITIALS)

- Scale - Compressed Gas Cylinder: 110-120 volt, AC to DC adapter
- Heater - Extraction Vessel: 1700 watt, 110-120 volt, 15 amps
- Heater - Liquid/Gas Separator: 4500 watt, 208-230 volt, 30 amps
- Chiller - Condenser/ Accumulator: 4500 watt (cooling) 208-230 volt, 15 amps (running)
- Air Compressor: Pump Drive - the voltage and current requirements for the compressor will depend on the electrical power configuration available at your facility.

The compressor supplied with your system is specifically matched to your facilities power configuration and the Hi-Flo system configuration as follows:

- 5 liter 2000 psi system - Air Compressor: 5 hp, 16-18 CFM @ 150-125 PSI
- 5 liter 5000 psi system - Air Compressor: 7.5 hp, 21-28 CFM @ 150-125 PSI
- 20 liter 2000 psi system - Air Compressor: 5 hp, 16-18 CFM @ 150-125 PSI
- 20 liter 5000 psi system- Air Compressor: 10 hp, 37 CFM, @125 PSI



VII. Ship to Address – Please include site contact and telephone number:

VIII. Certification (SIGNATURE)

By providing a signature below I certify that I have read and provided information as requested in this form.

Print Name	Signature	Date

EDEN LABS OFFICE USE ONLY	
Date Received	Received By

2014 Copyright Eden Labs, LLC	2 of 2	Form Revision: 07.29.2015
Eden Labs > Sales Dept > Sales Kit > Facilities Requirements_HiFlo Pre Installation_Rev 072015		

General Customer Requirements & Expectations



Congratulations! Thank you for choosing Eden Labs as your manufacturing partner!! Our goal is to ensure a smooth production of your chosen system! The following information is your guide to the general requirements necessary to build, train and successfully ship your system.

REQUIRED DOCUMENTS

- ☐ **Quote** – all pages must be signed / dated *before* submitting to Accounting
- ☐ **Product Application** – must accompany Quote
- ☐ **Purchase Order Terms & Conditions** – must accompany Quote
- ☐ **Business License** – Required for any cannabis processor if State law prescribes licensing.
- ☐ **Facility Requirements Form** (FRF) – Must be returned no later than 2 weeks from Invoice date.
COMPLETE FRF holds the system's place on the production schedule. If FRF is late production will continue to be delayed until FRF is submitted and reviewed for accuracy.
- ☐ **Shipping Questionnaire** – Due no later than 4 weeks from Invoice date.

PAYMENTS

- All payments are processed directly with Accounting. Customer *must* speak to Eden Labs CFO, Melissa Braddock, to arrange proper payment processing *in advance*.
 - Contact Accounting at 888-626-3271, Extension 6; or accounting@edenlabs.com
- Deposit (in full) must clear the bank *prior* to the order moving into Production.
- Manufacturing *begins* when the signed Quote, fully completed Product Application, signed Purchase Order Terms and Conditions, and Business License documents (as required) and the deposit are confirmed.
- **Final invoice will be sent 2 weeks before the system completion date, payment is due no later than 10 business days after system's scheduled completion date. Late fees will be assessed for late payment and/or if we have to store the completed system beyond a week after training.**

PRODUCTION

- Upon receipt of the initial Invoice, the Production Manager will assign a system name and serial number to your order placing it on the schedule. Sales will then be able to provide a target completion date (generally systems are manufactured in 10-12 weeks).
 - **SYSTEM DELIVERY** – Generally systems are shipped two (2) weeks after system completion and training. Factors involved, post system completion, include final quality control review/testing, shipment preparation and crating, and freight carrier schedule.

TRAINING

- **System must be paid in full prior to scheduling your training.**
- Training is scheduled as close to the system's completion date as possible.
- Training will consist of two days in our Seattle office. You will receive detailed information prior to arrival.
- A maximum of four individuals can be trained.
- Only Eden-trained individuals should operate the system; otherwise your warranty could be voided.

EDEN LABS PURCHASE ORDER CONFIRMATION AND TERMS

Thank you for your interest in the following specified Eden Labs equipment:

Equipment: _____

Price: _____

Quote: _____ Invoice: _____ Salesperson: _____

1. CONTRACT AND ACCEPTANCE.

1.1 This Purchase Order Confirmation and Terms ("Agreement") sets forth the terms and conditions of sale between Eden Labs LLC ("Seller") and Buyer (each a "Party" and collectively, the "Parties"). This Agreement shall apply to the sale and provision of any equipment, materials, items, products, components, parts, systems, drawings, specifications and any related services (the "Goods") offered for sale or provided by Seller to Buyer, including all requests made by Buyer for quotations or offers to purchase and to any offers made by Seller and are an integral part of any order accepted by Seller ("Order"). All Orders received by Seller, Seller's sales representatives or distributors are subject to acceptance by Seller's corporate office in Seattle Washington. SELLER'S ACCEPTANCE OF ANY ORDER IS EXPRESSLY CONDITIONED ON BUYER'S ACKNOWLEDGMENT OF, AND AGREEMENT WITH, THIS AGREEMENT. This Agreement shall prevail over any conflicting terms in Buyer's Purchase Order. No terms and conditions contained in any orders, prior offers or any other document issued by the Buyer shall be binding on Seller, even if they have not been expressly rejected. The failure of either Party at any time, to enforce any provision in this Agreement shall not be construed to be a waiver of the right of such Party to enforce any terms and conditions in this Agreement.

1.2 No order, amendment thereof, addition or a complement thereto shall be binding on Seller unless expressly accepted in writing by Seller.

1.3 If individual terms in this Agreement cannot be applied for any reason whatsoever, all other terms and conditions will remain unaffected.

1.4 Orders do not include installation or training services by Seller unless expressly included and agreed to in writing by Seller and as specified in an Order. If an Order includes installation and/or training, Buyer must have its facility ready (including, without limitation, having obtained any necessary permits) for installation upon the arrival of Seller's personnel or training representative. If the facility is not ready, the Buyer agrees to pay for a second trip by Seller and/or its agents to its facility including all reasonable travel expenses, lodging and meals and at the convenience of Seller's schedule.

2. TERMS OF PAYMENT; PRICES.

2.1 Sixty percent (60%) of the purchase price must be paid to Seller upon Seller's acceptance of the Order and the balance is due upon completion of the Order. Payment in full (including the costs set forth in section 2.2) must be received by Seller before the Goods will be shipped, unless otherwise specified in writing by Seller.

2.2 The cost of packing, crating, loading, storage, transportation, shipping and insurance is not included in the purchase price of the Goods and will be quoted on a case-by-case basis.

2.3 All payment must be made by wire transfer, check, cashier's check or credit card. Payment may not be made by cash or money order. All prices are set forth in U.S. dollars.

2.4 Buyer authorizes and permits Seller to perform background checks and obtain financial information about Buyer from credit reporting sources, banks and law enforcement agencies.

3. SHIPPING SCHEDULE

3.1 Shipment dates are approximate and represent Seller's best judgment at the time of quotation. Estimations of shipping dates are made in good faith, but they are NOT guaranteed and such dates are not the essence of an Order.

3.2 Seller reserves the right to make shipment in lots. Upon shipment of each lot, Seller shall have the right to immediately invoice an amount representing that appropriate portion of the total purchase price.

3.3 Seller shall have the right, in its sole discretion, to manufacture the Goods to be provided pursuant to this Agreement as far in advance of its estimated shipping schedule as it deems appropriate. Seller reserves the right to ship in advance of any Buyer request dates, except those dates stipulated "not before".

3.4 Should shipment be held beyond the scheduled date at the request of Buyer, Seller may charge Buyer for all expenses incident to such delay, including but not limited to storage of the Goods.

3.5 Seller will not be responsible for deviations in meeting specified shipping schedules nor for any losses, claims or damages to Buyer (or any third person) occasioned by deviation in the performance or the nonperformance of any of Seller's obligations hereunder, or by loss of or damages to the Goods when caused directly or indirectly by, or in any manner arising from, any casualty, riots, acts of Buyer, strikes, or by other labor difficulties, shortages of labor, supplies, and transportation facilities or any other similar or different cause or causes beyond Seller's reasonable control or the reasonable control of its suppliers or subcontractors.

4. PRICE QUOTATIONS.

4.1 All price quotations expire thirty (30) calendar days from the date of the quote unless sooner withdrawn by Seller. Prices of Goods scheduled for shipment more than twelve (12) months after the date of an Order shall be subject to escalation.

4.2 Unless otherwise stated, price quotations do not include cost of packing, crating, loading, storage, transportation, insurance and shipping.

5. TAXES. All prices quoted do not include any federal, state, municipal and other excise, sale, use or occupational or similar taxes unless otherwise stated. If, under law or governmental regulation, Seller is required to pay or collect any tax upon the Goods included in the Order or predicated upon, measured by or arising from the sale, transportation, delivery, use or consumption of said Goods, whether directly or indirectly, the price to be paid by the Buyer shall be increased by the amount of any such taxes. Buyer shall immediately, upon Seller's request, pay such taxes to Seller.

6. CANCELLATION. Cancellations of an Order may be accepted only with the prior written approval of Seller. A request to cancel an Order must be submitted by Buyer, in writing, to Seller within five (5) business days of the date of invoice to receive a 100% refund. For requests to cancel an Order that are submitted to Seller, in writing, five (5) or more business days after the date of invoice, Buyer must pay all costs already incurred by Seller, including the price of Goods and services required to fill the Order already committed by Seller as well as a reasonable allowance for Seller's overhead and profit. Seller may cancel any Order if the Buyer's representations herein, or in the Buyer Questionnaire, End-Use Statement, and Indemnification, are found to be materially inaccurate or misleading (a "Seller Cancellation"). In the event of a Seller Cancellation, Buyer shall pay all costs already incurred by Seller, including the price of Goods and services required to fill the Order committed to by Seller as well as a reasonable allowance for Seller's overhead and profit.

7. CHANGES. Seller shall have the right to charge Buyer for increased costs resulting from Buyer's changes to any accepted Order, including changes in delivery schedule, Goods, materials, or services.

8. WARRANTIES.

8.1 Except as set forth in this Agreement, Seller warrants that the Goods conform to the applicable drawings and specifications of Seller and will be free from any defects in material and workmanship for a period of twelve (12) months from the date of installation by Seller or eighteen (18) months from the date of shipment, whichever period expires first. Repairs utilizing new parts carry a one (1) year limited warranty against defects in such parts.

Repairs utilizing refurbished parts carry a ninety (90) day limited warranty against defects in such refurbished parts. Seller's labor is warranted for ninety (90) days.

8.2 If, within these stated warranty periods, Seller receives from Buyer written notice of any alleged defect in or nonconformance of any such Goods or parts, Buyer shall, at Seller's request, return the Goods or parts F.O.B. Seller's location, as designated by Seller. If Seller agrees that the Goods or parts do not conform or is found to be defective in material or workmanship, Seller shall repair or replace the defective Goods or parts at Seller's option and expense. Seller's sole responsibility, and Buyer's exclusive remedy hereunder, shall be limited to such repair or replacement as provided herein.

8.3 Goods, products and accessories supplied by Seller hereunder which are not manufactured by Seller are warranted by Seller only to the extent that Buyer or Seller is able to obtain warranty service or compensations from the manufacturers thereof.

8.4 THERE ARE NO OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING THOSE OF MERCHANTABILITY AND OF FITNESS FOR PURPOSE.

8.5 The warranties of Seller do not cover, and Seller makes no warranty with respect to: (a) Failures not reported to Seller within the warranty period specified above; (b) Failures or damage due to misapplication, abuse, improper installation, abnormal conditions of temperature, water, dirt, or corrosive matter; (c) Failures due to operation above rated capacities or in an otherwise improper manner; (d) Goods or products which have been in any way tampered with, modified or altered by anyone other than Seller; (e) Goods or products damaged in shipment or storage or otherwise without fault of Seller; (f) Labor and/or material expenses incurred by Buyer which relate in any manner to any allegedly defective Goods or products unless Buyer incurs such expense under express written authorization from Seller; and (g) Goods and parts which are subject to normal wear and tear, are scheduled for routine replacement within the guarantee period, and Goods and parts subject to the effects of corrosion or deterioration by chemical or other action.

8.6 The warranties of Seller do not cover any Goods or products supplied by Seller made to the Buyer's design or the design of which has been modified by the Buyer or used in a manner other than that approved by the Seller.

9. CLAIMS, SHORTAGES, AND RISK OF LOSS.

9.1 Any claims for loss, breakage or damages (obvious or concealed) are Buyer's responsibility and should be made to the carrier. Seller will render Buyer reasonable assistance in securing adjustment of such claims.

9.2 Any notices of shortages or other errors must be made in writing to Seller within fifteen (15) days after receipt of shipment. Failure to give such notice shall constitute unqualified acceptance and a waiver of all claims by Buyer.

9.3 Risk of loss for damages to the Goods sold hereunder passes to Buyer upon delivery by Seller to the carrier regardless of F.O.B. point. Title to the Goods sold hereunder passes to Buyer upon payment of the full purchase price. Buyer agrees to execute such documents as Seller requests to protect Seller's interest in the Goods.

10. **TRANSPORTATION CHARGES AND ALLOWANCES.** All prices are F.O.B. place of shipment. Buyer is responsible for the costs of packing, crating, loading, storage, transportation, insurance and shipping, unless otherwise agreed to in writing by Seller. If the quoted price includes shipping, Seller reserves the right to designate the common carrier and to ship in the manner it deems most economical. Buyer agrees to pay all additional costs due to special routing requested by Buyer. Under no circumstances shall any shipping or insurance costs be deducted from the purchase price. If the quoted price includes shipping costs, no reduction to the purchase price will be made in lieu thereof whether Buyer accepts shipment at factory, warehouse, freight station, or otherwise supplies its own transportation.

11. **ACCEPTANCE.** Final acceptance or rejection of the Goods shall be made promptly after delivery to Buyer. Unless earlier rejected, the Goods shall be deemed by the Parties to be formally accepted within thirty (30) days after delivery to Buyer. Upon acceptance of each unit of the Goods, Buyer expressly waives any right to revoke such acceptance for any reason, whether known or unknown to Buyer at the time of acceptance. Any alleged

defect or nonconformance which may become apparent in the Goods after acceptance shall be subject to the provisions of Section 8 herein above.

12. **RETURNED GOODS.** Seller reserves the right to refuse returned Goods unless such return is authorized in advance by Seller. A restocking charge of twenty percent (20%) of the purchase price will be levied on all returned Goods.

13. **SUBSTITUTIONS.** Seller reserves the right to furnish substitutes for materials which cannot be reasonably obtained because of any restrictions, voluntarily or compulsorily, established by or in connection with any governmental authority or program. In all cases, the materials of construction are subject to verification and acceptance by Buyer. Seller may, during any periods of shortage due to causes beyond control of Seller or its suppliers, prorate its supply of Goods among all of its buyers in such manner as may be deemed equitable in the sole judgment of Seller. Seller shall not incur any liability to Buyer because of any proration hereunder.

14. **HAZARDOUS OR TOXIC MATERIALS NOTICE.** It is the policy of Seller not to handle any unknown or potentially hazardous or toxic substances. Therefore, all Goods returned for any reason must be thoroughly cleaned and any hazardous or toxic substances completely removed and/or neutralized.

15. **USE; COMPLIANCE WITH LAW.** **Buyer represents and warrants that the Goods purchased from Seller will be used for commercial, business or research purposes, and not for personal, family, or household use and that all information provided to Seller up to the date of shipment is complete and accurate.**

16. **EXPORT REGULATIONS.** To ensure items will not be used in any manner which violates any laws, rules or regulations Buyer has agreed to fully and accurately complete and agree to the "Buyer Questionnaire, End-Use Statement and Indemnification" provided by Seller at <http://edenlabs.com/support/terms-and-conditions>. **BUYER MUST INFORM SELLER IMMEDIATELY OF ANY CHANGES TO BUYER'S ANSWERS THAT OCCUR PRIOR TO THE SHIPMENT OF THE GOODS, BY ELECTRONIC MAIL TO cs@edenlabs.com OR MAIL TO: Eden Labs, 309 S. Cloverdale, Suite D-10, Seattle, Washington 98108.** Seller reserves the right not to ship orders that do not comply with Seller's policies.

17. **LIMITATION ON LIABILITY.**

17.1 Notwithstanding anything contained herein to the contrary, Seller's responsibility for any claims, damages, losses or liabilities arising out of or related to its performance under this Agreement or the provision of the Goods provided and/or contemplated hereunder shall not exceed the purchase price hereunder.

17.2 **In no event shall Seller or its agents be liable to Buyer for any punitive, special, indirect, incidental or consequential damages of any kind or character, including but not limited to, loss of use of production facilities or equipment, lost profits or revenue, property damage (including property damage arising out of causes of action based on strict liability), damages to person, expenses incurred in reliance on Sellers performance hereunder, or lost production, whether suffered by Buyer or any third party.**

17.3 **SPECIFIC DESIGN RECOMMENDATIONS.** If before or during its performance under this Agreement, the Buyer obtains specific design and/or engineering assistance from Seller insofar as the compatibility or use of the Goods with elements or systems not supplied by Seller, it is understood and agreed by Buyer that such specific design and/or engineering assistance is provided as a service, even if Seller receives compensation therefore, and that Seller makes no warranties of any nature whatsoever with respect to the accuracy of such specific design and/or engineering assistance or with respect to any actions taken by Buyer or any third parties in reliance on such assistance.

18. **MISCELLANEOUS.**

18.1 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the STATE OF WASHINGTON exclusive of any conflict of laws provisions, and the parties hereby submit to the jurisdiction of the courts of Washington at Seattle.

18.2 **Entire Agreement; No Third Party Beneficiaries.** This Agreement, including any Exhibits or Attachments referred to herein, including the Buyer Questionnaire, End-Use Statement and Indemnification, constitutes the entire agreement and understanding between Seller and Buyer with respect to the subject matter herein and all

understandings and agreements heretofore had between Seller and Buyer are merged into this Agreement. This Agreement shall not be modified, altered, amended or assigned except as specifically provided for herein or by mutual written agreement of the Parties hereto. No course of prior dealings between the Parties and no usage of trade shall be used to supplement, explain or vary any of the terms of this Agreement. This Agreement is not intended to confer upon any person other than the Parties any rights, remedies or other benefits hereunder. Accordingly, Seller owes no duty or obligation to any such third parties pursuant to the terms of this Agreement and shall not be responsible for any claims made and/or damages asserted by any such third parties.

18.3 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of, the Parties and their successors, respective heirs and assigns.

18.4 No Waiver. The failure of either Party at any time to require performance by the other Party of any provisions hereof shall in no way affect the full right to require such performance at any time thereafter; nor shall the waiver by either Party of a breach of any provision hereof be taken as held to be a waiver of any succeeding breach of such provision or as a waiver of the provision itself. The failure of Seller to object to any provision in conflict herein, whether contained on Buyer's Purchase Order or otherwise, shall not be construed as a waiver of the provisions herein or as an acceptance of any such conflicting provision.

18.5 Notices. Except as otherwise provided in this Agreement, all notices sent or required to be sent hereunder shall be sent by registered or certified mail, postage prepaid, addressed as follows: to Eden Labs LLC, 309 S. Cloverdale St., Suite D-10, Seattle, WA 98108 and to the Buyer at the address that Buyer shall designate in writing.

18.6 Force Majeure. Neither Party shall be liable for any delay in the performance of any obligation hereunder or any loss resulting therefrom due to any cause beyond its control, including but not limited to acts of God, acts of civil or military authority, labor disputes, fires, floods, riots, civil disturbances, or war, and the performance of any such obligation shall be postponed for a reasonable period of time during the continuation of any such cause.

18.7 Severability. If any term or provision of this Agreement or the application thereof to any person, property or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby.

18.8 No Joint Venture. The relationship between Seller and Buyer is that of vendor and vendee. No agency, partnership, joint venture or employment relationship is created between the Parties by this Agreement.

19. Proprietary Information/Preservation of Confidentiality. Buyer agrees that it shall regard, maintain and preserve the secrecy and confidentiality of any and all information and data, whether in oral or written form, including but not limited to, costs, products, processes, methods, concepts, ideas, programs, formulae, apparatus, prototypes, photos, techniques, know-how, marketing plans, business plans, data, strategies, forecasts, customer or supplier lists or technical requirements of customers, or other information constituting trade secrets (collectively referred to herein as the "Proprietary Information") of Seller which may have been or may hereafter be disclosed to or obtained by them in connection with the manufacture of Goods by Seller or otherwise. Buyer acknowledges and agrees that the Proprietary Information constitutes protectable trade secrets of Seller's within the meaning of applicable law. Without limiting the generality of the foregoing, Seller anticipates disclosing to Buyer certain Proprietary Information pertaining directly or indirectly to the extraction and/or distillation of botanicals. Buyer shall take reasonable and necessary measures to preserve the secrecy and confidentiality and avoid the unauthorized use or disclosure of Seller's Proprietary Information, including, without limitation, taking such measures of protection as it takes to protect their own confidential, proprietary or trade secret information. Buyer shall limit access to the other party's Proprietary Information to those of its employees, agents, and consultants, who have a reasonable need for access to such information in connection with the discussion, exploration and possible later performance of the Order ("Recipients") and shall take reasonable steps to ensure that each Recipient is bound by restrictions which in all reasonable respects are materially the same as the restrictions contained herein.

20. Covenant Not to Use or Disclose. Buyer agrees that it will not, at any time, without the prior written consent of Seller, use or disclose Seller's Proprietary Information for any reason or in any manner whatsoever except as may be necessary for the discussion, exploration of purchasing Goods or services from Seller.

21. Covenant Not to Reproduce. Except as may be necessary for the discussion, exploration and completion of Seller's performance of manufacturing or services for Buyer and then only with the express permission of Seller, Buyer agrees that it will not make copies, photocopies, facsimiles, or other reproductions of any documents, drawings, products, electronic data or the like containing Seller's Proprietary Information. Upon conclusion or termination of the Order or forthwith upon the request of Seller, Buyer shall promptly return to Seller all such documents, drawings, electronic data or reproductions thereof which may have come into their possession.

22. Proprietary Rights. Buyer acknowledges that all property rights in Seller's Proprietary Information are owned by Seller and Buyer has no such rights to the Proprietary Information. Buyer further acknowledges that Seller has not granted and does not grant in this Agreement or outside of it any license to such Proprietary Information or intellectual property rights under Seller's patents, copyright, trade secret or other proprietary rights to use or reproduce any Proprietary Information of Seller's.

I certify that I have read the Purchase Order Confirmation and Terms and Conditions.

Buyer Signature

Buyer Printed Name

Date

Buyer Questionnaire, End-Use Statement, and Indemnification

CUSTOMER NAME: _____

CUSTOMER ADDRESS: _____

CUSTOMER PHONE NUMBER: _____

PURCHASE ORDER (PO) NUMBER, ORDER NUMBER, AND MODEL NO. (if applicable):

In regard to the item(s) purchased on the purchase order(s) _____, Eden Labs, LLC ("Eden Labs") requires you to fill out and return this questionnaire/statement with your signature below prior to order acceptance by Eden Labs. If for any reason, whether by you or another party, this (these) item(s) are exported outside of the United States, are used outside of the county and state listed below or is used for a purpose other than described herein, such export or use must comply with all United States Export Laws and regulations and all federal, state and local laws, regulations and ordinances for the location in which the item(s) will be used. The information provided will be used to confirm and validate legal compliance. **By your signature below, you agree and understand that Eden Labs will rely on the information provided to accept this order.**

1. What is the Buyers / End-Users age? _____

2. Is the item being exported from the United States? _____

3. Where is the item going (Intermediate consignee(s) and/or Ultimate Destination - including U.S. county and state, if applicable)?
_____4. Who is purchasing the item(s) and who will use the item(s) (Intermediate End-User and/or Ultimate End-User)?

_____5. What will they do with the item(s) (Ultimate End-Use)? Please state the specific use of the referenced item(s), what the item(s) will be used for, and whether it will be integrated into another device or items. Also, state the exact role the Ultimate End-User will have in the use of the referenced item(s).

_____6. What other functions/changes/activities will the Intermediate or Ultimate End User perform on the item(s)?

7. If at any time the above-referenced items will be transferred to another state or location within the state, or re-exported to a destination/End-User other than stated above, you are required to adhere to all applicable United States laws and regulations governing the export or re-export of the item(s) listed above. Specifically, you hereby certify by your signature below that the referenced item(s) will not be used or transferred:

(a) For any purpose associated with chemical, biological or nuclear weapons or missiles capable of delivering such weapons, nor will the referenced item(s) be re-exported or otherwise transferred if there is a reason or suspicion that the referenced item(s) are intended or likely to be used for such purpose; and

(b) To entities or persons excluded, denied, debarred or otherwise sanctioned or restricted by an agency of the United States as indicated on the Blocked, Denied Entity and Debarred Persons Lists maintained by United States agencies or entities otherwise subject to embargoes, sanctions or other restricted export programs implemented by the United States. The customer agrees to cooperate with Eden Labs to ensure that the referenced item(s) are not exported to any person or entity designated on these Lists or programs.

Buyer understands that the referenced item(s) may be subject to one or more United States export laws or regulations and the item(s) may fall under the jurisdiction of one or more United States agencies, including Department of State, Department of Commerce and the Food and Drug administration and/or the laws, regulations and ordinances of states, counties or municipalities. Buyer further understands that it is unlawful to export, or attempt to export, or otherwise transfer, sell or divert Eden Labs manufactured items or related technical data to any foreign person, whether outside or inside the United States, for which a license or other approval of an agency of the United States is required, without first obtaining the required license or written approval from the appropriate government agency. **Therefore, Buyer agrees that it will comply with all applicable export control laws.**

By signing below, I certify that, to the best of my knowledge and belief, the information given above is accurate and complete, and that I am duly authorized to provide the certifications and statements above. As a Buyer of Eden Labs, LLC systems, equipment, goods or accessories (collectively, the "Systems"), I represent and warrant that (1) the Systems purchased by Buyer will be used for commercial, business or research purposes, and not for personal, family or household use; (2) such Systems will not be used in any illegal or improper activities or in any manner which violates any federal, state and local laws, rules and regulations; (3) Buyer shall comply with all export control laws to the extent applicable to the Systems purchased; and (4) Buyer has reviewed the Warranties provided by Eden Labs.

Buyer agrees it shall indemnify, defend and hold Eden Labs, LLC harmless from and against any and all claims, suits, expenses, liabilities, losses and costs, including without limitation reasonable attorneys' fees, arising out of or resulting from any illegal or improper acts, omissions, or representations of Buyer, or its employees, agents, representatives, or other personnel in regards to the use of the Systems.

Signature: _____

Printed Name: _____

Title: _____

Date: _____

THIS STATEMENT, QUESTIONNAIRE AND INDEMNIFICATION MUST BE ACCURATELY COMPLETED PRIOR TO ORDER APPROVAL AND PROCESSING BY EDEN LABS OR ITS AUTHORIZED DISTRIBUTORS

Hawaiian**Ethos**

Cannabis Capsule Consulting Group

CANNABIS ENCAPSULATION EXPERTS

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

SERVICE SUMMARY

PREMIUM CAPSULE MANUFACTURING

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

CAPSULE CUSTOMIZATION

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

FORMULATION ASSISTANCE

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

INSTALLATION & STAFF TRAINING

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

Capsule Design and Customization

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

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

Staff Training & Technical Support

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

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

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

Equipment Sourcing & Installation

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

Machinery sourcing and installation is best done by experts. TCCG can recommend.

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

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

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

Formulation Assistance

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

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

Our Capsules

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

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



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

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

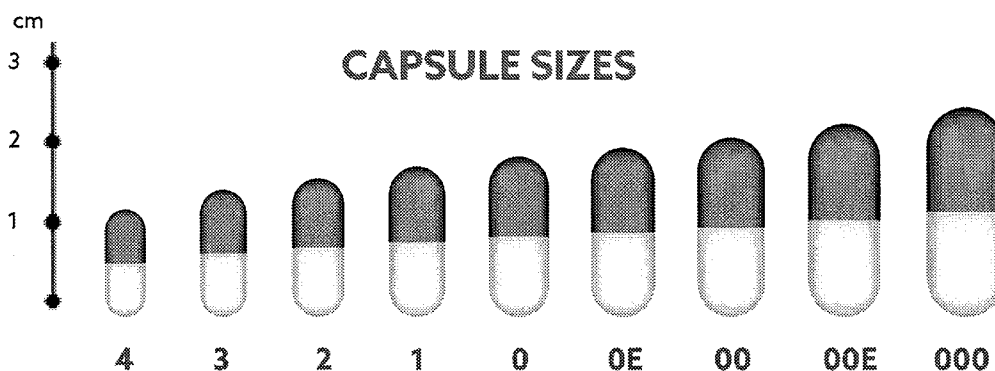


The majority of consumers stated that they would choose flavored hard-gelatin capsules over a non-flavored version, and that having a flavored pill would increase the likelihood of taking their supplements more often.

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The Capsule Consulting Group, LLC

Shaping the Future of Legal Cannabis Consumption



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

1 (800) 852-9238

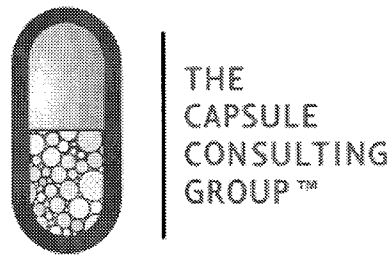
info@cannabiscapsules.com

www.cannabiscapsules.com

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THE
CAPSULE
CONSULTING
GROUP™



CONFIDENTIAL

The Capsule Consulting Group, LLC

*Shaping the future of legal cannabis consumption**

Services Outline

Contact:

Info@CannabisCapsules.com

1(800) 852-9238

www.CannabisCapsules.com

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1. Introduction to TCCG

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

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

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

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

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

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

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2. What Sets TCCG Apart

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

TCCG's signature services include:

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

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

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3. What TCCG Offers

Free Initial Consultation

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

Custom Services

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

Premium Services

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

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

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4. Available Packages

SILVER	GOLD	PLATINUM	DIAMOND
Startup	Grow	Compete	Dominate

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

Silver Level: Startup

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

Gold Level: Grow

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

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Platinum Level: Compete

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

Diamond Level: Dominate

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

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5. Services Outline

Capsule Machine Sourcing

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

Capsule Machine Installation

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

Full Staff Training

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

Capsule Consultation

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

Capsule Manufacturing

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

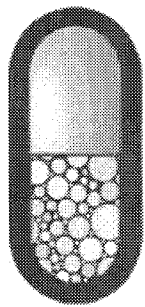
Technical Support

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

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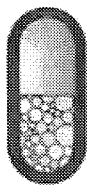
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Notes



THE
CAPSULE
CONSULTING
GROUP™

info@cannabiscapsules.com
www.cannabiscapsules.com



THE
CAPSULE
CONSULTING
GROUP™

Silver	Gold
\$10,000	\$20,000
<ul style="list-style-type: none"> ➤ <i>Recommendation:</i> Sourcing of basic semi-automatic capsule filling machine ➤ Sourcing of machinery ➤ Full installation ➤ Full staff training ➤ 250,000 capsules included ➤ 30-day TCCG private consultation ➤ One visit total (set-up of machinery) 	<ul style="list-style-type: none"> ➤ <i>Recommendation:</i> Sourcing of upgraded low-output automatic capsule machine ➤ Sourcing of machinery ➤ Full installation ➤ Full staff training ➤ 500,000 capsules included ➤ Capsule customization (size, logo) + one design ➤ 30-day technical support ➤ 90-day TCCG private consultation ➤ Two visits total (set-up of machinery; end of 90-day private consultation period)

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

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

CAPSULE MACHINE SERVICES AND SUPPLY AGREEMENT

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

RECITALS:

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

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

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

1. DEFINITIONS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.2 Installation and Testing. TCCG will assist Client in identifying an area of the Facility (as well as any necessary modifications thereto) appropriate for installation and operation of the Machine in a manner that conforms to applicable current Good Manufacturing Practices ("cGMP"), (the "Installation Site"). Client will be responsible for making any necessary modifications to and for clearing and preparing the Installation Site and for ensuring that proper power, electrical wiring, and ventilation are available for the Machine so that TCCG can install the Machine and it can run properly in accordance with cGMP and the manufacturer's specifications (the "Specifications"). Within fifteen (15) days of TCCG's receipt of notice from Client that the Machine has been delivered and the Installation Site is ready (the "Site Readiness Notice"), TCCG shall install and configure the Machine and deliver the Included Capsules (as defined below) to the Facility. Upon completion of the installation and configuration, TCCG will test the Machine to ensure it operates properly. If there are any defects or other issues with the Machine, TCCG will deal directly with the vendor on Client's behalf to resolve all problems. Once TCCG determines that the Machine is operating properly in accordance with the Specifications, TCCG will notify Client that TCCG is ready to begin training (the "Test Completion Notice"). Client will inspect the Machine within five (5) business days of receipt of the Test Completion Notice and, provided Client does not detect any failures to meet the Specifications, provide TCCG with a written notice

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

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

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

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

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

3. CAPSULES. Within forty (40) days of TCCG's receipt of the Site Readiness Notice, TCCG will provide Client with a total of one million (1,000,000) Capsules for use with the Machine (the "Included Capsules"). Client may select any number of different color, size and composition configurations for the Included Capsules from TCCG's existing inventory (within parameters acceptable for the Machine). Alternatively, Client may select a custom color from TCCG's wide selection of customization options for all Included Capsules (i.e. minimum order of 1,000,000 Capsules). In either case, at Client's request, TCCG also will provide up to two single color design customizations (text or logo) that TCCG will imprint on any number of the Included Capsules ("Design Customization"). To order Design Customization, Client must provide TCCG the desired text and/or logo artwork in digital format specified by TCCG within fifteen (15) days of TCCG's receipt of the Site Readiness Notice. TCCG will provide Client a proof of the Design Customization for Client's review prior to imprinting. Client will approve or reject the proof (with a detailed explanation for any rejection) within seven (7) days of receipt. If Client approves, TCCG will proceed to print. If Client rejects, TCCG will revise and the process will repeat, provided that if Client is still not satisfied with the second proof (other than due to manifest error by TCCG), Client's only option will be to cancel the Design Customization. As part of the consideration for TCCG's Services and provision of the Included Capsules, Client hereby agrees that, except to the extent TCCG is unable or unwilling to provide Capsules for use with the Machine, Client will not purchase any capsules from any person or entity other than TCCG prior to the one (1) year anniversary of TCCG's completion of the Training Session. TCCG will provide such additional Capsules to Client at a ten percent (10%) discount to TCCG's then current standard list price. TCCG will continue providing this discount during the term of any extended technical support, consulting and/or Capsule contract Client may choose to purchase on terms mutually agreed by the Parties. TCCG will replace defective

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

4. CLIENT OBLIGATIONS.

4.1 Cooperation and Responsibility. During the Term of this Agreement, Client shall provide TCCG (through appropriate Client personnel) reasonable and timely cooperation to facilitate TCCG's provision of the Services and delivery of Capsules. TCCG will not be liable (including for any refunds or credits) for any delay in providing or for any incomplete Services or for any delay in providing Capsules to the extent arising out of insufficient or untimely cooperation from Client personnel. Client shall be responsible for determining whether any permits or licenses are required for installation and operation of the Machine at the Installation Site and for obtaining all required licenses and permits from proper governmental authorities. For all on-site Services, Client shall ensure a safe working environment for TCCG personnel. Client is responsible for all acts and omissions of all persons in, on or about the Facility other than TCCG's personnel. TCCG will not participate or assist in the commission or suspected commission of any illegal activities, or provide support or other services to or for any person or entity engaged in such activities or with respect to any equipment suspected of being utilized in such a manner. Client represents and warrants that it will use the Machine and all Services provided hereunder in compliance with all applicable laws, rules, regulations, ordinances, decrees and judgments (collectively, "Laws"). TCCG reserves the right to terminate or suspend without notice any or all Services or any portion thereof in the event that TCCG reasonably determines that Client is in violation of this paragraph.

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

5. COMPENSATION AND PAYMENT.

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

5.2 Payment. Client shall pay the Total Compensation to TCCG via wire transfer of readily available funds to an account specified by TCCG in accordance with the following schedule without setoff or deduction:

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

following schedule without setoff or deduction:

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

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

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

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

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

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

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

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

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

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

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

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

If to Client:

If to TCCG:

Hawaiian OLA
LLC

The Capsule Consulting Group

<p>If to Client:</p> <p>Hawaiian OLA LLC</p> <p>_____</p> <p>Attention: _____</p> <p>Email: _____</p> <p>jonathan@cannabiscapsules.com</p>	<p>If to TCCG:</p> <p>The Capsule Consulting Group</p> <p>1889 SW 3rd Street Pompano Beach, FL 33069 Attention: Jonathan Gilinski</p> <p>Email: _____</p>
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12. CONFIDENTIALITY.

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

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

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

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

13. MISCELLANEOUS.

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

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

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

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

13.5 Governing Law; Arbitration; Attorneys' Fees. This Agreement will be governed by, and construed and enforced in accordance with, the laws of the State of Colorado, without regard to its choice of law rules. All disputes, controversies and claims arising out of or relating to this Agreement shall be submitted to and finally resolved exclusively by binding arbitration in accordance with the Commercial Rules of the American Arbitration Association, which arbitration will be held in Denver, Colorado and conducted in English. Neither Party will commence any action, suit, or proceeding relating to this Agreement in any court, except for actions in any court of competent jurisdiction for interim, injunctive or conservatory relief, relief in support of arbitration, or to enforce any judgment, decree or award rendered in any such arbitration. Each of the Parties further agrees that notice as provided herein will constitute sufficient notice for arbitration and the Parties further waive any argument that such service is insufficient.

In the event any legal action (including Arbitration) is taken or brought by a Party hereto to enforce the provisions of this Agreement or as a result of any violation of the Agreement, the prevailing Party will be entitled to recover any and all reasonable attorney's fees, costs, expenses and expert witness fees, incurred in enforcing or attempting to enforce or defending any of the terms hereof. The arbitrator or other trier of fact (for actions to enforce this Section or any arbitration award) in any proceeding will determine which is the prevailing Party by using the "substantially prevailing" party test. If both Parties have breached the Agreement, then each Party will bear its own

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

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

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

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

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

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

[SIGNATURES APPEAR ON FOLLOWING PAGE]

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

**Hawaiian OLA:
LLC:**

THE CAPSULE CONSULTING GROUP

By: _____

By: _____

—

Name: _____

Name: Jonathan Gilinski

Title: _____

Title: Founder & CEO

Capsule Machine Services and Supply Agreement
Page 1 of 11

Hawaiian**Ethos**

Bosch Capsule Filling Machine

Hawaiian Ola Mail - Hawaiian Ola GKF 702 L Proposal PRJ-2...

<https://mail.google.com/mail/u/0/?ui=2&ik=0b92cc607f&view...>

Chris Whidden <c.whidden@hawaiianola.com>

Hawaiian Ola GKF 702 L Proposal

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

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

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

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

Thanks,


Pat

Hawaiian Ola Mail - Hawaiian Ola GKF 702 L Proposal PRJ-2...

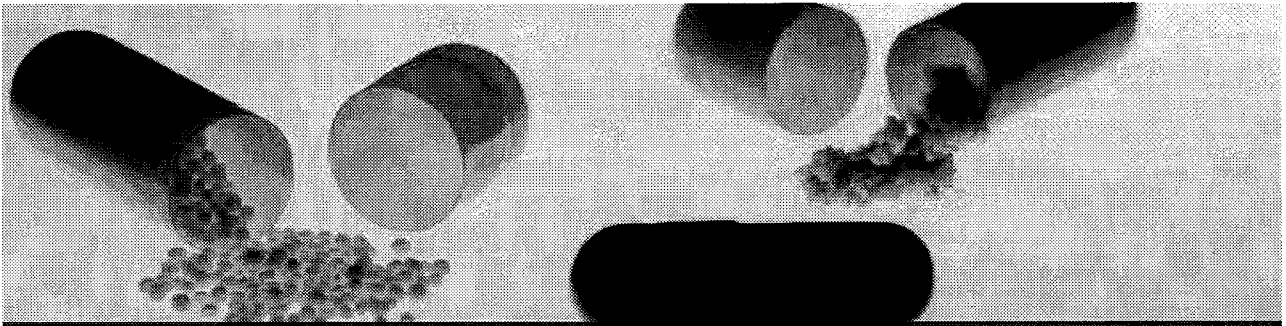
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3 attachments

 **Hawaiian Ola GKF 702 Proposal [REDACTED].pdf**
562K

 **GKF 702 2015.pdf**
1510K

 **105835030-GKF-Capsylon-Capsule-Filling-Machine[1].pdf**
626K



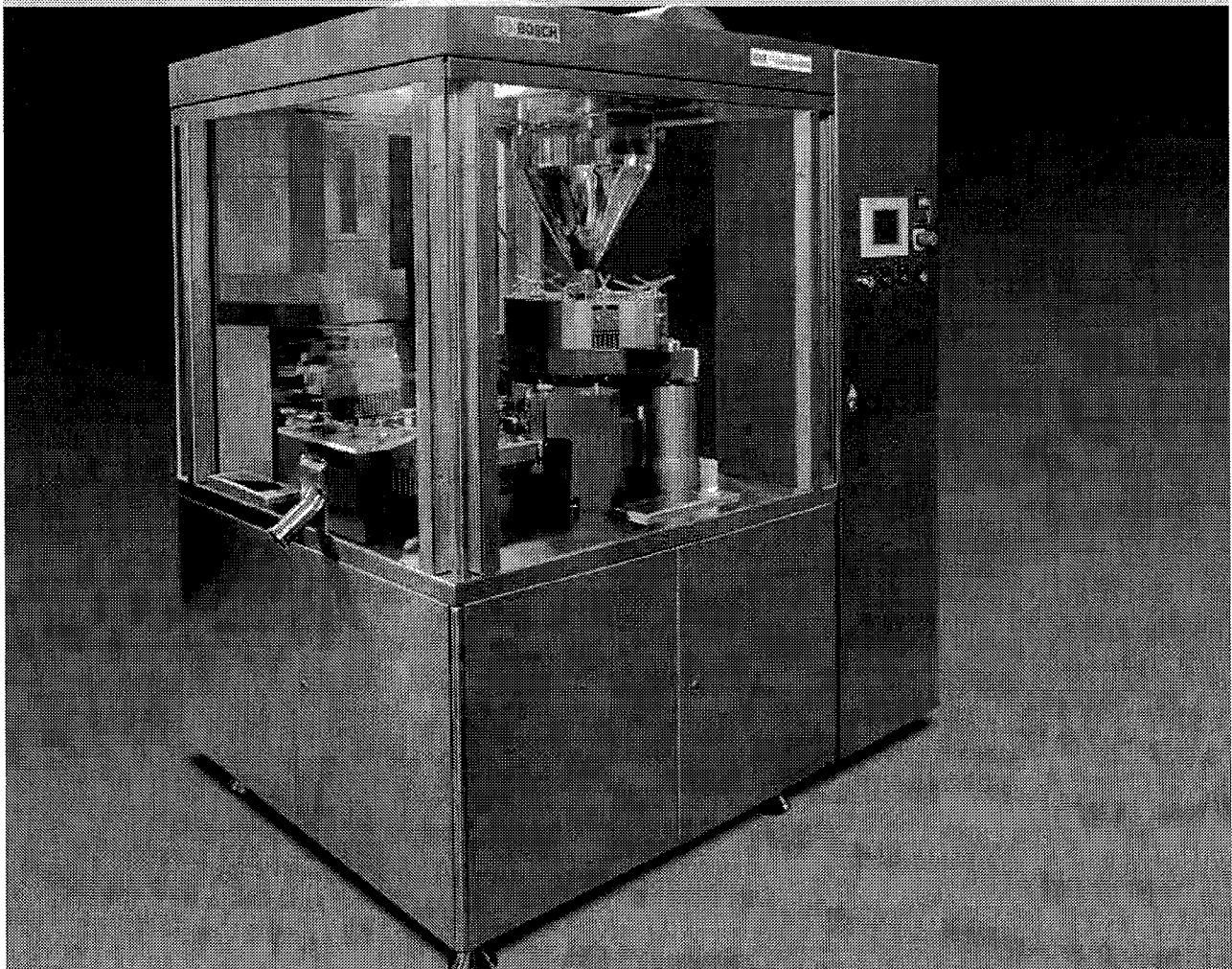
GKF 705 | GKF 1505 | GKF 3005

GKF Capsylon – Capsule Filling Machine

Packaging Technology



BOSCH
Invented for life



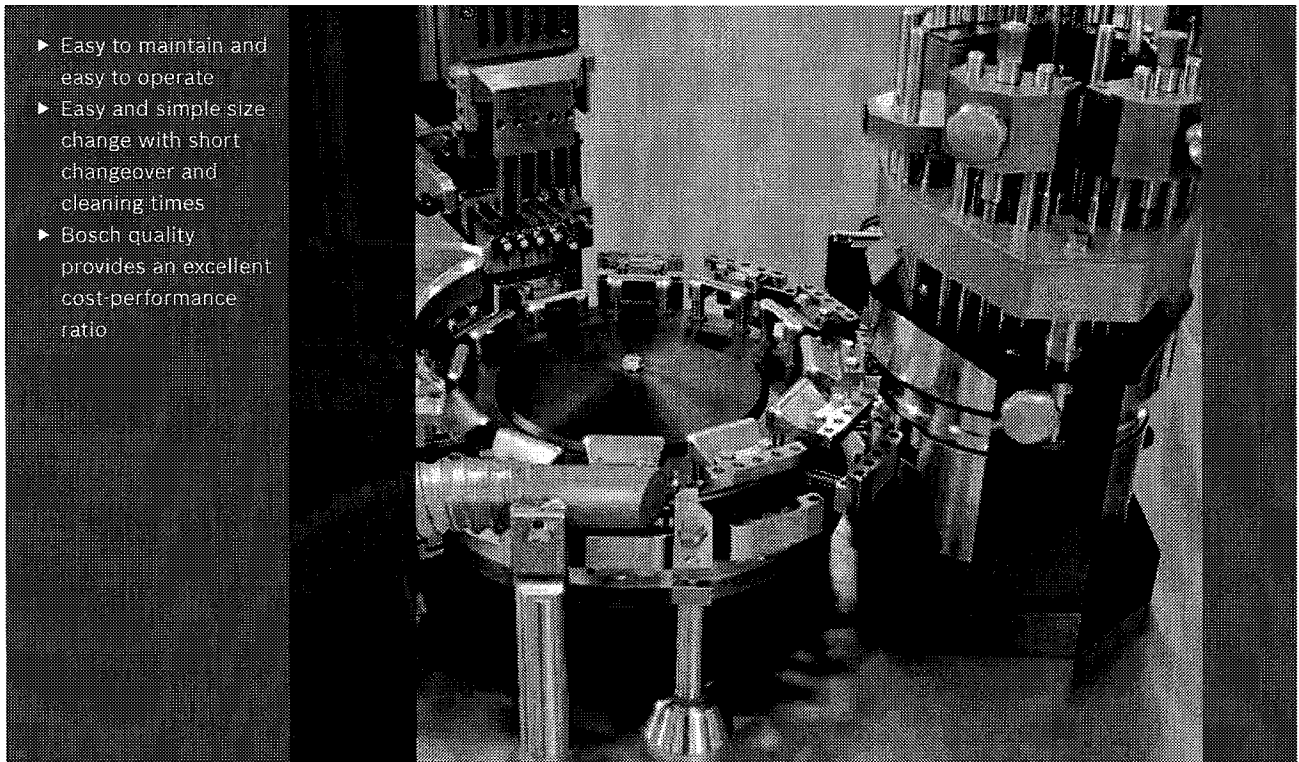
GKF **Capsylon**

Capsule filling machine from Bosch

Ideal for the Capsule filling of Pharmaceutical and Nutraceutical Products

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

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



Wide range of filling products

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

Flexible machine with different outputs

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



Designed and built according to the latest GMP standards

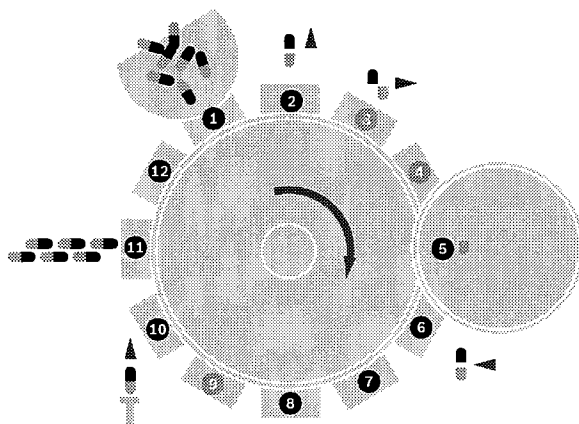
This specifically supports a quick cleaning process and economic parts handling. "We are glad to offer capsule filling solutions to the nutra- and pharmaceutical market with an excellent cost-performance ratio and easy operation, without compromising on Bosch quality and flexible design."

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

Easy maintenance, easy to operate

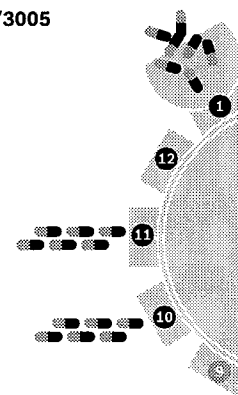
Faulty capsule ejection

GKF 705

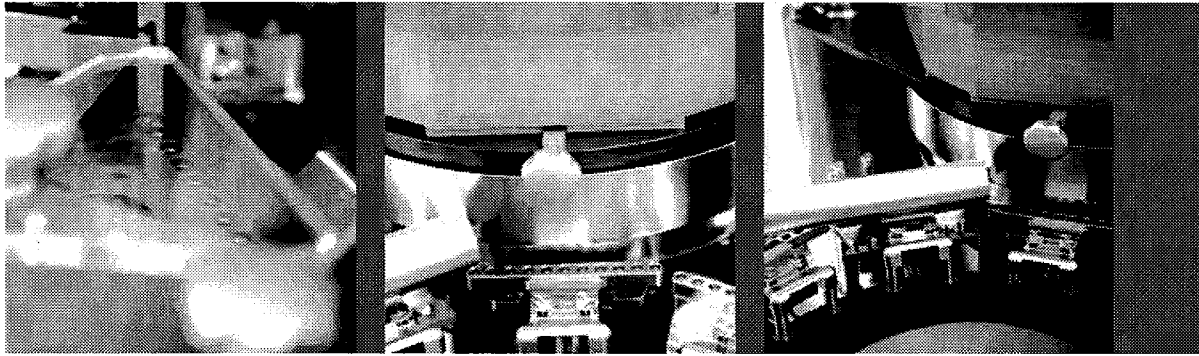


- | | |
|---|--|
| 1 Capsule alignment and separation | 6 Segment alignment |
| 2 Separation of segments | 7 Free station |
| 3 Free station | 8 Extraction for non-open capsules |
| 4 Free station | 9 Uniting of the segments |
| 5 Dosing station for powder or pellets via a fixed or height-adjustable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

GKF 1505/3005



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



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

GKF Capsylon 705

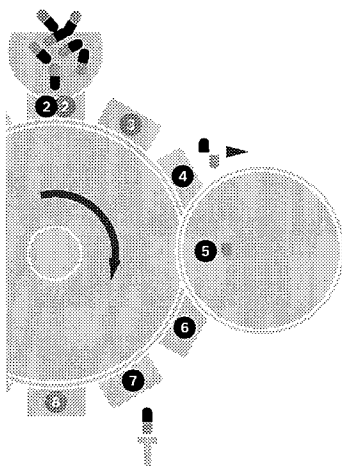
42,000 Capsules per hour

GKF Capsylon 1505

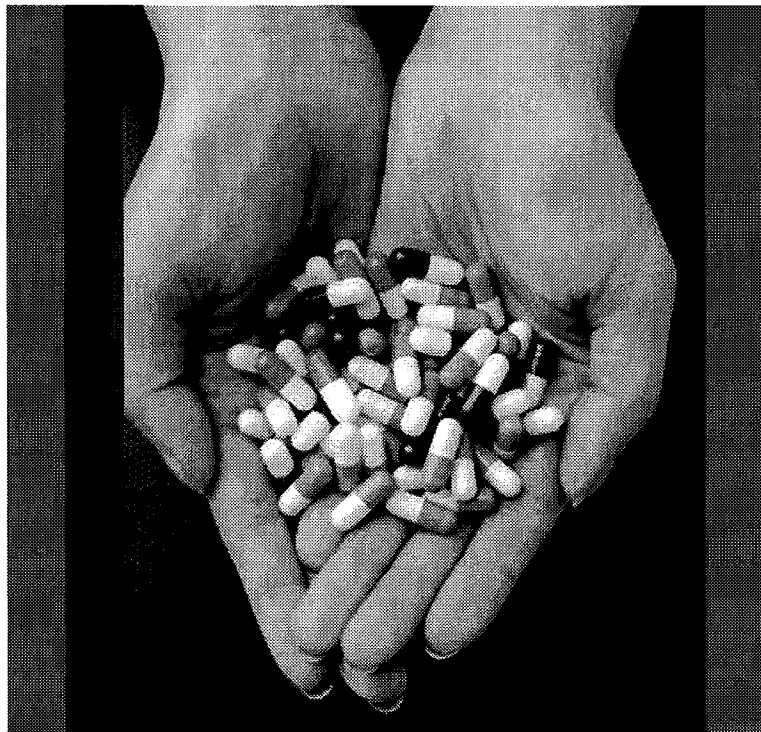
92,000 Capsules per hour

GKF Capsylon 3005

175,000 Capsules per hour



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



Technical specifications GKF 705/1505/3005

Machine cycles

- ▶ 140 cycles/min

Maximum series fuse

- ▶ 25A

Vacuum requirement

- ▶ 19–50 m³/h at 0.2 to 0.5 bar

Connections

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

Feeds

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

Standard equipment

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

Format sizes

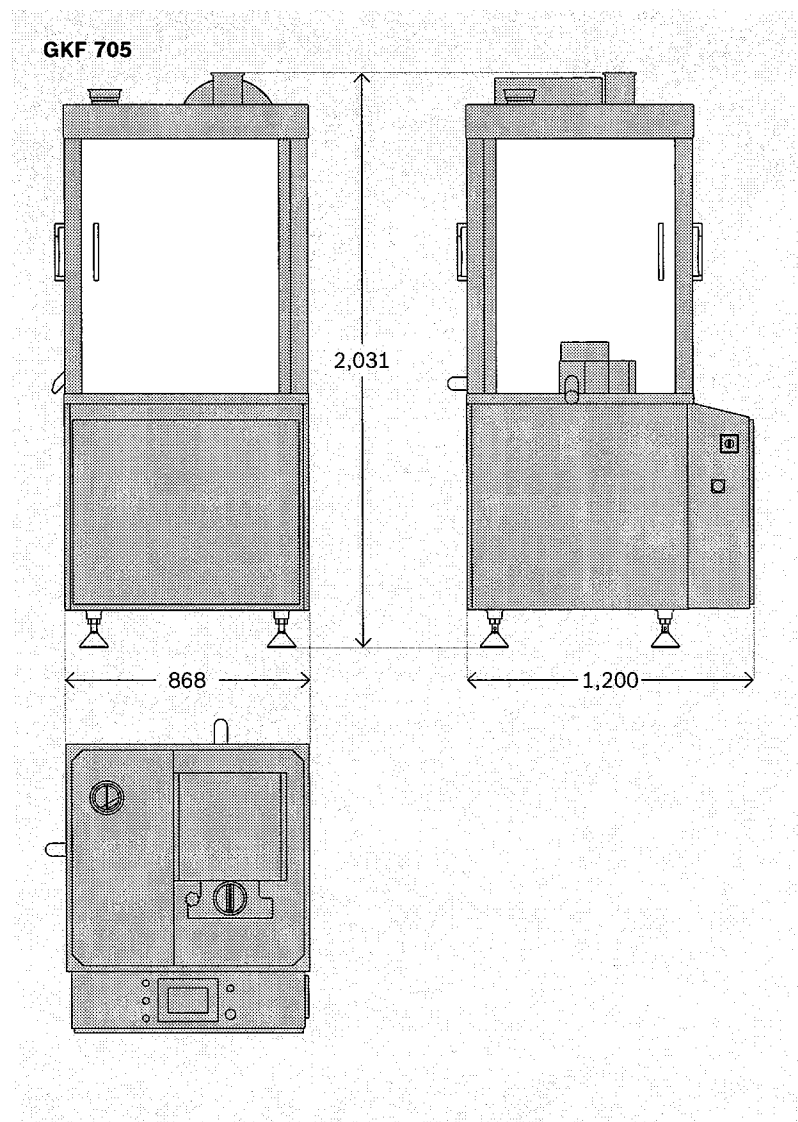
- ▶ Capsule size set optionally for all capsule sizes 00 bis 5, DB
- ▶ optionally fixed or height-adjustable dosing disk

Accessories

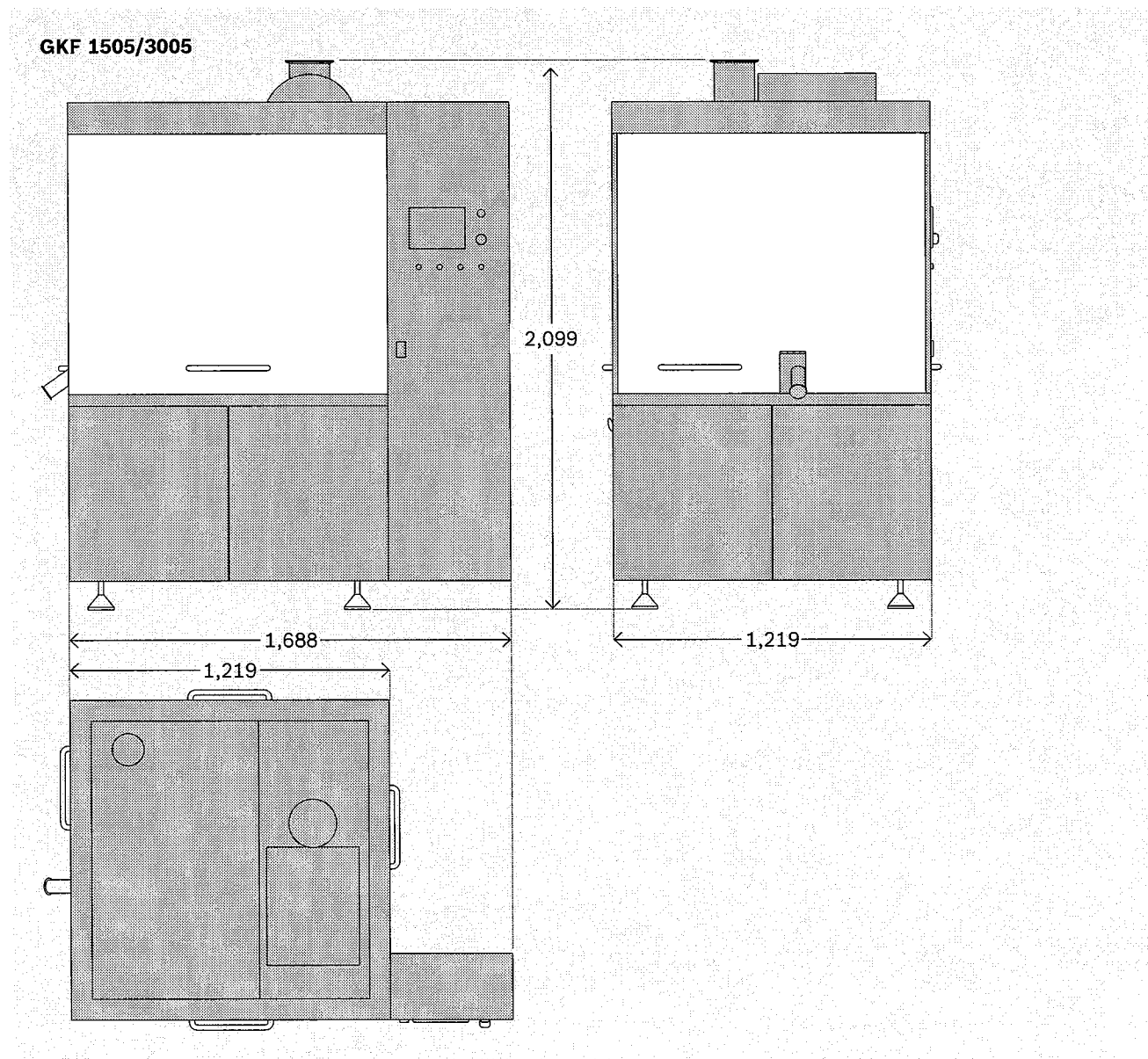
- ▶ vacuum pump
- ▶ vacuum cleaner

1 only for GKF 705

Right reserved to effect technical modifications



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



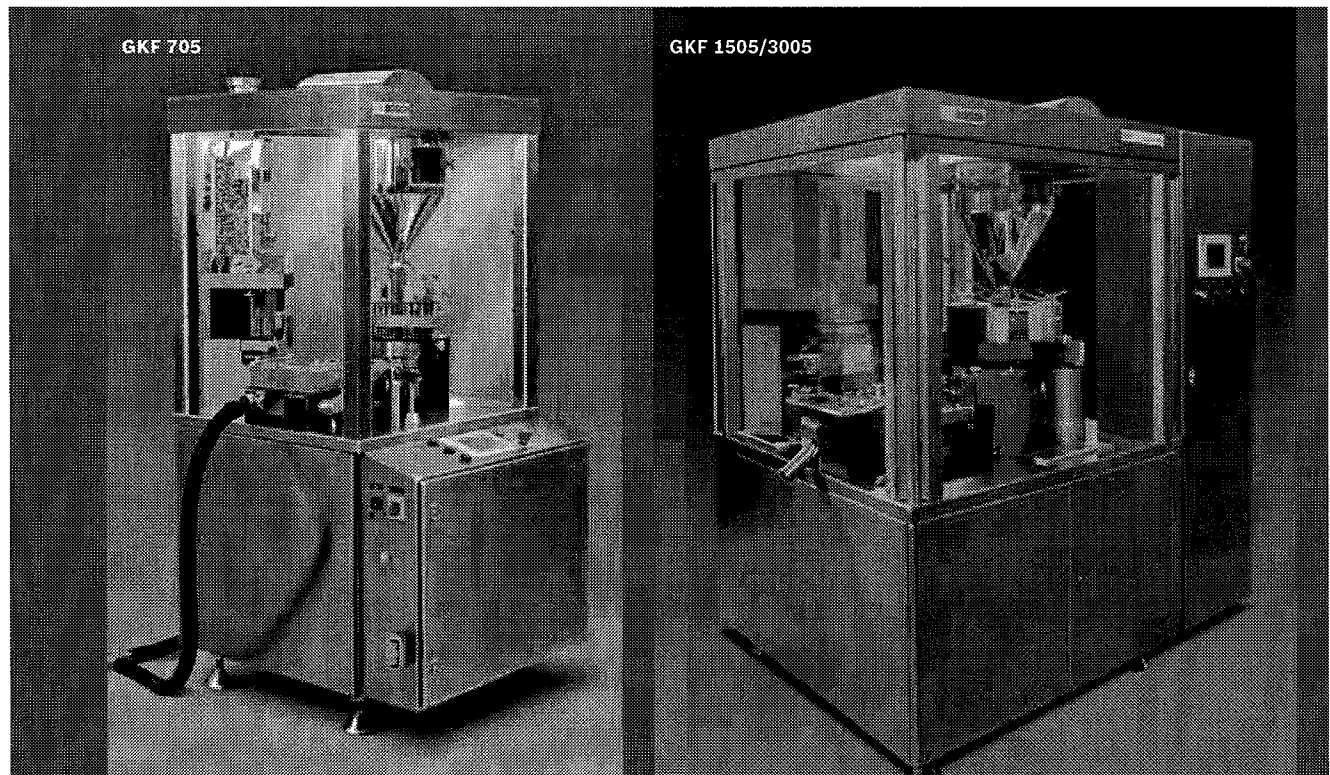
We are your **Specialists for the filling of Pharmaceutical and Nutraceutical Products**

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


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

machines are made, there is only one Bosch Quality. This means Bosch Quality Worldwide!

Experience and high technical standards have promised an excellent costperformance ratio and a very reliable machine.

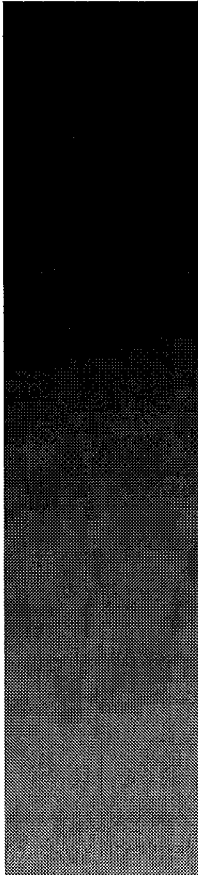
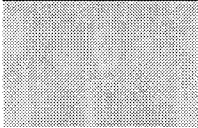
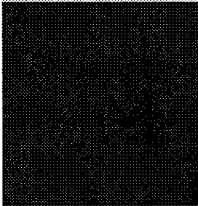
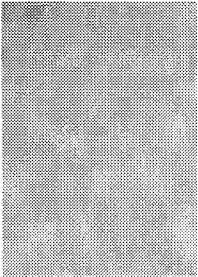


- ▶ Bosch – A recognized supplier of capsule filling machines – Bosch Packaging's world wide service network supports customers globally and immediately
- ▶ GKF Capsylon – A cost-efficient capsule filling machine for a wide range of dosing applications, especially for nutraceutical products
- ▶ GKF Capsylon – Answers the growing need for pharmaceutical, nutraceutical companies, and contract manufacturers to enhance production efficiency
- ▶ GKF Capsylon – Easy maintenance and operation make the Capsylon an ideal solution to have highly efficient and effective production processes.
- ▶ GKF Capsylon – Only one day of training enables most operators to run the Capsylon.



Robert Bosch GmbH
Packaging Technology
Product Division Pharma Solid

Stuttgarter Straße 130
71332 Waiblingen
Germany
Phone +49 711 811-0
www.boschpackaging.com
packaging@bosch.com



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BOSCH PACKAGING GROUP

(Robert Bosch Packaging Technology, Inc., Bosch Packaging Technology, Inc. and Bosch Packaging Services Inc.)
NORTH AMERICAN TERMS AND CONDITIONS OF SALE FOR EQUIPMENT, SPARE PARTS AND SERVICES
January 1, 2015

1. ORDERS/ACCEPTANCE: Customer may order Supplier's machines or components (collectively "Equipment"), spare parts ("Spare Parts") and/or modernization or repair services collectively ("Services") either by signing Supplier's proposal/quotation to Customer or submitting a purchase order. In either case, Customer's order will be subject to these terms and conditions, and any and all additional or different terms in a purchase order or other document sent by Customer will not be part of this agreement unless Supplier agrees in writing to those additional or different terms. Customer's orders are valid only when accepted by Supplier. Supplier's acceptance of Customer's order, and Customer's obligations under the order, will be effective upon (i) Supplier's transmittal of a written acceptance/acknowledgment, or (ii) Supplier's commencement of performance of Customer's order, whichever occurs first.


2. CHANGES: At any time prior to ninety (90) days before the scheduled shipping date, Customer shall have the right at any time to make changes in Specifications, materials, packaging, time and place of delivery, method of transportation or other changes. If changes required by Customer or proposed by Supplier result in a change in the price or a change in the amount of time required for performance, Supplier will provide Customer with a written quotation for such changes and Customer will issue a new Purchase Order or issue an addendum or supplement to the existing Purchase Order. Supplier shall incorporate such changes in revised plans, drawings and/or Specifications which shall be subject to Customer's approval.

3. SOFTWARE: The Equipment purchased may include software owned by Supplier or licensed to Supplier. When Customer pays the purchase price for the Equipment in full, Customer will have a single, perpetual, royalty-free, nonexclusive license to use the software in connection with the operation of the Equipment. Customer agrees not to modify, adapt, translate, reverse engineer, decompile or otherwise attempt to discover the source code of the software.

4. PRICE/OTHER CHARGES: Stated pricing and performance criteria for the Equipment, Spare Parts and Services quoted herein are based only on the information, parts, product samples and work descriptions available to Supplier at the time this Quotation was issued and apply only to the specifications, delivery schedule and materials specified in the Quotation. Customer understands that any changes to these terms after the date of the Quotation may increase the pricing or result in additional charges. Unless otherwise stated in Supplier's Quotation all pricing is F.C.A., Supplier's facility, and does not include packaging, local, state and federal taxes, duties and/or assessments. Charges will also include travel expenses, including reasonable transportation charges, meals and lodging for service personnel, and any additional work authorized by Customer at the time of the performance of Services will be an additional charge at Supplier's usual and customary service rates. If Supplier's technicians respond to an order for Services placed by Customer and are delayed or prevented from performing the services contemplated thereunder by Customer, all waiting time and any return Services so necessitated, shall be an additional charge to Customer at Supplier's established service rates then in effect. Unless otherwise stated in Supplier's quotation all pricing contained herein shall be in U.S. currency. Pricing for equipment manufactured in Europe is based upon Euro/US dollar exchange rate in effect at the time the quotation issued. Customer hereby assumes the risk of fluctuations in the exchange rate between the date of this quotation and the date of Customer's acceptance hereof for equipment manufactured in Europe.

5. PACKAGING; SHIPMENT; RISK OF LOSS: Supplier's standard packaging of the equipment is included in quoted prices. There will be additional charges for all requests for special packaging or handling. Unless Supplier otherwise agrees in writing, Supplier will arrange for shipment of the equipment to Customer's address specified in Supplier's proposal. Unless Supplier otherwise agrees in writing, Supplier will choose routing and method of domestic shipping. "CPT Supplier's place of manufacture Incoterms 2010," or for International shipment "CPT Supplier's place of Crating, Incoterms 2010". Customer will pay, or will reimburse Supplier upon receiving an invoice, for all transportation, packing, duties and other charges related to the shipment of the equipment to Customer. If an order is over \$100,000, Supplier will automatically charge for insurance and will be reimbursed by Customer. After the equipment is delivered to a carrier for shipment, all risk of loss, damage, theft, or destruction will be Customer's responsibility. Customer will inspect the equipment immediately when Customer receives it and promptly file claims with the carrier if there is evidence of shipping damage. No loss, damage, theft or destruction of equipment during shipment will affect Customer's obligations under this agreement.

Contact: [REDACTED]




6. INSTALLATION: Supplier will not install the equipment, unless Supplier agrees to do so in the proposal provided to Customer. In the event Supplier has agreed to install the equipment, Customer will, at its expense, ensure that the site is prepared in accordance with Supplier's site planning instructions prior to the proposed shipping date stated in Supplier's proposal to Customer. Bosch Packaging Group *Page 2 of 5 North American Terms and Conditions of Sale January 1, 2015* Customer will, at its expense, uncrate and locate the equipment prior to start-up. Supplier may, at its discretion, inspect the site prior to shipment and supervise the movement of the equipment at the site. Customer will, at its expense, provide all utility requirements for the equipment at the site. Supplier's technicians shall have reasonable and free access to all equipment to provide service thereon and Customer will provide a safe place in which to perform such service, including working space, heat light, ventilation, electric current and outlets for the use of Supplier's technicians. In the event the Equipment is to be used in conjunction with other equipment not manufactured by Supplier, Customer will be solely responsible for the integration of the Equipment with any other equipment.

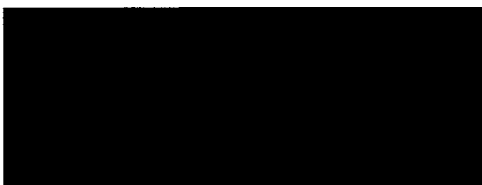
7. PAYMENT TERMS: Except as agreed to in writing otherwise, payments shall be made in United States currency as specified in the quotation. Notwithstanding anything to the contrary contained in the Quotation, Customer understands that the Equipment shall not be shipped until 90% of the contract price has been paid, and that the outstanding balance of 10% shall be upon the earlier of the date of installation or sixty (60) days from the date of shipment. Spare Parts are normally invoiced at time of shipment to Customer and due within (30) days of the date of invoice. Services are normally invoiced weekly and payment is due within thirty (30) days of the date of invoice. Modernization is normally invoiced in progress billings and is due according to the terms specified in the proposal. Payments are considered made when good funds in United States Dollars are received in the account specified on the invoice. No discount is allowed for earlier payments. Past due payment amounts will be subject to an interest charge of the lesser of eighteen percent (18) or the maximum legal rate permitted under law, from the date payment is due. Any costs and expenses incurred by Supplier as a result of non-payment or delinquent payment by Buyer, including collection costs, interest, and reasonable attorney's fees shall be paid by Customer. Supplier reserves the right to grant, deny, suspend or terminate credit terms, require cash or advance payment in its sole discretion. Customer authorizes Supplier to conduct a credit investigation for the purposes of determining whether to extend credit, and agrees to provide any documents or consents reasonably necessary to permit Supplier to do so. Should Customer become delinquent in payment or refuse to accept a C.O.D. shipment, Supplier shall have the right, in addition to any other right it may have under law, to cancel any order of Customer, to withhold future deliveries, declare all unpaid amounts immediately due and payable, and/or condition shipment, installation, or other assistance on receipt of payments due by Customer.

8. AGENT'S AUTHORITY: Customer understands and agrees that none of Supplier's agents, employees or representatives have the authority to make any promise, representation or warranty related to the equipment other than those warranties contained in this agreement or in the proposal Supplier provided to Customer.

9. WARRANTY: Supplier warrants the Equipment and Spare Parts manufactured by Supplier shall conform to the specifications contained in the proposal provided to Customer and be free from defects in workmanship and material under conditions of normal use and service for a period of one year from the earlier of the date of installation or thirty (30) days from the date of delivery, single shift operation or for a period of twenty-one hundred (2100) accumulated hours of use, whichever occurs first. Within the stated warranty period, Supplier, at Supplier's option, shall repair or replace the Equipment, components or Spare Parts thereof that prove defective under conditions of normal use, or shall refund the purchase price subject to Customer paying a fair market value for usage. Supplier will pay all shipping charges to return repaired or replaced equipment, but equipment which does not prove to be under warranty will be returned to Customer at its expense. All repaired and replaced parts shall assume the identity of the original for purposes of this warranty and this warranty shall not be extended with respect to such parts or the Equipment. Customer shall notify Supplier promptly in writing of any claims under this warranty and, upon request, will return the Equipment or components thereof to Supplier, on conditions to be agreed upon. Specifically excluded from this warranty are failures caused by abuse, misuse, neglect, improper installation, unauthorized service work, failure to follow maintenance and operating manuals, the use of unauthorized parts, ordinary wear and tear, failures due to external forces or compliance with Customer's design specifications. The warranty will be voided if modifications are made or non-Supplier parts are installed. Repairs or alterations performed by someone other than Supplier will not be covered by warranty and may void warranty. Customer agrees to indemnify and hold harmless Seller, its affiliated companies, officers, directors and employees with respect to any claims arising out of such failures.

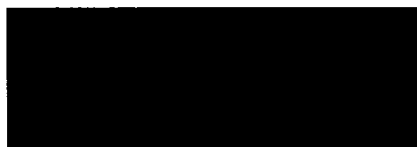
These warranties does not cover (i) equipment not manufactured and supplied by Supplier, (ii) wrapper materials, bags, containers, labels, glues films or any other materials or accessories purchased from other parties for use with the Equipment, (iii) consumable, wearable, or disposable items included in the Equipment, including, without limitation, heat





elements, cutting knives and sealing bands, and (iv) routine maintenance, such as lubrication, adjustments and replacement of expendable items and production consumable.

Supplier further warrants that the Services provided by Supplier will be performed in a timely and workmanlike manner, using only qualified technicians familiar with the Equipment and Spare Parts and their operation. Bosch Packaging Group *Page 3 of 5 North American Terms and Conditions of Sale January 1, 2015*



THESE WARRANTY ARE THE SOLE AND EXCLUSIVE WARRANTIES PROVIDED BY SUPPLIER AND ALL OTHER WARRANTIES, EXPRESS AND IMPLIED, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY EXPRESSLY DISCLAIMED AND EXCLUDED BY SUPPLIER. THE REMEDIES SET FORTH IN THIS SECTION ARE THE SOLE AND EXCLUSIVE REMEDIES PROVIDED BY SUPPLIER IN THE EVENT THE EQUIPMENT IS DETERMINED TO NOT BE IN CONFORMITY WITH THE WARRANTY PROVIDED BY SUPPLIER.

10. DISCLAIMER AND LIMITATION OF DAMAGES: SUPPLIER WILL HAVE NO LIABILITY TO CUSTOMER OR ANY OTHER PERSON FOR ANY BUSINESS INTERRUPTION, LOSS OF PROFIT, REVENUE, MATERIALS, ANTICIPATED SAVINGS, DATA, CONTRACT, GOODWILL, DOWNTIME, OVERTIME COSTS, (WHETHER DIRECT OR INDIRECT IN NATURE), OR FOR ANY OTHER FORM OF INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES OF ANY KIND, WHETHER ARISING OUT OF BREACH OF WARRANTY OR BREACH OF ANY OTHER PROVISION HEREOF, NEGLIGENCE OR OTHER SORT, OR OTHERWISE, EVEN IF SUPPLIER HAS BEEN ADVISED OF THE POSSIBILITY OR LIKELIHOOD OF POTENTIAL LOSS OR DAMAGE. In addition, Supplier shall not be liable for any damages, regardless of type or the allegations supporting such damages, in excess of the total purchase price for the Equipment.

11. TITLE AND SECURITY INTEREST: Title to the equipment will pass to Customer upon delivery to the carrier for shipment to Customer. Customer will not sell the equipment or encumber its title until the purchase price has been paid in full to Supplier, and

Prior to moving the Equipment, shall notify Seller of the new location. Customer grants to Supplier a purchase money security interest in the Equipment and components thereof. Failure of Customer to make any payment when due shall entitle Supplier, in its sole discretion, to declare all obligations of Customer immediately due and payable and Supplier shall have all the rights and remedies of a secured party under applicable law. Customer agrees to execute upon request such documents, which may be deemed necessary or appropriate by Supplier to create, perfect and maintain the perfection of its security interest under applicable law. Customer hereby appoints Supplier as its attorney-in-fact to sign and file a financing statement and such other documents as Supplier deems necessary to create, file, perfect and maintain the protection of its security interest.

12. TIME OF DELIVERY SUBJECT TO INTERNATIONAL EXPORT CONTROL REGULATIONS: Deliveries and services (fulfillment of contract) will only be executed under the proviso that their fulfillment complies with national or international export control regulations and does not violate any embargoes or other sanctions. The Customer commits to supply all necessary information and documents necessary for the export or transfer to other EU member states. Delays due to export control assessments or export control licensing procedures invalidate terms and dates of delivery. When licenses are not granted, or the delivery and service is not licensable, this contract becomes void in respect of the affected parts. When re-exporting the Customer is responsible for applying for the required licenses. Customer commits to compliance with applicable export control regulations. The Customer is specifically advised to check the applicability of the US re-export control legislation.

13. INFRINGEMENT: Supplier warrants that the Equipment delivered hereunder shall be delivered free of rightful claims

for infringement of any United States patent or trademark, provided, however, that this warranty shall not apply to claims for patent infringement to the extent that any Equipment is (1) manufactured to Customer's specifications, (2) altered by Customer without the consent of Supplier, (3) used in combination with products not purchased from Supplier in a manner which infringes a patent covering the combination, or (4) used in a manner not reasonably anticipated by Supplier. Supplier's obligation hereunder is conditioned upon Customer giving Supplier prompt written notice of any infringement claim and cooperating fully with respect to the defense of such claim. In addition, upon Supplier's request, Customer shall turn over to Supplier control of the defense including settlement and/or litigation of such claim. Supplier shall be entitled, at its option, to obtain a license on Customer's behalf for the Equipment which (allegedly) infringes an intellectual property right, or alter the Equipment in a way or replace it by similar Equipment which does not infringe the intellectual property right.

14. FORCE MAJEURE; ALLOCATIONS: In the event either party is unable to fully perform its obligations hereunder (except for Customer's obligation to pay for Equipment ordered) due to events beyond its reasonable control including but not limited to acts of God, action by any governmental authority (whether valid or invalid), fires, floods, windstorms, explosions, riots, natural disasters, wars, sabotage, labor problems (including lockouts, strikes, slowdowns), inability to obtain power, material, labor, equipment or transportation, or court injunction or order, that party shall be relieved of its obligations to the extent it is unable to perform. Timely notice of such inability to perform shall be given to the other party. Supplier may, at its discretion and without liability to Customer, allocate any and all available equipment or parts thereof among Customer and any other persons or entities with which Supplier is obligated to provide such equipment and parts.

Bosch Packaging Group Page 4 of 5 North American Terms and Conditions of Sale January 1, 2015

15. CANCELLATION: Equipment - Customer may cancel its order by giving Supplier written notice delivered at least sixty (60) days before the scheduled shipping date. Upon receipt of a written cancellation notice by Supplier, Supplier will cease work on the equipment as promptly as reasonably possible. Customer agrees to pay Supplier either the full purchase price shown on Supplier's proposal to Customer or order for equipment if completed prior to receipt of the written cancellation notice, or Supplier's full cost, including but not limited to materials, parts labor, and overhead, plus 20% for equipment which had not been completed prior to receipt of the written cancellation notice. Supplier reserves the right to complete and ship equipment if written cancellation is received less than sixty (60) days prior to the scheduled shipping date.

Spare Parts - in the event Customer cancels an order for Spare Part after shipment, Customer agrees to pay a restocking fee equal to 35% of the proposal. Modernization - in the event Customer cancels an order for Modernization after work has begun, Customer agrees to pay for all costs incurred to date plus an additional 25%. Services - in the event Customer cancels an order for Services less than four (4) business days prior the scheduled work date, Customer agrees to pay a cancellation fee of \$1,000.00. Additionally, in the event Supplier's proposal entails specially manufactured goods or equipment, cancellation by Customer at any time after Supplier has commenced construction of the specially manufactured goods or equipment will not release Customer from liability for any loss Supplier incurs.

16. TRAVEL ASSISTANCE: In the event Supplier is to provide any technical services at Customer's site located outside of the United States, Customer agrees to provide all reasonable assistance necessary for Supplier's technician to obtain the travel documents required for such a visit by the authorities in the location of Customer's site.

17. NOTICE: All notices in connection with Customer's order shall be in writing and shall be given by (i) Federal Express or other reputable next day courier service, or (ii) U.S. mail, postage prepaid, certified or registered, return receipt requested, or (iii) in person. Each notice shall be addressed to the party at the address set forth on the face of this Agreement or at such other address as a party shall provide by notice to the other party. Notice shall be deemed effective upon delivery.

18. WAIVERS: No waiver shall be effective unless it is in writing. The failure of either party to require performance under any provision of this Agreement shall in no way affect the right of such party to require full performance at any subsequent time, nor shall the waiver by either party of a breach of any provision of this Agreement constitute a waiver of any succeeding breach of the same or any other provision.

19. SEVERABILITY: These Terms and Conditions shall be deemed severable and if any portion hereof shall be held to be invalid for any reason, the remainder shall not be deemed invalid but shall remain in full force and effect.

20. GOVERNING LAW/DISPUTE RESOLUTION: These Terms and Conditions shall be governed and construed in accordance with the laws of the State in which the Supplier's facility is located, except for its choice of law provisions. The United Nations Convention of the International Sale of Goods shall not apply. The parties shall attempt in good faith to resolve promptly any dispute arising out of or relating to this Agreement by negotiation. If the matter cannot be resolved in the normal course of business either party shall give the other party written notice of any such dispute not resolved, after which the dispute shall be referred to senior executives of both parties, who shall likewise attempt to resolve the dispute.

If the dispute has not been resolved by negotiation within forty-five (45) days of the party's written notice or of the parties fail to meet within twenty (20) days from such notice, either party may submitted the dispute to arbitration in accordance with the CPR Arbitration Rules and Commentary. A single, impartial arbitrator mutually acceptable to the parties shall conduct the arbitration. In the event the parties cannot agree on an arbitrator within twenty-one (21) days after the end of the aforesaid sixty (60) days, either party may have an arbitrator appointed by the CPR. The location of the arbitration will be in New York, NY, unless the parties agree otherwise. As a condition of appointment of the arbitrator, said arbitrator shall agree to use her/his best efforts to conclude the proceeding within sixty (60) days. Said arbitrator shall further have the authority to limit the volume of evidence and documents to be submitted by the parties. Any court having jurisdiction thereof may enter judgment upon the award rendered by the arbitrator.

This section shall, however, not be construed to limit or to preclude either party from bringing any action in any court of competent jurisdiction for injunctive or other provisional relief as necessary or appropriate.

21. MODIFICATION: These Terms and Conditions may not be amended, modified or supplemented at any time except by a written document signed by the parties.

Bosch Packaging Group Page 5 of 5 North American Terms and Conditions of Sale January 1, 2015

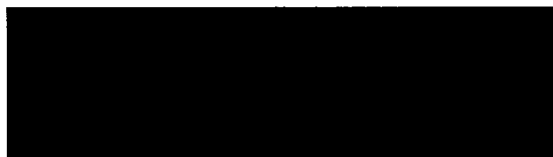
22. ENTIRE AGREEMENT: This is the complete and final agreement between the parties related to the subject matter of these Terms and Conditions and supersedes all prior writings, conversations, understandings or agreements.



23. PARTIES IN INTEREST: These Terms and Conditions shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

24. ASSIGNMENT: Customer shall not assign Customer's order without the prior written consent of Supplier, which consent may be granted or withheld in the sole discretion of Supplier.

25. ENFORCEMENT: Customer shall reimburse Supplier for all costs and expenses (including attorney fees) reasonably incurred in the enforcement of Customer's order and these Terms and Conditions.



Hawaiian**Ethos**

Advisory Support From SC Labs



To:
Hawaiian Ethos LLC.

[REDACTED]

On behalf of SC Labs, I'm submitting this letter as our formal intention to provide advisory services and solutions for Hawaiian Ethos and their cultivation partner La'au Pono. I have spoken with [REDACTED] and [REDACTED] at Hawaiian Ethos and have analyzed their specific needs and thus feel confident writing this letter as public demonstration of our intention to provide guidance on solutions within the field of Medical Cannabis Science and Laboratory Testing.

SC Labs is the national leader in the field of cannabis science. Founded in 2010, we are one of the first institutions to promote cannabis safety through education, testing, and certification.

At SC Labs, we encourage consumer confidence through state of the art cannabis testing and analysis. We strongly believe that patients, caregivers, and providers are entitled to accurate labeling of their medicine. Our testing methods are the product of rigorous peer review and are consistent with FDA, ELAP, and EPA guidelines.

We understand that Hawaiian Ethos has assembled a team with a track record of success and a passion for science and we believe in their ability to follow through on their mission and business plan. We are looking forward to contributing our expertise and guidance as they develop their testing laboratory and protocols.

If you have any questions about our agreement, feel free to contact me at [REDACTED]

Thank you,

Sincerely,

A handwritten signature in black ink, appearing to read "Ian Rice".

Ian Rice

Co-Founder/Sales and Marketing Director

know your medicine

Hawaiian**Ethos**

BioTrackTHC Software



1/12/2015

Reference: BioTrackTHC Support Document
Hawaiian Ethos, LLC

Dear [REDACTED]

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 be "M. A. F.", written over a black rectangular redaction box.

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.

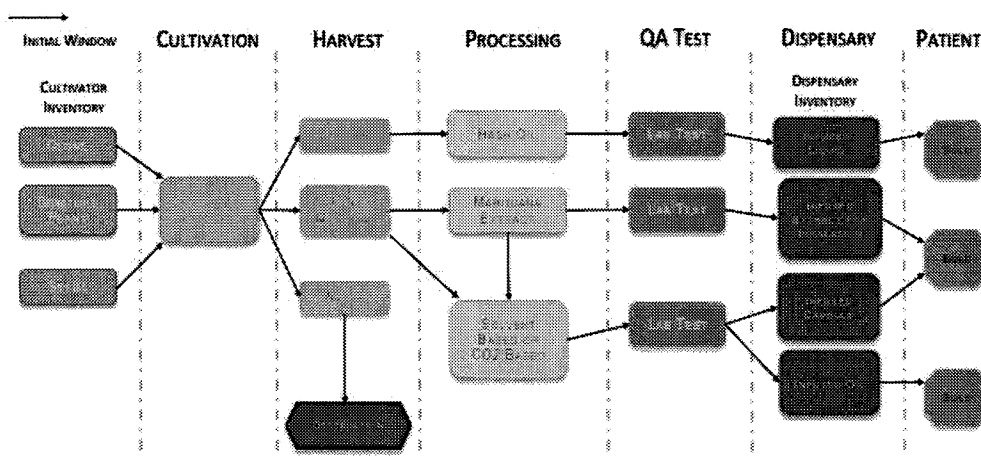
Every identifier is associated with a quantity that is measured in either discrete units or a weight depending on the item’s classification; for example, plants, seeds, and infused edibles are measured in discrete units, whereas, bulk flower and stems are measured in continuous weight. This creates an 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 issue, 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 [REDACTED]
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	[REDACTED]			
3	Monthly Cost Total for All Locations	Monthly subscription of BiotrackTHC software, full technical support and coverage, monthly updates to software, regulation changes.				
			Subtotal		[REDACTED]	
			Tax		TBD---	
			Balance Due:		[REDACTED]	

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 _____
Quotation prepared by:

Date: _____

Hawaiian**Ethos**

Absorbtion Options & Formulary Spectrum



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 terpens 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.



THC DOMINANT

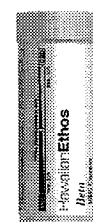
A mixture that primarily contains the active ingredient THC, but also contains a much smaller amount of CBD, which helps to mitigate certain THC side effects. Because THC side effects are also directly linked to dose, Hawaiian Ethos limits the total percentage of THC in all products. We take this measure to lessen the risk to patients of unintentional over-medication.¹

BALANCED THC:CBD

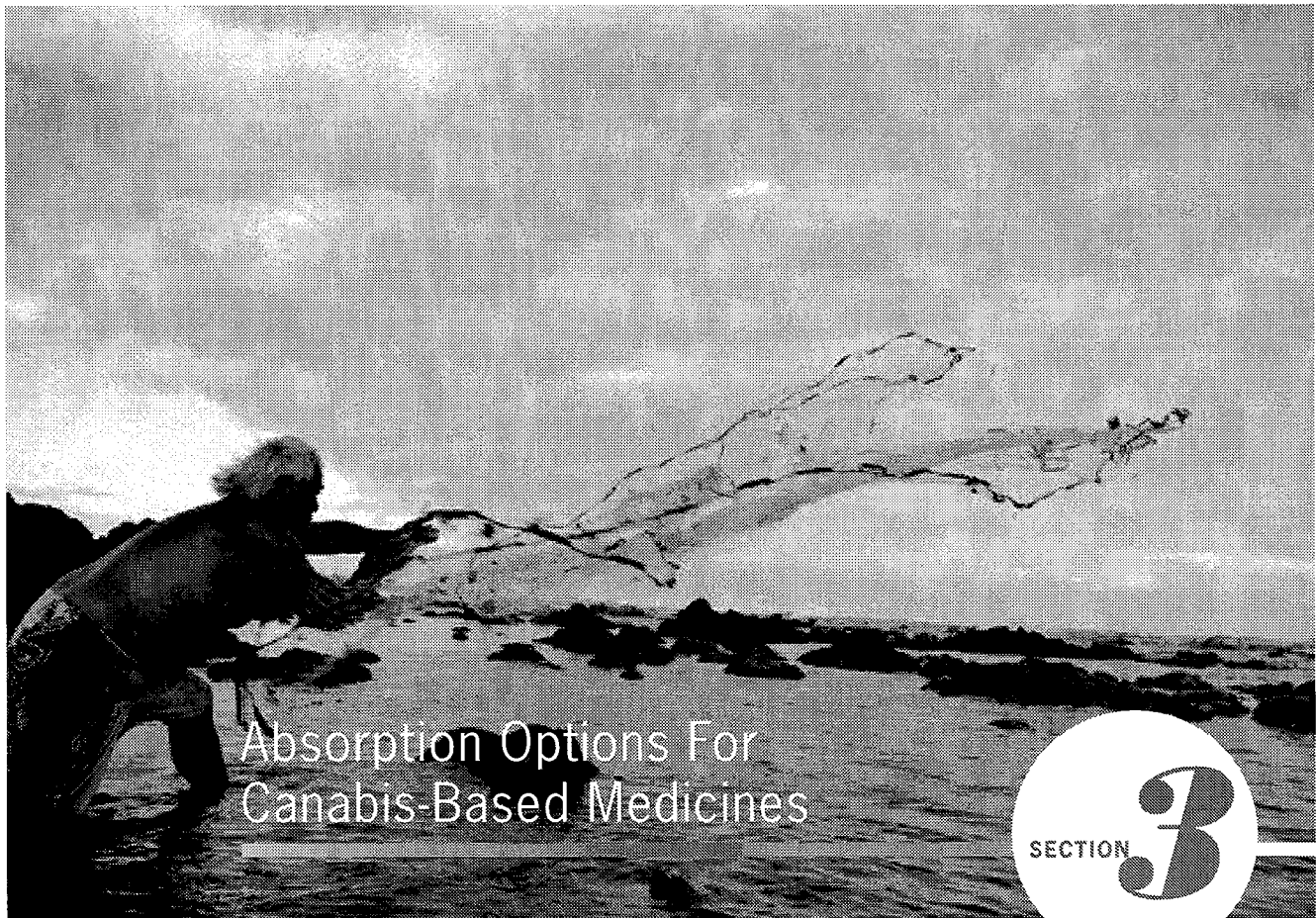
This combination is designed to give patients a balanced amount of THC and CBD. Research points to a variety of potential benefits to taking the two active ingredients in balanced concentrations. The 50:50 CBD to THC blend is relatively new and shows promising medicinal benefits and is now being widely used by medicinal cannabis patients worlds wide.

CBD DOMINANT

Recently, CBD has gained support for its use as a medical treatment as research has shown it effectively treats pain, inflammation, and anxiety without the psychoactive effects (the "high" or cognitive feelings) associated with THC. Observation of these benefits has resulted in an increase in producers breeding High CBD strains in order to more adequately satisfy patient needs.



¹ According to the Hawaii Department of Health, No medical marijuana products shall contains 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 effects.

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 effects 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..

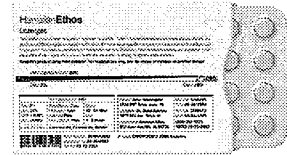


Hawaiian Ethos Cannabis-Based Medicines

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. .

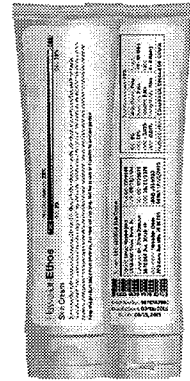


Ointments & Skin Cream (Topical Medications)

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.

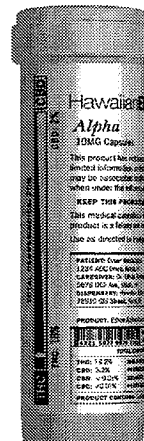


Dried Cannabis Flowers

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 and does not condone smoking or vaping of any material, including medical marijuana.



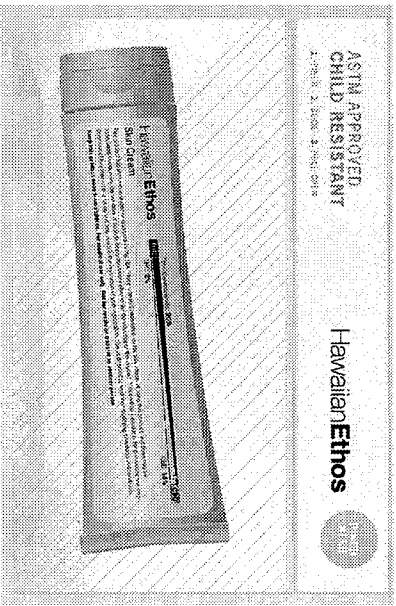
Hawaiian**Ethos**

Hawaiian Ethos Packaging

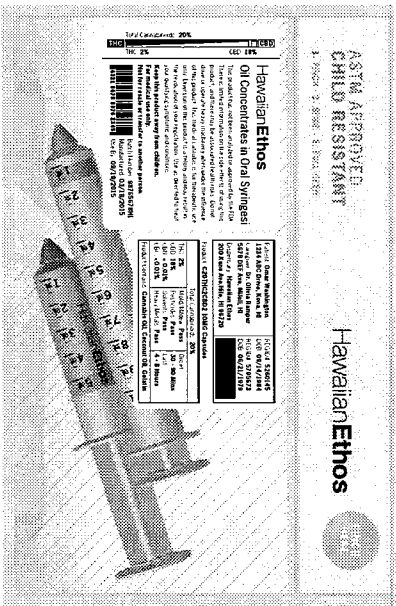
HawaiianEthos Packaging Aesthetic



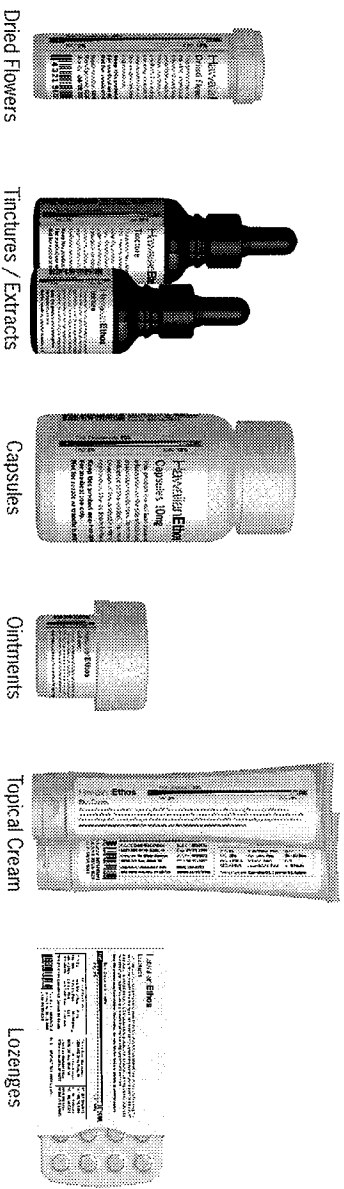
Exit Packaging



Skin Cream In Child-proof Zip



Oil Concentrates In Oral Syringes



SAMPLE LABELS

LARGE & SMALL
TINCTURE BOTTLES

HawaiianEthos

Tincture

This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Do not drive or operate heavy machinery when under the influence of this product. This medical cannabis is for therapeutic use only. Diversion of this product is a felony and may result in the revocation of your registration. Use as directed to treat your qualifying symptoms and conditions.

Keep this product away from children.

For medical use only.

Not for resale or transfer to another person

Patient: Omar Washington 1234 ABC Drive, Kona, HI	REG ID#: 5260145 DOB: 09/14/1984
Caregiver: Dr. Olivia Rampur 5678 DEF Ave, Miloli, HI	REG ID#: 5795673 DOB: 06/21/1979
Dispensary: Hawaiian Ethos 200 Kano Ave, Hilo, HI 96720	(808) 351-0723 98765 12/15/2015

Product: C20THC2CBD2 10MG Capsules		
Total Cannabinoids: 20%		
THC: 2%	Mold/Mildew: Pass	Onset: 30 - 90 Mins
CBD: 18%	Pesticides: Pass	Last: 4 - 8 Hours
CBN: < 0.01%	Solvents: Pass	
CBC: < 0.01%	Heavy Metals: Pass	
Product Contains: Cannabis Oil, Coconut Oil, Gelatin		

Batch Number: 98765678H1
Manufactured: 03/18/2015
Use By: 09/19/2015

4321 5678 9876 2345



HawaiianEthos

Tincture

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Keep this product away from children.

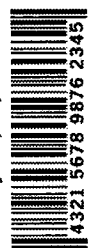
For medical use only.

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Caregiver: Dr. Olivia Rampur 5678 DEF Ave, Miloli, HI	REG ID#: 5795673 DOB: 06/21/1979
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CBN: < 0.01%	Solvents: Pass	
CBC: < 0.01%	Heavy Metals: Pass	
Product Contains: Cannabis Oil, Coconut Oil, Gelatin		

Batch Number: 98765678H1
Manufactured: 03/18/2015
Use By: 09/19/2015



SAMPLE LABELS

OINTMENT &
SKIN CREAM CONTAINERSHawaiianEthos
Ointment

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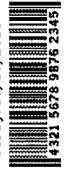
Patient: Omar Washington
1234 ABC Drive, Kona, HI
DOB: 09/14/1984
Caregiver: Dr. Olivia Rampur
5678 DEF Ave, Miloli, HI
DOB: 06/21/1979
Dispensary: Hawaiian Ethos
200 Kano Ave, Hilo, HI 96720
(808) 351-0723
98765 12/15/2015

REG ID#: 5260145
DOB: 09/14/1984
REG ID#: 5795673
DOB: 06/21/1979
(808) 351-0723
98765 12/15/2015

Product: C20THC2CBD2 10MG Capsules

Total Cannabinoids: 20%		
THC: 2%	Mold/Mildew: Pass	Onset:
CBD: 18%	Pesticides: Pass	30 - 90 Mins
CBN: < 0.01%	Solvents: Pass	Last:
CBC: < 0.01%	Heavy Metals: Pass	4 - 8 Hours
Product Contains: Cannabis Oil, Coconut Oil, Gelatin		

Batch Number: 98765678H1
Manufactured: 03/18/2015
Use By: 09/19/2015

HawaiianEthos
Skin Cream

This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Do not drive or operate heavy machinery when under the influence of this product. This medical cannabis is for therapeutic use only. Diversion of this product is a felony and may result in the revocation of your registration. Use as directed to treat your qualifying symptoms and conditions.

Keep this product away from children. For medical use only. Not for resale or transfer to another person



Batch Number: 98765678H1
Manufactured: 03/18/2015
Use By: 09/19/2015

Product: CSC-1212016 Skin Cream

Patient: Omar Washington
1234 ABC Drive, Kona, HI
DOB: 09/14/1984
Caregiver: Dr. Olivia Rampur
5678 DEF Ave, Miloli, HI
DOB: 06/21/1979
Dispensary: Hawaiian Ethos
200 Kano Ave, Hilo, HI 96720
(808) 351-0723
98765 12/15/2015

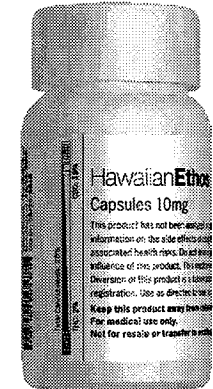
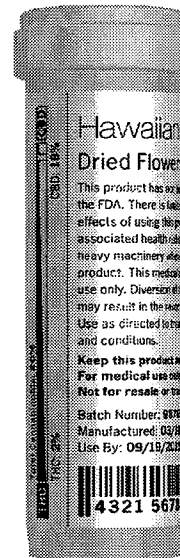
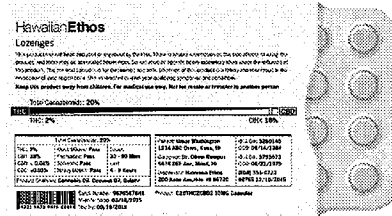
REG ID#: 5260145
DOB: 09/14/1984
REG ID#: 5795673
DOB: 06/21/1979
(808) 351-0723
98765 12/15/2015

Total Cannabinoids: 20%

THC: 2%	Mold/Mildew: Pass	Onset:
CBD: 18%	Pesticides: Pass	30 - 90 Mins
CBN: < 0.01%	Solvents: Pass	Last:
CBC: < 0.01%	Heavy Metals: Pass	4 - 8 Hours

Product Contains: Cannabis Oil, Coconut Oil, Gelatin

SAMPLE LABELS

DRIED FLOWERS, LOZENGES,
& CAPSULE CONTAINERS

Total Cannabinoids: 20%
THC: 2%
CBD: 18%

HawaiianEthos

Capsules 10mg

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(808) 351-0723
98765 12/15/2015

Product: C20THC2CBD2 10MG Capsules

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CBD: 18%	Pesticides: Pass
CBN: < 0.01%	Solvents: Pass
CBC: < 0.01%	Heavy Metals: Pass
Product Contains: Cannabis Oil, Coconut Oil, Gelatin	

Batch Number: 98765678H1
Manufactured: 03/18/2015
Use By: 09/19/2015

4321 5678 9876 2345

Total Cannabinoids: 20%
THC: 2%
CBD: 18%

HawaiianEthos

Dried Flowers

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Batch Number: 98765678H1
Manufactured: 03/18/2015
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Caregiver: Dr. Olivia Rampur
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Dispensary: HawaiianEthos
200 Kano Ave, Hilo, HI 96720

REG ID#: 5260145
DOB: 09/14/1984
REG ID#: 5795673
DOB: 06/21/1979
(808) 351-0723
98765 12/15/2015

HawaiianEthos

Lozenges

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Keep this product away from children. For medical use only. Not for resale or transfer to another person

Total Cannabinoids: 20%
THC: 2%
CBD: 18%

Product: C20THC2CBD2 10MG Capsules

Total Cannabinoids: 20%	
THC: 2%	Mold/Mildew: Pass
CBD: 18%	Pesticides: Pass
CBN: < 0.01%	Solvents: Pass
CBC: < 0.01%	Heavy Metals: Pass
Product Contains: Cannabis Oil, Coconut Oil, Gelatin	

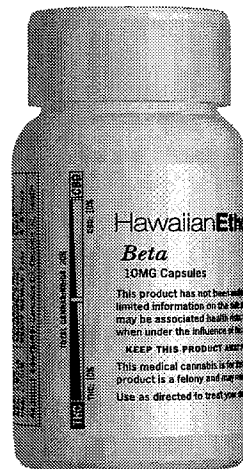
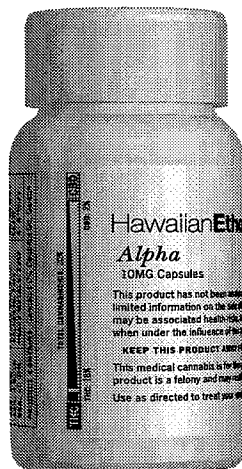
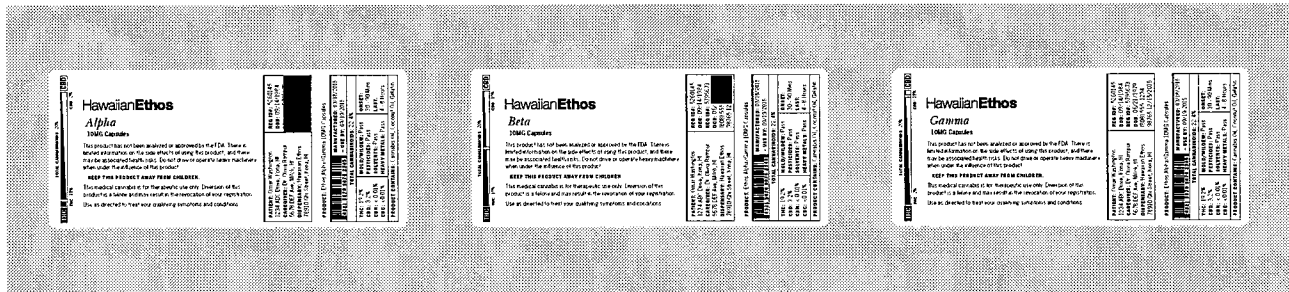
Batch Number: 98765678H1
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Patient: Omar Washington
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REG ID#: 5260145
DOB: 09/14/1984
REG ID#: 5795673
DOB: 06/21/1979
(808) 351-0723
98765 12/15/2015

Product: C20THC2CBD2 10MG Capsules

HawaiianEthos



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

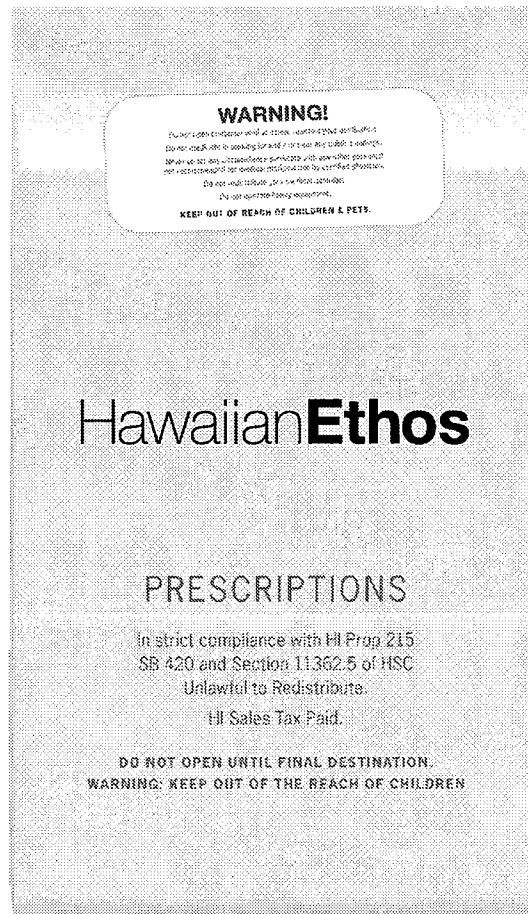
Contact Information

Completely Opaque

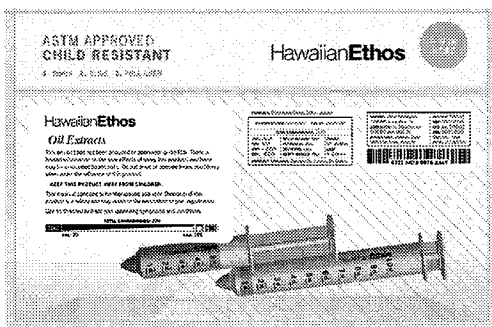
WARNING!

Do not open container until you have reached your destination.
Do not medicate in parking lot and / or near any public buildings.
Never under any circumstance medicate with any other persons!
Not recommended for medical marijuana use by certified physician.
Do not redistribute your medical cannabis.
Do not operate heavy equipment.

KEEP OUT OF REACH OF CHILDREN & PETS.

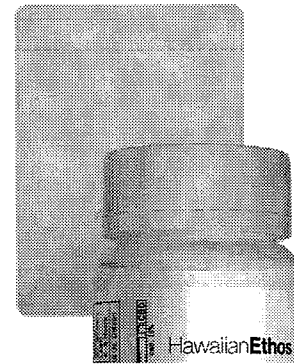


For additional protection, certain products will be sold in sealed child-resistant containers.



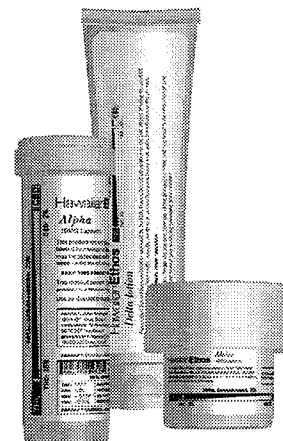
Tamper Evident Shrink Sleeves

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.



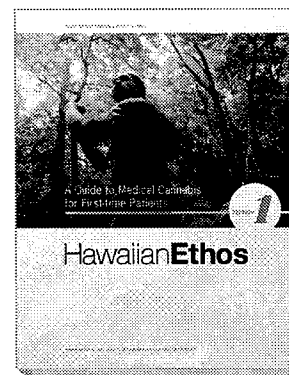
Child Resistant Containers

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.



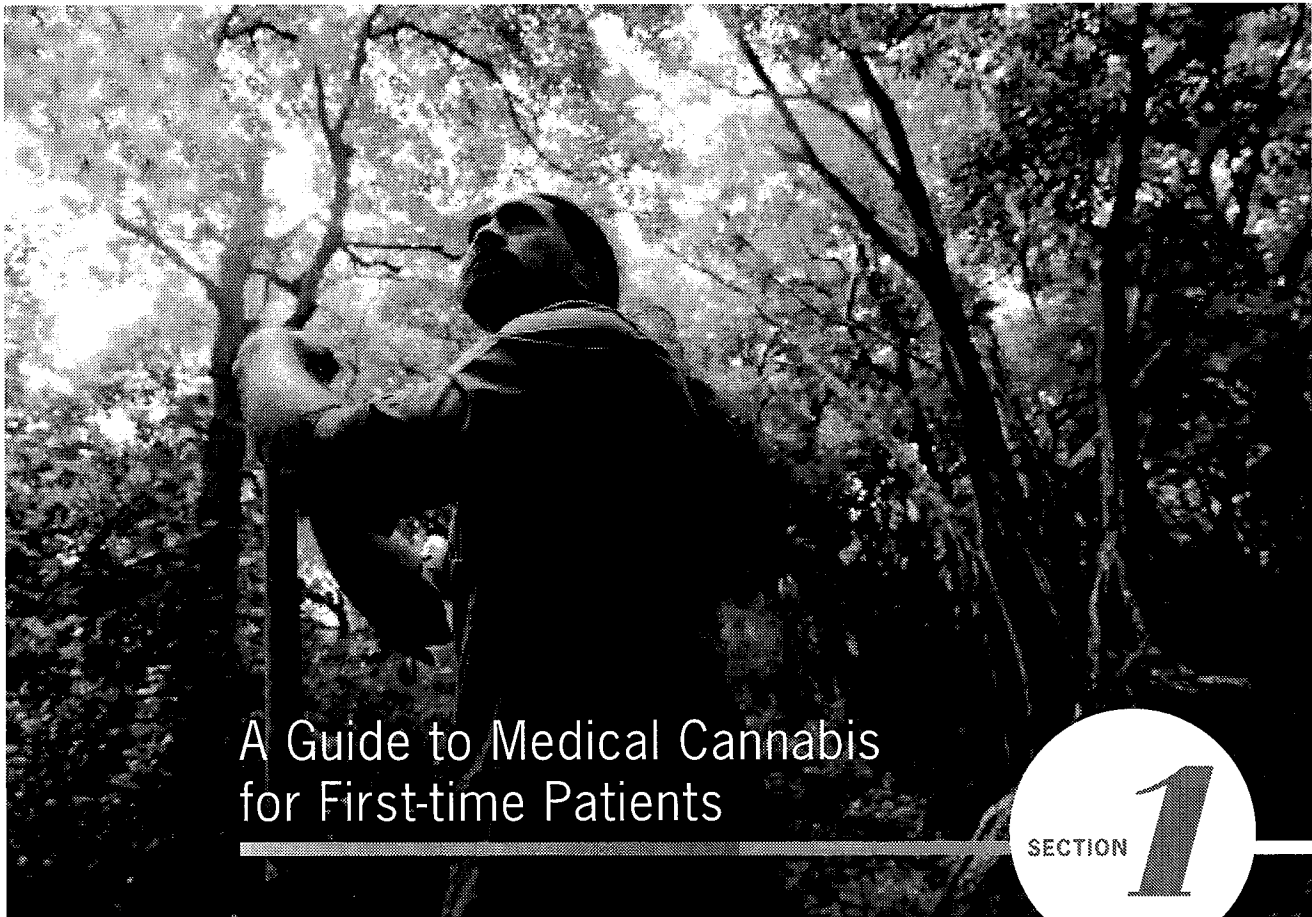
Patient Education

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.



Hawaiian**Ethos**

Patient Guides



A Guide to Medical Cannabis for First-time Patients

SECTION

1

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

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.

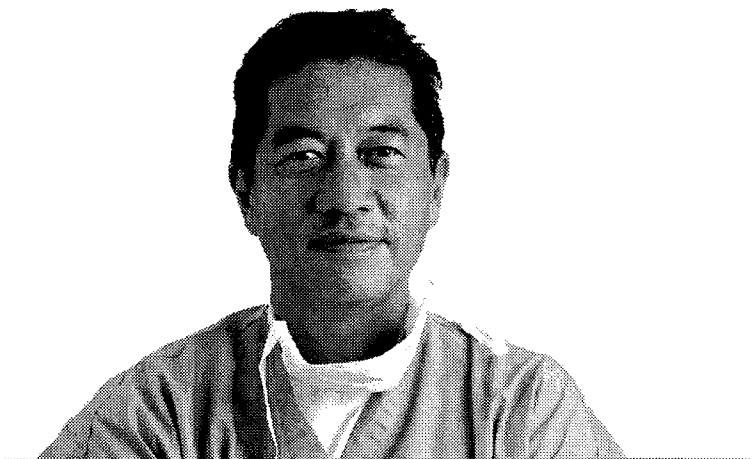
In contrast to smoked/vapourized cannabis, there are no clinical studies of cannabis-based edible products for therapeutic purposes (e.g. oils, foods). Absorption of cannabinoids by the oral route is known to be slow and erratic, and the onset of acute effects is delayed with the acute effects generally 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

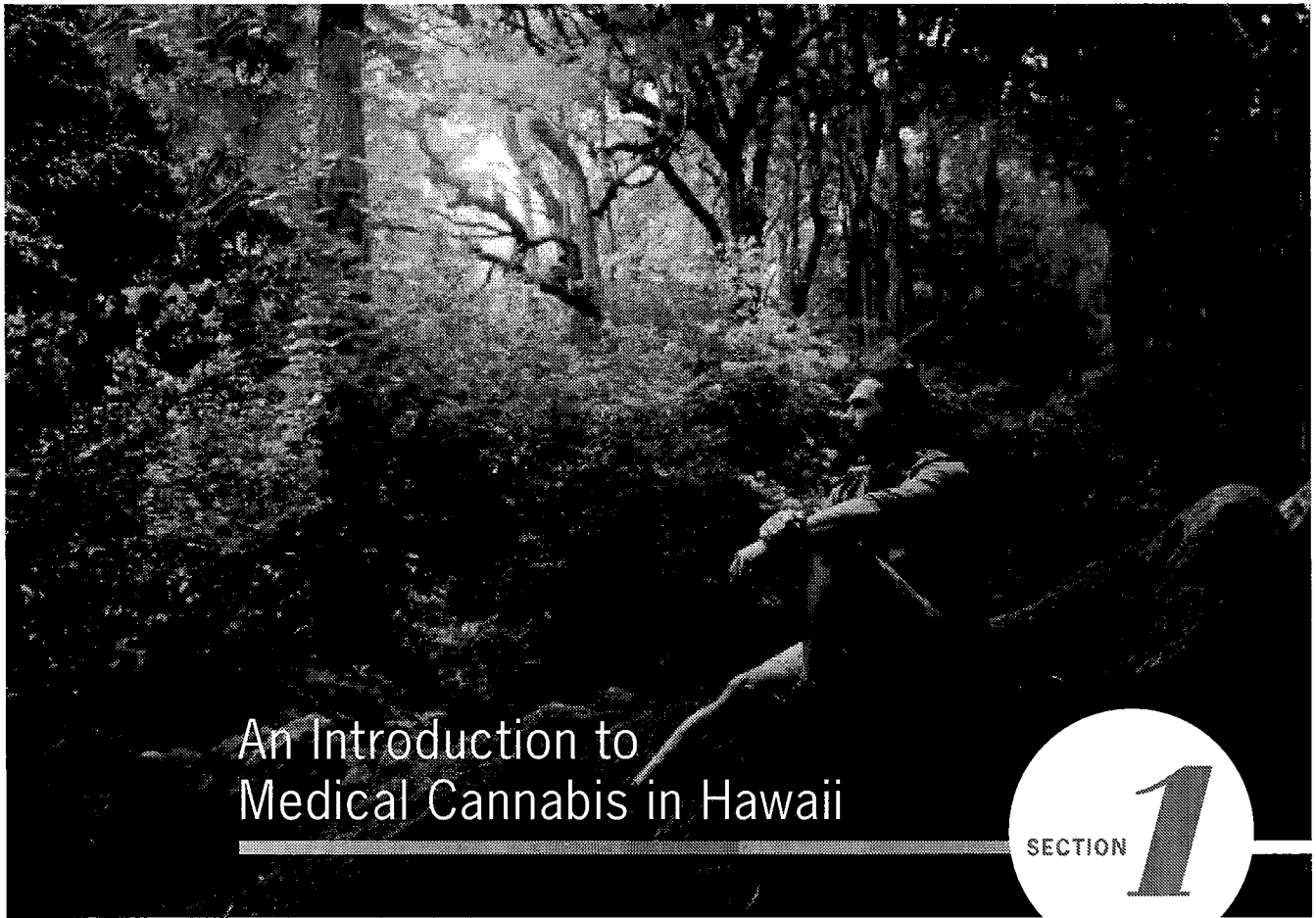
The information on side effects associated with therapeutic use of cannabis is limited.

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.

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**

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. 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).

Business License History

No members of the executive team or employees at Hawaiian Ethos or La'au Pono have had a license to do business revoked. The Hawaiian Ethos team is made up of individuals with lengthy entrepreneurial backgrounds with proven track records. All members of the LLC have signed declarations to document their status as never having a license to do business revoked.

Track Record: Individual applicant and Hawaiian Ethos' manager Shelby Floyd, has been a Hawaii resident since 1976. In that time Ms. Floyd co-founded the Honolulu based law firm, Alston Hunt Floyd & Ing, Attorneys at Law, which has been in operation since 1991, becoming one of the largest in the State of Hawaii with over 100 employees.

Co-founder and Chief Science Officer for Hawaiian Ethos, Dr. Vernon Oi has had an extensive career in science (genetics, biology, and medicine) and business. None of the businesses with which Dr. Oi was associated has had their business licenses revoked.

Dragononi Inc., dba Hawaiian Ola, a substantial shareholder in La'au Pono, Hawaiian Ethos' subcontractee for product development and manufacturing, was founded in 2010 and has operated continuously since with the same business license. La'au Pono itself is a newly registered corporation.

Personnel Declarations: All Hawaiian Ethos members have signed declarations attesting: *In the course of doing business in Hawaii or any other state, no business which I have had significant involvement in, as either a sole proprietor, founder, manager, or significant shareholder, has had its license to do business revoked by any local, state, or federal government authority.* (See Appendix Pg2 Good Business Standing Declaration)

Section Thirteen Appendix

Good Business Standing Declaration 2

Hawaiian**Ethos**

Good Business Standing Declaration