

EXHIBIT C

Illinois Department of Agriculture Cannabis Infuser License Application:

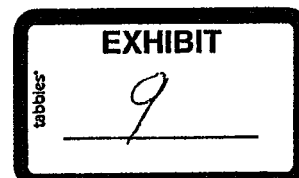
Exhibit C: Security Plan and Record Keeping

Security Plan

The Infuser Applicant's facility shall implement security measures to deter and prevent entry into and theft from restricted access areas containing cannabis or currency.

The Infuser Applicant's facility shall submit changes to the floor plan or security plan to the Illinois Department of Agriculture for pre-approval should any changes occur or there is a need to adjust the security plan set in place by the infuser facility. the Infuser Applicant's facility shall implement security measures to protect the premises, employees, and assets and is not limited to the following:

- Establish a locked door or barrier between the facility's entrance and the limited access area.
- Prevent individuals from remaining on the premises if they are not engaging in activity permitted by the Act or this Part;
- Dispose of cannabis in accordance with this Part;
- During hours of operation, store all cannabis in established restricted access area accessible only to specifically authorized employees. The minimum number of Infuser Facility employees essential for efficient operations shall be in the restricted access areas;
- When the Infuser Facility is closed, store all cannabis and currency in a secure locked safe or vault and in a manner as to prevent diversion, theft or loss;
- Keep all safes, vaults and any other equipment or cannabis storage areas securely locked and protected from unauthorized entry;
- Keep an electronic daily log of Infuser Facility employees with access to the safe or vault and knowledge of the access code or combination;
- Keep all locks and security equipment in good working order;
- The security system shall be operational at all times.
- Prohibit keys, if applicable, from being left in the locks, or stored or placed in a location accessible to persons other than specifically authorized personnel;
- Prohibit accessibility of security measures, including combination numbers, passwords or electronic or biometric security systems to persons other than specifically authorized employees;
- Ensure that the outside perimeter of the Infuser Facility premises is sufficiently lit to facilitate surveillance;
- Ensure that trees, bushes and other foliage outside of the Infuser Facility premises do not allow for a person or persons to conceal themselves from sight;



- Develop emergency policies and procedures for securing all product and currency following any instance of diversion, theft or loss of cannabis, and conduct an assessment to determine whether additional safeguards are necessary; and
- Develop sufficient additional safeguards in response to any special security concerns, or as required by the Illinois Department of Agriculture.

Should the Illinois Department of Agriculture or the local oversight request or approve alternative security provisions that it determines are an adequate substitute for a security requirement specified in this Part. Any additional protections may be considered by the Illinois Department of Agriculture in evaluating overall security measures. the Infuser Applicant's facility shall provide additional security as needed and, in a manner, appropriate for the community where it operates.

Restricted Access Areas

- 1) All restricted access areas must be identified by the posting of a sign that shall be a minimum of 12" x 12" and that states "Do Not Enter – Restricted Access Area – Access Restricted to Authorized Personnel Only" in lettering no smaller than one inch in height.
- 2) All restricted access areas shall be clearly described in the floor plan of the registered premises, in the form and manner determined by the Illinois Department of Agriculture, reflecting walls, partitions, counters and all areas of entry and exit. The floor plan shall show all storage, disposal and retail sales areas.
- 3) All restricted access areas must be secure, with locking devices that prevent access from the limited access areas.
- 4) All service professionals conducting business with the dispensing organization and visitors must obtain a numbered visitor identification badge prior to entering a restricted access area and shall be escorted at all times by an Infuser Facility employee authorized to enter the restricted access area. All visitors must be logged in and out, and that log shall be maintained for five years on-site and available for inspection by the Illinois Department of Agriculture at all times. All visitor identification badges shall be returned upon exit.

Security And Alarm System

- 1) The Infuser Applicant's facility shall have an adequate security plan and security system to prevent and detect diversion, theft or loss of cannabis, currency or unauthorized intrusion using commercial grade equipment installed by an Illinois licensed private alarm contractor or private alarm contractor agency that shall, at a minimum, include:
 - A) A perimeter alarm on all entry points and perimeter windows;

- B) A failure notification system that provides an audible, text or visual notification of any failure in the surveillance system. The failure notification system shall provide an alert to designated dispensing organization employees within five minutes after the failure, either by telephone, email or text message;
- C) A duress alarm, panic button and alarm, holdup alarm or after-hours intrusion detection alarm that by design and purpose will directly or indirectly notify, by the most efficient means, the Public Safety Answering Point (PSAP) for the law enforcement agency having primary jurisdiction;
- D) Unobstructed video surveillance of all enclosed Infuser Facility areas, unless prohibited by law, including all points of entry and exit that shall be appropriate for the normal lighting conditions of the area under surveillance. The cameras shall be directed so all areas are captured, including, but not limited to, safes, vaults, sales areas and areas where cannabis is stored, handled, dispensed or destroyed. Cameras shall be angled to allow for facial recognition, the capture of clear and certain identification of any person entering or exiting the Infuser Facility area and in lighting sufficient during all times of night or day;
- E) Unobstructed video surveillance of outside areas, the storefront and the parking lot, that shall be appropriate for the normal lighting conditions of the area under surveillance. Cameras shall be angled so as to allow for the capture of facial recognition, clear and certain identification of any person entering or exiting the Infuser Facility, the immediate surrounding area and license plates of vehicles in the parking lot;
- F) Twenty-four-hour recordings from all video cameras available for immediate viewing by the Illinois Department of Agriculture upon request. Recordings shall not be destroyed or altered and retained for at least 90 days. Recordings shall be retained as long as necessary if the dispensing organization is aware of the loss or theft of cannabis or a pending criminal, civil or administrative investigation, or legal proceeding for which the recording may contain relevant information;
- G) The ability to immediately produce a clear, color still photo from the surveillance video, either live or recorded;
- H) A date and time stamp embedded on all video surveillance recordings. The date and time shall be synchronized and set correctly and shall not significantly obscure the picture;
- I) The ability to remain operational during a power outage and ensure all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage; and
- J) All video surveillance equipment shall allow for the exporting of still images in an industry standard image format, including .jpg, .bmp and .gif. Exported

video shall have the ability to be archived in a proprietary format that ensures authentication of the video and guarantees that no alteration of the recorded image has taken place. Exported video shall also have the ability to be saved in an industry standard file format that can be played on a standard computer operating system. All recordings shall be erased or destroyed prior to disposal.

- 2) All security system equipment and recordings shall be maintained in good working order, in a secure location so as to prevent theft, loss, destruction or alterations.
- 3) Access to rooms where surveillance monitoring recording equipment resides shall be limited to persons that are essential to surveillance operations, law enforcement authorities acting within their jurisdiction, security system service personnel and the Illinois Department of Agriculture. A current list of authorized Infuser Facility employees and service personnel that have access to the surveillance room must be available to the Illinois Department of Agriculture upon request.
- 4) All security equipment shall be inspected and tested at regular intervals, not to exceed 30 calendar days from the previous inspection and test to ensure the systems remain functional.
- 5) The security system shall provide protection against theft and diversion that is facilitated or hidden by tampering with computers or electronic records.

To monitor the facility and prevent unauthorized access at the Infuser Facility, the dispensing organization shall incorporate the following:

- 1) Security equipment to deter and prevent unauthorized entrance into restricted access areas that includes devices or a series of devices to detect unauthorized intrusion that may include a signal system interconnected with a radio frequency method, cellular, private radio signals or other mechanical or electronic device.
- 2) Electronic monitoring including:
 - A) All monitors must be 19-inches or greater;
 - B) A video printer capable of immediately producing a clear still photo from any video camera image;
 - C) Video cameras recording all points of entry and exit from the Infuser Facility, the limited access areas, the restricted access areas and that are capable of identifying activity occurring adjacent to the building, with a recording resolution that shall be sufficient to distinctly view the entire area under surveillance;
 - D) A video camera or cameras recording at each secured area of the facility.

- E) Storage of video recordings from the video cameras for at least 90 calendar days;
- F) A failure notification system that provides an audible and visual notification of any failure in the electronic monitoring system;
- G) Sufficient battery backup for video cameras and recording equipment to support recording in the event of a power outage; and
- H) All electronic video monitoring must be available on a real time 24-hour a day, every day, live feed accessible by the Illinois Department of Agriculture.

The Infuser Applicant facility shall maintain policies and procedures that include:

- A) security plan with protocols for employees, owners, third party security officers, and an overall security plan for the facility in case of emergency;
- B) Restricted access to the areas in the Infuser Facility that contain cannabis to authorized employees;
- C) Identification of authorized employees;
- D) Controlled access and prevention of loitering both inside and outside the facility;
- E) Conducting electronic monitoring; and
- F) Use of a panic button if applicable.

The Security Department is critical to the success and well-being of the Infuser Facility and has four overarching responsibilities that fulfill the primary role of the department. They are to, Safeguard the facility, its employees, and product at every stage, from receipt to sale. The Security Department shall also protect the Infuser Facility property, confidentiality and assets from theft, damage, or acts of vandalism.

The Security Department will maintain a safe and secure environment that ensures the well-being of staff, visitors and vendors at all times. The Security Department will monitor, maintain, and upgrade if necessary a comprehensive security system that includes: Access Control System, Video Surveillance System, Security Personnel, On-site Community Relations Personnel, Centrally Monitored Alarm System/Intrusion Detection Lighting, Inspection Records, and Audit Control and Policy Management System. The Security Department will have a designated Operations Manual that will contain detailed policies and procedures related to the fulfillment of the above responsibilities and beyond. Upon new hire or change of security proper training will be provided in an effort to ensure the safe environment for the patrons, and the community.

The Security Manager will also maintain an addendum Security Management Operations Manual that contains critical procedures and information such as alarm codes that should not be accessible to anyone other than the Security Manager, Infuser Applicant facility, and company leadership (Management). This manual will only be available to the listed management and security team.

Security Plan and Summary Details

General Security Policies for the Facility: The Infuser Applicant's facility will implement and train employees on a detailed operations and security Policy and Procedure Manual and all will be required to sign acknowledging receipt and understanding of this manual. The manual will detail general policies to be followed by all employees but will also have additional measures assigned to specific personnel at the business.

Employees will receive Security/Safety Awareness Training:

- Retail Operations – safety, security, operating procedures, quality control, etc.;
- Equipment and Machine safety – safety protocols for any equipment or machines used per job requirements;
- Transactional safety – related to cash payments for products;
- Lobby capacity – monitoring lobby to ensure overcrowding is kept at a minimum;
- Cash deposits – process for moving cash to safe until bank run can occur;
- Robbery – process for how to handle a robbery;
- Emergency shut down – all safety precautions and processes related to an emergency shut down;
- Product handling – necessary actions for handling cannabis and cannabis products to prevent cross-contamination and to ensure customer safety and product quality;
- Material Safety Data Sheet – What is an MSDS and when to use the information from an MSDS;
- Safety process for securing products and exiting the building during a power outage or other emergency;
- Be aware – watch for suspicious activity, surveillance detection (pre-attack/robbery prevention);
- Emergency Equipment Placement – re extinguishers, panic buttons, alarms;
- Fire Prevention – safety policies and where safety exit maps are located;
- Personal Protective Equipment – where equipment is stored and how to use equipment;
- Workplace Violence- procedures for prevention and reporting;
- Parking Lot Security – Safety precautions and using security;
- Procedures for First Aid, Cardiopulmonary Resuscitation (CPR), and other medical emergencies.

Business Premise Access Plan

The Infuser Applicant facility recognizes that pursuant to the State of Illinois code and Rules and Regulations it shall be subject to inspection, investigation or audit by the City or its employees, with no notice required, to determine compliance with this article. This can be an inspection, an investigation, or audit (being a review of any books, records, accounts, inventory) of onsite operations specific to the Business Premises and License.

Transactional Security

The Infuser Applicant's facility will minimize the number of cash transactions that occur on site by providing as many electronic payment options as possible to clients and vendors. It will direct as many cash exchanges as possible to take place at other locations such as banks and private safe deposit vaults and through the use of licensed couriers. All transactions that take place on site, will be recorded either digitally or on paper to keep in compliance with BIO Track THC POS systems and will be done in full view of camera systems. The amount of cash kept on hand will also be kept to a minimum in order to reduce the risk of theft or robbery.

Visitor and Vendor Security

The Infuser Applicant's facility will follow the below policies and will implement and maintain a strict procedure to provide for authorized visitor access. No visitors will be allowed entry to the site unless they are authorized, 21 years or older with a valid State issued identification and have a specific business purpose to be there.

The employee database will provide easily accessible verification credentials to the Security Team to prevent unauthorized access into the facility. A vendor database will track all outside vendors, contractors, or labor representatives that enter the facility. Vendors may include contractors or other industry professional that would require entry to maintain and support the facility operations.

A visitor logging system will enable facility management, security and City appointed staff to have immediate access to administrative event logs for filing of incident reports with management and the local Law enforcement Department as required by regulations of the State of Illinois.

Third Party Contractor Security

Security services will meet or exceed the State of Illinois requirements regarding the posting of on-site security personnel. The security personnel will meet requirements put forth by the State of Illinois and approved by the local Law enforcement Department in the specific BLS Region.

Security Officer Policies and Procedures

Security officers are trained and will be required to follow a specific set of policies and guidelines directing their activities. The training program provided to Infuser Applicant's facility and Facility's contract security officers will use the following curriculum:

role of private security officers, crime and loss prevention in the cannabis industry, use of force and force continuum, security officer conduct, observation and incident reporting, patrol techniques, customer service and public relations, principles of access control, electronic security systems, safeguarding information, emergency response procedures, life safety awareness, employer orientation and policies, substance abuse, workplace violence, conflict resolution awareness and de-escalation techniques, parking lot security, Bio Track, and first aid.

Security Officer Duties and Responsibilities

Security officers will carry out various responsibilities including, but not limited to: screening employees and visitors in the receiving area; controlling access to the facility at all access points; monitoring security and life safety equipment; conducting patrols; responding to security incidents; documenting incidents; escorting visitors; assisting with parking issues; inspecting packages and vehicles; utilizing various security measures (doors, locks, alarms, video surveillance cameras, lighting, etc.); and notifying The State of Illinois Local law enforcement in case of an emergency or incident.

Site Security Responsible Party

The Proposed site will have a designated Security Management Company as the primary security consultant/ liaison for regulatory compliance, management will also designate a person as responsible party for the security on-site on a day to day basis. They will ultimately have responsibility for overseeing security systems, policies, procedures, and other security personnel assigned to the site on all shifts as well as ensure compliance with government regulations.

Transportation Security

The Infuser Applicant shipping and receiving process will follow strict policies and procedures in order to ensure full compliance with all Bio Track THC regulations and to ensure the security of the assets as well as the safety of all personnel.

Transportation Company Policies and Procedures

The transportation company used by the Infuser Applicant facility will comply with any and all State and Local regulations and requirements as set forth by the State of Illinois and the BLS Region, as well as any and all BIO Track THC protocols and will operate within the full scope of the requirements set forth by the State of Illinois.

Product Security

Product security will be maintained as a priority and all employees and contractors will strictly adhere to the Infuser Applicant Facility policies and procedures or disciplinary/removal measures will be taken. In compliance with the State of Illinois

Requirements, and the Local Law Enforcement requirements, the Infuser Applicant's facility will implement the below policies and procedures in order to secure all cannabis products and ensure that none is lost or diverted to individuals who are not authorized to possess it or person/s under the age of 21.

All product will be stored in a vault room or safe secured with a commercial-grade lock in a limited access, locked room, that is under video surveillance. At the end of each day, all loose product will be secured in the same manner.

Employee lockers will be provided outside the product storage and processing areas and employees will be required to store all bags, containers and oversized or baggy clothing outside the product areas in order to prevent theft. Employees will submit to an inspection upon entering the site in order to prevent the ingress of weapons or other prohibited items, and upon exit in order to prevent the unauthorized egress of product or other valuables. A list of items prohibited from egress will be displayed at the entrance and searching area.

Bio Track THC/Inventory/Record Keeping

The Infuser Applicant's Facility distribution sales transactions will meet all BIO Track THC requirements of the State of Illinois at all times.

Reporting Responsibility

The Infuser Applicant facility agrees that it will notify the local law enforcement in the BLS Region where the facility is located (or designee) and the State of Illinois, if a discrepancy or security breach is discovered.

Threats, Risks and Appropriate Responses

The following scenarios have been considered during the preparation of this security plan:

- Armed assault during business hours
- Insider theft during business hours
- After business hours insider threat
- After business hours threat to security officer
- After-hours burglary attempts through walls or ceiling
- Insider theft after business hours

Security Program Implementation

During the startup phase of the operation, there will be an implementation and testing period of the security systems and procedures. These steps and milestones will be followed:

- Design and deploy the system

- Provide appropriate training including the provision of operational and response procedures, training manuals, schedules, plans, training agendas, and trainee evaluations
- Determine operation and maintenance roles and responsibilities
- Establish a process of systems installations, commissioning, testing, evaluating, acceptance, and rejection.

Facility - Physical Security

According to security industry best practices, these are the elements that are essential to a comprehensive facility physical security program:

- Building design that lends itself to being secured
- Physical barriers and site hardening
- Physical entry and access control
- Security lighting
- Intrusion detection
- Video surveillance
- Electronic and network controls
- Personnel
- Administrative procedures

Facility - Perimeter Security

The main entrance via the secured entry will be the primary employee and vendor access/egress to the building. Vendors wishing to enter the building will enter through the main entrance in order to state their purpose for visiting the Infuser Facility. Once inside the lobby, vendors and visitors will present the appropriate identification and a determination will be made as to which department of personnel they are visiting. Once authorized, the vendor or visitor will then be allowed to enter the secured area with an infuser facility escort. The lobby of the infuser facility will be monitored by a receptionist and by a uniformed security guard if applicable. All other doors will be secured, and alarmed, and only opened from the inside in the event of an emergency.

Security Lighting

The Infuser Applicant's Facility site outdoor security lighting will be designed to augment other security measures such as physical barriers, intrusion detection systems, video surveillance, and security personnel activities. These lights will be regularly inspected and properly maintained. Some lights will have emergency power backup capabilities.

Access Control

A comprehensive access control program is an important part of any effective commercial cannabis operation. Access to the Infuser Applicant site, and entry and exit to all

limited access areas will have electronic access control requiring identity verification that records the movements of employees. the Infuser Applicant's facility will only permit authorized individuals to enter the limited access areas of the premises. Authorized individuals include individuals employed by the Infuser Applicant's facility as well as any outside vendors, contractors, labor representatives, or other individuals who have a bona fide business reason for entering the limited access area. An individual who is not an authorized individual for purposes of entering the limited access areas will not be permitted to enter the area unless there is a special circumstance and they are escorted by an individual employed by the Infuser Applicant's facility at all times.

Id Badges & Access Logs

Access to different areas on the site will be compartmentalized and employee access credentials will be determined according to "need for access." Not all employees will be allowed into restricted access areas, including security personnel.

The Infuser Applicant's facility will maintain a log of all authorized individuals that enter limited-access areas and are not employees. The Infuser Applicant's facility will provide the local authorities as well as the State of Illinois law enforcement, and the Illinois Department of Agriculture with access to the logs at their request. The Infuser Applicant's facility will ensure that a policy is in place and strictly adhered to that states that no consideration or compensation will be received for permitting an individual to enter the limited-access area.

Event Logging

The Proposed Infuser Applicant facility's access control system will have event logging capabilities that record successful entries as well as unsuccessful attempts to access an area. This is important in the event a person is attempting to gain access to an area that restricted without proper clearance.

State and Local Law Enforcement Department Access

Security officers and employees will be instructed that local law enforcement as well as State of Illinois Officials will have unfettered, 24/7 access to the premises without any delays.

Surveillance Camera and Video System

The Infuser Applicant digital security camera and monitoring system will be an important part of maintaining security at the site as well as compliance with the BLS Region the site is located in.

Security Requirements. The internet protocol (IP) based camera system will utilize at minimum HD, low light cameras for maximum definition and resolution and recording in low light conditions and will have memory and power backup capabilities.

A live feed of camera views, as well as historical footage, will be available remotely on a secure, password-based platform, and accessible by the State of Illinois law enforcement, local or otherwise or its designee/s.

The system shall monitor no less than:

- The front and rear of the property.
- All points of ingress and egress at the business.
- All points of sale within the business.
- All areas where cannabis goods are weighed, packed, stored, quarantined, loaded and unloaded for transportation, prepared, or moved within the premises.
- Areas where cannabis is destroyed when applicable.
- Limited-access areas.
- Security rooms.
- Areas storing a surveillance-system storage device with at least one camera recording the access points to the secured surveillance recording area.
- Areas where product will be handled will have extra coverage to prevent diversion.
- All entry and exit doors and all areas where human traffic could occur (Excluding restrooms and locker/changing rooms) shall be recorded on video continuously.
- Cameras will be employed to cover the entire exterior of the facility, trash receptacles, and all points of entry and exit.
- Inside the restricted security area recording all security off certain activity.
- In the hallway recording anyone attempting to access the secure vault.
- In the vault/secure room recording individuals accessing the room and recording individuals who are accessing the safes.

The digital security camera and monitoring system will provide the following features:

- the Infuser Applicant's facility will have a digital video surveillance system with a minimum camera resolution of 1280 × 720 pixels.
- Cameras will record continuously 24 hours per day and at a minimum of 15 frames per second (FPS).
- System will have local access to immediately call up all cameras for live view through various camera view options including event-based alarms allowing all cameras near the alarm to become visible to the operator through a video monitor. Per the State of Illinois requirements for local law enforcement to have access at all times.
- Video management system will include web access to provide City officials access to view the system remotely in accordance with the City Ordinance.
- Video management will allow exporting of video single and multiple video clips by emailing, printing screen shots or recording to digital media. The physical media or storage device on which surveillance recordings are stored will be secured in a manner to protect the recording from tampering or theft.
- System will allow operator to simultaneously research and review archive

footage while still recording live video.

- Systems will provide the ability to view pre-alarm footage, alarm and post alarm footage giving security the ability to see the entire event as it happens not just the event itself.
- System will be capable of back up for redundancy to meet the requirements of at least 90 days of storage as outlined in the city ordinance.

Alarms

The entire building will be equipped with a centrally monitored and burglar alarm system. Features will include:

- The system will be monitored by a UL 24/7 Central Monitoring Station and supervised by our onsite Security Team via internet, Analog or Cellular communications, in the event anyone of the three should have a communications failure;
- The systems main control panel will be in a secured room, accessible by management or the Security Team only;
- For ease of access, the systems keypad for local alarm annunciation, building arming and disarming will be located at the main front entrance, with a secondary control panel in the main equipment room;
- All building perimeter entry doors and roll up doors will be provided with door position switches to monitor door status, in addition to the standard alarms contact switch which would activate immediately upon unauthorized or forced entry;
- Main corridors will be provided with interior ceiling or wall mounted motion detectors that will detect activity after the building has been secured.

The intrusion detection system will function along with video surveillance systems (video alarm system), and alarm communications systems to provide a comprehensive alarm assessment. Video alarm assessment means that if an alarm is activated, on-site security personnel, offsite the Infuser Applicant management, and The State of Illinois law enforcement personnel, can check surveillance footage to ascertain if an incident requiring a response has occurred, or if there has been a false alarm activation. the Infuser Applicant security personnel and management will do everything possible to avoid false alarm activations which are understood to generate costly repeated use of the State of Illinois Local law enforcement personnel and resources.

An intrusion or duress event will be recorded on local video while security and law enforcement are in route to respond to the incident location. The site will also have an alarm system that meets or exceeds the Infuser Applicant site location in the BLS Regions requirements. All of these alarms will also be monitored 24 hours a day, 7 days a week.

The performance measurements of the Infuser Applicant facility intrusion detection systems will assess:

- Its probability of intrusion detection
- The correct assessment of an intrusion
- The sensor device nuisance alarm rate

Site Hardening

All high security areas, buildings and structures that contain product, will be designed and constructed according to security industry standards, including all local and Illinois Department of Agriculture State requirements.

Metal Keys

All doors that are electronically controlled must have a key lock that can open the door in case of an emergency. the Infuser Applicant facility will maintain a key management system with strict protocols and allow limited access to the keys and master keys. The Infuser Applicant facility managers will conduct initial and periodic inventories of keys, maintain records of who has which keys, and maintain a secure key storage safe or lockbox.

Operational Security

General Security Policies for The Facility

The Infuser Applicant's facility will implement and train employees on a detailed operations and security Policy and Procedure Manual and all will be required to sign acknowledging receipt and understanding of this manual. The manual will detail general policies to be followed by all employees but will also have specific procedures to be followed for each role at the business. New employees will be trained on compliance and security and continuing employees will receive periodic training to reinforce existing policies and to support the implementation of changes and improvements to company operations and security.

Business Premises Access Plan

Rules and Regulations site that the site shall be subject to inspection, investigation or audit by the State, City or its employees, with no notice required, to determine compliance with this article. An inspection, an investigation, or audit being a review of any books, records, accounts, inventory, or onsite operations specific to the Business Premises and License.

The Infuser Applicant's facility will in no way prevent or hinder the aforementioned officials access to its business premises for the purposes of conducting inspections, investigations, or audits.

The Infuser Applicant's facility will further allow the State and/or the City access to the business premises for any of the following purposes: to determine the accuracy and

completeness of the Business License Application; To determine compliance with the local Municipal Code and the Rules and Regulations set forth by the State of Illinois; audit or inspections of records; investigation of a complaint received by the City regarding the application or License; inspection of incoming or outgoing shipments of cannabis and cannabis products, storage areas, production processes, labeling and packaging processes, and conveyances used in the manufacture, storage or transportation of cannabis products; inspection pertinent to equipment, raw material, finished and unfinished materials, containers, packaging and labeling that relates to whether cannabis or cannabis product is compliant; investigation into the adulteration or misbranding of any cannabis product, or production of any cannabis product without a license, including the ability to inspect any place where any cannabis product is suspected of being illegally manufactured or held; and investigations of the operations and other activities associated with Commercial Activity engaged in by the Infuser Applicant's facility.

Transactional Security

The Infuser Applicant's facility will minimize the number of cash transactions that take place on site by conducting those exchanges at other locations such as banks and private safe deposit vaults and through licensed couriers. The amount of cash kept on hand will also be kept to a minimum in order to reduce the risk of theft or robbery.

Any transactions that do take place, will be recorded either digitally or on paper and in keeping with BIO Track THC POS systems and will be done in full view of camera systems.

Visitor and Vendor Security

The Infuser Applicant's facility will follow the below policies and will implement and maintain a strict procedure to provide for authorized vendor, contractor, or visitor access to areas other than lobby and showroom. No person will be allowed entry to these areas unless they have a specific business purpose there.

A security officer or trained employee should request access permission for the visitor from a manager and specify the following:

- Date and time of the visit
- The point of contact for the visitor, company name etc.
- The purpose of the visit
- Who will be escorting the visitor during their visit
- Name of vendor, contractor, or labor representative

the following procedures will be followed regarding visitors:

- Visitors, vendors, and contractors who are providing a service or product to the Infuser Applicant's Facility must be authorized by Infuser Facility management to enter the Patron Browsing Area and must have a specific purpose for the visit. The visit will be limited to the time and scope of that purpose and the

visitor will leave immediately after this purpose has been completed.

- All vendors, contractors, labor representatives, and visitors will be logged with entry and exit times and other pertinent info.
- Visitor badges will be dated so they cannot be used later.
- All vendors, contractors, labor representatives, and visitors must be escorted at all times by at Security or at least one employee of the Infuser Applicant facility when in limited-access areas, must be at least 21 years of age, and instructed not to wander from the escort.
- Photos are not allowed unless authorized by the Infuser Applicant facility management or authorized government officials.
- Vendors can be issued long term vendor ID badges (not electronic access cards) but this does not allow unescorted access to high security zones.
- Vendors will be logged with entry and exit times and other pertinent info.
- Authorized visitors will exit the site as soon as their business is finished.
- Measures will be taken to prevent individuals from remaining on the premises if they are not engaging in an activity directly related to the permitted operations of the enterprise.

Third Party Contractor Services

Security services will meet or exceed the State of Illinois requirements regarding the posting of on-site security personnel. The security personnel will meet requirements put forth by the Illinois Department of Consumer Affairs and approved by officials of the State of Illinois Local law enforcement. Security personnel will not be employees of the Infuser Applicant's facility unless the business has obtained an Illinois State Proprietary Patrol Operator license. All security personnel hired or contracted for by the Infuser Applicant's Facility will maintain an active first-aid card.

Security Officer Policies and Procedures

1. During business hours, there will be at least one security officer, or a designated manger, assigned specifically to security duties, including the monitoring of video surveillance cameras, alarms and responding to security incidents. After hours, a security officer will monitor the lobby and the exterior of the building, as well as the parking area. If allowed to do so by the local city where the proposed location site is and the State of Illinois Local law enforcement's Office, the Infuser Applicant facility will substitute overnight on-site security personnel with a robust electronic security system that is monitored by off-site security personnel.
1. All personnel assigned to security detail at site will be able to show proof:
 - a.) Current state guard card (or PC 832 card if applicable) or Current First aid/CPR certification

2. The contract security manager will be able to show proof of the following for guards assigned to the site:
 - a.) DOJ and FBI Live Scan clearance
 - b.) All training records
 - c.) Security schedule and roster
3. Security company will provide a security roster to include scheduling of personnel and dates and times worked and this shall be able to be reviewed at any time by the Infuser Applicant facility management or by the State of Illinois Local law enforcement.
5. Daily security logs will be completed by security personnel and will include employee name, ID number, date and time, and all areas patrolled/monitored on a daily basis as well as incidents or events that need to be documented.
6. All issues pertaining to the health and or safety of the facility and/or the public or acts that are or may be considered criminal in nature are mandatorily ordered to be reported to site management, the State of Illinois Local law enforcement, and/or re department.

Security Officer Duties and Responsibilities

Security officers will carry out various responsibilities including, but not limited to:

- Screening employees and visitors in the reception area.
- Controlling access to the facility at all access points.
- Monitoring security and life safety equipment.
- Conducting patrols.
- Monitoring visitor and employee conduct on the premises and within the parking areas under the Infuser Applicant facility control to assure behavior does not adversely affect or detract from the quality of life for adjoining residents, property owners, and businesses. All concerns or issues will be brought to the Infuser Applicant's facility management in a timely manner.
- Actively discouraging illegal, criminal, or nuisance activity on the premises and any parking areas which have been made available or are commonly utilized for visitor, vendor or employee parking.
- Ensuring that no loitering is permitted on or around the premises or the area under control of the Infuser Applicant Facility.
- Ensuring no consumption of products occurs on the Business Premises, the parking-lot, and the public areas directly adjacent to the Business Premises.
- Ensuring the property and all associated parking, including the adjacent area under the control of the Infuser Applicant's facility and any sidewalk or

alley, is maintained in an attractive condition and kept free of obstruction, trash, litter, and debris at all times. All discovered issues will be reported to the Infuser Applicant's facility in a timely manner.

- Responding to security incidents.
- Documenting incidents.
- Escorting visitors or vendors.
- Assisting with parking issues.
- Inspecting packages and vehicles.
- Utilizing various security measures (doors, locks, alarms, video surveillance cameras, lighting, etc.)
- Notifying the State of Illinois Local law enforcement in case of an emergency or incident.

Designated Responsible Party

Although the Infuser Applicant's facility has designated Lawdog Security and Investigations INC. as the primary security consultant/ liaison for regulatory compliance, management will also designate a person as responsible party for overseeing security on-site on a day to day basis. This person can be a lead security officer, or another Infuser Applicant facility employee. They will ultimately have responsibility for overseeing security systems, policies, procedures, and other security personnel assigned to the site on all shifts as well as ensure compliance with government regulations.

The designated person should understand the compliance requirements regarding cannabis security activities as well be knowledgeable in the issues that could arise such as the legal aspects of officer selection and screening, authority to detain or arrest, and use of force as it applies to the Infuser Applicant's Facility.

The designee's responsibilities may include, but are not limited to the following:

- Physical security of the organization's assets
- Development and enforcement of security policy and procedures for all personnel, including non-security personnel
- Security Officer Recruitment and Selection
- Pre-employment screening
- Crisis management
- Investigation of security incidents
- Employee security awareness
- Law enforcement and governmental liaison
- Information protection
- Workplace violence prevention
- Termination support for the Infuser Applicant facility
- HR/management
- Security officer employment and supervision
- Security systems management
- Conduct monthly security audits of the site

Commercial Activity Security

Product security will be maintained as a priority and all employees and contractors will strictly adhere to the Infuser Applicant's facility policies and procedures or disciplinary/removal measures will be taken. In compliance with the State of Illinois and local law enforcement Security Requirements, the Infuser Applicant's facility will implement the below policies and procedures in order to secure all cannabis product and ensure that none is lost or diverted to individuals who are not authorized to possess it and preventing the diversion of any cannabis to other states.

Transportation Security

The Infuser Applicant facility shipping and receiving process will follow strict policies and procedures in order to ensure full compliance with all state and local BIO Track THC regulations. It also ensures the security of the assets and the safety of all personnel, which includes but is not limited to the following:

1. Product will be packaged in compliance with all regulatory requirements that identify the contents of each package, its origin or inventory numbers, and any and all additional internal, city or state mandated tracking requirements.
2. Shipments will be scheduled as often as needed to ensure that the supply and demand of the operators and their clients are met and that:
 - a.) The company's policies and procedures are followed to avoid the transport of excessive amounts of product with a high total value.
 - b.) Shipments are scheduled at random times and hours in order to avoid predictability that can elevate the risk of theft.
3. Shipments will be conducted through the use of a licensed, insured and state authorized transport company or by the Infuser Applicant trained transport personnel, if allowed to do so by the local municipal and the State of Illinois.
4. When shipments are scheduled, this information will only be provided to individuals who occupy a "need to know" position in order to avoid risk of theft.
5. At the time of the incoming shipment, transportation team members and vehicle will be logged onto the site as visiting vendors upon each visit.
6. If the electronic BIO Track THC system is down, a secondary POS tracking system will be used as backup but as a precaution all entries must be done by hand and entered when the system is back up.

Integration of Security Measures

The security measures for the site will be designed and installed with aesthetics in mind, ensuring that the equipment is not obtrusive and does not contrast with the architectural flow of the building or the neighboring buildings. Any bars installed on the windows and doors of the Infuser Applicant's building will be installed only on the interior of the building. These bars will allow for emergency egress as required by the City safety code.

All of the Infuser Applicant Facility Employees' security measures will be coordinated with our professional security advisor, who will have customized a security plan for the Infuser Applicant's specific business location. All security measures are considered in light of the overall design and concept of the Infuser Applicant Facility for which a professional designer has been engaged. All components of the Infuser Applicant's security plan will be integrated to enhance its overall design concept so as not to be overly noticeable by customers or the public.

The security contract is provided below:

LAWDOG SECURITY AND INVESTIGATIONS, INC.

3055 West 111th Street Suite 4N

Chicago, IL. 60655

1-866-LAW-DOGS

THIS AGREEMENT effective as of January 1, 2020, the **Infuser Facility** ("Client") for the site located within the Chicago Metro Area ("The Premises"), and **LAWDOG SECURITY & INVESTIGATIONS INC., ("LAWDOG")**.

WHEREAS, Client desires to enter into this Agreement with **LAWDOG** for the performance by **LAWDOG** of certain security services relating to the physical guarding of the Client's property and;

WHEREAS, **LAWDOG** is willing to enter into this Agreement with respect to its retention to perform certain duties upon the terms and conditions set forth herein;

NOW THEREFORE, in consideration of the mutual promises, covenants and understandings set forth herein and intending to be legally bound hereby, the parties agree as follows:

1. **ENGAGEMENT** - Client agrees to engage **LAWDOG** to perform the security services hereinafter described, and **LAWDOG** accepts such engagement and agrees to perform such services upon the terms and conditions set forth herein.
2. **TERM** – Subject to the provisions of Paragraph 13 hereof, Client shall engage the services of **LAWDOG** from **January 01, 2020 through December 31, 2021**, renewable automatically thereafter with written agreement between both parties and updated hours of service.
3. **DUTIES** - During the term of this Agreement, **LAWDOG** shall serve the Client and any affiliate and perform services to the best of its ability as the parties deem necessary to the physical guarding of the Client's property. Services can be increased, reduced, or terminated by **LAWDOG** or the Client upon ninety (90) days written notice. **LAWDOG** agrees that any of its Security Officers who bear firearms while performing the functions described under this Agreement will be duly licensed according to all regulatory agencies to carry firearms. Notwithstanding anything to the contrary in this Agreement, in the event that **LAWDOG** determines, in its sole discretion, that performance of this Agreement may be hazardous to its employees, **LAWDOG** shall have the right but not the obligation to immediately terminate this Agreement.
4. **COMPENSATION** - For services rendered by **LAWDOG** to the Client hereunder, **LAWDOG** shall be paid a fee for each man hour worked as follows: **the rate will be \$32.50 per hour for non-union, uniformed, armed security guards. The approximate hours of service will be (24) hours a day (7) days a week. This will be a minimum total of (168) billable hours per week. Client further agrees to a minimum CCTV system per Addendum A.** All services requested by Client in addition to the agreed upon amount of weekly hours without a (72) hour notice and all Federal Holidays will be charged a premium

of time and one half of the current hourly rate.

In the event that there are any changes in laws or statutes, mandated social programs, etc. that increase LAWDOG's costs (i.e., minimum wage, mandated healthcare, etc.), LAWDOG reserves the right to increase the hourly billing rate to cover said increases.

LAWDOG will present a bill to the Client every two weeks, and payment will be required within (15) days of billing. A late payment fee (10% of the outstanding amount due) will be added to all past due amounts and continue to be added at the rate of 10% every 30 days until the account is paid in full. The minimum fee for late payment is \$50.00. If LAWDOG must seek legal remedies of any kind in order to collect on past due invoices, all necessary and reasonable expenses including lawyer's fees will be the responsibility of the Client.

5. **INDEPENDENT CONTRACTOR** - LAWDOG is retained and employed by the Client only for the purpose and to the extent set forth in this Agreement. Its legal status and relation to the Client and any affiliated Client shall, at all times, be that of an independent contractor.

6. **COOPERATION** - Client shall cooperate with LAWDOG in all reasonable respects to assure proper performance of this Agreement.

7. **INSURANCE AND INDEMNIFICATION** - LAWDOG shall keep in full force and effect during the term of this Agreement a Commercial General Liability policy for personal injury and property damage with coverage including, but not limited to, false arrest, detention or imprisonment and/or violation of the right of privacy. LAWDOG shall also keep in full force and effect, during the term of this Agreement, worker's compensation insurance that is in compliance with all current State of Illinois Statutes. The parties understand and agree that LAWDOG is not an insurer and that the rates being charged and paid are for guard services designed to deter certain risks of loss, which rates are not related to the value of the personal or real property protected. LAWDOG does not make any guarantee, implied or otherwise, that no loss will occur or that the service performed will avert or prevent any occurrence or loss, that the service is intended to help deter or avert. LAWDOG hereby agrees to defend, indemnify, and hold harmless the Client from claims against the Client alleging that injury to persons or property was directly caused by the sole negligence of LAWDOG or its employees. Client agrees to defend, indemnify and hold harmless security contractor from any and all liabilities, losses and claims against security contractor alleging a failure to prevent an injury to persons or property at services' location. Client waives any and all rights of recovery against LAWDOG for any other claim of physical damage to property or personal injury taking place at or near the Premises. Client waves any and all right of subrogation that Client or any insurer of Client may have against LAWDOG.

8. **REPRESENTATIONS** - LAWDOG shall provide protective services in a reasonable and prudent manner under the circumstances and in accordance with applicable federal, state, and/or local law. Neither LAWDOG nor any of its owners, directors, officers, employees, affiliates or independent contractors shall be deemed to have insured or guaranteed the personal safety of any individual or the protection of any property from injury or damage. LAWDOG neither warrants nor represents that the protective services to be

provided hereunder will, in fact, successfully protect the Client, any individuals, or any property from physical damage or personal injury, as the case may be.

1. **AUTOMOBILE** - If a Client requires **LAWDOG** personnel to drive any vehicle (including motorized carts) during the course of their duties, other than the officer's own personal vehicle or a vehicle furnished by **LAWDOG**, the Client agrees that the Client's insurer will provide the primary coverage on such vehicle. Such coverage must cover comprehensive, fire, theft, collision, and general liability damages, and provide a coverage amount of no less than \$1,000,000 per occurrence. Client further agrees that the Client will identify **LAWDOG** as an additional insured on such policy and indemnify, hold harmless and defend **LAWDOG**, its officers, employees, servants, and employees from any and all such losses, claims, suits, damages, thefts and expenses which may arise out of the use of the Client's vehicle.
2. **COVENANT NOT TO HIRE** - Client agrees that it will not, without the express agreement of **LAWDOG**, during the term of this Agreement or for a period of one year thereafter, directly or indirectly solicit, hire, employ or otherwise engage the services of any member of **LAWDOG'S** personnel.
3. **ENTIRETY OF AGREEMENT** – The terms of this agreement supersede and cancel all previous terms, agreements, oral or written, between **LAWDOG** and Client and this document represents the entire agreement between the parties. **LAWDOG** has made no other agreements or representations with Client, oral or written. Any purchase order or other document issued by Client to **LAWDOG** shall be subject to and governed by the terms and conditions herein whether or not they materially alter this agreement. Notwithstanding anything herein to the contrary, if this document is not finally executed by Client and **LAWDOG**, acceptance of services by Client or performance by **LAWDOG** shall constitute acceptance by Client of all the terms and conditions contained herein.
4. **SEVERABILITY** - If, for any reason, any provision of this Agreement is held invalid, the other provisions of the Agreement will remain in effect insofar as is consistent with law.
5. **CONTINGENCY** – This contract is contingent upon The Proposed Infuser Facility, or its affiliates receiving an unconditional license from the State of Illinois in regard to operation of an Adult Use Marijuana Infuser Facility within the State of Illinois. Notwithstanding anything to the contrary in Paragraph 2 hereof, the Term of this contract shall be for a two (2) year period commencing not later than thirty (30) days after Client has been issued an unconditional license from the State of Illinois in regard to operation of an Adult Use Marijuana Infuser Facility within the Chicago Metro Region. Client shall notify **LAWDOG** via email upon receipt of the State's determination of successful or unsuccessful permit applicant facilities and this contract shall automatically terminate if Client is not a successful applicant facility.

LAWDOG SECURITY AND INVESTIGATIONS, INC.

3055 West 111th Street Suite 4N

Chicago, IL. 60655

1-866-LAW-DOGS

Item #	Item Desc	Quantity	Cost Per	Total
1	4k IP Security Cameras	25	\$650.00	\$16,250.00
2	DVR/NVR	1	\$3,500.00	\$3,500.00
3	Battery Backup	1	\$2,300.00	\$2,300.00
4	Low Voltage Data Wiring	1	\$4,500.00	\$4,500.00
5	Camera Mounting and adjustment	1	\$6,250.00	\$6,250.00
6	Host Server	1	\$1,000.00	\$1,000.00
7	VMS Software	1	\$5,000.00	\$5,000.00
8	Configuration Services	1	\$3,500.00	\$3,500.00
9	Electrical	1	\$5,000.00	\$5,000.00
10	DVR/Battery installation	1	\$300.00	\$300.00
11	Misc. Supplies	1	<u>\$250.00</u>	<u>\$250.00</u>

*All prices subject to change based
on market and physical environment*

Total **\$47,850.00**

CONTINGENCY – This addendum is contingent upon The Proposed Infuser Facility for its affiliates receiving an unconditional license from the State of Illinois in regard to operation of an Adult Use Marijuana Infuser Facility within the State of Illinois. Client shall notify LAWDOG via email upon receipt of the State's determination of successful or unsuccessful permit applicant facility and this addendum shall automatically terminate if Client is not a successful applicant facility.

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3055 West 111th Street Suite 4N

Chicago, IL. 60655

1-866-LAW-DOGS

IN WITNESS WHEREOF, the parties hereto have hereunder set their hands and seals as of this 27th day of
December 2019:

Client: The Proposed Infuser Facility

BY: _____

TITLE: _____

LAWDOG SECURITY & INVESTIGATIONS INC.

BY: _____

TITLE: President



For future reference, IDFPR is now providing each person/business a unique identification number, 'Access ID', which may be used in lieu of a social security number, date of birth or FEIN number when contacting the IDFPR. Your Access ID is: 3711252