

Harvest of Scottsdale (Byers Dispensary, Inc). Additional Security Provisions

Harvest of Scottsdale is committed to the peace of mind of its staff, customers, patients, and community members. To that end, security is of utmost importance to the Dispensary team, and we will ensure that the Dispensary is highly secure. The main components of Dispensary security include Building Security and Product Security.

Management Responsibilities

Management (e.g., managers, assistance managers, and all persons-in-charge) are responsible for communicating security procedures to employees, training them on security policies and procedures, and ensuring that the policies procedures are understood and followed.

Record Keeping

All establishment operation records will be kept for a minimum of 30 days per state regulation. Such records will include video, written receipts, invoices, and evidence of any transactions occurring within and without the establishment.

BUILDING SECURITY

Video Surveillance System

The Dispensary will be under 24-hour recorded video surveillance capable of capturing and recording clear and certain Identification of any person entering or exiting.

Surveillance systems will have full field digital view of the following areas:

- A well-lit exterior of entire building at all times
- Outdoor cameras that view the entire perimeter of the building
- Secured trash and recycling areas
- Multiple angles of entire interior facility except bathrooms
- Parking lot and rear exterior
- CCTV cameras will be placed in interior and exterior of the Dispensary
- Video cameras will have a recording resolution of at least 704x480, or the equivalent, and will record 24 hours/day
- Cameras and recording equipment will have sufficient battery backup to support at least 15 minutes of recording in the event of a power outage
- The video surveillance will be hard wired to an on-site computer, which will be used to store all video recordings and will have the capacity to store recordings for the previous 30 days. This computer will be secured on-site within a locked cabinet
- Connected to the computer will be a video printer capable of immediately producing a clear still photo from any video camera image that displays the time and date of capture

- A failure notification system will provide an audible and visual notification of any failure of the surveillance system
- The General Manager's office shall store the onsite hard drive for recorded surveillance

Exterior Building Security

The following security protocols will ensure that the exterior of the Dispensary is secure while providing a safe, welcoming, and professional environment:

- Video cameras will provide exterior coverage of all entrances and windows and any activities occurring outside or adjacent to the building.
- The perimeter of the property line may be enclosed with a concrete wall in compliance with local and state regulations and development standards.
- During business hours, Harvest management will be charged with monitoring the parking lot and area surrounding the Dispensary, ensuring safe ingress and egress to patients' transportation, and strictly enforcing loitering policies.
- A Greeter will be posted inside the room accessed by the patient entrance to perform an initial examination of the patient's credentials and ask patients to remove hats and/or sunglasses (except for religious headwear), if necessary, to facilitate the video capture for identification of the patient.
- Entrances will be protected with electronically controlled locking mechanisms that automatically lock entrances and prevent entrance to the facility without proper authorization.
- A licensed and bonded landscaping company will clean and maintain trees, bushes and other foliage around the perimeter of the Dispensary. In addition, cement-filled decorative planters will protect entrances and windows from unauthorized vehicular entrance.
- Windows and any other enclosures that provide a view of the inside of the Dispensary will be covered with security film.
- Exterior lighting will be installed to facilitate surveillance within the guidelines provided by the city in the City Policy for Exterior and Site Lighting document.
- The exterior will be outfitted with an HD CCTV cameras that cover the entire exterior of the building.

Interior Building Security

The following security protocols will ensure that the interior of the Dispensary is secure for qualifying patients and employees:

- Video cameras, which will operate on a CCTV system, will provide interior coverage of all entrances and windows, reception area, each point-of-sale location, and the vault, to Identify any person who holds a valid registry identification card or his or her designated caregiver purchasing medical marijuana.
- At least one call-up monitor nineteen inches or larger.
- Audible and silent alarms will alert the breach of all entrances and windows and provide motion-detection coverage for the entire Dispensary.

- Panic buttons will be installed at each point-of-sale location, in the vault, and under the reception stations, and when pressed will immediately contact local law enforcement agencies. Panic buttons are different from the alarm system in that they immediately alert law enforcement. The alarm system will be monitored by a professional alarm company who often times will be the first response before alerting law enforcement.

Access Control

The Dispensary will have an enclosed, locked IT and CCTV facility with no visible outside markings. The interior operations will be monitored such that entry into the building is regulated, and a complete access control system will be installed. The system will prevent entrance to the building, as well as limit access to employee-only areas through the use of key fob/electronic access and security doors at points of entry.

Authorized Access

The Dispensary will provide for the accurate and continuous Identification of individuals authorized to enter the Dispensary. The Dispensary will restrict access to the areas of the Dispensary that store marijuana to authorized individuals only.

Before dispensing marijuana to a customer, qualified patient or caregiver, the Dispensary Agent will enter the patient's or caregiver's registry identification number on the patient's or caregiver's registry Identification card into the Electronic Verification System and verify the validity of the registry identification card and age or for recreational customers verify the validity of the identification card and age. Access to the Dispensary building will be denied to any individual not providing the credentials listed above and satisfactorily proving eligibility and authorization to enter.

Controls to Detect and Prevent Unauthorized Access

To prevent unauthorized access to marijuana, edibles, and marijuana-infused products at the Dispensary, the Dispensary has security equipment to deter and prevent unauthorized entrance into limited-access areas that includes a series of devices to detect unauthorized intrusion, which may include a signal system interconnected with a radio frequency method, such as cellular, private radio signals, or other mechanical or electronic device. In addition, a burglar alarm shall be installed that will activate upon motion via entrance through the doors, glass, rooftop access and cover any shared wall. The alarm shall be monitored by an alarm company.

Access to the controlled areas will be limited to State licensed Dispensary Agents, and when needed, licensed contractors.

To ensure the safety of our employees, customers, and patients, only State licensed Dispensary Agents will have access to areas where marijuana is packaged and stored. These secure areas will have locked doors and key fob/electronic access at points of entry.

Panic Buttons

The Dispensary will install and maintain working panic buttons in the interior of the Dispensary. All Dispensary Agents within the Dispensary building will be trained to use and will have access to multiple panic buttons throughout the site. Panic buttons will be located within the Dispensary at the receptionist desk, all cashier stations, and within the vault. Dispensary Agents will be trained on the specific location of panic buttons and the specific circumstances under which panic buttons should be used, including threatening conduct, criminal invasion, and other security emergencies. The General Manager will ensure that all interior panic buttons are properly functioning at all times.

Security Equipment

The Dispensary will have security equipment to deter and prevent unauthorized entrance into limited access areas that includes devices or a series of devices to detect unauthorized intrusion, which may include a signal system interconnected with a radiofrequency method, such as cellular, private radio signals, or other mechanical or electronic device. In addition, a burglar alarm shall be installed that will activate upon motion via entrance through the doors, glass, rooftop access and cover any shared wall. The alarm shall be monitored by an alarm company.

Intrusion Detection

The Dispensary will comply with all State and local rules and regulations with regard to mandatory security and monitoring devices to prevent and detect unauthorized intrusion into the Dispensary building. The Dispensary will contract with a security and alarm monitoring company to conduct in-person or remote surveillance of the Dispensary building on a 24/7 basis. In addition, during business hours, the Manager on Duty will ensure that all electronically restricted access-controlled doors are properly secured with the alarm armed to notify of any unauthorized intrusion. During non-business hours, the Manager on Duty will ensure that the security system is armed and operational by securing all interior doors, electronically restricted access doors, and the exterior door, and setting the security system by way of a confidential access code.

Identification of Customers, Patients and Employees

The Dispensary will provide for the accurate and continuous identification of Individuals authorized to enter the Dispensary. Before dispensing marijuana to a customer, qualifying patient or designated caregiver, the Dispensary Agent will verify, through photo identification, that an individual presenting a marijuana identification card is the same as the individual depicted on the identification card, enter the patient's or caregiver's registry identification number on the registry identification card into the Electronic Verification System and verify the validity of the patient or caregiver's registry identification card and age. Access to the Dispensary building will be denied to any individual not providing the credentials listed above and satisfactorily proving eligibility and authorization to enter.

Customer and Patient Entrance

Each customer and patient entering the Dispensary will be met by a Greeter who will require the patient to display his/her registry card or identification card to enter. The customer/patient is then directed to the receptionist where he/she will display their registry card for verification. There shall be a physical separation or counter between the patient and the authorized Dispensary Agent. The separation shall form a barrier to prohibit patient access behind the counter. A panic alarm shall be installed behind the counter.

All patients must present a valid registry identification card or recreational customers must present a valid identification card in order to purchase marijuana. Patients and customers must remove hats, sunglasses, and any other objects that obstruct physical identification. This rule shall not apply to clothing worn over the face for established religious reasons. Video monitoring will show the customer, patient or caregiver's face.

Electronic Monitoring

The Dispensary will conduct electronic monitoring in and around the Dispensary building. The Dispensary will conduct electronic video monitoring of all visitors in the parking lot and in the entry area of the Dispensary building. All customers and patients entering the Dispensary shall remove their hats, sunglasses, and other similar objects, which obstruct physical identification. This shall not apply to clothing worn over the face for established religious reasons. At all times during business hours, at least one Dispensary Agent within the Dispensary building will be tasked with monitoring the electronic video monitoring systems and responding to any issues of security or safety that may arise. To prevent unauthorized access to marijuana at the Dispensary, the Dispensary will have security equipment to deter and prevent unauthorized entrance into limited access areas, which will include electronic video and visual monitoring. The Manager on Duty will be responsible for ensuring that all electronic video and visual monitoring security equipment is properly functioning at all times.

Loitering

The Dispensary will provide for the accurate and continuous identification of individuals authorized to enter the Dispensary. The Dispensary will post signs stating "no loitering" throughout the parking area utilized by patrons. Signs shall be placed in locations visible to all patrons. Harvest management will monitor the public areas around the Dispensary building to ensure no loitering is taking place and escort individuals away from the public areas around the Dispensary, or if necessary, contact law enforcement for assistance, in the event any loitering occurs.

Product Security

The Dispensary will ensure marijuana products are safe for customer and patient use by ensuring that products are properly procured, tracked, documented, stored, tested, packaged, labeled, inventoried, and that Dispensary Agents are properly trained to carry out all of these critical procedures. In addition to ensuring that customers and patients have access to safe products, our

responsibility to keep these products out of the hands of unauthorized individuals is a critical part of our product safety plan and our stewardship to the community.

Safe product storage begins with strong Chain of Custody and inventory procedures. This begins at a State licensed Cultivation site and ends with a final sale; a protocol will be in place for product recalls or shelf-life expiration. Enhanced secure storage, inventory procedures, and electronic monitoring systems, including real time access of data upon request, will serve as checks and balances throughout the Chain of Custody procedures for all products. Written documentation shall accompany all products being transported.

In addition to our integrated inventory and POS record-keeping system, Dutchie, the Dispensary will track physical access to products through the use of video monitoring and strict access controls. Physical storage of medicinal products is divided into three categories: In Transit, Bulk Storage, and Final Packaging. Bulk Storage is contained within a secure, climate-controlled vault within the Dispensary. Products that are in Final Packaging are stored in the vault during non-business hours and in the secure dispensing area during business hours. The details of product storage can be found below.

Transportation plays a role in ensuring the safety and security of marijuana, edibles, and marijuana-infused products. The Dispensary will take various steps to secure products during transportation and receiving, including:

- Deliveries and movements of marijuana-based products will always occur using an unmarked vehicle.
- Routes and schedules shall be randomized such that delivery patterns are not predictable.
- Cash is always stored in a locked safe within the delivery vehicle.
- All marijuana, edibles, and infused products are placed in a secure, non-transparent transportation box in the vehicle's secured compartment.
- Prior to departure, the Dispensary Agent must complete a Trip Form and a Chain of Custody form and have both approved by the General Manager.

Areas of the Dispensary where marijuana is stored, handled, packaged, or inspected are secured with key coded locks. Agent registration cards must be worn and be visible at all times, even if agent is delivering marijuana or marijuana-infused products off-site.

Agent registration cards will be used to clock in and out of work via magnetic strip, quick response (QR) code, or comparable electronic method.

In instances where light may degrade the quality of the marijuana or marijuana-infused product, lights may be turned off much of the day; however, motion sensors will turn lights on when anyone enters so that cameras will capture any and all movements in those secure areas. In addition, cameras pointed at all other interior and exterior lighted areas and entry points will record any authorized or unauthorized entry into secured rooms from the exterior of the enclosed, locked facility.

INVENTORY AND RECORD KEEPING

Materials Inventory

Dispensary Agents who are assigned inventory function are responsible for the storing, tracking, counting, and safekeeping of marijuana, marijuana-infused products, other company products, and cash. For purposes of maintaining an accurate inventory, the Dispensary adheres to the following:

Product Quantity

The Dispensary limits its inventory of marijuana and marijuana-infused products to meet the needs of patients while remaining in compliance with all state and local laws and regulations.

Dutchie Inventory Tracking System

The Dispensary will use the Dutchie POS and inventory management system. The software product is fully integrated with scales, label, and receipt printers. Dutchie is a fully integrated seed-to-sale tracking software tracks all marijuana seeds, plants, and produce and verifies product Identification and weight measures.

PRODUCT SECURITY

Secure and Safe Storage

All products are stored in a secure vault during non-business hours. Only pre-packaged marijuana, edibles, and marijuana-infused products that are ready to be sold to qualifying patients and customers are accessible in the secure cashier area during business hours. All products are clearly labeled and tracked within Dutchie, the point of sale and inventory management software designed to track products from seed to sale. Marijuana will be pre-packaged and labeled by Dispensary employees using secure packaging before being sold to patients. Keeping the product in tamper-proof packaging helps reduce the risk of theft, spoilage, and damage to the product.

At the Dispensary, marijuana, edibles, and marijuana-infused products will be stored in enclosed, locked locations. These locations include secure devices, display cases, cabinets, and rooms, all protected by locks or locking mechanisms. All bulk products are stored in the secure vault at all times. Packaged, sealed products are stored in the secure access-controlled dispensing area (Cashier Stations) during business hours and are stored inside the secure vault during non-business hours.

Once the marijuana, edibles, and marijuana-infused products are purchased from a licensed cultivation or production facility, the product will be entered into the Dutchie system. Once the product has been entered in Dutchie, the product will be securely moved into the vault for storage and safekeeping.

From the main vault, the Dispensary Manager on Duty will transfer enough marijuana, edibles, and marijuana-infused products for one day's operations into the access- controlled dispensing area/cashier station to which only authorized personnel will have access.

All transfers will be supervised by the Manager on Duty.

Customers, Patients and Sales

When a customer or patient arrives at the Dispensary, they will enter the first door and will be verified prior to entering the display area. They will only be allowed to enter with a valid registry card or identification card and going through the authorization process. The receptionist will verify all documentation using the Dutchie System and the state EVS system. The customer or patient will be allowed into the dispensing area upon verification. Once in the dispensing area, they will be greeted by a Patient Advisor. Once the customer or patient has selected the marijuana, edibles, and/or marijuana-infused products they wish to purchase, they will proceed to a cashier and receive their pre-packaged product in a sealed and stapled package and be issued a receipt.

The Dispensary will adhere to Arizona laws which limit the amount of marijuana, edibles, and marijuana-infused products to 2.5 ounces per 14 days for medical patients and 1 ounce for recreational customers.

To protect the safety and privacy of patients, and to prevent diversion, the use of cell phones and cameras is prohibited in the Dispensary.

Surveillance cameras will monitor all Points of entry to and exit from the Dispensary. This includes the parking lot, rear of the building, and all areas inside the Dispensary, including secured waste storage.

Management will ensure that customers and patients do not consume medicines in the Dispensary, the Dispensary parking lot, or in any other location around the Dispensary. Upon exiting the Dispensary, the Greeter will monitor the customer or patient and ensure that they leave the parking lot shortly after exiting the Dispensary in a safe and efficient manner. If a customer or patient has safety concerns or needs assistance leaving the Dispensary, the Greeter will assist and/or accompany them to their vehicle. The Greeter will also ensure that the Dispensary entrance and surrounding area and clean, professional, well maintained and well-lit at all times.

Monthly Audits

The Dispensary General Manager will conduct monthly audits of the Dispensary's internal controls, inventory tracking systems and procedures, and security systems and procedures. Dispensary management and staff will be familiar with an applicable local and state regulations and will conduct weekly audits to ensure compliance with all applicable regulations. These audits, in addition to the procedures described above, will help ensure the quality of products in a secure environment and that the products are being handled with care.

Refuse Plan

Contaminated or expired marijuana, and marijuana products will be stored in a designated area within the vault away from all other products designated for sale. During destruction process, the waste is collected and mixed with biodegradable kitty litter¹ and vinegar on a 1:1 ratio rendering it unusable, and it is then placed in a disposal container.

At the end of each day, the Dispensary employee will collect the disposal waste and place it in the designated locked Waste container located outside the licensed facility.

The following procedures will be followed to document the outgoing disposal:

1. Date and time the marijuana or Marijuana product waste was destroyed
2. The dispensary agent in charge of destroying the waste
3. The amount/ batch and product type
4. The method of destruction, which is performed on camera and recorded
5. Inventory records will be updated and uploaded by Manager on Duty once confirmed the marijuana or marijuana product was disposed of. And documented properly on the disposal log

¹Biodegradable litters are made from various plant resources, including pine wood pellets, recycled newspaper, clumping sawdust, cassava, barley, okra and dried orange peel. This medium renders the disposed marijuana unusable in a safe, non-toxic, storage process.