

**COMMERCIAL CANNABIS BUSINESS LICENSE
DEVELOPMENT AGREEMENT**

This Development Agreement (“Agreement”) is made and entered into as of December 6, 2022 (the “Effective Date”) between the **CITY OF NATIONAL CITY**, a California municipal corporation (“City”), and Shryne National City, a California LLC doing business as Stiiizy National City (“Licensee”). City and Licensee are hereinafter collectively referred to as the “Parties” and singularly as “Party.”

RECITALS

- A. The City Council previously adopted an ordinance to add Chapter 9.60 to National City Municipal Code (“NCMC”) to permit limited commercial cannabis activities.
- B. Pursuant to Resolution No. 22-, the City Council adopted Application Procedures and Guidelines (the “Guidelines”) governing the issuance of commercial cannabis licenses.
- C. Licensee submitted an application for a commercial cannabis license dated April 7, 2022 (the “Application”), which was reviewed by the City in accordance with the Guidelines.
- D. The Licensee identified in the Application that it was at least 51% owned by residents of National City, which made the Licensee’s Application eligible to receive the local preference criteria contained in the Guidelines.
- E. On [December 6, 2022], the City awarded a Commercial Cannabis Permit to Licensee (“Permit”), to operate a retail and distribution, cannabis business which will be located at 3239 Hoover Ave & 221 W 33rd St., also known as San Diego County APNs 562-330-41-00 & 562-330-40-00 (the “Property”).
- F. Pursuant to NCMC Section 9.60.100 and the Guidelines, the Licensee must enter into an Development Agreement with City prior to commencing operations.
- G. The City and Licensee freely and voluntarily negotiated the terms and conditions of this Development, and the City Council adopted Resolution No 22- approving this Agreement.
- H. The Parties acknowledge that this Agreement is not a statutory development agreement authorized by Government Code section 65864 and that this Agreement confers no entitlement or vested rights of any kind to Licensee to operate a cannabis business.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants and obligations set forth herein, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

1. Incorporation of Recitals.

2. Effective Date and Term.

This Agreement shall commence on the Effective Date and remain in effect until the expiration, termination, surrender, or revocation of Licensee's Commercial Cannabis Permit, unless sooner terminated as provided for herein.

3. Description of Business and Ownership.

Licensee's has been awarded a Commercial Cannabis Permit dated December 6, 2022 to operate a commercial cannabis business at the Property (the "Business"). Licensee shall operate the Business as a retailer and distributor, as those terms are defined in NCMC Chapter 9.60. The terms and conditions of the Commercial Cannabis Permit are incorporated into this Agreement by reference.

4. Applicable Laws and Regulations.

4.1 General. Licensee shall at all times comply fully with all current and future State and City laws and regulations applicable to Licensee's Business, including but not limited to NCMC Chapter 9.60. Licensee shall ensure such compliance by all of Licensee's employees, contractors, vendors, and members of the public invited or allowed access to the Business.

4.2 State License. Licensee shall promptly apply for and obtain all State licenses required for the Business's operations. Failure to obtain and maintain required State licenses during the term of this Agreement shall constitute a default under this Agreement and shall be grounds for termination.

5. Conditions of Approval.

In addition to the requirements contained in the Plans, as defined in Section 6 below, the Licensee shall at all times operate the Business in accordance with the Conditions of Approval for the Business, attached hereto as Exhibit A and incorporated herein by reference (the "Conditions of Approval"). To the extent there is a conflict or inconsistency between the Conditions of Approval and the Plans, the Conditions of Approval shall control. To the extent the Conditions of Approval conflict with any applicable state or local law or regulation, currently existing or enacted in the future, the applicable law or regulation shall control. The City Manager, or his or her designee, shall have the authority to amend the Conditions of Approval subject to the requirements of this Agreement.

6. Operating Requirements.

6.1 Operating Requirements. In addition to any other applicable requirements, Licensee shall at all times operate the Business in accordance with the operating procedures contained in Exhibit B, attached hereto and incorporated by reference. Such operating procedures include requirements for the opening and closing of the Business, customer check-in, product delivery, use of specific point-of-sale software, inventory control, diversion prevention, product

distribution, transportation procedures, odor control, and quality control. Nothing in this section shall prevent the Licensee from changing the mix and type of cannabis products at the Business.

6.2 Safety Plan. In addition to any other applicable requirements, Licensee shall at all times operate the Business in compliance with the Safety Plan contained in Exhibit C, attached hereto and incorporated by reference, including but not limited to all fire prevention and suppression measures, accident and reporting procedures, medical emergency response procedures, and waste management procedures identified therein.

6.3 Security Plan. In addition to any other applicable requirements, Licensee shall at all times operate the Business in compliance with the Security Plan submitted with the Licensee's application and on file with the City. The Security Plan identifies access control requirements, perimeter security standards, inventory control measures, cash handling procedures, information/records security, lighting and surveillance requirements, theft and diversion prevention strategies, and employee training policies, among other topics.

6.4 Amendments. Licensee shall operate Business in accordance with the requirements of the this Section 5 and the plans contained in Exhibit B and C attached hereto (collectively, the "Plans") , with such amendments or changes approved by the City Manager, or his or her designee. To the extent there is a conflict or inconsistency between the Plans and this Agreement, this Agreement shall prevail.

7. Community Benefits. Licensee has offered to provide certain community benefits as part of the operation of the Business, and the City has accepted such offer. The community benefits to be provided by Licensee are specified in this Section.

7.1 National City Community Benefit Fund.

a. **Community Benefit Fund.** Licensee hereby agrees to donate an amount equal to one percent (1%) of the Net Profits of the Business, as defined herein, to nonprofit community organizations located and doing business within National City, subject to the requirements of this Section (the "National City Community Benefit Fund").

b. **Annual Plan.** No later than the October 1 of each year, beginning the year after the Business commences operations, Licensee shall submit to the City an annual plan for the disbursement of the National City Community Benefit Fund (the "Annual Plan"). The Annual Plan shall identify the recipients of the funds, the estimated amount that shall be provided to each recipient, and such other information as may reasonably be required by the City. The recipients of the proceeds of the National City Community Benefit Fund shall be exempt from taxation pursuant to Internal Revenue Code section 501(c)(3), shall be in good standing with the laws of the State of California, and shall provide sufficient services within the City of National City that benefit the public (each a "Recipient"). The City may, in its sole discretion, determine that a proposed Recipient does not provide sufficient services within National City that benefit the public, and such determination shall be conclusive. The City shall review, and either approve or reject, the Annual Plan. If the City rejects the Annual Plan, it shall notify the Licensee in writing of the reasons for the rejection. Thereafter, the Licensee shall submit a revised Annual Plan within forty-five (45) days. If the City fails to approve or reject the

Annual Plan within thirty (30) days of submittal by the Licensee, the Annual Plan shall be deemed approved. Licensee may at any time apply to amend its Annual Plan, subject to the same procedures contained in this Section 7.1.

7.2 General Fund Contribution.

a. **Voluntary General Fund Contribution.** Licensee hereby agrees to donate an amount equal to five percent (5%) of the Gross Receipts of the Business, as defined herein, to the City's General Fund, subject to the requirements of this Section 7 (the "General Fund Contribution"). The General Fund Contribution may be used for any lawful municipal purpose as determined by the City Council, in its sole and absolute discretion.

b. **Monthly Payments.** No later than the 15th day of each calendar month, Licensee shall pay to the City the General Fund Contribution from the previous calendar month. The payment shall be accompanied by a report, on a form approved by the City's Finance Director, identifying the total amount of the Gross Receipts of the Business from the previous month and any other information requested by the City.

c. **Penalty for Delay.** If Licensee fails to remit any amount owed pursuant to Section 7.2(b) within the time required, Licensee shall pay a penalty of ten percent (10%) of the amount owed in addition to the outstanding amount. The amount of the penalty shall increase by an additional ten percent (10%) each additional thirty (30) days during which the Licensee fails to make the requirement payment. Licensee and City agree that this penalty is necessary in order to ensure that Licensee timely provides the funds it has promised to donate and which the City has budgeted based on such promise.

7.3 Financial Reporting & Administration.

a. **Gross Receipts.** As used in this Agreement, "Gross receipts" includes the total amounts actually received or receivable during a calendar year for the sale of any cannabis goods for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale or delivery of cannabis materials, cannabis services, cannabis goods within the City of National City, or outside the City of National City when the proceeds are credited to or for the account of the Business. Included in "gross receipts" shall be all commissions, fees, receipts, receipts from coin-operated equipment, cash, credits and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever. Excluded from "gross receipts" shall be the following: i) cash discounts allowed and taken on sales; ii) credit allowed on property accepted as part of the purchase price and which property may later be sold; iii) any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser; iv) such part of the sale price of property returned by purchasers upon rescission of the contract of sale refunded either in cash or by credit; v) amounts collected or held in trust for others where the business is acting as an agent or trustee, to the extent that such amounts are paid to or for the benefit of those for whom collected (the collector may require proof of payment or disbursement; vi) receipts of refundable deposits, except that refundable deposits forfeited and taken into the

income of the business shall not be excluded and vii) non-cannabis materials, goods, wares or merchandise.

b. **Net Profits.** As used in this Agreement, “Net profits” shall mean the net taxable income of the Business as reported annually to the California Franchise Tax Board on its annual tax return, less any federal, state, or local taxes paid by Business and not otherwise reported as part of the net taxable income of the business.

c. **Reporting of Gross Receipts.** No later than February 15 of each year during the Term of this Agreement, Licensee shall deliver to City a report, on a form approved by the City’s Finance Director, showing:

(i) The Business’s Gross Receipts and Net Profits from the previous calendar year (the “Statement of Receipts”);

(ii) The total amount of the General Fund Contribution; and

(iii) The total amount contributed to the National City Community Benefit Fund and the actual amount of money provided to each Recipient.

d. **Statements of Receipts.** Licensee shall keep complete, accurate and appropriate books and records of all receipts and expenses from the Business’s operations in accordance with generally accepted accounting principles (“Books and Records”). Books and Records, as well as all other relevant documents as City reasonably requires, shall, upon reasonable written notice, be open for inspection by City, its auditors, or other authorized representatives. If at any time during the Agreement, such Books and Records are deemed inadequate in the reasonable judgment of City, Licensee shall, upon the written notice of City, be given a one quarter period (three months) to cure such inadequacies. If, in the reasonable judgment of the City, Licensee has not cured the Books and Records inadequacies, City shall consider Licensee to be in default of this Agreement, and may choose to terminate this Agreement.

e. **Audit.** City shall have the right to audit and examine Licensee’s Books and Records, and other relevant documents and items in Licensee’s possession (“Audit Items”), but only to the extent necessary for a proper determination of gross receipts, net profits, and expenses from operations. Upon written request by City, Licensee shall make all Audit Items available to the City within thirty (30) days of City’s request.

f. **Retention of Receipts.** Licensee shall preserve Audit Items in the City for a period of at least five (5) years.

g. **Copies of Tax Filings.** Upon request, Licensee shall provide City with copies of any reports and tax filings Licensee is required to provide to the County of San Diego, the State, and the federal government.

h. **Future Revenue Mechanisms.** During the term of this Agreement, if the City imposes an alternative revenue mechanism specifically related to commercial cannabis business permit holders, Licensee agrees to pay the City the greater of the payment required under such alternative revenue mechanism or the General Fund Contribution. Payments that are not specific to commercial cannabis business permit holders (e.g. apply to both cannabis and non-cannabis businesses), shall be in addition to, and not in lieu of, the payments required by this Agreement.

7.4 Miscellaneous Community Benefits

a. **Community Clean Up.** Licensee shall organize and host one community clean-up event per calendar year. Licensee shall be solely responsible for all costs associated with such event, and shall obtain any permits and approvals from any responsible governmental agency necessary for the event.

b. **Drug Prevention Seminars.** The Licensee shall participate in at least two (2) drug prevention seminars hosted collectively by all cannabis businesses operating in National City. The seminars shall be offered free of charge to the public at a location within the City of National City, and shall focus on responsible use of cannabis and secure storage of cannabis to prevent access by minors. Licensee shall work in good faith to develop and sponsor such seminars.

c. **Employment Priorities.** In an effort to further restorative justice and the local economy, the Licensee shall use a good faith effort to ensure that at least thirty percent (30%) of the employees of the Business are either residents of the City of National City or individuals previously convicted of misdemeanor offenses related to the sale, distribution, use, or cultivation of cannabis.

8. Location Change & Transfer

8.1 Change of Location. The Licensee shall not change the location of the Business unless and until the Licensee first complies with the requirements of NCMC Section 9.60.430, and obtains the necessary approvals.

8.2 Transfer of Ownership. The Licensee shall not transfer ownership or control of the Business or the Permit unless and until the Licensee first complies with the requirements of NCMC Section 9.60.420, and obtains the necessary approvals.

8.3 Local Ownership. The Licensee identified in the Application that it was at least fifty-one percent (51%) owned by residents of National City. Licensee acknowledges that it was eligible to receive the local preference criteria in the Guidelines based on this representation. Notwithstanding anything in NCMC Chapter 9.60 to the contrary, Licensee may not change its ownership structure in anyway such that less than fifty-one percent (51%) of the Licensee is owned by residents of National City. In addition to any other applicable requirement, Licensee shall notify the City every time there is a change in its ownership, and shall identify whether or not the new owner is a National City resident.

9. Processing Fees and Charges.

Licensee shall pay City, processing, inspection, plan checking, permit, and monitoring fees and charges required by City for processing Licensee’s applications and requests for permits, inspections, approvals and actions, and monitoring compliance with any permits issued or approvals granted, or the performance of any conditions.

10. No Vested Rights.

The Parties acknowledge and agree that this Agreement is not a statutory development agreement authorized by Government Code section 65864. This Agreement confers no entitlement or vested rights of any kind to Licensee to operate the Business, or engage in any commercial cannabis activity.

11. Voluntary Agreement.

The terms and conditions of this Agreement are the result of voluntary negotiations between the Parties, and no term in this Agreement has been imposed by the City, including without limitation the General Fund Contribution. The City and Licensee have each voluntarily and freely elected to enter into this Agreement. Each of the Parties have had an equal opportunity to participate in the negotiating and drafting of this Agreement, and to review the Agreement with legal counsel, therefore any construction as against the drafting party shall not apply to this Agreement.

12. Indemnity.

Licensee shall indemnify, defend, and hold harmless to the fullest extent permitted by law, City and its officers, officials, employees, consultants, attorneys, and volunteers (“Indemnitees”) from and against any and all claims, liability, loss, damage, expense, costs (including without limitation costs and fees of litigation) of every nature arising out of or in connection with the operation or existence of the Business, this Agreement, or the Property (including any challenge to the validity of any provision of this Agreement or the Permit approvals, or Licensee’s failure to comply with any of its obligations under this Agreement, or Licensee’s failure to comply with any current or prospective law); provided, however, that Licensee shall have no obligations under this Section for such loss or damage which was caused by the sole negligence or willful misconduct of the Indemnitees. This indemnification obligation shall survive this Agreement and shall not be limited by any insurance policy, whether required by this Agreement or otherwise.

13. Waiver & Hold Harmless

Licensee waives, releases, and holds harmless the City and its officers, officials, employees, and agents from any and all actual and alleged claims, losses, damages, injuries, liabilities, costs (including attorney’s fees), suits or other expenses which arise out of, or which are in any way relate to this Agreement, including the enforcement of any term or condition stated herein, the payment of the General Fund Contribution, the issuance of the Cannabis Business Permit, or the

Operation of the Business. Notwithstanding anything in this Agreement to the contrary, the Parties acknowledge that the City would not have entered into this Agreement had it been exposed to liability for damages from Licensee, and therefore, Licensee hereby waives all claims for damages against the City for breach of this Agreement. Licensee hereby voluntarily and unconditionally waives any rights it may have to challenge this Agreement or any term contained herein.

Licensee specifically waives the provision of California Civil Code Section 1542, which provides as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR EXPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THIS RELEASE, AND THAT IF KNOWN TO HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR THE RELEASED PARTY.”

In this connection and to the extent permitted by law, Licensee hereby agrees, represents and warrants that Licensee realizes and acknowledges that factual matters now unknown to it may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown, unanticipated and unsuspected, and Licensee further agrees, represents and warrants that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Licensee nevertheless hereby intends to release, discharge and acquit the City from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which might in any way be included as a material portion of the consideration given to City by Licensee in exchange for City’s performance hereunder.

City has given Licensee material concessions regarding this transaction in exchange for Licensee agreeing to the provisions of this Section. City and Licensee have each initialed this Section to further indicate their awareness and acceptance of each and every provision hereof.

CITY’S INITIALS

LICENSEE’S INITIALS

14. Liability.

City shall not assume liability or responsibility for any conditions related to the construction or use of the Business that may be in violation of local and/or state health and building codes (“Conditions”). City shall not assume responsibility for correcting Conditions, either existing or discovered during the course of the construction or operation of the Business. Failure to correct Conditions during the course of construction or operation of the Business shall not imply that City has accepted Conditions nor forfeit City’s right to have Conditions corrected at a future date.

15. Defaults.

Notwithstanding other provisions of this Agreement, any failure by either party to perform any term or provision of this Agreement, which failure continues uncured for a period of thirty (30)

days following written notice of such failure from the other party (“the Complaining Party”) (unless such period is extended by mutual written consent), shall constitute a default under this Agreement. The Complaining Party’s notice (“Default Notice”) shall specify the nature of the alleged failure, and may specify the manner in which the failure satisfactorily may be cured by the other party (“the Defaulting Party”). If the nature of the alleged failure is such, that it cannot reasonably be cured within such thirty (30) day period, then no default shall be deemed to have occurred if: (a) the cure shall be commenced at the earliest practicable date following receipt of the Default Notice; (b) the cure is diligently prosecuted to completion at all times thereafter; (c) at the earliest practicable date (if no event later than thirty (30) days after the Defaulting Party’s receipt of the Default Notice), the Defaulting Party provides written notice to the Complaining Party that the cure cannot practicably be completed within such thirty (30) day period; and (d) the cure is completed at the earliest practicable date.

Upon the occurrence of a default under this Agreement, the Complaining Party may, in addition to any and all other rights or remedies of the Complaining Party hereunder and/or provided by law, shall have the right to: i) terminate this Agreement, or ii) commence an action against the Defaulting Party for damages, injunction and/or specific performance.

No remedy specified in this Section shall be considered exclusive of any other remedy, but the same shall be cumulative and shall be in addition to every other remedy provided hereunder or now or hereafter existing at law or in equity or by statute, and every power and remedy provided by this Agreement may be exercised from time to time and as often as occasion may arise or as may be deemed expedient, subject to any limitations set forth herein.

16. Termination.

16.1 By Mutual Consent. This Agreement may be terminated in whole or in part by the mutual written consent of all the Parties.

16.2 Failure to Obtain or Maintain Required State or Local Licenses. If Licensee fails to obtain or maintain in effect all State and City licenses required for the Business, City may immediately terminate this Agreement.

16.3 State or Federal Action. In the event that State law permitting the use for which the Commercial Cannabis Permit was issued is amended or repealed resulting in the prohibition of such use, either Party may terminate this Agreement.

16.4 Surrender or Revocation of Commercial Cannabis Permit. If Licensee voluntarily surrenders their Permit, or if Licensee’s Permit is revoked by City, Licensee shall immediately cease all operations at the Business, and this Agreement shall terminate automatically, without further action required by either Party.

16.5 Default. If Licensee is in default of any provision of this this agreement, including but not limited to the requirements of Section 7, the City may terminate this Agreement pursuant to Section 14.

16.6 Effect of Termination of Agreement on Commercial Cannabis Permit.

Licensee agrees that termination of this Agreement in accordance with this Section, shall also result in the automatic termination of the Licensee’s Commercial Cannabis Permit. Upon termination of this Agreement, Licensee shall remit all fees and payments due as of the effective date of the termination.

17. Future Amendments.

The City Manager shall have the authority to approve minor amendments to this Agreement without further approval from City Council. For the purposes of this section, an amendment shall be a minor amendment if it substantially conforms with the material terms of this Agreement. Without limiting the generality of the foregoing, changes to the time for either Party to perform any obligation and changes in reporting obligations may be made via a minor amendment. Changes to the amount of gross receipts the Licensee must use for the National City Community Benefit Fund or the General Fund Contribution shall not be minor amendments. The determination of the City Manager regarding whether an amendment qualifies as a minor amendment shall be definitive.

18. Assignment; Binding on Successors.

Licensee may not transfer or assign its interests under this Agreement, in whole or in part, without the prior written consent of the City, which may be withheld for any reason. Subject to the restrictions on transfers set forth herein or the NCMC, this Agreement shall bind and inure to the benefit of the Parties and their respective permitted successors and assigns. Any reference in this Agreement to a specifically named Party shall be deemed to apply to any permitted successor and assign of such Party who has acquired an interest in compliance with this Agreement or under law

19. Notices.

All notices required by this Agreement shall be in writing and personally delivered or sent by certified mail, postage prepaid, return receipt requested to the following addresses:

Notice to City shall be addressed as follows:
CITY OF NATIONAL CITY
Attn: City Manager
1243 National City Blvd
National City, CA 91950

with copies to:

CITY OF NATIONAL CITY
Attn: City Attorney
1243 National City Blvd
National City, CA 91950

Notice to Licensee shall be addressed as follows:
3239 Hoover Ave & 221 W 33rd St
National City, CA 91950

Either Party may change the address stated herein by giving written notice to the other Party, and thereafter, notices shall be addressed and transmitted to the new address. All notices shall be deemed received on the earlier of the date that personal delivery is effected or the date shown on the return receipt.

20. Severability.

If any term, condition, or covenant of this Agreement is declared or determined by any court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall not be affected, and the remaining provisions of the Agreement shall be read and construed without the invalid, void, or unenforceable provision(s).

21. No Implied Waiver of Breach.

The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

22. No Third Party Beneficiaries.

The parties do not intend to create, and nothing in this Agreement shall be construed to create any benefit or right in any third party.

23. Action or Approval.

Whenever action and/or approval by City is required under this Agreement, the City Manager of the City of National City, or his or her designee, may act on and/or approve such matter unless specifically provided otherwise, or unless the City Manager determines in his discretion that such action or approval requires referral to City Council for consideration.

24. Governing Law and Forum.

This Agreement shall be construed in accordance with the laws and judicial decisions of the State of California, and venue or any legal or equitable action shall be in the state or federal courts of County of San Diego.

25. No Agency, Joint Venture, or Partnership.

City and Licensee hereby renounce the existence of any form of agency relationship, joint venture, or partnership between City and Licensee, and agree that nothing contained herein or in any document executed in connection herewith shall be construed as creating any such relationship between City and Licensee.

26. Entire Agreement.

The provisions of this Agreement comprise all of the terms, conditions, agreements and representations of the Parties. This Agreement may not be altered or amended, and no provision hereof may be waived, except by written agreement executed by the authorized representatives of the Parties. The Parties hereby agree that terms of this Agreement have not been changed, modified, or expanded by any oral agreements or representations entered into or made prior to or at the execution of this Agreement.

24. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which taken together shall constitute one instrument.

Exhibit A	Conditions of Approval
Exhibit B	Operating Procedures
Exhibit C	Safety and Security Plan

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the dates set forth below.

CITY OF NATIONAL CITY, a municipal corporation

Shryne Group National City, a LLC

By: _____

By: _____

Name: _____

Dated: _____

Its: _____

Dated: _____

Attest:

City Clerk

Approved as to form:

City Attorney

5212884.2

EXHIBIT A
CONDITIONS OF APPROVAL

General Conditions:

1. Licensee shall post clearly visible signs at all entrances and exits and at both on and off-site parking areas, requesting patrons to respect residents of adjacent residential neighborhoods by being quiet when leaving, reminding patrons of the existence of permit parking districts within the neighborhoods adjacent to the business, and that the consumption of cannabis in public areas is not permitted pursuant to state law.
2. A responsible person shall always be on the premises to act as manager and supervise employees during business hours.
3. The applicant shall comply with the applicable requirement of NCMC Title 12, Noise Control. Noise complaints shall be immediately addressed.
4. Odor generated by the Business shall not be detectable outside the Business to a person of normal olfactory sensitivities, including anywhere on adjacent property or public rights-of-way, or within any other unit located within the same building as the Business. An odor absorbing ventilation and exhaust system shall be installed so that odor generated within the Business is not detected outside of the Business.
5. Licensee shall proactively monitor and resolve any issues involving disturbances, loitering or ingestion of cannabis in parking lots or surrounding streets, sidewalks, and alleys.
6. Licensee shall provide law enforcement and all neighbors within one hundred feet of the Business with the name and phone number of an on-site community relations employee to notify if there are operational problems with the establishment.
7. Licensee shall employ a minimum of one (1) on-site security guards during all hours of operation.. All security guards employed by the Business shall be licensed and possess a valid Department of Consumer Affairs “Security Guard Card” at all times. In addition, any security guard employed by the Business or security firm retained by the Business must first be approved by the City’s Chief of Police, in his or her reasonable discretion. Neighborhood security guard patrols shall be conducted every hour, for a two-block radius surrounding the Business during all hours of operation.
8. The Licensee shall not employ security guards armed with firearms or tasers.
9. Upon presentation of proper credentials by any Code Compliance or Law Enforcement Officer, the Licensee shall consent to entry of the place of business at all reasonable times to enforce the provisions of this Agreement or the NCMC.
10. On-site sales of alcohol or tobacco, and on-site consumption of alcohol or tobacco products by patrons prohibited.
11. All proposed structures must comply with zoning and building code regulations and pass all requisite inspections and receive all permits required under applicable law.
12. All cannabis waste must be stored in a secured location and properly disposed by a cannabis waste collector.

13. The on-site consumption of alcohol, tobacco or cannabis by employees of the Business is prohibited while such employees are working.

State checks with the city directly to ensure we are going to be operating in compliance with local and state laws.

Revisions (M7): We are able to remedy any deficiencies within two weeks. Sometimes it is connecting the State with the right person at the city level and having the Planner respond in a timely manner.

CEQA Review (M8-M9): CEQA Review is typically what takes the State the longest to review. In order to speed up the process, we like to obtain verification from the city early in the process that specifically states that our operation is exempt from CEQA (not just cannabis businesses in general).

Phase V: Operations

M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
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Marketing Features (M8-M9): We have our own in house marketing team that creates the graphics and displays for all of our stores. Once the build out is mostly complete, and we have the final measurements for spaces, our Marketing Department can work on the various pieces to bring the STIIIZY name to life.

Hiring / Training (M10-M11): After we receive the Certificate of Occupancy, we set the Grand Opening date for 60 days out and we can begin the hiring and training process. We have our own in-house Recruiting Branch in our Human Resources Department that advertises, hosts hiring fairs, interviews, and selects staff. Our goal of course is to fill as many positions as possible with locals from within a 5 mile radius of the facility. For Retail, we have a streamlined training process as well as multiple stores for our new hires to shadow actual operations before the store is operational. The same will be so for our distribution operations to have new hires shadow our current operations at our Los Angeles location.

Security / IT (M10): In order to protect the inventory before it is stocked, security features are wired and installed throughout the facility and tested. Also included in this step is installation of TVs, phone lines, internet, and point-of-sale systems.

Inventory / Furnishings (M11): Concurrently with Hiring and Training, Inventory is sourced, purchased, and stocked in the store and the distribution facility. Along with all the furnishings such as tables, desks, chairs, and breakroom equipment.

Final Touches, Soft Opening, and Grand Opening (M11): This step happens within a span of 4 days. Any final touches such as paint or postings are completed. The soft opening happens the Thursday before the grand opening to give our staff time to ramp up and flush out any bugs. Grand Openings are scheduled for Saturdays.

2. Daily Operations

2.1 Day-to-Day Operations – Retail

Shryne Group has set the standard for best practices in the cannabis industry. Our vertically integrated business and experience opening and operating 21 retail stores has allowed us to become experts in high quality, safe, efficient, and compliant day-to-day operations. Our internal compliance team has developed regulations-based Standard Operating Procedures (“SOPs”) for all aspects of our business, and they ensure all our employees are well trained on safe and compliant practices in order to provide the best experience for the people in our communities.

OPENING AND CLOSING PROCEDURES

At STIIIZY National City, safe and compliant day-to-day operations begin before customers arrive each day. Shryne Group has developed checklists based on our SOPs to ensure that employees strictly adhere to opening and closing procedures. Security guards will also be trained on these compliant procedures to ensure they are knowledgeable and capable of supporting our opening and closing teams. STIIIZY National City employees will do the following daily pursuant to the checklist:

Opening Procedures

1. Overnight security will permit the cleaning team to perform their daily deep cleaning of the entire store.
2. Manager will unlock the door and turn off the alarm.
3. Manager will turn on the lights in the lobby, retail sales area, and back office areas.
4. Employees arrive at the retail storefront location and proceed to the employee parking area to park their vehicle.
5. Employees exit vehicle and perform a brief visual inspection of the outer perimeter of the facility for loitering, tampering, unlawful entry, or any other security or safety issue.
6. Employees ensure air conditioning/heat is set and turned on as appropriate.
7. Employees verify that carbon filters/HVAC are in working order and cannabis odor is not present inside or outside the facility.
8. Employees turn on and start computer and verify IndicaOnline is working.
9. Employees ensure all city and state cannabis and business licenses are properly displayed.
10. Employees ensure all educational handouts and other materials for customers are visible and available for the day's customers.
11. Employees ensure all no-loitering signs, no consumption on-site signs and age requirement signs are properly displayed.
12. Employees turn on equipment at point-of-sale locations.
13. Employees check store email and respond to emails as necessary. Review other notes from prior night's closing team.
14. Manager will access the safes to withdraw appropriate amounts of cash for point-of-sale.
15. Security and Employees verify that security cameras are working.
16. All employees verify that limited-access room key card works and that cannabis and safes are secure.
17. Employees check that waste bins were emptied the night before and any empty boxes or containers are cleared away.
18. Employees check if the soap dispensers and first-aid box need replenishing.
19. Employees report any equipment failures to manager on site.
20. Employees sweep sidewalk and parking lot and pick up litter on sidewalk outside premises.
21. Manager and Employees check all areas for cleanliness and any damage to property or vandalism.
22. Employees check reception desk for any messages from the closing employee.
23. Verify locked counters have adequate amounts of cannabis and that inventory is properly sealed, packaging is intact and not damaged, and all products are not otherwise defective, leaking, or damaged.



24. Manager meets with employees to review daily goals, duties, and objectives.
25. Manager checks off opening procedures checklist.
26. Employees unlock front door for customers.

Closing Procedures

1. 15 minutes prior to closing, store will announce to customers that the store is closing.
2. Employees will verify that all customers have left the store.
3. After all customers have left, employees will lock the doors.
4. Employees will transfer all cannabis from sales floor into Inventory Room.
5. General Manager will transfer all money from the registers to the vault.
6. General Manager will perform daily cash reconciliation.
7. General Manager and Co-manager will check cannabis inventory levels and other materials such as child resistant packaging and will order more from headquarters as necessary.
8. Employees ensure retail counters, safes, and inventory control room are locked.
9. Empty all waste bins and clear away any boxes or containers.
10. Review any complaints or other issues raised by customers or neighbors, log such complaints in the complaint record log and create mitigation plan to be executed as soon as possible.
11. Clean all working and computer surfaces, using company-approved cleaning materials and methods.
12. Set cooling or heating system for after-hours setting.
13. Leave any necessary messages for the morning shift the following day.
14. Enable all alarms.
15. Manager reviews and signs the closing procedures checklist.
16. Exit and lock doors.
17. Verify no loitering around the premises.
18. Check in with the overnight security guard.

By establishing and maintaining these types of operational and compliance checklists for our day-to-day operations, STIIIZY National City will guarantee the safety of our customers and employees and adherence to state and local laws.

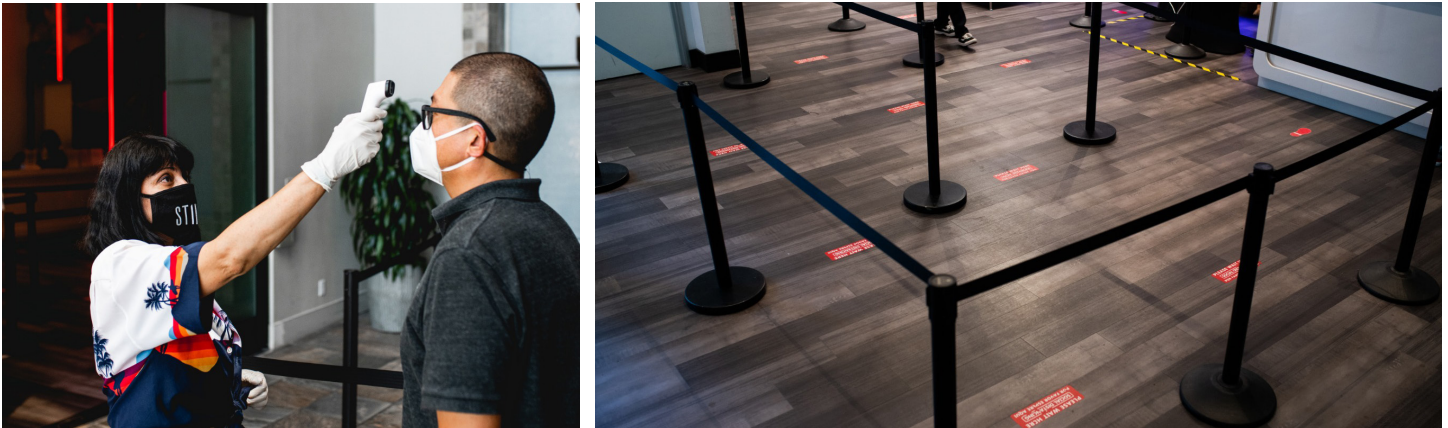
A. Customer Check-In Procedures

Code References

- ***NCMC § 9.60.230(G) “General operating requirements for all commercial cannabis businesses.”***
- ***NCMC § 9.60.250(A, B) “Additional operating requirements for store front retail facilities.”***
- ***4 CCR § 15404(c) “Retail Customers.”***

Age Verification and Registration

After the store opening procedures are completed, STIIIZY National City will be ready for customers to be checked in starting at 9:00 a.m. daily. Upon entering the store through the front entrance, every customer and medical patient will be required to check in and present a valid form of identification at the reception desk located at the front of the secure lobby prior to entering the retail floor. Customers and medical patients will not be allowed access to the retail floor without first presenting a valid form of identification which has been verified by our Check-In Associate.



All employees will be trained on acceptable forms of identification according to state regulations, a summary of which is included below, and will scan IDs using the Viage Solutions CAV-3200 portable ID Scanner¹:

1. If the customer is 21+ years of age and entering the dispensary area, the customer must provide:
 - a. A document issued by federal, state, county, or municipal government, or a political subdivision or agency thereof, including a valid motor vehicle operator’s license, that contains the name, date of birth, height, gender, and a photograph of the person;
 - b. A valid identification card issued to a member of the Armed Forces that includes the person’s name, date of birth, and photograph; or
 - c. A valid passport issued by the United States or by a foreign government.



4. If the customer is 18-20 years of age, the customer must provide one of the previously mentioned forms of identification and possess a valid physician’s recommendation or a Medical Marijuana Card. Under no circumstances will doctor recommendations be provided at the dispensary.
5. If the medical patient produces a valid physician’s recommendation, the Check-In Associate will confirm the recommending physician’s license is active and in good standing using the California Medical Board’s online

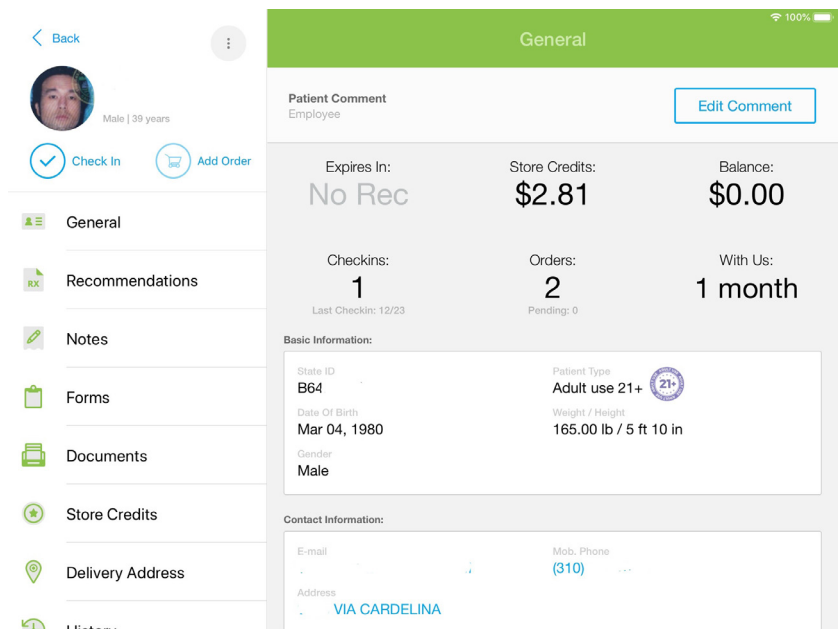
¹ <https://viage.com/cav-3200-barcode-magnetic-stripe-id-dl-reader-with-memory>

license verification platform BreZE. Upon verifying that the physician is in good standing, the Check-In Associate will utilize the online verification system provided by the physician to verify that the medical recommendation is still valid. If online verification has not been provided by the physician, the Check-In Associate will call the physician’s office to manually verify the recommendation.

6. If the medical patient produces a state issued medical cannabis identification card, the Check-In-Associate will utilize the official website http://mmic.cdph.ca.gov/MMIC_Search.aspx administered by the California Department of Public Health to confirm that the medical cannabis identification card is still valid.
7. Only customers verified to be over the age of 21 and medical patients verified to be over the age of 18 will be allowed to remain on the premises.
8. Check-In Associates will not accept any form of identification that is physically adulterated in any way that impedes the employee from verifying the individual’s identity to include the photograph, physical attribute descriptions, and physical address location. Check-In Associates will not accept identification that is expired. Check-In Associates will be trained by security personnel to recognize false and adulterated forms of identification, and any individual caught presenting false information will be banned from the facility.

Once the Check-In Associate has verified the guest is legally of age to enter the dispensary, the Check-In Associate will register the guest within the point-of-sale system, IndicaOnline,² by taking a photograph of the front and back of the guest’s valid identification, all with the IndicaOnline software.

Once a profile has been created, Sales Associates can digitally confirm doctor’s recommendations for medical patients, ensure that a customer does not exceed daily purchase limits, and confidentially maintain customers’ contact information and purchase history in case a product recall is ever required. Additionally, check-in for returning customers will only require scanning of the acceptable form of identification after Check-In Associates have examined the authenticity of the identification, which will speed up the check-in process for repeat customers. Once the identification has been verified and the customer has been checked in at the front, the customer will be permitted to enter the retail floor through the buzzer-controlled door.



Our robust SOP for confirming customer identification is compliant with all state and local regulations and is designed to ensure customer and employee safety and prevent cannabis diversion. We dedicate an entire training session to teaching employees about what constitutes an acceptable form of ID to ensure that no one underage is ever admitted into our store. Our use of state-of-the-art technologies such as the Viage Solutions CAV-3200 ID Scanner and the IndicaOnline point-of-sale system and the fact that IDs are checked a second time at the time of purchase all work together to ensure that our products never reach the hands of minors.

² <https://indicaonline.com/dispensaries/>

Lobby Signage

STIIIZY National City will prominently post notices at the entrance to the dispensary clearly and legibly stating that no person under the age of 21 (except a medical patient over the age of 18) is permitted on the premises. STIIIZY National City will also conspicuously post in the lobby the original copy of the commercial cannabis permit issued by the City, the original of the California State Cannabis License and all other permits and licenses required to operate our store. These licenses will let the customers know that we are fully licensed and authorized to sell cannabis at this location.

**Entry Control System**

Per the occupancy limits, only 3 customers are permitted to wait inside the 404 square foot lobby to check-in and the line will continue outside onto the edge of our parking lot. Security will monitor the line to ensure customer and patient safety. The lobby will be separated from the sales floor by an electronic “buzz-in” door and persons will only be permitted to cross this door into the retail floor after showing a valid form of identification and checking in at the lobby.

Access to the sales floor will be locked at all times, and entry will only be allowed via the “buzz-in” system. The system will disengage the door lock and alert guests with a sound that they are able to enter the sales floor. The door will remain operable from the sales floor without the use of the “buzz-in” system for guest and employee safety.

One-on-one Customer Experience

Shryne Group ensures each customer and patient receives the highest quality experience by assigning a personal Sales Associate to each guest. At STIIIZY National City, guests will be called to the counter where a Sales Associate will be waiting to explain our product offerings, make recommendations, and answer any questions someone might have. Sales associates will be trained to be polite and engage in active listening with all guests. Sales associates will also be knowledgeable of all products we carry along with dosage information and safety precautions.

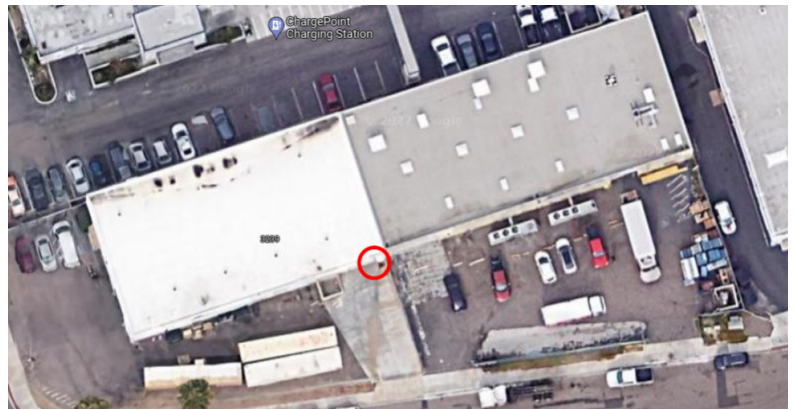
STIIIZY National City will make cannabis goods available for supervised customer inspection. It is Shryne Group’s policy to ensure that customers may not access the cannabis goods without assistance from an employee. Glass display cases secure cannabis goods and prevent unsupervised customer inspection. Once the customer decides what they will purchase, the Sales Associate will request the customer’s identification a second time for additional security and pull up the customer’s profile that has been created in the IndicaOnline point-of-sale system.

After verifying the identification and customer’s profile and confirming that the customer has not already exceeded the daily limit of cannabis purchases, the Sales Associate will unlock the back of the glass case and examine the selected products to ensure that the packaging is in good condition, warnings are legible, the product is not expired, and the tamper-evident seal is still intact. After ensuring the product is permitted to be sold, the Sales Associate will scan the products into IndicaOnline, seal the products in an opaque exit package, and complete the sale. With each purchase, an educational brochure containing product information such as potency, absorption time, and cultivar-based effects is made available to customers. All cash handling will be in full view of a surveillance camera, and at no point during cash handling will the cash be obscured from the camera.

B. Receiving Deliveries during Business Hours

All cannabis products will be received through the non-public delivery entrance on the southern side of the building (circled in the image on the right).

Product deliveries from the adjoining distribution operation will be treated the same as if the delivery was from an outside vendor. As part of STIIIZY National City’s mission to be accountable for all inventory, we will mandate the following product intake procedures to ensure the accountability and safe receipt of all products delivered to this store:



- Before an order is placed with a vendor, the General Manager or Co-Manager will confirm that the distributor scheduled to deliver the products has a valid and active cannabis distribution license in compliance with state and local regulations. Once verified, management will execute a purchase order. STIIIZY National City and the distributor will then agree to a time window when the delivery will be made (preferably between the hours of 9:00 a.m. and 5:00 p.m. when there are sufficient employees and security to support the delivery (but never outside of 9:00 a.m. and 9:00 p.m.)).

- Upon a distributor’s arrival to the premises, a security guard or an operations employee will check the identification of the driver to ensure the delivery has been scheduled for that time and day. Upon confirming the identity of the vehicle and driver, the guard will then communicate to the security guard standing inside the Secure Loading/Unloading Area to unlock and open the non-public door.

- The driver will park the vehicle and exit the vehicle and unlock the double doors of the vehicle. At least two employees will unload the products and move them into the Secure Loading/Unloading Area with the security guard present during the entire process. The employees will check each batch being offloaded against the purchase order to ensure the correct batches of orders are being delivered. A more thorough check of the individual products within the batches are conducted in the Inventory Room as described in Subsection 2.1(H) below. Once the cannabis products have been offloaded, the driver will depart and the manager will place the delivered items into the secure Inventory Room while still in the presence of a security guard.



- Delivery schedules will be staggered so that criminals cannot time or schedule a robbery. Once the products are in the Inventory Room, an inventory manager will count each individual item in the delivery and compare it to the shipping manifest, confirming:

- | | | |
|-----------------------------------|------------------------|-----------------------|
| ● Distributor’s name and license; | ● Invoice number; | ● Unit of measure; |
| ● Driver’s name; | ● Product name; | ● Number of units; |
| ● Delivery date and time; | ● Product description; | ● Price per unit; and |
| | ● Product weight; | ● Total price. |

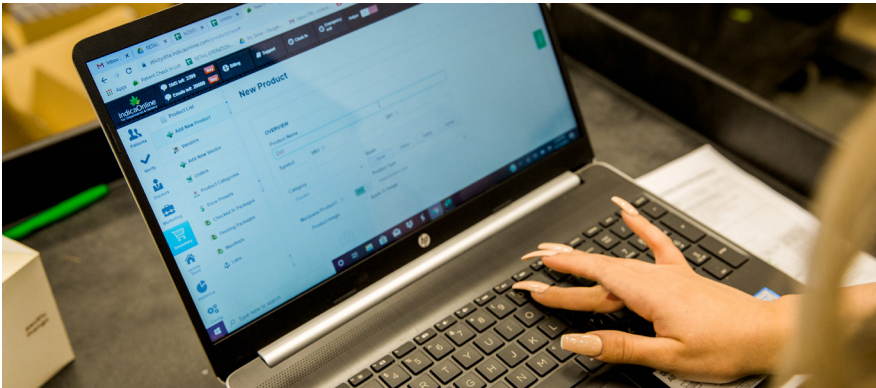
- Each item will also be inspected to confirm that the products have not been adulterated with all packaging intact.

- The inventory manager will then verify that the certificate of analysis (“COA”) received from the distributor is:

- | | | |
|--|---|----------------------------|
| ● The COA that corresponds to the goods; | ● Identical to the corresponding COA recorded in Track-and-Trace; | and |
| | | ● Less than 12 months old. |

EXHIBIT B: Operating Procedures

- The inventory manager will then confirm that each product is labeled with the batch number that matches the batch number on the corresponding COA and that the label on each product is consistent with the COA regarding cannabinoid content and contaminants required to be listed by law.
- Once the contents and amount of the products are confirmed, they will immediately be entered into STIIIZY National City's inventory platform IndicaOnline and METRC's Track and Trace system.



- No cash will ever be exchanged at the drop off to further reduce the risk of a robbery.
- Finally, one surveillance camera will track the vehicle's entrance into the loading area and the entire off-loading process.



C. Name of the Point-of-Sale System and Number of Point-of-Sale Locations

STIIIZY National City will use IndicaOnline as our point-of-sale (“POS”) software system which will be connected to our 18 POS registers. IndicaOnline is used at all of our existing stores and allows each of our stores to track information, such as daily purchase limits, purchase history and other customer information across all of our 21 stores.

The 18 POS systems will be placed on the glass display cases to assist the large number of customers we expect at our store. As can be seen in the image below, the POS systems will be equally spread out on the connected shopping counter.

Image from our STIIIZY Pomona location demonstrating the layout of the POS Systems on the counters.



D. Number of Customers to be Served per Hour/Day

Shryne Group estimates that our National City dispensary will serve on average 43 customers per hour and an average of 558 customers per day during its first year of operations scaling up to 54 customers per hour and 704 customers per day by Year 3. These figures do not include the

EXHIBIT B: Operating Procedures

approximately 72 customers expected to be served daily in Year 1 with delivery platform, who tend to have larger baskets of approximately \$120 per order and up to 89 in Year 3. The store will serve the most customers in between 12 p.m. to 2 p.m. and between 6 p.m. to 8 p.m. during the weekdays and from 2 p.m. to 7 p.m. on the weekends. The store will also likely serve the most customers Friday through Sunday. The table below shows the estimated number of customers on each day per time of day.

Day of the Week	Time of Day	Year 1	Year 2	Year 3
Monday	Morning (9am – 12pm)	74	85	94
	Afternoon (12pm – 5pm)	230	264	291
	Evening (5pm – 9pm)	258	296	326
Tuesday	Morning (9am – 12pm)	70	81	89
	Afternoon (12pm – 5pm)	220	251	277
	Evening (5pm – 9pm)	247	281	310
Wednesday	Morning (9am – 12pm)	74	85	94
	Afternoon (12pm – 5pm)	230	264	291
	Evening (5pm – 9pm)	258	296	326
Thursday	Morning (9am – 12pm)	68	77	83
	Afternoon (12pm – 5pm)	209	238	262
	Evening (5pm – 9pm)	234	267	294
Friday	Morning (9am – 12pm)	76	87	95
	Afternoon (12pm – 5pm)	237	272	299
	Evening (5pm – 9pm)	265	305	335
Saturday	Morning (9am – 12pm)	56	64	70
	Afternoon (12pm – 5pm)	298	343	376
	Evening (5pm – 9pm)	231	266	291
Sunday	Morning (9am – 12pm)	56	63	69
	Afternoon (12pm – 5pm)	291	335	368
	Evening (5pm – 9pm)	226	260	285
Weekly Total		3,908	4,480	4,925
Daily per Hour Average		43	49	54
Daily Average		558	640	704

E. Proposed Product Line and Estimate Percentage of Sales of Flower and Manufactured Products***Code References******- NCMC § 9.60.200 “Restriction on alcohol and tobacco sales.”******- 4 CCR § 15025(b) “Additional Premises Requirements for Retailers and Microbusinesses Authorized to Engage in Retail.”***

Customers at STIIIZY National City will be able to choose from over 400 SKUs and 12 different types of products, including flowers, oils, vapes, pre-rolls, topicals, and edibles. Shryne Group is engaged with over 70 licensed California vendors to provide this type of variety to our customers. Additionally, our 15 in-house brands, including STIIIZY, Honeyleaf, Efex, Palmas, Biiit, and Liiit, are the most popular brands in California. According to market research firm, BDSA, we were named 2021 Best Selling Cannabis Brand in California. Our products are currently carried at 90% of cannabis retail stores in California and many of our customers cite our vast selection of these in-house brands as one of the main reasons they continue to return to our stores.

Whether a customer is looking for physical pain relief, assistance sleeping, or is simply looking to unwind, STIIIZY National City’s wide array of products—from our own in-house brands to offerings from the most reputable vendors in California—will ensure there is something for every customer. Because of Shryne Group’s vertical integration, approximately 60% of products sold at our stores will have been within our chain of custody and tested multiple times from seed to sale. All third-party products will also be strictly tested to ensure that such third-party products also meet STIIIZY National City’s safety, testing, and purity standards. See below for the initial list of 330 SKUs we plan to carry at STIIIZY National City. An additional 50 – 100 SKUs will be added once the store is operational to account for products from National City-based cultivators and manufacturers.

Flower	STIIIZY National City will carry a wide variety of cannabis strains from across California. STIIIZY National City’s curated cannabis inventory will feature high-quality, laboratory-tested cannabis at all price points. THC content on cannabis will range from 10% to 35%. Cannabis flower varieties will include indica, sativa, and hybrid. Brands we will carry include our own popular STIIIZY and Liit brands as well as Alien Labs, Glass House Farms, Riverview Farms and many other reputable brands.
Pre-Rolls	A pre-roll is a pre-rolled cannabis joint. STIIIZY National City will carry pre-roll joints from a variety of licensed cultivators. THC content will range from 10% to 35%. Cannabis varieties will include indica, sativa, and hybrid. Brands include STIIIZY, Liit, Nug, Elyon Cannabis and Connected Cannabis.
Concentrates	STIIIZY National City plans to carry live resin, budder, sauce, sugar leaf, and crumble. Brands include STIIIZY, Bear Labs, 710 Labs and Blue River.
Vapes	Vaporizers—also known as vape pens—are devices used to heat cannabis for inhalation. Vaping devices heat dry cannabis flower or oil concentrate to a temperature below combustion, usually in the range of 180–200°C (356–392°F). The heat releases active compounds from the cannabis and turns them into a vapor that can be inhaled. THC content of vapes will range from 35% to 90%. Brands include STIIIZY, Raw Garden, Alien Labs and Blue River.
Oil Cartridges or Pods	An oil cartridges or pod is a pre-filled container of cannabis oil or concentrate designed for use with an e-cigarette or vape rig. Cartridges and pods come in multiple formats, from threaded cartridges that twist onto a battery to pods that magnetically snap into place. THC content of oil cartridges ranges from 35% to 90%. Brands include STIIIZY, Raw Garden, Sherbinskis and Connected Cannabis.
Edibles	Edibles are food infused with cannabinoids. Cannabis edibles come in many forms, including brownies, cookies, gummies, and mints. Any recipe that calls for butter or oil can be readily infused with cannabis. The body processes edible cannabis differently than inhaled cannabinoids. When cannabis is ingested, cannabinoids enter the bloodstream through the stomach and liver, which increases potency and delays the onset of effects. Cannabis edibles typically contain 5–10 milligrams of THC per serving, with a maximum of 100 milligrams of THC per edible cannabis good. Brands include Enjoyables, Biiit, Korova, Kiva and Smokies.
Beverages	Cannabis-infused beverages are ingested like edibles. Cannabis-infused beverages include seltzers, sodas, non-alcoholic “hoppy water,” and other drinks. Cannabis-infused beverages contain 5–10 milligrams of THC. Brands include Lagunitas and Recess (Note that we will not sell cannabis infused alcoholic beverages).
Topicals	Topicals are cannabis-infused lotions, balms, and oils that are absorbed through the skin for localized relief of pain, soreness, and inflammation. Because they are non-intoxicating, topicals are often chosen by patients who want the therapeutic benefits of cannabis without the cerebral euphoria associated with other delivery methods. Brands include Papa & Barkley, Apothecanna and C.A.D.
Tinctures	Tinctures contain a range of cannabinoids and are administered orally, sublingually, or in tandem with a beverage. Tinctures are often packaged in small glass bottles with droppers as caps for convenient dosing. They offer patients a method of consumption that does not require combustion or inhalation. Tinctures typically contain 100 milligrams of THC. Brands include Papa & Barkley, Proof, Mary’s Medicinal and Tikun.
Capsules	Capsules are cannabis in pill form, typically used as a vehicle to administer medication through ingestion. Capsules can contain any form of cannabis and specific ratios of cannabinoids. Capsules often function as safer alternatives to vaping or smoking cannabis. Capsules typically range from 5 to 10 milligrams of THC. Brands include Papa & Barkley, Mary’s Medicinal, Breez and ABX.

In line with STIIIZY National City’s vision of offering a high-end yet inclusive environment, we will offer high-end artisanal products such as Alien Labs Area 41 at \$80 per one-eighth ounce, but also affordable products for cost-sensitive customers such as our in-house Honeyleaf Chocolate Hashberry at \$16 per one-eighth ounce, which is 60% less expensive than the average price of cannabis at other legal dispensaries in California.



To assist customers in understanding the various products for sale, STIIIZY National City will permit the third-party brands we carry to advertise their products free of charge through empty “vendor boxes,” which will line the shelves along the walls behind the counters. The products will be separated by delivery type (e.g., flower, gummies) and by strain (e.g., sativa, indica, hybrid) to assist the customer in identifying what they are looking for.



In accordance with local and state regulations, STIIIZY National City will not sell alcohol or tobacco products at our dispensary.

F. Delivery Service Procedures, Number of Vehicles, and Product Security during Transportation

Code References

- **NCMC § 9.60.260** “Additional operating requirements for non-store front retail facilities.”
- **NCMC § 9.60.270** “In-city delivery vehicle requirements.”
- **4 CCR § 15044(d)(1)** “Video Surveillance System.”
- **4 CCR § 15049(b)** “Track and Trace Reporting.”
- **4 CCR § 15417(b)** “Delivery Vehicle Requirements.”
- **4 CCR § 15418** “Cannabis Goods Carried During Delivery.”
- **4 CCR § 15420** “Delivery Request Receipt.”


EXHIBIT B: Operating Procedures

Our experience in other cities has shown us that a well operated delivery business can provide an extra 20-30% in sales to the storefront retailer. The fact that our store is located less than one mile from I-5 and Highway 54 will allow us to deliver to areas as far as 50 miles away from the retail store.

STIIIZY National City acknowledges that delivery is not automatically included with the storefront permit issued by the City. We will go through the appropriate steps to obtain a separate delivery permit in order to operate delivery services from our storefront location.

Delivery Service Procedures

Receiving Delivery Orders: STIIIZY National City customers will be able to make delivery orders through our proprietary online delivery platform called Blaze. Customers are required to create an online profile with a valid form of identification and a recent photograph of the customer holding their ID. Identification is checked again at the time of delivery.



BLAZE 420
★★★★★ 4.8 (322)
Medical & Recreational · Delivery
Closed

[Continue shopping >](#)

Delivery address

📍 1842 East 20th Street, Los Angeles, California 90058, United States Edit

Special delivery instructions (e.g. Apt. number, gate code, etc.)







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Set as default home address

Subtotal (10 items)	\$430.00
Est. excise tax	\$0.00
Est. sales tax	\$0.00
Delivery fee	\$5.00
Order total	\$435.00

Taxes (if shown) are estimates. The seller, and not Weedmaps, is solely responsible for collecting all applicable taxes.

Proceed to checkout

<div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;"> <p style="font-size: x-small;">STIIIZY</p> <p>STIIIZY ROSAY - LIVE ROSIN BADDER</p> <div style="display: flex; align-items: center;">  <div style="margin-left: 5px;"> <p>1g</p> <p>\$65.00</p> <div style="display: flex; align-items: center;"> - 1 + </div> </div> </div> <p style="text-align: right; margin-top: 5px;">\$40.00</p> </div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;"> <p style="font-size: x-small;">Connected Cannabis Co.</p> <p>Biscotti - Indoor</p> <div style="display: flex; align-items: center;">  <div style="margin-left: 5px;"> <p>1/8 oz</p> <p>\$80.00</p> <div style="display: flex; align-items: center;"> - 1 + </div> </div> </div> <p style="text-align: right; margin-top: 5px;">\$25.00</p> </div> <div style="border: 1px solid #ccc; padding: 5px;"> <p style="font-size: x-small;">STIIIZY</p> <p>BLACK TRUFFLE - 3.5G STIIIZY FLOWER JAR - INDIC.</p> <div style="display: flex; align-items: center;">  <div style="margin-left: 5px;"> <p>1/8 oz</p> <p>\$50.00</p> <div style="display: flex; align-items: center;"> - 1 + </div> </div> </div> <p style="text-align: right; margin-top: 5px;">\$35.00</p> </div>	<div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;"> <p style="font-size: x-small;">STIIIZY</p> <p>ZKITTLES CAKE - LIVE RESIN POD .5G</p> <div style="display: flex; align-items: center;">  <div style="margin-left: 5px;"> <p>1/2 g</p> <p>\$40.00</p> <div style="display: flex; align-items: center;"> - 1 + </div> </div> </div> <p style="text-align: right; margin-top: 5px;">\$40.00</p> </div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;"> <p style="font-size: x-small;">STIIIZY</p> <p>OG Kush - Premium THC POD .5G</p> <div style="display: flex; align-items: center;">  <div style="margin-left: 5px;"> <p>1/2 g</p> <p>\$25.00</p> <div style="display: flex; align-items: center;"> - 1 + </div> </div> </div> <p style="text-align: right; margin-top: 5px;">\$25.00</p> </div> <div style="border: 1px solid #ccc; padding: 5px;"> <p style="font-size: x-small;">STIIIZY</p> <p>WHITE RUNTZ - CURATED LIVE RESIN</p> <div style="display: flex; align-items: center;">  <div style="margin-left: 5px;"> <p>1g</p> <p>\$35.00</p> <div style="display: flex; align-items: center;"> - 1 + </div> </div> </div> <p style="text-align: right; margin-top: 5px;">\$35.00</p> </div>
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Once a new delivery order is received, a delivery driver will first confirm that the order complies with daily sales limits and can be legally processed. The delivery driver will then check that all of the desired products are in stock and that the order can be fulfilled in accordance with the customer's expectations. If all of the requested goods are available, then the delivery driver will process the order as requested by first documenting the customer's identifying information and checking the delivery address online to ensure that it is: (i) a physical address in California; (ii) not on publicly owned land or on land or in a building leased by a public agency; and (iii) not a school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center in accordance with state regulations.

Delivery Order Processing: As part of order fulfillment, a delivery driver will prepare a Delivery Request Receipt that contains the following information:

- i. STIIIZY National City’s name and address;
- ii. The first name and employee number of the employee who will deliver the order;
- iii. The first name and employee number of the employee who will have prepared the order for delivery;
- iv. The first name and STIIIZY National City-assigned customer number for the customer who placed the delivery order;
- v. The date and time of the delivery order;
- vi. The delivery address provided by the ordering customer;
- vii. A detailed description of all of the requested cannabis goods, including their weight, volume, or another accurate measure of the amount; and
- viii. The total amount paid for the delivery, including any taxes, fees, the cost of the cannabis goods, and any other charges related to the delivery.

The same Delivery Request Receipt will later be updated by the delivery driver to include the date and time the order was delivered, as well as the ordering customer’s signature confirming their receipt of the order. This information will be updated in the customer’s profile in the point-of-sale system, so that cannabis goods sold by STIIIZY National City can be tracked in the event of a product recall.

All ordered cannabis goods will be gathered from inventory storage by the Inventory Manager and he or she will visually inspect each product to ensure that it is not expired, that the packaging is intact and unopened, and that the product labeling is intact and legible. The Inventory Manager will then provide the items to the Sales Associate. The Sales Associate will either scan or manually document each item into the POS system. The following information is automatically entered into METRC from IndicaOnline via the application programming interface:

- i. Name and type of cannabis goods;
- ii. Unique Identifiers (“UIDs”) of cannabis goods;
- iii. Amount of cannabis goods, by weight or count;
- iv. Price including all taxes and other fees;
- v. Date and time of sale; and
- vi. Any other information required by licensing authorities.

To conclude order documentation, the delivery driver will then add the ordered products to the Delivery Inventory Ledger, which will include for each product the: (i) type; (ii) brand; (iii) retail value; (iv) UID; and (v) weight or volume. Based on then-current retail prices, the Sales Associate will verify that the Delivery Inventory Ledger contains less than \$5,000 of cannabis goods. All delivery orders will then be placed into opaque exit packages and the delivery driver will transport the orders with copies of the corresponding Delivery Request Receipts and the Delivery Inventory Ledger.

Delivery Vehicle Loading: When delivery vehicles are loaded for delivery, it will take place in STIIIZY National City’s loading area. The delivery area will be under 24-hour video surveillance. Cannabis goods will be loaded into the enclosed delivery vehicle by delivery employees, who will ensure that all cannabis goods are locked in a fully-enclosed box, container, or cage that is secured on the inside of the vehicle (but is not comprised of any part of the body of the vehicle) that is not visible to the public. STIIIZY National City’s Pre-Dispatch Checklist will be used by delivery employees to ensure that all of the following items are in their possession and functioning properly prior to departure:

- Delivery Inventory Ledger
- Delivery Request Receipt
- Delivery Stop Log
- Copy of Business license
- Copy of State license
- Driver’s license
- Employee identification badge
- Age verification device
- Mobile telephone
- GPS device
- Sufficient fuel
- Alarm system
- Inventory containers and locks
- Vehicle operator’s manual
- Spare tire and jack

EXHIBIT B: Operating Procedures

GPS Tracking: To facilitate identifying the geographic location of each delivery vehicle and creating a record of all travel, each delivery vehicle will be outfitted with a dedicated GPS device that will be owned by STIIIZY National City and used only for delivery. Each GPS device will be permanently or temporarily affixed to the inside of a delivery vehicle, and devices will remain active throughout all deliveries to enable STIIIZY National City to identify and document each vehicle's location at all times during the delivery process. STIIIZY National City will maintain for at least 90 days a record of all of the locations traveled to by delivery drivers during deliveries, and STIIIZY National City will provide these records to the City and the Department of Cannabis Control immediately upon request.

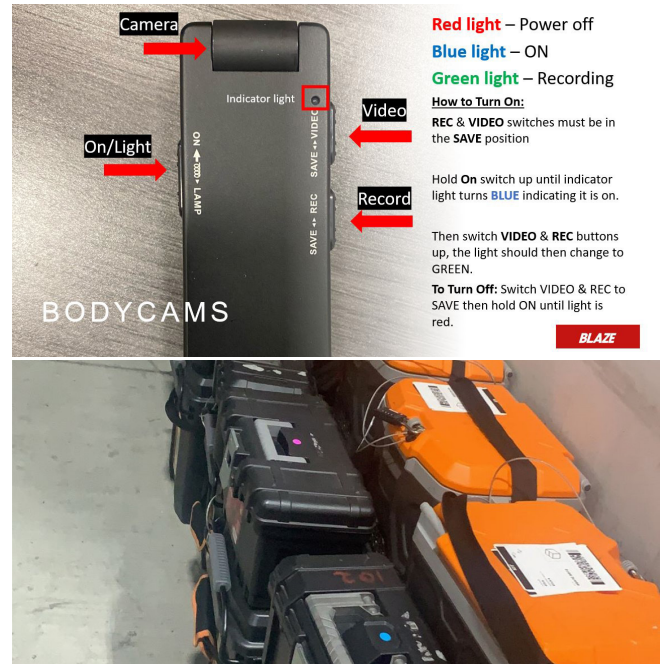
Cameras: Each delivery driver is equipped with a body camera that is turned on when making a delivery to a customer. This is to ensure compliance as well as for delivery driver and customer safety.

Secure Storage: The Delivery Kits (containers holding the cannabis products) are secured to the delivery driver's vehicle by an operations associate. The Delivery Kits are not visible from outside of the vehicle. The delivery driver does not have the combination in order to remove the Delivery Kit from the vehicle. Should a delivery driver encounter a security threat, the delivery driver is instructed to comply with demands if his or her safety is in jeopardy. See the image below of what the Delivery Kits look like.

Delivery Stop Log: A Delivery Stop Log will be maintained by delivery drivers via the proprietary Blaze software. This is a log of any stops from the time the delivery driver leaves the dispensary to the time he or she returns, including the reasons for each stop. After deliveries are completed, the log will be closed for the shift and confirmed by a manager, who will ensure that the log is retained and available for inspection for at least seven years. Delivery drivers will provide the log to the City, the Department of Cannabis Control, or any law enforcement officer immediately upon request while out on deliveries.

Delivery Employee Communication: Communication between management and delivery drivers will occur through the use of hands-free telephones. Before departing from the dispensary for a delivery, a delivery driver will place and receive a test call to management to confirm that the telephones are properly functioning. In addition to general communications, delivery drivers will utilize the hands-free telephones to report all adverse delivery events to management, who will record all adverse events in a dedicated incident log.

Completing a Delivery: Five minutes prior to a delivery driver's arrival at the customer's delivery address, the customer will be notified that the delivery is 5 minutes away. When a delivery driver arrives at a customer's delivery address, he or she will first attempt to contact the ordering customer by knocking on his or her door or ringing the doorbell. If the ordering customer does not respond after a reasonable time, the delivery driver will return to the delivery vehicle and will attempt to call the customer using the telephone number the customer provided with the order. If there is still no response within 10 minutes of the delivery driver's first attempt to contact the ordering customer, he or she will return to the dispensary with the customer's entire order. If there is a response, the delivery driver will ensure that he or she is communicating with the customer who placed the order by checking the customer's appropriate identification and will scan the identification with an age verification device to confirm that the identification is valid and that the customer is of legal age to purchase cannabis in compliance with state regulations. After the customer's identity and age have been verified, the delivery driver will process payment and will physically transfer the cannabis goods to the customer. The customer will then sign the Delivery Request Receipt provided by the delivery driver and will be provided with a copy of the receipt. The delivery driver will also retain a copy of the signed Delivery Request Receipt to provide to management, who will maintain the receipt in accordance with STIIIZY National City's record retention policy and applicable rules and regulations.



Number of Vehicles

STIIIZY National City intends to utilize 5 vehicles to provide delivery services for its customers.

Product Security during Transportation

Product security during transportation is a priority to STIIIZY National City, as it reduces the likelihood of product diversion and underage access. As such, STIIIZY National City will enforce the following policies, among others, to ensure that products remain secure throughout the delivery process:

- All delivery drivers will be at least 21 years old.
- All deliveries will be made by STIIIZY National City's delivery drivers (as opposed to third party contractors).
- We will only employ delivery drivers with a good driving history (e.g., no DUIs, driving with suspended license, etc.).
- Deliveries will only be made during store hours.
- Cannabis products will not be visible from the outside.
- Delivery drivers will not be permitted to perform a large number of deliveries on each route to limit the amount of cash and products in the vehicle. Delivery drivers will not carry cannabis goods worth more than \$5,000 at any time.
- Only authorized employees will be allowed in the delivery vehicle during a cannabis goods delivery.
- Delivery drivers will not leave the store with cannabis goods without at least one delivery order that has already been received and processed by the store (e.g., no roaming with cannabis goods).
- While carrying cannabis goods for delivery, delivery drivers will only travel in an enclosed delivery vehicle and will ensure the cannabis goods are not visible to the public.
- While making deliveries, the delivery driver shall only travel from the store to the delivery address, to the delivery address to another delivery address or back to the store. The delivery driver shall not deviate from the delivery path except for necessary rest, fuel, vehicle repair stops or due to unsafe road conditions. Any deviations will be communicated to management immediately.
- Delivery vehicles will not have any markings on the exterior of the vehicle that may indicate the presence of cannabis inside the vehicle.
- Delivery drivers will not leave cannabis goods unattended in the delivery vehicle unless the vehicle is locked and the alarm system is active.
- A dedicated GPS device will be affixed to the inside of each delivery vehicle, enabling STIIIZY National City to identify each vehicle's location during delivery.

As mentioned previously, delivery drivers will be in constant communication with the store's inventory and delivery team via hands-free telephones. Delivery drivers are instructed to dial 9-1-1 if they feel threatened or believe a crime is about to be committed. The inventory and delivery team at the store will also keep track of the delivery vehicle's whereabouts and will call the delivery driver if there are unscheduled stops or other unusual activities. If they are not able to connect with the delivery driver, the inventory manager will contact the police with the vehicle's location if he or she reasonably believes there is a crime being committed or that the delivery driver is otherwise in danger.

G. Conformance to Local and State Laws

Code References

- *NCMC § 9.60.250 “Additional operating requirements for store front retail facilities.”*
- *NCMC § Title 18 “Zoning”*
- *4 CCR § Division 19 “Department of Cannabis Control”*
- *MAUCRSA*

The operations of STIIIZY National City will be guided by the California Code of Regulations (CCR), the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), the National City Municipal Code (NCMC) and all other applicable laws and regulations. Our 25 person Legal and Compliance Teams are experts on cannabis laws and regulatory compliance and have ensured a record of perfect compliance across our 31 California cannabis licenses. Our Legal Team and Compliance Department have created over 500 accurate and regulatory compliant SOPs for Shryne’s retail, cultivation, manufacturing, and distribution operations. The Legal Team and Compliance Department are proactive and stay in front of changes to regulations by maintaining open lines of communication with state and municipal officials. STIIIZY National City will take the following actions to extend Shryne’s track record of 100% compliance in its operations:

1. **Pre-Opening Compliance Memo:** Shryne’s Compliance Department has reviewed and analyzed the National City Municipal Codes and circulated an internal memorandum to the retail, construction, and human resources teams to ensure that pre-opening matters such as planning the floor plans, installing the proper security systems and other National City specific requirements are followed. Our compliance team is especially mindful to highlight National City requirements which exceed or differ from other cities in which we operate. For example, Shryne’s security team has been made aware of NCMC § 9.60.230(M)(12) requiring our security guards to get approval from the San Diego Sheriff’s Department and the Chief of Police prior to bringing any firearms to the premise. Shryne’s operations team has also been made aware that, with each purchase, an educational brochure containing product information such as potency, absorption time, and effects is made available to customers pursuant to NCMC § 9.60.230(L).
2. **Pre-Opening Employee Training:** Director of Compliance Andrew Hopkins has developed a compliance curriculum that will educate all new employees of STIIIZY National City on city and state regulations and other compliance related topics as part of the on-boarding training program. Compliance with all state and local laws is our number one priority and all employees will have to exhibit their understanding of all rules and regulations prior to working their first shift.
3. **Standard Operating Procedures:** Shryne Group’s General Counsel, John Malone, and Director of Compliance, Andrew Hopkins, lead the legal and compliance teams and together have six years of experience in creating cannabis compliance programs and in developing oversight and auditing methods for such programs. By ensuring compliant practices for our 31 cannabis operations in California, they have become some of the foremost experts on cannabis compliance. For our retail operations alone, the compliance team has created over 100 SOPs based on California’s cannabis, employee, safety and business regulations and the additional regulations of each of the cities in which we operate. Some of the SOPs have already been described above and include:

EXHIBIT B: Operating Procedures

- Age Verification and Customer Check-in
- Package Labeling Check Prior to Accepting Inventory
- Package Labeling Check Prior to Selling Product to Customer
- Daily Sales Limit Check
- Cash Management
- Inventory Control and Reconciliation
- Inventory Storage
- Product Returns
- Waste Management and Recycling
- Record Keeping
- Product Quality Control
- Point-of-Sale System Usage
- Limited Access Area Visitor Log-in
- Cannabis Goods Display
- Alarm System Checks
- Product Delivery In-take
- Signage Requirements
- Store Opening Requirements
- Fire and Medical Emergency Response
- Air Circulation and HVAC Requirements
- Store Closing Requirements
- Use of Credit Card and ATM Card Machines
- Emergency and Evacuations
- Sales Receipts and Reconciliation
- Marketing of Cannabis Products and the Store
- Sale of Non-Cannabis Goods
- Complaint In-take Procedures
- Age Confirmation in Advertising
- Record Retention Policy
- Medical Patients Check-in and Policies
- Restroom Access
- Preventative Maintenance
- Video-Surveillance Equipment Maintenance
- Delivery Order Intake and Execution
- Inventory Acquisition
- Limited Access Areas
- Controlling Capacity of Building and Line Forming Procedures
- Suspicious Activity
- Americans With Disabilities Compliance
- COVID-19 Safety Protocols

Our SOPs are based off city and state regulations, but, thanks to our experience operating 21 retail stores, we have incorporated industry best practices into our compliant procedures. For example, while the cities of Los Angeles and San Francisco only require one security guard to be present during hours of operation, our retail stores in Los Angeles and San Francisco each have two security guards at all times during operations and at least one security guard surveilling the property 24 hours a day. Examples of a few of our SOPs which are based off city and state requirements are below.

SOP #45:	Inventory Storage
EFFECTIVE DATE:	September 11, 2019

POLICY: Shryne Group will follow best practices to ensure that products are not over stocked and sold well before expiration.

PROCEDURE:

- A. The Inventory Room is kept between 65 to 69 degrees Fahrenheit. Refrigeration will be maintained at 41 degrees Fahrenheit will be provided for cannabis products that are intended for human consumption in the Inventory Room. The humidity within the Inventory Room will be kept at 55%. This is monitored by the thermostat within the Inventory Room and on the dispensary floor.
 - 1. Cannabis flower will be placed with humidifier packs in order to keep the flower fresh until sold.
 - 2. All edible products will be stored according to manufacturer standards in order to keep the increase shelf life.
- B. At no point in time will cannabis or cannabis products be stored outside, employee break areas, changing rooms, rest rooms, etc. It will only be stored within Secured Storage.
- C. Cannabis and cannabis products will be stored in batches and new inventory will be placed behind existing inventory in order to maintain FIFO.
- D. Product intended for daily display will be kept in separate containers within the Inventory Room for ease of tracking of which inventory is labeled within IndicaOnline as on the retail floor versus in the Inventory Room.
 - 1. Product for display is taken out of the Inventory Room in the morning and arranged on the retail floor, out of reach of customers, and then placed back in the Inventory Room at the end of the day.
- E. When the retail floor inventory needs to be replenished, a Sales Associate will alert management of what items are needed. Management will retrieve additional stock from the Inventory Room in batches, and the batch will be updated within IndicaOnline. The Sales Associate will place the items pulled from inventory behind the remaining product on the floor to ensure FIFO.
- F. Reorder Points will be determined between Management and the various vendors. Inventory will not be ordered in excessive amounts. Quantities are determined on customer demand.
- G. Whenever inventory is moved from the Inventory Room to the sales floor, check that the packaging is fully intact, all labels are clearly legible and the product is not otherwise damaged. Update IndicaOnline on new location of inventory.
- H. If a cannabis product is delivered without an expiration date and it requires one, the vendor will be contacted by Management and the cannabis product will be stored separately with a dated note.
 - 1. Expiration dates will be entered into the “Expiration Dates” Google Calendar and appropriate notification times will be set to determine when a product should go on sale, and when a product should be removed from inventory.

WHO SHOULD KNOW THIS POLICY:

<input checked="" type="checkbox"/> Management	<input checked="" type="checkbox"/> Sales Associates	<input checked="" type="checkbox"/> Security	<input checked="" type="checkbox"/> Reception
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SOP #56:	Quality Control
EFFECTIVE DATE:	September 11, 2019

POLICY: Shryne will only provide top quality cannabis and cannabis products to our customers.

PROCEDURE:

- A. Shryne will only allow the sale of cannabis and cannabis products that have passed the following requirements:
 1. The cannabis goods were received by Shryne from a licensed distributor or licensed microbusiness authorized to engage in distribution;
 2. We have verified that the cannabis goods have not exceeded their best-by, sell-by, or expiration date if one is provided;
 3. In the case of manufactured cannabis products, the product complies with all requirements of Business and Professions Code section 26130 and California Code of Regulations, Title 3, Division 8 and Title 17, Division 1, Chapter 13; and all other relevant laws;
 4. The cannabis goods have undergone laboratory testing as required by the MAUCRSA and the CCR;
 5. The batch number is labeled on the package of cannabis goods and matches the batch number on the corresponding certificate of analysis for regulatory compliance testing;
 6. The packaging and labeling of the cannabis goods comply with Business and Professions Code Section 26120 and all applicable regulations within the California Code of Regulations, Title 3, Division 8 and Title 17, Division 1, Chapter 13; and
 7. The temperature of the dispensary floor is to be kept between 65 to 69 degrees Fahrenheit. Refrigeration maintained at 41 degrees Fahrenheit will be provided for cannabis products that are intended for human consumption in the Inventory Room. The humidity within the Inventory Room will be kept at 55%. This is monitored by the thermostat within the Inventory Room and on the dispensary floor.

- H. The Inventory Manager (IM) is in charge of ordering inventory. It is also required that the IM request Certificates of Analysis (COA) from the potential vendors (Distributors) each time an order is placed, regardless of how many times an order has been placed with the same vendor previously. The IM will also check the status of the vendor’s distributor license with the Department of Cannabis Control (DCC) each and every time before an order is placed.

- I. Once the delivery has been made by the vendor, the IM will inspect the delivery boxes and make sure they are in an acceptable condition (i.e. undamaged, untampered, etc.). Should any boxes be in an unacceptable condition, they will be sent back with the vendor and only payment for acceptable boxes will be provided.

- J. The IM will inspect each product as it is placed in the Inventory Room. Should any product be in an unacceptable condition, it will be placed aside in a holding area and the vendor will be contacted to retrieve the defective product.

- K. As the inventory on the Retail Floor diminishes, the IM will restock the shelves and inspect each product once again to ensure quality control.

- L. Sales associates are instructed to not sell any product that is not in perfect condition (untampered, damage free) and to inform Management of any such product.

WHO SHOULD KNOW THIS POLICY:

<input checked="" type="checkbox"/> Management	<input checked="" type="checkbox"/> Sales Associates	<input checked="" type="checkbox"/> Security	<input checked="" type="checkbox"/> Reception
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- 4. Compliance and SOP Checklist: The compliance team will create a compliance and SOP checklist for each retail store prior to opening. The checklist will require each General Manager and Manager to check on a daily basis:
 - state and local requirements for retail cannabis operations;
 - opening and closing requirements for the retail store;

- inventory and reconciliation of inventory;
- record keeping and record backup;
- visibility of over 21 signs, state and city cannabis licenses and other required signage;
- loitering outside store and other potential neighborhood nuisances; and
- other operational and legal compliance requirements.

At the end of each day, the General Manager is required to note any deficiencies from the checklist to the Director of Compliance. Any material deficiencies will require remediation through an investigation by Shryne’s Compliance Department.

COMPLIANCE CHECKLIST		
Entity Name: STIIIZY DTLA		
Address: 718 E Commercial St, Los Angeles, CA 90012		
Reg.	Requirement(s)	Check
CA	Clear Display of State of CA license	<input type="checkbox"/>
CA	Clear Display of City of LA license	<input type="checkbox"/>
CA	Clear Display of Business Tax Registration Certificates (BTRC)	<input type="checkbox"/>
LAFD	Address number clearly visible from the street	<input type="checkbox"/>
CA	Clear Display of 21 and over sign	<input type="checkbox"/>
CA	Valid ID's are being checked to ensure patrons are 21 years of age or older, or are at least 18 years of age and have a valid physician's recommendation	<input type="checkbox"/>
LA	Neighborhood liaison sign (name and contact info)	<input type="checkbox"/>
LAFD	Clear Display of No Smoking sign	<input type="checkbox"/>
LA	No Loitering, Public Drinking, or Public Smoking/ Consumption of Cannabis	<input type="checkbox"/>
CA	Cannabis is not dispersed in the air within the premises by oil diffusers or any other vaporizing device	<input type="checkbox"/>
CA	Manufacturing, cultivation, distribution and retail areas are separated by walls, and all doors remain closed when not in use	<input type="checkbox"/>
CA	Inventory that is not on display is stored in a limited-access area within the premises	<input type="checkbox"/>
CA	Cannabis goods are never stored outdoors	<input type="checkbox"/>
CA	Employee break rooms, changing facilities, and bathrooms are separated from all storage areas	<input type="checkbox"/>
CA	Cannabis goods on display are not accessible to patrons (including bud pod check)	<input type="checkbox"/>
CA	Cannabis goods not visible from outside the licensed premises	<input type="checkbox"/>
CA	No free cannabis goods provided to any person	<input type="checkbox"/>
CA	Purchased cannabis goods are placed in an opaque exit package	<input type="checkbox"/>
CA	Cannabis goods for sale adhere to BCC's Packaging and Labeling requirements	<input type="checkbox"/>

Excerpt from LA store compliance checklist

5. *Internal Audits*: Each retail store is audited internally on a monthly basis by our dedicated cannabis compliance audit team to ensure operational and employee compliance with all state and local regulations and STIIIZY National City’s SOPs. The audit is conducted without prior notice to the retail store managers. The unannounced audit will begin with an inspection of the perimeter from a security, cleanliness and odor perspective, then continue to an inspection of the retail sales floor, and finally an inspection of the inventory and cash vault. The audit typically takes 4 hours and any deficiencies discovered during such audits are remediated within five days of discovery.

The due diligence conducted by our experienced legal and compliance teams, and the internal systems we use to ensure compliance with regulations and our robust SOPs have led to zero instances of violations of laws or regulations at our any of our stores. We timely pay all city and state taxes. STIIIZY National City endeavors to continue this record of zero violations should we have the honor of opening a store in National City.

H. How Cannabis and Cannabis Products will be Tracked and Monitored to Prevent Diversion

Code References

- 4 CCR § 15049 “Track and Trace Reporting”

- MAUCRSA

- 4 CCR § 9.60.230(C) “General operating requirements for all commercial cannabis businesses.”



STIIIZY National City will use the inventory tracking and point-of-sale system, IndicaOnline, which is integrated with California’s METRC system. Products are scanned into IndicaOnline and the movement of goods is updated in the system so that management knows where a product is at all times.. Employees will be trained according to our Inventory Control and Reconciliation SOP which will ensure that all inventory which is received, sold, placed on display, returned by a customer or moved from the secure Inventory Room to the retail floor is entered into the system immediately so that the location of the cannabis goods in the system is accurate. IndicaOnline will also register the following customer information onto the system which syncs automatically with METRC and the other retail stores we operate:

- Name
- Address
- Date of Birth
- Photo ID
- Height and Weight
- Past Purchase Records to inform the customer of potential recalls
- Email and Phone Number
- Whether the customer has a Medical Card

Additionally, as seen below, IndicaOnline is a validated integrator with METRC in California and several other states as well:



VALIDATION LEVEL	VALIDATION AREAS
<p>Alaska - Full Validation</p> <p>Colorado - Full Validation</p> <p>Louisiana - Full Validation</p> <p>Maryland - Full Validation</p> <p>Michigan - Full Validation</p> <p>Montana - Full Validation</p> <p>Ohio - Full Validation</p> <p>Oregon - Full Validation</p>	<div style="text-align: right; margin-bottom: 5px;"> <input type="text" value="-- Select a State --"/> </div> <p>California - Full Validation</p> <p>District of Columbia - Full Validation</p> <p>Massachusetts - Full Validation</p> <p>Maine - Full Validation</p> <p>Missouri - Full Validation</p> <p>Nevada - Full Validation</p> <p>Oklahoma - Full Validation</p>

All of this information permits STIIIZY National City to contact customers in case of an emergency like a recall or defective product. IndicaOnline permits our sales team to send direct messages to customers regarding store sales if the customer has opted in to receive such information.

Additionally, the IndicaOnline POS system is integrated into the METRC Track and Trace system so that all sales, returns and movement of inventory in and out of the store is automatically sent via METRC to the State of California. IndicaOnline also keeps track of past purchases, so a customer does not exceed the legally permissible amount. This tracking system

is used to prevent the excessive purchase of cannabis goods and their possible diversion to minors.

The IndicaOnline platform will also track the following data as part of our inventory control procedures:

- All inventory at STIIIZY National City at any given time broken down by SKU, amount or count, price paid, expiration date (if any), date of receipt into the facility and current location;
- All sale transactions, which can be broken down by customer, date, amount, price paid, taxes paid or owed, day, week or month; and
- All orders which have been placed by our purchasing team that is expected to be delivered and the expected time of delivery, the purchase price and form of payment. Any adjustments and batch closures sync automatically with California's METRC System.

Thanks to our experience at our 21 retail stores, we know that the key to diversion prevention is timely and accurate recordkeeping. With the comprehensive and detailed information tracked by IndicaOnline and METRC, every purchase of product by our purchasing team, every delivery of inventory into our facility, every sale of product to a customer, every return and every product disposed of will be accurately tracked on a real time basis. Additionally, all cannabis goods, except for limited amounts used for display purposes or immediate sale, will be securely stored in the Inventory Room at all times, and the entrance to all storage areas will be surveilled, locked and under the control of management. Policies like these, in conjunction with the IndicaOnline POS system, work to limit the potential for loss and diversion.

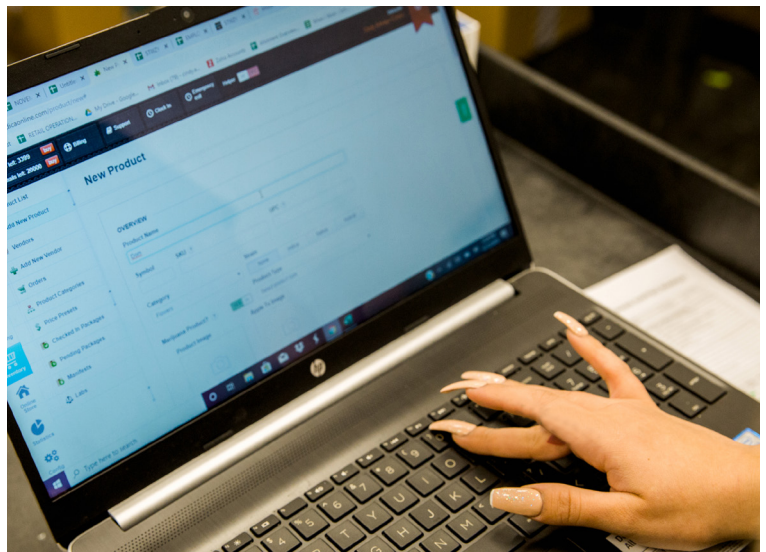
STIIIZY National City will provide any and all information regarding historical transactional data and inventory to the City of National City as the City sees fit. Most of the cities in which we already operate require monthly sales data for tax payment purposes, and STIIIZY National City will be prepared to provide monthly sales data to National City as well.

In the event of a disconnection from the METRC Track and Trace system, STIIIZY National City will maintain a record of all information until such time as connection is reestablished and the information can be updated on IndicaOnline and METRC.

Inventory Receipt Track and Trace to Prevent Diversion

Any time inventory is received by our retail operations team, the following information will be entered into our IndicaOnline inventory tracking software:

- Date and time of entry into the facility;
- Price paid for the batch, including taxes, delivery fees and any other charges;
- Exact location of the product within our facility (e.g., Retail Counter 2, Inventory Room C-12);
- The name and license # of the manufacturer or cultivator who provided the batch;
- The unique identifiers and batch number associated with the batch;
- A description of the cannabis goods with enough detail to easily ID the batch;
- The weight of or quantity of units in the batch; and
- The best-by, sell-by or expiration date of the batch.



Should there be any discrepancy between the type or quantity of cannabis goods specified in the shipping manifest and the type or quantity received by STIIIZY National City, the discrepancy shall be recorded in the METRC track and trace system, and in any relevant business records. If necessary, the delivery will be rejected and the vendor will be contacted immediately.

Inventory Storage and Tracking to Prevent Diversion

Shryne Group has developed, and STIIIZY National City will implement, storage-area protocols to maintain the quality and security of its cannabis goods. All inventory storage will be designated as limited-access. Cannabis goods will be appropriately stored based on best practices for maintaining the quality of each type of cannabis good. In order to keep flower and cannabis products at their optimal freshness, the Inventory Room will be maintained between 65- and 69-degrees Fahrenheit, and any products that require lower temperature storage will be placed in refrigerators at set temperatures depending on the product. The humidity in the Inventory Room will be kept at 55%. All products will be stored according to manufacturer standards and all inventory stored on premises will be secured in indoor limited-access areas and will never be exposed to direct sunlight. Additional quality-control measures to be implemented in the inventory storage areas include i) monitoring temperature and humidity levels in all inventory storage areas; and ii) undertaking corrective measures when necessary.

Additionally, the retail floor space will be climate controlled at 67 degrees Fahrenheit for optimal conditions for our products and our customers.

Flower and cannabis products will be stored in the batches in which they are received and will be pulled using the first-in, first-out (“FIFO”) method. All products on the retail floor that contain cannabis will be stored within the locked display counters. The other displays on the retail floor will not contain the product but rather empty packages used to market the products. Products, such as gummies and flower, that are used for display within the glass display counters will be changed out every two weeks and destroyed according to state and local regulations.

Any time inventory is received by STIIIZY National City’s operations team, the name and description of the delivery, measurement of the quantity, date and time of the receipt of the goods, expiration date, name and license number of the distributor that transported the cannabis goods, and the total price paid for the cannabis goods, including taxes, delivery fees, and any other charges, will be entered into STIIIZY National City’s internal inventory records and into the IndicaOnline system at the time of the receipt. IndicaOnline and STIIIZY National City’s internal inventory records are updated again whenever the inventory is moved from the secure inventory storage room to the sales floor.

Inventory Policies to Prevent Diversion

The following policies and procedures work together with STIIIZY National City’s strict hiring policies to prevent employee theft:

- Employees are required to notify management if they witness or suspect internal theft, inventory discrepancies, or record tampering;
- Inventory audits described above are performed on at least a weekly basis;
- Employees will be required to sign a consent to search policy as condition of employment (including their person, possessions, and vehicles while on the premises);
- Employees will be required to check in all bags in a secure locker next to the break room; and
- Employee movement will be tracked by their access of employee-only areas with their identification cards, which act as FOB keys, as well as surveillance cameras.

To date, there has not been a single instance of employee theft according to Shryne Group’s inventory records.

2.3 Day-to-Day Operations – Distribution

A. Number of Delivery Drivers, Hours of Delivery, and Vehicles to be Used

Number of Delivery Drivers

STIIIZY National City will utilize seven drivers to operate seven vans during operating hours. A total of 10 drivers will be on payroll and rotate throughout the week. All delivery employees will be trained on safe and compliant practices to ensure the prevention of diversion of cannabis goods diversion and the safety of our community.

Hours of Delivery

Daily deliveries will be made between the hours of 9 a.m. to 10 p.m., seven days a week.

Vehicles to be Used

The vehicles used for distribution of cannabis or cannabis products will not advertise any activity related to cannabis nor shall they advertise the name of our business. Our company uses white, windowless Ford Transit, Ford Transit Connect, and Mercedes Sprinter vans. They are all unmarked except for the required DOT decals. They are also outfitted with drop safes and full security cages in the cargo holds for driver safety and to comply with state regulations. Management will ensure that the distribution vehicles never advertise any activity related to cannabis or the name of the licensee. Additionally, a 26' Box Truck will be utilized by our Los Angeles facility to make larger deliveries to the facility several times a week. Please see the following images of our vans.



B. Transportation Security Procedures

The distribution side of the property (221 W 33rd St) is equipped with roll-up doors so that all delivery vehicles will be completely enclosed within the building before being loaded or unloaded to ensure maximum security from beginning to end.

As delivery drivers arrive for their shift, they inspect the empty van in the parking lot and perform an overall check to ensure the vehicle is properly equipped and running smoothly before it is used to transport products. Several points of inspection include, but are not limited to:

- Vehicle fluids (i.e., oil, coolant, gasoline);
- Brakes;
- Odometer reading; and
- Functioning lights;
- Windshields and windows;
- Locks.

The driver then completes the vehicle inspection form, signs off on the sheet, and provides it to the Fleet Manager for proper filing. Inspecting the vehicles helps mitigate any potential risk of malfunction while the vehicle is carrying product.

The vehicle is also equipped with a GPS tracker and is modified, as can be seen in the previous images, with a cage on the interior of the cargo hold and a bolted in safe for cash. The driver does not have the code to unlock the safe within the van. Only management has the codes. Exact payment is requested from dispensaries.

From the inspection, the van is moved to the Distribution Vehicle Loading/Unloading area just within the roll-up door. The roll-up door is closed before the security mesh is unlocked which surrounds the storage shelves containing cannabis

product. Once the roll-up door is closed, the security mesh cage is unlocked and opened and the product scheduled for delivery is loaded in the vehicle. The security mesh is then locked, the vehicle locked, the driver in the vehicle, and then the rollup door is opened for the van to depart on its scheduled deliveries.

While the van is being loaded, another distribution employee calls each of the stores that are scheduled to receive deliveries to inform them of the expected ETA and to ensure that the store will be able to receive the delivery that day. As the van is tracked using GPS, a distribution employee calls the next store to inform them of the exact time of arrival to ensure they are ready to receive the delivery and that their security guards are made aware.

During the delivery, the driver notates on the delivery log the arrival time and eventually the departure time along with the name and employee ID information that the driver is communicating with to offload the delivery. Unloading of the van is not done until a security guard is present.

Once all deliveries have been made, the driver returns to the facility and enters through the roll-up doors. Once closed, the van is unlocked and any product that was not delivered is entered back into the tracking system. Additionally, management removes the cash from the safe and counts it within the offices within full view of the surveillance system.

The van is then taken to be refueled and parked in the parking lot overnight.

C. How Inventory will be Received, Processed, Stored, and Secured

Shryne Group is one of the largest and most successful vertically integrated cannabis companies in California, and because of this we will be able to conduct all our distribution activities internally. This means that distribution will be streamlined, efficient, and product quality will be controlled for from product loading at licensed businesses throughout the transportation process.

Our Compliance Department has developed in-depth SOPs covering all aspects of the delivery unloading and storage process. STIIZY National City will ensure all distribution employees are trained on these procedures so that all deliveries received are compliant with state and local law, that product quality is upheld at the highest level throughout the process, and that accurate records of deliveries and products in inventory are maintained.

Inventory Reception

Incoming deliveries will be received by the Inventory Manager in coordination with Security Guards in the Distribution Vehicle Loading/Unloading Area. The Distribution Vehicle Loading/Unloading Area will be under constant video surveillance and vehicles will not be allowed to unload inventory until a Security Guard has confirmed the safety of the area. Inventory will not be unloaded in view of the public.

Our distribution facility will only receive deliveries that have been scheduled in advance. If no shipping manifest has been sent to our distribution facility ahead of time, the delivery will be refused.

Inventory Processing

Once a delivery has been unloaded, Inventory Associates will transport it to the Quarantine Cage via trolleys and forklifts where the Inventory Manager and the Inventory Associates will inspect the delivery to verify that the items received match the shipping manifest.

If there is a variance between the items on the shipping manifest and the items received, Inventory Associates will use our Shipment Variance Log to note any discrepancies. The Shipment Variance Log allows employees to list the product name, the UID of the batch, the quantity of items in the shipping manifest, the actual quantity of items received, the total variance, and the shipping manifest number. The variance is shared with the originating distributor, noted in the track and trace system, and, if necessary, reported to the Department of Cannabis Control and the National City Police Department.

Inventory Associates will also confirm that the certificate of analysis (“COA”) corresponds to the received batch. Prior to allowing the batch to go to retail sale, Inventory Associates will ensure that the label on the cannabis goods is consistent

with the COA regarding cannabinoid and terpenoid content, total THC, and/or total CBD. If the label is incorrect, the mislabeling will be reported to the Inventory Manager and the goods will be relabeled. Inventory Associates will also ensure that the date on the COA is less than 12 months old. If COA is older than 12 months, the batch will be discarded as cannabis waste.

Once the Inventory Manager verifies the delivery matches the shipping manifest, they will sign a copy of the manifest and add the signed copy to our distribution records. The Inventory Manager will then update the track and trace system to indicate reception of the distribution delivery. The Inventory Manager will use a QR code scanner to scan and accept deliveries in the IndicaOnline system.

The Inventory Manager is responsible for maintaining all records related to deliveries, including, but not limited to: (i) shipping manifests; (ii) certificates of analysis; (iii) METRC tags; (iv) invoices; (v) shipment variance logs; and (vi) defective/expired product logs. Records will be maintained for at least seven years in secure file cabinets.

Inventory Storage

Once cannabis goods have been successfully entered into IndicaOnline, they will be stored on shelving within the Quarantine Cage or in the Refrigeration Room while they wait to be tested by a third-party testing operator. The Quarantine Cage walls are made of a security mesh over steel posts to prevent tampering and forced intrusion and both the Quarantine Cage and the Refrigeration Room will remain locked and under constant video surveillance.

The Inventory Manager will ensure that all batches of cannabis or cannabis products are stored separately and distinctly from other batches and that all batches are properly labeled. Batches must include the following information on their label: i) the name, license number, and licensed premises address of the licensee who provided the batch; ii) the date of entry of the batch into our distribution storage area; iii) the unique identifier and batch number of the batch; iv) a description of the product such for easy identification; v) the weight or quantity of units in the batch; and vi) the best-by, sell-by, or expiration date of the batch.

Once the cannabis goods pass testing, they will be moved over to the Distribution Storage Area and stored via a first in, first out (“FIFO”) method and their location will be updated within IndicaOnline.

Inventory Security

The Distribution Storage Area is enclosed by Security Mesh on steel posts and will be locked at all times. A security guard will also be dedicated to guarding the storage area with multiple cameras also surveilling the area 24 hours a day.

STIIIZY National City will maintain an inventory log capable of providing the status of all goods, including:

- If the goods are being stored for another licensee;
- If the goods are awaiting sampling for testing;
- If goods have been sampled and are awaiting results;
- If goods have passed testing;
- If goods have failed testing and are awaiting remediation;
- If goods have failed testing and are awaiting destruction; and
- If goods are being stored or held for another lawful purpose.

STIIIZY National City will be able to account for all inventory and provide the status of all goods to regulators upon request. Inventory reconciliation will be conducted regularly, but at least every 30 days. If a discrepancy is found between the inventory of stock and the inventory log or track and trace system that is outside of normal weight loss caused by moisture loss, we will commence a full audit of its inventory. If a discrepancy remains, we will initiate an internal investigation in attempts at identifying the source of the discrepancy, and if the discrepancy is not resolved, we will notify the Department of Cannabis Control and the National City Police Department.

The Department of Cannabis Control and the National City Police Department will be immediately notified upon the discovery of: (i) any significant inventory discrepancy; (ii) any incident of diversion, theft or loss; (iii) any unauthorized alteration of records; and (iv) any other breach of security.

D. Quality Control Procedures to Ensure Proper Packaging, Labeling, and Testing

Code References

- 4 CCR § 15303 “Packaging, Labeling, and Rolling.”

Packaging and Labeling

The Inventory Manager will utilize the following checklist to determine if the product is properly labeled:

- All products should contain the following information on the LABELS:
 - Product Identity
 - THC and CBD Per Package
 - THC and CBD Per Serving
 - Any other cannabinoid that makes up 5% or more of the total cannabinoid content
 - The State of California cannabis “Universal Symbol”
 - Net Weight or Volume
 - If an edible product, the words “Cannabis-Infused”
 - Manufacturer name and contact information
 - UID Number for Track and Trace
 - Government warning statement for cannabis products
 - Batch or Lot Number
 - Instructions for use
 - List of Ingredients
 - List of Allergens (if applicable)
 - List of Artificial Food Coloring (if applicable)
 - Expiration, use-by or best-by date (if applicable)
 - “For Medical Use Only (if applicable)

The Inventory Manager will reference the following definitions to confirm that packaging meets state and local compliance standards:

- Is “Tamper Evident”, meaning that a consumer will readily know if the package has been opened and tampered with. An example is a plastic seal or a sticker across the lid which cannot be undone once opened.
- Is “Child Resistant”, meaning that the package is designed to be difficult for children under 5 years of age to open. Examples include bottles that have pry-off metal crown bottle caps and plastic packaging that is at least 4 millimeters thick and heat sealed without an easy-open corner or flap.
- Is “Resealable”, meaning that the package can be closed after each use with a lid, adhesive closure, box top closure, etc.
- Is “Opaque”, meaning the package is not transparent and cannot be seen inside by the consumer.

In addition to the above, our Compliance Manager will also ensure that each package and label:

- Use designs that are not attractive to children, such as:
 - Cartoons
 - Images popularly used to advertise to children
 - Imitations of candy labeling
 - Words such as candies
- Do not make any unproven health claims;
- Do not market the products as an alcoholic beverage; and
- Do not include a picture of the product.

Testing**Code References**

- NCMC § 9.60.290 “Additional operating requirements for distributors.”
- 4 CCR § 15302 “Storage of Batches for Testing”
- 4 CCR § 15304 “Testing Arrangements.”
- 4 CCR § 15305 “Testing Sample.”
- 4 CCR § 15306 “Laboratory Testing Results.”
- 4 CCR § 15307 “Quality Assurance Review.”

After all of the quality control procedures designed to ensure all cannabis is properly packaged and labeled, as described in the previous section, our testing Standard Operating Procedures at our distribution facility will require the following at a minimum:

- All products which have not completed testing will be stored in a locked cage quarantine area until testing is completed;
- The Compliance Manager will schedule a sampling event with a licensed testing laboratory;
- When the sampler arrives, the sampler will be escorted through the distribution facility to the quarantine area housing the products to be sampled by our Compliance Manager;
- The Compliance Manager will not handle or touch any products once the sampling event begins and will be present during the entire sampling event;
- The Compliance Manager will validate that the correct units are sampled and that the minimum batch sizes are obtained;
- Once the sampler has obtained all the samples, the Compliance Manager will sign the chain of custody details and fill out other pertinent information on our field sampling form which contains:

● Sample Product Name	● End Tim	● Sample Size
● Unit Size	● Harvest or Production Date	● Security Seal #
● Start Time of Sample Extraction	● Batch ID and METRC ID	● Testing Phase
	● Batch Size	
- Once the field sampling is complete, the Compliance Manager will place orange flags on the master batch cartons indicating that the carton is in quarantine and cannot be touched until the passing certificate of analysis (“COA”) is received.

Once the COA is received from the third-party laboratory, the following steps will be taken:

- The compliance team will review the COA to confirm that:
 - The COA includes the phrase “Regulatory Compliance Test”;
 - The COA passed all required Phase 3 testing including cannabinoid content, heavy metals, residual solvents, pesticides, foreign materials, water activity, terpenoids and microbial impurities;
 - The batch numbers from the finished product, field sample form and the COA all match;
 - The COA is complete and does not contain any missing data;
 - All dates are accurately presented on the COA.

Next, all of the COAs will be stored in our compliance and inventory databases. Assuming that the COAs were satisfactory, compliance stickers will be printed and placed on all of the products which were subject to the testing.

Once attached to the tested products, IndicaOnline can be updated and the products moved from the quarantine cage to the Distribution Storage Area.

E. Conformance to Local and State Laws

Code References

- NCMC § 9.60.290 “Additional operating requirements for distributors.”

- NCMC § Title 18 “Zoning”

- 4 CCR § Chapter 2 “Distributors”

As has been previously demonstrated in this application, as well as throughout the rest of this document, references have been made to the National City Municipal Code and the California Code of Regulations as it relates to cannabis.

In addition to what was previously and thoroughly described in subsection 2.1(G), Shryne Group has a dedicated Compliance Department which oversees the compliance of all 31 operating facilities. The Compliance Department participates in the training of new staff and instructs them on the specific laws and regulations as it pertains to the distribution operation as well as any unique laws and regulations that are specific to a certain location. It has been confirmed that NCMC § 9.60.290 is in line with state regulations but has an additional regulation, specifically item A, where a distributor shall not store non-cannabis goods or non-cannabis accessories that are to be sold to another party on any licensed premises. The distribution operation may only store and distribute cannabis items.

Section C: Safety Plan

CFP Engineering, LLC Fire Protection Engineering

March 25 2022

Ms. Ellen Wysocki
Shryne Group, Inc.
728 E. Commercial Street
Los Angeles, CA 90012

Re: Fire Protection Safety Plan Report
Shryne Group National City LLC dba: Stiiizy National City
Cannabis Retail & Distribution Project
3239 Hoover Avenue & 221 W. 33rd Street, National City, CA.

Dear Ms. Wysocki:

Per your request, we have completed this fire code assessment/safety plan report in support of the Stiiizy National City Cannabis Business Permit Application for retail and distribution operations to be conducted within the existing adjacent commercial buildings located at 3239 Hoover Avenue & 221 W. 33rd Street in National City, California. The proposed operations to be conducted include the following:

Retail Store: 3239 Hoover Avenue

- The compliant presentation, display and retail sale of laboratory-tested medicinal and adult use cannabis products for public customers and qualified patients. Medical patients are required to have doctor's recommendations and photo identification showing proof of age to both enter the facility and purchase products. Adult use guests must provide a photo identification showing proof of age. Sales of products are within glass cases and containers. Delivery service is also planned for the proposed facility.

Distribution: 221 W. 33rd Street

- Receiving of bulk cannabis products from licensed farms
- Storage of cannabis products in secured and quarantine areas
- Sending of cannabis samples out for testing to licensed test facilities.
- Shipping of bulk packaged products will take place based on orders placed.
- Stiiizy National City will be providing deliveries/pick-ups using licensed transport vehicles
- Stiiizy National City will not have any vendors or customers at the site, other than for meetings.

All operations are to be in complete accordance with the requirements of the City of National City's Codes and Standards, including the following:

National City Municipal Code (NCMC) Chapter 9.60

The purpose of this evaluation is to assess the proposed use of the space, evaluate fire code requirements and to provide recommendations as needed to develop a Safety Assessment Plan in accordance with the submittal requirements listed in Appendix A, Section C of the City's "Application Procedure and Guidelines for a Cannabis Permit."

This Safety Plan report is divided into the following sections:

- I. Project Description
- II. Assessment of Fire Code Requirements
 - Retail Operations
 - Distribution Operations
- III. Safety Plan
- IV. Conclusion

The references utilized in this evaluation include the following:

- 2019 California Building Code (CBC)
- 2019 California Fire Code (CFC)
- Relevant NFPA Standards, including NFPA 13, 70 and 72
- Architectural Plans prepared by the Temeka Group

I. PROJECT DESCRIPTION

Stiiizy National City has planned the following operations for the two separate buildings per their Business Plan:

Retail Store: 3239 Hoover Avenue

- *Stiiizy National City is applying for a cannabis business permit to include retail sales. Cannabis retail sales will take place at this location including the presentation and sale of lab-tested medicinal and adult use cannabis products for qualified patients and public customers. Delivery service is also planned for the proposed facility. Products for retail sale and sample packaging used as displays are held within glass cases and containers.*

Distribution Operations: 221 W. 33rd Street

- *Stiiizy National City is applying for a cannabis business permit to include cannabis distribution operations. Distribution operations will include the receiving of bulk cannabis products, storage of cannabis products in secured and quarantined areas, sending of cannabis samples for testing to licensed test facilities and shipping of bulk packaged products. An overview of the operations includes the following:*
 - *Inventory is offloaded from vans from inside the distribution vehicle loading/unloading area and inspected.*
 - *If no initial issues are observed, inventory is moved to the quarantine cage where it waits to be tested by a third party Testing Operation.*
 - *Once cleared, inventory is placed in storage (normal racks or in the refrigeration room) until it is loaded back on a van to be distributed to other distributors or retailers. The rack storage will be a maximum of 12' high.*
 - *Distribution cannabis waste is handled by the same company that will handle the Retail cannabis waste. A third party cannabis waste hauler comes and destroys the cannabis on video and hauls it away to a permitted location.*

The following operations will ***not be conducted*** within the retail premises as part of this application:

- There will be ***no growing*** of cannabis.
- There will be ***no extraction of oils or other derivatives*** from cannabis plants.
- There will be ***no cooking, baking or related*** actions of cannabis products.

Per the information provided by your firm, the record building details include the following:

Retail Store: 3239 Hoover Avenue

Total Building Area:	6,600 sf
Project Floor Area:	6,600 sf
Proposed Occupancy:	Retail (M & B Occupancies)
Stories:	One
Construction Type:	Type V-N
Fire Alarm:	None (Will be Installed)
Fire Sprinklers:	None
Year Constructed	1972

Distribution Operations: 221 W. 33rd Street

Total Building Area:	8,600 sf
Project Floor Area:	8,600 sf
Proposed Occupancy:	Distribution (S & B Occupancies)
Stories:	One
Construction Type:	Type V-N
Fire Alarm:	None (Will be Installed)
Fire Sprinklers:	None
Year Constructed	1972

Tenant improvements are to be constructed for the proposed retail and distribution uses. The interior areas within the buildings will be modified to comprise retail sales, delivery service, inventory storage and accessory offices/support spaces. The following pages include reduced site and floor plan layouts to illustrate the proposed improvements.

Stiiizy National City
3239 Hoover Ave. & 221 W. 33rd Street, National City, CA.

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The reduced site plan depicted in Figure 1 includes the following as shown:

- Fire Department Emergency Access
- Hydrant Locations
- New Fire Alarm Control Panels (FACP)
- New Knox Box Locations
- Occupant Areas of Refuge

Please see Figures 1A and 1B on the following pages for enlarged images of this site plan.

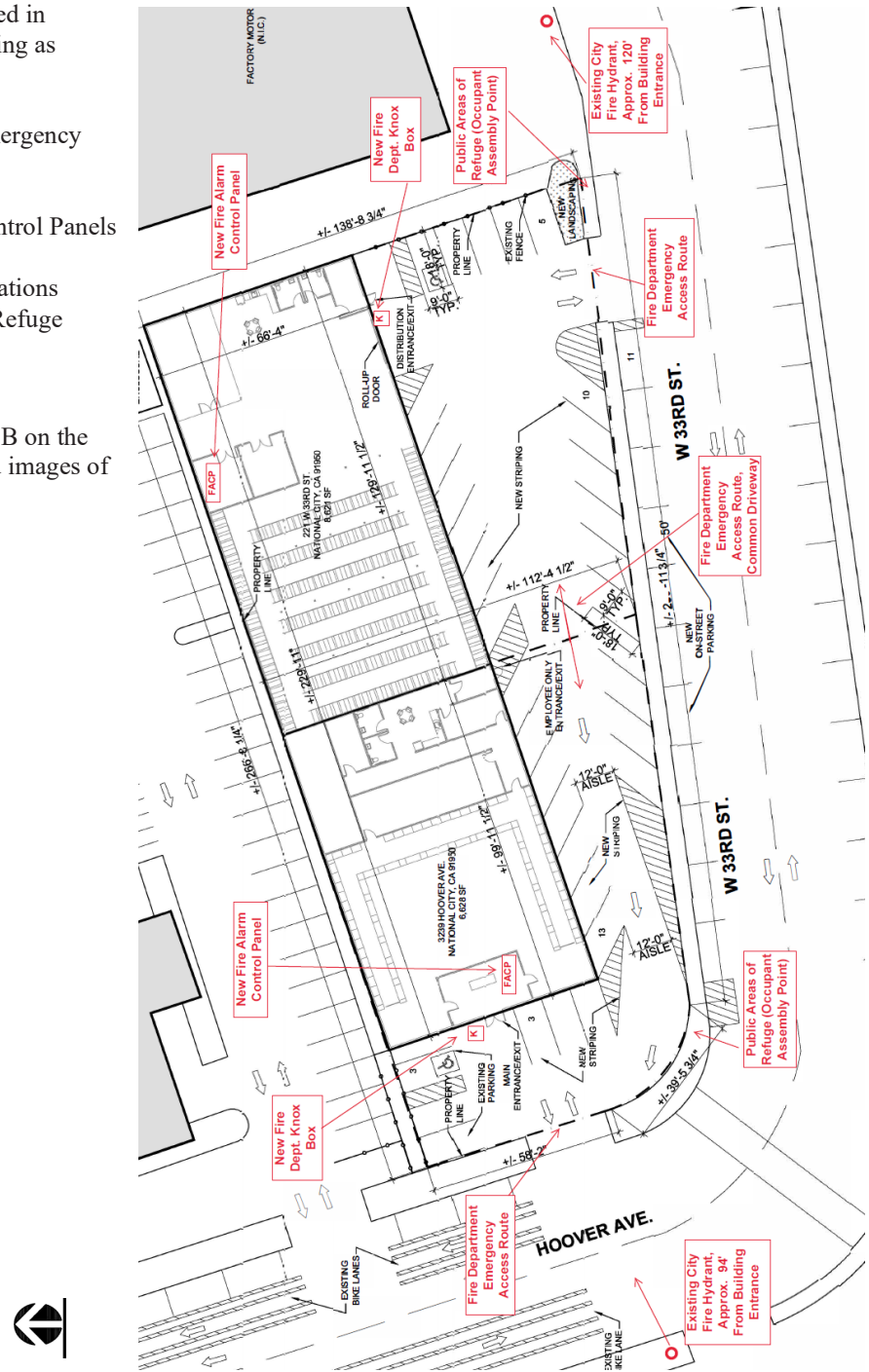


Figure 1: Overall Site Plan

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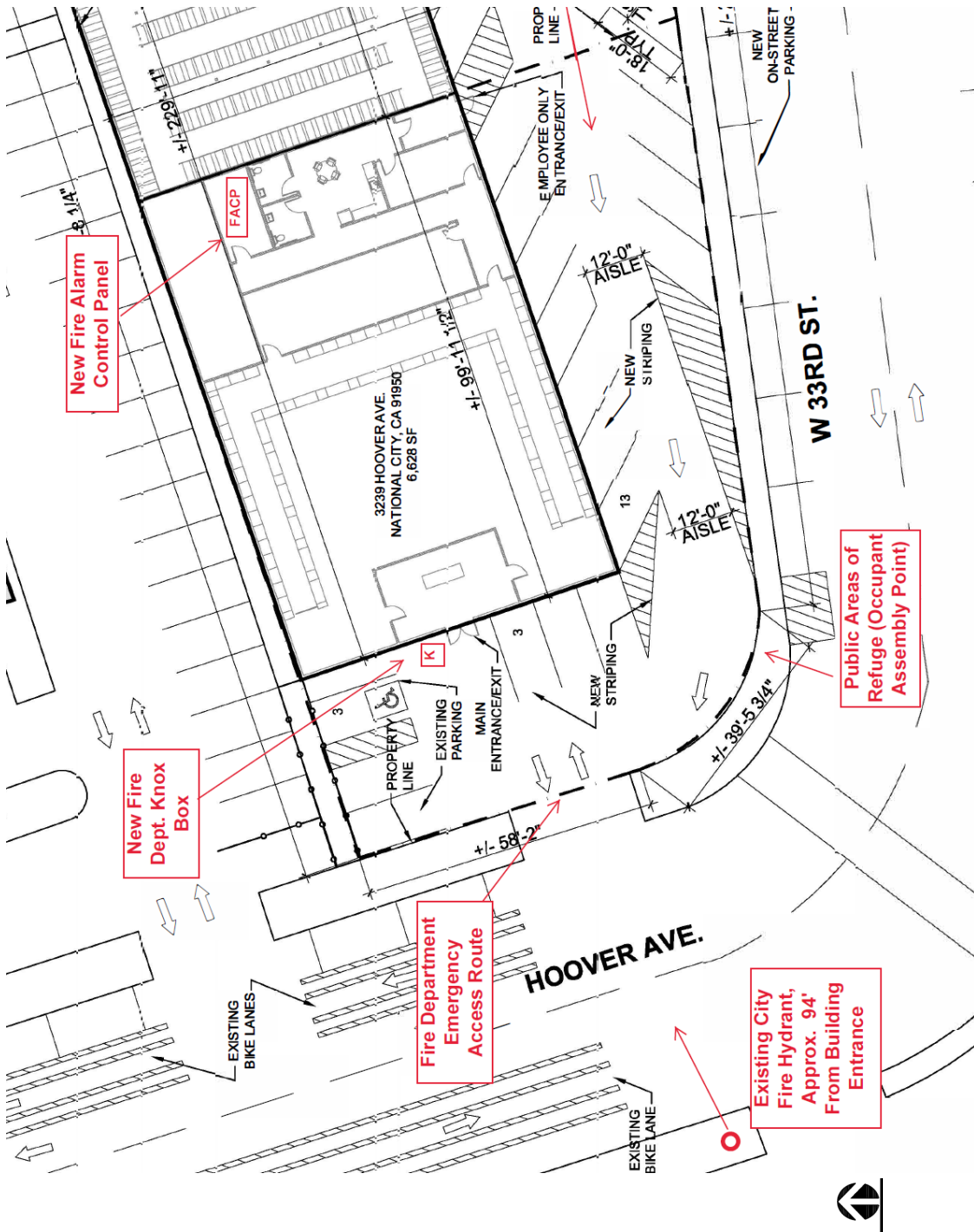


Figure 1A: Enlarged Site Plan, 3239 Hoover Ave.

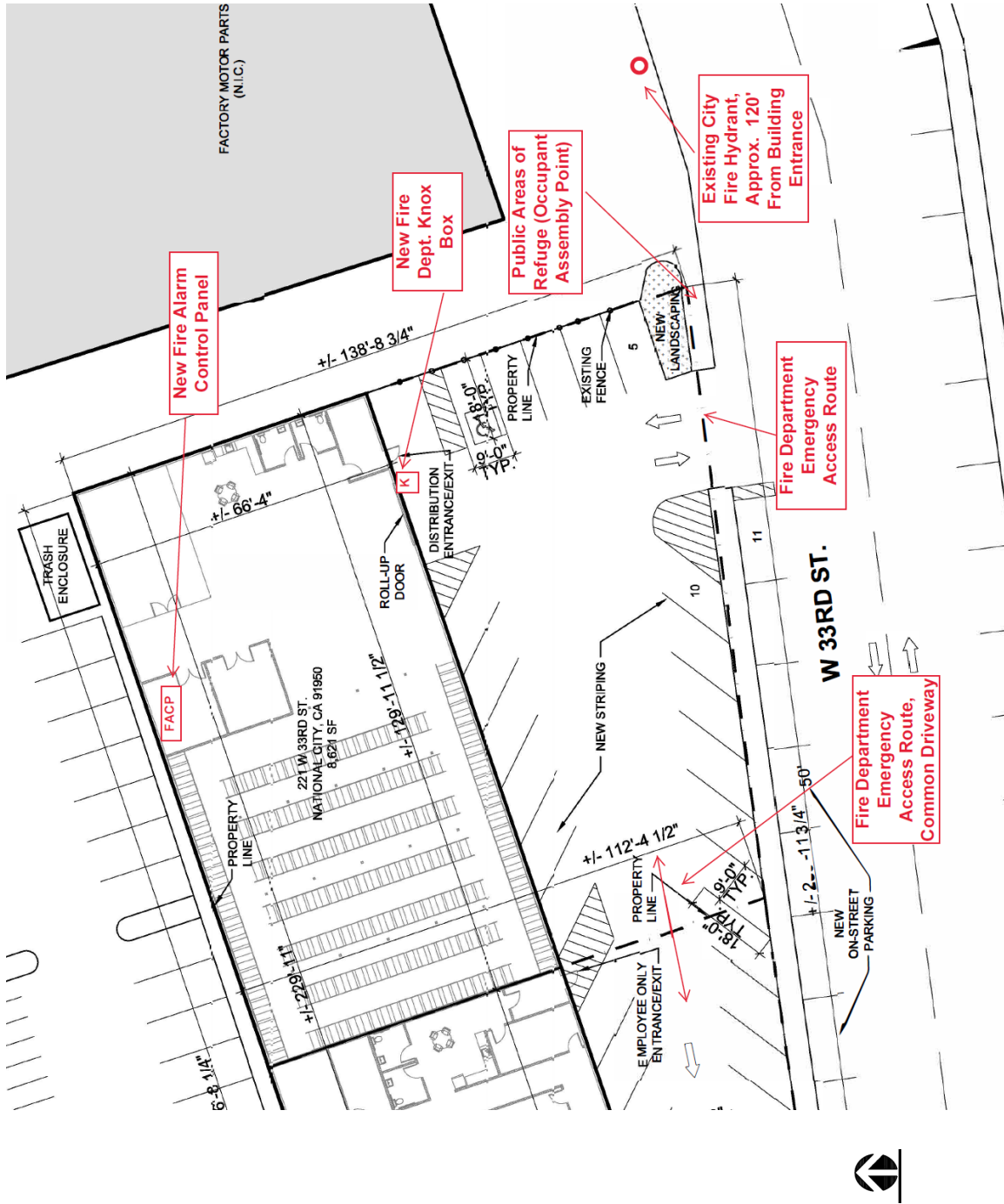


Figure 1B: Enlarged Site Plan, 221 W. 33rd Street

II. ASSESSMENT OF FIRE CODE REQUIREMENTS

Since there will be no growing, manufacturing, extraction or production operations at this facility as part of this retail/distribution license application, the CBC occupancy classification would be based on the sales/delivery and distribution of packaged cannabis products and the office spaces for the support of this effort.

Retail Store: 3239 Hoover Avenue

The Retail Sales Floor spaces would be considered as M occupancies as follows:

309.1 Mercantile Group M. Mercantile Group M occupancy includes, among others, the use of a building or structure or a portion thereof, for the display and sale of merchandise and involves stocks of goods, wares or merchandise incidental to such purposes and accessible to the public. Mercantile occupancies shall include, but not be limited to, the following:

- Department stores
- Markets
- Retail or wholesale stores
- Sales rooms

Aside from the retail sales showroom, the remaining areas include the following, which are all classified as B occupancies:

- Reception Lobby/Waiting Room
- Manager's Office
- Staging & Unloading Areas
- Employee Break Room and Restrooms

The Secured Inventory Room would be considered as an accessory use to the primary M & B occupancy due to its limited size as well as the small amounts of merchandise stored on shelving.

The proposed tenant improvement occupancies are consistent with typical mercantile and office/business uses in terms of occupancy classification (M and B Occupancies).

Distribution Operations: 221 W. 33rd Street

Since there will be no retail sales, cultivation, manufacturing, extraction or production operations at this facility as part of this distribution license application, the CBC occupancy classification would be based on the storage and bulk wholesale sales/delivery of packaged cannabis products and the office spaces for the support of this effort. The storage and secured bay area spaces would be considered as S-1 occupancies.

Aside from the secured storage, walk-in freezer and secured bay areas, the remaining areas include the following, which are all classified as B occupancies:

- Screen ("Mantrap") Lobby
- Manager's Office
- Employee Break Area and Restrooms

The limited access vault would be considered as accessory use to the primary S-1 & B occupancy due to their limited size.

The proposed tenant improvement occupancies are consistent with typical distribution, storage and office/business uses in terms of occupancy classification (S-1 and B Occupancies) and in our opinion do not increase fire safety hazards beyond the current tenant uses within the building.

Typical fire and life safety hazards present in both the retail sales and distribution operations similar to this proposed facility use would include the following:

- Electrical fires, including overloading of extension cords and power strips
- Blocked exits
- Smoking on site
- Malfunctioning or poor maintenance of forced air and water heater equipment
- Employee cooking fires
- Poor housekeeping, including the accumulation of combustible materials and trash
- Flammable materials not in proper storage containers
- Arson and vandalism

These hazards will be mitigated by the following:

- Maintenance of all required exiting, including signage.
- Safe retail process operations, including proper inventory control, management and storage.
- No smoking within the building.
- Installation and maintenance of fire extinguishers.
- Proper staff training, including emergency/medical response protocols.
- Maintenance of security systems.
- Maintenance of code complaint fire alarm system.
- Other than small amounts of typical cleaning products, there will be no hazardous materials located within the business premises. Typical cleaning products will be stored within the storage room off of the Break Areas.

III. SECTION C: SAFETY PLAN CRITERIA

The following list of fire protection assessment items is intended to address Items 1 through 4 as listed in Appendix A, Section C of the City's Cannabis Permit Application Procedure & Guidelines, and are numbered to match the Section C list:

1. The detailed Safety Plan shall be prepared by a California professional fire prevention and suppression consultant.

Mr. Jack Collings, F.P.E., is a principal of CFP Engineering, LLC, a fire protection engineering consulting firm located in Ventura, California. Mr. Collings holds a Bachelor of Science Degree in Mechanical Engineering from California State Polytechnic University and is a Professional Registered Engineer (FPE 1545) in Fire Protection in the State of California.

Mr. Collings has over thirty-five years of experience in the fire protection industry, including broad experience in the following areas:

- Fire Code Analysis, Interpretation & Consultation
- Code Adoption and Standards Consultation
- Fire & Life Safety System Review for Buildings & Facilities
- CFC Evaluation of Cultivation, Distribution and Extraction Facilities
- Hazardous Material, Flammable & Combustible Liquid Code Consultation
- Fire Suppression System Design
- Design/Build Fire Protection Engineering Peer Review
- Fire Service Water Supplies, System Design and Hydraulic Analysis
- Building and Fire Suppression System Surveys and Field Inspections
- Project and Construction Management

Mr. Collings has served as a fire protection consultant to architects, engineering firms, developers and governmental authorities on a wide range of projects. He has been involved in the analysis and development of fire protection for commercial and residential buildings, healthcare, biotech facilities, oil production facilities, aircraft hangars, missile test facilities, wineries & storage facilities. Mr. Collings has also designed automatic fire protection systems for a wide variety of occupancies, including industrial, residential, education, military, healthcare and high hazard facilities. Mr. Collings has provided plan submittal review services for a number of community fire and building departments, including consultation in support of the development of local codes and standards.

Mr. Collings is a member of the National Fire Protection Association and of the Society of Fire Protection Engineers.

CFP Engineering, LLC
Jack Collings, F.P.E., CA. 1545
(805) 290-8724

2. This Safety Plan shall describe all fire prevention and suppression measures, identify fire extinguisher locations, evacuation routes and alarms systems the facility will have in place.

a. Fire Prevention and Suppression Measures

Since there are no extraction, manufacturing, or processing operations to be conducted as part of this retail/delivery and distribution license, fire hazards, life safety hazards and inhalation issues/threats for this proposed retail/delivery sales, distribution and support areas are in line with typical retail/distribution operations. Cannabis inhalation hazards will not be a threat at this facility as all cannabis related goods will be pre-packaged, no consumption will take place on the premises, and a carbon filtration system with a negative pressure component will be installed.

Other than small amounts of typical cleaning products, there will be no hazardous materials located within the business premises. Typical cleaning products will be stored within a janitorial cabinet.

Stiiizy National City's Fire Prevention and Suppression Policies include implementation of the following:

- All new tenant improvement modifications will be designed and constructed to meet or exceed CBC, CFC and National City requirements with respect to building and occupant safety.
- Designating and training of supervisory staff to be on-site and in charge of fire safety management.
- Installation of new fire alarm systems per NFPA 72 and National City requirements.
- Performing routine inspection and annual maintenance of fire extinguishers.
- Maintenance of code compliant exiting.
- Initial and on-going employee emergency training.
- Maintenance of all required exiting, including signage.
- Training and maintenance of safe business operations, including proper inventory control, management and storage.
- Installation of Knox Boxes at each facility entrance.
- A total of (12) multi-purpose dry chemical fire extinguishers will be placed in each of the following rooms: Lobby Area, Employee Breakrooms, Loading/Unloading Areas, Secured Inventory Room, Sales/Showroom, Distribution Storage Areas and Manager Offices. (See Figures 2A and 2B for locations)
- Installation of a sprinkler system if required by the National City Fire Department.

Regular Inspections

Regular inspections of operations and equipment are essential for Stiiizy National City to operate at its maximum efficiency so that incidents are minimized and eliminated where possible.

OSHA-certified Management are required to inspect the premises on a quarterly basis to identify potential hazards using OSHA Self-Inspection Checklist. Should a deficiency be identified, the correct party will be identified to remedy the issue as soon as possible. Should the deficiency be extreme in nature, management has the authority to halt operations until remedied. Per OSHA recommendations, inspections must cover:

- Processing, Receiving, Shipping and Storage - equipment, job planning, layout, heights, floor loads, projection of materials, material handling and storage methods, training for material handling equipment.

- *Building and Grounds Conditions* - floors, walls, ceilings, exits, stairs, walkways, ramps, platforms, driveways, aisles.
- *Housekeeping Program* – waste disposal, tools, objects, materials, leakage and spillage, cleaning methods, schedules, work areas, remote areas, storage areas.
- *Electricity* - equipment, switches, breakers, fuses, switch-boxes, junctions, special fixtures, circuits, insulation, extensions, tools, motors, grounding, national electric code compliance.
- *Lighting* - type, intensity, controls, conditions, diffusion, location, glare and shadow control.
- *Heating and Ventilation* - type, effectiveness, temperature, humidity, controls, natural and artificial ventilation and exhausting.
- *Machinery* - points of operation, flywheels, gears, shafts, pulleys, key ways, belts, couplings, sprockets, chains, frames, controls, lighting for tools and equipment, brakes, exhausting, feeding, oiling, adjusting, maintenance, lockout/tagout, grounding, workspace, location, purchasing standards.
- *Personnel* - training, including hazard identification training; experience; methods of checking machines before use; type of clothing; PPE; use of guards; tool storage; work practices; methods for cleaning, oiling, or adjusting machinery.
- *Hand and Power Tools* - purchasing standards, inspection, storage, repair, types, maintenance, grounding, use and handling.
- *Fire Prevention* - extinguishers, alarms, sprinklers, smoking rules, exits, personnel assigned, separation of flammable materials and dangerous operations, explosion-proof fixtures in hazardous locations, waste disposal and training of personnel.
- *Maintenance* - provide regular and preventive maintenance on all equipment used at the worksite, recording all work performed on the machinery and by training personnel on the proper care and servicing of the equipment.
- *PPE* - type, size, maintenance, repair, age, storage, assignment of responsibility, purchasing methods, standards observed, training in care and use, rules of use, method of assignment.
- *Transportation* - motor vehicle safety, seat belts, vehicle maintenance, safe driver programs.
- *First Aid Program/Supplies* - medical care facilities locations, posted emergency phone numbers, accessible first aid kits.
- *Evacuation Plan* - establish and practice procedures for an emergency evacuation, e.g., fire, chemical/biological incidents, bomb threat; include escape procedures and routes, critical plant operations, employee accounting following an evacuation, rescue and medical duties and ways to report emergencies.

Fire Suppression and Safety Rules for All Employees

It is the policy of Stiiizy National City that everything possible will be done to protect employees from accidents, injuries and/or occupational disease while on the job. Safety is a cooperative undertaking requiring an ever-present safety consciousness on the part of every employee. If an employee is injured, positive action must be taken promptly to see that the employee receives adequate treatment. No one likes to see a fellow employee injured by an accident. Therefore, all operations must be planned to prevent fires and other accidents. To carry out this policy, the following rules will apply:

1. All employees shall follow the safe practices and rules contained in this manual and such other rules and practices communicated on the job. All employees shall report all unsafe conditions or practices to the proper authority, including the human resources manager/supervisor.
2. The human resources supervisor/manager shall be responsible for implementing these policies by insisting that employees observe and obey all rules and regulations necessary to maintain a safe workplace and safe work habits and practices.
3. Good housekeeping must be practiced at all times in the work area. Clean up all waste and eliminate any dangers in the work area. Be especially vigilant about cleaning up flammable materials.
4. Suitable clothing and footwear must be worn at all times, shoes with thin or torn soles are not permitted.
5. All employees will participate in safety meetings conducted by their supervisor on a regular basis to continuously provide a safe workplace for all. This is an essential part of Stiiizy National City's program for protecting our employees from fires, accidents and illness.
6. Anyone under the influence of intoxicating liquor or drugs, including prescription drugs which might impair motor skills and judgment, shall not be allowed on the job.
7. Horseplay, scuffling, and other acts which tend to have an adverse influence on safety or well-being of other employees are prohibited.
8. Work shall be well planned and supervised to avoid injuries in the handling of heavy materials and while using equipment.
9. No one shall be permitted to work while the employee's ability or alertness is so impaired by fatigue, illness, or other causes that it might expose the employee or others to injury.
10. There will be no consumption of alcohol or cannabis on the job.
11. All injuries should be reported to the Supervisor, or 911 so that arrangements can be made for medical or first aid treatment.
12. When lifting heavy objects, use the large muscles of the leg instead of the smaller muscles of the back.
13. Do not throw things, especially material and equipment. Dispose of all waste properly and carefully.

Fire Emergency Procedures

Stiiizy National City's Fire Emergency Procedure summary, which will be posted at the retail store and within the distribution warehouse, are set forth below. This form and local emergency contact phone numbers will be conspicuously displayed in the employee break room and at the reception desk in case of fire or medical emergency. Stiiizy National City's Fire Emergency Procedure requires an employee to immediately activate the fire alarm and then call the fire department from a safe area.

The procedure also requires each employee to memorize the evacuation routes as part of an employee's onboarding process. Employees are trained to leave any items in their lockers. If the evacuating employee comes into contact with another employee or a customer, the employee should direct such employee or customer to also evacuate immediately. If the evacuating employee comes into contact with a disabled or injured person or any other person having

difficulty evacuating, the employee is trained to assist such person evacuate so long as such assistance does not endanger the assisting employee or the assisted employee or customer.

If there is smoke, employees are trained to stay low and cover mouth with wet cloth if possible. Employees are also trained on how to operate a fire extinguisher using the P.A.S.S. method of 1) Pulling the pin, 2) Aim at the base of the fire, 3) Squeeze discharge handle and 4) Sweep from side to side. However, employees are trained to not attempt to put out the fire and just evacuate the premises in the case of larger fires.

Upon evacuating the premises, employees are trained to assemble in an area designated prior to the opening of the store. At this assembly point, the General Manager will conduct a roll call and determine if any employees are missing. The General Manager will communicate with the fire department on whether any employees are not accounted for and any other pertinent information which may assist the fire department.

During emergency situations, when an employee requires medical treatment for an occupational injury or illness, the local emergency ambulance shall be used to provide transportation for that employee unless other arrangements have been made. In all other cases a representative of Stiiizy National City will transport personnel to clinics and medical facilities.

FIRE EMERGENCY

When fire is discovered:

- Activate the nearest fire alarm (if installed)
- Notify the local Fire Department by calling _____.
- If the fire alarm is not available, notify the site personnel about the fire emergency by the following means (check applicable):

- | | |
|--|--|
| <input type="checkbox"/> Voice Communication | <input type="checkbox"/> Radio |
| <input type="checkbox"/> Phone Paging | <input type="checkbox"/> Other (specify) |

Fight the fire ONLY if:

- The Fire Department has been notified.
- The fire is small and is not spreading to other areas.
- Escaping the area is possible by backing up to the nearest exit.
- The fire extinguisher is in working condition and personnel are trained to use it.

Upon being notified about the fire emergency, occupants must:

- Leave the building using the designated escape routes.
- Assemble in the designated area (specify location):
- Remain outside until the competent authority (Designated Official or designee) announces that it is safe to reenter.

Designated Official, Emergency Coordinator or supervisors must (underline one):

- Disconnect utilities and equipment unless doing so jeopardizes his/her safety.
- Coordinate an orderly evacuation of personnel.
- Perform an accurate head count of personnel reported to the designated area.
- Determine a rescue method to locate missing personnel.
- Provide the Fire Department personnel with the necessary information about the facility.
- Perform assessment and coordinate weather forecast office emergency closing procedures

Area/Floor Monitors must:

- Ensure that all employees have evacuated the area/floor.
- Report any problems to the Emergency Coordinator at the assembly area.

Assistants to Physically Challenged should:

- Assist all physically challenged employees in emergency evacuation.

Date ___/___/___

Fire Sprinkler System

As stated, the existing buildings do not have fire alarm or fire suppression systems. This project does not include the expansion or the addition of any square footage to the building, and the proposed operations do not increase the fire hazard conditions for the building beyond the permitted zoned use for the area.

While fire sprinkler systems are always considered important parts of fire protection enhancement for any building, the current CBC, CFC and National City ordinances do not currently require the addition of fire suppression systems to these buildings based upon the proposed use as a medicinal cannabis storefront retailer, adult-use cannabis non-storefront retailer and a distribution operation.

Stiiizy National City, however, will meet with the National City Fire Department to discuss whether they would prefer that we install a fire sprinkler system as part of our tenant improvement plan and will install one if that is the Fire Department's preference.

Electrical Safety

Stiiizy National City minimizes workplace electrical hazards by specifying electrical equipment and designing electrical systems as required by the National Electrical Code.

No Open Flames

Stiiizy National City has a strict "no smoking" policy to mitigate the risk of any open flames.

Gas Monitoring Equipment

No gas monitoring devices/alarm systems are required. As there are no extraction or cultivation operations to be part of this retail/delivery sales operation, there will be no CO₂ or volatile gases that are typically associated with those aspects of the cannabis industry.

Due to the sales and product packaging of cannabis products, charcoal air filters will be installed (vented to the exterior of the building) in the subject rooms as part of the building's HVAC system to mitigate odors from the cannabis products. As there will not be any growing, manufacturing, trimming or processing present within this operation, we do not anticipate inhalation issues or indoor air quality issues caused by product processing. Regardless, HVAC systems are to be appropriately sized for the spaces and ensured that they are working effectively at all times.

Fire Department Knox Box

A Knox box will be located adjacent to the main entrances or at a location approved by the National City Fire Department.

b. Fire Extinguisher Locations

Fire extinguisher locations are indicated on the architect's plans and are included in Figures 2A and 2B below. The installation of 5 pound 2A 10B:C multi-purpose dry chemical fire extinguishers will be in each of the following rooms:

Retail Store

- Lobby Area
- Employee Breakroom
- Secured Inventory Room
- Sales/Showroom
- Manager's Office
- Corridor as required per the CBC

Distribution Operation

- Distribution/Storage Warehouse Areas
- Employee Breakroom
- Manager's Office

Stiiizy National City shall contract with a local licensed contractor (Fire Force, Inc.) to provide fire extinguishers, extinguisher inspection, services and training, and inspection and testing reports on water-based suppression systems to be accessible online for one year following the inspection and available to the Police Department and National City Fire Department upon request. Stiiizy National City shall ensure that a licensed contractor conducts annual fire extinguisher inspections in accordance NFPA 10. Every six years, the vendor shall disassemble all facility fire extinguishers and thoroughly inspected for damage.

The contractor shall assist the staff in providing comprehensive onsite training for all company employees to properly and safely use portable fire extinguishers. All security personnel will be trained, tested, and licensed to service and recharge portable fire extinguishers.

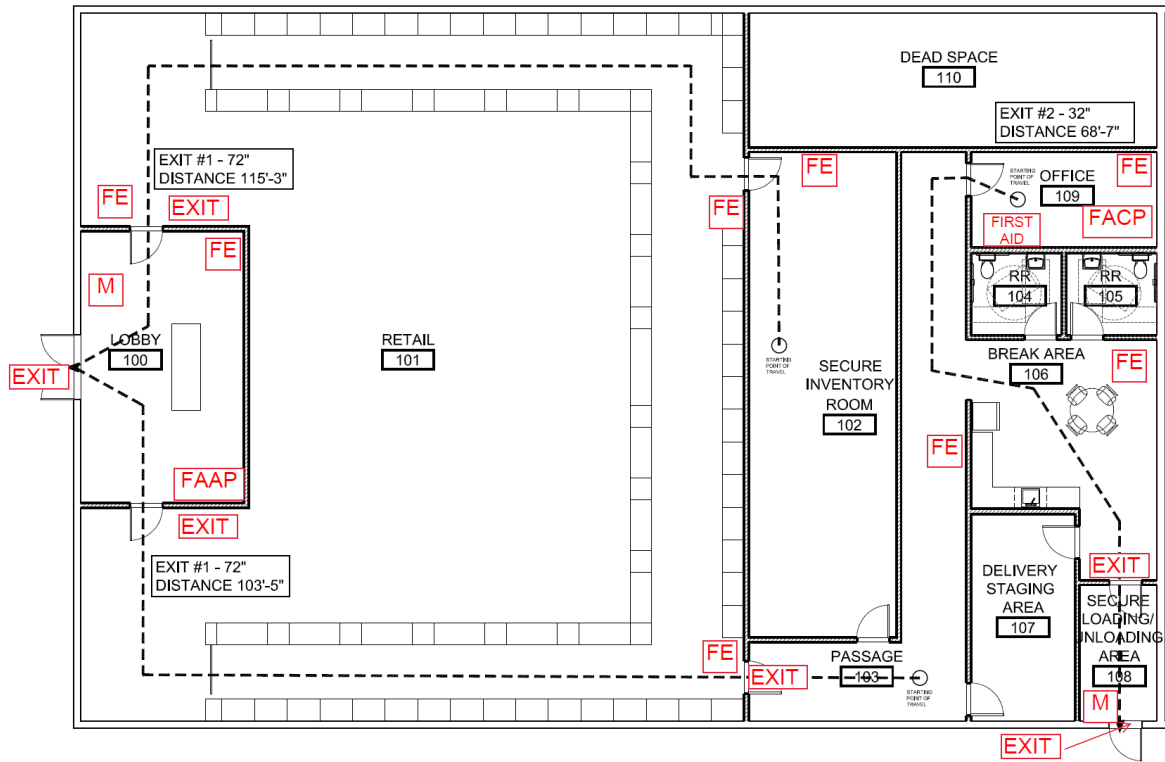


Figure 2A: Life Safety Floor Plan, 3239 Hoover Avenue

LEGEND	
FACP	FIRE ALARM CONTROL PANEL
FAAP	FIRE ALARM ANNUCIATOR PANEL
M	MANUAL PULL STATION
EXIT	ILLUMINATED EMERGENCY EXIT SIGN
FE	FIRE EXTINGUISHER
FIRST AID	FIRST AID KIT
.....	PATH OF EGRESS

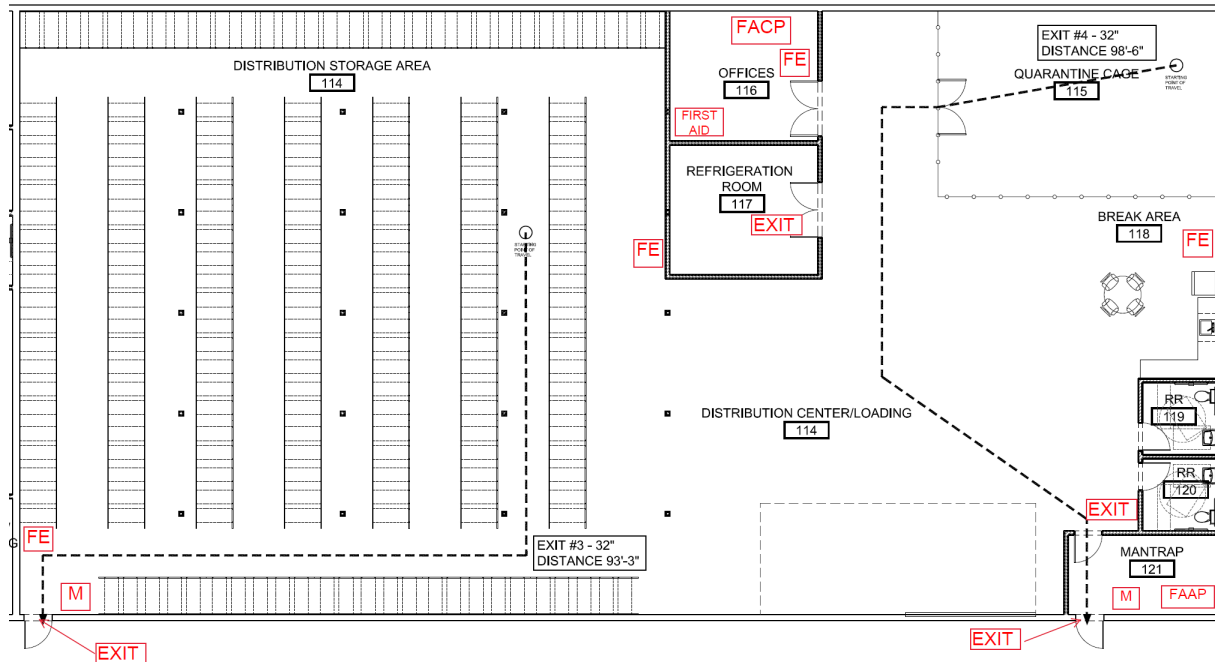


Figure 2B: Life Safety Floor Plan, 221 W. 33rd Street

LEGEND

FACP	FIRE ALARM CONTROL PANEL
FAAP	FIRE ALARM ANNUCIATOR PANEL
M	MANUAL PULL STATION
EXIT	ILLUMINATED EMERGENCY EXIT SIGN
FE	FIRE EXTINGUISHER
FIRST AID	FIRST AID KIT
.....	PATH OF EGRESS

c. Evacuation Routes

The proposed exiting arrangement, travel distances, and paths of egress, shown in Figures 3A and 3B below, are compliant with the CBC occupancy requirements for these currently non-fire sprinklered buildings. The proposed floor plans include primary evacuation routes shown in directly out to the public way. No other means of egress modifications are necessary to meet CBC requirements as the proposed floor plans and exiting systems are currently configured. Multiple refuge areas for customers and employees are present immediately beyond the exterior exits as indicated in Figure 1.

Access controlled interlocked doors may be installed for security purposes. This is permitted by the CBC, provided the provisions of CBC Chapter 10, section 1010.1.9.8 are met. We will require the installation of panic (fire exit) hardware at each of the exit doors to the exterior of the units. In addition, provide emergency exit hardware at all controlled access points to allow personnel exiting during an emergency condition. Hardware to be in compliance with Chapter 10 of the CBC. Means of egress

cannot be compromised by required security features. Illuminated exit signs are to be located above all required exits per Chapter 10 of the CBC.

Per CBC 1010.1.9, all egress doors will be readily openable from the egress side at all times, requiring only one operation to open the door, without the use of a key or special knowledge or effort, except in specific situations. In addition, controlled access will be arranged to meet the following provisions per the CBC to allow for free egress:

- a. The door hardware that is affixed to the door leaf has an obvious method of operation that is readily operated under all lighting conditions
- b. The door hardware is capable of being operated with one hand and does not require more than one operation for unlatching
- c. Operation of the door hardware directly interrupts the power to the electric lock and unlocks the door immediately
- d. Loss of power to the electric locking system automatically unlocks the door
- e. Operation of the panic hardware releases the lock
- f. The locking system units are listed in accordance with UL 294

The exit path from the occupied spaces in the rooms or through corridors will need to be a minimum unobstructed width of 36 inches where serving less than 50 occupants; the width increases to 44 inches if serving 50 or more occupants per CBC Table 1020.2. The aisles are required to meet these widths, and the aisle accessways (if not required to be accessible) are required to be at least 30 inches wide per CBC Section 1018.3 and 1018.4. As discussed above, the retail facility is separated into front-of-house areas and back-of-house areas. Each area has independent exiting and each serves less than 50 people such that one exit is required from the front-of-house area and from the back-of-house area. The exit path is allowed to pass through intervening rooms that are accessory to one another, provided that the required width is met, and a discernable path of egress travel is provided per CBC 1016.2.

The facilities will be provided with illuminated exit signs to facilitate egress. Emergency lighting will be provided for the means of egress in the facility to meet CBC Section 1008. The facilities will be provided with emergency access and emergency evacuation plans to meet state and local fire standards.

The facilities will not employ any security devices that emit any medium such as smoke or fog that could obscure the means of egress in the building as prohibited per CFC Section 316.5.

A complete CBC compliant occupancy evaluation and exiting plan will be required in order to confirm the final floor plan meets travel distance and exiting requirements. We recommend installing panic (fire exit) hardware at each of the exit doors to the exterior of the units. In addition, provide emergency exit hardware at all controlled access points to allow personnel exiting during an emergency condition. Hardware to be in compliance with Chapter 10 of the CBC. Means of egress cannot be compromised by required security features. Illuminated exit signs are to be located above all required exits per Chapter 10 of the CBC.

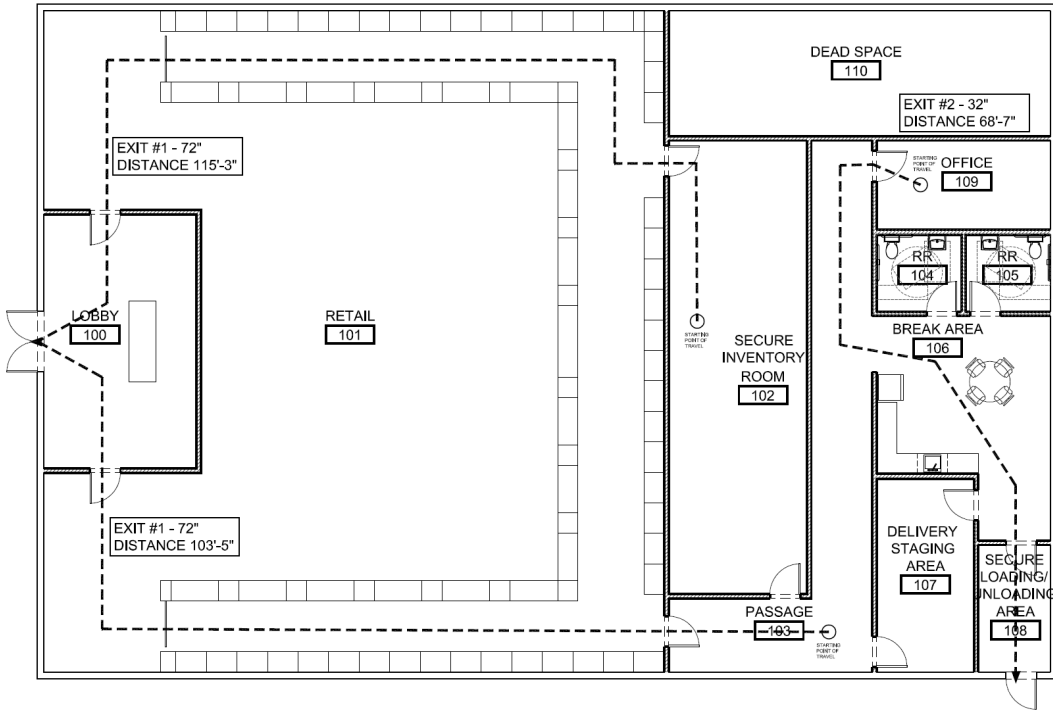


Figure 3A: Egress/ Evacuation Plan, 3239 Hoover Avenue

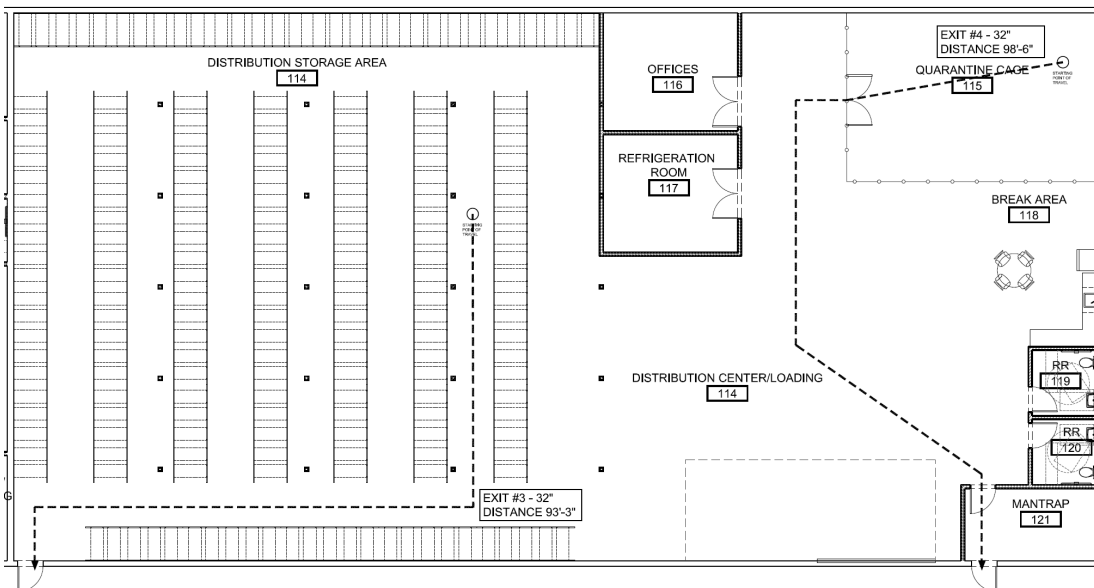


Figure 3B: Egress/ Evacuation Plan, 221 W. 33rd Street

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Following are the occupant load calculations by use for the two buildings

OCCUPANT CALCULATIONS BY USE (3239 HOOVER AVE.)			
MAIN OCCUPANCY USE: MERCANTILE	CABC OCCUPANCY LOAD REQUIREMENTS	SF	NO. OF OCCUPANTS
LOBBY (BUSINESS)	150 GROSS	404	3 OCCUPANTS
RETAIL FLOOR (MERCANTILE)	60 GROSS	3,698	62 OCCUPANTS
SECURED INVENTORY (STORAGE)	300 GROSS	630	3 OCCUPANTS
OFFICE (BUSINESS)	150 GROSS	163	2 OCCUPANTS
BREAK ROOM (BUSINESS)	150 GROSS	332	3 OCCUPANTS
DELIVERY STAGING AREA (STORAGE)	300 GROSS	199	1 OCCUPANT
SECURED LOADING/ UNLOADING AREA (BUSINESS)	150 GROSS	103	1 OCCUPANT
RESTROOMS - N/A	N/A	142	N/A
TOTAL OCCUPANTS = 75 OCCUPANTS			

OCCUPANT CALCULATIONS BY USE (221 W 33RD ST.)			
MAIN OCCUPANCY USE: STORAGE	CABC OCCUPANCY LOAD REQUIREMENTS	SF	NO. OF OCCUPANTS
DISTRIBUTION STORAGE AREA (STORAGE)	300 GROSS	4,654	16 OCCUPANTS
OFFICES (BUSINESS)	150 GROSS	244	2 OCCUPANTS
REFRIGERATION ROOM (STORAGE)	300 GROSS	237	1 OCCUPANT
QUARANTINE CAGE (STORAGE)	300 GROSS	634	3 OCCUPANTS
BREAK AREA (BUSINESS)	150 GROSS	465	4 OCCUPANTS
DISTRIBUTION CENTER/LOADING (STORAGE)	300 GROSS	2,081	14 OCCUPANTS
MANTRAP (BUSINESS)	150 GROSS	160	2 OCCUPANTS
RESTROOMS - N/A	N/A	146	N/A
TOTAL OCCUPANTS = 42 OCCUPANTS			

The maximum egress travel distances are indicated in Figures 3A and 3B above and are code compliant for the proposed occupancy, floor plan and use within this non-sprinklered building per the provided occupant load tables. The common path of travel does not exceed 75 feet and the Exit Access Travel Distance is less than 200 feet in accordance with CBC Chapter 10 requirements. Emergency access and emergency evacuation plan is in compliance with state and local fire safety standards.

d. Fire Alarm System

A new fire alarm system will be installed within each existing building and monitored by Bay Alarm or another local licensed fire alarm contractor. A full NFPA 72 compliant fire alarm system will be required throughout the buildings with corresponding sprinkler system monitoring, manual pull stations and occupant notification. In compliance with NFPA and CBC/CFC requirements, the system will be monitored through a UL listed central station facility and tested/maintained by a licensed contractor. The system will provide occupant evacuation notification in the event of a fire sprinkler activation or a manual pull station activation.

3. Describe the business' accident and incident reporting procedures

Per the Stiiizy National City's Employee Manual, an accident or incident is an unplanned occurrence that resulted or could have resulted in injury to people or damage to property, equipment or the environment. Even minor injuries such as cuts or sprains are considered accidents and "near misses" of even these "minor" accidents are also considered incidents.

Upon any accident or incident, an employee who experiences or witnesses an accident or who is initially told of the incident or accident by a customer must immediately report the accident or incident to one of the Managers. The Manager will immediately assess whether the police, paramedics, fire department or any other authority should be contacted. The Manager will also determine whether medical treatment is required for any employee, customer or independent contractor. If appropriate, the Manager will also secure the scene to ensure the source of the accident or incident does not cause another accident or incident before the source is remediated.

Once the proper authorities have been contacted, medical treatment applied and the area of the incident or accident secured, the employee who witnessed the accident or incident will assist a Manager in filling out the accident/incident report included in Figure 4 below. The form will have an "employee" portion and a "Manager" section so that a record of the incident/accident's first-hand account is created. The "Manager" section ensures that management follows up with this accident or incident to ensure that all proper authorities and employees within the company (e.g., HR, Legal) are notified and to ensure that measures are taken to reduce the likelihood that the incident/accident repeats itself. The Manager will also interview other employees who were present at the store during the time of the incident/accident to ensure that all pertinent facts are reported in the accident/incident report.

After the form is completed, copies of the form will be distributed internally to the Human Resources Department, Legal Department, District Manager and Head of Retail and Distribution Department. These various departments will review the incident/accident report to assess whether further action should be taken to reduce the likelihood of a repeat incident and whether city or state authorities need to be notified (if they haven't been notified yet). These departments will also assess whether a systemic issue such as insufficient training or a failure to keep the premises free of combustible materials was the cause or exacerbated the incident or accident. If that is the case, the best way to fix this systemic issue will be investigated by Legal and HR. An image of the Accident/Incident Report Form is included in Figure 4 below.

If Legal or HR determines that the accident is an OSHA recordable accident, the OSHA Form 300 will be filled out and submitted. Similarly, if the accident or incident results in an employee requiring medical attention or work time loss, OSHA, the union representatives and other proper authorities will be contacted.

Finally, the General Manager or a Co-Manager will replace any equipment which was damaged or used during the accident or incident (e.g., a fire extinguisher). If the incident or accident occurred or was exacerbated as a result of a systemic issue, the General Manager, Human Resources and Legal will determine the steps necessary to fix or alleviate the systemic issue.

In addition to the accident and incident reporting procedures, Stiiizy National City also maintains a First Aid Log reporting procedure. Any injury or illness that is reported to a first-aid facility or medical facility must be recorded on a First-Aid Log form. This includes non-occupational cases and injuries or illnesses treated that involve vendors, suppliers, Contractors/Subcontractors, client personnel, and any other third party. First-Aid Logs or any portion of a log are not for general distribution. Requests for such information shall be processed by the human resource manager/supervisor.

With respect to first aid and medical emergencies, First Aid Kits and Personal Protective Equipment (PPE) are kept in the Manager's Office, Employee Breakroom and in the trunk of all delivery vehicles. Employees will be trained in first aid procedures. If an employee sustains an injury on the job, the incident shall be reported on the Incident Log and will be reviewed by ownership and management within 24 hours.

The Shryne Group National City LLC (dba Stiiizy National City) has developed and implemented the following forms and instructions for the reporting of incidents throughout their facilities. These forms include the following and will be provided separately upon request:

- Report for Medical Incident
- Report of Safety Concern or Non-Medical Incident
- Report of Stolen Items
- General Incident Report Form

Images of these forms are included in Figure 4 below:

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The image shows a stack of four incident reporting forms. From top to bottom, they are:

- Incident Report Form**: The top-most form, partially obscured.
- Report of Stolen Items**: A form with sections for 'Victims' and 'Suspect (if known)', including fields for name, race, height, address, and phone number.
- Report of Safety Concern or Non-Medical Incident**: A form with a red header 'SUBMIT WITHIN 48 HOURS OF INCIDENT'. It includes fields for 'DATE AND TIME OF CONCERN/INCIDENT' and 'DATE AND TIME OF REPORT', and sections for reporting the incident and any safety concerns.
- Report of Medical Incident (CONFIDENTIAL)**: A form with a red header 'Report of Medical Incident CONFIDENTIAL'. It includes fields for 'Date of Incident' and 'Place of Incident', and sections for 'INJURED' (Team Member, Team Volunteer, Event Volunteer, Other), 'MEDICAL CARE', and 'DISPOSITION'. It also has a large box for 'DESCRIBE HOW INCIDENT HAPPENED'.

Figure 4: Accident & Incident Reporting Forms

Medical Emergency Training

The third-party security guards provided at each of the Shryne Group’s facilities are trained in CPR and First Aid Response. Employees are instructed to only assist the Security Guard when directed to do so.

Medical Emergency Response

Stiiizy National City 's Medical Emergency Response form, which is posted at all of its stores, is shown below. Employees are trained to immediately call 9-1-1 if an injury is sustained by any customer, employee or other occupant of the premises. Employees are trained to call 9-1-1 with the injured person nearby so that he or she can provide any information requested by the 9-1-1 dispatch. At a minimum, the employee should describe the nature of the incident, the age, name and gender of the patient, the location of the patient, whether or not the patient is conscious and breathing, and any known medical history of the patient. Employees are also trained to not move the patient unless the person is in imminent danger because of the location they are currently in. Upon arrival of the ambulance, the employee shall provide as much specific information about the patient and the incident and shall remain at the premises until notified that he or she is permitted to leave.

After the patient has been attended to by first responders, the employee who called 9-1-1 shall contact the General Manager and Human Resources to communicate the incident and shall fill out the Accident and Incident Reporting form.

Figure 5:
Medical Emergency
Response Form

MEDICAL EMERGENCY

- Call medical emergency phone number (check applicable):

- Paramedics
- Ambulance
- Fire Department
- Other

Provide the following information:

- a. Nature of medical emergency,
- b. Location of the emergency (address, building, room number),
and
- c. Your name and phone number from which you are calling.
- Do not move victim unless absolutely necessary.
- Call the following personnel trained in CPR and First Aid to provide the required assistance prior to the arrival of the professional medical help:

Name: _____ Phone: _____

Name: _____ Phone: _____

- If personnel trained in First Aid are not available, as a minimum, attempt to provide the following assistance:
 1. Stop the bleeding with firm pressure on the wounds (note: avoid contact with blood or other bodily fluids).
 2. Clear the air passages using the Heimlich Maneuver in case of choking.
- In case of rendering assistance to personnel exposed to hazardous materials, consult the Material Safety Data Sheet (MSDS) and wear the appropriate personal protective equipment. Attempt first aid ONLY if trained and qualified.

Date ___/___/___

4. Describe the waste management locations and procedures

a. Vendor In Charge of Disposal

Stiiizy National City with contract with MediWaste Disposal, LLC (“MediWaste”), a licensed third-party cannabis waste removal service, for disposal of cannabis waste.¹ Our contact at MediWaste is Stephen Stagnaro who can be reached by e-mail at Stephen@medi-waste.com or by phone at (855) 449-6334. Shryne Group has used MediWaste for cannabis waste disposal at our other retail locations and we are very familiar with their waste disposal procedures. MediWaste is one of the leading cannabis waste disposal companies in California and are dedicated to compliant waste disposal in an environmentally conscious manner. EDCO Disposal or any other third-party vendor designated by National City will be engaged for non-cannabis waste disposal.



b. Waste Disposal Locations

Stiiizy National City will maintain controls to prevent accumulation of combustible waste on the premises in accordance with CFC Section 304. All combustible waste material will be stored in approved containers or as acceptable to the Authority Having Jurisdiction until such waste can be removed from the premises. Trash containers with a capacity exceeding 40 gallons are required to be provided with lids and constructed of noncombustible materials, or of combustible materials with a peak heat release rate not exceeding 300 kW/m² where tested in accordance with ASTM E1354 at an incident heat flux of 50 kW/m² in the horizontal orientation. Dumpsters will need to comply with CFC Section 304.3.3.

Non-cannabis waste will be disposed of in the trash enclosure that is shared with the Harley-Davidson business to the north of our property.

Cannabis waste will be kept on-site in a locked containers until it is removed by **MediWaste**. Cannabis waste will be kept in the Secured Inventory Room in the retail space (3239 Hoover Ave.) and in the Quarantine Cage in the distribution space (33rd National Street).

c. Methods of Rendering Cannabis Waste Unusable and Unrecognizable

Cannabis goods intended for disposal will be destroyed, at a minimum, by removing the goods from any packaging or container and rendering them unrecognizable and unusable. Whenever practicable, Stiiizy National City will use a destruction method that is environmentally friendly and will result in compostable cannabis waste. For example, cannabis flower will be rendered unusable by grinding the flower and incorporating it with yard or food waste so that the resulting mixture is at least 50% non-cannabis waste by volume.

At the time of pickup, MediWaste will spray a proprietary solution on the cannabis waste to further render the cannabis unusable. The non-toxic proprietary solution is added to saturate the biomass material. This fluid changes the color, taste, and texture of the biomass while also altering its chemical composition. The active ingredients of the solution are both water- and solvent-soluble making any re-extraction impossible.

¹ <https://medi-waste.com/>

Stiiizy National City
3239 Hoover Ave. & 221 W. 33rd Street, National City, CA.

March 25, 2022
Page 26

d. Security Measures

Stiiizy National City’s General Manager (retail) and Supervisor (distribution) will be responsible for waste management and will record on digital video all instances when cannabis product is being destroyed. All cannabis waste will be disposed of in the secure waste receptacle located in the limited-access area of the inventory room and the quarantine cage. Only authorized employees can access the limited-access room with an electronic card. The General Manager and Supervisor will be the only employees with access to the waste receptacle. The waste receptacles will remain locked and under video surveillance at all times.

Before disposing of cannabis goods, the batch number and product information from which the cannabis goods came from will be noted in the retail or distribution Cannabis Disposal Log. A General Manager or Supervisor must review and initial the retail or distribution Cannabis Disposal Log prior to disposal. Cannabis goods batches or cannabis products that have failed internal quality control measures, failed a quality assurance review by a distributor, or failed regulatory compliance testing will be disposed of as cannabis waste and the reason for the disposal will be noted in the track and trace system.

All employees will be trained on identifying cannabis waste and reporting it to their General Manager or Supervisor. Cannabis goods will be considered cannabis waste if they: (i) have been abandoned on the premises; (ii) have been returned by a customer; (iii) have passed their expiration date; (iv) have been recalled; and (v) have been used for display purposes.

When cannabis waste is ready for disposal, the General Manager or Supervisor will contact MediWaste to schedule a pickup. All MediWaste employees arriving at our facilities will have their credentials checked and identify verified. The MediWaste employee will provide our General Manager or Supervisor a bill of lading evidencing the cannabis waste pickup which will be immediately uploaded into Stiiizy National City’s records. All cannabis waste records will be maintained for at least seven years.

IV. CONCLUSION

Thank you for the opportunity to provide this engineering evaluation. A final evaluation and fire protection life safety plan will be completed once the project is approved by the City of National City and final construction documents are prepared for our firm’s review and assessment.

Please contact our office with any questions.

Sincerely,



Jack Collings, F.P.E., CA. 1545



Section D: Security Plan

Produced by Safe and Sound Security in collaboration with Carroll Security Consulting LLC. Plan Version 2022.3 (National City)

Security Plan

Premises Uses:

Cannabis Storefront Retail &
Cannabis Distribution

Business Name:

Shryne National City LLC

Premises Address:

3239 Hoover Avenue (Retail) &
221 West 33rd Street (Distribution)
National City, CA 91950

Prepared:

March 24th, 2022

Prepared by:



Safe and Sound

California Alarm Company Operator # 6672

in collaboration with

Carroll Security Consulting LLC

(916) 997-7329

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Foreword

Shryne National City LLC (referenced hereafter as “Shryne” for brevity) acknowledges that there are considerable risks in operating a cannabis-related business. Those risks include risk of burglary, robbery, internal theft, theft by outside parties, product diversion by both employees and customers, risk of minors accessing product, and risk to the safety of employees, visitors and the general public.

Shryne is committed to ensuring a safe environment that mitigates as much risk as reasonably possible. Risk mitigation strategies include, but are not limited to, implementing those security requirements mandated by State and local regulations.

The following Security Plan has been developed in alignment with local and state laws. This Plan will be implemented by the Security Director of Shryne once appointed, as well as other key members of Shryne’s management team. The Plan will be maintained to ensure its relevancy and efficacy throughout the life of the business. The plan will be audited by a third-party security professional prior to implementation, at least annually thereafter, and after any significant security breach or incident to ensure that the plan remains effective and that areas needing improvement are addressed as they are discovered.

The plan will remain available for review by regulatory agencies (including the National City Police Department) and will be updated as any changes to the premises infrastructure, security systems, policies or practices are made. Shryne will work collaboratively with the National City Police Department and other regulatory agencies as necessary to ensure that the plan meets or exceeds those minimum requirements imposed by regulatory agencies and legislative changes.

The plan is intended to serve as a living document governing the business’ security during its design, and throughout its years of operation. The plan will be amended by the Security Director over time to address equipment or policy changes and will include specific details relating to installed security equipment, contracts, maintenance schedules, logs and evidence of compliance with the routine security auditing aspects called for in this plan. The plan will be maintained in a manner that ensures sufficient detail is available to future managers who may be required to assume responsibilities as the Security Director. The plan will be held in confidence, stored in a secure location and accessible only to managers and owners of the premises.

Security policies, procedures and practices that are relevant to non-managerial employees, vendors and visitors will be parsed from this plan and provided to such persons in a format appropriate for their training, testing and accountability with respect to the plan.

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SECTION D: SECURITY PLAN

1. *Professional Security Consultant*

The security plan that follows was developed by Matthew Carroll. Carroll holds an A.A. in the Administration of Justice (Shasta College, 1997), is a graduate of a California Peace Officer Standards and Training Academy (Sacramento County Sheriff's Training Center, 1998), holds a B.S. in Criminal Justice (Sacramento State University, 2000), is a tactical communication instructor through the Verbal Judo Institute (2000), and is a Crime Prevention Through Environmental Design practitioner (National Institute of Crime Prevention, 2009).

Carroll served in public law enforcement from 1997-2006 with the Sacramento County Sheriff's Department and the West Sacramento Police Department (Sacramento-Yolo Port District Port Police Department). While employed as a police officer, Carroll was tasked with bringing the Port of Sacramento into compliance with post 9/11 maritime security requirements. This involved extensive security planning, development and implementation of access control, training and maintenance protocols, management of quarterly drills and semi-annual exercises in collaboration with the Federal, State and local allied agencies. Carroll's Facility Threat Assessment and Facility Security Plans for the Port of Sacramento were deemed model plans and were used by the US Coast Guard as templates to assist other western seaboard ports in the development of their own plans.

Carroll served in the private patrol industry from 1995-2020, serving in an array of capacities from uniformed field service to ownership. In 2003, Carroll co-founded Paladin Private Security in Sacramento as the Qualified Manager of California Private Patrol Operator license number 15029. Paladin was the largest mobile patrol service to operate from a single location anywhere in the United States, deploying upwards of eighty patrol cars daily at its peak and employing over two hundred, predominantly armed, security officers. Paladin served the security needs of commercial, residential, educational, transportation, government and cannabis entities. Carroll sold Paladin's sold its book of business in 2019.

Carroll co-founded of the Sacramento Security Training Center, a state licensed security and firearms training center (TFF1511, TFB1320) and Emissary Secure Transport (cannabis-exclusive armored carrier licensed by the California Highway Patrol). Carroll is the Chief Security Officer for an entity holding multiple cannabis storefront licenses in California, maintains a strategic partnership with Safe and Sound Security (ACO #6672) as their principal planner, is a proprietary software developer specializing in web and mobile applications serving the private security training and guard provisioning industries, is a primary/secondary care and scuba instructor.

Since the legalization of adult use cannabis businesses in California, Carroll has been actively engaged by the commercial cannabis community for assistance in security planning to meet and exceed State and local regulations. To date, Carroll has developed over 640 commercial cannabis security plans in 12 states - predominantly in California. Carroll's work in this regard attracted support requests from the

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public sector as well. Since 2016, Carroll has remained under contract with the Dixon and Benicia Police Departments in California as their cannabis security consultant and compliance auditor.

As a police consultant, Carroll trains police and code enforcement personnel on cannabis regulations, assists in developing local regulations, reviews/scores cannabis business applications, interviews cannabis business applicants and conducts periodic site assessments visits on behalf of those police departments contracting his services.

1A. Floor Plan Development in Terms of Security

Distribution Premises

- Door redundant screening lobby to prevent unauthorized entry by way of door catching or piggy backing, while providing a visitor processing area prior to entering any limited access areas.
- Product, currency and security infrastructure positioned to remain impervious to vehicular intrusion with no exterior roll up doors, pedestrian doors or windows opening directly into these high security areas.
- Alarm components sufficient to detect entry at any door, to detect motion in any direction in any room and panic triggers strategically located at each entrance, the management office and the product storage room.
- Robust surveillance network ensuring coverage from multiple viewing angles in any area where cannabis theft/diversion could reasonably occur.

Storefront Retail Premises

- Customer parking, customer entry/exit and vendor entrance visible from adjacent public thoroughfares.
- Door redundant screening lobby incorporating separate inbound and outbound travel paths, ensuring orderly and accurate screening of customers prior to entering the retail area.
- Horseshoe designed sales counter provides heightened natural surveillance over the retail area from three directions.
- Product storage situated in a manner that shares no exterior walls (building within a building), eliminating availability of vehicular intrusion.
- Currency storage (Office) situated deep within the premises, increasing time and distance barriers to intruders, while eliminating viability of vehicular intrusion efforts.
- Door redundant vendor lobby provides for protection against unauthorized entry by way of door catching or piggy backing, while providing a visitor/vendor processing area prior to entering any limited access or corridors leading thereto.
- Provides for a separate delivery processing and staging area, reducing opportunities for internal theft/diversion by segregating retail and delivery staff members to their respective and accountable areas of the premises.

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Designated Security Representative

Shryne's management team member(s) designated as the security liaison(s), who will be reasonably available to meet with regulators regarding any security related concerns or any operational issues is/are:

Primary, First and Last Name: Michael Thompson
Title: F.S. / N.S.O. Manager
Mobile Phone: (925) 548-5988
Landline Phone: (213) 567-4201
E-Mail Address: michael.thompson@shrynegroup.com

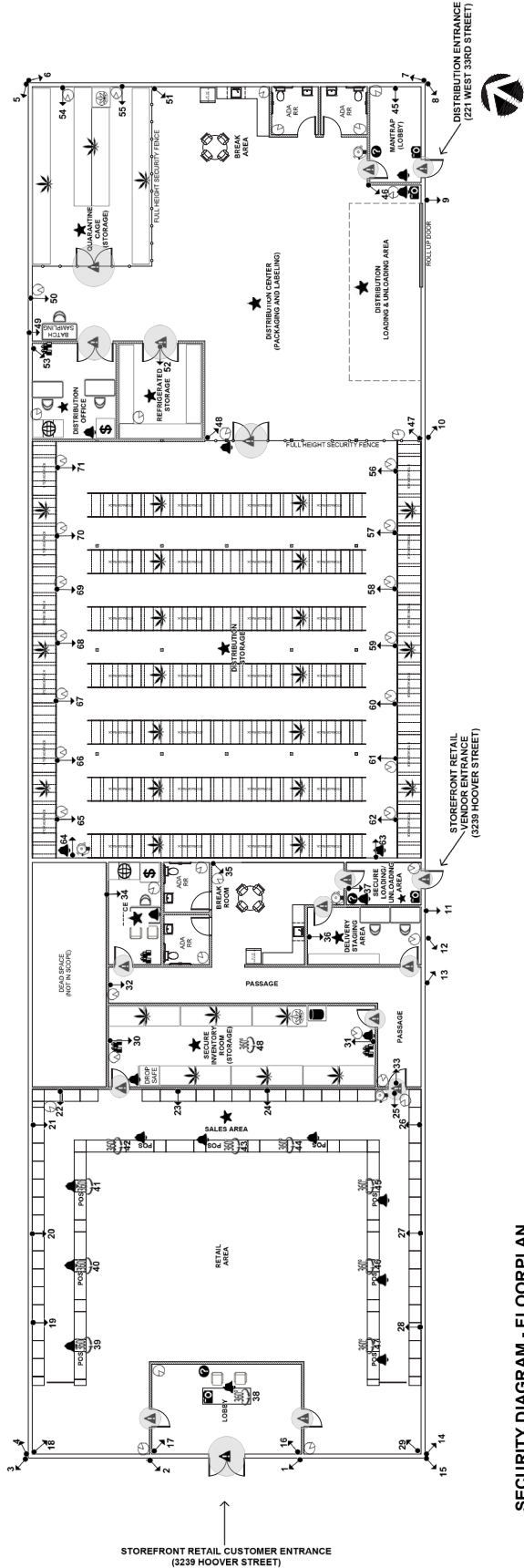
Alternate, First and Last Name: Bryan Espana
Title: Security Systems Manager
Mobile Phone: (213) 733-6978
Landline Phone: (213) 567-4201
E-Mail Address: bryan.espana@shrynegroup.com

Brief Description of Principal Activity

Diagram shows room names, limited access areas, alarm system, camera placement, video surveillance monitors, cannabis waste storage, currency storage, records storage, and product storage.

For the retail facility, customers enter through the Lobby and retail sales occur in the Retail Area. Cannabis goods inventory is stored in the Secure Inventory Room. Deliveries are prepared in the Delivery Staging Area and delivery vehicles are loaded in the Secure Loading/Unloading Area. Records are stored in the Office.

For the distribution facility, employees enter through the Mantrap and continue through to the Distribution Center. Ancillary packaging and labeling will occur in a dedicated area of the Distribution Center. Distribution vehicles are loaded and unloaded in the Distribution Loading & Unloading Area. Cannabis products are stored in the Distribution Storage, Refrigerated Storage, and Quarantine Cage. Video surveillance footage can be viewed in the Distribution Office. Records are stored in the Distribution Office.



SECURITY DIAGRAM - FLOORPLAN

SCALE: 1/8" = 1'-0"

SHRYNE NATIONAL CITY, LLC
 3239 HOOVER AVENUE &
 221 WEST 33RD STREET
 NATIONAL CITY, CA 91950

SECURITY DIAGRAM BY



ACCESS CONTROL LEGEND

- ★ Limited Access Area
- Electronic Access Controlled Door w/Logging

ALARM SYSTEM LEGEND

- ▲ Alarm, Contact Point
- ⌚ Alarm, Motion Detector
- ⚡ Alarm, SilentRobbery Trigger
- ⌚ Alarm, Panel (covered/boxed)
- 📢 Alarm, Siren

SURVEILLANCE LEGEND

- 📹 Fixed, Wide Angle Camera
- 📹 #1-5 Common/Shared Views
- 📹 #6-7 Storefront Retail Premises Views
- 📹 #16-21 Distribution Premises Views
- 📹 #22-28 Overhead Camera (Retail Premises) # 38-48
- 📺 Viewing Area (Flat Screen TV / All Cameras)
- 📺 DVR, Archives, Access Controller, Alarm Controller (locking server racks)
- 📺 Video Display (Adjacent Exterior Views)

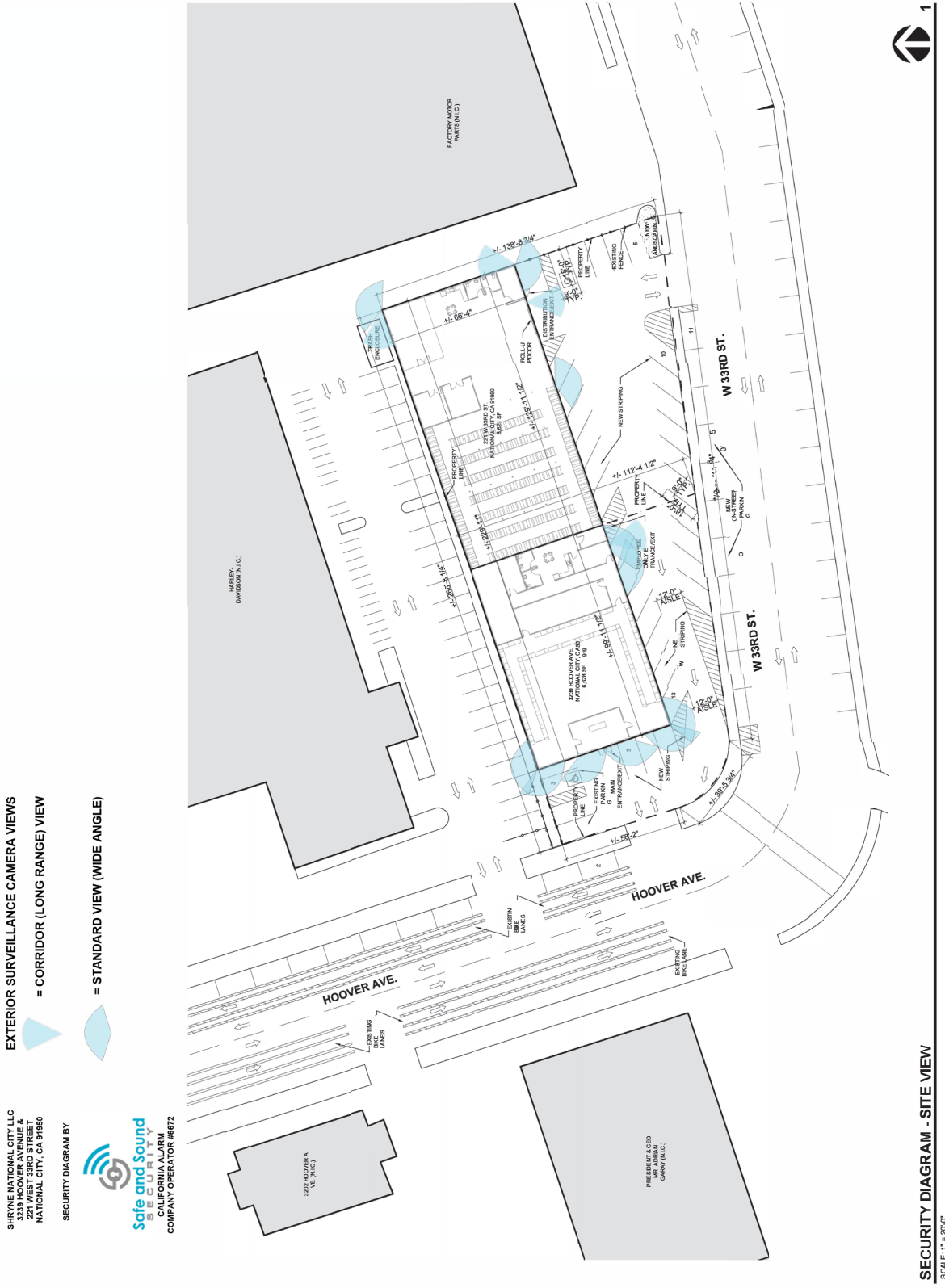
ADD'L FEATURE LEGEND

- 💰 Currency/Stacks (TL30 Rated Safe)
- 🔒 Secure Product Storage (Welded Wire Cages)
- 🔒 Secure Records Storage (Locking File Cabinets)
- 🗑️ Secure Cannabis Waste (Sealed Bin)

STOREFRONT RETAIL CUSTOMER ENTRANCE
 (3239 HOOVER STREET)

Brief Description of Principal Activity

Diagram shows facility address, building dimensions, property line, exterior surveillance cameras, and camera angle of view.



EXTERIOR SURVEILLANCE CAMERA VIEWS
 = CORRIDOR (LONG RANGE) VIEW
 = STANDARD VIEW (WIDE ANGLE)

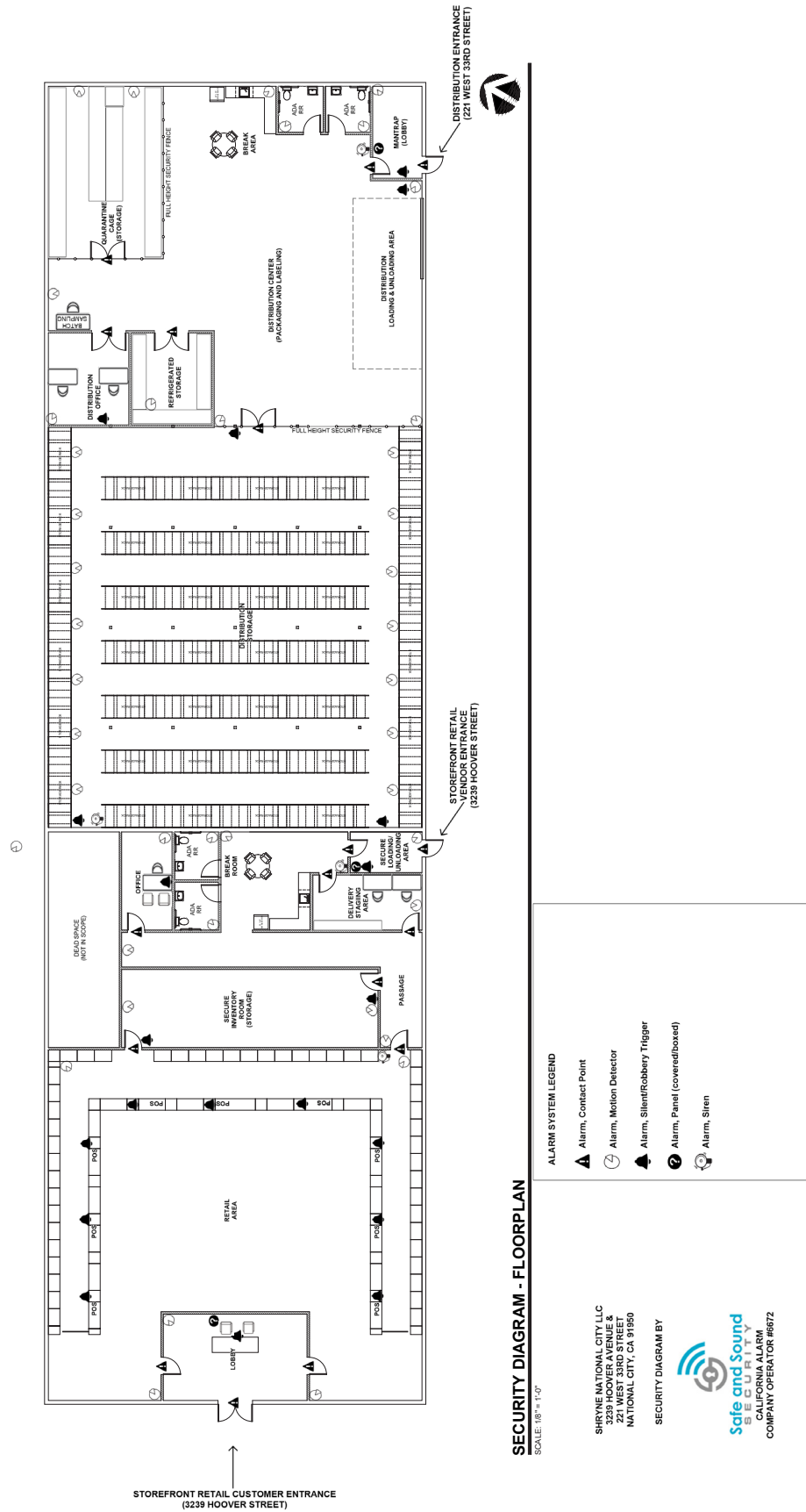
SHRYVE NATIONAL CITY LLC
 2338 HOOVER AVE
 NATIONAL CITY, CA 91960
 SECURITY DIAGRAM BY

 SAFE AND SOUND SECURITY
 COMPANY OPERATOR #6672

SECURITY DIAGRAM - SITE VIEW
 SCALE: 1" = 20'-0"

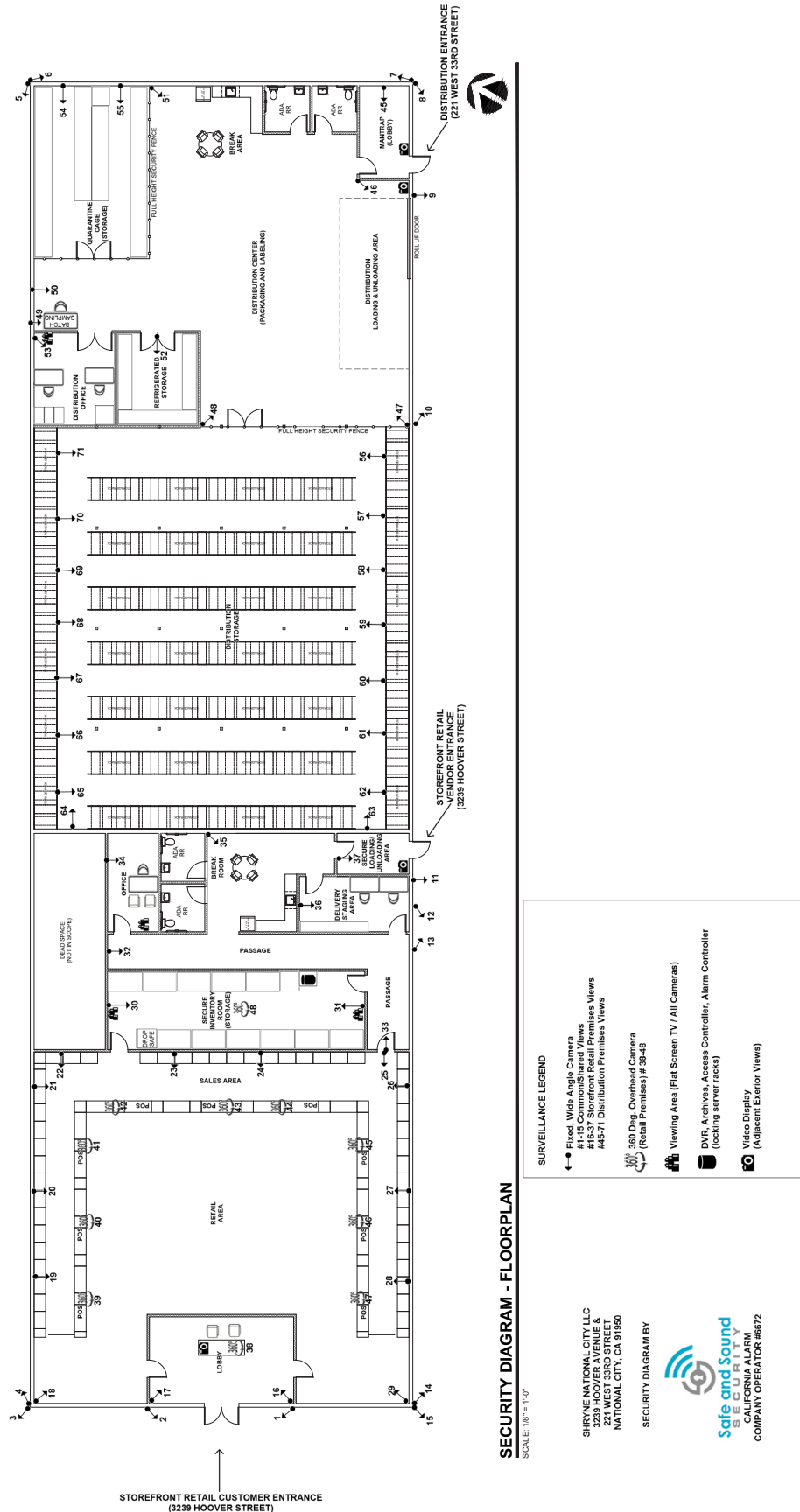
Brief Description of Principal Activity

Diagram shows the alarm system including contact points, motion detectors, silent alarms, sirens, and panels.



Brief Description of Principal Activity

Diagram shows camera placement, video surveillance viewing areas, adjacent exterior viewing panels, and video surveillance archives.



SURVEILLANCE LEGEND

- Fixed, Wide Angle Camera #145, Coverage Views #16-37 Storefront Retail Premises Views #45-71 Distribution Premises Views
- 360 Deg. Overhead Camera (Retail Premises) # 38-48
- Viewing Area (Flat Screen TV / All Cameras)
- DVR, Archives, Access Controller, Alarm Controller (locking server racks)
- Video Display (Adjacent Exterior Views)

SHRYNE NATIONAL CITY LLC
 221 WEST 33RD STREET
 NATIONAL CITY, CA 91950

SECURITY DIAGRAM BY

Safe and Sound
 CALIFORNIA ALARM
 COMPANY OPERATOR #6872

3. *Operational Security*

Access Control

Shryne acknowledges that it is responsible for the security of all cannabis items on the premises, including a responsibility towards ensuring adequate safeguards are in place against the theft or diversion of cannabis products and required records. The Security Director will designate internal managers and will employ state licensed and locally authorized private security contractors to accomplish these goals. Contracted security services and their agents will be duly licensed and insured per the requirements of the California Private Security Services Act and in compliance with local regulations relevant to private security services where applicable.

In accordance with NCMC§ 9.60.250(b) all entrances into the premises will remain locked at all times, with entry strictly controlled by a staff member or security officer. A "buzz-in" electronic/mechanical entry system will be utilized to limit access to and entry to the premises to separate it from the reception/lobby area.

In accordance with NCMC § 9.60.230 (m)(14) the premises entrances will be locked at all times and under the control of a designated responsible party that is either; (a) an employee of the business or (b) a licensed security professional.

The Security Director will ensure that all doors of the premise include commercial-grade door locks and that each interior and exterior door of the premises maintains an appropriate level of access control relevant to the area.

- All locks on the premises will comply with ANSI/BHMA standards for Grade 1 products or the equivalent;
- Locks that show evidence of wear or tampering will be replaced within 48 hours, or if an outside vendor needs to replace the locks, the vendor will be contacted within 24 hours of discovery;
- Replacement locks will be kept on the premises will be stored in a locked cabinet in the management office;
- Storage cabinets holding product or security components will be a minimum of 12-gauge steel and be secured to a permanent part of the building;

All exterior doors will:

- Remain closed and locked when not in immediate use by an authorized person;
- Be equipped with pry-resistant plates protecting the latch against forcible intrusion;
- Be equipped with an automatic closing and re-locking device to prevent inadvertent exposure upon vacating of an authorized user.
- If solid core, be equipped with a 180-degree viewing device to allow for additional screening of persons before allowing entry;

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- If used for routine ingress/egress, be equipped with a video monitor displaying adjacent exterior camera views for use by staff in pre-screening the outside environment prior to opening any door; and
- Be maintained in a closed and locked state when not in active use and will be monitored by an employee or security officer during all operating hours of the business.

All interior doors accessing a limited access area will:

- Remain closed and locked when not in immediate use by an authorized employee;
- Be equipped with pry-resistant plates protecting the latch against forcible intrusion;
- Be equipped with steel frames and solid core doors and commercial grade locks; and
- Be equipped with a door that contains an automatic closing and re-locking device to prevent inadvertent exposure upon vacating of an authorized use.

All doors accessing a room containing packaged cannabis goods and bulk currency storage will:

- Remain closed and locked when not in immediate use by an authorized employee;
- Be equipped with pry-resistant plates protecting the latch against forcible intrusion;
- Be equipped with steel frames and solid core doors and commercial grade locks;
- Be equipped with a door that contains an automatic closing and re-locking device to prevent inadvertent exposure upon vacating of an authorized use; and
- Be equipped with an additional lock for after-hours application (shall not be engaged during operating hours). This additional lock shall be a commercial grade, hidden-shackle padlock. During business hours, when this/these lock(s) are not in use, they shall be secured/locked to a secure latch affixed to an adjacent wall for safekeeping.

Rooms containing bulk cannabis storage, bulk currency storage and security system infrastructure (alarm controllers, video recording/storage servers, access control controllers, communication infrastructure, power supplies, etc.) will be reinforced against intrusion as follows:

- Walls/lid reinforced against intrusion by 10-gauge welded wire/mesh, concrete block or plywood fastened by security screws and no less than ½ in thickness;
- Ceiling will be independent of that of the structure;
- Solid core door and metal frames; and
- Room will not have penetrable perimeter features including windows, glass panes or unsecured ducting greater than 6 inches in diameter.

Product Examples:

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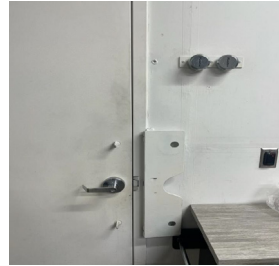
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Latch Protector Plate



Hidden Shackle Padlock



Business Hours Lock Securement



After Hours Engagement

Access into each premises from the outside will be limited to a single door visible from the adjacent public thoroughfares. A manager will be on duty during all operational hours of each premises and will be ultimately responsible for controlling access into the business for non-managerial employees, vendors and visitors. The lobby door will open into an unmanned reception area from which no further uncontrolled access is possible without a key or electronic access credentials.

Employee Identification

Employees will wear employer-issued identification card in a conspicuous manner at all times while on the premises. Identification cards will be controlled by a manager or an employee designated by a manager. Employee identification will be issued and collected daily to prevent loss or counterfeiting. Identification badges will:

- Be laminated or plastic coated;
- Include the “doing business as” name and license number of Shryne;
- Include the first and last name of the employee;
- Include a unique employee number assigned by Shryne; and
- Include a color photograph of the employee. The image will:
 - Clearly display the full front of the employee’s face;
 - Be at least 1 inch in width and 1.5 inches in height; and
 - Be a color photograph.

Key Controls

As used in this Security Plan, the term “key” shall pertain to hard keys, electronic access control cards, fobs or proximity sensors whether worn or carried. See premise diagram for designation of those areas requiring hard keys and electronic credentials. Any hard keys issued will be stamped numerically for tracking purposes and will be stamped “Do Not Duplicate”.

All keys issued to employees will be managed through a written or digital log and audited daily by the Security Director. Only managers designated by the Security Director will be permitted to take keys off-site.

Keys may not be loaned to third parties and will never be left unattended. Keys issued to employees will be retained in the possession of the employee to whom they were issued and may not be transferred directly from one employee to another without logging of the transaction by a manager or appointed responsible party.

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Employees must report lost keys to a supervisor immediately upon discovery of the loss. The Security Director will make a determination as to whether security has been compromised and whether re-keying will be necessary. It will be against Shryne's policy for any employee to duplicate keys, share passwords, or share electronic credentials.

Keys and credentials (employee identification) will be issued and collected daily to/from employees. A log of all issuance/return will be maintained by the Security Director. The record will include: Employee name and identifier; date issued; term of issuance if applicable; date to be returned; if applicable, and signature of the recipient and issuing manager. Unissued keys will be contained in metal safe mounted to the structure in a secure area limited to management or security/staff responsible for issuance and collection of keys/credentials.

When employment has been terminated, all keys and credentials will be returned and recorded by the Security Director. Failure to recover keys upon a termination of employment will require a core change at all locations where the unreturned key provides for access. Terminated employees or managers will be removed from any electronic access control system registries, alarm registries or surveillance software without delay and prior to the close of business on the date of the employee's or manager's termination.

Windows & Storefronts

Any exterior glass will be equipped with intrusion-resistant film and monitored by glass-break detector components of the alarm system. Glass storefronts, if installed, and roll-up doors of the Distribution premises will be protected against vehicular intrusion through the installation of bollards with a rating of no less than K4 or by comparably effective barriers subject to approval by the National City Police Department.

Roof Access

Shryne will eliminate all means of gaining unauthorized access to the roof. Any interior or exterior roof ladders will be secured with locked ladder covers. Any and all roof hatches, skylights or vents capable of providing for intrusion will be reinforced against intrusion (e.g. steel grating, unique fasteners, monitored alarm components).

Visitor Control

Visitors to the premises will be logged. All logs will be maintained by the Security Director for no less than 90 days. The visitor log will include Visitor name, date of birth, identification type and number (driver's license number), date of visit, duration of visit, purpose of visit, and name of person visiting. Visitors will be escorted at all times by a designated employee. All visitors will be required to conspicuously wear a visitor badge during the entirety of their visit. Visitor badges will be numerically assigned and printed on a colored medium. Visitor badges will be audited daily by the Security Director. In the event that a visitor badge is not recovered or is deemed missing, all visitor badges of that color will be destroyed and replaced with a new color. All employees will be notified of a change to the visitor badge color and will be directed

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to immediately report to the Security Director any person(s) found on the premises wearing a visitor badge of the wrong color.

Customer Access

Customers will be verified as qualified for premises access. Customers will be escorted at all times and never left unattended in any room of the premises (restroom excepted if and when access is permitted).

High security access points referenced herein and identified on the security diagrams at the end of this plan will be equipped with magnetic locking control systems capable of withstanding brute force intrusion and up to 3,000 pounds of pressure. All maglock devices incorporated into this access control plan will be connected to the fire alarm system and programmed to disengage upon activation of a fire alarm. The access control system will be supported by a battery backup system capable of maintaining the system for no less than 24-hours and to ensure that the system is not overcome by a power outage.

The customer entrance will be equipped with maglock devices for use during business hours. After hours, a commercial grade deadbolt installed on this door will be engaged to further security this access point. Two surveillance cameras will be positioned immediately adjacent to this door. A doorbell with intercom features will be provided for customers to use in requesting access (if the assigned security officer is otherwise engaged).

A policy prohibiting persons under the age of 21 (or 18 for qualified medicinal users), weapons, loitering, sunglasses, hats, hoods, or bags will be prominently posted at the customer entrance and will be enforced by the outside security officer. The outside security officer will not possess a door controller to open the retail lobby door, but will instead use a two-way radio to communicate to the receptionist in the lobby when the door may be opened. Where the exterior security officer is away from the entrance on patrol or otherwise engaged in the mitigation of an event upon or about the premises, the receptionist will pre-screen those seeking entry using a video monitor positioned at the reception desk.

Where a customer is compliant with postings, the lobby door will be opened by way of a switch controlled from the reception desk. Customers will check in with the receptionist. Customers will be required to provide valid government issued photo identification to the receptionist. The receptionist will copy the identification card data using a magnetic card reader (storing customer identity and validating the age of the customer). The receptionist will verify that the person possessing the identification is the person present. Where the customer is wearing a face covering, the customer will be directed to momentarily lower the face covering to provide for this verification process.

Upon validation of the customer's identity and eligibility, customers will be granted entry to the retail area by way of the entry door. This door will be electronically controlled by the receptionist.

The receptionist, equipped with live-video monitoring of the retail area, will control the number of persons being granted access to the dispensing area. A limit of four customers per retail room employee will be upheld in order to ensure the efficacy of video and natural surveillance over the retail operations. Where this ratio is exceeded, customers will be required to queue in the lobby and will be granted entry on a first come, first served basis.

Upon entry to the retail area, employees will monitor customers. Provision of products to customers will occur only at the transaction point and only upon completion of the financial transaction. Products will be provided in sealed bags placed within opaque plastic or paper bags free of graphics depicting cannabis.

Upon completion of a transaction, customers will proceed to the exit door. The exit door will be equipped as a one-way (egress only) door requiring depression of a crash-bar on the inside to disengage the maglock and grant egress. The retail exit will deliver customers back into the screening lobby where they may proceed out the entrance/exit door.

Inventory Control

Shryne will be able to account for all inventory and provide the status of all goods to regulators upon request. Accounting of all inventory will be conducted regularly, but at least every 30 days. If Shryne finds a discrepancy between the inventory of stock and the inventory log or track and trace system that is outside of normal weight loss caused by moisture loss, Shryne will commence a full audit of its inventory. Where a discrepancy remains, Shryne will initiate an internal investigation in an attempt at identifying the source of the discrepancy. Where the discrepancy is not resolved, notification to the Department of Cannabis Control and the National City Police Department will be made.

The California Cannabis Track-and-Trace (CCTT) system will be used statewide to record the inventory and movement of cannabis and cannabis products through the commercial cannabis supply chain. This system will be used by all state cannabis licensees, including those with licenses for cannabis cultivation, manufacturing, retail, distribution, testing labs, and microbusinesses. Shryne will employ CCTT-compliant software and related hardware in order to adhere to the transactional security requirements as described herein.

The current list of validated providers may be accessed at the link below:

https://docs.wixstatic.com/ugd/b7d3d1_67b79d41b04f4ef5849b062ac2182d0b.pdf

METRC Overview

California's use of Franwell's CCTT-MERTC software provides for the following regulatory features:

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Produced by Safe and Sound Security in collaboration with Carroll Security Consulting LLC. Plan Version 2022.3 (National City)

- Supports marijuana "regulations" with technology to prevent and monitor drug diversions
- Promotes public safety and patient product safety with traceability
- Addresses medical marijuana "diversion" from a "state mandated" position
- Creates a vertically integrated "closed-loop" medical marijuana regulatory scheme which stems, in part, from the landmark 2005 California case, Gonzales vs. Raich (If you can demonstrate a closed loop, in which no marijuana crosses state borders, it strengthens against federal intervention)
- By the use of RFID (Radio Frequency Identification) technology combined with serialized item tracking, the system creates an "end to end" surveillance system where the municipality has real-time visibility at any given time into the "inventory" at all the locations (does not rely on audits for tracking)
- Central control of security through RFID secure tag ID
- Captures perpetual inventory quantities for each entity
- Provides an inspection process with the tools necessary to complete onsite validation of inventory with audit capability and anti-piracy safeguards
- Supports the auditing process from a series of exception reports
- Provides the industry with the means to report required inventories with minimal cost and investment - can remain cost neutral to the regulatory body.
- The system maintains a secure reporting environment for each industry participant. Each participant can access their own data but no other participants' data. The regulator has access to all industry participants data
- The system provides for a real time digital transport manifest giving access to law enforcement enabling them to quickly discover illegal activity during transportation
- Tracks transfers between licensed premises
- Allows regulatory users to view all licensee activities captured in the system
- Creates audit trails and tools for assessing risk and channeling resources more efficiently (e.g. system notifications and reporting)
- Creates an industry database of analytical information to establish trends and benchmarks for marijuana production
- Allows criminal investigators to streamline field enforcement and compliance activities associated with licensees
- Provides aggregate data regarding cultivation, production, transportation and sales of marijuana within the regulated model
- Secure web hosted solution scaling to thousands of credentialed users

METRC Training

Training on use of the CCTT-METRC system is required by law for licensees. Upon submission of a State of California application for an annual license, the applicable licensing authority—either CalCannabis Cultivation Licensing, the Department of Cannabis Control, or the California Department of Cannabis Control—will send system-training registration information to Shryne. Once an annual license is approved and the license holder and/or designated account manager have completed the required CCTT-Metrc Account Manager New Business System Training, they

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will be able to access the CCTT-Metric system. Annual licensees will not be allowed access to the CCTT-Metric system until the required CCTT-Metric Account Manager New Business System Training has been completed by the licensee or the designated account manager(s).

Training on the CCTT-METRC system can be accomplished through Franwell (provider for the State of California's CCTT system) or through the verified CCTT vendor selected by Shryne. Shryne will require that any of its managers or employees who will be involved in the transfer of cannabis have successfully completed the relevant training on the selected software application and the transactional/transportation security protocols described in this plan.

Cash Handling Procedures

Strict controls will be applied to cash handling procedures. A manager will be responsible for proper accounting, transacting, and handling of currency. A drawer limit of \$5,00.00 will be enforced at each point of sale. Where the drawer limit exceeds this limit, staff will be required to make a drop – sealing monies in excess of \$200 in a signed, timestamped, sealed envelope and placing them in a drop safe for collection by a manager prior to shift reconciliation.

Currency stored on the premises will be stored in a burglary resistant safe that meets an Underwriters' Laboratory (UL) rating of TL30 or better:

UL TL30 Safe Rating Data

Signifies a combination-locked safe designed to offer a maximum door protection against attack by common mechanical and electrical hand tools and any combination of these means.

Construction Requirements

- U.L. listed Group 2M, 1, 1R combination lock or Type 1 electronic lock
- 750 lbs. minimum or comes with instructions for anchoring in a larger safe, concrete blocks or on the premises where used.
- Body walls of material equivalent to at least 1" open hearth steel with a minimum tensile strength of 50,000 P.S.I.
- Walls fastened in a manner equivalent to continuous ¼" penetration weld of open hearth steel with minimum tensile strength of 50,000 P.S.I.
- One hole ¼" or less, to accommodate electrical conductors arranged to have no direct view of the door or locking mechanism.

Performance Requirements

The door successfully resist entry for a net-working time of 30 minutes when attacked with common hand tools, picking tools, mechanical or portable electric tools, grinding points, carbide drills and pressure applying devices or mechanisms, abrasive cutting wheels and power saws.

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Construction Requirements

- U.L. listed Group 2M, 1, 1R combination lock or Type 1 electronic lock
- 750 lbs. minimum
- All 6 walls equivalent to at least 1" open hearth steel with a min tensile strength of 50,000 P.S.I.

As currency requires movement to an offsite storage facility, currency transportation will be managed by way of armed, uniformed escort, whether in the form of a private patrol operator licensed by the Department of Consumer Affairs or by an armored carrier licensed by the California Highway Patrol.

Staff will be trained on the following policies and procedures:

- Cash will be kept out of view of general staff and public;
- The counting of cash will be limited to designated, management office of the premises;
- All currency counting and storage areas will be under overt video surveillance;
- Management will ensure that all currency is placed in the safe as soon as possible.

Utility Controls

The premises transformer will be secured by padlocks maintained by the utility provider. Externally accessible house power will be contained in padlocked panels. Internally accessible breaker boxes will remain secured with padlocks at all times. Only the owner and managers will have access to keys relevant to power infrastructure.

Information/Records Security

Shryne acknowledges that it is responsible for the security of all cannabis items on the premises, including providing adequate safeguards against theft or diversion of cannabis items and records that are required to be kept. In accordance with California regulations, all records referenced below will be maintained in a legible fashion and protected from debris, moisture, contamination, hazardous waste, fire, and theft. All pertinent physical records and electronic media storing such records will be stored in fire resistant, locking filing cabinets or safes.

In accordance with California regulations, all records referenced below must be immediately producible to regulatory inspectors upon an inspection, whether that inspection was noticed in advance or not.

Shryne recognizes that cyber threats may exist that could impact the premises. Shryne will take precautions to ensure consumer privacy, protection of sensitive financial records, and to minimize the potential of unauthorized access or intrusion. Shryne's network infrastructure will be encrypted and password protected. Only authorized personnel who have been trained in secure records management procedures will have access to business data systems. Users of the system will have role-based authentication. Sharing of logins among employees and managers is strictly prohibited. Software will require security measures such as password lockouts, login timeouts, use of strong passwords, periodic required password changes,

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prohibitions of repeated use of a password, and the ability for administrators to disable user access.

All electronic records will be stored both onsite in short-term storage, and off-site, in long term backup storage and available for production and/or reproduction to regulators visiting the premises at any time. Onsite back-up records storage may include electronic media that is backed up on a daily basis on to a secure server. The secure server will be physically located in a secure room on the premises limited to management. Offsite secure data storage may be managed by a third-party data storage provider. Shryne acknowledges that while it may contract with a third party to provide custodial or management services of the records, doing so does not relieve Shryne of its responsibilities as outlined above.

All archived required records not stored electronically will be stored in a locked storage area limited to managers/owners of the premises with a legitimate business need for access. Current records may be kept in a locked cupboard or desk outside the locked storage area during hours when the business is operating.

Sensitive files will be password protected or stored in a password protected file storage system. No files will ever be stored in public internet spaces, including un-secured file storage sites or transmitted over an unsecure wireless or wired network. E-mailing sensitive data files to anyone outside Shryne's organization is strictly prohibited without the permission of management. Customer-specific transaction data and contact information, including e-mail addresses, will not be shared with any third party without permission of the customer.

Records relative to this section include those records mandated by the California Code of Regulations, Title 16, Division 42, Section 5037, incorporating those items that follow:

- Financial records including, but not limited to, bank statements, sales invoices, receipts, tax records, and all records required by the California Department of Tax and Fee Administration (formerly Board of Equalization) under title 18, California Code of Regulations, sections 1698 and 4901;
- Personnel records, including each employee's full name, social security or individual tax payer identification number, date employment begins, and date of termination of employment if applicable;
- Training records including, but not limited to, the content of the training provided and the names of the employees that received the training;
- Contracts with other licensees regarding commercial cannabis activity;
- Permits, licenses, and other local authorizations to conduct the licensee's commercial cannabis activity;
- Security records and reports;
- Records relating to the composting or destruction of cannabis goods;
- Documentation for data or information entered into the track and trace system;

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- All other documents prepared or executed by an owner or his employees or assignees in connection with the licensed commercial cannabis business;
- Records relating to branding, packaging and labeling;
- Inventory logs and records;
- Transportation bills of lading and shipping manifests for completed transports and for cannabis goods in transit;
- Vehicle and trailer ownership records;
- Quality-assurance records;
- Records relating to destruction of cannabis goods;
- Laboratory-testing records;
- Warehouse receipts; and
- Records relating to tax payments collected and paid under Sections 34011 and 34012 of the Revenue and Taxation Code.

Within its secure records, Shryne will also maintain a log of employees participating in the mandatory quarterly safety and security training. Such log will include the date/time of training, participants and topics covered per National City Police Department conditions of approval.

Shryne acknowledges that the Department of Cannabis Control and the National City Police Department may make any examination of the books and records of any licensee as it deems necessary to perform its duties under the Cannabis Control Act.

Shryne acknowledges that records will be kept in a manner that allows the records to be produced for the Department of Cannabis Control and the National City Police Department at the licensed premises in either hard copy or electronic form, whichever the requesting agency requests.

Internal Theft & Diversion Prevention

Strategies maintained toward the prevention of internal theft include:

- Pre-Employment Background Checks conducted by an accredited member organization of the National Association of Professional Background Screeners (www.napbs.com). Disqualifying history will include felony convictions, as specified in subdivision (c) of Section 667.5 of the Penal Code, and subdivision (c) of Section 1192.7 of the Penal Code, as well as criminal convictions that substantially relate to the qualifications, functions, or duties of the business or profession, including a felony conviction involving fraud, deceit, or embezzlement or a criminal conviction for the sale or provision of illegal controlled substances to a minor;
- Annual background checks of existing employees (same standards as above);
- Prohibiting personal visitors;
- Prohibiting personal tools and supplies;
- Employees will be required to sign a consent to search policy as condition of employment (including their person, possessions and vehicles while on the premises);
- Employee tracking will be performed (time clock, sign in/out or similar);

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- Employee internal movements will be monitored by video surveillance;
- Only owners and managers will have access to rooms designated for reinforced security (product storage, currency storage, security infrastructure); and
- Vendors performing work on site will be under employee escort at all times.

Whistleblower Protections

Whereas internal theft is responsible for a substantial amount of diverted cannabis in California, and whereas employees are often in the best position to observe suspicious activity of co-workers, and whereas studies indicate anonymity being key to encouraging employees to report suspected theft by co-workers, Shryne will employ whistleblower protections and supporting procedures toward preventing diversion of cannabis. Shryne will maintain an anonymous reporting system through which employees or vendors may report suspicious activity on the part of co-workers. Shryne will implement and maintain a policy guaranteeing employees anonymity in the event that they bring a concern to the attention of management.

Notification of Convictions

Shryne will ensure that the Department of Cannabis Control and the National City Police Department are notified in writing of a criminal conviction of any owner, either by mail or electronic mail, within 48 hours of the conviction. The written notification to the Department of Cannabis Control will include the date of conviction, the court docket number, the name of the court in which the licensee was convicted, and the specific offense(s) for which the licensee was convicted.

Shryne will ensure that the Department of Cannabis Control and the National City Police Department are notified in writing of a civil penalty or judgment rendered against the licensee or any owner in their individual capacity, either by mail or electronic mail, within 48 hours of delivery of the verdict or entry of judgment, whichever is sooner. The written notification will include the date of verdict or entry of judgment, the court docket number, the name of the court in which the matter was adjudicated, and a description of the civil penalty or judgment rendered against the licensee.

Shryne will ensure that the Department of Cannabis Control and the National City Police Department are notified in writing of the revocation of a local license, permit, or other authorization, either by mail or electronic mail within 48 hours of receiving notice of the revocation. The written notification will include the name of the local agency involved, a written explanation of the proceeding or enforcement action, and the specific violation(s) that led to revocation.

4. *Perimeter Security*

Access Control System

As indicated on the security diagrams herein, the premises will be equipped with an electronic access control system providing for remote access control of the customer entrance and retail

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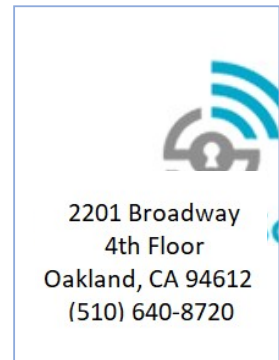
entrance doors, as well as all doors of significance throughout the premises. Credentials will be user-specific, granting access to staff members only to those areas in which they have a business need to enter and only during those days and hours that the employee is authorized to access those areas. All doors will be equipped with commercial grade locks as outlined in the “Access Control” heading of the “Operational Security” portion of this plan above.

Alarm System

Shryne will maintain in good standing an alarm permit as required by local ordinance and will comply with all conditions of such permit. The alarm permit will be conspicuously posted in the lobby of the premises in accordance with local ordinance.

The licensed premises will engage the services of Safe and Sound Security, California Alarm Company Operator #6672 to install, maintain, and monitor an alarm system.

The intrusion detection systems will be armed at all times when the business is closed or unmanned by a manager. Panic alarm triggers will remain armed at all times. The system will include sufficient components to detect unauthorized entrance at all entry points, any roof access vulnerabilities and all exterior windows of the premises.



The monitoring center will be instructed to notify a duly licensed private patrol operator in the event of an activation. Shryne will engage a licensed private patrol operator capable of providing a physical response in a timely manner, not to exceed 20 minutes. The private patrol operator will be instructed and equipped to notify the Security Director in the event of a breach in security (open door). The Security Director or its designee will be able to respond to assist in evaluating the activation within one hour.

Where evidence of criminal activity is discovered by the private patrol operator or the responding manager, those responding will retreat to a position of safety and observation, will alert the National City Police Department and will assist law enforcement with all necessary access into the premises as is needed to investigate.

The Security Director will be responsible for ensuring the alarm system and all components are in proper working order and that the system is tested in accordance with the monitoring company’s recommendations; but not less than monthly. Upon request, Shryne will make all information related to security alarm systems, monitoring and alarm activity available to regulatory agencies including the National City Police Department.

A manager will be the last employee leaving the premises at the end of business each day. There will be automated electronic notifications established to notify the Security Director and the contracted private patrol operator if the alarm is not armed after a programmed end-of-

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business time. As a fail-safe measure, the alarm system will be programmed to automatically arm at a programmed end-of-business time.

In the event that any element of the monitored alarm system becomes inoperable or faulty, the Security Director will ensure that the premises is staffed on a 24-hour basis by a designated manager or a licensed private patrol operator until such time as the alarm system is restored to full operability. Bypassing of faulty components/zones while the premises is unmanned is strictly prohibited.

Panic alarms (with trigger points as outlined on the security diagrams provided at the end of this plan) will be configured to directly communicate to the National City Police Department in accordance with local regulations.

The premises alarm system will be:

- Equipped with battery back-up providing for at least 24-hours of continued operation in the event of a power failure;
- Equipped with cellular back-up to ensure continued notifications in the event of a facility phone line disruption;
- Equipped with line monitoring features that perform frequent call backs between the on-site monitoring equipment and the UL listed central station to ensure no interruptions in system communication capabilities;
- Equipped with non-emergency notification technology that allows managers and the contracted private patrol operator to be notified of detected system failures (e.g. power loss, communication loss);
- Equipped with audit features that allows the Security Director to audit and export all system activity for no less than 90 days; and
- Tested regularly, at least weekly.

A manager capable of providing access to all rooms of the premises will be able to respond to the premises within one hour of notification by the private patrol operator or the National City Police Department. Shryne will provide to the National City Police Department a contact list including all active managers capable of providing such a response. As changes are made to this contact list, Shryne will update the National City Police Department with a revised contact list within 24 hours of making the changes.

Employees whose work requires issuance of alarm codes will be issued an individual user code. Sharing of alarm codes is strictly prohibited. An audit trail will be maintained for no less than 90 days and will provide detail of which user codes are used and when they are used. The Security Director will audit this log for suspicious activity on a monthly basis and will maintain a log of auditing activities. Any suspicious activity discovered during the audit process will be immediately investigated.

Alarm panels used for code entry will be cleaned regularly (at least weekly) by the Security Director in order to prevent regularly used alphanumeric keys on the panel from being apparent. As panels show wear on routinely used alphanumeric keys on the panel, the Security Director will ensure replacement of the panel through the contracted alarm company. Panels will be contained in enclosures to protect codes from onlookers and video recordings.

Surveillance System

In accordance with NCMC § 9.60.230 (m)(8) the premises will be equipped with 24-hour security surveillance cameras of at least HD-quality to monitor all entrances and exits to and from the premises, all interior spaces within the commercial cannabis business which are open and accessible to the public, all interior spaces where cannabis, cash or currency, is being stored for any period of time on a regular basis and all interior spaces where diversion of cannabis could reasonably occur. All cameras will record in color. All exterior cameras will be in weather-proof enclosures, will be located so as to minimize the possibility of vandalism, and will have the capability to automatically switch to infrared (black and white) in low light conditions.

The VASS will meet or exceed the following standards and will abide by the policies and practices described below:

The VASS will:

- Be operational at all times, both during and after business hours;
- Maintain sufficient cameras, angles of observation and lighting to allow facial identification of persons throughout interior and exterior areas where cannabis, currency or security infrastructure is present;
- Be equipped with sufficient battery backup or automatically starting generator to support a minimum of 2-hours of recording time in the event of a power outage;
- Transmission-controlled protocol (TCP) enabled and capable of access over the internet;
- Be capable of recording all areas designated on the premise diagram included herein and in any lighting conditions (day/night cameras);
- Be stored in a locked, secure area that is accessible only to the management/ownership team, Security Director, or other authorized personnel designated by the Security Director;
- Be equipped with a failure notification system that provides electronic notice to the Security Director and contracted private patrol operator in the event of any prolonged surveillance interruption or failure lasting longer than fifteen minutes;
- Record at no less than 15 frames per second;
- Archive footage for no less than 90 days;
- Be capable of producing DVDs or other removable media of recordings made by the surveillance system, including still photograph images in a standard format (e.g. MPEG, JPG) that will not require proprietary software to open/transfer/view;
- Incorporate cameras producing images of no less than two (2) megapixels;

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- The precise rating of the cameras may vary throughout the premises based on the intended frame of view and need to produce “certain identification” of persons in view.
 - Entry points to the premises, entry points to limited access areas and those areas where packaged cannabis, currency and security infrastructure is present will be equipped with cameras that provide a target-area resolution no less than 80 pixels per foot; and
 - Exterior cameras focused on vehicle driveways will produce a target-area resolution of no less than 100 pixels per foot.

Each camera will be permanently mounted and in a fixed location. Each camera will be placed in a location that allows the camera to clearly record activity occurring within 20-feet of all points of entry and exit to and from the premises. The surveillance cameras will provide for the clear and certain identification of any person and activities in all areas recorded, which will include at minimum the following:

- Areas where cannabis is stored, loaded/unloaded or moved within the premises;
- Limited access areas (rooms containing cannabis, currency, security infrastructure and records);
- Interior and exterior vantage points relative to all premises access points; and
- All sides of the building, vehicle driveways and adjacent public thoroughfares.

Surveillance displays providing visibility of the employee parking areas and property perimeters will be provided at the loading area door and the employee exits, providing employees the ability to monitor the outside environment prior to departing the premises.

All surveillance recordings or still frames produced by the surveillance system will be accurately date and time stamped in accordance with measurements from the United States National Institute Standards and Technology standards. The Security Director will be responsible for updating or verifying accuracy of date and time stamping on a monthly basis, and as daylight savings time begins and ends.

In the event that any element of the surveillance system becomes inoperable, the Security Director will ensure that the premises is staffed by a designated manager or by a licensed private patrol operator until such time as the surveillance system is restored to full functionality.

Surveillance recordings will be subject to inspection by regulatory agencies and will be kept in a manner that allows regulators to view and obtain copies of the recordings at the licensed premises immediately upon request. Upon request from regulatory agencies, Shryne will send or provide copies of specified recordings to regulatory agencies within the time specified by the regulatory agency. The Security Director or a manager with access to video storage will be

able to respond to the premises within one hour of summoning by the contracted private patrol operator or law enforcement.

The premises will maintain a surveillance viewing area in an office that may be accessed only by the management or their assignees as needed. Assignees may include state or local law enforcement agencies, licensed private patrol operators, governing bodies' employees, and authorized service personnel or contractors. The entrance to this office will be locked whenever the office is not in use, and accessible by key or electronic credentials.

The Security Director will maintain a current list of all authorized employees and service personnel who have access to the surveillance system and surveillance room on the premises. The Security Director will keep a surveillance equipment maintenance activity log on the premises to record all service activity including the identity of any individual performing the service, the service date and time and the reason for service to the surveillance system.

Shryne will provide to its contracted private patrol operator and the National City Police Department IP access to those surveillance cameras that monitor the exterior of the premises and the adjacent public right of ways or common areas of the common interest development, whichever applies.

On-Site Security Guards

Shryne will maintain at all times a contract with a state-licensed private patrol operator and any local regulations of relevance. In accordance with the standards and practices of the Private Security Services Act, any persons employed in a uniformed security capacity will have undergone a California DOJ and FBI background investigation prior to licensure and will be subject to recurring backgrounds during each bi-annual renewal of guard registration and firearm permits (where applicable). Services contracted will include, at minimum:

- A minimum of three uniformed security officers during business hours;
- A minimum of one uniformed security officer after business hours;
- Sufficient uniformed security personnel, whether assigned in a static or response capacity, to provide for requisite breaks and meal periods for assigned security officers in order to ensure consistent coverage;
- Intrusion alarm response with a guaranteed response time of 20 minutes or better;
- On-call uniformed guard services as a contingency to failing surveillance or alarm infrastructure or temporary needs to swell physical security resources in response to enhanced risks (e.g. civil unrest, natural disasters, current regional crime trends targeting cannabis businesses).

Shryne will ensure that its security contractor acknowledges and complies with the requirement that any of its employees responding to the licensed premises must be at least 21 years of age.

During business hours (9am-9pm), the premises will staff three (3) uniformed security officers. Each of these will be scheduled to arrive in advance of the opening manager and will remain on premises until the closing manager has safely departed the premises following the business day. These security officers will be assigned as follows:

- **Unarmed Exterior Officer:** This officer will stage outside the retail entrance between rounds pre-screening those seeking entry to the retail premises. This officer will perform active patrols upon and about the parking lot of the premises, extending outward to a 50-foot radius around the parcel with a focus on deterring and mitigating loitering, cannabis consumption and other anti-social activities occurring upon and about the premises.
- **Unarmed Retail Officer:** This officer will post in the retail premises, spending most of his/her time in the lobby while making periodic patrols of the retail area and back-office corridors/break areas. This officer will be tasked with ensuring that doors to limited access areas remain secure and will assist in controlling the flow of customers in/out of the retail area – ensuring customers use the designated entry/exit points as intended and that all persons undergo proper screening/logging prior to entry.
- **Armed Distribution Officer / Supervisor:** This officer will be a supervisory grade employee tasked with actively patrolling and monitoring the distribution premises while supporting the storefront retail security operations by providing escort of distributors, armored carriers, retail delivery drivers and visitors. This officer will provide coverage for breaks and meal periods of the security officers assigned to storefront retail operations, ensuring no gaps in security coverage relative to the above positions.

After business hours, one (1) unarmed uniformed security officer will be assigned to the premises. This security officer will be posted indoors, stationed in the break area of the Storefront Retail premises. This security officer will be assigned a mobile device on which to perform live-monitoring of the premises video surveillance network and will be equipped with a talk-through feature allowing the officer to verbally communicate over loud-speaker with any persons encroaching or trespassing upon or about the premises after hours. Where felonious criminal activity is detected, this security officer will summon National City Police. Where suspicious circumstances are afoot, this security officer will summon mobile patrol resources of the private patrol operator to mitigate outdoor activity. **This security officer will not be permitted to open any exterior door of the premises during his/her shift.**

Lighting

Exterior lighting will be white light using LED lamps with full cutoff fixtures to limit glare and light trespass. Color temperature will be between 2700K and 4100K with a color rendering index of 80 or higher and a light loss factor of .95 or better.

Light poles will be no higher than 20'. Broken or damaged exterior lighting will be repaired or replaced within 48 hours of being noted.

Entry drives, drive aisles, parking and bicycle parking will be illuminated to a maintained minimum of 1.5 foot candles per square foot of parking area at a 6:1 average to minimum ratio.

Exterior walkways, alcoves and passageways will be illuminated to a maintained minimum of 1/3 foot candles per square foot of surface area at a 6:1 average to minimum ratio.

Exterior lighting will be shielded or otherwise designed to avoid spill-over illumination to adjacent streets and properties.

All mature landscaping will follow the two-foot, six-foot rule. All landscaping will be ground cover, two feet or less and lower tree canopies of mature trees will be above six feet. This increases natural surveillance and eliminates hiding areas within the landscape.

Tree canopies will not interfere with or block lighting. This creates shadows and areas of concealment. The landscaping plan will allow for proper illumination and visibility regarding lighting and surveillance cameras through the maturity of trees and shrubs.

Parking

The premises will incorporate 34 parking spaces in total with two designated as accessible. Ample customer/staff parking is situated in a manner easily illuminated and that enjoys both natural surveillance from two adjacent public thoroughfares, while being close enough to the surveillance cameras of the premises to provide for active monitoring.

Crime Prevention Through Environmental Design (CPTED)

The physical design of the premises, its security strategies and policies governing the day-to-day operations of this facility have been incorporated using CPTED strategies including, but not limited to, natural surveillance, territorial reinforcement and target hardening. Research into criminal behavior demonstrates that the decision to offend or not to offend is more influenced by cues to the perceived risk of being caught than by cues to reward or ease of entry. Consistent with this research, CPTED based strategies emphasize enhancing the perceived risk of detection and apprehension.

Natural Surveillance

Natural surveillance limits the opportunity for crime by taking steps to increase the perception that the people throughout the premises can be easily detected. Natural surveillance occurs by designing the placement of physical features, activities and people in such a way as to maximize visibility. In designing a premises in this manner, potential offenders feel increased scrutiny and perceive few ways to avoid detection.

Methods employed at this facility to enhance natural surveillance include thoughtful landscaping, uniform white lighting, removal of opportunities for concealment, and placing high risk targets (currency or cannabis) in areas only accessible to those parties with legitimate business purposes. In order to maintain strong natural surveillance, the premises will maintain the following policies:

- No materials, containers or inoperable vehicles will be stored outside on the premises;
- Parking on the premises will be strictly governed by policies limiting vehicles to employees and vendors, and only during business hours. Any vehicles unlawfully parked on the premises will be towed without unnecessary delay and in accordance with 22658 of the California Vehicle Code;
- Tree canopies, if present, will be maintained above 6 feet to enhance line of sight into and throughout the premises;
- Ground shrubbery, if present, will be limited to a maximum height of 24 inches; and
- Exterior landscaping within 10 feet of the premises will be free of locations which could reasonably be used by a person to conceal themselves.

Territorial Reinforcement

Territorial reinforcement promotes social control through an enhanced definition of space and improved proprietary concern. An environment designed to clearly delineate private space promotes two distinct benefits. First, it creates a sense of ownership among normal users of a space. Owners have a vested interest and are more likely to challenge intruders or report them to security or law enforcement personnel. Second, the sense of owned space creates an environment where strangers, intruders and those otherwise misappropriating the space from its intended purpose stand out to normal users, making them more easily identified. By using buildings, fences, pavement, signs, lighting and landscape to express ownership and define public, semi-public and private space, territorial reinforcement occurs. In order to enhance territorial reinforcement, the premises will maintain the following policies:

- The parking lot and perimeter landscape of the parcel will be meticulously maintained in order to communicate an alert and active presence occupying the space; and
- Private areas (all areas of the structure and its access points) will be posted with signage (described later in this plan) and equipped with overt security features.

Target Hardening

Target hardening is a term used in security, law enforcement and military services and refers to the strengthening of a premises in order to protect it in the event of attack, or to reduce the risk of theft. It is believed that a strong, visible defense will deter or delay most opportunistic offenders.

Methods for target hardening that are incorporated into the security plan for this facility include:

- Ensuring all doors and windows are sourced and fitted in such a way that they can resist forcible entry;
- Adding hard barriers that resist vehicle and pedestrian intrusion;
- Separating the public/entry areas from limited access areas with door-redundancies;
- Maintaining landscape in a manner that eliminates opportunities for concealment;
- Maintaining a robust indoor and outdoor surveillance system;

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- Maintaining a robust intrusion detection system;
- Maintaining commercial grade locks on all perimeter and limited access areas; and
- Maintaining stringent hiring and training standards including continuing education.

5. *Transportation Techniques and Security Procedures*

Cannabis distribution and currency transfers will occur during daylight hours to decrease the risk of a crime against vendors and employees. Schedules will be staggered to avoid development of patterns. Vendor personnel will be identified, verified, and cleared prior to entering the premises. Transfers will occur only in the presence of a manager, an armed security officer and while under video surveillance.

Should any blatantly suspicious or dangerous activity develop upon or about the premises, the premises will be 'locked down'. No further access will be granted, and Police notification will be immediately initiated.

Transfers will be managed discretely and within containers free of text or images indicating the contents as cannabis or currency.

Vendors will be required to give notice of their impending arrival. Upon imminence of arrival, surveillance will be monitored. If suspicious persons or activity is afoot, the distributor will be notified and directed to delay their arrival until the circumstances afoot have been mitigated.

Upon arrival of a vendor, the vendor will be contacted, verified and escorted by a uniformed security officer. Once verified, the vendor will be escorted into the designated secure loading area of either premises. Upon entry, the secure loading area doors will be closed and locked without delay. Prior to the departure of a vendor, surveillance cameras will be monitored and no departures will occur until the surrounding area is free of suspicious circumstances.

The secure loading area will not be opened to intake or release a vendor until all cannabis goods and/or currency have been removed from the secure loading area, doors accessing the secure loading area from within the remainder of the premises are closed and locked, and all cannabis goods or currency delivered have been secured in the designated secure storage area of the premises.

Distribution Premises

The distribution premises is equipped with a roll up door, allowing for interior loading and unloading. A panic alarm trigger is situated immediately within the loading door.

Storefront Retail Premises

All goods transferred into the storefront retail premises will be sourced from the co-located distribution premises. Goods will be moved between the premises only during daylight hours and while under escort by a distribution manager, a retail manager and an armed, uniformed security officer. Goods will be transferred in a rolling welded wire cage equipped with concealed shackle

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commercial grade padlocks. Screening will be installed to prevent cannabis goods from being visible to the public. A panic alarm trigger is situated immediately within the loading door.

For additional transportation/security details relative to off-premises operations, please see materials that follow the headings of “Retail Delivery Operations” and “Off-Premises Operations”.

6. Employee Training & Security Policies

Employee Training

The Security Director will ensure that all employees understand their respective security roles and responsibilities including the chain of command (in the event of any security breach).

Employees at all levels will be trained to:

- Identify threats and vulnerabilities;
- Implement mitigating strategies;
- Understand when and why they could be targets; and
- How to respond accordingly.

Staff will be tested no less than semi-annually regarding their knowledge of the premises’ security strategies. Development of policies and procedures will be ongoing during and after the initial security planning process. The Security Director will continuously audit the Security Plan as the business evolves and will ensure appropriate training of employees as new procedures are implemented. To demonstrate that the employee understands the content of training delivered, all employees will be required to undergo an assessment. Assessments will include, at minimum, a hands-on demonstration by the employee as it relates to security policies or procedures included in the training.

Shryne will conduct quarterly drills at the premises to ensure that all employees understand how to respond to various emergencies or threats at the premises. Fire drills, armed robbery and burglary discovery drills are examples of drills that may be conducted on the premises as part of comprehensive security training.

All employees working in the premises will complete introductory training relating to facility security prior to engaging in any occupancy or work on the premises. Training will include, at minimum, the following:

- Operation of security equipment within the scope of role(s);
- Inspecting and monitoring security equipment within the scope of role;
- Emergency notifications, response and reporting procedures;
- Effective patrolling of the premises;
- Identifying opportunities for diversion;
- Securing the premises and assigned work areas;
- Critical incidents, situational policies and procedures; and
- Proper method for securing cannabis and currency at the end of each workday.

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Robberies

Unlike a shoplifting incident, a robbery occurs when a suspect uses or threatens to use force when committing a theft. Whereas most shoplifting offenses in CA are infractions or misdemeanors carrying minimal criminal penalties, a robbery is a felony offense that can result in incarceration in State prison. The risks to the offender are considerably higher, thus the temperament of the offender may be more anxious, violent and dangerous. Employees are to comply with all demands made by the suspect(s). The personal safety and that of our customers are the number one priority.

Robbery Prevention

- A minimum of two employees shall be on duty at all times.
- On arrival, employees shall patrol all visible areas of the premises and its surrounding from the safety of their vehicle before exiting their vehicle. Any suspicious circumstances will be reported to the security vendor or police and no approach of the business will be made until the condition has been mitigated.
- Only scheduled Employees or authorized Vendors with an appointment shall be permitted inside the store outside of regular business hours.
- Robberies most often occur at opening and closing times;
- Do not justify-away unusual observations. If something seems awkward, it probably is;
- Report any suspicious activity before proceeding in or out of the premises any further;
- Never handle bulk product or currency in view of the public or in uncontrolled areas;
- Maintain natural surveillance at all times; keep areas clear of obstructions;
- Keep doors locked at all times; even if only stepping away momentarily; and
- Maintain lighting, alarm and surveillance systems in operable and reliable order.

During a robbery:

- Stay as calm as possible. Speak slowly and clearly. The robber(s) is/are probably as scared and nervous as the employee.
- Remain calm to reduce the likelihood of violence and to allow focus on robber details;
- Do not resist or attack the robber; additional provocation can increase danger;
- Cooperate fully and quickly.
- Do not resist in any way.
- Do not argue.
- Do not fight.
- Follow all instructions.
- Give the robber(s) whatever is demanded.
- Let the robber(s) know you intend to cooperate.
- Forecast any movements (“I am going to use my right hand to open the drawer”)
- If the Employee is not sure about what the robber(s) is/are telling them to do, ask.
- Activate the panic alarm if this can be accomplished safely, in secret;
- If ungloved, watch the robber’s hands and make mental note of what is touched;

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- Be systematic in mentally documenting the robber's description, but try to stare or make it obvious to the robber that you are mentally documenting details about them:
 - Personal: age, height, approximate weight, build (i.e. thin, average height, heavy), eye and hair color (if unknown try to determine light or dark), hair length, distinguishing features or characteristics (scars, tattoos, etc.);
 - Clothing: color and type of clothing, such as a suit, sports clothes, jeans, type, and color of shoes; Voice: high or low pitched, accent, drawl, or speech impediment. (Many times, a robber can be identified by comments made or the sound of their voice);
 - Weapons: type and color of weapon. If the weapon was a handgun, was it chrome or blue steel? In which hand was it held? Where was the weapon when it first became visible to you? In a holster, pocket? Waistband? In their hand?
- If safe to do so, monitor the robber's departure (direction, vehicle, accomplices)

After a robbery:

- Notify police immediately by 911 or cellular equivalent;
- Assess any injuries and coordinate a medical response as necessary;
- Lock the doors. Do not let anyone into the crime scene until police arrive;
 - Request all persons remain on scene;
 - Request all persons write down or narrate their own unique observations;
 - Request all persons keep their observations pure and that they not share observations with one another until after interviewed by responding law enforcement;
 - If persons refuse to remain, allow them to exit but control the doors to prevent destruction of evidence. Touch the doors only in places the robber did not.
- Cease all business operations to reduce contamination of the crime scene;
- Don't talk to others about what just happened. Keep observations unique and pure;
- While awaiting police, make notes while your memory is fresh;
- While awaiting police, review surveillance footage for relevant frames and print the best possible images so police can rapidly distribute the robber images; and
- Do not disrupt the crime scene. Leave everything as it was.

Law Enforcement Response Awareness:

- Dispatched officers may not immediately approach the business;
- Officers may stage at a distance and watch the premises to gauge behaviors/activity;
- Officers may call into the business to speak with staff or the offender (if a hostage scenario);
- If staff claims the scene is safe to enter, Officers will direct a staff member to come outside;
 - Staff member may be directed to exit with arms raised, no weapons, etc;
 - Staff member may have firearms or less lethal weapons pointed at them;
 - Staff member may be commanded to a particular area affording officers protection;

- Staff member may be made to lay down on the ground, face down, and submit to handcuffing. Officers must treat this as a dangerous situation until proven otherwise.
- Once the staff member is deemed safe, the staff member may be questioned;
- Once officers are satisfied that offenders are no longer on the premises, they may enter and search the premises and begin their investigation.

Active Shooter

An active shooter event may be related to a robbery, employment action, political belief, personal grudge against a staff member or employee or have no correlation the business/occupants at all.

In an active shooter event, responding law enforcement will generally enter the premises in an organized team-approach with a goal of identifying and neutralizing the shooter.

While awaiting law enforcement intervention, staff and customers should

RUN: If it is possible to escape the premises, do so...

HIDE: If cornered inside, lock the door, hide behind cover, turn lights off in the room...

FIGHT: If discovered, use weapons of opportunity to defend yourself as best you can...

Burglaries

Burglary Prevention:

The premises maintains an array of security devices including contacts, motion sensors, cameras and related hardware. These devices are critical to the overall security of the premises and caution must be exercised by all occupants to ensure their continued effectiveness. Employees will be trained to:

- Report any damage to a security component immediately;
- Not tamper with any security component;
- Not block or cover any security component; and
- Not block access to security panels.
- Secure all doors when not in active use;
- Not prop any exterior door open for any reason at any time;
- Check the video monitor for unusual activity outside prior to exiting;
- Use the 180-degree viewing device to ensure no persons are lying in wait outside the door; and
- Not open any exterior door unnecessarily.
- Never use a cell phone camera on the premises. Modern cellular phone cameras incorporate metadata including geolocation data. What may seem like a harmless selfie with product, currency or intellectual property could provide persons receiving the image file with location data capable of misappropriation;
- Keep security procedures are confidential. Never discuss with third parties;
- Report any unusual behaviors or activities of others to the on-duty manager;

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Managing Burglaries:

- If evidence of a burglary is encountered (damaged door/window, evidence of ransacking), immediately notify the on-duty manager;
- Do not touch or move anything. Preserve the crime scene;
- Immediately secure all relevant areas and prevent anyone from entering; and
- Notify police via the non-emergency number.

Unusual Occurrences

Decoys are common tactics used by those wishing to commit burglaries or robberies. Traffic collisions, vehicle fires, dumpster fires, domestic quarrels and other fabricated scenarios intended to distract intended victims may be deployed by criminals to overcome facility security. Upon the occurrence of any significant event upon or immediately about the property, the first to observe the occurrence will notify the on-duty manager. The manager will be responsible for activating a facility lock down. An emergency lock-down incorporates the following measures:

- Immediate notification of emergency services (911 or cellular equivalent);
- Immediate closure and locking of facility doors;
- Immediate directive to all persons on premises to shelter in place and remain inside; and
- No persons will be permitted to open any door until law enforcement has arrived or the unusual occurrence has been otherwise mitigated.

Employee Protection

In order to reduce take-over robbery attempts by way employee ambush on arrival, facility security policy requires that employees arriving for work:

- Park only in designated staff parking areas within view of surveillance cameras;
- Park in the nearest available space to the lobby entrance at their time of arrival;
- Arrive no earlier than ten (10) minutes prior to their scheduled start time; and
- Retreat to a safe location and telephone the premises if upon their arrival they observe any suspicious persons or vehicles at or immediately about the premises.

In order to reduce take-over robbery attempts by way of employee ambush on departure, facility security policy requires that employees departing from work:

- Depart in pairs or groups;
- Depart only through the lobby doors, and only upon reviewing external camera views to ensure that no suspicious persons or activity are afoot nearby; and
- Immediately depart the premises and adhere to a strict prohibition of loitering on or about the premises.

Medical Emergencies

As a condition of employment, all supervisory and managerial personnel of Shryne are required to maintain a current certification in Workplace First Aid and CPR. All personnel will be encouraged to render medical aid to co-workers, vendors, visitors and customers to the extent of

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their certified training. For the purposes of this section, “First Responders” will refer to those team members who maintain current certifications.

1st priority – Call 9-1-1 if severe illness or injury is possibly life threatening. In the event of a possible life threatening medical situation, call 9-1-1 immediately for emergency services first. For example, life threatening emergencies might include, but would not be limited to: severe chest pains, uncontrolled bleeding, loss of consciousness, or behavior that is violent.

2nd priority – Contact First Responders. *(First responders may include your security personnel, supervisors or other employees who are first aid/CPR trained. Shryne posts an updated first responder contact list in the break area, at each point of sale and at the reception desk. First Responders may provide basic first aid or CPR until EMS is able to take over.*

3rd priority – Contact the on-duty manager. The manager will station an employee at the building entrance to direct EMS to the location of the medical emergency.

Here are ways you can assist in a medical emergency:

- Direct someone or clearly state you will call 9-1-1 as needed.
- Direct someone or clearly state you will contact/locate first responders.
- Identify and/or remove any dangers to the safety of the victim or others in the vicinity. DO NOT move the victim unless their life is endangered by their current location.
- Attend to the victim as needed/able until someone more qualified can take over (this may just be talking to them reassuringly or holding their hand). If conscious ask for permission before giving care.
- Take note of specifics (who was involved, what happened, when did it occur, where did it occur). This information may be needed by EMS, first responders, or management.
- Double check that someone is at the front to meet EMS.
- Reduce unnecessary employee and customer traffic around the area.