

SECURITY PLAN

JQ Gold's security plan is intended to prevent theft or diversion of any cannabis or currency, as well as to discourage loitering, crime, and illegal or nuisance activities. The site security plan is comprised of several layers of systems and protocols, which are discussed in detail below. All the security systems will be capable of remaining fully operational during a power outage. No weapons or firearms will be permitted on the property. All security measures are designed to ensure emergency access is available in compliance with California Fire Code and Santa Rosa Fire Department standards. Security surveillance video cameras shall be installed and maintained in good working order to provide coverage on a twenty-four-hour basis of all internal and exterior areas where Cannabis is stored and dispensed. The security surveillance cameras shall be oriented in a manner that provides clear and certain identification of all individuals within those areas. Cameras shall remain active at all times and shall operate under any lighting condition. Security video will use standard industry format to support criminal investigations and shall be maintained for ninety (90) days. All recordings will be easily accessed for viewing, and JQ Gold will cooperate with all law enforcement investigations, providing video footage upon request. JQ Gold will be able to view the surveillance remotely at any time. JQ Gold shall install a professionally monitored alarm system, which provides JQ Gold with instant notification of any triggering event. The alarm system will be equipped with a failure notification feature that provides prompt notification to Applicant of any prolonged surveillance interruption or system failure. Additionally, JQ Gold is able to access the alarm system remotely. The proposed floor plan includes commercial security doors at all entrances, exits, and access points to restricted areas. The entrances will remain locked at all times with commercial grade 1 security locks and will be equipped with a buzz-in electronic entry system to control access during business hours. JQ Gold will at all times operate in a manner to prevent diversion of Cannabis and shall promptly comply with any track and trace program established by the state (Santa Rosa, Cal., ORD-2017-25, Chapter 20 § 46.050(C)) to ensure that no diversion or loss occurs. In the event of any inventory discrepancies, JQ Gold will immediately notify regulators and law enforcement within the required time periods. In addition, JQ Gold will perform a reconciliation of its inventory at least once every 14 days and shall be made available to the Department of Cannabis Control upon request.

SECURED ACCESS AND SECURED PRODUCT CONTROLS

JQ Gold will provide and install a variety of security devices to ensure that only

authorized personnel have access to any location where cannabis is stored, so that employees are safe and secure inside JQ Gold. All exterior doors and casings will be changed out to ensure our security provisions are met. Doors will have exterior reinforced caging as well as all exposed windows to prevent theft or thought of theft. An outsourced security firm will provide a security guard 24/7.

LOCKS AND ALARMS. All access points from outside of the facility will have both locks and alarms. All perimeter windows and hatches will remain closed and locked with tamper-proof security devices. They will be equipped with perimeter alarms that will sound if there is any breach of these apparatuses. All external doors will require two (2) levels of security verification to open: something known and something held. This security process means that employees will need a key along with a unique access code to unlock the front as well as back external doors. In the event of any theft or loss of cannabis, these devices will also provide a security log of who accessed the doors for any ensuing investigations.

All doors will also be equipped with an alarm that will sound if they are opened without code and key or if they are damaged. Arming and disarming the security system will require an access code. Both the entry alarm and surveillance alarm will notify the monitoring service if a failure is detected in the system, which will be corrected as soon as possible. If the failure prevents security systems from operating, the facility will take additional security measures until it is fixed. Alarm systems can also be triggered if an employee presses a panic or duress button. These buttons will be installed in strategic locations only accessible to employees. The panic button should be pressed if there is a theft or breach and the employee or other people would be placed in danger by a loud alarm. The duress button will still notify authorities like a typical alarm, but not make a sound on-site. These security devices will allow employees who are threatened to signal an alarm without escalating the situation.

SECURE STORAGE OF INVENTORY

All cannabis storage areas will be under 24-hour security camera surveillance with 90-day retention of video footage in compliance with state law. Cannabis inventory will be stored in a building designed to permit control of temperature and humidity and shall prevent the entry of environmental contaminants such as smoke and dust. The storage area of the facility will meet this requirement through mechanical improvements proposed by our mechanical engineer. The storage area has no exposure to sunlight.

Cannabis shall be protected from contamination by storing the products in a clean, dry location, where they are not exposed to splash, dust, vermin or other forms of contamination or adulteration, and at least six inches above the floor. This area must include cleanable shelves. The project storage area will meet these requirements using shelving which gives proper clearance from the floor. Additionally, the daily operating procedures will include janitorial maintenance of the storage area to insure cleanliness.

SECURE STORAGE AND WASTE

All cannabis products and any cannabis waste will be stored in an area secured with commercial-grade non-residential locks, that is not visible to the public, and that prevents diversion, theft, loss, hazards and nuisance according to Santa Rosa, Cal., ORD-2017-25, Chapter 20 § 46.050 (G.3). All storage and handling of hazardous materials will occur in code compliant control areas. All vendors will be pre-scheduled in advance and must present valid identification. Vendors will only be granted access to the areas required for removal of waste. All waste removal vendors will be required to document and track all waste materials removed from the site.

STATE LICENSE

A copy of issued State License will be displayed per state regulations.

TRAINING AND RECORDS

Management will require that employees follow necessary procedures to ensure that cannabis and any related by-products from the project site are not visible or accessible to the public. Every employee will be required to participate in training to learn JQ Gold's security and safety protocols required for continuous employment. JQ Gold will mandate that all employees be well versed in all security procedures. As required by state rules, JQ Gold will maintain up-to-date and current records related to the cannabis operation. Those records will be stored in a secure manner onsite and will include surveillance vendor contracts with schematics of the security zones, name of vendors and monitoring company, and a list of all current authorized employees with access to the surveillance and/or alarm systems. All surveillance equipment, records and recordings will be stored in a secure area that is only accessible to Applicant's management. Finally, JQ Gold will update the security plan to comply with any new local or state laws and regulations for cannabis licensing.