



NuMed Dispensary Security Plan

This security plan was prepared by Sapphire Risk in December 2019 to support NuMed's general operations and license applications. It was updated in 03/2020 to adapt to the specific security needs of Warrenville by the NuMed staff as directed by our security consultant, Charles Williams and taking into account comments and recommendations of the Warrenville Police Department.

An overview of the expertise of both Sapphire Risk and Charles Williams have been added at the end of this document (Pages 53 and 54).

Please note that NuMed changed its name to NuEra in July 2020, but all ownership and operations remain unchanged.

Security Mission

NuMed seeks to dispense cannabis and cannabis products with the highest standards for quality of product, service, and public safety. Every aspect of operations will have a strong emphasis on security and preventing the theft or diversion of cannabis. As an organization staffed by honest and compassionate professionals, NuMed is committed to its mission of working collaboratively with fellow cannabis business owners and local officials in creating and improving cannabis security programs. NuMed will position itself as an industry security leader by working with the cannabis community to further improve security policies and procedures and will serve as a model for cannabis businesses.

All topics and regulations relevant to security are present in this Security Plan. NuMed will work with the local law enforcement to adapt to any changes necessary due to the evolution of the cannabis industry. Understanding that cooperation with local and state Police Department personnel is key to maintaining integrity within the community, NuMed will make every effort to fully participate in all requested inspections or investigations relevant to the enforcement of laws and regulations. Security can be achieved through smart physical security, adherence and oversight of standard operating procedures, and vigilant professionals with the cannabis community's best interest in mind.

Furthermore, the security plan of NuMed has been developed with the assistance of a professional consultant specializing in dispensary and cultivation security to ensure full compliance with the 410 ILCS 705 Cannabis Regulation and Tax Act published by the Illinois Department of Financial and Professional Regulation ("Department"), as well as any local municipal codes. NuMed recognizes that cannabis regulations are likely to be revised or updated from time to time, as the cannabis industry further develops, based upon experience and inputs from industry stakeholders and the public. NuMed will



continually monitor changes in the laws, rules, and regulations to update this security plan and keep it current with all applicable requirements.

Location and Design Advantages

NuMed will implement a proactive crime-detering security strategy to ensure it can assist the downward trend and assist law enforcement with its goals. Part of this proactive deterring strategy includes without limitation conspicuous camera placement, access control requiring multiple forms of authorization, ubiquitous presence of agents and security personnel, and other measures to discourage criminal activity.

Security guards will have distinct exterior areas to patrol and will be assisted by a surveillance system which will cover the exterior. NuMed will communicate with neighboring businesses which may or may not have security systems of their own. Security equipment will be located in the I.T. Closet and will only be accessible to approved dispensary agents or security guards. Receiving will not be visible from the street. When receiving shipments, cannabis will be brought through the Product Entrance before verification of the shipping manifest and unloading into the Vault. Interlocking doors or “mantraps” (a space with two sets of interlocking doors, such that the first set of doors will close before the second set opens) will be used appropriately to prevent access into the Dispensing and Display Area from the ID Check-In or the Product Entrance leading to the Vault. The Vault will only be accessible to designated dispensary agents through entrances in the restricted access area. Additionally, locating the Vault on all interior walls prevents break-ins from outside or through shared walls without first encountering the video surveillance and alarm system.

The use of a security guard during operating hours will prevent ease of escape and will instead employ a calming crowd control presence to prevent unfavorable events. Security will be visible while patrolling or stationed in the Dispensing and Display Area, and if in the Security Room will be able to see the Dispensing and Display Area via video. As opposed to dispensaries which take in the product through the front door or from a street parking space, all receiving will occur through the rear door leading to the Service Corridor.

The floor plan design clearly separates the customer areas from the Security Room and Vault. The Dispensing and Display Area is also separated from the entrance by a controlled access door. Accessibility to limited-access areas is only through locked, reinforced doors. The Security Room placement will enable an immediate reaction from the onsite security team to any issues that may arise with purchasers. The use of a daytime storage room will reduce interaction with the Vault by agents and enhance the ease of completing transactions.

General Security for the Facility



Premises Management

In order to protect the premises and promote public safety, NuMed will operate in accordance with the following procedures:

- Premises may only open for business between the hours of 6:00 a.m. and 10:00 p.m. per 410 ILCS 705/15-70(j).
- Permit only purchasers, agents, visitors, emergency responders, local officials, and law enforcement access to the premises.
- Entry onto NuMed premises by a person who is under the age of 21 is prohibited in accordance with 410 ILCS 705/15-85(b).
- Permit access to the premises only in accordance with the access to procedures of NuMed and applicable law.
- Agents will only have access to the portions of the premises that relate to their function at work.
- All agents and management will receive loss prevention and safety training conducted by a licensed third-party. All security training certifications received will be stored in the agent's personnel file kept in the Agent-in-Charge Office.
- Each agent will wear his or her NuMed-issued photo identification badge at all times while at the premises.
- At least two persons present from opening to closing will be on-site during regular business hours for increased safety.
- All areas of the premises will be maintained free of debris and kept clean and orderly.
- Trash will be properly removed daily from areas with cannabis.
- Floors, walls, and ceilings will be kept in good repair at all times.
- All graffiti will be removed within 24 hours of discovery.

A report will be made of any maintenance activity, cleaning, sanitation, or inspection of any of these activities. The report will be reviewed each week by senior management to identify and correct any concerns about maintenance.

Communication with Law Enforcement and Community

NuMed understands the value in community support and participation regarding the dispensary. NuMed will also develop strong relationships with neighboring businesses. Neighbors are often the first to detect signs of trouble, whether from suspicious loitering agents or criminals scouting the business. Befriending the local business community offers financial and societal benefits to NuMed and the surrounding area.

Strong partnerships with local law enforcement agencies will be developed. These agencies may support the security mission of NuMed through collaborative training and exercises, observation patrols, responses to incidents, and proactive meetings.

Security Personnel

Security Leadership

NuMed will designate a Security Manager to work with all Agents-in-Charge and provide the leadership and training to ensure a secure business environment for the dispensary.



The Security Manager will conduct security and emergency preparedness staff training by developing, scheduling, and/or facilitating training for agents in order to ensure that all agents meet and exceed all security requirements. The Security Manager will provide oversight of the security guards at the dispensary and continual evaluation of the security plan for the continuous improvement of proactive responsiveness to changing safety conditions.

Security Guards

In accordance with 410 ILCS 705/15-30(c)(2)(C), NuMed, upon approval from the Police, plans to contract with an experienced private security contractor licensed under Section 10-5 of the Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Act of 2004. This security contractor, whose contract has been provided at the end of this exhibit, will staff at the dispensary Illinois-licensed uniformed security guards to secure the premises during all hours of operation and off-hours. Security Guards will be of the highest caliber in their selection and training in both conflict resolution and safety – acting as a deterrent yet able to render aid and protect without the use of weapons. Security Guards will be licensed to perform security services by the Department and will possess their valid security contractor identification at all times.

NuMed will ensure that its third-party private security contractor will provide the highest level of cannabis security training, not limited to the 8 hours of annual refresher training. As cannabis security evolves, so will the expected level of training from the private security contractor. The Security Manager will engage with the security guard provider and each security guard on staff to reinforce their commitment to the safety and security of NuMed agents and purchasers in conjunction with its mission.

Security will greet visitors at the ID Check-In to ensure them that the establishment is taking all necessary precautions for their safety. Security logs will include name, date and time, and all areas patrolled/monitored. Security Guards will maintain an overt, professional appearance, establishing a peaceful, safe, and reassuring presence. This presence will discourage loitering, suspicious activity, criminal behavior, theft, and diversion of cannabis.

Security Guards will proactively and pleasantly greet visitors and agents to ensure them that the establishment is taking all necessary precautions for their safety. Security logs will include name, date and time, and all areas patrolled/monitored. Security Guards will maintain an overt, professional appearance, establishing a peaceful, safe, and reassuring presence. This presence will discourage loitering, suspicious activity, criminal behavior, theft, and diversion of cannabis.

The Security Guards will patrol the premises to ensure proper security protocols are adhered to by:

- Monitoring activity within the premises
- Monitoring the perimeter for suspicious persons or activity
- Ensuring the security systems operation
- Conducting alternating internal and external patrols at least every two hours.



- Confirming that individuals are restricted to their authorized areas.
- Requesting identification from unfamiliar individuals.
- Confirming that procedures are being followed.
- Checking for damage to infrastructure.
- Reporting any intruders or emergencies immediately.

If NuMed encounters special security issues such as an extremely large stock of cannabis, unusual vulnerability to diversion or theft, or failure of the security alarm system, alternative security measures may be required including additional security guards or closure of the store.

In general, security guards will not be allowed in areas storing cannabis. Except during an emergency, security guards will be escorted and observed by an NuMed agent anytime their presence is required in an area storing cannabis.

Whenever armed security personnel are contracted, these guards will adhere to all regulations of Proprietary Security Force Professions by the Department and per the Illinois Administrative Code tit. Section 1240.400. All security guards carrying firearms will have completed their Certificate of Completion of Firearm Training in weapons and will be required to provide NuMed with a copy. Security guards will carry their firearm control card as well. The Security Manager will coordinate with the private security contractor to ensure all guards complete a 20-hour basic training course in accordance with Section 1240.505 and a 20-hour firearm training course in accordance with Section 1240.510.

Exterior Security of the Facility

Perimeter Security Overview

NuMed will design the dispensary with security in mind. NuMed will always maintain and clean the grounds around the perimeter of the dispensary to ensure good standing in the community. The perimeter of the dispensary will be designed and maintained with the goal to discourage theft and diversion of cannabis. NuMed will trim all trees, bushes, and other foliage around the dispensary to ensure that no one can conceal themselves from the security camera view.

NuMed will proactively limit concealment outside the premises and will install safety measures that cannot be manipulated. Exterior doors will be designed and installed to limit unauthorized access.

The outside perimeter of the dispensary will be well-lit to accommodate video surveillance. The video surveillance system will encompass the entire perimeter and parking lot and record all activity 24/7. The video security system will include advanced cameras that can detect people entering the dispensary in low- to no-light situations. NuMed will plant aggressive foliage, such as thorn bushes and holly, to deter concealment.



The combination of motion detectors and glass break detectors will ensure the perimeter has armed alarms overnight on all entry points and perimeter windows per 410 ILCS 705/15-100(h)(1)(i). In addition, all exterior windows will feature security shatterproof tinted film to deter theft per 410 ILCS 705/15-100(h)(1)(ii).

NuMed will ensure that all cannabis and cannabis products will not be visible or accessible from the outside of the premises at all times. In accordance with 410 ILCS 705/15-100(c)(5), all cannabis will be stored and dispensed from a restricted access area.

Exterior Lighting

NuMed will ensure the premises is externally and internally well-lit, paying special attention to the business entrance and all windows during evening hours. A protective lighting design will ensure the same degree of protection and detection during the night that is available during the day, including high-quality video surveillance at night in accordance with 410 ILCS 705/15-100(i)(2). NuMed will keep all lighting outside and inside the dispensary in good working order and with wattage sufficient for security cameras per 410 ILCS 705/15-70(k). NuMed will retain professional services to ensure compliance with the local lighting standards regarding fixture type, wattage, illumination levels, and shielding.

All lighting used to illuminate the premises will be deflected away from adjacent properties and directed toward the dispensary premises. Lighting will cover all entrances and exits, all possible points of intrusion, sidewalks and adjoining sidewalks, facades, parking lots, immediate surrounding areas, and exterior walls of the dispensary as per 410 ILCS 705/15-100(i)(3). Cones of illumination will be directed downwards to direct beams of light in an overlapping fashion in case of bulb failure. All entrances and windows will be illuminated during the hours of darkness to a minimum of 500 lux, twenty times the minimum for standard video monitoring. Additionally, 1,000 lux motion-activated lighting will illuminate exterior doors and windows. Lux quantifies how much light enters the eye or camera, and a 500 lux is comparable to a sunset. Automatically controlled lighting will be checked and inspected regularly for proper operation prior to darkness. The lighting system will have a dependable auxiliary source of power that is independent of the power system. Parallel circuit wiring will be used to prevent system failure in the event a bulb fails in any one fixture.

Adequate emergency lighting will be provided for indoor evacuation routes and will go into operation automatically when needed. The lighting system will be designed, and exact locations recorded, so that repairs can be made more rapidly in an emergency. Switches and controls will be properly located, waterproof, tamper resistant, and centrally located. The lighting system will be regularly inspected, and any failures will be repaired within 24 hours.

Exterior Signage

Signage visible to all entrants near any perimeter doors will include without limitation:

NOTICE: VIDEO SURVEILLANCE IN USE ON THESE PREMISES

Any exterior business identification signage for NuMed will conform to the requirements of state law. The signage will be clearly visible and readable by purchasers. The signage will be placed in the area where cannabis and cannabis-infused products are sold. Additionally, signage will be limited to NuMed name only and will contain no further advertising.

Emergency Vehicle and Personnel Access

Emergency personnel will have full access to the dispensary to provide adequate emergency access (Fire, Police, and Ambulance) and to give the best possible emergency response time. A safe box will be wall-mounted at the front entrance and will hold building keys for fire departments, emergency medical services, and police to retrieve in emergency situations. Local law enforcement will hold master keys and access cards to all restricted areas within the dispensary so that they can quickly enter the dispensary without having to force entry or find individual keys held in deposit at the station.



Fire lanes will be clearly drawn to ensure emergency vehicles are not prohibited from advancing onto the premises.

Video Surveillance and Monitoring

Video Surveillance Overview

NuMed will implement a state-of-the-art video/audio surveillance system, utilizing commercial grade equipment and installed in a manner that will prevent cameras from being readily obstructed, tampered with, or disabled. This system is designed to meet the standards of the most current rules and regulations for dispensaries and to prevent and detect diversion, theft, or loss of cannabis or cannabis products and capture clear and certain identification of all persons in or around the dispensary.

Safety and security purposes for the surveillance system include but are not limited to:

- Protection of individuals, including agents, visitors, and purchasers;
- Protection of property, cannabis and cannabis products, building perimeter, entrances and exits, lobbies and corridors, loading areas and loading docks, and storage areas;



- Verification of alarms and electronic security systems
- Video patrol of restricted areas;
- Deterrence of criminal activity;
- Investigation of criminal activity and disciplinary activity.

Cameras will be maintained in good condition and use a Department-approved format, delivering excellent quality, color rendition, and resolution to allow the ready identification of any individual committing or suspected of committing a crime. NuMed will use a professionally monitored, sophisticated high-definition surveillance system that records all activity in images capable of clearly revealing details including:

- Agent and visitor ID badges;
- Facial features, tattoos, and other identifiers of individuals; and
- Vehicle license plates.

NuMed will designate and train Security Guards to continuously monitor dispensary security systems and surveillance system. The monitoring agent on duty will communicate to Agent-in-Charge any unusual occurrences. Live video surveillance feed of NuMed will also be remotely accessible to law enforcement, the Department of State Police, senior management, local officials, and Illinois state agencies involved in regulating dispensaries. Continual video surveillance feed of NuMed will also allow 911 dispatchers to remotely access video of the dispensary, allowing first responders better situational awareness when responding to emergencies.

NuMed will use direct line-of-sight camera placement at the dispensary, which will be capable of clearly revealing facial detail, and identifying all persons on the premises under all lighting conditions in and around the following areas:

- All entrances and exits to and from the premises, recorded from indoor and outdoor vantage points;
- All interior spaces which are open and accessible to the public;
- The Dispensing and Display Area;
- Each point-of-sale (POS) location for the clear identification of:
 - Each agent dispensing cannabis;
 - Each customer receiving cannabis;
 - Any cash or currency handling;
 - Clear images of the computer monitor used for transactions;
- All loading and unloading areas;
- All areas where cannabis is weighed, packed, stored, loaded and unloaded for transportation prepared, and moved within the premises. Vehicle license plates and transportation personnel identification will be verified by video before dispensary personnel proceeds conducting business with arriving vendor;
- All interior spaces where cash or currency are stored on a regular basis for any length of time, including all safes and the Vault;
- Restricted access areas containing waste;
- All rooms with exterior windows, exterior walls, roof hatches, or skylights;



- The area containing the security and surveillance system storage device or equipment with at least one camera recording the access entry;
- The complete exterior of the building to allow for full coverage of parking areas, walkways and perimeter;
- Any area where theft or diversion could reasonably occur;
- Any other dispensary area(s) determined by the Department; and
- Any other area(s) where cannabis or cannabis products are stored or handled.

Per 410 ILCS 705/15-100(i)(3), unobstructed video surveillance of outside areas, the storefront, and the parking lot, will be appropriate for the normal lighting conditions of the area under surveillance. Cameras will be angled so as to allow for the capture of facial recognition, clear and certain identification of any person entering or exiting the dispensary and/or present in the immediate surrounding area, and license plates of vehicles in the parking lot.

The surveillance system will operate 24/7 at a minimum of 15 FPS, which exceeds the state's minimum requirement of 8 FPS. The video surveillance system cameras can identify persons and, using video analytics, connect transactions to video footage. Facial features and other identifying characteristics such as tattoos will be fully visible and each transaction by persons authorized to use cannabis will be recorded such that management or security can review or investigate the interactions by and product or cash handling procedures of agents.

Additionally, rooftop cameras will be installed to deter burglary – not only of cash and cannabis, but also of copper wiring or of adjacent businesses.

For situations where after-hours monitoring of video recordings is required, such as video verification of an alarm activation, NuMed will employ a private alarm contractor to perform this task.

Cameras in the ID Check-In and Security Room will record individuals every time they enter and exit, and the digital video recorder will store photos from these recordings so that up-to-date photos of agents, visitors, and contractors are maintained. Vendor partners' product delivery vehicles will arrive under direct video surveillance that covers all approach routes to the dispensary receiving area. Dispensary onsite security guard or Agent-in-Charge will remotely monitor the vehicle as it arrives. Transportation organization identification and its delivery vehicle make and model will be recorded by the video surveillance system. Additionally, cash pickups and deliveries will be conducted in a secure area of the dispensary in full view of a security camera.

Per 410 ILCS 705/15-100(i)(10), NuMed will place video surveillance cameras at each dispensary point-of-sale location allowing for identification of the Dispensing Organization Agents and purchasers during cannabis product sales/purchase transactions. The camera(s) will capture the sales transaction, affiliated individuals, and the POS computer monitors used to transact each sale.



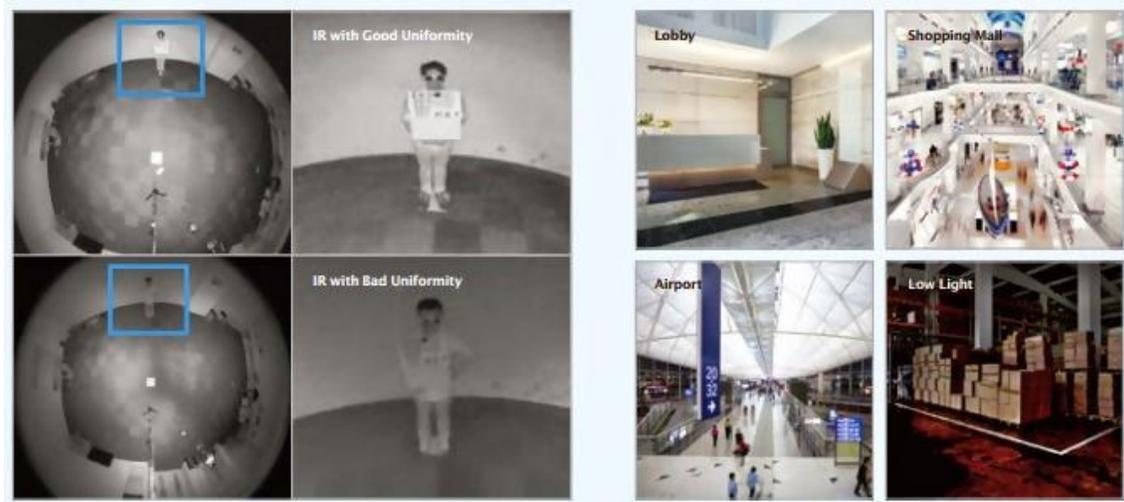
Pursuant to 410 ILCS 705/15-100(c)(13), the system will operate under all the lighting conditions for each area. Motion-activated lighting will be installed at all entry points, in low light interior areas, and everywhere exterior cameras are located. Enhanced lighting installation will be designed to increase video picture clarity and brightness and ensure proper surveillance during hours of darkness.

Surveillance Camera Technology

Internet Protocol (IP) cameras are digital video cameras commonly employed for video surveillance; unlike analog television cameras, IP cameras can send and receive data video via a local computer network and the Internet. NuMed will utilize IP bullet cameras and dome cameras that meet the descriptions below and are designed to produce sufficient quality output required to successfully identify, charge and prosecute individuals suspected of criminal behavior.

Camera Functionality includes:

- At least 1920 x 1080p (2 Megapixel or MP) Resolution: Resolution describes the total number and orientation of tiny dots that create the larger picture. In this case, the image will have 1920 single color dots in a horizontal row, crossed with 1080 dots in a vertical column, creating a high—resolution matrixed image from over 2 million individual dots;
- Up to 360-degree field of view: In certain areas, it is easier and more informative to observe a larger area in one image, rather than segmenting the view of the same area into multiple smaller regions, generated by several separate cameras. Large format view of NuMed cameras will produce 5 MP, high resolution images, delivering desired pixel density;
- At least 1/3" CMOS sensor: Larger sensors absorb more light per pixel, enabling better color depth and light sensitivity;
- At least 8 Frames per Second (FPS) per 410 ILCS 705/15-100(i)(12): Providing a higher FPS rate to improve the fluidity of capture movement;
- Progressive Scanning: Reduces flickering by capturing an entire image at once, as opposed to interlacing;
- Data will be transmitted over the Real-Time Protocol (RTP) or Real-Time Streaming Protocol (RTSP);
- Camera feed will traverse the IP network from the camera source to the server, utilizing Motion JPEG (MJPEG) or MPEG-4/H.264/Advanced Video Coding codec technology; and
- Infrared capability: the camera will utilize the infrared spectrum to improve contrasting, especially for facial recognition, and to improve low-light situations or day/night adjustments.



All cameras will be calibrated and focused on maximizing the quality of the recorded image. Outdoor cameras will be chosen to protect against vandalism or tampering and will be IP66-rated to withstand rain and dust.

The system will operate under not only normal but all the lighting conditions for each area. Motion-activated lighting will be installed to increase picture clarity and brightness and ensure proper surveillance during hours of darkness at all entry points, low light interior areas, and where all exterior cameras are located.

All cameras will be installed at a height that provides an optimal vantage point to allow a clear image of all individuals and activities in and around the premises. This coverage will include all entrances and exits to the store from both indoor and outdoor points. All cameras will provide an optimal vantage point to allow a clear image of all individuals and activities in and around the premises from at least 20 feet away.

Per 410 ILCS 705/15-100(i)(2), the system of NuMed will deliver unobstructed video surveillance of all enclosed dispensary areas, unless prohibited by law, including of all points of entry and exit, and will be appropriate for the normal lighting conditions of the area under surveillance. The cameras will be directed so all areas are captured, including, but not limited to, safes, vaults, sales areas, and areas where cannabis is stored, handled, dispensed, or destroyed. Cameras will be angled to allow for facial recognition, the capture of clear and certain identification of any person entering or exiting the dispensary area, and with lighting enhancement for sufficient capture during all times of night or day.

Cameras will have all the features above, including Wide Dynamic Range (WDR) and built-in infrared (IR) illumination enabling excellent light sensitivity and contrast adjustment. WDR is advantageous in situations with high and low lighting on different parts of the screen; a camera may not display the low light portions with adequate detail. WDR enhances the portions of an image with low light to ensure the entire image is clearly identifiable. For 180-degree fields of view, cameras will contain multiple sensors to form



a high-resolution image (e.g. 12 MP) with no fisheye effect or correction, in addition to meeting the qualifications above.



Embedded Network Video Recorder

Security system of NuMed will use a multi-channel Internet Protocol (IP) Embedded Network Video Recorder (ENVR) which functions as the security system's central hub for recording, monitoring and reviewing video. The ENVR will be remotely accessible at all times through a secure web portal for law enforcement, the Department of State Police, senior management, local officials, and all Illinois state agencies involved in regulating dispensaries including the Department.

Remote accessibility will permit senior management to view live footage, and review security logs from the dispensary at any time. Direct feed and login capabilities will be provided to law enforcement to allow for real-time access and monitoring of the dispensary via the ENVR. This will allow verification that NuMed is following all applicable security and procedural requirements at will.

Cameras in the main entrance will record individuals every time they enter and leave the dispensary, and the ENVR will take photos from these recordings so that up-to-date photos of agents, visitors, and purchasers are maintained. The video system will produce a clear, color, still image in a digital format and clearly display the time and date on the video. The date and time of the video will not significantly obscure the picture and will synchronize in accordance with the official United States time.

The video surveillance system will have the ability to record all images captured by each surveillance camera in a format that will be easily accessible for investigative purposes. Video storage will be kept in a locked cabinet within the I.T. Closet with access limited to authorized agents, law enforcement, the Department of State Police, security system service agents, and the Department. Additionally, the I.T. Closet will remain locked at all times.

Pursuant to 410 ILCS 705/15-100(i)(8), all video surveillance equipment, including the ENVR, will allow for the exporting of still images in an industry standard image format, including .jpg, .bmp, and .gif. Exported video will have the ability to be archived in a



proprietary format that ensures authentication of the video, and guarantees that no alteration of the recorded image has taken place. Exported video will also have the ability to be saved in an industry standard file format that can be played on a standard computer operating system.

Security Room, I.T. Closet, and Video Surveillance Equipment

All surveillance system equipment and recordings will be maintained in good working order, in a secure location so as to prevent theft, loss, destruction, or alterations per 410 ILCS 705/15-100(h)(2). Security equipment, including surveillance equipment, will be installed by a licensed integrator, and located in the I.T. Closet in order to prevent theft, loss, destruction, or alterations.

To monitor the dispensary, the Dispensing Organization will incorporate continuous electronic video monitoring in the Security Room for viewing by management and security personnel. All monitors will be 19 inches or larger in size, per 410 ILCS 705/15-100(i)(1).

This Security Room and I.T. Closet will house the following equipment: three 24" call-up monitors connected to the electronic recording security system at all times, a color printer, video playback equipment, a master intercom, a phone, hold-up and panic buttons, and a lockable case for portable equipment. The ENVR, hard drives, alarm panels, and access control panels will be housed in the I.T. Closet within the Vault. NuMed will maintain and update a diagram of all camera locations, the direction of coverage, camera numbers, surveillance equipment maintenance activity log, user authorization list, and operating instructions for the camera equipment. This documentation will be kept in the I.T. Closet and the diagram will be updated whenever a camera location is changed.

Access to equipment housed in the Security Room and I.T. Closet will be limited to persons who are essential to surveillance operations, law enforcement authorities acting within their jurisdiction, the Department of State Police, security system service personnel, and the Department. A current list of authorized dispensing organization agents and service personnel who have access to the surveillance equipment must be available to the Department upon request, per 410 ILCS 705/15-100(h)(3).

Pursuant to 410 ILCS 705/15-100(i)(5) and the ability to immediately produce a clear, color still photo from the surveillance video, either live or recorded, NuMed will utilize a color printer capable of immediately printing clear color still photos from any camera image, live or recorded. The ENVR will automatically archive exported surveillance recordings in a proprietary format that ensures the authentication of the video and guarantees that no alteration of the recorded image has taken place. The exported footage will be archived in an industry-standard file format that can be viewed on a standard computer operating system.

In accordance with 410 ILCS 705/15-100(i)(11), a failure notification system will provide an audible and visual notification of any failure in the electronic video monitoring system. Per 410 ILCS 705/15-100(h)(1)(iii), the system will be equipped with a failure notification system that provides an audible, text, or visual notification of any failure in the surveillance



system, including, but not limited to, panic buttons, alarms, and video monitoring system. The failure notification system will provide an alert to designated agents within five (5) minutes after the failure, either by telephone or text message.

In accordance with 410 ILCS 705/15-100(i)(9), the video surveillance system will be equipped with a battery backup lasting at least four (4) hours in the event of a power outage. NuMed will contract with a licensed power source company to purchase the appropriate backup power source system, capable of maintaining normal video surveillance activity for up to 48 hours. The video surveillance will be equipped with an uninterruptible power supply (UPS) with at least 3000 Volt-Amps, synchronized with a compatible high-output generator to provide a seamless transition from main power to auxiliary power in the event of a power outage.

Hard Drive Storage

The video surveillance system will use removable hard-drives and rack-mountable servers for extensive video storage. Software access controls and logs will protect the system from unauthorized tampering and allow senior management review of all system access and access attempts. The system will store video clips using several proprietary derivative compressed video formats which cannot be edited or altered.

Video compression makes it ideal for remote video transmission over affordable broadband. Efficient video compression also allows the same number of days of video storage in less than half the hard drive space required by other video storage systems.

NuMed will utilize a redundant array of independent disks (RAID), which is a superior method of storing the same data in different places on multiple hard disks to protect data in the case of a drive failure. RAID systems are thus more reliable for accessing and retrieving video recordings in storage.

Access to Video Surveillance Recordings

The ENVR will record and archive video surveillance from a network of cameras in a proprietary digital format to a hard drive. The ENVR will ensure video authentication, and that no alteration of the recorded image has taken place. Maintenance activity records will be made available upon request to local officials and the Department.

Additionally, in accordance with 410 ILCS 705/15-100(i)(12), these recordings will also be available for access by the Department and the Department of State Police 24/7, via a secure web-based portal with reverse functionality. Surveillance footage will be retained for a period of at least 90 days, and made available to the Department, the Department of State Police, and local law enforcement for purposes of investigation of alleged crimes, promptly upon request without the necessity of a warrant or subpoena.

NuMed will be able to produce a DVD or USB drive using an installed media recording drive that provides video viewable on any operating system. The archived, exported surveillance footage will be in a proprietary format that ensures the authentication of the video, and guarantees that no alteration of the recording has taken place. After the



surveillance video retention schedule has lapsed, surveillance video recordings will be erased or hard drives destroyed prior to being discarded or disposed of for any other reason.

Per 410 ILCS 705/15-100(i)(4), NuMed will provide 24-hour recordings from all video cameras available for immediate viewing by the Department upon request. Recordings will not be destroyed or altered, and will be retained for at least 90 days. Recordings will be retained as long as necessary if the Dispensing Organization is aware of loss or theft of cannabis or a pending criminal, civil, or administrative investigation or legal proceeding for which the recording may contain relevant information. If NuMed is aware of a pending criminal, civil or administrative investigation or legal processing for which a surveillance video recording may contain relevant information, NuMed will retain an unaltered copy of the recording until the investigation or proceeding is closed, or the entity conducting the investigation or proceeding notifies NuMed that it is no longer necessary to retain the video recording.

Alarm Security System **Intrusion Detection Overview**

NuMed will maintain an operational security alarm system at all times in accordance with 410 ILCS 705/15-100(a)(10). The alarm security system not only addresses all local and adult use cannabis regulations, but exceeds those regulations when it comes to alarm placement. The dispensary will be monitored by a combination of motion detectors and glass break detectors, which will ensure the perimeter always has complete coverage.

The alarm system will at least cover the following areas of the dispensary:

- All points of ingress and egress to and from the dispensary including doorways and windows;
- Rooms with exterior windows;
- Any rooms with exterior walls;
- Any rooms containing a safe;
- Any rooms where cannabis and cannabis products are sold or stored; and
- The exterior perimeter of the dispensary

Alarm system activations are designed to protect the well-being of customers or agents, i.e. audible alarms will be used with detection in order to deter a burglar from proceeding or for notifying everyone of a medical emergency. Conversely, silent alarms will be used in situations when agitating an armed and/or dangerous individual could escalate an emergency situation.

Alarm Devices and Hardware

NuMed will have a state-of-the-art security alarm system to prevent and detect diversion, theft, or loss of cannabis, currency, or unauthorized intrusion, and will feature commercial grade equipment installed by an Illinois-licensed private alarm contractor or private alarm contractor agency per 410 ILCS 705/15-100(h)(1). Equipment to detect, deter and prevent unauthorized entrance into the dispensary, includes electronic door locks on limited and restricted access areas, and includes devices or a series of devices to detect



unauthorized intrusion that may include attempts using a signal system interconnected with a radio frequency method, cellular, private radio signals, or other mechanical or electronic intrusion devices per 410 ILCS 705/15-100(h)(1)(v).

The alarm system will at least cover the following areas of the dispensary:

- All points of ingress and egress to and from the dispensary including doorways and windows
- Rooms with exterior windows
- Any rooms with exterior walls
- Any rooms containing a safe
- Any rooms where cannabis and cannabis products are sold or stored
- The perimeter of the dispensary

NuMed will contract a professional licensed third-party security monitoring company to handle the 24/7 live alarm monitoring of the dispensary. Alarm systems will be maintained and in good working condition at all times, and data may be provided to the Department or local government within 24 hours of the request.

In addition, onsite Security Guards will respond to every alarm. The dispensary will also be equipped with a radio automatic voice dialer which, when the alarm is activated, will send a prerecorded voice message requesting dispatch to senior management, the central station alarm company, and law enforcement, public safety, and emergency services agency.

The Agent-in-Charge shall be a principal officer or a full-time agent of the dispensing organization, who manages the dispensary; he or she will receive notifications of all alarms. Additionally, manual alarms including a duress alarm, panic buttons, holdup alarms and after-hours intrusion detection alarm will directly or indirectly notify, by the most efficient means, the public safety answering point for the law enforcement agency having primary jurisdiction pursuant to 410 ILCS 705/15-100(h)(iv).

Security guards of NuMed will have access to a hold-up alarm and will be the immediate respondent to activate the dispensary intercom system located in the rear of the facility. This area is intended to only be accessed and used by authorized Agents and transportation organizations. Additionally, the security guard will have remote access via a buzzer to unlock the door to the Dispensing and Display Area.



NuMed will incorporate a commercial standard alarm control panel. The alarm panel provides multiple zones of protection, an always-on Department IP connection, graphic keypad support and dual partitions. The alarm panel provides the ability to send alarm signals and upload/download via an Internet Protocol. The control panel will send a signal or polling to the alarm company every 200 seconds to ensure the system is in good working order and transmitting to the alarm company.



NuMed will be controlled by an alarm keypad. The keypad will feature a 32-character display with easy-to-read plain-English status messages, back lit keys, audible beeps, and clearly labeled system functions. The alarm keypad will also be equipped with a duress code. This duress code will allow the user to transmit a silent signal to the alarm company indicating that the user is being forced to turn off the alarm system. The Security Manager will thoroughly train all agents on agent security policies for handling breach of security, robbery, violent incident, or other emergencies, and will detail these policies in the operations manual.



NuMed will use dual-technology motion sensors as part of the alarm system. Motion detection will trigger the alarm system at a specific zone if there is an attempted break-in through the roof, windows, or walls. Dual-technology motion detectors use ultrasonic wave analysis to detect indirect motion combined with passive infrared (PIR) sensors to detect direct motion. The combination of these dual-technologies is highly reliable and is more effective in areas with obstructions than standard PIR motion detectors.

NuMed plans to use door transmitters to monitor when doors are opened. Most door contact sensors will utilize a circuit with magnetic contacts and a low current. When the door is closed, the contacts touch and create a “closed” circuit with a low current. When the door opens, the contacts no longer touch and create an “open” circuit through which a current cannot flow.

NuMed plans to use a glass break detector on any exterior glass to protect the perimeter as per 410 ILCS 705/15-100(h)(1)(i). These detector sensors will alert authorities of an attempted break-in through glass windows. The glass detector can be mounted on any wall or ceiling within a 25-foot range of a window. The LEDs on the unit indicate test mode, alarms, and trouble conditions.

Emergency remote panic alarm buttons will be strategically and discreetly located around the dispensary perimeter. Once activated by pressing the button on the unit, the panic alarm will signal an audible alarm that notifies the public safety answering point for the law enforcement agency having primary jurisdiction. This device is intended to be used to signal a life-threatening or emergency situation that would require an urgent law enforcement response. To ensure the audible alarm is adequately heard and, moreover, loud enough to notify all agents and visitors of an event, high power speakers of at least 60 watts will be used.

NuMed will also feature a holdup alarm button, generated by the manual activation of the device, which is intended to signal a robbery in progress to the alarm company and local law enforcement. Alarm buttons are activated by pressing the device button; and once activated, they cannot be deactivated. These devices are commonly used in banks and retail establishments. There will be holdup alarm buttons placed on the underside of the checkout counter within easy reach of Agents in the Dispensing and Display Area.



The keycard and PIN reader will have a duress feature. If any agent is under duress (for example, is being threatened by an armed robber), the agent will be able to utilize a “panic” protocol. All agents will also be given a duress PIN code that they may enter into the keypad. This duress PIN code will signal an emergency situation, while still enabling agents to open the door or safe. This duress feature will be continuously active 24/7 on all safes, the Vault door, all access control entry points, and other two-factor authentication doors.

Alarm Response Protocols

Whenever a burglary alarm notification is received, agents and management will treat the event as a burglary until discovered otherwise. During business hours, security or management personnel will view the alarm location via the video surveillance system to determine what may have activated the alarm system. Security or management will be trained to act based on the alarm location, design of the establishment, and potential threat of violence. Outside business hours, security guards will investigate the alarm with video surveillance before entering the area.

If unauthorized individuals are still onsite when the alarm is activated, security guards will request police dispatch to send a police officer to the premises if the alarm monitoring company has not already done so. Security guards will attempt to block the unauthorized individuals in a room without any physical altercation if possible.

If break-in damage is found, appropriate action will be taken to repair the damage as quickly as possible. If damage cannot be repaired to properly secure the building, security will stand watch until repairs can be completed.

NuMed will take the following measures to reduce the risk of causing false alarms:

- Implement video verification and/or ensure the alarm monitoring company confirms the alarmed event before dispatching law enforcement.



- Maintain the premises and the alarm system in a manner that will reduce or eliminate false alarms;
- Instruct all persons who are authorized to place the alarm system into operation in the appropriate method of operation, and to lock and secure all doors and windows and other points of entry;
- Inform all persons who are authorized to place the alarm system into operation of the local alarm system rules and requirements, emphasizing the importance of avoiding false alarms;
- Provide to the alarm company the assigned alarm permit number of NuMed;
- Train security guards of NuMed to respond to the alarm system within a reasonable amount of time when notified by the Police Department;
- Not manually activate an alarm for any reason other than an occurrence of an event that the alarm system was intended to report;
- Annually renew alarm permits; and
- Have a licensed alarm business annually service and test any alarm system that does not have a self-test or a backup battery and wireless sensors.

Product Storage Vault Alarms

All cannabis and cannabis products that are outside of the Vault during business hours will be stored in a locked and secured custom display case designed to protect the product. These locked display cases with an interior alarm system installed that will activate when the display case doors are opened without turning off the alarm. A portable remote-control device will be used by the agent to turn off the display case alarm when the case door is opened to conduct business. Only approved agents will have the display door key and remote-control release button to open the display case.

In addition, safes used for cannabis and currency will be equipped with an alarm system to transmit, upon unauthorized entry, a signal to all security monitoring entities, including the dispensary Security Room, the third-party monitoring agency, and appropriate law enforcement.

All cash received, except that needed for retail customer transactions will be kept in a secure receptacle such as a drop safe (business hours) or high security safe (overnight). In the Vault, NuMed will have a separate safe in which valuable objects and cash will be located at night. Cash revenue of NuMed will be removed from the dispensary automated cashier daily and placed in the main cash safe located in the Vault after the dispensary has closed. Senior management will maintain two-person verification by supervising the daily deposit of revenues into the cash safe. All deposits of cash into the main safe will be logged with an accurate count and signature of management. From time to time, senior management will conduct unscheduled spot checks or audits of cash in the safe.

In accordance with 410 ILCS 705/15-100(c)(6-7), all cannabis and currency will be stored on premise in a reinforced Vault in a restricted access area when the dispensary is closed, and in a manner as to prevent diversion, theft, or loss. In accordance with Title 21 Code of Federal Regulations §1301.72(a)(3)(iv), the walls or perimeter of the vault will be equipped with an alarm. Upon unauthorized entry, alarms shall transmit a signal directly



to a central station protection company, a local or State police agency which has a legal duty to respond, or a 24-hour control station operated by NuMed. Additionally, NuMed may implement other protection measures such as holdup buttons at strategic points of entry to the perimeter area of the vault.

In accordance with Title 21 Code of Federal Regulations §1301.72(a)(3)(vi), the vault will have one of the following:

- Sensitive ultrasonic equipment within the vault;
- Complete electrical lacing of the walls, floor, and ceilings;
- A sensitive sound accumulator system; and
- Or such other device designed to detect illegal entry as may be approved by the Department.

Access Control System

Ingress and Egress Access

NuMed will implement appropriate security and safety measures to deter and prevent the unauthorized entrance into areas containing cannabis to mitigate risks of cannabis theft. NuMed will keep access from outside the premises to a minimum and will ensure access is well controlled, including establishing a locked barrier between the facility's entrance and the limited access area, as per 410 ILCS 705/15-100(c)(1). Additionally, NuMed will utilize electronic door locks on limited and restricted access areas and will include devices to detect unauthorized intrusion, which may include a signal system interconnected with a radio frequency method, cellular, private radio signals, or other mechanical or electronic device, as per 410 ILCS 705/15-100(h)(1)(v). NuMed will restrict access to any area containing cannabis to all persons except authorized agents and individuals permitted to access those areas of the premises under the supervision of an authorized agent.

Proximity Key Card System

To prevent sharing of access credentials and regulate the access of agents and visitors, NuMed will employ a modular, scalable access control system for limited and restricted areas. NuMed will provide identification badges/key cards for dispensary agents based on the area to which they are assigned at a given time to ensure that only agents necessary for a particular function have access to that area. A licensed private security contractor will perform the integration.

The system is managed at the individual cardholder level and at any point the system administrator will be able to disable access to the cardholder or limit their access based on a schedule. The system will also report attempts by individuals to utilize their card when it has been disabled. The agent-in-charge will have the authorization to rapidly modify access authorization and restrictions to accommodate changes in agent roles. Agents will be disciplined for sharing key cards or credentials with agents who are unauthorized to enter a restricted area.

NuMed will implement appropriate security and safety measures to deter and prevent the unauthorized entrance into areas containing cannabis to mitigate risks of cannabis theft. NuMed will keep access from outside the premises to a minimum and will ensure access



is well controlled. NuMed will restrict access to any area containing cannabis to all persons except authorized agents and individuals permitted to access those areas of the premises under the supervision of an authorized agent.

All safes, the Vault, the security equipment, or areas utilized in the dispensing process will remain securely locked and protected from entry until the time required to access. In accordance with 410 ILCS 705/15-100(h)(6), NuMed will ensure all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage, and where permissible, locks will be fail-secure, meaning a power failure will not automatically release door locks. NuMed will keep all locks and security equipment in good working order, as per 410 ILCS 705/15-100(c)(9).

In accordance with 410 ILCS 705/15-100(g)(1), all restricted access areas will be identified by the posting of a sign that is a minimum of 12 inches by 12 inches and that states "Do Not Enter - Restricted Access Area - Authorized Personnel Only" in lettering no smaller than one inch in height.

Access Entry Authorization System

Since traditional key/lock combinations can be replicated or breached easily by professional criminals, NuMed plans to use a combination of proximity access readers and PIN code readers to ensure the security of the premises. Each agent will be given an access card that will contain the picture of the agent and a unique serial number/ID associated with the agent. This card will allow access to specific areas the agent is authorized to enter. An electronic log of agents and their associated access credentials will be kept on file.

Agents will visibly wear their government-issued agent identification card on their person at all times while on the premises per 410 ILCS 705/15-40(b). Any lost or stolen key cards will be reported to the management immediately so that card access may be suspended. NuMed will maintain an electronic backup system for all access codes and electronic records.

The alarm system also works with agent access cards to promote accountability and tracking. Every time an agent uses their key card to enter an area, the alarm system will electronically record and maintain the agent's information, the time and date the agent entered the room, and how long the agent was in the room. The system will send an alert anytime a door is left open for longer than 30 seconds.

NuMed will maintain all security system equipment in a secure location so as to prevent theft, loss, destruction, or alterations. NuMed will limit access to security equipment areas to agents that are essential to surveillance operations, law enforcement agencies, security system service agents, local officials, and the Department. Upon request, NuMed will make available to local officials and the Department a current list of agents and contractors who have access to the Security Room, and will keep them locked and will not use such rooms for any other functions. Access to keys and codes to safes, the Vault,

and other equipment or areas will be restricted to practicing NuMed agents with a job-specific reason to access it.

NuMed will restrict access to any room containing security monitoring equipment to the following: agents who are essential to maintaining security operations; law enforcement agencies; security system service agents; the Department; and others when approved by local officials or the Department. NuMed will keep the Security Room and I.T. Closet locked at all times and will not use the rooms for any other purpose or function.

All agents will be required to sign a confidentiality agreement, the breach of which will be cause for immediate termination. The confidentiality agreement will, among other things, prohibit agents from sharing their access proximity security cards and/or PIN codes.

Two-Factor Authorization

Secured areas such as the Vault and Security Room will be equipped with a two-factor authentication key card and PIN code access system. Authorized individuals will present their access control card at the proximity reader and if they are currently authorized to enter, the reader will require a PIN code to determine if they are authorized entry before releasing the entry-locking hardware. Only those agents with a need to access particular areas of the dispensary will be given the necessary authorization.



This keycard and a PIN code reader will have a duress alarm feature in accordance with 410 ILCS 705/15-100(h)(1)(iv) which will directly or indirectly notify, by the most efficient means, the Public Safety Answering Point for the law enforcement agency having primary jurisdiction. If any NuMed agent is under duress (for example, is being threatened by an armed robber), the agent will be able to utilize a “panic” protocol.

All agents will also be given a duress PIN code that they may enter into the keypad; this duress PIN code will signal an emergency situation but still open the door or safe. This duress feature will be active 24/7 on all safes, the Vault door, all access control entry points, and other two-factor authentication doors.

Commercial Doors and Door Locks

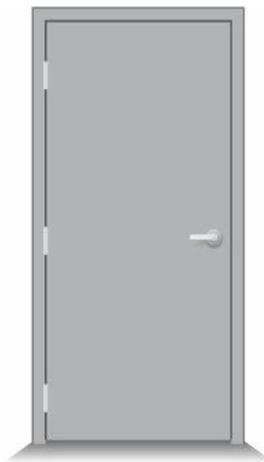
NuMed will only install commercial grade, non-residential metal doors and door locks on every external door to the store as well as at all access control entry points. The general public will be required to enter the dispensary through the front entrance.

NuMed will install cameras and door alarms to ensure that the perimeter doors are secured against unauthorized entry and break-in. All exterior doors will be monitored, and at least one video surveillance camera will be easily visible from the outside and pointed directly at the door in such a way as to capture clear and certain identification of any person entering or exiting the dispensary. This strategy is used to alert anyone entering the dispensary that there is an active video surveillance system, ideally deterring potential theft.

A door alarm will be connected to all entry points to ensure that agents and security guards are aware of the ingress and egress of purchasers, visitors, or any individuals affecting the total capacity of the dispensary.

All other doors on the perimeter of the dispensary will be monitored and controlled by the electronic security systems. NuMed will install commercial grade, non-residential metal doors and commercial grade level-one door locks on all exterior doors and every door leading to limited-access and restricted access areas.

NuMed will install commercial Grade 1 door locks on every door at an access control entry point. All exterior doors and windows will be alarmed and secured against entrance or breakage. These 16-gauge steel security doors that are rated for 60-minutes forced entry resistance will be on a metal frame and hinges and will be on the interior of the door to prevent forced entry. All exterior doors and windows will be alarmed and secured against entrance or breakage. These doors will remain closed and locked at all times when not immediately being used to enter or exit the area.



Exterior locks will be shielded with metal plates to prevent manipulation from the outside. Electric strike locks utilize electric pulses from a low-voltage source to indicate a door



should open. Instead of a turning a key in a core to remove a lock, the pulse activates an actuator that removes the lock. Electric strike locks enable easier access control modification and are less susceptible to damage than physical locks.

Doors will be fail-safe as required by fire codes, but locks to the Security Room and Vault will have mechanical overrides required to open for ingress.

Additionally, in order to prevent unauthorized entry during non-business hours, NuMed will secure all points of entry with bars, retractable, folding or sliding metal gates, or metal rollup or accordion doors. Exterior windows will also be secured by these means.

Internal Security Measures for Access

In accordance with 410 ILCS 705/15-100(g)(2), all restricted access areas shall be clearly described in the floor plan of the premises, in the form and manner determined by the Department, reflecting walls, partitions, counters, and all areas of entry and exit. The floor plan shall show all storage, disposal, and Dispensing and Display Areas.

Regulation of Entry

The main entrance of the building will be clear of any obstructions or barriers, including landscape that may obscure the entry. NuMed will establish a locked door or barrier between the facility's entrance and the limited access area per 410 ILCS 705/15-100(c)(1) via use of the vestibule and other access-controlled doors.

All persons entering the facility will be immediately greeted by Security who will verify that the person may remain on the premises and will direct them as necessary (e.g. sign into the visitor's log or await entry into the dispensary space). Any unauthorized person will be denied access to the Waiting Area and the Dispensing and Display Area. Adult-use purchasers will show a government-issued ID and dispensary agents will show their badge identification. After authorization to enter has been verified, Security will permit entry into the restricted areas of the facility. Security personnel will have remote access via a buzzer to unlock the door to the Dispensing and Display Area. Security will have access to a hold-up alarm.

Anyone stationed in the Security Room will have visibility through Level 2 bullet-resistant windows. The security guard and management will also have multiple video monitors in the Security Room to facilitate constant surveillance of the premises and protect against casing or collaborative theft techniques (such as distracting the guard). The security guard will have access to a hold-up alarm and will be the immediate respondent to activation of the intercom system in the rear, which is intended only for use by transportation organizations when they arrive. Finally, an agent will remotely regulate access via a buzzer to unlock the door to the Dispensing and Display Area.

Limited Access Entry Points

To separate those that can enter the Dispensing and Display Area from the restricted access areas such as the Security Room, NuMed will establish as interior access control entry points (i.e., reinforced steel doors). These points separate the restricted access



areas from public and limited access areas; most notably, areas with purchasers will be separated from areas related to storage or handling. In accordance with 410 ILCS 705/15-100(c)(5), during operational hours, cannabis shall be stored and enclosed in the Day Storage Area and accessible only to specifically authorized dispensing organization agents requiring such access to perform functions, and this access may be scheduled.

NuMed will take appropriate and effective measures to ensure that access to the dispensary will be limited to agents and authorized individuals. NuMed will ensure that any person on the licensed premises, except for agents and contractors of NuMed, are escorted at all times by either the licensee or at least one agent when in the limited-access areas of the premises. NuMed will keep a record of all unauthorized persons who have been escorted into a limited-access area. Neither will they be permitted to accept compensation to authorize any person to enter such areas and all doors to the limited-access area will be secure with locking devices as per 410 ILCS 705/15-100(g)(3). The use of two-factor authentication will limit unauthorized entry into restricted areas. For example, an individual with someone else's access key card would not know their PIN code thus, access would be denied into the areas of greater restriction than they are currently in.

Security Mantraps

With the approval of the Fire Commissioner and other necessary permissions, NuMed will install mantraps (a space with two sets of interlocking doors, such that the first set of doors will close before the second set opens) where unauthorized entry may be gained by covert or forceful means. For example, a mantrap is used on the Product Entrance and Vault doors and both doors connecting to the ID Check-In Room to ensure unauthorized individuals cannot illegally enter or "rush" the doors to escape after a robbery or violent incident.

Mantraps will be programmed in compliance with all fire safety requirements. Panic hardware will be installed to release the locks and activate the alarm in the event of an emergency. To accommodate emergencies which will override the interlocking programming, doors will permit free single-motion egress in compliance with fire codes. For ingress, high-security keys will be available to mechanically override the locks while preventing duplication. NuMed will keep all locks and security equipment in good working order, as per 410 ILCS 705/15-100(c)(9).

Signage and Notices

To deter unauthorized agents from entering secured areas, NuMed will post a sign at every entryway into any area of the dispensary containing cannabis or cannabis products, including the Vault. In accordance with 410 ILCS 705/15-100(g)(1) the signs will state, in a minimum of 12 inches by 12 inches in lettering no smaller than one inch in height:

"Do Not Enter - Restricted Access Area - Authorized Personnel Only."

In accordance with 410 ILCS 705/15-65(h)(i)(1-3), notices will be prominently posted within the dispensary stating:



Distribution to persons under the age of 21 is prohibited;

No minors permitted on the premises unless the minor is a minor qualifying patient under the Compassionate Use of Medical Cannabis Pilot Program Act;

Transportation of cannabis or cannabis products across state lines is prohibited.

Visitor Security

A person that is not a holder of a valid agent identification badge/access key card of NuMed is prohibited from accessing the facility unless they receive authorization and obtain a visitor identification badge from the facility. Authorized visitors or vendors will explain the reason for their visit. No one under 21 years of age is permitted to enter the store, and visitors will not be permitted to enter limited access areas of the facility without reason.

All visitors will be required to sign a visitor log upon entering and leaving the store. In order to obtain a visitor identification badge, a visitor will provide a valid government-issued identification which will contain their name, photograph, and date of birth.

If the visitor's age and reason for entering are valid, then the visitor will be asked to sign in and briefly describe their reason on the visitor/vendor log of NuMed before they may enter the facility. The visitor/vendor log of NuMed will contain the following information:

- Badge Number, if applicable
- Full Name
- Company or Agency
- Date of entry
- Purpose of visit
- Areas of the Site visited
- Escort Name
- Time of Arrival
- Time of Departure
- Signature

All visitors will be given a numbered visitor/vendor badge with the visitor's name and company. All visitors will visibly wear the badge at all times while in any area of the store. All visitors will be escorted by an NuMed agent to ensure that they do not touch anything they are not authorized to. An agent with authorized access to the area a visitor will enter will always escort visitors. Visitors will be asked to scan their visitor badge before entering any controlled access spaces. Scanning a visitor badge will not open any doors, but it will indicate if the visitor's badge is valid and will record the visitor's presence in the space on the electronic security logs. At the conclusion of the visit, visitors will return the visitor badge and sign out on the visitor log.

Visitors will not be permitted to conduct purchases or consumption of products on the premises. Anyone engaging in activities which result in ingestion of cannabis on site will



be asked to cease the activity immediately and be reminded that public consumption is prohibited. The visitor will be dismissed from the premises if they do not instantly comply with the request.

The visitor log will be available for inspection at all times. The visitor log will be maintained for five (5) years per 410 ILCS 705/15-65(a)(6) and made available to the city, the state of Illinois, the Department, and other state or local government officials upon request, if necessary, to perform the government official's functions and duties.

Product Storage Security

Secure Storage Overview

NuMed has a dedicated Vault and Day Storage Area in the floor plan to house cannabis products and cash. The storage policies of NuMed are designed to ensure that areas containing cannabis or cannabis waste are securely locked and protected from theft, diversion, loss, and unauthorized access.

During hours of operation cannabis will be stored and dispensed from an enclosed locked room or cabinet and accessible only to specifically authorized dispensing organization agents per 410 ILCS 705/15-100(c)(5). In accordance with 410 ILCS 705/15-80(a), NuMed will store all cannabis, cannabis products, and edibles, except for limited amounts used for display purposes, samples or immediate sale, in a restricted access area and tracked consistently with the inventory tracking rules. Display cases will only store cannabis and cannabis products in locked alarm-armed display cases protected by security film and will never store cannabis or cannabis products overnight.

At the close of the business day, two agents will inventory cannabis products from the Day Storage Area or cabinets in the Dispensing and Display Area, and take it to the Vault for overnight storage. In accordance with 410 ILCS 705/15-100(c)(6-7), NuMed will store all currency and cannabis in the process of transfer, analysis, or sale in a reinforced Vault in the restricted access area in a manner as to prevent diversion, theft, or loss when the dispensary is closed. Cannabis will not be stored outside. Cash drawers will be reconciled, and the cash taken to the Vault, where it will be stored in its own safe, separately from cannabis.

NuMed will limit access to cannabis storage areas to designated agents as per 410 ILCS 705/15-100(c)(5). When it is necessary for maintenance personnel, non-agent maintenance personnel, business guests, or visitors to be present in or pass through cannabis storage areas, NuMed will provide for adequate observation of the area by an agent whom the permit holder specifically authorized by policy or job description to supervise the activity.

NuMed will ensure storage provides adequate lighting, ventilation, sanitation, temperature, and humidity, as well as the space, equipment, and security conditions for the dispensing of cannabis, in accordance with 410 ILCS 705/15-80(c). All cannabis that requires refrigeration will be kept in a refrigerator unit with a door that will be secured and protected from being compromised by a prying device. The temperature will be set to



maintain the highest integrity of the cannabis at all times and controlled by a temperature alert system connected to the central alarm system.

Vault and Safes

The Vault has been designated to be the only area in the dispensary to store all salable, quarantine, and pending-disposal cannabis and cannabis products outside business hours. In compliance with 21 CFR 1301.72, the Vault walls, floor, and ceiling will be constructed with at least 8 inches of reinforced concrete, additionally reinforced vertically and horizontally with 1/2-inch steel rods, tied 6 inches on center. Additionally, the vault will feature 18-gauge structural studs made of galvanized sheet metal meeting requirements of ASTM A1003, 9-gauge, Type II, Class 1 carbon steel security mesh and attachment clips meeting ASTM F1267 on either side of the studs, and an interior covered by UL and ULC Classified, Type X (per ASTM C1658), and impact-resistant, moisture-resistant, noncombustible gypsum board tested to ASTM E136 or comparable materials and standards. This thick wire mesh has 3" square grids and will be mounted both vertically and horizontally to fit all parts of the interior of the wall.

The Vault will only be accessible through a Class 1 vault door constructed with 1/4" plate steel, a multi-bolt locking system, and a Group 1R lock attached to the concrete structure. The Vault door will also be installed with a commercial grade combination lock and proximity access reader. Authorized individuals will have to use their personal security proximity access card and enter the combination to open the Vault door. This two-factor authentication will prevent access to individuals using the proximity access card of an authorized individual. A log of all entries and code changes into the Vault will be maintained with the security records as per 410 ILCS 705/15-100(c)(8).

The walls and perimeter of the Vault will be equipped with an alarm system which will notify agents in the Security Room, a third-party security monitoring company, and the appropriate police agency. In accordance with Title 21 Code of Federal Regulations §1301.72(vi), the vault will incorporate devices or systems designed to detect illegal entry, which may include:

- Complete electrical lacing of the walls, floor, and ceilings
- Sensitive ultrasonic equipment within the vault
- A sensitive sound accumulator system

For storage of currency and additionally secure storage within the Vault, NuMed will utilize a Tool-and-Lock 30-minute rated (TL-30) safe with a 5-minute Group 1R time-delay lock. The Class 1 and Group 1R designations ensure that the vault and all safes are certified for 30 man-minutes against surreptitious entry, 10 man-minutes against forced entry, 20 man-hours against lock manipulation, and 20 man-hours against radiological techniques. These safes will be equipped by the alarm system to, upon unauthorized entry, transmit a signal to all security monitoring entities including the Security Room, the third-party monitoring agency, and appropriate law enforcement.

Tool and Lock-rated (TL) safes are the standard safes used in most high-risk industries such as the jewelry, firearms and the pawn industries. A TL safe offers much more

security and protection than a standard gun safe model or non-rated safe because of its superior design and construction. Safes assigned a Tool and Lock 30 rating (TL-30) have all passed standardized tests using the same tools and usually the same group of testing engineers. The testing organization requires that the safe is constructed of 1-inch solid steel or equivalent. The rating means that the safe has been tested for a networking time of 30 minutes of attack using “common hand tools, drills, punches hammers, and pressure applying devices.” Networking time means “when the tool comes off the safe the clock stops.” There are over fifty different types of attacks that might be used to gain entrance into this safe, such as using picking tools and hand tools, mechanical or electrical tools, grinding points, carbide drills, pressure applying devices, cutting wheels, power saws and impact tools.



All storage safes will use Group 1R outside combination and PIN code locks to secure the safe door. A manipulation attack is any attempt to discern the combination on the lock using the features and weaknesses in the design of the lock. For example, when in movies, a safe-cracker attempts to listen (possibly with a stethoscope) to learn the combination, this is considered a manipulation attack. In addition, any attempt to randomly or systematically explore the namespace of combinations (the allowed range of possible combinations) is also a manipulation attack. The Group 1R lock is an advanced mechanical lock that is precisely designed to prevent the workings of the lock from betraying the combination, with the R designating protection from radiological imaging techniques. These locks are only used on the highest rated and most advanced safes.



This integration of the combination lock or PIN code lock will offer additional protection against attacks by mechanical, electrical, and cutting tools. All safe locks will also be installed with a 5-minute time delay before unlocking the safe to increase the length of time needed to open the safe. It has been shown in many high-risk businesses that this time delay is very effective in reducing losses should a break-in or armed robbery occur.

All areas where cannabis and cannabis products and devices are stored, including the Day Storage Area and Vault, will be well-lit to a minimum of 500 lux, well-ventilated, and maintained at temperatures to ensure the integrity of cannabis and cannabis products during their storage. Combined with the IR-enabled video surveillance cameras, the lighting will enable clear and certain identification of all individuals, especially unauthorized individuals in the restricted Vault area.

Daytime Secure Storage

All cannabis and cannabis products that are outside of the vault during business hours will be stored in the Day Storage Area. Only approved dispensary agents will have access to cannabis and cannabis products either for inventory tracking or sales purposes. Sales agents will utilize this inventory or inventory in enclosed, locked cabinets behind the Point of Sales area. These cabinets will have commercial tamper evident locks with storeroom function closing, i.e. the lock will engage when the door is shut. Cabinets will open using either agent key cards or high security mechanical keys.

During business hours, the Product Entrance and door to enter the Vault will be interlocking, such that one cannot be opened from the ingress direction while the other is ajar.

No cannabis and cannabis products will be allowed outside of the Vault after business hours as per 410 ILCS 705/15-100(c)(6-7).

Waste Storage and Destruction

All waste and unusable cannabis concentrates and cannabis-infused products shall be recorded and entered into the inventory system before rendering it unusable. All cannabis and cannabis products including quarantine and pending disposable cannabis and cannabis products, which will be stored in a separate storage area, will be secured and stored in the Vault as per 410 ILCS 705/15-80(d).

In accordance with 410 ILCS 705/15-90(a), cannabis which is considered unusable, undesired, excess, unauthorized, misbranded, or deteriorated waste will be promptly disposed of. This cannabis may still be subject to theft and diversion while it is scheduled for disposal; thus, waste will be ground and incorporated with at least 50% non-cannabis waste (e.g. wood ash) and stored in a waste receptacle which is locked with a commercial grade lock until disposal. Access to cannabis waste will be limited to agents whose tasks involve waste management.



Disposal of the non-compostable mixed cannabis waste rendered unusable will be delivered to a landfill, incinerator, or other facility with approval of the jurisdictional health department in accordance with 410 ILCS 705/15-90(b)(2).

Verification of this event shall be performed by an agent-in-charge and conducted in an area with video surveillance as per 410 ILCS 705/15-90(c). Electronic documentation of destruction and disposal shall be maintained for a period of at least 5 years in accordance with 410 ILCS 705/15-90(d).

Receiving Procedures

NuMed procedures for receiving shipments will guarantee safe and efficient transfer of cannabis and will enable its agents to transport cannabis safely and quickly from the transportation vehicles to the Vault. These procedures will minimize any potential for diversion of cannabis, loss of cannabis, or mistake in shipment details.

An agent of NuMed with authorized access (the “inventory agent”) to the Vault will verify that the Vault can be opened and closed without incident and that there are no obstructions in place between the Product Entrance and the Vault. Having a clear path to the Vault will protect against possible accidents that could jeopardize the safe and exact transfer of cannabis. The inventory agent will ensure that the Vault is neat, clean, and free of any other debris or material from prior deliveries.

Security guards and inventory agents will monitor the premises and all neighboring areas for individuals conducting unauthorized surveillance, suspicious vehicles, or any other irregularity inside or outside the premises. If such suspicious persons or activity are noticed before receiving begins, NuMed will immediately contact the transportation organization and instruct them to abort the shipment. Any individuals not associated with the transportation organization or NuMed will be asked to leave the immediate area.

NuMed will also ensure that an authorized NuMed agent is adjacent to a panic or hold-up alarm button(s) and is instructed to activate the alarm in case of an emergency. All NuMed managers and agents will be trained to detect threats and suspicious activities on or around the premises. If any security guard or agent perceives a threat and believes the dispensary to be in imminent danger, the security guard or agent will initiate a lockdown and immediately notify the local law enforcement of the perceived threat. NuMed management will also notify the transportation organization and instruct them to abort the delivery. If no threat is perceived, the scheduled delivery will be allowed to proceed.

The Product Entrance will then be opened to allow shipments to be transferred into the Vault. Once in the receiving area, the Product Entrance will be closed and secured before shipping manifest verification begins. Deliveries and the unloading of cannabis will not be visible from the front of the building pursuant to 410 ILCS 705/15-70(f).

During business hours, shipments of cannabis or cannabis products will not enter the premises through the public entrance. NuMed will designate an area at the rear of the building restricted to transportation organization vehicles. The Product Entrance will only



be opened for prescheduled and approved deliveries. Access to the receiving area will be restricted to transportation organizations. All authorized agents will have security training relevant to receiving shipments.

Transportation organization identification and the vehicle make and model will be verified on the manifest before an NuMed agent engages in the receiving process in full view of the video surveillance system. To safeguard against any loss or diversion of shipments, video surveillance will record all areas associated with receiving cannabis and moving it into the Vault, including all license plates and faces per 410 ILCS 705/15-100(i)(3). NuMed will create standard operating procedures for its inventory agents to address various issues that can arrive during the receiving process. Among the issues that will be covered in the standard operating procedures will be attempted theft during the receiving process and packaging malfunctions that leads to spillage of cannabis.

Shipments will only be received between the hours of 6:00 a.m. and 10:00 p.m. local time. The transportation organization vehicle will arrive under direct video surveillance that covers all approach routes to the receiving area. Either the security guard or a senior manager will remotely monitor the vehicle from the Security Room as it arrives.

At this time, receiving will commence via Product Entrance, through the Receiving Area and into the Vault, where inventory will be counted. After verification against the manifest, inventory will be entered into the inventory control system and the order will be accepted contractually. NuMed will work with the Police Department and security professionals to select the most secure method of loading/unloading. After the completion of delivery, the inventory agent will ensure all product verification of packaging and labeling meet Illinois regulations and will enter the time and date that delivery was completed onto each physical copy of the manifest. This information will be added to and/or verified in the inventory control system.

Private Alarm Contractor and Support

NuMed will contract an Illinois-licensed private alarm contractor or private alarm contractor agency to handle the 24/7 live alarm monitoring of the dispensary. In accordance with 410 ILCS 705/15-25(d)(29), NuMed will sign a contract with a private security contractor that is licensed under Section 10-5 of the Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Act of 2004, in order for the NuMed to have adequate security at its facility.

Alarm systems will be maintained and in good working condition at all times, and logs may be provided to local officials within 24 hours of request. The alarm system will utilize commercial grade equipment to prevent and detect diversion, theft, or loss of cannabis and cannabis products. In addition, onsite Security Guards will respond to every alarm.

The dispensary will also be equipped with a radio automatic voice dialer which, when the alarm is activated, will send a prerecorded voice message requesting dispatch to the designated Agent, the central station alarm company, and law enforcement, public safety, and emergency services agencies.



All devices will be tested on an annual basis by a third-party vendor. On an annual basis, NuMed will undergo a full security risk assessment review by a third-party cannabis security specialist. A resulting security assessment summary will be submitted by the third-party specialist to management no later than 30 calendar days after review has been conducted. In the event that any assessment identifies concerns related to security systems or procedures of NuMed, the third-party security specialist will submit to management mitigation recommendation. All inspections, assessments, servicing, alteration and upgrade documentation will be maintained for a period of at least five (5) years per 410 ILCS 705/15-65(a)(6), and made available to the Department, local Police Department or other officials upon request.

Security Systems Repair

NuMed will keep all video surveillance, access control devices, and alarm security systems in good working order:

- NuMed will conduct routine internal maintenance inspection at intervals not to exceed 30 days, and ensure that all necessary repairs, alterations, and upgrades are made for the proper system operation;
- In addition, security systems will be inspected and all devices tested annually by a qualified third-party surveillance system vendor;
- NuMed will keep a maintenance activity log which will include the identity of the individual performing maintenance, the service date and time, and the reason for the service;
- NuMed will retain, for at least five (5) years per 410 ILCS 705/15-65(a)(6), the maintenance activity log of all system inspections, servicing, alterations, and upgrades; and
- Security system maintenance activity records will be made available upon request to the Department and its authorized agents.

Security Systems Inspection

To ensure all video surveillance, access control, and alarm security systems are operating properly, all security equipment shall be inspected and tested at regular intervals, not to exceed one month from the previous inspection, and tested to ensure the systems remain functional per 410 ILCS 705/15-100(h)(4). All devices will be tested once every year by an Illinois-licensed private alarm contractor.

For inspection:

- NuMed will conduct an internal maintenance inspection once a month and ensure that all necessary repairs, alterations, and upgrades are made for the proper operation of the systems;
- NuMed will keep a maintenance activity log which will include:
 - Identity of the individual performing the service
 - Service date and time
 - Reason for maintenance service to the system(s)



- NuMed will retain at the facility, for at least five (5) years, a maintenance activity log of all inspections, servicing, alterations, and upgrades performed on the system;
- The maintenance activity records will be made available to the Department, local Police Department, and other state or local government officials upon request, if necessary, to perform the government official's functions and duties.

In accordance with 410 ILCS 705/15-100(h)(1)(iii) and 410 ILCS 705/15-100(h)(11), NuMed will install a failure notification system that provides an audible, text or visual notification of any failure in the surveillance system, including, but not limited to, panic buttons, alarms, and video monitoring system. The failure notification system will provide an alert to the designated agent within five (5) minutes of the failure, either by telephone, email, or text message.

In the event of an extended mechanical malfunction of the surveillance or alarm system, NuMed will notify local law enforcement and the Department. A power failure will not release electronic door locks during a power outage. NuMed will notify local police and the Department, and will provide alternative security measures that may include hiring additional security guards or temporary closure of the facility.

Backup Power Source

To prepare for an outage, NuMed will contract with a licensed power source company to purchase the appropriate backup power source system capable of maintaining normal video surveillance and alarm monitoring activity for at least four (4) hours per 410 ILCS 705/15-100(i)(9). The video surveillance and alarm systems will each be equipped with a 3000VA uninterruptible power supply (UPS) synchronized with a compatible high-output generator to provide a seamless transition from main power to auxiliary power in the event of a power outage. This backup power source system will be designed with a battery failure notification that will provide an early-warning fault analysis enabling timely preventative maintenance. It will also automatically conduct periodic self-tests on batteries for early detection of battery replacements and will feature a warning when a battery is not able to provide backup power.



Theft, Loss, and Diversion Prevention

Detection of Diversion

NuMed will have a manager on the premises at all times during hours of operation, or at any time, another person who is not a manager or owner is on site. In order to protect the premises for visitors, purchasers, and agents, NuMed will operate under a set of specific, written procedures which will be presented to agents upon hire.

Agents will be directed to pay close attention to the access points to the dispensary. Any door that is intended to serve as a barrier between the secured access areas of the dispensary will remain closed and locked at all times, except for the moment when an authorized individual is walking through it. Agents will only have access to the portions of the dispensary that relate to their function at work and this access can be scheduled.

In accordance with 410 ILCS 705/15-40(b), all dispensing agents will display a laminated or plastic-coated identification card issued by NuMed at all times while engaging in commercial cannabis activity. The identification card will include the company name and license number, the agent's name, a random 10 digit alphanumeric id number containing at least 4 numbers and 4 letters that is exclusively assigned to that agent for identification purposes, and a color photograph of the agent that clearly shows the full front of the agent's face and that is at least 1 inch in width and 1.5 inches in height in accordance with 410 ILCS 705/15-40(c).

At least two registered agents or security guards will be on-site at all times during regular business hours to ensure that the dispensary has at least two persons present from opening to closing. The misrepresentation of usable cannabis as waste is the most common method of diversion. This can occur under the following conditions:

- Stealing containers used to store cannabis products
- Recovering cannabis to be disposed of before it is made unusable and unrecognizable
- Storing cannabis in loose-fitting clothing



Signs of internal theft or diversion include:

- An agent's purchasing abilities increase at a rate inconsistent with their income
- An agent accessing an area not assigned to them
- An agent removing anything from a limited area without supervisor approval

Beginning each work shift, agents will store their personal belongings in their designated secure lockers, visibly wear their NuMed-issued access keycard, and start their shift. Storage lockers will be furnished and individually assigned to each agent with a unique electronic lock combination. Electronic locks eliminate the risk of duplicate keys and allow security personnel to override the lock with a master combination should there be evidence or detection of theft or diversion. Additional agent policies:

- Agents will be directed to pay close attention to the access control points. Any door that is intended to serve as a barrier between areas with different restrictions will remain closed and locked at all times.
- Agents will only have access to the portions of the premises that relate to their function at work. Only the manager will have access to the Vault.
- Agents will have training in accordance with the personnel policies and procedures, and such training will be conducted by a knowledgeable, qualified agent.

NuMed will immediately update system agent information and status. If an agent is no longer employed by NuMed, the Security Manager will remove access and permissions to the dispensary. The agent-in-charge will notify the Department of an employment change of any agent within 5 business days, including notice if the termination was for diversion of product or theft of currency, in accordance with 410 ILCS 705/15-95(e).

When an agent is terminated or suspended:

- NuMed will ensure all passwords, key locks, and combinations of a terminated agent are changed upon termination.
- The implementation of additional security measures, such as consultation with a threat assessment professional, may be used when an agent of concern is terminated.
- A terminated or suspended agent will surrender their security access card/identification card immediately.

NuMed will review with the agent the consequences of their actions as well as other fraudulent activity which could occur after the termination or during the suspension.

Creating a Culture of Honesty

NuMed strives to create a "Culture of Honesty" and has an open communication policy. It is the responsibility of all agents to report the theft or dishonest behavior to management. NuMed understands the need to cultivate a safe work environment. NuMed will not tolerate behavior that affects the safety of agents or other individuals. NuMed will immediately dismiss any agent who has:

- Engaged in unsafe practices onsite



- Violated any safety standard and/or any other rule, policy or procedure
- Engaged in misconduct toward a visitor, contractor, vendor, manager or coworker including but not limited to:
 - Threatening
 - Intimidation
 - Coercing
 - Fighting
 - Using foul or abusive language
 - Engaging in any action that could result in injury or damage to persons or property
 - Speaking negatively about a coworker to a visitor, vendor or contractor
- Violated the Alcohol and Drug Abuse Policy or a criminal statute
- Destroyed, damaged or misused company property or assets
- Engaged in disorderly or illegal conduct onsite
- Harassed another person, made racist or sexually offensive remarks, physically touched or made inappropriate suggestions to any individual in the course of employment or while on company premises
- Been insubordinate, refused to follow work-related directions from a manager or supervisor, or neglected or demonstrated incompetence in the performance of job responsibilities.
- Attempted misappropriation of cannabis or cash. NuMed will report any such incident to the Department and local law enforcement officials immediately. Any removal from the premises of concealed monies, merchandise, or property belonging to NuMed, other agents or other persons will be grounds for dismissal.
- Failed to report the dishonesty of another when the agent has a reasonable knowledge of such dishonesty, failed to record a sale, failed to properly account for or control funds, made a false statement to a manager, or engaged in a fraudulent act.
- Discounted cannabis without authorization.
- Entered, or caused to be entered, information which the agent knows to be false, or reasonably should have known to be false, on any company document, report, form or record.
- Accepted gratuities from vendors, contractors, visitors, or other agents.
- Has been insubordinate, refused to follow work-related directions from a manager or supervisor.
- Used company property or assets for personal reasons without prior approval or transacted personal business during working hours.
- Acted contrary to the best interests of NuMed; for example, diverted sales or divulged proprietary or business information or violated of the Conflict of Interest Policy
- Failed to follow company policy resulting in the loss of monies, merchandise, or other assets, or violated a company policy or procedure.



Hiring Policies/Background Checks

NuMed will not hire any agent or contractor who is likely to engage in illegal distribution of cannabis. In addition to questions during the hiring process, NuMed will conduct criminal background checks and an evaluation of work history. NuMed will send the information of all prospective agents to the Department for the purposes of a background check in accordance with 410 ILCS 705/15-25(g). NuMed will conduct a criminal history background check on any prospective agent, principal, director, board member, or owner prior to hiring, appointing, or permitting investment from that individual.

Each cannabis business establishment prospective principal officer, board member, or agent shall submit his or her fingerprints scanned by a licensed Fingerprint Vendor to the Department of State Police in the form and manner prescribed by the Department of State Police per 410 ILCS 705/5-20(a). Through the Department of State Police, NuMed will coordinate with the Department to conduct a criminal history record check of the prospective principal officers, board members, and agents of NuMed.

NuMed intends to enlist the services of a professional background check agency with a licensed private detective company which merges advanced search methodologies from multiple investigative databases and public record sources with interpretation by investigative specialists to ensure that management will have all the information necessary before deciding to employ an individual. NuMed will keep records of the results of the criminal history background checks and make the confirmation of criminal history background checks available for inspection. In accordance with 410 ILCS 705/15-25(d)(14), all persons employed by NuMed and all volunteers will be at least 21 years of age.

Purchaser Diversion Awareness

Dispensaries can prevent cannabis diversion which may occur after the sale. It is in the best interest of NuMed agents to ensure purchasers do not abuse access to cannabis. In order to dispense adult-use cannabis, NuMed agents and the Security agent or security guard will verify the age and all necessary documentation of each purchaser to ensure the purchaser is not under the age of 21 years. Training on the prohibition of sales to minors will cover all relevant Illinois laws and rules pursuant to 410 ILCS 705/15-40(i)(3)(iii).

Government-issued identification will be verified at the Counter using an identification-authentication system, which not only checks the individual's age but also checks the individual against lists and alerts for fraud and excessive purchases. Per 410 ILCS 705/15-40(i)(3)(v), an acceptable form of ID will be limited to a state-issued driver's license, military ID, or passport. Agents will receive annual training on how to check identification and common mistakes made in verification.

Agents will exercise professional judgment to determine whether to dispense cannabis to a purchaser if they suspect that dispensing any cannabis may have negative health or safety consequences for the purchaser or the public.



NuMed will not dispense adult-use cannabis to any person who is not 21 years of age or older. NuMed will never distribute free samples for promotional purposes outside of the premises.

Per 410 ILCS 705/10-10(a), agents will adhere to the following daily limits during a sales transaction for adult use purchasers who are residents of the state of Illinois:

- 30 grams of cannabis flower
- No more than 500 milligrams of THC contained in cannabis-infused product
- 5 grams of cannabis concentrate

Per 410 ILCS 705/10-10(b), agents will adhere to the following daily limits during a sales transaction for adult use purchasers who are not residents of the state of Illinois:

- 15 grams of cannabis flower
- 2.5 grams of cannabis concentrate
- 250 milligrams of THC contained in a cannabis-infused product

Safety and Security Training for Agents

NuMed will ensure the health and safety of agents and contractors by complying with and training agents on protocols that implement established health and safety laws, including OSHA standards. The safety plan will include procedures for responding to scenarios that impact security and safety, including severe weather, fire, natural disasters, medical emergencies, and unauthorized intrusions. Formal training will occur within 30 days of new hire start-date, annually thereafter, and will be accompanied by scheduled drills throughout the year. Interested agents and all Managers will receive CPR and First Aid certification.

The Security Manager will train agents on security measures for theft prevention; emergency response; use of force; protection and preservation of a crime scene; and access-controls for protected areas of a facility. These measures how to use panic buttons and duress PIN codes, along with any other safety and security equipment available to agents. Supervisors will be trained on managing emergency responses.

Training is designed not only for compliance but to promote high engagement among participants, improving knowledge retention and response under stress. Hands-on training will include live scenarios where agents actively participate. Classroom training will require satisfactory scores on exams to receive credit.

Fire evacuation procedures will include responding to the alarm and notifying the fire department; identifying an evacuation path before approaching fire; discharging the fire extinguisher using the PASS technique (Pull, Aim, Squeeze, Sweep); and evacuating immediately if fire extinguisher is empty or fire blazes too intensely.

Emergency Planning

How companies handle significant events can have a long-term effect on their business operations. It is imperative that agents prepare for unfavorable events in order to avoid panic, handle a situation optimally, and resume work promptly. By implementing training

for stressful events, agents can act dutifully, and more confidently should the scenario occur.

NuMed will prepare for, protect against, and handle any crises that affect the security or operation of the dispensary in the event of a fire, flood, or other natural disaster, or other situations of local, state, or national emergency. At least two emergency preparedness drills will be conducted every calendar year. In case of an emergency, it will be the responsibility of the agent-in-charge to evaluate an emergency, see that appropriate action is taken, determine whether outside support is needed, and summon support, if necessary. Management will also ensure there is a valid phone number on file for all agents, managers, volunteers, third-party contractors who work on site, and the owner.

NuMed will have emergency supplies ready in case of an emergency. NuMed will actively educate agents on a standard response safety protocol system, which will be outlined in the agent manual, and use it to enable a rapid response during unforeseen events. By utilizing the standard response safety protocol system, NuMed will allow for a more predictable and uniform series of actions as an event unfolds. NuMed will standardize the protocol vocabulary so all agents will understand the response and status of the event, providing continuity of expectations and actions. The standard response safety protocols will be understood and rehearsed by all agents and coordinated with local emergency responders if possible.



Evacuation Protocol

In case of fire, industrial accident, bomb threat or other emergency, an evacuation protocol will be used to move agents from the facility to an external rallying point. Each area of the facility will have pre-determined evacuation routes clearly posted in all work areas, and agents will be briefed on these routes and periodically rehearse them. Upon the initiation of the evacuation protocol, all agents will immediately cease their work activity and assist visitors to the pre-determined evacuation rally site. Agents assigned a safety function should be the last to exit the building whenever possible. One agent will be assigned to take the First Aid Kit as they leave the building. A designated agent will



notify the Police and Fire Department by calling 911. All agents will remain at the pre-determined rallying site until all agents have been accounted for.

Additional steps to be taken in the event of a fire include:

1. If a fire cannot be easily and safely extinguished by the agents discovering it, immediately notify all persons present of the fire
2. Direct all persons present to evacuate the building using the nearest safe exit
3. If possible, turn off electrical equipment and close doors against the fire

Additional steps to be taken in the event of a bomb threat include:

1. Reinforce that bomb threats will be taken seriously
2. An agent receiving a bomb threat will notify their supervisor and/or a member of the senior management immediately

Severe Weather Shelter Protocol

During severe weather events such as tornadoes or blizzards, a shelter protocol will be initiated for group and self-protection. The shelter protocol may be necessary to protect agents and visitors during severe weather events where seeking hardened protection is prudent. Upon the initiation of shelter protocol, all agents will cease all work activity and assist purchasers and visitors to pre-determined hardened shelter and await further instructions. All agents will remain at the pre-determined rallying site until all agents have been accounted for.

Workplace Violence

NuMed is committed to the safety and health of its agents, purchasers, and the local community. NuMed will refuse to tolerate any form of violence in the workplace and will make every effort to prevent violent incidents from occurring by implementing a Workplace Violence Prevention Program (WVPP). All managers and agents are responsible for implementing and maintaining our WVPP. NuMed will require prompt and accurate reporting of all violent incidents whether a physical injury has occurred or not. NuMed will prohibit discrimination against victims of workplace violence. All agents, including managers, are responsible and accountable for using safe work practices, for following all directives, policies, and procedures, and for assisting in maintaining a safe and secure work environment.

Training agents using online resources and onsite drills ensures agents are well-versed in the policies that will best protect them during an incident of workplace violence. Training topics include: examples of workplace violence; company policies; safe confrontation and communication; crisis reporting; and mediation training for management to encourage healthy communication and conflict resolution among agents. NuMed will provide resources for agents to seek counseling for issues such as anger management.

NuMed will not tolerate unsafe non-physical behavior such as stalking, harassment, or other attempts at intimidation by agents and contractors or by patients and caregivers, who may intentionally or unintentionally violate NuMed's Zero-Tolerance Policy for acts of workplace violence or harassment. If another agent, visitor, vendor, or a guest



becomes aggressive or violent, a manager will be notified immediately. Management will be trained by a security consultant on how to deal with workplace violence. Violence initiated by an agent may result in termination.

Active Threat Nearby: Lockout Protocol

If an active threat is witnessed or reported within reasonable proximity of the facility, a lockout protocol will be initiated to safeguard everyone within the facility. The lockout protocol is designed to prevent entry into the facility by unknown, suspicious, or dangerous individuals, and to maintain accountability and security of all agents within the facility. All exterior doors, gates, and windows will be locked and secured. No one will be allowed into or out of the facility until the situation that caused the lockout is resolved.

Active Threat Inside: Lockdown Protocol

If an active threat is identified inside the facility, a lockdown protocol will be initiated to safeguard everyone. The lockdown protocol is used to secure individual rooms and to keep agents safely in place. Upon the initiation of a lockdown, all agents will assist visitors and purchasers to rapidly move to predetermined lockable and secured sites within the facility. Only law enforcement is trained to react and confront an active shooter situation. All individuals will remain secured within the locked sites until personally contacted by law enforcement or senior management, indicating all is clear and safe. At the conclusion of a lockdown protocol, a full accountability of agents and visitors will be determined.

Armed Robbery Response Training

NuMed will emphasize agent training and procedural documentation on how to respond to an armed robbery. To help prevent escalation, NuMed will install duress alarms to convey that the user is being forced to turn off the alarm system and hold-up alarms to communicate a robbery-in-progress. Additionally, having an easy to follow post-robbery protocol after an incident will greatly reduce stress and decrease the time to resuming business.

All agents will receive training concerning procedures that will be implemented in the event of an attempted robbery. The primary objectives of these procedures will be the protection of human life. Senior management will be primarily responsible for implementing these procedures and for directing others during an event.

NuMed will be using an internet-based “Armed Robbery Response Training Program” which educates and trains agents in effectively dealing with an armed robbery if one should occur. NuMed will educate and train agents in effectively dealing with an armed robbery if one should occur. NuMed feels that educating agents on best practices during an armed robbery will minimize the risk of injury during a robbery. Agents will acquire the knowledge, procedures & confidence to respond to a robbery safely & effectively. In addition, the program is designed to assist in getting back to normal business operations as quickly as possible in the event of an armed robbery.

Power Outage



If there is a loss of power, designated agents with flashlights will direct all agents and purchasers to the front waiting area until power resumes. All agents will remain in the designated waiting area until full accountability of agents is determined. Purchasers may be permitted to leave.

Reporting – Agent Instructions

It is the responsibility of every agent who witnesses or suspects criminal activity at the dispensary to report it immediately to the agent-in-charge or the authorities. NuMed, immediately upon discovery, will report all criminal activity occurring on the premises to the local Police and the Department within 24 hours of the discovery of the following situations:

- A significant discrepancy in its inventory, or a difference in actual inventory compared to records
- Suspected diversion, theft, loss, or any other criminal activity pertaining to the operations of the dispensary, including by an agent
- The loss or unauthorized alteration of records related to Adult Use Cannabis or dispensary agents
- Any suspicious act involving the sale, distribution, manufacturing, or production of cannabis by any person on the premises.
- Unauthorized destruction of cannabis products by any person.
- Any other breach in security.

NuMed will also provide written notice of the criminal activity to the local police and the Department after the discovery of the activity. This written report will detail the following:

- Date and time of the discovery of the occurrence
- The circumstances of the criminal activity
- An accurate inventory of the quantity and brand names of the cannabis, cannabis products or other items diverted, stolen, lost, destroyed, or damaged
- Confirmation that the city police department was notified
- Measures being taken to prevent further criminal activity

NuMed will provide the local Police Department with the current name and telephone number(s) of at least one 24-hour on-call agent to address and resolve complaints and to respond to emergency operating problems or concerns associated with the dispensary. The dispensary will maintain and make available all documentation related to an occurrence that is reportable and will cooperate with any law enforcement investigations or directives from the department. In accordance with 410 ILCS 705/15-110(a) the dispensary will keep these records for a minimum of 3 years.

Given the internalized, secretive nature of agent theft, most companies struggle to detect fraud and conduct an agent theft investigation. Therefore, NuMed will establish a toll-free internal agent theft tip hotline program. An anonymous or whistle-blower toll-free telephone number gives concerned agents opportunities to provide information on theft and other criminal activities happening in the workplace without fear of retribution. This theft hotline is one of the most effective tools in investigating a theft in the workplace. The theft tip hotline will be operated by a third-party company who will communicate concerns

to senior management. The hotline will allow honest agents to report secretive theft concerns to senior management for review and follow-up.



Transactional Security

Cash Protocols inside the Dispensary

Cash is currently the most popular method of payment for transactions involving cannabis or cannabis products. Steps will be taken to ensure that the cash is handled properly and that criminals do not target dispensaries and agents for their cash inventory in addition to their cannabis inventory. Additionally, cash will be monitored to guard against agent theft and diversion practices.

NuMed will have at least two (2) cashiers working during all business hours in order to expedite any purchases and ensure that the number of visitors present at any one time never becomes overwhelming for both the agents and the onsite security guards. There will be duress alarm buttons placed on the underside of the checkout counter within easy reach of every cashier as per 410 ILCS 705/15-100(h)(1)(iv) that by design and purpose will directly or indirectly notify, by the most efficient means, the Public Safety Answering Point for the law enforcement agency having primary jurisdiction. The agent will always print a receipt for the products purchased. Every transaction will be recorded by the Point-of-Sale inventory system that provides both the purchaser and NuMed with a record of the sale. In accordance with 410 ILCS 705/15-100(i)(10), NuMed will utilize video camera or cameras recording at each POS location allowing for the identification of the dispensing organization agent distributing the cannabis and any purchaser. The camera or cameras shall capture the sale, the individuals and the computer monitors used for the sale. Proprietary software will link the transaction with its video recording.



All cash received, except that needed for purchaser transactions, will be kept in a secure receptacle such as a drop safe or other type of safe. In the Vault, NuMed will have a separate safe in which valuable objects and cash will be located at night as per 410 ILCS 705/15-100(c)(6). Cash revenues will be removed from registers daily and placed in the main cash safe located in the Vault after the dispensary has closed. Management will maintain two-person verification by supervising the daily deposit of revenues into the cash safe. All deposits of cash into the main safe will be logged with an accurate count and signature of management. From time to time, the agent-in-charge will conduct unscheduled spot checks or audits of cash in the safe.

Cashier Accountability

Each agent handling cash will be trained in efficient and safe cash management techniques. All transactions will be handled at the counter before the register to which the agent is signed in. No agent will be assigned multiple purchasers in the Dispensing and Display Area. A drop safe will be located under the counter at the service window, and the cashier will be required to make periodic cash deposits into the drop safe each time the contents of the cash drawer exceeds \$500.



All agents will be held accountable for the balance of their drawers periodically during working hours and at the close of each day. If an agent does not balance within one percent (1%) of perfect on three occasions, that agent may be terminated or removed from any position involving the handling of funds. All funds remaining in cash drawers and all funds in the drop safe will be deposited into the main safe at the close business each day. Periodically, management will conduct unscheduled audits of cash drawers.

Non-Cash Transactions

NuMed will utilize all possible avenues to make transactions with payment other than cash, such as checks and credit cards, whenever feasible. Purchasers spend more via



electronic payments than cash, and agents and purchasers feel safer when the large amount of cash on-hand is reduced, leading to less crime and more community acceptance.

Non-cash financial transactions are a dynamic topic in the cannabis industry, and NuMed will ensure full legal compliance and thorough information security standards as this aspect of the industry develops. All funds will flow through USA-based financial networks in a transparent manner.

Cash Protocols for Transporting and Depositing

NuMed will contract with a third-party security company that utilizes an armored vehicle or comparable secured transportation to transport cash deposits from the dispensary to its financial institution. Cash transporters will be required to operate in compliance of all regulations of Proprietary Security Force Professions required by the Department. Senior management will order cash pickups at periodic, alternating intervals.

Prior to cash pickups, under the supervision of senior management, an agent will:

- Count and sign the safe log for all outgoing deposits
- Utilize dual-pouch, tamper-resistant depository bags
- Write the deposit information in the space provided on the outside of each depository bag
- Record the number of bags and each unique bag number on a deposit ticket and retain a copy of the deposit ticket for NuMed records
- Seal all depository bags

Cash pickups will be conducted in a secure area of the dispensary in full view of a security camera. During cash pickups, under the supervision of senior management, an agent will:

- Verify the armored truck guard's identification badge
- Record the package quantity being shipped
- Ensure that all guards wear a name tag and are escorted by an agent for the full duration of time they are within the dispensary.

Information Security

Record keeping

NuMed will value records as a means to improve operations, manage finances, assist with internal and external audits, and provide the Department, local officials, or local law enforcement with information. NuMed will maintain accurate books and records in an electronic format, detailing all of the revenues and expenses of the business, and all of its assets and liabilities. NuMed plans to store records within the I.T. Closet. Records will be secured and backed up daily to prevent tampering, theft, or destruction of records. Records will have safeguards against unauthorized erasures and changes in data after the information has been entered and verified by NuMed.

All physical documents, such as transaction records, inventory records, security records, audit records, business records, and financial records will be stored electronically in redundant and geographically dispersed tier-rated data centers to provide the maximum



level of security and compliance with all state and federal document storage and confidentiality rules.

For the storage and retrieval of information, NuMed will use a system that:

- Guarantees the confidentiality of the information contained therein
- Is capable of providing safeguards against erasures and unauthorized changes in data after the information has been entered and verified by the dispensary
- Is capable of being reconstructed in the event of a computer malfunction or accident resulting in the destruction of the data bank.

All physical documents, such as transaction records, inventory records, security records, audit records, business records, financial records, and any other required under 410 ILCS 705/15-110 will be encrypted electronically to provide the maximum level of security and compliance with all state and federal document storage and confidentiality rules. Per 410 ILCS 705/15-95(b), the agent-in-charge will be responsible for maintaining all files subject to audit or inspection by the Department.

In accordance with 410 ILCS 705/15-110(a)(1-7), dispensing organization records will be maintained electronically for 3 years and be available for inspection by the Department upon request. Maintained records include, but are not limited to, the following:

- Operating Procedures
- Inventory Records, Policies, and Procedures
- Security Records
- Audit Records
- Staff Training Plans and Completion Documentation
- Staffing Plan
- Business Records (such as assets and liabilities, monetary transactions, bank statements, journals, ledgers, agreements, checks, invoices, receipts, and vouchers, etc.)

In accordance with 410 ILCS 705/65-36, NuMed will also maintain accurate sale records for every sale made to a customer. These records will contain, at minimum, the following information:

- A complete and accurate record of cannabis held, purchased, sold, or otherwise disposed of, and will preserve and keep all invoices, bills of lading, sales records, and copies of bills of sale, returns, and other pertinent papers and documents relating to the purchase, sale, or disposition of cannabis. Records will be maintained in the State of Illinois and all original invoices or copies thereof covering purchases of cannabis will be retained on the licensed premises for a period of 90 days after such purchase.
- Books, records, papers, and documents will, at all times during the usual business hours of the day, be subject to inspection by the Department or its duly authorized agents and agents. The books, records, papers, and documents for any period with respect to which the Department is authorized to issue a notice of tax liability will be preserved until the expiration of that period.



Inventory Reconciliation and Auditing

NuMed recognizes that the simplest and most effective way to detect internal theft is to maintain an accurate inventory. In order to maintain an accurate inventory, NuMed will use a reputable inventory control system to track all cannabis in the dispensary's possession. This system will prevent any cannabis from being unaccounted for or misidentified. Since inventory management serves to deter theft and diversion of cannabis, a strong auditing program will enable ongoing inventory controls and procedures for the conduct of inventory reviews and comprehensive inventories of cannabis. All inventories, procedures, and other documents related to inventory control will be maintained on the premises and made available immediately upon request for inspection and copying by the Department or law enforcement.

In accordance with 410 ILCS 705/15-75(a), the agent-in-charge shall have primary oversight of the cannabis inventory verification system and the point-of-sale system. The inventory point-of-sale system shall be real-time, web-based, and accessible by the Department at any time. The point-of-sale system shall track, at a minimum the date of sale, amount, price, and currency.

NuMed will utilize an inventory control system approved by the Department to track and report on all aspects of operations including, but not limited to cannabis tracking, inventory data, gross sales (by weight and by sale) and other information. These systems will:

- Ensure compliance with state law
- Produce historical transactional data for review
- Accurately document the location, amounts, and descriptions of all cannabis

In accordance with 410 ILCS 705/15-75(b), NuMed will establish an account with the State's verification system that documents:

- Each sales transaction at the time of sale and each day's beginning inventory, acquisitions, sales, disposal, and ending inventory.
- Acquisition of cannabis and cannabis-infused products from a licensed adult use cultivation center, craft grower, infuser, or transporter, including: a description of the products (including the quantity, strain, variety, and batch number of each product received); The name and registry identification number of the licensed adult use cultivation center, craft grower, or infuser providing the cannabis and cannabis-infused products; The name and registry identification number of the licensed adult use cultivation center, craft grower, infuser, or transportation agent delivering the cannabis; The name and registry identification number of the dispensing organization agent receiving the cannabis; and the date of acquisition.
- The disposal of cannabis, including: A description of the products, including the quantity, strain, variety, batch number, and reason for the cannabis being disposed; The method of disposal; and the date and time of disposal.

Before commencing business, NuMed will conduct a comprehensive inventory of all forms of cannabis. NuMed will establish inventory controls and procedures for the conduct of inventory reviews and comprehensive inventories of stored, usable and unusable



cannabis, which will enable NuMed to detect any diversion, theft, or loss in a timely manner.

All inventories will be maintained in electronic format and will include the date of the inventory, a summary of the inventory findings, and the names, electronic signatures, and titles of the individuals who conducted the inventory. The agent performing the inventory will directly input their findings into a device that interfaces with the inventory control system.

In accordance with 410 ILCS 705/15-75(d), NuMed will perform an inventory reconciliation daily. In conducting the inventory reconciliation, NuMed will verify that its inventory is consistent with all inventory records. NuMed will maintain the results of the inventory reconciliation in its records and NuMed will make the results available to the city or the Department upon request. If a significant discrepancy is discovered between physical inventory and inventory records pursuant to 410 ILCS 705/15-75(d)(3), NuMed will notify the Department and the Department of State Police in writing within 24 hours of first discovery.

Any changes made to the POS/inventory system (e.g., product conversion vouchers, quantity adjustments, shake, by-product vouchers, physical inventory adjustments, item-edits, etc.) will be reviewed and approved by dispensary management. Reconciliations to inventory will be performed twice, by two separate agents including one uninvolved in regular inventory management. Any problems or concerns with the reconciliation will be brought to the attention of the agent-in-charge, who will immediately take all appropriate steps including, but not limited to, contacting the appropriate authorities if there is suspected criminal activity.

Cybersecurity

Since even small businesses can be vulnerable to targets of cyberattacks, NuMed will take all necessary steps to protect the information of its purchasers, agents, owners, board members, vendors, and other individuals who have shared sensitive information. Computer programs will be monitored and a secure system installed by a certified computer technician. Any personal health information will be maintained in accordance with applicable federal or state laws. All data uploaded to the State's verification system on a secure, NuMed-owned network.

NuMed will limit the use of passwords to registered, authorized agents. Access to the security equipment and computer will be password protected. Management will be required to safeguard this password by keeping it confidential and not writing it down in an area that could be accessed by others.

To protect the safety and privacy of customers and to prevent potential diversion, the use of cell phones and cameras by agents and purchasers will be prohibited in the Limited and Restricted Access areas. Use of company-provided electronic communication tools by dispensary agents will be exclusively related to company business. Dispensary agents



may not access the Internet or use the dispensary computers or e-mail accounts for non-business use at any time.

The information and cyber security program of NuMed will engage a wide range of strategies, tactics and tools including:

- Security packages verifying user sign-on to computers, log recordings, and password verifications, which change every 90 days
- Anti-virus and anti-malware software to detect and prevent cyber-attacks, intrusions, and theft of digital records.
- Strengthen domain and network security, establish strong password policies, create a regular patching routine, and segment networks
- Conduct once a year third-party vulnerability hacking tests to check for weaknesses in the system
- Online security software conducting periodic scans, virus checks, elimination of malware, Trojan horses, and attempts at hacking into the system
- Hidden naming convention for the wireless system
- Automatic backup on all files into a secured section of the cloud
- Documented policies on information security and IT-related issues such as password protocols
- Dispensary agent training, awareness initiatives, and risk-generated alerts on time-sensitive threats
- Annually renewed dispensary agent acknowledgments on the use of the electronic systems within the dispensary

Security Policies and Procedures Annual Review

Permit Non-compliance

While permits will be renewed yearly, there are some instances where non-compliance issues will be addressed between renewal periods. NuMed will not make any physical changes to the dispensary floor plan without first receiving written approval from the Department, after submitting a request that includes the application fee and an updated, regulation-compliant floor plan depicting the proposed changes. Additionally, the premise will not be sublet to another business entity. An amendment to the conditional use permit of NuMed (herein referred to as "permit") will be obtained before proceeding with approved changes to the premises. NuMed will notify the Department within 10 days if there is any change made to the security plan, which is considered a change to part of the original application. The notification will be signed by an owner.

Annual Review

All security policies and procedures will be reviewed annually to ensure that they are following regulations and requirements for all applicable local and state agencies and adequately reflect the business policies of NuMed.

Any recommended security policy revisions or updates will be presented to senior management for approval. Updated security policies will be filed in the Policy and Procedures Manual. On an annual basis, NuMed will undergo a security risk assessment review by a licensed private detective. A security recap will be submitted to senior



management no later than 30 calendar days after the review has been conducted. If the private detective identifies concerns related to security procedures, the risk assessment will offer a plan to mitigate those concerns.

Leadership will review the dispensing organization policies and procedures at least once every 12 months from the issue date of the license and update as needed due to changes in industry standards or as requested by the Department as per 410 ILCS 705/15-65(c). In accordance with 410 ILCS 705/15-100(b), NuMed will not make any physical changes to the dispensary floor plan without first receiving written approval from the Department.



CHARLES L. WILLIAMS
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Cell: 312-810-3768

Charles Williams was born and raised in the City of Chicago.

Charles Williams served in the U.S. Army for three years as a paratrooper serving 1 ½ combat tours in Vietnam with both the 173rd Airborne Brigade and 101st Airmobile Division and was honorably discharged at the rank of Sergeant.

Charles Williams was employed by the Chicago Police Department for over 33 years retiring in February 2008, having served in several units including:

- Organized Crime Division, Joint Terrorist Task Force - detailed to this assignment working both terrorist and narcotics cases, including the investigation which led to the conviction of Claude Daniel Marks, who was on the FBI's 10 most wanted list.
- Internal Affairs Division, Confidential Investigations Section - promoted to Sergeant and Lieutenant while assigned to this Unit. Primary responsibilities were to conduct confidential, covert investigations into police misconduct. Also responsible for five major conspiracy investigations while assigned to this Unit, all involving the use of wire-tap equipment and evidence.
- Public Housing Section - promoted to the rank of Commander responsible for police service for all Chicago Housing Authority Developments within the city of Chicago.
- As Commander of Area One Detectives - responsible for all follow up investigations for crimes which occurred within Area One.
- Area Four Patrol Division - promoted to the rank of Deputy Chief and assigned to Area Four Patrol Division. Responsible for all Patrol Division personnel and all Patrol Division operations within Districts 10, 11, 12, and 13, on the Westside of Chicago.
- Bureau of Strategic Deployment - promoted to the Rank of Deputy Superintendent and assigned the task of running this new Bureau. Responsible for additional police resources assigned to Targeted Response Unit, Special Operations, Public Transportation, Marine Unit, and Deployment Operations Center, which included all homeland security issues for the Chicago Police Department. Received a Top-Secret Security Clearance from the FBI for this assignment.
- Bureau of Patrol - responsible for all patrol functions within the Chicago Police Department, including all District stations and its 8700 patrol officers.

Charles Williams has received extensive training in basic and advanced narcotics investigations from the Northwestern Traffic Institute, basic and advanced electronic surveillance course from the Illinois State Police Academy, Prevention and Response to Suicide Bombing Incidents course from New Mexico Tech and is a graduate of the FBI National Academy and the Chicago Intergovernmental Executive Development Program.

After leaving the Chicago Police Department Charles Williams was selected as the National Security Director for Merchandise Mart Properties responsible for the security of their persons and property holdings nationwide.

Charles Williams was appointed by Mayor Rahm Emanuel as the Commissioner for the Department of Streets and Sanitation on October 16, 2012. The Department of Streets and Sanitation is responsible for refuse collection, snow removal, forestry, graffiti removal, rodent control, and street operations for the City of Chicago. Commissioner Williams retired from this position on November 30, 2017.



About Sapphire Risk:

Sapphire risk is a security consultant that specializes in high security industries like jewelry shops and cannabis dispensaries.

With over a 100 years of combined experience analyzing crime and the tendencies of those who commit them, Sapphire has gained the knowledge necessary to identify security risks and help businesses prevent them.

Tony Gallo, Managing Partner

Tony Gallo specializes in security and loss prevention for high-risk businesses. He has more than 30 years' experience in the Security, Audit, Safety, and Emergency Management fields. Tony has a Bachelor of Science degree in Criminal Justice from New Jersey City University.

Tony is a licensed security consultant and a published author on retail, financial loan services, and cannabis security. He is also a member of the American Society for Industrial Security, National Pawnbroker Association and the National Cannabis Industry Association.