BHCC LLC

Safety and Security
Standard Operating Plans and Procedures

February 2, 2022

ROLE

1) Lead Grower
2) Assistant Grower
3) Trimmer
4) Shift Manager
5) Owner

TIMING

All day, every day.

PURPOSE

Safety and security should be top-of-mind all day, every day, not just during operating hours. It's imperative to have strict procedures around employee health and safety, product security, cash handling, and incident management.

Failing to properly mitigate risk, secure products, and ensure employee safety is a compliance, trust, and potential legal issue. Providing employees with a safe place to work is required by law.

This SOP details safety and security processes, including using security systems, storing products, handling cash, cleaning and health policies, employee permissions/hiring protocols, incident management, and emergency protocols.

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PROCESS FOR USING SECURITY SYSTEMS

Security systems are designed to protect your assets and people 24/7. This process outlines how to use and oversee these security systems and tools.

Security cameras: Films activities inside and outside of your physical store. BHCC has security cameras located at each entrance, exit, gate, cash terminal, secure door, and safe that are on 24/7. BHCC also has security cameras located at each door of the cultivation facility, to allow identification of persons entering or exiting. BHCC has enough cameras to allow the viewing, in its entirety, of any area where cannabis, cannabis plants, cannabis products, or cannabis waste are cultivated, manufactured, stored, destroyed, or prepared for transfer, sale, or testing. (44.90.04.07) The live on-site security cameras can be accessed remotely by qualified individuals, including state regulators, at all times. (44.90.04.08) Security camera resolution operates at a minimum resolution of 720 pixels and a minimum of 15 frames per second. The security footage can be viewed live by qualified company representatives or regulators, through a secure internet connection at any time. These issues could include break-ins, inventory discrepancies, mechanical problems, employee supervision, or any other reason the company or regulators deem reasonable. The camera and security system includes a backup battery system that will allow the system to operate without direct electrical service for a period up to a minimum of 2 hours. All video footage is accurately time-stamped with date and time clearly and accurately always. All cameras are set to record 24 hours a day, except cameras placed at exterior doors used by employees, which are set to record at all times. (44.90.04.07) All video footage will be stored for a minimum of 90 days via a secure third-party server. All video recordings are subject to inspection by any department employee or law enforcement officer and must be copied and provided to the department or law enforcement officer upon request. In addition, BHCC will maintain a list of all persons with access to video surveillance recordings and maintain written procedures for controlling access to recordings. (44.90.04.09)

Alarm system: Identifies intruders after hours and notifies authorities

BHCC uses an alarm system with monitored sensors on all exterior doors, windows, and gates; that is constantly monitored by the security company capable of contacting BHCC and, if necessary, law enforcement. The alarm system also has an audible alarm capable of being disabled remotely by the security company; and BHCC. Additionally, the alarm system automatically notifies the security company upon power failure and operates for a minimum of 4 hours on a backup power supply. BHCC will maintain a list of all persons with access to alarm system credentials to update, monitor and change system details. (44:90:04:10)

Each employee will carry a name badge and fob to securely access restricted areas, issued by BHCC. The name badge will display a high-resolution photo of the agent, along with first and last name of the agent in 24 point plain black font, as well as the company name BHCC LLC. (44.90.04.11) Each agent shall display this badge whenever on the premises of the establishment or transporting cannabis, or cannabis products. (44.90.04.12)
BHCC employees are to verify the age and identity of anyone entering the premises. No person may enter the premises other than agents of the establishment, contractors 21 years of age or older hired by the establishment, employees or agents of the department, law enforcement officers, or employees or agents of other local or state agencies with regulatory authority, including fire marshals, electrical inspectors, pesticide control staff, and environmental inspectors, for the purpose of exercising such regulatory authority. (44.90.04.13)

Visitor badges must be worn by ALL contractors performing work at a BHCC. BHCC shall issue a visitor badge to any temporary contractor of the establishment whose scope of work will not involve the handling of cannabis, cannabis plants, cannabis extracts, or cannabis products. This policy includes carpenters, electricians, plumbers, engineers, or alarm technicians. Such contractors shall work under the direct supervision of a BHCC staff whenever working in an area in which cannabis, cannabis plants, cannabis extracts, or cannabis products are present. (44.90.04.14)

Access control system:
BHCC will utilize FOB access control system installed on all exterior doors at the facility. Each agent will receive a FOB for access to secure areas.

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PROCESS FOR SECURING PRODUCTS This process outlines how products are safely secured at BHCC.

Inventory auditing: Regular inventory audits will not only keep the cultivation operation compliant and inventories accurate but will help identify product loss or theft. BHCC uses an inventory software for inventory auditing. The store manager will also be responsible for auditing inventory at the end of each day. Each employee will receive a minimum of 2 hours training in record keeping. BHCC will keep records of the record keeping training sessions. The company will have a head record keeper who will have a minimum of 4 hours training in record keeper and will be responsible for accuracy of record keeping. (44:90:04:16)

Transporting cannabis:
BHCC will provide the following information to the department for each vehicle that will be used to transport cannabis or cannabis products, including samples for testing: (1) Make, model, and
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License plate number; (2) Proof of a valid automobile insurance policy; (3) A description or photos of a secure, opaque, locking compartment to be used to secure cannabis and cannabis products; (4) Verification that the vehicle has a functioning alarm system; and (5) Verification, with photographs as necessary, that the vehicle cannot be identified as transporting cannabis or cannabis products. (44:90:04:18)

BHCC requires a transport manifest for all authorized transfers of any amount of cannabis or cannabis products, except retail sales at a dispensary. The transport manifest must contain: (1) The name, address, phone number, and license number of the establishment transporting the cannabis or cannabis products; (2) The name, address, phone number, and license number of the establishment receiving the items; (3) The phone number and web address of the department’s secure verification system; (4) Description and quantities, either by weight or unit, of all items, including samples, contained in each transport; (5) Date of transport and approximate time of departure and arrival; (6) Vehicle make, model and license plate number; (7) The name and signature of driver and any other agent accompanying the transport; and (8) The name and signature of the person accepting the transport, upon delivery. (44:90:04:19)

BHCC requires a separate transport manifest to be prepared for each medical cannabis establishment that will receive cannabis or cannabis products. The vehicle must carry three copies of each transport manifest: (1) One for the recipient; (2) One to be returned to the originating establishment for the purposes of record keeping; and (3) One to be provided at the request of law enforcement or an agent of the department, if the vehicle is involved in a traffic stop or collision. Any cannabis or cannabis products, including samples, that are refused by the intended recipient must be noted on the transport manifest and noted in the originating establishment’s inventory records after the items are returned. A transport manifest may not be altered from the originating establishment except as provided for in this section. The transport manifest does not take the place of a chain-of-custody form that may be required of the establishment. (44:90:04:20)

All cannabis or cannabis products being transported will be contained within an enclosed, locked area in the transport vehicle and out of public view. Samples of cannabis and cannabis products for testing will be transported in appropriately labeled sample collection containers with tamper-evident seals affixed that provide clear, lasting evidence that the package has previously been opened. All cannabis or cannabis products being transported to another establishment, other than samples for testing, will be transported within sealed containers identifying the recipient. BHCC shall use temperature-controlled transport vehicles when necessary to prevent spoilage of the transported cannabis or cannabis products. (44:90:04:21)

Only agents of BHCC who are listed on each transport manifest may be in the vehicle during transport of products. Each agent shall wear an agent identification badge while in the vehicle. Any vehicle transporting cannabis or cannabis products will travel directly to the destinations listed on transport manifest, making stops only: (1) For meals, when the transport lasts more than three hours round trip; (2) For rest periods required by law; (3) To refuel; or (4) Under exigent circumstances, including collisions, traffic stops, mechanical breakdowns, weather emergencies, or medical emergencies. BHCC employees may not remove the cannabis or cannabis products from the vehicle until arrival at the destination listed on the transport manifest, except under exigent circumstances in consultation with the department pursuant to §44:90:04:23. BHCC will make a vehicle used for the transport of cannabis or cannabis products immediately available for inspection upon request of the department. Upon law enforcement contact, BHCC will provide their agent identification badges and all transport manifests. (44:90:04:22)
Any traffic stop, breakdown, collision, or unscheduled stop lasting more than two hours involving a vehicle being used by BHCC to transport cannabis or cannabis products, will be reported to the department within one business day. Any theft or break-in involving a vehicle being used by an establishment to transport cannabis or cannabis products will be reported to local law enforcement and to the department within one business day. If exigent circumstances require removal of cannabis from the vehicle prior to arrival at the destination listed on the transport manifest, BHCC will make a good faith effort to contact the department for direction. If unable to contact the department, BHCC will make a good faith effort to protect the shipment from diversion. (44:90:04:23)

PROCESS FOR CASH HANDLING, STORAGE, & TRANSPORT

Cash drops: Store managers are expected to perform a cash drop daily OR whenever a till exceeds $2500

1) Count the drawer and physically remove the desired amount of cash. a) Put the removed cash into a sealed cash bag or locking cash box. b) Count twice to ensure accuracy.
   c) Note: Count and remove cash when as few customers are in the store as possible.

2) In Flowhub, select "Cashier."

3) Select the open drawer you are making a drop on and click "Make drop". 4) Enter the amount taken from the drawer, enter your PIN, add a reason for the drop, and select "Submit/Save."

5) Immediately deposit the cash and deposit slip into the safe in the secure storage room.

Depositing money into the safe: Store managers or shift leaders must follow this process anytime cash is deposited into the safe.

1) Ensure the surroundings are appropriate to open the safe.

2) Open the safe

3) Fill out your store’s deposit slip with the pertinent information (i.e. amount being deposited, name of employee, where the cash came from, date, time, and notes, if applicable.)

4) Attach the deposit slip to the cash.

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5) Put the cash and deposit slip in the safe in the secure locked cash drawer. 6) Close and lock the safe.

Cash storage and transport: This process explains how to safely store cash at the cultivation facility and transfer it to your bank or storage facility.

1) During the business day, all cash being used for transactions is stored with the open drawers/tills.
   a) Aim to keep drawer totals below $2500

2) Do drops daily
3) Count down and close drawers at the end of the day (or employee shift). 4) Put all cash from drops and drawer closing into the safe in secured storage room, along with a deposit slip.
   a) Only count money when and where it is safe to do so.
   b) Do not count or transport cash when or where customers may see. c) Only open the safe when no other employees are around.
5) All cash is to be transported to the bank by store manager, shift manager, or owners daily and irregularly.

PROCESS FOR HEALTH AND SAFETY PROTOCOLS
This process is ongoing and aims to reduce risk of exposure to illness or injury for employees and customers.
- All employees must wash their hands after using the restroom or eating.
- Employees are to wear gloves and/or use tongs when handling flower to ensure no contamination occurs.
- All back of house spaces must have clear walkways and signage to prevent injuries.
- Spills must be cleaned up immediately, and wet areas properly marked to caution employees of slippery conditions.
- Any issues with broken equipment, structural issues, or other workplace hazards must be addressed immediately. Employees are expected to report any issues to management as discovered. Management is expected to report to their superiors and owners as needed.
  - Scales must be checked and calibrated weekly.

Daily cleaning: Clean and disinfect the entire facility weekly as part of your operating process.
1) Facility employees are expected to clean and disinfect the facility weekly including all surfaces.

Frequent disinfecting: Disinfect high touch surfaces every several hours (including door handles, countertops, etc.).
1) Employees are expected to disinfect high touch surfaces every several hours.

Mask requirements: Require every employee to wear a mask (covering nose and mouth) at all times when inside the building during state or city enforced mask mandate periods due to pandemics.
1) Store managers are expected to enforce mask requirements during mask mandates periods issued by state or city officials.
2) In the event, someone refuses to comply with the mask policy:
a) Politely ask the customer to leave
b) If they refuse to leave, contact management
c) Management will contact law enforcement

Injuries: BHCC will have adequate first aid supplies to use in emergency situations. 1) Address the injured/ill person immediately.
2) Take action depending on the situation.
   a) Call 911 for emergencies.

Illness:

Employees:
1) Employees with symptoms of illness must stay home.
2) Employees must stay home until they are no longer contagious (as determined by health officials and will vary based on illness).
3) Employees who are healthy but have sick family members at home should stay home if possible (to be determined based on type of illness and recommendations of health officials).

Customers:
1) Customers who are ill are encouraged to not enter.

Communication about exposure: If an employee or customer with a contagious illness is in the facility, it’s the manager’s responsibility to communicate to anyone who may have been exposed.

1) Determine the exact day and time that person was in your store, either by asking the person directly or using sales data.
   2) Determine who could have been in contact with that person:
      a) Employees who worked that day/time.

3) Determine how to contact all necessary persons.

PROCESS FOR EMPLOYEE MANAGEMENT This process helps reduce internal risk from theft.

Employee permissions: Ensure the appropriate level of access for all users. Note: If
employees are promoted (or demoted), be sure to update their permissions. 1) Permissions available in Flowhub:
a) Manage Price Profiles: Able to create, edit, and delete price profiles for bulk or prepackaged flower.
b) Manage Rooms: Able to create, edit, and delete rooms where inventory is stored. Also edit descriptions and designate whether the items in a room are "for sale" or "not for sale."
c) Manage Strains: Able to create, edit, and delete strains.
d) Manage Inventory: Able to create, edit, and delete inventory, update inventory within rooms, record waste, update quantities, and print labels. e) Manage Customers: Able to create new medical and recreational customers, edit customer information, and check customers in.
f) Manage Employees: Able to create new employees and edit current employee information, including permissions.
g) Apply Discounts in Cart: Able to add in-line discounts ($ and %) to customers at the time of sale.
h) Manage Specials: Able to create or edit specials that are auto-applied at the time of the sale.
i) Import Packages: Able to import packages from Metrc.
j) Manage Drawers: Able to create drawers, open/approve/close drawers, see revenue and totals, and do payouts/cash drops.
k) Access Reports: Able to create and view custom reports.
l) Salaried Employee: User does not need to clock in/clock out. m) Manage Taxes: Able to configure tax rates for your location. n) Report Admin: Able to run reports across all locations in your account. o) Edit Loyalty Points: Able to edit customer loyalty points.

2) Suggested permissions by role:
a) Green = permissions for base employees b) Blue = intermediate employees who need access beyond just basic functions, like Lead Budtender, Shift Manager, etc.
c) Red = expert/administrator role, allowing nearly full access to Flowhub, like Owner, General Manager, Store Manager, etc.
**Background check:** All new employees must get a background check to be hired.

**PROCESS FOR HANDLING SAFETY/SECURITY INCIDENTS**

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- Injury to employee
  1) Contact medical professionals immediately if deemed necessary
  2) Contact Manager to explain incident
  3) Manager to contact owners if necessary to determine next steps

- Theft (real or attempted) while staff/customers present
  1) Contact Manager to explain incident
  2) Manager is to contact law enforcement or department immediately if deemed necessary
  3) Manager to contact owners if necessary to determine next steps
• Theft (real or attempted) after-hours
  1) Contact Manager to explain incident
  2) Manager is to contact law enforcement or department immediately if deemed necessary
  3) Manager to contact owners if necessary to determine next steps

• Armed robbery while staff/customers present
  1) Contact law enforcement immediately
  2) Contact store manager
  3) Store manager to contact department
  4) Store manager to contact owners

• Damage to exterior of building (either intentional or accidental)
  1) Contact store manager
  2) Manager to determine next steps

• Verbal threats to your business, building, or staff
  1) Contact store manager
  2) Manager to determine next steps

• Workplace injury hazards
  1) Contact store manager
  2) Manager to determine next steps

• Scams (such as someone claiming to be the owner asking for cash or products)
  1) Contact store manager
  2) Manager to determine next steps

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**EQUIPMENT**

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• Security camera/alarm system
• Cash safe and access (if applicable)
• Access to secured entry areas (if applicable)
• Flowhub login
• Cleaning supplies (including sanitizer, masks, gloves, etc.) • Panic button
  (or way to call for help)
DEFINITIONS

- Backstock = inventory or supplies kept in the back of house, or not on the sales floor.
- Permissions = what actions employees are able to make within Flowhub. Giving all users all permissions is a business risk because you’re allowing people to take actions that they shouldn’t be able to make, or where making the change would have risk in other areas.