

SECURITY PLAN
ADULT-USE PROVISIONING CENTER
1066 E M-36, PINCKNEY, MICHIGAN 48169
QPS MICHIGAN HOLDINGS LLC

Introduction

QPS Michigan Holdings LLC (the “**Company**”) is seeking to operate an adult-use marijuana provisioning center (the “**Center**”) at 1066 E M-36, Pinckney, Michigan 48169 (the “**Property**”). The Center will operate in compliance with all state and local rules and regulations (the “**Applicable Laws**”)

This Security Plan shall be consistent with the most recent Applicable Laws. This Security Plan will be reviewed by the General Manager at least once per year. The review will include a review of the business and premises to ensure that the operations are compliant with this Security Plan and all Applicable Laws. The Company shall update this Security Plan on an as needed basis to satisfy any additional security needs or to remain in compliance with all Applicable Laws.

The General Manager will ensure that all internal and external doors of the premises utilize auto lock commercial-grade door locks. The exterior of the building, and its surrounding parcel, will be well lit. The General Manager will test exterior lighting fixtures to ensure functionality.

Facility blueprints and pertinent plans will be shared with municipal police and fire enforcement prior to operation. The General Manager will assess situations on a case-by-case basis to determine if law enforcement needs to be notified. It shall be Company policy to treat any perceived rule violation or emergency situation proactively and with urgency.

Accessing the Facility

Internal Access

All restricted access areas of the facility will feature access control including key access, key-cards and/or keypad PIN entry. All internal doors of the premises will utilize auto lock commercial-grade door locks. Access to specific areas (such as product storage areas) will be restricted to certain categories of employees on an as needed basis. The General Manager shall have ultimate responsibility for determining access. Keys and electronic access codes must be protected at all times. Employees will be prohibited from loaning out or sharing keys and electronic access codes. All keys, access cards, passwords issued to employees will be retained in the possession of the employee to whom they are issued and may not be transferred directly from one employee to another.

All marijuana products at the facility will be kept in a locked, enclosed vault within the licensed premises that is secured with a door that contains a commercial grade auto relocking device or the equivalent.

The Company will store a nominal amount of marijuana products for sale and display in the Center's retail area through the use of secured showcases. The secured showcases will be locked at all time and accessible only by authorized staff members.

All marijuana products not displayed in the retail area will be stored in the Center's secured storage area/vault room. Access to this secured storage area will be limited to certain staff members and will be monitored twenty-four (24) hours a day for security.

External Access

The Center, including all exterior doors and windows, will be secured with standard commercial-grade locking mechanisms. Entry through exterior doors will be controlled via key access, electronic key-cards and/or keypad PIN entry.

At any time when the business is not operating, all entrances to and exits from the premises will be securely locked and any keys or key codes to the secured areas will remain in the possession of the General Manager or his/her authorized representative. Employees must report any lost keys or access cards to his or her manager immediately.

The General Manager will decide as to whether the system has been compromised and whether re-keying will be necessary. It is against the Company's policies to duplicate keys, share passwords, or share access codes.

Visitor Access

The Company will limit access to its facility to pre-approved staff members, select outside vendors and/or contractors, and customers. Each visitor must be at least twenty-one (21) years of age or older, present a valid, government issued, photo identification and sign the visitor log to gain entry to the facility. Visitor logs will be available to law enforcement upon request.

All outside visitors, vendors, and contractors must obtain a visitor identification badge prior to entering limited access and/or secured areas. Visitors must display their visitor identification badge at all times during their visitation. Visitors are required to sign out upon exiting the facility. For additional security, the Company will require an authorized employee accompany any visitor(s) that require access to limited access and/or secured areas.

Alarm System

The Company will engage the services of a third-party security provider to install, maintain and monitor an alarm system that is activated at all times that the Center is closed. The system will detect unauthorized entrance at all entry or exit points, and all exterior windows.

Upon request, the Company will make all information related to security alarm systems, monitoring and alarm activity available to local law enforcement and any other authorized government agency.

The alarm system will be armed as the last person of the day leaves. The General Manager will automatically be notified if the alarm system is not armed after a specific time, and he or she will be able to arm the alarm system remotely. The alarm system will also be programmed to automatically arm at a certain time.

This alarm system will be programmed to notify the third-party security provider and the General Manager or his or her designee, in the event of a breach. Law enforcement will be contacted on an as needed basis.

Video Surveillance

The Company will deploy video cameras to ensure twenty-four (24) hour surveillance of key areas of the interior and exterior of the building is maintained at all times. The Company's video surveillance system will meet all technical standards imposed by the Applicable Laws. The Company will install each camera so that it is permanently mounted in a fixed location. Each camera will clearly and accurately display the date and time of the recording.

Areas to be recorded include, but is not limited to, all entry and exit points of facility, the parking area, and all areas that may contain marijuana products. The Company will ensure all limited access areas and security rooms are recorded at all times. Areas known to be high risk will be monitored more closely, including any rooms where the transfer of marijuana products may take place. The Company will install cameras that record the indoor and outdoor vantage points of all entry and exit points of the facility. The Company will ensure all activity occurring within twenty (20) feet of all entry and exit points of the Center are clearly recorded and capture the identification of any person within these boundaries.

The Company will store all surveillance recordings in a secured storage area. To prevent the risk of theft and/or tampering, the secured storage area will be locked with commercial grade auto relocking doors. At least one (1) camera will be installed to record the access point to the security room that houses the surveillance recordings.

Archived surveillance video recordings will be kept for a minimum of fourteen (14) days and in a format that allows for authentication as a legitimately-captured video that has not been altered. The Company will retain archived surveillance recordings for a period that exceeds fourteen (14) days upon request from the local police department and/or any authorized government agency. In the event such a request is made, the Company will retain the surveillance recordings until the Company is notified by the requesting party that the surveillance recordings may be destroyed. The Company will ensure any authorized requesting party is able to view or obtain copies of the surveillance recordings immediately upon request or in accordance with the time period specified by the authorized requesting party.

The Company will implement a policy mandating relevant employees maintain a log of surveillance recordings, including, at a minimum, the following:

1. The identities of the employee or employees responsible for monitoring the video surveillance system;
2. The identity of the employee who removed the recording from the video surveillance system storage device and the time and date removed; and
3. The identity of the employee who destroyed any recording.

The Company will ensure its video surveillance system is equipped with a failure notification system that provides notification of any interruption or failure of either the surveillance system and/or the surveillance storage device(s).

Video coverage will be periodically audited to ensure that all cameras are in good working condition, and that areas that must be covered are covered at all times.

For further details regarding the security details of the Center, please review the Company's Site Plan submitted in this application.

GRETCHEN WHITMER
GOVERNOR



ORLENE HAWKS
DIRECTOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING
VIA ELECTRONIC MAIL

Date: December 11, 2019

Addressee: QPS Michigan Holdings LLC

Address: 2082 S State Street
Ann Arbor, MI 48104

RE: Prequalification status for your pending application

Dear Applicant:

The Marijuana Regulatory Agency (Agency) considered your partial application for prequalification status and determined that you have prequalification status pursuant to the licensing provisions of the Michigan Regulation and Taxation of Marihuana Act (MRTMA) and Emergency Rules dated July 03, 2019. This letter may be provided to a municipality as documentation of your prequalification status. Please note that this is a pending status until all application requirements of the MRTMA and Emergency Rules dated July 03, 2019 are completed. A state license for a marihuana establishment cannot be issued at this stage of the application process. During complete application review, the Agency will consider all information relevant to eligibility including information that has been newly acquired or information that is newly apparent since determination of Prequalification status.

If you have not already done so, please submit a facility license application (Step 2) for each state license for which you wish to apply. You may submit an application online through the Accela Citizen Access Portal on the Agency website at www.michigan.gov/mra or your application may be submitted by mail or in person.

Mailing Address:

Marijuana Regulatory Agency
Licensing Division
Adult-Use
P.O. Box. 30205
Lansing, MI 48909

In Person:

Marijuana Regulatory Agency
Licensing Division
Adult-Use
2407 North Grand River
Lansing, MI 48906

Sincerely,

Licensing Division
Marijuana Regulatory Agency