

# Medical Cannabis Application Review

Applicant: The Flower Shop LLC --- TRANSFER

## To be completed by City of Brookings Staff

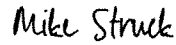
Reviewed & Approved by:



City Attorney

9/5/2025

Date



Community Development

9/5/2025

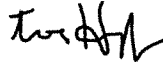
Date



Police Department

9/5/2025

Date



Fire Department

9/5/2025

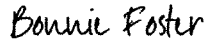
Date



City Manager

9/5/2025

Date



City Clerk

9/5/2025

Date

Additional restrictions imposed by the City of Brookings: \_\_\_\_\_

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BRING YOUR DREAMS.



**MEDICAL CANNABIS ESTABLISHMENT LICENSE APPLICATION**

**APPLICATION FOR:**

- MEDICAL CANNABIS CULTIVATION FACILITY LICENSE**  
**MEDICAL CANNABIS TESTING FACILITY LICENSE**  
**MEDICAL CANNABIS MANUFACTURING FACILITY LICENSE**  
**MEDICAL CANNABIS DISPENSARY LICENSE**

**Return completed application to:**

**Bonnie Foster, City Clerk**  
**520 3<sup>rd</sup> St., Suite 230**  
**Brookings, SD 57006**  
**605-692-6281 - [bfoster@cityofbrookings-sd.gov](mailto:bfoster@cityofbrookings-sd.gov)**

- 1) The non-refundable application fee in the sum of \$5,000.00 must accompany this application.
- 2) License Type Requested:
  1. Medical Cannabis Cultivation Facility License \_\_\_\_\_
  2. Medical Cannabis Testing Facility License \_\_\_\_\_
  3. Medical Cannabis Manufacturing Facility License \_\_\_\_\_
  4. Medical Cannabis Dispensary License X \_\_\_\_\_
- 3) The legal name of the prospective medical cannabis establishment:  
The Flower Shop LLC
- 4) The physical address of the prospective medical cannabis establishment that is not within one thousand feet of a public or private school existing before the date of this medical cannabis establishment application:  
1004 6th St. Brookings, SD 57006  
\_\_\_\_\_  
\_\_\_\_\_
- 5) The name, address, and date of birth of each owner, shareholder, LLC member, partner and manager, principal officer, and board member of the proposed medical cannabis establishment:

<u>Name</u>	<u>Address</u>	<u>Title</u>	<u>Date of Birth</u>
Alan Welsh	908 W Sterling Oak Dr. Sioux Falls SD 57108	Partner	06/16/1967
Joe Stavig	5013 S Birchwood Ave. Sioux Falls SD 57108	Partner	09/29/1986
Mike VanBuskirk	27264 477th Ave. Harrisburg SD 57032	Partne	06/07/1964
- 6) At least one principal officer must be a resident of South Dakota. The principal officer who is a resident of South Dakota is Joe Stavig, who resides at the following address:  
5013 S Birchwood Ave Soux Falls, SD 57108  
\_\_\_\_\_

5) Darcy Johnson 820 S Barfield Dr. Marco Island, FL 34145 - Partner 08/10/1958

- 7) A copy of the operating procedures consistent with rules for oversight of the proposed medical cannabis establishment established by the S.D. Department of Health must be attached, including procedures to ensure accurate record keeping and procedures to ensure adequate security measures are in place.
- 8) The prospective medical cannabis establishments will be located in Brookings Zoning District commercial, and must comply with all zoning regulations for that district.
- 9) A site plan reflecting the boundaries of the proposed licensed premises must be attached to this Application.
- 10) A description of safety and security measures reflecting compliance with the City and State's operating requirements as required by Administrative Rule 44:90:03:02 must be attached to this Application.

Other Information

		<u>YES</u>	<u>NO</u>
11)	Have any of the principal officers or board members served as a principal officer or board member for a medical cannabis establishment that has had its registration certificate revoked? If yes, please provide the name of the officer and the name and address of the establishment:		X
12)	Are any of the principal officers or board members under twenty-one years of age?		X
13)	Will the medical cannabis establishment employ any person who is under twenty-one years of age?		X
14)	Will the medical cannabis establishment employ any person who was convicted of a disqualifying felony offense?		X
15)	Will the prospective medical cannabis establishment conduct a background check into the criminal history of each person who is or is seeking to become a principal officer, board member, agent, volunteer, or employee before the person assumes office or begins working at the medical cannabis establishment?	X	
16)	Does the medical cannabis establishment have appropriate security measures designed to deter and prevent the theft of cannabis and unauthorized entrance into any area containing cannabis?	X	
17)	<b>For medical cannabis cultivation, testing, and manufacturing establishments, will all cultivation, harvesting, manufacturing, and packaging of cannabis take place in a secure facility at the physical address of the medical cannabis establishment?</b>	N/A	
18)	<b>For medical cannabis cultivation, testing, and manufacturing establishments, will the secure facility only be accessed by agents of the medical cannabis establishment, emergency personnel, and adults who are twenty-one years of age and older and who are accompanied by a medical cannabis establishment agent?</b>	N/A	
19)	<b>For medical cannabis manufacturing establishments, will only cannabis product manufacturers produce cannabis concentrates, cannabis extractions and other cannabis products?</b>	N/A	
20)	Will the medical cannabis establishment share office space with or refer a patient to a practitioner?		X
21)	Will the medical cannabis establishment permit any person to consume cannabis on the property of a medical cannabis establishment?		X
22)	Will the medical cannabis establishment allow inspection of the medical cannabis establishment by the City or Department of Health during business hours?	X	

23)	<b>For medical cannabis dispensaries,</b> will the prospective medical cannabis dispensary make a diligent effort to verify that the registry identification card or registration presented to the dispensary is valid?	X	
24)	<b>For medical cannabis dispensaries,</b> will the prospective medical cannabis dispensary make a diligent effort to verify that the person presenting the documentation is the person identified on the document presented to the dispensary agent?	X	
25)	<b>For medical cannabis dispensaries,</b> will the prospective medical cannabis dispensary make a diligent effort to only dispense an amount of cannabis to a person that would not cause the person to possess more than the allowable amount of cannabis?	X	
26)	<b>For medical cannabis dispensaries,</b> will the prospective medical cannabis dispensary make a diligent effort to verify that the dispensary is the current dispensary designated by the cardholder or nonresident cardholder?	X	
27)	A dispensary may not dispense more than three ounces of cannabis to a non-resident cardholder or a registered qualifying patient, directly or via a designated caregiver, in any fourteen-day period. Will the prospective <b>medical cannabis dispensary</b> ensure compliance with this limitation by maintaining internal, confidential records that include records specifying how much cannabis is dispensed to a nonresident cardholder or registered qualifying patient and that it is a dispensed directly to a registered qualifying patient or to the designated caregiver?	X	
28)	Will the prospective medical cannabis dispensary be located within a dwelling unit or any building containing a pediatrician's office, hotel, motel, or lodging facility?		X
29)	Will the prospective medical cannabis dispensary have locked display cases only accessible to staff during business hours, and a locked vault or storage cage in which all cannabis and cannabis products be stored during hours the dispensary is closed?	X	
30)	Will the prospective medical cannabis establishment conform to the prevailing building and fire codes adopted by the City of Brookings?	X	
31)	Will all exterior entrances and exits and all parking areas of the prospective medical cannabis dispensary be lighted at all times after dark?	X	
32)	Will security cameras which comply with the South Dakota Administrative Rules for Medical Cannabis Dispensaries be utilized and the camera system securely store camera footage for no less than thirty (30) days?	X	
33)	Will the medical cannabis establishment have a functional commercial alarm system triggered by the press of a button, by the breaking of glass, and by forcing open a locked door?	X	
34)	Will any person be allowed entry into the medical cannabis dispensary without showing a valid picture identification?		X
35)	<b>For medical cannabis dispensaries,</b> will the facility be ventilated so that the odor of cannabis or cannabis products not be detected by a person with a normal sense of smell outside the medical cannabis dispensary or on any adjoining property?	X	
36)	Will all exterior signage associated with a medical cannabis dispensary comply with the zoning ordinances of the City and the Administrative Rules of the State of South Dakota?	X	
37)	Will all sales of medical cannabis be made in person, directly to the purchaser, within the medical cannabis dispensary?	X	
38)	Will all sales occur only in person, to the purchaser at the time of purchase within the medical cannabis dispensary?	X	

39)	Will the medical cannabis dispensary utilize drive up windows or other similar delivery processes be allowed?		X
40)	For medical cannabis dispensaries, will the dispensary distribute or allow the distribution of any medical cannabis without charge for purposes of promotion, advertising, or any other purpose?		X
41)	By accepting a license issued by the City of Brookings, will the licensee waive any claim and release the City of Brookings, its officers, elected officials, employees, attorneys, and agents from any liability for injuries or damages of any kind that results from any arrest or prosecution of business owners, operators, employees, clients or customers of the licensee for a violation of State or Federal Laws, rules or regulations?	X	
42)	By accepting a license issued by the City of Brookings, will the licensee agree to indemnify, defend, and hold harmless the City of Brookings and its officers, elected officials, employees, attorneys, agents, insurers against all liability, claims and demands on account of any injury, loss or damage, including without limitation claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever arising out of or in any manner connected with the operation of the medical cannabis establishment that is the subject of the license?	X	
43)	Have each of the owners of the prospective medical cannabis establishment signed the license application form and the indemnification and waiver and release forms?	X	

Under penalties of perjury, I declare that I have examined this Application, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

<i>Joe Starvig</i>		08/18/2025
Sign	Verified by signNow 08/18/2025 20:23:26 UTC cd043a0711174548a03d	Owner of the Applicant's establishment
	<i>Alan Welch</i>	Date
		08/18/2025
Sign	Verified by signNow 08/18/2025 21:10:32 UTC b9210b4b340d46e9d97	Owner of the Applicant's establishment
	<i>Michael Vay. Buskirk</i>	Date
		08/18/2025
Sign	Verified by signNow 08/19/2025 14:29:26 UTC cc1999cf4ae475cbb9f	Owner of the Applicant's establishment
	<i>Donna</i>	Date
		08/18/2025
Sign	Verified by signNow 08/18/2025 20:38:31 UTC 7fe83bc2ce6c4aa486ed	Owner of the Applicant's establishment
		Date

Signature of each owner of the Applicant's establishment

Date

Subscribed and sworn to before me this 18<sup>th</sup> day of August, 2025.



*Bonnie Foster*  
 Notary Public, State of South Dakota  
 My commission expires: 3-11-2028

**MEDICAL CANNABIS ESTABLISHMENT LICENSE APPLICATION  
EXHIBITS / ATTACHMENTS**

The Flower Shop LLC

1. Non-refundable application fee in the sum of \$5,000.00, payable to the City of Brookings.
2. Copy of Operating Procedures per Section 7 of the Application.
3. Site Plan per Section 8 of the Application.
4. Description of Safety and Security Measures per Section 10 of the Application.
5. Indemnification and Waiver Form.

## MEDICAL CANNABIS ESTABLISHMENT INDEMNIFICATION AGREEMENT

This MEDICAL CANNABIS ESTABLISHMENT INDEMNIFICATION AGREEMENT (hereafter the "Agreement") is entered into this 18th day of August, 2025, by and between The Flower Shop LLC (the "Medical Cannabis Establishment License Applicant"), and the City of Brookings, South Dakota, a South Dakota Municipal Corporation ("City of Brookings").

1. Purpose of this Agreement. The Medical Cannabis Establishment Applicant has submitted an Application for a Medical Cannabis License to the City of Brookings. The purpose of this Agreement is to provide assurance that the Applicant agrees to provide indemnity protection for the City of Brookings, South Dakota, for any liability including, but not limited to, attorneys' fees arising out of or in any manner connected with the operation of a medical cannabis establishment that is the subject of the Medical Cannabis License Application.

2. Indemnity and Release. To the fullest extent permitted by law, Application will indemnify and hold harmless the City of Brookings, and its officials, officers and employees, from and against liability, claims, damages, losses and expenses, including but not limited to attorneys' fees arising out of or in any manner that results from any arrest or prosecution of the Applicant's business owners, operators, employees, clients, or customers of the licensee for a violation of State or Federal laws, rules or regulations in the operation of a medical cannabis establishment the Applicant operates in the City of Brookings.

3. The issuance of a medical cannabis license by the City of Brookings pursuant to this section shall not be deemed to create an exception, defense or immunity for any person in regard to any potential criminal liability the person may have under State or Federal law for the cultivation, possession, sale, distribution or use of marijuana.

4. In the event there is a claim against the City of Brookings, South Dakota, or its officials, officers or employees who are indemnified under this Agreement brought by an employee of a Medical Cannabis Establishment Applicant, or its subcontractors, or anyone directly or indirectly employed by them or anyone for whose acts they may be liable, then this indemnification obligation shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Medical Cannabis Establishment Applicant or its subcontractors or employees under the workers' compensation laws.



IN WITNESS WHEREOF, this Agreement has been entered into by the parties hereto. Each Owner of the Applicant's company must sign this Agreement.

MEDICAL CANNABIS ESTABLISHMENT APPLICANT

*Joe Starvig*

Verified by signNow  
08/18/2025 20:23:26 UTC  
171b55e3c5fe4f1cb35f  
Its: Owner

MEDICAL CANNABIS ESTABLISHMENT APPLICANT

*Alan Welsh*

Verified by signNow  
08/18/2025 21:10:32 UTC  
25155c9839ac410eb24f  
Its: Owner

MEDICAL CANNABIS ESTABLISHMENT APPLICANT

*Michael Van Buskirk*

Verified by signNow  
08/19/2025 14:29:26 UTC  
073b9313710641c8a291  
Its: Owner

MEDICAL CANNABIS ESTABLISHMENT APPLICANT

*Imagf*

Verified by signNow  
08/18/2025 20:38:31 UTC  
2200cdae3674c9fa69c  
Its: Owner

CITY OF BROOKINGS, SD

*Paul Briseno*

Paul Briseno, City Manager

ATTEST:



*Bonnie Foster*  
Bonnie Foster, City Clerk



# The Flower Shop Operating Documents

## **Executive Summary**

It is our intention to continue to operate The Flower Shop LLC at the location of 1004 6th Street Brookings, SD 57006

The facility will solely operate as a medical retail dispensary; there will be no cultivation or manufacturing taking place.

The facility is well positioned and is the ideal location for a medical dispensary store.

The Flower Shop Dispensary will be involved in the retailing of medical marijuana. We are in the medical marijuana dispensary business to retail medical marijuana as permitted by the law in South Dakota to our customers. Our employees shall be well trained and qualified to handle the wide range of customers that we are positioned to serve.

The Flower Shop Dispensary is a retail business that will be run by Joe Stavig and Alan Welsh. Joe Stavig is the Operator of the business; he has over 20 years of experience in the private business sector. He is the current Chief Financial Officer of Dakota Herb, LLC, and manages a total of 4 retail locations, 2 grow operations, and a manufacturing facility. Alan Welsh has 28 years of law enforcement background, along with management in the safety and compliance divisions for a large trucking company. Together their expertise in the industry and safety/compliance positions The Flower Shop to remain

## **Mission**

The Flower Shop's mission is to dispense premium grade cannabis and cannabis products. The focus will be to procure and sell a recognizable retail brand of excellence. The products will be professionally processed, packaged and presented to patients in a service-focused environment.

Staff will be knowledgeable of the products we are dispensing and will be able to provide patients insight into the effects of each cannabis type. The workforce will be diverse and will also be trained to serve patients courteously, informatively, and always with their dignity in mind. Finally, The Flower Shop intends to be regarded by the local community and patients as a professional operation who adds economic and health value to the local population.

## **Objectives**

The Flower Shop's key objectives are:

- To obtain approval from the city of Brookings to open a dispensary
- To create a plan that enables a turn-key operation upon approval to operate a dispensary
- To become the preferred cannabis dispensary among patients within the city of Brookings.
- To provide a safe mechanism for patients to access cannabis and its potential benefits
- Inside the dispensary setting, to provide safe and legal access to cannabis for all qualified patients

To create a professional brand image to earn trust and respect within the communities we serve  
Create a business plan that can be presented to partners, the state, and those responsible for executing and delivering on the mission.

### **Organization Summary**

The Flower Shop is organized as a LLC, filed with the Secretary of State of South Dakota on October 24, 2021.

### **Management Plan**

These are the positions that will be available at The Flower Shop Dispensary:

- General Manager
- Merchandize Manager
- Product technician (Budtender)
- Marketing Analyst
- Cashier (Counter Agent)

Joe Stavig will oversee day-to-day operations of the establishment. If there is any change in management, we will provide the department an updated management plan within 7 days after any change in management personnel occurs.

All staff will be provided and required to wear a photo identification badge that includes the first and last name of the individual and the name of the establishment at all times while on the dispensary premises.

### **Personnel Records**

We will maintain personnel records for each employee, agent, or volunteer that includes:

- Application,
- Documentation of all required training,
- A signed statement from the individual indicating the date, time, and place that he or she received training and the topics discussed, including the name and title of the presenters
- Record of any disciplinary action taken against employee at any time during employment.

1004 6th St. Brookings, SD 57006

### **Parking**

This property includes adequate parking spaces and will have accessibility to individuals with disabilities. The facility is easy to access and is the ideal location for a medical dispensary store.

## **Site Plan**

See Exhibit A

The internal decorations and design of The Flower Shop is to create a warm and rustic appeal. The design will create a welcoming environment. It will be designed with a modern and professional look and feel to create a safe and comfortable environment for patients to collect their medicine. A licensed contractor will be hired to complete all construction work required for operation.

The site selected is a turn key location. It requires minimal enhancements to convert it into a safe, patient focused dispensary. The facility upgrade will require the following:

Installation of Security cameras, vaults, and locking devices  
Air filtration system (odor control)  
Addition of walls inside the space

See Exhibit A for floor plans

The Flower Shop will maintain the integrity of the current location in order to prevent the dispensary from causing any negative aesthetic on the neighborhood. The goal of The Flower Shop is to make the location appear just like any other business and not draw unwanted attention to the site.

The facility will have 2 entry points with the closest public right of way being Sixth Street. Parking lot lights will be sufficient for observers to see and cameras to record any activity within ten feet of the entry.

The facility will have an entryway with a locked interior door where verification will commence. The facility will have a retail area where customers can view displayed products in a secured display case.

Cannabis will be stored in a secured storage area. See site plan Exhibit A for details. If necessary, cannabis will be destroyed in the back security storage room.

## **Building Compliance**

The Flower Shop will comply with all local building codes, electrical, plumbing, HVAC, including but not limited to compliance with the requirements for fire suppression, signage, and parking. Proper permits shall be applied for.

## **Operating Days and Hours**

The Flower Shop will be open to the public from 8am to 10pm, Monday through Sunday. At any time that the dispensary is not open for retail sales, The Flower Shop will ensure the following:

The premises will be securely locked with commercial-grade, non-residential door locks.  
The premises will be equipped with an active alarm system.

When closed for retail business, all cannabis goods will be stored in a locked safe, room or vault on the premises  
Only authorized employees and contractors of the licenses will be allowed to enter the premises after hours.

### **Signage Plan**

Signage for the dispensary will comply with the Code of Ordinances of Brookings. All signs will meet local and building codes and local sign codes. Signs will be approved by local enforcement code agency. No cannabis products or graphics describing cannabis will be visible from the exterior of the property. There will be no signage that will contain any logos or information that identifies, advertises, or list the services or the products offered. The Flower Shop will follow local and state advertising laws that are in section 44:90:10:17, 44:90:10:18, 44:90:10:19, 44:90:10:20, 44:90:10:21, 44:90:10:22.

A sign will be posted at the entrance to the dispensary that includes the following language. The required text will be of sufficient size to be easily read from a distance of five feet.

*This Dispensary only provides medical cannabis to its members, who must have legally recognized patient registry identification card for medical cannabis.*

### **Advertising and Marketing Plan**

The Flower Shop will secure a domain name and engage a professional graphic artist and website designer to create a strong bond that is designed to uphold The Flower Shop vision as a premium cannabis brand.

After the creation of a recognizable brand, logo, and simple catchphrases marketing campaigns will focus on the following:

- Targeted digital marketing as directly as possible to other establishments, cardholders who are 21 years of age or older, and readers of medical publications.
- The creation of strong web presence that is SEO friendly
- Full use of social media platforms. Including Leafly, Weedmaps, Eaze, Facebook, Twitter, Instagram, YouTube, Google+, Vine, LinkedIn, and Pinterest.

Any advertisement will include a permanent opt-out feature, verification that the recipient is a cardholder 21 years of age or older and will contain the following:

- 1) A statement: For medical use by qualifying patients only
- 2) The medical cannabis establishment identification number of the establishment responsible for the advertisement.

The Flower Shop shall not advertise via sign or billboard, except signage on its own premises; handbills, direct mail, phone, text, email without verifying the recipient is a cardholder; radio, television and other media. The Flower Shop shall not advertise through a partitioner or health care facility or target the practitioner's or health care facility's patients through direct mail, phone, text, or email.

## **Security Plan**

Safety is assured through multiple layers of security systems, including constant video surveillance and restricted access rules. We will minimize risk of theft and diversion by using sophisticated inventory control systems. Upon receipt and scan into inventory, product shipments are exported immediately into a secure, restricted access storage vault where they remain until ultimately dispensed to a patient. Signs will be posted indicating the no loitering will be allowed. An alarm system at doors and windows will be maintained. Security fire-proof safes will be bolted to the floor. See attached security plan for detailed information.

## **Additional Safety Plan**

The Flower Shop will manage the parking lot and sidewalk to monitor cleanliness and loitering, as well as greet patients entering the dispensary. The team will provide a highly visible presence and deterrent to potential criminal activity by ensuring only those visiting the facility are allowed entry for legitimate business. The team will be vigilant to suspicious activity on the exterior of the premises. Cleanliness is also managed constantly with checks throughout the business day.

Through diligent management of daily operations, The Flower Shop will ensure that the dispensary will not be a nuisance to the neighbors or negatively impact the neighborhood.

The Flower Shop will provide notice to the department and local law enforcement agency within one business day upon its discovery of any unauthorized entry or theft of cannabis, cannabis plants, or cannabis product or any plan or other action of any person to:

- 1) Steal cannabis products, cannabis paraphernalia, equipment, or money that is the property of the establishment
- 2) Sell or otherwise provide cannabis products or cannabis paraphernalia that is the property of the establishment to unauthorized persons
- 3) Purchase or otherwise obtain cannabis, cannabis products or cannabis paraphernalia from unauthorized persons
- 4) Falsify inventory records or transport manifest
- 5) Commit any other crime relating to the operation of the establishment

## **Vehicle Requirements**

The Flower Shop will provide the following information to the department for each vehicle:

- Make, Model, and license plate number
- Proof of a valid automobile insurance policy
- description or photos of a secure, opaque, locking compartment to be used to secure cannabis and cannabis products
- verification that the vehicle has a functioning alarm system, and
- verification, with photographs if necessary, that the vehicle cannot be identified as transporting cannabis or cannabis products

## **Transport plan**

All cannabis being transported will be contained within an enclosed, locked area in the transport vehicle and out of public view. Samples of cannabis, cannabis extracts, and cannabis products for testing will be transported in labeled sample collection containers with tamper-evident seals affixed that will show if the package has previously been opened. All other cannabis will be transported within sealed containers identifying the recipient.

Any transport of edible product requiring refrigeration will be transported in a temperature-controlled refrigerator to prevent spoilage of the cannabis product.

Only employees listed on each transport manifest will be allowed to be in the vehicle. Each employee will wear their identification badge while in the vehicle. Any vehicle transporting cannabis, cannabis extract or cannabis products shall travel directly to the destinations listed on the transport manifest. Allowable stops include:

- meals, if transport is more than three hours round trip
- rest periods required by law
- to refuel
- under exigent circumstances, including collisions, traffic stops, mechanical breakdowns, weather emergencies, or medical emergencies.

During transport employees may not remove the cannabis extracts, 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 44:90:04:03.

Upon request from the department, The Flower Shop will make a vehicle used for transportation of cannabis products immediately available to inspection. Upon law enforcement contact, employees shall provide their agent identification badges and all transport manifest.

Any traffic stop, breakdown, collision, or unscheduled stop lasting more than two hours involving a vehicle being used by an establishment to transport cannabis, cannabis extract or cannabis products will reported to the department and local law enforcement 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, The Flower Shop will make a good faith effort to contact the department for direction. If unable to contact the department, The Flower Shop will make a good faith effort to protect the shipment from diversion.



## **Disposal and Destruction Plan**

As to the material that cannot be used in such a manner and which therefore must be discarded or destroyed, the dispensary will use the following approach:

- 1) The Flower Shop will identify one or more local landfills or transfer stations that will receive marijuana waste materials.
- 2) The dispensary will identify a manager responsible for segregating and disposing of marijuana plant waste matter
- 3) Any cannabis product that is designated for destruction or disposal will be identified by date, batch and volume by the Inventory Control System and will be ground, milled or otherwise processed with at least 50 percent of other waste where the particles can be rendered non-viable.
- 4) Once processed for disposal, the material to be discarded or destroyed will be combined with mulched cardboard, used plant soils or other non-toxic inert material so as to render unusable

Following the rendering of any potentially unusable marijuana non-viable by the above described method, the dispensary employee responsible for the destruction/disposal will prepare a tentative trip plan identifying the matter to the destination where the matter is to be transported and the route to be used in transporting such matter.

In addition, a certificate confirming the weight delivered will be recorded in order to verify it matches the weight it left our facility.

As more regulations are released in regards to cannabis waste from a retailer, The Flower Shop will follow all new laws and procedures.

## Supply Plan

The Flower Shop plans to obtain adequate supply with local, licensed growers in the state of South Dakota to purchase supply of cannabis, cannabis extracts and cannabis products. The Flower Shop will only purchase products that have passed properly tested requirements and met properly packaged requirements.

## Products Offered

The Flower Shop will offer a full line of medical cannabis products. This location will be designed with class and will have a welcoming rustic environment that makes customers feel welcome. Employees will be highly regarded for their friendly attitude and overall knowledge about cannabis. The Flower Shop shall not sell more than three ounces of cannabis to a single medical cannabis patient in 14-day period.

Product Type	Description
Dried Cannabis: Sativa, indica, & Hybrids	<p>Raw Cannabis Flower will be sold in a mix of Indica and Sativa depending on customer demand. indica is known to reduce nausea, increase appetite and fight depression while Sativa is known for its uplifting effects that energize patients with strong cerebral effects.</p> <p>The effectiveness of cannabis is directly related to strain selection; therefore, we will recommend care be taken in selecting appropriate strains to meet patient needs. Patients will be encouraged to use vaporizers, or ingest cannabis medicine to reduce any potential risks from smoking.</p>

Product Type	Description
Edibles	<p>A cannabis edible is a THC-infused product that can be consumed by the customer. Infusing cannabis into foods is a long-practiced and very effective method to use cannabis as medicine.</p> <p>The Flower Shop plans to offer several different edible product lines to cater to the various medical, nutritional, financial and taste needs of patients. Infusing cannabis into foods is a long-practiced and very effective method to use cannabis as medicine. Careful dosing is important. Edibles can be used as effectively as smoking or vaporizing.</p> <p>This may include beverages, coffees, pastries, chocolates, and gummies. Edibles can be as effective as smoking or vaping.</p>
Concentrates	<p>This type will ensure patients have a variety of consumption methods that suit each person's needs and lifestyle. Our line is designed to provide high levels of cannabinoids and THC in a readily accessible form which provides instant relief for serious conditions.</p>
Tinctures	<p>A cannabis tincture is a cannabis-based extract that is infused with alcohol. Typically, flowers and trim leaves are used. This product provides easy dosing for patients with rapid absorption. This line is designed to make dose control easy for patients, with rapid absorption and effect. Tinctures can be flavored for better taste.</p>
Topicals	<p>Topicals are ideal for assisting patients who are arthritic or have aching injuries. Topicals have an analgesic and anti-inflammatory effect to reduce or eliminate pain. These will be developed in the forms of sprays, lotions or patches.</p>
Dispensing Devices	<p>Patrons will be able to purchase the dispensing device associated with the cannabis product that is purchased. This will include bongs, vape pens, bowls, pipes, and papers.</p>
Ancillary Items	<p>To further our brand image, we intend on selling apparel and other The Flower Shop Wellness Center branded items. CBD hemp derived products with less than .3% THC content.</p>

## Packaging and labeling

All packages will meet all of the following requirements:

- The package shall be designed or constructed to be significantly difficult for children under five years of age to open and not difficult for adults to use properly, as defined by 16 C.F.R. 1700.15.
  - The package shall be tamper evident, using a sealing method that provides clear, lasting evidence that the package has previously been opened
  - The package shall be opaque so that the cannabis goods cannot be seen from outside the packaging.
  - For any cannabis goods that are intended for more than a single use, the package shall have the ability to be resealed.
  - The package shall be labeled properly pursuant to local and State laws.

Packaging for cannabis flower or trim or inhalable cannabis products for retail sale shall be in a container that is fully enclosed on all sides, as follows:

- a container that is soft sided with at least 4 mil in thickness
- a container with rigid sides that has a lid or enclosure that can be placed tightly and securely on the container

Packaging of edible cannabis for retail sale shall be packaged as follows:

For single serving cannabis products:

- will be placed in a child resistant container that may or may not be resealable
- can be bundled into a larger marketing layer so long as the total amount of active THC per marketing layer does not exceed 100 milligrams

For multiple serving edible cannabis products:

- will be packaged in either a resealable container or with individual serving heat-sealed into packaging made of plastic four mil or greater in thickness with no easy-open tab, dimple, corner, or flap
- will contain 100 milligrams or less of total THC per multiple serving container
- will clearly indicate the size of a serving if the edible product is not in a form that indicates a serving

Cannabis tinctures and oils for retail sale shall be packaged:

- in a glass or plastic vial or dosage syringe with a resealable child-resistant cap or with a resealed cap and enclosed in a child resistant, soft sided container made of plastic that is four mil or greater in thickness and heat sealed
- with an indication of individual servings either by dividing cannabis oil into individual gelatin capsules or by including with the cannabis tincture or oil a measuring device such as a dosing syringe, measuring cap or dropper.

Cannabis beverages for retail sale shall be packaged:

- single serving cannabis beverages that do not contain more than ten milligrams of THC will be packaged in a child-resistant container, a metal can with a stay tab mechanism opening, to a glass bottle with a cork or metal crown style bottle cap
- multiple serving cannabis beverages that contain more than ten milligrams of THC but no more than 100 milligrams of THC will be packaged in a child resistant container that has a resealing cap or closure and include a measuring device such as a measuring cup or dropper.

Ointments, creams, and lotions will be packaged in a child resistant container that has a resealing cap or closer compliant with 16 C.F.R. part 1700.15. Dry bath soaks and transdermal patches must be packaged in plastic that is four mil or greater in thickness to prevent unintended access to and ingestion by children or pets and is heat-sealed with no easy open tab, dimple, comer or flap.

All required information will be clearly printed in English on the label in type no smaller than 6 point font. The Flower Shop will ensure all labels include:

- results of testing
- the THC content in milligrams of total THC and as a percentage of the products weight
- expected effects, time to take effect and duration of effect
- Ingredients and allergen warnings in Accordance to 21 U.S.C. 321 (qq)
- Contents, net weight or volume and nutritional information
- Required warnings, indication that product contains cannabis, side effects and legal status of cannabis
- Identifying information including establishment identification number, batch and dates.

### **Exit Packaging**

Cannabis goods purchased by a customer will not leave the dispensary premises unless they are placed in an exit package. When a purchase is complete, employees will ensure each item is labeled and packaged correctly, and placed in an opaque exit bag.

### **Pre-employment screening procedures**

To promote public perception and the security interest of The Flower Shop Dispensary, all prospective employees shall be stringently vetted during the application process. Each employment candidate shall undergo a thorough background check, character assessment and review. Only the most desirable candidates will be selected.

Our employees will be well paid, well qualified, and well-trained personnel. All employees will be fingerprinted and have successfully passed a criminal background screening. All staff will be required to wear photo identification at all times, while on the dispensary premises. Employees will be provided with precise definition of responsibilities, clearly understood chains of authority and thorough training. Our staff will be expected to uphold The Flower Shop's professional brand image.

The Flower Shop shall not employ those with a prior conviction of a disqualifying felony offense. All employees will be 21 years or older.

### **Dispensary Personnel Training**

All Dispensary employees will go through a comprehensive training. The program incorporates State of South Dakota requirements and regulations including background checks, as well as new-hire training and continuing education protocol.

The training program will include the following:

Procedure	Description
Legal	We will distribute a worksheet regarding the state of the law as well as include a section in our manual and SOP's addressing the law, compliance, and law enforcement interaction.

Procedure	Description
Processing and Storage	This will outline the procedures regarding how medicine will be received, handled, and stored safely.
Accounting and Cash Procedures	This will include training on the Point of Sale, how to manage cash, accounting, and banking procedures.
Inventory Control Plan	Will spell out how The Flower Shop will address inventory and includes protocols to ensure operational consistency and proper compliance with the State of South Dakota.
Emergency Procedures	Will provide the specific protocols in case of medical, police or other emergencies to ensure rapid response involving the appropriate personnel and/or outside authorities.
Security	Patient, worker, and neighborhood security are our highest priority. As discussed more fully in our Security Plan, we institute state-of-the-art security procedures to take advantage of the security industry's best practices and most up-to-date technology. This will ensure that our dispensary facility operates at the highest level of legal compliance and security preparedness. The training will focus on deterring and preventing theft and preventing unauthorized access to the premises.
Point of Sale Inventory Tracking System	Will provide at least 2 hours of training in record-keeping and documentation. Any employee entering data into the inventory tracking system will require a minimum of 2 hours hands-on training.

### Workplace Safety Plan

The Flower shop workplace safety plan shall be consistent with 29 CFR 1910.123, 29 CFR 1910.123 and 29 CFR 1200. Proper personal protective equipment will be used, hazard assessment, safe equipment operation, proper application of chemicals, ladder use and hazard communications.

29 CFR 1910.23- Ladder use. In The Flower Shop dispensary, use of ladder is not expected. However if it is ever used it will meet all requirement of 29 CFR 1910.23. A stepstool may be used occasionally and will meet requirements of 1910.23(b)(3)

- Steps on stepstools are spaced not less than 8 inches (20 cm) apart and not more than 12 inches (30 cm) apart, as measured between the centerlines of the steps;
- It will be in good working condition and inspected on daily basis

### Dispensary Operations

Each individual will need to have a patient registry identification card and present a valid ID. The Flower Shop Dispensary intake clerk will verify, during authorized hours of operation, the



individual as a cardholder or other person authorized pursuant to 44:90:04:14. The clerk will also check ID for validity. Acceptable forms of identification include:

- A document issued by a federal, state, county, or municipal government, or a political subdivision or agency thereof, including, but not limited to, a valid motor vehicle operator's license, that contains the name, date of birth, physical description, and picture of the person
- A valid identification card issued to a member of the Armed Forces that includes a date of birth and a picture of the person; or
- A valid passport issued by the United States or by a foreign government.

Any person under the age of 21 will NOT be allowed on the property unless they have both a patient registry identification card AND have their parent/guardian present.

Access will be controlled by verification by the clerk located in the entryway with a locked interior door that prevents access into the area containing cannabis, followed by unlocking the door into the retail area.

Before interacting with any cardholder, any employee of The Flower Shop Dispensary will be trained to:

- 1) Determine the authenticity of registry identification cards
- 2) Ensure that the person presenting a registry identification card is the authorized cardholder
- 3) Use the verification system by phone, point of sale software and mobile application.
- 4) Track the amount of cannabis dispensed for a patient's use and consolidate the amounts in sales to the patient and the patients designated caregiver; and
- 5) Verify that the dispensary has been designated to make sales to the patient or the patient's caregiver.

## **Retail Area**

The Flower Shop employees will always be physically present in the retail area when there are individuals who are not employees of the dispensary in the retail area. The display of cannabis goods for sale will only occur in the retail area during the operating hours of the dispensary.

The Flower Shop will not display any cannabis goods in areas outside of the retail area. We will not display cannabis goods in a place where it is visible from outside the licensed premises. Cannabis goods on display will not be readily accessible to the customers, only visually.

## **Cannabis Goods Display**

The Flower Shop will store cannabis and cannabis products, unless on display for sale:

- in secure, sealed containers that protect against damage from light, water, insects, or rodents
- under environmental conditions, including refrigeration of any perishable edible product, that will protect against physical, chemical, or microbial contamination and damage from temperature or humidity.

Cannabis goods removed from their packaging for display shall not be sold, shall not be consumed, and shall be destroyed according to local and State regulations when the medical cannabis goods are no longer used for display.

### **Cannabis Goods for Sale**

The Flower Shop shall not make any cannabis goods available for sale to a cannabis patient or primary caregiver unless:

- The cannabis goods were received from a licensed distributor; and
- The Flower Shop has verified that the cannabis goods have not exceeded their expiration or sell-by date if one is provided.

### **Purchase limits**

The Flower Shop shall not sell more than three ounces of cannabis to a single medical cannabis patient in any 14 day period.

### **Transactions**

Once a patient has decided what they would like to purchase they will be guided to the cash register with the budtender who has been supervising and assisting them.

A budtender will ring up the transaction into the dispensaries point of sale software. The patient will be giving the option to receive their receipt immediately by print or digitally via email. When a purchase is complete, employees will ensure each item is labeled and packaged correctly, and placed in an opaque exit bag

### **Visitor process**

The Flower Shop Dispensary shall maintain a visitor log that includes the name of the visitor and the time and purpose of each visit by a person other than those authorized to be on the premises as an Employee. Records of documented visitor logs will be maintained for at least 5 years by The Flower Shop and will be made available upon request to state or local regulatory authorities or law enforcement, as part of any official audit, inspection, or investigation. The facility will only be accessed by authorized agents, emergency personnel and authorized visitors who are at least 21 years of age and are accompanied by an authorized medical cannabis establishment agent.

The only persons who may be on the premises of The Flower Shop Dispensary are:

- 1) An employee
- 2) A person with appropriate authority and a visitor identification badge
- 3) A person inspecting The Flower Shop Dispensary facility with proper government authority

Any person other than those authorized to be on the facility premises must obtain a visitor identification badge from The Flower Shop Dispensary at the time of entering the main entrance. All persons on or about the premises must visibly display proper identification at all times. Any lost or stolen agent card, or those that may need to be updated, must one immediately reported to the Security Manager.

Only authorized employees may dispense visitor badges, and only upon verification of such person's valid state picture identification card, completion of the visitor information form, and such person's signature thereon and on the visitor log. The visitor log shall indicate the date, time and duration of the visit as well as the escort responsible for the visitor.

A person who obtains a visitor identification badge, including, without limitation, an outside vendor or contractor, if appropriate:

- 1) Must be escorted and monitored by an agent at all times he or she is on the premises.
- 2) Must visibly display his or her visitor identification badge at all times he or she is on the premises
- 3) Must return the visitor identification badge to The Flower Shop Dispensary upon leaving the premises of the medical marijuana establishment and sign out.

### **Inventory Control**

The Flower Shop will maintain an accurate record of its inventory. A daily electronic inventory record will be maintained each day of operation. All records will be retained for a minimum of 18 months. We will provide the City of Brookings and the Department with a record of its current inventory upon request. The Flower Shop will keep a record of the following information for all cannabis goods the dispensary has in its inventory:

- A description of each type of product in the dispensary inventory. This description will be such that the cannabis goods can easily be identified by testing batch identifier;
- The number of marketing layers, and the quantity of cannabis in each marketing layer
- An accurate measurement of the quantity of the item;
- The date and time the product was received by the licensed dispensary;
- The sell-by or expiration date on any medical cannabis goods, if any;
- The name and license number of the licensed distributor that delivered the medical cannabis goods;
- The price the licensed dispensary paid for the medical cannabis goods, including taxes, delivery costs, or any other costs.
- The cardholder identification number associated with each quantity.

The daily inventory record will reflect the destruction of cannabis or disposal of cannabis waste; theft or other loss; and data from the transfer record.

### **Inventory Reconciliation**

The Flower Shop will perform a reconciliation of its inventory at least once every week. We will verify that the dispensary's physical inventory matches the licensed dispensary's records pertaining to inventory. The result of inventory reconciliation will be retained in the dispensary's records for a minimum of 18 months and will be made available to City of Brookings and the Department upon request.

If The Flower Shop identifies any evidence of theft, diversion, or loss, the dispensary will notify the Brookings Police Department and the Department.

If a significant discrepancy is discovered between the physical inventory and the inventory records, we will notify the Brookings Police Department and the Department.

### **Record of Sales**

The Flower Shop will maintain an accurate record of every sale made to a customer. A record of a sale shall contain the following information:

- The name of the licensed dispensary employee who processed the sale.
- The date and time of the transaction.
- The cardholder identification number
- A list of all the cannabis goods purchased, including the quantity purchased.
- The total amount paid for the sale including the individual prices paid for each cannabis good purchased and any amounts paid for taxes.

### **Point of Sale Software**

The Flower Shop will be utilizing Dutchie for point-of-sale transactions. Dutchie is a state-of-the-art platform that has been built specifically for the cannabis industry. This software reduces transaction times and increases the speed at which you can get people through the doors. The largest retailers in the industry trust Dutchie to power their supply chain and POS infrastructure.

### **Track and Trace**

Our dispensary will enter the following events into the track and trace system:

1. Receipt of cannabis goods from a distributor or transporter;
  - a. Enter the following information:
    - i. Distributor's name and license number;
    - ii. Name of licensee who transported the cannabis goods and license number;
    - iii. Type of cannabis goods received;
    - iv. Amount received, by weight or count;
    - v. Best-by, sell-by, or expiration date, if any, of each product received;
    - vi. The date of receipt of cannabis goods;
    - vii. The unique identifiers associated with the cannabis goods received; and
    - viii. Other information required elsewhere by law.
2. Sale of medical cannabis goods to a cannabis patient or primary caregiver;
  - a. Enter the following information:
    - i. The name of the licensed dispensary employee who processed the sale;
    - ii. The name or a patient identification number of the medical cannabis patient or primary caregiver who made the purchase;
    - iii. The date and time of the transaction;
    - iv. A list of all of the cannabis goods purchased, including a description of the quantity purchased;
    - v. The unique identifiers associated with the cannabis goods sold; and
    - vi. Other information required elsewhere by law.
3. Return of cannabis goods to a distributor;

- a. Enter the following information:
  - Distributor's name and license number.
  - Name of licensee who transported the cannabis goods and license number;
  - Type of cannabis goods returned;
  - Amount received, by weight or count;
  - Best-by, sell-by, or expiration date, if any, of each cannabis good returned;
  - The date of the return of medical cannabis goods;
  - The unique identifiers associated with the cannabis goods returned; and
  - Other information required elsewhere by law.

4. Destruction of cannabis goods;

- a. Enter the following information:
  - i. The name of the licensed dispensary employee who performed the destruction;
  - ii. The date and time of the destruction;
  - iii. A list of all of cannabis goods destroyed, including a description of the quantity destroyed;
  - iv. The unique identifiers associated with the cannabis goods destroyed; and
  - v. Other information required elsewhere by law.

5. Transfer of cannabis goods to a distributor for destruction;

- a. Enter the following information:
  - i. Distributor's name and license number;
  - ii. Name of licensee who transported the cannabis goods and license number;
  - iii. Type of cannabis goods transferred;
  - iv. Amount transferred, by weight or count;
  - v. The date of the transfer of cannabis goods;
  - vi. The unique identifiers associated with the cannabis goods transferred;
  - vii. Other information required elsewhere by law.

All records will be retained for a minimum of 18 months.



## **CAPA**

The Flower Shop will have written procedures for implementing corrective action and preventive action. To implement a CAPA plan, The Flower Shop will create a CAPA SOP, so employees know the process to respond to and investigate problems that cause nonconformances. It will include important definitions, the protocol employees should follow, and who should be notified.

This will be documented by a CAPA form for employees to fill out and management to sign for approval. See example below:

The Flower Shop will follow the below CAPA process:

*ABC Company Example Corrective and Preventive Action Form*

CAPANo:	Testing nonconformity	QC Failure	Suggestion for improvement	From complaints/notes/external parties	other
Category	Testing failure	System failure	Wrong instructions	Training	Client fault other
Raised by:		Assigned to:		Date:	Remarks:
Description:					
Proposed immediate action (correction):					
Root cause analysis required:    Yes    No					
Underlying / root cause:					
Proposed action for long term solution (corrective/preventive action):					
Completed by:		Date:	Remarks:		
Management Use ONLY					
Comments on  of					
I  :					

1. *Description of the event.* Describe the nonconforming event. What is the requirement that is not being met? What evidence exists? What batches were involved, if any? What were the dates, times, and people involved in the event?

2. *Event response and investigation.* Document the immediate correction to eliminate the one instance of nonconformity and list the investigation steps used to determine the root cause(s). What processes or data were reviewed? Which staff were notified? Was any process repeated or halted?

3. *Determination of root cause.* A root cause is the identification of the source of the problem where the problem, system, process, or external factor is identified as the cause of the nonconformity. One way to identify the root cause is the "5 Whys Method." Keep asking "why" until the root cause is determined.

4. *Identify corrective action(s).* List all the corrective actions to be taken to eliminate the root cause(s) of nonconformity. What is the corrective action? Who is responsible for implementing it? When is the proposed implementation date? Which stakeholders are involved in the corrective action?

4.1. If the corrective action is to recall affected product, please see Recall section.

5. *Implement and communicate corrective action(s).* Ensure everyone is aware of the changes to be made and provide ample training on the changes. Document when each corrective action was completed and what evidence exists to prove the corrective action was implemented.

6. *Identify and Implement Prevent Actions:* Determine if there are any preventive actions that should be taken to prevent the nonconformity from occurring again in the future.

7. *Evaluation of the corrective action(s) and preventive action(s).* Supervisors or management should evaluate the significance of the nonconformity and if the corrective actions are sufficient to prevent recurrence. Are there any other corrective actions that need to be implemented?

8. *Verification of the effectiveness of corrective action(s) and preventive action(s).* Supervisors or management should verify if the corrective actions were effective. Allow a sufficient amount of time to pass with the new corrective actions in place. Did the changes have their desired effect (more than once) and did they have any adverse effects?

#### Customer Complaints, Return and Recall

The Flower Shop is prepared to receive, organize, store, and respond to all oral, written, electronic, or other complaints. Email notifications from the company website are checked daily along with other permitted media forums. All complaints will be documented, and the manager will complete an Incident Report regarding the complaint. Once The Flower Shop investigates the situation further, communication is made to the Department.

The Flower Shop will have procedures in place for the handling of customer complaints and/or product returns. Below are best practice steps to take when confronted with a customer complaint and/or product return. When a patient or caregiver wishes to make a formal complaint, The Flower Shop will adhere to the following procedures:

- 1) Have the patient or caregiver wishing to form a complaint complete the Customer Complaint Form;
- 2) File the Customer Complaint Form in the customer complaint folder located within a limited access area within the Licensed Premise;
- 3) Notify management of the formal complaint; and
- 4) Notify the Department of the formal complaint.

If a patient or caregiver wishes to return a product, The Flower Shop employees will perform the following procedure:

- 1) Collect the medical marijuana product needing to be returned and complete the Returned Marijuana Products Log Sheet;
- 2) Record reason for return;
- 3) Log the product as being returned into the electronic inventory tracking system;
- 4) Offer and pay reimbursement for the medical marijuana products tracking system; and
- 5) Ensure that the Returned Marijuana Products Log Sheet is completed and filed.



6) Destroy any returned marijuana products per the marijuana waste disposal and record on the Returned Marijuana Waste Log sheet.

In the event of a recall, the facility will proceed with the product recall Corrective Action / Prevention Action (CAPA). The goal of the recall CAPA is to retrieve as many hazardous products from the distribution chain and from consumers as possible. The Flower Shop has implemented policies to connect with consumers, including looking up contact information through the POS, creating announcements with important information regarding the recall through The Flower Shop's website, and local and company media outlets. All records pertaining to the investigation are gathered and the manager researches the cannabis and/or cannabis product and the quantity of units sold. Customers or patients and/or caregivers are instructed to return the affected products to the Retail facility immediately.

The manager ensures that the returned products are recorded in the POS before they are quarantined. The manager stores recalled cannabis and/or cannabis product(s) in the quarantine storage locker within the vault and seals them in a tamper-evident envelope with a label: RECALLED-DO NOT TRANSFER. Recalled product is properly destroyed in accordance with The Flower Shop's cannabis waste destruction policy. A copy of all complaints, adverse event reports, and information gathered is recorded in a recall file, and the record is updated and made available to the Department and the City Manager. After an Adverse Event Investigation or a recall, a completion report is provided to the Department and the City Manager, via written or electronic communication.

### **Odor Control Plan for The Flower Shop**

The Following odor Control Plan (OCP) was developed to establish consistent business practices based on requirements per city Brookings.

Facility has two HVAC systems, and they will be equipped with Dynamic Air Solution Carbon Filters or equal Carbon Filter product. Filters will be installed into existing HVAC units. These carbon filters have been used to remove odors from Marijuana facilities to meet local codes and ordinances. Filters will be changed regularly by licensed HVAC company as required.

# **Security management Plan for The Flower Shop LLC**

The Flower Shop LLC will implement a comprehensive security plan that addresses facility security, the facility's security and alarm system, product security and processing and the secure handling of all payments in order to prevent theft and diversion.

## **Exterior Building Security**

The Flower Shop dispensary is well illuminated. There are 5 exterior Building lights. Lights are sufficient for cameras to see and record within 10 feet of entry doors.

To prevent access into the Facility, there are limited points of access. There are three entries in the building. The two-front entrance for customers and back entrance for employees and deliveries. These doors will remain locked at all times except for authorized access. Both doors shall have commercial grade locks intended for facilities requiring high level of physical security. Windows are not able to open they are solid glass.

## **Security cameras placement**

The Flower Shop will be equipped with permanently fixed security cameras at each exterior door to allow identification of persons entering or exiting premises. There also will be camera at each door separating non-public areas of dispensary from areas in which sales to patients and designated caregivers are made. In addition to doors, cameras will also be placed at any area where cannabis will stored, destroyed or prepared for sale.

## **Security Surveillance System**

The Flower Shop will implement a security surveillance system that will provide for 24-hour, seven day a week closed-circuit television (CCTV) surveillance system that covers the Facility site and Facility. The department will have real-time access to all parts of security surveillance system.

1. Surveillance System will comply with the following minimum standards:

- Minimum resolution of 720 pixels

- Internet protocol (IP) compatibility supporting live viewing by the department over a secure internet connection

- Minimum of 15 frames per second

- Clear and accurate display of time and date

Cameras set to record 24 hours a day, except cameras placed at exterior doors used by patients to enter or exit the dispensary that must be set to record only outside of the dispensary's operating hours to ensure patient privacy

A back up power source allowing a recording and transmitting video for a minimum of two hours during power failure.

## **2. Security recordings**

Security recordings will be retained for at least 180 days at the facility using a recording system located in a locked tamper-proof room or via cloud.

The Flower shop will maintain a list of all persons with access to video Surveillance recording and have written procedures for controlling access to recordings.

Electronic recording system will be maintained in good working order at all times.

Facility's Agent-in-Charge will instruct each manager, employee, or agent overseeing the functioning of the surveillance system to immediately report to the Agent-in-charge and malfunctioning or technical problems with the system.

## **3. Access to the electronic surveillance recording and control areas to the following**

1. Employees essential to facility surveillance operations
2. The DPH
3. law enforcement agencies
4. Security system service personnel.
5. Other when approved by the DPH

## **Alarm System**

The Flower Shop dispensary shall maintain an alarm system with monitored sensors on all exterior doors and windows monitored by a security company capable of contacting the dispensary and law enforcement if necessary. Alarm system will have an audible alarm capable of being disabled remotely by the security company and will alert security company during a power failure and operates for a minimum of four hours on backup power.

## **Identification Badges**

The Flower shop dispensary will provide identification badges to each agent and employee meeting requirement from Department Of Health sec. 44:90:04:11. Badges will include high resolution photo that is not blurry, first and last name of Agent and name of establishment {minimum of 24 pt. Font). Agents and all employees will be required to display badges whenever on the premises of the establishment of transporting cannabis, or any cannabis product. Visitor Badges will be issued and worn by contractors performing work at a dispensary in accordance with sec. 44:90:04:14.

## **Hiring and Vendor Selection-Verification of Identity.**

1. Facility security is enhanced by the selection of qualified personnel to assist with the operation of the business. To promote public perception and the security interest of The Flower Shop Dispensary, all prospective employees and vendors shall be stringently vetted during the application process. Each Employment candidate shall undergo a thorough background check and character assessment and review. Only the most desirable candidates will be selected.
2. The Flower Shop dispensary shall verify the age and identity of anyone entering the premises. Unless permitted by SDCL 34-200-65 or § 44:90:08:01, 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. Visitor Log will be kept and stored for 5 years.

### **Employee Expectations and Security Training**

In addition to obtaining the agent card, each successful employee shall undergo safety, security training before beginning work. As a part of the employee orientation process and as an ongoing regimen. Security and safety training shall consist of examination and discussion of the Security Plan, premises orientation, emergency training and situational training.

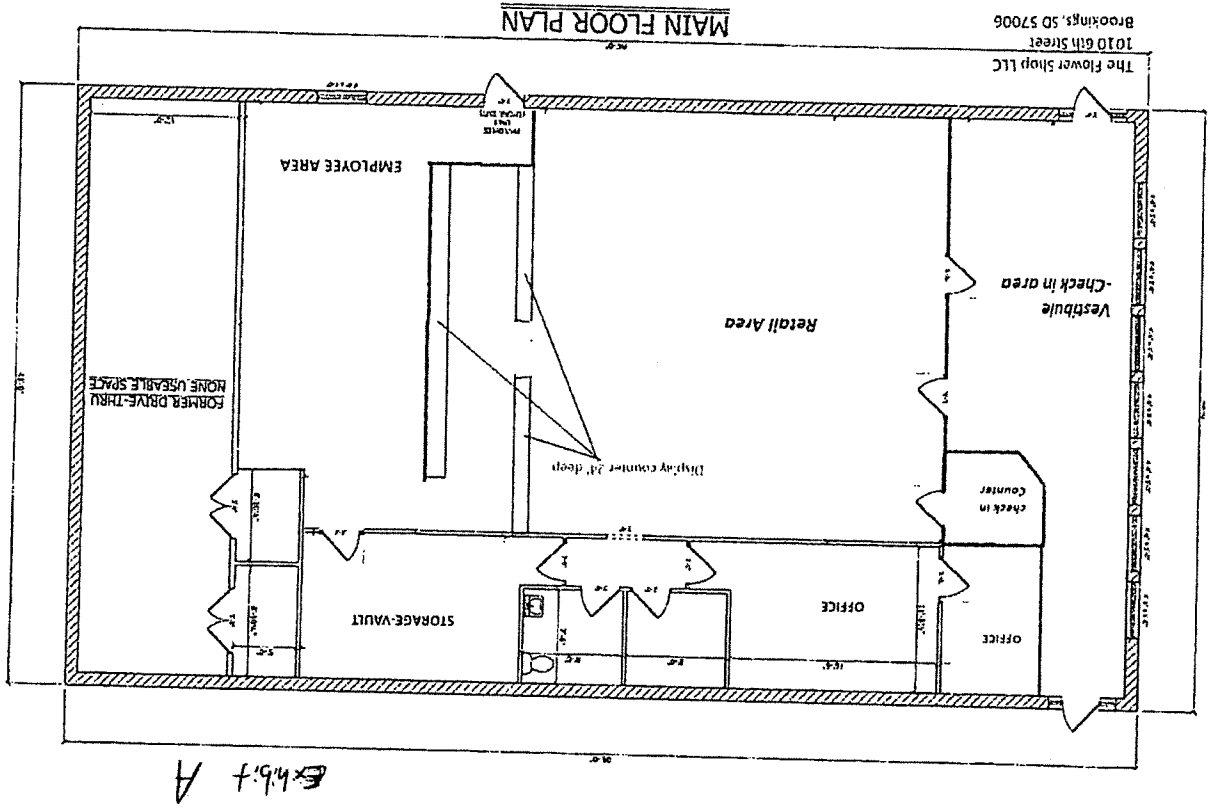
Initial employee safety and security training shall include:

1. Building orientation and access authority which shall include:
  - a. The proper use of employee's access badge for entry into the premises and main building entrance.
  - b. The proper use of employee's access badge for entry into employee's authorized access areas.
  - c. The proper use of employee's agent card
  - d. Employee's authorized entry's and exit points
  - e. Employee's locker and restroom and sink Facilities.
2. Measures and controls for the prevention of diversion, theft or loss of marijuana which shall include:
  - a. Necessity of keeping all facility door locked and secured at all times.
  - b. Prohibited activities such as entrance into unauthorized access areas.
  - c. Awareness of video monitoring
  - d. Required to report any unusual activity, security concern or loitering
3. Procedures and instructions for responding to an emergency that will include:
  - a. Accident prevention training
  - b. How to respond to an emergency
  - c. Emergency first aid kit locations

d. Emergency exits and panic button locations

To promote professionalism and organization, all employees are expected to follow the established safety practices set forth in the Security Plan, be in compliance with the approved uniform dress code for their respective position of employment, display proper hygiene, keep a professional physical appearance, and wear their agent card at all times.

Exhibit A- Main Floor  
Plan



## **Site Plan**

See Exhibit A

The internal decorations and design of The Flower Shop is to create a warm and rustic appeal. The design will create a welcoming environment. It will be designed with a modern and professional look and feel to create a safe and comfortable environment for patients to collect their medicine. A licensed contractor will be hired to complete all construction work required for operation.

The site selected is a turn key location. It requires minimal enhancements to convert it into a safe, patient focused dispensary. The facility upgrade will require the following:

- Installation of Security cameras, vaults, and locking devices
- Air filtration system (odor control)
- Addition of walls inside the space

See Exhibit A for floor plans

The Flower Shop will maintain the integrity of the current location in order to prevent the dispensary from causing any negative aesthetic on the neighborhood. The goal of The Flower Shop is to make the location appear just like any other business and not draw unneeded attention to the site.

The facility will have 2 entry points with the closest public right of way being Sixth Street. Parking lot lights will be sufficient for observers to see and cameras to record any activity within ten feet of the entry.

The facility will have an entryway with a locked interior door where verification will commence. The facility will have a retail area where customers can view displayed products in a secured display case.

Cannabis will be stored in a secured storage area. See site plan Exhibit A for details. If necessary, cannabis will be destroyed in the back security storage room.

## **Building Compliance**

The Flower Shop will comply with all local building codes, electrical, plumbing, HVAC, including but not limited to compliance with the requirements for fire suppression, signage, and parking. Proper permits shall be applied for.

## **Operating Days and Hours**

The Flower Shop will be open to the public from 8am to 10pm, Monday through Sunday. At any time that the dispensary is not open for retail sales, The Flower Shop will ensure the following:

- The premises will be securely locked with commercial-grade, non-residential door locks.
- The premises will be equipped with an active alarm system.



- When closed for retail business, all cannabis goods will be stored in a locked safe, room or vault on the premises
- Only authorized employees and contractors of the licenses will be allowed to enter the premises after hours.

### **Signage Plan**

Signage for the dispensary will comply with the Code of Ordinances of Brookings. All signs will meet local and building codes and local sign codes. Signs will be approved by local enforcement code agency. No cannabis products or graphics describing cannabis will be visible from the exterior of the property. There will be no signage that will contain any logos or information that identifies, advertises, or list the services or the products offered. The Flower Shop will follow local and state advertising laws that are in section 44:90:10:17, 44:90:10:18, 44:90:10:19, 44:90:10:20, 44:90:10:21, 44:90:10:22.

A sign will be posted at the entrance to the dispensary that includes the following language. The required text will be of sufficient size to be easily read from a distance of five feet.

*This Dispensary only provides medical cannabis to its members, who must have legally recognized patient registry identification card for medical cannabis.*

### **Advertising and Marketing Plan**

The Flower Shop will secure a domain name and engage a professional graphic artist and website designer to create a strong bond that is designed to uphold The Flower Shop vision as a premium cannabis brand.

After the creation of a recognizable brand, logo, and simple catchphrases marketing campaigns will focus on the following:

- Targeted digital marketing as directly as possible to other establishments, cardholders who are 21 years of age or older, and readers of medical publications.
- The creation of strong web presence that is SEO friendly
- Full use of social media platforms. Including Leafly, Weedmaps, Eaze, Facebook, Twitter, Instagram, YouTube, Google +, Vine, LinkedIn, and Pinterest.

Any advertisement will include a permanent opt-out feature, verification that the recipient is a cardholder 21 years of age or older and will contain the following:

- 1) A statement: For medical use by qualifying patients only
- 2) The medical cannabis establishment identification number of the establishment responsible for the advertisement.

The Flower Shop shall not advertise via sign or billboard, except signage on its own premises; handbills, direct mail, phone, text, email without verifying the recipient is a cardholder; radio, television and other media. The Flower Shop shall not advertise through a partitioner or health care facility or target the practitioner's or health care facility's patients through direct mail, phone, text, or email.

## **Security Plan**

Safety is assured through multiple layers of security systems, including constant video surveillance and restricted access rules. We will minimize risk of theft and diversion by using sophisticated inventory control systems. Upon receipt and scan into inventory, product shipments are exported immediately into a secure, restricted access storage vault where they remain until ultimately dispensed to a patient. Signs will be posted indicating the no loitering will be allowed. An alarm system at doors and windows will be maintained. Security fire-proof safes will be bolted to the floor. See attached security plan for detailed information.

## **Additional Safety Plan**

The Flower Shop will manage the parking lot and sidewalk to monitor cleanliness and loitering, as well as greet patients entering the dispensary. The team will provide a highly visible presence and deterrent to potential criminal activity by ensuring only those visiting the facility are allowed entry for legitimate business. The team will be vigilant to suspicious activity on the exterior of the premises. Cleanliness is also managed constantly with checks throughout the business day.

Through diligent management of daily operations, The Flower Shop will ensure that the dispensary will not be a nuisance to the neighbors or negatively impact the neighborhood.

The Flower Shop will provide notice to the department and local law enforcement agency within one business day upon its discovery of any unauthorized entry or theft of cannabis, cannabis plants, or cannabis product or any plan or other action of any person to:

- 1) Steal cannabis products, cannabis paraphernalia, equipment, or money that is the property of the establishment
- 2) Sell or otherwise provide cannabis products or cannabis paraphernalia that is the property of the establishment to unauthorized persons
- 3) Purchase or otherwise obtain cannabis, cannabis products or cannabis paraphernalia from unauthorized persons
- 4) Falsify inventory records or transport manifest
- 5) Commit any other crime relating to the operation of the establishment

## **Vehicle Requirements**

The Flower Shop will provide the following information to the department for each vehicle:

- Make, Model, and license plate number
- Proof of a valid automobile insurance policy
- description or photos of a secure, opaque, locking compartment to be used to secure cannabis and cannabis products
- verification that the vehicle has a functioning alarm system, and
- verification, with photographs if necessary, that the vehicle cannot be identified as transporting cannabis or cannabis products

## **Transport plan**

All cannabis being transported will be contained within an enclosed, locked area in the transport vehicle and out of public view. Samples of cannabis, cannabis extracts, and cannabis products for testing will be transported in labeled sample collection containers with tamper-evident seals affixed that will show if the package has previously been opened. All other cannabis will be transported within sealed containers identifying the recipient.

Any transport of edible product requiring refrigeration will be transported in a temperature-controlled refrigerator to prevent spoilage of the cannabis product.

Only employees listed on each transport manifest will be allowed to be in the vehicle. Each employee will wear their identification badge while in the vehicle. Any vehicle transporting cannabis, cannabis extract or cannabis products shall travel directly to the destinations listed on the transport manifest. Allowable stops include:

- meals, if transport is more than three hours round trip
- rest periods required by law
- to refuel
- under exigent circumstances, including collisions, traffic stops, mechanical breakdowns, weather emergencies, or medical emergencies.

During transport employees may not remove the cannabis extracts, 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 44:90:04:03.

Upon request from the department, The Flower Shop will make a vehicle used for transportation of cannabis products immediately available to inspection. Upon law enforcement contact, employees shall provide their agent identification badges and all transport manifest.

Any traffic stop, breakdown, collision, or unscheduled stop lasting more than two hours involving a vehicle being used by an establishment to transport cannabis, cannabis extract or cannabis products will reported to the department and local law enforcement 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, The Flower Shop will make a good faith effort to contact the department for direction. If unable to contact the department, The Flower Shop will make a good faith effort to protect the shipment from diversion.

## **Disposal and Destruction Plan**

As to the material that cannot be used in such a manner and which therefore must be discarded or destroyed, the dispensary will use the following approach:

- 1) The Flower Shop will identify one or more local landfills or transfer stations that will receive marijuana waste materials.
- 2) The dispensary will identify a manager responsible for segregating and disposing of marijuana plant waste matter

- 3) Any cannabis product that is designated for destruction or disposal will be identified by date, batch and volume by the Inventory Control System and will be ground, milled or otherwise processed with at least 50 percent of other waste where the particles can be rendered non-viable.
- 4) Once processed for disposal, the material to be discarded or destroyed will be combined with mulched cardboard, used plant soils or other non-toxic inert material so as to render unusable

Following the rendering of any potentially unusable marijuana non-viable by the above described method, the dispensary employee responsible for the destruction/disposal will prepare a tentative trip plan identifying the matter to the destination where the matter is to be transported and the route to be used in transporting such matter.

In addition, a certificate confirming the weight delivered will be recorded in order to verify it matches the weight it left our facility.

As more regulations are released in regards to cannabis waste from a retailer, The Flower Shop will follow all new laws and procedures.

### **Supply Plan**

The Flower Shop plans to obtain adequate supply with local, licensed growers in the state of South Dakota to purchase supply of cannabis, cannabis extracts and cannabis products. The Flower Shop will only purchase products that have passed properly tested requirements and met properly packaged requirements.

### **Products Offered**

The Flower Shop will offer a full line of medical cannabis products. This location will be designed with class and will have a welcoming rustic environment that makes customers feel welcome. Employees will be highly regarded for their friendly attitude and overall knowledge about cannabis. The Flower Shop shall not sell more than three ounces of cannabis to a single medical cannabis patient in 14 day period.

<b>Product Type</b>	<b>Description</b>
<b>Dried Cannabis: Sativa, Indica, &amp; Hybrids</b>	<p>Raw Cannabis Flower will be sold in a mix of Indica and Sativa depending on customer demand. Indica is known to reduce nausea, increase appetite and fight depression while Sativa is known for its uplifting effects that energize patients with strong cerebral effects.</p> <p>The effectiveness of cannabis is directly related to strain selection; therefore, we will recommend care be taken in selecting appropriate strains to meet patient needs. Patients will be encouraged to use vaporizers, or ingest cannabis medicine to reduce any potential risks from smoking.</p>

Product Type	Description
<b>Edibles</b>	<p>A cannabis edible is a THC-infused product that can be consumed by the customer. Infusing cannabis into foods is a long-practiced and very effective method to use cannabis as medicine.</p> <p>The Flower Shop plans to offer several different edible product lines to cater to the various medical, nutritional, financial and taste needs of patients. Infusing cannabis into foods is a long-practiced and very effective method to use cannabis as medicine. Careful dosing is important. Edibles can be used as effectively as smoking or vaporizing.</p> <p>This may include beverages, coffees, pastries, chocolates, and gummies. Edibles can be as effective as smoking or vaping.</p>
<b>Concentrates</b>	<p>This type will ensure patients have a variety of consumption methods that suit each person's needs and lifestyle. Our line is designed to provide high levels of cannabinoids and THC in a readily accessible form which provides instant relief for serious conditions.</p>
<b>Tinctures</b>	<p>A cannabis tincture is a cannabis-based extract that is infused with alcohol. Typically, the flowers and trim leaves are used. This product provides easy dosing for patients with rapid absorption. This line is designed to make dose control easy for patients, with rapid absorption and effect. Tinctures can be flavored for better taste.</p>
<b>Topicals</b>	<p>Topicals are ideal for assisting patients who are arthritic or have aching injuries. Topicals have an analgesic and anti-inflammatory effect to reduce or eliminate pain. These will be developed in the forms of sprays, lotions or patches.</p>
<b>Dispensing Devices</b>	<p>Patrons will be able to purchase the dispensing device associated with the cannabis product that is purchased. This will include bongs, vape pens, bowls, pipes, and papers.</p>
<b>Ancillary Items</b>	<p>To further our brand image, we intend on selling apparel and other The Flower Shop Wellness Center branded items. CBD hemp derived products with less than .3% THC content.</p>

## Packaging and Labeling

All packages will meet all of the following requirements:

- The package shall be designed or constructed to be significantly difficult for children under five years of age to open and not difficult for adults to use properly, as defined by 16 C.F.R. 1700.15.
  - The package shall be tamper evident, using a sealing method that provides clear, lasting evidence that the package has previously been opened

- The package shall be opaque so that the cannabis goods cannot be seen from outside the packaging.
- For any cannabis goods that are intended for more than a single use, the package shall have the ability to be resealed.
- The package shall be labeled properly pursuant to local and State laws.

Packaging for cannabis flower or trim or inhalable cannabis products for retail sale shall be in a container that is fully enclosed on all sides, as follows:

- a container that is soft sided with at least 4 mil in thickness
- a container with rigid sides that has a lid or enclosure that can be placed tightly and securely on the container

Packaging of edible cannabis for retail sale shall be packaged as follows:

For single serving cannabis products:

- will be placed in a child resistant container that may or may not be resealable
- can be bundled into a larger marketing layer so long as the total amount of active THC per marketing layer does not exceed 100 milligrams

For multiple serving edible cannabis products:

- will be packaged in either a resealable container or with individual serving heat-sealed into packaging made of plastic four mil or greater in thickness with no easy-open tab, dimple, corner, or flap
- will contain 100 milligrams or less of total THC per multiple serving container
- will clearly indicate the size of a serving if the edible product is not in a form that indicates a serving

Cannabis tinctures and oils for retail sale shall be packaged:

- in a glass or plastic vial or dosage syringe with a resealable child-resistant cap or with a resealed cap and enclosed in a child resistant, soft sided container made of plastic that is four mil or greater in thickness and heat sealed
- with an indication of individual servings either by dividing cannabis oil into individual gelatin capsules or by including with the cannabis tincture or oil a measuring device such as a dosing spring, measuring cap or dropper.

Cannabis beverages for retail sale shall be packaged:

- single serving cannabis beverages that do not contain more than ten milligrams of THC will be packaged in a child-resistant container, a metal can with a stay tab mechanism opening, to a glass bottle with a cork or metal crown style bottle cap
- multiple serving cannabis beverages that contain more than ten milligrams of THC but no more than 100 milligrams of THC will be packaged in a child resistant container that has a resealing cap or closure and include a measuring device such as a measuring cup or dropper.

Ointments, creams, and lotions will be packaged in a child resistant container that has a resealing cap or closure compliant with 16 C.F.R. part 1700.15. Dry bath soaks and transdermal patches must be packaged in plastic that is four mil or greater in thickness to prevent unintended access to and ingestion by children or pets and is heat-sealed with no easy open tab, dimple, corner or flap.

All required information will be clearly printed in English on the label in type no smaller than 6 point font. The Flower Shop will ensure all labels include:

- results of testing
- the THC content in milligrams of total THC and as a percentage of the products weight
- expected effects, time to take effect and duration of effect
- Ingredients and allergen warnings in Accordance to 21 U.S.C. 321 (qq)
- Contents, net weight or volume and nutritional information
- Required warnings, indication that product contains cannabis, side effects and legal status of cannabis
- Identifying information including establishment identification number, batch and dates.

### **Exit Packaging**

Cannabis goods purchased by a customer will not leave the dispensary premises unless they are placed in an exit package. When a purchase is complete, employees will ensure each item is labeled and packaged correctly, and placed in an opaque exit bag.

### **Pre-employment screening procedures**

To promote public perception and the security interest of The Flower Shop Dispensary, all prospective employees shall be stringently vetted during the application process. Each employment candidate shall undergo a thorough background check, character assessment and review. Only the most desirable candidates will be selected.

Our employees will be well paid, well qualified, and well-trained personnel. All employees will be fingerprinted and have successfully passed a criminal background screening. All staff will be required to wear photo identification at all times, while on the dispensary premises. Employees will be provided with precise definition of responsibilities, clearly understood chains of authority and thorough training. Our staff will be expected to uphold The Flower Shop's professional brand image.

The Flower Shop shall not employ those with a prior conviction of a disqualifying felony offense. All employees will be 21 years or older.

### **Dispensary Personnel Training**

All Dispensary employees will go through a comprehensive training. The program incorporates State of South Dakota requirements and regulations including background checks, as well as new-hire training and continuing education protocol.

The training program will include the following:

<b>Procedure</b>	<b>Description</b>
Legal	We will distribute a worksheet regarding the state of the law as well as include a section in our manual and SOP's addressing the law, compliance, and law enforcement interaction.

Procedure	Description
Processing and Storage	This will outline the procedures regarding how medicine will be received, handled, and stored safely.
Accounting and Cash Procedures	This will include training on the Point of Sale, how to manage cash, accounting, and banking procedures.
Inventory Control Plan	Will spell out how The Flower Shop will address inventory and includes protocols to ensure operational consistency and proper compliance with the State of South Dakota.
Emergency Procedures	Will provide the specific protocols in case of medical, police or other emergencies to ensure rapid response involving the appropriate personnel and/or outside authorities.
Security	Patient, worker, and neighborhood security are our highest priority. As discussed more fully in our Security Plan, we institute state-of-the-art security procedures to take advantage of the security industry's best practices and most up-to-date technology. This will ensure that our dispensary facility operates at the highest level of legal compliance and security preparedness. The training will focus on deterring and preventing theft and preventing unauthorized access to the premises.
Point of Sale Inventory Tracking System	Will provide at least 2 hours of training in record-keeping and documentation. Any employee entering data into the inventory tracking system will require a minimum of 2 hours hands-on training.

### Workplace Safety Plan

The Flower shop workplace safety plan shall be consistent with 29 CFR 1910.123, 29 CFR 1910.123 and 29 CFR 1200. Proper personal protective equipment will be used, hazard assessment, safe equipment operation, proper application of chemicals, ladder use and hazard communications.

29 CFR 1910.23 – Ladder use. In The Flower Shop dispensary, use of ladder is not expected. However if it is ever used it will meet all requirement of 29 CFR 1910.23. A stepstool may be used occasionally and will meet requirements of 1910.23(b)(3)

- Steps on stepstools are spaced not less than 8 inches (20 cm) apart and not more than 12 inches (30 cm) apart, as measured between the centerlines of the steps;
- It will be in good working condition and inspected on daily basis

### Dispensary Operations

Each individual will need to have a patient registry identification card and present a valid ID. The Flower Shop Dispensary intake clerk will verify, during authorized hours of operation, the



individual as a cardholder or other person authorized pursuant to 44:90:04:14. The clerk will also check ID for validity. Acceptable forms of identification include:

- A document issued by a federal, state, county, or municipal government, or a political subdivision or agency thereof, including, but not limited to, a valid motor vehicle operator's license, that contains the name, date of birth, physical description, and picture of the person
- A valid identification card issued to a member of the Armed Forces that includes a date of birth and a picture of the person; or
- A valid passport issued by the United States or by a foreign government.

Any person under the age of 21 will NOT be allowed on the property unless they have both a patient registry identification card AND have their parent/guardian present.

Access will be controlled by verification by the clerk located in the entryway with a locked interior door that prevents access into the area containing cannabis, followed by unlocking the door into the retail area.

Before interacting with any cardholder, any employee of The Flower Shop Dispensary will be trained to:

- 1) Determine the authenticity of registry identification cards
- 2) Ensure that the person presenting a registry identification card is the authorized cardholder
- 3) Use the verification system by phone, point of sale software and mobile application.
- 4) Track the amount of cannabis dispensed for a patient's use and consolidate the amounts in sales to the patient and the patients designated caregiver; and
- 5) Verify that the dispensary has been designated to make sales to the patient or the patient's caregiver.

### **Retail Area**

The Flower Shop employees will always be physically present in the retail area when there are individuals who are not employees of the dispensary in the retail area. The display of cannabis goods for sale will only occur in the retail area during the operating hours of the dispensary.

The Flower Shop will not display any cannabis goods in areas outside of the retail area. We will not display cannabis goods in a place where it is visible from outside the licensed premises. Cannabis goods on display will not be readily accessible to the customers, only visually.

### **Cannabis Goods Display**

The Flower Shop will store cannabis and cannabis products, unless on display for sale:

- in secure, sealed containers that protect against damage from light, water, insects, or rodents
- under environmental conditions, including refrigeration of any perishable edible product, that will protect against physical, chemical, or microbial contamination and damage from temperature or humidity.

Cannabis goods removed from their packaging for display shall not be sold, shall not be consumed, and shall be destroyed according to local and State regulations when the medical cannabis goods are no longer used for display.

### **Cannabis Goods for Sale**

The Flower Shop shall not make any cannabis goods available for sale to a cannabis patient or primary caregiver unless:

- The cannabis goods were received from a licensed distributor; and
- The Flower Shop has verified that the cannabis goods have not exceeded their expiration or sell-by date if one is provided.

### **Purchase Limits**

The Flower Shop shall not sell more than three ounces of cannabis to a single medical cannabis patient in any 14 day period.

### **Transactions**

Once a patient has decided what they would like to purchase they will be guided to the cash register with the budtender who has been supervising and assisting them.

A budtender will ring up the transaction into the dispensaries point of sale software. The patient will be giving the option to receive their receipt immediately by print or digitally via email. When a purchase is complete, employees will ensure each item is labeled and packaged correctly, and placed in an opaque exit bag

### **Visitor process**

The Flower Shop Dispensary shall maintain a visitor log that includes the name of the visitor and the time and purpose of each visit by a person other than those authorized to be on the premises as an Employee. Records of documented visitor logs will be maintained for at least 5 years by The Flower Shop and will be made available upon request to state or local regulatory authorities or law enforcement, as part of any official audit, inspection, or investigation. The facility will only be accessed by authorized agents, emergency personnel and authorized visitors who are at least 21 years of age and are accompanied by an authorized medical cannabis establishment agent.

The only persons who may be on the premises of The Flower Shop Dispensary are:

- 1) An employee
- 2) A person with appropriate authority and a visitor identification badge
- 3) A person inspecting The Flower Shop Dispensary facility with proper government authority

Any person other than those authorized to be on the facility premises must obtain a visitor identification badge from The Flower Shop Dispensary at the time of entering the main entrance. All persons on or about the premises must visibly display proper identification at all times. Any lost or stolen agent card, or those that may need to be updated, must one immediately reported to the Security Manager.

Only authorized employees may dispense visitor badges, and only upon verification of such person's valid state picture identification card, completion of the visitor information form, and such person's signature thereon and on the visitor log. The visitor log shall indicate the date, time and duration of the visit as well as the escort responsible for the visitor.

A person who obtains a visitor identification badge, including, without limitation, an outside vendor or contractor, if appropriate:

- 1) Must be escorted and monitored by an agent at all times he or she is on the premises.
- 2) Must visibly display his or her visitor identification badge at all times he or she is on the premises
- 3) Must return the visitor identification badge to The Flower Shop Dispensary upon leaving the premises of the medical marijuana establishment and sign out.

### **Inventory Control**

The Flower Shop will maintain an accurate record of its inventory. A daily electronic inventory record will be maintained each day of operation. All records will be retained for a minimum of 18 months. We will provide the City of Brookings and the Department with a record of its current inventory upon request. The Flower Shop will keep a record of the following information for all cannabis goods the dispensary has in its inventory:

- A description of each type of product in the dispensary inventory. This description will be such that the cannabis goods can easily be identified by testing batch identifier;
- The number of marketing layers, and the quantity of cannabis in each marketing layer
- An accurate measurement of the quantity of the item;
- The date and time the product was received by the licensed dispensary;
- The sell-by or expiration date on any medical cannabis goods, if any;
- The name and license number of the licensed distributor that delivered the medical cannabis goods;
- The price the licensed dispensary paid for the medical cannabis goods, including taxes, delivery costs, or any other costs.
- The cardholder identification number associated with each quantity.

The daily inventory record will reflect the destruction of cannabis or disposal of cannabis waste; theft or other loss; and data from the transfer record.

### **Inventory Reconciliation**

The Flower Shop will perform a reconciliation of its inventory at least once every week. We will verify that the dispensary's physical inventory matches the licensed dispensary's records pertaining to inventory. The result of inventory reconciliation will be retained in the dispensary's records for a minimum of 18 months and will be made available to City of Brookings and the Department upon request.

If The Flower Shop identifies any evidence of theft, diversion, or loss, the dispensary will notify the Brookings Police Department and the Department.

If a significant discrepancy is discovered between the physical inventory and the inventory records, we will notify the Brookings Police Department and the Department.

### **Record of Sales**

The Flower Shop will maintain an accurate record of every sale made to a customer. A record of a sale shall contain the following information:

- The name of the licensed dispensary employee who processed the sale.
- The date and time of the transaction.
- The cardholder identification number
- A list of all the cannabis goods purchased, including the quantity purchased.
- The total amount paid for the sale including the individual prices paid for each cannabis good purchased and any amounts paid for taxes.

### **Point of Sale Software**

The Flower Shop will be utilizing Dutchie for point-of-sale transactions. Dutchie is a state-of-the-art platform that has been built specifically for the cannabis industry. This software reduces transaction times and increases the speed at which you can get people through the doors. The largest retailers in the industry trust Dutchie to power their supply chain and POS infrastructure.

### **Track and Trace**

Our dispensary will enter the following events into the track and trace system:

1. Receipt of cannabis goods from a distributor or transporter;
  - a. Enter the following information:
    - i. Distributor's name and license number;
    - ii. Name of licensee who transported the cannabis goods and license number;
    - iii. Type of cannabis goods received;
    - iv. Amount received, by weight or count;
    - v. Best-by, sell-by, or expiration date, if any, of each product received;
    - vi. The date of receipt of cannabis goods;
    - vii. The unique identifiers associated with the cannabis goods received; and
    - viii. Other information required elsewhere by law.
2. Sale of medical cannabis goods to a cannabis patient or primary caregiver;
  - a. Enter the following information:
    - i. The name of the licensed dispensary employee who processed the sale;
    - ii. The name or a patient identification number of the medical cannabis patient or primary caregiver who made the purchase;
    - iii. The date and time of the transaction;
    - iv. A list of all of the cannabis goods purchased, including a description of the quantity purchased;
    - v. The unique identifiers associated with the cannabis goods sold; and
    - vi. Other information required elsewhere by law.
3. Return of cannabis goods to a distributor;

- a. Enter the following information:
  - Distributor's name and license number;
  - Name of licensee who transported the cannabis goods and license number;
  - Type of cannabis goods returned;
  - Amount received, by weight or count;
  - Best-by, sell-by, or expiration date, if any, of each cannabis good returned;
  - The date of the return of medical cannabis goods;
  - The unique identifiers associated with the cannabis goods returned; and
  - Other information required elsewhere by law.
- 4. Destruction of cannabis goods;
  - a. Enter the following information:
    - i. The name of the licensed dispensary employee who performed the destruction;
    - ii. The date and time of the destruction;
    - iii. A list of all of cannabis goods destroyed, including a description of the quantity destroyed;
    - iv. The unique identifiers associated with the cannabis goods destroyed; and
    - v. Other information required elsewhere by law.
- 5. Transfer of cannabis goods to a distributor for destruction;
  - a. Enter the following information:
    - i. Distributor's name and license number;
    - ii. Name of licensee who transported the cannabis goods and license number;
    - iii. Type of cannabis goods transferred;
    - iv. Amount transferred, by weight or count;
    - v. The date of the transfer of cannabis goods;
    - vi. The unique identifiers associated with the cannabis goods transferred;
    - vii. Other information required elsewhere by law.

All records will be retained for a minimum of 18 months.

## **CAPA**

The Flower Shop will have written procedures for implementing corrective action and preventive action. To implement a CAPA plan, The Flower Shop will create a CAPA SOP, so employees know the process to respond to and investigate problems that cause nonconformances. It will include important definitions, the protocol employees should follow, and who should be notified.

This will be documented by a CAPA form for employees to fill out and management to sign for

**ABC Company Example Corrective and Preventive Action Form**

<b>CAPA No:</b>	Testing nonconformity	QC Failure	Suggestion for improvement	From complaints/notices/external parties	Other
<b>Category</b>	Testing failure	System failure	Wrong instructions	Training	Client fault Other
<b>Raised by:</b>	<b>Assigned to:</b>		<b>Date:</b>	<b>Remarks:</b>	
<b>Description:</b>					
<b>Proposed immediate action (correction):</b>					
<b>Root cause analysis required:</b> Yes    No					
<b>Underlying / root cause:</b>					
<b>Proposed action for long term solution (corrective/preventive action):</b>					
<b>Completed by:</b>		<b>Date:</b>	<b>Remarks:</b>		
<b>MANAGEMENT USE ONLY</b>					
<b>Comments on effectiveness of action taken:</b>					
<b>Closed out by:</b>		<b>Date:</b>	<b>Remarks:</b>		

approval. See example below:

The Flower Shop will follow the below CAPA process:

1. *Description of the event.* Describe the nonconforming event. What is the requirement that is not being met? What evidence exists? What batches were involved, if any? What were the dates, times, and people involved in the event?

2. *Event response and investigation.* Document the immediate correction to eliminate the one instance of nonconformity and list the investigation steps used to determine the root cause(s). What processes or data were reviewed? Which staff were notified? Was any process repeated or halted?

3. *Determination of root cause.* A root cause is the identification of the source of the problem where the problem, system, process, or external factor is identified as the cause of the nonconformity. One way to identify the root cause is the "5 Whys Method." Keep asking "why" until the root cause is determined.

4. *Identify corrective action(s).* List all the corrective actions to be taken to eliminate the root cause(s) of nonconformity. What is the corrective action? Who is responsible for implementing it? When is the proposed implementation date? Which stakeholders are involved in the corrective action?

4.1. If the corrective action is to recall affected product, please see Recall section.

5. *Implement and communicate corrective action(s).* Ensure everyone is aware of the changes to be made and provide ample training on the changes. Document when each corrective action was completed and what evidence exists to prove the corrective action was implemented.

6. *Identify and Implement Prevent Actions:* Determine if there are any preventive actions that should be taken to prevent the nonconformity from occurring again in the future.

7. *Evaluation of the corrective action(s) and preventive action(s).* Supervisors or management should evaluate the significance of the nonconformity and if the corrective actions are sufficient to prevent recurrence. Are there any other corrective actions that need to be implemented?

8. *Verification of the effectiveness of corrective action(s) and preventive action(s).* Supervisors or management should verify if the corrective actions were effective. Allow a sufficient amount of time to pass with the new corrective actions in place. Did the changes have their desired effect (more than once) and did they have any adverse effects?

### **Customer Complaints, Return and Recall**

The Flower Shop is prepared to receive, organize, store, and respond to all oral, written, electronic, or other complaints. Email notifications from the company website are checked daily along with other permitted media forums. All complaints will be documented, and the manager will complete an Incident Report regarding the complaint. Once The Flower Shop investigates the situation further, communication is made to the Department.

The Flower Shop will have procedures in place for the handling of customer complaints and/or product returns. Below are best practice steps to take when confronted with a customer complaint and/or product return. When a patient or caregiver wishes to make a formal complaint, The Flower Shop will adhere to the following procedures:

- 1) Have the patient or caregiver wishing to form a complaint complete the Customer Complaint Form;
- 2) File the Customer Complaint Form in the customer complaint folder located within a limited access area within the Licensed Premise;
- 3) Notify management of the formal complaint; and
- 4) Notify the Department of the formal complaint.

If a patient or caregiver wishes to return a product, The Flower Shop employees will perform the following procedure:

- 1) Collect the medical marijuana product needing to be returned and complete the Returned Marijuana Products Log Sheet;
- 2) Record reason for return;
- 3) Log the product as being returned into the electronic inventory tracking system;
- 4) Offer and pay reimbursement for the medical marijuana products tracking system; and
- 5) Ensure that the Returned Marijuana Products Log Sheet is completed and filed.

6) Destroy any returned marijuana products per the marijuana waste disposal and record on the Returned Marijuana Waste Log sheet.

In the event of a recall, the facility will proceed with the product recall Corrective Action / Prevention Action (CAPA). The goal of the recall CAPA is to retrieve as many hazardous products from the distribution chain and from consumers as possible. The Flower Shop has implemented policies to connect with consumers, including looking up contact information through the POS, creating announcements with important information regarding the recall through The Flower Shop's website, and local and company media outlets. All records pertaining to the investigation are gathered and the manager researches the cannabis and/or cannabis product and the quantity of units sold. Customers or patients and/or caregivers are instructed to return the affected products to the Retail facility immediately.

The manager ensures that the returned products are recorded in the POS before they are quarantined. The manager stores recalled cannabis and/or cannabis product(s) in the quarantine storage locker within the vault and seals them in a tamper-evident envelope with a label: RECALLED-DO NOT TRANSFER. Recalled product is properly destroyed in accordance with The Flower Shop's cannabis waste destruction policy. A copy of all complaints, adverse event reports, and information gathered is recorded in a recall file, and the record is updated and made available to the Department and the City Manager. After an Adverse Event Investigation or a recall, a completion report is provided to the Department and the City Manager, via written or electronic communication.

### **Odor Control Plan for The Flower Shop**

The Following odor Control Plan (OCP) was developed to establish consistent business practices based on requirements per city Brookings.

Facility has two HVAC systems, and they will be equipped with Dynamic Air Solution Carbon Filters or equal Carbon Filter product. Filters will be installed into existing HVAC units. These carbon filters have been used to remove odors from Marijuana facilities to meet local codes and ordinances. Filters will be changed regularly by licensed HVAC company as required.



# **Security management Plan for The Flower Shop LLC**

**The Flower Shop LLC will implement a comprehensive security plan that addresses facility security, the facility's security and alarm system, product security and processing and the secure handling of all payments in order to prevent theft and diversion.**

## **Exterior Building Security**

**The Flower Shop dispensary is well illuminated. There are 5 exterior Building lights. Lights are sufficient for cameras to see and record within 10 feet of entry doors.**

**To prevent access into the Facility, there are limited point of access. There are three entries in the building. The two front entrance for customers and back entrance for employees and deliveries. These doors will remain locked at all times except for authorized access. Both doors shall have commercial grade locks intended for facilities requiring high level of physical security. Windows are not able to open they are solid glass.**

## **Security cameras placement**

**The Flower Shop will be equipped with permanently fixed security cameras at each exterior door to allow identification of persons entering or exiting premises. There also will be camera at each door separating non-public areas of dispensary from areas in which sales to patients and designated caregivers are made. In addition to doors, cameras will also be placed at any area where cannabis will stored, destroyed or prepared for sale.**

## **Security Surveillance System**

**The Flower Shop will implement a security surveillance system that will provide for 24-hour, seven day a week closed-circuit television (CCTV) surveillance system that covers the Facility site and Facility. The department will have real-time access to all pats of security surveillance system.**

- 1. Surveillance System will comply with the following minimum standards:**
  - Minimum resolution of 720 pixels**
  - Internet protocol (IP) compatibility supporting live viewing by the department over a secure internet connection**
  - Minimum of 15 frames per second**
  - Clear and accurate display of time and date**

- Cameras set to record 24 hours a day, except cameras placed at exterior doors used by patients to enter or exit the dispensary that must be set to record only outside of the dispensary's operating hours to ensure patient privacy
- A back up power source allowing a recording and transmitting video for a minimum of two hours during power failure.

## **2. Security recordings**

- Security recordings will be retained for at least 180 days at the facility using a recording system located in a locked tamper-proof room or via cloud.
- The Flower shop will maintain a list of all persons with access to video Surveillance recording and have written procedures for controlling access to recordings.
- Electronic recording system will be maintained in good working order at all times. Facility's Agent-in-Charge will instruct each manager, employee, or agent overseeing the functioning of the surveillance system to immediately report to the Agent-in-charge and malfunctioning or technical problems with the system.

## **3. Access to the electronic surveillance recording and control areas to the following**

1. Employees essential to Facility surveillance operations
2. The DPH
3. Law enforcement agencies
4. Security system service personnel.
5. Other when approved by the DPH

## **Alarm System**

The Flower Shop dispensary shall maintain an alarm system with monitored sensors on all exterior doors and windows monitored by a security company capable of contacting the dispensary and law enforcement if necessary. Alarm system will have an audible alarm capable of being disabled remotely by the security company and will alert security company during a power failure and operates for a minimum of four hours on backup power.

## **Identification Badges**

The Flower shop dispensary will provide identification badges to each agent and employee meeting requirement from Department Of Health sec. 44:90:04:11. Badges will include high resolution photo that is not bury, first and Last name of Agent and name of establishment (minimum of 24 pt. Font). Agents and all employees will be requited to display badges whenever on the premises of the establishment of transporting cannabis, or any cannabis product. Visitor Badges will be issued and worn by contractors performing work at a dispensary in accordance with sec. 44:90:04:14.

## **Hiring and Vendor Selection – Verification of Identity.**

- 1. Facility security is enhanced by the selection of qualified personnel to assist with the operation of the business. To promote public perception and the security interest of The Flower Shop Dispensary, all prospective employees and vendors shall be stringently vetted during the application process. Each Employment candidate shall undergo a thorough background check and character assessment and review. Only the most desirable candidates will be selected.**
- 2. The Flower Shop dispensary shall verify the age and identity of anyone entering the premises. Unless permitted by SDCL 34-20G-65 or § 44:90:08:01, 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. Visitor Log will be kept and stored for 5 years.**

### **Employee Expectations and Security Training**

**In addition to obtaining the agent card, each successful employee shall undergo safety, security training before beginning work. As a part of the employee orientation process and as an ongoing regimen. Security and safety training shall consist of examination and discussion of the Security Plan, premises orientation, emergency training and situational training.**

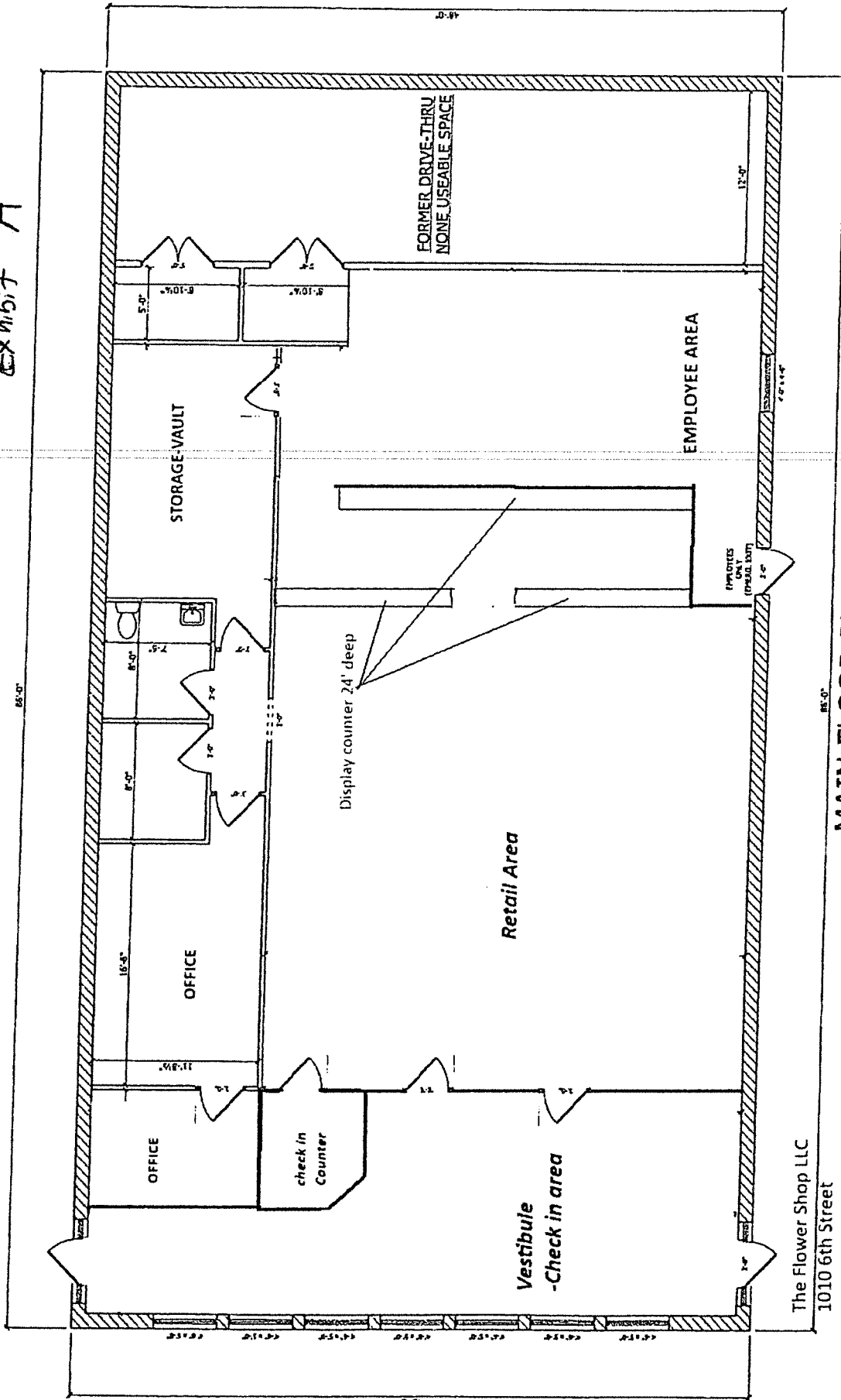
**Initial employee safety and security training shall include:**

- 1. Building orientation and access authority which shall include:**
  - a. The proper use of employee's access badge for entry into the premises and main building entrance.**
  - b. The proper use of employee's access badge for entry into employee's authorized access areas.**
  - c. The proper use of employee's agent card**
  - d. Employee's authorized entry's and exit points**
  - e. Employee's locker and restroom and sink Facilities.**
- 2. Measures and controls for the prevention of diversion, theft or loss of marijuana which shall include:**
  - a. Necessity of keeping all facility door locked and secured at all times.**
  - b. Prohibited activities such as entrance into unauthorized access areas.**
  - c. Awareness of video monitoring**
  - d. Required to report any unusual activity, security concern or loitering**
- 3. Procedures and instructions for responding to an emergency that will include:**
  - a. Accident prevention training**
  - b. How to respond to an emergency**
  - c. Emergency first aid kit locations**

**d. Emergency exits and panic button locations**

**To promote professionalism and organization, all employees will be expected to follow the established safety practices set forth in the Security Plan, be in compliance with the approved uniform dress code for their respective position of employment, display proper hygiene, keep a professional physical appearance, and wear their agent card at all times.**

Exhibit A



**MAIN FLOOR PLAN**

The Flower Shop LLC  
1010 6th Street  
Brookings, SD 57006