Damian Farrell Design Group

359 Metty Drive, #4A / Ann Arbor / Michigan
734.998.1331 / DFDGonline.com

3935 Research Park Drive SEU Application

Attachment B – Statements

3935 Research Park Drive
Ann Arbor, MI 48108

For SEU Application - 07.26.18
Pre-submittal Meeting - 07.24.18

Operation Statement:

A combination of Class-B Grower (Scientific Method Research II, LLC) and Processor (Scientific Method Technology, LLC) will be applying to operate as separate marihuana facilities at the same location. A designated manager of each entity and license-holder will assure every measure is taken to maintain compliance with all Municipal and State statute and rules. In the event that marihuana product may transfer between facilities, an employee will be designated by each licensee of a marihuana facility to monitor and execute the transfer. A manifest in Metrc, the statewide seed-to-sale monitoring system, will be created to document the transfer. Receipt of the transfer after it occurs will also be recorded in Metrc and recorded independently on-site.

Class-B Grower Operations Statement

All marihuana facility growing operations and activities will take place from within the building and shall not be visible from the exterior of the property. Throughout the entire plant lifecycle, employees will identify, monitor, track, harvest, and store all marihuana plant matter accordingly as determined by the Michigan Department of Licensing and Regulatory Affairs, the Bureau of Medical Marihuana Regulation, the Medical Marihuana Facilities Licensing Act, the City of Ann Arbor, and other relevant statutory law and governing bodies.

Employees will uniquely identify batches by lifecycle phase via physical RFID plant tags integrated with Metrc. Each immature plant batch shall contain no more than 100 immature plants. Before any plant from within the immature plant batch reaches more than 8 inches in height or 8 inches in width, it shall be given an individual plant RFID tag and subsequently recorded within the statewide monitoring system. Individually tagged plants shall be delineated throughout the different growth

stages to ensure that the plant tag is always identifiable with the plant over the entire lifecycle of that plant. Individual plant tags shall be continuously employed to facilitate identification and inspection as provided for within the Medical Marihuana Facilities Licensing Act and rules as established by the Bureau of Medical Marihuana Regulation.

Upon completion of the growing lifecycle, harvested plants of the same variety/cultivar exposed to substantially similar conditions throughout cultivation and which were grown and harvested together shall comprise a harvest batch. Every individual harvest batch shall be isolated from other plants and/or harvest batches so that a sample of the harvest batch can be tested by a safety compliance center. Each harvest batch shall be uniquely identifiable and distinguishable from other harvest batches until the batch has passed all requisite safety compliance testing and is ready for final packaging. After the sample of the harvest batch has passed all required safety compliance testing and is updated within the statewide monitoring system, then it is ready for final packaging.

Once the product is properly tagged, labeled and recorded it will be stored in secure containers that shall be latched or otherwise sealable so that all contents are preserved and secured within. Each secured container will also be identified and tracked in accordance with the Medical Marihuana Facility Licensing Act, the Marihuana Tracking Act, and all relevant rules established by the Bureau of Medical Marihuana Regulation.

Prior to a marihuana plant or harvested plant product being sold or transferred, a package tag will be affixed to the plant container and enclosed in a tamperproof seal that contains, at a minimum, all the following information:

- Business trade name,
- Licensee number
- Visible RFID tag assigned by Metrc.
- Name of strain.
- Date of harvest (if applicable)
- Seed strain/variety (if applicable).
- Michigan medical marihuana universal symbol.

All sales and transfers of marihuana product will be conducted through the use of a State-licensed Secure Transporter, unless the transfer is otherwise exempt from requiring a Secure Transporter by statute or rules.

Employees will store all chemicals or solvents in a locked storage area, separate from marihuana products. Any time an individual is present at the marihuana facility that is

not an employee, the individual will be escorted at all times by the licensee or at least one employee of the licensee when in the limited access areas of the facility.

Processor Operations Statements

A combination of two separate entities will be applying to operate as separate marihuana facilities at the same location. A designated manager will assure every measure will be taken to be compliant with both municipal and State statute and any rules and regulations propagated by governing boards. In the event that marihuana product may transfer between facilities, an employee will be designated by each licensee of a marihuana facility to monitor and execute the transfer. A manifest in Metrc, the statewide seed-to-sale monitoring system, will be created to document the transfer. Receipt of the transfer will also be recorded in Metrc.

Marihuana plant material entering the building from another facility will be received by a designated member of the licensee. A State -licensed secure transportation company will bring all deliveries through a secure location with no public access. All deliveries will be recorded by video surveillance. Deliveries will only be accepted between the hours of 9am and 8pm. Once the delivery has been checked for accuracy and accepted from the transportation company, it will be entered into Metrc, the statewide monitoring system, and an additional backup system. All products will also be checked and labeled at that time and then sent to intake storage.

After receiving the shipment in Metrc, employees will proceed to process the marihuana product in accordance with the scope of the processor license, the Act, and all relevant rules. Marihuana product will be given a new package tag any time it changes state or is incorporated into something else. Post processing, all marihuana product and marihuana byproduct will be sealed, labeled, and properly packaged by employees. Before being sold or transferred to another marihuana facility, a sample of the marihuana in its final state will be submitted for testing by a safety compliance center. Once test results indicate a passed test, then employees will proceed in transfer or sale of final package, only through a State-licensed secure transport company.

The facility will be under 24-hour video surveillance. Any time an individual is present at the marihuana facility that is not an employee, they will be escorted at all times by the licensee or at least one designated employee of the licensee when in the limited access areas of the facility.

Safety & Security Plan:

Security Consultant:
WJ Cousins & Associates
Bill Cousins – MS, CPP
Email: bill@wjcassociates.com
Phone: 248-783-7190 (Office)

Class B Grow Facility:

This security plan statement is being submitted to address the requirements of the city of Ann Arbor, and the requirements set forth in Emergency Rule 27 by the Michigan Department of Licensing and Regulatory Affairs Bureau of Medical Marihuana Regulation, pursuant to 2016 Public Act 282 of the Michigan Medical Marihuana Facilities Licensing Act.

The applicant, Scientific Method Research II, LLC, is in the process of leasing a location at 3935 Research Park Drive, Suite B. Ann Arbor, MI 48108 to be utilized as a Class B Grow Facility.

The overall security plan is based on the proven methodologies used by the United States Secret Service, which involve the basic principle of three concentric circles of security, allowing for an outer, middle and inner perimeter. This provides for maximum security, resulting in 360 degrees of security coverage. Additionally, the security plan is proactive in nature, as is designed to be proactive rather than reactive.

The security plan will adhere to the best practice recommendations that are set forth by the American Society for Industrial Security (ASIS). ASIS is an international organization of security professionals that sets security standards worldwide.

The plan is designed to:

- To protect the employees, visitors, product, currency, and secure transport by providing a safe and secure environment
- Utilize technology, such as state of the art security camera surveillance system, access control systems and alarms
- To Deter, Detect, Delay, Deny and Defend against any intrusion
- To prevent the theft or diversion of medical cannabis which assists law enforcement and regulators
- To safeguard the neighboring community

The overall security plan will meet or exceed standards set forth by the MMFLA. The plan will include, but is not limited to the following:

Perimeter Fencing - The facility currently has a fence encompassing the property line. The existing fence is composed of a combination of a masonry wall and cyclone fencing. If necessary modifications to the fence design will be made. Any modifications to the fence construction will meet the guidelines for a high security facility as set forth by the Chain Link Fence Manufacturers Institute Security Fencing for federal facilities, as well as the recommendations of the American Society for Industrial Security.

Perimeter Lighting - Proper lighting is a key component in preventing criminal activity around the exterior of a building. As such, the parking areas and exterior of the building will utilize the correct type of lamps, which will not only provide the proper illumination, but will also assist the exterior cameras in capturing evidentiary quality images.

Surveillance Cameras - These will be strategically mounted/located to provide 24/7 360 surveillance coverage of both the exterior and interior of the building. The design will be similar to that of a casino, where all activity/movement is captured and recorded. The system will include monitors and a Network Video Recorder placed in a secure room. Law enforcement and regulatory officials will be provided the proper codes which will allow them complete access for monitoring purposes. The system will retain all recordings for a minimum of 14 days. All images will be of evidentiary quality and have remote view capability.

Access Control – Access control will consist of proximity cards with card readers and electronic door strikes. This provides the maximum amount of security by controlling and recording all entrances into the building or interior rooms. Card readers will be located at critical areas to include exterior entrances, safe/vault rooms, packaging rooms, etc. All employees will be issued access control cards however, levels of access will be established with ownership and management having complete access to the entire facility. Other employees will have their access limited.

Alarms – Intrusion and panic alarms will be located throughout the entire facility. Intrusion alarms will be located at all exterior entrances into the building. Interior rooms such as the vault room, server room, packaging room and/or any room which may contain information of a sensitive nature.

Any windows will be alarmed to activate upon breakage.

Panic alarms or hold-up alarms will be discreetly located in key areas. The alarms are designed to resist being accidentally activated.

Security Company - A licensed security company will be contracted to provide on-site security during business hours. Additionally, an alarm company will be engaged to monitor all of the aforementioned alarms 24/7. In the event of an alarm activation, the alarm company will have the ability to monitor the event via cameras and audio. If it is determined an intrusion is in progress, the alarm company will notify the Ann Arbor Police Department and provide them with the location of the break-in.

Product and Currency Storage – All medical marihuana product and currency will be secured in a vault room and a safe. The safe will meet or exceed DEA TL-15 standards to secure schedule 1-5 narcotics as well as currency. Access to the vault room and safe will be via access control. This area will be under 24/7 video recording/monitoring.

Product Destruction – All medical marihuana waste will be destroyed in a manner which will make the product unusable or inert. Unless otherwise directed by BMMR, one such method of destruction may be mixing the medical marihuana product with dirt and compost, and subsequently fed to a vermicomposting bin which render it inert. After the process is completed the final mix can be utilized as a compost and buried at a designated/approved location.

Additionally, the security plan will address protocols for such concerns as cash handling, movement of medical marihuana within the grow center, secure transport arrival and departure, visitors and patient protocols.

If there are any questions, please do not hesitate to contact my office.

Processing Facility:

This security plan statement is being submitted to address the requirements of the city of Ann Arbor, and the requirements set forth in Emergency Rule 27 by the Michigan Department of Licensing and Regulatory Affairs Bureau of Medical Marihuana Regulation, pursuant to 2016 Public Act 282 of the Michigan Medical Marihuana Facilities Licensing Act.

The applicant, Scientific Method Technology, LLC, is in the process of leasing a location at 3935 Research Park Drive, Suite C. Ann Arbor, MI 48108 to be utilized as a Medical Marihuana Processing Facility.

The overall security plan is based on the proven methodologies used by the United States Secret Service, which involve the basic principle of three concentric circles of security, allowing for an outer, middle and inner perimeter. This provides for maximum

security, resulting in 360 degrees of security coverage. Additionally, the security plan is proactive in nature, as is designed to be proactive rather than reactive.

The security plan will adhere to the best practice recommendations that are set forth by the American Society for Industrial Security (ASIS). ASIS is an international organization of security professionals that sets security standards worldwide.

The plan is designed to:

- To protect the employees, visitors, product, currency, and secure transport by providing a safe and secure environment
- Utilize technology, such as state of the art security camera surveillance system, access control systems and alarms
- To Deter, Detect, Delay, Deny and Defend against any intrusion
- To prevent the theft or diversion of medical cannabis which assists law enforcement and regulators
- To safeguard the neighboring community

The overall security plan will meet or exceed standards set forth by the MMFLA. The plan will include, but is not limited to the following:

Perimeter Fencing- The facility currently has a fence encompassing the property line. The existing fence is composed of a combination of a masonry wall and cyclone fencing. If necessary modifications to the fence design will be made. Any modifications to the fence construction will meet the guidelines for a high security facility as set forth by the Chain Link Fence Manufacturers Institute Security Fencing for federal facilities, as well as the recommendations of the American Society for Industrial Security.

Perimeter Lighting- Proper lighting is a key component in preventing criminal activity around the exterior of a building. As such, the parking areas and exterior of the building will utilize the correct type of lamps, which will not only provide the proper illumination, but will also assist the exterior cameras in capturing evidentiary quality images.
Surveillance Cameras- These will be strategically mounted/located to provide 24/7 360 surveillance coverage of both the exterior and interior of the building. The design will be similar to that of a casino, where all activity/movement is captured and recorded. The system will include monitors and a Network Video Recorder placed in a secure room. Law enforcement and regulatory officials will be provided the proper codes which will allow them complete access for monitoring purposes. The system will retain all recordings for a minimum of 14 days. All images will be of evidentiary quality and have remote view capability.

Access Control – Access control will consist of proximity cards with card readers and electronic door strikes. This provides the maximum amount of security by controlling and recording all entrances into the building or interior rooms. Card readers will be located at critical areas to include exterior entrances, safe/vault rooms, packaging rooms, etc. All employees will be issued access control cards however, levels of access will be established with ownership and management having complete access to the entire facility. Other employees will have their access limited.

Alarms – Intrusion and panic alarms will be located throughout the entire facility. Intrusion alarms will be located at all exterior entrances into the building. Interior rooms such as the vault room, server room, packaging room and/or any room which may contain information of a sensitive nature.

Any windows will be alarmed to activate upon breakage.

Panic alarms or hold-up alarms will be discreetly located in key areas. The alarms are designed to resist being accidentally activated.

Security Company - A licensed security company will be contracted to provide on-site security during business hours. Additionally, an alarm company will be engaged to monitor all of the aforementioned alarms 24/7. In the event of an alarm activation, the alarm company will have the ability to monitor the event via cameras and audio. If it is determined an intrusion is in progress, the alarm company will notify the Ann Arbor Police Department and provide them with the location of the break-in.

Product and Currency Storage – All medical marihuana product and currency will be secured in a vault room and a safe. The safe will meet or exceed DEA TL-15 standards to secure schedule 1-5 narcotics as well as currency. Access to the vault room and safe will be via access control. This area will be under 24/7 video recording/monitoring.

Product Destruction – All medical marihuana waste will be destroyed in a manner which will make the product unusable or inert. Unless otherwise directed by BMMR, one such method of destruction may be mixing the medical marihuana product with dirt and compost, and subsequently fed to a vermicomposting bin which render it inert. After the process is completed the final mix can be utilized as a compost and buried at a designated/approved location.

Additionally, the security plan will address protocols for such concerns as cash handling, movement of medical marihuana within the grow center, secure transport arrival and departure, visitors and patient protocols.

If there are any questions, please do not hesitate to contact my office.

Odor Mitigation:

We will be using the highest industry standards for odor mitigation. We will be using a commercial grade HEPA air filtration system. Charcoal filters will be used throughout the building. All filters will be cleaned or changed on a regular cycle.

All product will be stored in airtight containers. All onsite preparation of cannabis will be conducted in an area of the building that is away from an exterior doors or windows. This dedicated space will have its own air filtration system.

Waste Disposal:

For all general (non-cannabis related) waste and recycling we will be using the city service. We anticipate city pickup three times a week.

All cannabis related waste will be collected in specified bins and stored securely indoors, all cannabis waste will be logged into the system as such and removed from the facility and disposed of at an off-site location for composting as needed.

Water/Wastewater Statement

Scientific Method Research II, LLC plans on collecting rainwater that drains into two 5,000-gallon aerated rainwater reservoirs fed by the existing storm water run-off lines for the 12,000 square feet of 20' high roofing. During the winter, we anticipate frozen precipitation will melt off the roof due to the heat emitted within the growing portion of the facility. Given the relatively high levels of precipitation experienced in Ann Arbor (39 inches of rainwater, 53 inches of snow), there is currently an average of 687,600 gallons of water which runs off through the existing storm water drains each year. Assuming a 90% recovery of rainwater, we estimate that we have the ability to capture up to 618,840 gallons of water annually.

For our Class-B (1,000 plant) growing license with which we intend to apply for under the Michigan Medical Marihuana Facilities Licensing Act, we will have an average of 850 flowering and/or mature vegetative plants which shall consume a maximum of one gallon of water per day; or a maximum annual water consumption of 310,250 gallons. This equates to us consuming roughly 50% of our maximum rainwater collection capacity from the roof of our facility.

Scientific Method Research II, LLC shall employ an additional four 275-gallon irrigation reservoirs within the growing chambers. These shall be fed first by the two 5,000-gallon rainwater reservoirs. In the event that our rainwater reservoirs are depleted, they shall be fed by municipal water which is scrubbed through charcoal filters to remove chlorines and chloramines (detrimental to plant-life).

Rainwater shall be stored in collection containers on site and will be regularly cleaned and tested for contaminants and pH. Once a week, the facility shall add 1 teaspoon of 27% food-grade hydrogen peroxide per 60-gallons of water in the reservoir to disinfect and aerate the water reservoirs. The water in both the rainwater and irrigation reservoirs containers shall be steadily aerated using large air stones or air curtains at the bottom of the reservoir and attached to a pump to increase dissolved oxygen content and prevent/control microbial life populations. Water shall be kept at a temperature of 72 degrees Fahrenheit within reservoirs.

Water shall be fed to the plants via a drip irrigation system with individually metered emitters. Plant containers will be placed on 4x8' rolling racks placed on FDA-approved polyethylene saucers. Our plant containers shall be filled on the very bottom with perlite and vermiculite and will contain drainage holes across the bottom and sides. This shall allow the perlite to wick up any waste water not initially consumed by the plant for photosynthesis along the saucers via capillary action, therein eliminating waste water fed to our plants.

Hours of Operation:

We intend to have the following hours of operation:

Monday - Sunday: 9 AM - 9 PM