

## Ann Arbor Zoning Ordinance Operational Statement - Provisioning Center

---

AA Solutions LLC  
32825 Northwestern Highway  
Farmington Hills, MI 48334  
Tel. 248-892-9998  
Email: [vincentasmar@aol.com](mailto:vincentasmar@aol.com)

Section	Requirements	Deliverables
Section 1	Operations Statement	1. Life-cycle of product through the facility 2. Storage 3. Deliveries 4. Cash Handling
Section 2	Floor Plan	Drawing of Facility Layout
Section 3	Safety & Security Plan	Addresses Customers / Employees / Neighbors / Offices / Businesses
Section 4	Odor Control Plan	Air Filtration Methods & Equipment
Section 5	Marijuana Waste Disposal Plan	Handling & Disposal of Product Waste
Section 6	Days and Hours of Operations	Description of Proposed Days and Hours of Operation

### Section 1 Inventory and Operational Flow

---

#### Inventory Control

All inventory control processes and procedures will be performed in a manner intended to accomplish 2 goals.

1. Conform to all regulations put forth in the MMFLA, the interim Emergency Rules and local or municipal ordinances for the city of Ann Arbor.
2. Demonstrate ability to meet standards of excellence utilizing best practices in the fields of Inventory Control and Supply Chain Management.

To address the first, we are committed to utilizing the Metrc statewide monitoring system for integrated marijuana tracking, inventory, and verification pursuant to the MMFLA and Emergency Rules. Metrc is a compliance management solution used by regulatory bodies for the oversight of the marijuana industry in each state where Metrc is deployed. Metrc is a cloud hosted on-line software reporting system used by licensed marijuana businesses to manage and report supply chain activities as required by state rules.

To address the second goal, it is the intent of the Applicant to utilize NetSuite inventory management and supply chain software in order to maintain a functional inventory system that is designed to first, prevent errors and second to immediately identify and correct errors should they occur. "NetSuite has given us an out-of-the-box product that lets us aggregate all data on a single platform, which gives us the flexibility to customize it pretty much anyway—and just as much—as we want."

### ***Purchasing***

Inventory will be purchased by the Store Manager of the licensed facility. Purchases will only be made from a maintained list of approved vendors which will be composed only of state licensed Cultivators or Processors. Purchase Orders will be made to the vendor detailing quantity and SKU of ordered items or product. It is expected that an order confirmation will be sent by the vendor to the Store Manager containing communication of receipt of the Purchase Order and expected delivery date and time.

### ***Deliveries***

Deliveries will be received in a secure location, separate from any public accessible areas and under 24 hour Video Surveillance and Manager oversight. Communication of any changes to delivery date or time must take place before hand and is the responsibility of the Vendor.

### ***Inventory Receiving Process***

Upon delivery all items inspected for damage or defect. "Damaged" or "Defective" will include any items that do not have proper records of testing, non-compliant labeling, product past or too near expiration date, damaged in transport or otherwise, and any other criteria that fails to meet regulations set by the Board. All items recognized as "damaged" or "defective" will be refused delivery and recorded for reference and reconciliation of order. These refused items will be communicated to the Vendor.

All items will be counted and confirmed against Vendor issued packing or delivery slip. Discrepancies will be communicated to the Vendor immediately for redelivery or reimbursement. All items received and approved will entered into the Statewide seed to sale tracking system (MetrC) and the NetSuite software.

### ***Inventory Transferred to Vault***

All received and approved items will be transported to the vault from the receiving area by a Store Manager or other Key Employee. Both locations are under 24 hour video surveillance and are restricted access areas controlled by key card access that also logs all entries and employee badge numbers.

The Vault meets all local, state and federal requirements for vault construction (methods, materials, surveillance equipment) All items received into the vault will be verified against receiving information and documentation.

### ***Inventory stocked on the Consulting floor***

Inventory from the vault will be called on the Consultation Employees initiated via electronic inventory request. These requests will be recorded and logged through the communication system used to make the request.

These inventory requests will be dictated by set trigger numbers for individual items to both limit the amount of product on the consultation floor at any given time and to help track inventory movements . These trigger numbers will consist of Kanban cards placed physically with inventory items, determined by data analysis of sales numbers and product usage.

### ***Inventory Sold***

See "Patient Process" outline below

### ***Cash drops***

Cash drops from the Consultation Floor take place every two hours. These are accomplished by preparation of secondary cash drawers containing starting amount of cash by the Store Manager within the vault, these are carried out to cash registers on the Consultation Floor and exchanged by the manager for existing cash drawers. The traded out cash drawers are returned to the Vault by the manager where money is counted and verified against sales information and point of sale records for the individual cash drawer. The drawer is then balanced to contain starting cash drawer amount in preparation for the next cash drop and placed within the safe contained within the Vault.

### ***Beginning of Day & End of Day Processes***

At the beginning of each day of day and the end of each day of operation cash and inventory counts are conducted by the Store Manager and verified against Metrc and the POS system. Discrepancies, if any, are investigated internally to isolate the errors. If any true discrepancies exist these are immediately reported to the State, in the case that theft or loss has been determined, local law enforcement is notified.

At end of day all floor stock will be returned to vault for overnight, secure storage (manager, 24 hour video surveillance, restricted access) and at the beginning of the following business day, the floor is restocked on the Consultation Floor.

### ***Recalls and returns***

Any unused product can be returned to the facility for disposal at no cost to the patient.

Any product deemed damaged, defective, expired or otherwise unusable or unsafe may be recalled and will be properly disposed of according to the waste disposal process discussed below.

---

## **Operational Patient Flow Process**

### **1. Prior to facility access**

Video surveillance on exterior of building to identify patient before entry to the facility. A patient may be denied entry through primary entrance door via wireless electronic locking mechanism.

A patient may be denied entry if they have:

- a. breached company policies previously and has been banned;
- b. pose a physical threat to staff or patients; or
- c. exhibits signs of intoxication or impairment that is not of a medical condition.

### **2. Patient Enters Facility**

Internal and Cloud Based 24-hour video surveillance captures all entries.

### **3. Reception Check in**

A new patient must provide forms of identification to be presented to receptionist (MMMP

card, driver's license or other State/federal issued photo identification and third form of identification to verify the previous two documents. The patient MMMP card is verified to ensure it is active and valid. The Patient is given facility membership agreement to read, initial and return to receptionist. The membership agreement outlines applicable legal qualifications/ requirements and company policies.

The patient information is entered into digital recordkeeping system by receptionist. A Consultant is notified electronically of patient presence and the patient waits in lobby for next available consultant. A patient is not allowed into the consulting area unsupervised and escorted by a registered, qualified consultant.

A returning patient must present three forms of identification to the receptionist who verifies that Patient MMMP card is valid and current. The Receptionist notifies Consultant of patient presence and the patient waits in the lobby for next available Consultant.

#### **4. Consultation**

The Consultant enters lobby and collects Patient identification, then escorts patient into a separate consulting room. The Consultant checks and confirms patient identification before returning identification to patient. The doctor recommendation is then verified as valid and current and the consultation takes place. The consultation consists of:

1. discussion of doctor recommendations / symptoms / desired relief;
2. patient education of product / usage/ dosage / medication tracking;
3. order of product placed; and
4. verification of daily limit by consultant.

#### **5. Sale**

The sale is entered into POS and Metrc system. Money and Medication is exchanged and the Medication is placed in an opaque, lockable and state approved transportation bag with all packaging and labeling requirements set by the State.

#### **6. Conclusion**

Consultant escorts patient out of the consultation room to reception / lobby area and video surveillance records patient leaving facility (as required by the State)

#### **7. Refusal** A patient may be refused service if:

1. the Patient's daily limit is exceeded
2. it is reasonably apparent that signs of drug abuse or addiction are present and the sale of medication may be detrimental to patient health or the general public;
3. the Patient's MMMP card is expired or otherwise invalid; or
4. The Patient has otherwise violated company policies or other state and local regulations.

#### **8. All restricted areas are secured through electronic key card access and access cannot be obtained by anyone except personnel with key card access.**

---

## **Section 2 Floor/Site Plan**

See Attachments - Floor Plan & Site Plan

---

### **Section 3 Safety & Security Plan**

36 Security cameras will be installed and maintained in good condition and the camera and recording system will consist of High Definition quality, color rendition and resolution to allow the identification of an individual. The cameras shall be in use 24 hours a day, 7 days per week, and is also monitored by our security company, which shall cover the marijuana dispensing areas, storage areas, all doors and windows to the medical cannabis facility, parking areas and other areas as determined by the Chief of Police. The recordings shall be maintained at the dispensary property for a period of thirty (30) days, as well as we will have copied of all video surveillance in a cloud based online service.

Our facility will maintain adequate exterior lighting in the parking areas and entry/exit points to help provide safety for qualified patients, primary caregivers, and employees.

Windows and roof hatches at the property shall be secured so as to prevent unauthorized entry and also equipped with latches that may be released quickly from the inside to allow exit in the event of an emergency.

There will be panic buttons installed behind the counters wherever an associate will be assisting patients. These panic alarms will be silent and would immediately dispatch the local police.

We are proposing to locate our provisioning center on the second floor of the building. We feel that this will benefit our security plan.

#### ***Additional Security Considerations***

##### *Cash & Payment Security*

Cash payments will be kept to a minimum however; in the event of cash transfer, each transport team member will be required to conduct the cash transaction in plain view of surveillance cameras and under direct visual oversight of a manager. The cash will be placed inside of a tamper proof, unmarked, lockable tote for transport. All available cash will be kept in a safe meeting or exceeding the state required size, weight and fire rating. The safe will be housed in the vault, which meets or exceeds construction and size requirements by the State. The vault is a restricted access area, requiring key card for entry, twenty-four hour surveillance and key card access records will log all movements and personnel in and out of the vault.

##### *Security and Emergency Training for Employees*

Basic security training will be provided for all onsite based employees. This training will focus on awareness, applying the see-something-say-something model. Each employee will be required to go through security and safety training, of which is high level and independent of each other.

##### *Alarm System*

The system shall provide coverage of all facility entrances and exits, rooms with exterior windows, rooms with exterior walls, roof hatches, skylights and storage rooms that contain safes.

Duress alarm, which means a silent security alarm system signal generated by the entry of a

designated code into an arming station in order to signal that the alarm user is being forced to turn off the system.

Panic alarm, which means an audible security alarm system signal generated by the manual activation of a device intended to signal a life threatening or emergency situation requiring law enforcement response.

Holdup alarm, which means a silent alarm signal generated by the manual activation of a device intended to signal a robbery in progress.

A failure notification system that provides an audible, text or visual notification of any failure in the surveillance system. The failure notification system shall provide an alert to the provisioning center within five (5) minutes after the failure by telephone, email, or text message.

The ability to remain operational during a power outage and ensure all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during power outage. The system shall be maintained and inspected annually by a qualified security vendor.

We will employ a third-party alarm monitoring service to ensure that all records and monitoring equipment cannot be accessed or tampered with from within the facility by any staff member, visitor or intruder.

The alarm system and monitoring service also includes panic buttons placed at in the Reception area, Consultation room, Manager's office and a mobile unit worn by the Management employee on staff.

### *Video Surveillance System and Processes*

Tradewinds will operate and maintain in good working order a 24 hour, seven days a week, closed-circuit television (CCTV) surveillance system on the premises. The design of the digital video recording system will encompass roughly 100TB of storage allowing for 90 days of onsite storage and 90 days of cloud-based storage.

The location of 24 total cameras interior and exterior are marked out on the security drawing. The storage capacity for the camera system onsite will be approximately 100TB and the cloud based storage is unlimited. The system can also store key events for an infinite number of days onsite or in the cloud. The connection for ISP to remotely access and view video will be through a virtual private network (VPN).

The facility will have a combination of fixed cameras, 1 pan tilt zoom camera with tracking capabilities. The security control center, located in the manager's office, will have one 40-inch LCD monitor that displays the cameras throughout the facility.

### *Identification cards*

Identification cards serve multiple purposes on the grounds and inside the facility. Any person that is an employee of the facility must always have his/her photo ID clearly visible on his or her lanyard. All visitors to the facility must always wear his/her visitor ID badge in plain view and at all times be escorted throughout the facility. When gaining access to the grounds as an employee, the ID card grants permission to the grounds. It will also be used to access employee locker rooms. No employee shall start work until they have received their ID card.

### *Visitors & Visitor identification*

All visitors, technicians, maintenance personnel and any other persons not in possession of an

employee identification card issued for the facility who require access must be recorded in the Visitor Log.

Any person not in possession of an Employee Identification Card must receive authorization and a visitors badge in order to access the licensed facility.

To obtain a visitor identification badge, the visitor must provide a valid, government issued Identification with a photograph.

Once a Visitor's Badge has been issued the visitor will be escorted at all times while in the facility. The visit or will be required to have their badge visible at all times while in or on facility premises and will return the badge to the facility security personnel before leaving.

#### *Background Checks - upon hire and every 6 months*

Before an employee can receive an Employee Identification Card, background checks by both the Michigan bureau of criminal identification and investigation and the Federal Bureau of Investigation must be conducted and submitted to the board for review. These background checks will include fingerprints via a "Web Check" provider agency and are to be sent directly to both bureaus as required by the state. The results of the criminal records check performed will be sent directly to the Board.

In addition to the initial background checks required for employment at the licensed facility it will be the policy of Tradewinds to run background checks for all tier 2 and tier 3 employees on a repeating 6 month cycle to ensure that no disqualifying events have occurred in the previous 6 month period that the employer may not have been made aware of.

#### *Recordkeeping I Digital information security*

Internet Security - No department or PC (or MAC or workstation ) is immune to compromise. A confidential high-level mitigation strategy has been developed to prevent the leaking of sensitive information through the web. It is an overall approach to reduce the risk impact severity and/or probability of occurrence.

All records will be kept in a manner that is pursuant to regulations pertaining to the administrative rules. All hard copy documents and records required by the board to be kept on premises will be located in a restricted access area, accessible only to Tier 1 or Key employees. Backups of these records will be kept digitally on an offsite cloud storage facility, one of the most protected digital storage systems currently available.

#### *General Compliance*

To maintain 100% compliance to the State of Michigan guidelines, all policies and procedures are treated as living documents. The realistic fact that some security and safety scenarios cannot be foreseen allows for the documents to be modified as needed to adjust to certain situations.

End of day operations at the facility will include setting of the alarm system and locking of all points of entry or exit including all doors and windows. Both the setting of the alarm and lockdown procedures will be conducted by a manager and will be confirmed through a double check system and sign off by a secondary member of staff This activity will be guided by a step- by-step checklist procedure that will act as a record of the activity and retained in accordance with the recordkeeping and control plan put forth in this application.

---

## **Section 4 Odor Control Plan**

### ***Air Purification & Odor Mitigation***

One of the most voiced concerns in relation to the Michigan Medical Marijuana Program for the various

facility types is air purification and odor control. Therefore we believe that in order to act responsibly within the program and our community, we must treat this issue very seriously and respond with planning and investment to ensure that proper systems are in place to mitigate impact. The four main considerations that we address with are systems are air management, purification/reclamation, odor mitigation, and noise.

#### *Air Management*

Air management through the facility is handled by two 5 ton rooftop HVAC units with activated charcoal feed return that pulls air into the facility and delivers continuous ventilation. These filters are checked according to designated maintenance schedules and replaced regularly to ensure optimal functioning. The air returns will also be outfitted with special odor/mold control UV lighting systems. These UV lights will assist in the mitigation of odor as well as kill any bacteria or mold spores within the spaces. We will maintain negative pressure in the building so no air escapes the building at all.

#### *Purification and reclamation*

Our facility operates on a closed-loop system. Once air is brought in through the HVAC system and distributed throughout the building, it is recaptured by an internal filtration system composed of carbon and HEPA can filters. These units are high efficiency, long lasting filtration devices with a CFM rating of 1019 at 0wg attached to a 5' h, 18" d filter. This filtration system is able to pull and filter all air within the facility every 5 minutes before delivering the air to the roof unit for reclamation and reintroduction into the facility arguably delivering cleaner air within and external to the building than that which is pulled externally.

#### *Odor Management*

The combination of external HVAC unit and internal filtration system operating on a closed loop ensures that no odors created within the facility can be perceived within other rooms of the facility, let alone outside of the facility. Our desire in this area is not to meet minimum requirements but to provide drastic overkill concerning the filtration and odor elimination for the facility. *Noise*- Noise will not be an issue. The construction will consist of insulated walls as well as insulated ceilings on the first floor. This will eliminate any noise as well as assist in the odor control.

---

## **Section 5. Marijuana Waste Disposal Plan**

The State of Michigan is defining medical marijuana waste as anything that is not "Usable marijuana" such as the seeds, stalks and roots of the plant. We would also include any returned, expired or otherwise determined non-usable product also in this definition of "waste."

At the time of writing this application the state of Michigan has not published an approved disposal method for medical marijuana waste so we, the applicant, have reviewed the best practices found in other states to determine an appropriate and responsible disposal method.

The prevailing methods for disposal all start with the act of rendering the waste material as unusable. This is accomplished by first grinding up the waste material to a fine particulate then mixing to a minimum of a 50-50 mixture of ground material and other organic or inorganic materials.

If the mixing material is organic then it is recommended that composting through either continuous methods or batch methods be the disposal method either on-site or at an approved disposal facility.

If the mixing material is inorganic or inert then it can be disposed of in a landfill, incinerator or other approved facility.

Until the state of Michigan approves local disposal facilities we have determined that composting on-site would be the best way to dispose of medical marijuana waste. It's the most ecologically sound method and it takes the burden off local resources for the transportation and management of the waste.

Our proposed medical marijuana waste disposal method shall be performed as follows:

1. All materials intended for destruction and/or rendered unusable shall be weighed and recorded.
2. Material awaiting destruction and/or rendered unusable shall be stored in a locked, restricted access area under constant video surveillance.
3. At time of destruction, grinding and mixing to no less than a 50% ratio of nonmedical compostable material shall be performed under direct supervision and surveillance.
4. Immediately after destruction, the compostable mixture shall be transported to the composting or digesting location and incorporated into the system.

This shall be the proposed waste disposal method until such a time that either the State of Michigan or the City of Ann Arbor communicates an alternate, preferred method, at which time that method shall be adopted as the applicant's waste disposal process and adhered to.

---

## **Section 6. Days & Hours of Operations**

The proposed days and hours of operation for the provisioning center facility is as follows:

Monday through Saturday - 11:00 am to 8:00 pm

Sundays 12:00 pm to 7:00 pm

Employees are expected to be present at the facility one hour prior to opening and one hour after closing of the facility daily for preparation, maintenance, closing and reporting functions.

Exceptions for the following holidays on which the facility will be closed:

New Year's Day

Independence Day

Thanksgiving Day

Christmas Day