



MEMORANDUM

TO: Chair and Members of the Board DATE: June 30, 2016

FROM: Cynthia Franklin RE: Applications Tabled for
Director, Marijuana Control Board Deficient Operating Plans

At its June 9-10 meeting, the Marijuana Control Board tabled the following applications due to noted deficiencies in the operating plans submitted by the applicants. For each application, only the updated operating plan is included at the designated tab for this meeting. The original operating plan, along with all other application documents, may be found at the June 9 or 10 meeting tabs as indicated.

No evaluation by staff regarding the merits of the updated operating plan has been performed. The director provided instruction to each applicant to review the board's raw minutes and update the operating plan accordingly.

1. License #10025, Budding Alaska, LLC
 - a. Considered June 9, 2016 at Tab 11 of the June 9-10 board packet
 - b. Updated operating plan at Tab 23 of this July 7-8 board packet
2. License #10122, Stoney Creek Growers, LLC
 - a. Considered June 10, 2016 at Tab 28 of the June 9-10 board packet
 - b. Updated operating plan at Tab 24 of this July 7-8 board packet



MEMORANDUM

TO: Chair and Members of the Board DATE: June 30, 2016
FROM: Cynthia Franklin RE: Kenai Peninsula Borough
Director, Marijuana Control Board "Non-Objection" Letters

AMCO staff received identical letters from the Kenai Peninsula Borough in response to the 3 AC 306.025(d)(2) notifications regarding the following seven (7) applications on this agenda*:

1. License #10011, Green Rush Gardens, LLC, previously delegated at June meeting
2. License #10015, Greatland Ganja, LLC, previously delegated at June meeting
3. License #10041, Peace Frog Botanicals, previously delegated at June meeting
4. License #10147, Permafrost Distributors, previously delegated at June meeting
5. License #10148, Talisman Farms, previously delegated at June meeting
6. License #10025, Budding Alaska, tabled at June meeting for operating plan fix
7. License #10122, Stoney Creek Growers, tabled at June meeting for operating plan fix

The director requested clarification from KPB as to whether the conditions attached to the "Non-Objection" letters were a request that the MCB impose conditions on the state issued cultivation licenses pursuant to 3 AAC 060(b). As of the writing of this memo, KPB has not responded with clarification of its view of the conditions.

Under 3 AAC 306.060(b) the board must evaluate the conditions to determine if they are arbitrary, capricious and unreasonable before issuing a license subject to those conditions. Even if the conditions are imposed, the local government is responsible for enforcement of the conditions.

The conditions requested by KPB on each of the above seven (7) licenses are as follows:

1. The marijuana establishment shall conduct their operation consistent with the site plan submitted to the Kenai Peninsula Borough.
2. There shall be no parking in borough rights-of-way generated by the marijuana establishment.
3. The marijuana establishment shall remain current in all Kenai Peninsula Borough tax obligations consistent with KPB 7.30.020(A).

*KPB issued nine (9) non-objection letters, but two of the applications for which they issued letters are not on this meeting's agenda for separate reasons unrelated to this issue.



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Alaska Marijuana Control Board

Form MJ-00: Application Certifications

What is this form?

This application certifications form is required for all marijuana establishment license applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306.

This form must be completed and submitted to AMCO's main office by each proposed licensee (as defined in 3 AAC 306.020(b)(2)) before any license application will be considered complete.

Section 1 - Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	Budding Alaska LLC	License Number:	10025		
License Type:	Standard Cultivation Facility				
Doing Business As:	Budding Alaska LLC				
Premises Address:	32273 Old Nash Rd				
City:	Seward	State:	ALASKA	ZIP:	99664

Section 2 - Individual Information

Enter information for the individual licensee or affiliate.

Name:	Bruce R Martin
Title:	Owner

Section 3 - Other Licenses

Ownership and financial interest in other licenses:

Yes No

Do you currently have or plan to have an ownership interest in, or a direct or indirect financial interest in another marijuana establishment license?

☐☒

If "Yes", which license numbers (for existing licenses) and license types do you own or plan to own?



Form MJ-00: Application Certifications

Section 4 - Certifications

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that I have not been convicted of a felony in any state or the United States, including a suspended imposition of sentence, for which less than five years have elapsed from the time of the conviction to the date of this application.

BAM

I certify that I am not currently on felony probation or felony parole.

BAM

I certify that I have not been found guilty of selling alcohol without a license in violation of AS 04.11.010.

BAM

I certify that I have not been found guilty of selling alcohol to an individual under 21 years of age in violation of 04.16.051 or AS 04.16.052.

BAM

I certify that I have not been convicted of a misdemeanor crime involving a controlled substance, violence against a person, use of a weapon, or dishonesty within the five years preceding this application.

BAM

I certify that I have not been convicted of a class A misdemeanor relating to selling, furnishing, or distributing marijuana or operating an establishment where marijuana is consumed within the two years preceding this application.

BAM

I certify that my proposed premises is not within 500 feet of a school ground, recreation or youth center, a building in which religious services are regularly conducted, or a correctional facility, as set forth in 3 AAC 306.010(a).

BAM

I certify that my proposed premises is not located in a liquor licensed premises.

BAM

I certify that I meet the residency requirement under AS 43.23 for a permanent fund dividend in the calendar year in which I am initiating this application.

BAM

I certify that all proposed licensees (as defined in 3 AAC 306.020(b)(2)) and affiliates (as defined in 3 AAC 306.990(a)(1)) have been listed on my online marijuana establishment license application.

BAM

I certify that all proposed licensees have been listed on my application with the Division of Corporations.

BAM

I certify that I understand that providing a false statement on this form, the online application, or any other form provided by AMCO is grounds for denial of my application.

BAM



Form MJ-00: Application Certifications

Read each line below, and then sign your initials in the box to the right of only the applicable statement: _____ Initials

Only initial next to the following statement if this form is accompanying an application for a marijuana testing facility license:

I certify that I do not have an ownership in, or a direct or indirect financial interest in a retail marijuana store, a marijuana cultivation facility, or a marijuana products manufacturing facility.



Only initial next to the following statement if this form is accompanying an application for a retail marijuana store, a marijuana cultivation facility, or a marijuana products manufacturing facility license:



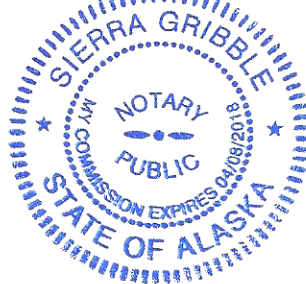
I certify that I do not have an ownership in, or a direct or indirect financial interest in marijuana testing facility license

All marijuana establishment license applicants:

As an applicant for a marijuana establishment license, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that I have examined the online application and this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find them to be true, correct, and complete.

Signature of licensee

Subscribed and sworn to before me this 17 day of May 2016



Notary Public in and for the State of Alaska.

My commission expires: 04/08/2018



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

What is this form?

An operating plan is required for all marijuana establishment license applications. Applicants should review **Title 17.38** of **Alaska Statutes** and **Chapter 306** of the **Alaska Administrative Code**. This form will be used to document how an applicant intends to meet the requirements of those statutes and regulations. If your business has a formal operating plan, you may include a copy of that operating plan with your application, but all fields of this form must still be completed per 3 AAC 306.020(c).

What must be covered in an operating plan?

Applicants must identify how the proposed premises will comply with applicable statutes and regulations regarding the following:

- Security
- Inventory tracking of all marijuana and marijuana product on the premises
- Employee qualification and training
- Waste disposal
- Transportation and delivery of marijuana and marijuana products
- Signage and advertising
- Control plan for persons under the age of 21

Applicants must also complete the corresponding operating plan supplemental forms (**Form MJ-03**, **Form MJ-04**, **Form MJ-05**, or **Form MJ-06**) to meet the additional operating plan requirements for each license type.

Section 1 - Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

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License Type:	Standard Cultivation Facility				
Doing Business As:	Budding Alaska LLC				
Premises Address:	32273 Old Nash Rd, Suite B				
City:	Seward	State:	ALASKA	ZIP:	99664

MailingAddress:	PO Box 724				
City:	Seward	State:	ALASKA	ZIP:	99664

Primary Contact:	Bruce Martin				
Main Phone:	907-491-0395	Cell Phone:	Same		
Email:	buddingalaskallc@gmail.com				



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Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 2 — Security

Review the requirements under 3 AAC 306.710 — 3 AAC 306.720 and 3 MC 306.755, and identify how the proposed premises will meet the listed requirements.

Describe how the proposed premises will comply with each of the following:

Restricted Access Areas (3 AAC 306.710):

Describe how you will prevent unescorted members of the public from entering restricted access areas:

In order to enter the facility, an individual must enter through a steel entry door with a commercial grade combination access entry security lock set. This door enters into the office/foyer of the building. From this location, an individual must pass through an additional locked steel door to get into any secured area of the facility. All doors and rooms are under video surveillance and exterior openings are secured by an alarm system.

Additional Comments:

All areas inside the footprint of the building are within the "Secure Area" of the facility. We have added an additional layer of security by adding a second set of locked doors beyond the main entrance. Company policy will be that no person will be allowed entry into the facility when any of the secondary locking doors are open.

Describe your processes for admitting visitors into and escorting them through restricted access areas:

Once a visitor enters into the office/foyer area, they will be required to sign in on the visitors log to include name, date, time, driver's license # and purpose of the visit. They will then be issued a Visitors ID badge and a lab coat to be worn at all times while in the facility. No unauthorized person will be allowed into a secure area unescorted.

Additional Comments:

No person will be allowed entry into the Office/Foyer area while any of the secondary security doors are open. No groups larger than 3 persons, with the exception of a state, local or fire marshal inspection team, will be allowed entry into the facility. At no time will any visitor be unescorted by an authorized representative of Budding Alaska LLC.



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Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Describe your recordkeeping of visitors who are escorted into restricted access areas:

A visitors log will be kept in the office/foyer area of the building. Visitors are required to sign in upon entrance into the facility. All information on the log will be transferred to a digital file on the site computer at the end of each business day.

Provide a copy of a sample identification badge to be displayed by each licensee, employee, or agent while on the premises:

Please see attached page.



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Form MJ-01: Marijuana Establishment Operating Plan

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Security Alarm Systems and Lock Standards (3 AAC 306.715):

Exterior lighting is required to facilitate surveillance. Describe how the exterior lighting will meet this requirement:

Exterior 500 W MH Lights are mounted on 3 sides of the building and located above the entrance doors. A street light lights up the north, (street), side of the building.

Additional Comments:

Exterior lighting on the building provides light adequate to read by in the dark of night 100' + away from the building. We expect this will be adequate for lighting required by video cameras.

An alarm system is required for all license types. Describe the security alarm system for the proposed premises:

At this time the alarm system has not been installed. The planned system, however, should have connections to all exterior openings, both doors and windows, and sound an alarm in the owners residence which is on the property immediately adjacent to the east. The system should also send an automated message to all authorized persons in the event the system is tripped. Each person will be directed to come to the facility and will aid law enforcement officers in any way practical.

Additional Comments:

Budding Alaska LLC is currently seeking quotes an system specifications from vendors. The system will most likely be monitored by a contracted service. In the event the alarm is triped by motion sensors, door or window connection interruption or fire, this service would then contact the owner or other authorized employee of Budding Alaska LLC and the appropriate agency, i.e. State Troopers, Fire Dept, etc.

The alarm system must be activated on all exterior doors and windows when the licensed premises is closed for business. Describe how the security alarm system meets this requirement:

The system is envisioned to have electronic sensors at each exterior opening that monitors the condition of the openings. If a sensor is tripped while the system is activated it should activate the alarm protocol.



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Form MJ-01: Marijuana Establishment Operating Plan

Describe your policies and procedures for preventing diversion of marijuana or marijuana product:

All product of the facility is to be tracked using the state proscribed tracking system.
All areas of the facility are under video surveillance.
Standing policy will be, any person caught stealing will have their employment terminated and prosecuted under the provisions of state law.

Describe your policies and procedures for preventing loitering:

The facility is in an lite industrial area and typically does not have much pedestrian traffic, The property is posted for trespassing and the long range plan is to install a chain link fence around the facility. This would allow free roaming of dogs at the facility which will further improve security.

Describe your policies and procedures regarding the use of any additional security device, such as a motion detector, pressure switch, and duress, panic, or hold-up alarm to enhance security of the proposed premises:

No additional plans or policies are currently planned beyond the measures outlined above. In the event additional security becomes required, additional options will be weighed.



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Form MJ-01: Marijuana Establishment Operating Plan

Describe your policies and procedures regarding the actions to be taken by a licensee, employee, or agent when any automatic or electronic notification system alerts a local law enforcement agency of an unauthorized breach of security:

When an alarm system is tripped, law enforcement will be immediately contacted. All authorized persons will be directed to go to the facility and will assist law enforcement in any way practical.

Video Surveillance (3 AAC 306.720):

All licensed marijuana establishments must meet minimum standards for surveillance equipment. Applicants should be able to answer "Yes" to all items below.

Video surveillance and camera recording system covers the following areas of the premises:	Yes	No
Each restricted access area and each entrance to a restricted access area	X	
Both the interior and exterior of each entrance to the facility	X	
Each point of sale area	X	
Each video surveillance recording:	Yes	No
Is preserved for a minimum of 40 days, in a format that can be easily accessed for viewing	X	
Clearly and accurately displays the time and date	X	
Is archived in a format that does not permit alteration of the recorded image, so that the images can readily be authenticated	X	



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Describe how the video cameras will be placed to produce a clear view adequate to identify any individual inside the licensed premises, or within 20 feet of each entrance to the licensed premises:

Cameras will be mounted on the exterior of the building at all entrances to view the entire area within 20 feet in any direction. 360* cameras will be mounted in each room of the facility to eliminate any blind spots.

Additional Comments:

Multiple cameras may be mounted in rooms with blind spots to a single camera.

Describe the locked and secure area where video surveillance recording equipment and records will be housed and stored and how you will ensure the area is accessible only to authorized personnel, law enforcement, or an agent of the board:

Video recorder and computer hard drive will be stored in a locked cabinet of the office desk station.

A back up recording and monitors will be maintained in the owners residence adjacent to the facility in addition to the recording maintained on site.

Additional Comments:

The cabinet chosen for storage of recording equipment, on site hard drive and records is a vertical fire resistant Knack Box brand cabinet. These cabinets are constructed of heavy gage steel with a protected paddlock pocket to prevent the lock from being cut with cutters. Extremely tough to break into a Knack Box.

Location of Surveillance Equipment and Video Surveillance Records:

Yes No

Surveillance room or area is clearly defined on the premises diagram

X

Surveillance recording equipment and video surveillance records are housed in a designated, locked, and secure area or in a lock box, cabinet, closet or other secure area

X

Surveillance recording equipment access is limited to a marijuana establishment licensee or authorized employee, and to law enforcement personnel including an agent of the board

X

Video surveillance records are stored off-site

Duplicate records will be stored off site.

X



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Business Records (3 AAC 306.755):

All licensed marijuana establishments must maintain, in a format that is readily understood by a reasonably prudent business person, certain business records. Applicants should be able to answer "Yes" to all items below.

Business Records Maintained and Kept on the Licensed Premises:	Yes	No
All books and records necessary to fully account for each business transaction conducted under its license for the current year and three preceding calendar years; records for the last six months are maintained on the marijuana establishment's licensed premises; older records may be archived on or off-premises	X	
A current employee list setting out the full name and marijuana handler permit number of each licensee, employee, and agent who works at the marijuana establishment	X	
The business contact information for vendors that maintain video surveillance systems and security alarm systems for the licensed premises	X	
Records related to advertising and marketing	X	
A current diagram of the licensed premises including each restricted access area	X	
A log recording the name, and date and time of entry of each visitor permitted into a restricted access area	X	
All records normally retained for tax purposes	X	
Accurate and comprehensive inventory tracking records that account for all marijuana inventory activity from seed or immature plant stage until the retail marijuana or retail marijuana product is sold to a consumer, to another marijuana establishment, or destroyed	X	
Transportation records for marijuana and marijuana product as required under 3 AAC 306.750(f)	X	



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A marijuana establishment is required to exercise due diligence in preserving and maintained all required records. Describe how you will prevent records and data, including electronically maintained records, from being lost or destroyed:

Records will be maintained on site as required in a lock secure cabinet. Digital records will be backed up daily on an external hard drive and stored at the owner's residence on the adjacent property.

Additional Comments:

All records both hard copy and digital will be stored on site in a fire and tamper resistant cabinet as described above.



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 3 - Inventory Tracking of All Marijuana and Marijuana Product

Review the requirements under 3 AAC 306.730, and identify how the proposed establishment will meet the listed requirements.

All licensed marijuana establishments must use a marijuana inventory tracking system capable of sharing information with the system the board implements to ensure all marijuana cultivated and sold in the state, and each marijuana product processed and sold in the state, is identified and tracked from the time the marijuana propagated from seed or cutting, through transfer to another licensed marijuana establishment, or use in manufacturing a product, to a completed sale of marijuana or marijuana product, or disposal of the harvest batch of marijuana or production lot of marijuana product.

Applicants should be able to answer "Yes" to all items below.

Marijuana Tracking and Weighing:

Yes No

A marijuana inventory tracking system, capable of sharing information with the system the board implements to ensure tracking for the reasons listed above, will be used

X

All marijuana delivered to a marijuana establishment will be weighed on a scale certified in compliance with 3 AAC 306.745

X

Describe the marijuana tracking system that you plan to use and how you will ensure that it is capable of sharing information with the system the board implements:

The facility will use the tracking system yet to be prescribed by the State of Alaska. The facility has internet access for the transfer of information to the state system.

Additional Comments:

The state has chosen the Metric Tacking System as the system required for tracking and reporting. All employees of Budding Alaska will be required to learn to use this system. At this time I am not sure that the Metric system will be adequate to track all information required to operate an ongoing cultivation and genetic program. I am currently looking at the BioTrack to supplement the system required by the state. This program appears to be fully integrable into the Metric System and has features that Metric lacks.



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 4 - Employee Qualification and Training

Review the requirements under 3 AAC 306.700, and identify how the proposed establishment will meet the listed requirements.

A marijuana establishment and each licensee, employee, or agent of the marijuana establishment who sells, cultivates, manufactures, tests, or transports marijuana or a marijuana product, or who checks the identification of a consumer or visitor, shall obtain a marijuana handler permit from the board before being licensed or beginning employment at a marijuana establishment.

Applicants should be able to answer "Yes" to all items below.

Marijuana Handler Permit:

Yes No

Each licensee, employee, or agent of the marijuana establishment who sells, cultivates, manufactures, tests, or transports marijuana or marijuana product, or who checks the identification of a consumer or visitor, shall obtain a marijuana handler permit from the board before being licensed or beginning employment at the marijuana establishment

X ☐

Each licensee, employee, or agent who is required to have a marijuana handler permit shall keep that person's marijuana handler permit card in that person's immediate possession (or a valid copy on file on the premises of a retail marijuana store, marijuana cultivation facility, or marijuana product manufacturing facility) when on the licensed premises

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Each licensee, employee, or agent who is required to have a marijuana handler permit shall ensure that that person's marijuana handler permit card is valid and has not expired

X

Describe how your establishment will meet the requirements for employee qualifications and training:

All employees and authorized persons will be required pass an educational course and secure and maintain a handler's permit yet to be prescribed by the State of Alaska.

Additional Comments:

Some of our staff are currently enrolled or scheduled to take the proscribed course with Marijuana Handlers TM to obtain the handlers permit.

No employee will be allowed on site until the handlers permit is obtained.



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Form MJ-01: Marijuana Establishment Operating Plan

Section 5 — Waste Disposal

Review the requirements under 3 AAC 306.740, and identify how the proposed establishment will meet the listed requirements.

Applicants should be able to answer "Yes" to the statement below.

Marijuana Waste Disposal:

Yes No

The marijuana establishment shall give the board at least 3 days notice in the marijuana inventory tracking system required under 3 AAC 306.730 before making the waste unusable and disposing of it



Describe how you will store, manage, and dispose of any solid or liquid waste, including wastewater generated during marijuana cultivation, production, process, testing, or retail sales, in compliance with applicable federal, state, and local laws and regulations:

Liquid waste will be disposed of onsite via an waste water leach field system.
Solid waste will be disposed of by either incineration or composted as prescribed by the State of Alaska.

Additional Comments:

My preferred method of disposal would be to incinerate solid waste as this would render waste usable or even identifiable in seconds as compared to composting. However, at this time the state does not have an aproved procedure to do this. So until some future date that an incineration procedure and or equipment are approved, composting will be our method of solid waste disposal. Solid waste material will be chipped or ground to break it down and mixed at a ratio of 2 CY waste material to 5 CY dirt/composted material. Blood meal and water will be added to this mixture to activae decomposition.

Describe what material or materials you will mix with the ground marijuana waste to make it unusable:

Composted waste material will be mixed at a ratio of approximately .5 CY dirt, .5 L blood meal and 5 gallons of water to each CY of waste produced by the facility. The compost stations will be outside of the building, within range of a video camera.

Additional Comments:

The mixture will be integrated by scooping up and dumping material back onto the compost pile with a small front end loader.



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Form MJ-01: Marijuana Establishment Operating Plan

Marijuana waste must be rendered unusable for any purpose for which it was grown or produced before it leaves the marijuana establishment. Describe the process or processes that you will use to make the marijuana plant waste unusable:

Waste material will either be composted as described above or incinerated.



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 6 - Transportation and Delivery of Marijuana and Marijuana Products

Review the requirements under 3 AAC 306.750, and identify how the proposed establishment will meet the listed requirements.

Applicants should be able to answer "Yes" to all items below.

Marijuana Transportation:

Yes No

The marijuana establishment from which a shipment of marijuana or marijuana product originates will ensure that any individual transporting marijuana shall have a marijuana handler permit required under 3 AAC 306.700

X

The marijuana establishment that originates the transport of any marijuana or marijuana product will use the marijuana inventory tracking system to record the type, amount, and weight of marijuana or marijuana product being transported, the name of the transporter, the time of departure and expected delivery, and the make, model, and license plate number of the transporting vehicle

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The marijuana establishment that originates the transport of any marijuana or marijuana product will ensure that a complete printed transport manifest on a form prescribed by the board must be kept with the marijuana or marijuana product at all times during transport

X

During transport, any marijuana or marijuana product will be in a sealed package or container in a locked, safe, and secure storage compartment in the vehicle transporting the marijuana or marijuana product, and the sealed package will not be opened during transport

X

Any vehicle transporting marijuana or marijuana product will travel directly from the shipping marijuana establishment to the receiving marijuana establishment, and will not make any unnecessary stops in between except to deliver or pick up marijuana or marijuana product at any other licensed marijuana establishment

X

When the marijuana establishment receives marijuana or marijuana product from another licensed marijuana establishment, the recipient of the shipment will use the marijuana inventory tracking system to report the type, amount, and weight of marijuana or marijuana product received

X

The marijuana establishment will refuse to accept any shipment of marijuana or marijuana product that is not accompanied by the transport manifest

X



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Describe how marijuana or marijuana product will be prepared, packaged, and secured for shipment:

Upon harvesting, marijuana will be hung to dry in a climate controlled room, manicured and cured in glass containers. This process will take approximately 2 weeks.
Next the product will be divided into batches and batch samples will be taken for testing purposes. No batch will contain product from more than one individual plant. The batches will be packaged in hermetically sealed plastic pouches and stored in the secure quarantine room until the product test results are completed.
Product that fails to meet testing requirements will be destroyed per State of Alaska procedures.
Product passing testing requirements will be transported to licensed dispensaries for sale.

Describe the type of locked, safe, and secure storage compartments that will be used in any vehicles transporting marijuana or marijuana product:

Product for shipment will be locked into a lockable box mounted behind the front row seats in a Ford F250 extended cab pickup truck. This container is not visible from outside of the vehicle or without opening the rear doors.

Additional Comments:

The container is a steel Knack Box brand box with a tamper proof lock pocket.



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Form MJ-01: Marijuana Establishment Operating Plan

Section 7 — Signage and Advertising

Describe any signs that you intend to post on your establishment with your business name, including quantity and dimensions:

No signage will be provided for the business beyond street numbers on the building. We will not be trying to attract customers to the location and will sell product wholesale only, to licensed dispensaries.

If you are not applying for a retail marijuana store license, you do not need to complete the rest of Section 7, including Page 17.

Restriction on advertising of marijuana and marijuana products (3 AAC 306.360):

All licensed retail marijuana stores must meet minimum standards for signage and advertising.

Applicants should be able to answer "Agree" to all items below.

No advertisement for marijuana or marijuana product will contain any statement or illustration that:	Agree	Disagree
Is false or misleading	X	—
Promotes excessive consumption	X	
Represents that the use of marijuana has curative or therapeutic effects	X	
Depicts a person under the age of 21 consuming marijuana	X	
Includes an object or character, including a toy, a cartoon character, or any other depiction designed to appeal to a child or other person under the age of 21, that promotes consumption of marijuana	X	



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<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

No advertisement for marijuana or marijuana product will be placed:

Agree Disagree

Within one thousand feet of the perimeter of any child-centered facility, including a school, childcare facility, or other facility providing services to children, a playground or recreation center, a public park, a library, or a game arcade that is open to persons under the age of 21

X

On or in a public transit vehicle or public transit shelter

X

On or in a publicly owned or operated property

X

Within 1000 feet of a substance abuse or treatment facility

X

On a campus for post-secondary education

X

Signage and Promotional Materials

Agree

Disagree

I understand and agree to follow the limitations for signs under 3 AAC 306.360(a)

X

The retail marijuana store will not use giveaway coupons as promotional materials, or conduct promotional activities such as games or competitions to encourage sale of marijuana or marijuana products

X

All advertising for marijuana or any marijuana product will contain the warnings required under 3 AAC 306.360(e)

X



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Form MJ-01: Marijuana Establishment Operating Plan

Section 8 - Control Plan for Persons Under the Age of 21

Describe how the marijuana establishment will prevent persons under the age of 21 from gaining access to any portion of the licensed premises and marijuana items:

No unauthorized person will ever be admitted to the facility unescorted. ID will be required upon entry.

I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.


Signature of licensee

Bruce R Martin
Printed name

Subscribed and sworn to before me this 17 day of May, 2016




Notary Public in and for the State of Alaska.

My commission expires: 04/08/2018



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(Additional Space as Needed):

Please see attached operation plan for a detailed overview of how we expect the business/production flow to occur.

**Alaska Marijuana Control Board**

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**Operating Plan Supplemental
Form MJ-04: Marijuana Cultivation Facility****What is this form?**

This operating plan supplemental form is required for all applicants seeking a marijuana cultivation facility license and must accompany the **Marijuana Establishment Operating Plan (Form MJ-01)**, per 3 AAC 306.020(b)(11). Applicants should review **Chapter 306: Article 4** of the **Alaska Administrative Code**. This form will be used to document how an applicant intends to meet the requirements of those regulations. If your business has a formal operating plan, you may include a copy of that operating plan with your application, but all fields of this form must still be completed per 3 AAC 306.020 and 3 AAC 306.420(2).

What additional information is required for cultivation facilities?

Applicants must identify how the proposed establishment will comply with applicable regulations regarding the following:

- Prohibitions
- Cultivation plan
- Odor control
- Testing procedure and protocols
- Security

This form must be submitted to AMCO's main office before any marijuana cultivation facility license application will be considered complete.

Section 1 - Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	Budding Alaska LLC	License Number:	10025
License Type:	Standard Cultivation Facility		
Doing Business As:	Budding Alaska LLC		
Premises Address:	32273 Old Nash Rd		
City:	Seward	State:	ALASKA
		ZIP:	99664



Alaska Marijuana Control Board
Operating Plan Supplemental
Form MJ-04: Marijuana Cultivation Facility

Section 2 - Prohibitions

Applicants should review 3 AAC 306.405 — 3 AAC 306.410 and be able to answer "Agree" to all items below.

The marijuana cultivation facility will not:

Agree

Sell, distribute, or transfer any marijuana or marijuana product to a consumer, with or without compensation

X

Allow any person, including a licensee, employee, or agent, to consume marijuana or marijuana product on its license premises or within 20 feet of the exterior of any building or outdoor cultivation facility

X

Treat or otherwise adulterate marijuana with any organic or nonorganic chemical or compound to alter the color, appearance, weight, or odor of the marijuana

X

Section 3 - Cultivation Plan

Review the requirements under 3 AAC 306.420, and identify how the proposed premises will meet the listed requirements.

Describe the size of the space(s) the marijuana cultivation facility intends to be under cultivation, including dimensions and overall square footage. Provide your calculations below:

The vegetation room measures 24'x35' for a total of 840 SF. All mother plants, clones and plants in the vegetative cycle will be staged in this room.
The flowering room is 25'x44' minus a 64 SF space used as part of the entry space into the foyer/office as noted on the plan view floor plan, for a total of 1034 SF in the flowering room.



Alaska Marijuana Control Board
**Operating Plan Supplemental
Form MJ-04: Marijuana Cultivation Facility**

Describe the marijuana cultivation facility's growing medium(s) to be used:

flood

Budding Alaska will use a fully automated hydroponic ~~and~~ ^{xxx} and drain system. The rooting medium will be clay balls. Nutrient solution will be Advanced Nutrients Brand using their basic PH Perfect system which includes Micro, which is their base nutrient formula, Grow which is primarily N with supporting micro nutrients to support vegetative growth and Bloom, which is primarily P with micro nutrients designed to support flowering phase of growth. In addition, system additives will be used, including Root, to support improved rooting performance, Igniter to boost flowering in early stages of flowering phase, Big Bud used to plants in mid cycle flowering and Finish, used to support nutrient needs at the close of the blooming cycle. All additives are a part of Advanced Nutrients System and designed to support different stages of growth. This system is an organic based nutrient system.

In addition PH Up or Down will be used as required to maintain a PH range of 5.7-6.3 and H2O2, (which is liquid oxygen), will be used to control algae in the hydroponics system.

Additional Comments:

Additionally, all nutrient solutions will flow through 2 filter systems. 1 when pumped from reservoirs to tables and 1 when pumped from tables to reservoirs

Describe the marijuana cultivation facility's fertilizers, chemicals, gases, and delivery systems, including carbon dioxide management, to be used:

At this time, Budding Alaska LLC does not have plans to inject CO2 into the growing space. This may change in the future and the State of Alaska will be notified in that event. Outside filtered air will be pumped into the building using an air handling system designed to provide 3 air changes per hour. Outside air will be draw through a HEPA filter to remove any outside contaminants, i.e. pollen, mold, mildew, insects, etc. prior to entering the building. Exhaust air will be drawn through a carbon filter at a rate of 1 air change per hour to eliminate any odor outside of the building.

Advanced Nutrients brand PH Perfect system will be used as described above.

Describe the marijuana cultivation facility's irrigation and waste water systems to be used:

Nutrient solution will be mixed and stored in 5 separate 300 gallon tanks. This solution, which is a growth stage specific mix will be pumped to the grow tables to provide solution to the plants in a drip and drain system at a rate of 3-4 floods per light cycle. The solution will drain to a float controlled reservoir and will be pumped back to the main storage tank. Solution will be changed and disposed of every 12-14 days as determined by EC test readings taken every day.

Waste solution will be disposed of in an onsite liquid waste disposal leach field.

Additional Comments:

The hydroponic system design has been changed from a drip system to a flood table system.



Alaska Marijuana Control Board
Operating Plan Supplemental
Form MJ-04: Marijuana Cultivation Facility

Describe the marijuana cultivation facility's waste disposal arrangements:

Liquid waste will be disposed of in an onsite liquid waste water leach field.
Organics solid waste will be either incinerated or composted on site but outside of the building as required by 3 AAC 306.740.

Additional Comments:

At this time it has been determined that incineration will not be used. Solid waste will be chipped or ground and mixed at a ratio of 2 CY waste to 5 CY dirt/compost with 1 L blood meal and water added to activate.

Section 4 — Odor Control

Review the requirements under 3 AAC 306.430, and identify how the proposed premises will meet the listed requirement.

Describe the odor control method(s) to be used and how the marijuana cultivation facility will ensure that any marijuana at the facility does not emit an odor that is detectable by the public from outside the facility:

Geographically the building is located in a sparsely populated area primarily used as lite industrial. Very little pedestrian traffic is common.

The prevailing wind at this location blows south out of Resurrection Valley and out into the bay. There is no development to the south and 300' to our south property line. We generally experience a significant breeze if not wind in this location. It is our belief that the natural wind current will dissipate any escaping odor.

However, any air leaving the building will be forced through our existing exhaust air system which is filtered by a charcoal filter system. This filter should eliminate any odor escaping the building.



Alaska Marijuana Control Board

**Operating Plan Supplemental
Form MJ-04: Marijuana Cultivation Facility**

Section 5 — Testing Procedure and Protocols

Review the requirements under 3 AAC 306.455 and 3 AAC 306.465, and identify how the proposed premises will meet the listed requirements.

Applicants should be able to answer "Agree" to the item below.

I understand and agree that:

Agree

The board will or the director shall from time to time require the marijuana cultivation facility to provide samples of the growing medium, soil amendments, fertilizers, crop production aids, pesticides, or water for random compliance checks

X

Describe the testing procedure and protocols the marijuana cultivation facility will follow:

All nutrient solutions and distribution systems will be tested on a daily basis for **PH, EC** and contaminants.
Any person working with or around plants will be required to hold a marijuana handlers permit and to wear latex glove and clean lab over coat.
Any new personnel will be required to work closely with other experienced staff to assure compliance with company and state policies and protocols.

Budding Alaska LLC shall provide a sample of each harvest batch of marijuana produced at the facility to a marijuana testing facility. No produce will be sold prior to test results and all produce will be stored in a secure quarantine room until test results clear produce for sale.

The procedure for compliance with this requirement will be as follows:

A random, homogenous sample will be collected for testing by segregating harvested marijuana into batches of individual strains of bud and flower, and then a random sample from each batch will be selected in an amount required by the marijuana testing facility.

A designated individual will be responsible for collecting each sample; that individual shall:

- (A) Prepare a signed statement showing that each sample has been randomly selected for testing;
- (B) Provide the signed statement to the marijuana testing facility; and
- (C) Maintain a copy as a business record under 3 AAC 306.755;

The sample will then be transported to the marijuana testing facility's licensed premises in compliance with 3 AAC 306.750.

The entire batch from which the testing sample was selected shall be segregated until the marijuana testing facility reports the results from its tests. During this period of segregation, Budding Alaska LLC staff will insure that the provided sample shall maintain the batch in a secure, climate controlled quarantine room to prevent the marijuana from becoming contaminated or losing its efficacy. The test results shall be maintained as part of the facilities

business books and records.

Samples of the growing medium, soil amendments, fertilizers, crop production aids, pesticides, or water will be provided to the board for random compliance checks upon request.



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Operating Plan Supplemental Form MJ-04: Marijuana Cultivation Facility

Section 6 - Security

Review the requirements under 3 AAC 306.430 and 3 AAC 306.470 — 3 AAC 306.475, and identify how the proposed premises will meet the listed requirements.

Applicants should be able to answer "Agree" to the two items below.

The marijuana cultivation facility applicant has:

Agree Disagree

Read and understands and agrees to the packaging of marijuana requirements under 3 AAC 306.470

X

Read and understands and agrees to the labeling of marijuana requirements under 3 AAC 306.475

X

Restricted Access Area (3 AAC 306.430):

Yes No

Will the marijuana cultivation facility include outdoor production?

X

If "Yes", describe the outdoor structure(s) or the expanse of open or clear ground fully enclosed by a physical barrier:

N / A



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Operating Plan Supplemental Form MJ-04: Marijuana Cultivation Facility

Describe the method(s) used to ensure that any marijuana at the marijuana cultivation facility cannot be observed by the public from outside the facility:

The facility is a fully enclosed warehouse with very few exterior wall penetrations. None that are not under video surveillance.

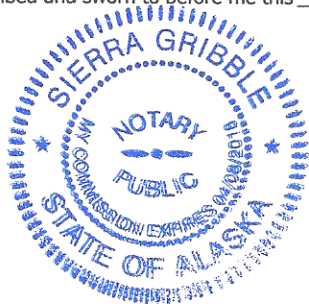
I certify that as a marijuana cultivation facility, I will submit monthly reports to the Department of Revenue and pay the excise tax required under AS 43.61.010 and 43.61.020 on all marijuana sold or provided as a sample to a marijuana establishment, as required under 3 AAC 306.480.

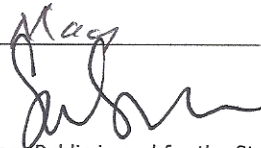
I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.


Signature of licensee

Bruce R Martin
Printed name

Subscribed and sworn to before me this 17 day of May, 20 16




Notary Public in and for the State of Alaska.

My commission expires: 04/08/2018



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Operating Plan Supplemental

Form MJ-04: Marijuana Cultivation Facility

(Additional Space as Needed):

Please see our Operation Plan submitted with this package for more information.