Alcohol and Marijuana Control Office
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Anchorage, AK 99501
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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:

- Control plan for persons under the age of 21
- Security
- Business records
- Inventory tracking of all marijuana and marijuana product on the premises
- Employee qualification and training
- Health and safety standards
- Transportation and delivery of marijuana and marijuana products
- Signage and advertising

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 & Contact Information

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

Licensee:	Midnight Sun Distributors, LLC	**MJ License #:**	23934		
License Type:	Retail Marijuana Store				
Doing Business As:	Midnight Sun Distributors				
Premises Address:	28011 Old Parks Highway, Suite 1				
City:	Willow	**State:**	Alaska	**ZIP:**	99688

Mailing Address:	660 East Steel Loop				
City:	Palmer	**State:**	Alaska	**ZIP:**	99645

Designated Licensee:	Phillip Schneider		
Main Phone:	907-230-3612	**Cell Phone:**	
Email:	phil@ak.net		

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Section 2 – Control Plan for Persons Under the Age of 21

2.1. 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:

Midnight Sun Distributors will refuse entrance to any person who does not produce a form of valid photo identification showing that person is twenty-one (21) years of age or older. A valid form of identification includes; (1) an unexpired, unaltered passport; (2) an unexpired, unaltered driver's license, instruction permit, or identification card of any state or territory of the United States, the District of Columbia, or a Province of Canada; and (3) an identification card issued by a federal or state agency authorized to issue a driver's license or identification card. At no time will a person under the age of twenty-one (21) be permitted to remain on the premises. If at any time, an employee suspects that a person is a minor, the employee will refuse access and have the individual escorted off the premises. A designated employee will request from all customers for government-issued, photo identification and will thoroughly examine the ID before allowing entrance into the retail store. Continued on page 11...

Section 3 – Security

Restricted Access Areas (3 AAC 306.710):

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

The Retail store will be equipped with 24 hour monitoring alarm system exterior lighting, and video surveillance. To maintain the security of the facility and all marijuana products, restricted access areas of the store will be monitored and restricted at all times. Access will only be granted to employees and ownership, with the limited exception of scheduled, pre-approved visitors (not to include AMCO enforcement, law enforcement and other duly authorized agents). Each entry point to a restricted access area will have signs prominently stating that the area is a restricted and for employees only. Distinct and apparent cameras will be placed throughout and around the store to discourage the public from attempting access.

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

All visitors, in order to tour the facility, must be escorted into restricted access areas, with the exception of AMCO and other duly authorized law enforcement agents. Each visitor will sign into the visitor's log indicating their name, the date, time in and out of the restricted access area, and purpose of the visit. All visitors will be required to sign in, and to provide valid, government issued, photo identification. Each visitor (with exception of law enforcement, AMCO enforcement, or on their person while on the licensed premises and return the badge upon exit. At this time, the employee or licensee will brief the visitor on the company's policy's regarding hygiene, safety, regulatory compliance and any other pertinent information the visitor should be aware of while inside the restricted access areas of the retail store. A designated employee or ownership will escort and actively supervise the visitor(s) during the entire visit. At no time will there be more than 5 visitors per supervising employee or licensee on the premises. Once the visit has concluded, all visitors will be required t exit the premises and return their visitor badges. The visitors log will be kept and stored in the locked storage room or the locked office as an official business record. The visitors will be escorted by an employee at all times while in the restricted access area. This visitor log will be make available to AMCO upon request. The records will be stored in the secured storage room. After 7 years the hard copy may be destroyed.

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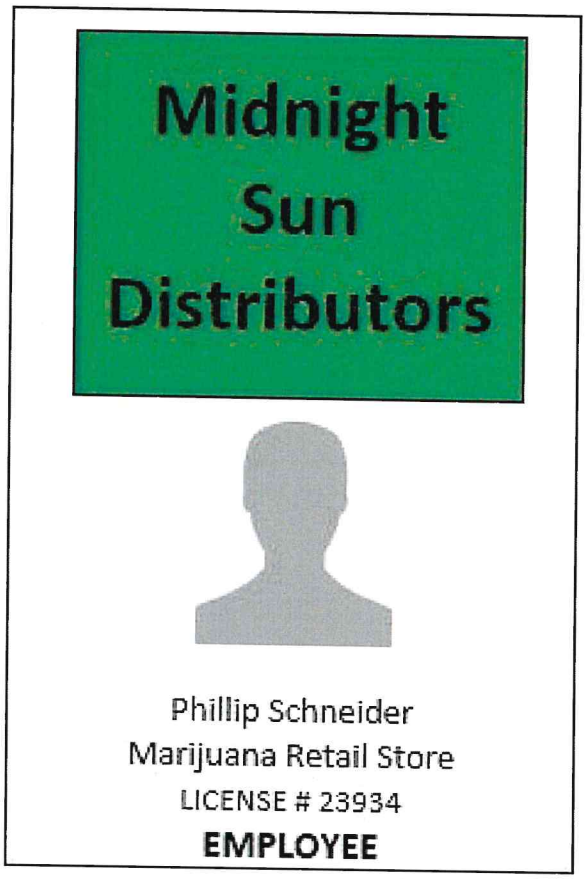
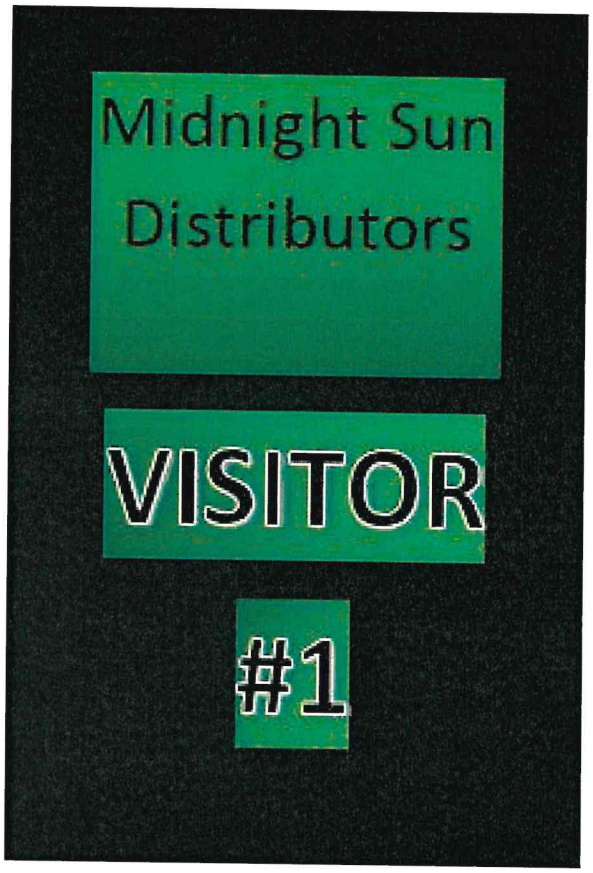
3.3. Provide samples of licensee-produced identification badges that will be displayed by each licensee, employee, or agent while on the premises, and of visitor identification badges that will be worn by all visitors while in restricted access areas:





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

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

The exterior lighting fixtures of the retail facility will be designed and installed to deter nuisance activity and enhance surveillance, while minimizing any sort of neighborhood nuisance. Additional lighting will be used to increase picture quality and brightness for security related documentation. The camera system and lighting will be constantly calibrated to maximize the quality of any recorded images, and to also discourage theft and/or trespassing. The lighting fixtures will be installed to ensure there are no dark spots around the perimeter, or any of the entrances to the facility. All outdoor lighting will be weather proof and vandal proof.

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3.5. An alarm system is required for all license types that must be activated on all exterior doors and windows when the licensed premises is closed for business. Describe the security alarm system for the proposed premises, explain how it will meet all regulatory requirements, and outline your policies and procedures regarding the actions to be taken by a licensee, employee, or agent when the alarm system alerts of an unauthorized breach:

The alarm system will be installed and maintained by a third party security company. The security company will regularly test the alarm system and will provide 24-hour monitoring off site to protect the property, systems and infrastructure, equipment, products, and agents. Phil will provide training to employees to educate on how to control the alarm system by the security company, including: proper use, troubleshooting, and police response. The on-site manager or Phil, will, each day will disable the alarm system upon opening the facility, and will inspect all security cameras and recordings daily. The last employee to leave the facility at close will activate the security sensors, and secure all doors and windows. Sensors will be installed on all access points, including all doors, and windows to detect for motion and intrusions. Attempted intrusions will send automatic, electronic alerts to the off site security company who will then contact Phil on his mobile device - Phil will determine, based on the situation, whether to contact law enforcement. If Law enforcement is contacted, then Phil will report event to AMCO Enforcement officers. In the event of an unauthorized breach, the facility manager or Phil will have all facility employees meet at a pre-determined safe location and wait for the authorities to arrive, and will comply with all directives. Once it is deemed safe to do so, the facility manager or Phil will enter the facility and do an inventory count to ensure that marijuana and marijuana product are all accounted for. In the event of an unauthorized breach, AMCO and enforcement will be notified, electronically, within 24 hours.

3.6. Describe your policies and procedures for preventing diversion of marijuana or marijuana product, including by employees:

Video surveillance will continuously monitor the manufacturing facility. Employees will perform mandatory inventory counts each week and document the reports as business records. The company has a zero tolerance policy for theft and diversion, and all employees will complete mandatory training in recognizing such activity. In the event that theft or diversion is suspected, all employees will alert management immediately. In the event that an employee is caught stealing marijuana, Midnight Sun Distributors will notify local law enforcement immediately, comply with all directives, and provide all necessary information and records for the investigation. Ownership will take the necessary steps to ensure that illegal conduct by an employee does not compromise the facility's license and legitimate business operations and follow company disciplinary protocols, including employee termination when necessary. Once a theft is reported, ownership will update the product records in the tracking system, as needed, to maintain an accurate and comprehensive accounting for all marijuana products and inventory.

3.7. Describe your policies and procedures for preventing loitering:

Signage stating "No Loitering" and that the premises is under video surveillance will be prominently posted around the facility. Designated Midnight Sun Distributors personnel will be trained to perform routine, but unscheduled patrols of the premises to check for individuals with no official business on the property. Individuals found to be loitering on the premises will be met with a verbal request to exit the premises per the no loitering policy and if they do not comply law enforcement will be contacted for back up.

You must be able to certify the statement below. Read the following and then sign your initials in the box to the right: Initials

3.8. I certify that if any additional security devices are used, such as a motion detector, pressure switch, and duress, panic, or hold-up alarm, to enhance security of the licensed premises, I will have written policies and procedures describing their use. PHD

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Video Surveillance (3 AAC 306.720):

You must be able to certify each statement below. Read the following and then sign your initials in the corresponding box: Initials

3.9. The video surveillance and camera recording system for the licensed premises covers each restricted access area, and both the interior and exterior of each entrance to the facility.

3.10. Each video surveillance recording: is preserved for a minimum of 40 days, in a format that can be easily accessed for viewing (consistent with the Alcohol & Marijuana Control Office's approved format list); clearly and accurately displays the time and date; and is archived in a format that does not permit alteration of the recorded image.

3.11. The surveillance room or area is clearly defined on the Form MJ-02: Premises Diagram that is submitted with this application.

3.12. 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 where access is limited to the licensee(s), an authorized employee, and law enforcement personnel (including an agent of the Marijuana Control Board).

3.13. 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:

Video surveillance cameras will be positioned along the perimeter of the building and about the property to ensure all areas of the facility inside and outside are captured with a variety of angles, and a clear, unobstructed view. Cameras will be checked daily to prevent obstructions and weathering, and to ensure the best facial image may be captured of anyone inside or within twenty (20) feet of the building. Coverage will include all exterior doors, restricted access doors, and all marijuana processing areas. Video coverage will also include the parking lot will to record entering and exiting vehicles.

3.14. Describe the locked and secure area where video surveillance recording equipment and original copies of surveillance 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 Marijuana Control Board. If you will be using an offsite monitoring service and offsite storage of video surveillance records, your response must include how the offsite facility will meet these security requirements:

All surveillance recording equipment and footage will be stored in the office with backups on site. The recordings will also be backed up off site. Only authorized agents that Phil specifically designates will have physical access to the office and the surveillance storage. The office will be locked at all times, and the door will be equipped with a smart lock and a spring-loaded hinge to ensure closing. The security system will be accessible by password to prevent data tampering. Recorded data will be stored for a minimum of forty (40) days, and will be uploaded to a separate hard drive and stored longer in the event of a criminal, civil, or administrative investigation. Recordings will be stored with a time and date stamp, and archived in a format to prevent against alteration. Recordings will be available to AMCO and local law enforcement upon request. Phil will have remote access to recordings and to monitor the premises and all operations virtually via his smart phone.

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Section 4 – Business Records

Review the requirements under 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.

4.1. I certify that the following business records will be maintained and kept on the licensed premises: Initials

a. **all books and records necessary to fully account for each business transaction conducted under my license for the current year and three preceding calendar years** *(records for the last six months must be maintained on the licensed premises; older records may be archived on or off-premises)*; [illegible]

b. **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;** [illegible]

c. **the business contact information for vendors that maintain video surveillance systems and security alarm systems for the licensed premises;** [illegible]

d. **records related to advertising and marketing;** [illegible]

e. **a current diagram of the licensed premises, including each restricted access area;** [illegible]

f. **a log recording the name, and date and time of entry of each visitor permitted into a restricted access area;** [illegible]

g. **all records normally retained for tax purposes;** [illegible]

h. **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;** [illegible]

i. **transportation records for marijuana and marijuana product, as required by 3 AAC 306.750(f); and** [illegible]

j. **registration and inspection reports of scales registered under the Weights and Measures Act, as required by 3 AAC 306.745.** [illegible]

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

Facility records will be managed by Phil and as the business grows Phil may designate an employee to help assist with management of the records, who will be trained in standard retention policies prior to beginning work to ensure that all business records are stored and maintained in a standardized, consistent, and organized fashion. All business records, including operational and regulatory documents, recordings, surveillance, financial books, inventory and employment records, logs, manifests, and communications, will be stored in the office and backed up on an off-site server to protect against loss and destruction. Records within the facility will be stored in the secured office, and only Phil and maybe a designated employee will have access (absent direct request from AMCO or law enforcement to inspect office physically). All records will be made available to AMCO upon request.

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Section 5 – Inventory Tracking of All Marijuana and Marijuana Product

Review the requirements under 3 AAC 306.730. All licensed marijuana establishments must use a marijuana inventory tracking system capable of sharing information with Metrc 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 is propagated from seed or cutting, through transfer to another licensed marijuana establishment, or use in manufacturing a marijuana product, to a completed sale of marijuana or marijuana product, or disposal of the harvest batch of marijuana or production lot of marijuana product.

You must be able to certify each statement below. Read the following and then sign your initials in the corresponding box: Initials

5.1. My marijuana establishment will be using Metrc, and if any other tracking software is used, it will be capable of sharing information with Metrc. [illegible]

5.2. All marijuana delivered to a marijuana establishment will be weighed on a scale registered in compliance with 3 AAC 306.745. [illegible]

5.3. My marijuana establishment will use registered scales in compliance with AS 45.75.080 (Weights and Measures Act), as required by 3 AAC 306.745. [illegible]

Section 6 – Employee Qualification and Training

Review the requirements under 3 AAC 306.700. All licensees, and every 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, must obtain a marijuana handler permit from the board before being licensed or beginning employment at a marijuana establishment.

You must be able to certify each statement below. Read the following and then sign your initials in the corresponding box: Initials

6.1. All licensees, and each 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. [illegible]

6.2. 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 licensed premises) when on the licensed premises. [illegible]

6.3. 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. [illegible]

6.4. Describe any in-house training that will be provided to employees and agents (apart from a marijuana handler course):

Employees will be hired and expected to complete a three (3) month probationary and training period. Training will include marijuana Industry topics, safety, legal issues, state and federal regulations, and OSHA. Employees will learn: (1) Alaska laws, regulations, and codes governing the marijuana Industry and marijuana establishments; (2) all of the licensing requirements to act as a handler in a marijuana establishment; (3) company standards, protocol(4) general safety procedures and protocol, and how to think defensively in threatening situations; (5) in-depth information about particular products, infusions, and concentrates; (6) in-depth information on the requirements of each task, machine, and system; and (7) the general federal, state, and local employment regulations by which the company is governed. Employees will meet with management monthly, or as topics arise which require clarity and for general tune up training. The state and local marijuana regulations and laws will be available on site for employees to access. Continued on Page 11...

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Section 7 – Health and Safety Standards

Review the requirements under 3 AAC 306.735.

You must be able to certify each statement below. Read the following and then sign your initials in the corresponding box: Initials

7.1. I understand that a marijuana establishment is subject to inspection by the local fire department, building inspector, or code enforcement officer to confirm that health or safety concerns are not present.

7.2. I have policies regarding health and safety standards (including: ensuring a person with an illness or infection does not come into contact with marijuana or marijuana product; good hygienic practices; cleaning and maintenance of equipment and the premises; pest deterrence; chemical storage; sanitation principles; and proper handling of marijuana and marijuana product) and will take all reasonable measures and precautions to ensure that they are met or exceeded.

7.3. I have policies to ensure that any marijuana or marijuana product that has been stored beyond its usable life, or was stored improperly, is not salvaged and returned to the marketplace.

7.4. I have policies to ensure that in the event information about the age or storage conditions of marijuana or marijuana product is unreliable, the marijuana or marijuana product will be handled in accordance with 3 AAC 306.735(d).

Answer "Yes" or "No" to each of the following questions:

	Yes	No
7.5. Adequate and readily accessible toilet facilities that are maintained and in good repair and sanitary condition are clearly indicated on my Form MJ-02: Premises Diagram.	✓	
7.6. Convenient handwashing facilities with running water at a suitable temperature are clearly indicated on my Form MJ-02: Premises Diagram.	✓	

7.7. If you answered "No" to either 7.5 or 7.6 above, describe how toilet and/or handwashing facilities are made accessible, as required by 3 AAC 306.735(b)(2):

Section 8 – Transportation and Delivery of Marijuana and Marijuana Products

Review the requirements under 3 AAC 306.750.

8.1. Describe how marijuana or marijuana product will be prepared, packaged, and secured for shipment. Include a description of the type of locked, safe, and secure storage compartments to be used in vehicles transporting marijuana or marijuana product:

In the event that Midnight Sun Distributors transports any marijuana or marijuana product from the retail store, a trip manifest will be printed from Metrc to accompany the shipment. A copy of the trip manifest will also be maintained on the licensed premises as a business record. Any marijuana or marijuana product to be transported will be placed within a sealed package or container up to 5 pounds and then into a secure storage compartment within the transport vehicle or in the bed of a truck. Any individuals involved in the transport will have a valid, marijuana handler permit and be trained to travel directly to the destination without any unnecessary stops and without opening packages of marijuana or marijuana product. Labels will be affixed to the packaging including all information originally provided by the cultivation or manufacturing facility such as; (1) testing facility and license number (2) testing date and results (3) name and license number of cultivation facility (4) name and license number of manufacturing facility if applicable (for concentrates and products) (5) harvest batch number or production lot number (6) date of packaging (7) net marijuana weight (8) expiration date if applicable.

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You must be able to certify each statement below. Read the following and then sign your initials in the corresponding box: Initials

8.2. 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.

8.3. 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.

8.4. 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.

8.5. 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.

8.6. 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.

8.7. 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.

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

Section 9 – Signage and Advertising

Review the requirements under 3 AAC 306.770.

9.1. Describe any signs that you intend to post on your establishment, including quantity, dimensions, graphics, and location on your establishment (photos or drawings may be attached):

Midnight Sun Distributors may have up to three signs with the company name and logo. 2 of the 3 signs will be affixed to the sides of the building in view of the public and 1 sign may be a free-standing sign in front of the retail store.

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Form MJ-01: Marijuana Establishment Operating Plan

9.2. Describe any advertising you intend to distribute for your establishment. Include medium types and business logos (photos or drawings may be attached):

Midnight Sun Distributors plans to utilize the following medium types when distributing advertisements:

- Newspaper Ads
- Radio Ads
- Social Media to feature specific strains
- Magazine ads

Advertisements will include the following logo, the retail store hours and location, and will include each warning statement verbatim as they are listed in the regulations.

MIDNIGHT SUN

I declare under penalty of unsworn falsification that this form, including all accompanying schedules and statements, is true, correct, and complete.

Signature of licensee

Phil Schneider

Printed name of licensee

AIMEE ROCUSH
My Commission
NOTARY
PUBLIC
Expires 08-29-2023
STATE OF ALASKA

Aimee Rocush

Notary Public in and for the State of Alaska

My commission expires: 8/29/2023

Subscribed and sworn to before me this 4th day of March, 2020.

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(Additional Space as Needed):

2.1 Continued: In addition to passing the Marijuana Handler's Card course, employees in this position will be trained to spot the inconsistencies of forged identifications, and they will be given an ID guide to help them recognize IDs from other states and countries. Signage will be posted at the main entry door stating, "No one under 21 years of age allowed". The sign will be twelve (12) inches long and twelve (12) inches wide, and the letters will be one half inch in height in high contrast to the background of the sign.

3.6 Continued: Ownership will comply with all inquiries and investigations lodged by AMCO as a result. Documentation related to marijuana theft will be maintained as a business record for five (5) years and made available to AMCO and Enforcement upon request. All marijuana product will be secured in the locked storage areas of the manufacturing facility once it is ready and waiting for packaging. Only designated personnel will have access to marijuana storage. Constant surveillance will monitor the marijuana storage spaces and all individuals entering the area. Video recordings will be backed up and stored for forty (40) days. Cameras will be prominently displayed in the manufacturing facility and will provide a full view of the facility. Security monitors and video recording equipment will be located in the main office on the second floor of the building.

6.4 Continued: Managers will be trained in open and close procedures and in the Inventory tracking system. Managers will learn procedures for quality control, inventory control, and sanitation, and will understand how to operate and control all equipment and systems. Managers will be responsible for overseeing operations and accounting. Employees will be educated on the company's standards, protocol, and best practices for the retail distribution of marijuana and marijuana products. Employees will be educated on quality control procedures, Inventory control, sanitation, opening and closing, and security protocol. Employees will also be trained on how to use the inventory tracking system, how to work in each area of operations, and how to handle security and emergency procedures. Employees will learn to package and label products for sale, notable cannabis risks and effects, and all of the information required for the handler's permit.

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