Alcohol and Marijuana Control Office
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Anchorage, AK 99501
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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

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:	H.E. Holdings, LLC	**MJ License #:**		12488	
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	ThirdState				
Premises Address:	200 Pheasant Farm Road				
City:	Fairbanks	**State:**	Alaska	**ZIP:**	99712

Mailing Address:	P.O Box 111969				
City:	Anchorage	**State:**	Alaska	**ZIP:**	99712

Designated Licensee:	Haley Essig		
Main Phone:	907-317-7346	**Cell Phone:**	
Email:	haley@thirdstate.co		

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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:

The door to our facility is unlocked by key code only, our greenhouses will be within a locked gate and fenced area, and only employees will have access. Any visitors willhave to provide a valid form of identification before accessing the facility. Additionally, there willbe signs posted at the facility and around the perimeter that state - "No persons under the age of 21 years old are allowed". Our employees have the right to deny access to any visitors they believe to be under the age of 21. An ID guide will be kept in the front office area so that employees can correctly identify ID's from other states

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:

Restricted access areas will be controlled in accordance with 3 AAC 306.710. We will restrict access to unescorted members of the public by having a spring hinge, self-locking, keypad enabled locked front door. This door enters into an entryway where visitors must sign in and get a visitor badge. There will be another internal door with a spring loaded hinge, self-locking, keypad enabled locked door into the restricted access facility. The emergency exit door on the east side of the building can only be opened from the inside and an alarm will sound when opened. Once a visitor is signed in and received a visitor badge, they will be assigned an escort and will be escorted b that employee at all times until they sign out of the facility. At no time will there be less than 1 escort per 5 visitors and visitors will remain in direct eye sight the entire visit. Our outdoor restricted access facility will have a 6 foot tall privacy fence around it. The fenced area can only be accessed through a locked gate. Visitors will only be escorted to our greenhouses after completing sign in requirements in our indoor facility.

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

All visitors must be approved by a manager prior to being allowed in Restricted Access areas. Once visitors enter the front office, their ID will be scanned and saved for business records. All visitors must be at least 21 years of age. They will then sign in on a visitor's log in which the name of the visitor, time in, time out, date and the purpose of the visit will be noted, along with the escorting employee's initials. Visitors will receive a visitors badge that they must display around their necks at all times during the visit. Once they have been assigned an escort, they can then enter the facility where they must be physically present with that escort for the entirety of their visit, and remain in direct eyesight of escort. Visitor to escort ratio will not exceed 5:1. Once their visit is over, they will sign out of the visitor's log and leave the facility immediately. All visitor logs will be kept as an official business record and be made readily available for AMCO and enforcement upon request. A hard copy of all visitors logs will be kept on site for a year and will then be saved off site. The visitor log will also be saved and updated weekly on the cloud.

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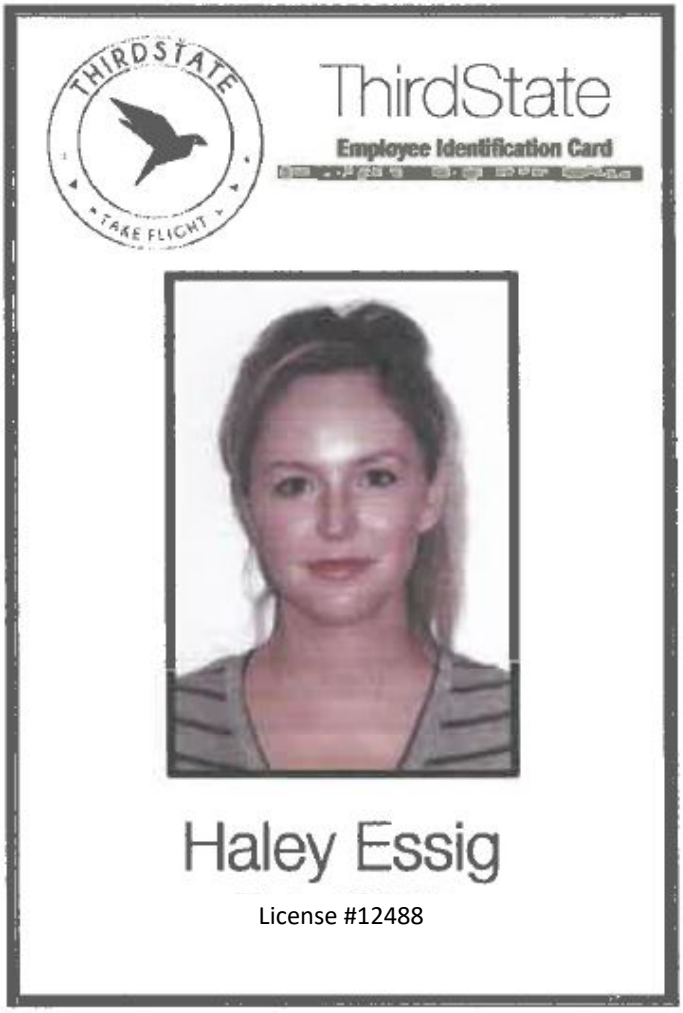
3.3. Provide samples of licensee-produced identification badges that will be displayed by each licensee, employee, or agent while on the premises, and of visitor identification badges that will be worn by all visitors while in restricted access areas:



* Or Similar

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:

ThirdState will use exterior floodlights that are motion sensitive. Exterior lighting will be positioned to allow the surveillance system to clearly see a 20 foot radius around all points of entries and outdoor restricted access areas. The floodlights will be routinely inspected by employees as part of their daily rounds. Exterior lighting will also be checked to ensure that they are clear from debris, vandalism and obstructions.

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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:

A third party security company installed the alarm system, maintains its equipment and tests the devices every six (6) months. The alarm system will be set up to monitor for intrusions with motion detectors in all areas of the building during closed hours. When triggered, an electronic alert will be automatically sent to the security company who will then contact local law enforcement and owners. Each morning, the on-site manager will disable the overnight alarm system and check the surveillance cameras and recordings to ensure the system is functioning as expected. The last agent to leave the facility each night will activate the overnight devices and sensors, and lock all doors that are not self-locking. Sensors are installed and maintained in the front entryway to monitor for motion, intrusion, or activity when the alarm system is activated. In the event that the electronic system notifies law enforcement of an unauthorized breach of security during business hours, management will call 911 and employees and visitors will evacuate the building and collect at a specified rally point away from the building. While waiting for law enforcement to arrive, the manager will take attendance of employees in the rally area and talk to employees to see if the breach was accidental or if anyone saw anything. Once law enforcement arrives, employees will cooperate as needed. Once the threat has passed or law enforcement deems the facility safe, employees will look for property damages. The manager will take inventory and verify cash is accounted for. If anything has been stolen or damaged, a police report will be filed and video footage will be handed over to law enforcement for investigation. The licensees will be the points of contact for law enforcement agencies. If these events take place after business hours, alerts will be sent to law enforcement, the manager living on the same property, and the licensee(s). The manager will call law enforcement to verify they are coming, to describe the situation and follow instructions. The licensee will also contact local law enforcement to ensure that they have been contacted by the manager, all procedures regarding inventory and property damage checks remain the same for after hours breach. AMCO and Enforcement will be contacted electronically within 24 hours.

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

To prevent diversion, inventory will be taken every week and stored as official business records. Security cameras will monitor all areas where marijuana is present. Employees will be trained how to spot theft and can privately or anonymously report any suspected theft to management. All reports will be documented and investigated. If it is found that an employee is stealing marijuana. ThirdState will report to and cooperate with the necessary law enforcement agencies and AMCO. If an employee is caught inverting unregulated black market cannabis into the facility's inventory, it will be reported to Enforcement and said employee will be terminated.

3.7. Describe your policies and procedures for preventing loitering:

The facility is 20 miles outside of town and on a mostly cleared 40 acre parcel of land, the size and location of this property already deters loiterers. However, "No Trespassing" and "No Solicitors", and "Private Property - No Trespassing" signs will be posted at the entrance of the property. Due to the size and vast openness of the property it will be easy to detect any loiterers. Loiterers will be asked to leave the property, and will be warded that law enforcement will be contacted if they do not comply. Law enforcement will be contacted if the problem persists.

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. AE

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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. HE

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. HE

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

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). HE

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:

Multiple cameras will be used to record all areas of the interior facility, outdoor greenhouses and outdoor grow areas. Cameras will have 24/7 video surveillance of any area that; grows marijuana, cultivates, packages, trims, stores, disposes of, transports or receives. The cameras will be placed at varying heights and angles to show the entirety of restricted access areas. Outdoor cameras and lights will be placed to ensure cameras can clearly see a 20 foot radius around the entrances of the facility and greenhouses, the emergency exits and gates into the fenced in areas.

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:

Surveillance recording equipment and records will be kept in the "office" of our facility. This is a secure room within the indoor facility that is windowless and has only one door leading into it. The door is a spring-loaded hinged, self-locking, keypad enabled door that only authorized personnel will know the code. Law enforcement and AMCO can also be granted access to this room as needed. The security system will be accessed with a password, the recording equipment will be in designated locked cabinet, and data will be stored on site for 40 days. Data will be uploaded and saved to a separate hard drive if there is an investigation that requires it to be saved for longer than 40 days.

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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)*; HE

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;** HE

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

d. **records related to advertising and marketing;** HE

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

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

g. **all records normally retained for tax purposes;** HE

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;** HE

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

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

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:

All business records will be on the company's shared drive and backed up on the cloud, accessible only by password from authorized users. Hard copies of business records will be in a locked file cabinet within the locked and secured office. Authorized users will be given a key to this cabinet and the code to enter the office. Codes and keys will be changed out in the event that someone who was previously authorized becomes unauthorized or is terminated from employment from the company. 6 months business records will be stored in a searchable manner and be made readily available to AMCO and enforcement upon request. (this includes hard copies of business records)

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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. HE

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

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. HE

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. HE

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. HE

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. HE

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

ThirdState will require all employees to:
- Obtain a marijuana handler permit card prior to employment.
- Receive incipient fire training through a licensed government agency.
- Receive training in Metrc as required by their job duties.

Owners and management have developed standard operating procedures for almost every task including operations, inventory, sanitation, etc.
Weekly safety and communication meetings conducted by management.
Monthly training meetings to refresh or provide new training on certain topics, including security, regulatory changes, and any other relevant developments.

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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.	HE
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.	HE
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.	HE
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).	HE

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:

A Metrc generated transport manifest will accompany all marijuana in transit. ThirdState Will send a copy of the manifest with the products, and file an additional copy on the premises as a business record. The manifest will document the strain name, type of product, batch number, weight, name of the transporter and handler's ID, time of departure and expected delivery, and the make, model, and license plate of the transporting vehicle. The transport vehicle will travel directly between destinations without making any unnecessary stops, and marijuana will be sealed in not more than ten (10) pound containers inside a locked storage compartment within the vehicle or bed of a truck for wholesale transactions and up to one ounce containers for re-sale by retailers without repackaging. At no time during transit will marijuana be visible outside the vehicle. The shipping container will have a label stating that a licensed testing facility has tested each batch in the shipment, and list: (1) the date of final testing; (2) the cannabinoid potency profile, expressed as a range of percentages that extends from the lowest percentage to highest percentage of concentration for each cannabinoid listed from every test conducted on that strain of marijuana from the same marijuana cultivation facility within the last three months; Continued

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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. AC

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. HE

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. HE

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. HE

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. HE

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. HE

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

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):

ThirdState will not have any signs with the company name or logo on the cultivation facility.

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

ThirdState may utilize the following advertising meduims:
- Newspaper ads
- Radio ads
- Social Media
- Media platforms such as: leaflinks
- Sponsorship advertisments
- Flyers
- Websites

All advertising will contain the AMCO warning statements verbatim.

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

Haley Mae Essig

Signature of licensee

Haley Essig

Printed name of licensee

ALBERTO CATAGA
Notary Public - State of Florida
Commission # GG 924625
Expires on October 21, 2023

Notary Public in and for the State of ~~Alaska~~ Florida

My commission expires: 10/21/2023

Subscribed and sworn to before me this 31st day of July, 20 20.

Notarized online using audio-video communication

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(Additional Space as Needed):

8.1 Continued: (3) a statement listing the results of microbial testing; and (4) a statement listing the contaminants for which the marijuana was tested, including molds, mildew, filth, herbicides, pesticides, fungicides, and harmful chemicals. Any packaging done at the facility will be performed in an area specifically set aside for packaging and monitored with 24 hour surveillance. Packaging will be uniform with labels secure and prominently displayed. The facility will use certified scales in compliance with the Alaska Weights and Measures Act, and will maintain registration and inspection reports at the facility. After agents package marijuana they will be placed in sanitized, air-tight containers, labeled with all compliant labeling information, and given a bar-code for the inventory control system. Plastic packaging will be heat-sealed without an easy-open tab, dimple, corner, or flap. Packaged marijuana will be stored in a secured area until ready for transport. All packaging will be inspected, accepted or rejected, and recorded in the log, and the on site manager will check all final packages to ensure that they will secure marijuana from contamination and not impart toxic or deleterious substances. Labels will include: (1) the name and license number of the cultivation facility; (2) the date the marijuana was harvested; (3) the harvest batch number assigned to the marijuana; (4) the date the marijuana was packaged; (5) the net weight and the quantity of usable marijuana packaged in a standard of measure compatible with the inventory tracking system; (6) a complete list of all pesticides, fungicides, and herbicides used in the cultivation of the marijuana. ThirdState may contract with a third-party transport company and will ensure they have their marijuana handler permits.

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