DocuSign Envelope ID: 4173D62D-D0FB-4467-836C-AE5C9C0168E6

Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
https://www.commerce.alaska.gov/web/amco
Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Why is this form needed?

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:	Pipe and Leaf, LLC	**MJ License #:**	17250		
License Type:	Retail Marijuana Store				
Doing Business As:	Pipe and Leaf: Premium Alaskan Cannabis				
Premises Address:	3546 Airport Way				
City:	Fairbanks	**State:**	Alaska	**ZIP:**	99709

Mailing Address:	1244 Viewpointe Drive				
City:	Fairbanks	**State:**	Alaska	**ZIP:**	99709-7346

Designated Licensee:	Haley Essig		
Main Phone:	907-317-7346	**Cell Phone:**	
Email:	connect@akpipeandleaf.com		

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:

Pipe and Leaf will refuse entrance to any person who does not produce a valid government issued photo identification. The entrance to the marijuana store will be posted with a sign that says "No one under 21 years of age allowed." Anyone wanting to enter the licensed premises will be asked to produce a government issued photo I.D. before access is granted. Employees will be trained on how to spot fake ID's and no one under the age of 21 will be allowed access to the facility. If at any time, an employee suspects that someone is under the age of 21, they will be escorted outside and asked to leave the premises. If the transaction is happening via exterior window, the budtender will check the ID of all individuals in the vehicle and ensure that all adults are 21 years of age or older. The budtender will also ensure that all children in the car are under the age of 7 and that the consumer is the guardian of the child by asking "Are all children in the car under the age of 7 and is the guardian present?" If we find that there is anyone between the ages of 7 and 21 we will not serve the customer through the exterior pick up window. There will be signage at the exterior pickup window stating these rules.

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:

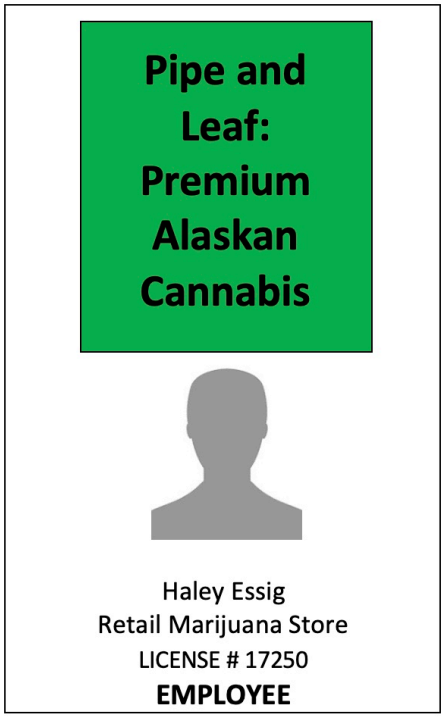
The retail store will be equipped with 24-hour monitoring alarm system, exterior lighting, and video surveillance. In an effort to maintain the highest level of security, all marijuana products and restricted access areas will be monitored and restricted. Restricted access areas will be controlled in accordance with 3 AAC 306.710 and will only be granted to employees, ownership, approved visitors, AMCO enforcement, law enforcement and other duly authorized agents. The counter will have a locked gate on each side preventing customers from entering the restricted access area. There are two security doors which access the back of the house restricted access area. One is from the retail side and one is from the back of the building. Each of these doors will be spring loaded, self locking, keypad enabled doors. Each entrance to the restricted access areas will be marked with a sign that says "Restricted Access Area. Visitors Must be Escorted". Distinct and apparent cameras will be placed throughout and around the store to discourage the public from attempting access. To help deter unauthorized access and theft, at least one employee will be behind the point of sale counter at all times.

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

With the exception of AMCO and duly authorized law enforcement agents, all visitors must be approved by a manager prior to being allowed in a restricted access area. Before a visitor is admitted into a restricted access area they will:
- Show a valid government issued photo I.D.
- Obtain a visitor ID Badge
- Sign into the visitor log book (Name, date, purpose of visit, time in, time out, escort initials)

Once the visitor has been assigned an escort they must be physically present with that escort for the entirety of their visit, and remain in eye sight of that escort. Visitor to escort ratio will not exceed 5:1. Each visitor will be issued a visitor badge and will be instructed to clearly display it on their person while on the licensed premises. At this time, the employee or ownership 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. Upon their exit, visitors will be required to return their badge and promptly leave the licensed premises.

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:



<u>Security Alarm Systems and Lock Standards (3 AAC 306.715):</u>

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 is designed and installed to deter nuisance activity and enhance surveillance, while minimizing any sort of neighborhood disturbance. Lighting is placed to increase picture quality and brightness for security related documentation. The camera system and lighting is regularly calibrated to maximize the quality of any recorded images, and to also discourage theft and/or trespassing. The lighting fixtures are installed to ensure there are no dark spots around the perimeter, or at any of the entrances to the facility. All outdoor lighting will be weatherproof and vandal proof. The licensees or designated employees will routinely check the exterior lighting fixtures, making sure they are properly functioning, clear of obstructions, and in optimal position to illuminate the premises and facilitate surveillance recordings.

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:

Door contacts, motion detectors, and a glass break detector will be armed when the premise is closed for business. When the business is open, a panic button is in place at the counter and at the ID checking station and accessible to the employee working the exterior window area. A third party security monitoring company is contracted to monitor the facility 24/7/365. The third party monitoring company will notify the licensees and law enforcement in the event of an unauthorized breach. The licensees will verify with law enforcement that they also received a notification.
In the event of an unauthorized breach, inventory will be taken. If it is found that any product or money has been stoled from the facility, Pipe and Leaf will notify, within 24 hours of the unauthorized breach, local law enforcement, AMCO Enforcement, and the Department of Commerce, Community and Economic Development.

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

All marijuana and product will be stored in the vault, only authorized employees will be allowed to access this vault with their individual code on the keypad entry. All marijuana that is out for display will be stored in this vault at the end of each day.
All areas in which marijuana product is stored or packaged will be video monitored, with at least 40 days of video footage stored.
Additionally, Each transaction from the POS systems and current inventory will be reconciled to the Metrc system at close of business each day. If inventory and Metrc do not match up, and the board will be notified. If it is found that marijuana flower or product has been stolen, the board and local law enforcement will be informed immediately.

3.7. Describe your policies and procedures for preventing loitering:

Video monitoring of outside areas will be displayed on a monitor at the ID checking station. Individuals who are loitering will be asked to leave. If the individual does not leave, law enforcement will be notified.

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.

DS HE

DocuSign Envelope ID: 4173D62D-D0FB-4467-836C-AE5C9C0168E6

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. DS 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. DS HE

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

Cameras will be placed on the exterior of the building at the front entrance and back entrance and exterior window to provide a clear view within 20 ft of the building. Exterior window cameras will be placed to capture the license plate of any vehicle and persons in said vehicle approaching the exterior window or any person walking upto the exterior window. Cameras will be placed on the interior of these entrances as well. They will be above the counter area to provide a clear view of the employee and patron involved in the transaction as well as a clear view of the money going into the register and product coming out of the storage area. Cameras will also be placed above the sales floor area at different angles to provide a clear view of all of the sales areas and the exterior window at all times. Cameras will be placed in the back of the house, above the packaging area, in the office, in the vault, and in the break room area to show where marijuana is transported from the vault to the packaging area.

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:

Video recording equipment and 40 days of surveillance records will be kept in a data cabinet in the office. Only the licensee, authorized employees, law enforcement, and an agent of the board will have access to the office. The office will be accessed by key code only.

DocuSign Envelope ID: 4173D62D-D0FB-4467-836C-AE5C9C0168E6

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)***;** DS 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;** DS HE

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

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

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

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

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

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

j. **registration and inspection reports of scales registered under the Weights and Measures Act, as required by 3 AAC 306.745.** DS 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 required records will be kept on site for a minimum of 6 months in a locked file cabinet. After that, records will be moved to a secure location held by the licensee for at least three years. Additionally, all records will be backed up on hard drives and a secure cloud service.

DocuSign Envelope ID: 4173D62D-D0FB-4467-836C-AE5C9C0168E6

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. DS HE

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

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

Employees will be trained in Metrc, the POS system, and company policies and procedures. These include but are not limited to: security procedures, theft prevention, ID Card authentication, waste disposal, food safety, and how to identify individuals under the influence of drugs and alcohol.

DocuSign Envelope ID: 4173D62D-D0FB-4467-836C-AE5C9C0168E6

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. DS 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. DS 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. DS 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). DS 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:

Product will only be shipped to another marijuana retail store and no other type of marijuana establishment. Wholesale packaged product will not exceed 10 pounds. Packaging for resale to consumers will not exceed one ounce. If product is packaged for resale the packaging will not have any printed images specifically targeting the persons under 21 years of age. Additionally, the packaging will-protect the product from any contamination and will not release any toxic or damaging substances to the marijuana. All packages will be identified by a tracking label generated for tracking by the marijuana inventory tracking system. Packages will be labeled in accordance with current AMCO regulations. All marijuana packaged will be placed within a sealed, tamper evident shipping container. This shipping container will be placed in plastic bins secured to the vehicle locked with code enabled padlocks, the driver will be given the code. A transport manifest generated in Metrc will accompany all shipments.

DocuSign Envelope ID: 4173D62D-D0FB-4467-836C-AE5C9C0168E6

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. DS HE

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. DS 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. DS 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. DS 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. DS 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. DS 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. DS 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):

3 signs are affixed to our business, one in the front, one on the side and one on the back. The signs are 8' X 4'

DocuSign Envelope ID: 4173D62D-D0FB-4467-836C-AE5C9C0168E6

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

Pipe and Leaf will advertise through social media mostly, however may expand into additional platforms such as text messaging with age verification and an opt out function.
Additionally, Pipe and Leaf may carry products with the logo on it including but not limited to: hats, tshirts, lighters, grinders, hemp wicks, rolling papers, coffee mugs, etc.
Pipe and Leaf may sponsor events and distribute flyers advertising said event

I hereby certify that I am the person herein named and subscribing to this application and that I have read the complete application, and I know the full content thereof. I declare that all of the information contained herein, and evidence or other documents submitted are true and correct. I understand that any falsification or misrepresentation of any item or response in this application, or any attachment, or documents to support this application, is sufficient grounds for denying or revoking a license/permit. I further understand that it is a Class A misdemeanor under Alaska Statute 11.56.210 to falsify an application and commit the crime of unsworn falsification.

DS HE

Haley Essig

Printed name of licensee

DocuSigned by: Haley Essig

Signature of licensee

DocuSign Envelope ID: 4173D62D-D0FB-4467-836C-AE5C9C0168E6

(Additional Space as Needed):