



DEPARTMENT OF BUSINESS AFFAIRS AND CONSUMER PROTECTION
CITY OF CHICAGO

TOBACCO LICENSE AGREED PLAN OF OPERATION

Licensee: HALSTED SMOKE SHOP INC.
D/B/A "HALSTED SMOKE SHOP"

Premises: 3448 N. HALSTED STREET
Chicago, Illinois 60657

License Type: Tobacco Retail Over Counter
Account Number: 364534
Site Number: 1

Pursuant to Chapter 4-4-313 of the City of Chicago Municipal Code, the above named Licensee has agreed to comply with the conditions listed below to assure that the operation of a retail tobacco and accessories store will not cause a public nuisance or deleterious impact on the health, safety and welfare of the community.

1. Display and Sale of Drug Paraphernalia

A. The Licensee agrees that it shall abide by Illinois statute 720 ILCS 600 (Illinois Drug Paraphernalia Control Act) and Chapter 7-24-091 of the City of Chicago Municipal Code regarding the keeping for sale, offering for sale, selling, possession, furnishing, transfer, or delivery of drug paraphernalia, as defined in the definition section of 720 ILCS 600/2(d).

7-24-091 Possession or delivery.

1. Except as authorized by law, any person who delivers, furnishes, transfers, or possesses with intent to deliver, furnish or transfer, drug paraphernalia, as defined in Section 720 ILCS 600/2, subparagraph (d)(5) of the Drug Paraphernalia Control Act, and including glass tubing designed and utilized for the ingestion of crack or cocaine, knowing, or under circumstances where one reasonably should know, that such drug paraphernalia or glass tubing will be used to plant, propagate, cultivate, sow, harvest, compound, convert, produce, process, prepare, test, analyze, pack, repack, store, contain, conceal, inject, ingest, inhale, or otherwise introduce into the human body a controlled substance in violation of the Illinois Controlled Substances Act,

codified at 720 ILCS 570/100, et seq., shall be fined \$2,000.00, or punished by imprisonment for a period of six months, or punished by both such fine and imprisonment.

2. Except as authorized by law, any person who possesses self-sealing plastic bags under two inches in either height or width, knowing that such items will be or are being used to package for transfer, delivery and/or storage of a controlled substance in violation of the Illinois Controlled Substances Act, codified at 720 ILCS 570/100, et seq., shall be fined up to \$1,500 depending on the quantity of such items in their possession.

720 ILCS 600/2(d)

(d) "Drug paraphernalia" means all equipment, products and materials of any kind, other than methamphetamine manufacturing materials as defined in Section 10 of the Methamphetamine Control and Community Protection Act, which are intended to be used unlawfully in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, concealing, injecting, ingesting, inhaling or otherwise introducing into the human body cannabis or a controlled substance in violation of the Cannabis Control Act, the Illinois Controlled Substances Act, or the Methamphetamine Control and Community Protection Act or a synthetic drug product or misbranded drug in violation of the Illinois Food, Drug and Cosmetic Act. It includes but is not limited to:

- (1) kits intended to be used unlawfully in manufacturing, compounding, converting, producing, processing or preparing cannabis or a controlled substance;
- (2) isomerization devices intended to be used unlawfully in increasing the potency of any species of plant which is cannabis or a controlled substance;
- (3) testing equipment intended to be used unlawfully in a private home for identifying or in analyzing the strength, effectiveness or purity of cannabis or controlled substances;
- (4) diluents and adulterants intended to be used unlawfully for cutting cannabis or a controlled substance by private persons;
- (5) objects intended to be used unlawfully in ingesting, inhaling, or otherwise introducing cannabis, cocaine, hashish, hashish oil, or a synthetic drug product or misbranded drug in violation of the Illinois Food, Drug and Cosmetic Act into the human body including, where applicable, the following items:
 - (A) water pipes;
 - (B) carburetion tubes and devices;
 - (C) smoking and carburetion masks;
 - (D) miniature cocaine spoons and cocaine vials;
 - (E) carburetor pipes;
 - (F) electric pipes;
 - (G) air-driven pipes;
 - (H) chillums;
 - (I) bongs;
 - (J) ice pipes or chillers;
- (6) any item whose purpose, as announced or described by the seller, is for use in violation of this Act.

B. The licensee agrees that no readily apparent suspect drug paraphernalia (hereinafter, "Paraphernalia") or related merchandise shall be displayed within the sidewalk display

windows of Halsted Smoke Shop; All such items shall be removed within three (3) business days from the date of the filing of this Plan of Operation.

“Related merchandise” (hereinafter, “Merchandise”) is defined as any objects, items, literature, postings or the like which portray the readily apparent likenesses of cannabis or readily identifiable controlled substances, as contemplated by 720 ILCS 600/2, and/or objects, items, literature, or readily apparent postings demonstrating any use(s) for cannabis or readily identifiable controlled substances.

C. The Licensee agrees that any such Paraphernalia or Merchandise available for purchase shall be no more than 40% of the viewable, in-store display area on Halsted Smoke Shop’s sales floors, subject to the following:

1. Compliance with the above is based on the review of an agreed upon, drawn-to-scale diagram of the overhead layout of all display fixtures on the sales floor, segmented in equal portions, in which the Licensee has designated up to 40% of the total segments as the locations where Paraphernalia and Merchandise may be displayed in the manner, quantity and variety of the Licensee’s choosing

2. The diagram shall be subject to the following restrictions:

- All of the Paraphernalia and / or Merchandise to be displayed within the allotted segments shall not occupy just one wall, corner, and / or side of the sales floor.
- Merchandise shall not be located in the same or adjoining segment as Paraphernalia.
- The segments which are nearest to the sidewalk display window shall not contain any Paraphernalia and / or Merchandise.

D. There shall be no other businesses of the same nature, owned or operated by the Licensee or Licensee’s spouse / domestic partner of Halsted Smoke Shop Inc., within one thousand feet of Halsted Smoke Shop.

2. **Sale of Unstamped Tobacco Products**

The Licensee agrees that it is familiar with, and shall abide by Chapters 3-42-020 and 3-42-025 of the City of Chicago Municipal Code, which prohibit the sale of tobacco products without the required city and county tax stamp.

3. **Recordkeeping**

The Licensee agrees that it is familiar with, and shall abide by Chapter 4-64-150 of the Chicago Municipal Code, which requires a retail tobacco dealer to keep a book in which

details of all purchases of cigarettes are recorded, and which book is available for inspection upon request by the City of Chicago.

4. Sale of Single Cigarettes

The Licensee agrees that it is familiar with, and shall abide by Chapter 4-64-191 of the City of Chicago Municipal Code, which prohibits offering for sale or selling any cigarette or tobacco that is not in its original factory-wrapped package.

5. Sale of Bidi Cigarettes

The Licensee agrees that it is familiar with, and shall abide by Chapter 4-64-191 of the City of Chicago Municipal Code, which prohibits offering for sale or selling any bidi cigarette. Licensee further agrees not to offer for sale or sell any cigarette wrapping paper or leaf that is impregnated, scented with, or dipped in alcoholic liquor, chocolate, fruit flavoring, vanilla, or honey.

6. Sale of Electronic Cigarettes

The Licensee agrees that it is familiar with, and shall abide by Chapter 4-64-091 of the City of Chicago Municipal Code, and which includes electronic cigarettes in the definition of tobacco products thereby subjecting E-cigarettes to the same restrictions as other tobacco products, and which takes effect July 16, 2014.

7. Sale of Flavored Tobacco Products

The Licensee agrees that it is familiar with, and shall abide by Chapter 4-64-098 of the City of Chicago Municipal Code, which prohibits the sale of flavored tobacco products, including menthol, within 500 feet of any school, and which takes effect July 16, 2014.

8. Posting of Warning Sign to Minors

The Licensee agrees that it is familiar with, and shall abide by Chapter 4-64-210 of the City of Chicago Municipal Code and will display a sign in a conspicuous location inside the Licensed Premises that reads, "It Is A Violation Of The Law For Cigarettes Or Other Tobacco Products Or Tobacco Accessories To Be Sold To Any Person Under The Age Of 18. Any Person Who Violates This Law Is Subject To A Fine And Possible Imprisonment."

7. Sale of Tobacco Products or Accessories by Minors Prohibited

The Licensee agrees that it is familiar with, and shall abide by Chapter 4-64-200 of the City of Chicago Municipal Code and will not sell tobacco products or tobacco accessories to any individual under the age of 18 years. The licensee agrees that it shall

institute a strict, written policy that all employees will be trained to follow regarding requesting identification of all persons purchasing such tobacco merchandise.

8. Store Policies

The Licensee agrees that it is familiar with, and shall abide by the Rules and Regulations for Retailers, including Rule 20 which requires posting its refund, return, and check-writing policies in a conspicuous manner on a sign at each cash register and at the customer service desk or other centrally located area accessible to the public. If the Licensee has a credit or debit card policy imposing a minimum charge for use of a credit or debit card, such policy must also be posted in a conspicuous manner.

9. Price Marking

The Licensee agrees that it is familiar with, and shall abide by the Rules and Regulations for Retailers, including Rule 31, which requires individual price marking all items for sale in the establishment.

10. Receipts

The Licensee agrees that it is familiar with, and shall abide by the Rules and Regulations for Retailers, including Rule 32, which requires the licensee to supply a written receipt for each transaction that contains at a minimum, the date and amount of the transaction, and the name and location of the retailer.

11. Sale of Unlicensed Merchandise

The Licensee agrees that it will not stock, display or sell merchandise that is not officially licensed. Such merchandise may infringe upon trademarks and is illegal.

12. CAPS and Community Meetings

The Licensee agrees to attend regular CAPS beat meetings and to set up and/or attend meetings with the local Alderman, Police Commander and Community resident groups or residents to discuss any problematic concerns regarding the operation of the business.

The conditions of this plan of operation are legally binding and may be enforced by the City of Chicago enforcement authorities. Violation of the above stated conditions may result in the imposition of a cease and desist order and fines in addition to license suspension or revocation.

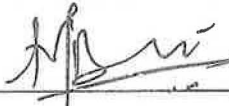
The conditions imposed pursuant to this plan of operation shall apply to the business address and Licensee and to all officers, managers, partners, and direct or indirect owners of the licensed entity. The sale of the business to other persons purchasing the stock or membership units of the licensed entity does not void the above conditions on

the license. Any and all potential new owners of the licensed entity shall be subject to the same conditions set forth in this plan of operation.

It shall be the duty of every person conducting, engaging in, operating, carrying on or managing the above-mentioned business entity to post this plan of operation next to the license certificate in a conspicuous place at the business address.

Licensee: Halsted Smoke Shop Inc.
D/B/A "Halsted Smoke Shop"

Business Address: 3448 N. Halsted Street
Chicago, Illinois 60657

By:  Date: 03/12/14

President, Halsted Smoke Shop Inc.
D/B/A Halsted Smoke Shop

By:  Date: 3/12/14

Barbara Gressel, Deputy Commissioner
Business Affairs and Consumer Protection

By:  Date: 3/12/14

Thomas Tunney, Alderman 44th Ward

By:  Date: 3/12/14

Judith Frydland, Deputy Corporation Counsel
City of Chicago – Department of Law
Building & License Enforcement Division