

State application for a Retail Marijuana Store license; Nikiski area.

STAFF REPORT

PC MEETING: Monday, November 8, 2021

**Applicant:** Back Alley Vapes

**Landowner(s):** Jesse Spurgeon and Rebecca Spurgeon

**Parcel ID#:** 012-090-04

**Legal Description:** T 7N R 12W SEC 1 SEWARD MERIDIAN KN 0001400 NIKISHKA SUB NO 2 LOT 4 BLK 2

**Location:** 51698 KENAI SPUR HWY, Nikiski, AK

BACKGROUND INFORMATION: On March 4, 2021, the borough received notification from the Alcohol and Marijuana Control Office (AMCO) that the applicant had initiated the application to the state for a Retail Marijuana Store license. On March 15, 2021, the applicant supplied the borough with a signed acknowledgement form and a site plan of the proposed marijuana retail store on the above-described parcel. The AMCO notified the borough that the application was complete on October 1, 2021. Staff has reviewed the completed license application that has been submitted to the state and the site plan submitted to the borough and has found the following concerning the standards contained in KPB 7.30.020:

1. The Borough finance department has been notified of the complete application and they report that the applicant is in compliance with the borough tax regulations.
2. Borough planning department staff has evaluated the application and has determined that the proposed facility will be located greater than 1,000 feet from any school.
3. Borough planning department staff has evaluated the application and has determined that the proposed facility will be located greater than 500 feet from all recreation or youth centers, and all buildings in which religious services are regularly conducted, and all correctional facilities.
4. The proposed facility is not located within a local option zoning district.
5. The proposed facility is located where there is sufficient ingress and egress for traffic to the parcel.
  - KPB 7.30.020(C)(1)(a) requires that, except for limited cultivation facilities, marijuana establishments shall be located where an approach meeting a borough right-of-way had a minimum width of 24 feet.
  - The signed acknowledgement form indicates that there will not be any parking in borough rights-of-way.
  - The site plan indicates a clear route for delivery vehicles which allows vehicles to turn safely.
  - On-site parking and loading areas are designated at a location that would preclude vehicles from backing out into the roadway.
6. The signed acknowledgement form indicates that the proposed facility will not conduct any business on, or allow any consumer to access, the retail marijuana store's licensed premises, between the hours of 2:00 a.m. and 8:00 a.m.

KPB 7.30.020(E) allows the recommendation of additional conditions on a license to meet the following standards:

- protection against damage to adjacent properties,
- protection against offsite odors,
- protection against noise,
- protection against visual impacts,
- protection against road damage,
- protection against criminal activity, and

- protection of public safety.

The Alaska Marijuana Control Board will impose a condition that a local government recommends unless the board finds the recommended condition is arbitrary, capricious, and unreasonable (3 ACC 306.060b). If the Planning Commission recommends additional conditions, additional findings must be adopted to support the conditions.

PUBLIC NOTICE: Public notice of the application was mailed on October 22, 2021, to the 12 landowners of the parcels within 300 feet of the subject parcel. Public notice of the application was published in the October 28, 2021, & November 4, 2021, issues of the Peninsula Clarion.

#### ATTACHMENTS

- State marijuana establishment application with associated submitted documents
- Acknowledgement form
- Site Plan
- Aerial map
- Area land use map with 500' & 1,000' parcel radius

#### STAFF RECOMMENDATION

Staff recommends that the Planning Commission forward this application to the assembly with the findings contained in this staff report and with the recommendation that the following conditions be placed on the state license pursuant to 3 AAC 306.060(b):

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

END OF STAFF REPORT



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

Department of Commerce,  
Community,  
and Economic Development

Alcohol and Marijuana Control Office

550 West 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
Main: 907.269.0350

October 1, 2021

Kenai Peninsula Borough

Attn: Borough Clerk

Via Email: [tshassetz@kpb.us](mailto:tshassetz@kpb.us); [micheleturner@kpb.us](mailto:micheleturner@kpb.us); [jblankenship@kpb.us](mailto:jblankenship@kpb.us); [sness@kpb.us](mailto:ssness@kpb.us); [mjenkins@kpb.us](mailto:mjenkins@kpb.us); [btaylor@kpb.us](mailto:btaylor@kpb.us); [maldridge@kpb.us](mailto:maldridge@kpb.us); [slopez@kpb.us](mailto:slopez@kpb.us); [ncarver@kpb.us](mailto:ncarver@kpb.us); [mberg@kpb.us](mailto:mberg@kpb.us)

<b>License Number:</b>	28917
<b>License Type:</b>	Retail Marijuana Store
<b>Licensee:</b>	Jesse Lee Spurgeon; Kaden Chace Spurgeon; Rebecca Sue Spurgeon
<b>Doing Business As:</b>	Back Alley Vapes
<b>Physical Address:</b>	51698 Kenai Spur Hwy Suite D kenai, AK 99611
<b>Designated Licensee:</b>	Jesse Lee Spurgeon
<b>Phone Number:</b>	907-398-8806
<b>Email Address:</b>	jesselspurgeon@gmail.com

**New Application**       **New Onsite Consumption Endorsement Application (Retail Only)**

AMCO has received a complete application for a marijuana establishment within your jurisdiction. This notice is required under 3 AAC 306.025(d)(2). Application documents will be sent to you separately via ZendTo.

To protest the approval of this application pursuant to 3 AAC 306.060, you must furnish the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of the date of this notice, and provide AMCO proof of service of the protest upon the applicant. If the protest is a “conditional protest” as defined in 3 AAC 306.060(d)(2) and the application otherwise meets all the criteria set forth by the regulations, the Marijuana Control Board may approve the license, but require the applicant to show to the board’s satisfaction that the requirements of the local government have been met before the director issues the license.

3 AAC 306.010, 3 AAC 306.080, and 3 AAC 306.250 provide that the board will deny an application for a new license if the board finds that the license is prohibited under AS 17.38 as a result of an ordinance or election conducted under AS 17.38 and 3 AAC 306.200, or when a local government protests an application on the grounds that the proposed licensed premises are located in a place within the local government where a local zoning ordinance prohibits the marijuana establishment, unless the local government has approved a variance from the local ordinance.

This application will be in front of the Marijuana Control Board at our October 26-28, 2021 meeting.

Sincerely,

Glen Klinkhart, Director

[amco.localgovernmentonly@alaska.gov](mailto:amco.localgovernmentonly@alaska.gov)

# PUBLISHER'S AFFIDAVIT

UNITED STATES OF AMERICA,  
STATE OF ALASKA

} SS:

Jeff Hayden being first duly sworn, on oath deposes and says:

That I am and was at all times here in this affidavit mentions, Supervisor of Legals of the Sound Publishing / Peninsula Clarion, a newspaper of general circulation and published at Kenai, Alaska, that the advertisement, a printed copy of which is hereto annexed was published in said paper on the dates listed below:

Marijuana License

03/05/21

03/12/21

03/19/21

**New Marijuana License Application**

Kaden Chase Spurgeon, Rebecca Sue Spurgeon, Jesse Lee Spurgeon are applying under 3 AAC 306.300 for a new Retail Marijuana Store License, License #28917, doing business as Back Alley Vapes, located at 51698 Kenai Spur Hwy, Suite D, Kenai, Ak 99611, UNITED STATES.

Interested persons may object to the application by submitting a written statement of reasons for the objection to their local government, the applicant, and the Alcohol & Marijuana Control Office (AMCO) not later than 30 days after the director has determined the application to be complete and has given written notice to the local government. Once an application is determined to be complete, the objection deadline and a copy of the application will be posted on AMCO's website at <https://www.commerce.alaska.gov/web/amco>. Objections should be sent to AMCO at [marijuana.licensing@alaska.gov](mailto:marijuana.licensing@alaska.gov) or to 330 W. 7th Ave, suite 1600 Anchorage, AK 995801.

Pub: March 5, 12 & 19, 2021 921250

*Jeff Hayden*

SUBSCRIBED AND SWORN before me on this

30<sup>th</sup> day of March, 2021.

*Elizabeth A. McDonald*

NOTARY PUBLIC in favor for the State of Alaska.

My commission expires 3-6-24

Elizabeth A. McDonald  
Notary Public, State of Alaska  
Commission #200306009  
My Commission Expires March 6, 2024



28917





THE STATE  
of **ALASKA**  
GOVERNOR MICHAEL I. DUNLEAVY

Department of Environmental  
Conservation

DIVISION OF ENVIRONMENTAL HEALTH  
FOOD SAFETY & SANITATION PROGRAM

43335 Kalifornsky Beach Rd  
Soldotna, Alaska, 99669  
Main: 907.262.3408  
fax: 907.262.2294

[www.dec.alaska.gov/eh/fss](http://www.dec.alaska.gov/eh/fss)  
[heidi.isernhagen@alaska.gov](mailto:heidi.isernhagen@alaska.gov)

March 15, 2021

Kaden Spurgeon  
Back Alley Vapes  
51698 Kenai Spur Hwy, Suite D  
Nikiski, AK 99635

Subject: DEC Food Establishment Permit Not Required

Dear Kaden ,

Thank you for your recent application for a permit from the Department of Environmental Conservation's Food Safety and Sanitation program. This letter is to inform you that the marijuana establishment you have described in your application does not require a permit under the Alaska Food Code (18 AAC 31) since your plan is to sell only prepackaged, non-potentially hazardous food (18 AAC 31.012(c)(1)).

Non-potentially hazardous foods are foods that do not support the growth of dangerous bacteria because of their water activity, pH, or a combination of the two. A good method to determine whether a food is non-potentially hazardous is whether it requires refrigeration to keep it safe or preserve it. If it does not require refrigeration, it is most likely non-potentially hazardous. If you are unsure about the safety of a product and whether it requires temperature control be sure to contact the Food Safety and Sanitation program for more information.

Please be aware that if you change the type of food that you sell at your establishment to include foods that are potentially hazardous, you will be required to submit a plan of your operations and apply for a food establishment permit.

Sincerely,

A handwritten signature in black ink, appearing to read "Heidi Isernhagen".

Heidi Isernhagen  
Environmental Health Officer





Alaska Marijuana Control Board

# Form MJ-00: Application Certifications

### What is this form?

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

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

## Section 1 – Establishment Information

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

Licensee:	Kaden Chace Spurgeon	License Number:	28917		
License Type:	Retail Marijuana Store				
Doing Business As:	Back Alley Vapes				
Premises Address:	51698 Kenai Spur Hwy Suite D				
City:	Kenai	State:	AK	ZIP:	99611

## Section 2 – Individual Information

Enter information for the individual licensee.

Name:	Kaden Chace Spurgeon				
Title:	Partner				

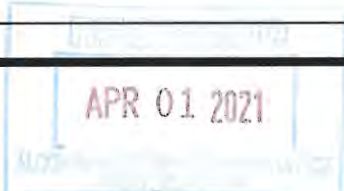
## Section 3 – Other Licenses

Ownership and financial interest in other licenses:

Yes No

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

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







Alaska Marijuana Control Board

# Form MJ-00: Application Certifications

## Section 4 – Certifications

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

Initials

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

KCS

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

KCS

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

KCS

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

KCS

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

KCS

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

KCS

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

KCS

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

KCS

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

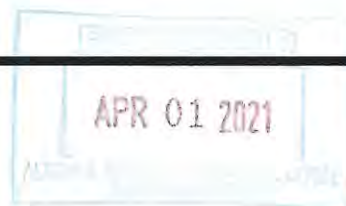
KCS

I certify that all proposed licensees (as defined in 3 AAC 306.020(b)(2)) have been listed on my online marijuana establishment license application. Additionally, if applicable, all proposed licensees have been listed on my application with the Division of Corporations.

KCS

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

KCS





Alaska Marijuana Control Board

# Form MJ-00: Application Certifications

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

Initials

I certify and understand that I must operate in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.

KGJ

I certify and understand that I must operate in compliance with each applicable public health, fire, safety, and tax code and ordinance of this state and the local government in which my premises is located.

KGJ

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

Initials

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

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

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

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

KGJ

### All marijuana establishment license applicants:

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

[Signature]  
Signature of licensee

Kaden C. Spurgeon  
Printed name of licensee

[Signature]  
Notary Public in and for the State of Alaska

My commission expires: 6-26-2021



Subscribed and sworn to before me this 15th day of March, 2021.

28917





Alaska Marijuana Control Board

# Form MJ-00: Application Certifications

### What is this form?

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

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

## Section 1 – Establishment Information

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

Licensee:	Jesse Lee Spurgeon	License Number:	28917		
License Type:	Retail Marijuana Store				
Doing Business As:	Back Alley Vapes				
Premises Address:	51698 Kenai Spur Hwy Suite D				
City:	Kenai	State:	AK	ZIP:	99611

## Section 2 – Individual Information

Enter information for the individual licensee.

Name:	Jesse Lee Spurgeon
Title:	Partner

## Section 3 – Other Licenses

Ownership and financial interest in other licenses:

Yes No

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

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





Alaska Marijuana Control Board

**Form MJ-00: Application Certifications**

**Section 4 – Certifications**

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

Initials

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

JLS

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

JLS

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

JLS

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

JLS

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

JLS

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

JLS

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

JLS

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

JLS

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

JLS

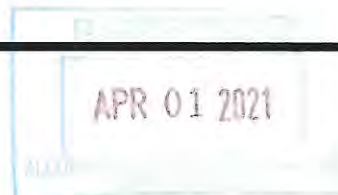
I certify that all proposed licensees (as defined in 3 AAC 306.020(b)(2)) have been listed on my online marijuana establishment license application. Additionally, if applicable, all proposed licensees have been listed on my application with the Division of Corporations.

JLS

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

JLS

28917







Alaska Marijuana Control Board

**Form MJ-00: Application Certifications**

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

Initials

I certify and understand that I must operate in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.

Jes

I certify and understand that I must operate in compliance with each applicable public health, fire, safety, and tax code and ordinance of this state and the local government in which my premises is located.

Jes

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

Initials

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

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

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

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

Jes

All marijuana establishment license applicants:

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

Jesse I. Spurgeon  
Signature of licensee

Jesse I. Spurgeon  
Printed name of licensee

Dwight Weidig  
Notary Public in and for the State of Alaska

My commission expires: 6-26-2021



Subscribed and sworn to before me this 15<sup>th</sup> day of March, 2021.

28917





Alaska Marijuana Control Board

# Form MJ-00: Application Certifications

**What is this form?**

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

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

## Section 1 – Establishment Information

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

<b>Licensee:</b>	Rebecca Sue Spurgeon	<b>License Number:</b>	28917		
<b>License Type:</b>	Retail Marijuana Store				
<b>Doing Business As:</b>	Back Alley Vapes				
<b>Premises Address:</b>	51698 Kenai Spur Hwy Suite D				
<b>City:</b>	Kenai	<b>State:</b>	AK	<b>ZIP:</b>	99611

## Section 2 – Individual Information

Enter information for the individual licensee.

<b>Name:</b>	Rebecca Sue Spurgeon
<b>Title:</b>	Partner

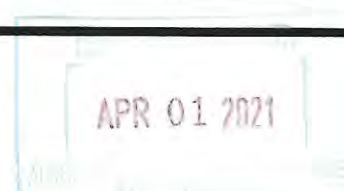
## Section 3 – Other Licenses

Ownership and financial interest in other licenses:

Yes No

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

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







Alaska Marijuana Control Board

**Form MJ-00: Application Certifications**

**Section 4 – Certifications**

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

Initials

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

RSS

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

RSS

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

RSS

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

RSS

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

RSS

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

RSS

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

RSS

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

RSS

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

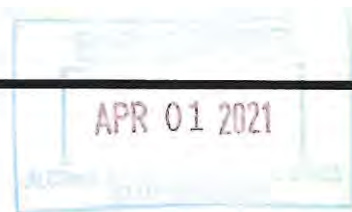
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I certify that all proposed licensees (as defined in 3 AAC 306.020(b)(2)) have been listed on my online marijuana establishment license application. Additionally, if applicable, all proposed licensees have been listed on my application with the Division of Corporations.

RSS

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

RSS





APR 01 2021

Alaska Marijuana Control Board  
**Form MJ-00: Application Certifications**

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

Initials

I certify and understand that I must operate in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.

RSS

I certify and understand that I must operate in compliance with each applicable public health, fire, safety, and tax code and ordinance of this state and the local government in which my premises is located.

RSS

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

Initials

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

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

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

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

RSS

**All marijuana establishment license applicants:**

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

Rebecca Sue Spurgeon  
Signature of licensee

[Signature]  
Notary Public in and for the State of Alaska

Rebecca Sue Spurgeon  
Printed name of licensee

My commission expires: 4/17/2021

Subscribed and sworn to before me this 17<sup>th</sup> day of March, 2021.

28917

Notary Public  
B. CROSS  
State of Alaska  
My Commission Expires April 17 2021





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.

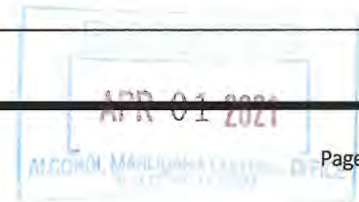
**Section 1 – Establishment & Contact Information**

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

<b>Licensee:</b>	Jesse Lee Spurgeon	<b>MJ License #:</b>	28917		
<b>License Type:</b>	Retail marijuana store				
<b>Doing Business As:</b>	Back Alley Vapes				
<b>Premises Address:</b>	51698 Kenai Spur Hwy Suite D				
<b>City:</b>	Kenai	<b>State:</b>	Alaska	<b>ZIP:</b>	99611

<b>Mailing Address:</b>	50415 wrangell Dr				
<b>City:</b>	Kenai	<b>State:</b>	Alaska	<b>ZIP:</b>	99611

<b>Designated Licensee:</b>	Jesse Lee Spurgeon				
<b>Main Phone:</b>	907-398-8806	<b>Cell Phone:</b>			
<b>Email:</b>	jesselspurgeon@gmail.com				





# Form MJ-01: Marijuana Establishment Operating Plan

## 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:

Federal or state ID will be requested upon entry into premises, no entry without identification. A 12 x 12 sign will also be posted on the front of the premises stating no one under the age of 21 allowed on premises.

## 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 only be accessible through a separate entrance for employees, clearly labeled with "restricted access area, visitors must be escorted". This door will remain locked at all times.

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

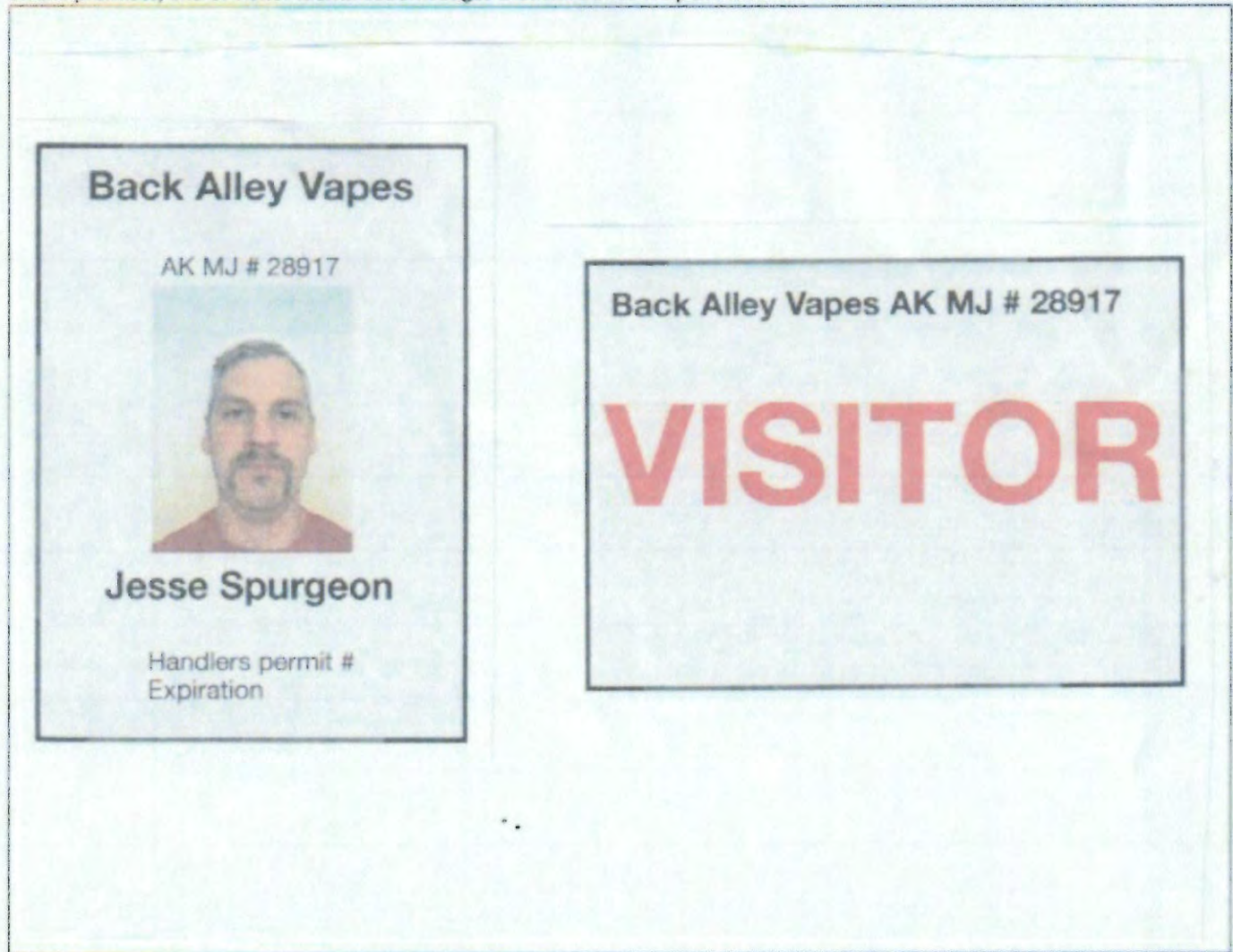
A written ledger will be kept for escorted visitors in restricted access areas. Ledger will be completed logging visitor name and time and date of entry, upon arrival of visitor along with ID verification. Visitor badge will be provided once ledger and ID requirements are fulfilled. No more than 5 visitors will be allowed per 1 employee, licensee or agent of Back Alley Vapes.





# Form MJ-01: Marijuana Establishment Operating Plan

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:

Photocell lighting will be installed on all sides of retail location and over all egress locations, providing adequate lighting to visually identify a person twenty feet from any point of entry.







# Form MJ-01: Marijuana Establishment Operating Plan

**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:**

Vivint (or equivalent) security will be installed in premises with sensors on all egress locations. Alarm system has a immediate "panic" activation button available. Alarm system will automatically notify appropriate authority, police or fire, of unauthorized breach or emergent situation. If licensee is notified of such a breach, they will wait for appropriate response prior to entry into facility. Licensee will notify appropriate departments as soon as possible and no later than 24 hours regarding instance. report will include any and all information regarding retail product or money contained within premises at the time of the breach or emergent situation.

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

24 hour video surveillance with video log of any and all areas of proposed premises. If review of surveillance identifies such diversion, appropriate disciplinary, discharge, and reporting of instance will occur. Inventory and sales will also be completed at the end of each business day.

**3.7. Describe your policies and procedures for preventing loitering:**

Establishment is private property and will be posted as such. Outside of employee, licensee, escorted visitor or customer, no extended periods of "hanging out" inside or outside of premises will be tolerated.



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.**





# Form MJ-01: Marijuana Establishment Operating Plan

**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. JES

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. JES

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

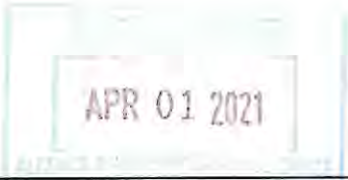
3.12. Surveillance recording equipment and video surveillance records are housed in a designated, locked, and secure area or in a lock box, cabinet, closet or other secure area where access is limited to the licensee(s), an authorized employee, and law enforcement personnel (including an agent of the Marijuana Control Board). JES

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:

The video cameras will be placed outside above each entrance, all sides of structure, inside restricted and unrestricted areas so as to not allow an unsurveyed area. Adequate lighting posted externally will also assist in facilitating identification on camera.

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:

Records will be kept and locked in secured room in back of establishment, only to be accessible by key code known by employee or licensee. Also available by request to any necessary state representative. Long term storage records, previous three years, will be stored in a fire safe on premises, additional copies will be stored in a fire safe at residence of licensee. Short term records of current six month available at all times immediately on premises.







## 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);
- 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;
- c. the business contact information for vendors that maintain video surveillance systems and security alarm systems for the licensed premises;
- d. records related to advertising and marketing;
- e. a current diagram of the licensed premises, including each restricted access area;
- f. a log recording the name, and date and time of entry of each visitor permitted into a restricted access area;
- g. all records normally retained for tax purposes;
- 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;
- i. transportation records for marijuana and marijuana product, as required by 3 AAC 306.750(f); and
- j. registration and inspection reports of scales registered under the Weights and Measures Act, as required by 3 AAC 306.745.

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**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:**

Records will be stored on location in a fire safe, duplicate records will be stored at licensee residence, also in a fire safe.







# Form MJ-01: Marijuana Establishment Operating Plan

## 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.

JES

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

JES

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.

JES

## 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.

JES

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.

JES

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.

JES

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

Internal instruction on specific logging, labeling, sales, receiving, sanitary handling and distribution policies as outlined by Back Alley Vapes.

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# Form MJ-01: Marijuana Establishment Operating Plan

## 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:

Transportation or delivery will not be made from this establishment.  
  

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# Form MJ-01: Marijuana Establishment Operating Plan

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. JS

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. JS

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. JS

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. JS

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. JS

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. JS

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

## 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):

Business name will be posted on exterior of building, once on the retail entrance and again on the location sandwich board or pylon sign. Dimensions of signage will be a total of 4800 square inches or smaller. For a total of no more than three signs.

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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):

Common radio spots, social media outlets or print advertisement to notify of opening and location of premises. Business logo attached.



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

Jesse L. Spurgeon  
Signature of licensee

Jesse L. Spurgeon  
Printed name of licensee

Dwight Weidig  
Notary Public in and for the State of Alaska

My commission expires: 6-26-2021

Subscribed and sworn to before me this 15th day of March, 2021.







# Form MJ-01: Marijuana Establishment Operating Plan

(Additional Space as Needed):

[Empty space for the Operating Plan content]





# Alaska Marijuana Control Board Form MJ-02: Premises Diagram



### What is this form?

A detailed diagram of the proposed licensed premises is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(8). **All areas designated as the licensed premises of a single license must be contiguous. All diagrams must have the licensed premises area labeled, and outlined or shaded as appropriate.**

### What must be submitted with this form?

Applicants must attach multiple diagrams to this form, including (as applicable):

- **Diagram 1:**  
a diagram showing only the licensed premises areas that will be ready to be **operational at the time of your preliminary inspection** and license issuance;
- **Diagram 2:**  
if different than Diagram 1, a diagram outlining **all areas for which the licensee has legal right of possession** (a valid lease or deed), and clearly showing those areas' relationship to the current proposed licensed premises (*details of any planned expansion areas do not need to be included; a complete copy of Form MJ-14: Licensed Premises Diagram Change must be submitted and approved before any planned expansion area may be added to the licensed premises*);
- **Diagram 3:**  
a **site plan or as-built of the entire lot**, showing all structures on the property and clearly indicating which area(s) will be part of the licensed premises;
- **Diagram 4:**  
an **aerial photo of the entire lot and surrounding lots**, showing a view of the entire property and surrounding properties, and clearly indicating which area(s) will be part of the licensed premises (*this can be obtained from sources like Google Earth*); and
- **Diagram 5:**  
a diagram of the **entire building in which the licensed premises is located**, clearly distinguishing the licensed premises from unlicensed areas and/or premises of other licenses within the building. If your proposed licensed premises is located within a building or building complex that contains multiple business and/or tenants, please provide the addresses and/or suite numbers of the other businesses and/or tenants (*a separate diagram is not required for an establishment that is designating the entire building as a single licensed premises*).

**This form, and all necessary diagrams that meet the requirements on Page 2 of this form, must be completed and submitted to AMCO's main office before any new or transfer license application will be considered complete.**

## Section 1 – Establishment Information

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

Licensee:	Jesse Lee Spurgeon	MJ License #:	28917		
License Type:	Retail marijuana store				
Doing Business As:	Back Alley Vapes				
Premises Address:	51698 Kenai Spur Hwy Suite D				
City:	Kenai	State:	Alaska	ZIP:	99611





# Form MJ-02: Premises Diagram

## Section 2 – Required Information

For your security, do not include locations of security cameras, motion detectors, panic buttons, and other security devices. Items marked with a double asterisks (\*\*) are only required for those retail marijuana establishments that are also applying for an onsite consumption endorsement.

The following details must be included in all diagrams:

- License number and DBA
- Legend or key
- Color coding
- Licensed Premises Area Labeled and Shaded, or Outlined as appropriate
- Dimensions
- Labels
- True north arrow

The following additional details must be included in Diagram 1:

- Surveillance room
- Restricted access areas
- Storage areas
- Entrances, exits, and windows
- Walls, partitions, and counters
- Any other areas that must be labeled for specific license or endorsement types
- \*\* Serving area(s)
- \*\*Employee monitoring area(s)
- \*\*Ventilation exhaust points, if applicable

The following additional details must be included in Diagram 2:

- Areas of ingress and egress
- Entrances and exits
- Walls and partitions

The following additional details must be included in Diagrams 3 and 4:

- Areas of ingress and egress
- Cross streets and points of reference

The following additional details must be included in Diagram 5:

- Areas of ingress and egress
- Entrances and exits
- Walls and partitions
- Cross streets and points of reference



I declare under penalty of unsworn falsification that I have attached all necessary diagrams that meet the above requirements, and that this form, including all accompanying schedules, statements, and depictions is true, correct, and complete.

Jesse I. Spurgeon  
Signature of licensee

Jesse I. Spurgeon  
Printed name of licensee

Dwight Weidig  
Notary Public in and for the State of Alaska

My commission expires: 6-26-2021

Subscribed and sworn to before me this 15th day of March, 2021.






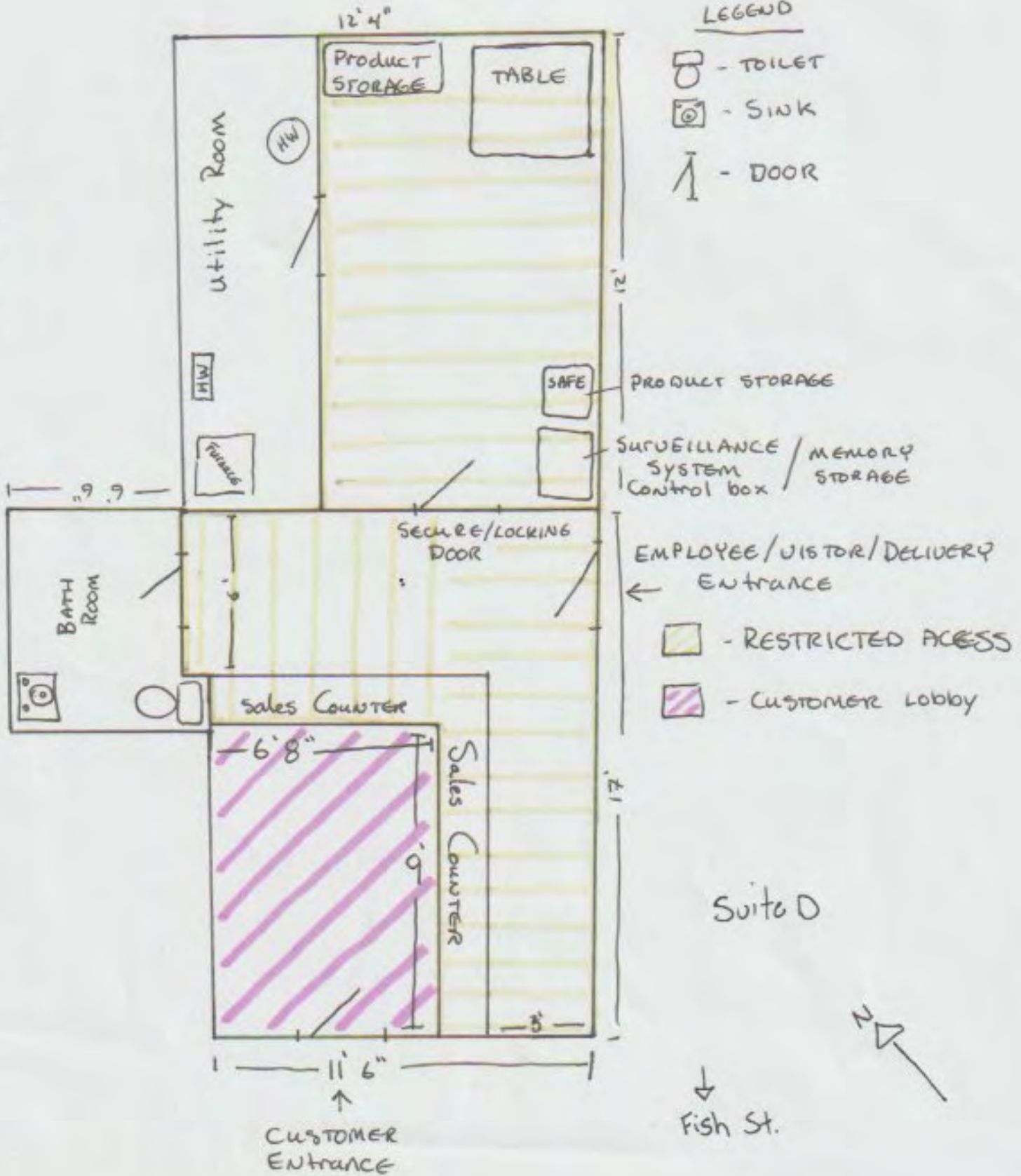
# Diagram 1

AK MJ # 28917  
BACK Alley Vapes

↑ Kenai Spur Hwy

## LEGEND

-  - TOILET
-  - SINK
-  - DOOR



Suite D

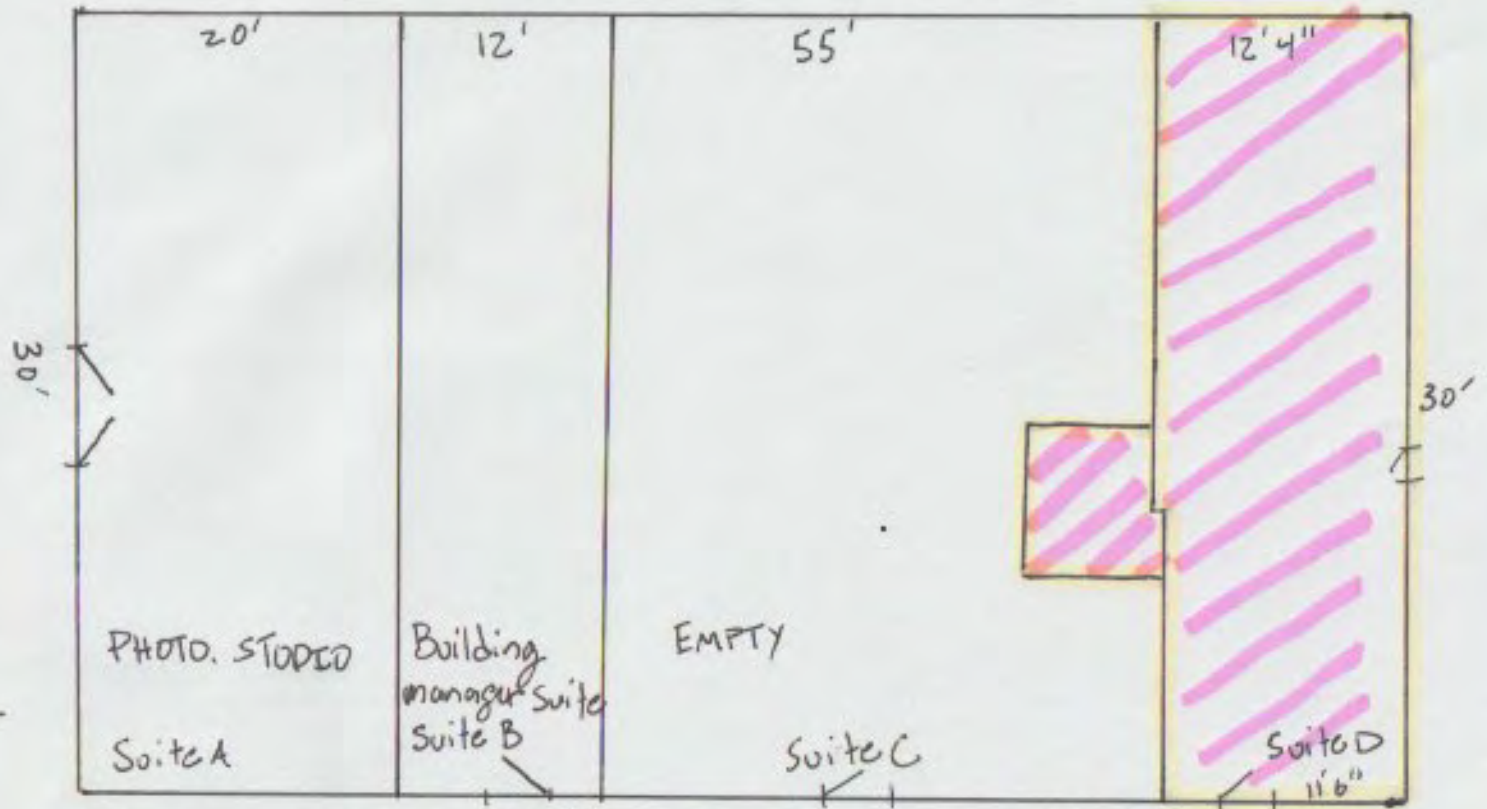
↓ Fish St.



AK MJ # 28917  
BACK ALLEY YARDS

DIAGRAM 2

Kenai Spur Hwy  
↓



↔ - ENTRY/EXIT

■ - PROPOSED PREMISES

□ - RIGHT OF POSSESSION

□ - ACCESS/EGRESS FROM KENAI SPUR HWY

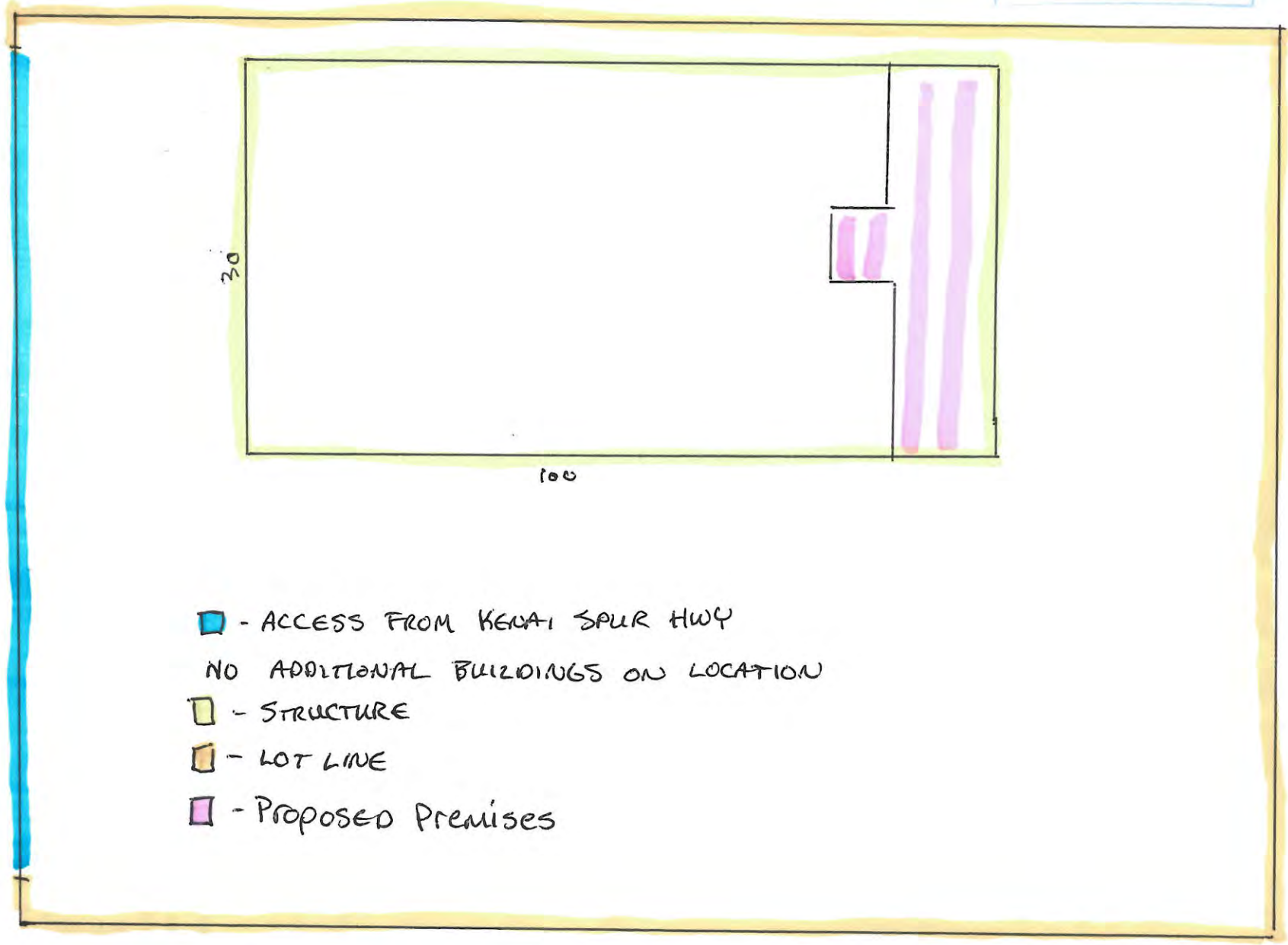
Fish St ↓

DIAGRAM 3

AKMSJ# 28917  
BACK ALLEY UAPES

KENAI SPUR HWY

FISH ST



- - ACCESS FROM KENAI SPUR HWY
- NO ADDITIONAL BUILDINGS ON LOCATION
- - STRUCTURE
- - LOT LINE
- - Proposed Premises

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APR 01 2021  
ALCOHOL MAINTENANCE CONTROL OFFICE  
STATE OF ALASKA





DIAGRAM 4

AK MJ # 28917  
BACK ALLEY VAPES

RECEIVED  
APR 01 2021  
ALCOHOL, MARIJUANA, & TABACCO OFFICE  
STATE OF ALASKA



- - LICENSED PREMISES
- ⊠ - ENTRANCE / EXIT
- - ACCESS / EGRESS FROM KENAI SPUR HWY



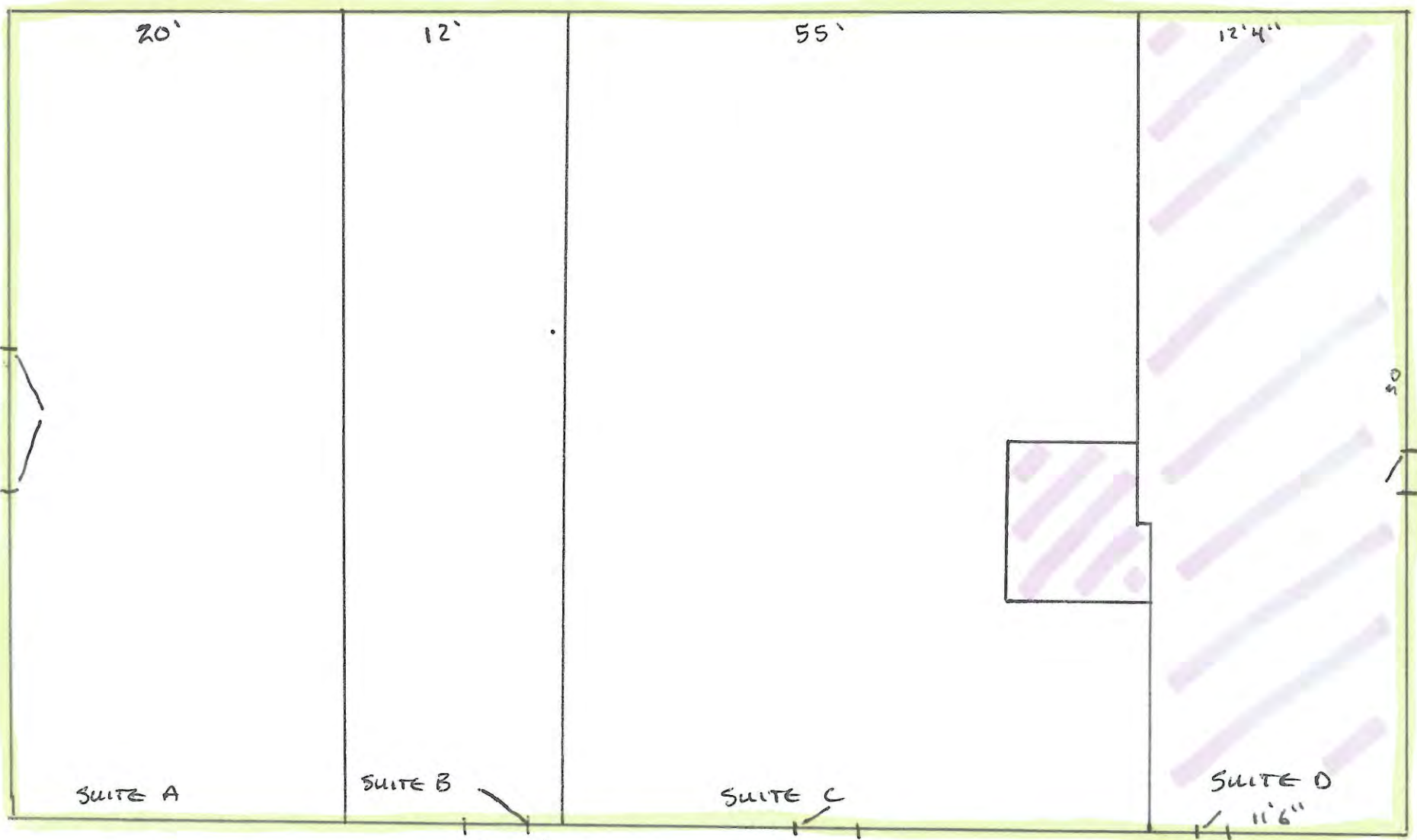


RECEIVED  
 APR 01 2021  
 ALCOHOL MAINTENANCE CONTROL OFFICE  
 STATE OF ALASKA

BACK ALLEY VAPES  
 AKMJ# 28917

KENAI SPUR HWY

Diagram 5



|| - ENTRY / EXIT

■ - ACCESS / EGRESS FROM KENAI SPUR HWY

■ - PROPOSED PREMISES

SUITE A }  
 SUITE B } NO BUSINESS  
 SUITE C } OR LICENSE

■ - ENTIRE BUILDING

FISH ST  
 ↓







# Alaska Marijuana Control Board Operating Plan Supplemental Form MJ-03: Retail Marijuana Store

## What is this form?

This operating plan supplemental form is required for all applicants seeking a retail marijuana store license and must accompany **Form MJ-01: Marijuana Establishment Operating Plan**, per 3 AAC 306.020(b)(11). Applicants should review **Chapter 306: Article 3** of the **Alaska Administrative Code**. This form will be used to document how an applicant intends to meet the requirements of the 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 and 3 AAC 306.315(2).

## What additional information is required for retail stores?

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

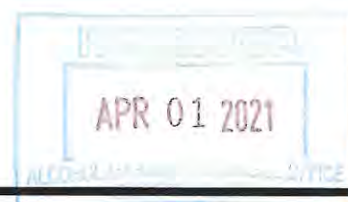
- Prohibitions
- Signage and advertising
- Displays and sales
- Exit packaging and labeling
- Security
- Waste disposal

**This form must be completed and submitted to AMCO's main office before any new or transfer application for a retail marijuana store license will be considered complete.**

## Section 1 – Establishment Information

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

Licensee:	Jesse Lee Spurgeon	MJ License #:	28917		
License Type:	Retail Marijuana Store				
Doing Business As:	Back Alley Vapes				
Premises Address:	51698 Kenai Spur Hwy Suite D				
City:	Kenai	State:	Alaska	ZIP:	99611





Section 2 – Overview of Operations

2.1. Provide an overview of your proposed facility’s operations. Include information regarding the intake and flow of marijuana and marijuana product at your premises, and a description of what a standard customer visit to your establishment would entail:

Intake or receiving would occur through employee entrance into restricted access area with proper logging of visitor upon entry, product would be immediatly entered into METRC inventory system. Customers would enter through business entrance into unrestricted area, presenting state or federal ID to verify age is 21 years of age or older immediatly upon entry. Purchases made by singular customer will not exceed 1oz of flower, 7g of concentrate or a combined total, in all purchased products, of 5600mg THC daily. Purchase would be logged in METRC using approved interactive point of sale system, le Green bits or Weave. Customers, without any further business would exit the premises, without prolonged delay outside of transaction or browsing other prodcuts available.

Section 3 – Prohibitions

Review the requirements under 3 AAC 306.310.

3.1. Describe how you will ensure that the retail marijuana store will not sell, give, distribute, or deliver marijuana or marijuana product to a person who is under the influence of an alcoholic beverage, inhalant, or controlled substance:

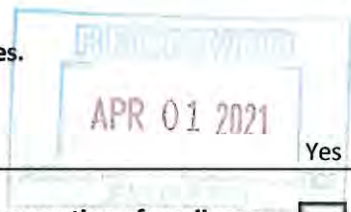
If a customer admits to, or is found to be or known to be under the influence, showing symptoms as such, they will be asked to exit the premises immediatly. Glossy eye, slow reflex, blurred, quiet, or slow speach, mood swings and dilated pupils are some examples of what can be identifying factors.

3.2. I certify that the retail marijuana store will not: Initials

- a. sell, give, distribute, deliver, or offer to sell, give, distribute, or deliver marijuana or marijuana product in a quantity exceeding the limit set out in 3 AAC 306.355; [Initials]
b. sell, give, distribute, deliver, or offer to sell, give, distribute, or deliver marijuana or marijuana product over the internet; [Initials]
c. offer or deliver to a consumer, as a marketing promotion or for any other reason, free marijuana or marijuana product, including a sample; [Initials]
d. offer or deliver to a consumer, as a marketing promotion or for any other reason, alcoholic beverages, free or for compensation; or [Initials]
e. allow a person to consume marijuana or a marijuana product on the licensed premises. [Initials]

Answer “Yes” or “No” to the following question: Yes No

3.3. Do you plan to request future approval of the Marijuana Control Board to permit consumption of marijuana or marijuana product in a designated area on the proposed premises? [ ] [X]







Section 4 – Signage and Advertising

Review the requirements under 3 AAC 306.360 and 3 AAC 306.365. All licensed retail marijuana stores must meet minimum standards for signage and advertising.

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

4.1. I understand and agree to follow the limitations regarding the number, placement, and size of signs on my proposed establishment, set forth in 3 AAC 306.360(a).

Jes

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

Jes

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

Jes

4.4. I understand and agree to post, in a conspicuous location visible to customers, the notification signs required under 3 AAC 306.365.

Jes

4.5. I certify that no advertisement for marijuana or marijuana product will contain any statement or illustration that:

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a. is false or misleading;

b. promotes excessive consumption;

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c. represents that the use of marijuana has curative or therapeutic effects;

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d. depicts a person under the age of 21 consuming marijuana; or

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e. includes an object or character, including a toy, a cartoon character, or any other depiction designed to appeal to a child or other person under the age of 21, that promotes consumption of marijuana.

Jes

4.6. I certify that no advertisement for marijuana or marijuana product will be placed:

a. within 1,000 feet of the perimeter of any child-centered facility, including a school, childcare facility, or other facility providing services to children, a playground or recreation center, a public park, a library, or a game arcade that is open to persons under the age of 21;

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b. on or in a public transit vehicle or public transit shelter;

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c. on or in a publicly owned or operated property;

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d. within 1,000 feet of a substance abuse or treatment facility; or

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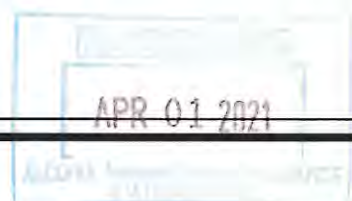
e. on a campus for postsecondary education.

Jes

Section 5 – Displays and Sales

5.1. Describe how marijuana and marijuana products at the retail marijuana store will be displayed and sold:

A specific section of the counter will be designated for retail sales of marijuana, product will be displayed under glass cabinet accesible only from restricted area and in sealed containers in shelving behind the counter.





Section 6 – Exit Packaging and Labeling

Review the requirements under 3 AAC 306.345.

6.1. Describe how the retail marijuana store will ensure that marijuana and marijuana products sold on its licensed premises will meet the packaging and labeling requirements set forth in 3 AAC 306.345(a):

Packaging shall be of approved resealable, child resistant packaging, Opaque with appropriate label. Package labels shall contain Name of licensed location, AK MJ license number, THC percentage of product inside, weight of product and required warning statements.

6.2. Provide a sample label that the retail marijuana store will use to meet the labeling requirements set forth in 3 AAC 306.345(b):

Sample label for 'Back Alley Vapes' with fields for THC %, Weight, and Gram. Includes a warning statement and a 'RECEIVED' stamp dated APR 01 2021 from the ALCOHOL & MARIJUANA CONTROL BOARD OFFICE.





# Form MJ-03: Retail Marijuana Store Operating Plan Supplemental

## Section 7 – Security

Review the requirements under 3 AAC 306.350 and 3 AAC 306.720.

7.1. Describe the retail marijuana store's procedures for ensuring a form of valid photographic identification has been produced before selling marijuana or marijuana product to a person, as required by 3 AAC 306.350(a):

All customers upon entry will be asked to produce a valid federal or state ID to visually validate appropriate age of 21 years of age or older.

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

Initials

7.2. The video surveillance and camera recording system for the licensed premises covers each point-of-sale area.

*JS*

## Section 8 – Waste Disposal

Review the requirements under 3 AAC 306.740.

8.1. Describe how you will store, manage, and dispose of any marijuana waste, including expired marijuana or marijuana products, in compliance with any applicable laws. Include details about the material(s) you will mix with ground marijuana waste and the processes that you will use to make the marijuana waste unusable for any purpose for which it was grown or produced:

If product is found to be unusable, expired, or unfit it will be stored in secured room on premises location until AMCO board is notified of disposal. The marijuana product will be made unusable by grinding the processed marijuana with equal part compostable waste and disposed of at permitted solid-waste facility.

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

Initials

8.2. The retail marijuana store shall give the board at least three days written notice required under 3 AAC 306.740(c) before making marijuana waste unusable and disposing of it.

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

*Jesse L. Spurgeon*  
Signature of licensee



Jesse L. Spurgeon  
Printed name of licensee

*Dwight Weidig*  
Notary Public in and for the State of Alaska

My commission expires: 6-26-2021



Subscribed and sworn to before me this 15th day of March 2021





Alaska Marijuana Control Board

# Form MJ-07: Public Notice Posting Affidavit

### What is this form?

A public notice posting affidavit is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(10). As soon as practical after initiating a marijuana establishment license application, an applicant must give notice of the application to the public by posting a true copy of the application for ten (10) days at the location of the proposed licensed premises and one other conspicuous location in the area of the proposed premises, per 3 AAC 306.025(b)(1).

This form must be completed and submitted to AMCO's main office before any new or transfer license application will be considered complete.

## Section 1 – Establishment Information

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

Licensee:	Jesse Lee Spurgeon	License Number:	28917		
License Type:	Retail marijuana store				
Doing Business As:	Back Alley Vapes				
Premises Address:	51698 Kenai Spur Hwy Suite D				
City:	Kenai	State:	Alaska	ZIP:	99611

## Section 2 – Certification

I certify that I have met the public notice requirement set forth under 3 AAC 306.025(b)(1) by posting a copy of my application for the following 10-day period at the location of the proposed licensed premises and at the following conspicuous location in the area of the proposed premises:

Start Date: 03/05/2021 End Date: 03/19/2021

Premises location, local PO message board

Other conspicuous location: \_\_\_\_\_

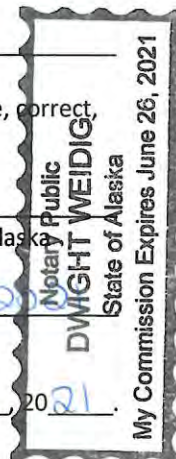
I declare under penalty of unsworn falsification that this form, including all accompanying schedules and statements, is true, correct, and complete.

[Signature]  
Signature of licensee

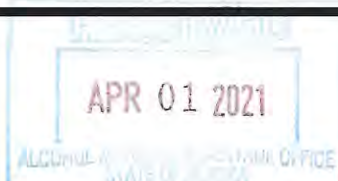
Jesse I. Spurgeon  
Printed name of licensee

[Signature]  
Notary Public in and for the State of Alaska

My commission expires: 6-26-21



Subscribed and sworn to before me this 15<sup>th</sup> day of March, 2021.







# Public Notice

## Application for Marijuana Establishment License

**License Number:** 28917  
**License Status:** Initiated  
**License Type:** Retail Marijuana Store  
**Doing Business As:** Back Alley Vapes  
**Business License Number:** 2125836  
**Email Address:** backalleyvapesak@gmail.com  
**Latitude, Longitude:** 60.728324, -151.304965  
**Physical Address:** 51698 Kenai Spur Hwy  
 Suite D  
 kenai, AK 99611  
 UNITED STATES

### Licensee #1

**Type:** Individual  
**Name:** Kaden Chace Spurgeon  
**Phone Number:** 907-420-4070  
**Email Address:** kadenspurgeon@hotmail.com  
**Mailing Address:** PO Box 8386  
 Nikiski, AK 99635  
 UNITED STATES

### Licensee #2

**Type:** Individual  
**Name:** Rebecca Sue Spurgeon  
**Phone Number:** 907-398-3386  
**Email Address:** spurgeon89635@gmail.com  
**Mailing Address:** 50415 Wrangell Dr  
 Kenai, AK 99611  
 UNITED STATES

### Licensee #3

**Type:** Individual  
**Name:** Jesse Lee Spurgeon  
**Phone Number:** 907-398-8806  
**Email Address:** jesselspurgeon@gmail.com  
**Mailing Address:** 50415 Wrangell Dr  
 Kenai, AK 99611  
 UNITED STATES

*Note: No entity officials entered for this license.*

*Note: No affiliates entered for this license.*

Interested persons may object to the application by submitting a written statement of reasons for the objection to their local government, the applicant, and the Alcohol & Marijuana Control Office (AMCO) not later than 30 days after the director has determined the application to be complete and has given written notice to the local government. Once an application is determined to be complete, the objection deadline and a copy of the application will be posted on AMCO's website at <https://www.commerce.alaska.gov/web/amco>. Objections should be sent to AMCO at [marijuana.licensing@alaska.gov](mailto:marijuana.licensing@alaska.gov) or to 550 W 7th Ave, Suite 1600, Anchorage, AK 99501.

**POSTING DATE** 3-1-2021



28917





Alaska Marijuana Control Board

**Form MJ-08: Local Government Notice Affidavit**

**What is this form?**

A local government notice affidavit is required for all marijuana establishment license applications with a proposed premises that is located within a local government, per 3 AAC 306.025(b)(3). As soon as practical after initiating a marijuana establishment license application, an applicant must give notice of the application to the public by submitting a copy of the application to each local government and any community council in the area of the proposed licensed premises. For an establishment located inside the boundaries of city that is within a borough, both the city and the borough must be notified.

This form must be completed and submitted to AMCO's main office before any new or transfer license application will be considered complete.

**Section 1 – Establishment Information**

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

Licensee:	Jesse Lee Spurgeon	License Number:	28917		
License Type:	Retail marijuana store				
Doing Business As:	Back Alley Vapes				
Premises Address:	51698 Kenai Spur Hwy Suite D				
City:	Kenai	State:	Alaska	ZIP:	99611

**Section 2 – Certification**

I certify that I have met the local government notice requirement set forth under 3 AAC 306.025(b)(3) by submitting a copy of my application to the following local government (LG) official(s) and community council (if applicable):

Kenai Peninsula Borough

03/04/2021

Local Government(s): \_\_\_\_\_ Date Submitted: \_\_\_\_\_

Tatyanah Shassetz

Name/Title of LG Official 1: \_\_\_\_\_ Name/Title of LG Official 2: \_\_\_\_\_

Community Council: \_\_\_\_\_ Date Submitted: \_\_\_\_\_  
 (Municipality of Anchorage and Matanuska-Susitna Borough only)

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

Jesse L Spurgeon  
 Signature of licensee

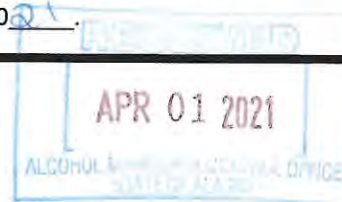
Jesse L Spurgeon  
 Printed name of licensee

Dwight Weidig  
 Notary Public in and for the State of Alaska

My commission expires: 6-26-2021



Subscribed and sworn to before me this 15th day of March, 2021.







## Office of the Borough Clerk

144 North Binkley Street, Soldotna, Alaska 99669 • (907) 714-2160 • (907) 714-2388 Fax

Johni Blankenship, MMC  
Borough Clerk

### **MARIJUANA LICENSE LOCAL REVIEW STANDARDS**

3/10/2021

Back Alley Vapes  
backalleyvapesak@gmail.com

RE: *Back Alley Vapes – Application for Retail Marijuana Store (License Number: 28917)*

We received your public notice for application for Marijuana Establishment License on 3/4/2021. Once your complete application is received by the Borough Clerk's office from the Alcohol & Marijuana Control Office (AMCO), it will be forwarded to the Kenai Peninsula Borough (Borough) Planning and Finance Departments for review. The borough has 60 days from receipt of your complete application from AMCO to make recommendations to the Marijuana Control Board (MCB). A staff report will be prepared based upon standards set out in KPB 7.30. The Planning Commission will hold a public hearing on the application and forward its recommendation to the Borough Assembly. The Assembly is the borough's commenting authority to the MCB. The Assembly will also hold a public hearing regarding the license application prior to making its recommendation to the MCB.

In order for the Borough to determine compliance with standards set out in KPB 7.30.020(C)(1), you will need to provide a site development plan with adequate detail to accurately depict the following:

If your parcel is accessed from a borough road:

- The width and location of the entrance and exit;
- a clear route for delivery vehicles which shall allow vehicles to turn safely;
- the location of on-site parking and loading areas designed to preclude vehicles from backing out into the roadway;

If your parcel is accessed from a state road:

- a clear route for delivery vehicles which shall allow vehicles to turn safely;
- the location of on-site parking and loading areas designed to preclude vehicles from backing out into the roadway; and



28917

3/10/2021

Back Alley Vapes – Application for Retail Marijuana Store (License Number: 28917)

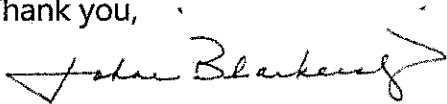
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The Kenai Peninsula Borough's standards and process are more completely set forth in the enclosed copy of KPB Chapter 7.30 "Marijuana License Protections." If you have any questions regarding the boroughs role in the state's processing of marijuana license applications please contact the Borough Clerk's office at 714-2160. Please return your completed acknowledge form and site development plan within the next two (2) weeks in order to facilitate the process.

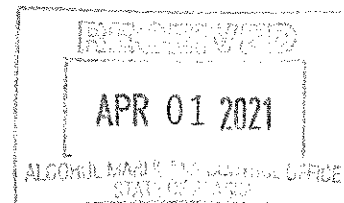
Included with this packet please find the following documents:

- KPB 7.30
- Acknowledgement Form

Thank you,



Johni Blankenship, MMC  
Borough Clerk



28917





Alaska Marijuana Control Board

# Form MJ-09: Statement of Financial Interest

### What is this form?

A statement of financial interest completed by each proposed licensee (as defined in 3 AAC 306.020(b)(2)) is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(4). A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each proposed licensee before any license application will be considered complete.

## Section 1 – Establishment Information

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

Licensee:	Rebecca Sue Spurgeon	License Number:	28917		
License Type:	Retail Marijuana Store				
Doing Business As:	Back Alley Vapes				
Premises Address:	51698 Kenai Spur Hwy Suite D				
City:	Kenai	State:	AK	ZIP:	99611

## Section 2 – Individual Information

Enter information for the individual licensee.

Name:	Rebecca Sue Spurgeon
Title:	Partner





Alaska Marijuana Control Board

**Form MJ-09: Statement of Financial Interest**

**Section 3 – Certifications**

I certify that no person other than a proposed licensee listed on my marijuana establishment license application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which a marijuana establishment license is being applied for.

I further certify that any ownership change shall be reported to the board as required under 3 AAC 306.040.

I understand that my fingerprints will be used to check the criminal history records of the Federal Bureau of Investigation (FBI), and that I have the opportunity to complete or challenge the accuracy of the information contained in the FBI identification record.

*The procedures for obtaining a change, correction, or updating an FBI identification record are set forth in Title 28, CFR, 16.34.*

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

Rebecca Sue Spurgeon  
Signature of licensee

[Signature]  
Notary Public in and for the State of Alaska

Rebecca Sue Spurgeon  
Printed name of licensee

My commission expires: 4/17/2021

Subscribed and sworn to before me this 17<sup>th</sup> day of March, 2021.







Alaska Marijuana Control Board

# Form MJ-09: Statement of Financial Interest

### What is this form?

A statement of financial interest completed by each proposed licensee (as defined in 3 AAC 306.020(b)(2)) is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(4). A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each proposed licensee before any license application will be considered complete.

## Section 1 – Establishment Information

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

Licensee:	Jesse Lee Spurgeon	License Number:	28917		
License Type:	Retail Marijuana Store				
Doing Business As:	Back Alley Vapes				
Premises Address:	51698 Kenai Spur Hwy Suite D				
City:	Kenai	State:	AK	ZIP:	99611

## Section 2 – Individual Information

Enter information for the individual licensee.

Name:	Jesse Lee Spurgeon
Title:	Partner





Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest

Section 3 – Certifications

I certify that no person other than a proposed licensee listed on my marijuana establishment license application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which a marijuana establishment license is being applied for.

I further certify that any ownership change shall be reported to the board as required under 3 AAC 306.040.

I understand that my fingerprints will be used to check the criminal history records of the Federal Bureau of Investigation (FBI), and that I have the opportunity to complete or challenge the accuracy of the information contained in the FBI identification record.

*The procedures for obtaining a change, correction, or updating an FBI identification record are set forth in Title 28, CFR, 16.34.*

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

[Signature]  
Signature of licensee

Jesse I. Spurgeon  
Printed name of licensee

[Signature]  
Notary Public in and for the State of Alaska

My commission expires: 6-26-21

Subscribed and sworn to before me this 15th day of March 2021.







Alaska Marijuana Control Board

# Form MJ-09: Statement of Financial Interest

## What is this form?

A statement of financial interest completed by each proposed licensee (as defined in 3 AAC 306.020(b)(2)) is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(4). A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

**This form must be completed and submitted to AMCO's main office by each proposed licensee before any license application will be considered complete.**

## Section 1 – Establishment Information

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

Licensee:	Kaden Chace Spurgeon	License Number:	28917		
License Type:	Retail Marijuana Store				
Doing Business As:	Back Alley Vapes				
Premises Address:	51698 Kenai Spur Hwy Suite D				
City:	Kenai	State:	AK	ZIP:	99611

## Section 2 – Individual Information

Enter information for the individual licensee.

Name:	Kaden Chace Spurgeon
Title:	Partner





Alaska Marijuana Control Board

# Form MJ-09: Statement of Financial Interest

## Section 3 – Certifications

I certify that no person other than a proposed licensee listed on my marijuana establishment license application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which a marijuana establishment license is being applied for.

I further certify that any ownership change shall be reported to the board as required under 3 AAC 306.040.

I understand that my fingerprints will be used to check the criminal history records of the Federal Bureau of Investigation (FBI), and that I have the opportunity to complete or challenge the accuracy of the information contained in the FBI identification record.

*The procedures for obtaining a change, correction, or updating an FBI identification record are set forth in Title 28, CFR, 16.34*

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

*Karen Jones*  
Signature of licensee

*Dwight Weidig*  
Notary Public in and for the State of Alaska  
My commission expires: 6-26-2021  
Notary Public  
**DWIGHT WEIDIG**  
State of Alaska  
My Commission Expires June 26, 2021

Karen Spurgeon  
Printed name of licensee

Subscribed and sworn to before me this 15<sup>th</sup> day of March 2021





# Alcohol & Marijuana Control Office

**License Number:** 28917

**License Status:** New

**License Type:** Retail Marijuana Store

**Doing Business As:** Back Alley Vape

**Business License Number:** 2125636

**Designated Licensee:** Jesse Lee Spurgeon

**Email Address:** backalleyvapesak@gmail.com

**Local Government:** Kenai Peninsula Borough

**Local Government 2:**

**Community Council:**

**Latitude, Longitude:** 60.728324, -151.304965

**Physical Address:** 51698 Kenai Spur Hwy  
Suite D  
Kenai, AK 99611  
UNITED STATES

## Licensee #1

**Type:** Individual

**Name:** Kaden Chace Spurgeon

[Redacted]

[Redacted]

**Phone Number:** 907 420 4070

**Email Address:** kadenspurgeon@hotmail.com

**Mailing Address:** PO Box 8386  
Nikiski, AK 99635  
UNITED STATES

## Licensee #2

**Type:** Individual

**Name:** Rebecca Sue Spurgeon

[Redacted]

[Redacted]

**Phone Number:** 907 398 3386

**Email Address:** spurgeon99635@gmail.com

**Mailing Address:** 50415 Wrangell Dr  
Kenai, AK 99611  
UNITED STATES

## Licensee #3

**Type:** Individual

**Name:** Jesse Lee Spurgeon

[Redacted]

[Redacted]

**Phone Number:** 907-398-8806

**Email Address:** jesselspurgeon@gmail.com

**Mailing Address:** 50415 Wrangell Dr  
Kenai, AK 99611  
UNITED STATES

**Note:** No entity officials entered for this license.

**Note:** No affiliates entered for this license.

## PARTNERSHIP AGREEMENT

**THIS PARTNERSHIP AGREEMENT** (the "Agreement") made and entered into this 19th day of March, 2021 (the "Execution Date"),

### AMONGST:

Jesse Lee Spurgeon of 50415 Wrangell Dr, Kenai, AK 99611,  
Kaden Chace Spurgeon of PO box 8386, Nikiski, AK 99635, and  
Rebecca Sue Spurgeon of 50415 Wrangell Dr, Kenai, AK 99611  
(individually the "Partner" and collectively the "Partners").

### BACKGROUND:

- A. The Partners wish to associate themselves as partners in business.
- B. This Agreement sets out the terms and conditions that govern the Partners within the Partnership.

**IN CONSIDERATION OF** and as a condition of the Partners entering into this Agreement and other valuable consideration, the receipt and sufficiency of which consideration is acknowledged, the parties to this Agreement agree as follows:

#### Formation

- 1. By this Agreement the Partners enter into a general partnership (the "Partnership") in accordance with the laws of The State of Alaska. The rights and obligations of the Partners will be as stated in the applicable legislation of The State of Alaska (the 'Act') except as otherwise provided in this Agreement.

#### Name

- 2. The firm name of the Partnership will be: Back Alley Vapes.

#### Purpose

- 3. The purpose of the Partnership will be: Retail sale.





**Term**

- 4. The Partnership will begin on February 25th, 2021 and will continue until terminated as provided in this Agreement.

**Place of Business**

- 5. The principal office of the business of the Partnership will be located at 50415 Wrangell Dr, Kenai, AK 99611 or such other place as the Partners may from time to time designate.

**Capital Contributions**

- 6. Each of the Partners has contributed to the capital of the Partnership, in cash or property in agreed upon value, as follows (the "Capital Contribution"):

<b>Partner</b>	<b>Contribution Description</b>	<b>Agreed Value</b>
Jesse Lee Spurgeon	Investment capital	\$10000 USD
Kaden Chace Spurgeon	Investment capital	\$10000 USD
Rebecca Sue Spurgeon	Investment capital	\$10000 USD

- 7. All Partners will contribute their respective Capital Contributions fully and on time.

**Withdrawal of Capital**

- 8. No Partner will withdraw any portion of their Capital Contribution without the express written consent of the remaining Partners.

**Additional Capital**

- 9. Capital Contributions may be amended from time to time, according to the requirements of the Partnership provided that the interests of the Partners are not affected, except with the unanimous consent of the Partners. No Partner will be required to make Additional Capital Contributions. Whenever additional capital is determined to be required and an individual Partner is unwilling or unable to meet the additional contribution requirement within a reasonable period, as required by Partnership business obligations, remaining Partners may



contribute in proportion to their existing Capital Contributions to resolve the amount in default. In such case the allocation of profits or losses among all the Partners will be adjusted to reflect the aggregate change in Capital Contributions by the Partners.

10. Any advance of money to the Partnership by any Partner in excess of the amounts provided for in this Agreement or subsequently agreed to as Additional Capital Contribution will be deemed a debt owed by the Partnership and not an increase in Capital Contribution of the Partner. This liability will be repaid with interest at rates and times to be determined by a majority of the Partners within the limits of what is required or permitted in the Act. This liability will not entitle the lending Partner to any increased share of the Partnership's profits nor to a greater voting power. Such debts may have preference or priority over any other payments to Partners as may be determined by a majority of the Partners.

**Capital Accounts**

11. An individual capital account (the "Capital Accounts") will be maintained for each Partner and their Initial Capital Contribution will be credited to this account. Any Additional Capital Contributions made by any Partner will be credited to that Partner's individual Capital Account.

**Interest on Capital**

12. No borrowing charge or loan interest will be due or payable to any Partner on their agreed Capital Contribution inclusive of any agreed Additional Capital Contributions.

**Financial Decisions**

13. Decisions regarding the distribution of profits, allocation of losses, and the requirement for Additional Capital Contributions as well as all other financial matters will be decided by a majority vote of the Partners.

**Profit and Loss**

14. Subject to any other provisions of this Agreement, the net profits and losses of the Partnership, for both accounting and tax purposes, will accrue to and be borne by the Partners in equal proportions (the "Profit and Loss Distribution").





**Books of Account**

15. Accurate and complete books of account of the transactions of the Partnership will be kept in accordance with generally accepted accounting principles (GAAP) and at all reasonable times will be available and open to inspection and examination by any Partner. The books and records of the Partnership will reflect all the Partnership's transactions and will be appropriate and adequate for the business conducted by the Partnership.

**Annual Report**

16. As soon as practicable after the close of each fiscal year, the Partnership will furnish to each Partner an annual report showing a full and complete account of the condition of the Partnership. This report will consist of at least the following documents:
- a. a statement of all information as will be necessary for the preparation of each Partner's income or other tax returns;
  - b. a copy of the Partnership's federal income tax returns for that fiscal year;
  - c. a breakdown of the profit and loss attributable to each Partner; and
  - d. any additional information that the Partners may require.

**Banking and Partnership Funds**

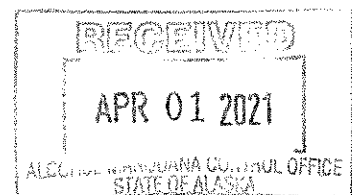
17. The funds of the Partnership will be placed in such investments and banking accounts as will be designated by the Partners. Partnership funds will be held in the name of the Partnership and will not be commingled with those of any other person or entity.

**Fiscal Year**

18. The fiscal year will end on the 1st day of January of each year.

**Audit**

19. Any of the Partners will have the right to request an audit of the Partnership books. The cost of the audit will be borne by the Partnership. The audit will be performed by an accounting firm acceptable to all the Partners. Not more than one (1) audit will be required by any or all of the Partners for any fiscal year.



**Management**

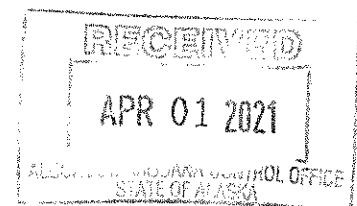
- 20. Except as all of the Partners may otherwise agree in writing, all actions and decisions respecting the management, operation and control of the Partnership and its business will be decided by a majority vote of the Partners.

**Contract Binding Authority**

- 21. All actions and decisions with respect to binding the Partnership in contract requires the unanimous consent of the Partners.

**Partnership Representative**

- 22. Jesse Lee Spurgeon will be the partnership representative (“the Partnership Representative”) with the sole authority to act on behalf of the Partnership in relation to IRS tax audits pursuant to Chapter 63 Subchapter C of the Internal Revenue Code of 1986.
- 23. The Partnership Representative is appointed for the current tax year and subsequent tax years until otherwise designated by the Partners.
- 24. The Partnership Representative will promptly advise the Partners of any audit of the Partnership initiated by the IRS and provide regular updates to the Partners on the progress of such audits and any resulting settlement negotiations. The Partnership Representative will be generally accountable to the Partners and will obtain the majority approval of the Partners for (i) any decisions affecting the tax liability of the Partnership or the Partners; and (ii) any decision finalizing tax settlement with the IRS.
- 25. The Partnership Representative may resign from the position by serving notice in writing on both the Partnership and the IRS. The Partnership, acting by majority vote, may revoke the designation of the Partnership Representative by serving notice on the Partnership Representative and the IRS and simultaneously appointing a new Partnership Representative for that taxable year.
- 26. Whether serving in an active capacity or not, any person who has served as Partnership Representative in respect of any given taxable year or portion thereof will remain accountable to the Partnership, throughout the period of limitation relating to that taxable year, in respect of any notification received from the IRS and will promptly advise the Partnership of any and all such correspondence.





27. In the event that a tax settlement reached between the IRS and the Partnership Representative is not satisfactory to one or more of the Partners and the matter cannot be resolved through negotiation in good faith at a meeting of the Partners, then, two weeks, or such longer period as the partners may agree, following such meeting the Partners agree to submit the dispute to mediation.

**Meetings**

28. Regular meetings of the Partners will be held only as required.
29. Any Partner can call a special meeting to resolve issues that require a vote, as indicated by this Agreement, by providing all Partners with reasonable notice. In the case of a special vote, the meeting will be restricted to the specific purpose for which the meeting was held.
30. All meetings will be held at a time and in a location that is reasonable, convenient and practical considering the situation of all Partners.

**Admitting a New Partner**

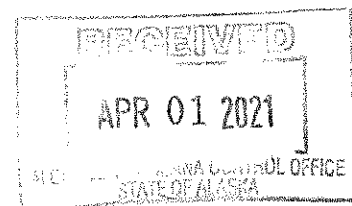
31. No new Partners may be admitted into the Partnership.

**Transfer of Partnership Interest**

32. A Partner may assign their distribution interest in the Partnership and its assets provided that, where the acquisition of the interest by the prospective partner will render the Partnership ineligible to elect out of the application of the Tax Rules, the assigning Partner must first obtain the unanimous consent of the remaining Partners. This transfer will only include that Partner's economic rights and interests and will not include any other rights of that Partner nor will it include an automatic admission as a Partner of the Partnership or the right to exercise any management or voting interests. A Partner who assigns any or all of their partnership interest to any third party will relinquish their status as Partner including all management and voting rights. Assignment of Partner status, under this clause, including any management and voting interests, will require the consent of all the remaining Partners.

**Voluntary Withdrawal of a Partner**

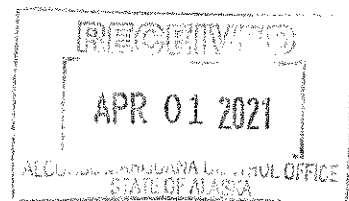
33. Any Partner will have the right to voluntarily withdraw from the Partnership at any time. Written notice of intention to withdraw must be served upon the remaining Partners at least one (1) year prior to the withdrawal date.



34. Except as otherwise provided elsewhere in this Agreement, the voluntary withdrawal of a Partner will have no effect upon the continuance of the Partnership business.
35. In the event that a Partner's interest in the Partnership is to be sold, the remaining Partners have a right of first purchase on that interest. If any of the remaining Partners elect to purchase the interest of the Dissociated Partner, those Partners will serve written notice of such election upon the Dissociated Partner within thirty (30) days after receipt of the Dissociated Partner's notice of intention to withdraw, including the purchase price and method and schedule of payment for the Dissociated Partner's interest. The purchase amount of any buyout of the Dissociated Partner's interest will be determined as outlined in the Valuation of Interest section of this Agreement.
36. A Dissociated Partner will only exercise the right to withdraw in good faith and will act to minimize any present or future harm done to the remaining Partners as a result of the withdrawal.

**Involuntary Withdrawal of a Partner**

37. Events resulting in the involuntary withdrawal of a Partner from the Partnership will include but not be limited to: death of a Partner; Partner mental incapacity; Partner disability preventing reasonable participation in the Partnership; Partner incompetence; breach of fiduciary duties by a Partner; criminal conviction of a Partner; Expulsion of a Partner; Operation of Law against a Partner; or any act or omission of a Partner that can reasonably be expected to bring the business or societal reputation of the Partnership into disrepute.
38. Except as otherwise provided elsewhere in this Agreement, the involuntary withdrawal of a Partner will have no effect upon the continuance of the Partnership business.
39. In the event that a Partner's interest in the Partnership is to be sold, the remaining Partners have a right of first purchase on that interest. If any of the remaining Partners elect to purchase the interest of the Dissociated Partner, those Partners will serve written notice of such election, including the purchase price and method and schedule of payment upon the Dissociated Partner, their executor, administrator, trustee, committee or analogous fiduciary within a reasonable period after acquiring knowledge of the change in circumstance to the Dissociated Partner. The purchase amount of any buyout of a Partner's interest will be determined as outlined in the Valuation of Interest section of this Agreement.





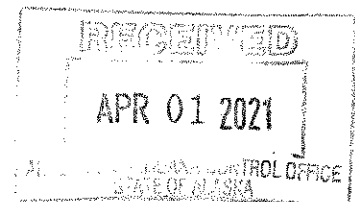
40. A trustee in bankruptcy or similar third party who may acquire that Dissociated Partner's interest in the Partnership will only acquire that Partner's economic rights and interests and will not acquire any other rights of that Partner or be admitted as a Partner of the Partnership or have the right to exercise any management or voting interests.

**Dissociation of a Partner**

41. Where the remaining Partners have purchased the interest of a Dissociated Partner, the purchase amount will be paid in full, but without interest, within 90 days of the date of withdrawal.
42. The Partnership will retain exclusive rights to use of the trade name and firm name and all related brand and model names of the Partnership.
43. Where the voluntary or involuntary withdrawal of a Partner results in only one Partner remaining or where no buyer is found to purchase the interest of the Dissociated Partner then the Partnership will proceed in a reasonable and timely manner to dissolve the Partnership, with all debts being paid first, prior to any distribution of the remaining funds. Valuation and distribution will be determined as described in the Valuation of Interest section of this Agreement.
44. The remaining Partners retain the right to seek damages from a Dissociated Partner where the dissociation resulted from a malicious or criminal act by the Dissociated Partner or where the Dissociated Partner had breached their fiduciary duty to the Partnership or was in breach of this Agreement or had acted in a way that could reasonably be foreseen to bring harm or damage to the Partnership or to the reputation of the Partnership.
45. On any purchase and sale of a Partnership interest, a Dissociated Partner will only have liability for Partnership obligations that were incurred during their time as a Partner. Immediately upon the sale of a withdrawing Partner's interest, the Partnership will prepare, file, serve, and publish all notices required by law to protect the withdrawing Partner from liability for future Partnership obligations.

**Dissolution**

46. Except as otherwise provided in this Agreement, the Partnership may be dissolved only with the unanimous consent of all Partners.

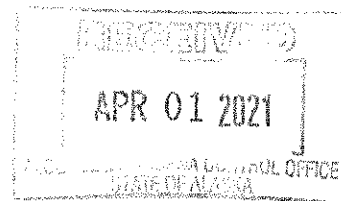


**Distribution of Property on Dissolution of Partnership**

- 47. In the event of the dissolution of the Partnership, each Partner will share equally (the "Dissolution Distribution") in any remaining assets or liabilities of the Partnership.
  
- 48. Upon Dissolution of the Partnership and liquidation of Partnership Property, and after payment of all selling costs and expenses, the liquidator will distribute the Partnership assets to the following groups according to the following order of priority:
  - a. in satisfaction of liabilities to creditors except Partnership obligations to current Partners;
  - b. in satisfaction of Partnership debt obligations to current Partners; and then
  - c. to the Partners according to the Dissolution Distribution described above.
  
- 49. The claims of each priority group will be satisfied in full before satisfying any claims of a lower priority group. Any excess of Partnership assets after liabilities or any insufficiency in Partnership assets in resolving liabilities under this section will be shared by the Partners according to the Dissolution Distribution described above.

**Valuation of Interest**

- 50. In the absence of a written agreement setting a value, the value of the Partnership will be based on the fair market value appraisal of all Partnership assets (less liabilities) determined in accordance with generally accepted accounting principles (GAAP). This appraisal will be conducted by an independent accounting firm agreed to by all Partners. An appraiser will be appointed within a reasonable period of the date of withdrawal or dissolution. The results of the appraisal will be binding on all Partners. A withdrawing Partner's interest will be based on that Partner's proportion of the Dissolution Distribution described above, less any outstanding liabilities the withdrawing Partner may have to the Partnership. The intent of this section is to ensure the survival of the Partnership despite the withdrawal of any individual Partner.
  
- 51. No allowance will be made for goodwill, trade name, patents or other intangible assets, except where those assets have been reflected on the Partnership books immediately prior to valuation.





**Goodwill**

- 52. The goodwill of the Partnership business will be assessed at an amount to be determined by appraisal using generally accepted accounting principles (GAAP).

**Title to Partnership Property**

- 53. Title to all Partnership Property will remain in the name of the Partnership. No Partner or group of Partners will have any ownership interest in such Partnership Property in whole or in part.

**Voting**

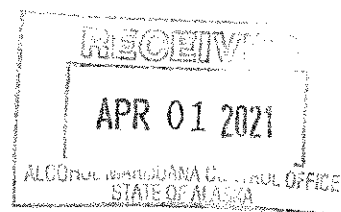
- 54. Any vote required by the Partnership will be assessed where each Partner receives one vote carrying equal weight.

**Force Majeure**

- 55. A Partner will be free of liability to the Partnership where the Partner is prevented from executing their obligations under this Agreement in whole or in part due to force majeure, such as earthquake, typhoon, flood, fire, and war or any other unforeseen and uncontrollable event where the Partner has communicated the circumstance of said event to any and all other Partners and taken any and all appropriate action to mitigate said event.

**Duty of Loyalty**

- 56. No Partner will engage in any business, venture or transaction, whether directly or indirectly, that might be competitive with the business of the Partnership or that would be in direct conflict of interest to the Partnership without the unanimous written consent of the remaining Partners. Any and all businesses, ventures or transactions with any appearance of conflict of interest must be fully disclosed to all other Partners. Failure to comply with any of the terms of this clause will be deemed an Involuntary Withdrawal of the offending Partner and may be treated accordingly by the remaining Partners.
- 57. A withdrawing Partner will not carry on a similar business to the business of the Partnership within any established or contemplated market regions of the Partnership for a period of at least two (2) years after the date of withdrawal.



**Duty of Accountability for Private Profits**

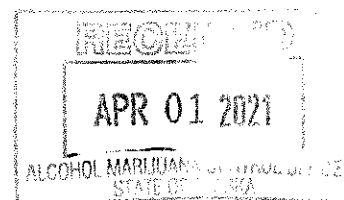
58. Each Partner must account to the Partnership for any benefit derived by that Partner without the consent of the other Partners from any transaction concerning the Partnership or any use by that Partner of the Partnership property, name or business connection. This duty continues to apply to any transactions undertaken after the Partnership has been dissolved but before the affairs of the Partnership have been completely wound up by the surviving Partner or Partners or their agent or agents.

**Duty to Devote Time**

59. Each Partner will devote such time and attention to the business of the Partnership as the majority of the Partners will from time to time reasonably determine for the conduct of the Partnership business.

**Actions Requiring Unanimous Consent of the Partners**

60. The following list of actions will require the unanimous consent of all Partners:
- a. committing the Partnership to new liabilities or obligations totaling over \$100,000.00 USD;
  - b. incurring single expenditures that exceed \$100,000.00 USD;
  - c. selling or encumbering of any Partnership asset whose fair market value exceeds \$10,000.00 USD;
  - d. hiring any employee whose total compensation package exceeds \$40,000.00 USD per annum;
  - e. firing of any employee except in the case of gross misconduct that exposes the Partnership to possible liability;
  - f. waiving or releasing any Partnership claim except for full consideration; and
  - g. endangering the ownership or possession of Partnership property.





- 61. Any losses incurred as a result of a violation of this section will be charged to and collected from the individual Partner that acted without unanimous consent and caused the loss.

**Forbidden Acts**

- 62. No Partner may do any act in contravention of this Agreement.
- 63. No Partner may permit, intentionally or unintentionally, the assignment of express, implied or apparent authority to a third party that is not a Partner in the Partnership.
- 64. No Partner may do any act that would make it impossible to carry on the ordinary business of the Partnership.
- 65. No Partner may confess a judgment against the Partnership.
- 66. No Partner will have the right or authority to bind or obligate the Partnership to any extent with regard to any matter outside the intended purpose of the Partnership.
- 67. Any violation of the above Forbidden Acts will be deemed an Involuntary Withdrawal of the offending Partner and may be treated accordingly by the remaining Partners.

**Indemnification**

- 68. All Partners will be indemnified and held harmless by the Partnership from and against any and all claims of any nature, whatsoever, arising out of a Partner's participation in Partnership affairs. A Partner will not be entitled to indemnification under this section for liability arising out of gross negligence or willful misconduct of the Partner or the breach by the Partner of any provisions of this Agreement.

**Liability**

- 69. A Partner will not be liable to the Partnership, or to any other Partner, for any mistake or error in judgment or for any act or omission done in good faith and believed to be within the scope of authority conferred or implied by this Agreement or the Partnership.



**Liability Insurance**

70. The Partnership may acquire insurance on behalf of any Partner, employee, agent or other person engaged in the business interest of the Partnership against any liability asserted against them or incurred by them while acting in good faith on behalf of the Partnership.

**Life Insurance**

71. The Partnership will have the right to acquire life insurance on the lives of any or all of the Partners, whenever it is deemed necessary by the Partnership. Each Partner will cooperate fully with the Partnership in obtaining any such policies of life insurance.

**Amendments**

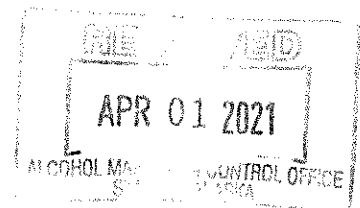
72. This Agreement may not be amended in whole or in part without the unanimous written consent of all Partners.

**Governing Law and Jurisdiction**

73. This Agreement will be construed in accordance with and exclusively governed by the laws of The State of Alaska.
74. The Partners submit to the jurisdiction of the courts of The State of Alaska for the enforcement of this Agreement or any arbitration award or decision arising from this Agreement.

**Definitions**

75. For the purpose of this Agreement, the following terms are defined as follows:
- a. "Additional Capital Contributions" means Capital Contributions, other than Initial Capital Contributions, made by Partners to the Partnership.
  - b. "Capital Contribution" means the total amount of cash or Property contributed to the Partnership by any one Partner.
  - c. "Dissociated Partner" means any Partner who is removed from the Partnership through a voluntary or involuntary withdrawal as provided in this Agreement.
  - d. "Expulsion of a Partner" can occur on application by the Partnership or another Partner, where it has been determined that the Partner:

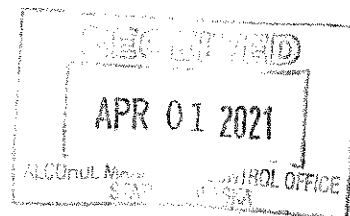




- i. has engaged in wrongful conduct that adversely and materially affected the Partnership's business;
  - ii. has willfully or persistently committed a material breach of this Agreement or of a duty owed to the Partnership or to the other Partners; or
  - iii. has engaged in conduct relating to the Partnership's business that makes it not reasonably practicable to carry on the business with the Partner.
- e. "Initial Capital Contribution" means Capital Contributions made by any Partner to acquire an interest in the Partnership.
- f. "Operation of Law" means rights or duties that are cast upon a party by the law, without any act or agreement on the part of the individual including, but not limited to, an assignment for the benefit of creditors, a divorce, or a bankruptcy.

**Miscellaneous**

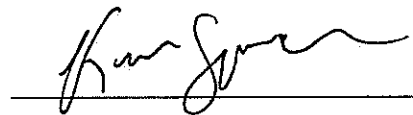
- 76. Time is of the essence in this Agreement.
- 77. This Agreement may be executed in counterpart.
- 78. Headings are inserted for the convenience of the parties only and are not to be considered when interpreting this Agreement. Words in the singular mean and include the plural and vice versa. Words in the masculine gender include the feminine gender and vice versa. Words in the neuter gender include the masculine gender and the feminine gender and vice versa.
- 79. If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, it is the parties' intent that such provision be reduced in scope by the court only to the extent deemed necessary by that court to render the provision reasonable and enforceable and the remainder of the provisions of this Agreement will in no way be affected, impaired or invalidated as a result.

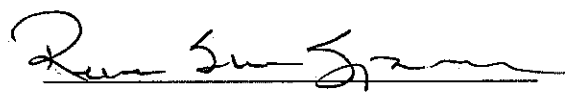


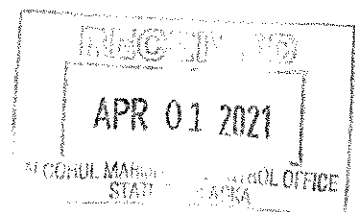
- 80. This Agreement contains the entire agreement between the parties. All negotiations and understandings have been included in this Agreement. Statements or representations which may have been made by any party to this Agreement in the negotiation stages of this Agreement may in some way be inconsistent with this final written Agreement. All such statements are declared to be of no value in this Agreement. Only the written terms of this Agreement will bind the parties.
  
- 81. This Agreement and the terms and conditions contained in this Agreement apply to and are binding upon the Partner's successors, assigns, executors, administrators, beneficiaries, and representatives.
  
- 82. Any notices or delivery required here will be deemed completed when hand-delivered, delivered by agent, or seven (7) days after being placed in the post, postage prepaid, to the parties at the addresses contained in this Agreement or as the parties may later designate in writing.
  
- 83. All of the rights, remedies and benefits provided by this Agreement will be cumulative and will not be exclusive of any other such rights, remedies and benefits allowed by law.

**IN WITNESS WHEREOF** the Partners have duly affixed their signatures under hand and seal on this 19th day of March, 2021.

  
\_\_\_\_\_  
Jesse Lee Spurgeon

  
\_\_\_\_\_  
Kaden Chace Spurgeon

  
\_\_\_\_\_  
Rebecca Sue Spurgeon





# Back Alley Vapes

## Partnership

### Partner List and ownership percentages

Jesse Lee Spurgeon

Partner/Managing director  
Ownership 33.33%

Rebecca Sue Spurgeon

Partner  
Ownership 33.33%

Kaden Chace Spurgeon

Partner  
Ownership 33.33%



# ALASKA COMMERCIAL LEASE AGREEMENT

I. **The Parties.** This Commercial Lease Agreement ("Agreement") made this October 1<sup>st</sup>, 2021 by and between:

Landlord: Jesse Spurgeon, Rebecca Spurgeon [Landlord's Name], of 50415 WRANGELL DR. [Landlord's Street Address], State of Alaska, ("Landlord")

AND

Tenant: Jesse Spurgeon, Rebecca Spurgeon, Kadca Spurgeon [Tenant's Name], of 50415 WRANGELL DR., 47118 MUSKRAT ST [Tenant's Street Address], State of Alaska, ("Tenant"). Collectively, the Landlord and Tenant shall be referred to herein as the "Parties".

The Parties agree as follows:

II. **DESCRIPTION OF LEASED PREMISES.** The Landlord agrees to lease to the Tenant the following described ≈420 square feet (SF) of Retail [Type of Space] located at 51698 Suite D, Kenai Spw Hwy [Property Street Address], State of Alaska.

Additional Description: \_\_\_\_\_

Hereinafter known as the "Premises".

III. **USE OF LEASED PREMISES.** The Landlord is leasing the Premises to the Tenant and the Tenant is hereby agreeing to lease the Premises for the following use and purpose: Marijuana Retail

Any change in use or purpose the Premises other than as described above shall be upon prior written consent of Landlord only.

IV. **TERM OF LEASE.** The term of this Lease shall be for a period of 1 year(s) \_\_\_\_\_ month(s) commencing on the 1<sup>st</sup> day of October, 2021 and expiring at Midnight on the 30 day of September, 2022. ("Initial Term")

V. **BASE RENT.** The net monthly payment shall be Five Hundred dollars (\$ 500), payable monthly with the first payment due upon the commencement of the Lease and each monthly installment payable thereafter on the 1<sup>st</sup> day of each month ("Base Rent"). Rent payment for any period during the term hereon, which is for less than 1 month shall be a pro-rata portion of the monthly rent.

VI. **OPTION TO RENEW:** (check one)

- Tenant may not renew the Lease.

- Tenant may have the right to renew the Lease with a total of 1 renewal period(s) with each term being 1 year(s) 0 month(s) which may be exercised by giving



written notice to Landlord no less than 60 days prior to the expiration of the Lease or renewal period.

Rent for each option period shall: (check one)

- Not increase.

- Increase as calculated by multiplying the Base Rent by the annual change in the Consumer Price Index (CPI) published by the Bureau of Labor Statistics by the most recent publication to the option period start date.

- Increase by \_\_\_\_%

- Increase by \_\_\_\_\_ dollars (\$\_\_\_\_\_)

**VII. EXPENSES.** [Check and Initial whether this Lease is Gross, Modified Gross, or Triple Net (NNN)]

- **GROSS.** Tenant's Initials \_\_\_\_\_ Landlord's Initials \_\_\_\_\_

It is the intention of the Parties that this Lease be considered a "Gross Lease" and as such, the Base Rent is the entirety of the monthly rent. Therefore, the Tenant is not obligated to pay any additional expenses which includes utilities, real estate taxes, insurance (other than on the Tenant's personal property), charges or expenses of any nature whatsoever in connection with the ownership and operation of the Premises. The Landlord shall be obligated to maintain the general exterior structure of the Premises, in addition, shall maintain all major systems such as the heating, plumbing, and electrical. The parking area shall be maintained by the Landlord including the removal of any snow or environmental hazards as well as the grounds and lands surrounding the Premises. The Landlord shall maintain at their expense casualty insurance for the Premises against loss by fire which may or may not include any extended coverage.

- **MODIFIED GROSS.** Tenant's Initials \_\_\_\_\_ Landlord's Initials \_\_\_\_\_

It is the intention of the Parties that this Lease shall be considered a "Modified Gross Lease".

In addition to the Base Rent, the Tenant shall be obligated to pay the following monthly expenses: \_\_\_\_\_

\_\_\_\_\_

Landlord shall pay the following monthly expenses: \_\_\_\_\_

\_\_\_\_\_

- **TRIPLE NET (NNN)**. Tenant's Initials \_\_\_\_\_ Landlord's Initials \_\_\_\_\_

It is the intention of the Parties that this Lease shall be considered a "Triple Net Lease".

- I. **Operating Expenses.** The Landlord shall have no obligation to provide any services, perform any acts, or pay expenses, charges, obligations or costs of any kind whatsoever with respect to the Premises. The Tenant hereby agrees to pay one-hundred percent (100%) of any and all Operating Expenses as hereafter defined for the entire term of the Lease and any extensions thereof in accordance with specific provisions hereinafter set forth. The term "Operating Expenses" shall include all costs to the Landlord of operating and maintaining the Premises, and shall include, without limitation, real estate and personal property taxes and assessments, management fee(s), heating, air conditioning, HVAC, electricity, water, waste disposal, sewage, operating materials and supplies, service agreements and charges, lawn care, snow removal, restriping, repairs, repaving, cleaning and custodial, security, insurance, the cost of contesting the validity or applicability of any governmental acts which may affect operating expenses, and all other direct operating costs of operating and maintaining the Premises and related parking areas, unless expressly excluded from operating expenses.
- II. **Taxes.** Tenant shall pay, during the term of this Lease, the real estate taxes including any special taxes or assessments (collectively, the "taxes") attributable to the Premises and accruing during such term. Tenant, at Landlord's option, shall pay to Landlord said taxes on a monthly basis, based on one-twelfth (1/12) of the estimated annual amount for taxes. Taxes for any fractional calendar year during the term hereof shall be prorated. In the event the Tenant does not make any tax payment required hereunder, Tenant shall be in default of this Lease.
- III. **Insurance.** Tenant shall maintain, at all times during the Term of this Lease, comprehensive general liability insurance in an insurance company licensed to do business in the State in which the Premises is located and that is satisfactory to Landlord, properly protecting and indemnifying Landlord with single limit coverage of not less than \_\_\_\_\_ dollars (\$ \_\_\_\_\_) for injury to or \_\_\_\_\_ dollars (\$ \_\_\_\_\_) death of persons and \_\_\_\_\_ dollars (\$ \_\_\_\_\_) for property damage. During the Term of this Lease, Tenant shall furnish the Landlord with certificate(s) of insurance, in a form acceptable to Landlord, covering such insurance so maintained by Tenant and naming Landlord and Landlord's mortgagees, if any, as additional insured.

**VIII. SECURITY DEPOSIT.** In addition to the above, a deposit in the amount of 500 dollars (\$ Five Hundred ), shall be due and payable in advance or at the signing of this Lease, hereinafter referred to as the "Security Deposit", and shall be held in escrow by the Landlord in a separate, interest-bearing savings account as security for the faithful performance of the terms and conditions of the Lease. The Security Deposit may not be used to pay the last month's rent unless written permission is granted by the Landlord.

**IX. LEASEHOLD IMPROVEMENTS.** The Tenant agrees that no leasehold improvements, alterations or changes of any nature, (except for those listed on any



attached addenda) shall be made to the leasehold premises or the exterior of the building without first obtaining the consent of the Landlord in writing, which consent shall not be unreasonably withheld, and thereafter, any and all leasehold improvements made to the Premises which become affixed or attached to the leasehold Premises shall remain the property of the Landlord at the expiration or termination of this Lease Agreement. Furthermore, any leasehold improvements shall be made only in accordance with applicable federal, state or local codes, ordinances or regulations, having due regard for the type of construction of the building housing the subject leasehold Premises. If the Tenant makes any improvements to the Premises the Tenant shall be responsible payment, except the following \_\_\_\_\_

Nothing in the Lease shall be construed to authorize the Tenant or any other person acting for the Tenant to encumber the rents of the Premises or the interest of the Tenant in the Premises or any person under and through whom the Tenant has acquired its interest in the Premises with a mechanic's lien or any other type of encumbrance. Under no circumstance shall the Tenant be construed to be the agent, employee or representative of Landlord. In the event a lien is placed against the Premises, through actions of the Tenant, Tenant will promptly pay the same or bond against the same and take steps immediately to have such lien removed. If the Tenant fails to have the Lien removed, the Landlord shall take steps to remove the lien and the Tenant shall pay Landlord for all expenses related to the Lien and removal thereof and shall be in default of this Lease.

**X. LICENSES AND PERMITS.** A copy of any and all local, state or federal permits acquired by the Tenant which are required for the use of the Premises shall be kept on site at all times and shall be readily accessible and produced to the Landlord and/or their agents or any local, state, or federal officials upon demand.

**XI. OBLIGATIONS OF TENANT.** The Tenant shall be primarily responsible whenever needed for the maintenance and general pickup of the entranceway leading into the Premises, so that this is kept in a neat, safe and presentable condition. The Tenant shall also be responsible for all minor repairs and maintenance of the leasehold Premises, particularly those items which need immediate attention and which the Tenants, or their employees, can do and perform on their own, including but not limited to, the replacement of light bulbs, as well as the normal repair and cleaning of windows, cleaning and clearing of toilets, etc., and the Tenant shall properly maintain the Premises in a good, safe, and clean condition. The Tenant shall properly and promptly remove all rubbish and hazardous wastes and see that the same are properly disposed of according to all local, state or federal laws, rules regulations or ordinances.

In the event the structure of the Premises is damaged as a result of any neglect or negligence of Tenant, their employees, agents, business invitees, or any independent contractors serving the Tenant or in any way as a result of Tenant's use and occupancy of the Premises, then the Tenant shall be primarily responsible for seeing that the proper claims are placed with the Tenant's insurance company, or the damaging party's insurance company, and shall furthermore be responsible for seeing that the building is safeguarded with respect to said damage and that all proper notices with respect to said damage, are made in a timely fashion, including notice to the Landlord, and the party or parties causing said damage. Any damage that is not covered by an insurance company will be the liability of the Tenant.



The Tenant shall, during the term of this Lease, and in the renewal thereof, at its sole expense, keep the interior of the Premises in as good a condition and repair as it is at the date of this Lease, reasonable wear and use excepted. This obligation would include the obligation to replace any plate glass damaged as a result of the neglect or acts of Tenant or her guests or invitees. Furthermore, the Tenant shall not knowingly commit nor permit to be committed any act or thing contrary to the rules and regulations prescribed from time to time by any federal, state or local authorities and shall expressly not be allowed to keep or maintain any hazardous waste materials or contaminants on the Premises. Tenant shall also be responsible for the cost, if any, which would be incurred to bring her contemplated operation and business activity into compliance with any law or regulation of a federal, state or local authority.

**XII. INSURANCE.** In the event the Tenant shall fail to obtain insurance required hereunder and fails to maintain the same in force continuously during the term, Landlord may, but shall not be required to, obtain the same and charge the Tenant for same as additional rent. Furthermore, Tenant agrees not to keep upon the Premises any articles or goods which may be prohibited by the standard form of fire insurance policy, and in the event the insurance rates applicable to fire and extended coverage covering the Premises shall be increased by reason of any use of the Premises made by Tenant, then Tenant shall pay to Landlord, upon demand, such increase in insurance premium as shall be caused by said use or Tenant's proportionate share of any such increase.

**XIII. SUBLET/ASSIGNMENT.** The Tenant may not transfer or assign this Lease, or any right or interest hereunder or sublet said leased Premises or any part thereof without first obtaining the prior written consent and approval of the Landlord.

**XIV. DAMAGE TO LEASED PREMISES.** In the event the building housing the Premises shall be destroyed or damaged as a result of any fire or other casualty which is not the result of the intentional acts or neglect of Tenant and which precludes or adversely affects the Tenant's occupancy of the Premises, then in every such cause, the rent herein set forth shall be abated or adjusted according to the extent to which the leased Premises have been rendered unfit for use and occupation by the Tenant and until the demised Premises have been put in a condition at the expense of the Landlord, at least to the extent of the value and as nearly as possible to the condition of the Premises existing immediately prior to such damage. It is understood, however, in the event of total or substantial destruction to the Premises that in no event shall the Landlord's obligation to restore, replace or rebuild exceed an amount equal to the sum of the insurance proceeds available for reconstruction with respect to said damage.

**XV. DEFAULT AND POSSESSION:** In the event that the Tenant shall fail to pay said rent, and expenses as set forth herein, or any part thereof, when the same are due and payable, or shall otherwise be in default of any other terms of said Lease for a period of more than 15 days, after receiving notice of said default, then the parties hereto expressly agree and covenant that the Landlord may declare the Lease terminated.

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If the premises contains marijuana or marijuana product, the landlord/lessor cannot take possession, enter the property or remove any contents contained therein until AMCO has been contacted regarding the default and arrangements have been made to remove marijuana product. After such arrangements have been made, landlord/lessor may immediately re enter property and take possession.



Rent which is in default for more than 5 days after due date shall accrue a payment penalty of one of the following:

(check one)

- Interest at a rate of \_\_\_\_\_ percent (\_\_\_\_%) per annum on a daily basis until the amount is paid in full.

- Late fee of twenty five dollars (\$ 25) per day until the amount is paid in full.

In this regard, all delinquent rental payments made shall be applied first toward interest due and the remaining toward delinquent rental payments.

**XVI. INDEMNIFICATION.** The Tenant hereby covenants and agrees to indemnify, defend and hold the Landlord harmless from any and all claims or liabilities which may arise from any cause whatsoever as a result of Tenant's use and occupancy of the Premises, and further shall indemnify the Landlord for any losses which the Landlord may suffer in connection with the Tenant's use and occupancy or care, custody and control of the Premises. The Tenant also hereby covenants and agrees to indemnify and hold harmless the Landlord from any and all claims or liabilities which may arise from any latent defects in the subject Premises that the Landlord is not aware of at the signing of the lease or at any time during the lease term.

**XVII. BANKRUPTCY - INSOLVENCY.** The Tenant agrees that in the event all or a substantial portion of the Tenant's assets are placed in the hands of a receiver or a Trustee, and such status continues for a period of 30 days, or should the Tenant make an assignment for the benefit of creditors or be adjudicated bankrupt; or should the Tenant institute any proceedings under the bankruptcy act or any amendment thereto, then such Lease or interest in and to the leased Premises shall not become an asset in any such proceedings and, in such event, and in addition to any and all other remedies of the Landlord hereunder or by law provided, it shall be lawful for the Landlord to declare the term hereof ended and to re-enter the leased land and take possession thereof and all improvements thereon and to remove all persons therefrom and the Tenant shall have no further claim thereon.

**XVIII. SUBORDINATION AND ATTORNMENT.** Upon request of the Landlord, Tenant will subordinate its rights hereunder to the lien of any mortgage now or hereafter in force against the property or any portion thereof, and to all advances made or hereafter to be made upon the security thereof, and to any ground or underlying lease of the property provided, however, that in such case the holder of such mortgage, or the Landlord under such Lease shall agree that this Lease shall not be divested or in any way affected by foreclosure, or other default proceedings under said mortgage, obligation secured thereby, or Lease, so long as the Tenant shall not be in default under the terms of this Lease. Tenant agrees that this Lease shall remain in full force and effect notwithstanding any such default proceedings under said mortgage or obligation secured thereby.

Tenant shall, in the event of the sale or assignment of Landlord's interest in the building of which the Premises form a part, or in the event of any proceedings brought for the foreclosure of, or in the event of exercise of the power of sale under any mortgage made by Landlord covering the Premises, attorn to the purchaser and recognize such purchaser as Landlord under this Lease.

**XIX. MISCELLANEOUS TERMS.**

- I. Usage by Tenant: Tenant shall comply with all rules, regulations and laws of any governmental authority with respect to use and occupancy. Tenant shall not conduct or permit to be conducted upon the Premises any business or permit any act which is contrary to or in violation of any law, rules or regulations and requirements that may be imposed by any authority or any insurance company with which the Premises is insured, nor will the Tenant allow the Premises to be used in any way which will invalidate or be in conflict with any insurance policies applicable to the building. In no event shall explosives or extra hazardous materials be taken onto or retained on the Premises. Furthermore, Tenant shall not install or use any equipment that will cause undue interference with the peaceable and quiet enjoyment of the Premises by other tenants of the building.
- II. Signs: Tenant shall not place on any exterior door, wall or window of the Premises any sign or advertising matter without Landlord's prior written consent and the approval of the Kenai Peninsula Borough [Municipality]. Thereafter, Tenant agrees to maintain such sign or advertising matter as first approved by Landlord in good condition and repair. Furthermore, Tenant shall conform to any uniform reasonable sign plan or policy that the Landlord may introduce with respect to the building. Upon vacating the Premises, Tenant agrees to remove all signs and to repair all damages caused or resulting from such removal.
- III. Pets: Unless otherwise stated in this Lease Agreement, the only pets that shall be allowed on the Premises are those needed legally due to a disability or handicap.
- IV. Condition of Premises/Inspection by Tenant: The Tenant has had the opportunity to inspect the Premises and acknowledges with its signature on this lease that the Premises are in good condition and comply in all respects with the requirements of this Lease. Furthermore, the Landlord makes no representation or warranty with respect to the condition of the Premises or its fitness or availability for any particular use, and the Landlord shall not be liable for any latent or patent defect therein. Furthermore, the Tenant represents that Tenant has inspected the



Premises and is leasing and will take possession of the Premises with all current fixtures present in their "as is" condition as of the date hereof.

- V. **Right of Entry:** It is agreed and understood that the Landlord and its agents shall have the complete and unencumbered right of entry to the Premises at any time or times for purposes of inspecting or showing the Premises and for the purpose of making any necessary repairs to the building or equipment as may be required of the Landlord under the terms of this Lease or as may be deemed necessary with respect to the inspection, maintenance or repair of the building.

**XX. ESTOPPEL CERTIFICATE.** Tenant at any time and from time to time, upon at least ten (10) days prior notice by Landlord, shall execute, acknowledge and deliver to Landlord, and/or to any other person, firm or corporation specified by Landlord, a statement certifying that the Lease is unmodified and in full force and effect, or if the Lease has been modified, then that the same is in full force and effect except as modified and stating the modifications, stating the dates to which the fixed rent and additional rent have been paid, and stating whether or not there exists any default by Landlord under this Lease and, if so, specifying each such default.

**XXI. HOLDOVER.** Should Tenant remain in possession of the Premises after the cancellation, expiration or sooner termination of the Lease, or any renewal thereof, without the execution of a new Lease or addendum, such holding over in the absence of a written agreement to the contrary shall be deemed, if Landlord so elects, to have created and be construed to be a tenancy from month to month, terminable upon thirty (30) days' notice by either party.

**XXII. WAIVER.** Waiver by Landlord of a default under this Lease shall not constitute a waiver of a subsequent default of any nature.

**XXIII. GOVERNING LAW.** This Lease shall be governed by the laws of the State of Alaska.

**XXIV. NOTICES.** Payments and notices shall be addressed to the following:

Landlord  
Jesse & Rebecca Spurgeon  
50415 WRANGELL DR  
Kenai, Ak. 99611

Tenant  
Jesse Spurgeon Rebecca Spurgeon Kaden Spurgeon  
50415 WRANGELL DR 47118 MUSKIE ST  
Kenai, Ak. 99611 Nikiski, Ak. 99635

**XXV. AMENDMENT.** No amendment of this Lease shall be effective unless reduced to writing and subscribed by the parties with all the formality of the original.

**XXVI. BINDING EFFECT.** This Lease and any amendments thereto shall be binding upon the Landlord and the Tenants and/or their respective successors, heirs, assigns, executors and administrators.

IN WITNESS WHEREOF, the parties hereto set their hands and seal this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Landlord's Signature

Printed Name

Jesse Spurgeon

Jesse Spurgeon Rebecca Spurgeon

Tenant's Signature

Printed Name

Jesse Spurgeon

Jesse Spurgeon Rebecca Spurgeon

Tenant's Signature

Printed Name

Kaden Spurgeon

KADEN SPURGEON

**ACKNOWLEDGMENT OF NOTARY PUBLIC**

STATE OF ALASKA  
COUNTY OF KENAI PENINSULA BOROUGH

On this 30 day of SEPTEMBER, 2021, before me appeared JESSE SPURGEON, as **LANDLORD** of this Commercial Lease Agreement who proved to me through government issued photo identification to be the above-named person, in my presence executed foregoing instrument and acknowledged that they executed the same as their free act and deed.

NOTARY PUBLIC  
RHONDA WHITE  
STATE OF ALASKA  
MY COMMISSION EXPIRES 2/11/24

Rhonda White  
Notary Public

My Commission Expires: 2/11/24

**ACKNOWLEDGMENT OF NOTARY PUBLIC**

STATE OF ALASKA  
COUNTY OF KENAI PENINSULA BOROUGH

On this 30 day of SEPTEMBER, 2021, before me appeared KADEN SPURGEON as **TENANT(S)** of this Commercial Lease Agreement who proved to me through government issued photo identification to be the above-named person, in my presence executed foregoing instrument and acknowledged that they executed the same as their free act and deed.

NOTARY PUBLIC  
RHONDA WHITE  
STATE OF ALASKA  
MY COMMISSION EXPIRES 2/11/24

Rhonda White  
Notary Public

My Commission Expires: 2/11/24





## Office of the Borough Clerk

144 North Binkley Street, Soldotna, Alaska 99669 • (907) 714-2160 • (907) 714-2388 Fax

Johni Blankenship, MMC  
Borough Clerk

### **MARIJUANA LICENSE LOCAL REVIEW STANDARDS ACKNOWLEDGEMENT FORM**

Please review the statements below and acknowledge your understanding of the conditions and intent to comply by your signature below.

There shall be no parking in borough rights-of-way generated by the marijuana establishment.

If I have a retail marijuana license, I will not conduct any business on, or allow any consumer to access, the premises, between the hours of 2:00 a.m. and 8:00 a.m. each day.

I must stay current in obligations owed to the Kenai Peninsula Borough or my license may be subject to a protest by the KPB Assembly.

It is my responsibility to abide by all federal, state, and local laws applicable to my marijuana establishment.

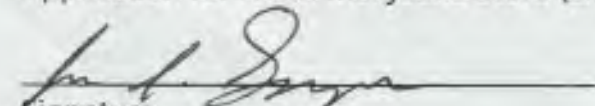
I understand Kenai Peninsula Borough staff will enter my property for purposes of evaluating ongoing compliance with KPB 7.30 and any conditions placed on the license by the State of Alaska Marijuana Control Board.

I have received, read and understand the additional review standards and conditions set out in KPB 7.30.

Back Alley Vapes

51698 Kenai Spur Highway, Nikiski, AK 99635; T 7N R 12W SEC 1 SEWARD MERIDIAN  
KN 0001400 NIKISHKA SUB NO 2 LOT 4 BLK 2

Application for Retail Marijuana Store (License Number: 28917)

  
Signature

3-15-2021  
Date

Please return completed form along with site development plan to the KPB Clerk's

Jesse L. Spurgeon



■ - LICENSED PREMISES

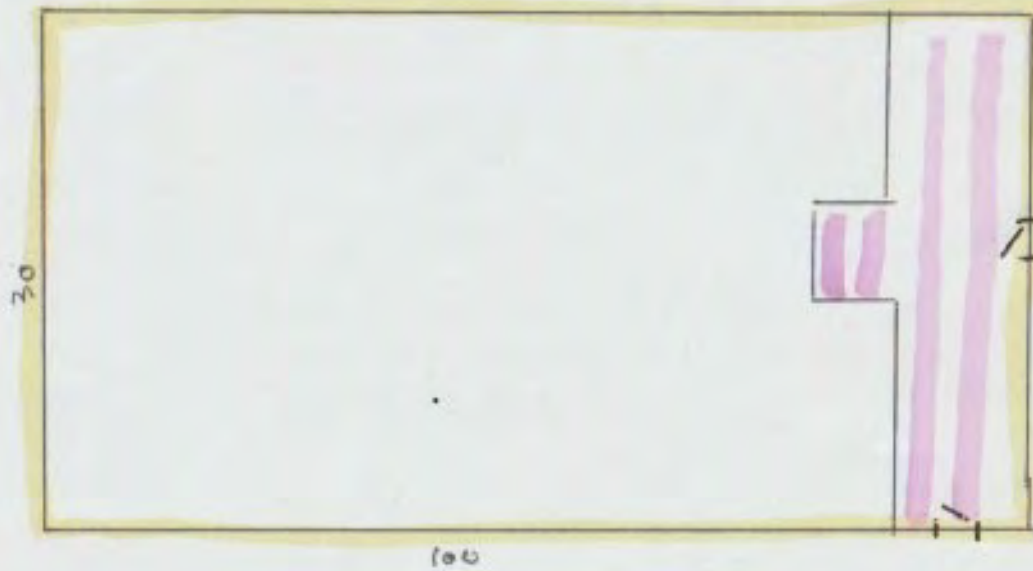
■ - PARKING / DELIVERY / LOADING ↑

■ - ENTRANCES



# Jesse I. Spurgeon

50' ACCESS  
OFF KSH



- - ACCESS FROM KENAI SPUR HWY
- NO ADDITIONAL BUILDINGS ON LOCATION
- - STRUCTURE
- - LOT LINE
- - PROPOSED PREMISES

N



Applicant: Back Alley Vapes

KPB Parcel ID: 01209004

Aerial Imagery Map



- Parcel Boundary
- All Other Parcels

Vicinity



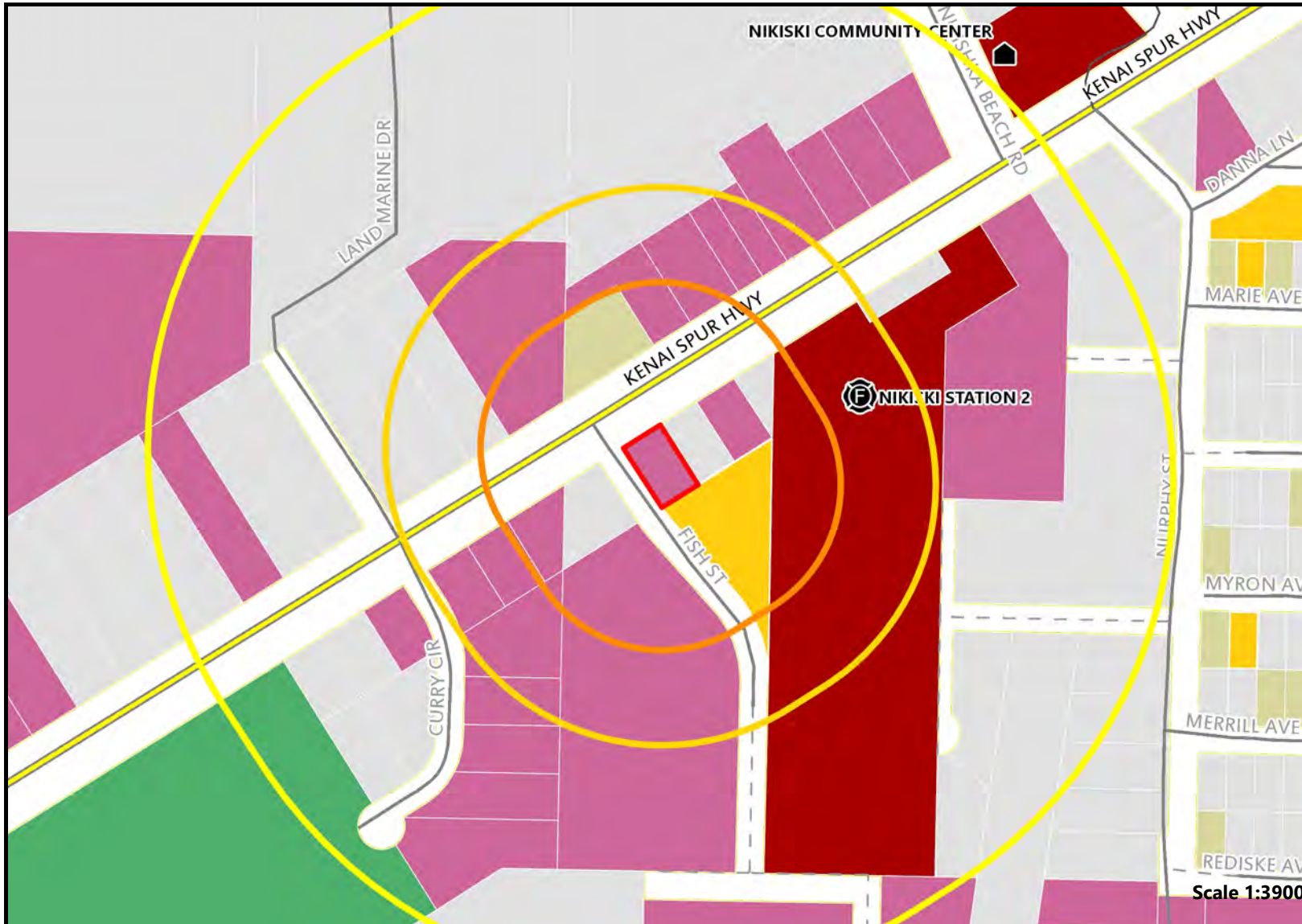




Applicant: Back Alley Vapes

KPB Parcel ID: 01209004

Adjacent Land Use Map



AMCO # 28917

- 1000ft Radius
- 500ft Radius
- 300ft Notification Area
- Parcel Boundary

Land Usage in 1000ft radius

- Accessory Building  
1 parcels
- Commercial  
26 parcels
- Industrial  
1 parcels
- Institutional  
2 parcels
- Residential  
1 parcels
- Vacant  
30 parcels

Vicinity



Radii shown depict the distance from the parcel boundaries. KPB 7.30 states that the distance must be measured by the shortest pedestrian route. If there were relevant facilities within the 500-foot or 1,000-foot radius, the shortest pedestrian path would be measured and depicted here.