

Kenai Peninsula Borough

*144 North Binkley Street
Soldotna, AK 99669*



Meeting Agenda

Tuesday, May 21, 2019

6:00 PM

Betty J. Glick Assembly Chambers

Assembly

Wayne Ogle, President

Dale Bagley, Vice President

Norm Blakeley

Kenn Carpenter

Kelly Cooper

Willy Dunne

Paul Fischer

Brent Hibbert

Hal Smalley



Assembly Meeting Schedule

MONDAY, MAY 20, 2019

10:00 AM Budget Work Session #3

TUESDAY, MAY 21, 2019

10:00 AM Budget Work Session #4

3:00 PM Finance Committee

4:00 PM Lands Committee

4:15 PM Policies and Procedures Committee

4:30 PM Legislative Committee

6:00 PM Regular Assembly Meeting

Above listed meetings will be held in:

Betty J. Glick Assembly Chambers
George A. Navarre Kenai Peninsula Borough Administration Building
144 North Binkley Street, Soldotna, Alaska



Budget Work Session #3

May 20, 2019

10:00 AM

Betty J. Glick Assembly Chambers
George A. Navarre Kenai Peninsula
Borough Administration Building

AGENDA

10:00 AM Finance

10:20 AM Human Resources

10:40 AM Risk Management

10:55 AM Purchasing and Contracting

11:10 AM Assessing

11:25 AM Office of Emergency Management

11:45 AM Legal

BREAK

1:00 PM Road Service Area

**1:20 PM Resource Planning, Geographic Information System and
River Center**

1:35 PM Central Emergency Service Area

1:15 PM Maintenance

2:10 PM North Peninsula Recreation Service Area

2:25 PM Seldovia Recreational Service Area

2:40 PM South Peninsula Hospital Service Area

2:55 PM Central Peninsula Hospital Service Area

3:15 PM Citizens Engagement Project



Budget Work Session #4

May 21, 2019

10:00 AM

Betty J. Glick Assembly Chambers
George A. Navarre Kenai Peninsula
Borough Administration Building

AGENDA

10:00 AM Mayor

10:15 AM Assembly, Clerks, Elections, Records

10:30 AM Land Management

10:45 AM Solid Waste

11:00 AM 911 Communications

11:15 AM Nikiski Senior Service Area

11:30 AM Nikiski Fire Service Area

BREAK

1:00 PM Anchor Point Service Area

1:15 PM Information Technology

1:30 PM Kachemak Emergency Service Area



Finance Committee

May 21, 2019

3:00 PM

Betty J. Glick Assembly Chambers
George A. Navarre Kenai Peninsula
Borough Administration Building

Kelly Cooper, Chair

Paul Fischer, Vice Chair

Willy Dunne

AGENDA

M. PUBLIC HEARINGS ON ORDINANCES

1. Ordinance 2018-19-35: Appropriating Funds to the Legal Department for Costs Associated with Hiring Outside Counsel to Represent the Kenai Peninsula Borough in the Tariff Revision Designated as TA310-4 Filed by Enstar Natural Gas Company with the Regulatory Commission of Alaska, Matter Number U-19-04 (Cooper, Dunne) 34
2. Ordinance 2018-19-36: Appropriating Commercial Passenger Vessel Tax Proceeds Received from the State of Alaska in the Amount of \$558,070 and Allocating \$522,255 to the City of Seward and \$35,815 to the City of Homer (Mayor) 38
3. Ordinance 2018-19-37: Approving a Sole Source and Appropriating Funds for the Purchase of a Tanker/Pumper from the Kachemak Emergency Service Area Capital Project Fund (Mayor) 44
4. Ordinance 2019-19: Appropriating Funds for Fiscal Year 2020 (Mayor) (Additional Hearing on 06/04/19) 48

O. NEW BUSINESS

1. Resolutions
 - *a. Resolution 2019-032: Establishing the Land Trust Investment Fund (LTIF) Financial Asset Allocation Plan, Approving Authorized Investments, and Establishing Appropriate Benchmarks to Measure Performance of the Borough's LTIF Funds for Fiscal Year 2020 (Mayor) 75

3. Other

- *a. Approving the Issuance of a Letter of Non-Objection to the Marijuana Control Board Regarding the New Retail Marijuana Store, License No. 18929 Filed by Seeds and Stems, LLC. Subject to the Standard Conditions 101

[Clerk's Note: Standard Conditions for Commercial Marijuana Facilities are as follows:

- 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 the 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 KPB 7.30.020 (A).]*
- 4. The marijuana establishment shall 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.]*

*Consent Agenda Items



Lands Committee

May 21, 2019

4:00 PM

Betty J. Glick Assembly Chambers
George A. Navarre Kenai Peninsula
Borough Administration Building

Kenn Carpenter, Chair

Norm Blakeley, Vice Chair

Brent Hibbert

AGENDA

M. PUBLIC HEARINGS ON ORDINANCES

- 5. Ordinance 2019-10: Authorizing the Negotiated Lease of Office Space at the Nikiski Community Recreation Center with Tesoro Alaska Company LLC (Mayor) 53

O. NEW BUSINESS

- 1. Resolutions
 - *b. Resolution 2019-033: Authorizing the Kenai Peninsula Borough, on Behalf of the South Kenai Peninsula Hospital Service Area, to Amend the Homer Women’s Clinic Lease Agreement for Property Located at 4117 Bartlett Street to Extend the Term of the Lease (Mayor) 79
 - *c. Resolution 2019-034: Authorizing the Kenai Peninsula Borough, on Behalf of the South Kenai Peninsula Hospital Service Area, to Amend the Homer Office Space Lease Agreement for Property Located at 203 W. Pioneer Avenue to Extend the Terms of the Lease (Mayor) 87

*Consent Agenda Items



Policies and Procedures Committee

May 21, 2018

4:15 PM

Betty J. Glick Assembly Chambers
George A. Navarre Kenai Peninsula
Borough Administration Building

Hal Smalley, Chair

Brent Hibbert, Vice Chair

Kenn Carpenter

AGENDA

K. MAYOR'S REPORT 10

1. Assembly Requests/Responses – None.

2. Agreements and Contracts

 a. Authorization to Award a Contract for ITB 19-020
 Application of Crack Sealant 2019 to Anchorage
 Striping, LLC. 11

3. Other

 a. Capital Projects Reports – March 31, 2019 13

 b. Revenue – Expenditure Report – April 2019 28

 c. Budget Revisions – April 2019 31

M. PUBLIC HEARINGS ON ORDINANCES

6. Ordinance 2019-08: Amending KPB 22.40.080 to Have the
Mayor's Report Heard Later on the Agenda (Bagley, Cooper) 63

O. NEW BUSINESS

1. Resolutions

 *d. Resolution 2019-035: Authorizing the Assessor to Accept
 One Late-Filed Disabled Veteran Exemption
 Application Filed After March 31 (Mayor) 95

*Consent Agenda Items



Legislative Committee

May 21 2019

4:30 PM

Seward High School Auditorium
Seward, Alaska

Willy Dunne, Chair

Paul Fischer, Vice Chair

Norm Blakeley

AGENDA

N. UNFINISHED BUSINESS

1. Postponed Item

- a. Resolution 2019-031: Supporting Moose Pass School (Carpenter) 66

*Consent Agenda Items



Assembly Agenda

May 21, 2019 - 6:00 PM

Regular Meeting

Betty J. Glick Assembly Chambers
George A. Navarre Kenai Peninsula
Borough Administration Building

Wayne Ogle
Assembly President
Seat 3 - Nikiski
Term Expires 2019

Dale Bagley
Assembly Vice
President
Seat 4 - Soldotna
Term Expires 2019

Norm Blakeley
Seat 5-Sterling/Funny
River
Term Expires 2020

Kenn Carpenter
Assembly Member
Seat 6 – East Peninsula
Term Expires 2021

Kelly Cooper
Assembly Member
Seat 8 – Homer
Term Expires 2020

Willy Dunne
Assembly Member
Seat 9 - South
Peninsula
Term Expires 2021

Paul Fischer
Assembly Member
Seat 7 – Central
Term Expires 2019

Brent Hibbert
Assembly Member
Seat 1 – Kalifornsky
Term Expires 2021

Harold "Hal" Smalley
Assembly Member
Seat 2 - Kenai
Term Expires 2020

A. CALL TO ORDER

B. PLEDGE OF ALLEGIANCE

C. INVOCATION

Any invocation that may be offered at the beginning of the assembly meeting shall be a voluntary offering of a private person, to and for the benefit of the assembly. No member of the community is required to attend or participate in the invocation.

[Clerk's Note: The invocation will be offered by Jessica Moore.]

D. ROLL CALL

E. COMMITTEE REPORTS

F. APPROVAL OF AGENDA AND CONSENT AGENDA

(All items listed with an asterisk (*) are considered to be routine and non-controversial by the Assembly and will be approved by one motion. Public testimony will be taken. There will be no separate discussion of these items unless an Assembly Member so requests, in which case the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.)

G. APPROVAL OF MINUTES

- *1. May 7, 2019 Regular Assembly Meeting Minutes..... 1

H. COMMENDING RESOLUTIONS AND PROCLAMATIONS

- 1. Mayor's Proclamation Declaring May 21st, 2019 as "National Stop the Bleed Day" 9

I.	PRESENTATIONS WITH PRIOR NOTICE (20 Minutes total)	
1.	State Fiscal Update, Mike Navarre (10 Minutes)	
2.	Economic Impacts and Risks of the Proposed Pebble Mine, Drew Hamilton, President of Friends of McNeil River (10 Minutes)	
J.	PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA (3 minutes per speaker; 20 Minutes aggregate)	
K.	MAYOR'S REPORT	10
1.	Assembly Requests/Responses – None.	
2.	Agreements and Contracts	
a.	Authorization to Award a Contract for ITB 19-020 Application of Crack Sealant 2019 to Anchorage Striping, LLC.	11
3.	Other	
a.	Capital Projects Reports – March 31, 2019	13
b.	Revenue – Expenditure Report – April 2019	28
c.	Budget Revisions – April 2019	31
L.	ITEMS NOT COMPLETED FROM PRIOR AGENDA	
M.	PUBLIC HEARINGS ON ORDINANCES (Testimony limited to 3 minutes per speaker)	
1.	<u>Ordinance 2018-19-35</u> : Appropriating Funds to the Legal Department for Costs Associated with Hiring Outside Counsel to Represent the Kenai Peninsula Borough in the Tariff Revision Designated as TA310-4 Filed by Enstar Natural Gas Company with the Regulatory Commission of Alaska, Matter Number U-19-04 (Cooper, Dunne) (Referred to Finance Committee)	34

- 2. Ordinance 2018-19-36: Appropriating Commercial Passenger Vessel Tax Proceeds Received from the State of Alaska in the Amount of \$558,070 and Allocating \$522,255 to the City of Seward and \$35,815 to the City of Homer (Mayor) (Referred to Finance Committee) 38
- 3. Ordinance 2018-19-37: Approving a Sole Source and Appropriating Funds for the Purchase of a Tanker/Pumper from the Kachemak Emergency Service Area Capital Project Fund (Mayor) (Referred to Finance Committee) 44
- 4. Ordinance 2019-19: Appropriating Funds for Fiscal Year 2020 (Mayor) (Additional Hearing on 06/04/19) (Referred to Finance Committee) 48

[Clerk's Note: A teleconference site will be established at the borough office in Homer to take public testimony on the above referenced Ordinance.]

- 5. Ordinance 2019-10: Authorizing the Negotiated Lease of Office Space at the Nikiski Community Recreation Center with Tesoro Alaska Company LLC (Mayor) (Referred to Lands Committee) 53
- 6. Ordinance 2019-08: Amending KPB 22.40.080 to Have the Mayor's Report Heard Later on the Agenda (Bagley, Cooper) (Referred to Policies and Procedures Committee) 63

N. UNFINISHED BUSINESS

- 1. Postponed Item
 - a. Resolution 2019-031: Supporting Moose Pass School (Carpenter) (Referred to Legislative Committee)..... 66

O. NEW BUSINESS

- 1. Resolutions

- *a. Resolution 2019-032: Establishing the Land Trust Investment Fund (LTIF) Financial Asset Allocation Plan, Approving Authorized Investments, and Establishing Appropriate Benchmarks to Measure Performance of the Borough's LTIF Funds for Fiscal Year 2020 (Mayor) (Referred to Finance Committee)75
- *b. Resolution 2019-033: Authorizing the Kenai Peninsula Borough, on Behalf of the South Kenai Peninsula Hospital Service Area, to Amend the Homer Women's Clinic Lease Agreement for Property Located at 4117 Bartlett Street to Extend the Term of the Lease (Mayor) (Referred to Lands Committee) 79
- *c. Resolution 2019-034: Authorizing the Kenai Peninsula Borough, on Behalf of the South Kenai Peninsula Hospital Service Area, to Amend the Homer Office Space Lease Agreement for Property Located at 203 W. Pioneer Avenue to Extend the Terms of the Lease (Mayor) (Referred to Lands Committee)87
- *d. Resolution 2019-035: Authorizing the Assessor to Accept One Late -Filed Disabled Veteran Exemption Application Filed After March 31 (Mayor) (Referred to Policies and Procedures Committee) 95

2. Ordinances for Introduction – None.

3. Other

- *a. Approving the Issuance of a Letter of Non-Objection to the Marijuana Control Board Regarding the New Retail Marijuana Store, License No. 18929 Filed by Seeds and Stems, LLC. Subject to the Standard Conditions (Referred to Finance Committee) 101

[Clerk's Note: Standard Conditions for Commercial Marijuana Facilities are as follows:

1. *The marijuana establishment shall conduct their operation consistent with the site plan submitted to the Kenai Peninsula Borough.*
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3. *The marijuana establishment shall remain current in all Kenai Peninsula Borough tax obligations consistent with KP.B 7.30.020 (A).]*

4. *The marijuana establishment shall 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.]*

- b. Mayor's Veto of Ordinance 2018-19-33, Appropriating Supplemental Funding of \$2,423,955 for the Kenai Peninsula Borough School District Fiscal Year 2019 Budget (Mayor) 162

P. PUBLIC COMMENTS AND PUBLIC PRESENTATIONS (3 minutes per speaker)

Q. ASSEMBLY MEETING AND HEARING ANNOUNCEMENTS

- | | | |
|----|---------------------------|---|
| 1. | May 31, 2019
10:00 AM | Election Stakeholders Group
Betty J. Glick Assembly Chambers
Soldotna, Alaska |
| 2. | June 3, 2019
6:00 PM | AK LNG Project Advisory Committee
North Peninsula Recreation Center
Nikiski, Alaska |
| 3. | June 4, 2019
6:00 PM | Regular Assembly Meeting
Betty J. Glick Assembly Chambers
Soldotna, Alaska |
| 4. | June 14, 2019
10:00 AM | Election Stakeholders Group
Betty J. Glick Assembly Chambers
Soldotna, Alaska |

R. ASSEMBLY COMMENTS

S. PENDING LEGISLATION (This item lists legislation which will be addressed at a later date as noted.)

1. Ordinance 2019-05: Authorizing a Memorandum of Agreement and Cooperative Sale and Exchange of Interests in Lands with the State of Alaska Department of Transportation and Public Facilities Regarding Certain Borough and State Maintained Roads (Mayor) [Tabled on 04/02/19]

2. Ordinance 2019-09: Amending the Borough's Sales Tax Code to Levy a 12 Percent Tax on Temporary Lodging, Exempt Temporary Lodging Rentals from the General Sales Tax, and Allow Cities that Levy a Similar Sales Tax on Temporary Lodging to Exempt up to One-Half of the Borough Temporary Lodging Tax, Subject to Voter Approval (Bagley) (Hearing on 06/04/19) (Referred to Finance Committee)

3. Ordinance 2019-19: Appropriating Funds for Fiscal Year 2020 (Mayor) (Additional Hearing on 06/04/19) (Referred to Finance Committee)

T. INFORMATIONAL MATERIALS AND REPORTS

U. NOTICE OF NEXT MEETING AND ADJOURNMENT

The next meeting of the Kenai Peninsula Borough Assembly will be held on June 4, 2019 at 6:00 P.M. in the Betty J. Glick Assembly Chambers, Soldotna, Alaska.

This meeting will be broadcast on KDLL-FM 91.9 (Central Peninsula), KBBI-AM 890 (South Peninsula), K201AO(KSKA)-FM 88.1 (East Peninsula).

Copies of agenda items are available at the Borough Clerk's Office and in the Meeting Room just prior to the meeting. For further information, please call the Clerk's Office at 714-2160 or toll free within the Borough at 1-800-478-4441, Ext. 2160. Visit our website at www.kpb.us for copies of the agenda, meeting summaries, ordinances and resolutions.



Kenai Peninsula Borough

144 North Binkley Street
Soldotna, AK 99669

Meeting Minutes - Draft

Assembly

Wayne Ogle, President
Dale Bagley, Vice President
Norm Blakeley
Kenn Carpenter
Kelly Cooper
Willy Dunne
Paul Fischer
Brent Hibbert
Hal Smalley

Tuesday, May 7, 2019

6:00 PM

Betty J. Glick Assembly Chambers

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION

[Clerk's Note: The invocation was given by Peggy Peterson.]

ROLL CALL

Present: 8 - Paul Fischer, Dale Bagley, Brent Hibbert, Kenn Carpenter, Norm Blakeley, Kelly Cooper, Hal Smalley, and Willy Dunne
Excused: 1 - Wayne Ogle

Also present were:

Charlie Pierce, Borough Mayor
James Baisden, Chief of Staff
Colette Thompson, Borough Attorney
Johni Blankenship, Borough Clerk
Michele Turner, Deputy Borough Clerk

COMMITTEE REPORTS

Assembly Member Cooper stated Budget Work Session #2 was held and budget presentations were given.

Assembly Member Cooper stated the Finance Committee met and discussed its agenda items.

Assembly Member Carpenter stated the Lands Committee met and discussed its agenda item.

Assembly Member Smalley stated the Policies and Procedures Committee met and discussed its agenda items.

Assembly Member Dunne stated the Legislative Committee met and discussed its agenda items.

APPROVAL OF AGENDA AND CONSENT AGENDA

[KPB-2111](#) April 16, 2019 Regular Assembly Meeting Minutes
approved

The following public hearing items met the required conditions of KPB 22.40.110 and were added to the consent agenda:

[2018-19-34](#) An Ordinance Approving the Purchase and Installation of 33 Patient Monitors for the South Peninsula Hospital and Appropriating \$756,000 from the South Peninsula Hospital Service Area Plant Replacement and Expansion Fund (Mayor)

[Clerk's Note: The last Whereas clause in Ordinance 2018-19-34 was amended to read, "at its meeting on April 11, 2019, the South Kenai Peninsula Hospital Service Area Board recommended approval."]

This Budget Ordinance was enacted as amended.

New Business

[2019-029](#) A Resolution Encouraging the Administration's Efforts to Fill Vacancies in Borough Staff (Bagley)

This Resolution was adopted.

[2019-030](#) A Resolution Adopting a Policy to Affirmatively Further Fair Housing (Mayor)

This Resolution was adopted.

[2018-19-35](#) An Ordinance Appropriating Funds to the Legal Department for Costs Associated with Hiring Outside Counsel to Represent the Kenai Peninsula Borough in the Tariff Revision Designated as TA310-4 Filed by Enstar Natural Gas Company with the Regulatory Commission of Alaska, Matter Number U-19-04 (Cooper, Dunne)

This Budget Ordinance was introduced and set for public hearing.

[2018-19-36](#) An Ordinance Appropriating Commercial Passenger Vessel Tax Proceeds Received from the State of Alaska in the Amount of \$558,070 and Allocating \$522,255 to the City of Seward and \$35,815 to the City of Homer (Mayor) (Hearing on 05/21/19)

This Budget Ordinance was introduced and set for public hearing.

[2018-19-37](#) An Ordinance Approving a Sole Source and Appropriating Funds for the Purchase of a Tanker/Pumper from the Kachemak Emergency Service Area Capital Project Fund (Mayor)

This Budget Ordinance was introduced and set for public hearing.

[2019-09](#) An Ordinance Amending the Borough's Sales Tax Code to Levy a 12 Percent Tax on Temporary Lodging, Exempt Temporary Lodging Rentals from the General Sales Tax, and Allow Cities that Levy a Similar Sales Tax on Temporary Lodging to Exempt up to One-Half of the Borough Temporary Lodging Tax, Subject to Voter Approval (Bagley) (Hearing on 06/04/19)

[Clerk's Note: Assembly Member Cooper declared a potential conflict as she owns/operates a cabin rental business. Per the advice of counsel, Vice President Bagley ruled a conflict existed and Assembly Member Cooper abstained from voting on this ordinance.]

This Ordinance was introduced and set for public hearing.

Yes: 7 - Fischer, Bagley, Hibbert, Carpenter, Blakeley, Smalley, and Dunne

Excused: 1 - Ogle

Abstain: 1 - Cooper

[2019-19](#) An Ordinance Appropriating Funds for Fiscal Year 2020 (Mayor) (Public Hearings on 05/21/19 and 06/04/19)

This Budget Ordinance was introduced and set for public hearing.

[2019-10](#) An Ordinance Authorizing the Negotiated Lease of Office Space at the Nikiski Community Recreation Center with Tesoro Alaska Company LLC (Mayor)

This Ordinance was introduced and set for public hearing.

[KPB-2118](#) Authorizing a Letter of Non-Objection of the Transfer of Ownership and Location of Vitus Energy, LLC, License Number 2795

[Clerk's Note: The recommendations were amended to authorize a letter of non-objection to the Alcohol and Marijuana Control Office.]

Approved as amended.

Approval of the Agenda and Consent Agenda

Vice President Bagley called for public comments.

Carrie Henson, Soldotna spoke in support of Resolution 2019-029.

Linda Hutchings, Coho spoke in opposition to Ordinance 2019-09.

George Pierce, Kasilof spoke in support of Ordinance 2019-09 without exceptions.

There being no one else who wished to speak, the public comment period was closed.

The motion to approve the agenda and consent agenda carried by the following vote:

Yes: 8 - Fischer, Bagley, Hibbert, Carpenter, Blakeley, Cooper, Smalley, and Dunne

Absent: 1 - Ogle

COMMENDING RESOLUTIONS AND PROCLAMATIONS

[KPB-2119](#) Mayor's Proclamation Declaring May, 2019 as "National Water Safety Month"

[Clerk's Note: Mayor Pierce presented the proclamation to Nigel LaRiccia, Pool Manager at Nikiski Recreation Center.]

PRESENTATIONS WITH PRIOR NOTICE

[KPB-2121](#) Central Peninsula Hospital Quarterly Report (10 Minutes)

[Clerk's Note: Rick Davis, CEO of Central Peninsula Hospital presented their quarterly report to the assembly.]

PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Vice President Bagley called for public comment.

The following people spoke in support of the Mayor's Veto of Ordinance 2018-19-33:

Christine Hutchison, Soldotna

Wilma Hampson, Nikiski

Fred Sturman, Soldotna

Diane McCrae, Kasilof

The following people spoke in support of school funding:

Terry Federer, Seward
Linda Hutchings, Cohoe

Carrie Henson, Soldotna addressed the assembly regarding the reduction of borough services.

David Haeg, Soldotna addressed the assembly regarding Senate Bill 15.

There being no one else who wished to speak, the public comment period was closed.

MAYOR'S REPORT

1. Assembly Requests/Responses - None.
2. Agreements and Contracts
 - a. [KPB-2123](#) Single Source for Purchase of Rockwell Automation, Enpac 2500 Data Collector to North Coast Electric.
 - b. [KPB-2124](#) Authorization to Award a Contract for ITB19-019 Sweeping and Removal of Sand, Gravel and Debris from Various Borough Facility Parking Lots:

Steam on Wheels (In Soldotna)
 Group 1 (Soldotna) \$ 5,999.00
 Group 2 (Kenai) \$ 2,799.00
 Group 3 (Nikiski) \$ 2,599.00
 Dutch Boy Landscaping (In Homer)
 Group 4 (Homer) \$ 6,475.00
 Steam on Wheels (In Soldotna)
 Group 5 (Seward) \$ 4,999.00
 Total: \$22,871.00
 - c. [KPB-2125](#) Authorization to Award a Contract for RFP 19-004 Homer Landfill Phase 2 Closure to HDR Engineering Inc., Anchorage, AK.
3. Other
 - a. [KPB-2131](#) LAYDOWN Material Site Work Group's Final Report

ITEMS NOT COMPLETED FROM PRIOR AGENDA

None.

UNFINISHED BUSINESS

None.

NEW BUSINESS

Resolutions

[2019-031](#) A Resolution Supporting Moose Pass School (Carpenter)

Dunne moved to adopt Resolution 2019-031.

Vice President Bagley called for public comment.

The following people spoke in support of Resolution 2019-031:

Patti Truesdell, Soldotna

Carrie Henson, Soldotna

George Pierce, Kasilof spoke in opposition to Resolution 2019-031.

There being no one else who wished to speak, the public comment period was closed.

Carpenter moved to postpone Resolution 2019-031 to May 21, 2019.

The motion to postpone Resolution 2019-031 carried by the following vote:

Yes: 8 - Fischer, Bagley, Hibbert, Carpenter, Blakeley, Cooper, Smalley, and Dunne

Excused: 1 - Ogle

PUBLIC COMMENTS AND PUBLIC PRESENTATIONS

Vice President Bagley called for public comment.

The following people spoke in support of the Mayor's Veto of Ordinance 2018-19-33:

Cathy Sturman, Soldotna

George Pierce, Kasilof

Wilma Hampson, Nikiski

Fred Sturman, Soldotna

Duane Bannock, Kenai spoke in support of the Mayor's Veto of Ordinance 2018-19-33 and in opposition to Ordinance 2019-09.

The following people spoke in opposition to the Mayor's Veto of Ordinance 2018-19-33 and in support of school funding:

Patti Truesdell, Soldotna
Roger Helvie, Soldotna
Angie Nelson, Kenai
Rebecca Owens,
Minor Child, Soldotna
Lara McGinnis, Ninilchik
Olivia Orth, Soldotna
LaDawn Druce, Sterling
John Sanborn, Soldotna
David Brighton, Soldotna
Jesse Bjorkman, Nikiski
Jessica Moore, Sterling
Carrie Henson, Soldotna
Nelma Trider, Soldotna

There being no one else who wished to speak, the public comment period was closed.

ASSEMBLY MEETING AND HEARING ANNOUNCEMENTS

1. May 10, 2019 Election Stakeholders Group
10:00 AM Betty J. Glick Assembly Chambers, Soldotna, Alaska
2. May 20, 2019 Budget Work Session #3
10:00 AM Betty J. Glick Assembly Chambers, Soldotna, Alaska
3. May 21, 2019 Budget Work Session #4
10:00 AM Betty J. Glick Assembly Chambers, Soldotna, Alaska
4. May 21, 2019 Regular Assembly Meeting
6:00 PM Betty J. Glick Assembly Chambers, Soldotna, Alaska

ASSEMBLY COMMENTS

Assembly Member Dunne thanked everyone for their testimony. He stated the assembly had some difficult decisions ahead, but was happy the FY19 supplemental funding for the school district passed, even though the Mayor later issued his veto. He stated he hoped the assembly would override the veto. Mr. Dunne stated it was his responsibility not only as a parent, but also as an assembly member to make sure the students in the borough received a quality education. He stated overpaid local

government workers and teachers was a myth.

Assembly Member Blakeley thanked everyone for attending and wished everyone a safe drive home.

Assembly Member Cooper spoke in support of supplemental funding for the school district in FY19, and stated depending on what happens at the state level, then the borough would be in a better position to know the amount to fund for FY20. Ms. Cooper reminded everyone that borough costs had not changed; what had changed were mandates that were no longer funded by the state and federal government. Ms. Cooper wished everyone a good evening.

Assembly Member Smalley spoke in opposition to the ruling of Ms. Cooper's possible conflict regarding Ordinance 2019-09. He stated he continued to support FY19 supplemental funding for the school district; override the veto.

Assembly Member Hibbert thanked everyone for their testimony and thanked the teachers for everything that they do.

Assembly Member Carpenter reminded everyone of the Mermaid Festival on May 17 and 18 in Seward. He wished everyone a good evening.

Vice President Bagley thanked everyone for their testimony. He stated he appreciated teachers and what they do. Mr. Bagley stated he was a product of the school district and stated our local schools are very important.

INFORMATIONAL MATERIALS AND REPORTS

None.

NOTICE OF NEXT MEETING AND ADJOURNMENT

With no further business to come before the assembly, Vice President Bagley adjourned the meeting at 8:53 p.m.

I certify the above represents accurate minutes of the Kenai Peninsula Borough Assembly meeting of May 7, 2019.

Johni Blankenship, MMC, Borough Clerk

Approved by the Assembly: _____

**Kenai Peninsula Borough
Alaska
Proclamation**

WHEREAS, LifeMed Alaska, is committed to broadening awareness, education and the safety of the residents served on the Kenai Peninsula; and

WHEREAS, uncontrolled bleeding injuries can result from natural and manmade disasters. Hemorrhaging after a traumatic injury is one of the leading causes of death; and

WHEREAS, in working with our residents and businesses, the "Stop the Bleed" campaign will help put knowledge that is gained by first responders and military personnel, into the hands of the public to save lives; and

WHEREAS, research has shown that by providing bystanders with basic tools and information on how to stop life threatening bleeding in emergency situation, residents can become heroic lifesavers even with little or no medical training; and

WHEREAS, our community preparedness is the shared responsibility of government, private and non-profit sectors, as well as individual residents. The goal of this initiative is to build community resilience by empowering the public to employ the simple steps used to stop or slow life-threatening bleeding, and to promote the general public's access to bleeding control kits in public places, while they traveling, or in their own homes; and

WHEREAS, this comprehensive and sustainable bleeding control education and information program will educate residents on how to become "immediate responders" and save lives in emergency situations.

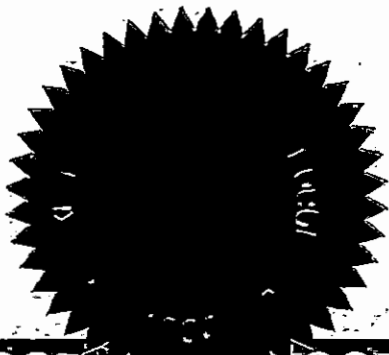
NOW, THEREFORE, I, Charlie Pierce, Mayor of the Kenai Peninsula, do hereby proclaim May 21st, 2019, as

NATIONAL STOP THE BLEED DAY

on the Kenai Peninsula, and encourage our residents to participate in the "Stop the Bleed" initiative to ensure that they are equipped with the skills and the knowledge necessary to stop severe bleeding and to save a life.



Charlie Pierce
Kenai Peninsula Borough Mayor



MAYOR'S REPORT TO THE ASSEMBLY

TO: Wayne Ogle, Assembly President
Members, Kenai Peninsula Borough Assembly

FROM: Charlie Pierce, Kenai Peninsula Borough Mayor

DATE: May 21, 2019



Assembly Request / Response

None

Agreements and Contracts

- a. Authorization to Award a Contract for ITB19-020 Application of Crack Sealant 2019 to Anchorage Striping, LLC.

Other

- a. Capital Projects Reports – March 31, 2019
- b. Revenue-Expenditure Report – April 2019
- c. Budget Revisions – April 2019

Kenai Peninsula Borough
Road Service Area

MEMORANDUM

TO: Charlie Pierce, Mayor
THRU: John Hedges, Interim Purchasing & Contracting Director
FROM: Dil Uhlin, RSA Director *J.P. for Dil Uhlin*
DATE: May 6, 2019
RE: Authorization to Award a Contract for ITB19-020 Application of Crack Sealant 2019

The Purchasing and Contracting Office formally solicited and received bids for the ITB19-020 Application of Crack Sealant 2019. Bid packets were released on April 12, 2019 and the Invitation to Bid was advertised in the Seward Journal on April 10, 2019, Homer News on April 11, 2019 and in the Peninsula Clarion on April 12, 2019.

The project consists of applying approximately 28,000 pounds of Deery Super Stretch crack sealant to Borough maintained paved roads and parking lots in the Homer, Seward, Soldotna, Sterling, K-Beach and North Kenai areas.

On the due date of April 24, 2019, five (5) bids were received and reviewed to ensure that all the specifications and delivery schedules were met. The low bid of \$39,125.80 was submitted by Anchorage Striping, LLC.

Your approval for this bid award is hereby requested. Funding for this project is in account number 236.33950.00000.43952.



Charlie Pierce, Mayor

5/7/2019
Date

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No. <u>236.33950.00000.43952</u>	
Amount <u>\$ 39,125.80</u>	
By: <u>J.P.</u>	Date: <u>5/7/19</u>

**KENAI PENINSULA BOROUGH
PURCHASING & CONTRACTING**

BID TAB FOR: ITB19-020 Crack Sealant 2019

CONTRACTOR	LOCATION	BASE BID
Anchorage Striping, LLC	Anchorage	\$39,125.80
Alaska Sure Seal, Inc.	Soldotna	\$52,463.00
Elliott Black LLC dba Alaska Pavement Maintenance Co.	Anchorage	\$66,920.00
Boehmer Services	Anchorage	\$68,920.00
Brandon Drumm	Anchorage	\$420,000.00

DUE DATE: April 24, 2019

KPB OFFICIAL:  **For JH**
John Hedges, Acting Purchasing & Contracting Director

Kenai Peninsula Borough
Finance Department

MEMORANDUM

TO: Wayne Ogle, Assembly President
Members of the Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Borough Mayor *ch*

THRU: Brandi Harbaugh, Finance Director *BH*

FROM: Sarah Hostetter, Payroll Accountant *SH*

DATE: May 6, 2019

RE: Capital Project Reports – March 31, 2019

Attached are the quarterly project reports for the Borough's capital project funds:

Fund 400 - Borough and Grant Funded School Capital Projects Fund
Fund 401 - Bond Funded Capital Projects Fund
Fund 407 - General Government Capital Projects Fund
Fund 411 - Solid Waste Capital Projects Fund
Fund 434 - Road Service Area Capital Projects Fund
Fund 441 - Nikiski Fire Service Area Capital Projects Fund
Fund 442 - Bear Creek Service Area Capital Projects Fund
Fund 443 - CES Service Area Capital Projects Fund
Fund 444 - Anchor Point Service Area Capital Projects Fund
Fund 446 - Kachemak Emergency Service Area Capital Projects Fund
Fund 455 - Communication Center 911 Capital Projects Fund
Fund 459 - North Peninsula Recreation Service Area Capital Projects Fund
Fund 490 - Central Peninsula Hospital Capital Projects Fund
Fund 491 - South Peninsula Hospital Capital Projects Fund

School Revenue Projects - Fund 400

Balances through March 31, 2019

Project	Year	Site Number	Project Description	Authorized Amount	FY19 Budget	Expend FY19	Total LTD Expenditures	Unexpended Balance	
Sch	13DSG	2013	78050	A/W Design Improvements	\$ 200,000	\$ 147,565	\$ -	\$ 52,435	\$ 147,565
Sch	13FLR	2013	19010	Admin Building Flooring	35,000	5,109	-	29,891	5,109
	13000	2013	78050	A/W Auditorium Lighting Upgrades	100,000	1,311	(2)	98,687	1,313
Grt	13489	2013	78050	A/W Security Camera Systems	1,625,000	32,109	3,933	1,596,824	28,176
	14BAT	2014	78050	A/W Bat Removal	50,000	41,587	-	8,413	41,587
Sch	14SEC	2014	78050	A/W Security/Safety Improvements	1,370,000	70,831	67,868	1,367,037	2,963
	14000	2014	78050	A/W Auditorium Lighting Upgrades	75,000	21,577	5,189	58,612	16,388
	14704	2014	71030	Nonwalek Propane Tank	150,000	4,838	-	145,163	4,838
	14759	2014	78050	A/W Water Quality Improvements	50,000	5,840	5,840	50,000	-
	15759	2015	78050	A/W Water Quality Improvements	150,000	2,200	2,200	150,000	-
	16782	2016	78050	A/W ADA Upgrades	150,000	226	-	149,774	226
	16801	2016	78050	A/W HVAC Upgrades	200,000	29,632	27,982	198,350	1,650
	16855	2016	78050	A/W Locker Replacement	125,000	99,390	-	25,610	99,390
	17704	2017	71030	Nonwalek Propane Tank	125,000	3,026	-	121,974	3,026
	17714	2017	78050	A/W Window/Siding Replacement	275,000	34,399	-	240,601	34,399
	17727	2017	78050	A/W Bleacher Replacement	100,000	22,675	-	77,325	22,675
	17728	2017	78050	A/W Doors/Entries	100,000	29,236	-	70,764	29,236
	17759	2017	78050	A/W Water Quality Improvements	75,000	46,001	45,508	74,507	493
	17780	2017	78050	A/W Playground Upgrades	75,000	17,141	425	58,284	16,716
	17782	2017	78050	A/W ADA Upgrades	75,000	23,494	-	51,506	23,494
	17802	2017	78050	A/W Asphalt/Sidewalk Repair	75,000	734	-	74,266	734
	17860	2017	78050	A/W Generator/Hardware	100,000	5,846	300	94,454	5,546
	18728	2018	78050	A/W Doors/Entries	100,000	61,816	5,453	43,637	56,363
	18755	2018	78050	A/W Flooring Upgrades	275,000	56,886	56,886	275,000	-
	18759	2018	78050	A/W Water Quality Improvements	125,000	125,000	1,123	1,123	123,877
	18801	2018	78050	A/W HVAC Upgrades	15,000	15,000	15,000	15,000	-
	18802	2018	78050	A/W Asphalt/Sidewalk Repair	150,000	97,876	-	52,124	97,876
	18851	2018	78010	A/W Portables/Outbuildings	75,000	41,910	15,065	48,155	26,845
	18860	2018	78050	A/W Generator/Hardware	75,000	67,477	45,300	52,823	22,177
	18888	2018	19010	Borough BLDG Boiler Replacement	127,500	117,446	117,446	127,500	-
	19714	2019	78050	A/W Window/Siding Replacement	150,000	150,000	-	-	150,000
	19755	2019	78050	A/W Flooring Upgrades	175,000	175,000	162,390	162,390	12,610
	19758	2019	78050	A/W Electrical/Lighting	150,000	150,000	116,308	116,308	33,692
	19782	2019	78050	A/W ADA Upgrades	75,000	75,000	18,100	18,100	56,900
	19801	2019	78050	A/W HVAC/DDC Upgrades	75,000	75,000	10,727	10,727	64,273
	19802	2019	78050	A/W Asphalt/Sidewalk Repair	150,000	150,000	-	-	150,000
	19803	2019	78050	A/W Elevator Upgrades	50,000	50,000	-	-	50,000
	19851	2019	78010	A/W Portables/Outbuildings	75,000	75,000	-	-	75,000
	19856	2019	78050	A/W Security/Safety	300,000	300,000	68,780	68,780	231,220
	19860	2019	78050	A/W Generator/Hardware	50,000	50,000	-	-	50,000
	19801	2019	72010	Homer High Boiler Replacement	425,000	425,000	1,201	1,201	423,799
	KSELO	2019	71065	KSELO New School Construction	10,010,000	10,010,000	-	-	10,010,000

Project Totals \$ 17,907,500 \$ 12,913,179 \$ 793,022 \$ 5,787,343 \$ 12,120,157

Beginning Fund Balance 7/1/18 \$ 1,033,837

Funds Provided:

	FY19 Transfer from General Fund	\$ 1,625,000	
13489	DCCED State Grant - Areawide Security Cameras	32,109	
13DSG	FY13 Local Contribution - KPBSD Design	147,565	
13FLR	FY13 Local Contribution - KPBSD Admin Bldg Floor	5,109	
14SEC	FY14 Local Contribution - KPBSD Security-Safety	70,831	
18888	Transfer from General Gov Capital Project Fund	7,500	
KESLO	AK Dept of Education & Early Development	10,010,000	
	Miscellaneous Revenue	2,826	
	Total Funds Provided		11,900,940

Funds applied - current year expenditures (793,022)

Funds obligated to existing projects (12,120,157)

Projects completed, cancelled or other funding source identified -

Funds available for appropriation and for future capital expansion plans \$ 21,599

Bond Projects - Fund 401

Balances through March 31, 2019

Project	Year Appropriated	Project Description	Authorized Amount	FY19 Budget	Expend FY19	Total LTD Expenditures	Unexpended Balance
11SCH	2011	KPBSD Roof Replacements	\$ 16,894,646	\$ 26,679	\$ -	\$ 16,867,968	\$ 26,679
14SCH	2014	FY14 School Roof Replacements	22,984,575	2,400,509	23,284	20,607,350	2,377,225
Project Totals			<u>\$ 39,879,222</u>	<u>\$ 2,427,188</u>	<u>\$ 23,284</u>	<u>\$ 37,475,318</u>	<u>\$ 2,403,904</u>
Beginning Fund Balance 7/1/18							\$ 2,632,735
Funds Provided:							
FY19 School Bond (FY14 issued) Interest						\$ 40,908	
Total Funds Provided							40,908
Funds applied - current year expenditures							(23,284)
Funds obligated to existing projects							(2,403,904)
Projects completed or cancelled							-
Funds available for appropriation and for future capitol expansion plans							<u>\$ 246,456</u>
Fund Balance:							
School Bond interest prior to FY2011							44,831
School Bond FY11							217
School Bond FY14							201,407
Ending Fund Balance							<u>\$ 246,456</u>

General Government Projects - Fund 407

Balances through March 31, 2019

Project	Year Appropriated	Project Description	Authorized Amount	FY19 Budget	Expend FY19	Total LTD Expenditures	Unexpended Balance
14MAN	2014	Manatran Software Upgrade	\$ 75,000	\$ 73,800	\$ -	\$ 1,200	\$ 73,800
15SOF	2015	Software Upgrade	75,000	64,364	-	10,636	64,364
16KRC	2016	River Center Bldg Repairs	49,000	12,395	-	36,605	12,395
16REC	2016	Records Mgmt Software	100,000	100,000	-	-	100,000
18ITR	2018	IT Dept Remodel	100,000	36,950	29,466	92,516	7,484
19407	2019	Card Entry Security System	150,000	150,000	121	121	149,879
Project Totals			549,000	437,509	29,587	141,079	407,921
Transfer to School Capital Fund 400 - Boiler Repair			7,500	7,500	7,500	7,500	-
Totals			\$ 556,500	\$ 445,009	\$ 37,087	\$ 148,579	\$ 407,921

Beginning Fund Balance 7/1/18	\$ 748,514
Funds applied - current year expenditures	(37,087)
Funds obligated to existing projects	(407,921)
Projects completed or cancelled	-
Funds available for appropriation and for future capital expansion plans	<u>\$ 303,506</u>

Solid Waste Projects - Fund 411

Balances through March 31, 2019

	Project	Year Appropriated	Project Description	Authorized Amount	FY19 Budget	Expend FY19	Total LTD Expenditures	Unexpended Balance
Bond	17SWB	2017	SW CPL Equip/Plan/Design/Construction	\$ 5,999,365	\$ 2,515,587	\$ 1,416,156	\$ 4,899,934	\$ 1,099,431
	18CDE	2018	FY18 C&D Cell Expansion	350,000	250,994	51,605	150,611	199,389
	18GAS	2018	Landfill Gas to Energy Project	100,000	100,000	-	-	100,000
	19CDE	2019	FY19 C&D Cell Expansion	50,000	50,000	-	-	50,000
	19HLC	2019	FY19 SW-Homer Landfill Closure - Phase 2	2,322,000	2,322,000	7,659	7,659	2,314,341
Project Totals				\$ 8,821,365	\$ 5,238,581	\$ 1,475,420	\$ 5,058,205	\$ 3,763,160

	Capt Proj Fund	Closure/Post	17SWB Bond	Total
Beginning Fund Balance 7/1/18	\$ 881,626	\$ 7,778,696	\$ 2,580,717	\$ 11,241,039
Funds Provided:				
FY19 Transfer from Operating Fund	100,000			
FY19 Interest Earnings	147,039			
FY19 Transfer for Closure/Post		1,053,098		
FY19 Interest Earnings on 17SWB Bond Proceeds			27,694	1,327,831
Funds applied - current year expenditures	(51,605)	(60,771)	(1,416,156)	(1,528,533)
Funds obligated to existing projects	(349,389)	(2,314,341)	(1,099,431)	(3,763,160)
Projects completed or cancelled	-	-	-	-
Funds available for approp. and future capital expansion plans	\$ 727,671			727,671
Closure/post closure liability		\$ 6,456,682		6,456,682
Funds restricted for SWD bond			\$ 92,824	92,824
Ending fund balance				\$ 7,277,177

Road Service Area Projects - Fund 434

Balances through March 31, 2019

Project	Year Appropriated	Project Description	Authorized Amount	FY19 Budget	Expend FY19	Total LTD Expenditures	Unexpended Balance
2014 DCCED for Borough Wide Road Grant (\$100,000)							
14JAC	2014	Jacobs Ladder Repair	\$ 100,000	\$ 94,651	\$ 304	\$ 5,653	\$ 94,347
2016-17 North Road Extension							
16NRD	2016	North Road Extension	7,218,242	5,575,128	1,062,678	2,705,792	4,512,450
2015 DCCED Borough Wide Road Grant (\$4,000,000)							
15089	2015	Borough Wide Road Grant	90,600	90,600	-	-	90,600
C10DA	2017	Dayspring/Hallelujah	59,198	9,001	9,001	59,198	-
C2DIA	2017	Diane St/Glacier Ave	4,144	-	-	4,144	-
C2HUS	2017	Huske & Betty Lou	465,080	220,187	207,061	451,954	13,126
C5ALE	2017	Alex Dr/Alex Ct	28,846	-	-	28,846	-
C5CAR	2017	Carver Dr/Knoll Ct	187,273	29,596	29,596	187,273	-
S7HIL	2017	Hill Ave/Tom Cat	124,783	3,635	3,635	124,783	-
S7TRA	2017	Tracy Ave	13,557	-	-	13,557	-
S8WYO	2017	Wyah Way	1,123,638	1,080,080	1,012,668	1,056,226	67,412
W7IGL	2017	Divine Estates/Igloo-Dano Boyes	56,405	-	-	56,405	-
18GRV	2018	Borough Gravel Projects	200,215	-	-	200,215	-
C2BEN	2018	Benedict/River Ridge/Moose	39,412	29,211	3,614	13,815	25,597
C2MOO	2018	Moose Dr/Pederson Lane	35,767	20,655	-	15,112	20,655
C5TUR	2018	Turnbuckle Terrace	14,669	1,022	1,022	14,669	-
N1MOR	2018	Morning Circle	29,511	26,103	25,472	28,881	630
N5HEI	2018	Heights Lane/Hillside Dr	362,326	333,095	246,150	275,380	86,945
S7KIL	2018	Kilcher Road	396,960	364,045	363,274	396,189	771
S8MOD	2018	Morrison Dr	105,629	93,705	93,274	105,197	431
W4MYR	2018	Myra/David/Peggy/Sharon	379,060	341,814	234,838	272,085	106,975
19GRV	2019	Borough Gravel Projects	208,111	208,111	208,106	208,106	5
S5BDR	2019	Flintlock Ln/Bidarki Dr/Bridger Rd	10,646	10,646	10,646	10,646	-
S7GLE	2019	Glenn Rd/Kipling Cir	11,081	11,081	11,081	11,081	-
S7HLR	2019	Hulter Road	30,881	30,881	30,881	30,881	-
W4TIM	2019	Tim Ave/Muir St/Creek View Rd	19,552	19,552	19,552	19,552	-
W6TER	2019	Tem Cir/Jocnjil Cir/Jitney Cir	2,656	2,656	2,656	2,656	-
			4,000,000				
2019 Road CIP Projects (\$2,428,000)							
19CIP	2019	Borough Wide FY19 Local Funds	173,456	173,456	-	-	173,456
C2DIA	2017	Diane St/Glacier Ave	10,000	10,000	-	-	10,000
S7TRA	2017	Tracy Ave	10,000	10,000	-	-	10,000
S7HIL	2017	Hill Ave/Tom Cat	10,000	10,000	-	-	10,000
W7IGL	2017	Divine Estates/Igloo-Dano Bayes	10,000	10,000	-	-	10,000
19GRV	2019	Borough Gravel Projects	150,000	150,000	-	-	150,000
S5BDR	2019	Flintlock Ln/Bidarki Dr/Bridger Rd	342,754	342,754	183	183	342,571
S7GLE	2019	Glenn Rd/Kipling Cir	359,419	359,419	183	183	359,236
S7HLR	2019	Hulter Road	609,379	609,379	-	-	609,379
W4TIM	2019	Tim Ave/Muir St/Creek View Rd	671,573	671,573	-	-	671,573
W6TER	2019	Tem Cir/Jocnjil Cir/Jitney Cir	81,419	81,419	-	-	81,419
			2,428,000				
Project Totals			\$ 13,746,242	\$ 11,023,456	\$ 3,575,876	\$ 6,298,663	\$ 7,447,580
Beginning Fund Balance 7/1/18							\$ 5,874,557
Funds Provided:							
		FY19 Transfer from Operating Fund			\$ 1,750,000		
14JAC		DCCED Boro Wide Improvement			94,651		
15089		DCCED Boro Wide Improvement			2,925,677		
16NRD		US Dept. of Transportation			5,575,128		
		FY19 Interest Earnings			110,993		
		Total Funds Provided					10,456,449
Funds applied - current year expenditures							(3,575,876)
Funds obligated to existing projects							(7,447,580)
Projects completed or cancelled by Service Area Board Action							-
Funds available for appropriation and for future capital expansion plans							\$ 5,307,550

Nikiski Fire Projects - Fund 441

Balances through March 31, 2019

Project	Year Appropriated	Project Description	Authorized Amount	FY19 Budget	Expend FY19	Total LTD Expenditures	Unexpended Balance
15416	2015	Vehicle Computer Aided Dispatch	\$ 250,000	\$ 228,625	\$ 21,809	\$ 43,184	\$ 206,816
16412	2016	Roadway Emergency Signs	75,000	16,977	343	58,366	16,634
18411	2018	ST 1 Repairs/Maintenance	150,000	147,526	49,006	51,480	98,520
18412	2018	ST 1 Exhaust Removal System	100,000	98,247	337	2,090	97,910
18SEP	2018	ST 1 Septic System Replacement	75,000	31,150	-	43,850	31,150
19411	2019	NFSA Fire ST 3 New Construction	3,200,000	3,200,000	13,421	13,421	3,186,579
19412	2019	Parking Lot Repairs ST 1 & 2	100,000	100,000	24,371	24,371	75,629
19413	2019	Fire Station Alerting Systems	100,000	100,000	-	-	100,000
19GEN	2019	Emergency Generator/Parts	92,000	92,000	-	-	92,000
Project Totals			\$ 4,142,000	\$ 4,014,525	\$ 109,286	\$ 236,761	\$ 3,905,239

Beginning Fund Balance 7/1/18	\$ 3,988,381
Funds Provided:	
FY19 Transfer from Operating Fund	\$ 500,000
FY19 Interest Earnings	82,656
Total Funds Provided	582,656
Funds applied - current year expenditures	(109,286)
Funds obligated to existing projects	(3,905,239)
Projects completed or cancelled by Service Area Board Action	-
Funds available for appropriation and for future capital expansion plans	<u>\$ 556,512</u>

Bear Creek Fire Service Area Projects - Fund 442

Balances through March 31, 2019

Project	Year Appropriated	Project Description	Authorized Amount	FY19 Budget	Expend FY19	Total LTD Expenditures	Unexpended Balance
13566	2013	Multi-Use Facility Construction	\$ 5,488,263	\$ 3,316	\$ 18	\$ 5,484,964	\$ 3,298
14421	2014	Dispatch/Communication Equip	25,000	10,517	-	14,483	10,517
19421	2019	Turnout Gear	21,267	21,267	20,983	20,983	284
19422	2019	SCBA Bottle Replacement	20,786	20,786	-	-	20,786
Project Totals			\$ 5,555,316	\$ 55,886	\$ 21,000	\$ 5,520,430	\$ 34,886
Beginning Fund Balance 7/1/18							\$ 338,326
Funds Provided:							
FY19 Transfer from Operating Fund						\$ 50,000	
FY19 Interest Earnings						6,980	
Total Funds Provided							56,980
Funds applied - current year expenditures							(21,000)
Funds obligated to existing projects							(34,886)
Projects completed or cancelled by Service Area Board Action							-
Funds available for appropriation and for future capital expansion plans							<u>\$ 339,419</u>

Central Emergency Services Projects - Fund 443

Balances through March 31, 2019

	Year	Project Description	Authorized Amount	FY19 Budget	Expend FY19	Total LTD Expenditures	Unexpended Balance	
	12469	2012	Training Facility Relocation	\$ 350,000	\$ 74,311	\$ 3,551	\$ 279,240	\$ 70,760
	13465	2013	Mobile Data Terminals	105,000	38,695	25,210	91,515	13,485
Bond	16CES	2016	Emergency Response Vehicles	2,795,138	35,241	-	2,759,897	35,241
	17461	2017	ST 5 Insulation	100,000	34,378	30,277	95,899	4,101
	17463	2017	CES Lighting Improvements	110,000	29,752	4,484	84,732	25,268
	18461	2018	Fire Station Alerting System	400,000	400,000	-	-	400,000
	18462	2018	ST 3 Painting/Concrete Seal	170,000	169,117	110,637	111,519	58,481
	18463	2018	ST 4 Painting/Siding	125,000	123,391	112,578	114,186	10,814
	19461	2019	SCBA Compressor	450,000	450,000	-	-	450,000
	19462	2019	Rescue Boat	125,000	125,000	-	-	125,000
	19463	2019	Enclosed Cargo Trailer	35,000	35,000	-	-	35,000
	19465	2019	Mobile Data Terminals	35,000	35,000	-	-	35,000
	19469	2019	Training Site Phase 2 Expansion	150,000	150,000	-	-	150,000
Project Totals			\$ 4,950,138	\$ 1,699,885	\$ 286,736	\$ 3,536,988	\$ 1,413,149	

	Capt Proj Fund	16CES Bond	Total
Beginning Fund Balance 7/1/18	\$ 1,669,567	\$ 43,667	\$ 1,713,234
Funds Provided:			
FY19 Transfer from Operating Fund	550,000		
FY19 Interest Earnings	36,560		
FY19 Interest Earnings on 16CES Bond Proceeds		710	587,270
Funds applied - current year expenditures	(286,736)	-	(286,736)
Funds obligated to existing projects	(1,377,908)	(35,241)	(1,413,149)
Projects completed or cancelled by Service Area Board Action	-	-	-
Funds available for apprap. and for future capital expansion plans	\$ 591,483		591,483
Funds restricted for 16CES band		\$ 9,136	9,136
Ending fund balance			\$ 600,619

Anchor Point Fire Service Area Projects - Fund 444

Balances through March 31, 2019

Project	Year Appropriated	Project Description	Authorized Amount	FY19 Budget	Expend FY19	Total LTD Expenditures	Unexpended Balance
11TNK	2011	Water Storage Tank Installation	\$ 50,000	\$ 23,928	\$ 7,490	\$ 33,562	\$ 16,438
18441	2018	Emergency Water Fill Site FY18	100,000	59,033	49,368	90,335	9,665
19441	2019	Emergency Water Fill Site FY19	100,000	100,000	23,551	23,551	76,449
19442	2019	Fire Ladder Truck	85,850	85,850	85,769	85,769	81
19443	2019	ST 1 Boiler Replacement	50,000	50,000	1,964	1,964	48,036
Project Totals			\$ 385,850	\$ 318,810	\$ 168,142	\$ 235,182	\$ 150,668

Beginning Fund Balance 7/1/18	\$ 180,586
Funds Provided:	
FY19 Transfer from Operating Fund	\$ 160,000
FY19 Interest Earnings	3,529
Total Funds Provided	<u>163,529</u>
Funds applied - current year expenditures	(168,142)
Funds obligated to existing projects	(150,668)
Projects completed or cancelled by Service Area Board Action	<u>-</u>
Funds available for appropriation and for future capital expansion plans	<u>\$ 25,304</u>

Kachemak Service Area Projects - Fund 446

Balances through March 31, 2019

Project	Year Appropriated	Project Description	Authorized Amount	FY19 Budget	Expend FY19	Total LTD Expenditures	Unexpended Balance
15087	2015	Inter Gov't Loan Int Exp	\$ 6,870	\$ 6,870	\$ 6,870	\$ 6,870	\$ -
17482	2017	Fire ST 2 Water Tank Install	25,000	6,962	-	18,038	6,962
Project Totals			<u>\$ 31,870</u>	<u>\$ 13,832</u>	<u>\$ 6,870</u>	<u>\$ 24,908</u>	<u>\$ 6,962</u>

Beginning Fund Balance 7/1/18	\$ 71,210
Funds Provided:	
FY19 Transfer from Operating Fund	\$ 165,387
FY19 Interest Earnings	4,392
Total Funds Provided	<u>169,779</u>
Funds applied - current year expenditures	(6,870)
Funds obligated to existing projects	(6,962)
Projects completed or cancelled by Service Area Board Action	<u>-</u>
Funds available for appropriation and for future capital expansion plans	<u>\$ 227,157</u>

Communication Center 911 Projects - Fund 455

Balances through March 31, 2019

Project	Year Appropriated	Project Description	Authorized Amount	FY19 Budget	Expend FY19	Total LTD Expenditures	Unexpended Balance
17CCR	2017	SPSCC Renovation Project	\$ 491,000	\$ 314,683	\$ 8,391	\$ 184,709	\$ 306,291 *
Project Totals			\$ 491,000	\$ 314,683	\$ 8,391	\$ 184,709	\$ 306,291

Beginning Fund Balance 7/1/18	\$ 239,683
Funds Provided:	
Funds from Tesoro Foundation	\$ 75,000
Total Funds Provided	75,000
Funds applied - current year expenditures	(8,391)
Funds obligated to existing projects	(306,291)
Projects completed or cancelled	175,000 *
Funds available for appropriation and for future capitol expansion plans	<u>\$ 175,000</u>

North Peninsula Recreation Projects - Fund 459

Balances through March 31, 2019

Project	Year Appropriated	Project Description	Authorized Amount	FY19 Budget	Expend FY19	Total LTD Expenditures	Unexpended Balance
18451	2018	Fire Alarm System Replacement	\$ 165,000	\$ 155,976	\$ 69,669	\$ 78,693	\$ 86,307
18452	2018	Sidewalk Replacements	260,000	88,293	20,969	192,676	67,324
19451	2019	Community Center Remodel	355,000	355,000	745	745	354,255
19452	2019	Pool Water Pressure Tank	31,000	31,000	27,046	27,046	3,954
19SEP	2019	Pool Septic System	90,000	90,000	68,852	68,852	21,148
Project Totals			\$ 901,000	\$ 720,268	\$ 187,280	\$ 368,012	\$ 532,988

Beginning Fund Balance 7/1/18	\$ 479,864
Funds Provided:	
FY19 Transfer from Operating Fund	\$ 440,000
FY19 Interest Earnings	13,824
Total Funds Provided	453,824
Funds applied - current year expenditures	(187,280)
Funds obligated to existing projects	(532,988)
Projects completed or cancelled by Service Area Board Action	-
Funds available for appropriation and far future capital expansion plans	<u>\$ 213,420</u>

Central Peninsula Hospital Projects - Fund 490

Balances through March 31, 2019

Project	Year Appropriated	Project Description	Authorized Amount	FY19 Budget	Expend FY19	Total LTD Expenditures	Unexpended Balance
Provided by Bond Proceeds							
14CPH	2014	CPH Specialty Clinic Bld	\$ 41,249,563	\$ 213,940	\$ -	\$ 41,035,623	\$ 213,940
18CPH	2018	CPH OB/Cath Lab	29,140,645	26,995,262	12,662,082	14,807,465	14,333,180
Provided by Grants Funds							
16TRA	2016	CPH Transitional Housing	845,111	1,337	-	843,775	1,337
Funds provided by Hospital Plant Replacement Fund							
11MD1	2011	Mundel Bldg improvements	738,750	74,173	-	664,577	74,173
15FLR	2015	CPH Fluoroscopy Equip	438,713	87,743	-	350,970	87,743
15IMG	2015	CPH Imaging Dept Project	8,153,785	75,622	-	8,078,163	75,622
16TRA	2016	CPH Transitional Housing	996,239	45,783	10,725	961,181	35,057
17OBL	2017	CPH OB/Cardiac Cath Lab	10,000,000	5,675,083	763,446	5,088,363	4,911,637
354TY	2017	354 Tyee ST Property Purchase	750,900	243,072	-	507,828	243,072
19DAV	2019	Surgical Robotic System	2,261,250	2,261,250	-	-	2,261,250
19ELV	2019	Elevator Repair	126,505	126,505	-	-	126,505
19EQU	2019	OB/Cath Lab Equipment	1,244,308	1,244,308	-	-	1,244,308
Total funds provided by Hospital Plant Replacement Fund			24,710,450	9,833,538	774,171	15,651,082	9,059,367
Project Totals			\$ 95,945,769	\$ 37,044,078	\$ 13,436,254	\$ 72,337,945	\$ 23,607,824

	Capt Proj Fund	KHCTR	CPH Bonds	Total
Beginning Fund Balance 7/1/18	\$ 673,052	\$ 627,895	\$ 27,517,896	\$ 28,818,843
Funds Provided:				
11MD1 FY11 Local Contributions	74,173			
15FLR FY15 Local Contribution Fluoroscopy	87,743			
15IMG FY15 Local Contribution CPH Imaging Center	75,622			
16TRA FY16 Local Contribution/Medical Facilities	45,783			
16TRA CPH Foundation/Serenity House	1,337			
17OBL CPH OB / Card Cath Lab	5,675,083			
354TY CPH Local Contribution - 354 Tyee Property	243,072			
19DAV CPH Local Contribution - Surgical Robotics	2,261,250			
19ELV CPH Local Contribution - Elevator Repair	126,505			
19EQU CPH Local Contribution - OB/Cath Lab Equip	1,244,308			
FY19 Interest Earnings	33,373			
State Contributions KHCTR		19,068		
Local Contributions KHCTR		11,687		
FY19 Interest Earnings KHCTR		9,376		
FY19 Interest Earnings on CPH Bond Proceeds			370,586	10,278,963
Funds applied - current year expenditures	(774,171)	-	(12,662,082)	(13,436,254)
Funds obligated to existing projects	(9,060,704)	-	(14,547,120)	(23,607,824)
Projects completed or cancelled	404,988	-	-	404,988
Funds available for approp. and future capitol projects	\$ 1,111,413			1,111,413
Funds restricted For Kenoi Health Center Maintenance		\$ 668,024		668,024
Funds restricted for CPH bonds			\$ 679,279	679,279
Ending fund balance				\$ 2,458,717

South Peninsula Hospital Projects - Fund 491

Balances through March 31, 2019

Project	Year Appropriated	Project Description	Authorized Amount	FY19 Budget	Expend FY19	Total LTD Expenditures	Unexpended Balance
17SHB	2017	Operating Rm Heat/Humidity	\$ 300,000	\$ 69,607	\$ -	\$ 230,393	\$ 69,607
17SHC	2017	Digital Radiology Equipment	200,000	40,300	-	159,700	40,300
17SHV	2017	GYN Equipment	30,000	30,000	-	-	30,000
Bond 17SPH	2017	HVAC System	1,778,996	5,357	3,232	1,776,871	2,125
Bond 17SPM	2017	Homer Medical Center	3,018,898	54,431	(9,404)	2,955,063	63,835
18SHB	2018	Nurse Call System Upgrade	274,000	274,000	-	-	274,000
18SHD	2018	Chiller/AC Unit	145,000	145,000	-	-	145,000
18SHE	2018	AMSCO Steam Sterilizer	143,500	14,182	-	129,318	14,182
18SHF	2018	Patient Monitoring System Upgrades	122,800	122,800	-	-	122,800
18SHG	2018	HVAC Zone Digital Controls	110,945	110,945	-	-	110,945
18SHJ	2018	Elevator Upgrade	83,000	83,000	-	-	83,000
18SHL	2018	Procedure Documentation Software	70,922	70,922	-	-	70,922
18SHM	2018	In Wall O2 and Suction Installed	56,000	56,000	-	-	56,000
18SHR	2018	System 7 Cordless Drill	50,000	8,141	-	41,859	8,141
18SHS	2018	AMSCO Surgical Table	47,000	47,000	-	-	47,000
19SHB	2019	Nurse Call System Upgrade FY19	251,095	251,095	-	-	251,095
19SHC	2019	Carpet Rehab Hallway	21,000	21,000	13,540	13,540	7,460
19SHD	2019	Chiller/AC Unit FY19	17,000	17,000	-	-	17,000
19SHE	2019	Access Control/Security Cameras	95,000	95,000	-	-	95,000
19SHF	2019	MRI Vital Signs Monitor/Display	62,000	62,000	60,533	60,533	1,467
19SHG	2019	Dell Storage Array for Pacs	32,500	32,500	32,500	32,500	-
19SHH	2019	Uninterruptible Power Supply	17,000	17,000	-	-	17,000
19SHJ	2019	IS Backup System Replacement	50,726	50,726	-	-	50,726
19SHK	2019	Digital Video Cystoscope	19,800	19,800	17,900	17,900	1,900
19SHL	2019	Endoscopes/EGD Scopes	261,381	261,381	261,381	261,381	-
19SHU	2019	Various Equipment	24,118	24,118	23,000	23,000	1,118
19SHZ	2019	Ultrasound Machines	375,000	375,000	-	-	375,000

Project Totals \$ 7,657,681 \$ 2,358,305 \$ 402,681 \$ 5,702,057 \$ 1,955,624

	Capt Proj Fund	17SPH/M Bond	Total
Beginning Fund Balance 7/1/18	\$ 2,218,898	\$ 78,772	\$ 2,297,670
Funds Provided:			
FY19 Transfer from Operating Fund	1,700,000		
FY19 Interest Earnings	63,667		
FY19 Interest Earnings on 17SPH/M Bond Proceeds		1,357	1,765,024
Funds applied - current year expenditures	(408,854)	6,172	(402,681)
Funds obligated to existing projects	(1,889,663)	(65,960)	(1,955,624)
Projects completed or cancelled	-	-	-
Funds available for approp. and future capital expansion plans	<u>\$ 1,684,047</u>		1,684,047
Funds restricted for 17SPH Bond		<u>\$ 20,341</u>	20,341
Ending fund balance			<u>\$ 1,704,388</u>

Kenai Peninsula Borough
Finance Department

MEMORANDUM

TO: Wayne Ogle, Assembly President
Members of the Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Borough Mayor *CP*

THRU: Brandi Harbaugh, Finance Director *BH*

FROM: Sarah Hostetter, Payroll Accountant *SH*

DATE: May 7, 2019

RE: Revenue-Expenditure Report – April 2019

Attached is the Revenue-Expenditure Report of the General Fund for the month of April 2019. Please note that 83.33% of the year has elapsed, 84.91% of budgeted revenues have been collected, and 79.32% of budgeted expenditures have been made.

KENAI PENINSULA BOROUGH

Revenue Report

For the Period

April 1 through April 30, 2019

ACCOUNT NUMBER	DESCRIPTION	ESTIMATED REVENUE	YEAR TO DATE RECEIPTS	MONTH TO DATE RECEIPTS	VARIANCE	%	
							COLLECTED
31100	Real Property Tax	\$ 29,814,633	\$ 29,558,780	\$ 129,731	\$ (255,853)	99.14%	
31200	Personal Property Tax	2,012,742	2,114,810	11,485	102,068	105.07%	
31300	Oil Tax	7,137,448	7,134,120	-	(3,328)	99.95%	
31400	Motor Vehicle Tax	712,000	365,132	22,705	(346,868)	51.28%	
31510	Property Tax Penalty & Interest	462,442	515,088	37,258	52,646	111.38%	
31610	Sales Tax	30,578,706	21,989,927	1,951,666	(8,588,779)	71.91%	
33110	In Lieu Property Tax	2,600,000	-	-	(2,600,000)	0.00%	
33117	Other Federal Revenue	185,000	79,173	-	(105,827)	42.80%	
33220	Forestry Receipts	504,673	504,673	504,673	-	100.00%	
34110	School Debt Reimbursement	2,654,392	2,627,157	-	(27,235)	98.97%	
34221	Electricity & Phone Revenue	155,000	-	-	(155,000)	0.00%	
34222	Fish Tax Revenue Sharing	750,000	137,541	-	(612,459)	18.34%	
34210	Revenue Sharing	1,032,704	1,032,704	-	-	100.00%	
37350	Interest on Investments	685,000	1,488,179	91,790	803,179	217.25%	
39000	Other Local Revenue	300,000	279,983	39,296	(20,017)	93.33%	
290	Solid Waste	800,000	428,628	37,015	(371,372)	53.58%	
Total Revenues		\$ 80,384,741	\$ 68,255,895	\$ 2,825,619	\$ (12,128,845)	84.91%	

KENAI PENINSULA BOROUGH
Expenditure Report
For the Period
April 1 through April 30, 2019

DESCRIPTION	REVISED BUDGET	YEAR TO DATE EXPENDED	MONTH TO DATE EXPENDED	AMOUNT ENCUMBERED	AVAILABLE BALANCE	% EXPENDED
Assembly:						
Administration	\$ 522,795	\$ 407,102	\$ 29,603	\$ 10,328	\$ 105,365	77.87%
Clerk	564,503	394,815	39,153	25,149	144,540	69.94%
Elections	103,435	92,263	252	3,833	7,339	89.20%
Records Management	268,151	174,852	17,875	7,031	86,268	65.21%
Mayor Administration	781,258	587,419	54,384	423	193,416	75.19%
Purch/Contracting/Cap Proj	632,657	456,735	51,255	2,389	173,533	72.19%
Human Resources:						
Administration	716,455	479,867	41,538	8,742	227,846	66.98%
Print/Mail	207,493	147,215	9,024	16,440	43,838	70.95%
Custodial Maintenance	123,093	89,425	4,678	715	32,953	72.65%
Information Technology	2,037,551	1,498,370	176,482	35,275	503,906	73.54%
Emergency Management	800,981	536,437	82,221	32,239	232,305	66.97%
Legal Administration	1,167,415	822,708	62,813	86,771	257,935	70.47%
Finance:						
Administration	512,432	400,037	39,809	202	112,193	78.07%
Services	946,560	692,507	64,006	2,628	251,425	73.16%
Property Tax	1,123,449	765,172	71,407	103,832	254,445	68.11%
Sales Tax	657,798	486,300	24,183	12,164	159,334	73.93%
Assessing:						
Administration	1,405,867	973,877	100,800	3,530	428,460	69.27%
Appraisal	1,881,215	1,382,437	129,994	5,869	492,908	73.49%
Resource Planning:						
Administration	1,290,090	851,919	89,668	30,931	407,240	66.04%
GIS	592,345	374,356	30,416	13,047	204,942	63.20%
River Center	791,182	537,064	31,493	7,778	246,340	67.88%
Senior Citizens Grant Program	608,969	488,062	57,066	120,907	-	80.15%
School District Operations	55,164,994	46,866,559	4,144,869	-	8,298,435	84.96%
Solid Waste Operations	8,234,900	5,366,567	1,260,474	1,012,209	1,856,124	65.17%
Economic Development	300,000	69,088	-	230,912	-	23.03%
Non-Departmental	1,952,842	1,203,872	-	-	748,970	61.65%
Total Expenditures	\$ 83,388,430	\$ 66,145,024	\$ 6,613,463	\$ 1,773,343	\$ 15,470,063	79.32%

Kenai Peninsula Borough
Finance Department

MEMORANDUM

TO: Wayne Ogle, Assembly President
Members of the Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Borough Mayor *Ch*

THRU: Brandi Harbaugh, Finance Director *Br*

FROM: Sarah Hostetter, Payroll Accountant *SH*

DATE: May 7, 2019

RE: Budget Revisions – April 2019

Attached is a budget revision listing for April 2019. The attached list contains budget revisions between major expenditure categories (i.e., maintenance & operations and capital outlay). Other minor transfers were processed between object codes within major expenditure categories.

BEAR CREEK FIRE SERVICE AREA

To replace the tires on the front line pumper.

207-51210-00000-42360	(Vehicle Repair Supplies)	\$4,000.00	
207-51210-00000-43750	(Vehicle Maintenance)		\$4,000.00

CLERK'S ADMINISTRATION OFFICE

To replace the Borough Clerk's printer.

100-11120-00000-48710	(Minor Office Equipment)	\$367.00	
100-11120-00000-43140	(Postage/Freight)		\$367.00

HUMAN RESOURCES

To purchase new battery back up.

100-11230-00000-42310	(Repair/Maintenance Supplies)	\$98.64	
100-11230-00000-43410	(Printing)		\$98.64

INFORMATION TECHNOLOGY

To purchase cubical dividers for help desk and replacement furniture to finalize layouts after remodel.

100-11231-00000-48720	(Minor Furniture/Furnishings)	\$24,500.00	
100-11231-00000-42120	(Computer Software)		\$2,500.00
100-11231-00000-42210	(Operating Supplies)		\$2,974.09
100-11231-00000-43011	(Contract Services)		\$3,212.91
100-11231-00000-43110	(Communications)		\$6,000.00
100-11231-00000-43140	(Postage/Freight)		\$500.00
100-11231-00000-43210	(Transport/Subsistence)		\$1,800.00
100-11231-00000-43260	(Training)		\$7,263.00
100-11231-00000-43810	(Rents/Operating Leases)		\$250.00

APR 2019 CONT.

INCREASE DECREASE

MAINTENANCE DEPARTMENT

Move surplus labor funds to support deferred material and equipment needs.

241-41010-00000-42263	(Training Supplies)	\$200.00	
241-41010-00000-42310	(Repair/Maintenance Supplies)	\$64,800.00	
241-41010-00000-43210	(Transport/Subsistence)	\$10,000.00	
241-41010-00000-43780	(Building/Ground Maintenance)	\$10,000.00	
241-41010-00000-48311	(Machinery/Equipment)	\$61,000.00	
241-41010-00000-48720	(Minor Furniture/Furnishings)	\$1,000.00	
241-41010-00000-48740	(Minor Machinery/Equipment)	\$3,000.00	
241-41010-00000-40110	(Regular Wages)		\$150,000.00

OFFICE OF EMERGENCY MANAGEMENT

To cover utilities, which were more than expected.

100-11250-00000-43610	(Utilities)	\$3,500.00	
100-11250-00000-42310	(Repair/Maintenance Supplies)		\$3,500.00

PLANNING DEPARTMENT

To replace computer originally budgeted for, but funds were previously moved around to purchase a new plotter.

100-11232-00000-48120	(Office Machines)	\$1,000.00	
100-11232-00000-43210	(Transport/Subsistence)		\$1,000.00

SOLID WASTE DEPARTMENT

To replace outdated computer and monitor per IT replacement schedule.

290-32010-00000-48710	(Minor Office Equipment)	\$1,278.03	
290-32010-00000-43011	(Contract Services)		\$623.03
290-32010-00000-43260	(Training)		\$655.00

Introduced by: Cooper, Dunne
Date: 05/07/19
Hearing: 05/21/19
Action:
Vote:

**KENAI PENINSULA BOROUGH
ORDINANCE 2018-19-35**

**APPROPRIATING FUNDS TO THE LEGAL DEPARTMENT FOR COSTS
ASSOCIATED WITH HIRING OUTSIDE COUNSEL TO REPRESENT THE KENAI
PENINSULA BOROUGH IN THE TARIFF REVISION DESIGNATED AS TA310-4
FILED BY ENSTAR NATURAL GAS COMPANY WITH THE REGULATORY
COMMISSION OF ALASKA, MATTER NUMBER U-19-014**

WHEREAS, in Resolution 2019-028 the assembly authorized the Kenai Peninsula Borough (“borough”) to intervene in Enstar Natural Gas Company’s (“Enstar”) Tariff Revision Designated as TA310-4, before the Regulatory Commission of Alaska (“RCA”), matter number U-19-014, regarding the Homer Extension Surcharge (“surcharge”); and

WHEREAS, the borough contracted with the law firm of Birch Horton Bittner & Cherot, P.C. (“Birch Horton”) to represent the Kenai Peninsula Borough jointly with the City of Homer and Kachemak City (“petitioners”) in this RCA matter; and

WHEREAS, the deadline to intervene in that matter was April 22, 2019; and

WHEREAS, on April 18, 2019, Birch Horton filed a joint petition on behalf of petitioners to intervene in the RCA matter; and

WHEREAS, as discussed by the assembly during the legislative committee meeting of April 16, 2019, if the assembly approved Resolution 2019-028 the borough would pay one-third of the attorney fees incurred in this matter while it is represented by Birch Horton; and

WHEREAS, the assembly approved Resolution 2019-028 and attorney fees were incurred beginning April 17, 2019 for the motion to intervene and will continue to be incurred for representing the borough in this matter; and

WHEREAS, this is a specialized area of law and the continuing services and expertise of Birch Horton will be needed to adequately represent the borough’s interest in this matter; and

WHEREAS, it is estimated that at this time funds of up to approximately \$33,333 may be needed to pay the borough’s one-third of the fees and costs incurred by outside counsel on behalf of the borough; and

WHEREAS, the legal department has \$16,486.69 remaining from the previous cases before the RCA which are available to be transferred for use in this case; and

WHEREAS, an additional \$16,847 would fund the remaining estimated amount needed should the case go to a hearing or be resolved through extended settlement negotiations;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. The sum of \$16,486.69 may be transferred from account number 100.11310.17RCA.49999 to account number 100.11310.19RCA.49999.

SECTION 2. The sum of \$16,847 is hereby appropriated from the General Fund's fund balance to account number 100.11310.19RCA.49999 for fees and costs associated with hiring outside counsel to represent the borough in Enstar's tariff revision matter number TA310-4 filed with the RCA.

SECTION 2. That this ordinance shall become effective retroactively on April 17, 2019.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS * DAY OF *, 2019.

Wayne H. Ogle, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

Kenai Peninsula Borough
Assembly

MEMORANDUM

TO: Wayne Ogle, Assembly President
Members, Kenai Peninsula Borough Assembly

FROM: Kelly Cooper, Assembly Member (K.C.)
Willy Dunne, Assembly Member (W.D.)

DATE: April 25, 2019

RE: Ordinance 2018-19-35, Appropriating Funds to the Legal Department for Costs Associated with Hiring Outside Counsel to Represent the Kenai Peninsula Borough in the Tariff Revision Designated as TA310-4 Filed by Enstar Natural Gas Company with the Regulatory Commission of Alaska, Matter Number U-19-04 (Cooper, Dunne)

During its April 16, 2019 meeting, the assembly approved Resolution 2019-028 which authorized the borough to intervene in the Enstar Natural Gas Company Homer Extension Surcharge Tariff Revision before the Regulatory Commission of Alaska ("RCA").

During the committee meeting in which this was discussed, the assembly was informed that if the borough does intervene in this matter it would be expected to split the costs of the attorneys' fees charged by Birch Horton Bittner & Cherot with the City of Homer and Kachemak City with each municipality paying one-third. The estimated ranges given were \$30,000 for the initial drafting and submission of the intervention and limited other work. If that does not resolve the case it is estimated that, at most, the cost would be \$100,000 for the continued representation of the municipalities through the hearing, including putting on witnesses or extensive negotiations.

This ordinance would authorize the transfer of the \$16,486.69 previously appropriated the legal department for a different RCA tariff dispute that has been resolved. Additionally, it would appropriate the sum of \$16,847 from the General Fund, fund balance for a total of \$33,333.69 in the event the full amount is needed for this matter. Any funds unspent would lapse to the General Fund upon closure of the case.

This ordinance is effective retroactively to April 17, 2019, as that is the day after the assembly approved the borough's participation in this case and the

April 25, 2019

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Re: O2018-19- 35

attorneys, in reliance upon that action, immediately revised their work to include the borough in the motion for intervention.

Your approval of this ordinance would be appreciated.

FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED	
Acct. No.	<u>100.27910</u>
Amount:	<u>\$ 16,847.00</u>
Acct. No.	<u>100.11310.17RCA.49999</u>
Amount:	<u>\$ 16,486.69</u>
By: <u>pp</u>	Date: <u>4/24/19</u>

Introduced by: Mayor
Date: 05/07/19
Hearing: 05/21/19
Action:
Vote:

**KENAI PENINSULA BOROUGH
ORDINANCE 2018-19-36**

**AN ORDINANCE APPROPRIATING COMMERCIAL PASSENGER VESSEL TAX
PROCEEDS RECEIVED FROM THE STATE OF ALASKA IN THE AMOUNT OF
\$558,070 AND ALLOCATING \$522,255 TO THE CITY OF SEWARD AND
\$35,815 TO THE CITY OF HOMER**

WHEREAS, in the August 22, 2006 state election, the voters approved the initiative in Ballot Measure 2, enacting AS 43.52.200 – 43.52.295, which imposed a tax on travel aboard certain cruise ships travelling in Alaska waters; and

WHEREAS, the Alaska legislature has authorized the sharing of Commercial Passenger Vessel (“CPV”) excise tax collections with eligible ports of call in the state; and

WHEREAS, CPV excise tax collections are derived from taxes imposed on cruise ship passengers; and

WHEREAS, the City of Seward and City of Homer are eligible ports of call for receiving CPV funds; and

WHEREAS, when the eligible ports of call are cities located in a borough, the cities and the borough each receive \$2.50 for each passenger; and

WHEREAS, the total amount received by the borough from the State of Alaska for the 2018 calendar CPV programs was \$558,070; and

WHEREAS, the City of Seward and City of Homer have requested that funds received by the borough that are derived from cruise ship passengers in each city be appropriated to each city for port improvement projects; and

WHEREAS, the intended use of these funds by the cities of Seward and Homer will comply with AS 43.52.230(b), federal legislation and court rulings that permit the use of these funds for port facilities, harbor infrastructure, and other services provided to the commercial passenger vessels and the passengers on board those vessels;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That the mayor is authorized to execute grant agreements and any other documents deemed necessary to expend the funds and to fulfill the intents and purposes of this ordinance.

SECTION 2. That \$558,070 received from the State of Alaska in FY2019 for the commercial passenger vessel excise tax collection program be appropriated from the miscellaneous grant fund balance to account 271.94910.19CPV.43011, contract services, for payment to the City of Seward in the amount of \$522,255 and to the City of Homer in the amount of \$35,815 to be used for port facilities, harbor infrastructure and other services provided to the commercial passenger vessels and their passengers.

SECTION 3. This ordinance shall become effective immediately upon enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS *
DAY OF * 2019.**

Wayne H. Ogle, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

Kenai Peninsula Borough

Community & Fiscal Projects

MEMORANDUM

TO: Wayne Ogle, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Mayor *Ch*
Brandi Harbaugh, Finance Director *BA*

FROM: Brenda Ahlberg, Community & Fiscal Projects Manager *BWA*

DATE: April 25, 2019

RE: Ordinance 2018-19-36, Appropriating Commercial Passenger Vessel Tax Proceeds Received from the State of Alaska in the Amount of \$558,070 and Allocating \$522,255 to the City of Seward and \$35,815 to the City of Homer (Mayor)

In the August 22, 2006 election, the Alaska voters approved the initiative in Ballot Measure No. 2, which imposed a tax on passengers travelling for at least 72 hours aboard a vessel with 250 or more berths, that anchors or moors in Alaska waters with the intent to allow passengers to disembark. The initiative enacted statutes AS 43.52.200 - AS 43.52.295 that provide for the levy and collection of this tax and the disposition of the proceeds. The taxes are deposited into a state fund called the Commercial Passenger Vessel ("CPV") tax account. A portion of the proceeds are disbursed to the first seven ports of call each year. If ports of call are located in a city within a borough, \$2.50 per passenger is distributed to the city and to the borough in which the city is located. Both the City of Seward and the City of Homer have qualified for these funds, and the Borough has accordingly received proceeds from the CPV account.

The tax proceeds collected for the borough have been awarded to the City of Seward and City of Homer by way of grant agreements since 2007. Each city has provided a request letter describing funding intent for eligible projects (enclosed). The cities must confirm that the use of funds will comply with State of Alaska Department of Commerce, Community & Economic Development, "Commercial Vessel Passenger Tax Program" as governed by AS 43.52.200 - 43.52.295; specifically, AS 43.52.230 (b), "shall use the funds for port facilities, harbor infrastructure, and other services provided to the commercial passenger vessels and the passengers on board those vessels."

Page -2-
April 26, 2019
Re: O2019-18- 36

This ordinance will approve the 2018 calendar year appropriations to be allocated to the City of Seward and the City of Homer, which will be executed by way of grant agreements. The Community & Fiscal Projects Manager shall oversee the program.

FINANCE DEPARTMENT FUNDS/ACCOUNT VERIFIED	
Acct. No.	<u>271.94910.19CPV.49999</u>
Amount:	<u>N/A</u>
By: <u>pp</u>	Date: <u>4/19/19</u>



- Main Office (907) 224-4050
- Police (907) 224-3338
- Harbor (907) 224-3138
- Fire (907) 224-3445
- City Clerk (907) 224-4046
- Community Development (907) 224-4049
- Utilities (907) 224-4050
- Fax (907) 224-4038

March 26, 2019

Brenda Ahlberg
Kenai Peninsula Borough
144 N. Binkley
Soldotna, Alaska 99669

RE: Cruise ship passenger tax proceeds

Dear Ms. Ahlberg,

On behalf of the community of Seward, I would like to thank the Borough Assembly and administration for allocating the Commercial Passenger Vessel (CPV) excise tax to the cities of Seward and Homer, based on their pro-rata share of cruise ship passengers visiting each port. These funds have been critical to Seward's ability to provide improvements to our port infrastructure in support of cruise ships and their passengers.

The City of Seward was asked to submit a letter requesting their allotment of 2018 cruise ship commercial passenger vessel excise tax proceeds, and to identify the intended use of these funds. AS 43.52.230(b) requires that "a city or borough that receives a payment under this subsection shall use the funds for port facilities, harbor infrastructure, and other services provided to the commercial passenger vessels and the passengers on board those vessels." Seward's planned use of these 'ports-of-call' funds will entirely meet these requirements. We have identified the following projects for utilization of CPV funds, including: 1) replacement of launch ramps in the harbor; 2) shuttle bus transportation for cruise passengers and crew, including preparation of maps showing location of bus stops; 3) ambulance services for cruise vessel responses by SVAC and SVFD; 4) cruise visitor impacts to Port Avenue and library; 5) wayfinding directional signs and information; 6) dock maintenance and repairs; and other port and harbor infrastructure needs.

We appreciate your support of our request, and look forward to working with you to enhance facilities for the cruise ship industry in our region.

Sincerely,



Norm Regis, Interim City Manager



City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

491 East Pioneer Avenue
Homer, Alaska 99603

citymanager@cityofhomer-ak.gov

(p) 907-235-8121 x2222

(f) 907-235-3148

April 9, 2019

Honorable Mayor Charlie Pierce
Kenai Peninsula Borough
144 N. Binkley St.
Soldotna, AK 99669

SUBJECT: 2018 Cruise Passenger Tax Receipts

Dear Mayor Pierce,

I am writing to confirm that the City of Homer wishes to receive the 2018 Commercial Vessel Passenger Tax receipts from the Borough. It is our understanding that you will be sponsoring an ordinance that would make the Borough's share of these tax receipts for vessel landings in Homer available to the City. The City appreciates that and understands that the amount to be passed through for calendar year 2018 is \$35,815.

The City of Homer recognizes that these funds must be used for port and harbor improvements that directly benefit cruise ship passengers. The City agrees to comply with the provisions contained in AS 43.52.200 – 43.52.295 and former SB 256 and HB 310. It is the City's intention to apply 2018 funds from the Borough and the State to reimburse the Port and Harbor Enterprise fund for the construction of Ramp 2 restroom.

This project was recently completed (see attached images). Located at the center of the retail area on the Homer Spit and at the launching point for many recreational day trips, Ramp 2 is heavily used by cruise ship passengers when they are in port.

Using the funds in this manner has been previously approved by the Borough and the State. The City of Homer greatly appreciates the opportunity to pool these funds to be able to make meaningful improvements for passengers and leverage funds. In this project, the City's Commercial Passenger Vessel Tax funds leveraged Federal Land and Water Conservation Fund dollars for a 1:1 match. If cruise ship traffic remains constant, the City expects to have reimbursed the Enterprise for the CPV portion of Ramp 2 restroom by 2021.

Thank you in advance for your time and consideration. Please do not hesitate to contact me if you have any questions.

Sincerely,

Katie Koester
City Manager

Enc: Ramp 2 Restroom Project Summary

Cc: Brenda Ahlberg, KPB Community and Fiscal Projects Manager

Introduced by: Mayor
Date: 05/07/19
Hearing: 05/21/19
Action:
Vote:

**KENAI PENINSULA BOROUGH
ORDINANCE 2018-19-37**

**AN ORDINANCE APPROVING A SOLE SOURCE AND APPROPRIATING FUNDS
FOR THE PURCHASE OF A TANKER PUMPER FROM THE KACHEMAK
EMERGENCY SERVICE AREA CAPITAL PROJECT FUND**

- WHEREAS,** Kachemak Emergency Service Area (“KESA”) has the opportunity to purchase a stock unit fire apparatus tanker/pumper to replace its failing non-serviceable tanker on the west side of the service area immediately, while recognizing a substantial savings over the originally anticipated cost; and
- WHEREAS,** KESA has been planning for the purchase of a tanker/pumper to replace the 1980 Spartan tanker acquired in 2009 from the City of Valdez surplus, and was proposing this purchase be appropriated through the fiscal year 2020 annual budget; and
- WHEREAS,** in April, 2019 KESA received notice from the Rosenbauer America Manufacturer that a stock unit custom tanker/pumper that meets almost all of KESA’s specifications had just become available for purchase and was being offered at a discount price; and
- WHEREAS,** the dual feature/functionality of this unit as a tanker/pumper will replace the existing tanker and still meet the International Organization for Standardization (“ISO”) requirements for maintaining KESA’s Public Protection Classification rating of a five, as well as offer greater functionality and maneuverability for the area than the apparatus that would have been built and purchased through the FY2020 budget; and
- WHEREAS,** KESA has negotiated with the supplier to include all necessary add-ons to this apparatus to meet the needs of KESA at no additional cost; and
- WHEREAS,** the existing tanker will potentially be removed from service due to safety and inoperability in the near future, and this purchase will allow KESA to keep continuity of fire protection for the west side of the service area and maintain a lowered ISO Rating; and
- WHEREAS,** when compared to the Houston-Galveston Area council (HGAC) Cooperative pricing, the cost of the pumper/tanker offered by Rosenbauer America cost less than then that of a custom built pumper/tanker with the same specifications if ordered directly from the manufacture; and

WHEREAS, at its regular meeting of April 11, 2019, the KESA board recommended approval of this expenditure by unanimous consent;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That the assembly approves the sole source purchase of a Rosenbauer America pumper/tanker for Kachemak Emergency Service Area.

SECTION 2. That \$300,000 is appropriated from Kachemak Emergency Service Area Operating Fund, fund balance to be transferred to the KESA Capital Project Fund account number 446.51810.19PMP.49999 for the purchase of a pumper/tanker.

SECTION 3. That \$201,000 is appropriated from Kachemak Emergency Service Area Capital Project Fund, fund balance to account number 446.51810.19PMP.49999 for the purchase of a pumper tanker, with a total project allocation of \$501,000.

SECTION 4. That this ordinance shall become effective upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS * DAY OF *, 2019.

Wayne H. Ogle, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

Kenai Peninsula Borough
Kachemak Emergency Service Area

MEMORANDUM

TO: Wayne Ogle, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Mayor *CP*

FROM: Bob Ciccicarella, KESA Fire Chief *BC*
John Hedges, Acting Purchasing and Contracting Director *JH*
Brandi Harbaugh, Finance Director *BA*

DATE: April 25, 2019

RE: Ordinance 2018-19.3] Approving a Sole Source and Appropriating Funds for the Purchase of a Tanker/Pumper from the Kachemak Emergency Service Area Capital Project Fund (Mayor)

Kachemak Emergency Services ("KESA") is respectfully requesting approval to sole source a Rosenbauer stock unit tanker/pumper fire apparatus.

KESA has the opportunity to immediately purchase a stock unit fire apparatus tanker/pumper to replace our failing non-serviceable tanker on the west side of our service area. The proposed purchase of the tanker would significantly shorten the lead times for the apparatus and advance its deployment in the service area by as much as one year.

KESA was in the process of planning for the purchase of a tanker/pumper to replace the 1980 Spartan Tanker acquired in 2009 from the City of Valdez surplus through the FY2020 budget process.

However, Rosenbauer America recently contacted KESA regarding a stock unit custom tanker/pumper that had just become available for purchase. This Rosenbauer tanker/pumper stock unit meets almost all of KESA's specifications and is being offered at a discounted price. We have negotiated with the supplier to include all necessary add-ons to this apparatus to meet the needs of our environment and KESA operations at no additional cost.

April 25, 2019

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Re: O2018-19- 31

The dual feature/functionality of this unit as a tanker/pumper will replace the existing tanker and still meet International Organization for Standardization ("ISO") requirements for maintaining our Public Protection Classification rating of a five. This stock unit has a greater functionality and maneuverability for our area than the apparatus that would otherwise be built and purchased through the FY2020 budget.

With the potential for removing the existing tanker from service at any time in the near future, this opportunity will allow us to keep continuity of fire protection for the west side of the service area and maintain our lowered ISO rating.

FINANCE DEPARTMENT	
ACCOUNT / FUNDS VERIFIED	
Acct. No.	<u>212.29710 \$300,000</u>
	<u>446.27910 \$201,000</u>
Amount:	<u>\$ 501,000</u>
By:	<u>pp</u> Date: <u>4/23/19</u>

Introduced by: Mayor
 Date: 05/07/19
 Hearings: 05/21/19 & 06/04/19
 Action:
 Vote:

**KENAI PENINSULA BOROUGH
 ORDINANCE 2019-19**

AN ORDINANCE APPROPRIATING FUNDS FOR FISCAL YEAR 2020

WHEREAS, Alaska Statute 29.35.100 and KPB 05.04.020 require that the mayor present a budget proposal to the assembly for the next fiscal year during or prior to the eighth week preceding the first day of the fiscal year; and

WHEREAS, the assembly is empowered with making appropriations for the General Fund, the Special Revenue Funds, the Debt Service Funds, the Capital Projects Funds, the Enterprise Funds, the Internal Service Funds of the borough and setting the fee schedule;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That \$84,293,373 is appropriated in the General Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020 as follows:

General Government Operations	\$17,136,445
Transfer to School District for Operations and In-kind Services	51,512,091
Transfer to School Debt Service	3,793,886
Transfer to Special Revenue Funds:	
Solid Waste	7,797,970
Post-Secondary Education	800,000
911 Communications Fund	350,000
Nikiski Senior Service Area	52,981
Eastern Peninsula Highway Emergency Service Area	350,000
Transfer to Capital Projects Funds:	
School Revenue	2,250,000
General Government	250,000

SECTION 2. The following is appropriated to the School Fund from local sources for operations purposes and in-kind services:

A. Local Effort	\$40,463,667
B. Maintenance	7,773,247
C. School District Utilities	90,000
D. School District Insurance	2,970,178
E. School District Audit	95,790
F. Custodial Services	<u>119,209</u>

Total Local Contribution per AS 14.17.410 \$51,512,091

SECTION 3. Disbursements from Section 2 item (A) shall be made monthly, and only as needed to supplement other revenues available and received by the school district to fund the operations portion of the school district budget. Any available balance remaining at the end of the fiscal year shall then be disbursed to the school district, provided that the total amount disbursed shall not exceed the amount allowed under AS 14.17.410 as determined after actual enrollment numbers are known.

SECTION 4. That the appropriations for the Special Revenue Funds for the fiscal year beginning July 1, 2019 and ending June 30, 2020 are as follows:

Nikiski Fire Service Area	\$5,250,018
Bear Creek Fire Service Area	681,018
Anchor Point Fire and Emergency Medical Service Area	1,218,767
Central Emergency Service Area	10,241,832
Central Peninsula Emergency Medical Service Area	8,113
Kachemak Emergency Service Area	1,199,672
Eastern Peninsula Highway Emergency Area	411,683
Seward Bear Creek Flood Service Area	379,104
911 Communications	2,413,929
Kenai Peninsula Borough Road Service Area	8,464,585
Engineer's Estimate Fund	12,000
North Peninsula Recreation Service Area	2,837,169
Seldovia Recreational Service Area	62,512
Post-Secondary Education	800,000
Land Trust	1,833,098
Nikiski Senior Service Area	398,200
Solid Waste	8,708,901
Central Kenai Peninsula Hospital Service Area	9,743,625
South Kenai Peninsula Hospital Service Area	4,178,918

SECTION 5. That \$4,054,226 is appropriated in the School Debt Service Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

SECTION 6. That \$446,938 is appropriated in the Central Emergency Services Debt Service Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

SECTION 7. That \$94,520 is appropriated in the Bear Creek Fire Service Area Debt Service Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

SECTION 8. That \$9,474,875 is appropriated in the Central Kenai Peninsula Hospital Service Area Debt Service Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

SECTION 9. That \$2,227,819 is appropriated in the South Kenai Peninsula Hospital Service Area Debt Service Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

SECTION 10. That \$1,063,500 is appropriated in the Solid Waste Service Area Debt Service Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

SECTION 11. That appropriations for the Capital Projects Funds for the fiscal year beginning July 1, 2019 and ending June 30, 2020 are as follows:

School Revenue	\$2,250,000
Solid Waste	670,525
911 Communications	175,000
Service Areas:	
Nikiski Fire	350,000
Bear Creek Fire	10,820
Anchor Point Fire & EMS	60,000
Central Emergency Services	1,150,000
Kachemak Emergency Service Area	20,000
North Peninsula Recreation	957,000
Road Service Area	2,558,175
South Kenai Peninsula Hospital	3,002,714

SECTION 12. That appropriations for the Internal Service Funds for the fiscal year beginning July 1, 2019 and ending June 30, 2020 are as follows:

Insurance and Litigation	\$4,528,420
Health Insurance Reserve	8,254,123
Equipment Replacement	650,000

SECTION 13. That the FY2020 budget of the Kenai Peninsula Borough, as submitted to the assembly on May 7, 2019, is incorporated as a part of this ordinance to establish the appropriations assigned to the various departments and accounts and the positions authorized therein.

SECTION 14. That funds reserved for outstanding encumbrances as of June 30, 2019 are reappropriated for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

SECTION 15. That the fee schedule presented in the budget document is approved.

SECTION 16. That this ordinance takes effect at 12:01 a.m. on July 1, 2019.

**ENACTED BY THE KENAI PENINSULA BOROUGH ASSEMBLY THIS * DAY OF *,
2019.**

Wayne H. Ogle, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

Kenai Peninsula Borough
Finance Department

MEMORANDUM

TO: Wayne Ogle, Assembly President
THRU: Charlie Pierce, Mayor *CP*
FROM: Brandi Harbaugh, Finance Director *BH*
DATE: May 7, 2019
RE: Ordinance 2019-19, An Ordinance Appropriating Funds for Fiscal Year 2020 (Mayor)

Ordinance 2019-19 appropriates the money necessary to fund the Kenai Peninsula Borough's annual budget for fiscal year July 1, 2019 to June 30, 2020 (FY2020.) The amounts included in the ordinance correspond with those appearing in the FY2020 Kenai Peninsula Borough Proposed Budget as presented to the assembly on May 7, 2019.

Public hearings are scheduled for May 21, 2019 and June 4, 2019.

Introduced by: Mayor
Date: 05/07/19
Hearing: 05/21/19
Action:
Vote:

**KENAI PENINSULA BOROUGH
ORDINANCE 2019-10**

**AN ORDINANCE AUTHORIZING THE NEGOTIATED LEASE OF OFFICE SPACE
AT THE NIKISKI COMMUNITY RECREATION CENTER WITH TESORO ALASKA
COMPANY LLC**

WHEREAS, the Nikiski Community Recreation Center (“NCRC”) is a former elementary school building that is operated and budgeted by the North Peninsula Recreation Service Area (“NPRSA”); and

WHEREAS, Tesoro Alaska Company LLC (“Tesoro”) has inquired about renting a room within the NCRC to be used for temporary office and meeting space; and

WHEREAS, NPRSA staff have identified an available space and mutually agreeable terms for entering an office space rental agreement with access to meeting space; and

WHEREAS, the Kenai Peninsula Borough Planning Commission at its regularly scheduled meeting of May 13, 2019 recommended _____;

**NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI
PENINSULA BOROUGH:**

SECTION 1. That the assembly finds that leasing office space to Tesoro pursuant to KPB 17.10.100(I) is in the best interest of the borough.

SECTION 2. That the provisions of KPB 17.10.080-090 and KPB 17.10.110-240 governing classification, disposition, and leasing of borough lands and related natural resources shall not apply to this lease of office space.

SECTION 3. Based on the foregoing, the mayor is hereby authorized, pursuant to KPB 17.10.100(I), to lease NCRC Room #7, being 840 sq. ft., with common use of bathrooms and parking, to Tesoro for an initial term of six months, with month-to-month extensions thereafter, at the monthly rental of \$2,276.40. The authorization is for lease solely to Tesoro and it may not assign any rights to negotiate or enter an agreement for lease to any other person or entity. Once entered, the lease may be assigned or subleased pursuant to the terms of the lease agreement.

SECTION 4. The mayor is authorized to execute a lease substantially similar in form to the lease form approved by the assembly.

SECTION 5. Tesoro shall have 180 days from the time of enactment of this ordinance to execute the lease document.

SECTION 6. That rent revenue from the subject lease shall be deposited in North Peninsula Recreation Service Area account 225.00000.00000.36315.

SECTION 7. That this ordinance shall take effect immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS * DAY OF *, 2019.

Wayne H. Ogle, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes:




No:


Absent:

Kenai Peninsula Borough
Planning Department – Land Management Division

MEMORANDUM

TO: Wayne Ogle, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Mayor 
Rachel Parra, NPRSA Recreation Director 
Max Best, Planning Director 

FROM: Marcus A Mueller, Land Management Officer 

DATE: April 25, 2019

RE: Ordinance 2019-10, Authorizing the Negotiated Lease of Office Space at the Nikiski Community Recreation Center with Tesoro Alaska Company LLC (Mayor)

The Nikiski Community Recreation Center ("NCRC") is a former elementary school building that was repurposed and is operated by the North Peninsula Recreation Service Area ("NPRSA"). Tesoro Alaska Company LLC ("Tesoro") has inquired about renting space within the NCRC for temporary office and meeting space to manage current space needs for their business operations in Nikiski.

A room available for office space is configured at the NCRC and a lease agreement has been drafted for an initial six-month period with month-to-month extensions thereafter by mutual agreement. The anticipated span of the lease is six to 12 months.

The lease rental for the 840 square foot room is \$2,276.40 payable monthly to NPRSA. The lease revenue would help to offset NPRSA's operational and building costs.

Borough code does not specifically address the leasing of building space. Several of the requirements of KPB 17.10 for the leasing of land are not applicable to the leasing of building space. While KPB 17.10.100(I) authorizes this negotiated lease, the ordinance provides that other provisions of KPB 17.10 including land classification, notice of disposition, lease types, lease terms and conditions, and general conditions are not required.

The attached ordinance would authorize the mayor to lease one classroom space at the NCRC to Tesoro for office space and providing terms for Tesoro's scheduled use of other facility spaces from time-to-time.

Your consideration is appreciated.

LEASE

This lease agreement (hereinafter the "Lease"), made and entered into this day of June 1, 2019, by and between the Kenai Peninsula Borough, 144 N. Binkley St, Soldotna, AK 99669, hereinafter referred to as "Lessor" and Tesoro Alaska Company LLC a Delaware limited liability company ("Tesoro"), 539 South Main Street, Findlay, Ohio 45840, hereinafter referred to as "Lessee".

1. **Premises.** Lessor, for and in consideration of the rents, covenants, and conditions hereinafter specified does hereby lease to Lessee the following property hereinafter referred to as "Premises":

An eight-hundred forty (840) square foot room, more particularly described as Room #7, Nikiski Community Recreation Center, 50097 Kenai Spur Highway, situated on Tract A, according to Plat No.1362, records of the Kenai Recording District, Third Judicial District, State of Alaska.

Lessee shall also have common use of public restrooms and up to ten parking spaces.

2. **Rent.** In consideration of the Lease of the Premises by Lessor, Lessee covenants to pay to the Lessor as rent the sum of \$2,276.40 per month. Rent is due and payable in advance, on or before the 1st day of the month. Rent shall remain the same for the term of the lease.

Additional Rent. Lessee agrees to pay additional rent for additional rental space in the facility. Advanced scheduling of these areas is required and must be reserved through the North Peninsula Recreation Service Area ("NPRSA") staff.

Additional Rent for Gymnasium/Banquet Room:

\$50/hr or \$250/ 8hrs

\$70/hr or \$400/ 8hrs (with Kitchen)

Additional fees apply for technology support/accessories/equipment

Additional Rent for Training Room/Class Room/Multi-Purpose Room:

\$30/hr or \$175/ 8hrs

\$50/hr or \$250/ 8hrs (with Kitchen)

Additional fees apply for technology support/accessories/equipment

3. **Term, Month-to-Month Extended Terms.** The Lease Term is six (6) months commencing on June 1, 2019 and ending on November 30, 2019 and may be extended month-to-month thereafter upon mutual agreement of the parties provided however that either Lessee or Lessor may cancel extended terms of this Lease without cause by delivering written notice to the other party not less than 28 days in advance of the date of cancellation. Such written notice shall specify the date of cancellation. Rents for a partial last month shall be prorated to the actual number of days in the partial term at \$75.00 per day. Lessee and Lessor acknowledge that six to 12 months is the anticipated life of this Lease.

4. **Services.**

- A. **Utilities/Snow Removal.** Gas, electric, water, septic, refuse and snow removal shall be provided by Lessor for the duration of this lease.
- B. **Grounds Maintenance.** Grounds maintenance shall be provided by Lessor for the duration of this lease.
- C. **Phone/ Network.** Phone and network service is the responsibility of the Lessee. Phone accounts, network servers, and internet connections shall be established and paid for by Lessee at the option of the Lessee. The Lessee is required to coordinate installation with the Lessor. The Lessor reserves the right to request that the Lessee must properly secure any wireless network provisions.
- D. **Janitorial Service.** Lessee is responsible for its own janitorial or custodial services.
- E. **Security.** Lessee will be responsible for securing office space. Lessee will be responsible for securing building and alarm system if operating outside of the community center normal operating hours.

5. **Covenants of Lessee.** Lessee hereby covenants and agrees:

- A. **To pay rent:** Lessee will pay the rent specified at the times and in the manner set out in Paragraph 2 herein, except only in the case of fire or other casualty as herein provided.
- B. **Not to assign.** Lessee shall not assign, sublet or part with the possession of all or any part of the leased premises without the prior written consent of the Lessor.
- C. **To permit Lessor to enter.** Lessor is granted free access to premises at all times for inspection, maintenance, or repair.
- D. **To yield up premises.** At the expiration or cancellation of this Lease, Lessee will peaceably yield up to Lessor the premises, in good repair in all respects, reasonable use and wear excepted.
- E. **Alterations.** Lessee may not alter the premises without first obtaining prior approval of Lessor. Any approved fixtures installed by Lessee shall become property of the Lessor unless otherwise agreed to in advance.
- F. **Acceptance of Premises.** Lessee has examined and knows the condition of the premises and accepts the same “as is,” subject to Lessor’s obligations under this lease.

- G. Use of Premises. Lessee hereby covenants that the use of the premises shall be for professional use (office/conference/meetings) only and for no other purpose except by written mutual agreement by Lessor.
6. Lessor's Warranties. The Lessor covenants, guarantees and provides the following express warranties:
- A. No existing restrictions interfere with the Lessee's permitted and intended use of the premises;
 - B. There is availability of adequate ingress and egress to the premises;
 - C. Lessor has sufficient interest in the property to grant Lessee this leasehold; and
 - D. Lessor shall be responsible for maintaining the premises in good repair.
7. Default by Either Party. Should either Lessor or Lessee default in the performance of the obligations of any covenants of this Lease and fail to fully remedy such default within 30 days after written notice by the non-defaulting party, then the Lease may be terminated by written notice to the defaulting party. Upon termination of this Lease, Lessor shall refund to Lessee any unearned advance rent paid by Lessee.
8. Indemnification and Liability Insurance.
- a. Indemnification and Hold Harmless. Lessee shall indemnify, defend, save and hold Lessor, its elected and appointed officers, agents and employees, harmless from any and all claims, demands, suits, or liability of any nature, kind or character including costs, expenses, and attorney fees resulting from Lessee's failure to perform in accord with the terms of this Lease in any way whatsoever. The Lessee shall be responsible under this clause for any and all claims of any character resulting from Lessee or Lessee's officers, agents, employees, attorneys, suppliers, and subcontractor's acts, omissions, or failure to perform under this Lease in any way whatsoever. This defense and indemnification responsibility shall not include claims alleging acts or omissions by Lessor or its agents, which are said to have contributed to the losses, failure, violations, or damage. Lessee shall not be responsible for any damages or claims arising from the negligence or willful misconduct of Lessor, its agents, or employees.
 - b. Liability Insurance. Lessee shall purchase at its own expense and maintain in force at all times during the term of this Lease Comprehensive General Liability Insurance, which shall include bodily injury, personal injury, and property damage with respect to the property and the activities conducted by the Lessee in which the coverage shall not be less than \$1,000,000 per occurrence. The policy purchased shall name Lessee as the insured and list Lessor as an additional insured, shall be primary and exclusive of any coverage carried by Lessor, and shall also require the insurer to provide Lessor with at least 30 days written notice of any change in

coverage. Lessee may submit a letter of self-insurance with proper backing demonstrating coverage that exceeds the above standards.

- c. **Proof of Insurance.** At the time of executing this Lease, and at the time of each renewal of insurance, Lessee shall deliver to the North Peninsula Recreation Service Area Director certificates of insurance or letters of self-insurance meeting the above criteria.

9. **Damage due to Causes beyond Control.** Lessee and Lessor agree that if a cause beyond control prevents occupation of the premises, any rent paid shall be prorated daily for the days Lessee is unable to occupy the premises. If the “cause beyond control” lasts for more than 30 days, Lessee or Lessor shall have the right to terminate this Lease upon 14 days’ written notice given in the manner set out in Section 15 of this Lease. The phrase “cause or causes beyond control,” as used in this section, means any one or more of the following causes which are not attributable to the fault or negligence of the Lessee or Lessor and which prevent performance of this Lease: Fire, explosions, floods, earthquakes, other acts of God, war, orders or law of duly constituted public authorities, and other major uncontrollable and unavoidable events, all of the foregoing which must actually prevent Lessee or Lessor from performing the terms of this Lease. Events which are particular to either party, including but not limited to financial difficulties, are not causes beyond the control of either the Lessee or Lessor. \.

10. **Compliance with Laws.** Lessee agrees to comply with all applicable federal, state, borough and local laws and regulations.

11. **No Waiver.** No assent, expressed or implied, by either party to any breach of either party’s covenants shall be deemed to be a waiver of any succeeding breach of the same covenants, nor shall any forbearance by a party to seek a remedy for any breach be deemed a waiver by that party of its rights or remedies with respect to such breach.

12. **Integration.** This document contains the entire lease agreement of the parties hereto. All negotiations, statements, representations, guarantees, warranties, and assurances, whether oral or written, which are in any way related to the subject matter of this Lease and the performance of either party hereto, are merged and integrated into the terms of this document.

13. **Interpretation and Enforcement.** This Lease has been drafted following negotiations between the parties. It shall be construed according to the fair intent of the language as a whole, not for or against any party. The interpretation and enforcement of this Lease shall be governed by the laws of the State of Alaska. The titles of sections in this agreement are not to be construed as limitations or definitions but are for identification purposes only.

14. **Counterparts; Electronic Signature.** This Lease may be executed in counterpart and may be executed by way of facsimile or electronic signature in compliance with AS 09.80, each of which when executed shall be considered an original and all of which together shall constitute one agreement.

15. **Severability.** If any section or clause of this Lease is held invalid by a court of competent jurisdiction, or is otherwise invalid under the law, the remainder of this Lease shall remain in full force and effect.
16. **Notice.** Whenever notice is required hereunder, it shall be addressed as follows until written notice of change of address is given to the other party:

LESSOR:

Kenai Peninsula Borough
 Rachel Parra, NPRSA Director
 144 N. Binkley Street
 Soldotna, Alaska 99669

With a copy to:

Kenai Peninsula Borough
 Land Management Division
 144 N. Binkley Street.
 Soldotna, AK 99669

LESSEE:

Tesoro Alaska Company LLC
 Cameron Hunt, Kenai Refinery Manager
 54741 Tesoro Road
 Kenai, Alaska 99611

With a copy to:

Tesoro Alaska Company LLC
 Corporate Real Estate Department
 539 South Main Street
 Findlay, Ohio 45840

KENAI PENINSULA BOROUGH

TESORO ALASKA COMPANY LLC

 Charlie Pierce
 KPB Mayor

 Mark Fowler
 Director, SCM Procurement

Date: _____

Date: _____

ATTEST:

APPROVED AS TO FORM
 AND LEGAL SUFFICIENCY:

 Johni Blankenship, KPB Clerk

 Sean Kelley
 Assistant Borough Attorney

NOTARY ACKNOWLEDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of _____ 2019 by Charlie Pierce, Mayor of the Kenai Peninsula Borough, an Alaska Municipal Corporation, for and on behalf of the Corporation.

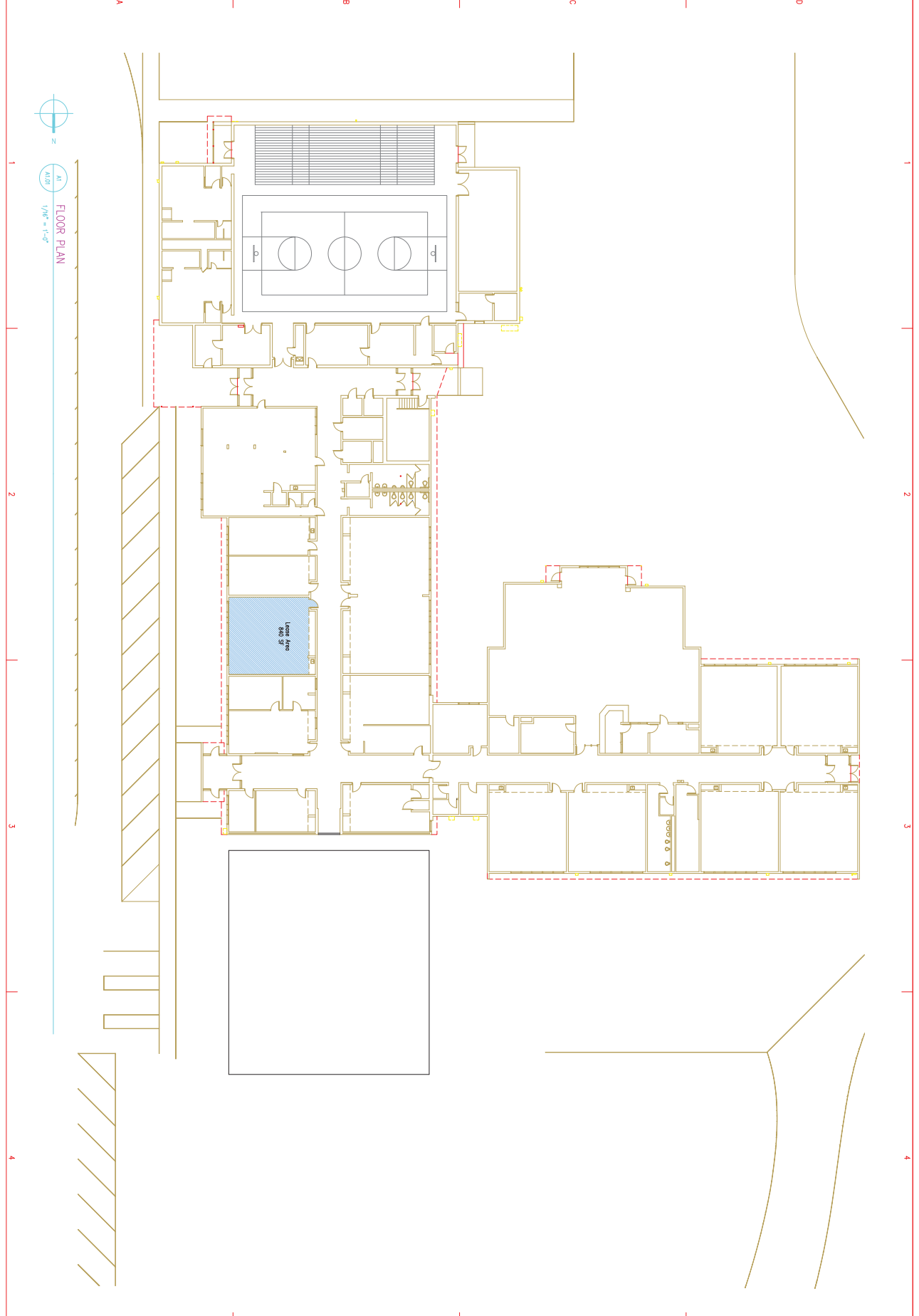
Notary Public in and for Alaska
My commission expires: _____

NOTARY ACKNOWLEDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of _____ 2019 by Mark Fowler, SCM Procurement Director of Tesoro Alaska Company LLC, a Delaware limited liability company, for and on behalf of the LLC.

Notary Public in and for _____
My commission expires: _____







FLOOR PLAN

 1/8" = 1'-0"

Category A	Sheet No. 1.00				
KENAI PENINSULA BOROUGH N. PENINSULA RECREATION CENTER NIKISKI, ALASKA					
Sheet Contents FLOOR PLAN	Drawn by Checked Date Job No.	Revisions No. Description Date			

Introduced by: Bagley, Cooper
Date: 04/16/19
Hearing: 05/21/19
Action:
Vote:

**KENAI PENINSULA BOROUGH
ORDINANCE 2019-08**

**AN ORDINANCE AMENDING KPB 22.40.080 TO HAVE THE MAYOR'S REPORT
HEARD LATER ON THE AGENDA**

WHEREAS, the Mayor's Report is currently scheduled near the beginning of the agenda; and

WHEREAS, the Mayor's Report typically contains after action items and serves to inform the assembly; and

WHEREAS, this amendment would afford the assembly the opportunity to address action items earlier in the meeting to maximize public participation;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. KPB 22.40.080 is hereby amended as follows:

22.40.080. Agenda – Order of business.

The order of business shall be:

- A. Call to order;
- B. Pledge of allegiance;
- C. Invocation;
- D. Roll call;
- E. Committee reports;
- F. Vacancy, designation or seating members (only when needed);
- G. Approval of agenda and consent agenda;
- H. Approval of minutes;
- I. Commending resolutions and proclamations;
- J. Presentations with prior notice (20 minutes total);
- K. Public comments on items not appearing on the agenda (three minutes per speaker; 20 minutes aggregate);
- [L. MAYOR'S REPORT];
- [M]L. Items not completed from prior agenda;
- [N]M. Public hearings on ordinances (Testimony limited to 3 minutes per speaker);
- [O]N. Unfinished business
 1. Postponed items
 2. Notices to reconsider/rescind;
- [P]Q. New business;
 1. Bid awards

- 2. Resolutions
- 3. Ordinances for introduction
- 4. Other (including addition of late items);
- [Q]P. Public comments and public presentations (Limited to 3 minutes per speaker);
- Q. Mayor's Report;
- [R. ASSEMBLY MEETING AND HEARING ANNOUNCEMENTS;]
- [S] R. Assembly comments;
- [T] S. Pending legislation;
- [U]T. Informational materials and reports;
- U. Assembly meeting and hearing announcements;
- V. [NOTICE OF THE NEXT MEETING AND] [A]Adjournment.

SECTION 2. That this ordinance shall take effect immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS * DAY OF * 2019.

Wayne H. Ogle, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

Kenai Peninsula Borough
Assembly

MEMORANDUM

TO: Wayne Ogle, Assembly President
Members, Kenai Peninsula Borough Assembly

FROM: Dale Bagley, Assembly Vice-President *DLB*
Kelly Cooper, Assembly Member *(K) for K.C.*

DATE: April 4, 2019

RE: Ordinance 2019-08, Amending KPB 22.40.080 to Have the Mayor's Report Heard Later on the Agenda (Bagley, Cooper)

The Mayor's Report is currently heard near the beginning of the agenda. The Mayor's Report typically contains after action items and it serves to inform the assembly.

In order to allow for the public to be heard on action items earlier in the meeting, our recommendation is to reorder the agenda to better serve the interests of the public and allow for testimony to be taken as early as possible on the agenda.

This amendment would further afford the assembly the opportunity to address action items earlier in the meeting to maximize public participation.

Your consideration and support is requested.

Introduced by: Carpenter
Date: 05/07/19
Action:
Vote:

**KENAI PENINSULA BOROUGH
RESOLUTION 2019-031**

A RESOLUTION SUPPORTING MOOSE PASS SCHOOL

WHEREAS, the Moose Pass Territorial School was built in Moose Pass, Alaska in approximately 1930 and is located within the Kenai Mountains-Turnagain Arm National Heritage Area Corridor; and

WHEREAS, Moose Pass School is the oldest continually used school building in the Kenai Peninsula School District currently serving approximately 16 students in grades K-7; and

WHEREAS, according to the 1993 Comprehensive Plan for Moose Pass, approximately 45 students attended Moose Pass School; and

WHEREAS, on May 20, 2010, Governor Sean Parnell issued an Executive Proclamation proclaiming May 20, 2010, as ‘Moose Pass Territorial School Day’; and

WHEREAS, maintaining funding for Moose Pass School ensures the school, housed in a historic building, will continue to operate as a place of learning;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That the Kenai Peninsula Borough Assembly supports the efforts by the Kenai Peninsula Borough School District to continue operation of Moose Pass School in its current location.

SECTION 2. That a copy of this resolution will be provided to the Kenai Peninsula Borough School Board Members and Sean Dusek, Superintendent.

SECTION 3. That this resolution takes effect immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 7TH DAY OF MAY, 2019.

Wayne H. Ogle, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

MEMORANDUM

TO: Wayne Ogle, Assembly President
Members, Kenai Peninsula Borough Assembly

FROM: Kenn Carpenter, Assembly Member (1B) for K.C.

DATE: May 9, 2019

RE: Resolution 2019-031, Supporting Moose Pass School (Carpenter)

During the assembly committee discussion of this resolution on May 7, 2019, some questions and concerns were raised regarding the intent of this resolution. My primary intention was to recognize the valuable history of the Moose Pass School and its potential future operations. Additionally, a concern was raised that the borough may not own this property. Borough records indicate it is owned by the borough.

Following are proposed amendments to this resolution intended to address the concerns raised. (Please note the underlined bold language is new and the bold strikethrough language in brackets is to be deleted.)

- Amend the title as follows:

A RESOLUTION ~~[SUPPORTING]~~ **RECOGNIZING THE HISTORICAL SIGNIFICANCE OF MOOSE PASS SCHOOL**

- Delete the final whereas clause and insert the following whereas clauses after the fourth whereas clause:

WHEREAS, the Kenai Mountains-Turnagain Arm National Area Corridor Communities Association ("KMTA") recognizes the cultural and historic significance of rural public schools and indicates schools within the KMTA communities of Moose Pass, Hope, Cooper Landing, Seward, Whittier, and Girdwood serve as the anchor and heart of this National Heritage Area; and

WHEREAS, KMTA expressed hope that Moose Pass School, housed in a historic building, will be able to continue to serve the children, families, and residents of Moose Pass;

➤ Amend Section 1 as follows:

SECTION 1. That the Kenai Peninsula Borough Assembly ~~[SUPPORTS THE EFFORTS BY THE KENAI PENINSULA BOROUGH SCHOOL DISTRICT TO CONTINUE OPERATION OF MOOSE PASS SCHOOL IN ITS CURRENT LOCATION]~~ **recognizes the historical significance of the Moose Pass School facility use, and its potential future use, as the oldest continually used school building in the Kenai Peninsula Borough School District.**

Your support would be appreciated.

Moose Pass School*PO Box 46 Moose Pass, AK 99631***Home****Welcome to MoosePassSchool**

We are a K-8 school but currently serve approximately 18 students in grades K-7. We have one teacher this year, Ms. Sandra Barron will be teaching all grades with the help of a full-time teacher's aide.

Through the skills of our teaching staff we are able to provide our students instruction in all core areas of the curriculum plus technology, P.E., music, and the humanities. We also have a strong volunteer program which makes it possible to receive more tutoring and help than children in large schools usually get.

We welcome the public to our school and just ask that you first check-in at the school office.

Moose Pass School
P.O. Box 46
Moose Pass, AK 99631
907.288.3183
907.288.3607 FAX



April 16, 2019

Assemblyman Kenn Carpenter
Kenai Peninsula Borough Assembly
Kenai Peninsula Borough Assembly
144 N. Binkley Street
Soldotna, AK 99669

Re: Moose Pass School Funding Support

Dear Assemblyman Carpenter & KPB Assembly Members

The Kenai Mountains-Turnagain Arm National Heritage Area Corridor Communities Association (KMTA) recognizes the cultural and historic significance of rural public schools and the role quality education for children has in creating vibrant and healthy communities. It has come to our attention that Moose Pass School is at risk of closing and subsequently consolidating with William H. Seward Elementary School due to proposed state-wide budget cuts.

KMTA requests the Kenai Peninsula Borough Assembly maintain funding for Moose Pass School and ensures the school, housed in a historic building, continues to operate as a place of learning now and into the future. To not do so would negatively alter the educational, economic, and cultural fabric of the community.

As detailed in the State of Alaska Executive Proclamation by Governor Sean Parnell on May 20, 2010, the historic importance of Moose Pass School is significant. Moose Pass children attend classes in the oldest continually used school building in the Kenai Peninsula School District. For 89 years, the school has provided an excellent public education to the community's children.

Schools within the KMTA communities of Moose Pass, Hope, Cooper Landing, Seward, Whittier, and Girdwood serve as the anchor and heart of our National Heritage Area. These schools provide a venue for community residents and students to interact

through educational based activities such as science fairs, spelling bee competitions, athletic events, holiday-themed carnivals, and musical performances. The community gathers on school grounds for fundraisers to aid in generating funds to pay for extracurricular activities. The lands found within the National Heritage Area provide an expansive educational platform that can range in topic from natural science, to history, and to world-class recreational education opportunities.

I am hopeful the Kenai Peninsula Borough will ensure funding for Moose Pass School is maintained and continues to serve the children, families, and residents of this community. Thank you for your kind consideration.

Sincerely,

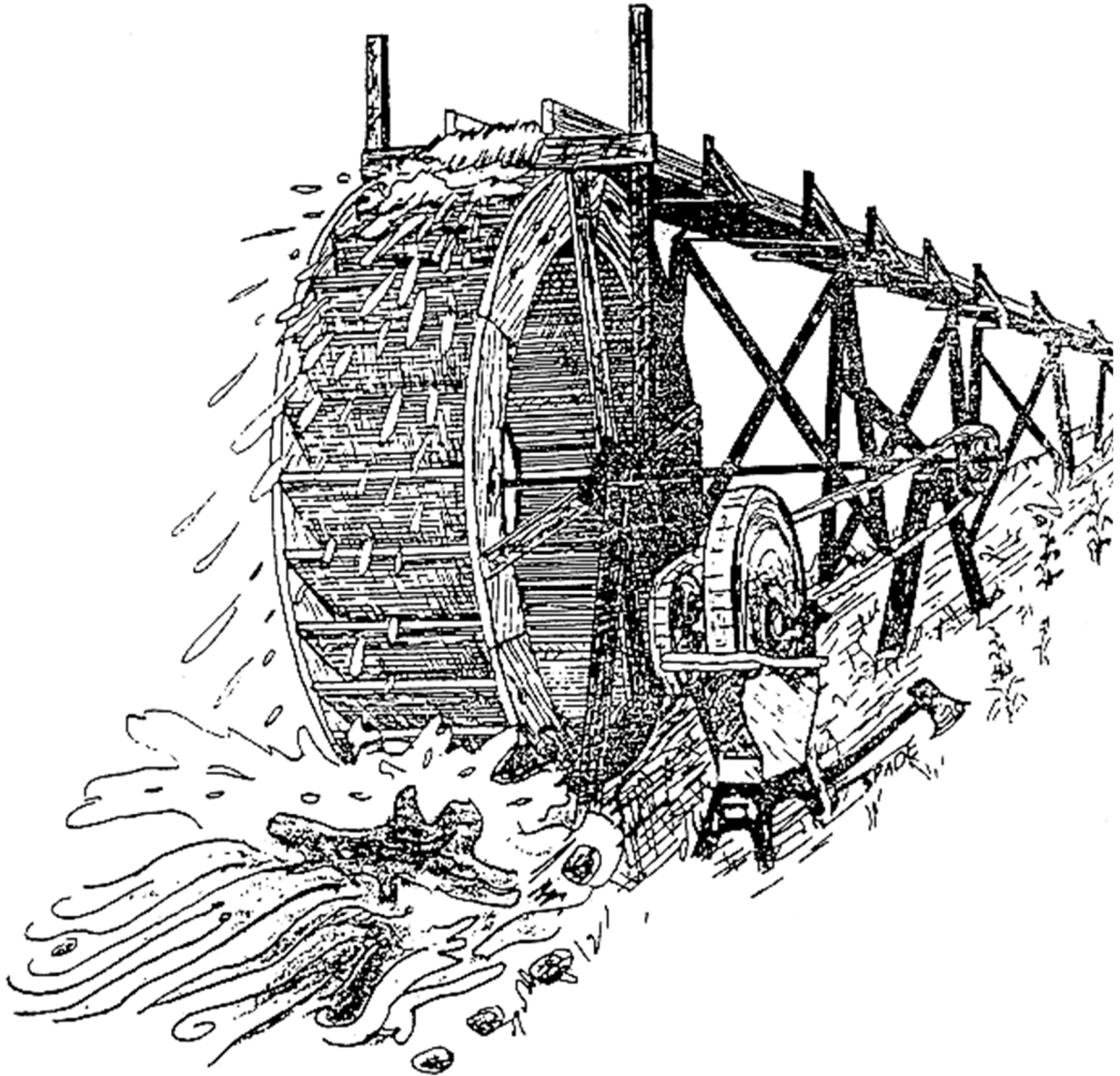


Jessica Szelag
Executive Director
KMTA National Heritage Area

cc: KPB Assembly Clerk
cc: KMTA Board of Directors

**COMPREHENSIVE PLAN
MOOSE PASS**

February, 1993



**Prepared by:
Moose Pass Advisory Planning Commission**

**For:
Kenai Peninsula Borough**

ACKNOWLEDGEMENTS

Borough Administration

Don Gilman, Mayor
Richard Troeger, Planning Director

Moose Pass Advisory Planning Commission

Jeff Estes
Lory B. Leary
Irene Lindquist
Ellen O'Brien
Ann Painter
Rick Smeriglio, Chairman
Mark Stauble, Vice Chairman

Borough Staff

Jane Gabler, Planner
Nancy Jungmann, Administrative Assistant

I BACKGROUND and OBJECTIVES

A. Public Services and Facilities

1. *Education*

Moose Pass currently has a Borough elementary school for grades K through 8 and has approximately 45 students. The community has expressed strong support for maintaining the current grade levels including junior high. The Moose Pass Parent Advisory Committee has reserved the option of participating in the Seward Middle School Concept Plan. This option would give families who choose to send their children to Seward, a program they would approve. The community favors expansion of the school when necessary. The current building is paid for, but may not meet future needs as enrollment increases. In the 1991 survey, the community did not support the option of choosing a new school site. The school continues to be a focus for community functions.

Introduced by: Mayor
 Date: 05/21/19
 Action:
 Vote:

**KENAI PENINSULA BOROUGH
 RESOLUTION 2019-032**

**A RESOLUTION ESTABLISHING THE LAND TRUST INVESTMENT FUND (LTIF)
 FINANCIAL ASSET ALLOCATION PLAN, APPROVING AUTHORIZED
 INVESTMENTS, AND ESTABLISHING APPROPRIATE BENCHMARKS TO
 MEASURE PERFORMANCE OF THE BOROUGH’S LTIF FUNDS FOR FISCAL
 YEAR 2020**

WHEREAS, pursuant to KPB Code 5.10.200(A)(2), the investments, allocation of, and benchmarks of the Land Trust Investment Fund (LTIF) shall be approved by resolution annually, usually during the budgetary processes; and

WHEREAS, KPB 5.10.200(B) permits investment of the LTIF funds in various asset classes and establishing asset allocation criteria for these various asset classes in the best interest of the borough; and

WHEREAS, the annually approved Asset Allocation Plan will provide benchmarks to measure investment performance.

BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. Adopts the Asset Allocation Plan of Fiscal Year 2020 as follows:

<u>Asset Class</u>	<u>Target</u>	<u>Minimum</u>	<u>Maximum</u>
FIXED INCOME	45%		
Cash	5%	0%	10%
U.S. Fixed Income	25%	15%	35%
TIPS	10%	5%	15%
International Bonds	5%	0%	10%
EQUITY	47%		
U.S. Large-Cap Equity	22%	12%	32%
U.S. Mid-Cap Equity	7%	0%	15%
U.S. Small-Cap Equity	3%	0%	6%
International Developed Equity	10%	5%	15%
Emerging Markets Equity	5%	0%	10%
ALTERNATIVES	8%		
Real Estate	2%	0%	5%
Infrastructure	3%	0%	6%
Commodities	3%	0%	6%

SECTION 2. The performance of the Fund and investment managers will be measured as follows:

Performance measurement of the U.S. Fixed Income allocation will be measured against the Target weighting, using the Bloomberg Barclays US Aggregate Bond Index or a substantially similar index for the benchmark.

Performance measurement of the U.S. Large-Cap Equity allocation will be measured against the Target weighting, using the Standard & Poor's 500 Index or a substantially similar index for the benchmark.

Performance measurement of the U.S. Mid-Cap Equity allocation will be measured against the Target weighting, using the Standard & Poor's 400 Mid-Cap Index or a substantially similar index as the benchmark.

Performance measurement of the U.S. Small-Cap Equity allocation will be measured against the Target weighting, using the Standard & Poor's 600 Small-Cap Index or a substantially similar index as the benchmark.

Performance measurement of the International Developed Equity allocation will be measured against the Target weighting, using the MSCI EAFE Index or a substantially similar index for the benchmark.

Performance measurement of the Emerging Markets Equity allocation will be measured against the Target weighting, using the MSCI Emerging Markets Index or a substantially similar index as the benchmark.

Performance measurement of the Real Estate allocation will be measured against the Target weighting, using the Standard & Poor's US REIT Index or a substantially similar index as the benchmark.

Performance measurement of the US Treasury Inflation Protected Securities (TIPS) allocation will be measured against the Target weighting, using the Bloomberg Barclays 0-5 Year Treasury Inflation Protected Securities Index or a substantially similar index as the benchmark.

Performance measurement of the International Bonds allocation will be measured against the Target weighting, using the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index or a substantially similar index as the benchmark.

Performance measurement of the Cash allocation will be measured against the Target weighting, using the Citi Group 90 Day T-Bill Index or a substantially similar index as the benchmark.

Performance measurement of the Infrastructure allocation will be measured against the Target weighting, using STOXX Global Broad Infrastructure Index or a substantially similar index as the benchmark.

Performance measurement of the Commodity allocation will be measured against the Target weighting, using the Bloomberg Commodity Index or a substantially similar index as the benchmark.

SECTION 3. That this resolution takes effect at 12:01 a.m., Alaska Daylight Time, on July 1, 2019.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 21ST DAY OF MAY, 2019.

Wayne H. Ogle, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

Kenai Peninsula Borough
Finance Department

MEMORANDUM

TO: Wayne Ogle, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Mayor *CP*

FROM: Brandi Harbaugh, Finance Director *BH*

DATE: May 21, 2019

RE: Resolution 2019-032, Establishing the Land Trust Investment Fund (LTIF) Financial Asset Allocation Plan, Approving Authorized Investments, and Establishing Appropriate Benchmarks to Measure Performance of the Borough's LTIF Funds for Fiscal Year 2020 (Mayor)

Pursuant to KPB Code 5.10.200(A)(2), the investments, allocation and benchmarks of the Land Trust Investment Fund (LTIF) shall be approved annually, usually during the budgetary processes.

Based on the recommendation of the Kenai Peninsula Borough's LTIF Investment Manager, Alaska Permanent Capital Management, this resolution sets the portfolio allocation at 55% equities and alternatives, and 45% fixed income, which can reasonably support a distribution rate of 3.75% of the 5-year average market values while protecting the LTIF from inflation. This resolution also provides appropriate benchmarks to measure the performance of the LTIF funds for FY2020.

Introduced by: Mayor
Date: 05/21/19
Action:
Vote:

**KENAI PENINSULA BOROUGH
RESOLUTION 2019-033**

A RESOLUTION AUTHORIZING THE KENAI PENINSULA BOROUGH, ON BEHALF OF THE SOUTH KENAI PENINSULA HOSPITAL SERVICE AREA, TO AMEND THE HOMER WOMEN’S CLINIC LEASE AGREEMENT FOR PROPERTY LOCATED AT 4117 BARTLETT STREET TO EXTEND THE TERM OF THE LEASE

WHEREAS, the South Peninsula Hospital, Inc. (“SPH, Inc.”) subleases and operates the South Peninsula Hospital (“SPH”) pursuant to a Sublease and Operating Agreement (“SLOA”) with the Kenai Peninsula Borough on behalf of the South Kenai Peninsula Hospital Service Area (“SKPHSA”); and

WHEREAS, in 2012 the borough, on behalf of the South Kenai Peninsula Hospital Service Area (“SKPHSA”), entered into a lease agreement with Westwing, LLC for the Women’s Clinic Building, located at 4117 Bartlett Street, Homer, AK, for a term of seven years; and

WHEREAS, the current lease expires on June 30, 2019; and

WHEREAS, SPH, Inc. has requested to extend the term of the lease for two years; and

WHEREAS, SPH, Inc. board, at its regularly scheduled meeting of March 27, 2019, recommended approval; and

WHEREAS, the SKPHSA board, at its regularly scheduled meeting of April 11, 2019, recommended approval; and

WHEREAS, the Kenai Peninsula Borough Planning Commission, at its regularly scheduled meeting of May 13, 2019, recommended _____;

NOW THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That the mayor is authorized to amend the term of the lease with Westwing, LLC for property located at 4117 Bartlett Street, Homer, Alaska, to provide for an additional two years, subject to the provisions of the current lease agreement. Said lease, as extended, will terminate on June 30, 2021.

SECTION 2. That the mayor is authorized to execute a lease amendment substantially in the form of the agreement attached hereto and incorporated herein by reference, and to make any other agreements deemed necessary in accordance with this resolution.

SECTION 3. That expenditures for the lease will be paid by SPH, Inc., for the term of the Sublease and Operating Agreement, including any extension or renewal thereof, or until the lease is terminated, whichever occurs first.

SECTION 4. That this resolution shall take effect immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 21ST DAY OF MAY, 2019.

Wayne H. Ogle, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

Kenai Peninsula Borough
Planning Department – Land Management Division

MEMORANDUM

TO: Wayne Ogle, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Mayor *CP*
Max Best, Planning Director *MB*
Marcus Mueller, Land Management Officer *MM*

FROM: Julie Denison, Land Management Technician *JD*

DATE: May 9, 2019

RE: Resolution 2019-033, Authorizing the Kenai Peninsula Borough, on Behalf of the South Kenai Peninsula Hospital Service Area, to Amend the Homer Women's Clinic Lease Agreement for Property Located at 4117 Bartlett Street to Extend the Term of the Lease (Mayor)

The Kenai Peninsula Borough leases the Women's Clinic building located at 4117 Bartlett Street, Homer, on behalf of the South Kenai Peninsula Hospital Service Area (SKPHSA), and subleases that space to South Peninsula Hospital, Inc. (SPH, Inc.) under the terms of the Sublease and Operating Agreement. The Women's Clinic Lease Agreement will expire on June 30, 2019. The Women's Clinic is vital to South Peninsula Hospital's Obstetrician/Midwifery service, and SPH, Inc. has requested two additional one-year renewal options.

This resolution was brought before the SPH, Inc. operating board on March 27, 2019, and was approved unanimously. The SKPHSA board also approved this resolution at its meeting held on April 11, 2019.

This resolution is scheduled to be brought before the planning commission at its May 13, 2018, meeting. The planning commission will forward its recommendations to the assembly prior to their consideration of this resolution.

Your consideration of the resolution is appreciated.

AMENDMENT TO WOMEN'S CLINIC LEASE AGREEMENT
(With Right of First Refusal and Option to Purchase)

This Amendment To Women's Clinic Lease Agreement ("Amendment") is entered by and between WESTWING, LLC, an Alaska limited liability company ("Lessor"), whose address is PO BOX 537, HOMER, AK 99603, and KENAI PENINSULA BOROUGH, an Alaska municipal corporation, ("Borough" or "Lessee"), whose address is 144 N. Binkley St., Soldotna, AK 99669, on behalf of SOUTH KENAI PENINSULA HOSPITAL SERVICE AREA ("SKPHSA"), together with SOUTH PENINSULA HOSPITAL, INC., ("SPH, Inc.") an Alaska nonprofit corporation, ("Sublessee").

WHEREAS, Lessor and Lessee, entered into a Women's Clinic Lease Agreement ("Lease") on June 6, 2012 for the leased premises at 4117 Bartlett Street, Homer, Alaska 99603, Assessor's Parcel No.: 17506104, with legal description as set forth in the Lease, to be used by SPH, Inc., as Lessee's permitted Sublessee, for the operation and conduct of a Women's Clinic for the benefit of the Borough and SKPHSA; and

WHEREAS, the KPB gave notice of extension as authorized by the Lease on January 11, 2017 for a one-year term and on July 2, 2018 for a one-year term; and

WHEREAS, the Lease expires on June 30, 2019; and

WHEREAS, the Lessor and Lessee desire to continue use at this location for up to two additional years; and

WHEREAS, the parties desire to amend the Lease as set forth in this Amendment;

NOW, THEREFORE, in consideration of the mutual promises, covenants, conditions, and terms set forth herein and in the Lease, the parties agree to amend the Lease as follows:

➤ Amend Article 3.2 to read, as follows:

3.2. Renewal Options. Provided that this Lease is in full force and effect and Lessee and Sublessee are not in default hereunder, Lessee and Sublessee shall have the right and

option to renew this Lease for an additional two successive Terms, commencing July 1, 2019, with each individual term being for a period of one year, and under the same terms, conditions, and provisions herein for the original Term of the Lease, except for Rent. The renewal options to be effective must be exercised by the Lessee and/or Sublessee by written notice to Lessor in the form and manner provided in §15.4 at least six months prior to the commencement date of the renewal term.

Entering into this Amendment shall serve as exercise of the first of the two added renewal options.

➤ Amend Article 4 to add 4.1(c) to read as follows:

4.1(c). Renewal Rent for Terms Commencing July 1, 2019 and July 1, 2020.

For each renewal option, as amended, hereby, commencing July 1, 2019 and July 1, 2020, if so exercised, the Annual Rent shall be \$36,000, and the corresponding Monthly Rent shall be \$3,000. This rent was derived using the procedure set forth in Section 4.1(b) and is set for the above-mentioned Renewal Terms as a matter of agreement.

All other aspects, terms and conditions of the original Lease, not amended as set forth above, will remain the same as in the original Lease, and remain in full force and effect. This amendment document shall be controlling to the extent there is a conflict between the terms of the original Agreement and this Amendment.

DATED this _____ day of _____, 2019.

WESTWING, LLC
LESSOR

By: Sonja Martin Young, Member

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____day of _____, 2019, by SONJA MARTIN YOUNG, Member of WESTWING, LLC, an Alaska limited liability company, on behalf of the company.

Notary Public, State of Alaska
My Commission Expires:_____

DATED this _____ day of _____, 2019.

KENAI PENINSULA BOROUGH
LESSEE

By: Charlie Pierce, Mayor

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by CHARLIE PIERCE, Mayor of the KENAI PENINSULA BOROUGH, an Alaska municipal corporation, on behalf of the corporation.

Notary Public, State of Alaska
My Commission Expires:_____

ATTEST:

Approved as to Form and
Legal Sufficiency:

Johni Blankenship,
Borough Clerk

Colette G. Thompson,
Borough Attorney

DATED this _____ day of _____, 2019.

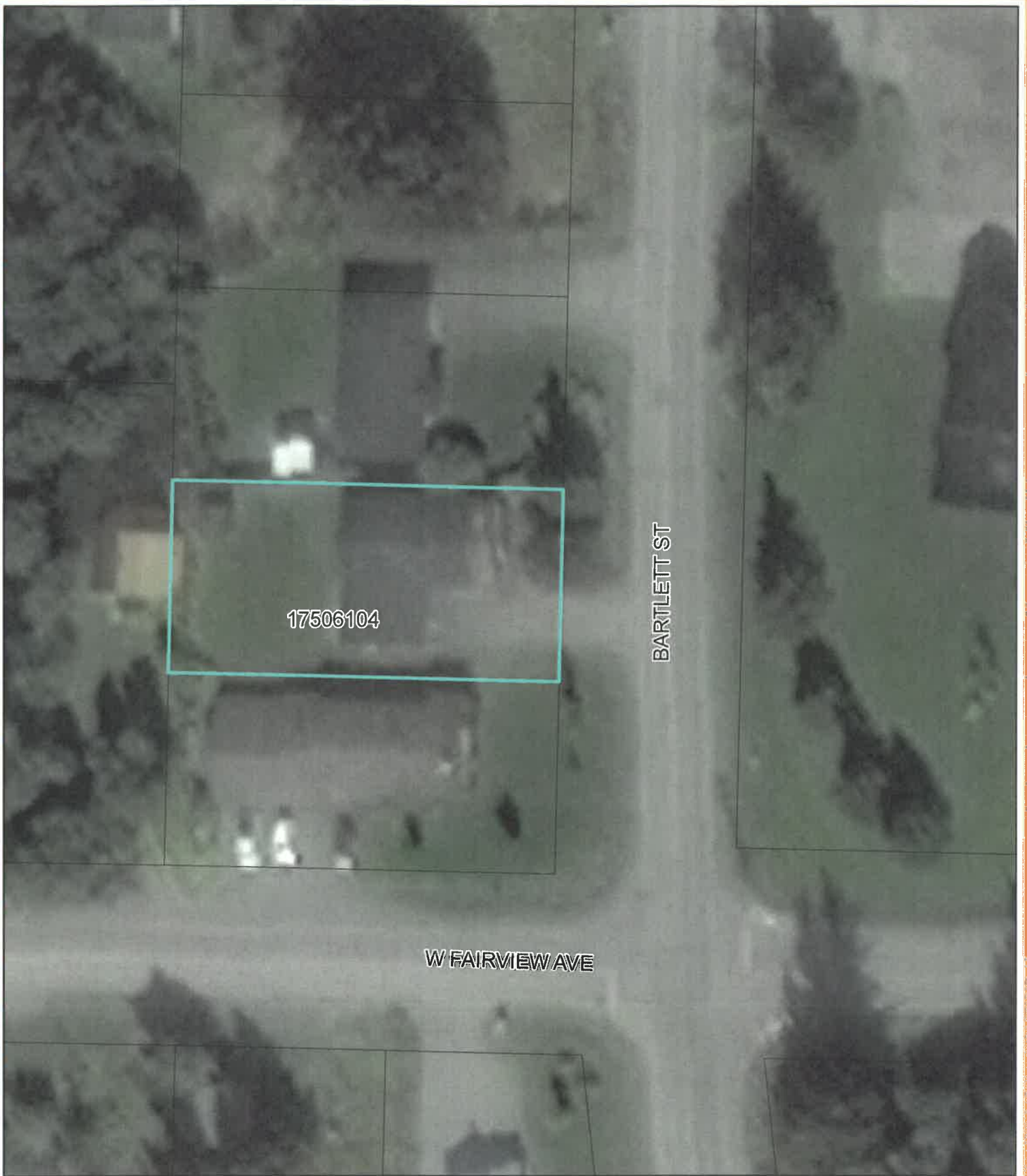
SOUTH PENINSULA HOSPITAL, INC.
SUBLESSEE

By: Noel Rea, Interim Chief Executive Officer

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____day of _____, 2019, by Noel Rea, Interim Chief Executive Officer of SOUTH PENINSULA HOSPITAL, INC., an Alaska nonprofit corporation, on behalf of the corporation.

Notary Public, State of Alaska
My Commission Expires:_____



17506104

BARTLETT ST

W FAIRVIEW AVE



The information depicted hereon is for a graphical representation only of best available sources. The Kenai Peninsula Borough assumes no responsibility for any errors on this map.

KPBL# 12-0606-02

4117 Bartlett Street, Homer
Landlord: Westwing, LLC



0 25 50 Feet
+++++

Introduced by: Mayor
Date: 05/21/19
Action:
Vote:

**KENAI PENINSULA BOROUGH
RESOLUTION 2019-034**

A RESOLUTION AUTHORIZING THE KENAI PENINSULA BOROUGH, ON BEHALF OF THE SOUTH KENAI PENINSULA HOSPITAL SERVICE AREA, TO AMEND THE HOMER OFFICE SPACE LEASE AGREEMENT FOR PROPERTY LOCATED AT 203 W. PIONEER AVENUE TO EXTEND THE TERM OF THE LEASE

WHEREAS, South Peninsula Hospital, Inc. (“SPH, Inc.”) subleases and operates the South Peninsula Hospital (“SPH”) pursuant to a Sublease and Operating Agreement (“SLOA”) with the Kenai Peninsula Borough on behalf of the South Kenai Peninsula Hospital Service Area (“SKPHSA”); and

WHEREAS, in 2009 the SPH, Inc. administration entered into a lease agreement for 3,400 square feet of office space for operations of SPH, Inc.’s Home Health Care Department and Community Education Department, located at 203 W. Pioneer Avenue in Homer, for a term of seven years; and

WHEREAS, in 2012 the lease was amended to add 1,000 square feet to the lease, making SPH, Inc. the sole building occupant, and extended the term of the lease to seven more years; and

WHEREAS, the current lease, as amended, expires on June 30, 2019; and

WHEREAS, SPH, Inc. has requested to extend the term of the lease for two years; and

WHEREAS, the SPH, Inc. board, at its regularly scheduled meeting of April 24, 2019, recommended approval; and

WHEREAS, the SKPHSA board, at its regularly scheduled meeting of April 11, 2019, recommended Approval; and

WHEREAS, the Kenai Peninsula Borough Planning Commission, at its regularly scheduled meeting of May 13, 2019, recommended _____;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That the mayor is authorized to extend the term of the lease with Jonas Ridge, LLC for 4,400 square feet of space located at 203 W. Pioneer Avenue, Homer, Alaska for an additional two years, subject to the provisions of the current lease agreement. Said lease, as extended, will terminate on June 30, 2021.

SECTION 2. That the mayor is authorized to execute a lease amendment substantially in the form of the agreement attached hereto and incorporated herein by reference, and to make any other agreements deemed necessary in accordance with this resolution.

SECTION 3. That expenditures for the lease will be paid by SPH, Inc., for the term of the Sublease and Operating Agreement, including any extension or renewal thereof, or until the lease is terminated, whichever occurs first.

SECTION 4. That this resolution shall take effect immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 21ST DAY OF MAY, 2019.

Wayne H. Ogle, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

Kenai Peninsula Borough
Planning Department – Land Management Division

MEMORANDUM

TO: Wayne Ogle, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Mayor *CP*
Max Best, Planning Director *MB*
Marcus Mueller, Land Management Officer *MB for MM*

FROM: Julie Denison, Land Management Technician *JD*

DATE: May 9, 2019

RE: Resolution 2019-034, Authorizing the Kenai Peninsula Borough, on Behalf of the South Kenai Peninsula Hospital Service Area, to Amend the Homer Office Space Lease Agreement for Property Located at 203 W. Pioneer Avenue to Extend the Terms of the Lease (Mayor)

The Kenai Peninsula Borough leases the Women's Clinic office building located at 203 W. Pioneer Avenue, Homer, on behalf of the South Kenai Peninsula Hospital Service Area (SKPHSA), and subleases that space to South Peninsula Hospital, Inc. (SPH, Inc.) under the terms of the Sublease and Operating Agreement.

The lease provides space for South Peninsula Hospital's Home Health Care and Community Education departments and expires on June 30, 2019. SPH, Inc. has requested a two-year extension.

This resolution was brought before the SPH, Inc.'s. operating board on April 24, 2019. The SPH, Inc. board recommended approval.

This resolution is scheduled to come before SKPHSA board on May 9th. The recommendations of the SKPHSA board will be provided to the assembly prior to its consideration of this resolution.

This resolution is scheduled to be brought before the planning commission at its May 13, 2019 meeting. The recommendations of the planning commission will be provided to the assembly prior to its consideration of this resolution.

Your consideration of this resolution is appreciated.

AMENDMENT TO OFFICE SPACE LEASE AGREEMENT

This Amendment to Office Space Lease Agreement ("Amendment") is entered by and between JONAS RIDGE, LLC, an Alaska limited liability company ("Lessor"), whose address is 362 Tyee Street, Homer, AK 99603, and the KENAI PENINSULA BOROUGH, an Alaska municipal corporation, ("Borough"), whose address is 144 N. Binkley St., Soldotna, AK 99669, on behalf of SOUTH KENAI PENINSULA HOSPITAL SERVICE AREA ("SKPHSA"), together with SOUTH PENINSULA HOSPITAL, INC. ("SPH, Inc."), an Alaska nonprofit corporation.

WHEREAS, Lessor and SPH, Inc. former Lessee, entered into an Office Space Lease Agreement ("Lease") for the leased premises at 203 West Pioneer Avenue, Homer, Alaska 99603, Assessor's Parcel No.: 17514304, with legal description as set forth in the Lease, to be used by SPH, Inc., on June 1, 2009, for the operation and conduct of administrative operations for the benefit of the Borough and SKPHSA; and,

WHEREAS, Lessor and SPH, Inc. amended the Lease on July 5, 2012 to include additional space and extended the Lease until June 30, 2019; and

WHEREAS, Lessor and SPH, Inc. consented on December 26, 2013 to the assignment of the Lease to the Borough; and

WHEREAS, the Lease expires on June 30, 2019; and

WHEREAS, Lessor and the Borough desire to continue use at this location for up to two additional years; and

WHEREAS, the parties desire to amend the Lease as set forth in this Amendment;

NOW, THEREFORE, in consideration of the mutual promises, covenants, conditions, and terms set forth herein and in the Lease, the parties agree to amend the Lease as follows:

➤ Amend Article 2(a) to read, as follows:

2(a). Term. The term of this Lease shall be extended for 24 months (2 years) commencing on July 1, 2019 and

terminating on June 30, 2021, unless either party gives notice 90 days before termination date of June 30. If the Sublease & Operating Agreement between the Borough and SPH, Inc. is terminated before June 30, 2020 and a new agreement is not entered between them for the operation of medical facilities this agreement may be terminated by either party with 90 days' notice.

All other aspects, terms and conditions of the original Lease, not amended as set forth above, will remain the same as in the original Lease, as amended, including rents, and remain in full force and effect. This amendment document shall be controlling to the extent there is a conflict between the terms of the original Agreement and this Amendment.

DATED this _____ day of _____, 2019.

JONAS RIDGE, LLC
LESSOR

By: M. Todd Boling, Member

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by M. TODD BOLING, Member of JONAS RIDGE, LLC, an Alaska limited liability company, on behalf of the company.

Notary Public, State of Alaska
My Commission Expires:_____

DATED this _____ day of _____, 2019.

KENAI PENINSULA BOROUGH

By: Charlie Pierce, Mayor

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by CHARLIE PIERCE, Mayor of the KENAI PENINSULA BOROUGH, an Alaska municipal corporation, on behalf of the corporation.

Notary Public, State of Alaska
My Commission Expires:_____

ATTEST:

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

Johni Blankenship,
Borough Clerk

Colette Thompson,
Deputy Borough Attorney

DATED this _____ day of _____, 2019.

SOUTH PENINSULA HOSPITAL, INC.

By: Noel Rea, Interim Chief Executive Officer

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of _____ 2019, by NOEL REA, Interim Chief Executive Officer of SOUTH PENINSULA HOSPITAL, INC., an Alaska nonprofit corporation, on behalf of the corporation.

Notary Public, State of Alaska
My Commission Expires: _____



17506104

BARTLETT ST

W FAIRVIEW AVE

KPBL# 12-0606-02

4117 Bartlett Street, Homer
Landlord: Westwing, LLC



The information depicted hereon is for a graphical representation only of best available sources. The Kenai Peninsula Borough assumes no responsibility for any errors on this map.



0 25 50 Feet
A scale bar with tick marks indicating 0, 25, and 50 feet.

Introduced by:
Date:
Action:
Vote:

Mayor
05/21/19

**KENAI PENINSULA BOROUGH
RESOLUTION 2019-035**

**A RESOLUTION AUTHORIZING THE ASSESSOR TO ACCEPT ONE
LATE-FILED DISABLED VETERAN EXEMPTION APPLICATION,
FILED AFTER MARCH 31**

WHEREAS, KPB 5.12.105(E) provides that an application for a disabled veteran exemption must be filed by March 31 of the year for which the exemption is sought; and

WHEREAS, in accordance with AS 29.45.030(f) and KPB 5.12.105(E) the assembly may, for good cause shown, waive the claimant's failure to make timely application and authorize the assessor to accept the application as if timely filed; and

WHEREAS, in accordance with KPB 5.12.105(E)(4) if an otherwise qualified claimant is unable to comply with the March 31 deadline for filing an application, and the inability to comply is caused by a serious condition or extraordinary event beyond the taxpayer's control, the assembly may, by resolution, waive the claimant's failure to file the application by such date, and authorize the assessor to accept the application as if timely filed; and

WHEREAS, the applicant has submitted an affidavit stating that he had extraordinary circumstances which prevented him from timely filing a 2019 disabled veteran exemption application;

**NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI
PENINSULA BOROUGH:**

SECTION 1. Upon reviewing the disabled veteran exemption application and documentation or affidavit submitted with this resolution, the assembly hereby waives the March 31 deadline for filing an application for the 2019 disabled veteran exemption based upon a finding that the applicant was unable to comply with that deadline due to a serious condition or extraordinary event beyond his control.

SECTION 2. That the assessor shall process the application in accordance with standard assessing department procedures for processing such applications.

SECTION 3. That this resolution takes effect immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 21ST DAY OF MAY, 2019.

Wayne H. Ogle, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

Kenai Peninsula Borough
Assessing Department

MEMORANDUM

TO: Wayne Ogle, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Kenai Peninsula Borough Mayor *CP*

FROM: Melanie Aeschliman, Borough Assessor *MA*

DATE: May 9, 2019

SUBJECT: Resolution 2019- 035, Authorizing the Assessor to Accept One Late -Filed Disabled Veteran Exemption Application (Mayor)

One applicant has requested the assembly allow the assessor to accept his late-filed real property Disabled Veteran tax exemption application filed after March 31, 2019.

KPB 5.12.105 and AS 29.45.030(f) allow for late-filed exemptions to be granted by the assembly. For an application filed after March 31, the applicant must file an affidavit stating good cause for failure to comply with the deadline. Good cause is defined by KPB 5.12.105(E)(4) as:

... an inability to comply with the March 31 deadline that was caused by a serious condition or extraordinary event beyond the taxpayer's control. A serious condition or extraordinary event may include a serious medical condition or other similar serious condition or extraordinary event.

Disabled Veteran Exemption Applicant: Mr. Brady Williams has been a recipient of the Disabled Veteran Exemption for years 2016 & 2017. He was denied his request for the Disabled Veteran exemption for 2018 due to a late submission, by 4 days, of his proof of continuing disability by the Department of Veterans Affairs. He did not appeal in 2018. Due to the 2018 denial he no longer received a reminder to apply for the 2019 Disabled Veteran Exemption or supply disability documentation for the 2019 assessment year.

Mr. Brady works remotely and arrived in Kenai on April 1, 2019 at approximately 9:00 pm, picked up his mail and read his assessment notice. It was then he discovered he didn't have his Disabled Veteran Exemption. He visited the Assessing Department on April 2, 2019 to apply, only to discover he was late again. His wife does not drive due to her own disability and was unable to assist with picking up the mail.

Based upon the facts from Mr. Williams late-filed waiver and proof of disability, he will qualify for the Disabled Veteran Exemption for 2019, if his late-filed request is authorized by the assembly.



DISABLED VETERAN EXEMPTION

2019

DUE ON OR BEFORE MARCH 31 OF THE EXEMPTION YEAR
APPLICANTS MUST PROVIDE DOCUMENTATION EACH YEAR OF 50% OR MORE SERVICE CONNECTED DISABILITY TO QUALIFY

Return completed form and requested information to:
Kenai Peninsula Borough - Assessing Dept. - 144 North Binkley - Soldotna, AK 99669
907-714-2230 or 1-800-478-4441 Fax 907-714-2393
www.kpb.us/assessingdept

RECEIVED



BRADY JOSEPH WILLIAMS
PO BOX 782
KENAI AK 99611-0782

APR 2 2019
KPB ASSESSING DEPT
Property ID (PIN): **055-081-75**
Physical Address: 34530 COMMERCE ST

Legal Description: T 5N R 11W SEC 35 Seward Meridian KN 0970074 ASHTON PARK SUB LOT 15 BLK 2

Home Phone: _____	Applicants date of birth: _____	Spouses name: <i>Micah Sue Williams</i>
Cell Phone: _____	Applicants Social Security Number: _____	Spouses date of birth: _____
I am applying as a: <input checked="" type="checkbox"/> Disabled Veteran <input type="checkbox"/> Surviving spouse age 60 or older		
Have you received this exemption before? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes If YES, list the account/parcel number for the previous exemption: <i>Same</i>		
Do you have a disability rated 50% or greater by the VA? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes		
Is disability "service connected"? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes		
Dwelling type: <input checked="" type="checkbox"/> Single Family <input type="checkbox"/> Condominium <input type="checkbox"/> Mobile Home <input type="checkbox"/> Multi-Family Dwelling <input type="checkbox"/> Other _____		
What percent of ownership do you alone (or jointly with your spouse) have in this property? <i>100</i> %		
Is any portion of this property used for any Commercial Purposes? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes Rental Purposes? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		
Is occupancy shared with someone other than your spouse and/or minor children? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		
If yes, when did shared occupancy begin? Date _____ What percent of the home do they occupy? _____ % <i>If live in care is medically necessary, attach letter from the doctor.</i>		
Do you or your spouse own property in another state? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		
If yes, do you receive any exemptions on that property? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		
When traveling outside the state of Alaska, at what address do you primarily reside? <i>I don't!</i>		

I CERTIFY: This property is my primary residence and permanent place of abode. I occupied it as my primary residence for a minimum of 185 days in the year prior to the year of this application. (If you do not meet this requirement, you must provide satisfactory evidence that you meet the statutory criteria for an allowable absence under AS 43.23.008.)

I hereby attest that the information above is true and correct to the best of my knowledge, and I will notify the borough assessing department if I do not meet this requirement in any future year for the duration of this exemption.

Brady Williams

[Signature]

2 Apr 19

PRINT OR TYPE OWNER NAME

SIGNATURE

DATE

****ASSESSOR'S USE ONLY****

<input type="checkbox"/> New Filing	<input type="checkbox"/> Occupancy	<input type="checkbox"/> Denied	<input type="checkbox"/> Approved	Entered by: _____
<input type="checkbox"/> Prior Filing	<input type="checkbox"/> Ownership	<input type="checkbox"/> Disability	<input type="checkbox"/> Full <input type="checkbox"/> Variable <input type="checkbox"/> Contig	

revised 12/16/2014

AFFIDAVIT OF Brady Joseph Williams
(Senior Citizen or Disabled Veteran Applicant Name)
**AND APPLICATION FOR APPROVAL OF LATE FILING
FOR SENIOR CITIZEN OR DISABLED VETERAN EXEMPTION**

This application is made pursuant to A.S. 29.45.030 Required Exemptions and KPB Code 5.12.105. Real Property Tax - Exemptions - Senior Citizens, Disabled Veterans and surviving spouses thereof.

Good cause means an inability to comply with the March 31 deadline that was caused by a serious condition or extraordinary event beyond the taxpayer's control. A serious condition or extraordinary event may include a serious medical condition or other similar serious condition or extraordinary event. (Absent extraordinary circumstances, a mere failure to pick up or read mail or to make arrangements for an appropriate and responsible person to pick up and read mail or a failure to provide a current address to the Department of Assessing will not be deemed good cause). Failure to meet the filing deadline is based upon the following good cause:

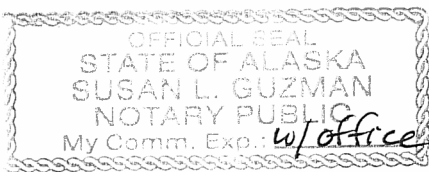
Please describe the serious condition or extraordinary event that caused your failure to meet the March 31st filing deadline. (Please attach any documentation you may have that supports your request).

I was work remotely on the North Slope and then on the Monopod Platform. I checked my mail box on Apr 1st as soon as I got into town. I was denied last year because I was 4 days late so I did not receive a reminder letter, was unable to have my spouse deliver it because her medical condition prevents her from driving.
FURTHER AFFIANT SAITH NAUGHT.

Dated at Soldotna, Alaska, this 2nd day of April, 20 19

[Signature]
Applicant Signature

SUBSCRIBED AND SWORN to before me this 2nd day of April, 20 19



[Signature]
Notary Public
My Commission Expires: w/office

Exemption applications submitted for consideration for late-file acceptance will be forwarded to the Assembly by the Mayor's Office.

Assembly Action: APPROVED _____ DENIED _____



March 29, 2019

Kenai Peninsula Borough
Attn: Johni Blankenship
VIA Email: jblankenship@kpb.us
CC: micheleturner@kpb.us
tshassetz@kpb.us

License Number:	18929
License Type:	Retail Marijuana Store
Licensee:	SEEDS & STEMS LLC
Doing Business As:	SEEDS & STEMS LLC
Physical Address:	43280 Kenai Spur Highway, Unit E Nikiski, AK 99635
Designated Licensee:	Jenny Foster
Phone Number:	907-830-8666
Email Address:	Jenny@AlaskaCannabis.com

New Application

AMCO has received a completed application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under 3 AAC 306.025(d)(2).

To protest the approval of this application(s) 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.

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 May 1-3, 2019 meeting.

Sincerely,

Erika McConnell

Erika McConnell, Director
amco.localgovernmentonly@alaska.gov



THE STATE
of ALASKA
GOVERNOR BILL WALKER

Department of Environmental Conservation
DIVISION OF ENVIRONMENTAL HEALTH
FOOD SAFETY & SANITATION PROGRAM
43335 Kalifornsky Beach Rd Suite 11
Soldotna, Alaska 99669
Main: 907 262-2413
Fax: 907 262-2294
www.dec.alaska.gov/eh/iss
health@alaska.gov

August 28, 2018

Toby Foster
Seeds & Stems
43280 Kenai Spur Hwy
Kenai, Alaska 99611

Subject: DEC Food Establishment Permit Not Required

Dear Mr. Foster,

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(e)(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,

Heidi Sernbagen
Environmental Health Officer II

Received by AMCO 3/20/19



Application for Food Establishment Permit
Alaska Department of Environmental Conservation
Division of Environmental Health
Food Safety and Sanitation Program



Permit ID:

Section 1 - GENERAL INFORMATION (All applicants complete entire section - please print).

Purpose (check one) New Information Change Extensive Remodel Change of owner/operator Reactivate

Name of Entity or Owner Responsible for Food Service: **Seeds & Stems** AK Business License # **1075126**

Business/Corporate Mailing Address: **PO Bo 595** City **Kenai** State **AK** Zip **99611**

Business/Corporate Phone: **(907) 690-0091** Email: **Toby@AlaskaCannabis.com**

Owner(s) or Corporate Officer(s) & Title(s) or Responsible Party: **Toby Foster CEO** Fax:

Type of Entity Individual Partnership Corporation Other:

Establishment Name: **Seeds & Stems** Physical Location: **43280 Kenai Spur Hwy** Nearest Community: **Kenai**

Establishment Mailing Address: **PO Bix 595** City: **Kenai** State: **AK** Zip: **99611**

Establishment Phone: **(907) 690-0091** Fax: **Toby Foster** Contact Person: **Toby Foster**

Establishment Physical Address: **43280 Kenai Spur Hwy** City: **Nikiski** State: **AK** Zip: **99635**

SEATING: (Food Service Only) N/A 25 or less 26-100 > 101

TYPE OF OPERATION Please describe the type of facility you plan to open below (i.e. restaurant, bar, grocery store, etc.)
Marijuana Retail Store

SECTION 2 - NEW OR EXTENSIVELY REMODELED FACILITIES
a. A plan review will be required if your facility has never been permitted by the Alaska's Food Safety and Sanitation Program; has not had an active permit in the last five years; will be extensively remodeled; or is a new construction. If any of these apply, a Plan Review Application is required to process your application. Have you attached the Plan Review Application? Yes No

SECTION 3 - COMPLETE FOR ALL FOOD ESTABLISHMENTS (Check all that apply)

FOOD SERVICE ESTABLISHMENTS

a. A copy of your menu will be required. Have you attached a copy of the proposed menu? Yes No

b. Attach appropriate label, placard, or menu notation for the consumer advisories if you serve:
 Wild Mushrooms Unpasteurized juices Farmed halibut, salmon, or sablefish
 Raw/undercooked animal foods such as beef, shell eggs, lamb, pork, poultry, seafood, and shellfish.

c. Methods of food preparation (check the one that most closely describes the establishment):
 Assembly of Ready to Eat Foods Cook and Serve
 Hot or cold Service for 2 hours or more is done
 Complex Preparation 1 day or more in advance, cooling and reheating is done

d. Style of Service: Counter Service Self Service (i.e. buffet line, salad bar) Table Service

e. Do you plan to operate as a caterer?
If yes, list all the equipment used to protect food from contamination and maintain product temperature during:
Hot or Cold Holding: Yes No

Form 18-31-APP.01 (Rev. 4/13)

Received by AMCO 3/20/19

Department of Commerce, Community, and Economic Development
CORPORATIONS, BUSINESS & PROFESSIONAL LICENSING

State of Alaska / Commerce / Corporations, Business, and Professional Licensing / Search & Database Download / Corporations / Entity Details

ENTITY DETAILS

Name(s)

Type	Name
Legal Name	Seeds & Stems LLC

Entity Type: Limited Liability Company

Entity #: 10087136

Status: Good Standing

AK Formed Date: 6/28/2018

Duration/Expiration: Perpetual

Home State: ALASKA

Next Biennial Report Due: 1/2/2020

Entity Mailing Address: PO BOX 595, KENAI, AK 99611

Entity Physical Address: 43280 KENAI SPUR HWY, NIKISKI, AK 99635

Registered Agent

Agent Name: Toby Foster

Registered Mailing Address: PO BOX 595, KENAI, AK 99611

Registered Physical Address: 43280 KENAI SPUR HWY., NIKISKI, AK 99635

Officials

AK Entity #	Name	Titles	Owned
	David Lucey	Member	16.83
	Dwain Foster	Member	13.50
	Jason Swircenski	Member	11.50
	Jenny Foster	Member, Manager	37.50

Permit ID(s) _____ Establishment Name(s) _____

f. Will your food establishment be a kiosk or mobile unit? Yes No

Are employee tickets available within 200 feet? Yes No
If you have an agreement with another business to use their restrooms, please attach written verification.

Portable water tanks, plumbing, and hoses are NSF or FDA approved components? Yes No

If you have a kiosk, is it located outside of a building? Yes No

Will you have a service provide water or remove wastewater? Yes No

If yes, provide a letter of agreement from water hauler or wastewater hauler outlining services provided and frequency.

Will another permitted food establishment (commissary) provide support to your facility? If yes, attach a copy of the Commissary Agreement. Yes No

FOOD PROCESSORS

a. A copy of a label for each type of product you will produce is required. Have you attached food labels of each product to be produced? Yes No

b. Describe who you will be distributing your product to (i.e. grocery stores, etc):

c. Will you be doing any of the following processes? Check all that apply.

Reduced Oxygen Packaging Smoking Other: _____

Low Acid Canned Foods Curing

Shelf Stable Acidified Foods Dehydrating

Be sure to check with your local Environmental Health Officer for any applicable forms and FDA requirements.

d. Do you have a HACCP Plan? Yes No N/A
Required for high hazard food processors such as smoking, curing, acidifying, dehydrating, thermally processing low acid foods, reduced oxygen packaging, etc.

e. You are required to have a product coding system and a recall plan. Have you attached a copy of the coding system and recall procedures? Yes No

MOBILE RETAIL VENDOR SELLING SEAFOOD

a. A list of products that you will be selling is required. Have you attached a copy of the list of products? Yes No

b. Provide names of suppliers where you will be purchasing your product:

c. Will all of your product be prepackaged? Yes No

d. Will another permitted food establishment (commissary) provide support to your facility? If yes, attach a copy of the Commissary Agreement. Yes No

MACHINES VENDING POTENTIALLY HAZARDOUS FOODS


a. Have you attached the label that will be affixed to the front of each machine with name, physical address, and phone number of the permitted food establishment servicing the machine? Yes No

SECTION 4 - Food Managers Certification/Alaska Safe Food Worker Card

a. Have you attached a copy of a Food Manager's Certification? Yes No N/A
The operator of a food establishment that serves and prepares unwrapped or unpackaged food, except for a bar, tavern, or limited food service, must have at least one Certified Food Protection Manager who is involved in the daily operations of the establishment.

b. Does everyone who works or will work at the food establishment have a Food Worker Card? Yes No N/A
An operator of a food establishment shall keep on file a copy of the Food Worker Card issued by the department for each employed food worker and make the copy available to the Department upon request.

I declare, under penalty of unsworn falsification, that this application (including any accompanying statements) has been examined by me and to the best of my knowledge and belief is true, correct, and complete. I agree to pay all fees before operating.

Applicant's Signature  Date 8/25/18

Applicant's Printed Name Toby Foster Title CEO

AK Entity #	Name	Titles	Owned
	John Cox	Member	18
	Robert Rood	Member	2.67

Filed Documents

Date Filed	Type	Filing	Certificate
6/28/2018	Creation Filing	Click to View	Click to View
8/12/2018	Initial Report	Click to View	

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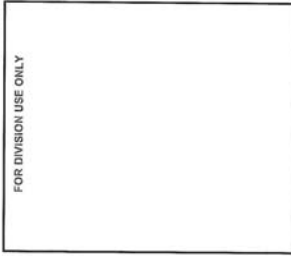
THE STATE
of
ALASKA

Department of Commerce, Community, and Economic Development
Division of Corporations, Business, and Professional Licensing
PO Box 110806, Juneau, AK 99811-0806
(907) 465-2550 - Email: corporations@alaska.gov
Website: Corporations.Alaska.gov

Articles of Organization
Domestic Limited Liability Company

Date Filed: 06/28/2018
State of Alaska, DCCED

FOR DIVISION USE ONLY



Web-6/28/2018 10:11:40 PM

1 - Entity Name

Legal Name: Seeds & Stems LLC

2 - Purpose

The Lawful Retail Sale Of Cannabis.

3 - NAICS Code

452990 - ALL OTHER GENERAL MERCHANDISE STORES

4 - Registered Agent

Name: Toby Foster
Mailing Address: PO Box 595, Kenai, AK 99611
Physical Address: 43280 Kenai Spur Hwy., Nikiski, AK 99635

5 - Entity Addresses

Mailing Address: PO Box 595, Kenai, AK 99611
Physical Address: 43280 Kenai Spur hwy, Nikiski, AK 99635

6 - Management

The limited liability company is managed by a manager.



7 - Officials

Name	Address	% Owned	Titles
Jenny Foster			Organizer

Name of person completing this online application

I certify under penalty of perjury under the Uniform Electronic Transaction Act and the laws of the State of Alaska that the information provided in this application is true and correct, and further certify that by submitting this electronic filing I am contractually authorized by the Official(s) listed above to act on behalf of this entity.

Name: Toby Foster


Alaska Department of Commerce, Community, and Economic Development
 Division of Corporations, Business and Professional Licensing
 P.O. Box 110008, Juneau, Alaska 99811-0008

This is to certify that
SEEDS & STEMS LLC
 PO BOX 595 KENAI AK 99611
 owned by
SEEDS & STEMS LLC

is licensed by the department to conduct business for the period
 June 26, 2018 through December 31, 2019
 for the following line of business:
 42 - Trade

This license shall not be taken as permission to do business in the state without
 having complied with the other requirements of the laws of the State of the United States.
 This license shall be posted in a conspicuous place at the business location
 to be inspected as required.

MAJ: YFV:R



Alaska Business License # 1075126



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THE STATE
of ALASKA

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Limited Liability Company
Initial Biennial Report

Entity Name: Seeds & Stems LLC
Entity Number: 10087136
Home Country: UNITED STATES
Home State/Province: ALASKA
Registered Agent Name: Toby Foster
Physical Address: 43280 KENAI SPUR HWY., NIKISKI, AK 99635
Mailing Address: PO BOX 595, KENAI, AK 99611
Web-8/12/2018 4:53:29 PM

Entity Physical Address: 43280 KENAI SPUR HWY, NIKISKI, AK 99635
Entity Mailing Address: PO BOX 595, KENAI, AK 99611

Please include all officials. Check all titles that apply. Must use titles provided. Please list the names and addresses of the members of the domestic limited liability company (LLC). There must be at least one member listed. If the LLC is managed by a manager(s), there must also be at least one manager listed. Please provide the name and address of each manager of the company. You must also list the name and address of each person owning at least 5% interest in the company and the percentage of interest held by that person.

Name	Address	% Owned	Titles
Jenny Foster	PO Box 595, Kenai, AK 99611	37.5	Manager, Member
John Cox	1840 Scenic Way, Anchorage, AK 99501	18	Member
David Lucey	5311 E. 26th Ave. #2, Anchorage, AK 99508	16.83	Member
Dwain Foster	PO Box 162, Sand Point, AK 99661	13.5	Member
Jason Swircenski	53040 Rambling Road, Nikiski, AK 99635	11.5	Member
Robert Rood	2350 Cleo Ave., Anchorage, AK 99516	2.67	Member

NAICS Code: 452990 - ALL OTHER GENERAL MERCHANDISE STORES
New NAICS Code (optional):

This form is for use by the named entity only. Only persons who are authorized by the above Official(s) of the named entity may make changes to it. If you proceed to make changes to this form or any information on it, you will be certifying under penalty of perjury that you are authorized to make those changes, and that everything on the form is true and correct. In addition, persons who file documents with the commissioner that are known to the person to be false in material respects are guilty of a class A misdemeanor. Continuation means you have read this and understand it.

Name: Lance Wells, Atty.

Entity #: 10087136

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Alaska Entity #10087136

State of Alaska
Department of Commerce, Community, and Economic Development
Corporations, Business, and Professional Licensing

Certificate of Organization

The undersigned, as Commissioner of Commerce, Community, and Economic Development of the State of Alaska, hereby certifies that a duly signed and verified filing pursuant to the provisions of Alaska Statutes has been received in this office and has been found to conform to law.

ACCORDINGLY, the undersigned, as Commissioner of Commerce, Community, and Economic Development, and by virtue of the authority vested in me by law, hereby issues this certificate to

Seeds & Stems LLC



IN TESTIMONY WHEREOF, I execute the certificate and affix the Great Seal of the State of Alaska effective June 28, 2018.

Mike Navarre

Mike Navarre
Commissioner



OPERATING AGREEMENT OF SEEDS & STEMS LLC

THIS AGREEMENT is among SEEDS & STEMS LLC an Alaska limited liability company (the "Company"), and its members.

RECITALS

The Company is a limited liability company formed under the Alaska Limited Liability Company Act. The other parties to this Agreement are the Company's initial Members. The parties intend by this Agreement to define their rights and obligations with respect to the Company's governance and financial affairs and to adopt regulations and procedures for the conduct of the Company's activities. Accordingly, with the intention of being legally bound, they agree as follows:

ARTICLE 1. DEFINITIONS

1.01. Scope. For purposes of this Agreement, unless the language or context clearly indicates that a different meaning is intended, capitalized terms have the meanings specified in this Article.

1.02. Defined Terms

- (a) "Act" means the Alaska Limited Liability Company Act.
- (b) "Affiliate," with respect to a Person, means (1) a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with the Person, (2) a Person who owns or controls at least ten percent of the outstanding voting interests of the Person, (3) a Person who is an officer, director, manager or general partner of the Person, or (4) a Person who is an officer, director, manager, general partner, trustee or owns at least ten percent of the outstanding voting interests of a Person described in clauses (1) through (3) of this sentence.

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(c) "Agreement" means this agreement, including any amendments.

(d) "Articles" means the Articles of Organization filed with the Division of Banking, Securities and Corporations to organize the Company as a limited liability company, including any amendments.

(e) "Available Funds" means the Company's gross cash receipts from operations, less the sum of: (1) payments of principal, interest, charges and fees pertaining to the Company's indebtedness; (2) expenditures incurred incident to the usual conduct of the Company's business; and (3) amounts reserved to meet the reasonable needs of the Company's business.

(f) "Bankruptcy" means the filing of a petition seeking liquidation, reorganization, arrangement, readjustment, protection, relief or composition in any state or federal bankruptcy, insolvency, reorganization or receivership proceeding.

(g) "Capital Account" of a Member means the capital account maintained for the Member in accordance with Article 4.04.

(h) "Capital Investment" of a Member means an amount equal to the excess of the cumulative value of the Member's Contributions of cash and property over the cumulative value of the Member's Distributions of cash and property. For purposes of this definition, (1) Distributions out of Available Funds are not taken into account and (2) the value of any Contribution or Distribution of property in kind is as recorded on the Company's books at the time of the Contribution or Distribution.

(i) "Code" means the Internal Revenue Code of 1986, as amended.

(j) "Company" means SEEDS & STEMS, LLC and any successor limited liability company.

(k) "Competing Activity" means an activity that competes with or is benefitted by the Company's present or prospective activities. A passive

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investment in an Entity engaged in a Competing Activity is itself a Competing Activity only if the investor and the Entity and Affiliates.

(l) **"Contribution"** means anything of value that a Member contributes to the Company as a prerequisite for or in connection with membership, including any combination of cash, property, services rendered, a promissory note or any other obligation to contribute cash or property or render services.

(m) **"Dissociation"** means a complete termination of a Member's membership in the Company in consequence of an event described in Article 3.06.

(n) **"Distribution"** means the Company's direct or indirect transfer of money or other property with respect to a Membership Interest.

(o) **"Effective Date,"** with respect to this Agreement, means the date on which the Company's existence as a limited liability company begins, as prescribed by the Act.

(p) **"Entity"** means an association, relationship or artificial person through or by means of which an enterprise or activity may be lawfully conducted, including, without limitation, a partnership, trust, limited liability company, corporation, joint venture, cooperative or association.

(q) **"Member"** means an initial Member and any Person who subsequently is admitted as an additional or substitute Member after the Effective Date, in accordance with Article 3.01.

(r) **"Membership Interest"** means a Member's percentage interest in the Company, consisting of the Member's right to share in the Company's Profit, receive Distributions, participate in the Company's governance, approve the Company's acts and receive information pertaining to the Company's affairs. The Membership Interests of the initial Members are set forth in Article 3.01. Changes in Membership Interests after the Effective Date, including those necessitated by the admission and Dissociation of Members, will be reflected in the Company's records. The allocation of

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Membership Interests reflected in the Company's records from time to time is presumed to be correct for all purposes of this Agreement and the Act.

(s) **"Minimum Gain"** means minimum gain as defined in Sections 1.704-2(b)(2) and 1.704-2(d) of the Regulations.

(t) **"Person"** means a natural person or an Entity.

(u) **"Profit,"** as to a positive amount, and **"Loss,"** as to a negative amount,

mean, for a Taxable Year, the Company's income or loss for the Taxable Year, as determined in accordance with accounting principles appropriate to the Company's method of accounting and consistently applied.

(v) **"Regulations"** means proposed, temporary or final regulations promulgated under the Code by the Department of the Treasury, as amended.

(w) **"Taxable Year"** means the Company's taxable year as determined in accordance with Article 5.02(b).

(x) **"Transfer,"** as a noun, means a transaction or event by which ownership of a Membership Interest is changed or encumbered, including, without limitation, a sale, exchange, abandonment, gift, pledge or foreclosure. **"Transfer,"** as a verb, means to effect a Transfer.

(y) **"Transferee"** means a Person who acquires a Membership Interest by Transfer from a Member or another Transferee and is not admitted as a Member in accordance with Article 3.01.

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ARTICLE 2. THE COMPANY

- 2.01. Status.** The Company is an Alaska limited liability company organized under the Act.
- 2.02. Name.** The Company's name is SEEDS & STEMS, LLC.
- 2.03. Term.** The Company's existence commenced on June 28th, 2018, and will continue until terminated under this Agreement.
- 2.04. Purposes.** The Company's purposes are (a) to engage in the legal cannabis trade; and (b) to engage in any other lawful activity for which a limited liability company may be organized under the Act. The Company may take any action incidental and conducive to the furtherance of those purposes.
- 2.05. Principal Office.** The Company's principal office is located at 43280 Kenai Spur Hwy., # E Kenai, Alaska 99635
- 2.06. Mailing Address.** The Company's mailing address is: P.O. Box 595 Kenai, Alaska 99611
- 2.07. Registered Agent and Registered Office.** The Company's registered office in Alaska is located at 43280 Kenai Spur Hwy. #E Kenai, Alaska 99611, and its registered agent at that location is Toby Lynn Foster. The Company may change its registered agent or registered office at any time in accordance with the Act and with a super majority vote of 66% of the members.

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ARTICLE 3. MEMBERS

- 3.01. Identification.**
- (a) Members.** The names, addresses, Title and Membership Interests of the Members are as follows:
- | | | | | | |
|-------------------|------------------|----------------------|-------------------|--------------------|-------------------|
| Jenny Foster | John Cox | David Lucey | Dwain Foster | Jason Swircenski | Robert Rood |
| P.O.Box 595 | 1640 Seaside Way | 5311 E. 26th Ave. #2 | PO Box 162 | 5304P Raimbong Rd. | 2350 Cleo Av. |
| Kenai, Alaska | Anchorage, AK | Anchorage, AK | Sand Point, AK | Kenai, Alaska | Anchorage, AK |
| 99611 | 99501 | 99508 | 99661 | 99611 | 99516 |
| Member/Manager | Member | Member | Member | Member | Member |
| 37.5% shareholder | 18% shareholder | 16.83% shareholder | 13.5% shareholder | 11.5% shareholder | 2.67% shareholder |
- (b) Additional and Substitute Members.** The Company may admit additional or substitute Members only with the approval of Members whose aggregate Membership Interest exceeds 66 percent. A Member may withhold approval of the admission of any Person for any or no reason.
- (c) Rights of Additional or Substitute Members.** A Person admitted as an additional or substitute Member has all the rights and powers and is subject to all the restrictions and obligations of a Member under this Agreement and the Act.
- 3.02. Changes and Verification of Membership Interests.**
- (a) Changes in Membership Interests.**
- The Members' Membership Interests may be changed only with the approval of all Members.
- (b) Verification of Membership Interests.** Within 10 days after receipt of a Member's written request, the Company will provide the Member with a statement of the Member's Membership Interest. The statement will serve the sole purpose of verifying the Member's Membership Interest, as reflected in the Company's records, and will not constitute for any purpose a certificated security, negotiable instrument or other vehicle by which a Transfer of a Membership Interest may be effected.
- 3.03. Manner of Acting.**

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(a) Meetings.

(i) Right to Call. Any Member or combination of Members whose Membership Interest exceeds 10 percent may call a meeting of Members by giving written notice to all Members not less than 10 nor more than 60 days prior to the date of the meeting. The notice must specify the date of the meeting and the nature of any business to be transacted. A Member may waive notice of a meeting of Members orally, in writing or by attendance at the meeting.

(ii) Proxy Voting. A Member may act at a meeting of Members through a Person authorized by signed proxy.

(iii) Quorum. Members whose aggregate Membership Interest exceeds 50 percent will constitute a quorum at a meeting of Members. No action may be taken in the absence of a quorum.

(iv) Required Vote. Except with respect to matters for which a greater minimum vote is required by the Act or this Agreement, the vote of Members present whose aggregate Membership Interest exceeds 50 percent of the aggregate Membership Interest of all Members present will constitute the act of the Members at a meeting of Members.

(b) **Written Consent.** The Members may act without a meeting by written consent describing the action and signed by Members whose aggregate Membership Interest is at least equal to the minimum that would be necessary to take the action at a meeting at which all Members were present. The Managing Member reserves the right to veto any resolution, which will then take 66 percent to override.

3.04. Extraordinary Matters. Notwithstanding any other provision of this Agreement, the vote of Members whose aggregate Membership Interest is at least 66 percent is required for approval of: (a) the sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the Company's assets; (b) the Company's merger with or conversion into another Entity; (c) an undertaking involving a debt or obligation in excess of 10% of

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the Company's yearly revenue; (d) compromise of a dispute involving an amount in controversy in excess of \$50,000; (e) redemption of a Membership Interest; (f) extraordinary Distributions; and (g) indemnification of a Member. (h) Changes to the operating agreement; (i) Change of managing member (j) Dissolution of the company

3.05. Fiduciary Duties.

(a) **Exculpation.** A Member will not be liable to the Company or any other Member for an act or omission done in good faith to promote the Company's best interests, unless the act or omission constitutes gross negligence, intentional misconduct, or a knowing violation of law.

(b) **Justifiable Reliance.** A Member may rely on the Company's records maintained in good faith and on information, opinions, reports, or statements received from any Person pertaining to matters the Member reasonably believes to be within the Person's expertise or competence.

(c) **Conflicts of Interest.**

(i) **Competing Activities.** A Member may not participate, directly or indirectly, in a Competing Activity. If a Member nevertheless participates in a Competing Activity, the Member will account to the Company for any income the Member derives from such participation.

(ii) **Company Opportunities.** A Member will disclose to the Company any business opportunity that the Member believes or has reason to believe the Company would accept if brought to its attention. If the Company declines to accept the opportunity, and if the opportunity does not involve a Competing Activity, the Member may pursue the opportunity for the Member's own account. If the Member fails to disclose the opportunity, the Member will account to the Company for any income the Member derives from the opportunity and will indemnify the Company for any loss the Company incurs as a result of the failure to disclose.

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- (d) Extent of Required Involvement.** A Member must devote only the amount of time to the Company's activities as is reasonably necessary to discharge the Member's responsibilities and will be free to pursue gainful employment with any other Person, in any capacity, without accounting to the Company or the other Members.
- (e) Self-Dealing.** A Member may enter into a business transaction with the Company if the terms of the transaction are no less favorable to the Company than those of a similar transaction with an independent third party. Approval or ratification by Members having no interest in the transaction will constitute conclusive evidence that the terms satisfy the foregoing condition.
- (f) Indemnification of Members.** The Company may but is not required to indemnify each Member for all expenses, losses, liabilities and damages the Member actually and reasonably incurs in connection with the defense or settlement of any action arising out of or relating to the conduct of the Company's activities, except an action with respect to which the Member is adjudged to be liable for breach of a fiduciary duty owed to the Company or the other Members under the Act or this Agreement.
- (g) Compensation.** The Company may compensate a Member for services rendered to or on behalf of the Company. A Member's compensation may be determined with or without regard to Profit or other indicators of the results of operations. Compensation paid to Members will be treated as an expense for purposes of determining Profit. The Company will reimburse each Member for reasonable expenses properly incurred on the Company's behalf.
- (h) Withdrawal of a Member.** A Member may withdraw from the Company only with the approval of remaining Members whose aggregate Membership Interest exceeds 66 percent of the aggregate Membership Interest of all remaining Members
- (i) Removal of a Member.** At any time, there are more than two Members, the Company may remove a Member, but only for *cause* and with the approval of Members whose aggregate Membership Interest exceeds 66 percent.

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3.06. Transfer of Membership Interest.

- (a) Transfers Prohibited.** A Member may not Transfer, directly or indirectly, all or a portion of a Membership Interest without the Company's prior written consent. With respect to a Member that is an Entity, a change in the control of the Member is an indirect Transfer for purposes of this Article. A change in control occurs if in consequence of a Transfer of an interest in the Member any Person ceases to be an Affiliate of any other Person.
- (b) Prohibited Transfers Void.** If a Member attempts to Transfer all or a portion of a Membership Interest in contravention of the provisions of this Article, the purported Transfer will be null and void.
- (c) Transferor's Membership Status.** If a Member Transfers less than all of the Membership Interest, the Member's rights with respect to the transferred portion, including the right to vote or otherwise participate in the Company's governance and the right to receive Distributions, will terminate as of the effective date of the Transfer. However, the Member will remain liable for any obligation with respect to the transferred portion that existed prior to the effective date of the Transfer, including any costs or damages resulting from the Member's breach of this Agreement. If the Member Transfers all of the Membership Interest, the Transfer will constitute an event of Dissociation for purposes of Article 3.06.
- (d) Transferee's Status.**
- (i) Admission as a Member.** A Member who Transfers a Membership Interest has no power to confer on the Transferee the status of a Member. A Transferee may be admitted as a Member only in accordance with the provisions of Article 3.05. A Transferee who is not admitted as a Member has only the rights described in this Article.
- (ii) Rights of Non-Member Transferee.** A Transferee who is not admitted as a Member in accordance with the provisions of Article 3.01, (i) has no right to vote or otherwise participate in the Company's governance, (ii) is not entitled to receive information concerning the Company's affairs or inspect the

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Company's books and records, (iii) with respect to the transferred Membership Interest, is entitled to receive the Distributions to which the Member would have been entitled had the Transfer not occurred, but only at such times and in such amounts as the Company in its sole discretion may determine, and (iv) is subject to the restrictions imposed by this Article to the same extent as a Member.

3.07. Dissociation.

(a) Events of Dissociation. A Member's Dissociation from the Company occurs upon: (1) the Member's withdrawal or removal from the Company; (2) the Member's Transfer of the Member's entire Membership Interest; (3) as to a Member who is a natural person, the Member's death or adjudication of incompetency; (4) as to a Member who holds a Membership Interest as a fiduciary, distribution of the entire Membership Interest to the beneficial owners; or (5) as to a Member that is an Entity, the Entity's dissolution.

(b) Rights of Member Following Dissociation. As of the effective date of the Member's Dissociation: (i) the Member's right to participate in the Company's governance, receive information concerning the Company's affairs and inspect the Company's books and records will terminate; and (ii) unless the Dissociation resulted from the Transfer of the Member's entire Membership Interest, the Member will be entitled to receive the Distributions to which the Member would have been entitled had the Dissociation not occurred, but only at such times and in such amounts as the Company in its sole discretion may determine. Except as provided in this Article, the Member will have no right to receive Distributions or otherwise participate in the Company's financial affairs. The Member will, however, remain liable for any obligation to the Company that existed prior to the effective date of the Dissociation, including any costs or damages resulting from the Member's breach of this Agreement.

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3.08. Redemption of Dissociating Member's Interest.

(a) Optional Redemption.

(i) If a Member's Dissociation is a result of dissolution, removal, or withdrawal, at any time within 180 days after the effective date of the Dissociation, the Company may redeem not less than all of the Member's Membership Interest on the terms set forth in this Article.

(ii) The Company must exercise its right to redeem the Membership Interest by giving written notice to the Member or the Member's successor in interest (the "seller") within the 180-day exercise period. The notice must specify the redemption price and payment terms and indicate a closing date within 60 days after the date the notice is delivered.

(b) Redemption Price.

(i) The redemption price of the Membership Interest will be an amount equal to the Company's value as of the effective date of the Dissociation, multiplied by the seller's Membership Interest.

(ii) For the purpose of determining the redemption price, the Company's value will be the value determined by the Managing Member, as set forth on the Schedule of Values attached to this Agreement.

(iii) If the Managing Member fails to determine the Company's value for two successive years, the redemption price will be an amount equal to its fair market value as of the effective date of the Dissociation, as determined by a qualified appraiser selected by the Company. In determining the fair market value of the Membership Interest, the appraiser will consider only those factors that are relevant to the valuation of the interest as an interest in a going concern and will be guided by the Business Valuation Standards of the American Society of Appraisers.

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(iv) The Company will pay all costs associated with the determination of the redemption price.

(c) **Payment Terms.** The Company will pay the redemption price at the closing in the form of its promissory note in the principal amount of the purchase price payable in five equal annual installments, with interest compounded annually at an annual rate equal to the published prime rate of Wells Fargo Bank as of the date the Company gives the seller notice of the redemption.

ARTICLE 4. FINANCE

4.01. Contributions.

(a) Initial Members.

See above 3.01(a)

(b) **Additional Members.** A Person admitted as a Member in connection with the acquisition of a Membership Interest directly from the Company after the Effective Date will make the Contributions specified in the agreement pursuant to which the Person is admitted as a Member.

(c) Additional Contributions.

(i) Permitted. The Managing Member may authorize additional Contributions at such times and on such terms and conditions as is determined by the managing member to be in the best interest of the company.

(ii) Required. If at any time the Managing Member determines that the company's financial resources are insufficient to meet the reasonable needs of its business or the managing member determines that additional funds are required to further the goals of the company, the Members may be required to make additional Contributions sufficient to meet those needs or to further the company's goals. The Members will make the additional Contributions in proportion to their Membership Interests. The Company must give each

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Member written notice of the obligation to contribute additional capital. The notice must explain the need for additional capital, specify the amount the Member is required to contribute and establish a due date that is not less than 30 days after the date of the notice. The Member will make the Contribution in immediately available funds on or before the due date specified in the notice.

(iii) **Default Remedies.** If a Member does not contribute the Member's share of a required additional Contribution on or before the due date, the Company may (i) take such action as it considers necessary or appropriate to enforce the Member's obligation or (ii) accept Contributions from the other Members in satisfaction of the defaulting Member's obligation, in proportion to their Membership Interests. If the Company accepts Contributions from other Members, the Membership Interest of each Member will be adjusted to correspond to the ratio that the Capital Investment of the Member bears to the aggregate Capital Investment of all Members, adjusted to reflect the Contributions made by other Members in satisfaction of the defaulting Member's obligation.

(iv) **Creditors' Rights.** A Member's obligation to make additional contributions extends only to the Company and may not be enforced by the Company's creditors without the Member's written consent.

(d) **Contributions Not Interest Bearing.** A Member is not entitled to interest or other compensation with respect to any cash or property the Member contributes to the Company. Interest and dividends are dispersed if the company is in the financial position to do so without harming the company's ability to function as determined by the Managing Member.

(e) **No Return of Contribution.** A Member is not entitled to the return of any Contribution prior to the Company's dissolution and winding up.

4.02. Allocation of Profit and Loss.

(a) **General Allocation.** After giving effect to the special allocations required by Article 4.02(b) (the "special allocations"), the Company's Profit or Loss for

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a Taxable Year, including the Taxable Year in which the Company is dissolved, will be allocated among the Members in proportion to their Membership Interests.

(b) Special Allocations. If a Member unexpectedly receives an adjustment, allocation, or distribution described in Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6) of the Regulations that creates or increases a deficit in the Member's Capital Account as of the end of a Taxable Year, a pro rata portion of each item of the Company's income, including gross income and gain for the Taxable Year and, if necessary, for subsequent years will be allocated to the Member in an amount and manner sufficient to eliminate the deficit in the Member's Capital Account as quickly as possible.

(i) If a Member would have a deficit in his or her Capital Account at the end of a Taxable Year that exceeds the sum of (i) the amount the Member is required to pay the Company pursuant to an obligation described in Section 1.704-1(b)(2)(ii)(c) of the Regulations and (ii) the Member's share of Minimum Gain, a pro rata portion of each item of the Company's income, including gross income and gain, for the Taxable Year will be allocated to the Member in an amount and manner sufficient to eliminate the deficit in the Member's Capital Account as quickly as possible.

(ii) If there is a net decrease in the Company's Minimum Gain during a Taxable Year, the items of the Company's income, including gross income and gain, for the Taxable Year and, if necessary, for subsequent Taxable Years will be allocated to the Members in proportion to their shares of the net decrease in Minimum Gain. If the allocation made by this paragraph would cause a distortion in the economic arrangement among the Members and it

is expected that the Company will not have sufficient income to correct that distortion, the Company may seek to have the Internal Revenue Service waive the requirement for the allocation in accordance with Section 1.704-2(f)(4) of the Regulations.

(iii) Items of the Company's loss, deductions and expenditures described in Code Section 705(a)(2)(B) that are attributable to the Company's nonrecourse

debt and are characterized as Member nonrecourse deductions under Section 1.704-2(i) of the Regulations will be allocated to the Members' Capital Accounts in accordance with Section 1.704-2(i) of the Regulations.

(iv) Items of income, gain, loss and deduction with respect to property contributed to the Company's capital will be allocated between the Members so as to take into account any variation between book value and basis, to the extent and in the manner prescribed by section 704(c) of the Code and related Regulations.

(v) If the special allocations result in Capital Account balances that are different from the Capital Account balances the Members would have had if the special allocations were not required, the Company will allocate other items of income, gain, loss and deduction in any manner it considers appropriate to offset the effects of the special allocations on the Members' Capital Account balances. Any offsetting allocation required by this paragraph is subject to and must be consistent with the special allocations.

(c) Effect of Transfers During Year. The Company will prorate items attributable to a Membership Interest that is the subject of a Transfer during a Taxable Year between the transferor and the Transferee based on the portion of the Taxable Year that elapsed prior to the Transfer.

(d) Tax Allocations. For federal income tax purposes, unless the Code otherwise requires, each item of the Company's income, gain, loss or deduction will be allocated to the Members in proportion to their allocations of the Company's Profit or Loss.

(e) Classification Election. The Company is taxed as an S Corp.

4.03. Distributions.

(a) Minimum Distribution to Pay Tax. Within 90 days after the close of each Taxable Year, the Company will distribute to each Member an amount equal to the Profit allocated to the Member for the Taxable Year multiplied by

the highest marginal federal income tax rate applicable to any Member for the Taxable Year and as determined by the Company accountant and approved by the Managing Member.

(b) Remaining Available Funds. The Company will distribute to the Members, at annual intervals, any Available Funds remaining after providing for the Distribution required by the preceding paragraph. The Company will retain those funds as require to reasonably conduct business.

(c) Allocation. Except as provided in Article 4.02(b), the Company will make all Distributions to the Members in proportion to their Membership Interests.

(f) Capital Account Interest. Capital Accounts are interest bearing at a rate of 4% APR. The interest will be calculated and distributed within 90 days after the close of the taxable year.

4.04. Capital Accounts.

(a) General Maintenance.

The Company will establish and maintain a Capital Account for each Member. A Member's Capital Account will be:

(i) increased by: (i) the amount of any money the Member contributes to the Company's capital; (ii) the fair market value of any property the Member contributes to the Company's capital, net of any liabilities the Company assumes or to which the property is subject; and (iii) the Member's share of Profits and any separately stated items of income or gain; and decreased by: (i) the amount of any money the Company distributes to the Member; (ii) the fair market value of any property the Company distributes to the Member, net of any liabilities the Member assumes or to which the property is subject; and (iii) the Member's share of Losses and any separately stated items of deduction or loss.

(b) Adjustments for Distributions in Kind. If at any time the Company distributes property in kind, it will adjust the Members' Capital Accounts to account for their shares of any Profit or Loss the Company would have

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realized had it sold the property at fair market value and distributed the sale proceeds.

(c) Adjustments for Acquisitions and Redemptions. If at any time a Person acquires a Membership Interest from the Company or the Company redeems a Membership Interest, the Company may adjust the Members' Capital Accounts to reflect any Profit or Loss the Company would have realized had it sold all of its assets at fair market value on the date of the acquisition or redemption.

(d) Transfer of Capital Account. A Transferee of a Membership Interest succeeds to the portion of the transferor's Capital Account that corresponds to the portion of the Membership Interest that is the subject of the Transfer.

(e) Compliance with Code. The requirements of this Article are intended and will be construed to ensure that the allocations of the Company's income, gain, losses, deductions and credits have substantial economic effect under the Regulations promulgated under Section 704(b) of the Code.

ARTICLE 5. RECORDS AND ACCOUNTING

5.01. Maintenance of Records.

(a) Required Records. The Company will maintain at its principal office such books, records and other materials as are reasonably necessary to document and account for its activities, including, without limitation, those required to be maintained by the Act.

(b) Member Access. A Member and the Member's authorized representative will have reasonable access to and may inspect and copy all books, records and other materials pertaining to the Company or its activities. The exercise of such rights will be at the requesting Member's expense.

(c) Confidentiality. No Member will disclose any information relating to the Company or its activities to any unauthorized person or use any such

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information for his or her or any other Person's personal gain.

5.02. Financial Accounting.

(a) Accounting Method. The Company will account for its financial transactions using a method of accounting determined by the Members in compliance with Sections 446 and 448 of the Code.

(b) Taxable Year. The Company's Taxable Year is the Company's annual accounting period, as determined by the Members in compliance with Sections 441, 444 and 706 of the Code.

5.03. Reports.

(a) Members. As soon as practicable after the close of each Taxable Year, the Company will prepare and send to the Members such reports and information as are reasonably necessary to (1) inform the Members of the results of the Company's operations for the Taxable Year and (2) enable the Members to completely and accurately reflect their distributive shares of the Company's income, gains, deductions, losses and credits in their federal, state and local income tax returns for the appropriate year.

(b) Periodic Reports. The Company will complete and file any periodic reports required by the Act or the law of any other jurisdiction in which the Company is qualified to do business.

5.04. Tax Compliance.

(a) Withholding. If the Company is required by law or regulation to withhold and pay over to a governmental agency any part or all of a Distribution or allocation of Profit to a Member:

- (i) the amount withheld will be considered a Distribution to the Member; and
- (ii) if the withholding requirement pertains to a Distribution in kind or an allocation of Profit, the Company will pay the amount required to be withheld to the governmental agency and promptly take such action as it considers necessary or appropriate to recover a like amount from the Member, including

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Version: 1.0

offset against any Distributions to which the Member would otherwise be entitled.

(b) Tax Matters Partner. The Managing Member is to act as the "Tax Matters Partner" pursuant to Section 6231(a)(7) of the Code. The Company may remove any Tax Matters Partner, with or without cause, and designate a successor to any Tax Matters Partner who for any reason ceases to act. The Tax Matters Partner will inform the Members of all administrative and judicial proceedings pertaining to the determination of the Company's tax items and will provide the Members with copies of all notices received from the Internal Revenue Service regarding the commencement of a Company-level audit or a proposed adjustment of any of the Company's tax items. The Tax Matters Partner may extend the statute of limitations for assessment of tax deficiencies against the Members attributable to any adjustment of any tax item. The Company will reimburse the Tax Matters Partner for reasonable expenses properly incurred while acting within the scope of the Tax Matters Partner's authority.

ARTICLE 6. DISSOLUTION

6.01. Events of Dissolution.

(a) Enumeration. The Company will dissolve upon the first to occur of:

- (i) the vote of the Members to dissolve the Company;
- (ii) any event that makes the Company ineligible to conduct its activities as a limited liability company under the Act; or
- (iii) any event or circumstance that makes it unlawful or impossible for the Company to carry on its business.

(b) Exclusivity of Events. Unless specifically referred to in this Article, no event, including an event of dissolution prescribed by the Act, will result in the Company's dissolution.

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6.02. Effect of Dissolution.

(a) Appointment of Liquidator. Upon the Company's dissolution, the Members will appoint a liquidator, who may but need not be a Member. The liquidator will wind up and liquidate the Company in an orderly, prudent and expeditious manner in accordance with the following provisions of this Article.

(b) Final Accounting. The liquidator will make proper accountings (1) to the end of the month in which the event of dissolution occurred and (2) to the date on which the Company is finally and completely liquidated.

(c) Duties and Authority of Liquidator. The liquidator will make adequate provision for the discharge of all of the Company's debts, obligations and liabilities. The liquidator may sell, encumber or retain for distribution in kind any of the Company's assets. Any gain or loss recognized on the sale of assets will be allocated to the Members' Capital Accounts in accordance with the provisions of Article. With respect to any asset the liquidator determines to retain for distribution in kind, the liquidator will allocate to the Members' Capital Accounts the amount of gain or loss that would have been recognized had the asset been sold at its fair market value.

(d) Final Distribution. The liquidator will distribute any assets remaining after the discharge or accommodation of the Company's debts, obligations and liabilities to the Members in proportion to their Capital Accounts. The liquidator will distribute any assets distributable in kind to the Members in undivided interests as tenants in common. A Member whose Capital Account is negative will have no liability to the Company, the Company's creditors or any other Member with respect to the negative balance.

(e) Required Filings. The liquidator will file with the Division of Banking, Securities and Corporations such statements, certificates and other instruments, and take such other actions, as are reasonably necessary or appropriate to effectuate and confirm the cessation of the Company's existence.

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ARTICLE 7. GENERAL PROVISIONS

7.01. Amendments.

(a) Required Amendments. The Company and the Members will execute and file any amendment to the Articles required by the Act. If any such amendment results in inconsistencies between the Articles and this Agreement, this Agreement will be considered to have been amended in the specifics necessary to eliminate the inconsistencies.

(b) Other Amendments. Any Member may propose for consideration and action an amendment to this Agreement or to the Articles. A proposed amendment will become effective at such time as it is approved by 66% of the voting members.

7.02. Nominee. Title to the Company's assets may be held in the name of the Company or any nominee (including any Member so acting), as the Company determines. The Company's agreement with any nominee may contain provisions indemnifying the nominee for costs or damages incurred as a result of the nominee's service to the Company.

7.03. Investment Representation. Each Member represents to the Company and the other Members that (a) the Member is acquiring a Membership Interest in the Company for investment and for the Member's own account and not with a view to its sale or distribution and (b) neither the Company nor any other Member has made any guaranty or representation upon which the Member has relied concerning the possibility or probability of profit or loss resulting from the Member's investment in the Company.

7.04. Resolution of Disputes.

(a) Mediation. The parties will endeavor in good faith to resolve all disputes arising under or related to this Agreement by mediation according to the then prevailing rules and procedures of the American Arbitration Association.

(b) Arbitration. If the parties fail in their attempt to resolve a dispute by mediation, they will submit the dispute to arbitration according to the then

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SEEDS & STEMS, LLC
Version: 1.0

Received by AMCO 3/20/19

prevailing rules and procedures of the American Arbitration Association. Alaska law will govern the rights and obligations of the parties with respect to the matters in controversy. The arbitrator will allocate all costs and fees attributable to the arbitration between the parties equally. The arbitrator's award will be final and binding and judgment may be entered in any court of competent jurisdiction.

7.05. Notices. Notices contemplated by this Agreement may be sent by any commercially reasonable means, including hand delivery, first class mail, fax, E-mail or private courier. The notice must be prepaid and addressed as set forth in the Company's records. The notice will be effective on the date of receipt or, in the case of notice sent by first class mail, the fifth day after mailing.

7.06. Resolution of Inconsistencies. If there are inconsistencies between this Agreement and the Articles, the Articles will control. If there are inconsistencies between this Agreement and the Act, this Agreement will control, except to the extent the inconsistencies relate to provisions of the Act that the Members cannot alter by agreement. Without limiting the generality of the foregoing, unless the language or context clearly indicates a different intent, the provisions of this Agreement pertaining to the Company's governance and financial affairs and the rights of the Members upon Dissociation and dissolution will supersede the provisions of the Act relating to the same matters.

7.07. Additional Instruments. Each Member will execute and deliver any document or statement necessary to give effect to the terms of this Agreement or to comply with any law, rule or regulation governing the Company's formation and activities.

7.08. Computation of Time. In computing any period of time under this Agreement, the day of the act or event from which the specified period begins to run is not included. The last day of the period is included, unless it is a Saturday, Sunday or legal holiday, in which case the period will run until the end of the next day that is not a Saturday, Sunday or legal holiday.

Signed on the respective dates set forth below, to be effective as of the Effective Date.

Date: 10-12-18


Jenny L. Foster
Managing Member

Date: 10-8-18


Jason Swircenski
Member

Date: 10/12/18


John Cox
Member

Date: _____

Dwain Foster Sr.
Member

Date: 10/15/18


David L. Jey
Member

Date: 10/15/18


Robb Rood
Member



ANCHORAGE & MARIJUANA CONTROL OFFICE
 550 W 7th Avenue, Suite 1600
 Anchorage, AK 99501
 marijuana.licensing@alaska.gov
 http://www.commerce.alaska.gov/web/amco
 Phone: 907.269.0850

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 applying for an application for a marijuana establishment license must declare that he/she has read and is familiar with AIC 38 and 3 AAC 306.020(b)(2). 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:	Seeds & Stems LLC	License Number:	18929
License Type:	Retail Marijuana Store		
Doing Business As:	Seeds & Stems, LLC		
Premises Address:	43280 Kenai Spur Highway, # E		
City:	Nikiski	State:	AK
		ZIP:	99635

Section 2 - Individual Information

Enter information for the individual licensee or affiliate.

Name:	DAVID LUCEY
Title:	MEMBER

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? Yes No

If "Yes", which license numbers (for existing licenses) and license types do you own or plan to own?
 Alaska Cannabis Company - #12618 - Standard Marijuana Cultivation Facility

Effective Date: _____

Date: _____
 Jenny L. Foster
 Managing Member

Date: _____
 Jason Swircanski
 Member

Date: _____
 John Cox
 Member

Date: 3/16/18
 Dwan Foster Sr.
 Member

Date: _____
 David Lucey
 Member

Date: _____
 Robb Rood
 Member

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:

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.

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

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

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.

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.

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.

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(e).

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

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.

I certify that all proposed licensees (as defined in 3 AAC 306.020(b)(2)) and affiliates (as defined in 3 AAC 306.990(a)(1)) 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.

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.

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Received by AMCO 3/20/19



550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
https://www.commerce.alaska.gov/web/amco
Phone: 907.269.0950

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:

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.

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.

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

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.

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 of licensee
DAVID J. LUCEY

Printed name of licensee

Notary Public in and for the State of Alaska
REBECCA DISALVI

My commission expires: August 21, 2021

Subscribed and sworn to before me this 16 day of August 2018

[Form MJ-00] (rev 10/05/2017)

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Notary Public
REBECCA DISALVI
State of Alaska

My Commission Expires April 24, 2021



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 17.36 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:	Seeds & Stems LLC	License Number:	18229
License Type:	Retail Marijuana Store		
Doing Business As:	Seeds & Stems, LLC.		
Premises Address:	43280 Kenai Spur Highway, # E		
City:	Nikiski	State:	AK
		ZIP:	99635

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	ROBERT TROOP
Title:	SHAREHOLDER

Section 3 – Other Licenses

Ownership and financial interest in other licenses:

Do you currently have or plan to have an ownership interest in, or a direct or indirect financial interest in another marijuana establishment license? Yes No

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

Alaska Cannabis Company - #12618 - Standard Marijuana Cultivation Facility

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.

RM

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

RM

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

RM

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.

RM

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.

RM

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.

RM

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).

RM

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

RM

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.

RM

I certify that all proposed licensees (as defined in 3 AAC 306.020(b)(2)) and affiliates (as defined in 3 AAC 306.990(a)(1)) 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.

RM

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.

RM



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:	Seeds & Stems LLC	License Number:	18279
License Type:	Retail Marijuana Store		
Doing Business As:	Seeds & Stems, LLC		
Premises Address:	43280 Kenai Spur Highway, #E		
City:	Nikiski	State:	AK
		ZIP:	99635

Section 2 - Individual Information

Enter information for the individual licensee or affiliate.

Name:	FRANCOIS
Title:	MANAGER

Section 3 - Other Licenses

Ownership and financial interest in other licenses:

Do you currently have or plan to have an ownership interest in, or a direct or indirect financial interest in another marijuana establishment license? Yes No

If "Yes", which license numbers (for existing licenses) and license types do you own or plan to own?
Alaska Cannabis Company - #12618 - Standard Marijuana Cultivation Facility



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.

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.

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.

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

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

Roman Road
Printed name of licensee

My commission expires: 10/8/2021
Notary Public in and for the State of Alaska

Subscribed and sworn to before me this 22nd day of August, 2018.



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.



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



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



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.



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.



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.



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).



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



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.



I certify that all proposed licensees (as defined in 3 AAC 306.020(b)(2)) and affiliates (as defined in 3 AAC 306.990(a)(1)) 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.



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.



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.



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.



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:

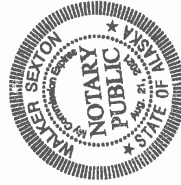


I certify that I do not have an ownership in, or a direct or indirect financial interest in a marijuana testing facility license.

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 of licensee



Notary Public in and for the State of Alaska

My commission expires: Aug 21, 2021

Printed name of licensee

John D Cox

Subscribed and sworn to before me this 15th day of August, 2018.



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:	Seeds & Stems, LLC	License Number:	18929
License Type:	Retail Marijuana Store		
Doing Business As:	Seeds & Stems, LLC		
Premises Address:	43280 Kenai Spur Highway # E		
City:	Niiski	State:	AK
		ZIP:	99635

Section 2 - Individual Information

Enter information for the individual licensee or affiliate.

Name:	Jenny L. Foster
Title:	Managing Member

Section 3 - Other Licenses

Ownership and financial interest in other licenses:

Do you currently have or plan to have an ownership interest in, or a direct or indirect financial interest in another marijuana establishment license? Yes No

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

Alaska Cannabis Company - #12618 - Standard Marijuana Cultivation Facility



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.

JLF

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

JLF

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

JLF

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.

JLF

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.

JLF

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.

JLF

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(e).

JLF

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

JLF

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.

JLF

I certify that all proposed licensees (as defined in 3 AAC 306.020(b)(2)) and affiliates (as defined in 3 AAC 306.990(e)(1)) 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.

JLF

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.

JLF



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 licensed application.

Licensee:	SEEDS & STEMS, LLC	License Number:	18229
License Type:	RETAIL MARIJUANA STORE		
Doing Business As:	SEEDS & STEMS, LLC		
Premises Address:	43280 Kenai Spur Hwy #E		
City:	NIKISKI	State:	AK
		ZIP:	99655

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Dwan A. Foster SR.
Title:	MEMBER

Section 3 – Other Licenses

Ownership and financial interest in other licenses:

Do you currently have or plan to have an ownership interest in, or a direct or indirect financial interest in another marijuana establishment license? Yes No

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

Alaska Cannabis Company - #12618 - Standard Marijuana Cultivation Facility



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:

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. JLF

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. JLF

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

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

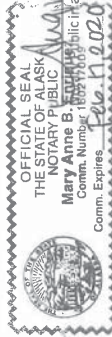
I certify that I do not have an ownership in, or a direct or indirect financial interest in a retail marijuana store, a marijuana cultivation facility, or a marijuana products manufacturing facility.

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. JLF

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.



Mary Anne B. Foster
Comm. Number: 18229
Comm. Expires: Feb. 11, 2020

My commission expires: Feb. 11, 2020

Signature of licensee

Jenny L. Foster

Printed name of licensee

Subscribed and sworn to before me this 17th day of August, 2018.



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

Alaska Marijuana Control Board
Form MJ-00: Application Certifications

Section 4 – Certifications

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

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.

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

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

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.

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.

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.

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(e).

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

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.

I certify that all proposed licensees (as defined in 3 AAC 306.020(b)(2)) and affiliates (as defined in 3 AAC 306.990(a)(1)) 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.

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.

Initials

[Handwritten initials in boxes]



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

Alaska Marijuana Control Board
Form MJ-00: Application Certifications

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

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.

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.

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

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.

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 37.30 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

[Signature]
Printed name of licensee

MICHAEL CLABORNE
Notary Public
State of Alaska
My Commission Expires Jan 1, 2022

Notary Public in and for the State of Alaska

My commission expires: *1-1-22*

Subscribed and sworn to before me this *18* day of *August*, 20*18*.

Initials

[Handwritten initials in boxes]

Initials

[Handwritten initials in boxes]



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 306.02(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:	Seeds & Stems LLC	License Number:	18929
License Type:	Retail Marijuana Store		
Doing Business As:	Seeds & Stems, LLC,		
Premises Address:	43280 Kenai Spur Highway, #E		
City:	Nikiski	State:	AK
		ZIP:	99635

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Section 2 - Individual Information

Enter information for the individual licensee or affiliate.

Name:	Jason Swircenski
Title:	Member

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 Cannabis Company - #12618 - Standard Marijuana Cultivation Facility



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.

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

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

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.

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.

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.

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).

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

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.

I certify that all proposed licensees (as defined in 3 AAC 306.02(b)(2)) and affiliates (as defined in 3 AAC 306.990(g)(1)) 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.

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.



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

SS

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.

SS

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.

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.

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SS

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.

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 of licensee: Jessal Swircinski

Notary Public in and for the State of Alaska

STATE OF ALASKA
NOTARY PUBLIC
LEA BTUBER

My commission expires: 3-18-19

Subscribed and sworn to before me this 30th day of August, 2018



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

What is this form?

An operating plan is required for all marijuana establishment license applications. Applicants should review Title 17.38 of Alaska Statutes and Chapter 306 of the Alaska Administrative Code. This form will be used to document how an applicant intends to meet the requirements of those statutes and regulations. If your business has a formal operating plan, you may include a copy of that operating plan with your application, but all fields of this form must still be completed per 3 AAC 306.020(c).

What must be covered in an operating plan?

Applicants must identify how the proposed premises will comply with applicable statutes and regulations regarding the following:

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

Applicants must also complete the corresponding operating plan supplemental forms (Form MJ-03, Form MJ-04, Form MJ-05, or Form MJ-06) to meet the additional operating plan requirements for each license type.

Section 1 – Establishment & Contact Information

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

Licensee:	SEEDS & STEMS, LLC.	MJ License #:	18929
License Type:	RETAIL MARIJUANA STORE		
Doing Business As:	SEEDS & STEMS, LLC.		
Premises Address:	43280 KENAI SPUR HIGHWAY, # E		
City:	NIKISKI	State:	Alaska
		ZIP:	99635
Mailing Address:	PO BOX 595		
City:	KENAI	State:	Alaska
		ZIP:	99611
Designated Licensee:	JENNY FOSTER		
Main Phone:	907-830-8666	Cell Phone:	907-830-8666
Email:	Jenny@AlaskaCannabis.com		



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:

See attached.



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:

Commercial type exterior high lumen output lighting will be provided at all facility exits and entrances and each side of the building. Some of the lighting will be motion sensitive if desired or on at all times. Security cameras will be I.R. capable, and the field of view will cover the approach up to each exterior door. Security cameras will record 24 hours per day, seven days per week, 365 days per year for a minimum of 40 days as per AMCO regulation.

Form MJ-01 (rev. 12/01/2017)

License # **18929**

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Received by AMCO 3/20/19



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:

This is a marijuana retail store. Once legal IDs are checked at the main door, persons 21 years of age and older will be admitted upon admittance, they will review the menus with available selections, approach and place their order. Their order will be filled, point of sale system utilized for the sale, and the product subsequently given to them in packaging as required. No tours or leisure visits are permitted within the licensed premises areas or any portion of this licensed facility including restricted areas. Any visitor to this part of the licensed premises will have to be able to prove, over 21 years of age via valid ID: State or federal, drivers license, passport etc., and a need to be escorted into any restricted access area. If a need is determined, visitor's identification will be screened, and the visitor's log will be filled out. Visitor will wear an identification tag at all times while in the facility. No more than 5 visitors per employee or agent will be permitted in the facility at a time, in accordance with applicable laws and AMCO regulations. All other means of ingress and egress doors to this facility and building will remain locked at all times. No handling of the marijuana will occur except by the licensee, his employees or agents and not by and visitors or customers. All marijuana will be kept in restricted areas where no customers have access to it. Video surveillance will record all entries, exits, points of sale and rooms within this licensed facility with the exception of the rest room which is part of the licensed facility but not a restricted access area.

Section 3 – Security

Restricted Access Areas (3 AAC 306.710):

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

The Applicant requires all visitors to call ahead and establish an appointment at the facility before they arrive. Upon arrival, an employee escort who will request identification from the visitor, complete the visitor's log, and issue a visitor's badge shall greet visitors. Valid forms of identification include an unexpired, unaltered passport; a driver's license or permit; or an identification card of any U.S. state or province or territory of Canada. Anyone pertaining to the visit on a visitor's log and issue a visitor's identification badge before entering the restricted area. Information on the visitor's log includes name, date of birth, current date, time in/out, email address or phone number, and the employee escort's name. The visitor shall wear the badge while on premises. The employee escort is required to remain with the visitor and is responsible for noting the time the visitor leaves and retrieving the visitor's badge. The Visitor Policy shall apply to all facility visitors including, but not limited to, contractors, wholesale purchase customers, and delivery/transportation drivers. No more than five visitors per escort. All restricted access areas will be clearly marked and remain locked and closed.

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

A logbook to record the persons full name, date of visit, time of entry and departure and nature/purpose of visit will be maintained. Visitor's I.D. numbered badges will also be required to be worn at all times while upon the premises. Badges will be returned at the end of said visit and they will be accounted for at the end of each visit as well. The Applicant requires all visitors to call ahead and establish an appointment at the facility before they arrive. Upon arrival, an employee escort who will request identification from the visitor, complete the visitor's log, and issue a visitor's badge shall greet visitors. Valid forms of identification include an unexpired, unaltered passport; a driver's license or permit; or an identification card of any U.S. state or province or territory of Canada. Anyone without identification and/or under the age of 21 may not enter the retail facility. The designated employee shall record the information pertaining to the visit on a visitor's log and issue a visitor's identification badge before entering the restricted area. Information on the visitor's log includes name, date of birth, current date, time in/out, email address or phone number, and the employee escort's name. The visitor shall wear the badge while on premises. The employee escort is required to remain with the visitor and is responsible for noting the time the visitor leaves and retrieving the visitor's badge. The Visitor Policy shall apply to all facility visitors including, but not limited to, contractors, wholesale purchase customers, and delivery/transportation drivers. No more than five visitors per escort. All restricted access areas will be clearly marked and remain locked and closed until a need for them to be opened is determined.

Form MJ-01 (rev. 12/01/2017)

Page 2 of 11

DEC 07 2018

License # **18929**





Alaska Marijuana Control Board
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:

The alarm system that will be in use at the proposed facility will be provided and monitored by Alarm.com or similar company. The system will be comprised of main control panels with panic functions for fire, emergency and medical. Hold up alarms (silent alarms), multiple interior motion sensors, door and window sensors for all doors and windows. Motion detectors in all rooms and covering all doors and windows. Internal and external siren, a panic pendant style device may also be incorporated into the alarm system. All to be monitored at all times when activated during closed hours. Alarm system controls will be well-mounted in the vicinity of the main entrance of the proposed facility. Any time the facility is left unattended, the alarm system shall be "active". All windows and exits will be monitored 24 hours a day, 7 days a week. The video system will record 24 hours per day, seven days per week, 24 hours per day in excess of 40 days with day, date and time stamps. Motion Detectors are integrated into the security system. Areas covered by motion sensors are also viewable by CCTV through Alarm.com or similar cloud based recording service as well as on premises recording system. In the event of a motion related alarm, Licensee or designated agent will view the camera feed from inside the proposed facility or other location to determine if any further action is necessary. The panic pendant may be used in the event of any perceived security breach as well as silent alarm buttons/switches to be activated in case of hold up or other emergency that may arise. Procedures for a notification of security breach: If facility is staffed, assess situation and take appropriate action. Call 911 if necessary. If the situation allows, remain at facility to assist law enforcement. If facility is vacant, Licensee or authorized agent are to return to facility to assist law enforcement once the area is made safe by law enforcement. Law enforcement will be notified immediately by the alarm monitoring company should the alarm be set-off or for fire or other emergency. They will then respond. All employees, agents of licensee and licensee will cooperate with members of law enforcement. A marijuana establishment shall notify the Department of Commerce, Community, and Economic Development, Alcohol and Marijuana Control Office as soon as reasonably practical and in any case not more than 24 hours after any unauthorized access to the premises or the establishment's knowledge of evidence or circumstances that reasonably indicate theft, diversion, or unexplained disappearance of marijuana, marijuana products, or money from the licensed premises

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

All marijuana product on premises will only be handled by licensee, employees or agents designated by licensee. All will have the required marijuana handler's card. Licensee, employee or agent will be present at transfers of marijuana product to ensure integrity of shipment. All marijuana product on premises will be logged in and tracked in accordance with Franwell/METRC system from seed to sale. A system such as MJ Freeway Gram Tracker or Flow Hub will also be used to track marijuana product and sales. Video cameras will run 24 hours per day, 365 days per year both indoors and outside as previously designated and will be stored for a minimum of 40 days as well on a cloud based system such as Ring.com. Should any diversion occur, a review of the video surveillance tapes both from the inside and outside will help to catch any perpetrator and proper action may be taken. Furthermore, the tracking system and recorded weights of marijuana product will detect any change to our marijuana supplies, so that action may immediately be taken which includes notification to AMCO and local law enforcement. See cont'd response.

3.7. Describe your policies and procedures for preventing loitering:

Signs will be posted stating a clear message that "No Trespassing" or "No Loitering" is permitted, and that area is video monitored 24/7. Video surveillance of the exterior areas will be available to employees inside the facility. Standard policy is to notify law enforcement of any violation these regulations or of any suspicious activity. There will be no loiterers or trespassers: None.

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.



Alaska Marijuana Control Board
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.



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



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



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



3.13. Describe how the video cameras will be placed to produce a clear view adequate to identify any individual inside the licensed premises, or within 20 feet of each entrance to the licensed premises:

Entrances and exits to and from the facility will have cameras (within 20 feet of each entrance/exit) trained on them from the interior in such a way that faces are easily identified. Facility entrances/exits will also have exterior cameras (within 20 feet of each entrance/exit) to monitor areas around exits to provide a view of the approach to the entrances/exits. All rooms will have cameras as well covering all portions of each room. All cameras will be high definition with infrared/night vision capabilities for night viewing. All points of sale will also be covered as well.

3.14. Describe the locked and secure area where video surveillance recording equipment and original copies of surveillance records will be housed and stored, and how you will ensure the area is accessible only to authorized personnel, law enforcement, or an agent of the Marijuana Control Board. If you will be using an offsite monitoring service and offsite storage of video surveillance records, your response must include how the offsite facility will meet these security requirements:

All video surveillance will be stored on site in a digital and searchable format on a local device and backed up on a cloud based server such as ring.com or other cloud based system. Storage will be sized appropriately to maintain at a minimum 40 days of recording, and a digital back-up of all data. Server rack will consist of a wall mountable, lockable cabinet sized appropriately to contain all necessary computer components. The rack will be located within the main work area of the proposed facility, ensuring that only authorized personnel are able to access the video surveillance equipment. Cloud based accessibility is via password protection and only the licensee, or designated employee will have access to it. It maintains storage for over 40 days and will be accessible to AMCO enforcement and/or law enforcement as well upon request. It is not accessible to the general public.



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:

- 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); Initials
- 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.

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

All business records will be kept on the premises in a locked file cabinet or safe. These records will be available for inspection upon request. These records include but are not limited to: a current employee list and handler information, contact information for our vendors and video surveillance and alarm systems, records on advertising and marketing, visitor logs, tax records, premise diagram and transportation records. The digital records will be backed up at the end of each business day. Security camera video will be maintained for a minimum 40 days of recording. We will provide any record required to be kept on the licensed premises to an employee of the board upon request. Any records kept off premises will be provided within 3 days of the request. Some of these records may be kept on an external hard drive and maintained within the locked cabinet and/or safe.



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:

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

Section 6 – Employee Qualification and Training

Review the requirements under 3 AAC 306.700. A marijuana establishment and each licensee, 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:

- 6.1. Each licensee, 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. Initials
- 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.
- 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.

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

Aside from the marijuana handler's course and required testing, licensees, employees and agents will be kept current as to any change in regulation from AMCO, law enforcement (state, local or federal) as well as to any industry changes. This will be done monthly at monthly meetings between supervisor's and employees. Additional training will also be made available to all employees through applicable media, legal articles, periodicals of trade and updated handler's recertification tests as they become due for recertification as well as any other information that may become available and be applicable. The internet is also a good source for updated information as well and will be utilized. Our attorney Lance C. Wells will also keep us apprised of any new developments, changes or updates that may occur.





Alaska Marijuana Control Board
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. Initials
- 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. Initials
- 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. Initials
- 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). Initials

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

- 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. Yes No
- 7.6. Convenient handwashing facilities with running water at a suitable temperature are clearly indicated on my Form MJ-02: Premises Diagram. Yes No

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):

n/a

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:

Marijuana or a marijuana product may only be transported to a licensed marijuana establishment by a licensee or an agent or employee of a licensee. Bulk batch packs of up to 5 pounds may be received. Once received and entered in to METRC, the marijuana will be packaged (if not purchased prepackaged) in a variety of ways. Batches of 1.0 gram packs may be produced as well as 1/8 oz, 1/4oz and 1 ounce packages; cannot exceed 1 ounce. All labeling on all packaging will meet the standards as required for retailers. See attached. All marijuana slated to leave the facility will be placed into a durable, tamper-evident METRC packaging prior to transport. The shipment will be accompanied by the appropriate manifest, and will be verified by the licensee or designated agent before the shipment is permitted to leave. A marijuana establishment shall keep records of all marijuana or marijuana products shipped from or received at that marijuana establishment as required under 3 AAC 306.755. See cont'd response.



Alaska Marijuana Control Board
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. Initials
- 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. Initials
- 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. Initials
- 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. Initials
- 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. Initials
- 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. Initials
- 8.8. The marijuana establishment will refuse to accept any shipment of marijuana or marijuana product that is not accompanied by the transport manifest. Initials

Section 9 – Signage and Advertising

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

Signs are anticipated at this retail marijuana store. They will either attached to the building on within the windows (no marijuana may be visible to the public) and each sign may not exceed 4800 square inches. The sign would depict the name of the retail facility, address, phone number and any logo. The signage including logo would not be enticing towards children. See attached. No more than three signs are permitted.





Alaska Marijuana Control Board
Form MJ-01: Marijuana Establishment Operating Plan

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

Advertising may consist of local Alaska Leaf magazine, trade magazines, social media, lighters, clothing items (hats and tee shirts) or other items of permissible branding, website, business cards, stickers, and/or in collaboration with local and state wide retailers. It would reflect the name of the business, address, phone number, email address and company logo. The logo will not be enticing towards children. This list is merely inclusive but not exhaustive. See attached logo.



Alaska Marijuana Control Board
Form MJ-01: Marijuana Establishment Operating Plan

(Additional Space as Needed):
3.6 Cont'd Response:

All employees including their bags, backpacks, purses etc. will be subject to search as a part of their condition of employment upon suspicion of diversion. Furthermore, employees will have to place all personal belongings into a separate room when coming to work or lock them within their vehicle or leave them at home.

8.1 Cont'd Response:

In accordance with 3 AAC 306.470, when we package the marijuana, we will either place in a package of 1 ounce or less, in approved packaging for the retail store to sell individually. In accordance with 3 AAC 306.475, the packaging shall have these 5 statements to be on the packaging:

- (1) "Marijuana has intoxicating effects and may be habit forming and addictive."
- (2) "Marijuana impairs concentration, coordination, and judgment. Do not operate a vehicle or machinery under its influence."
- (3) "There are health risks associated with consumption of marijuana."
- (4) "For use only by adults twenty-one and older. Keep out of the reach of children."
- (5) "Marijuana should not be used by women who are pregnant or breast feeding."

When marijuana or a marijuana product is transported the marijuana establishment that originates the transport shall 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. 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, the marijuana or marijuana product must be in a sealed package or container and in a locked, safe, and secure storage compartment in the vehicle transporting the marijuana or marijuana product. The sealed package may not be opened during transport. A vehicle transporting marijuana or a marijuana product must travel directly from the shipping marijuana establishment to the receiving marijuana establishment, and may not make unnecessary stops in between except to deliver or pick up marijuana or a marijuana product at another licensed marijuana establishment. When a marijuana establishment receives marijuana or a marijuana product transported in compliance with this section, the recipient of the shipment shall use the marijuana inventory tracking system to report the type, amount, and weight of marijuana or marijuana product received. The recipient shall refuse to accept any shipment of marijuana or marijuana product that is not accompanied by the transport manifest.

The locked, safe and secure storage compartment is located behind the rear seat of our transport vehicle and will be bolted or chained in to the vehicle frame. All marijuana product will be contained within this safe. The compartment measures approximately 18" wide x 10" tall x 59" long. In the event that the proposed facility's planned transport vehicle is not available, a contract transportation security company such as Valkyrie Security & Asset Protection or The Transfer Answer will be utilized to carry out product transfers. It will have the required manifest attached to the outside of it as required per regulation. See above.

AMCO



Alaska Marijuana Control Board
Form MJ-01: Marijuana Establishment Operating Plan

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

Advertising may consist of local Alaska Leaf magazine, trade magazines, social media, lighters, clothing items (hats and tee shirts) or other items of permissible branding, website, business cards, stickers, and/or in collaboration with local and state wide retailers. It would reflect the name of the business, address, phone number, email address and company logo. The logo will not be enticing towards children. This list is merely inclusive but not exhaustive. See attached logo.

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

Signature of licensee: Jenny Foster
Printed name of licensee: Jenny Foster

Notary Public in and for the State of Alaska
My commission expires: 10.15.19

Subscribed and sworn to before me this 27th day of Nov, 2018

AMCO

9.1 Cont'd. Response

Retail Sample Label
SEC 8.1 SAMPLE LABEL #1

(1) "Marijuana has intoxicating effects and may be habit forming and addictive."
(2) "Marijuana impairs concentration, coordination, and judgment.
Do not operate a vehicle or machinery under its influence."
(3) "There are health risks associated with consumption of marijuana."
(4) "For use only by adults twenty-one and older. Keep out of the reach of children."
(5) "Marijuana should not be used by women who are pregnant or breast feeding."
Retailer: SEEDS & STEMS, LLC
Harvest Batch No. 1A346h1234
Net. Wt: 1.0 g = (0.03527396 oz.)
KUSH OG 1.0 Grams
Retailer Lic. No. 18929
Barcode: IIIIIIIIII
Cultivator Lic. No: 12345
Cultivator: GIANT GREEN BUDS, LLC
TEST: THCA: 18.48%, THC 16.6%, CBD: 06%



Lic. No. 18929

AMCO
DEC 07 2018

AMCO
DEC 07 2018



Alaska Marijuana Control Board
Form MJ-02: Premises Diagram

9.2 Cont'd Response

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.

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:	Seeds & Stems, LLC.	MJ License #:	18929
License Type:	Retail Marijuana Stores		
Doing Business As:	Seeds & Stems, LLC.		
Premises Address:	43280 Kenai Spur Highway # E		
City:	Nikiski	State:	Alaska
		ZIP:	99635

AMCO

DEC 07 2018

[Form MJ-02] (rev 01/10/2018)

DEC 07 2018

Page 1 of 2

Received by AMCO 3/20/19



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.

The following details must be included in all diagrams:

- License number and DBA
- Legend or key
- Color coding
- 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 types

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.

Signature of licensee
Jenny Foster
 Printed name of licensee

Notary Public in and for the State of Alaska
 My commission expires: Nov 2018

Subscribed and sworn to before me this 24 day of Nov, 2018

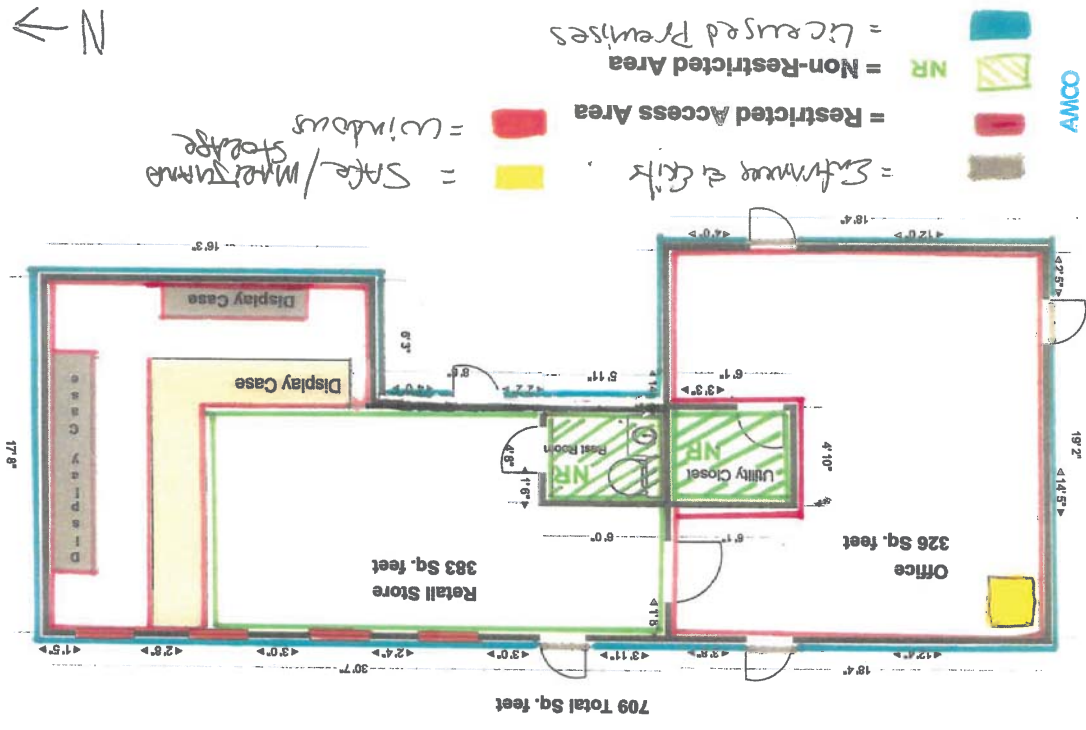


Diagram #1

Seeds & Stems LLC
 43280 Kenal Spur Hwy,
 Nikiski, AK 99635
 License #18929
 Marijuana Retail Store Diagram

AMCO
 DEC 07 2018

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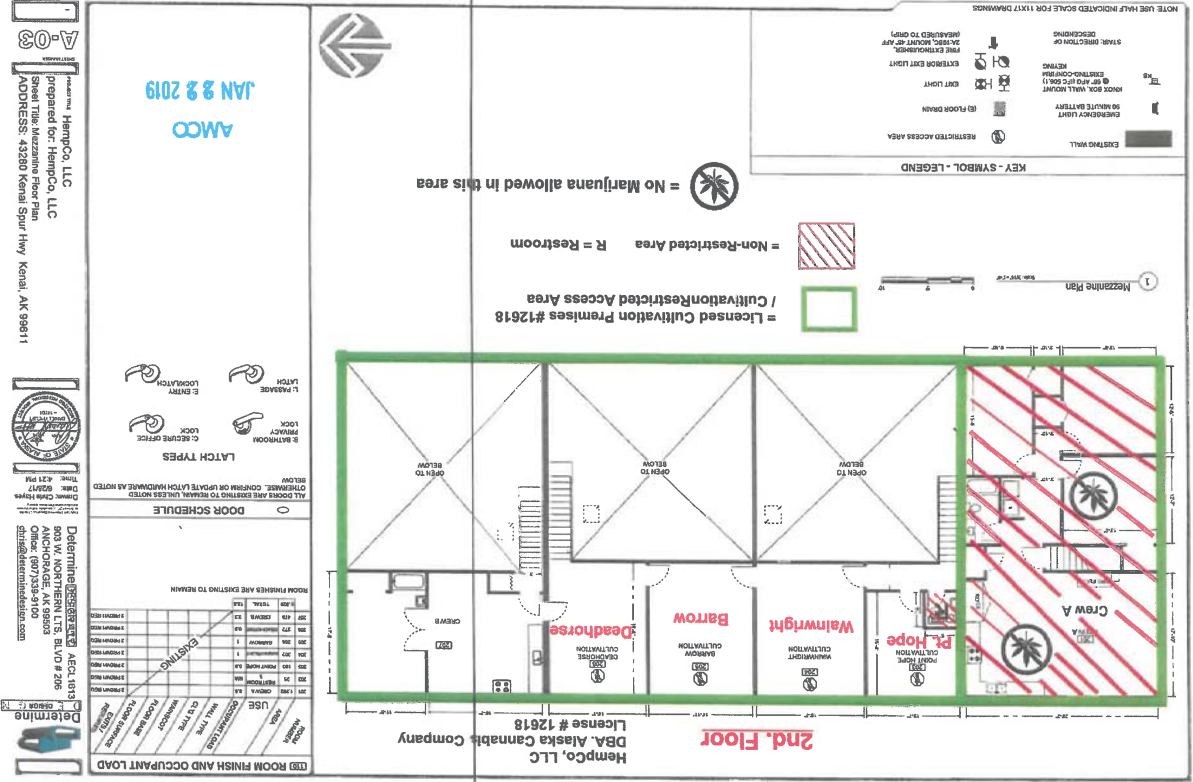


Diagram # 2 Cont'd
2 of 2

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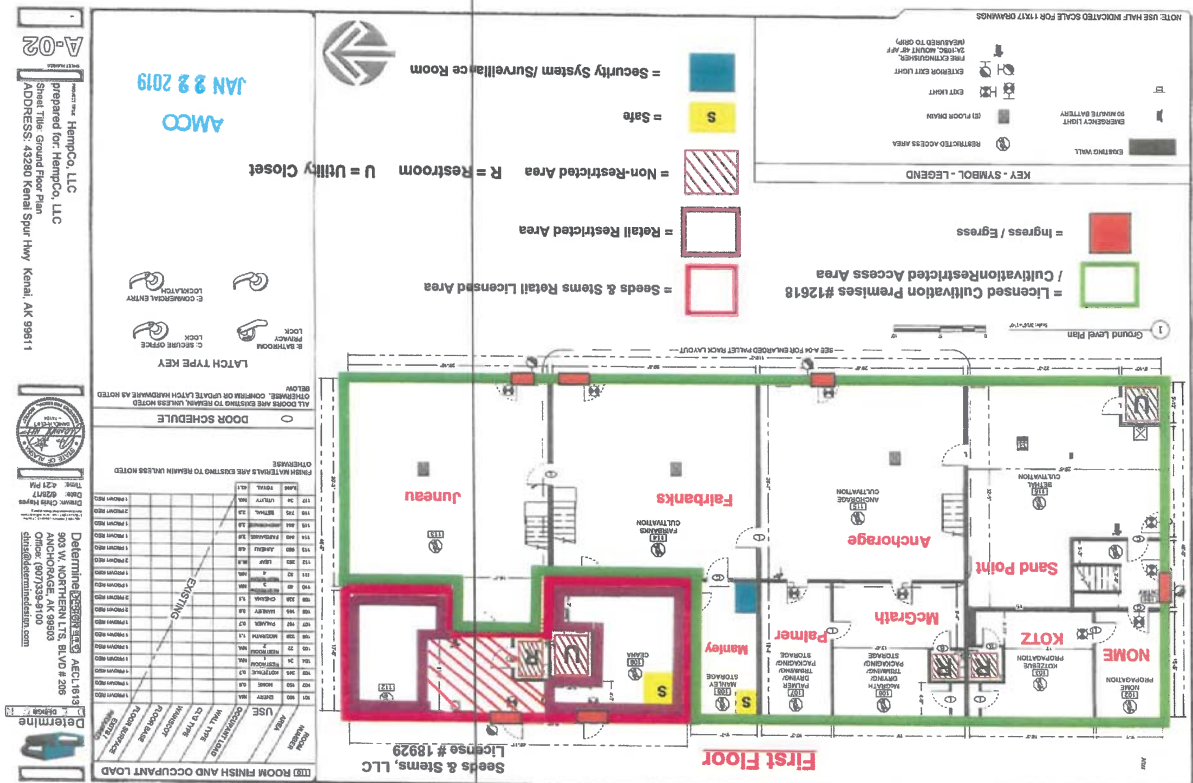
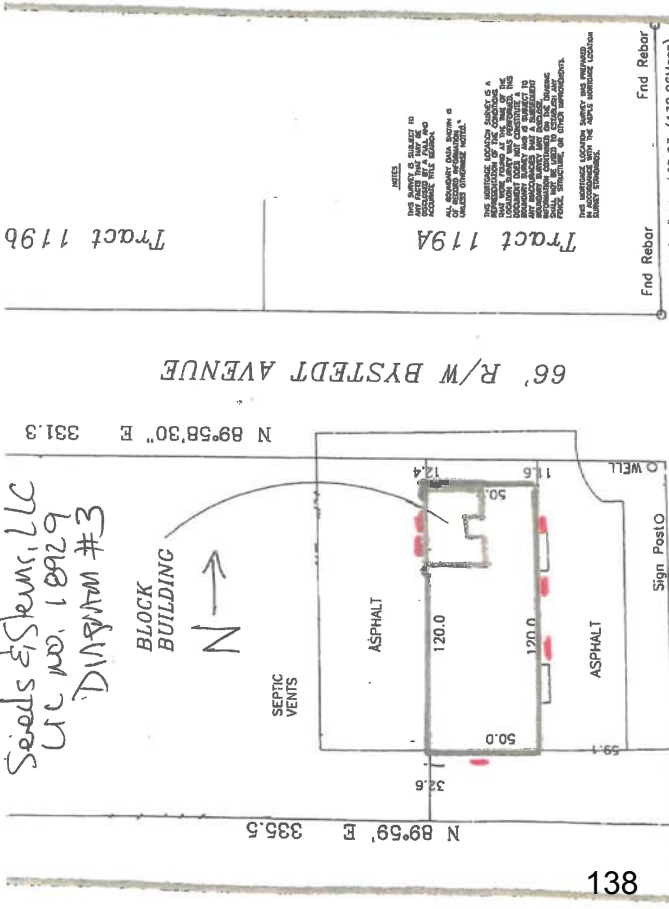


Diagram # 2
1 of 2

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Building #4
Lic. No. 18929



Seeds & Skunk, LLC
Lic. no. 18929
DINGHAM #3

licensed Premises for Retail license
Arden & Ingress & Egress



AMCO
DEC 07 2008
Received by AMCO 3/20/19

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



Alaska Marijuana Control Board
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:	SEEDS & STEMS, LLC.	MJ License #:	18929
License Type:	RETAIL MARIJUANA STORE		
Doing Business As:	SEEDS & STEMS, LLC.		
Premises Address:	43280 KENAI SPUR HIGHWAY, # E	State:	Alaska
City:	NIKISKI	ZIP:	99635



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

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:

When an incoming transfer of marijuana or marijuana product arrives at our facility, the transfer agent will be greeted and will have their marijuana handler permit checked by our staff before being granted access to our facility.

All transfers will occur in the secure portion of our facility.

All visitors - including other licensees and transfer agents, will be logged in our visitors log and will be issued a visitors pass to wear prior to being granted access to enter the secure portion of our facility.

Every incoming transfer will be verified against the manifest: ensuring package tags are with product and match product, and that the quantities and weights manifested are accurate. Once weights, quantities, and package tags have been verified, the manifest will be signed and dated by the receiving manager on duty and the time of acceptance will be noted on the hard copy of the manifest and the transfer will be accepted in METRC. If any variance should exist between the manifested quantity and the actual quantity, every effort will be made to reach the licensee before accepting or rejecting any transfer.
See cont'd response, P. 6.

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:

All staff members will be privately trained annually and prior to hire in preventing purchases by intoxicated persons under the influence of alcoholic beverages, inhalants, controlled substances as well as spice and other designer drugs. In addition, all employees will have completed the state required marijuana handlers course, passed the written examination in order to receive their current handler's permit (renewals as required).
See cont'd response P. 6.

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

- 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;
- b. sell, give, distribute, deliver, or offer to sell, give, distribute, or deliver marijuana or marijuana product over the internet;
- c. offer or deliver to a consumer, as a marketing promotion or for any other reason, free marijuana or marijuana product, including a sample;
- d. offer or deliver to a consumer, as a marketing promotion or for any other reason, alcoholic beverages, free or for compensation; or
- e. allow a person to consume marijuana or a marijuana product on the licensed premises.

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?
AMCO



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(e). JLF

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. JLF

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

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

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

- a. is false or misleading; JLF
- b. promotes excessive consumption; JLF
- c. represents that the use of marijuana has curative or therapeutic effects; JLF
- d. depicts a person under the age of 21 consuming marijuana; or JLF
- 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. JLF

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; JLF
- b. on or in a public transit vehicle or public transit shelter; JLF
- c. on or in a publicly owned or operated property; JLF
- d. within 1,000 feet of a substance abuse or treatment facility; or JLF
- e. on a campus for postsecondary education. JLF

Section 5 – Displays and Sales

5.1. Describe how marijuana and marijuana products at the retail marijuana store will be displayed and sold: Products at our facility will be displayed: (1) hanging on a wall located behind our counter space in a restricted access area and (2) in secured glass cases, in which only authorized personnel can access. Customers will not have free access to such display cases. No product is to be touched by anyone other than our employees prior to sale. Customers will consult our staff on which products they intend to purchase. All purchases will be made at our designated Point of Sale (POS) system. Once payment has been issued, the customer will be provided with their packaged products and may exit the building. All products within that purchase will have labeling provided by either the originating licensed cultivation company or Stems & Seeds, LLC. The label will include the logo, store name, license number, THC levels (levels provided by a licensed Marijuana Testing Facility), and all warning statements required under 3 AAC 306.345.



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):

Products will be packaged in opaque, resealable, child-resistant packaging as described in 3 AAC 306.345(a). Any and all products to be sold will comply with: 3 AAC 306.470, 3 AAC 306.475, 3 AAC 306.565, 3 AAC 306.570 and 3 AAC 306.345(b).

Upon receipt of any marijuana from a license cultivation facility, staff will be required to inspect such packaging to verify the labeling requirements described in 3 AAC 306.475(b) and 3 AAC 306.570(c). Staff will also make sure to review the labeling information to verify that packaging and potency conforms to regulations set forth in 3 AAC 306.560.

The facility will utilize weight measuring scales in compliance to 3 AAC 306.745 to verify weights of product. Packaging to be resold from the manufacturing facility without additional handling from our facility will not be in excess of one ounce in weight and will contain our company logo and license number. Wholesale purchases will be verified to not be in excess of five pounds of product for repackaging.

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):

See attached p. 7.





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 employees will be trained in the recognition of valid and acceptable forms of identification per SOA regulations governing acceptable forms of identification. See 3AAC 306.350(a) &(b). Employees will take the following steps to ensure valid identification has been produced prior to any entry in to the retail store as follows: Make certain ID has not expired and person is over 21 years of age; Request ID be removed from wallet or purse or anything with a cover over it; Take physical control of the ID; Check date of birth; Ensure ID has not been tampered with; Look for any material changes to ID. See cont'd response.

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

JF

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

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:

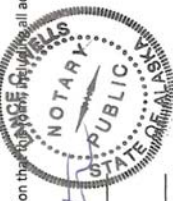
Prior to deeming marijuana as waste, we will notify the AMCO 3 days in advance in writing. Once the MCB has been notified, product awaiting disposal will be separated and stored in our secure waste storage area. Our secure waste storage is secured and monitored in compliance to 3 AAC 306.715 and 3 AAC 306.720, utilizing commercial steel-doors with key code/fingerprint locking mechanisms and high definition surveillance cameras.

Upon approval, any marijuana waste, including expired marijuana products will be ground and mixed with organic material consisting of household waste, paper, food, coffee grounds, leaves, grass clippings etc. to produce a final waste product that is no more than 50% marijuana product. Once marijuana product is reconciled to be unusable for any and all intended purposes, we will transfer the waste to our on-site secured dumpster to await final disposal. Upon final disposal, we will record the final destination of said waste, in accordance with 3 AAC 306.740(c)(2), and store these records in our secure office in compliance with 3 AAC 306.755.

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

JF

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 the above information, all accompanying schedules and statements, is true, correct, and complete.

Jenny Foster
Signature of licensee
JENNY FOSTER

Notary Public in and for the State of Alaska

My commission expires: 12/18/19

Subscribed and sworn to before me this 27 day of NOV, 2018

AMCO License # 18929



(Additional Space as Needed):

2.1 Response Cont'd:
Incoming marijuana or marijuana products received in bulk will be repackaged physically and within METRC, and will accordingly be labeled before imported into our POS system and becoming available for sale. Each time a bulk package is opened or repackaged, weights will be taken at the beginning and end of the process. Internal logs will be kept and variance due to moisture loss will be kept in internal logs; adjusted, noted, and accounted for in METRC. Any waste will be noted in waste logs as well, and reported to AMCO via email three days before destroying and disposing of the waste material. Unpackaged quantities of bulk marijuana and/or marijuana product will remain locked in secure storage, consistent with our operating plan. METRC package tags will remain physically attached to the vessel containing bulk marijuana associated with each tag. Incoming marijuana or marijuana product, which has been prepackaged prior to its arrival at our facility will have the labeling double checked for compliance before being made available for retail sale. Product will then be added to inventory within the point of sale system, and may have additional, POS specific, labeling/sku added.

Upon entering the establishment, a customer will immediately be asked to present ID. Once their ID has been checked they will select product from a menu, be given an opportunity to view or sniff the product before purchasing. Products will be placed in AMCO compliant exit packaging before leaving our facility. All sales will be entered through our point of sale system, and will be reported through METRC, daily.

Each drawer will be closed at the end of each shift and the proceeds from each shift and day will be verified against accountability reports generated by our POS. At the end of each day, the day will be closed out within our POS. Within 24 hours of the closure of a business day, our sales data will be uploaded to METRC. Routine internal audits will be conducted, verifying accuracy between METRC, our POS, and product on hand. Inventory of repackaged products will occur each night at the close of the shift and/or each morning before opening on internal forms, i.e. shift reports.

Retail operations are anticipated to begin at 10am until as late as 12:00 a.m., 7 days a week.

3.1 Cont'd: Employees will look for signs of impairment to include but not limited to:

- watery eyes,
- slurred speech,
- blood shot or red eyes,
- glassy eyes which may have trouble staying open,
- recognizable nystagmus either horizontally or vertically of the eyes
- their gait,
- coordination. This list is not exhaustive. If any of the above signs or any others are identified, they will be asked to leave the premises and no sales will occur. This facility implements a zero tolerance for non-compliant behavior on our licensed premises. Our policy requires that all personnel be trained on how to identify a person who is under the influence of an alcoholic beverage, inebriant, or controlled substance as set forth above. Any person(s) who are suspected of being in violation of 3 AAC 306.310(a)(2) will be asked to vacate the premises and will be notified that non compliance will result in a trespassing charge in which local law enforcement will be notified.

7.1 Cont'd response:

A book/pamphlet of all legal ID's for all 50 states will also be used to include Canada should any questions arise surrounding its authenticity. If questions surround its authenticity, age verification etc. the person will not be admitted in to the facility and will be told to leave the premises immediately.





Alaska Marijuana Control Board
Form MJ-07: Public Notice Posting Affidavit

Retail Sample Label
SEC 6.2 SAMPLE LABEL

- (1) "Marijuana has intoxicating effects and may be habit forming and addictive."
 - (2) "Marijuana impairs concentration, coordination, and judgment.
Do not operate a vehicle or machine with reduced attention or impaired judgment."
 - (3) "There are health risks associated with the consumption of marijuana."
 - (4) "For use only by adults twenty-one and older. Keep out of the reach of children."
 - (5) "Marijuana should not be used by women who are pregnant or breast feeding."
- Retailer: SEEDS & STEMS, LLC
 Harvest Batch No. 1A346h1234
 Net Wt: 1.0 g ± (0.0527596 oz)
 TEST: THCA: 18.48%, THC 16.6%, CBD: .06%
 Cultivator: GIANT GREEN BUDS, LLC

What is this form?

A public notice posting affidavit is required for all marijuana establishment license applications, per 3 AAC 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 020(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:	Seeds & Stems, LLC.	License Number:	18929
License Type:	Retail Marijuana Store		
Doing Business As:	Seeds & Stems, LLC.		
Premises Address:	43280 Kenai Spur Highway, #E		
City:	Nikiski	State:	AK.
		ZIP:	99635

Section 2 – Certification

I certify that I have met the public notice requirement set forth under 3 AAC 020(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: 3/13/19 End Date: 3/17/19

Other conspicuous location: Kenai Post Office: 140 Bidarka St Kenai, AK. 99611

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

Signature of licensee: *Jenny L. Foster*

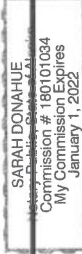
Jenny L. Foster

Printed name of licensee

Notary Public in and for the State of Alaska

My commission expires: 11/03/22

Subscribed and sworn to before me this 14th day of March, 2019.





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

Alaska Marijuana Control Board

Form MJ-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:	Seeds & Stems, LLC	License Number:	18929
License Type:	Retail Marijuana Store		
Doing Business As:	Seeds & Stems, LLC		
Premises Address:	43280 Kenai Spur Highway		
City:	Nikiski	State:	AK
		ZIP:	99635

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: 8/16/2018 End Date: 8/27/2018

Other conspicuous location: Kenai Post Office 140 B. Alaska St. Kenai, AK 99611

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

Signature of licensee: Jenny L Foster
My commission expires: 7/13/2022

Printed name of licensee: Jenny L Foster

Subscribed and sworn to before me this 11 day of October, 2018.



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

Alaska Marijuana Control Board

Form MJ-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:	Seeds & Stems, LLC.	License Number:	18929
License Type:	Marijuana Retail Store		
Doing Business As:	Seds & Stems, LLC.		
Premises Address:	43280 Kenai Spur Highway, #E		
City:	Nikiski	State:	AK.
		ZIP:	99635

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):

Local Government(s): Kenai Peninsula Borough Date Submitted: 3/10/19

Name/Title of LG Official 1: Johni Blankenship, Borough Clerk Name/Title of LG Official 2: Michelle Turner, Deputy Borough Clerk

Community Council: n/a Date Submitted: n/a

(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.

Signature of licensee: Jenny L Foster
My commission expires: January 1, 2022

Printed name of licensee: Jenny L Foster

Subscribed and sworn to before me this 14th day of March, 2019.



**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:	Seeds & Stems, LLC	License Number:	18929
License Type:	Retail Marijuana License		
Doing Business As:	Seeds & Stems, LLC		
Premises Address:	43280 Kenai Spur Highway		
City:	Nikiski	State:	AK
		ZIP:	99635

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):

Local Government(s): Kenai Peninsula Borough Date Submitted: 10-11-2018
 Name/Title of LG Official 1: John Blumkenship Borough Clerk Name/Title of LG Official 2: Michele Turner Deputy Borough Clerk

Community Council: n/a Date Submitted: n/a
 (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.

Signature of licensee: Jenny L. Foster
 Notary Public in and for the State of Alaska
 My commission expires: 6-18-19

Printed name of licensee: Jenny L. Foster
 Subscribed and sworn to before me this 11th day of Oct, 2018.



**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)) and affiliate (as defined in 3 AAC 306.990(a)(1)) 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 or affiliate 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:	Seeds & Stems, LLC	License Number:	18929
License Type:	Retail Marijuana Store		
Doing Business As:	Seeds & Stems, LLC		
Premises Address:	43280 Kenai Spur Highway, # E		
City:	Nikiski	State:	AK
		ZIP:	99635

Section 2 - Individual Information

Enter information for the individual licensee or affiliate.

Name:	<u>JAVA Lucey</u>	Date of Birth:	
Title:	<u>Member LLC</u>		
SSN:			



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

Alaska Marijuana Control Board

Form MJ-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.

David J. Lucey
Signature of licensee

Printed name of licensee

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My commission expires: April 21, 2021

Subscribed and sworn to before me this 14 day of August, 2018.



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

Alaska Marijuana Control Board

Form MJ-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)) and affiliate (as defined in 3 AAC 306.990(a)(1)) 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 or affiliate 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:	Seeds & Stems LLC	License Number:	18929
License Type:	Retail Marijuana Store		
Doing Business As:	Seeds & Stems, LLC		
Premises Address:	43280 Kenai Spur Highway, # E		
City:	Niikiski	State:	AK
		ZIP:	99635

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	ROBERT ROOP	Date of Birth:	
Title:	SHAREHOLDER		
SSN:			



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 of licensee

ROBERT REED
 Printed name of licensee


 Notary Public in and for the State of Alaska

My commission expires: 10/8/2021

Subscribed and sworn to before me this 23rd day of August, 2018.

What is this form?

A statement of financial interest completed by each proposed licensee (as defined in 3 AAC 306.020(b)(2)) and affiliate (as defined in 3 AAC 306.990(a)(1)) 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 or affiliate 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:	Seeds & Stems LLC	License Number:	18929
License Type:	Retail Marijuana Store		
Doing Business As:	Seeds & Stems, LLC,		
Premises Address:	43280 Kenai Spur Highway, # E		
City:	Nikiski	State:	AK
		ZIP:	99635

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Jordan Cox	Date of Birth:	
Title:	INVESTOR		
SSN:			



Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest

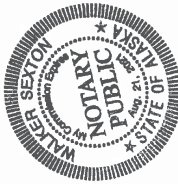
Section 3 – Certifications

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, 1.6.34.

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



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

My commission expires: Aug 21, 2021

[Signature]
Signature of licensee

JOHN D COX
Printed name of licensee

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Subscribed and sworn to before me this 15th day of August, 2018.



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)) and affiliate (as defined in 3 AAC 306.990(a)(1)) 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 or affiliate 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:	Seeds & Stems LLC.	License Number:	18919
License Type:	Retail Marijuana Store		
Doing Business As:	Seeds & Stems, LLC.		
Premises Address:	43280 Kenai Spur Highway, # E		
City:	Nikiski	State:	AK
		ZIP:	99635

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Jenny L. Foster
Title:	Managing Member
SSN:	[Redacted]
Date of Birth:	[Redacted]



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

Alaska Marijuana Control Board

Form MJ-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.

Jenny L. Foster
Signature of licensee

Jenny L. Foster

Printed name of licensee

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Mary Anne B. Enriquez
Notary Public in and for the State of Alaska

My commission expires: Feb. 17, 2020

Subscribed and sworn to before me this 17th day of August, 2018.



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

Alaska Marijuana Control Board

Form MJ-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)) and affiliate (as defined in 3 AAC 306.990(a)(1)) 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 or affiliate 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:	Seeds & Stems, LLC	License Number:	18929
License Type:	Retail Marijuana Store		
Doing Business As:	Seeds & Stems, LLC		
Premises Address:	43280 Kenai Spur Hwy, #E		
City:	Niiski	State:	AK
		ZIP:	99655

Section 2 - Individual Information

Enter information for the individual licensee or affiliate.

Name:	Dwan A. Foster SR
Title:	MEMBER
SSN:	[REDACTED]
Date of Birth:	[REDACTED]



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)) and affiliate (as defined in 3 AAC 306.990(a)(1)) 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 or affiliate 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:	Seeds & Stems LLC	License Number:	18929
License Type:	Retail Marijuana Store		
Doing Business As:	Seeds & Stems, LLC		
Premises Address:	43280 Kenai Spur Highway, #E		
City:	Nikiski	State:	AK
		ZIP:	99635

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Jason Swiroenski
Title:	Member
SSN:	[Redacted]
Date of Birth:	[Redacted]



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

Notary Public in and for the State of Alaska

Dwan A. Foster SR.
 My commission expires: 11-22

Printed name of licensee

Subscribed and sworn to before me this 18 day of August, 2018.





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

Alaska Marijuana Control Board

Form MJ-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.

STATE OF ALASKA
NOTARY PUBLIC
LEA STUBBER
My Comm. Exp. 3-12-19
Signature of licensee: *[Signature]*
Notary Public in and for the State of Alaska
[Signature]

My commission expires: 3-12-19
Subscribed and sworn to before me this 30th day of August, 2018.
Notary name of licensee: *[Signature]*

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Department of Commerce, Community, & Economic Development
Alcohol & Marijuana Control Office
License #18929
Initiating License Application
3/10/2019 2:38:23 PM

License Number: 18929
License Status: New
License Type: Retail Marijuana Store
Doing Business As: SEEDS & STEMS LLC
Business License Number: 1075126
Designated Licensee: Jenny Foster
Email Address: Jenny@AlaskaCannabis.com
Local Government: Kenai Peninsula Borough
Community Council:
Latitude, Longitude: 60.607251, -151.333706
Physical Address: 43280 Kenai Spur Highway, Unit E
NIKSI, AK 99635
UNITED STATES

Licensee #1 Entity Official #1

Type: Entity
Alaska Entity Number: 10087136
Alaska Entity Name: SEEDS & STEMS LLC
Phone Number: 907-430-8666
Email Address: Jenny@AlaskaCannabis.com
Mailing Address: PO Box 595
Kenai, AK 99611
UNITED STATES

Type: Individual
Name: Jenny Foster
SSN: [REDACTED]
Date of Birth: [REDACTED]
Phone Number: 907-430-8666
Email Address: Jenny@AlaskaCannabis.com
Mailing Address: PO Box 595
Kenai, AK 99611
UNITED STATES

Entity Official #2 Entity Official #3

Type: Individual
Name: John Cox
SSN: [REDACTED]
Date of Birth: [REDACTED]
Phone Number: 907-947-3316
Email Address: JD@AlaskaCannabis.com
Mailing Address: 1840 Scenic Way
Anchorage, AK 99501
UNITED STATES

Type: Individual
Name: David Lucey
SSN: [REDACTED]
Date of Birth: [REDACTED]
Phone Number: 907-632-6799
Email Address: Dave@AlaskaCannabis.com
Mailing Address: 5311 E. 26th Ave. #2
Anchorage, AK 99508
UNITED STATES

Entity Official #4 Entity Official #5

Type: Individual
Name: Dwain Foster
SSN: [REDACTED]
Date of Birth: [REDACTED]
Phone Number: 907-227-3619
Email Address: Dwain@AlaskaCannabis.com
Mailing Address: PO Box 162
Sand Point, AK 99661
UNITED STATES

Type: Individual
Name: Jason Swircenski
SSN: [REDACTED]
Date of Birth: [REDACTED]
Phone Number: 907-229-0616
Email Address: Jason@AlaskaCannabis.com
Mailing Address: 53040 Rambling Road
NIKSI, AK 99635
UNITED STATES

Entity Official #6

Type: Individual
Name: Robert Rood
SSN: [REDACTED]
Date of Birth: [REDACTED]
Phone Number: 907-202-1872
Email Address: Rob@AlaskaCannabis.com
Mailing Address: 2350 Cleo Ave
Anchorage, AK 99516
UNITED STATES

Affiliate #1

Type: Individual
Name: Jenny Foster
SSN: [REDACTED]
Date of Birth: [REDACTED]
Phone Number: 907-830-8666
Email Address: Jenny@AlaskaCannabis.com
Mailing Address: PO Box 595
Kenai, AK 99611
UNITED STATES

Affiliate #2

Type: Individual
Name: John Cox
SSN: [REDACTED]
Date of Birth: [REDACTED]
Phone Number: 907-947-3316
Email Address: JD@AlaskaCannabis.com
Mailing Address: 1840 Scenic Way
Anchorage, AK 99501
UNITED STATES

Affiliate #3

Type: Individual
Name: David Lucey
SSN: [REDACTED]
Date of Birth: [REDACTED]
Phone Number: 907-632-6799
Email Address: Dave@AlaskaCannabis.com
Mailing Address: 5311 E. 26th Ave #2
Anchorage, AK 99508
UNITED STATES

Affiliate #4

Type: Individual
Name: Dwain Foster
SSN: [REDACTED]
Date of Birth: [REDACTED]
Phone Number: 907-227-3819
Email Address: Dwain@AlaskaCannabis.com
Mailing Address: PO Box 162
Sand Point, AK 99661
UNITED STATES

Affiliate #5

Type: Individual
Name: Jason Swircenski
SSN: [REDACTED]
Date of Birth: [REDACTED]
Phone Number: 907-229-0616
Email Address: Jason@AlaskaCannabis.com
Mailing Address: 53040 Rambling Road
Nikiski, AK 99635
UNITED STATES

Affiliate #6

Type: Individual
Name: Robert Rood
SSN: [REDACTED]
Date of Birth: [REDACTED]
Phone Number: 907-202-1872
Email Address: Rob@AlaskaCannabis.com
Mailing Address: 2350 Cleo Ave.
Anchorage, AK 99516
UNITED STATES

COMMERCIAL LEASE AND DEPOSIT RECEIPT

RECEIVED FROM Hempco, LLC 1540 North Shoreline Dr, Wasilla, AK 99654, hereinafter referred to as LESSEE, the sum of \$ [REDACTED] dollars, evidenced by check # [REDACTED], as a deposit which shall belong to Lessor and shall be applied as follows:

	RECEIVED	TOTAL	BALANCE DUE PRIOR TO OCCUPANCY
Rent for the period from 4-1-17 to 4-30-17	\$ 540.00	\$ 540.00	\$ 540.00
Security deposit (not applicable toward last month's rent)	\$ 525.00	\$ 525.00	\$ 525.00
Last Month's Rent	\$ 715.00	\$ 715.00	\$ 715.00
TOTAL	\$ 2,780.00	\$ 2,780.00	\$ 2,780.00

In the event this Lease is not accepted by the Lessor within 7 days, the total deposit received will be refunded. Lessee agrees to lease from Lessor the premises situated in the Kenai Peninsula Borough, state of Alaska, described as 43280 Kenai Spur Hwy, upon the following terms and conditions:

- TERM:** The term will commence on 3-1-17 and end on 3-31-22, with two (2) three (3) year extensions with a three (3%) increase each extension period. Lessee to take occupancy for two (2) middle units (BAC) on 3-1-17. Lessee to take occupancy of South unit D on 3-15-17. Lessee to take occupancy of North unit A on 9/1/17. Lessee must provide Lessor with a written (Ninety) 90 day notice prior to vacating the premises at the end of current lease. Any renewals to be negotiated within the ninety (90) day notification period.
- The total rent will be \$3,500.00 per month (lease tax included) beginning 4-1-17, then beginning 9-1-17 total rent to increase to \$8,715.00 and is payable to Lessor (CAN) by the 15th of each month.
- All rents will be paid to Lessor (CAN) by the 15th of each month, at the following address: PO Box 2009 Kenai, AK 99611 or at such other places as may be designated by Lessor from time to time. In the event rent is not paid within 7 days of the due date, Lessee agrees to pay a late charge of \$100.00 plus interest at 18% per annum on the delinquent amount. Lessee further agrees to pay \$100 for each dishonored bank check. The late charge period is not a grace period, and Lessor is entitled to make written demand for any rent if not paid when due.
- USE:** The premises are to be used for Lawful Marijuana Cultivation, Lawful Marijuana Product Manufacturing, Lawful Marijuana Concentrate Manufacturing & Lawful Marijuana Retail and other business activities attendant to Lessee's business, and for no other purpose, without prior written consent of Lessor. Lessee will not commit any waste upon the premises, or any nuisance or act which may disturb the quiet enjoyment of any tenant in the building.
- USES PROHIBITED:** Lessee will not use any portion of the premises for purposes other than those specified. No use will be made or permitted to be made upon the premises, nor acts done, which will increase the existing rate of insurance or property taxes, occupancy, or cause cancellation of insurance policies covering the property. Lessee will not conduct or permit any sale by auction on the premises.
- ASSIGNMENT AND SUBLETTING:** Lessee will not assign this Lease or sublet any portion of the premises without prior written consent of the Lessor, which will not be unreasonably withheld. Any such assignment or subletting without consent will be void and, at the option of the Lessor, ORDINANCES AND STATUTES: Lessee will comply with all statutes, ordinances, and requirements of all borough and state authorities now in force, or which may later be in force, regarding the use of the premises, including but not limited to, the use of the premises for occupancy, or cause proceeding affecting the use of the premises, at the option of the Lessor, be deemed to be in violation of the terms of this Lease.
- SMOKING ON PREMISES:** No smoking is allowed inside of the building. Lessee could be liable for up to \$10,000.00 for the cost of replacing the paint, carpet and window coverings if caught smoking in the building.
- MAINTENANCE, REPAIRS, ALTERATIONS:** Unless otherwise indicated, Lessee acknowledges that the premises are in good order and repair. Lessee shall, at his/her own expense, maintain the premises in a good and safe condition. The premises will be surrendered, at termination of the Lease, to be maintained in good condition, except for normal wear and tear. No improvement or alteration of the premises, such as sidewalks, driveways (other than snow removal), lawns, and shrubbery as well as plate glass, electrical wiring, plumbing and heating installations, and any other system or equipment, except those installed by Lessee. Lessee to maintain the water system. No improvement or alteration of the premises will be made without the prior written consent of the Lessor. Prior to the commencement of any substantial repair, improvement, or alteration, Lessee will give Lessor at least two (2) days written notice in order that Lessor may post appropriate notices to avoid any liability for liens.
- ENTIRE AGREEMENT:** Lessee will permit Lessor or Lessor's agents to enter the premises at reasonable times and upon reasonable notice for the purpose of inspection. Lessee agrees to indemnify Lessor, at any time within ninety (90) days prior to the expiration of this Lease, to place upon premises any usual "For Lessor" signs, and permit Lessor to inspect the premises at reasonable times.
- INDEMNIFICATION OF LESSOR:** Lessor will not be liable for any damage or injury to Lessee, or to the premises, or to any property, occurring on the premises. Lessee agrees to hold Lessor harmless from any claims for damages arising out of Lessee's use of the premises, and to indemnify Lessor for any expense incurred by Lessor in defending any such claims.
- POSSESSION:** Lessor to deliver possession of the premises within ninety (90) days or sooner as the renovations and Lessee move out date.
- LESSEE'S INSURANCE:** Lessee shall maintain public liability, and property damage insurance insuring Lessee and Lessor with minimum liability limits as follows: \$1,000,000.00 CS.
- Lessee will provide Lessor with a Certificate of Insurance showing Lessor as additional insured. The policy will require ten (10) day's written notice to Lessor prior to cancellation or material change of coverage.
- LESSOR'S INSURANCE:** Lessor will maintain property insurance covering the building and improvements owned by the Lessor throughout the Lease term. Lessor's insurance will not insure Lessee's personal property, leasehold improvements, or trade fixtures.
- Unless otherwise indicated, Lessee agrees to be responsible for the payment of all utilities, including water, gas, electricity, heat and other services related to the premises, including snow removal.
- SIGNS:** Lessor must remove all signs within 10 days of the termination of this Lease, or permit any sign or marking on any exterior door, wall, or window of the premises without the express written consent of Lessor, which will not be unreasonably withheld.
- ABANDONMENT OF PREMISES:** Lessee will not vacate or abandon the premises at any time during the term of this Lease. If Lessee does abandon or vacate the premises, or is dispossessed by process of law, or otherwise, any personal property belonging to Lessee left on the premises will be deemed to be abandoned, at the option of Lessor. Lessee may, upon termination, remove all his/her trade fixtures, but will pay for all costs necessary to repair any damage to the premises caused by the removal.

33. ENTIRE AGREEMENT: The foregoing constitutes the entire agreement between the parties and may be modified only in writing signed by all parties.

The undersigned Lessee acknowledges that he/she has thoroughly read and approved each of the provisions contained in this Offer, and agrees to the terms and conditions set forth above.

Lessee: Henry C. [Signature] Date: 02/16/2017 Lessee: Jimmy Fadden Date: 02/16/2017
 Receipt for deposit acknowledged by: [Signature] Date: 2/17/2017

ACCEPTANCE

The undersigned Lessor accepts the foregoing Offer and agrees to lease the premises on the terms and conditions set forth above.

Lessor: Mike Swann Date: 2/17/2017 Lessor: _____ Date: _____
Paet, DAS, Inc.
 Lessee acknowledges receipt of a copy of the accepted Lease.
 Lessee: [Signature] Date: 2/17/2017 Lessee: Hempco, LLC Date: _____

17. **CONDEMNATION:** If any part of the premises is condemned for public use, and a part remains which is susceptible of occupation by Lessee, this lease will, as to the part taken, terminate as of the date the condemnor acquires possession. Lessee will be required to pay such proportion of the value of the premises remaining before the total value of the premises at the date of condemnation; provided, however, that if the condemnation is for the purpose of the construction of a public improvement, Lessee shall be entitled to a refund of the amount of such proportion of the value of the premises remaining before the total value of the premises at the date of condemnation, if any such refund is made by the condemnor. If the condemnation is for the purpose of the construction of a public improvement, Lessee shall be entitled to a refund of the amount of such proportion of the value of the premises remaining before the total value of the premises at the date of condemnation, if any such refund is made by the condemnor. Lessee shall be entitled to a refund of the amount of such proportion of the value of the premises remaining before the total value of the premises at the date of condemnation, if any such refund is made by the condemnor.

18. **TRADE FIXTURES:** Any and all improvements made to the premises during the term will belong to the Lessor, except trade fixtures of the Lessee. Lessee may, upon termination, remove all his/her trade fixtures, but will pay for all costs necessary to repair any damage to the premises caused by the removal of such fixtures.

19. **DESTRUCTION OF PREMISES:** In the event of a partial destruction of the premises during the term, from any cause, Lessor will promptly repair the premises, provided that such repairs can be reasonably made within 60 (sixty) days. If the premises are completely destroyed, Lessor will terminate this Lease, except that Lessee will be entitled to a proportionate reduction of rent while such repairs are being made, based upon the value of the premises before the destruction. If the repairs cannot be made within sixty (60) days, this Lease may be terminated at the option of either party by giving written notice to the other party with the sixty (60) day period.

20. **HAZARDOUS MATERIALS:** Lessee will not use, store, or dispose of any hazardous substances upon the premises, except the use and storage of such substances that are customarily used in Lessee's business, and are in compliance with all environmental laws or regulations applicable to the property. Lessee will be responsible for the cost of removal of any hazardous substances from the premises.

21. **INSOLVENCY:** The appointment of a receiver, an assignment for the benefit of creditors, or the filing of a petition in bankruptcy by or against Lessee, will constitute a breach of this Lease by Lessee.

22. **DEFAULT:** In the event of any breach of this Lease by Lessee, Lessor may, at his/her option, terminate the Lease and recover from Lessee an amount equal to: (a) the amount of unpaid rent at the time of termination; (b) the unpaid rent after termination and until the time of the award less any amount or such rent that the Lessee proves could have been reasonably avoided; (c) the unpaid rent for the balance of the term after the time of termination; and (d) any other amount necessary to compensate Lessor for all the damages suffered by the Lessee's failure to perform his/her obligations under the Lease or which in the ordinary course of things would be likely to result therefrom.

23. **ASSIGNMENT:** Lessee may, in the alternative, continue this Lease in effect, as long as Lessor does not terminate Lessee's right to possession, and Lessor may enforce all of Lessor's rights and remedies under the Lease, including the right to recover the rent as it becomes due under the Lease. If said breach of Lease continues, Lessor may, at any time thereafter, elect to terminate the Lease. These provisions will not limit any other rights or remedies which Lessor may have.

24. **DEPOSIT REFUNDS:** The balance of all deposits will be refunded within three weeks (or as otherwise required by law) from date possession is delivered to Lessor or his/her authorized agent, together with a statement showing any changes made against the deposits by Lessor.

25. **FLOORS:** Floors in office area and upstairs apartment to be polished and waxed by a professional cleaning service upon vacating premises.

26. **ATTORNEY FEES:** In any action or proceeding involving a dispute between Lessor and Lessee arising out of this Lease, the prevailing party will be entitled to reasonable attorney fees.

27. **NOTICES:** Any notice which either party may be required to give to the other party shall be in writing and shall be delivered to the premises, or to Lessor at the address shown in Item 2, or at such other place as may be designated by the parties from time to time. Notice will be effective five days after mailing, or on personal deliver, or when receipt is acknowledged in writing.

28. **TIME:** Time is of the essence of this Lease.

29. **HERS, ASSIGNS, SUCCESSORS:** This Lease is binding upon and inures to the benefit of the heirs, assigns, and successors of the parties.

30. **AMERICANS WITH DISABILITIES ACT:** The parties are alerted to the existence of the Americans with Disabilities Act, which may require costly modifications to the premises. This Lease is subject to the Americans with Disabilities Act, and the parties agree to comply with the requirements of such law. The parties agree to comply with the requirements of such law. The parties agree to comply with the requirements of such law.

31. **LESSOR'S LIABILITY:** In the event of a transfer of Lessor's title or interest in the property during the term of this Lease, Lessee agrees that the grantee of such title or interest will be substituted as the Lessor under this Lease, and the original Lessor will be released of all further liability. **ESTOPPEL CERTIFICATE:** (a) On ten (10) days' prior written notice from Lessor, Lessee will execute, acknowledge, and deliver to Lessor a statement in writing: (1) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease was modified in writing); (2) certifying that there are no other leases, oral or written, in effect on the premises; (3) certifying that there are no other claims, if any; and (4) acknowledging that there are no other claims, if any, against Lessor or any part of Lessor, or applying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective buyer or lender of Lessor, or applying such defaults if any are claimed. (b) At Lessor's option, Lessee's failure to deliver such statement within such time will be a material breach of this Lease or will be conclusive upon Lessee. (1) that this Lease is in full force and effect, without modification except as may be represented by Lessor; (2) that there are no unrecorded defaults in Lessor's performance; and (3) that not more than one month's rent has been paid in advance. (c) If Lessor desires to finance, refinance, or sell the premises, or any part thereof, Lessee agrees to deliver to lender to buyer a deed of trust and assignments of this Lease as may be reasonably required by such lender to buyer. All financial statements will be received by the Lessor or the lender in confidence and will be used only for the purposes set forth.



Zan, Inc. dba Arby's
 P.O. Box 2009
 Kenai, Alaska 99611
 907-283-5636
 907-283-3062 Fax

Lease Amendment.

For:
 43280 Kenai Spur Hwy.
 Nikiski, Alaska 99635

The landlord agrees not to seize or take possession of marijuana or marijuana product on the premises in the case of the landlord taking possession of the property and must contact AMCO for guidance.

Mike Navarre Date: 10/26/17
 Signature

Print Name: Mike Navarre
 Zan Inc
 502 Lake Street #5
 Kenai, AK 99611

LEASE AMENDMENT

For the property located at:
 43280 Kenai Spur Hwy.
 Nikiski, Alaska 99635

The Landlord agrees that Seeds & Stems, LLC may operate a licensed Marijuana Retail Store in the property listed above for which HempCo, LLC dba. has a lease.

The landlord agrees not to seize or take possession of marijuana product on the premises in the case of the landlord taking possession of the property and must contact the Alaska Marijuana Control Office (AMCO) for guidance.

Signature: Mike Navarre Date: 10/16/18

Printed Name: Mike Navarre
 Title: President

Zan Inc.
 502 Lake Street #5
 Kenai, Alaska 99611



Zan, Inc. dba Arbys
 P.O. Box 2009
 Kenai, Alaska 99611
 907-283-5636
 907-283-3062 Fax

LEASE AMENDMENT

For the property located at:
 43280 Kenai Spur Hwy.
 Nikiski, Alaska 99635

Zan, Inc., Landlord, agrees that Hempco, LLC may sublet to Seeds & Stems, LLC in the property listed above.

Signature: Mike Navarre Date: 3/22/19

Printed Name: Mike Navarre
 Title: President

Zan, Inc.
 502 Lake Street, #5
 Kenai, Alaska 99611

Received by AMCO 3/25/19



August 1, 2018

SUBLEASE AGREEMENT

This is an agreement to sublet real property (hereinafter known as the "Sublease") between **HempCo, LLC** (hereinafter known as the "Sublessor") and **Seeds & Stems, LLC** (hereinafter known as the "Sublessee"). The Sublessor agrees to sublet, and the Sublessee agrees to take possession of the property located at 43280 Kenai Spur Hwy. Unit E., Nikiski AK 99635 (hereinafter known as the "Premises") under the following terms and conditions:

- I. **Term.** Tenancy of this Sublease shall begin with the Sublessee taking possession on the 1 day of August 2018 and ending on the 31 day of March 2022.
- II. **Rent.** The rent under this Sublease shall be **\$500** (US Dollars) payable on the 1st of every month.
- III. **Utilities.** The utilities shall be paid by the sublessor.
- IV. **Liability.** Sublessee agrees to surrender and deliver to the Sublessor the premises including all furniture and decorations within the premises in the same condition as they were at the beginning of the term with reasonable wear and tear accepted. The Sublessee will be liable to the Sublessor for any damages occurring to the premises, the contents thereof, the living areas, including any common spaces. All actions conducted by any guests of the Sublessee are the responsibility and liability of the

HempCo, LLC

Received by AMCO 3/25/19

Sublessee. The sublessor agrees not to take possession of marijuana or marijuana products on the premises in the case of the landlord taking possession of the property and must contact AMCO for guidance.

V. Use of property. Marijuana retail.

Vi. Security Deposit. The Sublessor shall require a Security Deposit in the amount of \$1000 (US Dollars) that will be paid at the beginning of the term. Any damage or repairs needed at the end of the term due to the Sublessee shall be credited against the Security Deposit. Any reason for retaining a portion of the Security Deposit shall be explained in writing when returning the funds to the Sublessee. The funds shall be sent to the Sublessee within 30 days after the Sublease has ended with the Sublessee vacating the Premises along with their possessions.

Vii. Master Lease. This Sublease must follow and is subject to the original lease agreement between the Sublessor and Landlord, a copy of which has been attached, and is hereby referred to and incorporated as if it were set out here at length. The Sublessee agrees to assume all of the obligations and responsibilities of the Sublessor under the original lease for the duration of the Sublease.

Viii. Disputes. If a dispute arises during or after the term of this Sublease between the Sublessor and Sublessee, they shall agree to hold negotiations amongst themselves before any litigation.

Viii. Written Agreement. This Sublease constitutes the sole agreement between the Sublessor and Sublessee with no additions, deletions, or modifications that may be accomplished without the written consent of both parties

HempCo, LLC

HempCo, LLC

X. Original Copies. Each signatory to this Sublease acknowledges receipt of an executed copy thereof.

Xi. Governing Law. This Sublease shall be bound to the laws in the State of Alaska.

Xii. Date & Signature. The parties hereby bind themselves to this agreement with their authorization affixed below on the 1 day of August, 2018.

Sublessor's Signature *Jenny Foster* Date August 1, 2018
Print Jenny Foster

Subleasee's Signature *Jenny Foster* Date: August 1, 2018
Print Jenny Foster

PUBLISHER'S AFFIDAVIT

UNITED STATES OF AMERICA, }
STATE OF ALASKA } ss:

Elizabeth A. Ulricksen 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:

Corrected - Marijuana Notice
3/13/2019

x *[Signature]*

SUBSCRIBED AND SWORN before me on this
15th day of March, 2019.

[Signature]
NOTARY PUBLIC in favor for the State of Alaska.
My commission expires 07/10/22

NOTARY PUBLIC
RANDALEE J. KEATON
STATE OF ALASKA
My Commission Expires July 10, 2022

CORRECTED - RETAIL MARIJUANA STORE license
Seeds & Stems LLC is applying under 3 AAC 306.300 for a new Retail Marijuana Store license, license #18928, doing business as SEEDS & STEMS LLC, located at 43280 Kenai Highway, Unit E, NINEKI, AK, 99685, UNITED STATES.
Interested persons may object to the application by submitting a written statement of reasons for the objection to their local government, the Office of Marijuana Control, and the Alaska Marijuana Control Office (AMCO) prior to the application deadline. The director has determined the application is 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 the AMCO website <https://www.commerce.alaska.gov/web/amlc>. Objections should be sent to AMCO at marijuana.licensing@alaska.gov or AK 99501.
Pub: March 13, 2019 848142

PUBLISHER'S AFFIDAVIT

UNITED STATES OF AMERICA, }
STATE OF ALASKA } ss:

Elizabeth A. Ulricksen 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 Notice
August 16, 23 & 30, 2018

x *[Signature]*

SUBSCRIBED AND SWORN before me on this
17th day of September, 2018.

[Signature]
NOTARY PUBLIC in favor for the State of Alaska.
My commission expires 07/10/22

NOTARY PUBLIC
RANDALEE J. KEATON
STATE OF ALASKA
My Commission Expires July 10, 2022

NEW RETAIL MARIJUANA STORE license
Seeds & Stems LLC is applying under 3 AAC 306.300 for a new Retail Marijuana Store license, license #18928, doing business as SEEDS & STEMS LLC, located at 43280 Kenai Spur Highway, NINEKI, AK, 99685, UNITED STATES.
Interested persons may object to the application by submitting a written statement of reasons for the objection to their local government, the Office of Marijuana Control, and the Alaska Marijuana Control Office (AMCO) prior to the application deadline. The director has determined the application is 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 the AMCO website <https://www.commerce.alaska.gov/web/amlc>. Objections should be sent to AMCO at marijuana.licensing@alaska.gov or to 550 W 7th Ave, Suite 1600, Anchorage, AK 99501.
Pub: 08/16/2018 821740





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

10/15/2018

Seeds & Stems, LLC
Jenny@AlaskaCannabis.com

RE: *Seeds & Stems, LLC – Application for Retail Marijuana Store (License Number: 18929)*

We received your public notice for application for Marijuana Establishment License on 10/11/2018. 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 Department 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.

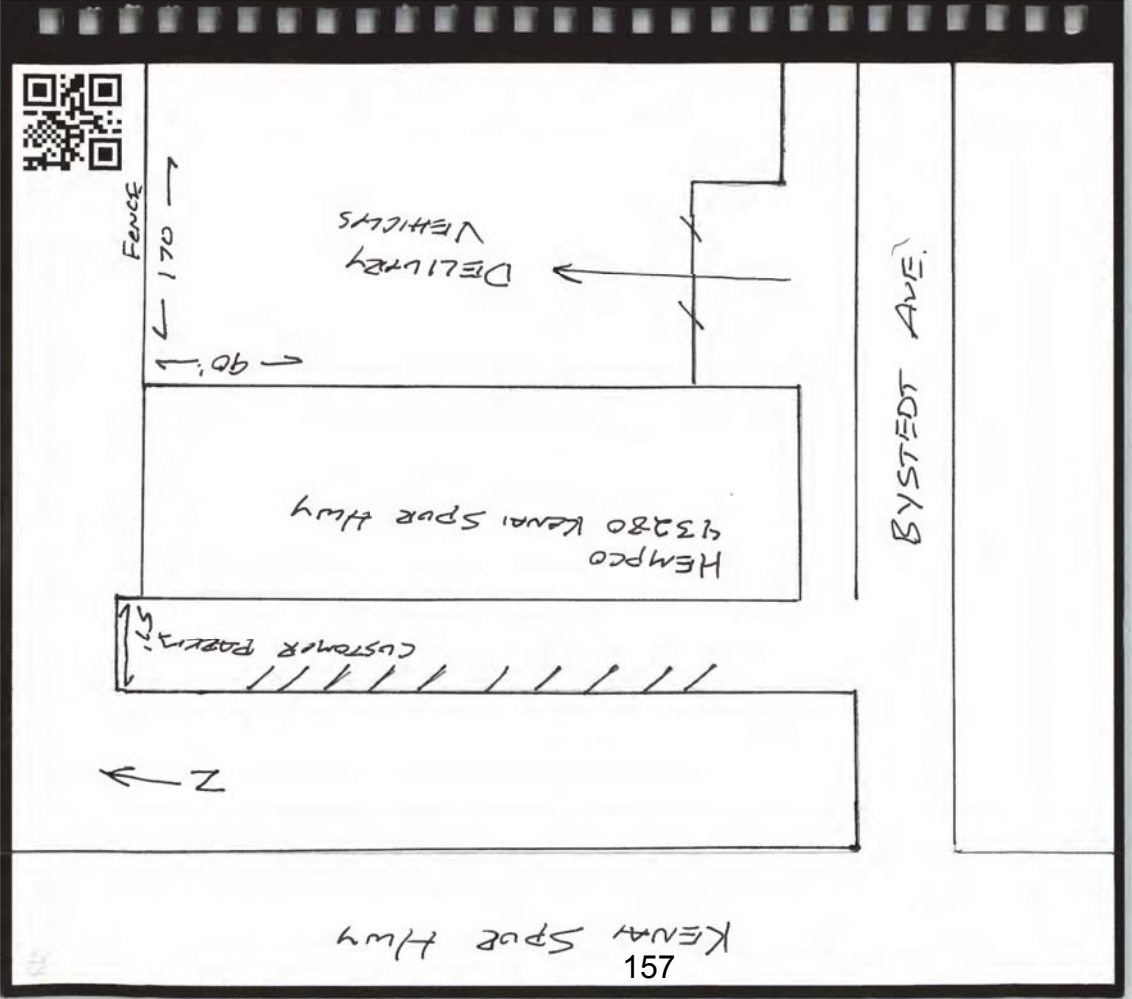
In order for the Borough to determine compliance with standards set out in KPB 7.30.020(C)(1), you will need to provide a site development plan with adequate detail to accurately depict the following:

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





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.

Seeds & Stems, LLC
43280 Kenai Spur Highway ; T 6N R 12W SEC 14 Seward Meridian KN PORTION OF GOVT LOT
106 LYING EAST OF NORT H KENAI RD
Application for Retail Marijuana Store (License Number: 18929)

Almyr J. Jost
Signature _____ Date _____

Please return completed form along with site development plan to the KPB Clerk's Office within the next two (2) weeks. The KPB has 60 days to review your application after receipt from AMCO.

The Kenai Peninsula Borough's standards and process are more completely set forth in the enclosed copy of KPB Chapter 7.30 "Marijuana License Protests." 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

Johni Blankenship, MMC
Borough Clerk

CHAPTER 7.30. - MARIJUANA LICENSE PROTESTS

7.30.010. Assembly review—Applications—Renewals—Hearings—Action.

A. The assembly shall review and make recommendations to the state on applications submitted to the State Marijuana Control Board for marijuana establishment licenses, or the renewal of a license, within the borough in the following situations:

1. applications for a new license; or
2. applications requesting approval of a relocation of the licensed premises; or
3. applications requesting the renewal of a license; or
4. applications requesting approval of a transfer of a license to another person.

B. Prior to the assembly making a recommendation to the Marijuana Control Board the planning commission shall hold a public hearing and make a recommendation to the assembly on the license application applying the standards set forth in KPB 7.30.020. The planning department shall prepare a staff report for the planning commission addressing items set forth in KPB 7.30.020. Notice of the public hearing shall be given in accord with the provisions of KPB 21.1.1.

C. After assembly public hearing, review and action as provided in KPB 7.30.010(A) and 7.30.020, the borough clerk shall provide a letter to the State of Alaska Marijuana Control Board informing it of the assembly's non-objection, protest, or recommended conditional approval as appropriate.

7.30.020. Assembly review—Standards.

A. The assembly shall cause a protest to be filed with the State of Alaska Marijuana Control Board on any application submitted for a new marijuana license, or any application requesting approval of a relocation of the licensed premises, or any application requesting approval of a transfer of a license to another person, or the application for renewal of a license, within the borough, in the following situations:

1. Where borough records indicate that the applicant and/or transferor is in violation of the borough sales, and/or personal and real property tax ordinances and regulations, has any unpaid balance due on tax accounts for which the applicant and/or transferor is liable or has failed to comply with any of the filing, reporting or payment provisions of the borough ordinances or regulations. A protest shall not be filed for balances due secured by a payment agreement authorized by borough ordinances, as long as:
 - a. the applicant or transferor is in compliance with the payment agreement; and

- b. the payment agreement requires payment in full by the end of the next license year; and
- c. the applicant or transferor is involved in no more than two payment agreements within the prior five (5) years.
- d. Notwithstanding the provisions of this subsection, the borough is not required to file a protest if the transferor and/or applicant have made satisfactory arrangements with the borough for the discharge of a tax obligation from the proceeds of the transfer or by payment from the person to whom the license is to be transferred. Further, if the proposed transferee holds a security interest in the license or licensed premises and seeks the transfer as part of an action foreclosing or protecting that security interest the borough will not protest a transfer to the holder of the security interest so long as satisfactory arrangements have been made by the transferee to pay the delinquent taxes in accordance with this chapter and other provisions of the borough code and no other provisions of this chapter would cause or allow a protest to be made.

B. Marijuana establishments shall not:

1. be located within 1,000 feet of any school. The distance specified in this subsection must be measured by the shortest pedestrian route from the public entrance of the building in which the licensed premises would be located to the outer parcel boundaries of the school.
2. be located within 500 feet of a recreation or youth center, a building in which religious services are regularly conducted, or a correctional facility. The distance specified in this subsection must be measured by the shortest pedestrian route from the public entrance of the building in which the licensed premises would be located to the outer boundaries of the recreation or youth center, or the main public entrance of the building in which religious services are regularly conducted, or the correctional facility.
3. be located within a local option zoning district.

C. Marijuana establishments shall:

1. be located where there is sufficient ingress and egress for traffic to the parcel including
 - a. The approach shall be constructed to a minimum of 28 feet in width where it accesses a borough right-of-way;
 - b. There shall be no parking in borough rights-of-way generated by the marijuana establishment;
 - c. The site development shall delineate a clear route for delivery vehicles which shall allow vehicles to turn safely;

- d. on-site parking and loading areas shall be designed to preclude vehicles from backing out into the roadway; and
- 2. 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. each day; and
- 3. be current in all Kenai Peninsula Borough obligations consistent with KPB 7.30.020(A); and
- 4. maintain a state license issued pursuant to AS 17.38 and 3 AAC 306.

D. Applicant is responsible for complying with all federal, state and local laws applicable to marijuana. By issuing a recommendation to the Marijuana Control Board the borough is not authorizing the violation of local, state, or federal law.

E. The assembly may recommend conditions on a license to meet the following standards: protection against damage to adjacent properties, offsite odors, noise, visual impacts, road damage, and criminal activity, and protection of public safety.

7.30.900. Definitions.

Unless the context requires otherwise, the following definitions apply:

"Marijuana" has the meaning given in Alaska Statute 17.38.900.

"Marijuana cultivation facility" means an entity registered to cultivate, prepare, and package marijuana and to sell marijuana to retail marijuana stores, to marijuana product manufacturing facilities, and to other marijuana cultivation facilities, but not to consumers.

"Marijuana establishment" means a marijuana cultivation facility, a marijuana testing facility, a marijuana product manufacturing facility, or a retail marijuana store as defined in AS 17.38.

"Marijuana product manufacturing facility" means an entity registered to purchase marijuana; manufacture, prepare, and package marijuana products; and sell marijuana and marijuana products to other marijuana product manufacturing facilities and to retail marijuana stores, but not to consumers.

"Marijuana products" means concentrated marijuana products and marijuana products that are comprised of marijuana and other ingredients and are intended for use or consumption, such as, but not limited to, edible products, ointments, and tinctures.

"Marijuana testing facility" means an entity registered to analyze and certify the safety and potency of marijuana.

"Registered" means issued a registration or license by the State of Alaska.

"Retail marijuana store" means an entity registered to purchase marijuana from marijuana cultivation facilities, to purchase marijuana and marijuana products from marijuana product manufacturing facilities, and to sell marijuana and marijuana products to consumers.

"Recreation or Youth Center" means a building, structure, athletic playing field, or playground

(A) Run or created by a local government or the state to provide athletic, recreational, or leisure activities for minors; or

(B) Operated by a public or private organization licensed to provide shelter, training, or guidance for persons under 21 years of age.

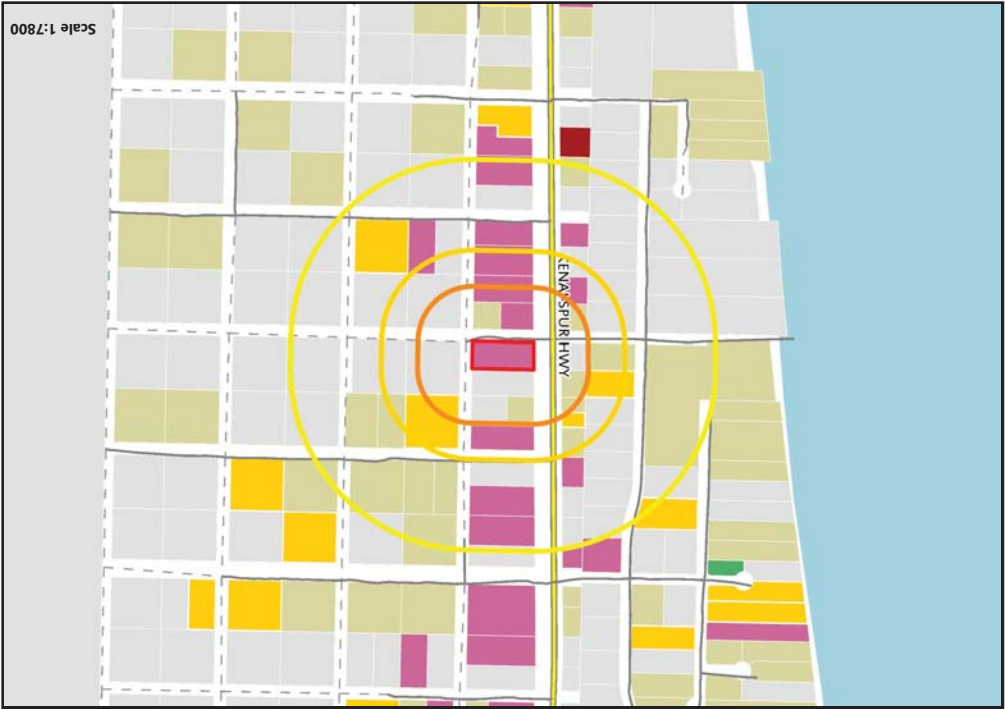


Applicant: Seeds & Stems, LLC

KPB Parcel ID: 01716041

Adjacent Land Use Map

- AMCO # 18929
- 1000ft Radius
 - 500ft Radius
 - 300ft Notification Area
 - Parcel Boundary
- Land Usage in 1000ft radius**
- Accessory Building
 - Commercial
 - Residential
 - Vacant
- 5 parcels
 15 parcels
 17 parcels
 38 parcels



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.

The data displayed herein is neither a legally recorded map nor survey and should only be used for general reference purposes. It is not intended to be used for measurement. Kenai Peninsula Borough assumes no liability as to the accuracy of any data displayed herein. Original source documents should be consulted for accuracy verification.

4/5/2019 3:03

Applicant: Seeds & Stems, LLC

KPB Parcel ID: 01716041

Aerial Imagery Map

- Parcel Boundary
- All Other Parcels




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4/5/2019 3:03

Kenai Peninsula Borough
Office of the Borough Mayor

MEMORANDUM

TO: Wayne Ogle, Assembly President
Members, Kenai Peninsula Borough Assembly

FROM: Charlie Pierce, Mayor 

DATE: May 6, 2019

RE: Veto of Ordinance 2018-19-33, Appropriating Supplemental Funding of \$2,423,955 for the Kenai Peninsula Borough School District Fiscal Year 2019 Budget

Please be advised that I hereby veto Ordinance 2018-19-33. Below is my written explanation of reasons for this veto to the Assembly, and, importantly, to all of the residents on the Kenai Peninsula Borough.

As you know, Local Contributions to Education is a topic we all care deeply about as the issue itself is the largest appropriation of the entire KPB budget, currently at 69%.

All of us understand the importance of a good education and agree with the need to provide the best educational opportunities for all young people and our teachers. I will continue to advocate for the District's Administration to reduce expenditures outside of the classroom, where possible, rather than holding their teaching positions hostage while simultaneously advocating for other non-essential, non-classroom positions. I respect the role of the Board of Education and the difficult responsibility they have in determining the priorities on how dollars are allocated. I implore them to take into consideration the totality of their circumstances when making these impactful decisions.

As we deliberated over the FY2019 budget last spring, many spoke in favor of additional funding for the District then too. At the end of the budget process, the funding was confirmed at today's level. To date, there have been no reductions in FY2019 funding. There has been no new major windfall of cash that changes our operating position today. Additionally, the KPB has been deficit spending in the last 7 of 10 budgets.

The Borough's Fund Balance Policy cannot be maintained above the minimum fund balance without increases to sales tax, property tax, or by reducing and or eliminating Borough exemptions without convincing the voters to support such actions.

Further, to make our decisions more difficult today, we now face even more fiscal uncertainty from our state funding sources. It can be argued that Governor Dunleavy's

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Date: May 6, 2019

To: KPB Assembly

RE: Veto of Ordinance 2018-19-33

proposed budget plan to reduce \$18 million in revenue from KPB's revenue and \$20 million from the School District's revenue may be unlikely this upcoming year, yet until their budget process is completed and signed, it is myopic to overspend now. Hedging on our future ability to provide funding that we may not have only makes our situation potentially worse.

How we accomplish the budget process and fund the entire Borough without raising local revenue along with the uncertainty from the State is the real challenge. I believe we are able to accomplish both when we are all working together.

I remain committed to work with the KPB School District, the Board of Education, the Assembly and especially the public to find the best way to maximize our resources, strive to meet the expectations of each segment of the public we serve, while simultaneously protecting all residents from additional taxation.

Working together we can achieve great results, and it may require compromise from all involved. I truly appreciate your deliberations and decisions on this subject matter and believe we are all striving for the same things. How we get there presents challenges.

Thank you, be safe always.

Introduced by:	Dunne, Smalley
Date:	04/02/19
Hearing:	04/16/19
Action:	Introduced and Set for Public Hearing
Vote:	9 Yes, 0 No, 0 Absent
Date:	04/16/19
Action:	Enacted as Amended
Vote:	5 Yes, 4 No, 0 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2018-19-33**

**AN ORDINANCE APPROPRIATING SUPPLEMENTAL FUNDING OF \$2,423,955, OR
THE MAXIMUM ALLOWED PURSUANT TO AS 14.17.410(C), WHICHEVER IS LESS,
FOR THE KENAI PENINSULA BOROUGH SCHOOL DISTRICT
FISCAL YEAR 2019 BUDGET**

WHEREAS, Governor Michael Dunleavy has submitted a proposal for fiscal year 2019 that reduces education funding statewide by approximately \$20 million and has also proposed eliminating a \$30 million one-time funding increase to school funding for fiscal year 2020; and

WHEREAS, if the \$20 million reduction for fiscal year 2019 is approved the state will withhold about \$1,398,898 from the Kenai Peninsula Borough School District (“KPBSD”) that was appropriated by the state legislature last session as one-time funding, and is included in KPBSD’s current budget; and

WHEREAS, without this cut the KPBSD is eligible for an additional \$2,423,955 in local funding for FY 2019; and

WHEREAS, if the \$30 million decrease for fiscal year 2020 is approved the state will withhold an estimated \$2,100,012 from KPBSD in one-time funding and the state would underfund state aid under the foundation formula by \$18,857,895, which would reduce the maximum allowable local contribution by the borough to KPBSD for fiscal year 2020; and

WHEREAS, the proposed state reductions in FY 2020 funding are not expected to allow any additional funds from the borough to offset state funding restrictions, but instead are likely to decrease the allowed borough contribution as well; and

WHEREAS, these cuts to education funding will significantly impact the school district by requiring it to make changes including potentially closing six schools, eliminating or reducing some certified positions and many support staff positions, significantly increasing the pupil teacher ratios at all levels, and substantially reducing or eliminating extra-curricular support throughout the district; and

WHEREAS, KPBSD has requested that the borough increase the FY19 local contribution to the maximum allowable amount of \$52,162,387 which would provide additional funding of \$2,423,955 to the school district; and

WHEREAS, as the maximum allowable amount may prove to be less than the amount under the formula in AS 14.17.410(c) this appropriation should be for the maximum allowed by law if that is less than \$2,423,955; and

WHEREAS, this would allow KPBSD to retain some of its non-tenured staff for FY20 as well as provide a needed cushion to any potential reduction in state funding for fiscal year 2020; and

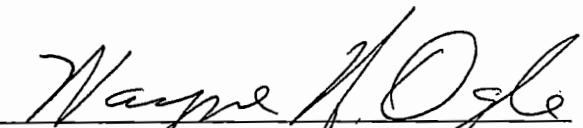
WHEREAS, education funding is a very high priority for the borough as the school district is an extremely important component of the Kenai Peninsula Borough economy and community lifestyle;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. The sum of \$2,423,955, or the maximum allowed pursuant to AS 14.17.410(c), whichever is less, is hereby appropriated from the General Fund, fund balance, to be transferred to the School Fund, account number 241.94910.50241.

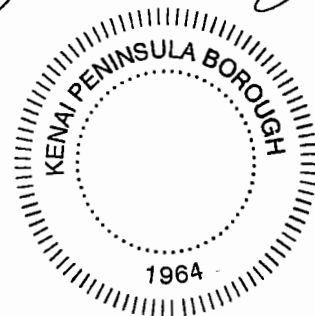
SECTION 2. That this ordinance shall become effective upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 16TH DAY OF APRIL, 2019.


Wayne H. Ogle, Assembly President

ATTEST:


John Blankenship, MMC, Borough Clerk



04/02/19 Vote on motion to introduce and set for public hearing:

Yes: Bagley, Blakeley, Carpenter, Cooper, Dunne, Fischer, Hibbert, Smalley, Ogle

No: None

Absent: None

04/16/19 Vote on motion to enact as amended:

Yes: Bagley, Cooper, Dunne, Hibbert, Smalley

No: Blakeley, Carpenter, Fischer, Ogle

Absent: None

Kenai Peninsula Borough Assembly Committees 2018 – 2019

ASSEMBLY COMMITTEES

- **Finance Committee**
Kelly Cooper, Chair
Paul Fischer, Vice Chair
Willy Dunne
- **Lands Committee**
Kenn Carpenter, Chair
Norm Blakeley, Vice Chair
Brent Hibbert
- **Policies & Procedures Committee**
Hal Smalley, Chair
Brent Hibbert, Vice Chair
Kenn Carpenter
- **Legislative Committee**
Willy Dunne, Chair
Paul Fischer, Vice Chair
Norm Blakeley
- **President Pro Tem**
Kelly Cooper

OTHER BOROUGH COMMITTEES

- **School Board**
Wayne Ogle
Hal Smalley, Alternate

SERVICE AREA BOARD LIAISONS

- **Anchor Point Fire & EMS** – Willy Dunne, Paul Fischer
- **Bear Creek Fire** – Kenn Carpenter
- **CES/CPEMS** – Norm Blakeley
- **Kachemak Emergency Service Area** -Willy Dunne
- **KPB Roads** – Wayne Ogle
- **Nikiski Seniors** – Wayne Ogle
- **Nikiski Fire** – Wayne Ogle
- **North Peninsula Recreation** – Wayne Ogle
- **Seldovia Recreational** – Willy Dunne
- **Seward/Bear Creek Flood** – Kenn Carpenter
- **South Kenai Peninsula Hospital** - Kelly Cooper, Willy Dunne

NON-BOROUGH COMMITTEES

- **Cook Inlet Aquaculture**
Dale Bagley, term expires with office
- **Cook Inlet R.C.A.C.**
Grace Merkes, term expires April 2020
- **Kenai Peninsula Economic Development District**
Hal Smalley, term expires with office
- **Kenai Peninsula College Council**
Wayne Ogle, term expires June 30, 2019
- **Kenai Peninsula Tourism and Marketing Council**
Brent Hibbert, term expires with office
- **Kenai River Special Management Area Advisory Board**
Brent Hibbert, term expires with office
- **Prince William Sound R.C.A.C.**
Mako Haggerty, term expires May 2019
- **Kachemak Bay Research Reserve Community Council**
Willy Dunne, term expires with office