

Kenai Peninsula Borough

*144 North Binkley Street
Soldotna, AK 99669*



Meeting Agenda

Tuesday, January 8, 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

TUESDAY, JANUARY 8, 2019

- | | |
|----------------|---|
| 3:30 PM | Finance Committee |
| 4:00 PM | Lands Committee |
| 4:15 PM | Policies and Procedures Committee |
| 4:45 PM | Dedication Ceremony – Betty J. Glick Assembly Chambers |
| 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



Finance Committee

January 8, 2019

3:30 PM

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

Kelly Cooper, Chair

Paul Fischer, Vice Chair

Willy Dunne

AGENDA

O. NEW BUSINESS

1. Resolutions

- *a. Resolution 2019-002: Adopting an Alternate Allocation Method for the FY19 Shared Fisheries Business Tax Program and Certifying that this Allocation Method Fairly Represents the Distribution of Significant Effects of Fisheries Business Activity in the Cook Inlet Fisheries Management Area (Mayor) 21
- *b. Resolution 2019-003: Authorizing the Purchase and Installation of a Hill-Rom Navicare Nurse Call System for the South Peninsula Hospital Utilizing Funds Previously Appropriated (Mayor) 26
- *c. Resolution 2019-004: Authorizing the Transfer of Funds within the Legal Department to Cover Anticipated Additional Costs Associated with Appeals from Planning Commission Decisions and Collection Case Litigation Costs (Mayor) 30

2. Ordinances for Introduction

- *a. Ordinance 2018-19-23: Appropriating \$425,000 from the General Fund for the Design and Replacement of the Boiler Plant at Homer High School (Mayor) (Hearing on 01/22/19) 54

- *b. Ordinance 2018-19-24: Approving the Lease Purchase of Two Diagnostic Ultrasound Machines for the South Peninsula Hospital and Appropriating \$375,000 from the South Peninsula Hospital Service Area Capital Project Fund (Mayor) (Hearing on 01/22/19) 59
- *c. Ordinance 2018-19-25: Accepting and Appropriating \$10,010,000 from the State of Alaska Department of Education & Early Development for the Kachemak Selo New K-12 School Construction Project (Mayor) (Hearing on 01/22/19) 65
- *d. Ordinance 2018-19-26: Appropriating Funds from the General Fund for Earthquake Response Under the locally Declared Disaster Emergency Within the Kenai Peninsula (Mayor) (Hearing on 01/22/19) 72
- *e. Ordinance 2018-19-27: Appropriating \$10,000 from the General Fund for Contribution to the Alaska Municipal League to Support a Working Group that will be Charged with Establishing a Centralized Sales Tax Administrator for Remote Sellers (Mayor) (Hearing on 01/22/19) 76

3. Other

- *a. Approving the Issuance of a Letter of Non-Objection to the Marijuana Control Board Regarding the New Standard Marijuana Cultivation Facility, License No. 17811 Filed by North Road Buds, LLC, Subject to the Standard Conditions 80
- *b. Approving the Issuance of a Letter of Non-Objection to the Marijuana Control Board Regarding the New Standard Marijuana Cultivation Facility, License No. 16511 Filed by Smoking Joe's Terps Co. Subject to the Standard Conditions 131

[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).*

- *c. Authorizing a Letter of Non-Objection of the Issuance of the New Liquor License as Requested by Mt. Marathon Brewing Company, License No. 5730 166

*Consent Agenda Items



Lands Committee

January 8, 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

O. NEW BUSINESS

3. Other

- *d. Petition to Vacate the Anchor Point Area of Five Rights-of-ways and Associated Easements as Follows: 180
 - a. Vacate the 33-foot Wide Portions of the Stoddard Avenue and Wardell Street Rights-of-way and the Associated 10-foot Wide Utility Easements, Dedicated on Hamiltons Countryside Estates, Plat HM 87-31.
 - b. Vacate the 50-foot Wide Portion of the Stoddard Avenue, the Portion of the 60-foot Wide Peck Street Rights-of-way and the Associated 20-foot Wide Roadway Construction and Maintenance Easement and the Associated 10-foot Utility Easement Dedicated on Starichkof Cape Estates, Plate HM 77-28.
 - c. Vacate the Portion of the 33-foot Wide Stoddard Avenue, the Portion of the 33-foot wide Wardell Street (Excluding that portion adjoining lot 2 Block 3 Stariski Estates), the 60-foot Wide and 30-foot wide Portions of the Peck Street, the 60-foot Wide Portion of the Aven Avenue, the 60-foot-wide and 30-foot-wide Portions of the Custitan Avenue Rights-of-way and Associated 5-foot Wide Utility Easements Dedicated by Stariski Estates, Plat HM 76-99.

[Clerk's Note: The Planning Commission approved the above referenced petition to vacate at its December 10, 2018 meeting by unanimous consent.]

*Consent Agenda Items



Policies and Procedures Committee

January 8, 2019

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 13**
1. Assembly Requests/Responses – None.
 2. Agreements and Contracts
 - a. Authorization to Award a Contract for RFP 19-002 Land Trust Land Investment Services to Alaska Permanent Capital Management, Anchorage, AK. 14
 - b. Authorization to Award a Contract for ITB 19-009 Tyonek Landfill O&M to Tyonek Contractors, LLC (TCLLC). 15
 3. Other
 - a. Revenue – Expenditure Report – November 2018..... 16
 - b. Budget Revisions – November 2018..... 19
- O. NEW BUSINESS**
1. Resolutions
 - *d. Resolution 2019-001: Endorsing Robert Ruffner's Reappointment to the Alaska Board of Fisheries (Bagley, Ogle) 33
 - *e. Resolution 2019-005: Approving the 2019 Labor Negotiation Procedures for a New Collective Bargaining Agreement with the Kenai Borough Employees Association (Mayor) 35

*f. Resolution 2019-006: Directing the Kenai Peninsula Borough Clerk to Establish an Election Stakeholders Group to Explore Implementing Optional Election Models to Better Serve Kenai Peninsula Voters and Ratifying a State of Alaska Commission for Human Rights Conciliation Agreement (Ogle) 41

*Consent Agenda Items



Assembly Agenda

January 8, 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 Kalliste Edeen.]

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. December 4, 2018 Regular Assembly Meeting Minutes1

H. COMMENDING RESOLUTIONS AND PROCLAMATIONS

I. PRESENTATIONS WITH PRIOR NOTICE (20 Minutes total)

1. Project Homeless Connect 2019, Maggie Winston
(10 Minutes)

2.	Tim Johnson, Chair Alaska LNG Advisory Committee – Status Update (10 Minutes)	9
J.	PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA (3 minutes per speaker; 20 Minutes aggregate)	
K.	MAYOR’S REPORT	13
1.	Assembly Requests/Responses – None.	
2.	Agreements and Contracts	
a.	Authorization to Award a Contract for RFP 19-002 Land Trust Land Investment Services to Alaska Permanent Capital Management, Anchorage, AK.	14
b.	Authorization to Award a Contract for ITB 19-009 Tyonek Landfill O&M to Tyonek Contractors, LLC (TCLLC).	15
3.	Other	
a.	Revenue – Expenditure Report – November 2018.....	16
b.	Budget Revisions – November 2018.....	19
L.	ITEMS NOT COMPLETED FROM PRIOR AGENDA	
M.	PUBLIC HEARINGS ON ORDINANCES (Testimony limited to 3 minutes per speaker)	
N.	UNFINISHED BUSINESS	
O.	NEW BUSINESS	
1.	Resolutions	
*a.	<u>Resolution 2019-002: Adopting an Alternate Allocation Method for the FY19 Shared Fisheries Business Tax Program and Certifying that this Allocation Method Fairly Represents the Distribution of Significant Effects of Fisheries Business Activity in the Cook Inlet Fisheries Management Area (Mayor) (Referred to Finance Committee)</u>	21

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[Clerk's Note: The Planning Commission approved the above referenced petition to vacate at its December 10, 2018 meeting by unanimous consent.]

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

Q. ASSEMBLY MEETING AND HEARING ANNOUNCEMENTS

- | | | |
|----|-----------------------------|--|
| 1. | January 15, 2019
6:00 PM | AK LNG PAC Meeting
Nikiski Community Recreation Center |
| 2. | January 16, 2019
2:00 PM | Material Site Work Group
Betty J. Glick Assembly Chambers |
| 3. | January 22, 2019
6:00 PM | Regular Assembly Meeting
Betty J. Glick Assembly Chambers |

R. ASSEMBLY COMMENTS

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

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 January 22, 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, December 4, 2018

6:00 PM

Betty J. Glick Assembly Chambers

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION

[Clerk's Note: The invocation was given by Willy Dunne.]

ROLL CALL

[Clerk's Note: Assembly Member Fischer participated by phone.]

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

Excused: 1 - Norm Blakeley

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 the Finance Committee met and discussed its agenda items.

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

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

Bagley moved to approve the agenda and consent agenda.

Copies have been made available to the public, Borough Clerk Johni Blankenship noted by title only the resolutions and ordinances on the consent agenda.

[KPB-1966](#) November 20, 2018 Regular Assembly Meeting Minutes
approved.

[KPB-1954](#) A Resolution Commending Stacey Segura and the Nikiski High School Volleyball Team for Winning the 3A ASAA State Championship Volleyball Tournament (Ogle)
This Commending Resolution was adopted.

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

[2018-19-22](#) An Ordinance Appropriating \$500,000 from the Insurance and Litigation Fund Balance for Additional Costs of Insurance Premiums and Claims Incurred in FY2019 (Mayor)
This Budget Ordinance was enacted.

[2018-35](#) An Ordinance Authorizing the Assessor to Accept One Late-Filed Application for Disabled Veteran Exemption for 2018 Filed After March 31 (Mayor)
This Ordinance was enacted.

New Business

[2018-055](#) A Resolution Supporting the Efforts of the City of Seldovia to Secure a Community Block Grant Provided by the State of Alaska Department of Commerce, Community and Economic Development (Dunne)
This Resolution was adopted.

[KPB-1957](#) Approving the Issuance of a Letter of Non-Objection to the Marijuana Control Board Regarding the New Standard Marijuana Cultivation

Facility, License No. 16027 Filed by Ohlson Mountain Gold, LLC, Subject to the following Standard Conditions:

[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).

approved.

[KPB-1958](#)

Approving the Issuance of a Letter of Non-Objection to the Marijuana Control Board Regarding the New Limited Marijuana Cultivation Facility, License No. 10193 Filed by Stoney Creek Cultivators, Subject to the Following Standard Conditions:

[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).

approved.

[KPB-1959](#)

Approving the Issuance of a Letter of Non-Objection to the Marijuana Control Board Regarding the New Retail Marijuana Store, License No. 17176 Filed by State of Mind Cannabis Company, Subject to the Following Standard Conditions:

[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.]

approved.

[KPB-1960](#)

Petition to Vacate the Marianberry Lane Right-of-way as Dedicated on Hostetter Subdivision No. 2 Amended, Plat HM 2002-7 in the Ninilchik Area and the Associated 10-Foot Wide Utility Easements Adjoining the Marianberry Lane Right-of-way as Granted by Hostetter Subdivision No. 2 Amended, Plat HM 2002-7. Location: Within the South 1/2 South East 1/4 of Section 26, Township 1 South, Range 14 West, Seward Meridian, Alaska, Within the Kenai Peninsula Borough; KPB File 2018-128V.

[Clerk's Note: The Planning Commission approved the above referenced petition to vacate at its November 13, 2018 meeting by unanimous consent.]

approved.

[KPB-1965](#)

Petition to Vacate of the Dedicated Portion of Diamond M Ranch Road Between Lots 3A and 5A as Shown on Carrol Martin Subdivision Diamond M Resort Addition, Plat KN 2008-116. The Right-of-way is not Constructed Within the Dedication and is Located East of Bridge Access Road off Kalifornsky Beach Road Within the North 1/2 Section 22 and South West 1/4 Section 15, T5N, R11W, Seward Meridian, Alaska, and Within the Kenai Peninsula Borough. KPB File 2017-058V2. Petitioner: Carrol, Joanne, Blair and Ronna Martin of Kenai, AK.

[Clerk's Note: The Planning Commission approved the above referenced petition to vacate at its November 26, 2018 meeting by unanimous consent.]

approved.

[KPB-1961](#)

Confirming an Appointment to the Kenai Peninsula Borough Board of Equalization (Mayor)

Steve Ford, Seat A, Term to Expire 12/31/21

approved.

[KPB-1967](#)

Approving the Appointment of Chief of Staff, James Baisden, as the

Administrative Officer (Mayor)

approved.

[KPB-1969](#)

Request to Extend Disaster Emergency Declaration Issued December 4, 2018 Regarding the 7.0 Magnitude Earthquake of November 30, 2018 (Mayor)

approved.

Approval of the Agenda and Consent Agenda

President Ogle called for public comment with none being offered.

A motion was made by Bagley to approve the Agenda and Consent Agenda. The motion carried by the following vote:

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

Absent: 1 - Blakeley

COMMENDING RESOLUTIONS AND PROCLAMATIONS

[KPB-1954](#)

A Resolution Commending Stacey Segura and the Nikiski High School Volleyball Team for Winning the 3A ASAA State Championship Volleyball Tournament (Ogle)

[Clerk's Note: President Ogle presented the commending resolution to the Nikiski High School Volleyball team.]

PRESENTATIONS WITH PRIOR NOTICE

1. [KPB-1951](#) South Peninsula Hospital Quarterly Report (10 Minutes)

[Clerk's Note: The South Peninsula Hospital quarterly report was cancelled.]

2. [KPB-1956](#) Kenai Peninsula Borough School District Quarterly Report (10 Minutes)

[Clerk's Note: Sean Dusek, Superintendent and Penny Vadla, Board President presented the quarterly report to the assembly.]

PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

President Ogle called for public comment.

Tim Dillon, Kenai Peninsula Economic Development District thanked the borough and school district for their quick earthquake response. Mr. Dillon also reminded everyone to attend the Industry Outlook Forum in Homer on January 9, 2019 at the Christian Community Church.

David Chessik, Kaligin Island addressed the assembly regarding the closure of the Kenai Dock facility.

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 - None.
3. Other - None.

ITEMS NOT COMPLETED FROM PRIOR AGENDA

None.

UNFINISHED BUSINESS

None.

PUBLIC COMMENTS AND PUBLIC PRESENTATIONS

President Ogle called for public comment with none being offered.

ASSEMBLY MEETING AND HEARING ANNOUNCEMENTS

1. December 5, 2018 Material Site Working Group
2:00 PM Betty J. Glick Assembly Chambers, Soldotna
2. December 12, 2018 AK LNG PAC Meeting
6:00 PM Nikiski Community Recreation Center
3. January 8, 2019 Regular Assembly Meeting
6:00 PM Betty J. Glick Assembly Chambers, Soldotna

ASSEMBLY COMMENTS

Assembly Member Dunne stated the Homer community had several activities regarding opioid addiction and invited everyone to attend the Mobilizing Action Through Planning and Partnerships (MATPP) group meeting December 7, 2018 at 8:30 a.m. at the Kachemak Bay Campus.

Assembly Member Fischer wished everyone a blessed Christmas and successful New Year.

Assembly Member Cooper thanked Representative Knopp for his comments during the Legislative Committee. She thanked the school district professionals and borough/city employees for all their efforts regarding the earthquake response. She wished everyone a great evening.

Assembly Member Smalley echoed Ms. Cooper's comments regarding earthquake response and thanked Governor Walker for his declaration of emergency. He stated it was amazing to see a quick emergency response and thanked those who responded. He congratulated Mr. Baisden on his appointment as Chief of Staff. Mr. Smalley wished everyone a Merry Christmas.

Assembly Member Hibbert stated he attended his first Kenai Peninsula Tourism and Marketing Council meeting on November 16, 2018 and stated it was a great group with great ideas. He stated the earthquake was a good reminder for all of us to be prepared for an emergency. Mr. Hibbert wished everyone a Merry Christmas.

Assembly Member Carpenter wished everyone a safe holiday and Happy New Year.

Assembly Member Bagley thanked the Finance Department for all their hard work with the audits and the preparation of the Comprehensive Annual Financial Report (CAFR), and stated they did a great job. Mr. Bagley wished everyone a Merry Christmas and Happy New Year.

President Ogle extended his congratulations to the Nikiski High School Volleyball Team. He thanked Representative Knopp for his comments and thanked all the legislators for providing the assembly with a legislative update. Mr. Ogle congratulated Mr. Baisden on his appointment as Chief of Staff. He provided the assembly a brief update regarding the administration of the new invocation policy as adopted under Resolution 2018-053. He stated he was very impressed with the earthquake response and appreciated the Mayor's honesty when he stated the borough as a whole could do better. Mr. Ogle wished everyone a Merry Christmas and Happy New Year.

PENDING LEGISLATION

None.

INFORMATIONAL MATERIALS AND REPORTS

NOTICE OF NEXT MEETING AND ADJOURNMENT

With no further business to come before the assembly, President Ogle adjourned the meeting at 7:25 p.m.

I certify the above represents accurate minutes of the Kenai Peninsula Borough Assembly meeting of December 4, 2018.

Johni Blankenship, MMC, Borough Clerk

Approved by the Assembly: _____

Kenai Peninsula Borough

Alaska Liquefied Natural Gasline Project Advisory Committee

MEMORANDUM

TO: Charlie Pierce, Borough Mayor
Wayne Ogle, Assembly President
Members of the Borough Assembly

FROM: Tim Johnson, Committee Chair
Members of the Project Advisory Committee

DATE: January 8, 2019

RE: UPDATE Alaska Liquefied Natural Gasline Project Advisory
Committee (PAC) to Kenai Peninsula Borough Assembly

SUMMARY:

The PAC has established a regular point of contact with Alaska Gasline Development Corporation (AGDC) and the community. This is engaging and informing the public, especially KPB residents in the Nikiski area. A key learning is understanding the substantial potential socioeconomic impacts this project could have upon the KPB. The KPB would be well served by starting now to plan and prepare for potential impact from an LNG project.

RECOMMENDATIONS:

- The KPB should work with Alaska DOT and AGDC to address all issues associated with the Kenai Spur Highway re-route.
- The KPB should actively seek to understand and participate in all discussions surrounding Payment in Lieu of Taxes (PILT) and the Municipal Advisory Gas Project Review Board (MAGPRB) that was established to define this process.
- The KPB should prepare a broad list of potential impacts from the construction and operation of a major LNG project. This list may be the basis for planning and prioritization to mitigate the impacts of such a project.

DISCUSSION:

The Kenai Peninsula Borough Alaska Liquefied Natural Gasline Project Advisory Committee has been active since March of 2018 working to serve the borough's best interests in all matters relating to this project. The PAC's mission is focused in 4 main areas which are detailed below.

1.) Monitor activities and developments related to the AK-LNG Project

- The AK LNG PAC has established a regular dialog between the Kenai Peninsula Borough and AGDC. This in turn has created an ongoing point of contact between the public and AGCD, especially in the Nikiski community.
- Key information is centrally located on the PAC web page making all information readily available to the public.
- Increased discussion and understanding around the Kenai Spur Highway Re-route, LNG Water Supply, Payment in Lieu of Taxes (PILT), and other key topics.
- Input has not just been from AGDC, but also from industry experts, Alaska Department of Revenue, special interest groups, and comment from the general public.
- A key for the PAC in the near term is broader understanding of and planning for PILT and how this might work through the Municipal Advisory Gas Project Review Board (MAGPRB).

2.) Receive public comment

- There has been good attendance by the public for every PAC meeting.
- Substantial comment received regarding the Kenai Spur Highway Re-route and LNG Project Water Supply.
- Some issues have been raised and addressed; many issues will be topics of discussion as the project progresses.

3.) Inform the administration and assembly of these activities and developments;

- The Mayor's office has been in attendance at every PAC meeting.
- There has been an Assembly member (ex-officio) in attendance at every meeting.

4.) Suggest to the assembly and/or the mayor or his designee comments and recommendations to be made to AGDC.


- Several recommendations have been acted on by the Mayor's office.
- The borough should be engaging key stakeholders (cities, service area boards, Native organizations) to better understand viewpoints and potential impacts of the project.
- At this point, there is not a funded LNG project. However, AGDC continues to make substantial progress and if they are able to obtain FERC approval and secure investment monies, the project will begin moving forward very quickly. Waiting until a project is fully approved and funded will not allow the borough enough time to plan and obtain funding for mitigations needed to offset the impacts of such a large project.
- The borough should quantify and prioritize potential impacts to proactively prepare for potential PILT funding that could help mitigate impacts during Construction (CPILT) and Operation of the project (OPILT).
 - Participation in and better understanding of The Municipal Advisory Gas Project Review Board (MAGPRB) process.
 - Action will be required very quickly if there is a decision to move forward with the project. Any mitigating actions requiring infrastructure construction will need to be well prepared and fast tracked.
 - PILT payments should not be tied to annual legislative appropriation.
- This issue of greatest concern in the Nikiski area remains the Kenai Spur Highway re-route. AGDC and the project team have continued to engage the community and have responded to input while holding to their minimum scope of re-routing the Kenai Spur Highway around the new LNG facility. While a solution that addresses the concerns of all involved, a number of key issues remain that could benefit from a broader conversation involving KPB and Alaska DOT:
 - Consideration of the potential impact of bluff erosion. The current proposal is susceptible to erosion.
 - Ensuring design basis is suitable for the likely traffic.
 - Consideration of design optimization that accounts for community need (connection of highway re-route to Holt-Lamplight road for example).

- Key presentations, links, and dialog can be found on the PAC website. The most important documents relating to socioeconomic impacts and PILT are Resource Report #5 (AGDC filing with FERC

Kenai Peninsula Borough
Office of the 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: January 8, 2019

Assembly Request / Response

None

Agreements and Contracts

- a. Authorization to Award a Contract for RFP19-002 Land Trust Land Investment Services to Alaska Permanent Capital Management, Anchorage, AK.
- b. Authorization to Award a Contract for ITB19-009 Tyonek Landfill O&M to Tyonek Contractors, LLC (TCLLC).

Other

- a. Revenue-Expenditure Report – November 2018
- b. Budget Revisions – November 2018

Kenai Peninsula Borough
Finance Department

MEMORANDUM

TO: Charlie Pierce, Mayor
THRU: Valentina Sustalta, Purchasing & Contracting Director *V. Sustalta*
FROM: Brandi Harbaugh, Finance Director *BH*
DATE: November 26, 2018
RE: Authorization to Award a Contract for RFP19-002 Land Trust Land Investment Services

The Purchasing and Contracting Office formally solicited and received proposals for the RFP19-002 Land Trust Land Investment Services. Proposal packets were released and the Request for Proposal was advertised in the Peninsula Clarion on October 15, 2018.

The project consists of professional land trust fund investment services for a three-year contract period from December 15, 2018 to December 14, 2020.

On the due date of November 7, 2018 one proposal was received and ranked by a review committee as follows:

<u>FIRM</u>	<u>LOCATION</u>	<u>TOTAL SCORE</u>
Alaska Permanent Capital Management	Anchorage	145

The highest ranking proposal, which includes a cost factor, was submitted by Alaska Permanent Capital Management with a lump sum cost proposal of \$19,962.50. The proposal review committee recommends award of a contract to Alaska Permanent Capital Management, Anchorage. Your approval for this award is hereby requested.

Funding for this project is in account number 252.00000.00000.37350.

CP

Charlie Pierce, Mayor

11/27/2019

Date

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No.	<u>252.00000.00000.37350</u>
Amount	<u>\$19,962.50 - FY19</u>
By. <i>PP</i>	Date: <i>11/26/18</i>

Kenai Peninsula Borough
Solid Waste Department

MEMORANDUM

TO: Charlie Pierce, Mayor
THRU: Valentina Sustaita, Purchasing & Contracting Director *V. Sustaita*
FROM: Jack Maryott, Director *J. Maryott*
DATE: December 4, 2018
RE: Authorization to Award a Contract for ITB19-009 Tyonek Landfill O&M

The Purchasing and Contracting Office formally solicited and received bids for the ITB19-009 Tyonek Landfill Operations & Maintenance. Bid packets were released on October 29, 2018 and the Invitation to Bid was advertised in the Peninsula Clarion on October 29, 2018.

The project consists of providing all labor, equipment and materials to operate and maintain the Tyonek Landfill.

On the due date of November 14, 2018, one (1) bid was received and reviewed to ensure that all the specifications and delivery schedules were met. The low bid of \$49,200.00 was submitted by Tyonek Contractors, LLC (TCLLC).

Your approval for this bid award is hereby requested. Funding for this project is in account number 290.32570.00000.43011.

CP

Charlie Pierce, Mayor

12/15/2018

Date



FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No.	<u>290.32570.00000.43011</u>
Amount	<u>FY19 \$16,400 & FY20 \$32,800</u>
By: <u>mp</u>	Date: <u>12/4/18</u>


*FY2020 amount contingent
upon Assembly approval of FY20 budget.
B.A.*


Kenai Peninsula Borough
Finance Department

MEMORANDUM

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

THRU: Charlie Pierce, Borough Mayor  

THRU: Brandi Harbaugh, Finance Director 

FROM: Sarah Hostetter, Payroll Accountant 

DATE: December 7, 2018

RE: Revenue-Expenditure Report – November 2018

Attached is the Revenue-Expenditure Report of the General Fund for the month of November 2018. Please note that 41.67% of the year has elapsed, 69.27% of budgeted revenues have been collected, and 43.13% of budgeted expenditures have been made.

KENAI PENINSULA BOROUGH
Revenue Report
For the Period
November 1 through November 30, 2018

ACCOUNT NUMBER	DESCRIPTION	ESTIMATED REVENUE	YEAR TO DATE RECEIPTS	MONTH TO DATE RECEIPTS	VARIANCE	% COLLECTED
31100	Real Property Tax	\$ 29,814,633	\$ 28,160,915	\$ 5,263,580	\$ (1,653,718)	94.45%
31200	Personal Property Tax	2,012,742	1,993,265	494,379	(19,477)	99.03%
31300	Oil Tax	7,137,448	7,067,516	-	(69,931.69)	99.02%
31400	Motor Vehicle Tax	712,000	165,770	66,341	(546,229.82)	23.28%
31510	Property Tax Penalty & Interest	462,442	155,281	73,716	(307,161)	33.58%
31610	Sales Tax	30,578,706	13,351,630	5,828,947	(17,227,076)	43.66%
33110	In Lieu Property Tax	2,600,000	-	-	(2,600,000)	0.00%
33117	Other Federal Revenue	185,000	38,769	38,769	(146,231)	20.96%
34110	School Debt Reimbursement	2,654,392	2,157,865	-	(496,527)	81.29%
34221	Electricity & Phone Revenue	155,000	-	-	(155,000)	0.00%
34222	Fish Tax Revenue Sharing	750,000	132,813	-	(617,187)	17.71%
34210	Revenue Sharing	830,672	1,032,704	-	202,032	124.32%
37350	Interest on Investments	685,000	495,149	124,219	(189,851)	72.28%
39000	Other Local Revenue	300,000	158,293	12,292	(141,707)	52.76%
290	Solid Waste	800,000	283,650	11,497	(516,350)	35.46%
Total Revenues		\$ 79,678,035	\$ 55,193,622	\$ 11,913,741	\$ (24,484,413)	69.27%

KENAI PENINSULA BOROUGH
Expenditure Report
For the Period
November 1 through November 30, 2018

DESCRIPTION	REVISED BUDGET	YEAR TO DATE EXPENDED	MONTH TO DATE EXPENDED	AMOUNT ENCUMBERED	AVAILABLE BALANCE	% EXPENDED
Assembly						
Administration	\$ 517,655	\$ 264,762	\$ 22,444	\$ 46,710	\$ 206,183	51.15%
Clerk	561,093	194,007	54,111	31,220	335,865	34.58%
Elections	113,910	80,126	575	3,864	29,920	70.34%
Records Management	266,226	85,707	22,670	11,813	168,706	32.19%
Mayor Administration	781,258	306,047	80,778	702	474,509	39.17%
Purch/Contracting/Cap Proj	632,657	210,470	50,941	7,509	414,678	33.27%
Human Resources						
Administration	716,455	236,396	51,192	15,833	464,226	33.00%
Print/Mail	207,493	90,116	31,266	24,599	92,779	43.43%
Custodial Maintenance	123,093	45,857	10,984	1,659	75,577	37.25%
Information Technology	2,037,551	797,093	197,000	8,924	1,231,534	39.12%
Emergency Management	800,981	243,652	63,668	90,084	467,245	30.42%
Legal Administration	1,097,015	369,402	119,665	103,091	624,522	33.67%
Finance						
Administration	502,432	196,503	44,321	764	305,165	39.11%
Services	950,310	365,593	141,760	2,373	582,344	38.47%
Property Tax	1,123,449	435,428	80,510	49,887	638,133	38.76%
Sales Tax	654,048	305,336	105,689	9,775	338,937	46.68%
Assessing						
Administration	1,405,867	476,201	106,128	50,517	879,149	33.87%
Appraisal	1,881,215	699,560	177,692	7,996	1,173,659	37.19%
Resource Planning						
Administration	1,290,090	429,293	103,121	27,660	833,137	33.28%
GIS	592,345	214,880	38,710	918	376,547	36.28%
River Center	791,182	277,391	82,643	18,882	494,909	35.06%
Senior Citizens Grant Program	608,969	290,910	236,018	318,059	-	47.77%
School District Operations	54,739,994	25,038,148	4,944,869	-	29,701,846	45.74%
Solid Waste Operations	8,234,900	2,381,255	788,365	1,871,299	3,982,346	28.92%
Economic Development	300,000	25,000	25,000	175,000	100,000	8.33%
Non-Departmental	1,502,842	1,497,235	1,094,294	-	5,607	99.63%
Total Expenditures	\$ 82,433,030	\$ 35,556,369	\$ 8,674,416	\$ 2,879,137	\$ 43,997,524	43.13%

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: December 5, 2018

RE: Budget Revisions – November 2018

Attached is a budget revision listing for November 2018. 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.

NOV 2018

INCREASE

DECREASE

MAYOR'S ADMINISTRATION OFFICE

To purchase fuel for Borough vehicle for Seward Flood Assessment.

100.11210.00000.43021 (Peninsula Promotion)

\$ 38.39

100.11210.00000.42230 (Fuels/Oils/Lubricants)

\$ 38.39

PLANNING DEPARTMENT

To replace battery in computer's CPU.

100.21110.00000.48710 (Minor Office Equipment)

\$ 95.00

100.21110.00000.42310 (Repair/Maintenance Supplies)

\$ 95.00

Introduced by:

Mayor

Date:

01/08/19

Action:

Vote:

**KENAI PENINSULA BOROUGH
RESOLUTION 2019-002**

**A RESOLUTION ADOPTING AN ALTERNATE ALLOCATION METHOD FOR THE
FY19 SHARED FISHERIES BUSINESS TAX PROGRAM AND CERTIFYING THAT
THIS ALLOCATION METHOD FAIRLY REPRESENTS THE DISTRIBUTION OF
SIGNIFICANT EFFECTS OF FISHERIES BUSINESS ACTIVITY IN THE COOK
INLET FISHERIES MANAGEMENT AREA**

WHEREAS, AS 29.60.450 requires that for a municipality to participate in the FY19 Shared Fisheries Business Tax Program, the municipality must demonstrate to the Department of Commerce, Community, and Economic Development that the municipality suffered significant effects during calendar year 2017 from fisheries business activities; and

WHEREAS, 3 AAC 134.060 provides for the allocation of available program funding to eligible municipalities located within fisheries management areas (“FMA”) specified by the Department of Commerce, Community, and Economic Development; and

WHEREAS, 3 AAC 134.070 provides for the use, at the discretion of the Department of Commerce, Community, and Economic Development, of alternative allocation methods which may be used within fisheries management areas if all eligible municipalities within the area agree to use the method and the method incorporates some measure of the relative significant effect of fisheries business activity on the respective municipalities in the area; and

WHEREAS, the Kenai Peninsula Borough Assembly proposes to use an alternative allocation method for allocation of the FY19 funding available within the FMA14 Cook Inlet fisheries management area in agreement with all other municipalities in this area participating in the FY19 Shared Fisheries Business Tax Program;

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

SECTION 1. That by this resolution the assembly certifies that the Kenai Peninsula Borough did suffer significant effects during calendar year 2017 from fisheries business activities that occurred within the Cook Inlet fisheries management area and wishes to apply for funding under the FY19 Shared Fisheries Business Tax Program.

SECTION 2. All eligible communities in the Cook Inlet fisheries management area will receive fifty percent (50%) divided equally, and fifty percent (50%) divided on a per capita basis.

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

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 8TH DAY OF JANUARY, 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

THRU: Charlie Pierce, Mayor *cfi*

FROM: Brandi Harbaugh, Finance Director *BH*

DATE: December 21, 2018

SUBJECT: Resolution 2019-002, Adopting an Alternate Allocation Method for the FY19 Shared Fisheries Business Tax Program and Certifying that this Allocation Method Fairly Represents the Distribution of Significant Effects of Fisheries Business Activity in the Cook Inlet Fisheries Management Area (Mayor)

In order for the Kenai Peninsula Borough to participate in the FY19 Shared Fisheries Business Tax Program, the borough assembly must submit a resolution indicating the adoption of an alternative method for allocation of the FY19 available funding. If the municipalities within each fisheries management area choose not to select the alternative method, it would then become necessary to gather and submit data on actual cost impacts of commercial fishing within each designated area. Given the relatively small amount of funds available, this approach would not be cost effective. A resolution adopting the alternative method is attached for your approval.

The Kenai Peninsula Borough is located in the Cook Inlet Fisheries Management Area. The municipalities located in this area include Anchorage, Homer, Kenai, Kenai Peninsula Borough, Kachemak, Seldovia, Seward, and Soldotna. The FY19 program total allocation to be received by the borough is expected to be about \$3,767.53.



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Commerce, Community,
and Economic Development

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS

455 3rd Avenue, Suite 140
Fairbanks, Alaska 99701-4737
Main: 907.451.2718
Programs fax: 907.451.2742

November 15, 2019

Dear Municipal Official:

The Department of Commerce, Community, and Economic Development is pleased to announce availability of the **FFY 2019 Shared Fisheries Business Tax Program**. The purpose of the program is to allocate a share of state fish tax collected outside municipal boundaries with municipalities affected by fishing industry activities. Municipalities around the state will share approximately \$1.6 million based on 2017 fisheries activity as reported by fish processors on their fish tax returns. Details of how the program works are included in the application under *Program Description*.

Historically, your municipality along with the other communities in your fisheries management area (FMA) has filed using the Alternative Method found on the last four pages of this application. A breakdown is included that details the communities in your FMA, in addition to the anticipated payment based on the agreed upon allocation method for your FMA. If this agreement is still in place with your FMA, you will only need to have your Council/Assembly pass the enclosed alternative method sample resolution in order to participate in the program.

If your FMA intends to change the alternative method of allocation, the new proposal must be submitted to our office no later than **January 15, 2019**. If an agreement cannot be made with all communities in your FMA, you will need to file using the standard method and claim your significant effects. Instructions on both of these methods are detailed in the application packet.

**DEADLINE FOR SUBMISSION OF COMPLETED APPLICATION IS
FEBRUARY 15, 2019.**

Applications can be scanned and emailed to caa@alaska.gov with the subject line **"Municipality Name, FY19, SFBT"**. If you have any questions about the program or require assistance in completing the application, please contact me at kimberly.phillips@alaska.gov or call (907) 451-2718.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kimberly Phillips".

Kimberly Phillips
Grants Administrator II

Enclosures

FVIA 14: Cook Inlet Area

Total allocation:		50% Divided	50% per capita	Total	Reference Number
\$37,651.09		\$18,825.54	\$18,825.54		
Community	Population	50% divided share	50% per capita share	Distribution	
Municipality of Anchorage	297,483	\$1,568.80	\$11,272.66	\$12,841.45	18-SF14-01
City of Homer	5,313	\$1,568.80	\$201.33	\$1,770.12	18-SF14-02
City of Kachemak	505	\$1,568.80	\$19.14	\$1,587.93	18-SF14-03
City of Kenai	7,038	\$1,568.80	\$266.69	\$1,835.49	18-SF14-04
Kenai Peninsula Borough	58,024	\$1,568.80	\$2,198.73	\$3,767.53	18-SF14-05
City of Seldovia	216	\$1,568.80	\$8.18	\$1,576.98	18-SF14-06
City of Seward	2,518	\$1,568.80	\$95.42	\$1,664.21	18-SF14-07
City of Soldotna	4,333	\$1,568.80	\$164.19	\$1,732.99	18-SF14-08
Matanuska-Susitna Borough	104,166	\$1,568.80	\$3,947.21	\$5,516.01	18-SF14-09
City of Houston	2,113	\$1,568.80	\$80.07	\$1,648.86	18-SF14-10
City of Palmer	6,296	\$1,568.80	\$238.58	\$1,807.37	18-SF14-11
City of Wasilla	8,797	\$1,568.80	\$333.35	\$1,902.14	18-SF14-12
Totals	496,802	\$18,825.54	\$18,825.54	\$37,651.09	
Community Count	12				

* All municipalities share 50% of allocation equally; share remaining 50% on a per capita basis.

Introduced by:
Date:
Action:
Vote:

Mayor
01/08/19

**KENAI PENINSULA BOROUGH
RESOLUTION 2019-003**

**A RESOLUTION AUTHORIZING THE PURCHASE AND INSTALLATION OF A
HILL-ROM NAVICARE NURSE CALL SYSTEM FOR THE SOUTH PENINSULA
HOSPITAL UTILIZING FUNDS PREVIOUSLY APPROPRIATED**

WHEREAS, the Kenai Peninsula Borough ("borough") and South Peninsula Hospital Inc. ("SPH, Inc.") have entered into a Sublease and Operating Agreement for the operation of South Peninsula Hospital and other medical facilities, and to provide other healthcare programs and services, on a nonprofit basis to ensure continued availability to the service area residents; and

WHEREAS, the borough received formal notice from SPH, Inc. that its nurse call system that covers the majority of the hospital, excluding infusion therapy and long term care, had reached end-of-life and required replacement; and

WHEREAS, the current nurse call system was purchased in 2001, parts and services are now unobtainable and the system is currently having functionality issues; and

WHEREAS, it is necessary to proceed with the purchase and installation of the new nurse call system due to the functionality issues; and

WHEREAS, the approved FY18 and FY19 Capital Budgets for the South Kenai Peninsula Hospital Service Area includes \$525,095 for a nurse call system; and

WHEREAS, the SPH, Inc. Board of Directors at its regular meeting of October 24, 2018, recommended approval of this expenditure by unanimous consent; and

WHEREAS, the South Kenai Peninsula Hospital Service Area Board at its regular meeting of November 8, 2018, recommended approval of this resolution by unanimous consent;

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

SECTION 1. SPH, Inc. is authorized to purchase and install a Hill-Rom Navicare nurse call system for a total cost not to exceed \$525,095 using funds previously appropriated in the South Peninsula Hospital Service Area Capital Project Fund.

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

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 8TH DAY OF JANUARY, 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*
Valentina Sustaita, Purchasing and Contracting Director *VS*

DATE: December 21, 2018

RE: Resolution 2019- 003, Authorizing the Purchase and Installation of a Hill-Rom Navicare Nurse Call System for the South Peninsula Hospital Utilizing Funds Previously Appropriated (Mayor)

In November 2018, the borough received formal notice from South Peninsula Hospital, Inc. ("SPH, Inc.") that its nurse call system that covers the majority of the hospital, excluding infusion therapy, and long term care had reached end-of-life and required replacement. The current system was purchased in 2001, parts and services are now unobtainable and the system is currently having functionality issues.

The Kenai Peninsula Borough and SPH, Inc. have entered into a sublease and operating agreement which requires separate approval from the borough assembly to purchase equipment in excess of \$250,000 or more, regardless of the funding source.

During its meeting of October 24, 2018, the SPH, Inc. Board of Directors approved SPH resolution 2018-13 authorizing the purchase and installation of the nurse call system using funds previously appropriated in fiscal years 2018 and 2019. At its November 8, 2018, meeting the South Kenai Peninsula Hospital Service Area Board also recommended approval of SPH Resolution 18-13. This resolution would approve the use of the appropriated capital funds.

Your approval of this ordinance would be appreciated.

FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED	
Acct. Nos.	<u>491.81210.19SHB.48516; and</u> <u>491.81210.18SHB.48516</u>
Amount:	\$ <u>525,095.00</u>
By: <i>pp</i>	Date: <u>12/19/18</u>

Executive Summary

Date: 10/11/2018

Re: Hill-Rom NaviCare Nurse Call System

SPH currently has a nurse call system that covers the majority of the hospital, excluding infusion therapy, and Long Term Care. This system was purchased in approximately 2001, and has been deemed end-of-life by the vendor. Parts and services are not able to be obtained through the vendor, and the system is currently having functionality issues.

Over the past two years, SPH Management has budgeted a total of \$525,095 for the replacement of the current nurse call system. This two-year span involved a budgeted amount in FY18 of \$274,000 and FY19 of \$251,095. The Equity in Central Treasury – KPB contains \$6,235,534 as of 9/30/2018, which will fund the project.

SPH Management has received quotes on the replacement of the nurse call system that is compatible with the Hill-Rom beds currently found in the facility. Two quotes were received, of which SPH Management is recommending the approval of the Hill-Rom NaviCare Nurse Call System. The Hill-Rom quote includes the replacement of the current nurse call system (product and installation), along with the first three years of service for a total of \$522,479.28. This total comes under the total two-year Capital Project approval of \$525,095.

Per the Lease and Operating Agreement, this project will be required to be approved by the SPH BOD, SAB and Assembly prior to moving forward.

Recommended Motion: Pass and adopt SPH Resolution 2018-13, a resolution approving the purchase and installation of a hill-rom navicare nurse call system.

Introduced by:

Mayor

Date:

01/08/19

Action:

Vote:

**KENAI PENINSULA BOROUGH
RESOLUTION 2019-004**

**A RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS WITHIN THE LEGAL
DEPARTMENT TO COVER ANTICIPATED ADDITIONAL COSTS ASSOCIATED
WITH APPEALS FROM PLANNING COMMISSION DECISIONS AND COLLECTION
CASE LITIGATION COSTS**

WHEREAS, the Kenai Peninsula Borough (“borough”) has experienced a greater number of appeals of planning commission decisions than anticipated, resulting in the need for additional funds to cover associated hearing officer fees and costs; and

WHEREAS, in the budget the assembly appropriated \$26,000 to the account that covers these hearing officers’ expenses as well as attorney fees that may be incurred in other matters due to a conflict of interest; and

WHEREAS, to date in this fiscal year the legal department has incurred \$16,050 for three appeals from planning commission decisions for which additional fees and costs are expected; and

WHEREAS, approximately \$10,000 in unencumbered funds remain in this account; and

WHEREAS, more appeals will likely be filed before the end of this fiscal year; and

WHEREAS, it is estimated that additional funds of \$20,000 will be needed to pay costs and fees for future appeals this fiscal year or to hire attorneys if needed due to conflicts of interest; and

WHEREAS, in a separate account the legal department budget included a total amount of \$7,250 for litigation expenses for costs related to court filing fees, process service fees, advertising costs, costs relating to filing and serving writs of execution and costs relating to successful bank sweeps as a part of the collection effort; and

WHEREAS, due to an increased case load and higher collection costs it is anticipated that an additional \$6,325 will be needed to cover anticipated costs associated with litigation; and

WHEREAS, funds are available in the legal department budget for these costs that were previously appropriated for other purposes;

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

SECTION 1. \$20,000 is transferred from 100.11310.18CCO.43011 to 100.11310.0000.43034 Attorney Fees Special Cases, for attorney fees and costs for hearing officers for appeals from planning commission decisions and for hiring outside counsel when a conflict exists.

SECTION 2. \$6,325 is transferred from 100.11310.17RCA.43011 to 100.11310.00000.43031 Litigation, to be used for court and collection-related costs of litigation.

SECTION 3. That this resolution shall become effective upon its enactment.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 8TH DAY OF JANUARY, 2019.

Wayne H. Ogle, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes:


No:



Absent:

Kenai Peninsula Borough
Legal Department

MEMORANDUM

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

THRU: Charlie Pierce, Mayor 

FROM: Colette Thompson, Borough Attorney 
Brandi Harbaugh, Director of Finance 

DATE: December 21, 2018


RE: Resolution 2019-004, Authorizing the Transfer of Funds within the Legal Department to Cover Anticipated Additional Costs Associated with Appeals from Planning Commission Decisions and Collection Case Litigation Costs (Mayor)

During this fiscal year the borough has seen a larger number of appeals of planning commission decisions to the hearing officer than were anticipated when the budget was submitted. Due to this increase in appeals, additional funds are needed to cover associated hearing officer costs and fees. We anticipate that \$20,000 will be needed to pay those additional costs and fees this fiscal year.

Additionally, approximately \$6,325 in funds are needed to cover litigation costs associated mostly with collection cases. This increase is a result of a larger number of collection cases than usual, higher costs of writs for permanent fund dividend attachments and a greater number of successful bank sweeps for collecting unpaid taxes which increases the associated costs.

This resolution would transfer unencumbered funds within the legal department's budget as allowed in KP.B 5.04.100(a).

Your support of this resolution would be appreciated.

FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED	
Acct. No. <u>100.11310.18CCO.43011</u> - Amt:	<u>\$ 20,000.00</u>
Acct. No. <u>100.11310.17RCA.43011</u> - Amt:	<u>\$ 6,325.00</u>
By: <u></u>	Date: <u>12/21/18</u>

Introduced by:

Mayor

Date:

01/08/19

Action:

Vote:

**KENAI PENINSULA BOROUGH
RESOLUTION 2019-001**

**A RESOLUTION ENDORSING ROBERT RUFFNER’S REAPPOINTMENT TO THE
ALASKA BOARD OF FISHERIES**

WHEREAS, Robert Ruffner has a long record of habitat advocacy for Kenai Peninsula rivers and streams; and

WHEREAS, Mr. Ruffner was appointed the Alaska Board of Fisheries in 2015; and

WHEREAS, Mr. Ruffner has for many years been director of the Soldotna-based Kenai Watershed Forum; and

WHEREAS, Mr. Ruffner has resided on the Kenai Peninsula for the past 23 years; and

WHEREAS, Mr. Ruffner has demonstrated his good judgement and ability to work with people in:

- 21 years of service as executive director of the Kenai Watershed Forum,
- seven years of service on the Kenai Peninsula Borough Planning Commission,
- six years of service on the Kenai Peninsula Borough Roads Service Area board,
- a year and a half as the chair of the Material Site Work Group,
- membership in the Soldotna Chamber of Commerce, where he was Chair of the Finance Committee, and
- chair of the North Pacific Anadromous Fish Commission Advisory Panel; and

WHEREAS, the reappointment of Mr. Ruffner would provide diversity of interest and points of view in the board of fisheries membership (per Alaska statute 16.05.221); and

WHEREAS, Mr. Ruffner is held in high esteem by commercial and sportfish user groups; and

WHEREAS, Mr. Ruffner is a dipnetter and therefore is knowledgeable about dipnet issues; and

WHEREAS, Mr. Ruffner has a bachelor’s degree in geology and years of experience working with biology;

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

SECTION 1. That the Kenai Peninsula Borough Assembly respectfully asks Governor Dunleavy to reappoint Robert Ruffner to the Alaska Board of Fisheries.

SECTION 2. That a copy of this resolution shall be mailed to Governor Dunleavy.

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

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 8TH DAY OF JANUARY, 2019.

Dale Bagley, Assembly Vice President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

Introduced by:
Date:
Action:
Vote:

Mayor
01/08/19

**KENAI PENINSULA BOROUGH
RESOLUTION 2019-005**

**A RESOLUTION APPROVING THE 2019 LABOR NEGOTIATION
PROCEDURES FOR A NEW COLLECTIVE BARGAINING AGREEMENT
WITH THE KENAI BOROUGH EMPLOYEES ASSOCIATION**

WHEREAS, the current collective bargaining agreement between the Kenai Peninsula Borough and the Kenai Borough Employees Association is due to expire on June 30, 2019; and

WHEREAS, negotiations for a new contract are anticipated to commence on January 10, 2019; and

WHEREAS, a set of mutually acceptable negotiation procedures have been agreed upon by both parties;

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

SECTION 1. That the attached 2019 labor negotiation procedures are approved and incorporated by reference.

SECTION 2. That this resolution takes effect immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 8TH DAY OF JANUARY, 2019.

Wayne H. Ogle, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes:


No:


Absent:

Kenai Peninsula Borough
Human Resources

MEMORANDUM

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

THRU: Charlie Pierce, Mayor 

FROM: Kim Saner, Director of Human Resources 

DATE: December 21, 2018

RE: Resolution 2019- 005, Approving Labor Negotiation Procedures for a New Collective Bargaining Agreement with the Kenai Borough Employees Association (Mayor)

The current labor agreement with our employees' association will expire on June 30, 2019. Negotiations for a new agreement are scheduled to begin January 10, 2019. This resolution is submitted for assembly approval of the negotiating procedures agreed upon between the association and borough administration.

Please note that the procedures allow for an observer from the assembly. In addition, the assembly has the final approval of the contract submitted, whether the final contract is successfully negotiated by parties or is a product of binding arbitration.

Kenai Peninsula Borough
and the
Alaska Public Employees Association/AFT
representing the
Kenai Borough Employees Association
Local # 6140

Negotiation Procedures

- I. The Kenai Borough Employees Association and the Kenai Peninsula Borough Administration agree that, to foster sound bargaining relationships and to establish a basis for good faith bargaining with respect to salaries, wages, hours, and other terms and conditions for employment, a mutually satisfactory set of guidelines to direct negotiations is necessary.
11. The Association and the Administration agree that the following rules will be in force during the duration of the current collective bargaining sessions:
 1. Negotiation sessions shall be as mutually agreed to. The first meeting shall be Wednesday, January 10, 2018. At that time, the parties will begin to set the schedule for future negotiations. During the negotiations process, the parties shall first determine which articles neither party intends to change, and tentatively agree to their acceptance. The parties shall next exchange and discuss issues and proposals for non-economic articles. Economic issues shall be reserved for discussion after the parties have exhausted the discussion of the non-economic issues.
 2. All negotiations sessions shall be closed.
 3. Members of the Administration negotiation team will be: Kim Saner, HR Director; Scott Griebel, Maintenance Director; Brandi Harbaugh, Finance Director; James Baisden, Chief of Staff and Roy Browning, Fire Chief. Members of the Association negotiation team will be: Jennifer Madsen, APEA; Chris Skudder, Central Emergency Services; Mary Kay Grenier, Maintenance; Chris Erb, Roads Maintenance and Adeena Wilcox, Assessing, Alternate. A team member may be replaced because of illness, injury, termination, other similar emergency, or non-availability due to work. Either team, with at least one day's prior notice, may bring in a representative(s) from a department(s) for consultation and observation regarding specific items on the agenda. An Assembly member may be appointed to act as an observer.
 4. The Association and the Administration agree that it is in the best interests of the general public of the Kenai Peninsula Borough to reach a mutually satisfactory employee relations agreement as soon as possible. It is agreed that both parties will make every effort to reach such an agreement on or before Friday, April 19, 2018.
 5. Kim Saner and Jennifer Madsen are the chief negotiators for their respective groups for the duration of the current bargaining session. They may designate an authorized member of their respective team to act in their capacity provided reasonable notice is given.

6. A joint progress report shall be made available, through the Human Resources Assistant, Office of Human Resources, with approval of the Association, after each negotiation session. Such public notice is issued only to asking parties. Any member of either bargaining team making a statement not in conformity with the official statement may be considered in violation of good faith bargaining. Other parties attending the negotiating sessions are bound by the same rules as the bargaining teams.
7. No work stoppage on the part of the Association or lockout of personnel by the Administration will occur during the duration of the current contract.
8. Initialing of statements of intent by the chief negotiator of both parties denotes tentative agreement of a particular issue. Once an article is tentatively agreed upon, it shall only be reopened by mutual consent. No changes to the contract shall be recognized unless documented by a signed tentative agreement.
9. At the end of each bargaining meeting there shall be an agenda established for the next meeting in order to allow both parties to prepare for a meaningful exchange of ideas concerning designated topics.
10. After thorough discussion of any item has taken place, with both sides exhausting all arguments in favor of their proposal and no agreement having been reached, the sides may mutually agree to suspend discussion in order to further research and amend their proposals for discussion at a future agreed upon date and time. The negotiation process will then continue with the next item on the agenda.
11. The declaration of impasses is a vital portion of good faith bargaining which is necessary to provide a final resolution of items of disagreement.

The following steps shall lead to a declaration of impasse and arbitration of the contested items:

- A. If, after all items to be discussed have been considered, and each party contends it has presented its last best offer on each item and no agreement has been reached, an impasse exists.
 - B. If an impasse is reached, either party may make a written request for arbitration.
 - C. Each party will have three business days to agree on an arbitrator or to request a list of arbitrators from the Federal Mediation Conciliation Service (FMCS).
 - D. When a list of arbitrators is received, both parties shall have three days to appoint the arbitrator.
 - E. Only the items under contention shall be submitted to the arbitrator for resolution. The arbitrator's decision shall be binding upon both parties.
 - F. The Association and the Borough shall equally share costs incurred for the arbitrator.
12. In order to preserve the concept of good faith bargaining, there shall be no discussion concerning the current negotiations between the members of the two

parties except during a duly convened negotiation session.

13. Borough employees on the negotiation team shall be considered to be in an on-duty status while attending negotiation/arbitration sessions held during their scheduled work hours/days.
14. The provisions of this document shall govern all negotiation meetings to be conducted during current negotiations.
15. The parties agree that as soon as practical, any tentative agreement reached shall be submitted to the Association membership for ratification. Further, that upon receipt of the ratified agreement (or in the case of arbitration, the arbitrator's award), the agreement will be submitted by resolution at the next regular Assembly meeting for Assembly action.



Jennifer Madsen, Chief Negotiator
On behalf of the KBEA/APEA/AFT (AFL-CIO)

12.21.18

Date



Kim Saner, Chief Negotiator
On behalf of the Kenai Peninsula Borough Administration

12/21/2018

Date

Introduced by:

Ogle

Date:

01/08/19

Action:

Vote:

**KENAI PENINSULA BOROUGH
RESOLUTION 2019-006**

**A RESOLUTION DIRECTING THE KENAI PENINSULA BOROUGH CLERK TO
ESTABLISH AN ELECTION STAKEHOLDERS GROUP TO EXPLORE
IMPLEMENTING OPTIONAL ELECTION MODELS TO BETTER SERVE KENAI
PENINSULA VOTERS AND RATIFYING A STATE OF ALASKA COMMISSION FOR
HUMAN RIGHTS CONCILIATION AGREEMENT**

WHEREAS, the Kenai Peninsula Borough Assembly (“assembly”) recognizes that while local elections directly impact the everyday lives of borough residents, voter turnout in borough and municipal elections is typically low and the current election process consumes considerable community resources; and

WHEREAS, the Kenai Peninsula Borough (“borough”) currently conducts regular elections both by traditional polling locations open only on election day and by mail for more remote precincts and through absentee in person voting sites; and

WHEREAS, the assembly supports increased voter participation by developing a sustainable election process that maximizes accessibility and inclusivity while conserving public resources; and

WHEREAS, the assembly supports establishing an Election Stakeholders Group (“Stakeholders Group”) for the purpose of evaluating and soliciting constituent comments about various election models to better serve borough and municipal voters; and

WHEREAS, the borough prioritizes accessibility for all voters to be able to exercise private and independent voting; and

WHEREAS, the borough further prioritizes security and accuracy in the administration of all elections;

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

SECTION 1. The Stakeholders Group is established to research ways to increase voter participation by developing sustainable election processes that maximize accessibility and inclusivity while conserving public resources.

SECTION 2. The Stakeholders Group is directed to explore all aspects of administering borough and municipal elections including the traditional polling site model and the by mail hybrid model currently being explored by the State of Alaska Election Policy Work Group which includes by-mail voting with vote centers available two weeks prior to the election.

SECTION 3. The Stakeholders Group members shall include a representative of the borough administration, one community representative qualified to represent the interests of persons with visual impairments, two members of the borough's canvas board, one member representing the League of Women Voters, the municipal managers and one council member from each municipality within the borough, and two assembly members.

SECTION 4. Staff support for the Stakeholders Group shall include representatives from the Kenai Peninsula Borough's Clerk's Office, the borough legal department, the borough IT and GIS departments and municipal clerks from the other municipalities within the borough.

SECTION 5. Appointments to the Stakeholders Group shall be appointed as follows:

- The borough assembly shall appoint two assembly members
- The borough mayor shall appoint the administration representative
- The borough clerk shall appoint two members from the canvas board, one member of the League of Women Voters and one visually impaired representative
- The city council of each participating city shall appoint one council member

SECTION 6. The Stakeholders Group is subject to the Alaska Open Meetings Act and will use Robert's Rules of Order to conduct business.

SECTION 7. The Stakeholders Group shall have no authority to act on behalf of the assembly or administration or communicate on the borough's behalf other than to make recommendations to the assembly, city councils, and borough and city administration.

SECTION 8. The Stakeholders Group will report to the assembly no later than the first meeting in August of 2019.

SECTION 9. The Stakeholders Group shall terminate on August 31, 2019, unless extended by the assembly.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 8TH DAY OF JANUARY, 2019.

Wayne H. Ogle, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:


Kenai Peninsula Borough

Office of the Borough Clerk

MEMORANDUM

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

THRU: Wayne Ogle, Assembly President

FROM: Holly Montague, Deputy Borough Attorney
Johni Blankenship, Borough Clerk 

DATE: December 21, 2018

RE: Resolution 2019-006, Directing the Kenai Peninsula Borough Clerk to Establish an Election Stakeholders Group to Explore Implementing Optional Election Models to Better Serve Kenai Peninsula Voters and Ratifying a State of Alaska Commission for Human Rights Conciliation Agreement (Ogle)

In 2015 a complaint was filed with the Alaska State Commission for Human Rights ("ASCHR") regarding the accommodations offered to visually impaired voters. The KPB's accommodations are similar to those of municipalities throughout the state. However, in October of 2018 the ASCHR investigation resulted in a finding of probable cause of discrimination.

The borough clerk would like to move forward with accommodating visually impaired voters' ability to vote independently and privately. Therefore, assembly ratification of the conciliation agreement is sought authorizing the borough clerk to explore different options to provide accessible voting methods for all. Specifically included in this exploration will be an evaluation of a by-mail voting system and the establishment of vote centers open for two weeks prior to the election, as well as a review of other options.

The conciliation agreement also requires a stakeholders group be formed to evaluate election methodologies which includes a member representing the visually impaired community. The stakeholders group would also include municipal managers from within the borough, two members of the borough's canvas board, one member representing the League of Women Voters, two assembly members and a member from each city council. Staff support would

be provided by the borough and city clerks, the borough attorney's office, borough IT and GIS.

The borough clerk looks forward to exploring ways to increase voter participation and making exercising the right to vote more accessible for all eligible voters. Your support of this resolution is appreciated.



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Office of the Governor
COMMISSION FOR HUMAN RIGHTS

800 A Street, Suite 204
Anchorage, Alaska 99501-3669
Main: 907.274.4692 / 907.276.7474
TTY/TDD: 907.276.3177
Fax: 907.278-8588

Richard Malley
128 College Highway Apt. 205
Southampton, MA 01073

Holly Montague, Deputy Borough Attorney
Kenai Peninsula Borough
Office of the Borough Attorney
144 N. Binkley Street
Soldotna, AK 99669

RE: *Richard Malley v. Kenai Peninsula Borough*
ASCHR No. J-15-351

CONCILIATION AGREEMENT

Charges have been filed with the Alaska State Commission for Human Rights, hereinafter the Commission, by the above-named complainant against the above-named respondent, under the provisions of the Alaska Human Rights Law, AS 18.80.010-.300. The charges have been investigated, and substantial evidence to support the allegations of discrimination has been found.

I. GENERAL PROVISIONS:

A. All Parties:

1. It is agreed that this agreement constitutes a total settlement of the issues between the parties in this case.
2. It is understood that this agreement does not constitute an admission by the respondent of any violation of the Alaska Human Rights Law or other applicable federal and municipal civil rights laws. It is further understood that this agreement does not represent an admission or statement by any party relating to the requirements or remedies available pursuant to the Alaska Human Rights Law.
3. All parties agree that the Commission, on request of any party or on its own motion, may review compliance with this agreement. As a part of

such review, the Commission may require written reports concerning compliance, inspect premises, examine witnesses, and examine and copy documents.

4. The Commission will submit this agreement, if applicable, to the agencies that also have accepted this complaint pursuant to worksharing agreements with the Commission.

B. The Commission:

The Commission agrees to close the case and refrain from seeking other statutory remedies relating to the above-captioned complaint, subject to the parties' compliance with the terms of this agreement. In the event of noncompliance, the Commission staff may find that conciliation efforts have failed and forward the case to the Commission for hearing.

C. Complainant:

1. Complainant hereby agrees not to sue respondent with respect to any of the allegations of the above-captioned case, subject to respondent's compliance with this agreement.
2. Complainant hereby waives all further administrative procedures before the Commission on this matter, including a Commission hearing.

D. Respondent:

1. Respondent hereby waives all further administrative procedures before the Commission on this matter, including a Commission hearing.
2. Respondent acknowledges that failure to comply with the terms of this agreement could result in a certification that conciliation efforts have failed and a subsequent hearing on the complaint.

II. ENFORCEMENT:

The parties to this agreement agree that the terms of this agreement are legally binding in the same manner and to the same extent as a Commission order issued following a public hearing pursuant to AS 18.80.130. This agreement shall be enforceable in any court of competent jurisdiction.

III. REMEDIAL PROVISIONS:

- A. Respondent agrees to adopt an approved statement reflecting a policy and procedure that will promote meaningful access to private and independent voting by visually impaired voters, in accordance with the Americans with Disabilities Act and its regulations. The policy must be approved by the Commission before it is adopted and disseminated.

DUE: Three months from the date the Commission approves this agreement.

- B. Respondent agrees to propose a resolution for passage by the Kenai Peninsula Borough Assembly at its schedule January 8, 2019 meeting. The proposed resolution will direct the Borough Clerk's Office to explore accessible voting options, including the option of distributing ballots to all voters by mail and establishing voting centers with accessible voting equipment open two-weeks prior to each election. The proposed resolution shall authorize the establishment of a respondent stakeholder group, which shall include at least one community representative qualified to represent the interests of persons with visual impairments.

DUE: January 8, 2019.

- C. Respondent will establish and direct the stakeholder group to explore options for providing assistive technology to visually impaired voters, including the option of distributing ballots to all voters by mail and establishing voting centers with accessible voting equipment open two-weeks prior to each election. Respondent will direct the stakeholder group to advance options for its consideration that will allow visually impaired voters to vote privately and independently.

DUE: Seven months from the date the Commission approves this agreement.

- D. Respondent shall determine, in light of its budget and operations, the feasibility of each option advanced by the stakeholder group, or of any one option ultimately selected and successfully implemented by respondent.

DUE: Eight months from the date the Commission approves this agreement.

- E. Respondent shall prepare a written report summarizing the options the stakeholder group has explored. If respondent has selected an option for implementation, the report shall also include a detailed explanation of: 1) how the option will allow visually impaired voters to vote privately and independently; 2) its costs and a plan for implementation; and 3) a summary of

findings about any option that was advanced but not selected. If respondent has not selected an option for implementation, the report shall include: detailed findings about each option advanced, including 1) whether and how each option will allow visually impaired voters to vote privately and independently; 2) an assessment of the costs of each option; and 3) whether and how each option may be implemented without constituting an undue hardship or fundamental alteration of respondent's programs and services. Respondent shall provide a copy of its report to the Commission.

DUE: Eight months from the date the Commission approves this agreement.

- F. Respondent shall prepare a summary of its analysis and provide this summary to any local or state election committees, commissions, working groups, or boards on which a representative of Respondent sits so that government entities operating elections in Alaska may benefit from the knowledge and information learned through the study.

DUE: One year from the date the Commission approves this agreement.

- G. Respondent shall initiate the necessary process to implement any option it chooses which will allow visually impaired voters to vote privately and independently without constituting an undue hardship or fundamental alteration of its programs and services.

DUE: One year from the date the Commission approves this agreement.

- H. Respondent shall submit a preliminary report to the Commission describing the manner in which it has carried out the undertakings herein outlined, and explaining the necessary steps to complete implementation of any selected program.

DUE: One year from the date the Commission approves this agreement.

- I. Respondent shall submit a final report to the Commission describing in detail the efforts taken to adopt and implement a program allowing for the private and independent voting of visually impaired voters, the present and projected success of those efforts, and any barriers to implementation.

DUE: Two years from the date the Commission approves this agreement.

- J. Effectuating this agreement is subject to approval by respondent's governing body. It is understood that in order to comply with 6 AAC 30.340 the agreement is being executed prior to ratification by respondent's governing

body. In the event that respondent's governing body does not ratify this agreement, the parties agree to enter into a supplemental agreement, defining a new process and deadline agreed to by the parties.

DUE: If needed, April 15, 2018.

- K. In the event respondent does not adopt a program allowing for the private and independent voting of visually impaired voters, the Commission may certify the failure of the conciliation under 6 AAC 30.340(e).

DUE: Within two years of the date the Commission approves this agreement, or within the extended term of the agreement if modified by the actions or writings of the parties.

IV. EXECUTION:

The parties agree that this document may be executed by conformed copies and that a party's signature on one conformed copy constitutes that party's signature on all other conformed copies.

12/17/2018

Date

DocuSigned by:
Richard Malley
521AE5EC56D8491

Richard Malley, Complainant

Date

Holly Montague, for Respondent

Approved at Anchorage this ____ day of _____ 20__.

For the Commission:

Marti Buscaglia
Executive Director

body. In the event that respondent's governing body does not ratify this agreement, the parties agree to enter into a supplemental agreement, defining a new process and deadline agreed to by the parties.

DUE: If needed, April 15, 2018.

- K. In the event respondent does not adopt a program allowing for the private and independent voting of visually impaired voters, the Commission may certify the failure of the conciliation under 6 AAC 30.340(e).

DUE: Within two years of the date the Commission approves this agreement, or within the extended term of the agreement if modified by the actions or writings of the parties.

IV. EXECUTION:

The parties agree that this document may be executed by conformed copies and that a party's signature on one conformed copy constitutes that party's signature on all other conformed copies.

Date

Date

12/18/18

Richard Malley, Complainant

Holly Montague, for Respondent

Approved at Anchorage this 19th day of December 2018.

For the Commission:

Marti Buscaglia
Executive Director



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Office of the Governor

COMMISSION FOR HUMAN RIGHTS

800 A Street, Suite 204
Anchorage, Alaska 99501-3669
Main: 907.274.4692 / 907.276.7474
TTY/TDD: 711 for Alaska Relay
Fax: 907.278.8588

December 20, 2018

Richard Malley
128 College Highway Apt. 205
Southampton, MA 01073

Holly Montague, Deputy Borough Attorney
Kenai Peninsula Borough
Office of the Borough Attorney
144 N. Binkley Street
Soldotna, AK 99669

RE: *Richard Malley v. Kenai Peninsula Borough*
ASCHR No. J-15-351
EEOC No.

Dear Mr. Malley and Ms. Montague:

The conciliation agreement in the above-referenced matter has been approved by the Commission's executive director. Attached is a copy of the executed agreement for your records. Please note any dates for fulfilling the agreement's terms. Commission staff will monitor compliance with the agreement; however, it is the respondent's obligation to meet all deadlines and notify the Commission as specified in the remedial provisions.

Please submit the required documentation to me during the compliance period via mail or email to sarah.monkton@alaska.gov.

For your information, the following deadlines have been calendared in connection with this conciliation:

<u>DATE DUE</u>	<u>SUMMARY OF OBLIGATION</u>
1/19/19	- Propose resolution to explore accessible voting
3/19/19	- Adopt approved non-discriminatory policy
4/15/19	- Execution of supplemental agreement (if needed)

- | | |
|----------|---|
| 7/19/19 | - Stakeholder group advances options for accessible voting |
| 8/19/19 | - Determine feasibility of accessibility option(s) |
| | - Written report summarizing accessibility options |
| 12/19/19 | - Provide summary of analysis to election groups |
| | - Initiate the process to implement its chosen option |
| | - Preliminary report on progress and steps to completion |
| 12/19/20 | - Final report on program adoption or implementation barriers |

Upon respondent's successful completion of all of the agreement's requirements, the Commission will take no further action and will dismiss the complaint. Please note that noncompliance with any of the terms of the agreements could result in a finding that conciliation efforts have failed and a public hearing on the allegations in the complaint.

Thank you both for your efforts to bring this matter to a successful resolution.

Sincerely,



Sarah Monkton
Chief of Enforcement

Encl: Conciliation Agreement

Introduced by:	Mayor
Date:	01/08/19
Action:	01/22/19
Vote:	

**KENAI PENINSULA BOROUGH
ORDINANCE 2018-19-23**

**AN ORDINANCE APPROPRIATING \$425,000 FROM THE GENERAL FUND FOR
THE DESIGN AND REPLACEMENT OF THE BOILER PLANT AT HOMER HIGH
SCHOOL**

WHEREAS, the Homer High School (“HHS”) boiler plant is approaching an end of life state where the boiler system can be either rebuilt or entirely redesigned and replaced; and

WHEREAS, the original three boilers were installed in 1984 and converted to natural gas in 2014 by modifying and fitting them with Riello burners; and

WHEREAS, the current issue with the existing boilers is related to the water side corrosion that compromised the integrity of all of the fire tubes; and

WHEREAS, the Maintenance Department has been contracting tube replacement more and more frequently over recent years; and

WHEREAS, the damage is now to the extent where the certified pressure vessel contractor will not repair the main unit unless all of the tubes are replaced as well; and

WHEREAS, the cost of design and complete replacement of the boiler plant system is estimated to be \$302,000 to \$425,000 with a three-year payback in boiler system maintenance and utility savings; and

WHEREAS, it is recommended, considering the new technology enhancements, 20 percent improved energy efficiency, three-year payback on maintenance and utility savings and additional useful life of the new system, that the entire boiler plant be designed and replaced; and

WHEREAS, project costs include design, equipment, installation, and labor of \$425,000;

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

SECTION 1. That funds in the amount of \$425,000 be appropriated from the General Fund fund balance to be transferred to the School Maintenance Capital Project Fund account 400.72010.19B0I.49999 through an interdepartmental transfer.

SECTION 2. This ordinance shall become effective immediately upon enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS * DAY
OF *, 2018.**

Wayne H. Ogle, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes:


No:


Absent:

Kenai Peninsula Borough
Maintenance Department

MEMORANDUM

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

THRU: Charlie Pierce, Mayor 

FROM: Scott M. Griebel, Maintenance Director 

DATE: December 21, 2018

RE: Ordinance 2018-19- 23, Appropriating \$425,000 from the General Fund for the Design and Replacement of the Boiler Plant at Homer High School (Mayor)

The borough Maintenance Department has encountered a dilemma with regards to the Homer High School ("HHS") boiler plant. It is approaching an end-of-life state where a crucial judgment call must be made. Specifically, should the existing boilers receive a required complete restoration repair or should the plant be upgraded/replaced? The following will outline the cost and benefits of both, along with a departmental recommendation:

The three original boilers are Cleaver Brooks CB 100-125 scotch marines ("CB") installed in 1984, when the HHS facility was constructed. [Fig.1] With the 2014 Enstar Homer extension, the units were converted to natural gas ("NG") by modifying the front door assemblies and fitting them with Riello power burners. [Fig.2] The current and dire issue with the CB boilers is related to water side corrosion that has compromised the integrity of all of the fire tubes. [Fig.3]

The Maintenance Department has been contracting for tube replacement repairs more and more frequently over recent years (\$15,669 in 2004, \$4,179 in 2017 & \$4,237 in 2018). The damage is now to the extent where the certified pressure vessel contractor will not repair the No. 1 unit unless all of the tubes are replaced. This work (Option 1) represents a wholesale rebuild of the boiler and would involve the entire plant (3 boilers) at a soon future point. The contractor has not responded to cost quotes requested for the service. Assuming recent service costs to scale, we estimate \$55,000-\$65,000 per boiler (x3), for a total of \$195,000 for the rebuilds.

Additionally, since the boilers were NG converted, we have been struggling with lower stack temperatures. This has resulted in the formation of stack condensate, causing corrosion of the assembly. If the plant remains as existing, we will soon be forced to replace a large section of the stack assembly at an estimated cost of \$40,000. Coupled with this will be a requirement to increase the firing rate in order to raise stack temps and halt condensate formation. This will cause a strong negative impact on plant energy efficiency. The repair option would result in a \$205,000-\$235,000 project cost and an estimated 5% increase in NG/energy costs.

An alternative course (Option 2) would be the designed replacement of the entire boiler plant, utilizing modern and energy efficient components. The main benefits of this option would be new equipment with a reset service life expectancy and a conservatively estimated 20% enhancement in energy efficiency. The primary costs associated with this option are the design, equipment purchase and installation. The unit appliances that have been investigated range from \$60,000-\$65,000 per package unit (x3) with \$25,000 in additional associated materials (total project). We estimate (dependent on in-house or contracted installation) labor to involve 40-80% of the cost for materials. Design costs would likely range from \$15,000-\$30,000. With those factors considered, the total cost of the project is estimated between \$302,000-\$425,000, coupled with an estimated 20% decrease in current NG/energy costs (as compared to the +5% increase in NG/energy costs of Option 1).

Considering the costs and benefits of the two viable options the Maintenance Department recommends Option 2, boiler plant replacement and modernization. In terms of efficiency and long-term cost benefits, plant replacement is a superior option over existing patchwork repair. The project cost difference between the two options is as little as \$70,000, with an annual NG/energy savings of \$23,000 in favor of the replacement option (3-year payback). Even considering a worst case cost comparison, the energy cost savings will support the difference over a nine-year period.

This ordinance would appropriate \$425,000 from the General Fund fund balance to design and replace the entire boiler plant, utilizing modern and energy efficient components. This capital project will also result in estimated operational savings that the school district will experience directly through natural gas cost savings in their annual utility expenditures.

FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED	
Acct. No.	<u>100.00000.00000.27910</u>
Amount:	<u>\$425,000</u>
By: <u>pp</u> <u>8x</u>	Date: <u>12/18/18</u>

Fig.1: Boilers with their original burner configuration.



Fig.2: CB boilers fitted with door conversions and Riello burners.



Fig.3: Removed fire tube showing extensive corrosion.



Introduced by:	Mayor
Date:	01/08/19
Hearing:	01/22/19
Action:	
Vote:	

**KENAI PENINSULA BOROUGH
ORDINANCE 2018-19-24**

**AN ORDINANCE APPROVING THE LEASE PURCHASE OF TWO DIAGNOSTIC
ULTRASOUND MACHINES FOR THE SOUTH PENINSULA HOSPITAL AND
APPROPRIATING \$375,000 FROM THE SOUTH PENINSULA HOSPITAL SERVICE
AREA CAPITAL PROJECT FUND**

- WHEREAS,** the Kenai Peninsula Borough ("borough") and South Peninsula Hospital, Inc. ("SPH, Inc.") have entered into a Sublease and Operating Agreement for the operation of South Peninsula Hospital and other Medical Facilities, and to provide other healthcare programs and services, on a nonprofit basis to ensure continued availability to the service area residents; and
- WHEREAS,** on November 1, 2018 the borough received notice from SPH, Inc. that its diagnostic ultrasound machines are 10 years old and in need of replacement as soon as possible to ensure there is no disruption in service for patients; and
- WHEREAS,** unlike larger facilities, SPH, Inc. provides multiple ultrasound exam types in a single department using two identical ultrasound units which can be used for portable exams in other areas; and
- WHEREAS,** the equipment must produce high quality diagnostic images for cardiac, vascular, obstetrics, gynecology, and general ultrasound, making it vitally important to many different patient services; and
- WHEREAS,** the South Peninsula Hospital Imaging Department solicited equipment demonstrations and bids from the top four ultrasound vendors offering premium level ultrasound units, resulting in a recommendation to select the Phillips Epiq7, a unit that has been out for three years and is a proven platform; and
- WHEREAS,** sufficient funds are available in the South Kenai Peninsula Hospital Service Area Capital Project Fund fund balance to fund this lease purchase; and
- WHEREAS,** during its regular meeting of November 28, 2018, the SPH, Inc. board of directors recommended approval of this expenditure by unanimous consent; and
- WHEREAS,** at its meeting on January 10, 2019, the South Kenai Peninsula Hospital Service Area Board recommended _____;

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

SECTION 1. That the assembly approves the purchase of two diagnostic ultrasound machines, for a total cost of \$375,000, with the funds for payment to be made from the South Peninsula Hospital Service Area Capital Project Fund.

SECTION 2. That \$375,000 is appropriated from South Peninsula Hospital Service Area Capital Project Fund, fund balance to account 491.81210.19SHZ.49999 for the lease purchase of two diagnostic ultrasound machines.

SECTION 3. 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
Finance Department

MEMORANDUM

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

THRU: Charlie Pierce, Mayor 

FROM: Brandi Harbaugh, Finance Director 
Valentina Sustaita, Purchasing and Contracting Director 

DATE: December 21, 2018

RE: Ordinance 2018-19-24, Approving the Lease Purchase of Two Diagnostic Ultrasound Machines for the South Peninsula Hospital and Appropriating \$375,000 from the South Peninsula Hospital Service Area Capital Project Fund (Mayor)

On November 1, 2018 the borough received notice from South Peninsula Hospital, Inc. ("SPH, Inc.") that its diagnostic ultrasound machines are 10 years old and in need of replacement as soon as possible to ensure there is no disruption in service for patients.

Unlike larger facilities, SPH, Inc. provides multiple ultrasound exam types in a single department using two identical ultrasound units which can be used for portable exams in other areas. The equipment must produce high quality diagnostic images for cardiac, vascular, obstetrics, gynecology, and general ultrasound, making it vitally important to many different patient services.

The SPH, Inc. Imaging department solicited equipment demonstrations and bids from the top four ultrasound vendors offering premium level ultrasound units. Staff evaluated the images, ease of use, and quality of product among these options, as well as the service component available on the machines. All four vendors had similar units, but three of the vendors failed to demonstrate quality cardiac imaging packages. The recommendation result was to select the Phillips Epiq7, a unit that has been out for three years and is a proven platform. The Epiq7 is also used by Central Peninsula Hospital, Inc., improving access to field engineers for the provision of service/maintenance.

The Kenai Peninsula Borough and SPH, Inc. have entered into a sublease and operating agreement which requires authorization from the borough assembly to enter into a lease that obligates the borough for more than one year, or in excess of \$100,000. The agreement also requires that all equipment purchases in excess of \$250,000 or more, must be separately approved by the borough assembly.

This ordinance would appropriate \$375,000 from the South Peninsula Hospital Service Area Capital Project Fund and approve the lease purchase of two diagnostic ultrasound machines.

At its regular meeting of November 28, 2018, the SPH, Inc. board recommended approval of this expenditure by unanimous consent. The South Kenai Peninsula Hospital Service Area Board will hold its next regular meeting on January 10, 2019, and provide its recommendations to the assembly prior to the scheduled hearing on this ordinance.

Your approval of this ordinance would be appreciated.

FINANCE DEPARTMENT	
ACCOUNT / FUNDS VERIFIED	
Acct. No.	<u>491.00000.00000.27910</u>
Amount:	<u>\$375,000</u>
By: <u>pp</u>	Date: <u>12/19/18</u>

Executive Summary

Date: 11/12/2018

Re: Ultrasound Lease

In the 2019 Capital budget South Peninsula Hospital, Inc. Board ("SPH, Inc.") learned that its diagnostic ultrasound machines are 10 years old and in need of replacement as soon as possible to ensure there is no disruption in service for patients. At that time, the SPH administration planned to lease the units and did not request an appropriation of monies from Service Area Funds for 2019. After receipt of the lease/financing quotation from the vendor last week, the Finance department determined that the lease for the units must be treated as capital due to the duration of the lease payments (60 months) which are equal to the useful life of the ultrasound units themselves. The borough finance department agrees with this determination.

Due to the treatment of the units as capital, SPH must follow the traditional steps for submitting new capital to the SPH Board of Directors, the Hospital Service Area Board, and the Assembly for approval and fund appropriation.

JUSTIFICATION:

Unlike larger facilities, SPH provides multiple ultrasound exam types in a single department using two identical ultrasound units which can be used for portable exams in other areas. The equipment must produce high quality diagnostic images for cardiac, vascular, obstetrics, gynecology, and general ultrasound, making this equipment vitally important to many different patient services.

The SPH Imaging department solicited equipment demonstrations and bids from the top four ultrasound vendors offering premium level ultrasound units. Staff evaluated the images, ease of use, and quality of product among these options, as well as the service component available on the machines. All four vendors had similar units, but three of the vendors failed to demonstrate quality cardiac imaging packages. The recommendation result was to select the Phillips Epiq7, a unit that has been out for three years and is a proven platform. The Epiq7 is also used by Central Peninsula Hospital, Inc., improving our access to field engineers for the provision of service/maintenance.

This resolution would approve the use of the South Peninsula Hospital Service Area Fund for the purchase of two ultrasound units for \$375,000, through a 60-month capital lease with

Phillips. It would also approve ongoing service/maintenance for the units over 60 months in the amount of \$60,936 each.

At its regular meeting of November 28, 2018, we request that the SPH, Inc. board recommend approval of this capital expenditure.

Introduced by:	Mayor
Date:	01/08/19
Hearing:	01/22/19
Action:	
Vote:	

**KENAI PENINSULA BOROUGH
ORDINANCE 2018-19-25**

**AN ORDINANCE ACCEPTING AND APPROPRIATING \$10,010,000 FROM THE
STATE OF ALASKA DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT
FOR THE KACHEMAK SELO NEW K-12 SCHOOL CONSTRUCTION PROJECT**

- WHEREAS,** the borough requested funding for the Kachemak Selo New K-12 School Construction Project (“Project”) through the Alaska Department of Education & Early Development (“DEED”), School Construction Grant Fund for fiscal year 2016/2017; and
- WHEREAS,** the State of Alaska 29th Legislature passed Senate Bill 138 during the 2016 Fourth Special Session, appropriating \$10,867,503 to DEED for the Project; and
- WHEREAS,** DEED reduced the grant award to \$10,010,000 based upon student population projections; and
- WHEREAS,** the DEED grant requires a 35 percent match of \$5,390,000 through cash, in-kind or a combined contribution; and
- WHEREAS,** borough ordinance 2018-19-02 approved and appropriated the DEED grant subject to voters’ approval of the ballot proposition in ordinance 2018-21; and
- WHEREAS,** the borough proposition asking approval to issue not to exceed \$5,450,000 of general obligation bonds to pay the local required match portion failed at the regular election on October 2, 2018; and
- WHEREAS,** the DEED grant agreement must be signed prior to requesting a performance period extension of seven years, which will allow the borough time to secure the required 35 percent match; and
- WHEREAS,** assembly approval is required for the mayor to sign the DEED grant agreement and to appropriate the grant funds; and
- WHEREAS,** it is in the best interests of the borough to accept these funds and seek funds for the local match;

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

SECTION 1. That the mayor is authorized to accept the \$10,010,000 grant from the Alaska Department of Education & Early Development, School Construction Grant Fund.

SECTION 2. That the grant funds in the amount of \$10,010,000 are hereby appropriated to account no. 400.71065.KSELO.49999 – Project Account.

SECTION 3. That the mayor is authorized to execute a project grant agreement and any other documents deemed necessary to accept and expend the grant in accordance with the grant requirements, and to fulfill the intents and purposes of this ordinance.

SECTION 4. This ordinance shall become effective immediately upon enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS * DAY OF *, 2018.

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 
Brandi Harbaugh, Finance Director 
Kevin Lyon, Capital Projects Administrator 

FROM: Brenda Ahlberg, Community & Fiscal Projects Manager 

DATE: December 21, 2018

RE: Ordinance 2018-19- 25, Accepting and Appropriating \$10,010,000 from the State of Alaska Department of Education & Early Development for the Kachemak Selo New K-12 School Construction Project (Mayor)

The Kachemak Selo New School K-12 Construction project began on July 9, 2011 when a petition was submitted by the local residents to the school board requesting a public school facility. The school currently functions out of three leased, residential-type facilities that have deteriorated to the point that they are no longer viable as educational facilities.

The project was submitted to the Department of Education and Early Development (DEED) during the FY17 grant application process and awarded funding through the State of Alaska 2016/2017 Capital Budget [HCS CSSB 138(FIN) am H -DEED "School Construction Fund;" page 3, line 24-25]. The DEED grant, awarded in the amount of \$10,010,000 requires 35 percent cash, in-kind or a combined contribution. At the regular election held on October 2, 2018, the ballot proposition number one failed, rejecting the issuance of \$5,450,000 general obligation bonds that would have met the required cash match.

The DEED grant will expire June 30, 2019; however, the option to extend the grant agreement up to seven years is available. The borough intends to work with the State of Alaska to extend the grant agreement and to secure the 35 percent match requirement.

The project has been approved for funding as shown below:

\$ 10,010,000.00	65% DEED Approved Grant (state share)
<u>5,390,000.00</u>	35% local participation share
\$ 15,400,000.00	100% Total project cost

This project will construct a new 15,226 square foot K-12 school. The scope of work includes site acquisition, site development, design and construction. This facility will allow the school district to provide adequate educational opportunities in the geographically isolated Kachemak Selo attendance area located at the head of Kachemak Bay, approximately 30 miles east of Homer Alaska.

Kevin Lyon, Capital Projects Administrator, is the project manager.

FINANCE DEPARTMENT GRANT/ACCOUNT VERIFIED	
Acct. No.	<u>400.71065.KSELO.49999</u>
Amount:	\$ <u>N/A</u>
By: <u>KL</u>	Date: <u>12/20/18</u>

Attachments: 10/25/18 KPB Letter to DEED
11/19/18 DEED Letter to KPB



Office of the Borough Mayor

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2150 • (907) 714-2377

Charlie Pierce
Mayor

October 25, 2018

Dr. Michael Johnson
Alaska Dept. of Education & Early Development
801 West 10th Street, Suite 200
PO Box 110500
Juneau, AK 99811-0500

Re: Kachemak Selo New K-12 School Construction, DEED #GR-17-001

Dear Dr. Johnson:

During the Kenai Peninsula Borough (KPB) regular municipal election held October 2, 2018, the qualified voters did not approve the Proposition No. 1, "General Obligation Bonds to Pay the Local Required Match Portion of the Costs of the Kachemak-Selo New K-12 School."

Regardless of the proposition's outcome, the borough's need has not changed in that three structures, former houses, do not have the operational capacity or useful facilities to conduct K-12 education. Under these conditions, providing a school for Kachemak-Selo students is still the number one priority. The State of Alaska clearly established this priority through the funding awarded under the DEED Capital Improvement Project Grant (29th Legislature, 2016 Fourth Special Session, Senate Bill 138).

KPB meets the requirements of AS 14.11.008(g)(1)-(4) for a time extension to provide the participating share for the Kachemak-Selo school project. Good cause for an extension exists because the failed ballot proposition has placed a time constraint on the project, as such it would be reasonable for the KPB to have additional time to pursue funding options. The extension will not jeopardize the successful completion of the project, but rather will ensure its success. The KPB is not asking for additional State funding, but is only requesting additional time to secure its participating share. The KPB has in good faith pursued match funding within the timeframe required by AS 14.11.017 by placing the local match funding on the ballot at the 2018 regular election. It is reasonable to expect that the participating share will be secured within the additional time requested in this letter.

It is the borough's intent to provide a quality facility for the K-12 students in Kachemak-Selo; therefore, the borough formally requests from DEED an

extension to provide the required participating share before July 1, 2026.
(AS.14.11.008(g)).

Should you need additional information, please contact Brenda Ahlberg,
Community & Fiscal Projects Manager at (907)714-2153 or bahlberg@kpb.us.

Respectfully,



Charlie Pierce
Mayor

cc: Kevin Lyon, KPB Project Manager
Sean Dusek, KPBSD Superintendent
Tim Mearig, DEED Facilities Architect



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Education
& Early Development

OFFICE OF THE COMMISSIONER

801 West 10th Street, Suite 200
PO Box 110500
Juneau, Alaska 99811-0500
Main: 907.465.2800
TTY/TDD: 907.465.2815
Fax 907.465.4156

November 19, 2018

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

Dear Mayor Pierce,

This responds to your October 25, 2018 letter requesting an extension for providing the recipient's participating share under AS 14.11.008 for state grant funds provided for the Kachemak Selo New K-12 School Construction project. I am unable to evaluate the project under the provisions enacted under HB 135 (SLA18) at this time. Until the recipient has agreed to assume responsibility for the project, and to execute it in accordance with the applicable statutes and regulations, the department has no basis for evaluating a participating share extension.

At your earliest opportunity, please return signed copies of the project agreement provided to the borough on June 18, 2018. If you have any questions regarding the agreement, please direct those to Tim Mearig, Facilities Manager. He can be reached by telephone at 465-6906 or by email at tim.mearig@alaska.gov.

Respectfully,

A handwritten signature in black ink, appearing to read "Michael Johnson".

Dr. Michael Johnson
Commissioner

cc: Sean Dusek, KPBSD Superintendent
Kevin Lyon, KPB Project Manager



Introduced by:	Mayor
Date:	01/08/19
Hearing:	01/22/19
Action:	
Vote:	

**KENAI PENINSULA BOROUGH
ORDINANCE 2018-19-26**

**AN ORDINANCE APPROPRIATING FUNDS FROM THE GENERAL FUND FOR
EARTHQUAKE RESPONSE UNDER THE LOCALLY DECLARED DISASTER
EMERGENCY WITHIN THE KENAI PENINSULA**

- WHEREAS,** on November 30, 2018 at 8:29 am a 7.0 earthquake shook from an epicenter five miles north of Anchorage which was felt across Southcentral Alaska and tsunami warnings were issued for coastal communities, including Seward and the Kachemak Bay communities of Homer, Seldovia, Nanwalek and Port Graham; and
- WHEREAS,** an appropriation is needed to provide funding for the borough's response and damage assessments; and
- WHEREAS,** both the State of Alaska and federal government issued an emergency declaration to assist the Municipality of Anchorage, Kenai Peninsula Borough, and Matanuska-Susitna Borough on November 30, 2018;
- WHEREAS,** the Kenai Peninsula Borough Mayor issued a local emergency declaration for the entire Kenai Peninsula Borough on December 4, 2018, subsequently extended to June 7, 2019 by the assembly; and
- WHEREAS,** the borough has completed some work and continues to conduct repairs and damage assessments borough-wide for the following departments and service areas: Maintenance, Purchasing and Contracting, Roads, Office of Emergency Management, Solid Waste, North Peninsula Recreation, Nikiski Fire, Central Emergency Services, Kachemak Emergency Services, and Central Peninsula Hospital Service Area; and
- WHEREAS,** departments and service areas have financially supported the initial response, and this appropriation will reimburse these operational funds; and
- WHEREAS,** it is expected that significant expenses will be incurred in responding to this event and repairing damages to facilities and public infrastructure caused by the earthquake; and
- WHEREAS,** this ordinance appropriates funds in the amount of \$450,000 to enable the borough to continue repairs and assessments associated with the disaster;

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

SECTION 1. That the sum of \$450,000 is hereby appropriated from the general fund balance and transferred to account no. 260.11251.19EQ1.49999 for response and assessment by the borough through the declared earthquake disaster emergency within the Kenai Peninsula Borough.

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

Finance Department

MEMORANDUM

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

THRU: Charlie Pierce, KPB Mayor *chi*

FROM: Dan Nelson, OEM Manager *DN*
Brandi Harbaugh, Finance Director *BH*

DATE: December 21, 2018

RE: Ordinance 2018-19-26 Appropriating Funds from the General Fund for Earthquake Response Under the locally Declared Disaster Emergency Within the Kenai Peninsula Borough (Mayor)

On November 30, 2018 at 8:29 am a 7.0 earthquake shook from an epicenter five miles north of Anchorage which was felt across Southcentral Alaska. Tsunami warnings were issued for coastal communities, including Seward and the Kachemak Bay communities of Homer, Seldovia, Nanwalek and Port Graham.

Both the State of Alaska and federal government issued emergency declarations to assist the Municipality of Anchorage, Kenai Peninsula Borough and Matanuska-Susitna Borough on November 30, 2018.

The borough mayor issued a local emergency declaration for the entire Kenai Peninsula Borough on December 4, 2018, subsequently extended to June 7, 2019 by the assembly.

The borough continues to conduct repairs and damage assessments borough-wide. Work has been completed and continues for the following departments and service areas: Maintenance, Purchasing and Contracting, Roads, Office of Emergency Management, Solid Waste, North Peninsula Recreation, Nikiski Fire, Central Emergency Services, Kachemak Emergency Services, and Central Peninsula Hospital Service Area. These departments and service areas have financially supported the initial response, and therefore, we are requesting an appropriation to reimburse these operational funds as well as provide funds for expenditures through June 2019. The borough is currently and

will continue working with the State of Alaska and federal government to request reimbursement for this disaster.

It is expected that significant expenses will be incurred in responding to this event and repairing damages to facilities and public infrastructure caused by the earthquake. This ordinance appropriates funds in the amount of \$450,000 to enable the borough to continue repairs and assessments associated with the disaster. Your consideration is appreciated.

FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED	
Acct. No.	<u>(FB) 100.27910</u>
Amount:	<u>\$450,000.⁰⁰</u>
By: <u>B-A</u>	Date: <u>12/20/18</u>

Introduced by:	Mayor
Date:	01/08/19
Hearing:	01/22/19
Action:	
Vote:	

**KENAI PENINSULA BOROUGH
ORDINANCE 2018-19-27**

**AN ORDINANCE APPROPRIATING \$10,000 FROM THE GENERAL FUND FOR
CONTRIBUTION TO THE ALASKA MUNICIPAL LEAGUE TO SUPPORT A
WORKING GROUP THAT WILL BE CHARGED WITH ESTABLISHING A
CENTRALIZED SALES TAX ADMINISTRATOR FOR REMOTE SELLERS**

- WHEREAS,** due to a recent decision by the United States Supreme Court, known as the *Wayfair* case, municipalities, subject to requirements discussed in *Wayfair*, are now allowed to tax remote sellers; and
- WHEREAS,** remote sellers are sellers that do not have a physical presence in the municipality or the State of Alaska; and
- WHEREAS,** a key component to Alaska municipalities being able to tax remote sellers and receive tax revenue from non-exempt online sales is the need for a centralized statewide administration of online sales tax; and
- WHEREAS,** a centralized collection agency is necessary to not unduly burden interstate commerce; and
- WHEREAS,** the Alaska Municipal League (“AML”) is leading the effort to study, plan, and implement a state-level administration of sales tax applicable to remote sellers; and
- WHEREAS,** the AML is establishing an initial working group intended to plan and hire a contractor to complete necessary steps to implement a statewide, independent, online sales tax administration system for sales by remote sellers; and
- WHEREAS,** the AML has requested contributions from Alaska boroughs and cities to support this effort; and
- WHEREAS,** by contributing to this effort the borough will be part of the initial working group and have direct input into the structuring and initial setup process; and
- WHEREAS,** once the online sales tax is up and fully functional, the borough stands to gain an estimated \$1,500,000 in addition sales tax revenue annually; and

WHEREAS, the long-term vision is for the AML to solicit proposals for a third-party administrator and software provider that will be responsible for sales tax boundary mapping, development of necessary software, and administration of statewide online or remote sellers' sales tax; and

WHEREAS, this ordinance makes the funds available for distribution, however, it does not obligate the borough to pay these funds if the AML is unable to secure enough funding over all to complete this initial phase of the project;

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

SECTION 1. That funds in the amount of \$10,000 be appropriated from the General Fund fund balance to account 100.11410.43011 for contributing to the Alaska Municipal League's efforts to establish a single, centralized online or remote sellers' sales tax administrator.

SECTION 2. 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

Office of the Borough Mayor

MEMORANDUM

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

THRU: Brandi Harbaugh, Finance Director *BH*

FROM: Charlie Pierce, Mayor *CP*

DATE: December 21, 2018

RE: Ordinance 2018-19-21, Appropriating \$10,000 from the General Fund for Contribution to the Alaska Municipal League to Support a Working Group Charged with Establishing a Centralized Sales Tax Administrator for Remote Sellers (Mayor)

In *South Dakota v. Wayfair*, the United States Supreme Court overturned a previous ruling that established the physical presence rule requiring a business to have an in-state physical presence before a state could require it to collect sales taxes. A tax on a seller with no physical presence in the borough will be sustained so long as the tax:

- (1) Applies to an activity with substantial nexus to the borough;
- (2) is fairly apportioned;
- (3) does not discriminate against or unduly burden interstate commerce; and
- (4) is fairly related to the services the borough provides.

However, it is not as simple as just amending the borough's sales tax code to capture online sales by remote sellers who do not have a physical presence in the borough. To avoid unduly burdening or discriminating against interstate commerce, the case has been interpreted to require a single, centralized online or remote seller's sales tax administrator for each state. The administrator would be the sole tax collection, audit, and enforcement authority statewide.

While the borough could wait and see if the State of Alaska will act to create a single, centralized sales tax administrator, significant revenue is lost with every day of delay. Recognizing the amount of sales tax revenue at stake for Alaska municipalities, the Alaska Municipal League (AML) is taking the lead to create an

independent, centralized online or remote seller sales tax administration that is not state run. The AML is putting together a working group to complete necessary steps toward achieving this end goal. The AML envisions issuing a final request for proposals product where third-party administrators bid to act as the sole contracted agency that will provide the software, mapping, and other systems necessary to implement and administer online sales tax collection for all participating municipalities in the state. To assist in doing this it is considering hiring a contractor familiar with the efforts of other states to help establish a workable program.

The AML has requested contributions from the municipalities. Contributing to these initial efforts will ensure that the borough is a participant in the working group process. With the borough participating we will have a voice in the initial set up, exemptions, definitions, collections, remittance and other parts of the process. The AML does not anticipate any further contributions will be necessary for this working group. However, we do anticipate additional costs once the third-party administrator is selected and the process is functioning. It is estimated that the borough will gain an additional \$1,500,000 in sales tax revenue annually through the collection of remote sellers' sales tax.

Your support of this ordinance would be appreciated.

FINANCE DEPARTMENT	
ACCOUNT / FUNDS VERIFIED	
Acct. No.	<u>100.27910</u>
Amount:	<u>\$ 10,000.00</u>
By: <u>BA</u>	Date: <u>12/20/18</u>



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Commerce, Community,
and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE

550 West 7th Avenue, Suite 1600

Anchorage, AK 99501

Main: 907.269.0350

November 27, 2018

Kenai Peninsula Borough

Attn: Johni Blankenship

VIA Email: jblankenship@kpb.us

CC: micheleturner@kpb.us

tshassetz@kpb.us

License Number:	17811
License Type:	Standard Marijuana Cultivation Facility
Licensee:	North Road Buds, LLC
Doing Business As:	NORTH ROAD BUDS LLC
Physical Address:	50815 Kosta Rd, Unit #2 Nikiski, AK 99635
Designated Licensee:	Vernon L Smith
Phone Number:	907-776-8619
Email Address:	smith.vernonlee@outlook.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 December 20-21, 2018 meeting.

Sincerely,

Erika McConnell

Erika McConnell, Director

amco.localgovernmentonly@alaska.gov

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	North Road Buds, LLC

Entity Type: Limited Liability Company

Entity #: 10082771

Status: Good Standing

AK Formed Date: 4/19/2018

Duration/Expiration: Perpetual

Home State: ALASKA

Next Biennial Report Due: 1/2/2020

Entity Mailing Address: PO BOX 8704, NIKISKI, AK 99635

Entity Physical Address: 50815 KOSTA RD, NIKISKI, AK 99635

Registered Agent

Agent Name: Sonja Redmond

Registered Mailing Address: PO BOX 3529, SOLDOTNA, AK 99669

Registered Physical Address: 35743 KENAI SPUR HWY, SOLDOTNA, AK 99669

Officials

AK Entity #	Name	Titles	<input type="checkbox"/> Show Former	Owned
	Larry Lewis	Member		10
	Lynn Smith	Member		44
	Vernon Smith	Member		46

Filed Documents

Date Filed	Type	Filing	Certificate
4/19/2018	Creation Filing	Click to View	Click to View
11/13/2018	Initial Report	Click to View	

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

State of Alaska > Commerce > Corporations, Business, & Professional Licensing >

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

Your filing is complete. Please print and retain this page for your records.
Important entity responsibility information is available by clicking the following link: [E](#)

The entity responsibility document should be printed or saved and retained for
Print certificates and filed documents from the entity's detail page. [Click here](#) and scroll

ENTITY DETAILS

Entity Number: 10082771

Legal Name: North Road Buds, LLC

Filing Type: Creation Filing - Domestic Limited Liability Company

PAYMENT INFORMATION

Receipt Number: 201800077333

Receipt Date: 4/19/2018 2:12:35 PM

Payer Name: Sonja Redmond

Payment Amount: 250.00

Juneau Mailing Address
P.O. Box 110806
Juneau, AK 99811-0806



Alaska Entity #10082771

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

North Road Buds, LLC



IN TESTIMONY WHEREOF, I execute the certificate
and affix the Great Seal of the State of Alaska
effective April 19, 2018.

Mike Navarre

Mike Navarre
Commissioner



Physical Address

333 Willoughby Avenue
9th Floor
Juneau, AK 99801-1770

Phone Numbers

Main Phone: (907) 465-2550
FAX: (907) 465-2974

Anchorage

Phone

Main Phone: (907) 465-2550
FAX: (907) 465-2974



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

COR

FOR DIVISION USE ONLY

Articles of Organization

Domestic Limited Liability Company

Web-4/19/2018 2:11:43 PM

1 - Entity Name

Legal Name: North Road Buds, LLC

2 - Purpose

Any lawful purpose for which a limited liability company may engage in the State of Alaska

3 - NAICS Code

115112 - SOIL PREPARATION, PLANTING, AND CULTIVATING

4 - Registered Agent

Name: Sonja Redmond

Mailing Address: PO Box 3529, Soldotna, AK 99669

Physical Address: 35743 Kenai Spur Hwy, Soldotna, AK 99669

5 - Entity Addresses

Mailing Address: PO Box 8704, Nikiski, AK 99635

Physical Address: 50815 Kosta Rd, Nikiski, AK 99635

6 - Management

The limited liability company is managed by its members.



7 - Officials

Name	Address	% Owned	Titles
Vernon Smith			Organizer
Lynn Smith			Organizer
Larry Lewis			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: Sonja Redmond

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

State of Alaska > Commerce > Corporations, Business, & Professional Licensing > Search & Database Download > Corp. > (

NAME(S)

Type
Legal Name
Name
North Road Buds, LLC

ENTITY DETAILS

Entity Type: Limited Liability Company
Entity #: 10082771
Status: Good Standing
AK Formed Date: 4/19/2018
Duration/Expiration: Perpetual
Home State: ALASKA
Next Biennial Report Due: N/A [File Initial Report](#)
Entity Mailing Address: PO BOX 8704, NIKISKI, AK 99635
Entity Physical Address: 50815 KOSTA RD, NIKISKI, AK 99635

REGISTERED AGENT

Agent Name: Sonja Redmond
Registered Mailing Address: PO BOX 3529, SOLDOTNA, AK 99669
Registered Physical Address: 35743 KENAI SPUR HWY, SOLDOTNA, AK 99669

OFFICIALS

AK Entity #
Name
Larry Lewis
Lynn Smith
Vernon Smith

Titles
Organizer



FILED DOCUMENTS



Date Filed	Type	Filing
4/19/2018	Creation Filing	Click to View

OPERATING AGREEMENT OF NORTH ROAD BUDS, LLC AN ALASKA LIMITED LIABILITY COMPANY

THIS LIMITED LIABILITY COMPANY OPERATING AGREEMENT (Agreement) is made and entered on by and among the persons whose signatures appear on the signature page hercof.

ARTICLE 1 Definitions

1.01. **Definitions.** The following terms used in this Operating Agreement shall have the following meanings (unless otherwise expressly provided herein):

- a. "Act" means the Alaska Limited Liability Company Act (AS 10.50).
- b. "Articles of Organization" shall mean the Articles of Organization of **NORTH ROAD BUDS, LLC** as filed with the Corporations Section of the State of Alaska as the same may be amended from time to time.
- c. "Capital Account" as of any given date shall mean the Capital Contribution to the Company by a Member as adjusted up to the date in question pursuant to Article VIII.
- d. "Capital Contribution" shall mean any contribution to the capital of the Company in cash or property by a Member whenever made. "Initial Capital Contribution" shall mean the initial contribution to the capital of the Company pursuant to this Operating Agreement.
- e. "Capital Interest" shall mean the proportion that a Member's positive Capital Account bears to the aggregate positive Capital Accounts of all Members whose Capital Accounts have positive balances as may be adjusted from time to time.
- f. "Company" shall refer to **NORTH ROAD BUDS, LLC**.
- g. "Distribution Cash" means all cash, revenues, and funds received by the Company from Company operations. Less the sum of the following to the extent paid or set aside by the Company:

- i. All principal and interest payments on indebtedness of the Company and all other sums paid to lenders;
- ii. All cash expenditures incurred incident to the normal operation of the Company's business;

Operating Agreement – Page 1 of 25

Anchorage Mail
550 West
St.
Anchorage
Phone
Main Phone
FAX: (907) 465-2974

Juneau Mailing Address
P.O. Box 110806
Juneau, AK 99811-0806
Physical Address
333 Willoughby Avenue
9th Floor
Juneau, AK 99801-1770
Phone Numbers
Main Phone: (907) 465-2550
FAX: (907) 465-2974



- iii. Such Reserves as the Members deem reasonably necessary to the proper operation of the Company's business.
- h. "Economic Interest" shall mean a Member's or Economic Interest Owner's share of one or more of the Company's Net Profits, Net Losses, and distributions of the Company's assets pursuant to this Operating Agreement and the Alaska Limited Liability Act (AS 10.50), but shall not include any right to participate in the management or affairs of the Company, including the right to vote on, consent to, or otherwise participate in any decision of the Members or Managers, if any.
- i. "Economic Interest Owner" shall mean the owner of an Economic Interest who is not a member.
- j. "Entity" shall mean any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or association, or any foreign trust, or foreign business organization.
- k. "Fiscal Year" shall mean the Company's fiscal year, which shall be ending Dec. 31.
- l. "IRC" shall mean the Internal Revenue Code of 1986 or corresponding provisions of subsequent superseding federal revenue laws.
- m. "Gifting Member" shall mean any member or Economic Interest Owner who gifts, bequeaths, or otherwise transfers for no consideration (by operation of law or otherwise, except for bankruptcy) all or any part of its Membership Interest or Economic Interest.
- n. "Majority Interest" shall mean one or more Interests of Members which taken together exceed 50 percent of the aggregate of all Capital Interests.
- o. "Manager" shall mean one or more managers, and shall have the same meaning as "Managing Member." Specifically, "Manager" shall mean the person elected to manage the Company pursuant to this Agreement, if any. At any time that the Members shall have elected to have more than one Manager, all such persons so elected shall be referred to as the Managers. References to the Manager in the singular or as him, her, it, itself, or other like references shall also, when the context so requires, be deemed to include the plural or the masculine or feminine reference, as the case may be.
- p. "Member" shall mean each of the parties who executes a counterpart of this Operating Agreement as a Member and each of the parties who may hereafter become Members. To the extent a Manager has purchased Membership Interests in the Company, he or she will have all the rights of a Member with respect to such Membership Interests, and the term "Member" as used in this



- Operating Agreement shall include a Manager to the extent he or she has purchased such Membership Interests in the Company. If a Person is a Member immediately before the purchase or other acquisition by such Person of an Economic Interest, that Person shall have all the rights of a Member with respect to the purchased or otherwise acquired Membership Interest or Economic Interest, as the case may be.
- q. "Membership Interest" shall mean a Member's entire interest in the Company, including the Member's Economic Interest and the right to participate in the management of the business and affairs of the Company, including the right to vote on, consent to, or otherwise participate in any decision or action of or by the Members granted pursuant to the Operating Agreement and the Alaska Limited Liability Act (AS 10.50).
- r. "Net Profits" and "Net Losses" shall mean the income, gain, loss, deductions, and credits of the Company in the Aggregate or separately state, as appropriate, determined in accordance with generally accepted accounting principles employed under the method of accounting at the close of each fiscal year on the Company's information tax return filed for federal income tax purposes.
- s. "Operating Agreement" shall mean this Operating Agreement as originally executed and as amended from time to time.
- t. "Persons" shall mean any individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of the "Person" when the context so permits.
- u. "Reserves" shall mean, for any fiscal period, funds set aside or amounts allocated during such period to reserves that shall be maintained in amounts deemed sufficient by the Members for working capital and to pay taxes, insurance, debt service, or other costs or expenses incident to the ownership or operation of the Company's business.
- v. "Selling Member" shall mean any Member or Economic Interest Owner which sells, assigns, pledges, hypothecates or otherwise transfers for consideration all or any portion of its Membership Interest or Economic Interest.
- w. "Alaska Limited Liability Act" shall mean the Alaska Limited Liability Company Act, et seq.
- x. "Transferring Member" shall collectively mean a Selling Member and a Gifting Member.



y. "Treasury Regulations" shall include proposed, temporary, and final regulations promulgated under the IRC in effect as of the date of filing the Articles of Organization and the corresponding sections of any regulations subsequently issued that amend or supersede those regulations.

ARTICLE II

Formation of Company

2.01 **Formation.** On 4-14, 2018, Vern Smith organized an Alaska Limited Liability Company by executing and filing articles of organization pursuant to the Alaska Limited Liability Act (AS 10.50)

2.02 **Name.** The name of the Company is **North Road Buds, LLC.**

2.03 **Principal Place of Business.** The physical principal place of business of the Company within the State of Alaska shall be 50815 Kosta Rd. Nikiski, AK 99635, with the mailing address PO Box 8704, Nikiski, AK 99635 The Company may locate its places of business and registered office at any other place or places as the Members may from time to time deem advisable.

2.04 **Registered Office and Registration Agent.** The Company's initial registered office shall be at the office of its registered agent at 35743 Kenai Spur Hwy, Soldotna, AK 99669, and name of its initial agent at such address shall be **Sonja Redmond**. The registered office and registered agent may be changed from time to time by filing the address of the new registered office and/or the name of the new registered agent with the Alaska Corporations Section pursuant to the Alaska Limited Liability Act.

2.05 **Term.** The term of the Company shall be perpetual unless the Company is dissolved in accordance with either the provisions of this Operating Agreement or the Alaska Limited Liability Act.

ARTICLE III

Business of Company

3.01 **Permitted Businesses.** The business of the Company shall be:

a. To accomplish any lawful business whatsoever, or which shall at any time appear conducive to or expedient for the protection or benefit of the Company and its assets, including, but not limited to, the ownership and operation of income-producing real property.

- b. To exercise all other powers necessary to or reasonably connected with the Company's business that may be legally exercised by limited liability companies under the Alaska Limited Liability Act.
- c. To engage in all activities necessary, customary, convenient, or incident to any of the foregoing.

ARTICLE IV

Names and Addresses of Members

The names and mailing addresses of the Members are as follows:

Vernon Smith
PO Box 8704
Nikiski, AK 99635

Lynn Smith
PO Box 8704
Nikiski, AK 99635

Larry Lewis
PO Box 403
Kasilof, AK 99610

ARTICLE V

Management of Company

5.01 **Management.** The business and affairs of the Company shall be managed by its Members to the best of their ability. Subject to the provisions of this Operating Agreement concerning the limitations on the authority of Members, the Members, acting as a group, shall have sole authority to manage the Company and are authorized to make any contracts, enter into any transactions, and make and obtain any commitments on behalf of the Company to conduct or further the Company's business. Except if restricted elsewhere in the Operating Agreement, the Members may delegate to a subcommittee of Members, an individual Member, or an employee of the Company any management responsibility or authority. If all management decisions are delegated to one or more, but not all, Members, those Members may be referred to as "Managers" or "Managing Members." If such decisions are delegated to a non-Member employee, that person may be referred to as a "Manager." All delegations of management duties shall require the written consent of two thirds of the managing members.



5.02 **Non-liability of Members for Acts or Omissions in their Managerial Capacity.** To the full extent permitted by Alaska law, all Members are released from liability for damages and other monetary relief on account of any act, omission, or conduct in the Member's managerial capacity.

This release shall not protect a Member from being required by a court to purchase the Membership interest of another Member who successfully contends that the Member has committed actionable oppressive acts to the prejudice of the other Member. No amendment or repeal of this section affects any liability or alleged liability of any Member for acts, omissions, or conduct that occurred prior to the amendment or repeal.

5.03 **Certain Powers of Members and Managers.** Without limiting the generality of § 5.01 above, the Members and Managers (if management has been delegated to Managers) shall have power and authority, on behalf of the Company:

- a. To acquire property from any Person as the Members or Managers may determine. The fact that a Member or Manager is directly or indirectly affiliated or connected with any such Person shall not prohibit the Members or Managers from dealing with that Person;
- b. To borrow money for the Company from banks, other lending institutions, the Members or Managers, or affiliates of the Members or Managers on such terms as the Members or Manager deem appropriate, and in connection therewith, to hypothecate, encumber, and grant security interests in the assets of the Company to secure repayment of the borrowed sums. No debt shall be contracted or liability incurred by or on behalf of the Company except by the Members or Managers, or to the extent permitted under the Alaska Limited Liability Act, by agents or employees of the Company expressly authorized to contract such debt or incur such liability by the Members or Managers;
- c. To purchase liability and other insurance to protect the Company's property and business;
- d. To hold and own any real and/or personal properties in the name of the Company;
- e. To invest any Company funds temporarily (by way of example but not limitation) in time deposits, short-term governmental obligations, commercial paper, or other investments;
- f. Upon the affirmative vote of two-thirds of the Managing Members, to sell or otherwise dispose of all or substantially all of the assets of the Company as part of a single transaction or plan so long as that disposition is not in violation of or a cause of a default under any other agreement to which the Company may be bound, provided, however, that the affirmative vote of the Members shall



not be required with respect to any sale or disposition of the Company's assets in the ordinary course of the Company's business;

- g. To execute on behalf of the Company all instruments and documents, including, without limitation: checks; drafts; notes and other negotiable instruments; mortgages, or deeds of trust; security agreements; financing statements; documents providing for the acquisition, mortgage or disposition of the Company's property; assignments; bills of sale; leases; partnership agreements; operating agreements of other limited liability companies; and any other instruments or documents necessary, in the opinion of the Members or Managers, to the business of the Company;

- h. To employ accountants, legal counsel, managing agents, or other experts to perform services for the Company and to compensate them from Company funds;

- i. To enter into any and all other agreements on behalf of the Company, with any other Person for any purpose, in such forms as the Members or Managers may approve; and

- j. To do and perform all other acts as may be necessary or appropriate to the conduct of the Company's business.

- k. Unless authorized to do so by the Operating Agreement, by a majority of the Members of the Company or by the Managers (if any) no attorney-in-fact, employee, or other agent of the Company shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable pecuniarily for any purpose.

5.04 **Liability for Certain Acts.** The Members (and Managers, if any) shall perform their Managerial duties in good faith, in a manner they reasonably believe to be in the best interests of the Company, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. A Member or Manager who so performs such duties shall not have any liability by reason of having exercised managerial duties. A Member or manager does not, in any way, guarantee the return of the Members' Capital Contributions or a profit for the Members from the operations of the Company. Members and Managers shall not be liable to the Company or to any other Member for any loss or damage sustained by the Company or any Member, unless the loss or damage shall have been the result of fraud, deceit, gross negligence, willful misconduct, or a wrongful taking by the Member or Manager.

5.05 **No Exclusive Duty to Company.** The Members (and Managers, if any) shall not be required to manage the Company as their sole and exclusive function and they may have other business interests and may engage in other activities in addition to those relating to the Company.



Neither the Company nor any Member shall have any right, by virtue of this Operating Agreement, to share or participate in such other investments or activities of any Member or Manager or to the income or proceeds derived therefrom. The Members (and Managers, if any) shall incur no liability to the Company or to any of the Members as a result of engaging in any other business or venture.

5.06 **Bank Accounts.** The Members (and Managers, if any) may from time to time open bank accounts in the name of the Company, and one or more Members or Managers may be the sole signatories thereon, as determined by the Members.

5.07 **Limitation on Liability; Indemnification.** Neither the Members nor any affiliate of the Members shall be liable, responsible or accountable in damages or otherwise to the Company or the Members for any act or omission by any such person performed in good faith pursuant to the authority granted to such person by this Agreement or in accordance with its provisions, and in a manner reasonably believed by such person to be within the scope of the authority granted to such person and in the best interest of the Company; provided that such act or omission did not constitute fraud, misconduct, bad faith or gross negligence. The Company shall indemnify and hold harmless the Members, and each director, officer, partner, employee or agent thereof, against any liability, loss, damage, cost or expense incurred by them on behalf of the company or in furtherance of the Company's interest without relieving any such person of liability for fraud, misconduct, bad faith or negligence. No Member shall have any personal liability with respect to the satisfaction of any required indemnification of the above-mentioned persons.

Any indemnification required to be made by the Company shall be made promptly following the fixing of the liability, loss, damage, cost or expense incurred or suffered by a final judgment of any court from which no appeal may be taken, settlement, contract or otherwise. In addition, the Company may advance funds to a person claiming indemnification under this § 5.07 for legal expenses and other costs incurred as a result of a legal action brought against such person only if (i) the legal action relates to the performance of duties or services by the person on behalf of the Company, (ii) the legal action is initiated by a party other than a Member, and (iii) such person undertakes to repay the advanced funds to the Company if it is determined that such person is not entitled to indemnification pursuant to the terms of this agreement.

5.08 **Indemnity of the Members, Managers, Employees, and Other Agents.** To the maximum extent permitted under the Alaska Limited Liability Act, the Company shall indemnify the Members (or Managers, if any) in their managerial roles and make advances for expenses. The



Company shall indemnify its employees and other agents who are not Members to the fullest extent permitted by law, provided that the indemnification in any given situation is approved by Members owning a Majority Interest.

5.09 **Resignation.** Any Member of the Company may elect to not participate in management decisions at any time by giving written notice to the other Members of the Company and by executing a writing authorizing the remaining Members to make all management decisions. Furthermore, any Manager may resign at any time by giving written notice to the Members. Such election by any Member, or resignation by a Manager, shall take effect upon receipt of that notice or at such later time as shall be specified in the notice; and unless otherwise specified in the notice, the acceptance of the election shall not be necessary to make it effective. The election to not participate in managerial decisions shall be for whatever length of time the Member designates and shall not affect the Member's other rights as a Member and shall not constitute a withdrawal of a Member. Likewise, the resignation of a Manager who is also a Member shall not affect the Manager's rights as a Member and shall not constitute a withdrawal of a Member.

5.10 **Removal.** At a meeting called expressly for that purpose, all or any lesser number of Managers may be removed at any time, with or without cause, by the affirmative vote of Members holding a Majority Interest. The removal of a Manager who is also a Member shall not affect the Manager's rights as a Member and shall not constitute a withdrawal of a Member.

5.11 **Salaries.** The salaries and other compensation of the Members and Managers shall be fixed from time to time by an affirmative vote of two thirds of the Managing Members, and no Manager shall be prevented from receiving that salary because the Manager is also a Member of the Company.

5.12 **Reimbursement for Expenses.** The Members and Managers shall be reimbursed by the Company for reasonable out-of-pocket expenses, incurred by them in connection with the Company's business. Any expenses in excess of \$500 must be approved in writing by a majority of the Managing Members.

5.13 **Right to Rely on the Members.** Any person dealing with the Company may rely upon a certificate signed by any Member as to the identity and authority of any Member or other person to act on behalf of the Company or any Member.



ARTICLE VI

Rights and Obligations of Members

6.01 **Limitation of Liability.** Each Member's liability shall be limited as set forth in this Operating Agreement, the Alaska Limited Liability Act, and other applicable law.

6.02 **Company Debt Liability.** A Member will not be personally liable for any debts or losses of the Company beyond the Member's respective Capital Contributions and any obligation of the Member under §8.01 or §8.02 below to make Capital Contributions, except as provided in §6.07 below or as otherwise required by law.

6.03 **List of Members.** Upon written request of any Member, the Member appointed by the Members to keep the Company records shall provide a list showing the names, addresses, and the Membership Interests and Economic Interests of all Members.

6.04 **Approval of Sale of All Assets.** The Members shall have the right, by the affirmative vote of two thirds of the Managing Members, to approve the sale, exchange, or other disposition of all or substantially all, of the Company's assets (other than in the ordinary course of the Company's business) which is to occur as part of a single transaction or plan.

6.05 **Company Books.** In accordance with § 9.09 below, the Members shall maintain and preserve, during the term of the Company, and for five (5) years thereafter, all accounts, books, and other relevant Company documents. Upon reasonable request, each Member and Economic Interest Owner shall have the right, during ordinary business hours, to inspect and copy those Company documents at the requesting Member's and Economic Interest Owner's expense.

6.06 **Priority and Return of Capital.** Except as may be expressly provided in Article IX, no Member or Economic Interest Owner shall have priority over any other Member or Economic Interest Owner, either for the return of Capital Contributions or for Net Profits, Net Losses, or distributions; provided that this section shall not apply to loans (as distinguished from Capital Contributions) which a Member has made to the Company.

6.07 **Liability of a Member to the Company.** A Member who rightfully receives the return in whole or in part of its contribution is nevertheless liable to the Company only to the extent now or hereafter provided by the Alaska Limited Liability Act. A Member who receives a distribution made by the Company which is either in violation of this Operating Agreement, or made when the Company's liabilities exceed its assets (after giving effect to the distribution) is liable to the Company for a period of six years after the distribution for the amount of the distribution.



ARTICLE VII

Meetings of Members

7.01 **Annual Meeting.** The annual meeting of the Members shall be held approximately 12 months following the execution of this agreement or at such other time as shall be determined by resolution of the Members, and shall be held approximately every 12 months thereafter for the purpose of the transaction of such business as may come before the meeting.

7.02 **Special Meetings.** Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by any Manager or by any Member or Members holding at least ten (10%) of the Capital Interests.

7.03 **Place of Meetings.** The Members may designate any place, either within or outside the State of Alaska, as the place of meeting for any meeting of the Members. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal executive office of the Company in the State of Alaska.

7.04 **Notice of Meetings.** Except as provided in § 7.05 below, written notice stating the place, day, and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered no fewer than 10 nor more than 50 days before the date of the meeting, either personally or by mail, by or at the direction of the Member(s) or person calling the meeting, to each Member entitled to vote at the meeting. If mailed, the notice shall be deemed to be delivered two calendar days after being deposited in the United States mail, addressed to the Member at the Member's address as it appears on the books of the Company, with postage thereon prepaid.

7.05 **Meeting of All Members.** If all of the Members shall meet at any time and place, either within or outside of the State of Alaska, and consent to the holding of a meeting at that time and place, the meeting shall be valid without call or notice, and at the meeting lawful action may be taken.

7.06 **Record Date.** For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment of the meeting, or Members entitled to receive payment of any distribution, or to make a determination of Members for any other purpose, the date on which notice of the meeting is mailed or the date on which the resolution declaring the distribution is adopted, as the case may be, shall be the record date for the determination of Members. When a determination of Members entitled to vote at any meeting of members has been made as provided in this section, the determination shall apply to any adjournment of the meeting.

7.07 **Quorum.** Two Thirds of the Managing Members holding, represented in person or by proxy, shall constitute a quorum at any meeting of Members. In the absence of a quorum at any meeting of Members, a majority of the Interests so represented may adjourn the meeting from time to



time for a period not to exceed 60 days without further notice. However, if the adjournment is for more than 60 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting. At an adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal during the meeting of that number of interests whose absence would cause less than a quorum.

7.08anner of Acting. If a quorum is present, the affirmative vote of a majority of the Members present shall be the act of the Members, unless the vote of a greater or lesser proportion or number is otherwise required by the Alaska Limited Liability Act, by the Articles of Organization, or by this Operating Agreement. Unless otherwise expressly provided in this Operating Agreement or required under applicable law, Members who have an interest (economic or otherwise) in the outcome of any particular matter upon which the Members vote or consent may vote or consent upon any such matter and their Capital Interest, vote or consent, as the case may be, shall be counted in the determination of whether the requisite matter was approved by the members.

7.09 Proxies. At all meetings of Members a Member may vote in person or by proxy executed in writing by the Member or by a duly authorized attorney-in-fact. The proxy shall be filed with the Member in charge of record keeping for the Company before or at the time of the meeting. No proxy shall be valid after 11 months from the date of its execution, unless otherwise provided in the proxy.

7.10 Action by Members without a Meeting. Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by each Member entitled to vote, and delivered to the Member in charge of keeping the Company records for inclusion in the minutes or for filing with the Company records. Action taken under this section is effective when all Members entitled to vote have signed the consent, unless the consent specifies a different effective date. The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs a written consent.



7.11 Waiver of Notice. When any notice is required to be given to any Member, a waiver of the notice in writing signed by the person entitled to the notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of the notice.

ARTICLE VIII

Contributions to the Company and Capital Accounts

8.01 Members' Capital Contributions. Each Member shall contribute such amount as is set forth in the LEDGER OF OWNERSHIP INTERESTS as the member's share of the Initial Capital contribution. Such ledger shall be updated whenever the percentage of ownership interest changes.

8.02 Additional Contributions. No Member shall be required to make any additional Capital Contributions.

8.03 Capital Accounts. A separate Capital Account will be maintained for each Member.

- a. Each Member's Capital Account will be increased by:
 - i. The amount of money contributed by the Member to the Company;
 - ii. The fair market value of property contributed by the Member to the Company (net of liabilities secured by such contributed property that the Company is considered to assume to take subject to under IRC §752);
 - iii. Allocations to the Member of Net Profits and Net Losses; and
 - iv. Allocations to the Member of income described in IRC §705(a)(1)(B)
- b. Each Member's Capital Account will be decreased by:
 - i. The amount of money distributed to the Member by the Company;
 - ii. The fair market value of property distributed to the Member by the Company (net of liabilities secured by such distributed property that such Member is considered to assume or take subject to IRC §752)
 - iii. Allocations to the Member of expenditures described in IRC §705(a)(2)(B); and
 - iv. Allocations to the account of the Member of Company loss and deduction as set forth in the relevant Treasury Regulations, taking into account adjustments to reflect book value.
- c. In the event of a permitted sale or exchange of a Membership Interest or an Economic Interest in the Company, the Capital Account of the transferor shall become the Capital



Account of the transferee to the extent it relates to the transferred Membership Interest or Economic Interest in accordance with Treasury Regulation §1.704-1(b)(2)(iv).

d. The manner in which Capital Accounts are to be maintained pursuant to this § 8.03 is intended to comply with the requirements of IRC §704(b) and the Treasury Regulations promulgated there-under. If in the opinion of the Company's accountants the manner in which Capital Accounts are to be maintained pursuant to the preceding provisions of this §8.03 should be modified to comply with IRC §704(b) and the Treasury Regulations there-under, then notwithstanding anything to the contrary contained in the preceding provisions of this §8.03, the method in which Capital Accounts are maintained shall be so modified; provided, however, that any change in the manner of maintaining Capital Accounts shall not materially alter the economic agreement between or among the Members.

e. Upon liquidation of the Company (or any Member's Membership Interest or Economic Interest Owner's Economic Interest, liquidating distributions will be made in accordance with the positive Capital Account balances of the Members and Economic Interest Owners, as determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs. Liquidation proceeds will be paid within 60 days of the end of the taxable year (or, if later, within 120 days after the date of the liquidation). The Company may offset damages for breach of this Operating Agreement by a Member or Economic Interest Owner whose interest is liquidated (either upon the withdrawal of the Member or the liquidation of the Company) against the amount otherwise distributable to the Member.

f. Except as otherwise required in the Alaska Limited Liability Act (and subject to §8.02 above), no Member or Economic Interest Owner shall have any liability to restore all or any portion of a deficit balance in the Member's or Economic Interest Owner's Capital Account.

8.04 **Withdrawal or Reduction of Members' Contributions to Capital.** A member shall not receive out of the Company's property any part of its Capital Contribution until all liabilities of the Company, except liabilities to Members on account of their Capital Contributions, have been paid or there remains property of the Company sufficient to pay them. A Member, irrespective of the nature of its Capital Contribution, has only the right to demand and receive cash in return for its Capital Contribution.

ARTICLE IX

Allocations of Net Profits and Losses

9.01 **Allocation of Net Profit or Loss.** After giving effect to any special allocations set forth



in the Agreement, the Net Profit or Net Loss for any fiscal year of the Company shall be allocated among the Members in accordance with their respective percentage interests.

9.02 **Limitations.** The Net Loss allocated to each Member for any Company fiscal year pursuant to §9.03 shall not exceed the maximum amount of Net Loss that can be so allocated without causing such Member to have a Deficit Capital Account at the end of the fiscal year. All Net Losses in excess of the limitation set forth in the §9.02 shall be allocated to the other Members who do not have Deficit Capital Accounts in proportion to their respective percentage interests.

9.03 Other Allocation Rules.

- a. General. Except as otherwise provided in the Agreement, all items of Company income, gain, loss, deduction, and any other allocations not otherwise provided for shall be divided among the Members in the same proportions as they share Net Profits or Net Losses, as the case may be, for the year.
- b. Allocations in Connection with Varying Interest. If, during a Company fiscal year, there is (i) a permitted transfer of a Membership Interest or Economic Interest under this Agreement or (ii) the admission of a Member or additional Members, Net Profit, Net Loss, each item thereof, and all other tax items of the Company for such period shall be divided and allocated among the Members by taking into account their varying interest during such fiscal year in accordance with Code §706(d) and using any conventions permitted by law and selected by the Members.

9.04 **Determination of Net Profit or Loss.** The Net Profit or Net Loss of the Company for each fiscal year or other period, shall be an amount equal to the Company's taxable income or loss for such period, determined in accordance with Code §703(a) (and, for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code §703(a)(1), including income and gain exempt from federal income tax, shall be included in taxable income or loss).

9.05 **Accounting Principles.** The Company's books and records shall be kept and its income tax returns prepared under such permissible method of accounts, consistently applied, as the Members determine is in the best interest of the Company and its Members.

9.06 **Interest on and Return of Capital Contributions.** No Member shall be entitled to interest on its Capital Contribution or to return of its Capital Contribution, except as otherwise specifically provided for in this Operating Agreement.

9.07 **Loans to Company.** Nothing in this Operating Agreement shall prevent any Member



from making secured or unsecured loans to the Company by agreement with the Company.

9.08 **Accounting Period.** The Company's accounting period shall be a fiscal year ending December 31.

9.09 **Records, Audits, and Reports.** At the expense of the Company, the Members shall maintain records and accounts of all operations and expenditures of the Company. At a minimum the Company shall keep at its principal place of business the following records:

- a. A current ledger of the full name and last known business, residence, or mailing address, and telephone number of each Member, Economic Interest Owner, and Manager, both past and present, along with the percentage of their respective economic interests;
- b. A copy of the Articles of Organization of the Company and all amendments thereto, together with executed copies of any powers of attorney pursuant to which any amendment has been executed;
- c. Copies of the Company's income tax returns and reports, if any, for the seven most recent years;
- d. A copy of the following (if any): (1) the Company's currently effective written Operating Agreement; (2) any writings permitted or required with respect to a Member's obligation to contribute cash, property, or services; and (3) any financial statements of the Company for the three most recent years;
- e. Minutes of every annual meeting, special meeting, and court-ordered meeting;
- f. Any written consents obtained from Members for actions taken by Members without a meeting.

9.10 **Returns or Other Elections.** The Members shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the IRC and all other tax returns deemed necessary and required in each jurisdiction in which the company does business. Copies of those returns, or pertinent information from the returns, shall be furnished to the Members within a reasonable time after the end of the Company's fiscal year.

- a. All elections permitted to be made by the Company under federal or state laws shall be made by the Members.



- b. **Vern Smith** shall be the "tax matters partner" of the Company for purposes of Code §6221, et seq., and corresponding provisions of any state or local tax law.
- c. **Expenses of Tax Matters Partner; Indemnification.** The company shall indemnify and reimburse the tax matters partner for all reasonable expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liability of the Members attributable to the Company. The payment of all such expenses shall be made before any distributions are made to Members (and such expenses shall be taken into consideration for purposes of determining distributable cash) or any discretionary reserves are set aside by the members. Neither the tax matters partner nor any Member shall have any obligation to provide funds for such purpose. The provisions for exculpation and indemnification of the Members set forth in §5.07 of this Agreement shall be fully applicable to the Member acting as tax matters partner for the Company.

ARTICLE X

Transferability

10.01 **General.** Except as otherwise specifically provided in this Operating Agreement neither a Member nor an Economic Interest Owner shall have the right to:

- a. Sell, assign, pledge, hypothecate, transfer, exchange or otherwise transfer for consideration, (collectively, "sell") all or any part of its Membership Interest or Economic Interest;
- b. Gift, bequeath or otherwise transfer for no consideration (whether or not by operation of law, except in the case of bankruptcy) all or part of its Membership Interest or Economic Interest.

10.02 **Right of First Refusal.** If a Selling Member desires to sell all or any portion of its Membership Interest or Economic Interest in the Company to a third-party purchaser, the Selling Member shall obtain from such third-party purchaser a bona fide written offer to purchase the interest, stating the terms and conditions upon which the purchase is to be made and the consideration offered therefore. The Selling Member shall give written notification to the remaining Members, by certified mail or personal delivery, of its intention to so transfer the interest, furnishing to the remaining Members a copy of the aforesaid written offer to purchase the interest.



a. The remaining Members, and each of them shall, on a basis pro rata to their Capital Interests or on a basis pro rata to the Capital Interests of those remaining Members exercising their right of first refusal, have the right to exercise a right of first refusal to purchase all (but not less than all) of the interest proposed to be sold by the Selling Member upon the same terms and conditions as stated in the aforesaid written offer to purchase by giving written notification to the Selling Member, by certified mail or personal delivery, of their intention to do so within ninety (90) days after receiving written notice from the Selling Member. The failure of all the remaining Members (or any one or more of them) to so notify the Selling member of their desire to exercise this right of first refusal within said ninety (90) day period shall result in the termination of the right of first refusal and the Selling Member shall be entitled to consummate the sale of its interest in the Company, or such portion of its interest, in any, with respect to which the right of first refusal has not been exercised, to the third-party purchaser.

b. If the remaining Members (or any one or more of the remaining Members) give written notice to the Selling Member of their desire to exercise this right of first refusal and to purchase all of the Selling Member's interest in the Company that the Selling Member desires to sell upon the same terms and conditions as are stated in the aforesaid written offer to purchase, the remaining Members shall have the right to designate the time, date, and place of closing, provided that the date of closing shall be within ninety (90) days after receipt of written notification from the Selling Member of the third-party offer to purchase.

c. In the event of either the purchase of the Selling Member's interest in the Company by a third-party purchaser or the gift of an interest in the Company (including an Economic Interest), and as a condition to recognizing one or more of the effectiveness and binding nature of any such sale or gift and (subject to §10.03 below) substitution of a new Member as against the Company or otherwise, the remaining Members may require the Selling Member or Gifting Member and the proposed purchaser, donee or successor-in-interest, as the case may be, to execute, acknowledge, and deliver to the remaining Members such instruments of transfer, assignment, and assumption and such other certificates, representations, and documents, and to perform all the other acts that the remaining Members may deem necessary or desirable to:

- i. Constitute such purchaser, as a Member, donee, or successor-in-interest as such;



- ii. Confirm that the person desiring to acquire an interest or interests in the Company, or to be admitted as a Member, has accepted, assumed, and agreed to be subject and bound by all of the terms, obligations and conditions of the Operating Agreement, as the same may have been further amended (whether such Person is to be admitted as a new Member or will merely be an Economic Interest Owner);
- iii. Preserve the Company after the completion of such sale, transfer, assignment, or substitution under the laws of each jurisdiction in which the Company is qualified, organized or does business;
- iv. Maintain the tax treatment of the Company then in effect for federal tax purposes; and
- v. Assure compliance with any applicable state and federal laws including securities laws and regulations.
- d. Any sale or gift of a Membership Interest or Economic Interest or admission of a Member in compliance with this Article X shall be deemed effective as of the last day of the calendar month in which the remaining Members' consent thereto was given, or, if no such consent was required pursuant to §10.02(e) below, then on such date with which the donee or successor interest complies. The Selling member agrees, upon request of the remaining Members, to execute such certificates or other documents and perform such other acts as may be reasonably requested by the remaining Members from time to time in connection with such sale, transfer, assignment, or substitution. The Selling Member hereby indemnifies the Company and the remaining Members against any and all loss, damage, or expense (including without limitation, tax liabilities or loss of tax benefits) arising directly or indirectly from any transfer or purported transfer in violation of this Article X.

e. The Members shall purchase and maintain key man insurance on each Member. Upon the death of a Member, the surviving Members shall apply for and receive the insurance benefits, the proceeds of which shall be used to purchase the deceased Member's ownership interest in the Company. The amount of the key man insurance shall be determined annually by the Members. If at the time of the death of a Member the insurance coverage does not equal the fair market value of the decedent's ownership net share of the company, then the surviving Members shall negotiate a payment



schedule for the amount not covered by the insurance proceeds. Said amount shall be paid over a period not to exceed five (5) years, with interest to be charged at a mutually agreeable market rate.

10.03 **Transferee Not Member in Absence of Unanimous Consent.** Notwithstanding anything contained in this Operating Agreement to the contrary (including, without limitation, §10.02 above), if all of the remaining Members do not approve by unanimous written consent the proposed sale or gift of the Transferring Member's Membership Interest or Economic Interest to a transferee or donee which is not a Member immediately before the sale or gift, the proposed transferee or donee shall have no right to participate in the management of the business and affairs of the Company or to become a Member. The transferee or donee shall be merely an Economic Interest Owner. No transfer of a Member's interest in the Company (including any transfer of the Economic Interest or any other transfer that has not been approved by unanimous written consent of the Members) shall be effective unless and until written notice (including the name and address of the proposed transferee or donee and the date of such transfer) has been provided to the Company and the nontransferring Member(s).

a. Upon and contemporaneously with any sale or gift of a Transferring Member's Economic Interest in the Company which does not at the same time transfer the balance of the rights associated with the Economic Interest transferred by the Transferring Member (including, without limitation, the rights of the Transferring Member to participate in the management of the business and affairs of the Company), the Company shall purchase from the Transferring Member, and the Transferring Member shall sell to the Company for a purchase price of \$10.00, all remaining rights and interests retained by the Transferring member that immediately before the sale or gift were associated with the transferred Economic Interest.

b. The restrictions on transfer contained in this §10.03 are intended to comply (and shall be interpreted consistently) with the restrictions on transfer set forth in AS 10.05.

ARTICLE XI

Additional Members

11.01 **Admission to Membership.** From the date of the formation of the Company, any Person or Entity acceptable to the Members by their unanimous vote may become a Member in this Company either by the issuance by the Company of Membership Interests for such consideration as the Members by their unanimous votes shall determine, or as a transferee of a Member's Membership Interest or any portion thereof, subject to the terms and conditions of this Operating Agreement.

11.02 **Financial Adjustments.** No new Members shall be entitled to any retroactive



allocation of losses, income, or expense deductions incurred by the company. The Members may, at their option, at the time a new Member is admitted, close the Company books (as though the Company's tax year had ended) or make pro rata allocations of loss, income and expense deductions to a new Member for that portion of the Company's tax year in which a Member was admitted in accordance with the provisions of IRC §706(d) and the Treasury Regulations promulgated there-under.

ARTICLE XII

Dissolution and Termination

12.01 **Dissolution.** The Company shall be dissolved upon the occurrence of any of the following events:

- a. Upon expiration of the term specified in §2.05;
- b. By the written agreement of all Members; or
- c. A person ceases to be a Member upon the occurrence of any of the events of dissociation specified in the Act, unless the business of the Company is continued with the consent of all of the remaining Members within ninety (90) days following the occurrence of such event.

12.02 **Allocation of Net Profit and Loss in Liquidation.** The allocation of Net Profit, Net Loss and other items of the Company following the date of dissolution, including but not limited to gain or loss upon the sale of all or substantially all of the Company's assets, shall be determined in accordance with the provisions of Articles IX and X and shall be credited or charged to the Capital Accounts of the Members in the same manner as Net Profit, Net Loss, and other items of the Company would have been credited or charged if there were no dissolution and liquidation.

12.03 **Winding Up, Liquidation and Distribution of Assets.** Upon dissolution, the Members shall immediately proceed to wind up the affairs of the Company, unless the business of the Company is continued as provided in §12.01(c). The Members shall sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent the Members may determine to distribute any assets to the members in kind) and shall apply the proceeds of such sale and the remaining Company assets in the following order of priority;

- a. Payment of creditors, including Members who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the Company other than liabilities for distribution to Members.



- b. To establish any reserves that the Members deem reasonably necessary for contingent or unforeseen obligations of the Company, and, at the expiration of such period as the Members shall deem advisable, the balance then remaining in the manner provided in Paragraph c. below;
- c. By the end of the taxable year in which the liquidation occurs (or, if later, within ninety (90) days after the date of such liquidation), to the Members in proportion to the positive balances of their respective Capital Accounts, as determined after taking into account all Capital Account adjustments for the taxable year during which the liquidation occurs (other than those made pursuant to this Paragraph c.).

12.04 No Obligation to Restore Negative Capital Account Balance on Liquidation.

Notwithstanding anything to the contrary in this Agreement, upon a liquidation within the meaning of Regulation §1.704-1(b)(2)(ii)(g), if any Member has a negative Capital Account balance (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all taxable years, including the year during which such liquidation occurs), such Member shall have no obligation to make any Capital Contribution to the Company, and the negative balance of such Member's Capital Account shall not be considered a debt owed by such Member to the Company or to any other person for any purpose whatsoever.

12.05 Termination. The Members shall comply with any applicable requirements of applicable law pertaining to the winding up of the affairs of the Company and the final distribution of its assets. Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

12.06 Certificate of Cancellation. When all debts, liabilities and obligations have been paid and discharged or adequate provisions have been made therefore and all of the remaining property and assets have been distributed to the Members, the Members shall file a certificate of cancellation as required by the Act. Upon filing the certificate of cancellation, the existence of the Company shall cease, except as otherwise provided in the Act.

12.07 Return of Contribution Nonrecourse to Other members. Except as provided by law or as expressly provided in this Agreement, upon dissolution each Member shall look solely to the assets of the Company for the return of its Capital Contribution. If the property remaining after the payment of discharge of liabilities of the Company is insufficient to return the contributions of Members, no Member shall have recourse against any other Member.



ARTICLE XIII

Miscellaneous Provisions

13.01 Notices. Any notice, demand, or communication required or permitted to be given by any provision of this Operating Agreement shall be deemed to have been sufficiently given or served for all purposes if delivered personally to the party or to an executive officer of the party to whom the same is directed or, if sent by registered or certified mail, postage and charges prepaid, addressed to the Member's and/or company's address, as appropriate, which is set forth in this Operating Agreement. Except as otherwise provided in this Operating Agreement, any such notice shall be deemed to be given three business days after the date on which the same was deposited in a regularly maintained receptacle for the deposit of United States mail, addressed and set as aforesaid.

13.02 Books of Accounts and Records. Proper and complete records and books of account shall be kept and shall be caused to be kept by the Members in which shall be entered fully and accurately all transactions and other matters relating to the Company's business in the detail and completeness customary and usual for businesses of the type engaged in by the Company. The books and records shall be maintained as provided in §9.09 above. The books and records shall at all times be maintained at the principal executive office of the Company and shall be open to the reasonable inspection and examination of the Members, Economic Interest Owners, or their duly authorized representatives during reasonable business hours.

13.03 Application of Alaska Law. This Operating Agreement, and the application or interpretation hereof, shall be governed exclusively by its terms and by the laws of the State of Alaska, and specifically the Alaska Limited Liability Act.

13.04 Waiver of Action for Participation. Each Member and Economic Interest Owner irrevocably waives during the term of the Company any right that it may have to maintain any action for partition with respect to the property of the Company.

13.05 Amendments. This Operating Agreement may not be amended except by the unanimous written agreement of all of the Members.

13.06 Execution of Additional Instruments. Each Member hereby agrees to execute such other and further statements of interest and holdings, designations, powers of attorney, and other instruments necessary to comply with any laws, rules, or regulations.

13.07 Construction. Whenever the singular number is used in this Operating Agreement and the



when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

13.08 **Headings.** The headings in this Operating Agreement are for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent, or intent of the Operating Agreement or any of its provisions.

13.09 **Waivers.** The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Operating Agreement shall not prevent a subsequent act, that would have originally constituted a violation, from having the effect of an original violation.

13.10 **Right and Remedies Cumulative.** The rights and remedies provided by this Operating Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.

13.11 **Severability.** If any provision of this Operating Agreement or its application to any person or circumstance shall be invalid, illegal, or unenforceable to any extent, the remainder of this Operating Agreement and its application shall not be affected and shall be enforceable to the fullest extent permitted by law.

13.12 **Heirs, Successors, and Assigns.** Each and all of the covenants, terms provisions, and agreements contained in this Operating Agreement shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Operating Agreement, their respective heirs, legal representatives, successors, and assigns.

13.13 **Creditors.** None of the provisions of this Operating Agreement shall be for the benefit of or enforceable by any creditors of the Company.

13.14 **Counterparts.** This Operating Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and same instrument.

CERTIFICATE


The undersigned hereby agree, acknowledge, and certify that the foregoing Operating Agreement, consisting of 25 pages, constitutes the Operating Agreement of **North Road Buds, LLC**, adopted by the Members of the Company on April 30, 2018, to be effective as of April 30, 2018.




MEMBERS


Vern Smith

4-24-18
Date


Lynn Smith

4-27-18
Date


Larry Lewis

4/30/18
Date



STATEMENT OF CAPITAL CONTRIBUTION

North Road Buds LLC,

An Alaska Limited Liability Company

The Undersigned does hereby make the following initial capital contribution to North Road Buds, LLC in exchange for a 44% membership interest for period of three years, at which time undersigned's share increases to 49%

\$50,000

Labor and expertise of the LLC

Dated this 27 day of April, 2018.

Member:

Lynn Smith

Lynn Smith, Member



STATEMENT OF CAPITAL CONTRIBUTION

North Road Buds LLC,

An Alaska Limited Liability Company

The Undersigned does hereby make the following initial capital contribution to North Road Buds, LLC in exchange for a 46% membership interest for period of three years, at which time undersigned's share increases to 51%

Land at 50815 Kosta Road, Nikiski, Alaska 99635

Building located on the above listed land

Labor and management of the LLC

Dated this 27 day of April, 2018.

Member:

Vern Smith

Vern Smith, Member



STATEMENT OF CAPITAL CONTRIBUTION

North Road Buds LLC,
An Alaska Limited Liability Company

The Undersigned does hereby make the following initial capital contribution to North Road Buds, LLC in exchange for a 10% membership interest for a period of three years. At the end of three years, the membership interest ceases with no claim against any assets of the LLC.

\$50,000 loan to be repaid by 10% of the net profits of the LLC for a period of three years from the date of the first sale after the completion of the application.

Dated this 30 day of April, 2018.

Member:



Larry Lewis, Member



MINUTES OF THE ANNUAL MEETING OF MEMBERS
OF
NORTH ROAD BUDS, LLC

The annual meeting of the members of NORTH ROAD BUDS, LLC (hereafter referred to as the "Company") was held at 10 a.m. on the 5th day of May, 2018. Present in person were Vern Smith, Managing Member of the Company, Lynn Smith, and Larry Lewis.

The meeting was called to order by Vern Smith, Managing Member of the Company.

The Managing Member stated that a majority of those members holding an ownership interest in the Company were present or represented and that the meeting was complete and ready to transact any business before it.

The Managing Member presented her annual report of the business and finances of the Company and, upon motion duly made, seconded, and unanimously carried, the report was accepted and ordered to be filed in the Company Record Book.

The Managing Member declared that it was in order to consider the appointment of a Managing Member for the ensuing year. Upon nominations duly made, seconded and unanimously carried, the following person was appointed to serve for a period of one year and until such time as a successor is appointed and qualifies:

VERN SMITH

There being no further business, the meeting was, on motion, adjourned.



Vern Smith,
Member





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:	North Road Buds LLC	License Number:	17811
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	North Road Buds LLC		
Premises Address:	50815 Kosta Rd, Unit #2		
City:	Nikiski	State:	AK
		ZIP:	99635

Section 2 – Individual Information

Enter information for the individual licensee.

Name:	Vernon L Smith
Title:	Owner

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?

I own a Limited Marijuana Cultivation Facility # 11794 (North Road Buds). I am currently researching marijuana product and concentrate manufacturing facility, possibly in the future, but do not have any plans as of yet.



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)) 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.





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-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

Printed name of licensee



Notary Public in and for the State of Alaska

My commission expires: with office

Subscribed and sworn to before me this 21 day of November, 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-00: Application Certifications

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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:	North Road Buds LLC	License Number:	17811
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	North Road Buds LLC		
Premises Address:	50815 Kosta Rd, Unit #2		
City:	Nikiski	State:	AK
		ZIP:	99635

Section 2 – Individual Information

Enter information for the individual licensee.

Name:	Lynn Smith
Title:	Owner

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?

I own a Limited Marijuana Cultivation Facility # 11794 (North Road Buds). I am currently researching marijuana product and concentrate manufacturing facility, possibly in the future, but do not have any plans as of yet.



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-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)) 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.

[Form MJ-00] (rev 09/27/2018)

Page 2 of 3

AMCO Received 11/26/2018



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-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.



Constance K. Nickols
Signature of licensee

Notary Public in and for the State of Alaska

Lynn Smith
Printed name of licensee

My commission expires: with office

Subscribed and sworn to before me this 21 day of November, 2018.

[Form MJ-00] (rev 09/27/2018)

Page 3 of 3

AMCO Received 11/26/2018



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:	North Road Buds LLC	License Number:	17811
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	North Road Buds LLC		
Premises Address:	50815 Kosta Rd, Unit #2		
City:	Nikiski	State:	AK
		ZIP:	99635

Section 2 – Individual Information

Enter information for the individual licensee.

Name:	Larry L Lewis
Title:	Owner

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 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)) 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:

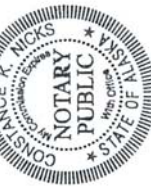
I certify that I do not have an ownership in, or a direct or indirect financial interest in a retail marijuana store, a marijuana cultivation facility, or a marijuana products manufacturing facility.

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.



Notary Public in and for the State of Alaska

Signature of licensee

My commission expires: with office

Subscribed and sworn to before me this 21 day of November, 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:	North Road Buds LLC	MJ License #:	17811
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	North Road Buds LLC		
Premises Address:	50815 Kosta Rd. Unit #2		
City:	Nikiski	State:	Alaska
		ZIP:	99635
Mailing Address:	PO Box 8704		
City:	Nikiski	State:	Alaska
		ZIP:	99635
Designated Licensee:	Vernon L Smith		
Main Phone:	907-776-8619	Cell Phone:	907-202-0407
Email:	smith.vernonlee@outlook.com		



Form MJ-01: Marijuana Establishment Operating Plan

Section 2 – Control Plan for Persons Under the Age of 21

2.1. Describe how the marijuana establishment will prevent persons under the age of 21 from gaining access to any portion of the licensed premises and marijuana items:

North Road Buds LLC will ensure that NO admittance to anyone under the age of 21 will be posted on the doors and enforced by surveillance recording, flood lights and alarm system. There will be commercial grade deadbolt locks on all areas of access.

Every aspect of our operations will have a strong emphasis on security and preventing the exposure and diversion of marijuana to persons under the age of 21. North Road Buds LLC's premises will feature an installed security system featuring high resolution, facial capture capability infrared cameras, dusk to dawn external lighting fixtures, and motion detection sensors on the exterior and interior perimeters. Additionally, signage will be posted on the exterior and interior of the licensed premises in a non-obscured area that states "NOTICE, no person under the age of 21 allowed". North Road Buds LLC will inspect all presented forms of identification, as well as additional security check steps, to verify legal and legitimate identification credentials. Any person found to be under 21 will be asked to leave the license premises immediately and will not be permitted to enter any portion of the licensed premises. North Road Buds LLC will notify law enforcement, if necessary, to assist in any situation involving persons under the age of 21.

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:

North Road Buds LLC will ensure its licensed premises will be designed and constructed to prevent unauthorized entry into restricted access areas by unescorted members of the public. Safety and security will be significant components to the long-term viability of our licensed premises. Our buildings security will include a secured facility entry point utilizing commercial grade door locks and deadbolts with internal vestibules and secured storage rooms. The secured storage rooms will be for all marijuana and inventory. Additionally, the secured storage rooms will be reinforced and climate controlled, ensuring all marijuana is in a secure, locked access area that will prevent degradation, theft, and loss. The exterior perimeter wall, all interior separation and dividing walls for restricted access area will be enhanced with intrusion resistant paneling to detour external penetration. All restricted access areas will use non-residential commercial grade deadbolt locks and be monitored 24hrs by video surveillance recordings in conjunction with a motion alarm system, and indoor/outdoor lighting. Each video surveillance recording will be preserved for a minimum of 40 days, will clearly and accurately display the date and time, and will be archived with no alterations for authentications.

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

All visitors will be documented and logged for accountability, a picture ID as per 3 AAC 306.350 (b)(3) to verify age, and a signature will also be required. The date and time they arrived and were escorted into the restricted areas, and there departure will be logged. All information will be retained for security purposes on a private computer on/off-site. Each video surveillance recording will be preserved for a minimum of 40 days. North Road Buds LLC will maintain a log of all visitors to restricted access areas of the premises for a minimum of one year (current license period) on-site and 5 yrs at an off-site location. Visitors to restricted areas will be documented according to MCB (Marijuana Control Board) requirements in accordance with 3 AAC 306.710 (a) and (c) (1.2.3) and North Road Buds LLC standard operating procedures. A logbook will be securely filed on and off-site detailing visitor specifications, including their name, date, and time of entry, along with a photocopy of their government issued ID. Access to any and all visitor data will be limited to owners/licensee, agents of the MCB, or any agent of a regulatory agency. Files will be protected by secure, lockable cabinets and digitally encrypted passwords where necessary for virtual files that will only be available on a 1 2018 need-to-know basis to premises personnel and upon immediate request by the Marijuana Control Board.



Form MJ-01: Marijuana Establishment Operating Plan

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



North Road Buds LLC
Visitor Pass

To be worn at all times
While on Premises

Must be returned to
NRB, LLC at time of
departure

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:

All exterior lighting will have motion sensor detection/activation as per 3 AAC 306.715 (b) (1.2.3) and will activate, but not initiate, fire and theft alarm. Motion activated Flood lights will be placed at each doorway of the building, any movement within a 20 ft area will activate the flood lights and cause any alarm sensors to be activated. The licensed premises will have adequate lighting to support and facilitate continuous video surveillance in correspondence with 3 AAC 306.720 (a) (1.2.3). The exterior lighting will provide high intensity dusk till dawn illumination to support exterior video surveillance camera fields that produces a clear view adequate to identify any individual, which will include the entire facility perimeter. All security lighting fixtures will ensure proper illumination levels in order to support viable image retrieval from the video surveillance footage that is also capable of infrared capability. North Road Buds LLC facility security and emergency light fixtures will be tested regularly to ensure proper functionality and overall compliance.



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 security alarm surveillance system for the premises will be monitored by a 3rd party Security Service Co. and can be activated manually or by a security application on a keypad, or automatically. The alarm system monitors movement, fire and gas, and any other disruptions due to power-outage, break-ins or other anomalies that may trigger the alarm. Once the alarm is triggered the Owner/Licensee, Law Enforcement, Fire Dept., and medical services are alerted (if needed). NRB LLC intends on engaging a security service provider to professionally install our security alarm, all cameras and associated wiring, and detection sensors that will be included in the overall security systems. Our alarm system will be interactive, incorporating dedicated communication channels, tamper-resistant protection, awareness control measures, image sensing, video monitoring, and access control considerations in order to ensure maximum security and safety. NRB LLC's alarm system will also feature continuous monitoring and customizable notifications providing Owner/Licensee's with a mobile application for authorized users, instantaneous alerts, personalized user access codes, and historical activity reporting, with the capability to search for specific events, activity by sensor, or date and time. NRB LLC will be in compliance with statute 3 AAC 306.720.

The security alarm surveillance system is currently designed to meet and exceed the standards mentioned. There is one entrance door and two exit doors to the facility, and those doors will be equipped with sensors to activate the alarm. Motion sensors will activate all indoor or outdoor lighting and arm the alarm, along with the 24 hr. video surveillance system, and will video record all activity while premises are vacant. The alarm will trigger if sensors are disrupted. Our alarm system and associated sensors and detectors will be continuously monitored by a 3' party security system. Our licensed premises alarm systems will communicate via land line, cell phone, law enforcement notification, and touch pad provided by our security provider. Our alarm system, access control devices and video surveillance will be supported with a backup battery system that provides full operational capability during a total power loss. AMCO will be notified within 24 hours of unauthorized access to premises.

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

All activities will be monitored per video surveillance protection. No person shall have access to restricted areas unless accompanied by designated handler. Adequate video and alarm systems are in place. The security alarm surveillance system is currently designed to meet and exceed the standards mentioned. There is one entrance way and two exits; they will be equipped with a sensor to activate the alarm, and, in addition, a security provider keypad. Motion sensors will activate all indoor or outdoor lighting and arm the alarm, along with the 24 hr. video surveillance system, and will video record all activity while premises are vacant. The alarm will trigger if sensors are disrupted. The system is designed to be in compliance with 3 AAC 306.715 (b) (1) (2) (3) and (c) (1) (2) and (d).

3.7. Describe your policies and procedures for preventing loitering:

Public safety and safe access to marijuana and it's licensed premises are a priority to NRB LLC's operating plan. We will position and mount all external cameras and lighting fixtures in clear view of the public to establish video surveillance monitoring activities. Signs will be posted and illumination identification capabilities will be present. We intend to place signs inside and outside of the building that read: NOTICE: this area is under 24 hour surveillance". NRB LLC does not intend to post signs with our business name at our cultivation facility. It is our intention to keep our cultivation facility nondescript and visually unobtrusive to our surrounding area. NRB LLC will be in compliance with 3 AAC 306. 715 (c) (2)

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

Initials

3.8. I certify that if any additional security devices are used, such as a motion detector, pressure switch, and duress, panic, or hold-up alarm, to enhance security of the licensed premises, I will have written policies and procedures describing their use.

[Form MJ-01] (rev 12/01/2017)

License # 17811

Page 4 of 11

License # 17811

AMCO Received 11/26/2018

AMCO Received 11/13/2018



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:

The video surveillance cameras will be placed in two key areas that will record a 360° area inside the premises and outside the premises. There will be two cameras placed at the entrance/exit door, and two cameras placed inside the area of cultivation facing each other from opposite sides of the room. There will be one camera placed in the marijuana cure/storage area. NRB will ensure that video surveillance cameras at its licensed premises will be positioned to produce a clear view adequate to identify an individual inside the licensed premises, or within 20 feet of the exterior entrance to the licensed premises. We will implement notices advising all persons of the ongoing 24 hr. video surveillance operations. On the interior of the licensed premises, video cameras will be placed establishing clear lines of sight at the entrance to ensure more than adequate visual coverage of the premises. Cameras will be positioned on the interior and exterior of the premises ensuring the capture of facial characteristics of any individual entering or exiting the building. We will ensure a surveillance camera will capture activity at the entrance to all restricted areas where marijuana is cultivated, packaged, processed, or stored in compliance with 3 AAC 306.720 (a) (1) (2) (3), 3 AAC 306.720 (b) and (c). NRB licensed premises activity will always be conducted on 24 hr. video camera and where applicable lighting will automatically illuminate to guarantee quality video coverage that is unobstructed and appropriate contrasting is needed, and in compliance with 3 AAC 306.720

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 recording equipment and records will be housed and stored at a separate designated, locked and secure area, such as a lock box, cabinet, or closet other than near the area of cultivation. Owner will ensure the storage area is accessible to authorized personnel only, law enforcement, and/or an agent of the board. Each video surveillance recording will be preserved for a minimum of 40 days, will clearly and accurately display the date and time, and will be archived with no alterations for authentication. NRB LLC will be in compliance with 3 AAC 306.720 (e). All video surveillance records and recording equipment will have a failsafe backup system in case of electrical or equipment failure. If the primary system is compromised the backup systems use a battery pack for sudden power outages or prolonged power outages. All 24hr video surveillance recordings will be saved to an Online Internet Cloud for security purposes thus allowing for continuous 24 hr. video surveillance without disruptions. Only the Owner/licensee of NRB will have access to the stored information that is either password protected or secured by locked cabinets. NRB will be in compliance with all of 3 AAC 306.720 (d)

[Form MJ-01] (rev 12/01/2017)

17811

License #

ALCOHOL & MARIJUANA CONTROL BOARD
STATE OF ALASKA

MAY 31 2018

Page 5 of 11



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 4 – Business Records

Review the requirements under 3 AAC 306.755. All licensed marijuana establishments must maintain, in a format that is readily understood by a reasonably prudent business person, certain business records.

4.1. I certify that the following business records will be maintained and kept on the licensed premises:

Initials



a. all books and records necessary to fully account for each business transaction conducted under my license for the current year and three preceding calendar years (records for the last six months must be maintained on the licensed premises; older records may be archived on off-premises);



b. a current employee list setting out the full name and marijuana handler permit number of each licensee, employee, and agent who works at the marijuana establishment;



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



d. records related to advertising and marketing;



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



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



g. all records normally retained for tax purposes;



h. accurate and comprehensive inventory tracking records that account for all marijuana inventory activity from seed or immature plant stage until the retail marijuana or retail marijuana product is sold to a consumer, to another marijuana establishment, or destroyed;



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



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

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 records will be maintained electronically by specific software and preserved on a computer Cloud protected by Norton 360 anti-virus software. Physical records will be housed off-site in a locked and secure area or in a lock box, cabinet, closet or other secure area that is accessible only to a marijuana establishment owner/licensee of NRB LLC, and to law enforcement personnel including a peace officer or an agent of the board. NRB LLC will ensure that all required records will be maintained in either paper or electronic form. If in paper format, the records will be scanned and placed in a proper digital folder in NRB's computer system where it will be kept on a hard drive and copied to computer Cloud. The hard copy or original will remain in a locked cabinet that is located in a secure storage room and the area with access to such records is limited to authorized personnel only. If in electronic format, access to such records will be protected by password that will be available only to owners/licensee who need to access or create such records in accordance with the MCB, and all electronic records will be backed up on a server that is maintained both on-site and off-site. NRB LLC will retain all records in a format that is readily understood by a reasonably prudent business person and such record keeping of documents will be in compliance with 3 AAC 306.755(a) (1)-(9), 3 AAC 306.755(b) and (c). All accurate and comprehensive seed-to-sale inventory tracking records, and transportation records for all marijuana as required by the Marijuana Control Board under 3 AAC 306.750(f). We will incorporate our business operations software with METRC, Quick Books for accounting purposes, CLOUD for document storage, and other applications as needed to create and establish a comprehensive record retention program. Our intent is to continue tracking all business facets associated with each phase. NRB LLC will retain all business records conducted under our license for the current year, and three preceding calendar years, securely on-site and available upon request for the Marijuana Control Board, or any regulatory agency in compliance with 3 AAC 306.755 Business Records.

[Form MJ-01] (rev 12/01/2017)

17811

License #

ALCOHOL & MARIJUANA CONTROL BOARD
STATE OF ALASKA

MAY 31 2018

Page 6 of 11



Form MJ-01: Marijuana Establishment Operating Plan

Section 5 – Inventory Tracking of All Marijuana and Marijuana Product

Review the requirements under 3 AAC 306.730. All licensed marijuana establishments must use a marijuana inventory tracking system capable of sharing information with Metrc to ensure all marijuana cultivated and sold in the state, and each marijuana product processed and sold in the state, is identified and tracked from the time the marijuana is propagated from seed or cutting, through transfer to another licensed marijuana establishment, or use in manufacturing a marijuana product, to a completed sale of marijuana or marijuana product, or disposal of the harvest batch of marijuana or production lot of marijuana product.


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


- 5.1.1. My marijuana establishment will be using Metrc, and if any other tracking software is used, it will be capable of sharing information with Metrc.
- 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 AC 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: Initials

-  1.1. 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.

 1.2. 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.

 1.3. 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.

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

i.4. Describe any in-house training that will be provided to employees and agents (apart from a marijuana handler course):

All Agents and employee's of North Road Buds LLC will receive training in health and safety requirements appropriate for the "safe handling procedures", associated with marijuana cultivation, good hygienic practices; cleaning and maintenance of equipment and the premises; North Road Buds LLC will maintain a copy of qualified agents or employees and will conduct regular inspections of handler permit cards in order to be in compliance with qualifications and training. North Road Buds LLC employees will obtain a marijuana handler permit from the board before beginning employment at the marijuana establishment. North Road Buds LLC will ensure that employee's marijuana handler permit is current and up to date, and shall enforce that person's marijuana handler permit card is in that person's immediate possession, or on file at premises. NRB LLC will be in compliance with 3 AAC-306.700 (a) and (b) (1)-(6), (c), (d).

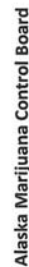
(b) (1)-(6), (c), (d).

Form MJ-01] (rev 12/01/2017)

17811

License #

Page 7 of 11



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

- 7.7.1. I understand that a marijuana establishment is subject to inspection by the local fire department, building inspector, or code enforcement officer to confirm that health or safety concerns are not present.
- 7.7.2. I have policies regarding health and safety standards (including: ensuring a person with an illness or infection does not come into contact with marijuana or marijuana product; good hygienic practices; cleaning and maintenance of equipment and the premises; pest deterrence; chemical storage; sanitation principles; and proper handling of marijuana and marijuana product) and will take all reasonable measures and precautions to ensure that they are met or exceeded.
- 7.7.3. I have policies to ensure that any marijuana or marijuana product that has been stored beyond its usable life, or was stored improperly, is not salvaged and returned to the marketplace.
- 7.7.4. I have policies to ensure that in the event information about the age or storage conditions of marijuana or marijuana product is unreliable, the marijuana or marijuana product will be handled in accordance with 3 AAC 306.735(d).

Answer "Yes" or "No" to each of the following questions:

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. ☒
6. Convenient handwashing facilities with running water at a suitable temperature are clearly indicated on my Form MJ-02: Premises Diagram. ☒

- 7.7. If you answered "No" to either 7.5 or 7.6 above, describe how toilet and/or handwashing facilities are made accessible, as required by 3 AAC306.735(b)(2):

Section 8 – Transportation and Delivery of Marijuana and Marijuana Products

Review the requirements under 3 AAC 306.750.

- 8.1. Describe how marijuana or marijuana product will be prepared, packaged, and secured for shipment. Include a description of the type of locked, safe, and secure storage compartments to be used in vehicles transporting marijuana or marijuana product:**

[illegible]

May 3 2018

All marijuana products will be locked in a keyed or numbered pelican transport case with multiple locks or a metal lock box that will be used only in a registered vehicle with the state. All keys or combination lock boxes will be accessed by licensed registered handlers. Locked boxes will not be opened during transport.

Form MJ-011 (rev 12/01/2017)

17811

License # _____

Page 8 of 11



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.



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.



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.



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.



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.



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.



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



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):

No business signs will be posted. NRB LLC is not a marijuana retail store. NRB does not intend to post any signs with our business name at our cultivation facility. Safety and security are of the utmost importance to our facility and signs identifying the cultivation facility compromise these considerations. It is our intention to keep our cultivation facility nondescript and visually unobtrusive to our surrounding community.



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):



Business Logo





Alaska Marijuana Control Board Form MJ-01: Marijuana Establishment Operating Plan

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

North Road Buds, LLC intends, at some point, to distribute photo brochures showing strains available to retail stores, posters, Weedmaps, Internet, social media.



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-02: Premises Diagram

What is this form?

A detailed diagram of the proposed licensed premises is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(8). All areas designated as the licensed premises of a single licensee 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 licensees 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:	North Road Buds LLC	MJ License #:	17811
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	North Road Buds LLC		
Premises Address:	50815 Kosta Rd. Unit #2		
City:	Nikiski	State:	Alaska
		ZIP:	99635

[Form MJ-02] (rev 01/10/2018)

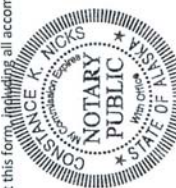
Page 1 of 2

AMCO Received 11/13/2018

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

Signature of licensee
Vernon L Smith

Printed name of licensee



Notary Public in and for the State of Alaska

My commission expires: with office

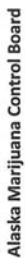
Subscribed and sworn to before me this 13 day of November, 2018.

[Form MJ-01] (rev 12/01/2017)

Page 10 of 11

License # 17811

AMCO Received 11/13/2018



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:

- | | |
|-------------------------------------|------------------------|
| <input checked="" type="checkbox"/> | License number and DBA |
| <input checked="" type="checkbox"/> | Legend or key |
| <input checked="" type="checkbox"/> | Color coding |
| <input checked="" type="checkbox"/> | Dimensions |
| <input checked="" type="checkbox"/> | Labels |
| <input checked="" type="checkbox"/> | 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:

- | | |
|-------------------------------------|-----------------------------|
| <input checked="" type="checkbox"/> | Areas of ingress and egress |
| <input checked="" type="checkbox"/> | Entrances and exits |
| <input checked="" type="checkbox"/> | 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

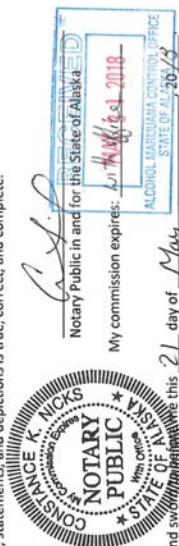
The following additional details must be included in Diagram 5:

- | | | |
|-------------------------------------|---|---------------------------------------|
| <input checked="" type="checkbox"/> | ✓ | Areas of ingress and egress |
| <input checked="" type="checkbox"/> | ✓ | Entrances and exits |
| <input checked="" type="checkbox"/> | ✓ | Walls and partitions |
| <input checked="" type="checkbox"/> | ✓ | Cross streets and points of reference |

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
Vernon L. Smith

Printed name of licensee



Subscribed and sworn to before me this 21 day of May

[illegible]



Diagram #3

North Road Buds LLC
50815 Kosta Rd Unit #2
Nikiski AK 99635
MJ license # 17811

- Property lines, Driveway and parking
- Building



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-04: Marijuana Cultivation Facility

What is this form?

This operating plan supplemental form is required for all applicants seeking a marijuana cultivation facility license and must accompany Form MJ-01: Marijuana Establishment Operating Plan, per 3 AAC 306.020(b)(11). Applicants should review Chapter 306: Article 4 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 306.420(2).

What additional information is required for cultivation facilities?

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

- Prohibitions
- Cultivation plan
- Waste disposal
- Odor control
- Testing procedure and protocols
- Packaging and labeling

This form must be completed and submitted to AMCO's main office before any new or transfer application for a standard marijuana cultivation facility or limited marijuana cultivation facility 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:	North Road Buds LLC	MJ License #:	17811
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	North Road Buds LLC		
Premises Address:	50815 Kosta Rd. Unit #2		
City:	Nikiski	State:	Alaska
		ZIP:	99635





Form MJ-04: Marijuana Cultivation Facility Operating Plan Supplemental

Section 2 – Overview of Operations

2.1. Provide an overview of your proposed facility's operations. Include information regarding the flow of marijuana from seed or clone to harvest and transfer from your premises:

North Road Buds LLC proposed facilities operations from seed or clone to sale begins with an established tracking system METRC and sharing information with the system the board implemented to ensure all marijuana cultivated 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. Once the marijuana has been propagated it is designated "immature" in METRC and the seed or clone will Veg/grow to a height of 8" inches. Once it reaches this height it will be assigned a tracking number or "tag", and will go from "immature" to "veg" and the tag will be attached to the plant. Each tag will be registered with METRC. This tracking number or tag has been issued by METRC of which the MC board has approved of. Each tag will represent a marijuana plant and will be registered with METRC as its life cycle evolves. The marijuana will then Veg/grow until it reaches the "flowering" stage of its life cycle. Once again this is registered and shared in METRC until it is time to harvest. When harvested, bud and flower or leaves, may be combined in harvest batches of distinct strains, not exceeding five pounds. Each harvest batch must be given an inventory tracking number. After harvest and harvest batch has been documented in METRC the harvest is then processed "dried and/or cured". A sample is then taken from the harvest batch (1 sample per strain) and submitted for testing. After the sample has passed testing "it is then recorded in METRC" and the package prepared for transport in compliance with 3 AAC 306.470 (a) (1)(B), (c)(d) (1.2.3). Then Each package is identified by a tracking label generated for tracking by the marijuana cultivation facility's marijuana tracking inventory in "METRC". Then North Road Buds LLC shall prepare the marijuana for transport or transfer to another marijuana establishment by placing the marijuana packaged in compliance with (a - c) of sec 3 AAC 306.470 sealed in a transport container affixing a label in compliance with 3 AAC 306.470 to the shipping container; and generating a transport manifest from the marijuana cultivation facility's marijuana inventory tracking system. The transport manifest must remain with the marijuana at all times while being transported, and a copy must be given to the licensed marijuana establishment that receives the shipment.

Section 3 – Prohibitions

Review the requirements under 3 AAC 306.405 and 3 AAC 306.410.

3.1. I certify that the marijuana cultivation facility will not:

- self, distribute, or transfer any marijuana or marijuana product to a consumer, with or without compensation;
- allow any person, including a licensee, employee, or agent, to consume marijuana or marijuana product on the licensed premises or within 20 feet of the exterior of any building or outdoor cultivation facility; or
- treat or otherwise adulterate marijuana with any organic or nonorganic chemical or compound to alter the color, appearance, weight, or odor of the marijuana.

Section 4 – Cultivation Plan

Review the requirements under 3 AAC 306.420 and 3 AAC 306.430.

4.1. Describe the size of the space(s) the marijuana cultivation facility intends to be under cultivation, including dimensions and overall square footage. Provide your calculations below:

1st Floor	Room A is 13' ft X 30' ft = 390 sq ft
	Room B is 13' ft X 30' ft = 390 sq ft
	Room C is 9'4" ft X 13'4" ft = 125.96 sq ft
	Room D is 9'6" ft X 13'4" ft = 128.64 sq ft
	Overall sq ft = 1034 sq ft
2nd Floor	Room 1A is 10'11" ft X 17'4" ft = 175.94 sq ft
	Room 1B is 30' ft X 30' ft = 900 sq ft
	Overall sq ft = 1075.94 sq ft
Overall square footage of the marijuana cultivation facility intends to be under cultivation = 2110.54 sq ft	



Form MJ-04: Marijuana Cultivation Facility Operating Plan Supplemental

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

Initials

4.2. The proposed area(s) for cultivation are clearly identified on the Form MJ-02: Premises Diagram that is submitted with this application.



Answer "Yes" or "No" to the following question:

Yes No

4.3. Will the marijuana cultivation facility include outdoor production?

☐ Yes ☒ No

If "Yes", describe the outdoor structure(s) or the expanse of open or clear ground and how it is fully-enclosed by a physical barrier:

4.4. Describe the method(s) used to ensure that any marijuana at the marijuana cultivation facility, whether indoors or outdoors, cannot be observed by the public from outside the facility:

All marijuana will be cultivated indoors, there are no windows in the facility that is cultivating marijuana, marijuana will not be visible from the outside.

4.5. Describe the marijuana cultivation facility's growing medium(s) to be used:

Pro-Mix dirt
Perlite
Sand
Coco Cubes

4.6. Provide the complete product name and EPA registration # (if applicable) for each of the cultivation facility's pesticides and pest control products to be used. All proposed products must be on DEC's list of approved pesticides in the state of Alaska:

Proposed products for use if necessary:
GARDEN SAFE NEEM OIL EXTRACT CONC- EPA #70051-2-39609
CLONEX ROOTING GEL- EPA #79664-1
Vapor strips

4.7. Describe all other fertilizers, chemicals, gases, and delivery systems, including carbon dioxide management, to be used at the marijuana cultivation facility:

Fertilizers to be used at facility include: agricultural fertilizers containing nitrogen, molybdenum, phosphorus, chloride, potassium, calcium, magnesium, sulfur, boron, copper, zinc, iron and manganese. Brands of fertilizer include: Advanced Nutrients, RAW and Mammoth P. Delivery system to be used is water wand. There will be no CO2 delivery system.



Form MJ-04: Marijuana Cultivation Facility Operating Plan Supplemental

4.7. Describe the marijuana cultivation facility's irrigation and waste water systems to be used:

Irrigation will consist of 300 gallon water reservoir to be used for water storage. A submersible pump will be used to distribute water through a 3/4 inch hose. All overflow will be collected in 18" inch drip pans and placed back into the reservoir for re-use. Waste water will be collected in drip pans and placed back into the water reservoir.

Section 5 – Waste Disposal

Review the requirements under 3 AAC 306.740.

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

5.1. The marijuana cultivation facility 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.

3 AAC 306.740(c) before making marijuana waste unusable and disposing of it.

5.2. Describe how you will store, manage, and dispose of any solid or liquid marijuana waste, including wastewater generated during marijuana cultivation, 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: North Road buds LLC will store, manage, and dispose of all marijuana waste, and render it unusable for any purpose for which it was grown before it leaves North Road Buds LLC facility. This will include marijuana plant waste, including stalks, leaves, stems. The waste will be logged into METRC and give the Marijuana Control Board not later than 3 days notice before making the waste unusable and disposing of it. North Road Buds LLC will see that all marijuana plant waste be made unusable by grinding the marijuana plant solid waste (stalks, stems, and leaves) and mixing it with at least an equal amount of other compostable or non-compostable materials including food waste, yard waste, vegetable waste grease and oils, or other wastes approved by the board will be used to render all marijuana waste unusable as indicated in regulation 3 AAC 306.740 (c) (1.2.3). Once ground and rendered unusable the marijuana will be used as compost. North Road buds LLC will keep a record of the final destination of marijuana waste made unusable.



Form MJ-04: Marijuana Cultivation Facility Operating Plan Supplemental

Section 6 – Odor Control

Review the requirements under 3 AAC 306.430.

Answer "Yes" or "No" to the following question:

6.1. Have you received an exemption from your local government for the odor control requirement set forth in 3 AAC 306.430(c)(2)?

Yes ☐ No ☒

If "Yes", you must be able to certify the statement below. Read the following and then sign your initials in the box: Initials

I am attaching to this form documentation of my odor control exemption from the local government.

If "No" to question 6.1., describe the odor control method(s) to be used and how the marijuana cultivation facility will ensure that any marijuana at the facility does not emit an odor that is detectable by the public from outside the facility:

North Road Buds LLC will be using carbon coated air filters both inside and outside the cultivation rooms to scrub the air of any smell pertaining the cultivation of marijuana and does not emit an odor that is detectable by the public from outside the cultivation facility. North Road Buds LLC is dedicated to maintaining a low profile and and recognizes the need to stay away from any unwanted attention such as the odor deriving from it's cultivation facility.

Section 7 – Testing Procedure and Protocols

Review the requirements under 3 AAC 306.455 and 3 AAC 306.465.

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 and agree that the board or director will, from time to time, require the marijuana cultivation facility to provide samples of the growing medium, soil amendments, fertilizers, crop production aids, pesticides, or water for random compliance checks.

7.2. I will ensure that any individual responsible for collecting random, homogenous samples for required laboratory testing under 3 AAC 306.455 will prepare the necessary accompanying signed statement, provide the signed statement to the marijuana testing facility, and maintain a copy as a business record under 3 AAC 306.755.

7.3. Describe the testing procedures and protocols the marijuana cultivation facility will follow:

North Road Buds LLC will provide a sample of each harvested batch of marijuana produced at it's facility to a marijuana testing facility and will not sell or transport any marijuana until all laboratory testing required under 3 AAC 306.645 has been completed. North Road Buds LLC will collect a random, homogenous sample for testing by segregating harvested marijuana into batches of individual strains of bud and flower, then selecting a random sample from each batch in an amount required by the marijuana testing facility. North Road Buds LLC will then designate an individual responsible for collecting each sample; the owner/ licensee will prepare a signed statement showing that each sample has been randomly selected for testing and will provide the signed statement to the marijuana testing facility.

The owner/ licensee will maintain a copy as a business record 3 AAC 306.755 and transport the sample to the marijuana testing facility's licensed premises in compliance with 3 AAC 306.750.

North Road Buds LLC will segregate the entire batch from which the testing sample was selected until the marijuana testing facility reports the results from it's tests. During this period of segregation North Road Buds LLC shall maintain the marijuana in a secure, cool, and dry location to prevent the marijuana from contaminated or losing its efficacy. North Road Buds LLC will not sell or transport any marijuana from the segregated batch until the marijuana testing facility has completed its testing and has provided those results in writing to North Road Buds LLC. North Road Buds LLC shall maintain the testing results as part of its business books and records.

North Road Buds LLC shall provide at the request of the board or the director of the board, samples of its growing medium for random compliance checks and shall bear all the costs of testing, and shall collect the test samples and will cooperate to facilitate the collection of the samples.





Alaska Marijuana Control Board
Form MJ-04: Marijuana Cultivation Facility Operating Plan Supplemental

Section 8 – Packaging and Labeling

Review the requirements under 3 AAC 306.470 and 3 AAC 306.475.

Answer "Yes" or "No" to the following question:

8.1. Will the marijuana cultivation facility be packaging marijuana for a retail marijuana store to sell to a consumer without repackaging? Yes ☐ No ☒

If "Yes", describe how the marijuana cultivation facility will ensure that the marijuana sold will meet the packaging requirements in 3 AAC 306.470, and provide a sample label that the facility will use to meet the labeling requirements set forth in 3 AAC 306.475:

Answer "Yes" or "No" to the following question:

8.2. Will the marijuana cultivation facility be packaging marijuana in wholesale packages? Yes ☒ No ☐

If "Yes", describe how the marijuana cultivation facility will ensure that the marijuana sold will meet the packaging requirements in 3 AAC 306.470, and provide a sample label that the facility will use to meet the labeling requirements set forth in 3 AAC 306.475:

Marijuana will be sold to a retail marijuana store in a wholesale package (A) not exceeding five pounds; and (B) consisting of a single strain or a mixture of strains as identified on the label. In addition, the packaging will protect the product from contamination and may not impart any toxic or damaging substance to the marijuana; (C) each package prepared in compliance with this section must be identified by a tracking label generated for tracking by the marijuana cultivation facility's METRC system. A label will be affixed to each package reporting the test results, including: soil amendment, fertilizer, and other crop production aid applied, including pesticide, etc that was used, the name of the testing facility that performed lab tests, and results of each test; will not label as organic. Each package will provide name and license # of cultivation facility, METRC tracking # assigned to package, and net weight in package using standard measure compatible with METRC, including a copy of test results from the licensed marijuana testing facility.

I certify that as a marijuana cultivation facility, I will submit monthly reports to the Department of Revenue and pay the excise tax required under AS 43.61.010 and AS 43.61.020 on all marijuana sold or provided as a sample to a marijuana establishment, as required under 3 AAC 306.480.

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

Signature of licensee Vernon L Smith
Printed name of licensee
Notary Public in and for the State of Alaska
My commission expires: with office

Subscribed and sworn to before me this 13 day of November, 2018.



Alaska Marijuana Control Board
Form MJ-04: Marijuana Cultivation Facility Operating Plan Supplemental

(Additional Space as Needed):

Labeling

Label to be attached:

Cannabinoid potency range profile % for the past 3 Months _____
Microbial Testing statement & results _____
Each soil amendment, fertilizer, other crop production aids applied to grow medium _____
Testing Facility: _____
Molds, Mildew, and Filth _____
Herbicides, Pesticides, and Fungicides _____
Harmful Chemicals _____
North Road Buds, LLC _____
License # 17811 _____
METRC tracking # _____
Net weight of package _____

Marijuana has intoxicating effects and may be habit forming and addictive. Marijuana impairs concentration, coordination, and judgment. Do not operate a vehicle or machinery under its influence. There are health risks associated with consumption of marijuana. For use only by adults twenty-one and older. Keep out of the reach of children. Marijuana should not be used by women who are pregnant or breast feeding.



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:	North Road Buds LLC	License Number:	17811
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	North Road Buds LLC		
Premises Address:	50815 Kosta Rd Unit #2		
City:	Nikiski	State:	Alaska
		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: 5-1-18 End Date: 5-14-18

Other conspicuous location: Fred Meyer - Soldotna

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



Signature of licensee
Vernon L Smith
Printed name of licensee

Notary Public in and for the State of Alaska
My commission expires: with office

Subscribed and sworn to before me this 13 day of November 2018.



Public Notice Application for Marijuana Establishment License

License Number: 17811
License Status: Initiated
License Type: Standard Marijuana Cultivation Facility
Doing Business As: NORTH ROAD BUDS LLC
Business License Number: 1070488
Email Address: smith.vernonlee@outlook.com
Latitude, Longitude: 60.716267, -151.237576
Physical Address: 50815 Kosta Rd. Unit #2
Nikiski, AK 99635
UNITED STATES

Licensee #1

Type: Entity
Alaska Entity Number: 10082771
Alaska Entity Name: North Road Buds, LLC
Phone Number: 907-776-8919
Email Address: smith.vernonlee@outlook.com
Mailing Address: PO Box 8704
Nikiski, AK 99635-8704
UNITED STATES

Entity Official #2

Type: Individual
Name: Larry Lewis
Phone Number: 907-262-1370
Email Address: larrylewisak@gmail.com
Mailing Address: PO Box 403
Kasilof, AK 99610
UNITED STATES

Entity Official #1

Type: Individual
Name: Vernon L Smith
Phone Number: 907-776-8619
Email Address: smith.vernonlee@outlook.com
Mailing Address: PO Box 8704
Nikiski, AK 99635-8704
UNITED STATES

Entity Official #3

Type: Individual
Name: Lynn Smith
Phone Number: 907-776-8619
Email Address: smith.vernonlee@outlook.com
Mailing Address: PO Box 8704
Nikiski, AK 99635
UNITED STATES

Note: No affiliates entered for this license.

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

POSTING DATE



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:	North Road Buds LLC	License Number:	17811
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	North Road Buds LLC		
Premises Address:	50815 Kosta Rd Unit #2		
City:	Nikiski	State:	Alaska
		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: 5-21-18

Name/Title of LG Official 1: John Blankenship Name/Title of LG Official 2: _____

Community Council: _____ Date Submitted: _____

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

Signature of licensee: Vernon L Smith Notary Public in and for the State of Alaska

Printed name of licensee: Vernon L Smith My commission expires: with office

Subscribed and sworn to before me this 13 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:	North Road Buds LLC	License Number:	17811
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	North Road Buds LLC		
Premises Address:	50815 Kosta Rd Unit #2		
City:	Nikiski	State:	Alaska
		ZIP:	99635

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Vernon L Smith		
Title:	Owner		
SSN:		Date of Birth:	



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

Vernon L Smith

Printed name of licensee

Notary Public in and for the State of Alaska

My commission expires: with office
Subscribed and sworn to before me this 30 day of May, 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:	North Road Buds LLC	License Number:	17811
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	North Road Buds LLC		
Premises Address:	50815 Kosta Rd Unit #2		
City:	Nikiski	State:	Alaska
		ZIP:	99635

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Lynn Smith		
Title:	Owner		
SSN:		Date of Birth:	



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.



Lynn Smith
Signature of licensee

Lynn Smith

Printed name of licensee

Notary Public in and for the State of Alaska

My commission expires: *with office*

Subscribed and sworn to before me this *30* day of *May*, 20*18*.



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:	North Road Buds LLC	License Number:	17811
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	North Road Buds LLC		
Premises Address:	50815 Kosta Rd Unit #2		
City:	Nikiski	State:	Alaska
		ZIP:	99635

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Larry L Lewis		
Title:	Owner		
SSN:		Date of Birth:	



Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.license@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.

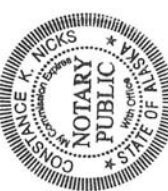
I understand that my fingerprints will be used to check the criminal history records of the Federal Bureau of Investigation (FBI), and that I have the opportunity to complete or challenge the accuracy of the information contained in the FBI identification record.
The procedures for obtaining a change,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


Signature of licensee

Larry L Lewis

Printed name of licensee




Notary Public in and for the State of Alaska

My commission expires: with office

Subscribed and sworn to before me this 30 day of May, 2018.



Department of Commerce, Community, & Economic Development

Alcohol & Marijuana Control Office

License #17811
Initiating License Application
11/12/2018 10:27:25 AM

License Number: 17811

License Status: New

License Type: Standard Marijuana Cultivation Facility

Doing Business As: NORTH ROAD BUDS LLC

Business License Number: 1070488

Designated Licensee: Vernon L. Smith

Email Address: smith.vernonlee@outlook.com

Local Government: Kenai Peninsula Borough

Community Council:

Latitude, Longitude: 60.716267, -151.237576

Physical Address: 50815 Kosta Rd, Unit #2
Nikiski, AK 99635
UNITED STATES

Licensee #1

Type: Entity

Alaska Entity Number: 10082771

Alaska Entity Name: North Road Buds, LLC

Phone Number: 907-776-8919

Email Address: smith.vernonlee@outlook.com

Mailing Address: PO Box 8704
Nikiski, AK 99635-8704
UNITED STATES

Entity Official #1

Type: Individual

Name: Vernon L. Smith

Phone Number: 907-776-8619

Email Address: smith.vernonlee@outlook.com

Mailing Address: PO Box 8704
Nikiski, AK 99635-8704
UNITED STATES

Entity Official #2

Type: Individual

Name: Larry Lewis

Phone Number: 907-262-1370

Email Address: larrylewisak@gmail.com

Mailing Address: PO Box 403
Kasilof, AK 99610
UNITED STATES

Entity Official #3

Type: Individual

Name: Lynn Smith

Phone Number: 907-776-8619

Email Address: smith.vernonlee@outlook.com

Mailing Address: PO Box 8704
Nikiski, AK 99635
UNITED STATES

Note: No affiliates entered for this license.

LEASE AGREEMENT

THIS LEASE made this 13 day of November, 2018 by and between, Vern and Lynn Smith., hereinafter referred to as "LESSOR", and North Road Buds, LLC., hereinafter referred to as "LESSEE".

WITNESSETH:

WHEREAS, Lessor is the owner of certain property located at Nikiski Alaska, which is more fully described hereinafter, and which property is hereinafter referred to as the "LEASED PREMISES"; and

WHEREAS, Lessor desires to lease the Leased Premises to Lessee for commercial activity; and

WHEREAS, Lessee desires to lease the Leased Premises from the Lessor for commercial activity;

NOW THEREFORE, in consideration of the premises, the covenants made herein, and the acts to be performed by the parties hereto, the parties have agreed and by these presents do agree as follows:

I

RECITALS

The recitals hereinabove set forth are incorporated herein by reference for all purposes.

II

LEASED PROPERTY

Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor the following described property:

Building only located at 50815 Kosta Rd. Nikiski, Alaska 99635
Unit #2

III

LEASE TERM

The term of this lease shall be for Three (3) year commencing on the 13 day of November, 2018, and ending on the 13 day of November, 2021, unless continued as hereinafter provided.

IV

OPTION TO RENEW

Lessor agrees that Lessee shall have the option to extend this Lease Agreement for One (1) year on the same terms and conditions as provided herein, upon the further condition that the rental for any extended period shall be subject to rental increases as provided hereinafter. Lessee shall exercise its option to renew this lease by giving written notice to Lessor of Lessee's intent to exercise the above-mentioned option at least ninety (90) days before the termination of the current lease term.

V

RENTAL PAYMENTS

(a) The monthly rental payments due from the 15 day of November, 2018, until the 15 day of November, 2021 shall be One THOUSAND DOLLARS (\$1,000) each and being due on the first day of the month, commencing on the 1st day of November, 2018.

(b) During any extended term of this Lease Agreement (20__ - 20__), the monthly rental payments which Lessee shall pay to Lessor shall be the sum of _____ DOLLARS (\$ _____) per month, each being due on the first day of the month.

VI

SECURITY DEPOSIT

On the execution of this Lease, Lessee shall pay to Lessor One thousand dollars which sum is to be held as a security deposit to assure payment of further rent and as security against any default or breach of the Lease by Lessee. If Lessee defaults with respect to any provision of this Lease, including, but not limited to, the provisions relating to the payment of rent, Lessor may (but shall not be required to) use, apply or retain all or any part of this security deposit for payment of any rent or any other sum in default, or for the payment of any amount which Lessor may spend or become obligated to spend by reason of Lessee's

default or to compensate Lessor for any other loss or damage which Lessor may suffer by reason of Lessee's default. If any portion of said deposit is so used or applied, Lessee shall, within five (5) days after written demand therefore, deposit cash with Lessor in an amount sufficient to restore the security deposit to its original amount, and Lessee's failure to do so shall be a default under this Lease. Lessor shall not be required to keep this security deposit separate from its general funds, and Lessee shall not be entitled to interest on such deposit. If Lessee shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit or any balance thereof shall be returned to Lessee, (or, at Lessor's option, to the last assignee of Lessee hereunder) following expiration of the Lease term. In the event of termination of Lessor's interest in this Lease, Lessor shall transfer said deposit to Lessor's successor in interest.

VII

USE OF PREMISES/QUIET ENJOYMENT

The Leased Premises shall be used by Lessee for the purpose conducting business as a Cannabis Cultivation Facility, in accordance with the regulations provided by the State of Alaska. Lessee shall not use or permit the Leased Premises or any part thereof to be used for any purpose in violation of any municipal, borough, state, federal, or other governmental law, ordinance, rule or regulation.

Lessor hereby covenants that Lessee, paying the rent hereby reserved, and observing and performing the several covenants and stipulations herein on their part contained shall peaceably hold and enjoy the Leased Premises during the said term without any interruption by Lessor or any person rightfully claiming under his/her/their; subject, however, to the right of Lessor or his/her/their agent to enter upon and examine the premises by appointment with Lessee or his/her/their agent.

VIII

DEFAULT BY LESSEE AND REMEDIES

Default and Remedies. The following events shall be deemed to be events of default by Lessee under the lease:

- (a) Lessee shall fail to pay any installments of rent or other obligation hereunder involving the payment of money and such failure shall continue for a period of ten (10) days after the date due.
 - (b) Lessee shall fail to comply with any term, provision or covenant of this lease, other than as described in subsection (a) above, and shall not cure such failure within fifteen (15) days after written notice thereof to Lessee.
 - (c) Lessee or any guarantor of Lessee's obligations under this lease shall become insolvent, or shall make a transfer in fraud of creditors, or shall make an assignment for the benefit of creditors.
 - (d) Lessee or any guarantor of Lessee's obligations under this lease shall file a petition under any section or chapter of the National Bankruptcy Act, as amended, or under any similar law or statute of the United States or any state thereof, or Lessee or any guarantor of Lessee's obligations under this lease shall be adjudged bankrupt or insolvent in proceedings filed against Lessee or any guarantor of Lessee's obligations under this lease.
 - (e) A receiver or Trustee shall be appointed for the Leased Premises or for all or substantially all of the assets of Lessee or of any guarantor of Lessee's obligations under this lease.
 - (f) Lessee shall desert or vacate or shall commence to desert or vacate the Leased Premises or any substantial portion of the Leased Premises or shall remove or attempt to remove, without the prior written consent of Lessor, all or a substantial portion of Lessee's good, wares, equipment, fixtures, furniture, or leased equipment that is not paid in full.
 - (g) Lessee shall do or permit to be done anything which creates a lien upon the premises.
- Upon the occurrence of any such events of default, Lessor shall have the option to pursue either of the following alternative remedies:
- (1) Without any notice or demand whatsoever, Lessor may take any one or more of the actions permissible at law to insure performance by Lessee or Lessee covenants and obligations under this lease. In this regard, it is agreed that if Lessee deserts or vacates the Leased Premises, Lessor

may enter upon and take possession of such premises in order to protect them from deterioration and continue to demand from Lessee the monthly rentals and other charges provided in the lease, without any obligation to relet; but that if Lessor does, at his/her/their sole discretion, elect to relet the Leased Premises, such action by Lessor shall not be deemed as an acceptance of Lessee's surrender of the Leased Premises unless Lessor expressly notifies Lessee of such acceptance in writing. Lessee hereby acknowledges that Lessor shall be reletting as Lessee's agent and Lessee hereby agrees to pay to Lessor on demand any deficiency that may arise between the monthly rentals and other charges provided in this lease and that actually collected by Lessor. It is further agreed that in the event of any default described in subsection (b) above, Lessor has the right to enter upon the Leased Premises by force if necessary without being liable for prosecution or any claim for damages therefore, and do whatever Lessee is obligated to do under the terms of this lease; and Lessee agrees to reimburse Lessor on demand for any expenses which Lessor may incur in thus effecting compliance with Lessee's obligations under this lease, and Lessee further agrees that Lessor shall not be liable for any damages resulting to Lessee from such action.

(2) Lessor may terminate this lease by written notice to Lessee, in which event Lessee shall immediately surrender the Leased Premises to Lessor, and if Lessee fails to do so, Lessor may, without prejudice to any other remedy which Lessor may have for possession or arrearages in rent, enter upon and take possession of the Leased Premises and expel or remove Lessee and any other person who may be occupying said premises or any part thereof, by force if necessary, without being liable for prosecution or any claim for damages therefore. Lessee hereby waives any statutory requirement of prior written notice for filing eviction or damage suits for nonpayment of rent. In addition, Lessee agrees to pay to Lessor on demand the amount of all loss and

damage which Lessor may suffer by reason of any termination effected pursuant to this subsection (2).

It is further agreed that Lessee shall compensate Lessor for all expenses incurred by Lessor in repossession (including among other expenses any increase in insurance premiums caused by the vacancy of the Lease Premises), all expenses incurred by Lessor in reletting (including among other expenses, repairs, remodeling, replacements, advertisements, and brokerage fees), all concessions granted to a new tenant upon reletting (including among other concessions, renewal options) and all losses incurred by Lessor as a direct or indirect result of Lessee's default.

IX

LIENS AND ENCUMBRANCES

Lessee shall keep the Leased Premises free and clear from any liens and encumbrances arising or growing out of the use and occupancy of the Leased Premises by Lessee.

X

UTILITIES AND OTHER SERVICES

Lessee shall, shall furnish all utilities and services used or consumed upon the Leased Premises. Lessor shall not be liable for any loss or damage caused or resulting from any violation, interruption or failure of such utility or services due to any cause whatsoever.

XI

CONSTRUCTION OF IMPROVEMENTS

Lessor shall be under no obligation whatever to construct, make or perform any improvements, repairs or alterations to the Leased Premises whatsoever. Lessee shall have the right to construct any improvements desired on the Leased Premises. Lessee shall secure all governmental permits required in connection with such construction work and shall hold Lessor harmless from all liability for liens which may result therefrom. All alterations to the Leased

Premises, additions, buildings, and improvements, except trade fixtures, appliances and equipment which do not become attached to any building constructed on the Leased Premises shall become the property of Lessor without any obligation on the part of Lessor to pay therefore upon the termination of this Lease Agreement or any extended term thereof for any reason whatsoever. Lessee shall have the right to move any structure off of the Leased Premises which is not on a permanent foundation. Lessee shall commit no waste of any kind upon the Lease Premises. At the expiration of the Lease Term or any extension thereof, Lessee shall surrender the Lease Premises in good condition, normal wear and tear or casualty excepted.

XII

ASSIGNMENT – SUBLEASE

(a) Lessee shall not assign this Lease Agreement or any interest therein, nor shall this Lease Agreement or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court or otherwise, without first obtaining the written consent of Lessor which will not be unreasonably withheld by Lessor. Any unauthorized assignment or transfer of the Lease Agreement or the Leased Premises shall be voidable by Lessor at option. Any assignment or transfer by Lessee with the consent of Lessor shall not relieve Lessee of any of duties and obligations under this Lease Agreement.

XIII

INSURANCE

- (a) Lessor, during the term of this lease, shall carry, at its sole expense, insurance covering the leased premises for property damage or destruction.
- (b) Lessor shall not be liable to Lessee, its sublessees, or their respective agents, employees, licensees, and invitees for any loss or damage caused by fire or any of the risks enumerated in a standard fire insurance policy with a broad form extended coverage.
- (c) Any insurance covering lessee's property (contents) shall be the sole responsibility of the lessee.

XIV

WAIVER

Neither the acceptance of rent nor any other act or omission of Lessor at any time or times after the happening of any event which would enable Lessor to cancel this lease or declare Lessee's interest hereunder forfeited, shall operate as a waiver of any past or future violation, breach or failure to keep or perform any covenant, agreement, term or condition hereof or to deprive Lessor of right to cancel or terminate this lease at any time that cause for cancellation or termination may exist, or be construed so as to at any future time stop Lessor from promptly exercising any other option, right or remedy that may have under any term or provision of this lease.

XV

NOTICES

All notices hereunder may be delivered or mailed. If mailed, they shall be sent by certified or registered mail to the following respective addresses:

LESSOR:

Vern Smith
PO Box 8704
Nikiski, Alaska 99635

LESSEE:

North Road Buds, LLC.
PO Box 8704
Nikiski, Alaska 99635

or to such other respective addresses as either Lessor or Lessee may hereafter from time to time designate in writing. Notices sent by mail shall be deemed to have been given when properly mailed.

XVI

HOLDING OVER

In the event Lessee remains in possession of the Leased Premises after expiration of this lease without a written Lease Agreement, Lessee shall be deemed to be occupying the Leased Premises as a tenant from month-to-month, subject to all the conditions, provisions, and obligations of this Lease Agreement insofar as they may be applicable to such month-to-month tenancy.

XVII

BENEFIT

Subject to the restrictions stated in Article XV hereof, all the terms, conditions, covenants and agreement in this Lease Agreement shall extend to and be binding upon the Lessor, Lessee and his/her/their respective successors and assigns and upon any person, firm or corporation coming into ownership or possession of any interest in the Leased Premises by operation of law or otherwise, and shall be construed as covenants running with the land.

XVIII

DEFINITIONS

The words "Lessor", "Lessors", and "Lessee", "Lessees" as used in this lease shall include both the singular and plural, the masculine, the feminine and the neuter whenever appropriate and shall include any individual or person acting in a fiduciary capacity as an executor, administrator, trustee or in any other representative capacity. The titles of paragraphs herein are for identification only and not to be considered to be a part of this lease nor to be restrictive in any manner of the provisions of any of the paragraphs of this lease.

XIX

INVALIDITY

If any provision of this Lease Agreement shall be found to be invalid, the remainder hereof shall nevertheless be carried into effect.

XX

APPLICABLE LAW

This lease is made under and shall be construed in accordance with the laws of the State of Alaska.


SIGNATURES

LESSOR


Vern Smith

11/13/18
Date

LESSEE


North Road Buds, LLC

11/13/18
Date

BY


Vern Smith, Managing Member

LEASE ADDENDUM:

Landlord/Lessor will not take possession of or remove marijuana from the premises under any circumstances. AMCO will be notified immediately in the event that this is necessary.

LESSOR


Vern Smith

11/13/18
Date

LESSEE


North Road Buds, LLC

11/13/18
Date

BY


Vern Smith, Managing Member

NEW STANDARD MARIJUANA CULTIVATION FACILITY LICENSE
North Road Buds, LLC is applying under 3 AAC 306.400(a)(1) for a new Standard Marijuana Cultivation Facility License, Licensense #17811, doing business as NORTH ROAD BUDS LLC, located at 50815 Kosta Rd, PO Box 8704, Nikiski, AK, 99635-8704, UNITED STATES.

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

Pub: 4/22,5/1,8/2018 13004505/1256

Affidavit of Publication
 AffP
 Marijuana License

STATE OF ALASKA
 COUNTY OF KENAI)
 SS

Elizabeth Ulricksen, being duly sworn, says:

That she is Principal Clerk of the Kenai Peninsula Clarion, a daily newspaper of general circulation, printed and published in Kenai, Kenai County, Alaska; that the publication, a copy of which is attached hereto, was published in the said newspaper on the following dates:
 April 24, 2018, May 01, 2018, May 08, 2018

That said newspaper was regularly issued and circulated on those dates.

SIGNED: _____
 Principal Clerk

Subscribed to and sworn to me this 8th day of May 2018.

 Nicholas J. Humphreys, Notary Public, Kenai County, Alaska

My commission expires: October 07, 2019

00001357 13004505
 VERNON SMITH
 NORTH ROAD BUDS (KEN)
 PO BOX 8704
 NIKISKI, AK 99635



NEW STANDARD MARIJUANA CULTIVATION FACILITY LICENSE
North Road Buds, LLC is applying under 3 AAC 306.400(a)(1) for a new Standard Marijuana Cultivation Facility License, Licensense #17811, doing business as NORTH ROAD BUDS LLC, located at 50815 Kosta Rd, PO Box 8704, Nikiski, AK, 99635-8704, UNITED STATES.

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

Pub: 4/22,5/1,8/2018 13004505/1256

AGENDA ITEM F.

X. State application for a marijuana establishment license, Nikiski Area

STAFF REPORT

Applicant: North Road Buds LLC

Landowner: Vernon Smith

Parcel ID#: 013-070-07

Legal Description: Lot 11, Wik Lake Subdivision, according to Plat K-1350, Kenai Recording District

Location: 50815 Kosta Rd

BACKGROUND INFORMATION: On May 21, 2018, the applicant notified the borough that he/she had submitted an application to the state for a Standard Marijuana Cultivation Facility license. On June 1, 2018, the applicant supplied the borough with a signed acknowledgement form and a site plan on June 1, 2018 of the proposed Standard Marijuana Cultivation Facility on the above described parcel. The Alcohol and Marijuana Control Office notified the borough that the application was complete on November 27, 2018. Staff has reviewed the completed license that has been submitted to the state and the site plan submitted to the borough and has found the following concerning the standards contained in KPB 7.30.020:

1. The Borough finance department has been notified of the complete application and they report that the applicant is in compliance with the borough tax regulations.
2. Borough planning department staff has evaluated the application and has determined that the proposed facility will be located greater than 1,000 feet from any school.
3. Borough planning department staff has evaluated the application and has determined that the proposed facility will be located greater than 500 feet from all recreation or youth centers, and all buildings in which religious services are regularly conducted, and all correctional facilities.
4. The proposed facility is not located within a local option zoning district.
5. The proposed facility is located where there is sufficient ingress and egress for traffic to the parcel.
 - The parcel has direct access to a state maintained road and will not be accessing a borough right-of-way.
 - The signed acknowledgement form indicates that there will not be any parking in borough rights-of-way.
 - The site plan indicates a clear route for delivery vehicles, which allows vehicles to turn safely.
 - On-site parking and loading areas are designated at a location that would preclude vehicles from backing out into the roadway.
6. Because this application is for cultivation the hours of operation for a retail store is not applicable.

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

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

PC MEETING: January 7, 2019

- protection against criminal activity, and
- protection of public safety.

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

PUBLIC NOTICE: Public notice of the application was mailed on December 11, 2018 to the 6 landowners of the parcels within 300 feet of the subject parcel. Public notice of the application was published in the December 27, 2018 & Thursday, 3, 2019 issues of the Peninsula Clarion.

KPB AGENCY REVIEW: Application information was provided to pertinent KPB staff and other agencies on December 27, 2018.

ATTACHMENTS

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

STAFF RECOMMENDATION

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

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

END OF STAFF REPORT



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.

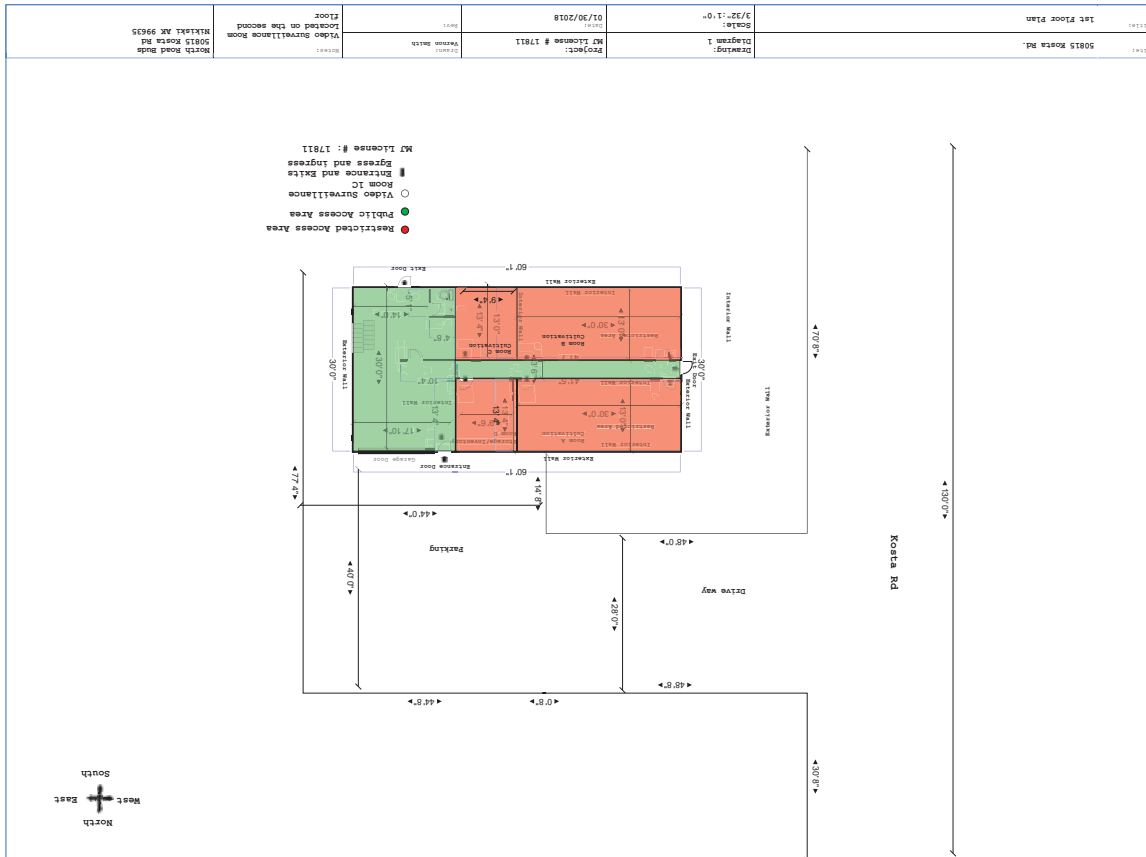
I understand Kenai Peninsula Borough staff will enter my property for purposes of evaluating ongoing compliance with KPB 7.30 and any conditions placed on the license by the State of Alaska Marijuana Control Board.

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

North Road Buds
50815 Kosta Rd; T 7N R 11W SEC 8 Seward Meridian KN 0001350 WIK LAKE SUB LOT 11
Application for Standard Marijuana Cultivation Facility (License Number: 17811)

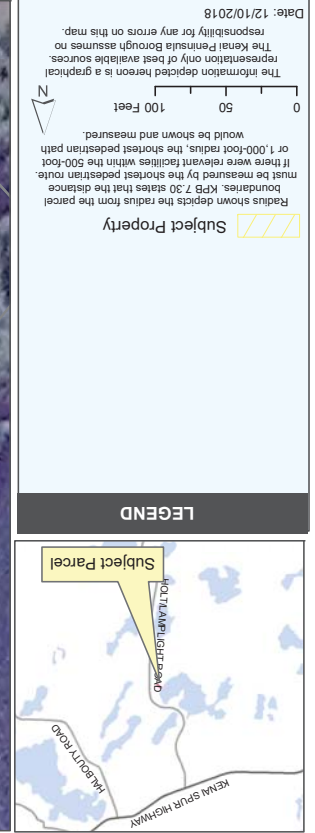

June 1, 2018
Date

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.



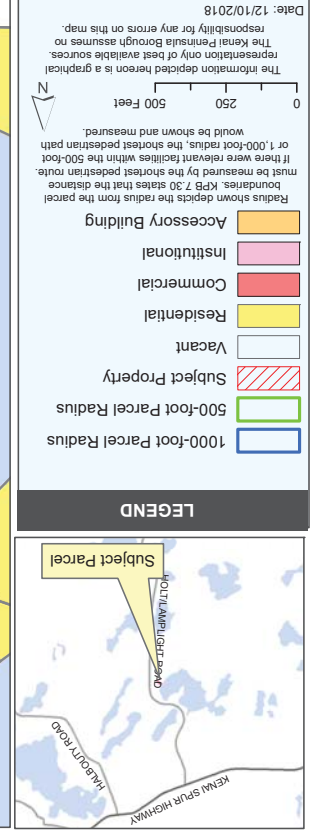
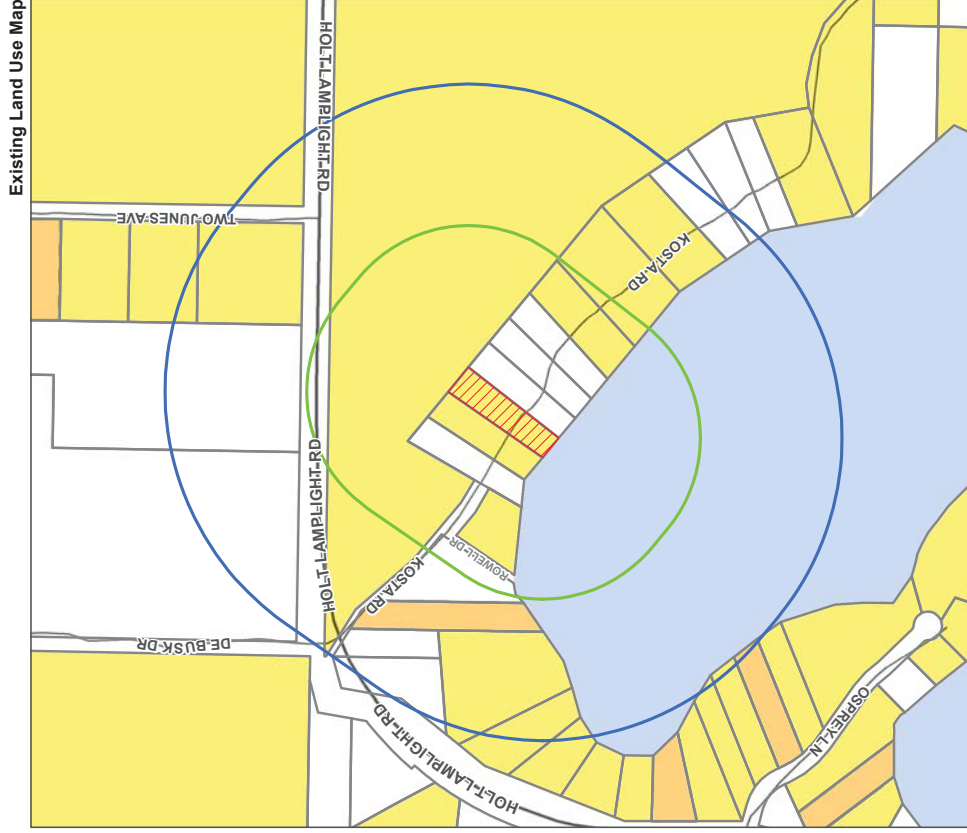
Kenai Peninsula Borough Planning Commission Meeting - January 7, 2019
Assembly Meeting - January 8, 2019
Recommendation on an Application for a State Marijuana Establishment License

KPB Parcel ID: 013-070-07
Applicant: North Road Buds



Kenai Peninsula Borough Planning Commission Meeting - January 7, 2019
Assembly Meeting - January 8, 2019
Recommendation on an Application for a State Marijuana Establishment License

KPB Parcel ID: 013-070-07
Applicant: North Road Buds



Existing Land Use Map

Aerial Map



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Commerce, Community,
and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE

550 West 7th Avenue, Suite 1600

Anchorage, AK 99501

Main: 907.269.0350

November 16, 2018

Kenai Peninsula Borough

Attn: Johni Blankenship

VIA Email: jblankenship@kpb.us

CC: micheleturner@kpb.us

tshassetz@kpb.us

License Number:	16511
License Type:	Standard Marijuana Cultivation Facility
Licensee:	Smoking Joe's Terps Co.
Doing Business As:	SMOKING JOE'S TERPS CO.
Physical Address:	24276 Moraine Vista St Kasilof, AK 99610
Designated Licensee:	Jacob Thom
Phone Number:	907-715-1180
Email Address:	smokingjoesterps@gmail.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 December 20-21, 2018 meeting.

Sincerely,

Erika McConnell

Erika McConnell, Director

amco.localgovernmentonly@alaska.gov

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	Smoking Joe's Terps Co.

Entity Type: Business Corporation

Entity #: 10066546

Status: Good Standing

AK Formed Date: 8/21/2017

Duration/Expiration: Perpetual

Home State: ALASKA

Next Biennial Report Due: 1/2/2019 [File Biennial Report](#)

Entity Mailing Address: 6857 S.HANGAR TALK CIR, WASILLA, AK 99623

Entity Physical Address: 24276 MORaine VISTA ST, KASILOF, AK 99610

Registered Agent

Agent Name: Jacob Thom

Registered Mailing Address: 6857 S. HANGAR TALK CIR, WASILLA, AK 99623

Registered Physical Address: 24276 MORaine VISTA ST, KASILOF, AK 99610

Officials

AK Entity #	Name	Titles	Owned
	Bert Nelson	Shareholder, Vice President, Secretary	49
			51

☐ Show Former

Alaska Department of Commerce, Community, and Economic Development

Division of Corporations, Business and Professional Licensing

P.O. Box 110806, Juneau, Alaska 99811-0806

This is to certify that

SMOKING JOE'S TERPS CO.

6857 S. HANGAR TALK CIR WASILLA AK 99623

owned by

SMOKING JOE'S TERPS CO.

is licensed by the department to conduct business for the period

August 21, 2017 through December 31, 2018

for the following line of business:

11 - Agriculture, Forestry, Fishing and Hunting

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 or of the United States.

This license must be posted in a conspicuous place at the business location.

It is not transferable or assignable.

Chris Hladick



Alaska Entity #10066546

State of Alaska

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

Certificate of Incorporation

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

Smoking Joe's TERPS Co.



IN TESTIMONY WHEREOF, I execute the certificate and affix the Great Seal of the State of Alaska effective August 21, 2017.

Chris Hladick

Chris Hladick
Commissioner



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

Business Corporation
Initial Biennial Report

Entity Name: Smoking Joe's Terps Co.
Entity Number: 10066546
Home Country: UNITED STATES
Home State/Province: ALASKA

Registered Agent
Name: Jacob Thom
Physical Address: 24276 MORaine VISTA ST,
KASLOF, AK 99610
Mailing Address: 6857 S. HANGAR TALK CIR,
WASILLA, AK 99623

Entity Physical Address: 24276 MORaine VISTA ST, KASLOF, AK 99610
Entity Mailing Address: 6857 S.HANGAR TALK CIR, WASILLA, AK 99623

Please include all officials. Check all titles that apply. Must use titles provided. All domestic business corporations must have a president, secretary, treasurer and at least one director. The secretary and the president cannot be the same person unless the president is 100% shareholder. The entity must also list any alien affiliates and those shareholders that hold 5% or more of the issued shares.

Name	Address	% Owned	Titles
Jacob Thom	6857 S Hangar Talk Cir, Wasilla, AK 99623	51	Assistant Secretary, Assistant Treasurer, Director, President, Shareholder, Treasurer
Bert Nelson	42160 Hazel CRT., Soldotna, AK 99669	49	Secretary, Shareholder, Vice President

NAICS Code: 111988 - ALL OTHER MISCELLANEOUS CROP FARMING
New NAICS Code (optional):

Complete the below stock information on record with the Department. You may not change your authorized shares with this form. An amendment is required. Fill in number of shares issued.

Class	Series	Authorized	Par Value	Amount Issued
Common		100000	\$0.00	100

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: Jacob Thom

Entity #: 10066546

Page 1 of 1

Received by AMCO 11.11.18

AK Entity #: 10066546
State of Alaska, DCCED

FOR DIVISION USE ONLY

Web-8/21/2017 3:42:13 PM

BYLAWS

of
Smoking Joe's Terps Company

ARTICLE I
Offices

1.1 Registered Office and Registered Agent: The registered office of the corporation shall be the same as listed on the articles of incorporation and at such place as may be fixed from time to time by the Board of Directors upon filing of such notices as may be required by law, and the registered agent shall have a business office identical with such registered office.

1.2 Other Offices: The Corporation may have other offices within or outside the State of incorporation at such place or places as the Board of Directors may from time to time determine.

ARTICLE 2
Shareholder's Meetings

2.1 Meeting Place: All meetings of the shareholders shall be held the registered office of the corporation, or at such place as shall be determined from time to time by the Board of Directors, and the place at which any such meeting shall be held shall be stated in the notice of the meeting.

2.2 Annual Meeting Time: The annual meeting of the shareholders for the election of directors and for the transaction of such other business as may properly come before the meeting, shall be held each year on December 1, at the hour of 2 p.m., if not a legal holiday, and if a legal holiday, then on the day following, at the same hour, or January 31 of every year if no other meeting time is specifically appointed.

2.3 Annual Meeting - Order of Business: At the annual meeting of shareholders, the order of business shall be as follows:

- Calling of the meeting to order.
- Proof of notice of meeting (or filing of waiver).
- Reading of minutes of last annual meeting.
- Report of officers.
- Reports of committees.
- Election of directors.

- (g) Miscellaneous business.

2.4 Special Meetings: Special meetings of the shareholders for any purpose may be called at any time by the President, Board of Directors, or the holders of not less than one-twenty of all shares entitled to vote at the meeting.

2.5 Notice:

- (a) Notice of the time and place of an annual meeting of shareholders shall be given by delivering personally or by mailing a written or printed notice of the same, at least ten days, and not more than fifty days, prior to the meeting, to each shareholder of record entitled to vote at such meeting.
- (b) At least ten days and not more than fifty days prior to the meeting, written or printed notice of each special meeting, and the purpose or purposes for which the meeting is called, shall be delivered personally, or mailed to each shareholder of record entitled to vote at such meeting.

2.6 Voting Record: At least ten days before each meeting of shareholders, a complete record of the shareholders entitled to vote at such meeting, or any adjournment thereof, shall be made, arranged in alphabetical order, with the address of and number of shares held by each, which record shall be kept on file at the registered office of the corporation for a period of ten days prior to the meeting. The records shall be kept open at the time and place of such meeting for the inspection of any shareholder.

2.7 Quorum: Except as otherwise required by law:

- (a) A quorum at any annual or special meeting of shareholders shall consist of shareholders representing, either in person or by proxy, a majority of the outstanding capital stock of the corporation, entitled to vote at such meeting.
- (b) The voters of a majority in interest of those present at any properly called meeting or adjourned meeting of shareholders at which a quorum as in this paragraph defined is present, shall be sufficient to transact business.

2.8 Closing of Transfer Books and Fixing Record Date: For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders, or any adjournment thereof, or entitled to receive payment of any dividend, the Board of Directors may provide that the stock transfer books shall be closed for a stated period not to exceed fifty days nor be less than ten days preceding such meeting. In lieu of closing the stock transfer books, the Board of Directors may fix in advance a record date for

any such determination of shareholders, such date to be not more than fifty days, and, in case of a meeting of shareholders, not less than ten days prior to the (late on which the particular action requiring such determination of shareholders is to be taken.

2.9 Proxies: A shareholder may vote either in person or by proxy executed in writing by the shareholder, or his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

2.10 Action by Shareholders Without a Meeting: Any action required or which may be taken at a meeting of shareholders of the corporation, may be taken at a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the shareholders.

2.11 Waiver of Notice: A waiver of notice required to be given any shareholder, signed by the person or persons entitled to such notice, whether before or after the time stated therein for the meeting, shall be equivalent to the giving of such notice.

ARTICLE 3

Stock

3.1 Certificates: Certificates of stock shall be issued in numerical order, and each shareholder shall be entitled to a certificate signed by the President, or a Vice President, and the Secretary or Assistant Secretary, and may be sealed with the seal of the corporation or a facsimile thereof. The signatures of such officers may be facsimiles if the certificate is manually signed on behalf of the transfer agent, or registered by a registrar, other than the corporation itself or an employee of the corporation. If an officer who has signed or whose facsimile signature has been placed upon such certificate ceases to be an officer before the certificate is used, it may be issued by the corporation with the same effect as if the person were an officer on the date of issue.

3.2 Transfer: Transfers of stock shall be made only upon the stock transfer books of the corporation, kept at the registered office of the corporation or at its principal place of business, or at the office of its transfer agent or registrar, and before a new certificate is issued, the old certificate shall be surrendered for cancellation. The Board of Directors may, by resolution, open a share register in any state of the United States, and may employ an agent or agents to keep such register, and to record transfers or shares therein.

- 3.3 Registered Owner:** Registered shareholders shall be treated by the corporation as the holders in fact of the stock standing in their respective names and the corporation shall not be bound to recognize any equitable or other claim to or interest in any share on the part of any other person, whether or not it shall have express or other notice thereof, except as expressly provided below or by the laws of the State of incorporation. The Board of Directors may adopt by resolution a procedure whereby a shareholder of the corporation may certify in writing to the corporation that all or a portion of the shares registered in the name of such shareholder are held for the account of a specified person or persons. The resolution shall set forth:
- (a) The classification of shareholder who may certify;
 - (b) The purpose or purposes for which the certification may be made;
 - (c) The form of certification and information to be contained therein;
 - (d) If the certification is with respect to a record date or closing of the stock transfer books, the date within which the certification must be received by the corporation; and
 - (e) Such other provisions with respect to the procedure as are deemed necessary or desirable.

Upon receipt by the corporation of a certification complying with the procedure, the persons specified in the certification shall be deemed, for the purpose or purposes set forth in the certification, to be the holders of record of the number of shares specified in place of the shareholder making the certification.

- 3.4 Mutilated, Lost or Destroyed Certificates:** In case of any mutilation, loss or destruction of any certificate of stock, another may be issued in its place on proof of such mutilation, loss or destruction. The Board of Directors may impose conditions on such issuance and may require the giving of a satisfactory bond or indemnity to the corporation in such sum as they might determine or establish such other procedures as they deem necessary.

- 3.5 Fractional Shares or Scrip:** The Corporation may:

- (a) Issue fractions of a share which shall entitle the holder to exercise voting rights, to receive dividends thereon, and to participate in any of the assets of the corporation in the event of liquidation;
- (b) Arrange for the disposition of fractional interests by those entitled thereto;
- (c) Pay in cash the fair market value of fractions of a share as of the time when those entitled to receive such shares are determined; or
- (d) Issue scrip in registered or bearer form which shall entitle the holder to receive a certificate for the full share upon surrender of such scrip aggregating a full share.

- 3.6 Shares of Another Corporation:** Shares owned by the corporation in another corporation, domestic or foreign, may be voted by such officer, agent or proxy as the Board of Directors may determine or, in the absence of such determination, by the President of the Corporation.

ARTICLE 4

Board of Directors

- 4.1 Numbers and Powers:** The management of all the affairs, property and interest of the corporation shall be vested in the Board of Directors, consisting of one person who shall be elected for a term of one year, and shall hold office until their successors are elected and qualified. Directors need not be shareholders or residents of the State of incorporation. In addition to the powers and authorities granted by these Bylaws, and the Articles of Incorporation expressly conferred upon it, the Board of Directors may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the Articles of Incorporation or by these Bylaws directed or required to be exercised or done by the shareholders.

- 4.2 Change of Number:** The number of directors may at any time be increased or decreased by amendment of these Bylaws, but no decrease shall have the effect of shortening the term of any incumbent director.

- 4.3 Vacancies:** All vacancies in the Board of Directors, whether caused by resignation, death or, otherwise, may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. A director elected to fill any vacancy shall hold office for the unexpired term of his predecessor and until his successor is elected and qualified. Any directorship to be filled by reason of an increase in the number of directors may be filled by the Board of Directors for a term of office continuing only until the next election of directors by the shareholders.

- 4.4 Removal of Directors:** At a meeting of shareholders called expressly for that purpose, the entire Board of Directors, or any member thereof, may be removed by a vote of the holders of a majority of shares then entitled to vote at an election of such shareholders.

- 4.5 Regular Meetings:** Regular meetings of the Board of Directors or any committee may be held without notice at the registered office of the corporation or at such place or places, either within or without the State of Washington, as the Board of Directors or such committee, as the case may be, may from time to time designate. The annual meeting of the Board of

Directors shall be held without notice immediately after the adjournment of the annual meeting of shareholders.

4.6 Special Meetings: Special meetings of the Board of Directors may be held at any place and at any time and may be called by the Chairman of the Board, the President, Vice President, Secretary or Treasurer, or any two or more directors.

4.7 Notice of Meetings: Unless the Articles of Incorporation provide otherwise, any regular meeting of the Board of Directors may be held without notice of the date, time, place, or purpose of the meeting. Any special meeting of the Board of Directors may be preceded by at least two days' notice of the date, time, and place of the meeting, but not of its purpose, unless the Articles of Incorporation of these Bylaws require otherwise. Notice may be given personally, by facsimile, by mail, or in any other manner allowed by law.

Oral notification shall be sufficient only if a written record of such notice is included in the Corporation's minute book. Notice shall be deemed effective at the earliest of: (a) receipt; (b) delivery to the proper address or telephone number of the directors as shown in the Corporation's records; or (c) five days after its deposit in the United States mail, as evidenced by the postmark, if correctly addressed and mailed with first-class postage prepaid. Notice of any meeting of the Board of Directors may be waived by any director at any time, by a signed writing, delivered to the Corporation for inclusion in the minutes, either before or after the meeting. Attendance or participation by a director at a meeting unless the director promptly objects to holding the meeting or to the transaction of any business on the grounds that the meeting was not lawfully convened and the director does not thereafter vote for or assent to action taken at the meeting.

4.8 Quorum: A majority of the whole Board of Directors shall be necessary at all meetings to constitute a quorum for the transaction of business.

4.9 Waiver of Notice: Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened. A waiver of notice signed by the director or directors, whether before or after the time stated for the meeting, shall be equivalent to the giving of notice.

4.10 Registering Dissent: A director who is present at a meeting of the Board of Directors at which action on a corporate matter is taken shall be presumed to have assented to such action unless his dissent shall be entered in the minutes of the meeting, or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting, before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the

adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

4.11 Executive and Other Committees: Standing or special committees may be appointed from its own number by the Board of Directors from time to time and the Board of Directors may from time to time invest such committees with such powers as it may see fit, subject to such conditions as may be prescribed by such Board. An Executive Committee may be appointed by resolution passed by a majority of the full Board of Directors. It shall have and exercise all of the authority of the Board of Directors, except in reference to amending the Articles of Incorporation, adopting a plan of merger or consolidation, recommending sale, lease or exchange or other disposition of all or substantially all the property and assets of the corporation otherwise than in the equal and regular course of business, recommending a voluntary dissolution or a revocation thereof, or amending the Bylaws. All committees so appointed shall keep regular minutes of the transactions of their meetings and shall cause them to be recorded in books kept for that purpose in the office of the corporation. The designation of any such committee and the delegation of authority thereto, shall not relieve the Board of Directors, or any member thereof, of any responsibility imposed by law.

4.12 Remuneration: No stated salary shall be paid directors, as such, for their service, but by resolution of the Board of Directors. A fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of such Board; provided, that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefore. Member of standing or special committees may be allowed like compensation for attending committee meetings.

4.13 Loans: No loans shall be made by the corporation to the directors, unless first approved by the holders of two-thirds of the voting shares. No loans shall be made by the corporation secured by its' own shares.

4.14 Action by Directors Without a Meeting: Any action required or which may be taken without a meeting of the directors, or of a committee thereof, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, or all of the members of the committee, as the case may be. Such consent shall have the same effect as a unanimous vote.

4.15 Action of Directors by Communications Equipment: Any action required or which may be taken at a meeting of directors, or of a committee thereof, may be taken by means of a conference telephone or similar

communications equipment by means of which all persons participating in the meeting can hear each other at the same time.

ARTICLE 5 Officers

5.1 Designations: The officers of the corporation shall be a President, one or more Vice-Presidents (one of more of whom may be Executive Vice-President), a Secretary and a Treasurer, and such Assistant Secretaries and Assistant Treasurers as the Board may designate, who shall be elected for one year by the directors at their first meeting after the annual meeting of shareholders, and who shall hold office until their successors are elected and qualified. Any two or more offices may be held by the same person, except the offices of President and Secretary.

5.2 The President: The president shall preside at all meetings of shareholders and directors, shall have general supervision of the affairs of the corporation, and shall perform all other duties as are incident to his office or are properly required of him by the Board of Directors.

5.3 Vice President: During absence or disability of the President, the Executive Vice-Presidents in the order designated by the Board of Directors, shall exercise all functions of the President. Each Vice-President shall have such powers and discharge such duties as may be assigned to him from time to time by the Board of Directors.

5.4 Secretary and Assistant Secretaries: The Secretary shall issue notices for all meetings, except for notices for special meetings of shareholders and special meetings of the directors which are called by the requisite number of shareholders or directors, shall keep the minutes of all meetings, shall have charge of the seal and the corporate books, shall make such reports and perform other duties as are incident to his office, or are properly required of him by the Board of Directors. The Assistant Secretary, or Assistant Secretaries in the order designated by the Board of Directors, shall perform all of the duties of the Secretary during the absence or disability of the Secretary, and at other times may perform such duties as are directed by the President or the Board of Directors.

5.5 The Treasurer: The Treasurer shall have the custody of all moneys and securities of the corporation and shall keep regular books on account. He shall disburse funds of the corporation in payment of the just demands against the corporation or as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Board of Directors from time to time as may be required of him, an account of all his transactions as Treasurer and of the financial conditions to his office or that are properly required of him by the Board of Directors. The

Assistant Treasurer, or Assistant Treasurers in the order designated by the Board of Directors, shall perform all of the duties of the Treasurer in the absence or disability of the Treasurer, and at other times may perform such other duties as are directed by the President or the Board of Directors.

5.6 Delegation: In the case of absence or inability to act of any officer of the corporation and of any person herein authorized to act in his place, the Board of Directors may from time to time delegate the powers or duties of such officer to any other officer or any director or other person whom it may select.

5.7 Vacancies: Vacancies in any office arising from any cause may be filled by the Board of Directors at any regular or special meeting of the Board.

5.8 Other Officers: Directors may appoint such other officers and agents as they shall deem necessary or expedient with who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

5.9 Loans: No loans shall be made by the corporation to any officer, unless first approved by the holders of two-thirds of the voting shares.

5.10 Term - Removal: The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer or agent elected or appointed by the Board of Directors may be removed at any time, without cause, by the affirmative vote of a majority of the whole Board of Directors, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

5.11 Bonds: The Board of Directors may, by resolution, require any and all of the officers to give bonds to the corporation, with sufficient surety or sureties, conditioned for the faithful performance of the duties of their respective offices, and to comply with such other conditions as may from time to time be required by the Board of Directors.

5.12 Salaries: The salaries of the officers shall be fixed from time to time by the Board of Directors, and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the corporation.

ARTICLE 6 Dividends and Finance

6.1 Dividends: Dividends may be declared by the Board of Directors and paid by the corporation out of the unreserved and unrestricted earned surplus of the corporation, or out of the unreserved and unrestricted net earnings of the current fiscal year, or in treasury shares of the corporation, subject to

the conditions and limitations imposed by the State of incorporation. The stock transfer books may be closed for the payment of dividends during such periods of not exceeding fifty days, as from time to time may be fixed by the Board of Directors. The Board of Directors, however, without closing the books of the corporation, may declare dividends payable only to holders of record at the close of business, on any business day not more than fifty days prior to the date on which the dividend is paid.

6.2 Reserves: Before making any distribution of earned surplus, there may be set aside out of the earned surplus of the corporation such sum or sums as the directors from time to time in their absolute discretion deem expedient dividends, or for maintaining any property of the corporation, or for any other purpose, and earned surplus of any year not set apart until otherwise disposed of by the Board of Directors.

6.3 Depositories: The moneys of the corporation shall be deposited in the name of the corporation in such bank or trust company or trust companies as the Board of Directors shall designate, and shall be drawn out only by check or other order for payment of money signed by such persons and in such manner as may be determined by resolution of the Board of Directors.

ARTICLE 7 Notices

Except as may otherwise be required by law, any notice to any shareholder or director may be delivered personally or by mail. If mailed, the notice shall be deemed to have been delivered when deposited in the United States mail, addressed to the addressee at his last known address in the records of the corporation, with postage thereon prepaid.

ARTICLE 8 Seal

The corporate seal of the corporation shall be in such form and bear such inscription as may be adopted by resolution of the Board of Directors, or by usage of the officers on behalf of the corporation. The procurement of a corporate seal shall be discretionary only, and is not required.

ARTICLE 9 Books and Records

The corporation shall keep correct and complete books and record of accounts and shall keep minutes of the proceedings of its shareholders and Board of Directors, and shall keep at its registered office or principal place of business, or at the office of its transfer agent or registrar, a record of its shareholders, giving the names and addresses of all shareholders and the number and class of the

shares held by each. Any books, records, and minutes may be in written form or any other form capable of being converted into written form within a reasonable time.

ARTICLE 10 Special Corporate Acts

10.1 Execution of Written Instruments: Contracts, deeds, documents, and instruments shall be executed by the President alone unless the Board of Directors shall, in a particular situation, designate another procedure for their execution.

10.2 Signing of Checks or Notes: Checks, notes, drafts, and demands for money shall be signed by the officer or officers from time to time designated by the Board of Directors.

10.3 Indemnification of Directors and Officers: The corporation shall indemnify any and all directors or officers or former directors or former officers or any person who may have served at its request as a director or officer of the corporation or of any other corporation in which it is a creditor, against expenses actually or necessarily incurred by them in connection with the defense or settlement of any action, suit, or proceeding brought or threatened in which they, or any of them, are or might be made parties, or a party, by reason of being or having been directors or officers or a director or an officer of the corporation, or of such other corporation. This indemnification shall not apply, however, to matter as to which such director or officer or former director or officer or person shall be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of duty. Such indemnification shall not be deemed exclusive of other rights to which those indemnified may be entitled, under any law, bylaw, agreement, vote of shareholders, or otherwise.

ARTICLE 11 Amendments

11.1 By Shareholders: These Bylaws may be altered, amended or repealed by the affirmative vote of a majority of the voting stock issued and outstanding at any regular or special meeting of the shareholders.

11.2 By Directors: The Board of Directors shall have the power to make, alter, amend and repeal the Bylaws of this corporation. However any such alteration, amendment, or repeal of the Bylaws, may be changed or repealed by the holders of a majority of the stock entitled to vote at any shareholders meeting.



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: 907.469.0350

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:	SMOKING JOE'S TERPS CO.	License Number:	16511
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	SMOKING JOE'S TERPS CO.		
Premises Address:	24276 Moraine Vista ST		
City:	Kasilof	State:	AK
		ZIP:	99610

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Bert Nelson
Title:	Vice President

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?

14579, 16517

11.3 Emergency Bylaws: The Board of Directors may adopt emergency Bylaws, Bylaws: subject to repeal or change by action of the shareholders, which shall be operative during any emergency in the conduct of business of the corporation resulting from an attack on the United States or any nuclear or atomic disaster.

Adopted by resolution of the Corporation's Board of Directors or Incorporator on This 21 day of August, 2017.

Jacob Thom
Incorporator or Director



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
JERI L. RUSSELL
State of Alaska
My Commission Expires April 21, 2021

Bert Nelson

Printed name of licensee

My commission expires:

Subscribed and sworn to before me this 23 day of July, 2018.



Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
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Phone: 907.269.0350

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:	SMOKING JOE'S TERPS CO.	License Number:	16511
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	SMOKING JOE'S TERPS CO.		
Premises Address:	24276 Moraine Vista ST		
City:	Kasilof	State:	AK
		ZIP:	99610

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Jacob Thom
Title:	President

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?

14579, 16517

Received by AMCO 11.11.18



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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.

JT

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

JT

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

JT

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.

JT

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.

JT

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.

JT

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(g).

JT

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

JT

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.

JT

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.

JT

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.

JT

Received by AMCO 11.11.18



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:

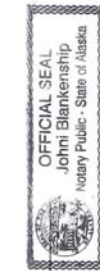
I certify that I do not have an ownership in, or a direct or indirect financial interest in a retail marijuana store, a marijuana cultivation facility, or a marijuana products manufacturing facility.

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
Jacob Thom
My commission expires: 9-20-2019

Printed name of licensee

Subscribed and sworn to before me this 23rd day of July, 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:	SMOKING JOE'S TERPS CO.	MJ License #:	16511
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	SMOKING JOE'S TERPS CO.		
Premises Address:	24276 Moraine Vista ST		
City:	Kasilof	State:	Alaska
		ZIP:	99610

Mailing Address:	6857 S. Hangar Talk Cir.		
City:	Wasilla	State:	Alaska
		ZIP:	99623

Designated Licensee:	Jacob Thom		
Main Phone:	907-715-1180	Cell Phone:	907-715-1180
Email:	smokingjoesterps@gmail.com		



Form MJ-01: Marijuana Establishment Operating Plan

Section 2 – Control Plan for Persons Under the Age of 21

2.1. Describe how the marijuana establishment will prevent persons under the age of 21 from gaining access to any portion of the licensed premises and marijuana items:

Facility will not be open to the public and doors will be secured. Visitor's identification will be screened and visitors to the premises will have to be able to prove: that they are over 21 years of age, and need to be escorted into any restricted access area. If a need is determined.

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:

Facility will not be open to the public and doors will be secured. No tours or leisure visits are permitted. Any visitor to the premises will have to be able to prove: that they are over 21 years of age, and need to be escorted into any restricted access area. If a need is determined.

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

Visitor's identification will be screened, and the visitors log will be filled out. 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 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. No more than 5 visitors per employee or agent will be permitted in the facility at a time, in accordance with applicable laws.



Form MJ-01: Marijuana Establishment Operating Plan

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

Smoking Joe's Terps Visitor Badge #1	Smoking Joe's Terps PIC employee Name employee # MHP #
--	--

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:

Exterior lighting will be provided on sides of the building covering all facility exits. Some of the lighting will be motion sensitive or constant on if desired. Security cameras will be I. R. capable, and the field of view will cover the approach up to each point of ingress and egress.



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan



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

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:

Security cameras will consist of GW Security GW5516NP Dome Network Cameras. All security cameras will be positioned in such a manner as to get the most identifiable view of anyone within 20 feet of their line of sight at each entrance and along the exterior and interior of each Restricted Access Area. Cameras will be placed at a height to insure unobstructed viewing of all product, plants and persons insuring all are captured on a maximum clear sight picture. And exterior cameras will be at a height of 12 feet to prevent damage to cameras. All cameras will have a recording resolution of at least 1920x1080(2mp)-2560x1920 (4mp), and will see at night using infrared technology for night time recordings. GW Security GW5516NP Dome Network Cameras will be installed in growing, trimming, processing areas, curing, sales, and designated waste processing area to insure 100 percent coverage of the secure areas (reference security packet attached)

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:

(1) Pursuant to 3AAC 306.720(b) Surveillance recording equipment and video surveillance records will be housed in a locked and secure area accessible only to a marijuana establishment licensee or authorized employee, and to law enforcement personnel including an agent of the board. This will be in the office area of Smoking Joe's Terps Co.

[Form MJ-01] (rev 12/01/2017) License # 16511 Page 5 of 11 Received by AMCO 7.23.18

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:

- (1) Pursuant to 3 AAC 306.715(c)(2) a security alarm system on all exterior doors and the Licensed Facility will have:
a. GE/ Simon XTI 5 security package installed consisting of the following equipment: 1-Keypads Simon XTXT1 VOLT-4G Verizon Cellular Communicator (located in main entrance points to the building), 1- GE 80-807-95R | NX-481 Simon 3Simon XTV Wireless Pet Immune Infrared Motion Sensor, 104db alarm siren, 1 Panic buttons will be located with in the licensed premises for added security. The employees will have Wireless Four Button Key chain Remote to carry on them with a panic button on them for additional security
b. Motion Activated Wireless Image Sensor for LiveWatch sensors with: Advanced ASIC-based processing, Split-zone optics technology, totally silent relay operation, Immune to pets up to 40lbs. Tamper proof design, PIR motion sensor with an Ultra-low current
c. Security system will be monitored by a third party monitoring agency 24/7. In the event of an alarm activation local law enforcement and the business owner will be notified.
- (2) The alarm system will be monitored by a third party agency. LiveWATCH certifications includes IQ Certified Central Station (One of first in nation), UL Certified Facility, UL Certified Operators, SIA Certified Operators, SIA Central Station Trained Instructors, APCO Certified Operators and - FARA and Federal UL 2050. Supporting Alarm Communications and Interactive Service from Every Major Manufacturer
- The list includes Connect 24, C24 Interactive, Alarm NET, AES, Uplink, DMP Internet, Tellular Alarm.com. Based in Kansas with monitoring centers nationwide that are staffed 24 hours a day, 7 days a week. During non-business hours monitoring of all devices (Motion Detectors, door contacts) within the system will be active and monitored. In the event of a security breach of the licensed premises an interior siren will be activated immediately, an alarm signal will be received by the monitoring center who will notify security, local law enforcement and the licensee.
- (3) Smoking Joe's Terps Co. 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:

Owners, employees, visitors and other individuals will be held to a zero-tolerance policy on the diversion of marijuana (3 AAC 306.715(c)(1)). The "METRC" electronic tracking system will be used to ensure diversion of marijuana does not occur throughout the normal processes of the cultivation facility. Marijuana will be entered into the system and tracked throughout the cultivation, packaging, testing, disposal and selling process. If the tracking system shows potential diversion of product authorized personnel will initiate an investigation that will include talking to employees on shift, assessing last login to the system and product in question, notifying the Marijuana Control Board and reviewing video feed. In addition to the above, authorized personnel will randomly check video feed for potential diversion (1x per week), will supervise all visitors and require them to remain in the building until law enforcement arrives if diversion is suspected, restrict access to restricted areas where marijuana or cash are present as well as will provide information pertaining to the consequences of breaking the policy. Consequences include notifying law enforcement, immediate termination, visitor access removal and prosecution of crimes.

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. Anyone caught loitering will be asked to leave. If they will not leave voluntarily, law enforcement will be contacted immediately to deal with the situation.

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. JT

[Form MJ-01] (rev 12/01/2017) License # 16511 Page 4 of 11 Received by AMCO 11.11.18



Alaska Marijuana Control Board
Form MJ-01: Marijuana Establishment Operating Plan

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:

- 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);
- 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;
- the business contact information for vendors that maintain video surveillance systems and security alarm systems for the licensed premises;
- records related to advertising and marketing;
- a current diagram of the licensed premises, including each restricted access area;
- a log recording the name, and date and time of entry of each visitor permitted into a restricted access area;
- all records normally retained for tax purposes;
- 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;
- transportation records for marijuana and marijuana product, as required by 3 AAC 306.750(f); and
- 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:

A fire rated safe with a weight of 1,035 lbs. will be provided to protect and preserve essential physical records. Daily data back-ups of all product tracking and surveillance data will ensure continuity of daily operations in the event of an equipment failure.

The electronic video storage is password protected to prevent any alterations. The security system will generate a daily open/close report by user. All systems are programmed with password lockout protection. The security room housing all supporting security and camera equipment will be insulated and temperature controlled to insure the integrity of all security supported hardware for the licensed facility.



Alaska Marijuana Control Board
Form MJ-01: Marijuana Establishment Operating Plan

Section 5 – Inventory Tracking of All Marijuana and Marijuana Product

Review the requirements under 3 AAC 306.730. All licensed marijuana establishments must use a marijuana inventory tracking system capable of sharing information with Metrc to ensure all marijuana cultivated and sold in the state, and each marijuana product processed and sold in the state, is identified and tracked from the time the marijuana is propagated from seed or cutting, through transfer to another licensed marijuana establishment, or use in manufacturing a marijuana product, to a completed sale of marijuana or marijuana product, or disposal of the harvest batch of marijuana or production lot of marijuana product.

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

5.1. My marijuana establishment will be using Metrc, and if any other tracking software is used, it will be capable of sharing information with Metrc.

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: Initials

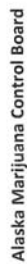
6.1. Each licensee, employee, or agent of the marijuana establishment who sells, cultivates, manufactures, tests, or transports marijuana or marijuana product, or who checks the identification of a consumer or visitor, shall obtain a marijuana handler permit from the board before being licensed or beginning employment at the marijuana establishment.

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):

The proposed establishment will require all licensees, agents, or any other employee associated with it, to hold current Alaska marijuana handler permits. Copies of all employee permits will be kept in a physical form at the proposed premises. All expiration dates will be noted and calendared for employee recertification prior to their expiration. All personnel will be trained on the Metrc system and will demonstrate competence before use. The training for Franwell Metrc system for licensees will be through a training sessions and webinars from Franwell to provide a thorough understanding of METRC. Licensees will be required to demonstrate their knowledge of METRC. We will conduct training to continuously improve operations as well as training on the marijuana regulations to ensure we stay in compliance. We will use sign-in rosters to record the topic, date, and employees that receive training and keep them on file on location.



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.

2. I have policies regarding health and safety standards (including: ensuring a person with an illness or infection does not come into contact with marijuana or marijuana product; good hygienic practices; cleaning and maintenance of equipment and the premises; pest deterrence; chemical storage; sanitation principles; and proper handling of marijuana and marijuana product) and will take all reasonable measures and precautions to ensure that they are met or exceeded.

7.3. I have policies to ensure that any marijuana or marijuana product that has been stored beyond its usable life, or was stored improperly, is not salvaged and returned to the marketplace.

7.4. I have policies to ensure that in the event information about the age or storage conditions of marijuana or marijuana product is unreliable, the marijuana or marijuana product will be handled in accordance with 3 AAC 306.735(d).

Answer "Yes" or "No" to each of the following questions:

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.

g.6. Convenient handwashing facilities with running water at a suitable temperature are clearly indicated on my Form MJ-02: Premises Diagram.

7.7. If you answered "No" to either 7.5 or 7.6 above, describe how toilet and/or handwashing facilities are made accessible, as required by 3 AAC 306.735(b)(2):

Section 8 – Transportation and Delivery of Marijuana and Marijuana Products

Review the requirements under 3 AAC 306.750.

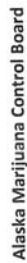
3.8.1.3.1. Describe how marijuana or marijuana product will be prepared, packaged, and secured for shipment. Include a description of the type of locked, safe, and secure storage compartments to be used in vehicles transporting marijuana or marijuana product:

After product has been harvested and processed, a sample will be taken from each batch and sent for testing. While results are pending, batch will be quarantined until it is deemed acceptable by the testing facility. Once approved, all products must be labeled with the following information: name of strains as identified on the label or batches of single gram up to a ounce packs will also be produced for sale without additional handling by the retail store except to add the stores own name of logo and license number. All labeling on all packaging will meet the standards as required for cultivators. Which will include the following statements 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 breastfeeding. All marijuana product sealed to leave the facility will be placed into a durable, tamper-evident METRC packaging prior to transport and locked in the safe for storage. Each package will be identified by a tracking label and manifest. The marijuana weight from Metrc, will be verified by weighing the package before the shipment is permitted to leave. A fire rated safe with a weight of 1,035 lbs. for storage in the facility and licensee's despatched agent before the shipment is secured. The fire rated safe will have a weight of approximately 18"x15"x65" leaving a clearances of approximately 18"x15"x59" measured. The transport vehicle.

Form MJ-011 (rev 12/01/2017)

License # 16511

Received by AMCO 7.23.18



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.

8.3.3. 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.

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.

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.

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.

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.

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

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):

One 4800 sq. inches (48"x100"max) sign may be located on the front of the building designating the name of the Facility: Smoking Joe's Terps Co.

[Form MJ-01] (rev 12/01/2017)

License # 16511

Received by AMCO 7.23.18



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):

No advertising planned



Alaska Marijuana Control Board

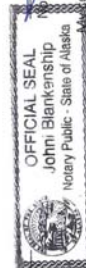
Form MJ-01: Marijuana Establishment Operating Plan

(Additional Space as Needed):

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


Signature of licensee
Jacob Thom

Printed name of licensee



Notary Public in and for the State of Alaska

Commission expires: 9-20-2019

Subscribed and sworn to before me this 23rd day of July, 2018.



Alaska Marijuana Control Board
Form MJ-02: Premises Diagram

Alaska Marijuana Control Board
Form MJ-02: Premises Diagram

What is this form?

A detailed diagram of the proposed licensed premises is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(8). All areas designated as the licensed premises of a single license must be contiguous.

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 businesses 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:	SMOKING JOE'S TERPS CO.	MJ License #:	16511
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	SMOKING JOE'S TERPS CO.		
Premises Address:	24276 Moraine Vista ST		
City:	Kasilof	State:	Alaska
		ZIP:	99610



Alaska Marijuana Control Board
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:

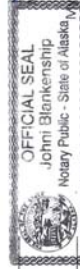
- ☒ Areas of ingress and egress
- ☒ Cross streets and points of reference

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
Jacob Thom
Printed name of licensee



Notary Public in and for the State of Alaska
commission expires: 9-20-2019

Subscribed and sworn to before me this 23rd day of July, 2018.

Received by AMCO 11.11.18
 Licensed premises and
 restricted access area
 Smoking Joe's Terps Co. #16511 66'x80'

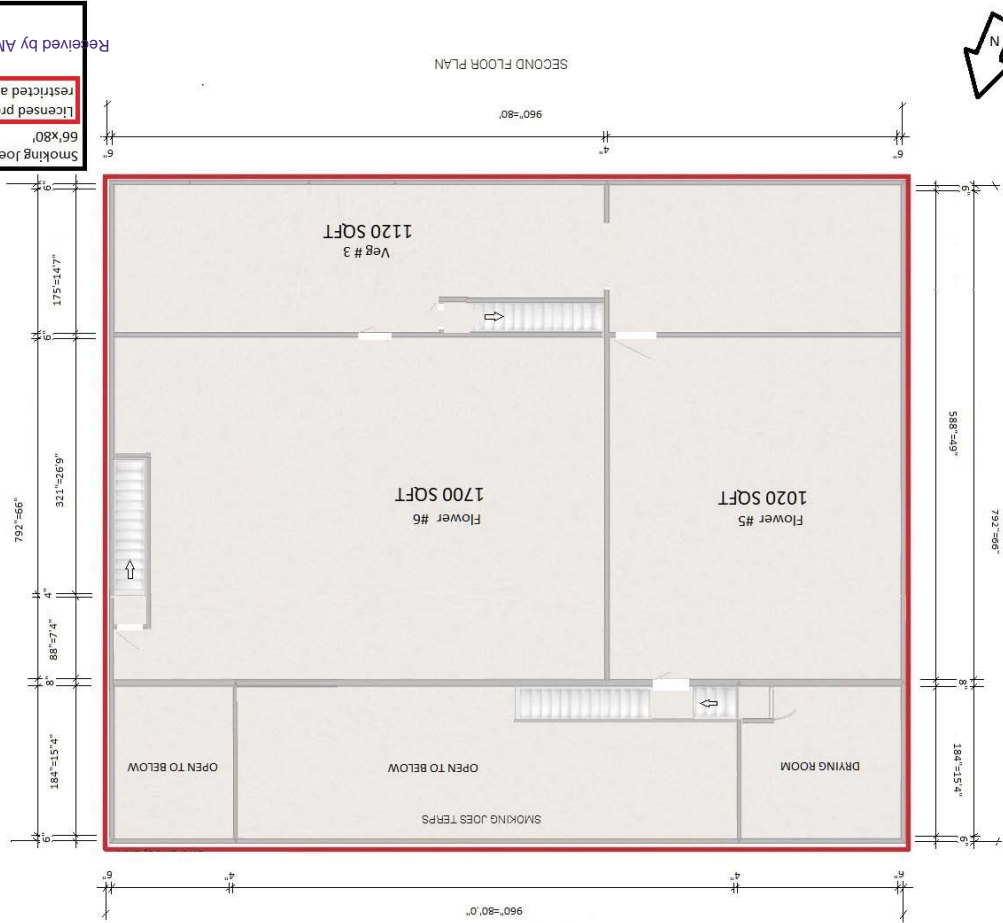


Diagram 1 Page 2

Received by AMCO 11.11.18
 Licensed Premises & not Restricted access area
 Licensed Premises and Restricted
 access area
 Smoking Joe's Terps Co. #16511 66'x80'

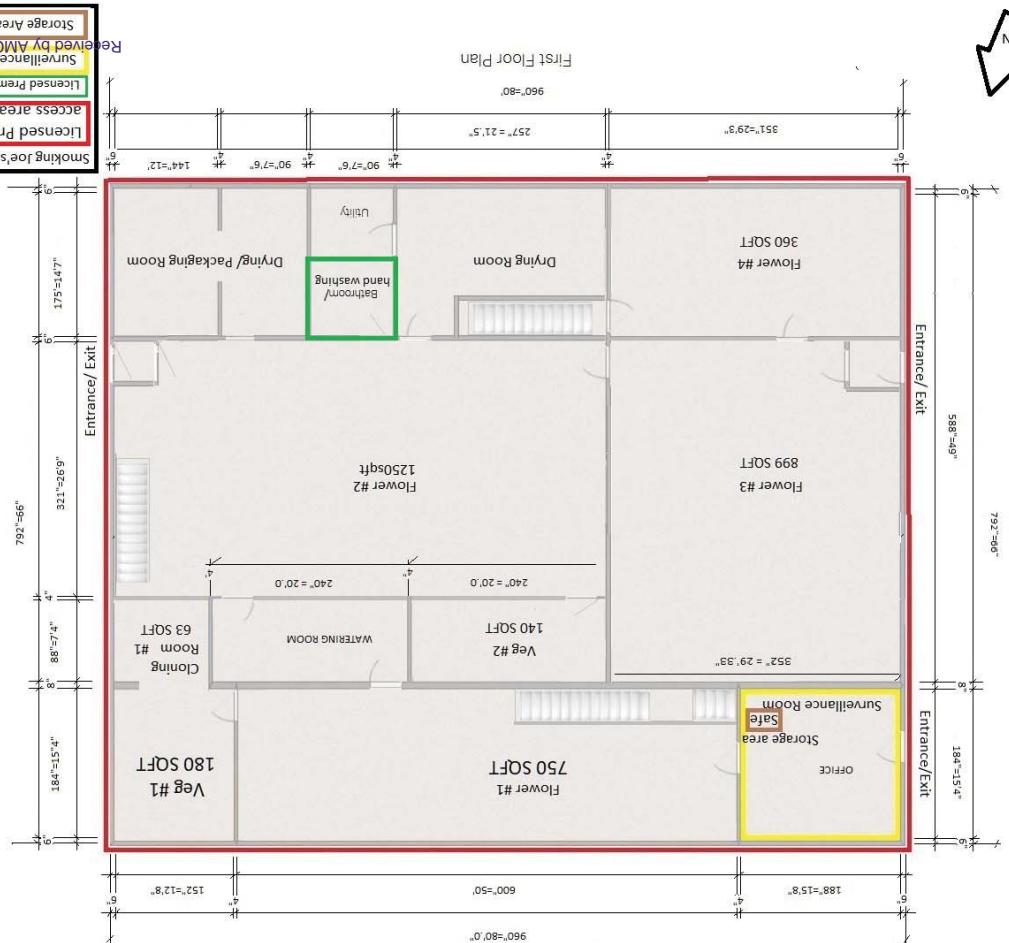


Diagram 1 page 1



Smoking Joe's Terps Co.
Standard Marijuana Cultivation
Facility 66'x80'
License #16511

Received by AMCO 11.11.18





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-04: Marijuana Cultivation Facility

What is this form?

This operating plan supplemental form is required for all applicants seeking a marijuana cultivation facility license and must accompany Form MJ-01: Marijuana Establishment Operating Plan, per 3 AAC 306.020(b)(11). Applicants should review Chapter 306: Article 4 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 306.420(2).

What additional information is required for cultivation facilities?

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

- Prohibitions
- Cultivation plan
- Waste disposal
- Odor control
- Testing procedure and protocols
- Packaging and labeling

This form must be completed and submitted to AMCO's main office before any new or transfer application for a standard marijuana cultivation facility or limited marijuana cultivation facility 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:	SMOKING JOE'S TERPS CO.	MJ License #:	16511
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	SMOKING JOE'S TERPS CO.		
Premises Address:	24276 Moraine Vista ST		
City:	Kasilof	State:	Alaska
		ZIP:	99610



Alaska Marijuana Control Board Form MJ-04: Marijuana Cultivation Facility Operating Plan Supplemental

Section 2 – Overview of Operations

2.1. Provide an overview of your proposed facility's operations. Include information regarding the flow of marijuana from seed or clone to harvest and transfer from your premises:

The proposed facility will have one clone room and three veg rooms. Clones will be entered into Metrc and will be limited to batches of 50 and identified by a batch tracking number. Once clones reach 8" in height they will be entered into METRC and then be moved into one of the veg. rooms for growth. Then into the flower rooms until harvested. Once harvested all bud/flower and trim will be kept in harvest batches of distinct strains not exceeding five pounds. Each harvested batch will be given an inventory tracking number. Each batch will be tested. Any transported batch will be entered into METRC and generate a valid transport manifest to accompany the transported batch. Enforcement will be given at least three days notice before and marijuana waste is made unusable and disposed of.

Section 3 – Prohibitions

Review the requirements under 3 AAC 306.405 and 3 AAC 306.410.

3.1. I certify that the marijuana cultivation facility will not:

- a. sell, distribute, or transfer any marijuana or marijuana product to a consumer, with or without compensation;
- b. allow any person, including a licensee, employee, or agent, to consume marijuana or marijuana product on the licensed premises or within 20 feet of the exterior of any building or outdoor cultivation facility; or
- c. treat or otherwise adulterate marijuana with any organic or nonorganic chemical or compound to alter the color, appearance, weight, or odor of the marijuana.

Initials

Initials

Section 4 – Cultivation Plan

Review the requirements under 3 AAC 306.420 and 3 AAC 306.430.

4.1. Describe the size of the space(s) the marijuana cultivation facility intends to be under cultivation, including dimensions and overall square footage. Provide your calculations below:

clone room #1 9x7 =63sqft
Veg. room #1 12x15=180sqft
Veg. room #2 7x20=140sqft
Veg. room #3 14'x80'=1120sqft
Flower room #1 50x15=750sqft
Flower room #2 50x25=1250sqft
Flower room #3 31x29=899sqft
Flower room #4 12x30=360sqft
Flower room #5 34'x30=1020sqft
Flower room #6 34'x50=1700sqft
Total under Cultivation= 7482sqft



Form MJ-04: Marijuana Cultivation Facility Operating Plan Supplemental

AMCO

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

4.2. The proposed area(s) for cultivation are clearly identified on the Form MJ-02: Premises Diagram that is submitted with this application.

Answer "Yes" or "No" to the following question:

4.3. Will the marijuana cultivation facility include outdoor production? ☐ Yes ☒ No

If "Yes", describe the outdoor structure(s) or the expanse of open or clear ground and how it is fully-enclosed by a physical barrier:

4.4. Describe the method(s) used to ensure that any marijuana at the marijuana cultivation facility, whether indoors or outdoors, cannot be observed by the public from outside the facility:

The proposed facility is designed to be a completely indoor growing cultivation facility. There will be no direct outside access from the designated growing area. No marijuana will ever be visible to the public.

4.5. Describe the marijuana cultivation facility's growing medium(s) to be used:

- 1.) Hydroton-Clay pebbles
- 2.) Grodan-high quality horticultural stone wool
- 3.) Pro-mix BX Mycorrhizae-a general purpose peat-based professional growing medium suitable for a wide variety of horticultural plants and transplanting applications.
- 4.) Cocotek-Coco Coir line of Organic Growing Media that contains only coconut pith and fibers

4.6. Provide the complete product name and EPA registration # (if applicable) for each of the cultivation facility's pesticides and pest control products to be used. All proposed products must be on DEC's list of approved pesticides in the state of Alaska:

NUKE EM exempt-25(b)
SAFER BRAND INSECT KILLING SOAP WITH SEAWEED EXTRACT II EPA #42697-59
SNS 217 RTU SPIDER MITE CONTROL exempt-25(b)
Delivery system will be: Hand sprayer

4.7. Describe all other fertilizers, chemicals, gases, and delivery systems, including carbon dioxide management, to be used at the marijuana cultivation facility:

Fertilizers utilized will be: Emerald Harvest Emerald Harvest Cali Pro Grow A, Emerald Harvest Cali Pro Bloom A, Emerald Harvest Cali Pro Bloom B, Emerald Harvest Emerald Goddess, Emerald Harvest Honey Chome, GH Flora Gro, GH Flora Bloom, GH Flora Micro, GH Florilicious Plus, GH MaxiBloom, Emerald-triangle-crystal-burst, Vermil T Bio, Advanced nutrients, Age Old, Roots Organic, General Organics, General hydroponics, Cutting edge.

Delivery system will be: Hand watering

Gases: CO2 with tank with Sentinel GPS CFP4-4i Fussy Logic CO2 Controller Delivery system will be: CO2 tubing from the regulator to behind a circulation fan controlled with the Sentinel



Form MJ-04: Marijuana Cultivation Facility Operating Plan Supplemental

4.7. Describe the marijuana cultivation facility's irrigation and waste water systems to be used:

The cultivation facility irrigation will be all done by hand. And the waste water system from each plant will be drained into a sump and the sumps will be pumped into a tote for storage. The tote of waste water will be reused with the next watering. This will be a continuous cycle and between water cycles some may evaporate before the next watering.

Section 5 – Waste Disposal

Review the requirements under 3 AAC 306.740.

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

5.1. The marijuana cultivation facility 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.

5.2. Describe how you will store, manage, and dispose of any solid or liquid marijuana waste, including wastewater generated during marijuana cultivation, 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:

There will be zero liquid Marijuana waste including wastewater. The water will be reused 100%. The plant waste will be stored in totes in the watering room until disposal. The plant waste will be made unusable by grinding the marijuana plant waste and mixing it with at least an equal amount of other compostable or non-compostable materials. Material that may be mixed with the marijuana waste includes

- (1) compostable materials including food waste, yard waste, vegetable based grease or oils.
- (2) non-compostable materials including paper waste, cardboard waste, plastic waste, oil.

Once this is done, the mulched material will be rendered unusable per statute and will be reused again in Bert Nelson home garden/flowerbeds etc. or taken to the landfill for solid waste disposal.

The marijuana inventory tracking system requires under 3 AAC 306.730, to give the board notice not later than three days before making the waste unusable and disposing of it.



Alaska Marijuana Control Board
Form MJ-04: Marijuana Cultivation Facility Operating Plan Supplemental

Section 6 – Odor Control

Review the requirements under 3 AAC 306.430.

Answer "Yes" or "No" to the following question:

6.1. Have you received an exemption from your local government for the odor control requirement set forth in 3 AAC 306.430(c)(2)? ☐ Yes ☒ No

If "Yes", you must be able to certify the statement below. Read the following and then sign your initials in the box: Initials

I am attaching to this form documentation of my odor control exemption from the local government.

If "No" to question 6.1., describe the odor control method(s) to be used and how the marijuana cultivation facility will ensure that any marijuana at the facility does not emit an odor that is detectable by the public from outside the facility:

An canister style air scrubber with carbon filters (also called 'carbon scrubbers') will be used to pull the smells out of the air, neutralizing any odors that pass through.

The filter will be used on all air exhausted from the facility to prevent any marijuana odor from being detected by the public.

Ozone generators may be utilized if determined necessary near exits to mitigate any unwanted smell from exiting the facility that may/could exist.

Section 7 – Testing Procedure and Protocols

Review the requirements under 3 AAC 306.455 and 3 AAC 306.465.

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 and agree that the board or director will, from time to time, require the marijuana cultivation facility to provide samples of the growing medium, soil amendments, fertilizers, crop production aids, pesticides, or water for random compliance checks. ☒

7.2. I will ensure that any individual responsible for collecting random, homogenous samples for required laboratory testing under 3 AAC 306.455 will prepare the necessary accompanying signed statement, provide the signed statement to the marijuana testing facility, and maintain a copy as a business record under 3 AAC 306.755. ☒

7.3. Describe the testing procedures and protocols the marijuana cultivation facility will follow:

Upon notification that the board or the director require samples for random compliance checks of the proposed facility, a licensee or an authorized agent of the proposed facility will notify an independent testing laboratory (of the states' choice if applicable) to send a representative to collect the required samples. This way, a chain of custody is established, and the possibility of unintentional contamination due to improper sample collection practices is minimized.

All marijuana product batches will be tested for a battery of state required impurities and/or contaminants by a state licensed lab in accordance with 3 AAC 306.455. The facility will collect random samples from homogeneous batches of individual strains of bud or flower in the amount required by the selected testing facility. Harvested marijuana will be segregated in five pound lots. While results are pending, batches will be "quarantined" until it is deemed acceptable by the testing facility.

We will further select homogeneous samples from our cultivation facility for random testing during our growing cycles in order to ensure the highest of quality of standards are met.

[Form MJ-04] (rev 01/10/2018) License # 16511 Page 5 of 7

Received by AMCO 7.23.18



Alaska Marijuana Control Board
Form MJ-04: Marijuana Cultivation Facility Operating Plan Supplemental

Section 8 – Packaging and Labeling

Review the requirements under 3 AAC 306.470 and 3 AAC 306.475.

Answer "Yes" or "No" to the following question:

8.1. Will the marijuana cultivation facility be packaging marijuana for a retail marijuana store to sell to a consumer without repackaging? ☒ Yes ☐ No

If "Yes", describe how the marijuana cultivation facility will ensure that the marijuana sold will meet the packaging requirements in 3 AAC 306.470, and provide a sample label that the facility will use to meet the labeling requirements set forth in 3 AAC 306.475:

Smoking Joe's Terps Co. facility shall package its marijuana bud and flower for sale to a retail marijuana store in a package not exceeding one ounce for resale to consumers without additional handling by the retail marijuana store except to add the retail marijuana store's own identifying name or logo, and license number. When we package marijuana for a retail marijuana store to sell to a consumer without repackaging, the packaging may not have any printed images, including cartoon characters, that specifically target persons under 21 years of age. In addition, the packaging will protect the product from contamination and may not impart any toxic or damaging substance to the marijuana. Each package prepared will be identified by a tracking label generated by are tracking system. Smoking Joe's Terps facility shall prepare marijuana for transport or transfer to another marijuana establishment by placing marijuana packaged within a sealed, tamper-evident shipping container, affixing a label in compliance with 3 AAC 306.475 to the shipping container, and generating a transport manifest from the marijuana cultivation facility's marijuana inventory tracking system; the transport manifest must remain with the marijuana at all times while being transported, and a copy must be given to the licensed marijuana establishment that receives the shipment. Sample label on page 7

Answer "Yes" or "No" to the following question:

8.2. Will the marijuana cultivation facility be packaging marijuana in wholesale packages? ☒ Yes ☐ No

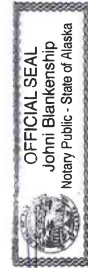
If "Yes", describe how the marijuana cultivation facility will ensure that the marijuana sold will meet the packaging requirements in 3 AAC 306.470, and provide a sample label that the facility will use to meet the labeling requirements set forth in 3 AAC 306.475:

Smoking Joe's Terps facility shall package its marijuana bud and flower for sale to a retail marijuana store in a wholesale package not exceeding five pounds for repackaging by the retail marijuana store; or to a marijuana product manufacturing facility in a wholesale package. Not exceeding five pounds; and consisting of a single strain or a mixture of strains as identified on the label. Each package prepared must be identified by a tracking label generated for tracking by the marijuana cultivation facility's marijuana inventory tracking system. We shall prepare marijuana for transport or transfer to another marijuana establishment by placing marijuana packaged within a sealed, tamper-evident shipping container; affixing a label in compliance with 3 AAC 306.475 to the shipping container; and generating a transport manifest from the marijuana cultivation facility's marijuana inventory tracking system; the transport manifest must remain with the marijuana at all times while being transported, and a copy must be given to the licensed marijuana establishment that receives the shipment. Sample label on page 7

I certify that as a marijuana cultivation facility, I will submit monthly reports to the Department of Revenue and pay the excise tax required under AS 43.61.010 and AS 43.61.020 on all marijuana sold or provided as a sample to a marijuana establishment, as required under 3 AAC 306.480.

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

Signature of licensee *Jacob Thom*
Jacob Thom
Notary Public in and for the State of Alaska
My commission expires: 9-20-2019



Printed name of licensee
Subscribed and sworn to before me this 23rd day of July, 2018

[Form MJ-04] (rev 01/10/2018) License # 16511 Page 6 of 7

Received by AMCO 11.11.18



Form MJ-04: Marijuana Cultivation Facility Operating Plan Supplemental

(Additional Space as Needed):

- 8.1 sample label retail Warning
- (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";
- Smoking Joe's Terps Co.
License # 16511
Strain: Smoking Joe's Terps Honey Banana
Harvest Batch # 1 (provided by Metric)
Net Weight 1oz
- No Pesticides, Fungicides, or Herbicides were used in the Cultivation of this Marijuana.
(Test Results) Including: Cannabinoid potency, Microbial, Contaminants of residual Solvents, any additional contaminants
- Tested by Cann Test
- All nutrients used in the cultivation of this Marijuana were Emerald Harvest nutrients.
This Marijuana was grown in Pro-mix BX soil.
- 8.2 Sample Label wholesale
Smoking Joe's Terps Co.
License # 16511
Strain: Smoking Joe's Terps Honey Banana
Harvest Batch # 1 (provided by Metric)
Net Weight 1LB.
- No Pesticides, Fungicides, or Herbicides were used in the Cultivation of this Marijuana.
Wholesale Marijuana must be repackaged for resale.
(Test Results) Including: Cannabinoid potency, Microbial, Contaminants of residual Solvents, any additional contaminants
- Tested by Cann Test
- All nutrients used in the cultivation of this Marijuana were Emerald Harvest nutrients.
This Marijuana was grown in Pro-mix BX soil.



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:	SMOKING JOE'S TERPS CO.	License Number:	16511
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	SMOKING JOE'S TERPS CO.		
Premises Address:	24276 Moraine Vista ST		
City:	Kasilof	State:	AK
		ZIP:	99610

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: 4-10-18

End Date: 4-22-18

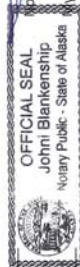
Other conspicuous location: Kasiloff Post Office

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

Signature of licensee

Jacob Thom

Printed name of licensee



Subscribed and sworn to before me this 23rd day of July, 2018.



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:	SMOKING JOE'S TERPS CO.	License Number:	16511
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	SMOKING JOE'S TERPS CO.		
Premises Address:	24276 Moraine Vista ST		
City:	Kasilof	State:	AK
		ZIP:	99610

Section 2 - Certification

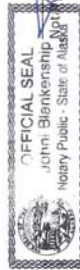
I certify that I have met the local government notice requirement set forth under 3 AAC 306.025(b)(3) by submitting a copy of my application to the following local government (LG) official(s) and community council (if applicable):

Local Government(s): Kenai Peninsula Borough Date Submitted: 1-18-2018

Name/Title of LG Official 1: Borough Clerk Name/Title of LG Official 2: John Blankenship

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

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



Signature of licensee
Jacob Thom

Printed name of licensee

My commission expires: 9-20-2019

Subscribed and sworn to before me this 23rd day of July, 2018.

Received by AMCO 7.23.18



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(e).

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:	SMOKING JOE'S TERPS CO.	License Number:	16511
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	SMOKING JOE'S TERPS CO.		
Premises Address:	24276 Moraine Vista ST		
City:	Kasilof	State:	AK
		ZIP:	99610

Section 2 - Individual Information

Enter information for the individual licensee or affiliate.

Name:	Jacob Thom
Title:	President
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 of licensee
Jacob Thom

Jacob Thom

Printed name of licensee



Notary Public in and for the State of Alaska

My commission expires: 9-20-2019

Subscribed and sworn to before me this 23rd day of July, 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:	SMOKING JOE'S TERPS CO.	License Number:	16511
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	SMOKING JOE'S TERPS CO.		
Premises Address:	24276 Moraine Vista ST		
City:	Kasilof	State:	AK
		ZIP:	99610

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Bert Nelson		
Title:	Vice President		
SSN:		Date of Birth:	



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.

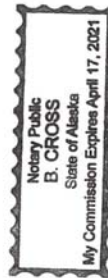

Signature of licensee

Bert Nelson

Printed name of licensee


Notary Public in and for the State of Alaska

My commission expires: April 17, 2021
Subscribed and sworn to before me this 25 day of July, 2011.



Department of Commerce, Community, & Economic Development

Alcohol & Marijuana Control Office

License #16511
Initiating License Application
4/9/2018 8:43:18 PM

License Number: 16511

License Status: New

License Type: Standard Marijuana Cultivation Facility

Doing Business As: SMOKING JOES TERPS CO.

Business License Number: 1058934

Designated Licensee: Jacob Thom

Email Address: smokingjoesterps@gmail.com

Local Government: Kenai Peninsula Borough

Community Council:

Latitude, Longitude: 60.332000, -151.244000

Physical Address: 24276 Moraine Vista St
Kasilof, AK 99610
UNITED STATES

Licensee #1

Type: Entity

Alaska Entity Number: 10086546

Alaska Entity Name: Smoking Joe's Terps Co.

Phone Number: 907-715-1180

Email Address: smokingjoesterps@gmail.com

Mailing Address: 6857 S. Hangar Talk Cir
Wasilla, AK 99623
UNITED STATES

Entity Official #1

Type: Individual

Name: Jacob Thom

Phone Number: 907-715-1180

Email Address: smokingjoesterps@gmail.com

Mailing Address: 6857 S. Hangar Talk Cir.
Wasilla, AK 99623
UNITED STATES

Entity Official #2

Type: Individual

Name: Bert Nelson

Phone Number: 907-262-1658

Email Address: arttman800@hotmail.com

Mailing Address: 42160 Hazel CRT.
Soldotna, AK 99669
UNITED STATES

Note: No affiliates entered for this license.

COMMERCIAL LEASE

This lease agreement entered into on July 1st, 2017 between **Jacob Thom** referred to below as "Lessor," and **SMOKING JOE'S TERPS CO. SMOKING JOE'S TERPS CO.**, referred to as "Lessee," who has applied for a State of Alaska Standard Marijuana Cultivation Facility license for the below described premises:

In consideration of the rent provided for, and of the covenants and agreements contained in this Lease, Lessor demises and leases to Lessee the 66'x 80' shop premises located at 24276 Moraine Vista ST, Kasilof, AK 99610 to have and to hold the premises for a term of three (3) years, beginning at 12:00 noon on September 1, 2018 and ending at 12:00 noon on September 1, 2021 unless extended between the parties.

The terms and conditions of this Commercial Lease are as follows:

1. **Premises.** The 66'x80 shop building and Parking area around the shop located at 24276 Moraine Vista ST, Kasilof, AK 99610.

Rent. Lessee agrees to pay Lessor as base rent for the premises: \$23,750.00 per month for the balance of the lease term.

- a. Rent shall be paid on the first of the month as directed by the lessor.
- b. Lessee shall pay all electricity for the building that is used each month, garbage disposal, and heating bills for the building.
- c. Lessee shall pay a late fee of 5% of the base rent for payment of rent past the fifth (5th) of the month.
- d. A \$1,000.00 security/damage deposit has been paid by lessee to lessor.

3. Use of Premises.

- a. Lessee shall use the premises for the operation of a standard marijuana cultivation facility that is permitted under Alaska state law and property licensed by the State of Alaska and local governing body.
- b. Lessee shall also be responsible for all business costs, charges and expenses of operating, maintaining, repairing, replacing, and insuring the premises, including but not limited to net costs and expenses of operating, repairs, lighting, cleaning, painting, stripping and securing insurance.

4. **Quiet enjoyment.** Lessor covenants that Lessee shall peacefully and quietly have, hold, and enjoy the premises for the agreed term, free from interference by the Lessor.

5. Utilities.

Commercial Lease Agreement

1

Received by AMCO 7.23.18

- a. Tenant shall promptly pay all charges when due for utilities furnished to the premises including water, gas, electricity and any other utilities services, and tenant shall promptly pay all taxes levied in connection with utilities used on the premises. Landlord shall not be responsible or liable in any way for quality impairment, interruption, stoppage or other interference with any "utility service."

- b. It is the intention of Lessor and the Lessee that the rent shall be paid at the rate of \$23,750.00 per month each and every month throughout the duration of this lease agreement.

6. **Repair.** Lessee shall keep the leased grounds free of all cans, bottles, fragments, debris and trash, and in good repair, and the Lessee will keep the downspouts, gutters and drains clean, open and free of obstruction, and in good working order. Lessor shall not be obligated or required to make any repairs or do any work on or about the premises or any part of them. All portions of any building leased shall be kept in good repair by Lessee and at the end of the term, the Lessee shall deliver the demised premises to Lessor in good repair and condition, reasonable wear and tear and damage from fire or other casualty excepted. Lessor reserves the right to enter upon the premises as Lessor may deem necessary or proper, or that Lessor may be lawfully required to make, by giving a 24-hour notice of the inspection.

Lessor shall not be liable for any injury or damage caused by, or growing out of, any defect of the building, or its equipment, drains, plumbing, wiring, electric equipment or appliances, or in the premises, or caused by, or growing out of, fire, rain, wind, leaks, seepage or other cause. However, this does not relieve lessor of liability if the building is defective because of lessor's actions.

Should the Lessee fail to make repairs agreed to under this Lease, the Lessor may enter the premises (as allowed under state law) and make such repairs and collect the cost from the Lessee. Except as specifically provided in this Lease, the Lessee will not make or permit to be made any alterations, improvements, additions or changes in the premises, nor will the Lessee paint the outside of the building or permit the same to be painted without the written consent of the Lessor before work is contracted or let.

7. **Indemnity & Insurance.** Lessee agrees to indemnify and hold Lessor harmless from the claims of any and all persons for bodily injury and property damage occurring upon the premises during the term of this Lease or any extension of it, provided the Lessor is not negligent. Lessee agrees to obtain and furnish at Lessee's expense a public liability insurance policy with a reputable insurance company, protecting Lessor from any and all such damages and claims, and agrees to have the policy endorsed to include Lessor as the additional insured. The policy or policies shall be with the following minimum limits:

\$1,000,000 for personal injury to one individual in any one accident or occurrence;

\$2,000,000 for personal injuries for all individuals, the result of any one accident or occurrence;

\$500,000 property damage to all persons resulting from one accident or occurrence.

Commercial Lease Agreement

2

Received by AMCO 7.23.18

Lessee will give to Lessor a copy of the liability insurance policy with the premium paid.

Lessor covenants and agrees to indemnify, hold harmless and defend Lessee from and against all claims, losses and damages for personal injury or death, damage to property occurring on the premises, or Lessor's failure to pay taxes, liens, or assessments, arising out of Lessor's use or occupancy of the premises, or otherwise, arising out of Lessor's operation of the businesses or occupancy of the premises which pre-date the commencement of this Lease. This clause includes any Alaska Department of Environmental Authority, federal Environmental Protection Agency, the Alaska Department of Revenue, Internal Revenue Service, or other government entity or agency.

8. **Fire and Other Casualty.** In the event of the total destruction of, or partial damage to, the buildings upon the demised premises by fire or other casualty, Lessor shall proceed with due diligence and dispatch to repair and restore the buildings to the conditions to which they existed immediately prior to the occurrence of such casualty, at Lessor's cost and expense, provided such cost does not exceed the proceeds of insurance collected on the buildings, by reason of such casualty, the application of which insurance proceeds are not prohibited, by reason of any mortgage provision, from being used toward the cost of restoration and repairing the same. If the unexpired portion of the term or any extension of it shall be two years or less on the date of such casualty and the cost of such repair or restoration exceeds 20% of the then replacement value of the damaged leased premises, as estimated by two or more reputable contractors, Lessor may by written notice to the Lessee, within 30 days after the occurrence of such casualty, terminate this Lease. If the insurance proceeds are insufficient to effect such restoration or repairs, Lessor at its option may cancel this Lease by written notice to Lessee within 30 days after the occurrence of such casualty.

In the event the repairing and restoring of the buildings cannot be completed within four months after the date of occurrence of such casualty, as estimated by two or more reputable contractors, the Lessee shall have the right to terminate this Lease upon giving written notice to Lessor within 30 days from the date of occurrence of the casualty. From the date of such damage or destruction until the building has been substantially repaired or restored, an equitable abatement of rent shall be allowed the Lessee. Property Lessee stores in the demised premises shall be at the sole risk of Lessee.

Neither Lessor nor Lessee shall be liable to the other for any loss or damage from risks ordinarily insured against under fire insurance policies with extended coverage endorsements, irrespective of whether such loss or damage results from their negligence or that of any of their agents, servants, employees, licensees or contractors to the extent that such losses are covered by valid and collectable insurance on the property at the time of the loss.

9. **Improvements and Fixtures.** Lessee may at its own expense make such alterations, improvements, additions and changes to the premises, provided Lessee shall not, without the written consent of Lessor, tear down or materially demolish any of the improvements on the premises or make any material change or alteration in such improvements which, when completed, would substantially diminish the value of the premises. All shelving, trade fixtures, or other personal property of Lessee which it may have installed or placed at its

own expense on the premises may at any time be removed by Lessee provided Lessee shall repair any damage to the premises caused by such removal. Lessee agrees at Lessee's own cost and expense to keep the building on the premises well painted at all times.

10. **Assignment and Subletting.** Lessee agrees that it will not assign or sublet the leased premises in whole or in part without the written consent of Lessor, which consent shall not be unreasonably withheld. But such assignment or subletting will in no event release Lessee from its responsibility under the terms of this Lease.

11. **Default.** Lessee shall be considered in default under this lease for any of the following actions or occurrences:

a. Failure of Lessee to pay rent or any other sum due and owing Lessor pursuant to the provisions of this lease within ten (10) days after the expiration of written notice by Lessor to Lessee of such default, complying with Alaska Statute (A.S.) 09.45.105.

b. Failure by Lessee to comply with any of the covenants, terms and conditions of this lease within twenty (20) days after receipt from Lessor of notice to correct such failure.

c. Failure of Lessee to obtain the release of an attachment, garnishment, execution, or levy against the premises or loaned equipment or the business conducted by Lessee on the premises within 72 hours after any such lien attaches.

d. Institution of bankruptcy, insolvency, receivership, or trusteeship proceedings, voluntary or otherwise, or an assignment for the benefit of creditors, by Lessee.

e. Abandonment of the premises by Lessee.

d. Death or disablement of Lessee.

e. Assignment or sublease, of this Lease by Lessee without the written consent of the Lessor, which consent shall not be unreasonably withheld.

f. In the event of default by the Lessee, Lessor/landlord will not remove from the premises or take possession of any marijuana, and AMCO enforcement will be contacted immediately by the landlord.

12. **Lessor Remedies on Default.** Upon default in the terms and conditions of this Lease, Lessor may avail itself of the Forcible Entry and Detainer statutes of the State of Alaska (A.S. 09.45.060 et. seq.), and such other remedies as may exist in law or equity.

13. **Return of Premises Upon Termination.** Upon termination of this Lease by expiration of the term, or by election as above provided, or otherwise, Lessee shall return the premises to Lessor in the same condition as at the commencement of this Lease, ordinary wear and tear excepted.

14. **Non-Waiver of Eminent Domain and Condemnation.** If there is a partial taking of the demised premises by eminent domain, as the result of which the total leased premises is reduced by not more than 25%, the terms of this Lease will continue and Lessor at Lessor's expense will restore the remaining premises to a complete architectural unit with store front, signs and interior of equal appearance and utility as they had previous to the taking, but there will be a pro-rata reduction in the rent payable each month and Lessee will have no right to any of the proceeds of such taking. If, on the other hand, the taking exceeds 25% of the total leased premises, or in the event the improvements are condemned and ordered torn down or removed by lawful authority, then the terms of this Lease shall cease as of the date possession shall be taken by such authority, the rent will be apportioned as of the date of such taking.

15. In the event of default by lessee, the Lessor/landlord will not remove from the premises or take possession of marijuana, and AMCO enforcement will be notified immediately.

16. **Miscellaneous.**

a. **Notices.** All notices which are required to be given pursuant to this Lease shall be deemed sufficient if in writing and sent by either registered or certified mail or hand delivery as follows:

To Lessor: 6857 S. Hangar Talk Cir. Wasilla, AK. 99623

To Lessee: 6857 S. Hangar Talk Cir. Wasilla, AK. 99623

b. **Binding Effects.** This Lease shall be binding and shall inure to the benefit of Lessor and Lessee, their heirs, successors and assigns.

c. **Integrated Contract.** This lease contains the entire agreement and understanding between the parties hereto. From the date on which the form of this lease begins, this lease automatically supersedes and terminates all prior leases between lessee and lessor or the predecessors of lessee pertaining to the premises and loaned equipment. No amendment, addition, alteration, modification or waiver of any provision of this lease shall be of any effect unless in writing and signed by the parties hereto.

d. **Attorney's Fees.** In any proceedings to enforce this Lease, the prevailing party shall pay all reasonable costs, attorneys' fees and expenses that shall be made and incurred in enforcing the agreements of this lease.

e. **Applicable Law and Termination of Lease.** This Lease shall be interpreted according to the law of the State of Alaska, and any legal proceedings to enforce it shall be venue in the courts of the State of Alaska, Third Judicial District at Palmer, Alaska. After a Lease Agreement is mutually executed and in the event lessee, despite its best efforts, is unable to obtain a state marijuana license (or renewal of said license) and local use permits approvals for this site location, lessee shall, at lessee's election, be released from the terms of the lease and the security deposit and all Payments to the Landlord will be forfeited as its sole financial remedy cancelling this Lease Agreement.

DATED in, Alaska, this 23 day of July 2018

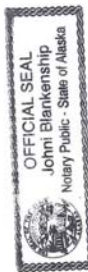
SMOKING JOE'S TERPS CO.
Lessee/Tenant

By: Jacob Thom
Is: President/CEO

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 23rd day of July 2018 before me, the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared on behalf of SMOKING JOE'S TERPS CO., Jacob Thom, to me known to be the person described in and who executed the above agreement, and he/she acknowledged to me that he/she executed the same as his/her free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official notarial seal on the day, month, and year in this certificate first hereinafter written.



By: John Blankenship
Notary Public in and for the State of Alaska
My commission expires: 9-20-2019

Likewise, if after the lessee's operation is up and running and in the future there are changes in the Law that make the business of lessee illegal, lessee shall be released from the terms of the lease agreement with forfeiture of the security deposit and all payments. Lessee agrees to give a thirty (30) day notice prior to terminating lease.

In witness, the parties have executed this Lease on the date below written.

DATED in, Alaska, this 23 day of July 2018

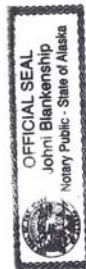
Lessor, Jacob Thom

By: [Signature]
Jacob Thom

STATE OF Alaska)
) ss.
3rd JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 23rd day of July 2018 before me, the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Jacob Thom, to me known to be the person described in and who executed the above agreement, and he/she acknowledged to me that he/she executed the same as his/her free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official notarial seal on the day, month, and year in this certificate first hereinafter written.



By: [Signature]
Notary Public in and for the State of AK
My commission expires: 9-20-2019



PO Box 3009, Kenai, AK 99611 - (907) 283-7551 - Fax (907) 283-3299

PUBLISHER'S AFFIDAVIT

UNITED STATES OF AMERICA, }
STATE OF ALASKA } ss:

Elizabeth A. Ulrickson, 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 Gatehouse/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:

Account No. 1000741276

Jacob Thom
68575 S. Hangar Talk Cir. Wasilla AK 99623 US

Ad # 8222948

Pub Date	Edition	Section	Page
01/17/2018	KEN PENINSULA CLARION	LEGAL NOTICES	B 2
01/24/2018	KEN PENINSULA CLARION	LEGAL NOTICES	B 2
01/31/2018	KEN PENINSULA CLARION	LEGAL NOTICES	B 2

x [Signature]
SUBSCRIBED AND SWORN to me before
this 23rd day of July 2018

NOTARY PUBLIC in favor for the State of Alaska.

My commission expires September 20 2019



NEW STANDARD MARIJUANA CULTIVATION FACILITY LICENSE
Smoking Joe's Terp Co. is applying under 3 AAC 506.400 for a new Standard Marijuana Cultivation Facility License. The applicant, Juana Cultivation Facility license, license #26851, doing business as SMOKING JOE'S TERP CO. located at 24276 Moraine Vista St, Kenai, AK 99606, UNITED STATES.
Interested persons may object to the application by submitting a written statement of reasons for the objection to the Alaska Department of Social Services, Office of the Alcohol & Marijuana Control (AMCO) not later than 30 days after the date the application is received by the AMCO. The AMCO will determine if the application is complete. Once an application is determined to be complete, the objection deadline is 14 days after the application is received by the AMCO. Objections should be sent to AMCO at mari-licensing@alaska.gov or to 550 W 7th Ave, Suite 1500, Anchorage, AK 99501-3001. Pub. 1/17/24/31/2018 8222948/741276

<u>AGENDA ITEM F.</u>		PUBLIC HEARING
<input checked="" type="checkbox"/>	State application for a marijuana establishment license, Kasilof Area	
STAFF REPORT		PC MEETING: January 7, 2019
Applicant:	Smoking Joe's Terps Co.	
Landowner:	Jacob Thom	
Parcel ID#:	133-280-02	
Legal Description:	Lot B-6, Resubdivision of Tuttle Tracts B and C, according to Plat 74-97, Kenai Recording District	
Location:	24276 Moraine Vista St, Kasilof	
<p>BACKGROUND INFORMATION: On January 12, 2018, the applicant notified the borough that he/she had submitted an application to the state for a Standard Marijuana Cultivation Facility license. On January 18, 2018, the applicant supplied the borough with a signed acknowledgement form and a site plan on January 18, 2018 of the proposed Standard Marijuana Cultivation Facility on the above described parcel. The Alcohol and Marijuana Control Office notified the borough that the application was complete on November 16, 2018. Staff has reviewed the completed license that has been submitted to the state and the site plan submitted to the borough and has found the following concerning the standards contained in KPB 7.30.020:</p>		
<ol style="list-style-type: none"> 1. The Borough finance department has been notified of the complete application and they report that the applicant is in compliance with the borough tax regulations. 2. Borough planning department staff has evaluated the application and has determined that the proposed facility will be located greater than 1,000 feet from any school. 3. Borough planning department staff has evaluated the application and has determined that the proposed facility will be located greater than 500 feet from all recreation or youth centers, and all buildings in which religious services are regularly conducted, and all correctional facilities. 4. The proposed facility is not located within a local option zoning district. 5. The proposed facility is located where there is sufficient ingress and egress for traffic to the parcel. <ul style="list-style-type: none"> • The site plan indicates that the approach is or will be constructed to a minimum width of 28 feet where it accesses the right-of-way. • The signed acknowledgement form indicates that there will not be any parking in borough rights-of-way. • The site plan indicates a clear route for delivery vehicles, which allows vehicles to turn safely. • On-site parking and loading areas are designated at a location that would preclude vehicles from backing out into the roadway. 6. Because this application is for cultivation the hours of operation for a retail store is not applicable. 		
<p>KPB 7.30.020(E) allows the recommendation of additional conditions on a license to meet the following standards:</p> <ul style="list-style-type: none"> • protection against damage to adjacent properties, • protection against offsite odors, • protection against noise, • protection against visual impacts, 		

- protection against road damage,
- protection against criminal activity, and
- protection of public safety.

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

PUBLIC NOTICE: Public notice of the application was mailed on December 11, 2018 to the 11 landowners of the parcels within 300 feet of the subject parcel. Public notice of the application was published in the December 27, 2018 & January 3, 2019 issues of the Peninsula Clarion.

KPB AGENCY REVIEW: Application information was provided to pertinent KPB staff and other agencies on December 27, 2018.

ATTACHMENTS

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

STAFF RECOMMENDATION

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

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

END OF STAFF REPORT



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.

Smoking Joe's Terps Co.
24276 Moraine Vista St. Kaslof, T 3N R 11W SEC 19 Seward Meridian KN 0740097 TUTTLE RESUB
TRACTS B & C TRACT B-6
Application for Standard Marijuana Cultivation Facility (License Number: 16511)

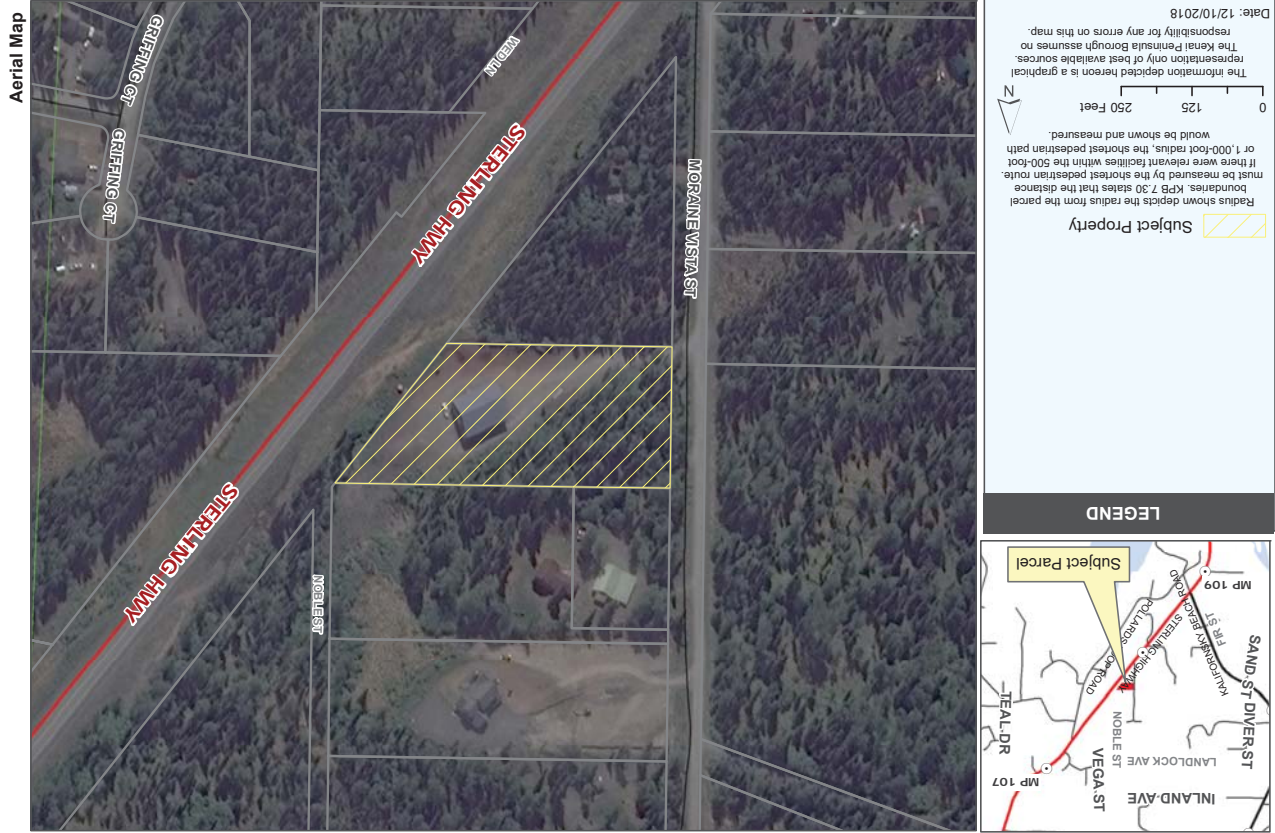

Signature

1-18-2018
Date

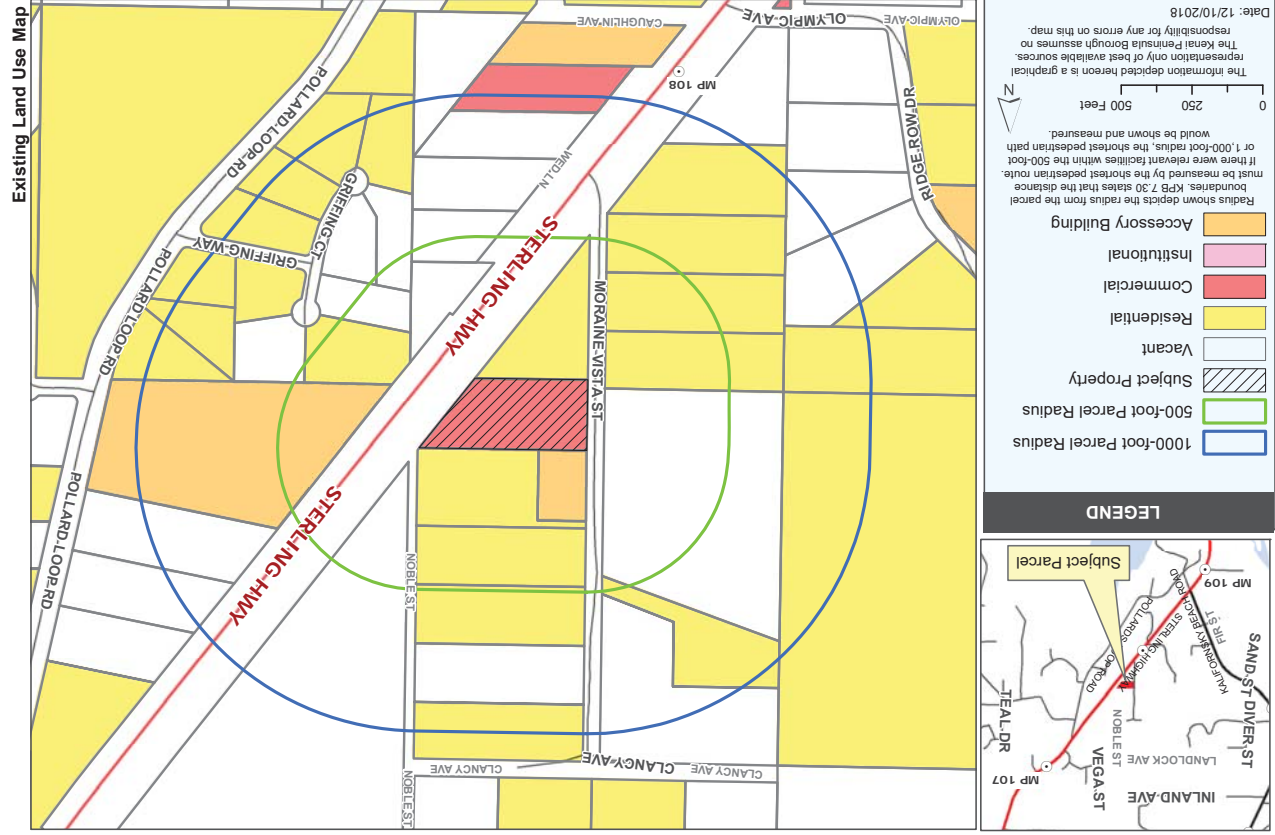
Please return completed form along with site development plan to the KPB Clerk's Office within the next two (2) weeks. The KPB has 60 days to review your application after receipt from AMCO.



KPB Parcel ID: 133-280-02
Applicant: Smoking Joe's Terps



KPB Parcel ID: 133-280-02
Applicant: Smoking Joe's Terps





THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Commerce, Community,
and Economic Development
ALCOHOL & MARIJUANA CONTROL OFFICE
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

November 27, 2018

City of Seward

Attn: Brenda Ballou & Johanna Kinney, City Clerks

VIA Email: bballou@cityofseward.net

clerk@cityofseward.net

Cc: joanne@borough.kenai.ak.us

jblankenship@borough.kenai.ak.us

tshassetz@kpb.us

License Type:	Brewery	License Number:	5730
Licensee:	Seward Enterprises LLC		
Doing Business As:	Mt. Marathon Brewing Company		

☒ **New Application**

☐ **Transfer of Ownership Application**

☐ **Transfer of Location Application**

☐ **Transfer of Controlling Interest Application**

We have received a completed application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under AS 04.11.480.

A local governing body may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of this notice, and by allowing the applicant a reasonable opportunity to defend the application before a meeting of the local governing body, as required by 3 AAC 304.145(d). If a protest is filed, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable. To protest the application referenced above, please submit your protest within 60 days and show proof of service upon the applicant.

AS 04.11.491 – AS 04.11.509 provide that the board will deny a license application if the board finds that the license is prohibited under as a result of an election conducted under AS 04.11.507.

AS 04.11.420 provides that the board will not issue a license when a local governing body protests an application on the grounds that the applicant's proposed licensed premises are located in a place within the local government where a local zoning ordinance prohibits the alcohol establishment, unless the local government has approved a variance from the local ordinance.

Sincerely,

Erika McConnell, Director

amco.localgovernmentonly@alaska.gov



Alaska Alcoholic Beverage Control Board

Form AB-00: New License Application

What is this form?

This new license application form is required for all individuals or entities seeking to apply for a new liquor license. Applicants should review **Title 04 of Alaska Statutes** and **Chapter 304 of the Alaska Administrative Code**. All fields of this form must be completed, per AS 04.11.260 and 3 AAC 304.105.

This form must be completed and submitted to AMCO's main office, along with all other required forms and documents, before any license application will be considered complete.

Section 1 – Establishment and Contact Information

Enter information for the business seeking to be licensed.

Licensee:	Seward Enterprises LLC				
License Type:	Brewery	Statutory Reference:	AS04.11.130		
Doing Business As:	Mt. Marathon Brewing Company				
Premises Address:	31832 Herman Leirer Road				
City:	Seward	State:	AK	ZIP:	99664
Local Governing Body:	Kenai Peninsula Borough				
Community Council:	Kenai Peninsula Borough				

Mailing Address:	PO Box 3151				
City:	Seward	State:	AK	ZIP:	99664

Designated Licensee:	Seward Enterprises LLC				
Contact Phone:	907-362-1928	Business Phone:	907-224-6040		
Contact Email:	sewardlogistics@hotmail.com				

Seasonal License? ☒ Yes ☐ No If "Yes", write your six-month operating period: March 1st- Sep. 30

OFFICE USE ONLY					
Complete Date:	11/26/18	License Years:		License #:	5730
Board Meeting Date:	12/18/18	Transaction #:	944894, 946543		
Issue Date:		BRE:	ade		





Alaska Alcoholic Beverage Control Board

Form AB-00: New License Application

Section 2 – Premises Information

Premises to be licensed is:

☐ an existing facility ☐ a new building ☒ a proposed building

The next two questions must be completed by beverage dispensary (including tourism) and package store applicants only:

What is the distance of the shortest pedestrian route from the public entrance of the building of your proposed premises to the outer boundaries of the nearest school grounds? Include the unit of measurement in your answer.

1.9 Miles

What is the distance of the shortest pedestrian route from the public entrance of the building of your proposed premises to the public entrance of the nearest church building? Include the unit of measurement in your answer.

2.1 Miles

Section 3 – Sole Proprietor Ownership Information

This section must be completed by any sole proprietor who is applying for a license. Entities should skip to Section 4.

If more space is needed, please attach a separate sheet with the required information.

The following information must be completed for each licensee and each affiliate (spouse).

This individual is an: ☐ applicant ☐ affiliate

Name:					
Address:					
City:		State:		ZIP:	

This individual is an: ☐ applicant ☐ affiliate

Name:					
Address:					
City:		State:		ZIP:	





Alaska Alcoholic Beverage Control Board

Form AB-00: New License Application**Section 4 – Entity Ownership Information**

This section must be completed by any **entity**, including a corporation, limited liability company (LLC), partnership, or limited partnership, that is applying for a license. Sole proprietors should skip to Section 5.

If more space is needed, please attach a separate sheet with the required information.

- If the applicant is a **corporation**, the following information must be completed for each **stockholder who owns 10% or more** of the stock in the corporation, and for each **president, vice-president, secretary, and managing officer**.
- If the applicant is a **limited liability organization**, the following information must be completed for each **member with an ownership interest of 10% or more**, and for each **manager**.
- If the applicant is a **partnership**, including a **limited partnership**, the following information must be completed for each **partner with an interest of 10% or more**, and for each **general partner**.

Entity Official:	Vince Benjamin				
Title(s):	Member, Manager	Phone:	907-362-1928	% Owned:	100
Address:	31832 Herman Leirer Road				
City:	Seward	State:	AK	ZIP:	99664

Entity Official:					
Title(s):		Phone:		% Owned:	
Address:					
City:		State:		ZIP:	

Entity Official:					
Title(s):		Phone:		% Owned:	
Address:					
City:		State:		ZIP:	

Entity Official:					
Title(s):		Phone:		% Owned:	
Address:					
City:		State:		ZIP:	



Alaska Alcoholic Beverage Control Board

Form AB-00: New License Application

This subsection must be completed by any applicant that is a corporation or LLC. Corporations and LLCs are required to be in good standing with the Alaska Division of Corporations (DOC) and have a registered agent who is an individual resident of the state of Alaska.

DOC Entity #:	10031788	AK Formed Date:	8/28/2015	Home State:	AK
Registered Agent:	Vince Benjamin	Agent's Phone:	907-362-1928		
Agent's Mailing Address:	PO Box 3151				
City:	Seward	State:	AK	ZIP:	99664

Residency of Agent: Seward, Alaska Yes No

Is your corporation or LLC's registered agent an individual resident of the state of Alaska?

☒ ☐

Section 5 – Other Licenses

Ownership and financial interest in other alcoholic beverage businesses:

Yes No

Does any representative or owner named in this application have any direct or indirect financial interest in any other alcoholic beverage business that does business in or is licensed in Alaska?

☒ ☐

If "Yes", disclose which individual(s) has the financial interest, what the type of business is, and if licensed in Alaska, which license number(s) and license type(s):

Restaurant Eating Place AS 04.11.100 License # 4153

Section 6 – Authorization

Communication with AMCO staff:

Yes No

Does any person other than a licensee named in this application have authority to discuss this license with AMCO staff?

☐ ☒

If "Yes", disclose the name of the individual and the reason for this authorization:





Alaska Alcoholic Beverage Control Board

Form AB-00: New License Application

Section 7 – Certifications

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

Initials

I certify that all proposed licensees (as defined in AS 04.11.260) and affiliates have been listed on this application.

VB

I certify that all proposed licensees have been listed with the Division of Corporations.

VB

I certify that I understand that providing a false statement on this form or any other form provided by AMCO is grounds for rejection or denial of this application or revocation of any license issued.

VB

I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check the identification of a patron will complete an approved alcohol server education course, if required by AS 04.21.025, and, while selling or serving alcoholic beverages, will carry or have available to show a current course card or a photocopy of the card certifying completion of approved alcohol server education course, if required by 3 AAC 304.465.

VB

I agree to provide all information required by the Alcoholic Beverage Control Board in support of this application.

VB

As an applicant for a liquor license, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 304, and that this application, including all accompanying schedules and statements, is true, correct, and complete.

Signature of licensee

Vince Benjamin

Printed name of licensee

Signature of Notary Public

Notary Public in and for the State of Alaska

My commission expires: 3/25/2020

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





Alaska Alcoholic Beverage Control Board

Form AB-02: Premises Diagram

What is this form?

A detailed diagram of the proposed licensed premises is required for all liquor license applications, per AS 04.11.260 and 3 AAC 304.185. Your diagram must include dimensions and must show all entrances and boundaries of the premises, walls, bars, fixtures, and areas of storage, service, consumption, and manufacturing. If your proposed premises is located within a building or building complex that contains multiple businesses and/or tenants, please provide an additional page that clearly shows the location of your proposed premises within the building or building complex, along with the addresses and/or suite numbers of the other businesses and/or tenants within the building or building complex.

The second page of this form is not required. Blueprints, CAD drawings, or other clearly drawn and marked diagrams may be submitted in lieu of the second page of this form. The first page must still be completed, attached to, and submitted with any supplemental diagrams. An AMCO employee may require you to complete the second page of this form if additional documentation for your premises diagram is needed.

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

Yes No

I have attached blueprints, CAD drawings, or other supporting documents in addition to, or in lieu of, the second page of this form.

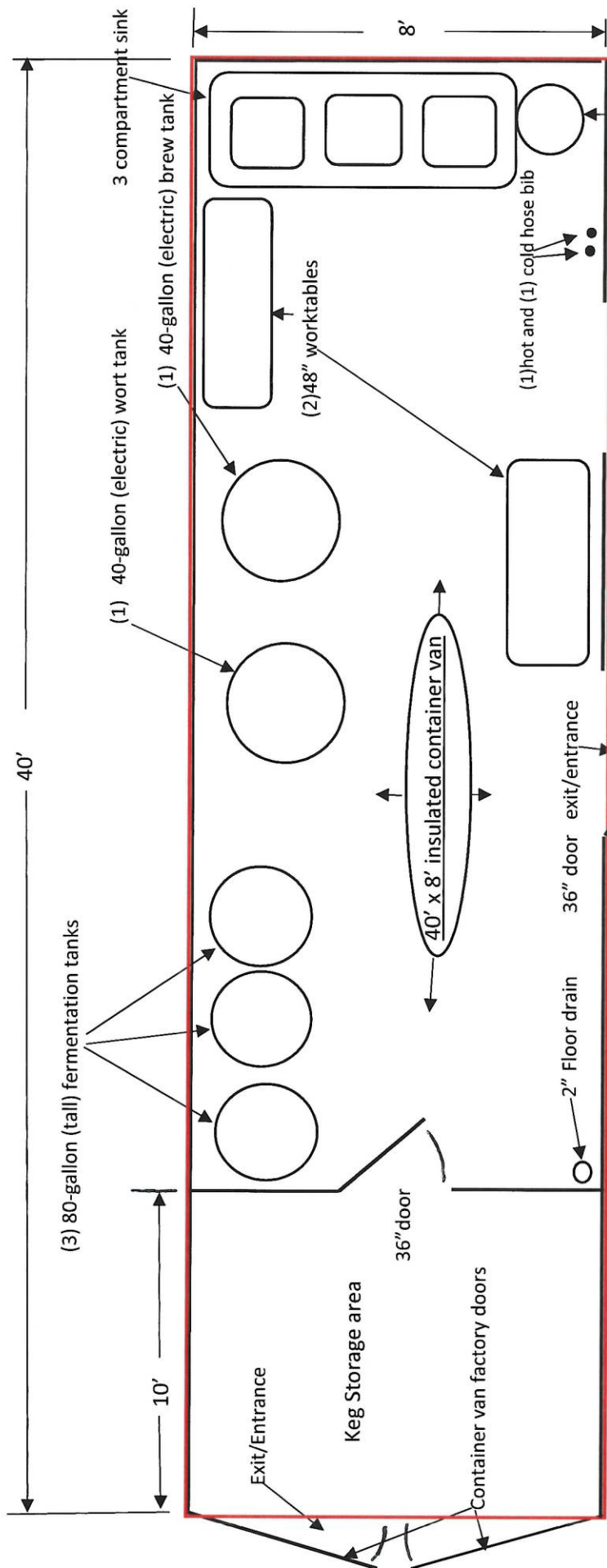


Section 1 – Establishment Information

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

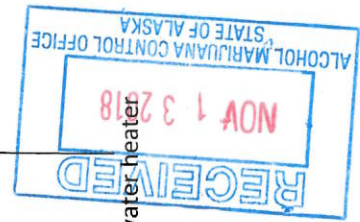
Licensee:	Seward Enterprises LLC	License Number:	5730		
License Type:	Brewery				
Doing Business As:	Mt. Marathon Brewing Company				
Premises Address:	31832 Herman Leirer Road				
City:	Seward	State:	AK	ZIP:	99664





NOTES:

1. NO PUBLIC ACCESS IN BREWERY.
2. NO EMPLOYEES IN BREWERY (OWNER ONLY).
3. THE SOLE PURPOSE OF BREWERY IS TO MAKE AND SELL BEER TO THE ADJACENT SALMON BAKE RESTAURANT.
4. ALL ELECTRICAL AND PLUMBING TO BE INSTALLED BY LICENSED PROFESSIONALS TO CODE.
5. ALL TRANSFER OF LIQUIDS IN THE BREWING PROCESS TO BE DONE VIA PRE MANUFACTURED HOSES AND PUMPS. (not shown and not permanent fixtures)



MT MARATHON BREWING COMPANY	
SCALE: NOT TO SCALE	
11-9-2018	TOP VIEW

LOT 3

LOT 2

Tinker Trail

40' container van
for manufacturing
beer

LOT 1

Exit
Glacier
Hodge

Salmon
Lake
Restaurant

Shop

Cabin

Cabin

Cabin

House

Gravel Driveway

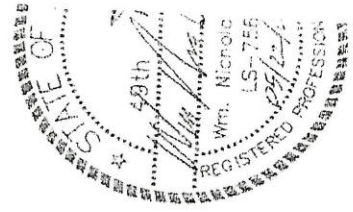
Gravel Driveway, Red Paving Area

50'

S 89°58'28" E 300.42'

S 00°03'14" E 257.44'

S 00°07'38" E 232.04'



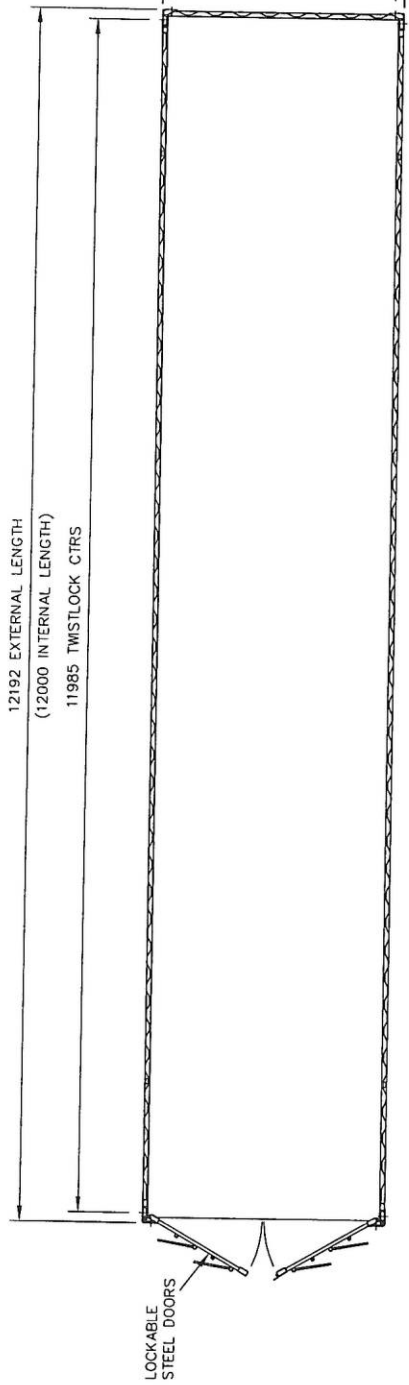
Herman Leiner Road

RECEIVED

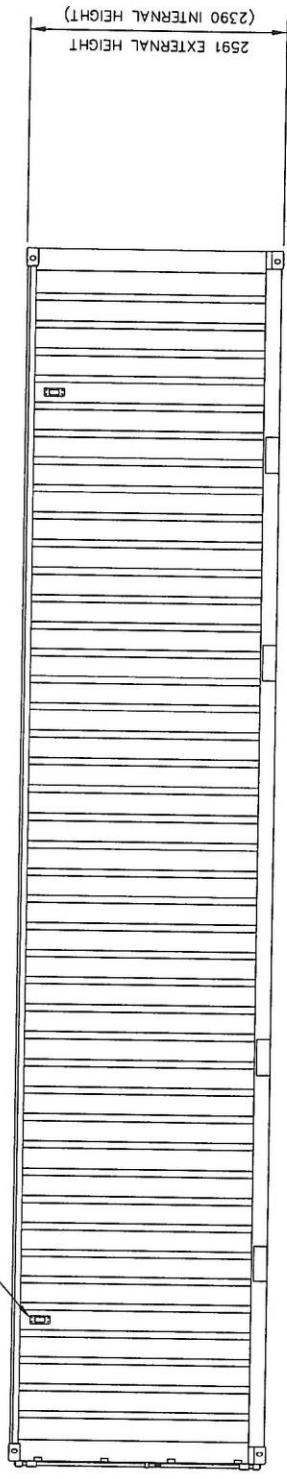
OCT 19 2018

ALCOHOL MARIJUANA CONTROL OFFICE
STATE OF ALASKA

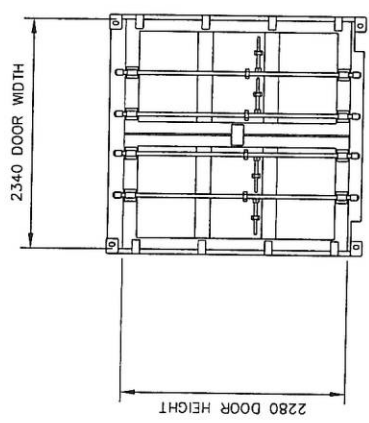
RECEIVED
OCT 19 2010
STATE OF ALASKA
CORPORAL MARIANA CORTEZ OFFICE



SECTIONAL PLAN



SIDE ELEVATION



ELEVATION ON 'X'

portablespace

- DISTRIBUTION BOARD
- CONVECTOR HEATER
- TUBULAR HEATER
- HIGH LEVEL FAN HEATER
- FLUORESCENT LIGHT
- BULKHEAD LIGHT
- WATER HEATER
- 13A TWIN SOCKET - LOW
- 13A TWIN SOCKET - HIGH
- WALL LIGHT SWITCH
- PULL LIGHT SWITCH
- THERMOSTAT
- EXTRACTION FAN
- COOKER POINT
- SHOWER HEATER
- COAT HOOKS
- SLIDING WINDOW COMPLETE WITH SHUTTER
- HL HIGH LEVEL
- TOV TOP OPENING VENT
- WT WORKTOP
- ML MORTICE LOCK
- BL BATHROOM LOCK
- DL5 5 LEVER DEADLOCK
- RL ROLLER LATCH
- BB BARREL BOLTS
- FROST STAT
- VENT

UNLADEN WEIGHT (KG)	
MAXIMUM LADEN WEIGHT (KG)	
MAXIMUM LIFT WEIGHT (KG)	

Project	40' X 8' CONTAINER
Title	PLAN LAYOUT

Date	Scale	Drawn By
21-04-08	1 : 75	SJB
Drawing No.	518	
Rev.		

DRAWING STATUS		COLOR
1	<input checked="" type="checkbox"/> PRELIMINARY FOR INFORMATION ONLY	OVERALL CAPACITY (M3) 69.9
2	<input type="checkbox"/> ISSUED FOR APPROVAL	
3	<input type="checkbox"/> CLIENT APPROVED	Product Code
4	<input type="checkbox"/> ISSUED FOR CONSTRUCTION	
5	<input type="checkbox"/> AS BUILT	
6	<input type="checkbox"/>	

Kenai Peninsula Borough

Planning Department

MEMORANDUM

TO: Johni Blankenship, Borough Clerk

THRU: Max J. Best, Planning Director

FROM: Maria Sweppy, Platting Specialist

DATE: November 28, 2018

RE: Mt. Marathon Brewing Company New Liquor License Application

As requested, the Planning Department reviewed Mt. Marathon Brewing Company new liquor license application to determine if churches or schools are within 500 feet (KPB 7.10.020).

A 500-foot radius search was done for KPB Parcel 144-072-06, 31832 Herman Leirer Road, Seward.

Churches and schools are shown as institutional on the land use map. Per KPB records, no schools or churches are within the 500-foot buffer.

Page -2-

Date

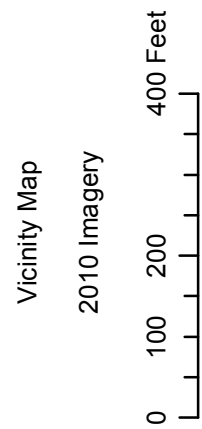
To:

RE:

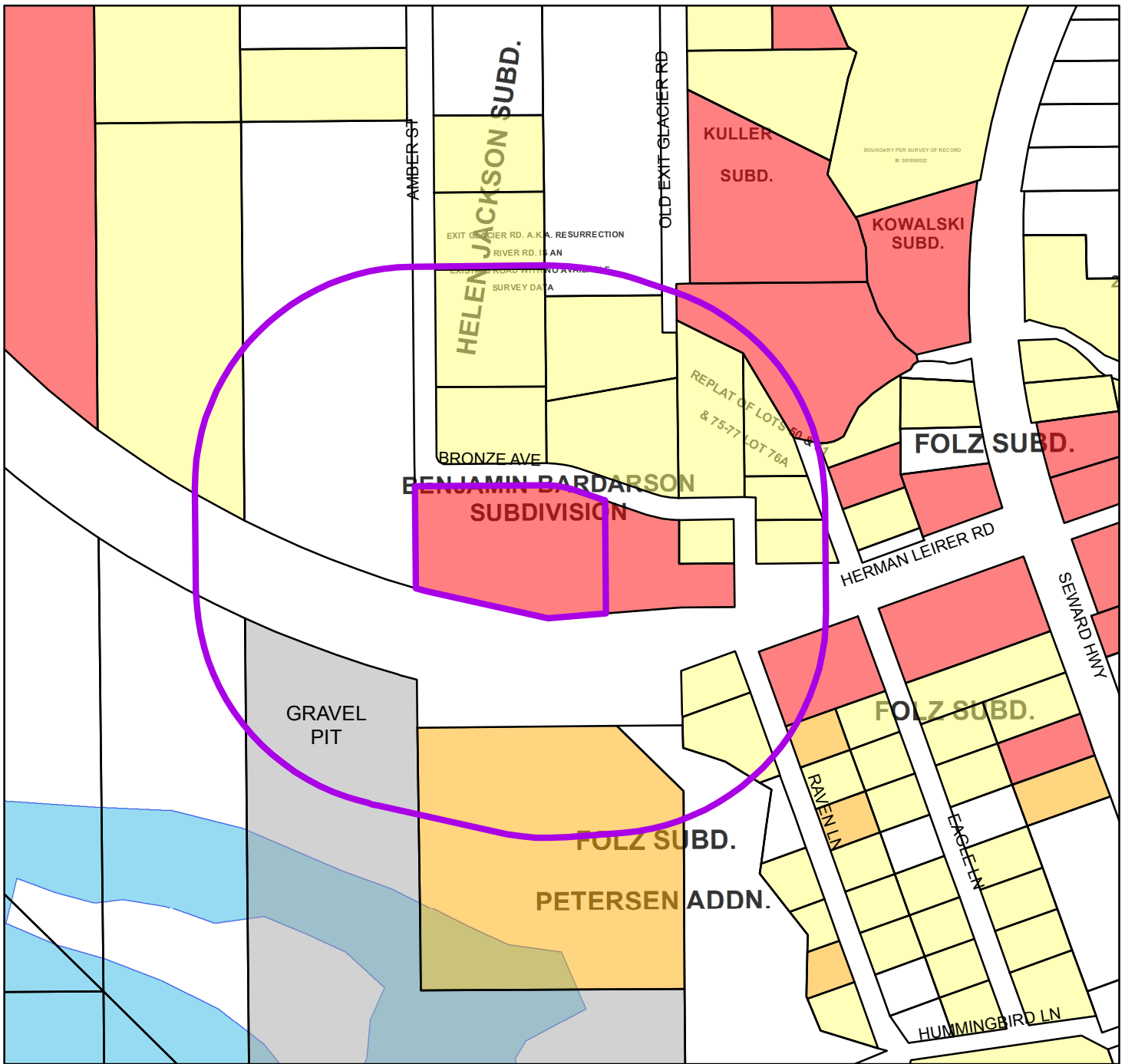


Author: MSweppy

Date: 11/28/2018



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.



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.

Mt. Marathon Brewing Company
31832 Herman Leirer Road
Seward, Alaska 99664

New Liquor License Application

Land Use within 500 Feet

0 100 200 400 Feet

Land Use

- VACANT
- RESIDENTIAL
- COMMERCIAL
- INSTITUTIONAL
- TIMBER/FARM
- INDUSTRIAL
- ACCESSORY BUILDING


Date: 11/28/2018

Kenai Peninsula Borough

Planning Department

MEMORANDUM

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

FROM: Max Best, Planning Director 

DATE: December 12, 2018

RE: Vacation in the Anchor Point area of five rights-of-ways and associated easements as follows:

- a. Vacate the 33-foot wide portions of the Stoddard Avenue and Wardell Street rights-of-way and the associated 10-foot wide utility easements, dedicated on Hamiltons Countryside Estates, Plat HM 87-31.
- b. Vacate the 50-foot wide portion of the Stoddard Avenue, the portion of the 60-foot wide Peck Street rights-of-way and the associated 20-foot wide roadway construction and maintenance easement and the associated 10-foot utility easement dedicated on Starichkof Cape Estates, Plat HM 77-28.
- c. Vacate the portion of the 33-foot wide Stoddard Avenue, the portion of the 33-foot wide Wardell Street (excluding that portion adjoining Lot 2 Block 3 Stariski Estates), the 60-foot wide and 30-foot wide portions of the Peck Street, the 60-foot wide portion of the Aven Avenue, the 60-foot-wide and 30-foot wide portions of the Custitan Avenue rights-of-way and associated 5-foot wide utility easements dedicated by Stariski Estates, Plat HM 76-99.

The five rights-of-way being vacated are unconstructed and located within public access easement being vacated is unconstructed and located within the NE1/4 NE1/4 of Section 12, Township 4 South, Range 15 West, and the W1/2 of Section 6, and the NW1/4 Section 7, Township 4 South, Range 14 West, Seward Meridian, Alaska, within the Kenai Peninsula Borough. KPB File 2018-080V. Petitioners: Trimark Earth Reserve LLC of Anchor Point, AK and James C. Dunham of Hamilton, MO.

In accordance with AS 29.40.140, no vacation of a Borough right-of-way and/or easement may be made without the consent of the Borough Assembly.

During their regularly scheduled meeting of December 10, 2018, the Kenai Peninsula Borough Planning Commission granted approval of the proposed public access pedestrian easement vacation by unanimous consent based on the following findings of fact. This petition is being sent to you for your consideration and action.

Findings:

1. Per the submittal, none of the rights-of-way proposed for vacation have been constructed.
2. Per the submittal, none of the rights-of-way proposed for vacation are in use for access.
3. KPB records show Wardell Street overlies 83-foot wide section line easements.
4. KPB records show Stoddard Avenue overlies section line easements ranging in width from 83 to 100 feet.
5. Approval of the right-of-way vacation petition, will not affect the existing section line easements.

- All existing section line easements will remain in place.
6. If the proposed right-of-way, road construction and maintenance easement, and utility easement petition is approved, it will be finalized by recording the plat 5 Mile Stariski Subdivision.
 7. 5 Mile Stariski Subdivision proposed to replat lots and tracts from Stariski Estates (HM 76-99), Hamiltons Countryside Estates (HM 87-31), Starichkof Cape Estates (HM 77-28), and the unsubdivided remainder of Stariski Ridge No. 2 (HM 2011-35) into two tracts containing approximately 77 and 297 acres.
 8. 5 Mile Stariski Subdivision preliminary plat shows and labels slopes greater than 20 percent.
 9. HM 76-99 and HM 87-31 were paper plats with no field survey done.
 10. Stariski Creek, which is protected by KPB 21.18, has been shown and labeled on 5 Mile Stariski Subdivision.
 11. Per KPB GIS mapping, an unnamed anadromous stream protected by KPB 21.18 flows through Stariski Estates.
 12. Kenai Watershed Forum 2013 Cook Inlet Wetlands Mapping indicates the subject property, and existing right-of-ways, are significantly affected by lakebed, discharge slopes, drainage ways, and riverine.
 13. National Wetlands Inventory indicates the subject property is affected by freshwater forested/shrub wetland, freshwater emergent wetland, and riverine.
 14. Parcels adjoining rights-of-way being vacated by 5 Mile Stariski Subdivision front alternative existing rights-of-way.
 - a. Parcels to the east (Winnburg Heights and the aliquot 40-acre parcel) front Poon Street.
 - b. Government Lots 1-3 and the aliquot parcels shown as a 200-acre single parcel to the northeast fronts KPB maintained Tall Tree Avenue.
 - c. Lot 2 Block 3, Stariski Estates, to the north fronts Grace Avenue and Wardell Street.
 - d. Tract E, Spruce Forest Subdivision, to the northwest fronts Liebenthal Street.
 - e. The 152-acre parcel to the west belongs to Trimark Earth Reserve LLC and fronts the Sterling Highway, Stoddard Avenue, Moosefield Street, and Wild Cotton Road.
 15. KPB Roads Department submitted a statement of no comments.
 16. Anchor Point Fire submitted a statement of no objections.
 17. ENSTAR submitted a statement of no comments, recommendations, or objections.
 18. ACS submitted a statement of no objections.
 19. Sufficient rights-of-way exist to serve surrounding properties.
 20. No surrounding or adjacent acreage properties will be denied access.
 21. The existing section line easements will provide equal or superior access to the right of ways being vacated.
 22. Proposed Tract A and Tract B of 5 Mile Stariski Subdivision could be subdivided in the future with right of ways located in areas more feasible for construction and not affected by low wet areas or steep terrain.

Draft, unapproved minutes of the pertinent portion of the meeting and other related materials are attached.

cc: petitioners' w/minutes only



Planning Department

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2200 • (907) 714-2378 Fax

Charlie Pierce
Borough Mayor

December 12, 2018

KENAI PENINSULA BOROUGH PLANNING COMMISSION NOTICE OF DECISION

MEETING OF DECEMBER 10, 2018

RE: Vacation in the Anchor Point area of five rights-of-ways and associated easements as follows:

- a. Vacate the 33-foot wide portions of the Stoddard Avenue and Wardell Street rights-of-way and the associated 10-foot wide utility easements, dedicated on Hamiltons Countryside Estates, Plat HM 87-31.
- b. Vacate the 50-foot wide portion of the Stoddard Avenue, the portion of the 60-foot wide Peck Street rights-of-way and the associated 20-foot wide roadway construction and maintenance easement and the associated 10-foot utility easement dedicated on Starichkof Cape Estates, Plat HM 77-28.
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The five rights-of-way being vacated are unconstructed and located within public access easement being vacated is unconstructed and located within the NE1/4 NE1/4 of Section 12, Township 4 South, Range 15 West, and the W1/2 of Section 6, and the NW1/4 Section 7, Township 4 South, Range 14 West, Seward Meridian, Alaska, within the Kenai Peninsula Borough. KPB File 2018-080V. Petitioners: Trimark Earth Reserve LLC of Anchor Point, AK and James C. Dunham of Hamilton, MO.

By unanimous consent, the Kenai Peninsula Borough Planning Commission granted approval of the proposed rights-of-way and associated easements vacations during their regularly scheduled meeting of December 10, 2018 based on the following findings of fact.

Findings:

1. Per the submittal, none of the rights-of-way proposed for vacation have been constructed.
2. Per the submittal, none of the rights-of-way proposed for vacation are in use for access.
3. KPB records show Wardell Street overlies 83-foot wide section line easements.
4. KPB records show Stoddard Avenue overlies section line easements ranging in width from 83 to 100 feet.
5. Approval of the right-of-way vacation petition, will not affect the existing section line easements. All existing section line easements will remain in place.

6. If the proposed right-of-way, road construction and maintenance easement, and utility easement petition is approved, it will be finalized by recording the plat 5 Mile Stariski Subdivision.
7. 5 Mile Stariski Subdivision proposed to replat lots and tracts from Stariski Estates (HM 76-99), Hamiltons Countryside Estates (HM 87-31), Starichkof Cape Estates (HM 77-28), and the unsubdivided remainder of Stariski Ridge No. 2 (HM 2011-35) into two tracts containing approximately 77 and 297 acres.
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 - e. The 152-acre parcel to the west belongs to Trimark Earth Reserve LLC and fronts the Sterling Highway, Stoddard Avenue, Moosefield Street, and Wild Cotton Road.
15. KPB Roads Department submitted a statement of no comments.
16. Anchor Point Fire submitted a statement of no objections.
17. ENSTAR submitted a statement of no comments, recommendations, or objections.
18. ACS submitted a statement of no objections.
19. Sufficient rights-of-way exist to serve surrounding properties.
20. No surrounding or adjacent acreage properties will be denied access.
21. The existing section line easements will provide equal or superior access to the right of ways being vacated.
22. Proposed Tract A and Tract B of 5 Mile Stariski Subdivision could be subdivided in the future with right of ways located in areas more feasible for construction and not affected by low wet areas or steep terrain.

In accordance with AS 29.40.140, no vacation of a Borough right-of-way and/or easement may be made without the consent of the Borough Assembly. The proposed vacation will be forwarded to the Borough Assembly. The Assembly shall have 30 calendar days from the date of approval (December 10, 2018) in which to veto the Planning Commission decision. If the Planning Director receives no veto within the specified period, the Assembly shall be considered to have given consent to the vacation.

Please contact the Borough Clerk's office (907-714-2160 or 1-800-478-4441 toll-free within the borough) for additional information.

This notice and unapproved minutes of the subject portion of the meeting were sent December 12, 2018 to:

Trimark Earth Reserve LLC
34481 North Fork Rd
Anchor Point, AK 99556

James C. Dunham
920 S Hughes St.
Hamilton, MO 64644

McLane Consulting, Inc
PO Box 468
Soldotna, AK 99669

Anchor Point Advisory Planning Commission
PO Box 1065
Anchor Point, AK 99556

AGENDA ITEM F. PUBLIC HEARINGS

1. Vacation in the Anchor Point area of the following rights-of-way and associated easements. Location and request:
 - a. Vacate the 33-foot wide portions of the Stoddard Avenue and Wardell Street rights-of-way and the associated 10-foot wide utility easements, dedicated on Hamiltons Countryside Estates, Plat HM 87-31.
 - b. Vacate the 50-foot wide portion of the Stoddard Avenue, the portion of the 60-foot wide Peck Street rights-of-way and the associated 20-foot wide roadway construction and maintenance easement and the associated 10-foot utility easement dedicated on Starichkof Cape Estates, Plat HM 77-28.
 - c. Vacate the portion of the 33-foot wide Stoddard Avenue, the portion of the 33-foot wide Wardell Street (excluding that portion adjoining Lot 2 Block 3 Stariski Estates), the 60-foot wide and 30-foot wide portions of the Peck Street, the 60-foot wide portion of the Aven Avenue, the 60-foot-wide and 30-foot wide portions of the Custitan Avenue rights-of-way and associated 5-foot wide utility easements dedicated by Stariski Estates, Plat HM 76-99.

The five rights-of-way being vacated are unconstructed. The rights-of-way are located in Anchor Point within the NE1/4 NE1/4 of Section 12, Township 4 South, Range 15 West, and the W1/2 of Section 6, and the NW1/4 Section 7, Township 4 South, Range 14 West, Seward Meridian, Alaska, within the Kenai Peninsula Borough. KPB File 2018-080V.

Staff Report given by Scott Huff

PC Meeting: 12/10/18

Purpose as stated in petition: Parcels are being replatted and combined into a new tract that has alternate access point. The road rights-of-way were created in 1976, 1977, and 1987 by subdivision, but never constructed. Surrounding parcels have alternative physical and legal access.

Petitioners: Trimark Earth Reserve LLC of Anchor Point, Alaska and James C. Dunham of Hamilton, Missouri

Notification:

Public notice appeared in the November 29 issue of the Homer News as a separate ad. Public notice was published in the December 6 issue of the Homer News as part of the Commission's tentative agenda.

Eleven notices were sent by certified mail to owners (including the petitioners) within 300 feet of the proposed vacations. Ten receipts had been returned when the staff report was prepared.

Three public notices were sent by regular mail to owners within 600 feet of the proposed vacations.

Public hearing notices were emailed to 17 agencies and interested parties.

Public hearing notices were emailed or made available via a shared database to 14 KPB staff/departments.

Notices were mailed to the Anchor Point Post Office and Anchor Point Community Library with a request to be posted in public locations.

The notice and maps were posted on the Borough bulletin board and Planning Department public hearing notice web site.

Comments Received:

ACS: No objections.

Anchor Point Fire: No objections.

ENSTAR: No comments, recommendations, or objections.

KPB Addressing: All of the 8 existing Aven Ave addresses will be deleted from the system. Since the ROW is being vacated, 70251 Stariski Ridge Rd will be retained on Tract B. 69855 Grace Ave will be deleted from the system. Existing street names are correct.

KPB Planner: No local option zone or material site issues.

KPB Roads Department: No comments.

River Center: Not within a mapped flood hazard zone. It is partially within the Anadromous Habitat Protection District.

State Parks: No comments.

Alaska Department of Fish and Game: No objection to the vacation of these undeveloped ROW's. However, the ROWs of Stoddard Avenue and Wardell Street were platted along valid Section Line Easements. The applicant should be aware that despite the vacation of these ROWs, the Section Line Easement still provide legal public access to Stariski Creek.

Staff Discussion:

The proposed vacation petition will be reviewed by the Anchor Point Advisory Planning Commission on November 29. If comments from the APC are not received in time for regular packet mailout, a copy will be included in the desk packet. The APC approved the vacation.

If the proposed right-of-way, road construction and maintenance easement, and utility easement petition is approved, it will be finalized by recording the plat 5 Mile Stariski Subdivision. An exception to block length will be required.

In addition to vacating rights-of-way, construction and maintenance easements, and utility easements (if approved), 5 Mile Stariski Subdivision replats multiple lots and tracts into two tracts containing 77 and 297 acres. The vacations and replatting lots and tracts is part of a large material site extraction plan.

One parcel included in the proposed subdivision is the unsubdivided remainder of Stariski Ridge No. 2, which has been approved as a material extraction site per PC Resolution 2005-15. The unsubdivided remainder is being divided between Tract A and Tract B. The approved material extraction site mining area is located west of Stariski Creek and is accessed from Stariski Ridge Road. Bruce Wall can answer questions about the effect of the subdivision on the Conditional Land Use Permit to extract material.

Stariski Creek, which is protected by KPB 21.18, flows through the subdivision. KPB GIS mapping indicates an unnamed anadromous stream protected by KPB 21.18 flows through Stariski Estates. Staff will recommend the surveyor confirm if a second anadromous stream crosses the subdivision, and if so, it will be shown and labeled.

Existing section line easements of varying widths following Wardell Street and Stoddard Avenue will remain. The section line easements provide access to, and through, the proposed 5 Mile Stariski Subdivision.

Findings:

1. Per the submittal, none of the rights-of-way proposed for vacation have been constructed.
2. Per the submittal, none of the rights-of-way proposed for vacation are in use for access.
3. KPB records show Wardell Street overlies 83-foot wide section line easements.

4. KPB records show Stoddard Avenue overlies section line easements ranging in width from 83 to 100 feet.
5. Approval of the right-of-way vacation petition, will not affect the existing section line easements. All existing section line easements will remain in place.
6. If the proposed right-of-way, road construction and maintenance easement, and utility easement petition is approved, it will be finalized by recording the plat 5 Mile Stariski Subdivision.
7. 5 Mile Stariski Subdivision proposed to replat lots and tracts from Stariski Estates (HM 76-99), Hamiltons Countryside Estates (HM 87-31), Starichkof Cape Estates (HM 77-28), and the unsubdivided remainder of Stariski Ridge No. 2 (HM 2011-35) into two tracts containing approximately 77 and 297 acres.
8. 5 Mile Stariski Subdivision preliminary plat shows and labels slopes greater than 20 percent.
9. HM 76-99 and HM 87-31 were paper plats with no field survey done.
10. Stariski Creek, which is protected by KPB 21.18, has been shown and labeled on 5 Mile Stariski Subdivision.
11. Per KPB GIS mapping, an unnamed anadromous stream protected by KPB 21.18 flows through Stariski Estates.
12. Kenai Watershed Forum 2013 Cook Inlet Wetlands Mapping indicates the subject property, and existing right-of-ways, are significantly affected by lakebed, discharge slopes, drainage ways, and riverine.
13. National Wetlands Inventory indicates the subject property is affected by freshwater forested/shrub wetland, freshwater emergent wetland, and riverine.
14. Parcels adjoining rights-of-way being vacated by 5 Mile Stariski Subdivision front alternative existing rights-of-way.
 - a. Parcels to the east (Winnburg Heights and the aliquot 40-acre parcel) front Poon Street.
 - b. Government Lots 1-3 and the aliquot parcels shown as a 200-acre single parcel to the northeast fronts KPB maintained Tall Tree Avenue.
 - c. Lot 2 Block 3, Stariski Estates, to the north fronts Grace Avenue and Wardell Street.
 - d. Tract E, Spruce Forest Subdivision, to the northwest fronts Liebenthal Street.
 - e. The 152-acre parcel to the west belongs to Trimark Earth Reserve LLC and fronts the Sterling Highway, Stoddard Avenue, Moosefield Street, and Wild Cotton Road.
15. KPB Roads Department submitted a statement of no comments.
16. Anchor Point Fire submitted a statement of no objections.
17. ENSTAR submitted a statement of no comments, recommendations, or objections.
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19. Sufficient rights-of-way exist to serve surrounding properties.
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21. The existing section line easements will provide equal or superior access to the right of ways being vacated.
22. Proposed Tract A and Tract B of 5 Mile Stariski Subdivision could be subdivided in the future with right of ways located in areas more feasible for construction and not affected by low wet areas or steep terrain.

STAFF RECOMMENDATION: Based on the above findings, staff recommends approval of the vacations as petitioned, subject to:

1. Consent by the KPB Assembly.
2. Grant utility easements requested by the utility providers.
3. Submittal of a final plat in accordance with Chapter 20 of the KPB Code within a timeframe such that the plat can be recorded within one year of vacation consent.

Staff's recommendation may change if statement(s) of objection to the proposed right-of-way vacation(s) are received from adjoining or adjacent owner(s).

KPB 20.70.110:

A vacation of a street right-of-way, public area, or public easement within the borough outside of the limits of cities may not be made without the consent of the borough assembly. The assembly

shall have 30 calendar days from the date of approval in which to veto the planning commission decision. If no veto is received by the planning director within the specified period, the borough shall be considered to have given consent to the vacation.

KPB 20.70.120:

- A. Denial of a vacation petition is a final act for which no further consideration shall be given by the Kenai Peninsula Borough.
- B. Upon denial by the planning commission, no reapplication or petition concerning the same vacation may be filed within one calendar year of the date of the final denial action except in the case where new evidence or circumstances exist that were not available or present when the original petition was filed.

KPB 20.70.130:

THE FINAL PLAT MUST BE RECORDED WITHIN ONE YEAR OF THE VACATION CONSENT IN KPB 20.70.110.

END OF STAFF REPORT

Chairman Martin opened the meeting for public comment.

1. Gina DeBardelaben, McLane Consulting, PO Box 468, Soldotna, Alaska
Ms. DeBardelaben is with the surveying firm that was hired to prepare the replat and right-of-way vacations. They are in agreement with the staff report. There is access provided from the north and the south to all properties through existing road systems or platted rights-of-way. She let the commission know she was available for questions.

Seeing and hearing no questions for Ms. DeBardelaben, Chairman Martin continued public comment. Seeing and hearing no one else wishing to speak, the public hearing was closed and discussion was opened among the commission.

MOTION: Commissioner Whitney moved, seconded by Commissioner Fikes to approve the vacation of the 33 foot wide portions of Stoddard Avenue and Wardell Street rights-of-way and the associated 10 foot wide utility easement, dedicated on Hamiltons Countryside Estates, vacate the 50 foot wide portion of the Stoddard Avenue, the portion of the 60 foot wide Peck Street rights-of-way and the associated 20 foot wide roadway construction and maintenance easement and the associated 10 foot utility easement dedicated on Starichkof Cape Estates, and vacate the portion of the 33 foot wide Stoddard Avenue, the portion of the 33 foot wide Wardell Street (excluding that portion adjoining Lot 2 Block 3 Stariski Estates), the 60 foot wide and 30 foot wide portions of the Peck Street, the 60 foot wide portion of the Aven Avenue, the 60 foot wide and 30 foot wide portions of the Custitan Avenue rights-of-way and associated 5 foot wide utility easements dedicated by Stariski Estates, based on staff recommendations and compliance with borough code

Commissioner Foster clarified that the motion included the 22 findings from the staff report. Commissioner Whitney confirmed that it did.

MOTION PASSED: Seeing and hearing no discussion or objection the motion passed by unanimous consent.

F. PUBLIC HEARINGS

- 1. Vacation in the Anchor Point area of portions of the following rights-of-way and associated easements: Stoddard Avenue, Wardell Street, Peck Street, Aven Avenue, Custitan Avenue.
Petitioners: Trimark Earth Reserve LLC and James C. Dunham
KPB File: 2018-080V**

AGENDA ITEM F. PUBLIC HEARINGS

1. Vacation in the Anchor Point area of the following rights-of-way and associated easements.
Location and request:
 - a. Vacate the 33-foot wide portions of the Stoddard Avenue and Wardell Street rights-of-way and the associated 10-foot wide utility easements, dedicated on Hamiltons Countryside Estates, Plat HM 87-31.
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The five rights-of-way being vacated are unconstructed. The rights-of-way are located in Anchor Point within the NE1/4 NE1/4 of Section 12, Township 4 South, Range 15 West, and the W1/2 of Section 6, and the NW1/4 Section 7, Township 4 South, Range 14 West, Seward Meridian, Alaska, within the Kenai Peninsula Borough. KPB File 2018-080V.

STAFF REPORT

PC Meeting: 12/10/18

Purpose as stated in petition: Parcels are being replatted and combined into a new tract that has alternate access point. The road rights-of-way were created in 1976, 1977, and 1987 by subdivision, but never constructed. Surrounding parcels have alternative physical and legal access.

Petitioners: Trimark Earth Reserve LLC of Anchor Point, Alaska and James C. Dunham of Hamilton, Missouri

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The notice and maps were posted on the Borough bulletin board and Planning Department public hearing notice web site.

Comments Received:

ACS: No objections.

Anchor Point Fire: No objections.

ENSTAR: No comments, recommendations, or objections.

KPB Addressing: All of the 8 existing Aven Ave addresses will be deleted from the system. Since the ROW is being vacated, 70251 Stariski Ridge Rd will be retained on Tract B. 69855 Grace Ave will be deleted from the system. Existing street names are correct.

KPB Planner: No local option zone or material site issues.

KPB Roads Department: No comments.

River Center: Not within a mapped flood hazard zone. It is partially within the Anadromous Habitat Protection District.

State Parks: No comments.

Alaska Department of Fish and Game: No objection to the vacation of these undeveloped ROW's. However; the ROWs of Stoddard Avenue and Wardell Street were platted along valid Section Line Easements. The applicant should be aware that despite the vacation of these ROWs, the Section Line Easement still provide legal public access to Stariski Creek.

Staff Discussion:

The proposed vacation petition will be reviewed by the Anchor Point Advisory Planning Commission on November 29. If comments from the APC are not received in time for regular packet mailout, a copy will be included in the desk packet.

If the proposed right-of-way, road construction and maintenance easement, and utility easement petition is approved, it will be finalized by recording the plat 5 Mile Stariski Subdivision. An exception to block length will be required.

In addition to vacating rights-of-way, construction and maintenance easements, and utility easements (if approved), 5 Mile Stariski Subdivision replats multiple lots and tracts into two tracts containing 77 and 297 acres. The vacations and replatting lots and tracts is part of a large material site extraction plan.

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Existing section line easements of varying widths following Wardell Street and Stoddard Avenue will remain. The section line easements provide access to, and through, the proposed 5 Mile Stariski Subdivision.

Findings:

Anchor Point Advisory Planning Commission

Meeting Minutes: 11/29/2018

Meeting called to order.

Roll Call: Members present were Raymond Drake, Hans Bilben, Dawson Slaughter, Brok Shafer and Donna White

Approval of Agenda: Agenda was approved with the addition of Approval of the minutes from 11/07/2018.

Approval of Minutes: Minutes of 11/07/2018 were reviewed by members previously and approved.

Oath of Office: Dawson Slaughter signed the Oath of Office.

Election of Officers: Dawson Slaughter elected as Chairman. Brok Shafer elected as Vice-Chairman. Donna White elected as Secretary.

Correspondence: Notice from KPB Planning Commission that set back exception (KPB 2018-127) was approved. Notice from the KPB Plat Committee (KPB 2018-126) was approved. Members also received an email from Lori Davis regarding Hilcorp. Hans Bilben stated that he responded.

Public Comment: None.

Report from Borough: None.

Old Business: None

New Business:

- A. 5 Mile Stariski Subdivision Right of Way Vacations – KPB File 2018-090V. Members reviewed the staff report from KPB staff. Questions were asked about access to the property. If approved, only the Right of Way will be vacated. Action does not vacate the section line easement. Hans Bilben made a motion to approve vacating the Right of Way. Raymond Drake seconded the motion. Brok Shafer recused himself from voting. Motion passed.
- B. Stariski Ridge No.2 Replat Right of Way Vacations – KPB File 2018-147V. Members reviewed staff and the recommendation that the request not be approved. Hans Bilben made a motion to approve the Right of Way Vacation. Raymond Drake seconded the motion. Brok Shafer recused himself from voting. Motion passed.

Announcements:

- A. Next Regular Meeting: January 2, 1019 at 7:00 pm.

Adjournment: Meeting Adjourned at 8:23

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3. KPB records show Wardell Street overlies 83-foot wide section line easements.
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STAFF RECOMMENDATION: Based on the above findings, staff recommends approval of the vacations as petitioned, subject to:

1. Consent by the KPB Assembly.
2. Grant utility easements requested by the utility providers.
3. Submittal of a final plat in accordance with Chapter 20 of the KPB Code within a timeframe such that the plat can be recorded within one year of vacation consent.

Staff's recommendation may change if statement(s) of objection to the proposed right-of-way vacation(s) are received from adjoining or adjacent owner(s).

KPB 20.70.110:

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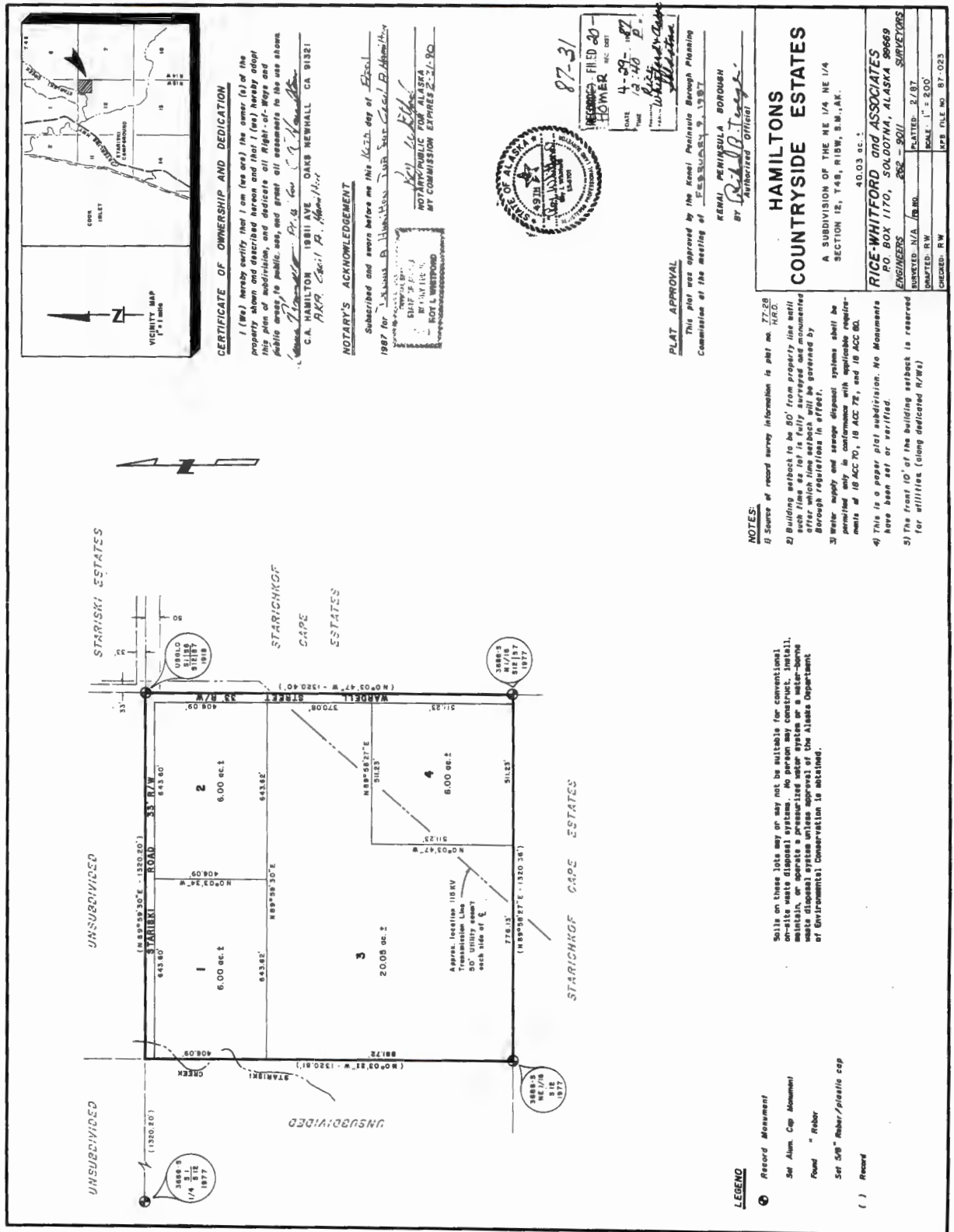
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KPB 20.70.130:

THE FINAL PLAT MUST BE RECORDED WITHIN ONE YEAR OF THE VACATION CONSENT IN KPB 20.70.110.

END OF STAFF REPORT



STARISKI ESTATES

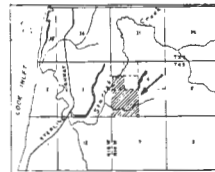
A SUBDIVISION OF THE SW 1/4 NW 1/4 & THE SW 1/4 OF SEC. 6
T.4S, R.14W, 5M KENAI PENINSULA BORO ALASKA

THIS PLAT REPRESENTS A COMPILATION OF RECORD DATA
WITHOUT MEASUREMENTS MADE BY THIS SURVEYOR

CERTIFICATE OF OWNERSHIP AND DEDICATION
I HEREBY CERTIFY THAT I AM THE OWNER OF THE PROPERTY SHOWN HEREON, THAT I ADOPT THIS PLAN OF SUBDIVISION, AND DO HEREBY DEDICATE TO THE PUBLIC USE AND TO THE USE OF THE PUBLIC UTILITIES, THE ROADS AND EASEMENTS SHOWN

Elaine E. Hutton
ELAINE E. HUTTON
BOX 45
KENAI, AK 99541

Nancy J. Peck
NANCY J. PECK
BOX 45
KENAI, AK 99541

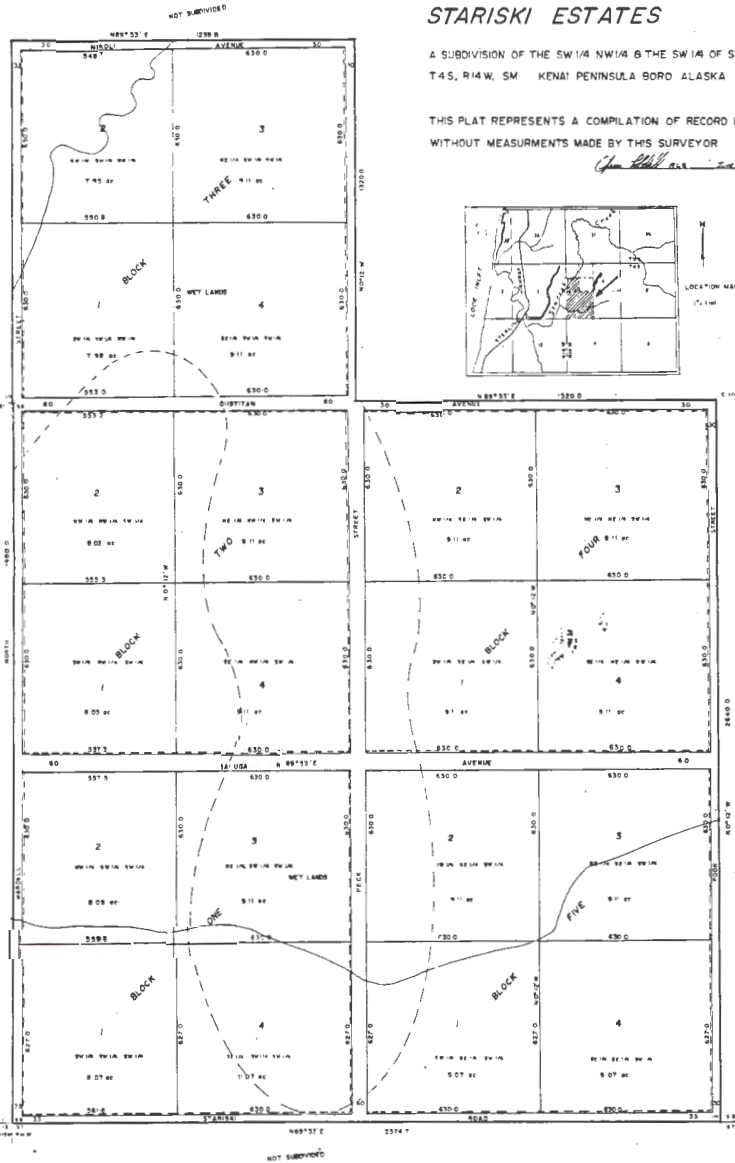


NOTARY'S ACKNOWLEDGMENT
SWORN AND SUBSCRIBED BEFORE ME, A NOTARY PUBLIC,
THIS 1ST DAY OF JULY 1976

Elaine E. Hutton
NOTARY PUBLIC FOR ALASKA
My Commission Expires 3-22-80

BOROUGH APPROVAL
APPROVED BY THE KENAI PENINSULA BOROUGH PLANNING
COMMISSION THIS 21ST DAY OF JUNE 1976

Donald E. Gilman
DONALD E. GILMAN
MAYOR



SCALE 1" = 200'
LAND USE: RESIDENTIAL
TOTAL AREA INCLUDING ROADS 107.5 ACRES
MAX. 20' BUILDING SETBACK ON ALL LOTS
ALL UTILITY EASEMENTS 10' WIDE
CLEANING EASEMENTS ONLY



#76-99
RECORDED FILED 13
HUTTON, ELAINE E.
DATE 11-18-76
TIME 9:13 A.M.
APPROVED BY KPB
JESSE LOBBELL

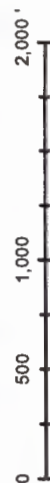
ELAINE E. HUTTON
BOX 45
KENAI, ALASKA
JESSE LOBBELL SURVEYOR
ROUTE 1
KENAI, ALASKA



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.



Aerial View












Right of Way Vacations and Associated Utility Easement Vacations

JReif, KPB
Date: 10/24/2018



National Wetlands Inventory

WETLAND_TYPE

-  Estuarine and Marine Deepwater
-  Estuarine and Marine Wetland
-  Freshwater Emergent Wetland
-  Freshwater Forested/Shrub Wetland
-  Freshwater Pond
-  Lake
-  Other
-  Riverine
-  Right of Way Vacations

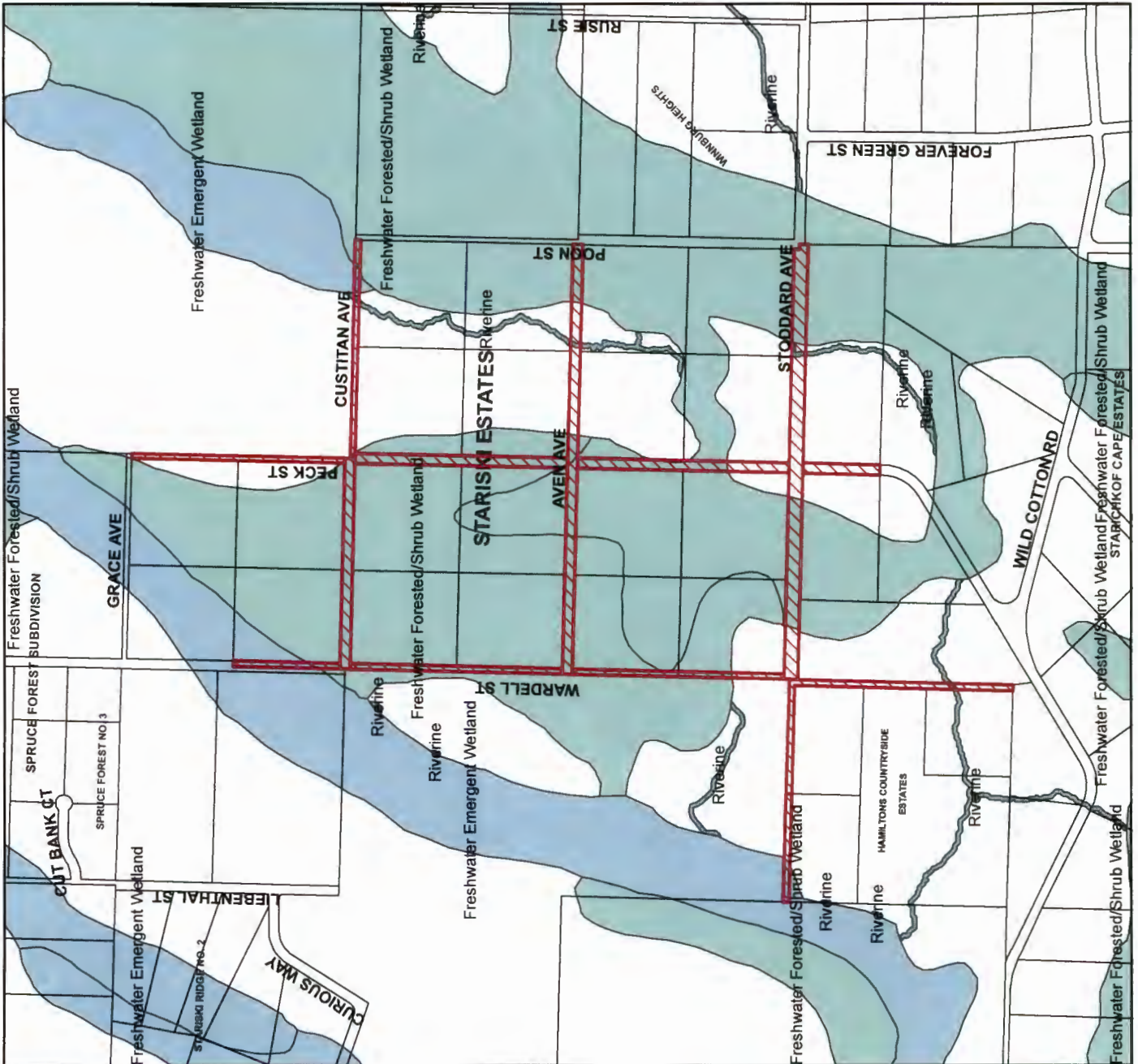


Date: 11/26/2018



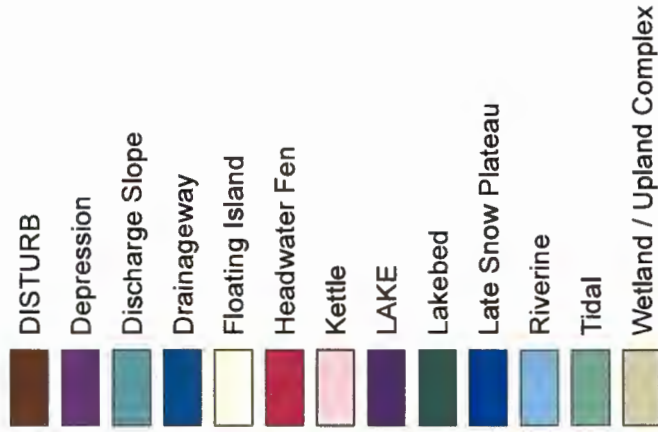
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0 200 400 800 feet



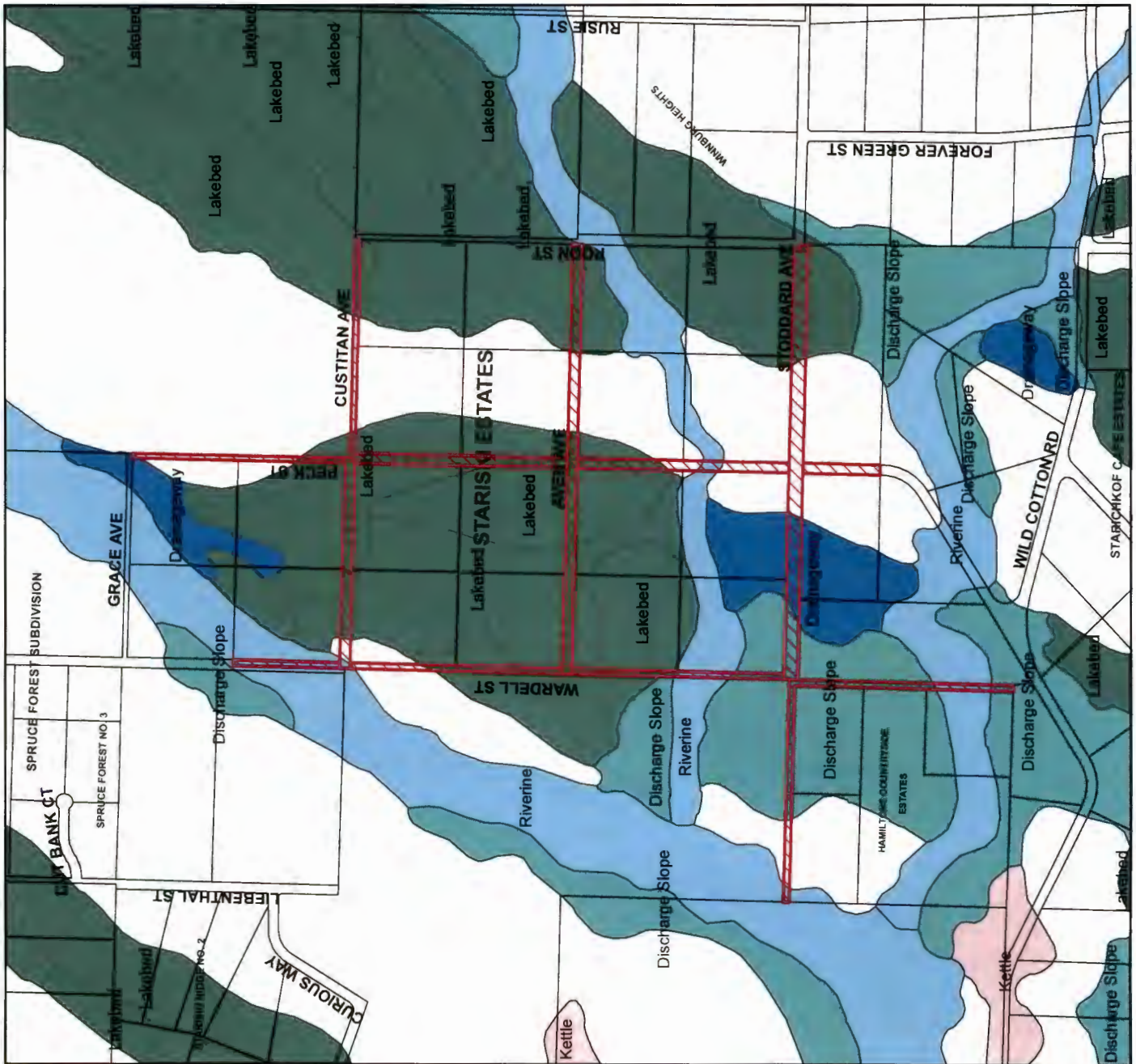


Kenai Watershed Forum 2013 Cook Inlet Wetlands Mapping



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Date: 11/26/2018



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