



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
1332 Seward Ave.
Room 229
Sitka, AK
(907)747-1811

Meeting Agenda

City and Borough Assembly

*Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Benjamin Miyasato
Aaron Swanson, Steven Eisenbeisz
Tristan Guevin, and Bob Potrzuski*

*Municipal Administrator: Mark Gorman
Acting Municipal Attorney: Brian Hanson*

Tuesday, June 28, 2016

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[16-124](#) Reminders, Calendars and General Correspondence

Attachments: [Reminders and Calendars.pdf](#)
[Correspondence.pdf](#)

V. CEREMONIAL MATTERS

VI. SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Sitka Community Hospital, Municipal Departments, School District, Students and Guests (time limits apply)

VII. PERSONS TO BE HEARD

Public participation on any item off the agenda. All public testimony is not to exceed 3 minutes for any individual, unless the mayor imposes other time constraints at the beginning of the agenda item.

VIII. REPORTS

a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other

IX. CONSENT AGENDA

All matters under Item IX Consent Agenda are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

- A. [16-118](#) Approve the minutes of the June 14 Assembly meeting
Attachments: [Motion and Minutes.pdf](#)
- B. [RES 16-10](#) Supporting the City's application to the Statewide Transportation Alternatives Program (TAP) for construction of the Sitka Seawalk Phase II
Attachments: [Res 2016-10.pdf](#)
- C. [16-123](#) Grant preliminary approval of a proposed land sale of Mineral Survey 1587 to Christopher Lillehoff
Attachments: [Prelim approval for land sale.pdf](#)

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- D. [16-119](#) Reappoint 1) Scott Wagner to a two-year term on the Gary Paxton Industrial Park Board of Directors, 2) Charles Howlett to a three-year term on the Local Emergency Planning Committee, and approve Michael Scarcelli (non-voting, ex-officio member) to the Sitka Community Hospital Board
Attachments: [Motion, reappointments, and approval apps.pdf](#)

XI. UNFINISHED BUSINESS:

- E. [ORD 16-21](#) Repealing Chapter 7.20 "Marijuana Advisory Committee", and creating Chapter 7.40 "Local Regulatory Authority", formally dissolving the existing local regulatory authority and its framework and designating the City Assembly as the permanent Local Regulatory Authority, and creating Chapter 7.50 "Licensing", detailing the procedure of the City Assembly in reviewing, approving and protesting marijuana licenses
Attachments: [Motion Ord 2016-21.pdf](#)
[Memo Ord 2016-21.pdf](#)
[Ord 16-21.pdf](#)

XII. NEW BUSINESS:

- F. [16-122](#) Approve the standard marijuana cultivation facility license for Northern Lights Indoor Gardens, LLC
Attachments: [Marijuana cultivation facility license.pdf](#)

New Business First Reading

- G. [ORD 16-06S](#) Renaming and amending Chapter 4.40 of the Sitka General Code, "Uncollectable Accounts and Bad Debt Write-Offs" and amending Sections 4.40.010 "Definitions", 4.40.020 "Policies", and 4.40.030 "Records and Reporting" and adding Sections 4.40.040 "Write-Off of Uncollectable Accounts", 4.40.050 "Utility Debts Remain with Real Property", and 4.40.060 "Authority to Offset"

Attachments: [Ord 2016-06S.pdf](#)

XIII. PERSONS TO BE HEARD:

Public participation on any item on or off the agenda. Not to exceed 3 minutes for any individual.

XIV. EXECUTIVE SESSION

- H. [16-120](#) Legal matter - Baranof Island Brewing Company loans

Attachments: [Motion Executive Session.pdf](#)

XV. ADJOURNMENT

*Melissa Henshaw
Acting Municipal Clerk
Publish: 6/24/2016*



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-124 **Version:** 1 **Name:**
Type: Item **Status:** AGENDA READY
File created: 6/23/2016 **In control:** City and Borough Assembly
On agenda: 6/28/2016 **Final action:**
Title: Reminders, Calendars and General Correspondence
Sponsors:
Indexes:
Code sections:
Attachments: [Reminders and Calendars.pdf](#)
[Correspondence.pdf](#)

Date	Ver.	Action By	Action	Result
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REMINDERS

<u>DATE</u>	<u>EVENT</u>	<u>TIME</u>
Tuesday, June 28	Special Meeting: Millage Increase Discussion/Direction	5:00 PM
Tuesday, June 28	Regular Meeting	6:00 PM
Tuesday, July 12	Regular Meeting	6:00 PM
Tuesday, July 26	Regular Meeting	6:00 PM



Municipal Election Reminders

Monday, July 18	First day to file candidate petitions
Tuesday, July 26	Last scheduled meeting to introduce ordinance charter changes and ballot measures
Friday, August 5	5pm deadline for filing candidate petitions
Tuesday, August 9	Last scheduled meeting to adopt ordinances for charter changes and ballot measures
Tuesday, October 4	Municipal Election

Expiring Terms:

Assembly
Mayor Mim McConnell
Ben Miyasato
Aaron Swanson

School Board
Jennifer McNichol

Assembly Calendar

2015 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2017

June 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29 <u>May</u>	30	31	1 <u>Jun</u>	2	3	4
Hunter	Hunter MEMORIAL DAY	Hunter Potrzuski 6:00pm Special Meeting: FY17 Budget Ordinance - Sealing Cove Business Center	Hunter Potrzuski 7:00pm Library Board	Hunter Potrzuski 12:00pm - 1:30pm SEDA Board Meeting	Hunter Potrzuski	Potrzuski
5	6	7	8	9	10	11
Potrzuski	Potrzuski Hunter	Potrzuski Hunter 7:00pm Planning	Potrzuski Hunter Miyasato 6:00pm Historic Preservation	Potrzuski Hunter Miyasato 12:00pm LEPC 12:00pm Parks & Rec	Potrzuski Hunter Miyasato	Potrzuski Hunter Miyasato
12	13	14	15	16	17	18
Potrzuski Hunter Miyasato	Potrzuski Miyasato	Miyasato 6:00pm <u>Regular Assembly Mtg</u>	Miyasato	McConnell	McConnell	McConnell
19	20	21	22	23	24	25
McConnell Guevin	McConnell Guevin	Guevin 12:00pm <u>Tree/Landscape</u> 7:00pm <u>Planning</u>	Guevin 6:00pm Police and Fire Commission - Fire Hall	Guevin	12:00pm Health Needs & Human Services Commission	
26	27	28	29	30	1 <u>Jul</u>	2
		5:00pm Special Meeting: Millage Increase Discussion/Direction 6:00pm <u>Regular Assembly Mtg</u>	Hunter	Hunter	Hunter	

Assembly Calendar

2015 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2017

July 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26 Jun	27	28	29	30	1 Jul	2
		5:00pm Special Meeting: Millage Increase Discussion/Direction 6:00pm Regular Assembly Mtg	Hunter	Hunter	Hunter	Hunter
3	4	5	6	7	8	9
Hunter	Hunter INDEPENDENCE DAY	Hunter Eisenbeisz 7:00pm Planning	Hunter 7:00pm Library Board	Hunter Miyasato 12:00pm - 1:30pm SEDA Board Meeting	Hunter Miyasato	Hunter Miyasato
10	11	12	13	14	15	16
Potrzuski	Potrzuski	Potrzuski 6:00pm Regular Assembly Mtg	Potrzuski 12:00pm Health Needs & Human Services Commission 6:00pm Historic Preservation	Potrzuski Hunter 12:00pm LEPC 12:00pm Parks & Rec	Potrzuski Hunter	Hunter
17	18	19	20	21	22	23
Hunter	Hunter McConnell Candidate filing period opens	Hunter McConnell 12:00pm Tree/Landscape 7:00pm Planning	Hunter McConnell	Hunter McConnell	Hunter McConnell	Hunter McConnell
24	25	26	27	28	29	30
McConnell	McConnell	McConnell 6:00pm Regular Assembly Mtg	McConnell 6:00pm Police and Fire Commission - Fire Hall	McConnell	McConnell	McConnell
31	1 Aug	2	3	4	5	6
McConnell	McConnell	McConnell 7:00pm Planning	McConnell 7:00pm Library Board	McConnell 12:00pm - 1:30pm SEDA Board Meeting	McConnell 5pm Candidate filing period closes	McConnell



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

May 6, 2016

Commandant (CG-092)
2703 Martin Luther King Jr Avenue, SE, Stop 7103
Washington, DC 205-7362

Dear Commandant,

On behalf of the City and Borough of Sitka, we respectfully request the consideration of the U.S. Coast Guard to re-designate the City and Borough of Sitka, Alaska, as a "Coast Guard City". The community of Sitka is proud to be home to the men and women of five U.S. Coast Guard units including Coast Guard Air Station Sitka, Coast Guard Cutter Maple, Aids to Navigation Team Sitka, Marine Safety Detachment Sitka, and Electronic Support Detachment Detail Sitka.

The City and Borough of Sitka's re-designation packet documents specific honors, accolades, partnerships, awards, and events supporting Sitka's Coast Guard community. Sitka's current Coast Guard City status gives our citizens another opportunity to show their appreciation and honor to our Coast Guard friends and neighbors for their great service.

The respect, admiration, gratitude, and support of Sitka's entire population for the heroic and dedicated performance of the Sitka Coast Guard personnel is likely unparalleled anywhere else, because the Coast Guard has saved so many lives in heroic rescues and different missions. The Sitka community is deeply indebted to the Coast Guard and is eager to cooperate in multiple efforts to honor the Coast Guard and their families as an integral and important part of the Sitka community, as well as one of the community's largest employers.

The Coast Guard families are welcomed into the schools, scouts, sports programs, community groups, commissions and boards, parades, festivals, and other community activities as integral members. The community greatly appreciates the considerable involvement and volunteer services by Coast Guard staff and families. The success of the community's efforts to embrace the Coast Guard personnel and their families is evidenced every day by the close personal and organizational integration among all members of the community, and an evaluation of how many Coast Guard have extended their tours of duty in Sitka and retired as permanent residents, speaks well of this bond.

August 2015 marked one of the most challenging months for Sitka, with an oil spill at Eagle Beach and multiple landslides throughout the Borough resulting in loss of life and property. The Coast Guard provided leadership and guidance through both horrific back to back events. Working side by side with neighbors and friends in the Emergency Operations Center (EOC) showed us all that the bond between the community and the Coast Guard is stronger than ever.

Providing for today...preparing for tomorrow

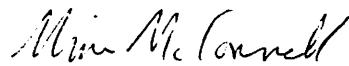
We can depend on and support one another through any catastrophic event.

The Coast Guard personnel and their families are an extremely important part of the fabric of our community, of critical importance to the success of Sitka- to our economy, to our culture and way of life, and to our safety and survival. Sitka is deeply honored to be a designated "Coast Guard City" and looks forward to continuing the designation.

We would be pleased to provide any further information or assistance regarding our re-designation of "Coast Guard City" status. We are honored to continue the respect and gratitude we feel and show our Coast Guard families.

Thank you for your consideration of our re-designation as "Coast Guard City".

Sincerely,



Mim McConnell, Mayor



Mark Gorman, Municipal Administrator



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-118 Version: 1 Name:

Type: Minutes Status: AGENDA READY

File created: 6/21/2016 In control: City and Borough Assembly

On agenda: 6/28/2016 Final action:

Title: Approve the minutes of the June 14 Assembly meeting

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Minutes.pdf](#)

Date	Ver.	Action By	Action	Result
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CONSENT AGENDA

POSSIBLE MOTION

I MOVE TO APPROVE THE CONSENT AGENDA
CONSISTING OF ITEMS A, B, & C

I wish to remove Item(s) _____

**REMINDER – Read aloud a portion of each item being
voted on that is included in the consent vote.**

Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve the minutes of the
June 14 Assembly meeting.



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
1332 Seward Ave.
Room 229
Sitka, AK
(907)747-1811

Minutes - Draft

City and Borough Assembly

Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Benjamin Miyasato
Aaron Swanson, Steven Eisenbeisz
Tristan Guevin, and Bob Potrzuski

Municipal Administrator: Mark Gorman
Acting Municipal Attorney: Brian Hanson

Tuesday, June 14, 2016

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - McConnell, Hunter, Swanson, Eisenbeisz, Guevin, and Potrzuski

Absent: 1 - Miyasato

IV. CORRESPONDENCE/AGENDA CHANGES

No agenda changes.

16-109 Reminders, Calendars and General Correspondence

V. CEREMONIAL MATTERS

None.

VI. SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Sitka Community Hospital, Municipal Departments, School District, Students and Guests (time limits apply)

16-117 Halibut Point Road/Peterson Street crosswalk improvement project - Police Chief, Sheldon Schmitt

Police Chief, Sheldon Schmitt, and Loyd Platson of the Police and Fire Commission announced an upcoming fundraiser for safety improvements at the intersection of Halibut Point Road and Peterson Street. Administrator Gorman applauded Schmitt for being proactive and addressing this critical safety need.

VII. PERSONS TO BE HEARD

None.

VIII. REPORTS**a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other**

Mayor - McConnell apprised the Assembly of recent meetings and community events she had attended.

Administrator - Gorman noted a reduction in library hours (closed Sundays) would begin in July. He stated the hazard risk assessment report for the Gary Paxton Industrial Park had been received. The only high risk area noted in the report was the Administration building. The final report was expected to outline mitigation points.

Liaisons - Eisenbeisz reported on Sitka Community Hospital (SCH) Board work and noted SCH had hired a new medical director.

Clerk - Peterson reviewed Board vacancies, alerted the public to upcoming vacancies on the Assembly and School Board, the filing period, and told of precinct locations for the State Primary, Municipal Election and General Election.

Other - Hunter shared in his recent travels he had seen numerous hands free device signs and emphasized the use of cell phones while driving was a national public health issue.

IX. CONSENT AGENDA

A motion was made by Hunter that the Consent Agenda consisting of items A, B, C & D be APPROVED. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Eisenbeisz, Guevin, and Potrzuski

Absent: 1 - Miyasato

A 16-107 Approve the minutes of the May 19, 24, and 31 Assembly meetings

This item was APPROVED ON THE CONSENT AGENDA.

B 16-106 Award a 3 year Library services contract to Malo's Janitorial for a total cost of \$22,680.00 per year with the option to be extended by mutual agreement between the City and Borough of Sitka and Contractor for 2 additional 3 year extensions

This item was APPROVED ON THE CONSENT AGENDA.

C RES 16-09 Setting the millage rates for the Fiscal Year July 1, 2016 through June 30, 2017

This item was **APPROVED ON THE CONSENT AGENDA.**

- D 16-111** Grant preliminary approval authorizing the lease of approximately 7,082 square feet of sloping tidelands to Petro Marine Services in Alaska Tidelands Survey 15 adjacent to 1 Lincoln Street

This item was **APPROVED ON THE CONSENT AGENDA.**

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- E 16-108** Reappoint: 1) Debra Pohlman to a term on the Planning Commission, 2) Brendan Jones to a term on the Port and Harbors Commission, 3) Morgan Doubleday to a term on the Animal Hearing Board, and, 4) Grant Miller to a term on the Gary Paxton Industrial Park Board

A motion was made by Guevin that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Eisenbeisz, Guevin, and Potrzuski

Absent: 1 - Miyasato

XI. UNFINISHED BUSINESS:

- F ORD 16-17** Adjusting the FY16 Budget (*disaster declaration work/PERS funding*)

A motion was made by Swanson that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Eisenbeisz, Guevin, and Potrzuski

Absent: 1 - Miyasato

- G ORD 16-20** Adopting budgets for Fiscal Year July 1, 2016 through June 30, 2017

Guevin and McConnell spoke to the lack of funding for the RIDE in the FY2017 budget. Both hoped, in the future, that the Assembly would be supportive of funding public transportation. Hunter reminded public transportation funding was provided in the FY2017 budget and cited the example of funding provided for the Senior Center van maintenance.

A motion was made by Swanson that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Eisenbeisz, Guevin, and Potrzuski

Absent: 1 - Miyasato

XII. NEW BUSINESS:

New Business First Reading

- H ORD 16-15A** Amending Title 15 of the Sitka General Code by adding a new Chapter 15.15 entitled "Community Assisted Utility Subsidization Effort" (first reading as amended)

Potrzuski spoke to possible funding sources: the Southeast Economic Development Fund or utility rate increases. Potrzuski, not in favor of raising utility rates, stated the Southeast Economic Development Fund was more appealing, however, unsustainable. He also had reservations about how the program would be implemented. Eisenbeisz spoke in opposition to using the Southeast Economic Development Fund and wondered how the program would be funded in future years. In addition, he questioned whether there was ample staff time to run the program. McConnell suggested, as an alternative to the ordinance, that the Assembly wait to see what the voluntary assistance program, in the final stages of implementation, would yield. IT Director, Ron Duvall, explained that utility customers when paying their bill would be able to donate additional funds to help those in need. Guevin stated the City and Borough of Sitka (CBS) was already subsidizing rates giving an example of the FY2017 \$1.6 million subsidy to the Electric Fund. Guevin explained that while everyone was receiving a subsidy the household incomes were not equal. The proposed ordinance would provide relief to several hundred households in Sitka. Guevin added future funding could be incorporated into the annual budget planning process. Hunter recognized there was community need, however, did not support increasing CBS operational expenses. He commended Guevin and Potrzuski for sponsoring such an ordinance.

A motion was made by Guevin that this Ordinance be APPROVED on FIRST READING AS AMENDED. The motion FAILED by the following vote.

Yes: 2 - Guevin, and Potrzuski

No: 4 - McConnell, Hunter, Swanson, and Eisenbeisz

Absent: 1 - Miyasato

- I ORD 16-21** Repealing Chapter 7.20 "Marijuana Advisory Committee", and creating Chapter 7.40 "Local Regulatory Authority", formally dissolving the existing local regulatory authority and its framework and designating the City Assembly as the permanent Local Regulatory Authority, and creating Chapter 7.50 "Licensing", detailing the procedure of the City Assembly in reviewing, approving and protesting marijuana licenses

Legal Assistant, Rebuen Yerkes, provided a summary of the Ordinance. Yerkes noted that other communities in Alaska were designating the Assembly as the Local Regulatory Authority.

A motion was made by Hunter that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Eisenbeisz, Guevin, and Potrzuski

Absent: 1 - Miyasato

Additional New Business Items

- J 16-110** Consideration and award of the request for proposals submitted for the available funds (\$37,989) in the Fisheries Enhancement Fund

Angie Bowers of Sitka Sound Science Center offered an overview of and spoke to the importance of the programs offered.

Linda Behnken of Alaska Longline Fisherman's Association (ALFA) spoke in support of the disbursement of funds and provided a summary of the four programs outlined in their proposal. Eric Jordan spoke in support of the ALFA proposal.

A motion was made by Guevin to make \$37,989 in the Fisheries Enhancement Fund available for disbursement. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Eisenbeisz, Guevin, and Potrzuski

Absent: 1 - Miyasato

A motion was made by Eisenbeisz to award \$10,000 to the Alaska Longline Fisherman's Association. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Eisenbeisz, Guevin, and Potrzuski

Absent: 1 - Miyasato

A motion was made by Hunter to award \$27,900 to the Sitka Sound Science Center. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Eisenbeisz, Guevin, and Potrzuski

Absent: 1 - Miyasato

K 16-112

Discussion of the Memorandum of Understanding between the State of Alaska and the Southeast Conference for the Alaska Marine Highway System strategic plan and approval of a \$10,000 grant from the Southeast Economic Development Fund to Southeast Conference to assist with funding of the plan

McConnell summarized the memorandum of understanding and noted the benefits of joining in this effort. Garry White, President of the Southeast Conference Board of Directors, stated this was a project the group had been working on for a while and stressed the negative impacts of reduced ferry service on communities. White noted the \$350,000 project consisted of two phases with \$250,000 to be contributed by the State of Alaska. White reported an assessment of the current governance model (State) was being conducted and suggested a new governance model, an outside independent board, be explored. He urged Sitka and other communities throughout Alaska to support this project.

Administrator Gorman stated use of the Southeast Economic Development Fund was appropriate. Gorman expressed Sitka was key to the Alaska Marine Highway System and that it was important to voice interest in the success of the project. Hunter was encouraged to hear the State was funding a majority of the project and offered there was a better way to operate the ferry system. Potrzuski spoke in support and stated the importance for Sitka to be seen as a leader in this endeavor.

A motion was made by Hunter to APPROVE a \$5,000 grant from the Southeast Economic Development Fund to Southeast Conference to assist with funding of the Alaska Marine Highway strategic plan. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Eisenbeisz, Guevin, and Potrzuski

Absent: 1 - Miyasato

- L 16-113** Approve the 2016-2019 Alaska State Employees Association (ASEA) Collective Bargaining Agreement
- Assembly members praised staff for their work and a successful negotiation process. Hunter thanked municipal employees for their work.
- A motion was made by Hunter that this Item be APPROVED. The motion PASSED by the following vote.**
- Yes:** 6 - McConnell, Hunter, Swanson, Eisenbeisz, Guevin, and Potrzuski
- Absent:** 1 - Miyasato
- M 16-114** Approve the 2016-2019 Public Safety Employees Association (PSEA) Collective Bargaining Agreement
- Gorman clarified that the document would be executed upon ratification by the PSEA membership.
- A motion was made by Swanson that this Item be APPROVED. The motion PASSED by the following vote.**
- Yes:** 6 - McConnell, Hunter, Swanson, Eisenbeisz, Guevin, and Potrzuski
- Absent:** 1 - Miyasato
- N 16-115** Approve a 10-year purchase agreement and a 20-year purchase agreement for raw water in bulk for export with Alaska Bulk Water Inc.
- Hunter and Potrzuski spoke in support of the purchase agreements and recognized Alaska Bulk Water for their persistent efforts.
- A motion was made by Hunter that this Item be APPROVED. The motion PASSED by the following vote.**
- Yes:** 6 - McConnell, Hunter, Swanson, Eisenbeisz, Guevin, and Potrzuski
- Absent:** 1 - Miyasato
- O 16-116** Approve a 20-year purchase agreement for raw water in bulk for export with Arctic Blue Waters (Canada) Inc.
- Garry White, Director of Gary Paxton Industrial Park, confirmed the City and Borough of Sitka had received approximately \$2.4 million in water deposits from Alaska Bulk Water Inc. (formerly True Alaska Bottling Company) and Arctic Blue Waters (Canada) Inc. White added there was 726 million gallons remaining to support three to four bottling plants if the need arose.
- A motion was made by Swanson that this Item be APPROVED. The motion PASSED by the following vote.**
- Yes:** 6 - McConnell, Hunter, Swanson, Eisenbeisz, Guevin, and Potrzuski
- Absent:** 1 - Miyasato

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:54pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: RES 16-10 Version: 1 Name:

Type: Resolution Status: AGENDA READY

File created: 6/22/2016 In control: City and Borough Assembly

On agenda: 6/28/2016 Final action:

Title: Supporting the City's application to the Statewide Transportation Alternatives Program (TAP) for construction of the Sitka Seawalk Phase II

Sponsors:

Indexes:

Code sections:

Attachments: [Res 2016-10.pdf](#)

Date	Ver.	Action By	Action	Result
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Should this item be pulled from the consent agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve Resolution 2016-10 on first and final reading.

MEMORANDUM

To: Mayor McConnell and Assembly Members
Mark Gorman, Municipal Administrator

From: Michael Harmon, P.E., Public Works Director *MH*
Dan Tadic, P.E., Municipal Engineer *DT*

Reviewed: Jay Sweeney, Chief Finance and Administrative Officer *J*

Date: June 22, 2016

Subject: Sitka Sea Walk Phase II – Statewide Transportation Alternatives Program (TAP) Funding for Construction

Background

The City and Borough of Sitka desires to apply for a Statewide Transportation Alternatives Program (TAP) Grant to provide construction funding for the Sitka Sea Walk Phase II project. Phase II would span from the Centennial Building to the O'Connell lightering facility with a connector to Lincoln Street, downtown shopping and Totem Square. The Sea Walk Phase I project from Harrigan Centennial Hall and the Crescent Lightering Facility to the Sitka National Historical Park boundary was completed in October 2013. That project was funded by the State Legislature from Commercial Passenger Excise Tax proceeds.

The Sea Walk Phase II route around the seaward side of the O'Connell Bridge solves a long-standing, identified safety issue with pedestrians making uncontrolled crossings of the State of Alaska owned and maintained Harbor Drive. A comprehensive wayfinding signage system along with a designated pedestrian route will result in visitors moving in predictable ways. Not only is this a significant safety improvement, but also reduces the potential for visitor-resident conflicts and frustration.

The Sea Walk has maintained consistently positive public support and has been included as a goal in many Sitka Community Plans over the years. It is included in the 2007 Sitka Comprehensive Plan, 2006 Sitka Visitor's Plan V1 and V2, the 2002 Sitka Non-Motorized Plan, the 2010 Sitka Passenger Fee Fund Downtown Master Plan, the 2011 Sitka Outdoor Recreation Action Plan. This portion of the walkway was considered during the 1996 O'Connell Bridge lightering facility development, but the funding was inadequate to include it at that time. An O'Connell Bridge seaward side walkway was also included in the 2000-2002 Statewide Transportation Improvement Program (STIP) to reduce unsafe pedestrian crossings of the highway. It remained a priority project in the STIP for 10 years until the program that was slated to fund it was eliminated.

Analysis

The Moving Ahead for Progress in the 21st Century Act (MAP-21) authorized the TAP to provide federal funding for programs and projects defined as transportation alternatives. The State of Alaska administers the program and is required to have a competitive process to allow eligible entities to submit projects for funding. The TAP requires a 20% local match.

On April 22nd, 2014 the Assembly voted unanimously in support of Resolution 2014-05 which authorized the Administrator to apply for and execute a grant from the Alaska Federal Lands Access Program (FLAP) for the Sea Walk Phase II Preconstruction Planning and Design. The \$181,940 FLAP grant request included a local match commitment of \$18,060. That application was successful and those funds are scheduled to be available in Fall 2017. Per the Program Contact with the State, the FLAP funds can be used as a match for the TAP.

The Sea Walk Phase II is an important component in the Sitka's downtown transportation network so should score well in the grant evaluation criteria. With planning and design funds in place courtesy of the FLAP, the opportunity to leverage those funds in addition to a local CPET contribution, to obtain TAP funds to complete the Sea Walk is a great opportunity.

Fiscal Note

The total estimated project cost for the Sea Walk Phase II project is \$1,700,000 to include planning, design, permitting, construction and administration/project management. The TAP Grant request would be for 80% of project costs or \$1,360,000. The required local match funding is 20% or \$340,000. This match will be comprised of FLAP Grant proceeds and associated commitments as well as additional Commercial Passenger Excise Tax (CPET) proceeds as indicated below. Staff is confident that the use of CPET funds as a portion of a match for this grant will be allowable based on past precedent for the previous Sea Walk segment.

TAP Grant Request	\$1,360,000
CPET Funds	\$ 140,000
*FLAP Grant & Match	<u>\$ 200,000</u>
Sea Walk Phase II Total Project Cost	\$1,700,000

*Includes \$18,060 in local match funds

Recommendation:

Approve Resolution 2016-10 authorizing the City and Borough Administrator to apply for and execute a grant for the Sitka Sea Walk Phase II to the Statewide Transportation Alternatives Program.

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2016-10

**A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF SITKA
SUPPORTING THE CITY'S APPLICATION TO THE STATEWIDE TRANSPORTATION
ALTERNATIVES (TAP) PROGRAM FOR CONSTRUCTION OF THE SITKA SEAWALK
PHASE II.**

WHEREAS, a grant from the Statewide Transportation Alternatives Program (TAP), if awarded, will fund the construction of the Sitka Sea Walk from the O'Connell Bridge Lightening Facility to the Harrigan Centennial Hall with a connector to Lincoln Street and Totem Square; and

WHEREAS, the Sitka Sea Walk project is a priority to the community of Sitka since the pathway links cruise ship lightening facilities with downtown shopping, multiple visitor destinations, including Sitka National Historical Park and will function with the new wayfinding system as the main thoroughfare for visitor circulation and flow within Sitka; and

WHEREAS, the Sitka Sea Walk is a publicly identified priority in the 2002 Sitka Non-Motorized Transportation Plan, Comprehensive Plan, Sitka Tourism Plans 1.0 and 2.0, Sitka Downtown Master Plan and 2011 Sitka Outdoor Recreation Action Plan; and

WHEREAS, surveys of cruise ship visitors and independent travelers completed for the Sitka Outdoor Recreation Plan in 2010 indicate a desire for more walking and hiking activities and tours and these survey results also found that the majority of cruise ship visitors choose to walk during their visit; and

WHEREAS, the Sitka Sea Walk Phase II upon construction will complete the Sitka Sea Walk, a visitor enhancement and marketing tool as well as a very popular walking opportunity for residents; and

WHEREAS, the Sitka Sea Walk Phase II will be also be a safety improvement by reducing uncontrolled visitor crossings of Harbor Drive; and

THEREFORE, BE IT RESOLVED, that the Municipal Administrator of the City and Borough of Sitka, Alaska is hereby authorized to negotiate, execute and administer any and all documents required for the application and acceptance of funding from the Statewide Transportation Alternatives Program (TAP) and to manage those funds on behalf of the City and Borough of Sitka.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 28th day of June 2016.

Mim McConnell, Mayor

ATTEST:

Melissa Henshaw
Acting Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-123 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/22/2016 In control: City and Borough Assembly

On agenda: 6/28/2016 Final action:

Title: Grant preliminary approval of a proposed land sale of Mineral Survey 1587 to Christopher Lillehoff

Sponsors:

Indexes:

Code sections:

Attachments: [Prelim approval for land sale.pdf](#)

Date	Ver.	Action By	Action	Result
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Should this item be pulled from the consent agenda, the following motion would be in order:

POSSIBLE MOTION

I MOVE TO grant preliminary approval of a proposed land sale of Mineral Survey 1587.

Note: Following preliminary approval, the applicant will then go back to the Planning Commission, Historic Preservation Commission, and through a public competitive bid process, before coming back to the Assembly for a final land sale ordinance.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Mark Gorman, Municipal Administrator
Mayor McConnell and Members of the Assembly

From: Maegan Bosak, Planning and Community Development Director *MB*
Samantha Pierson, Planner I *SP*

Subject: Sale of Mining Claim to Christopher Lillehoff

Date: June 15, 2016

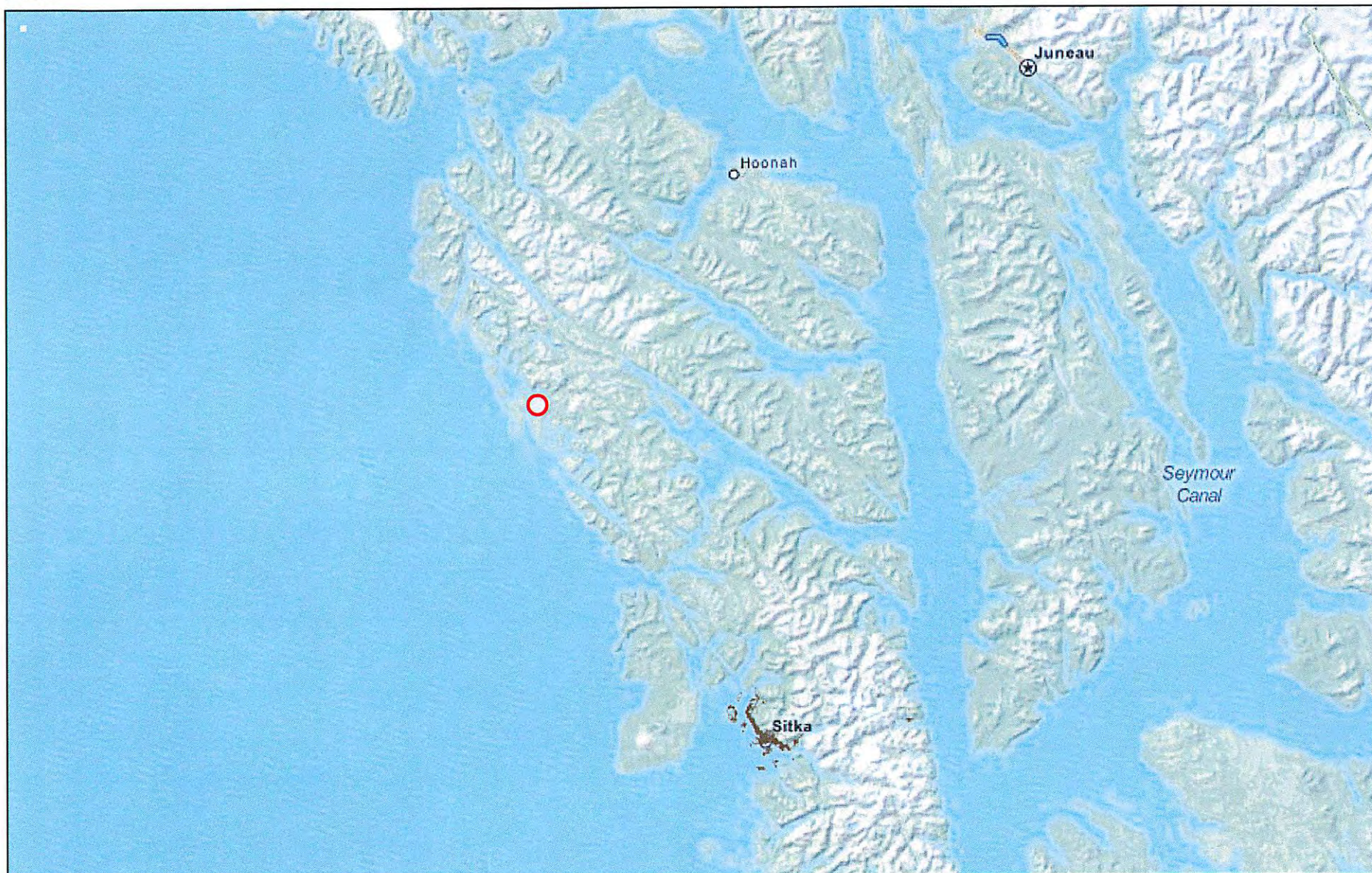
Recently Christopher Lillehoff approached the Planning Department with a request to purchase a prior mining claim from the City and Borough of Sitka. The Planning Department is processing this request in accordance with existing procedures. Following SGC, an ordinance is required to authorize the land sale. Lillehoff is requesting preliminary approval from the Assembly in order to proceed with the land sale.

The land sale request is for 32.84 acres known as Mineral Survey 1587. The property is located across Ogden Passage from Herbert Graves Island. The applicant states the intent to use the land as a personal subsistence camp.

The City Assessor, Wendy Lawrence, determined a fee simple assessed value of \$129,200.00. This amount will be the starting bid for a sealed bid process.

Following preliminary Assembly approval, the applicant will then go to the Planning Commission, the Historic Preservation Commission, and through a public competitive bid process, then back to the Assembly for a final land sale ordinance.

RECOMMENDED ACTION: Pass a motion granting preliminary approval.



City & Borough of Sitka, Alaska

Printed on 3/14/2016 from <http://www.mainstreetmaps.com/ak/sitka/internal.asp>

This map is for informational purposes only. It is not for appraisal of, description of, or conveyance of land.



MainStreetGIS
MainStreetGIS, LLC
www.mainstreetgis.com

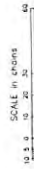
responsibility for the information contained herein.

Christopher Lillehoff
Land Sale Request
Mineral Survey 1587

PROTRACTION DIAGRAM NO. CR13-6 OFFICIALLY FILED 5/1/1980

MTP

Wilderness



Lat	57°39'27.120"N
Long	136°05'25.966"W

CURRENT TO	CR Mer
11-23-2009	T 48 S
	57 E

Christopher Lillehoff
Land Sale Request
Mineral Survey 1587



IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

FIRST JUDICIAL DISTRICT AT SITKA

In the Matter of the GREATER)
SITKA BOROUGH, DELINQUENT)
TAX ROLL AND FORECLOSURE)
LIST FOR TAX YEAR, 1968.)

CIVIL ACTION NO. 69-73C

CLERK'S DEED TO BOROUGH

The Clerk of the Greater Sitka Borough having filed proof of publication of the notice of expiration of the redemption period and having mailed a copy of the published notice by certified mail, postage prepaid, to each record owner of property against which a judgment of foreclosure has been taken in accordance with Section 29.10.522 of the Alaska Statutes, I hereby deed under the provisions of Section 29.10.525 of the Alaska Statutes the following described pieces or parcels of land situated in the Greater Sitka Borough, First Judicial District, State of Alaska. All rights of redemption shall terminate upon the execution of this deed to the Greater Sitka Borough.

within the City limits of Sitka:

Lot 4, Block 4, Sirstad Addition, listed under the name of Raymond Johnson; amount due \$71.73;

outside of City of Sitka limits:

Home Stead Claim 627771, listed under the name of Fred Van Horn; amount due \$61.18;

Lot 2, Tract A, U. S. Survey 3556, listed under the name of John Wetteland; amount due \$38.84;

Lot 6, Tract A, U. S. Survey 3556, listed under the name of George E. Rogers; amount due \$40.09;

Min. Sur. 938, listed under the name of Pande Basin Gold Placer Co.; amount due \$49.00;

Min. Sur. 544, listed under the name of Edward H. Power; amount due \$100.54;

Min. Sur. 555, listed under the name of G. E. Bent; amount due \$37.13;

Min. Sur. 956, listed under the name of
M. G. Munly; amount due \$26.44;

Min. Sur. 1453, listed under the name of
John Tupplea; amount due \$15.62;

Min. Sur. 1469 A-B, listed under the name
of H. A. Bauer; amount due \$143.08;

Min. Sur. 1587, listed under the names of Joe
T. Bauer and John Soini; amount due \$26.42;

Min. Sur. 1472, listed under the name of H. A.
Bauer; amount due \$15.73;

Lot 4, Block 1, listed under the name of
Henry T. Butterwege; amount due \$14.07;

Lot 9, Block 1, listed under the name of
Joann-George Budka; amount due \$14.07;

and the following described real property
in the Townsite of Port Alexander, Alaska:

Lot 1, Block 1, listed under the name of
L. G. Woolcot; amount due \$40.31;

Lot 2, Block 1, listed as unknown; amount due
\$16.82;

Lot 3, Block TRI, listed as unknown; amount
due \$16.82;

Lot 4, Block 1, listed as unknown; amount due \$13.99;

Lots 9-14, Block 1, listed as unknown; amount
due \$22.82;

Lot 10, Block 2, listed as unknown; amount
due \$11.17;

Lot 13, Block 2, listed under the name of the
City of Port Alexander; amount due \$11.17;

Lot 15, Block 2, listed as unknown; amount due
\$23.25;

Lot 17, Block 2, listed as unknown; amount due
\$11.17;

Lot 19, Block 2, listed as unknown; amount
due \$11.17;

Lot 2, Block 4, listed under the name of
Wilbur Brown; amount due \$10.92;

Lot 1, Block 8, listed under the name of
Helen Ottison; amount due \$20.47;

Lot 6, Block 8, listed under the name of
Gertrude Nibbler; amount due \$157.30;

The following parcels of land in the Port Alexander Townsite and listed as unknown:-

Lots 5 & 6, Block 9; amount due \$34.55;

Lots 1-6, Block 10; amount due \$28.02;

Lot 7, Block 10; amount due \$13.97

Lot 2, Block 1, Tract B; amount due \$11.17;

Lots 4 & 5, Block 1, Tract B; amount due \$16.83;

Lots 6 & 7, Block 1, Tract B; amount due \$19.09;

Lots 8 & 9, Block 1, Tract B; amount due \$16.82;

Lot 10, Block 1, Tract B; amount due \$13.97;

Lot 11, Block 1, Tract B; amount due \$11.17;

Lots 12, 13, & 14, Block 1, Tract B; amount due \$22.82;

Lot 15, Block 1, Tract B; amount due \$12.29;

Lots 15 & 17, Block 1, Tract B; amount due \$16.82

Lots 1, 2, 3 & 4, Block 2; amount due \$40.30;

Lots 5 & 6, Block 2; amount due \$28.60;

Lot 13, Block 2; amount due \$22.81;

Lot 14, Block 2; amount due \$28.59;

Lot 1, Block 3; amount due \$19.78;

Lots 2 & 3, Block 3; amount due \$22.79.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Superior Court for the State of Alaska, this 25th day of May, 1971.

D. V. DUNCAN

Clerk of the Superior Court

Charlotte Swenberg
Deputy Clerk

RECORDED - FILED

SITKA REC. DIST.

DATE 5-25 1971

TIME 10:15 A M

Requested by 7/14/82

WILLIAM H. BABCOCK
ATTORNEY AT LAW
P. O. BOX A

Christopher Lillehoff
Land Sale Request
Mineral Survey 1587

Memorandum

TO: Maegan Bosak, Planning and Community Development Director

FROM: Wendy Lawrence, Assessing Director

SUBJECT: City and Borough of Sitka Mining Claim Assessed Valuation for Proposed Land Purchase Request – Identified as 32.84 acres of MS 1587 (Remote City & Borough of Sitka)

DATE: May 24, 2016

The real property described above has been assessed at \$129,200 fee simple for the proposed purchase of 32.84 acres of historic mining claim property owned by the City and Borough of Sitka. The site is located just south of Maud Point on Ogden Passage, extends from tidewater eastward touching the south shore of a small lake, and features approximately 150' of water frontage to Ogden Passage near Kimsham Cove.

The subject site consists of 32.84 acres of gently sloping wooded upland area that are relatively level and suitable for development. While remote from Sitka (approximately 50 miles NW), this site is superior in value to the more typical steep terrain sites. Access is via boat or plane, and zoning is assumed to be Public Lands as this could not be confirmed from the historic files.

The intended use is as a personal use subsistence fishing, trapping and hunting camp by the applicant. Not having had the ability to inspect this site personally for this valuation, the site was estimated to be approximately 30% wetlands from aerial photos and available mapping data. The site has been described to contain some muskeg on the far side of the claims above the lake.

Island sales within the borough range widely in value depending upon proximity to the city, utilities, sun exposure and beach frontage. Mining claims in particular are more remote in nature and are valued with emphasis on level slope, and ease of access. That being said, this parcel appears to have both amenities, ease of access and relatively level topography, and as such would be considered superior in value than the average remote property. The City and Borough of Sitka has no mining claim sales on which to draw for valuation support, therefore a wider scope of all island sales was used.

Island sales within 5 miles of the city core generally range from \$52,000-\$375,000/acre, with remote island sales outside this area practically non-existent for analysis. Island sales volumes and prices have historically been steady and correlate with tourism trends for this area.

Historical valuation of this parcel was at \$1,000/acre (1980's-1990's), and an early 2000's valuation speaks to \$3,000/acre with a minimum of \$1,000/acre for development of 5-acre parcels with beach and lake front access. Time adjustment of these figures, and analysis of current sales at much higher per-acre values, support this more current valuation of \$3,900/acre. In addition, there are several

Christopher Lillehoff
Land Sale Request
Mineral Survey 1587

historic requests for purchase of this parcel, which is also an indicator of its superior qualities and above-average appeal.

Therefore utilizing the island sales range stated above and applying negative 75% adjustment for remote proximity to the City and Borough of Sitka, results in the fee simple assessed value of \$129,200 for this request. No site specific adjustments were made, as a personal inspection of this site was not possible for that detail of information; therefore, this valuation is a general overview of the site at fee simple.

Municipal property is sold at the discretion of the Assembly and these facts are presented for its review in this request. Please feel free to contact me if you have questions, comments or input. The attached data has been submitted in support of this valuation.

Site Photo for Reference:



Christopher Lillehoff
Land Sale Request
Mineral Survey 1587

54857006-\$ACRE

Model:	2017	0.3000	-	32.84	$Y = C * X^{(P)}$	219840	-0.766	S	-
	Assumed Wetland Ratio					C	P	Min Value	
Valuation Date	May 24, 2016								
Mining Claim-PURCHASE REQUEST CBS/LILLEHOFF									
Parcel Number	5-4857-006	0%			Trend Factor				
Zoning	P								
P	-0.7660	-0.7660	-0.7660						
X^P	0.0906	0.1734	0.0000						
PSF VALUE	\$19,915.76	\$5,974.73	\$2,987.36						
C	219840.00	34463.37	0.00						
	Upland/Filled	Wetland							
$Y = C * X^{(P)}$	100%	30%	15%						

PARCEL SQ FT	22.99	10	-						
BASE LAND VALUE	\$457,823	\$8863.01	0.00	\$	516,686				
View Adjustment (Std,Partial,Super \$5-\$30k)	0.00	0.00	0.00	\$	-				
Site Improvements (Clearing,Paving,Drive \$5-\$15k)	0.00	0.00	0.00	\$	-				
Superior (Waterfront)	0.00	0.00	0.00	\$	-				
Neighborhood Adjustment	0.00	0.00	0.00	\$	-				
Inferior Adjustment (REMOTE)	-0.75	-0.75	-0.75	\$	(387,515)				
Overall Factor	0.25	0.25	0.25	\$	129,172				

	\$114,500	\$14,700	\$0	\$	129,200	
	\$0	\$0	\$0			
ADJUSTED LAND VALUE ROUNDED				\$	129,200	2017 Land Value

PER SQUARE FOOT ADJUSTED	\$4,980.86	\$1,492.08	\$0.00							
				\$	3,900	Per Acre Value				

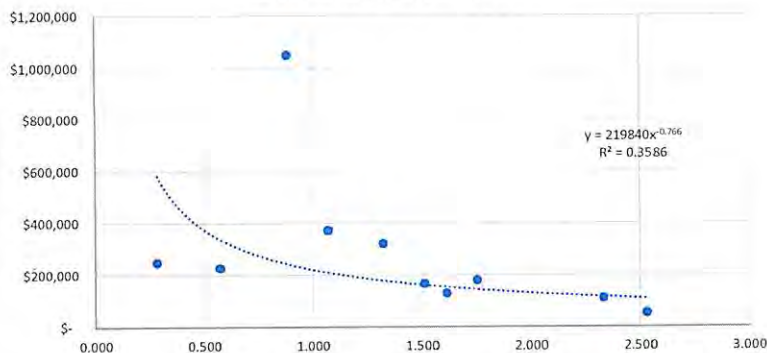
Historical Assessment Notes Found in File:

Per PRC Has Historically been valued at \$1000/acre

\$	48.30	\$	1,000	\$	48,300
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COMPARBLE SALES	LOCATION	NH	SALE DATE	PRICE	\$/ACRE	\$/SF	ACRES	SF
49021000	Island	REN	27-Apr-15	\$ 69,900	\$ 249,600	\$ 5.73	0.280	12,197
49245000	Island 167	REN	05-Aug-13	\$ 925,000	\$ 228,072	\$ 5.24	0.570	24,829
49226000	Island	REN	16-Mar-16	\$	1,051,100	\$ 24.13	0.880	38,333
49098001	Lot 2, Katz Island	REN	28-Nov-11	\$	372,356	\$ 8.55	1.066	46,443
49217001	East Beardslee Island	REN	21-Sep-09	\$ 425,000	\$ 322,000	\$ 7.39	1.320	57,499
49222000	Island	REN	21-Feb-13	\$ 250,000	\$ 165,600	\$ 3.80	1.510	65,776
49217002	East Beardslee Island	REN	21-Sep-09	\$ 208,000	\$ 129,200	\$ 2.97	1.610	70,132
49173000	USS 3926, L16	REN	12-Feb-09	\$ 313,350	\$ 179,057	\$ 4.11	1.750	76,230
49178000	Lot 22, USS 3926	REN	27-Sep-12	\$ 256,300	\$ 110,000	\$ 2.53	2.330	101,495
49100002	Bamdoroshni Island	REN	26-Sep-11	\$	52,569	\$ 1.21	2.530	110,207
49100003	Bamdoroshini Island	REN	12-Sep-13	\$	52,569	\$ 1.21	2.530	110,207

ISLAND SALES-REMOTE \$/ACRE



Christopher Lillehoff
Land Sale Request
Mineral Survey 1587

RECEIVED FEB 05 2016

CITY AND BOROUGH OF SITKA
PLANNING DEPARTMENT
LAND SALES APPLICATION

Applicant

Applicant's Name: Christopher Lillehoff Phone: (907) 738-6030

If application is a corporation, give name of agent: _____

Mailing Address: 815 Lake St. Sitka, AK 99835

Requested Property

Legal Description: Lot _____ Block _____ U.S. Survey No. _____

~~Existing Subdivision~~ Mineral Survey # 1587

~~Street Address~~ Township 48 South Range 57 East of
Copper River Meridian, Alaska, Section 26

Intended Use (circle): Residential Private Recreation Commercial Industrial

Reason for requesting sale: Personal Use / Subsistence Camp

Area of land: 32.84 Acres

Current use and appearance: No current Use.

Historical Use: Gold Mine

Proposed construction or improvement: 10 x 12 Fishing, Trapping, and Hunting
Shelter

If the Assembly authorizes the sale to proceed, 1) an additional \$150 will be required to cover advertising costs, 2) a subdivision plat will be required, and 3) an appraisal will be required. The cost of the appraisal may be split between the municipality and the applicant.

Signature:  Date: 2-4-16

Christopher Lillehoff
Land Sale Request
Mineral Survey 1587



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-119 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/21/2016 In control: City and Borough Assembly

On agenda: 6/28/2016 Final action:

Title: Reappoint 1) Scott Wagner to a two-year term on the Gary Paxton Industrial Park Board of Directors,
2) Charles Howlett to a three-year term on the Local Emergency Planning Committee, and approve
Michael Scarcelli (non-voting, ex-officio member) to the Sitka Community Hospital Board

Sponsors:

Indexes:

Code sections:

Attachments: [Motion, reappointments, and approval apps.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE to reappoint: 1) Scott Wagner to a two-year term on the Gary Paxton Industrial Park Board of Directors, 2) Charles Howlett to a three-year term on the Local Emergency Planning Committee, and approve Michael Scarcelli (non-voting, ex-officio member) to the Sitka Community Hospital Board.



Application for Appointment to Boards, Committees, and Commissions City and Borough of Sitka

Board/Commission/Committee: Gary Paxton Industrial Park
Name: Scott Wagner Daytime Phone: 907 747-6850
Address: 304 Nicole Dr. Evening Phone: 907 747-3791
Email Address: scott.wagner@nsraa.org Fax Number: _____
Length of Residence in Sitka: 23 years Registered to vote in Sitka? ☒ Yes ☐ No
Employer: NSRAA

Organizations you belong to or participate in:

LEPC

Explain your main reason for applying:

To continue serving as board chair and facilitate the development and operation of the park.

What background, experience or credentials will you bring to the board, commission, or committee membership?

Operation Manager for NSRAA. I can help to develop long term park goals and operation.

Please disclose any potential conflicts of interest that may arise from your appointment. These may include but are not limited to:

- A substantial financial interest of \$1000 annually that could be influenced by your appointment.
- An immediate family member employed within the scope of this appointment.

Please attach a letter of interest, outline, or resume which includes your education, work, and volunteer experience that will enhance your membership.

→ (To be considered, your application must be complete AND be accompanied by one of the above supporting documents.)

Date: 6/17/16 Signature: Scott Wagner

Your complete application and resume should be returned to the Municipal Clerk's Office by noon on the Wednesday prior to an advertised Assembly meeting.

Please note: all information submitted will be made public and published online. Appointments are normally made during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive session. In this case, do you wish to be present when your application is discussed? ☐ Yes ☒ No

Return to:

Melissa Henshaw, Deputy Clerk/Records Specialist, 100 Lincoln Street
Fax: 907-747-7403 Email: melissa.henshaw@cityofsitka.org

Scott Wagner

Experience

June 2011-Today NSRAA Sitka, AK

Operations Manager

- Oversee all Hatchery/Field projects and staff
 - Responsible for NSRAA budget development
 - Responsible for Grant applications, budgeting, spending and reporting
-

May 2005-June 2011 NSRAA Sitka, AK

Hatchery Manager

- Interim Manager at Medvejie Hatchery summer 2005
 - Hidden Falls Hatchery Manger fall 2005-2011
 - Oversaw all aspects of hatchery operation and staff
-

Aug 1994-May 2005 NSRAA Sitka, AK

Fish Culturist

- Green Lake Chinook project
 - Deep Inlet chum rearing
 - Project Supervisor
-

Mar 1992-Aug 1994 NSRAA Sitka, AK

Seasonal Fish-Tech

- Fish Feeder
 - Net Washer
 - Maintenance assistant
-

Education

Aug 1991-May 1994 Sheldon Jackson College Sitka, AK

Bachelor of Science, Mariculture

- Fisheries minor
-

Boards-Committees

ALPS Federal Credit Union Board of Directors 2005-2009 Sitka, AK

City of Sitka Local Emergency Planning Committee 2013-Present Sitka, AK



GARY PAXTON INDUSTRIAL PARK BOARD OF DIRECTORS

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
SCOTT WAGNER 304 Nicole Drive	747-6850 w 747-3791 h scott_wagner@nsraa.org	11/25/14	6/24/16	CHAIR <i>Eisenbeisz's term</i>
DAN JONES 719 Sirstad Street	738-6998 c 747-6373 h danielgjonespe@gci.net	10/11/11 10/22/13 10/27/15	10/11/13 10/22/15 10/27/17	VICE- CHAIR
GRANT J. MILLER P.O. Box 6097	738-3443 w grantjaymiller@gmail.com	6/13/06 6/10/08 6/8/10 6/12/12 6/24/14 6/14/16	6/13/08 6/10/10 6/8/12 6/12/14 6/24/16 6/14/18	
CHARLES HORAN 403 Lincoln Street	747-6666 w 747-7417 fax charles@horanappraisals.com	3/24/15	7/9/15	<i>Fondell's term</i>
PTARMICA MCCONNELL 2575 Sawmill Creek Rd.	738-9941 c ptarmica@sheeatika.com	6/10/14	6/10/16	
Garry White 329 Harbor Drive, #212	747-2660 w 747-7688 fax garrywhite@gci.net			GPIP Director
Mark Gorman City & Borough of Sitka 100 Lincoln Street	747-1808 w 747-7403 fax mark.gorman@cityofsitka.org			Municipal Administrator
Steven Eisenbeisz 208 Lincoln Street	738-9075 c assemblyeisenbeisz@cityofsitka.org			Assembly Liaison
Linda Wilson 329 Harbor Drive, #212	747-2660 w 747-7688 fax sedasitka@gmail.com			Secretary

Established by Ordinance 00-1568

Five members appointed by the Assembly for 2-year terms, one designated At-Large

Revised: June 15, 2016



Application for Appointment to Boards, Committees, and Commissions City and Borough of Sitka

Board/Commission/Committee: Sitka Local Emergency Planning Committee
Name: Charles Howlett Daytime Phone: 907-747-0303
Address: 209 Moller Ave. Evening Phone: 907-738-4440
Email Address: bmet@sitka-hospital.org Fax Number: _____
Length of Residence in Sitka: 7.44 Registered to vote in Sitka? ☒ Yes ☐ No
Employer: Sitka Community Hospital
Organizations you belong to or participate in: _____

Explain your main reason for applying:

Emergency management coordinator for SCH.

What background, experience or credentials will you bring to the board, commission, or committee membership?

Knowledge of HICS & NIMS and emergency response.

Please disclose any potential conflicts of interest that may arise from your appointment. These may include but are not limited to:

- A substantial financial interest of \$1000 annually that could be influenced by your appointment.
- An immediate family member employed within the scope of this appointment.

Please attach a letter of interest, outline, or resume which includes your education, work, and volunteer experience that will enhance your membership.

→ (To be considered, your application must be complete AND be accompanied by one of the above supporting documents.)

Date: 06/14/16 Signature: Charles Howlett

Your complete application and resume should be returned to the Municipal Clerk's Office by noon on the Wednesday prior to an advertised Assembly meeting.

Please note: all information submitted will be made public and published online. Appointments are normally made during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive session. In this case, do you wish to be present when your application is discussed? ☐ Yes ☐ No

Return to:

Melissa Henshaw, Deputy Clerk/Records Specialist, 100 Lincoln Street
Fax: 907-747-7403 Email: melissa.henshaw@cityofsitka.org

June 14, 2016

Charles Howlett, CBET

Biomedical Engineering Technician

Emergency Management Coordinator

Sitka Community Hospital

209 Moller Ave.

Sitka, AK 99835

907-747-0303

To whom it may concern,

I would like to continue my membership on the LEPC, to continue working with the city, and the other members in planning for mitigating, and response for and during an emergency.



LOCAL EMERGENCY PLANNING COMMITTEE

NAME	CONTACT NUMBERS		TERM STARTS	EXPIRES	CATEGORY
DAVE MILLER, CHAIR	747-1860	dave.miller@cityofsitka.org	Permanent	Fire Chief*	2
KEN FATE 115 Somer Dr.	747-5877 w 747-7410 h	ken@kcaw.org	2/13/07 2/9/10 2/12/13 2/23/16	2/13/10 2/9/13 2/12/16 2/23/19	3
DONNA CALLISTINI 106 Naomi Kanosh Lane	747-7107 w 747-5494	donna.callistini@yahoo.com	10/26/10 11/12/13	10/26/13 11/12/16	3
ANNABEL LUND PO Box 1616	623-0996 h	alund1123@yahoo.com	4/13/10 4/23/13 4/12/16	4/13/13 4/23/16 4/12/19	4
CAROL BERGE 315 Wachusett Street	747-3636 w 738-3433	clundy@scpsak.org	8/14/12 8/11/15	8/14/15 8/11/18	4
TRISH WHITE 117 Granite Creek Road	747-8006X202 w; 747-5976 h	trish@whitesalaska.com	3/10/09 3/13/12 3/24/15	3/10/12 3/15/15 3/24/18	5
CHARLES HOWLETT 209 Moller Ave.	747-0303 w 738-4440 c	bmet@sitkahospital.org	3/9/10 6/11/13	3/9/13 6/11/16	5
MARY ANN HALL 2037 Halibut Point Road	747-7265	ob1jry@gmail.com	8/23/11 8/12/14	8/23/14 8/12/17	6
BOB GORMAN PO Box 6477	747-9412 w 747-5158 h	bgorman@ptialaska.net	12/11/12	12/11/15	6
DONALD JONES PO Box 6205	623-0431	d_caldwell_j@hotmail.com	8/13/13	8/13/16	6
SCOTT WAGNER 304 Nicole Dr.	747-3791 h 738-2729 c	scott_wagner@nsraa.org	11/12/13	11/12/16	5
GAYLE HAMMONS 210 Kruzof Street	738-3028 c	kghammons@gmail.com	7/28/15	7/28/18	3
JEFF ANKERFELT	747-3245	jeffa@sitkapd.com	Permanent	Lieutenant*	2
AL STEVENS	747-3233	al.stevens@cityofsitka.org	Permanent	Acting LEPC Coordinator*	7
Mim McConnell	747-2860 h 738-2888 c	assemblymcconnell@cityofsitka.org	Non-Voting	Assembly Liaison	1
Gail Johansen Peterson 3511 Halibut Point Road	747-7646	scribeinkservices@gmail.com		Secretary	

*The police and fire chiefs and the LEPC Coordinator are permanent appointments; whoever is serving in that capacity will be appointed to the commission.

Minimum of seven members, 3-year terms; Established by Resolution 89-406; Amended by Resolution 89-441; Further amended by Resolution 99-727

Meeting: Second Thursday, noon – Fire Hall

Categories as follows: 1) Elected local officials 2) Law Enforcement, Civil Defense, Fire Fighting, First Aid, Local Environmental/Hospital, and Transportation Personnel
3) Media/ Broadcast 4) Community Groups 5) Owners/Operators of Facilities 6) Members of the Public 7) LEPC Information Coordinator/ SERC liaison

Quorum Requirement: At least one member from four different categories must be present.

Revised: April 13, 2016



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Planning and Community Development Department

June 14, 2016

City Assembly
C/O Melissa Henshaw, Deputy Clerk
100 Lincoln Street
Sitka, Alaska 99835

RE: CBS Staff Liaison to Hospital Board

Dear Mayor McConnell, Assembly members, and Sitkans,

It would be a privilege to serve in the role of staff liaison to the Hospital Board, and I would be interested in serving in that capacity if it pleases the Assembly.

I believe I could be beneficial in this role because I have a sincere interest in community service, community health, and matters of local concern exemplified not only by my two positions as a Senior Planner and Head Swim Coach, but more by my volunteer work and commitment to youth, local charity, and community events. I also believe my working knowledge of Roberts Rules of Order, board governance, contracts, and rules and regulations honed during law school and planning work would be beneficial to the issues that the Hospital Board oversees. In a non-voting position, my skills and desire to listen, analyze, identify pertinent issues, and seek common ground where there are different perspectives could be helpful. Overall, I would work diligently to be prepared, attend meetings, and execute my duties thoughtfully.

Thank you for your consideration,

Michael Scarcelli, J.D.
Senior Planner
Planning and Community Development Department
City and Borough of Sitka
907-747-1815

cc: Mark Gorman, Municipal Administrator
Maegan Bosak, Planning and Community Development Director



Application for Appointment to Boards, Committees, and Commissions City and Borough of Sitka

Board/Commission/Committee: Hospital Board – Staff Liason

Name: Michael Scarcelli Daytime Phone: 747-1815

Address: Personal: 3803 HPR; Work: 100 Lincoln St. Evening Phone: Per. Cell: 738-3307

Email Address: michael.scarcelli@cityofsitka.org Fax Number: 747-6138

Length of Residence in Sitka: 11 months Registered to vote in Sitka? ☒ Yes ☐ No

Employer: City and Borough of Sitka, and Baranof Barracuda Swim Club

Organizations you belong to or participate in:

Alaska Chapter of American Planning Association; American Swim Coaches Association; and USA Swimming Certified Coach.

Explain your main reason for applying:

to contribute my professional skills and knowledge to an important community interest. In addition, I have a professional and personal interest in public service, contracts, rules and regulations, community health, board governance, and refining my skills and knowledge base.

What background, experience or credentials will you bring to the board, commission, or committee membership?
I have a working knowledge of Roberts Rules of Order, Board governance, contract law, and community health issues. In addition, I am open to working with diverse interests and finding common ground.

Please disclose any potential conflicts of interest that may arise from your appointment. These may include but are not limited to: I have no conflicts of interest with the Hospital Board.

- A substantial financial interest of \$1000 annually that could be influenced by your appointment.
- An immediate family member employed within the scope of this appointment.

Please attach a letter of interest, outline, or resume which includes your education, work, and volunteer experience that will enhance your membership.

→ (To be considered, your application must be complete AND be accompanied by one of the above supporting documents.)

Date: June 14, 2016 Signature: Michael Scarcelli

Your complete application and resume should be returned to the Municipal Clerk's Office by noon on the Wednesday prior to an advertised Assembly meeting.

Please note: all information submitted will be made public and published online. Appointments are normally made during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive session. In this case, do you wish to be present when your application is discussed? ☐ Yes ☐ No

Return to:

Melissa Henshaw, Deputy Clerk/Records Specialist, 100 Lincoln Street
Fax: 907-747-7403 Email: melissa.henshaw@cityofsitka.org



SITKA COMMUNITY HOSPITAL
Creating a healthier tomorrow today.

Hospital Board Roster

Board Member	Phone	Address, E-mail	Seat	First Appointed	Term Expires
Bryan Bertacchi President	747-1870 w	PO Box 1373 bryan.bertacchi@cityofsitka.org	At-Large	1/12/16	1/12/18
Connie Sipe Secretary	966-4232 w	700 Katlian Street, Suite B csipe@cfc.org	Financial	1/12/16	1/12/19
Steve Gage	747-5587	409 Hemlock Street gageaj@gmail.com	At-Large	1/12/16	1/12/18
Mary Ann Hall	747-7265 h	2037 Halibut Point Road ob1jry@gmail.com	At-Large	1/12/16	1/12/18
David Lam	738-4068 c	PO Box 1324 dave@shamanmedicalconsulting.com	Healthcare	1/12/16	1/12/19
<i>CBS Staff Liaison*</i> Mike Middleton	747-4950 w	100 Lincoln Street mike.middleton@cityofsitka.org	Deputy Finance Director	1/12/10	N/A Resigned 6/3/16
<i>Chief Medical Staff Liaison*</i> Roger Golub	747-3241 w	Sitka Community Hospital 209 Moller Avenue rgolub@sitkahospital.org		December of each year
<i>Assembly Liaison*</i> Steven Eisenbeisz	738-9075 c	208 Lincoln Street assemblyeisenbeisz@cityofsitka.org			October (each year after election)
<i>Hospital Staff</i> Rob Allen Wendy Fowler	747-1738 747-1725	CEO Exec Asst/Recording Secretary	rallen@sitkahospital.org wfowler@sitkahospital.org		

* Non-Voting

Hospital Board meets the **fourth Thursday of each month at 6:00 p.m.** in the Hospital Classroom.

All voting members will be approved by the Assembly:

5 Members from Public:

- | | |
|---|-------------|
| 1 Member Professional Financial Experience | 3-year term |
| 1 Member Professional Healthcare Experience | 3-year term |
| 3 Members At-Large | 2-year term |

Non-Voting:

- | | |
|---|---|
| 1 Member Sitka Community Hospital Chief Medical Staff | Elected each December by SCH medical staff |
| 1 Member from the Assembly | Appointed each October |
| 1 Member from CBS Senior Staff | Approved by the Assembly with No Expiration |
- Re-Established by Ordinance 2015-37A

OATH OF OFFICE REQUIRED

Revised: June 14, 2016

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2015-37A

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA (CBS), ALASKA AMENDING SECTION 2.12.010 CITY AND BOROUGH OF SITKA HOSPITAL BOARD AND SECTION 2.12.070 ORGANIZATION, FORMALLY DISSOLVING THE EXISTING SITKA COMMUNITY HOSPITAL BOARD (SCH) AND ITS FRAMEWORK AND RE-ESTABLISHING AND REORGANIZING MEMBERSHIP UNDER NEW CRITERIA BY DECREASING VOTING MEMBERSHIP FROM SEVEN TO FIVE WITH THE GOAL OF PROVIDING FINANCIAL WELFARE AND ECONOMIC FINANCIAL STABILITY TO SITKA COMMUNITY HOSPITAL. THE NEW MEMBERSHIP WILL INCLUDE ONE NON-VOTING, EX-OFFICIO CBS STANDING SEAT (AND ALTERNATE) APPOINTED BY THE MUNICIPAL ADMINISTRATOR.

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.

2. **SEVERABILITY.** If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstances shall not be affected.

3. **PURPOSE.** The Assembly, through passage of this ordinance, has determined that Sitka Community Hospital will be better served by dissolving the existing board and its current membership structure and re-creating a new board structure that establishes new criteria and board membership. The new board will consist of five members, none of whom will be employees of SCH. The composition of the board is as follows:

- One non-voting, ex-officio CBS standing board member (senior staff) and an alternate will be appointed by the Municipal Administrator due to CBS's fiduciary responsibility for the Sitka Community Hospital finances. This position will be approved by the Assembly. This position will not hold any board office (e.g. chair, secretary), and will not be subject to term expiration.
- At least one additional board seat will be filled by a person with professional financial experience such as a certified public accountant, auditor, or financial analyst.
- One seat shall be filled by a person with professional healthcare experience such as a physician, nurse, physical therapist or close equivalent.
- The remaining three voting seats will be at-large.
- Membership will also include two ex-officio, non-voting seats consisting of a member of Sitka Community Hospital chief medical staff (elected by SCH medical staff in December of each year) and an Assembly Member who will serve as liaison.

All voting members will be approved by the City and Borough Assembly. In October of each year an assembly liaison will be appointed to serve as a conduit between the Sitka Community Hospital Board and CBS Assembly.

Additionally, this ordinance gives the required fifteen day notice to existing board members of their removal, which is appealable to the Assembly. All existing board members will have the opportunity to reapply for any seat in which they qualify.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC Chapter 2.12 is amended (old language stricken, new language underlined) as follows:

**Chapter 2.12
CITY AND BOROUGH OF SITKA HOSPITAL BOARD**

Section 2.12.010 City and Borough of Sitka Hospital Board

~~There shall be a board known as the city and borough of Sitka hospital board which shall consist of nine members: seven regular members, one of whom shall be a physician unless a physician does not apply within sixty days of a seat becoming open when no other physician is a regular member of the board, who shall serve three-year terms; and two nonvoting members who shall serve one-year terms. One ex-officio member shall be a member of the assembly and the other shall be a member of the medical staff. All members shall be approved by the assembly.~~

There shall be a board known as the City and Borough of Sitka Hospital Board which shall consist of five voting members none of whom will be employees of Sitka Community Hospital:

A. The City and Borough of Sitka Municipal Administrator will appoint a non-voting, ex-officio member of the CBS senior staff as well as an alternate. This position will be approved by the Assembly. This person will not hold any board office, such as chair or secretary. This term will not expire.

B. A person having professional financial experience such as a certified public accountant, auditor, or financial analyst. This is a three year term.

C. A person having professional healthcare experience, such as a physician, nurse, physical therapist or close equivalent. This is a three year term.

D. Three people from the community at-large. These are two year terms.

There shall also be two additional non-voting, ex-officio members:

A. A member of the Sitka Community Hospital chief medical staff will be elected each December by SCH medical staff.

B. An Assembly member who will serve as liaison. Appointed each October.
All Sitka Community Hospital Board voting members will be approved by the Assembly.

* * *

Section 2.12.070 Organization

The board shall organize itself by electing a chairman and secretary who shall hold their offices as provided by hospital board by-laws.

A. The board shall adopt by-laws for the conduct of its business; provided, that ~~four~~ three voting members of the board shall constitute a quorum for the transaction of business, and ~~four~~ three affirmative votes shall be necessary to carry any questions;

B. Board meetings shall be held in the city and borough at least once each month;

C. The board shall cause a record of proceedings to be kept. A copy of that record shall be delivered to the assembly in a timely manner;

D. All meetings are subject to the Alaska Open Meetings Act. All meetings shall be open to the public. No member of the Assembly, ~~or municipal administrator~~ wishing to attend shall be excluded from an executive session.


* * *

5. **EFFECTIVE DATE.** Upon the dissolution of the current board, the SCH Hospital Administrator will appoint a "Responsible Individual," as allowed in the Medicare Conditions of Participation Regulations for Critical Access Hospital C-0240 §485.627(a), to carry out the requisite Governing Body (Hospital Board) functions. The Responsible Individual will serve in this role until the new Hospital Board has been seated by the Assembly. During this period of transition, the Sitka Community Hospital Administrator will report to the Municipal Administrator. Once the new Hospital Board is seated, the SCH Administrator will report to this body. This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 25th day of August, 2015.


Matthew Hunter, Deputy Mayor

ATTEST:


Sara Peterson, CMC
Municipal Clerk

1st reading postponed 6/9/15

1st reading 7/14/15

2nd reading postponed 7/28/15

2nd reading amended 8/11/15

3rd reading 8/25/15



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-21 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 6/8/2016 In control: City and Borough Assembly

On agenda: 6/28/2016 Final action:

Title: Repealing Chapter 7.20 "Marijuana Advisory Committee", and creating Chapter 7.40 "Local Regulatory Authority", formally dissolving the existing local regulatory authority and its framework and designating the City Assembly as the permanent Local Regulatory Authority, and creating Chapter 7.50 "Licensing", detailing the procedure of the City Assembly in reviewing, approving and protesting marijuana licenses

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2016-21.pdf](#)
[Memo Ord 2016-21.pdf](#)
[Ord 16-21.pdf](#)

Date	Ver.	Action By	Action	Result
6/14/2016	1	City and Borough Assembly		

POSSIBLE MOTION


I MOVE TO approve Ordinance 2016-21 on
second and final reading.

LEGAL

DEPARTMENT

MEMO

City and Borough of Sitka

To:	Mayor McConnell and Assembly Members Municipal Administrator Mark Gorman
From:	Reuben Yerkes, Paralegal 
Subject:	City and Borough of Sitka Ordinance #2016-21
Date:	June 22, 2016

The Assembly has before it an ordinance which creates two new sections in Sitka General Code (SGC). The first section (starting at line 109) would designate the City Assembly as the Local Regulatory Authority (LRA). This section would require the Assembly to sit as the LRA in order to hear marijuana related conditional use permit (CUP) appeals. This section would also empower the municipality to receive 50 percent of State marijuana licensing fees, as well as to sit as the LRA for the purpose of regulating marijuana whenever it is deemed appropriate by the Assembly.

The second section of this ordinance (starting at line 126) outlines the methodology by which the Assembly will process marijuana license applications. The ordinance achieves this by taking language from SGC 10.44.030 which is the liquor regulation chapter, and applying it to the marijuana license process. State language allows a "local government" to protest a given application. This language has been determined (through the liquor license process) to include city assemblies. For purposes of satisfying state requirements, the Assembly currently has the power to hear marijuana license applications and take action based on that hearing. The passage of this ordinance is not necessary for the Assembly to be able to take action on State marijuana licenses. This second section of the ordinance simply states clearly in code that this responsibility will fall to the Assembly.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-21

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA REPEALING CHAPTER 7.20 "MARIJUANA ADVISORY COMMITTEE", AND CREATING CHAPTER 7.40 "LOCAL REGULATORY AUTHORITY", FORMALLY DISSOLVING THE EXISTING LOCAL REGULATORY AUTHORITY AND ITS FRAMEWORK AND DESIGNATING THE CITY ASSEMBLY AS THE PERMANENT LOCAL REGULATORY AUTHORITY, AND CREATING CHAPTER 7.50 "LICENSING", DETAILING THE PROCEDURE OF THE CITY ASSEMBLY IN REVIEWING, APPROVING AND PROTESTING MARIJUANA LICENSES

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.

2. **SEVERABILITY.** If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstances shall not be affected.

3. **PURPOSE.** The purpose of this ordinance is to dissolve the existing Local Regulatory Authority and designate the City Assembly as the permanent Local Regulatory Authority. This ordinance also clarifies that the Assembly has the authority to review and approve or protest State marijuana licensing applications, as well as determining marijuana regulatory issues that affect the municipality.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC Chapter 7.20 is repealed and SGC Chapters 7.40 and 7.50 are created (old or repealed language stricken, new language underlined) as follows:

Title 7
MARIJUANA REGULATIONS

Chapters:

- ~~7.20 Marijuana Advisory Committee~~
- ~~7.30 Public Consumption~~
- 7.40 Local Regulatory Authority
- 7.50 Licensing

* * *

~~Chapter 7.20~~
~~MARIJUANA ADVISORY COMMITTEE~~

Sections:

- ~~7.20.010 Marijuana advisory committee.~~
- ~~7.20.030 Proceedings of the committee.~~
- ~~7.20.040 Sunset clause.~~

51 **7.20.050 Duties and responsibilities of the committee.**

52

53 **7.20.040 Marijuana advisory committee.**

54 A. ~~There is created the marijuana advisory committee, referred to in this chapter as~~
55 ~~the committee. The committee shall serve as the local regulatory authority for purposes~~
56 ~~of AS 17.38~~

57

58 B. ~~The committee consists of nine voting members; the composition is as follows:~~

59

60 1. ~~Six members; three from the public at large and one each from the police and~~
61 ~~fire commission, health needs and human services commission, and the school~~
62 ~~board. If no volunteers from each of these boards and commissions can be found,~~
63 ~~the assembly may select members from the public to fill each vacant seat.~~

64

65 2. ~~Two assembly members and one member from the planning commission.~~

66

67 3. ~~The city attorney will sit on the committee in an advisory capacity, with no voting~~
68 ~~rights.~~

69

70 4. ~~The committee will receive staff support processing applications, setting up~~
71 ~~rules and regulations for time, place and manner restriction from the office of~~
72 ~~planning and community development.~~

73

74 **7.20.030 Proceedings of the committee.**

75 ~~The committee shall meet regularly as needed and at the call of the chair. Permanent~~
76 ~~records or minutes shall be kept of the vote of each member upon every question.~~
77 ~~Every decision of finding shall immediately be filed in the office of the city clerk, and~~
78 ~~shall be public record open to inspection by any person. Every decision of finding shall~~
79 ~~be directed to the assembly at the earliest possible date.~~

80

81 **7.20.040 Sunset clause**

82 ~~If no permanent body is designated by February 24, 2016, the committee shall continue~~
83 ~~as the local regulatory authority until a permanent body is appointed by the assembly.~~

84

85 **7.20.050 Duties and responsibilities of the committee.**

86 ~~It shall be the duty of the committee to act in an advisory capacity to the administrator~~
87 ~~and assembly on the regulation of marijuana and operation of marijuana facilities within~~
88 ~~the city and borough of Sitka. Further duties shall include but not be limited to:~~

89

90 A. ~~Work with the state to collect fees and administer licensing and regulations. Draft~~
91 ~~recommended laws and policies for assembly approval, regulating marijuana and~~
92 ~~related facilities within the city and borough of Sitka.~~

93

94 B. ~~Make recommendations, for assembly approval, on time, place and manner~~
95 ~~regulations related to use, manufacturing and distribution of marijuana.~~

96

~~C. Supervise and monitor the implementation and enforcement of laws and policies governing marijuana, in conjunction with the city attorney, department of planning and community development, the city administrator, and the state authorities.~~

~~D. Analyze the economic impact of marijuana regulation in the city and borough of Sitka, and working with the city finance department, make recommendations on taxation of marijuana.~~

~~E. Analyze the environmental impact of manufacturing of marijuana, working with both the electric department and wastewater treatment department.~~

* * *

Chapter 7.40 **Local Regulatory Authority**

Sections:

7.40.010 Duties and powers.

7.40.010 Duties and powers.

The Assembly of the City and Borough shall function as the Local Regulatory Authority for the purpose of the regulation of marijuana with the authority to:

A. Consider appeals of conditional use permits.

B. Work with the state to collect fees and administer licensing and regulations. Draft recommended laws and policies for assembly approval, regulating marijuana and related facilities within the City and Borough of Sitka.

* * *

Chapter 7.50 **Licensing**

Sections:

7.50.010 License required

7.50.020 Application for license

7.50.010 License required.

AS 17.38.070 designating a classification of licenses is incorporated herein and made a part hereof, and the sale of marijuana, including any derivative thereof, by any person, firm or corporation is prohibited anywhere except under and by virtue of a license secured from the Director of the Marijuana Control Board, and the sale, barter or consumption of marijuana, including any derivative thereof, on any premises not covered by a license under the classifications in AS 17.38.070 is prohibited.

7.50.020 Application for license

A. The Assembly of the City and Borough of Sitka will make recommendations to the State as to support for or objections to license applications.

B. At such time that the licensee is seeking a new license, is seeking to reestablish a license that was allowed to expire, is proposing a change in the controlling interest of the establishment license, or there is a proposed change or addition to license type, the municipal clerk shall give notice of such application as follows:

1. Notice shall be posted on the premises ten days prior to the assembly meeting at which application will be heard. All time limitations, however, may be decreased at the discretion of the municipal clerk to meet any period specified by the Director of the Marijuana Control Board;

2. Notice shall be published once in a local newspaper at least one week before such meeting;

3. The notice shall contain the time and place of assembly meeting; the type of license applied for; the name of all applying persons; and inform the public that any protest may be lodged with the assembly at that time;

4. Give proof to the assembly at the time of hearing of compliance with all phases of this chapter.

C. By Persons seeking to renew a Licenses. The individuals or groups of individuals holding existing licenses shall not be affected by subsection (B) and shall have the right to apply for renewal of their licenses unless disqualified on grounds other than contained herein.

* * *

5. EFFECTIVE DATE. This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 28th day of June, 2016.

Mim McConnell, Mayor

ATTEST:

Melissa Henshaw
Acting Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-122 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/22/2016 In control: City and Borough Assembly

On agenda: 6/28/2016 Final action:

Title: Approve the standard marijuana cultivation facility license for Northern Lights Indoor Gardens, LLC

Sponsors:

Indexes:

Code sections:

Attachments: [Marijuana cultivation facility license.pdf](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

POSSIBLE MOTION

I MOVE TO approve the standard marijuana cultivation facility license for Northern Lights Indoor Gardens, LLC and forward this approval to the Alcohol and Marijuana Office without objection.



City & Borough of Sitka
Municipal Clerk's Office
100 Lincoln Street, Sitka AK 99835
Telephone: 907-747-1811 Fax: 907-747-4004



Memorandum

To: Mayor McConnell and Assembly Members
From: Sara Peterson, Municipal Clerk
Date: June 17, 2016
Subject: Application for New Marijuana Cultivation Facility License

Attached you will find a notification, and additional information, from the Alcohol and Marijuana Control Office of an application for a new marijuana cultivation facility license for the following applicant:

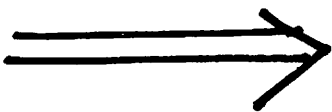
License #:	10136
License Type:	Standard Marijuana Cultivation Facility
Licensee/Applicant:	Northern Lights Indoor Gardens, LLC
D.B.A.:	Northern Lights Indoor Gardens, LLC
Physical Address:	1321 Sawmill Creek Road – Suite O and P; Sitka, AK

The applicant was granted a conditional use permit for a cultivation facility by the Planning Commission on May 17, 2016. The motion passed unanimously by a 5-0 vote.

A notice was published in the local newspaper and posted to the establishment. In addition, a memo was circulated to the various municipal departments who may have a reason to protest. No departmental objections were received.

Recommendation: Approve the standard marijuana cultivation facility license for Northern Lights Indoor Gardens, LLC and forward this approval to the Alcohol and Marijuana Control Office without objection.

K



Public hearing and consideration of a conditional use permit request for marijuana cultivation at 1321 Sawmill Creek Road Suites O and P, in the C-2 general commercial and mobile home zone. The property is also known as US Survey 2729. The request is filed by Mike Daly. The owner of record is Eagle Bay Inn LLC.

Scarcelli described the request for a cultivation facility. The applicants submitted their entire AMCO application. One public comment was received, with concerns for odors. Staff believe that parking is sufficient, but the lot should be striped. There is no known sensitive use within the 500 foot buffer zone. Staff recommend approval.

Mike Daly stated that he had nothing additional to contribute. Windsor asked if Daly anticipated difficulty with striping the parking lot. Daly replied that the owner has given consent to striping.

Michelle Cleaver stated that the owner has stated that the entire lot will be

striped by the end of the month.

Parker Song/Pohlman moved to APPROVE the required findings.

Required Findings for Conditional Use Permits. The planning commission shall not recommend approval of a proposed development unless it first makes the following findings and conclusions:

1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that the granting of the proposed conditional use permit will not:
 - a. Be detrimental to the public health, safety, and general welfare;
 - b. Adversely affect the established character of the surrounding vicinity; nor
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located.
2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives, and policies of the comprehensive plan and any implementing regulation.
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety, and welfare of the community from such hazard.
5. The conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services.
6. Burden of Proof. The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

The city may approve, approve with conditions, modify, modify with conditions, or deny the conditional use permit. The city may reduce or modify bulk requirements, off-street parking requirements, and use design standards to lessen impacts, as a condition of the granting of the conditional use permit. In considering the granting of a conditional use, the assembly and planning commission shall satisfy themselves that the general criteria set forth for uses specified in this chapter will be met. The city may consider any or all criteria listed and may base conditions or safeguards upon them. The assembly and planning commission may require the applicant to submit whatever reasonable evidence may be needed to protect the public interest. The general approval criteria are as follows:

1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible or probable effects of the proposed conditional use upon these factors;
2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire protection, access and electrical power; the assembly and planning commission may enlist the aid of the relevant public utility officials with specialized knowledge in evaluating the probable effects of the proposed use and may consider the costs of enlarging, upgrading or extending public utilities in establishing conditions under which the conditional use may be permitted;
3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;
4. Use characteristics of the proposed conditional use that affect adjacent

uses and districts, including hours of operation, number of persons, traffic volumes, off-street parking and loading characteristics, trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements;

5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

Specific Guidance from 22.24 on Findings for Marijuana Uses

Findings of Fact: Upon review and considerations of the required criteria, the Planning Commission shall determine whether the proposed use(s) at the proposed project location are found to not present a negative impact to the public's health, safety, and welfare.

1. If such a finding can be made, then the proposed use shall be approved with standard regulations, dimensions, and setbacks.
2. In the alternative, where the Planning Commission finds negative impacts are present, the Planning Commission shall only approve conditional use permits where the negative impacts can be adequately mitigated by conditions of approval that preserve the public's health, safety, and welfare. These conditions of approval shall be case by case specific and in addition to the standard regulations.
3. If negative impacts to the public's health, safety, and welfare cannot be mitigated through conditions of approval then the Planning Commission shall so find and deny the proposed conditional use permit.

Motion PASSED 5-0.

Parker Song/Pohlman moved to APPROVE the request the conditional use permit request filed by Mike Daly and Northern Lights, LLC for marijuana cultivation at 1321 Sawmill Creek Road, Units O & P, in the C-2 General Commercial and mobile home zone subject to the attached 12 conditions of approval. The property is also known as U.S. Survey 2729. The owner of record is Eagle Bay Inn, LLC.

Conditions of Approval:

1. Owners, operators, and staff of conditional uses shall comply with all state and municipal licensing regulations.
2. All licensed facilities shall comply with all life and safety regulations as promulgated by the municipal Building Official.
3. All licensed manufacturing and cultivation uses shall provide a fire safety plan, material handling plan, and comply with all fire safety regulations that satisfies the Fire Marshal or their designee and the Building Official.
4. All licensed facilities and/or uses shall provide screening from public view of any marijuana related commercial, retail, cultivation, or manufacturing use.
5. All licensed facilities and/or uses shall establish an active sales account and business registration with the Municipality and shall comply with all standard & required accounting practices.
6. It shall be a standard regulation that all conditional uses comply with all applicable state regulations and licensing laws or it shall be deemed to abandon and extinguish and associated municipal license or conditional use permit.
7. All approved conditional use permits shall comply with all Sitka General

Code or shall be deemed to abandon and extinguish any associated municipal license or conditional use permit

8. Applicant shall provide a Parking Plan that complies with Section 22.20.100 for all uses present and proposed at the current property including striped parking spaces where feasible (i.e. concrete or asphalt areas).

9. Odor Control shall include charcoal filters and other best means to limit and mitigate odor impacts to surrounding uses. Should a meritorious odor complaint be received the Planning Commission may require additional odor control measures to mitigate any actual negative impacts.

10. The proposed cultivation site shall not be located within 500 feet of any school grounds, recreation or youth center, religious service building, or correctional facility that was legally established prior to approval of this conditional use permit as intended by licensing restriction and regulations of the state in 3 AAC Chapter 306.

11. This permit only conditionally approved the use of cultivation; however, at the same time, all legally vested uses operating within Units O and P must comply with all pertinent state and local regulations, licenses, and permits to remain valid.

12. The Planning Commission may, at its discretion and upon receiving meritorious evidence of negative impacts to public health, safety, and welfare, schedule a review to address issues of concern and pursue mitigation through additional conditions if necessary.

Motion PASSED 5-0.



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

May 26, 2016

City and Borough of Sitka

Attn: Sara Peterson

Melissa Henshaw

Meagan Bosak

Michael Scarcelli

Robin Schmid

Reuben Yerkes

VIA Email: sara.peterson@cityofsitka.org
Melissa.henshaw@cityofsitka.org
Maegan.bosak@cityofsitka.org
Michael.scarcelli@cityofsitka.org
Robin.koutchak@cityofsitka.org
Reuben.yerkes@cityofsitka.org
planning@cityofsitka.org

RECEIVED

MAY 26 2016

City & Borough of Sitka-
Clerk's Office

License Number:	10136
License Type:	Standard Marijuana Cultivation Facility
Licensee:	Northern Lights Indoor Gardens, LLC
Doing Business As:	NORTHERN LIGHTS INDOOR GARDENS, LLC
Physical Address:	1321 Sawmill Creek Road Suite O and P sitka, AK 99835
Designated Licensee:	Micah Miller
Phone Number:	907-738-4890
Email Address:	illermiller@hotmail.com

☒ New Application ☐ Transfer of Ownership Application ☐ Renewal Application
☐ Onsite Consumption Endorsement

We have 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).

A local government may protest the approval of an application(s) pursuant to 3 AAC 306.060 by furnishing 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. 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.

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.

3 AAC 306.010(c) provides that the board will not issue a license when a local government 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 marijuana establishment, unless the local government has approved a variance from the local ordinance.

At this time, the fingerprints submitted by the applicant cannot be submitted for a criminal history report until a date to be determined by the Department of Public Safety and the Federal Bureau of Investigation based upon the effective date of the act containing enabling statutory language for such criminal history report. On April 27, 2016, the Marijuana Control Board directed me to determine applications complete based solely upon the representations made by the applicant in Form MJ-00.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Franklin', is positioned above the typed name.

Cynthia Franklin, Director
amco.localgovernmentonly@alaska.gov



City & Borough of Sitka
Municipal Clerk's Office

100 Lincoln Street, Sitka AK 99835
Telephone: 907-747-1811 Fax: 907-747-4004



Memorandum

To: Planning Department
Collections - Mary
Municipal Billings – Lindsey
Sales Tax/Property Tax – Hannah
Utility Billing Clerk – Diana
Public Works Department – Mark and Shilo
Fire Department
Police Department
Electric Department
Building Official

From: Sara Peterson, Municipal Clerk

Date: June 10, 2016

Subject: New Marijuana Cultivation Facility License

The Municipal Clerk's Office has been notified by the Alcohol and Marijuana Control Office of a new marijuana cultivation facility license submitted by:

License #:	10136
License Type:	Standard Marijuana Cultivation Facility
Licensee/Applicant:	Northern Lights Indoor Gardens, LLC
D.B.A.:	Northern Lights Indoor Gardens, LLC
Physical Address:	1321 Sawmill Creek Road – Suite O and P; Sitka, AK
Designated Licensee:	Micah Miller

Please notify me **no later than noon on Thursday, June 16th** of any reason to protest this request. This license is scheduled to go before the Assembly on June 28th.

Thank you.

LEGAL NOTICE
New Standard Marijuana Cultivation Facility License

The City and Borough of Sitka has received a request for a new standard marijuana cultivation facility license application submitted by Northern Lights Indoor Gardens, LLC dba Northern Lights Indoor Gardens, LLC for 1321 Sawmill Creek Road Suite O and P; Sitka, AK.

The City and Borough of Sitka will consider this application at the Assembly Meeting of June 28, 2016 at 6:00 pm at 1332 Seward Avenue – University of Alaska Southeast. Any protest may be lodged either prior to or at that time.

Sara Peterson, CMC, Municipal Clerk

Publish: 6/17/16



Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

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

What is this form?

This cover sheet must be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

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

Licensee:	Northern Lights Indoor Gardens, LLC	License Number:	10136		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	NORTHERN LIGHTS INDOOR GARDENS, LLC				
Physical Address:	1321 Sawmill Creek Road Suite O and P				
City:	Sitka	State:	AK	Zip Code:	99835
Designated Owner:	Micah Miller				
Email Address:	dalys@gci.net				

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	Entity Documents	Pages	2
1			
2	Finger print Cards	Pages	3
	Micah Miller		
	Mike Daly		
	Lorraine Daly		
		5	Total pages

OFFICE USE ONLY

Received Date:		Payment Submitted Y/N:		Transaction #:	
----------------	--	------------------------	--	----------------	--

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

Northern Lights Indoor Gardens, LLC



IN TESTIMONY WHEREOF, I execute the certificate
and affix the Great Seal of the State of Alaska
effective March 25, 2015.

A handwritten signature in dark ink, appearing to read "Chris Hladick".

Chris Hladick
Commissioner

Division of Corporations, Business and Professional Licensing

Name(s)

Type	Name
Legal Name	Northern Lights Indoor Gardens, LLC

Entity Details

Entity Type: Limited Liability Company

Entity #: 10028235

Status: Good Standing

AK Formed Date: 3/25/2015

Duration/Expiration: Perpetual

Home State: ALASKA

Next Biennial Report Due: 1/2/2017

Entity Mailing Address: 501 CHARTERIS ST, SITKA, AK 99835

Entity Physical Address: 1321 SAWMILL CR RD STE O & P, SITKA, AK 99835

Registered Agent

Agent Name: Michael Daly

Registered Mailing Address: 501 CHARTERIS STREET, SITKA, AK 99835

Registered Physical Address: 501 CHARTERIS STREET, SITKA, AK 99835

Officials

AK Entity#	Name	Titles	Percent Owned
	Micah Miller	Member, Manager	50
	Michael Daly	Member	50

Filed Documents

Date Filed	Type	Filing	Certificate
3/25/2015	Creation Filing		
4/9/2015	Initial Report		
3/1/2016	Change of Officials		

**NORTHERN LIGHTS INDOOR GARDENS, LLC
OPERATING AGREEMENT**

This Agreement is entered into this 27 day of Feb, 2016, by and between MICAH S. MILLER, of 1710 Halibut Point Road, Sitka, Alaska 99835, and MICHAEL S. DALY, of 501 Charteris Street, Sitka, Alaska 99835.

The parties have agreed to organize and operate a limited liability company in accordance with the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the parties, intending legally to be bound, agree as follows:

**Article I
Definitions**

The following italicized terms shall have the meaning specified in this *Article I*. Other terms are defined in the text of this Agreement; and, throughout this Agreement, those terms shall have the meanings respectively ascribed to them:

"*Act*" means the Alaska Limited Liability Company Act, as amended from time to time.

"*Adjusted Capital Account Deficit*" means, with respect to any Interest Holder, the deficit balance, if any, in the Interest Holder's Capital Account as of the end of the relevant taxable year, after giving effect to the following adjustments:

(i) the Capital Account shall be credited with the amounts which the Interest Holder is deemed obligated to restore pursuant to Regulation Sections 1.704-2(g)(1) and (i)(5) (i.e., the Interest Holder's share of Minimum Gain and Member Minimum Gain); and

(ii) the Capital Account shall be debited with the items described in Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

"*Adjusted Capital Balance*" means, as of any day, an Interest Holder's total Capital Contributions less all amounts actually distributed to the Interest Holder pursuant to *Sections* 4.2.3.4.1 and 4.4 hereof. If any Interest is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Adjusted Capital Balance of the transferor to the extent the Adjusted Capital Balance relates to the Interest transferred.

"*Affiliate*" means, with respect to any Member, any Person: (i) which owns more than 50% of the voting interests in the Member; or (ii) in which the Member owns more than 50% of

the voting interests; or (iii) in which more than 50% of the voting interests are owned by a Person who has a relationship with the Member described in clause (i) or (ii) above.

"Agreement" means this Operating Agreement, as amended from time to time.

"Capital Account" means the account to be maintained by the Company for each Interest Holder in accordance with the following provisions:

(i) an Interest Holder's Capital Account shall be credited with the Interest Holder's Capital Contributions, the amount of any Company liabilities assumed by the Interest Holder (other than liabilities secured by Company property distributed to the Interest Holder), the Interest Holder's allocable share of Profit and any item in the nature of income or gain specially allocated to the Interest Holder pursuant to the provisions of *Article IV* (other than *Section 4.3.3*); and

(ii) an Interest Holder's Capital Account shall be debited with the amount of money and the fair market value of any Company property distributed to the Interest Holder (net of liabilities secured by such distributed property that such Interest Holder is considered to assume or take subject to under Section 752 of the Code), the amount of the Interest Holder's individual liabilities that are assumed by the Company (other than liabilities that reduce the amount of any Capital Contribution made by such Interest Holder), the Interest Holder's allocable share of Loss, and any item in the nature of expenses or losses specially allocated to the Interest Holder pursuant to the provisions of *Article IV* (other than *Section 4.3.3*).

If any Interest is transferred pursuant to the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent the Capital Account is attributable to the transferred Interest. If the book value of Company property is adjusted as provided herein, the Capital Account of each Interest Holder shall be adjusted to reflect the aggregate adjustment in the same manner as if the Company had recognized gain or loss equal to the amount of such aggregate adjustment. It is intended that the Capital Accounts of all Interest Holders shall be maintained in compliance with the provisions of Regulation Section 1.704-1(b), and all provisions of this Agreement relating to the maintenance of Capital Accounts shall be interpreted and applied in a manner consistent with that Regulation.

"Capital Contribution" means the total amount of cash and the fair market value of any other assets contributed (or deemed contributed under Regulation Section 1.704-1(b)(2)(iv)(d)) to the Company by a Member, net of liabilities assumed by the Company or to which the assets are subject.

"Capital Proceeds" means the gross receipts received by the Company from a Capital Transaction.

"Capital Transaction" means any transaction not in the ordinary course of business which results in the Company's receipt of cash or other consideration other than Capital Contributions, including, without limitation, proceeds of sales or exchanges or other dispositions of property not in the ordinary course of business, financings, refinancings, condemnations, recoveries of damage awards, and insurance proceeds.

"Cash Flow" means all cash funds derived from operations of the Company (including interest received on reserves), without reduction for any noncash charges, but less cash funds used to pay current operating expenses and to pay or establish reasonable reserves for future expenses, debt payments, capital improvements, and replacements as determined by the General Manager. Cash Flow shall not include Capital Proceeds but shall be increased by the reduction of any reserve previously established.

"Code" means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any succeeding law.

"Company" means the limited liability company formed in accordance with this Agreement.

"Department" means the Department of Commerce and Economic Development.

"General Manager" means the Person or his successor.

"Interest" means a Person's share of the profits and losses of, and the right to receive distributions from, the Company.

"Interest Holder" means any Person who holds an Interest, whether as a Member or an unadmitted assignee of a Member.

"Involuntary Withdrawal" of a Member shall mean the death, retirement, resignation, expulsion or bankruptcy of such Member and any other event which terminates the continued membership of such Member in the Company.

"Member" means each Person signing this Agreement and any Person who subsequently is admitted as a member of the Company.

"Member Minimum Gain" has the meaning and shall be determined as set forth in Regulation Section 1.704-2(i) for "partner nonrecourse debt minimum gain".

"Member Nonrecourse Deductions" has the meaning and shall be determined as set forth in Regulation Section 1.704-2(i) for "partner nonrecourse deductions".

"Minimum Gain" has the meaning and shall be determined as set forth in Regulation Sections 1.704-2(b)(2) and 1.704-2(d) for "partnership minimum gain".

"Membership Rights" means all of the rights of a Member in the Company, including a Member's: (i) Interest; (ii) right to inspect the Company's books and records; (iii) right to participate in the management of and vote on matters coming before the Company; and (iv) unless this Agreement or the Articles of Organization provide to the contrary, right to act as an agent of the Company.

"Negative Capital Account" means a Capital Account with a balance of less than zero.

"Nonrecourse Deductions" has the meaning set forth in Regulation Section 1.704-2(b)(1).

"Nonrecourse Liability" has the meaning set forth in Regulation Sections 1.704-2(b)(3) and 1.752-1(a)(2).

"Percentage" means, as to a Member, the percentage set forth after the Member's name on *Exhibit A*, as amended from time to time, and as to an Interest Holder who is not a Member, the Percentage of the Member whose Interest has been acquired by such Interest Holder, to the extent the Interest Holder has succeeded to that Member's Interest.

"Person" means and includes an individual, corporation, partnership, association, limited liability company, trust, estate, or other entity.

"Positive Capital Account" means a Capital Account with a balance of zero or greater.

"Profit" and *"Loss"* means, for each taxable year of the Company (or other period for which Profit or Loss must be computed), the Company's taxable income or loss determined in accordance with Section 703(a) of the Code, with the following adjustments:

(i) all items of income, gain, loss, deduction, or credit required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included; and

(ii) any tax-exempt income of the Company, not otherwise taken into account in computing Profit or Loss, shall be included; and

(iii) any expenditures of the Company described in Section 705(a)(2)(B) of the Code (or treated as such pursuant to Regulation Section 1.704-1(b)(2)(iv)(i)) and not otherwise taken into account in computing Profit or Loss, shall be subtracted; and

(iv) gain or loss resulting from any taxable disposition of Company property shall be computed by reference to the adjusted book value of the property disposed of, notwithstanding the fact that the adjusted book value differs from the adjusted basis of the property for federal income tax purposes; and

(v) in lieu of the depreciation, amortization, or cost recovery deductions allowable in computing taxable income or loss, there shall be taken into account the depreciation or amortization computed for book purposes; and

(vi) notwithstanding any other provision of this definition, any items which are specially allocated pursuant to *Section 4.3* hereof shall not be taken into account.

"Regulation" or *"Regulations"* means the income tax regulations, including any temporary regulations, from time to time promulgated under the Code.

"Transfer" means, when used as a noun, any voluntary sale, hypothecation, pledge, assignment, attachment, or other transfer, and, when used as a verb, means voluntarily to sell, hypothecate, pledge, assign, or otherwise transfer.

Article II Organization and Purpose

2.1 *Organization.* The parties shall organize a limited liability company pursuant to the Act and the provisions of this Agreement.

2.2. *Name of the Company.* The name of the Company shall be "Northern Lights Indoor Gardens, LLC". The Company may do business under that name and under any other name or names which the General Manager selects. If the Company does business under a name other than that set forth in its Articles of Organization, then the Company shall file an assumed business name as required by law.

2.3. *Purpose.* The Company is organized to conduct any or all lawful affairs for which an LLC may be organized under AS 10.50. The Company may do any and all things necessary, convenient, or incidental to that purpose.

2.4. *Term.* The term of the Company shall begin upon the acceptance of the Articles of Organization by the Department and shall be perpetual, unless its existence is sooner terminated pursuant to *Article VII* of this Agreement or the mandatory provisions of the Act.

2.5. *Principal Office.* The principal office of the Company in the State of Alaska shall be located at 501 Charteris Street, Sitka, Alaska 99835, or at any other place within the State of Alaska that the General Manager selects.

2.6. *Registered Agent.* The name and address of the Company's registered agent in the State of Alaska shall be Michael Daly.

2.7. *Members.* The name, present mailing address, taxpayer identification number, and Percentage of each Member are set forth on *Exhibit A*.

Article III Capital

3.1. *Initial Capital Contributions.* Upon the execution of this Agreement, the Members shall contribute to the Company cash in the amounts or assets with the value set forth on *Exhibit A*. The amount of the initial contribution of each Member shall be recorded by the General Manager as a contribution to the capital of the Company.

3.2. *No Additional Capital Contributions Required.* No Member shall be obligated, nor shall any Member have a right, to contribute any additional capital to the Company, other than as specified in *Exhibit A*, and no Member shall have any personal liability for any obligation of the Company.

3.3. *No Interest on Capital Contributions.* Interest Holders shall not be paid interest on their Capital Contributions.

3.4. *Return of Capital Contributions.* Except as otherwise provided in this Agreement, no Interest Holder shall have the right to receive any return of any Capital Contribution.

3.5. *Form of Return of Capital.* If an Interest Holder is entitled to receive a return of a Capital Contribution, the Interest Holder shall not have the right to receive anything but cash in return of the Interest Holder's Capital Contribution.

3.6. *Capital Accounts.* A separate Capital Account shall be maintained for each Interest Holder.

Article IV Allocations and Distributions

4.1. *Allocation of Profit or Loss and Distributions of Cash Flow.*

4.1.1. *Profit or Loss Other Than from a Capital Transaction.* After giving effect to the special allocations set forth in *Section 4.3*, for any taxable year of the Company, Profit or Loss (other than Profit or Loss resulting from a Capital Transaction, which Profit or Loss shall be allocated in accordance with the provisions of *Sections 4.2.1* and *4.2.2*) shall be allocated to the Interest Holders in proportion to their Percentages.

4.1.2. *Cash Flow.* Cash Flow for each taxable year of the Company shall be distributed to the Interest Holders in proportion to their Percentages no later than seventy-five (75) days after the end of the taxable year.

4.2. *Allocation of Profit or Loss from a Capital Transaction.*

4.2.1. *Profit.* After giving effect to the special allocations set forth in *Section 4.3*, Profit from a Capital Transaction shall be allocated as follows:

4.2.1.1. If one or more Interest Holders has a Negative Capital Account, to those Interest Holders, in proportion to their Negative Capital Accounts, until all Negative Capital Accounts have been reduced to zero.

4.2.1.2. Any Profit not allocated pursuant to *Section 4.2.1.1* shall be allocated to the Interest Holders in proportion to, and to the extent of, the amounts distributed or distributable to them pursuant to *Section 4.2.3.4.3*.

4.2.1.3. Any Profit in excess of the foregoing allocations shall be allocated to the Interest Holders in proportion to their Percentages.

4.2.2. *Loss.* After giving effect to the special allocations set forth in *Section 4.3*, Loss from a Capital Transaction shall be allocated as follows:

4.2.2.1. If one or more Interest Holders has a Positive Capital Account, to those Interest Holders, in proportion to their Positive Capital Accounts, until all Positive Capital Accounts have been reduced to zero.

4.2.2.2. Any Loss not allocated to reduce Positive Capital Accounts to zero pursuant to *Section 4.2.2.1* shall be allocated to the Interest Holders in proportion to their Percentages.

4.2.3. *Capital Proceeds.* Capital Proceeds shall be distributed and applied by the Company in the following order and priority:

4.2.3.1. to the payment of all expenses of the Company incident to the Capital Transaction; then

4.2.3.2. to the payment of debts and liabilities of the Company then due and outstanding (including all debts due to any Interest Holder); then

4.2.3.3. to the establishment of any reserves which the General Manager deems necessary for liabilities or obligations of the Company; then

4.2.3.4. the balance shall be distributed as follows:

4.2.3.4.1. to the Interest Holders in proportion to their Adjusted Capital Balances, until their remaining Adjusted Capital Balances have been paid in full;

4.2.3.4.2. if any Interest Holder has a Positive Capital Account after the distributions made pursuant to *Section 4.2.3.4.1* and before any further allocation of Profit pursuant to *Section 4.2.1.3*, to those Interest Holders in proportion to their Positive Capital Accounts; then

4.2.3.4.3. the balance, to the Interest Holders in proportion to their Percentages.

4.3. *Regulatory Allocations.* The allocations set forth in *Sections 4.3.1* and *4.3.2* are included to comply with the requirements of the Regulations. If allocations under such provisions are different from the allocations which would be made under *Section 4.1* or *4.2*, as appropriate, then the General Manager shall make appropriate allocations, consistent with the Regulations, so that the net allocations are, as much as possible, consistent with those under *Sections 4.1* and *4.2*.

4.3.1. *Qualified Income Offset.* No Interest Holder shall be allocated Losses or deductions if the allocation causes the Interest Holder to have an Adjusted Capital Account Deficit. If an Interest Holder unexpectedly receives any adjustments, allocations, or distributions described in Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) which results in or increases an Adjusted Capital Account Deficit at the end of any taxable year, then all items of income and gain of the Company for that taxable year shall be allocated to that Interest Holder, before any other allocation pursuant to this *Article IV* (other than those pursuant to *Sections 4.3.2.1* and *4.3.2.2*), in an amount and manner sufficient to eliminate such Adjusted Capital Account Deficit as quickly as possible. This *Section 4.3.1* is intended to comply with, and shall be interpreted consistently with, the "qualified income offset" provisions of the Regulation Section 1.704-1(b)(2)(ii)(d) and all other Regulation Sections relating thereto.

4.3.2. *Minimum Gain.*

4.3.2.1. *Minimum Gain Chargeback.* Except as set forth in Regulation Section 1.704-2(f), if, during any taxable year, there is a net decrease in Minimum Gain, each Interest Holder, prior to any other allocation pursuant to this *Article V*, shall be specially allocated items of gross income and gain for such taxable year (and, if necessary, subsequent taxable years) in an amount equal to that Interest Holder's share of the net decrease of Minimum Gain, computed in accordance with Regulation Section 1.704-2(g). Allocations of items of gross income and gain pursuant to this *Section 4.3.2.1* shall be made as described in Regulation Sections 1.704-2(f) and (j). This *Section 4.3.2.1* is intended to comply with, and shall be interpreted consistently with, the "minimum gain chargeback" provisions of Regulation Section 1.704-2(f) and all other Regulation Sections relating thereto.

4.3.2.2. *Member Minimum Gain Chargeback.* Except as set forth in Regulation Section 1.704-2(i)(4), if, during any taxable year, there is a net decrease in Member Minimum Gain, each Interest Holder with a share of that Member Minimum Gain as of the beginning of such year, prior to any other allocation pursuant to this *Article V*, shall be specially allocated items of gross income and gain for such taxable year (and, if necessary, subsequent taxable years) in an amount equal to that Interest Holder's share of the net decrease of Member Minimum Gain, computed in accordance with Regulation Section 1.704-2(i)(4). Allocations of items of gross income and gain pursuant to this *Section 4.3.2.2* shall be made as described in Regulation Sections 1.704-2(i)(4) and (j). This *Section 4.3.2.2* is intended to comply with, and shall be interpreted consistently with, the "minimum gain chargeback" provisions of Regulation Section 1.704-2(i)(4) and all other Regulation Sections relating thereto.

4.3.3. *Contributed Property and Book-ups.* To the extent permitted or required by Section 704(c) of the Code and the Regulations thereunder, Regulation Section 1.704-1(b)(2)(iv)(d)(3) and Regulation Section 1-704-1(b)(2)(iv)(f), income, gain, loss, and deduction with respect to any property contributed (or deemed contributed) to the Company shall, solely for tax purposes, be allocated among the Interest Holders so as to take account of any variation between the adjusted basis of the property to the Company for federal income tax purposes and its fair market value at the date of contribution (or deemed contribution) under the rules of Regulation Section 704-3(b)(1). If the adjusted book value of any Company asset is adjusted as provided herein, subsequent allocations of income, gain, loss, and deduction with respect to the asset shall take account of any variation between the adjusted basis of the asset for federal income tax purposes and its adjusted book value in the manner required under Section 704(c) of the Code and the Regulations thereunder.

4.3.4. *Election under Section 754 of the Code.* To the extent an adjustment to the tax basis of any Company asset pursuant to Section 734(b) or Section 743(b) of the Code is required, pursuant to Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of the adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases basis), and the gain or loss shall be specially allocated to the Interest Holders in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to that Section of the Regulations.

4.3.5. *Nonrecourse Deductions.* Nonrecourse Deductions for a taxable year or other period shall be specially allocated among the Interest Holders in proportion to their Percentages.

4.3.6. *Member Nonrecourse Deductions.* Any Member Nonrecourse Deduction for any taxable year or other period shall be specially allocated to the Interest Holder who bears the risk of loss with respect to the liability to which the Member Nonrecourse Deduction is attributable in accordance with Regulation Section 1.704-2(i).

4.3.7. *Guaranteed Payments.* To the extent any compensation paid to any Member by the Company, is determined by the Internal Revenue Service not to be a guaranteed payment under Section 707(c) of the Code or is not paid to the Member other than in the Person's capacity as a Member within the meaning of Section 707(a) of the Code, the Member shall be specially allocated gross income of the Company in an amount equal to the amount of that compensation, and the Member's Capital Account shall be adjusted to treat the payment of that compensation as a distribution.

4.3.8. *Recapture.* In making any allocation among the Members of income or gain from the sale or other disposition of a Company asset, the ordinary income portion, if any, of such income and gain resulting from the recapture of cost recovery or other deductions shall be allocated among those Members who were previously allocated (or whose predecessors-in-interest were previously allocated) the cost recovery deductions or other deductions resulting in the recapture items, in proportion to the amount of such cost recovery deductions or other deductions previously allocated to them.

4.3.9. *Withholding.* All amounts required to be withheld pursuant to Section 1446 of the Code or any other provision of federal, state, or local tax law shall be treated as amounts actually distributed to the affected Interest Holders for all purposes under this Agreement.

4.3.10. *Other Allocations.* All items of Company income, gain, loss, deduction and credit the allocation of which is not otherwise provided for in this Agreement, including allocation of such items for tax purposes, shall be allocated among the Members in the same proportions as they share Profits or Losses for the taxable year pursuant to this *Article IV*.

4.4. *Liquidation and Dissolution.*

4.4.1. If the Company is liquidated, the assets of the Company shall be distributed to the Interest Holders in accordance with the balances in their respective Capital Accounts, after taking into account the allocations of Profit or Loss pursuant to *Sections 4.1* or *4.2*.

4.4.2. No Interest Holder shall be obligated to restore a Negative Capital Account.

4.5. *General.*

4.5.1. Except as otherwise provided in this Agreement, the timing and amount of all distributions shall be determined by the General Manager.

4.5.2. If any assets of the Company are distributed in kind to the Interest Holders, those assets shall be valued on the basis of their fair market value, and any Interest

Holder entitled to any interest in those assets shall receive that interest as a tenant-in-common with all other Interest Holders so entitled. Unless the Members otherwise agree, the fair market value of the assets shall be determined by an independent appraiser who shall be selected by the General Manager. The Profit or Loss for each unsold asset shall be determined as if the asset had been sold at its fair market value, and the Profit or Loss shall be allocated as provided in *Section 4.2* and shall be properly credited or charged to the Capital Accounts of the Interest Holders prior to the distribution of the assets in liquidation pursuant to *Section 4.4*.

4.5.3. All Profit and Loss shall be allocated, and all distributions shall be made, to the Persons shown on the records of the Company to have been Interest Holders as of the last day of the taxable year for which the allocation or distribution is to be made. Notwithstanding the foregoing, unless the Company's taxable year is separated into segments, if there is a Transfer or an Involuntary Withdrawal during the taxable year, the Profit and Loss shall be allocated between the original Interest Holder and the successor on the basis of the number of days each was an Interest Holder during the taxable year; provided, however, to the extent permitted under Section 706 of the Code the Company's taxable year shall be segregated into two or more segments in order to account for Profit, Loss, or proceeds attributable to a Capital Transaction or to any other extraordinary nonrecurring items of the Company.

4.5.4. The General Manager is hereby authorized, upon the advice of the Company's tax counsel, to amend this *Article IV* to comply with the Code and the Regulations promulgated under Section 704(b) of the Code; provided, however, that no amendment shall materially affect distributions to an Interest Holder without the Interest Holder's prior written consent.

Article V Management

5.1. General Manager.

5.1.1. *In General.* The business and affairs of the Company shall be managed by the General Manager. Except as otherwise expressly provided in this Agreement, the General Manager shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business.

5.1.2. *Specific Powers.* Without limiting the generality of the foregoing, the General Manager shall have the power and authority, on behalf of the Company, to:

5.1.2.1. Acquire by purchase, lease, or otherwise, any real or personal property, tangible or intangible;

5.1.2.2. Construct, operate, maintain, finance, and improve, and to own, sell, convey, assign, mortgage, or lease any real estate and any personal property;

5.1.2.3. Except as provided in *Section 5.1.3.6*, sell, dispose, trade, or exchange Company assets in the ordinary course of the Company's business;

5.1.2.4. Enter into agreements and contracts and to give receipts, releases and discharges;

5.1.2.5. Purchase liability and other insurance to protect the Company's properties and business;

5.1.2.6. Borrow money for and on behalf of the Company, and, in connection therewith, execute and deliver instruments to hypothecate, encumber and grant security interests in the assets of the Company to secure repayment of the sums borrowed;

5.1.2.7. Execute or modify leases with respect to any part or all of the assets of the Company;

5.1.2.8. Prepay, in whole or in part, refinance, amend, modify, or extend any mortgages or deeds of trust which may affect any asset of the Company and in connection therewith to execute for and on behalf of the Company any extensions, renewals or modifications of such mortgages or deeds of trust;

5.1.2.9. Execute any and all other instruments and documents which may be necessary or in the opinion of the General Manager desirable to carry out the intent and purpose of this Agreement, including, but not limited to, documents whose operation and effect extend beyond the term of the Company;

5.1.2.10. Make any and all expenditures which the General Manager, in its sole discretion, deems necessary or appropriate in connection with the management of the affairs of the Company and the carrying out of its obligations and responsibilities under this Agreement, including, without limitation, all legal, accounting and other related expenses incurred in connection with the organization and financing and operation of the Company;

5.1.2.11. Enter into any kind of activity necessary to, in connection with, or incidental to, the accomplishment of the purposes of the Company;

5.1.2.12. Invest and reinvest Company reserves in short-term instruments or money market funds; and

5.1.2.13. Employ accountants, legal counsel, agents, and other experts to perform services for the Company.

5.1.3. *Extraordinary Transactions.* Notwithstanding anything to the contrary in this Agreement, the General Manager shall not undertake any of the following without the approval of the Members:

- 5.1.3.1. Any Capital Transaction;
- 5.1.3.2. The Company's lending more than \$5,000.00 of its money on any one occasion;
- 5.1.3.3. The admission of additional Members to the Company;
- 5.1.3.4. The Company's engaging in business in any jurisdiction which does not provide for the registration of limited liability companies;
- 5.1.3.5. Discontinuance of the Company's business;
- 5.1.3.6. Sale of the Company's business or substantial portion thereof, or the sale, exchange or other disposition of all, or substantially all, of the company's assets;
- 5.1.3.7. Any merger, reorganization or recapitalization of the Company;
- 5.1.3.8. Any borrowings by the Company in excess of \$5,000.00;
- 5.1.3.9. Any contract which would require the Company to expend more than \$5,000.00 and the adoption of any profit sharing, bonus, pension or similar plan;
- 5.1.3.10. Settlement or confession of judgment in any legal matter;
- 5.1.3.11. Transactions with Affiliates [or family members] of the General Manager;
- 5.1.3.12. Taking or effecting any action that would render the Company bankrupt or insolvent or, except as expressly provided in this Agreement, cause the termination, dissolution, liquidation or winding-up of the Company; and
- 5.1.3.13. Such other matters and decisions as the Members may from time to time designate.

5.1.4. *Removal of General Manager.* The General Manager may only be removed under the following procedure. If any one or more of the following events occurs, the Members may remove the General Manager, and elect a new General Manager:

5.1.4.1. The General Manager's willful or intentional violation or reckless disregard of the General Manager's duties to the Company; or

5.1.4.2. The General Manager's Involuntary Withdrawal.

The determination of whether one or more of such events exist shall be made by those Members holding a majority of the Percentages then held by Members and shall be final, binding, and not reviewable unless the decision was based on a material mistake of fact or law or was arbitrary and capricious. The General Manager may not be removed for any other reasons or under any other procedure.

5.2. *Meetings of and Voting by Members.*

5.2.1. A meeting of the Members may be called at any time by any Member. Meetings of Members shall be held at the Company's principal place of business or at any other place in Sitka, Alaska. Not less than ten (10) nor more than ninety (90) days before each meeting, the Person calling the meeting shall give written notice of the meeting to each Member entitled to vote at the meeting. The notice shall state the time, place, and purpose of the meeting. Notwithstanding the foregoing provisions, each Member who is entitled to notice waives notice if before or after the meeting the Member signs a waiver of the notice which is filed with the records of Members' meetings, or is present at the meeting in person or by proxy. Unless this Agreement provides otherwise, at a meeting of Members, the presence in person or by proxy of a majority of the Members constitutes a quorum. A Member may vote either in person or by written proxy signed by the Member or by the Member's duly authorized attorney-in-fact.

5.2.2. Except as otherwise provided in this Agreement, the affirmative vote of a majority of the Members shall be required to approve any matter coming before the Members.

5.2.3. In lieu of holding a meeting, the Members may vote or otherwise take action by a written instrument indicating the consent of Members holding a majority of the Percentages then held by Members.

5.3. *Personal Service.*

5.3.1. No Member shall be required to perform services for the Company solely by virtue of being a Member. Unless approved by the General Manager, no Member shall perform services for the Company or be entitled to compensation for services performed for the Company.

5.3.2. Unless approved by a majority of the Members, the General Manager shall not be entitled to compensation for services performed for the Company. However, upon substantiation of the amount and purpose thereof, the General Manager shall be entitled to reimbursement for expenses reasonably incurred in connection with the activities of the Company.

5.4. *Limitation of Liability and Independent Activities.*

5.4.1. *Limitation of Liability.* Neither the Members nor the Managers (nor any of their Affiliates) 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 (which shall include any applicable entity) 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, however, that such Person shall retain liability for acts or omissions that involve intentional misconduct, a knowing violation of the law, a violation of AS 10.50.320 (in the case of Members only) or for any transaction from which the Person will personally receive a benefit in money, property, or services to which the person is not legally entitled.

5.4.2. *Independent Activities.* Any Member may engage in or possess an interest in other business ventures of every nature and description, independently or with others, including, without limitation, the ownership, financing, management, employment by, lending or otherwise participating in businesses that are similar to the business of the Company, and neither the Company nor the other Members shall have any right by virtue of this Agreement in and to such independent ventures as to the income or profits therefrom and shall not be liable for a breach of duty of loyalty or any other duty.

5.5. *Indemnification*

5.5.1. *Indemnification.* (i) To the fullest extent permitted by applicable law, a Member, the General Manager and each director, officer, partner, employee or agent thereof (a "Covered Person") shall be entitled to indemnification from the Company for any loss, damage, or claim incurred by such Covered Person by reason or any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by this Agreement, except that non Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of gross negligence, bad faith, or willful misconduct with respect to such act or omissions; *provided, however*, that any indemnity under this Section 5.5.1 shall be provided out of and to the extent of Company assets only, and no other Covered Person shall have any personal liability on account thereof.

5.5.2. *Notice.* In the event that any claim, demand, action, suit or proceeding shall be instituted or asserted or any loss, damage or claim shall arise in respect of which

indemnity may be sought by a Covered Person pursuant to *Section 5.5.1(i)*, such Covered Person shall promptly notify the Company thereof in writing. Failure to provide notice shall not affect the Company's obligations hereunder except to the extent the Company is actually prejudiced thereby.

5.5.3. *Contest.* The Company shall have the right, exercisable subject to the approval of the disinterested Covered Persons, to participate in and control the defense of any such claim, demand, action, suit or proceeding, and in connection therewith, to retain counsel reasonably satisfactory to each Covered Person, at the Company's expense, to represent each Covered Person and any others the Company may designate in such claim, demand, action, suit or proceeding. The Company shall keep the Covered Person advised of the status of such claim, demand, action, suit or proceeding and the defense thereof and shall consider in good faith recommendations made by the Covered Person with respect thereto.

Article VI

Admissions and Transfers

6.1. *Transfers.* No Person may Transfer all or any portion of or any interest or rights in the Person's Membership Rights or Interest unless the following conditions ("Conditions of Transfer") are satisfied:

6.1.1. The Transfer will not require registration of Interests or Membership Rights under any federal or state securities laws;

6.1.2. The transferee delivers to the Company a written agreement to be bound by all the terms of this Agreement;

6.1.3. The Transfer will not result in the termination of the Company pursuant to Code Section 708;

6.1.4. The Transfer will not result in the Company being subject to the Investment Company Act of 1940, as amended;

6.1.5. The transferor or the transferee delivers the following information to the Company: (i) the transferee's taxpayer identification number, and (ii) the transferee's initial tax basis in the Transferred Interest; and

6.1.6. The transferor obtains, at the transferor's expense, and delivers to the Company, an opinion of legal counsel acceptable to the Company, confirming that the Conditions of Transfer have been satisfied.

6.2. If the Conditions of Transfer are satisfied, then a Member or Interest Holder may Transfer all or any portion of that Person's Interest. The Transfer of an Interest pursuant to this *Article IX* shall not result, however, in the Transfer of any of the transferor's other Membership Rights, if any, and the transferee of the Interest shall have no right to: (i) become a Member, or (ii) exercise any Membership Rights other than those specifically pertaining to the ownership of an Interest.

6.3. Each Member hereby acknowledges the reasonableness of the prohibition contained in this *Article VI* in view of the purposes of the Company and the relationship of the Members. The Transfer of any Membership Rights or Interests in violation of the prohibition contained in this *Article VI* shall be deemed invalid, null and void, and of no force or effect. Any Person to whom Membership Rights are attempted to be transferred in violation of this *Article* shall not be entitled to vote on matters coming before the Members, participate in the management of the Company, act as an agent of the Company, receive distributions from the Company, or have any other rights in or with respect to the Membership Rights.

6.4. *Admission of Transferee as Member.* Notwithstanding anything contained herein to the contrary, the transferee of all or any portion of or any interest or rights in any Membership Rights or Interest shall not be entitled to become a Member or exercise any rights of a Member. The transferee shall be entitled to receive, to the extent transferred, only the distributions to which the transferor would be entitled, and the transferee shall not be admitted as a Member unless the Members unanimously consent.

Article VII Dissolution and Liquidation

7.1. *Events of Dissolution.* The Company shall be dissolved upon the happening of any of the following events:

7.1.1. when the period fixed for its duration in *Section 2.4* has expired;

7.1.2. upon the unanimous written agreement of the Members; or

7.1.3. upon the death, retirement, resignation, expulsion, or bankruptcy of a Member or the occurrence of any other event which terminates the continued membership of a Member in the Company, unless the remaining Members, within ninety (90) days after the event or occurrence, unanimously elect to continue the business of the Company pursuant to the terms of this Agreement.

7.2. *Procedure for Winding Up and Dissolution.* If the Company is dissolved, the General Manager shall wind up its affairs. On winding up of the Company, the assets of the

Company shall be distributed, first, to creditors of the Company, including Members who are creditors, in satisfaction of the liabilities of the Company, and then, amounts in excess of any reserves deemed reasonably necessary by the General Manager to pay all of the Company's claims and obligations shall be distributed to the Interest Holders in accordance with *Section 4.2.3.4* of this Agreement.

7.3. *Termination.* The General Manager shall comply with any 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.

Article VIII

Books, Records, and Accounting

8.1. *Bank Accounts.* All funds of the Company shall be deposited in a bank account or accounts opened in the Company's name. The General Manager shall determine the institution or institutions at which the accounts will be opened and maintained, the types of accounts, and the Persons who will have authority with respect to the accounts and the funds therein.

8.2. Books and Records.

8.2.1. The General Manager shall keep or cause to be kept complete and accurate books and records of the Company and supporting documentation of the transactions with respect to the conduct of the Company's business. The records shall include, but not be limited to, complete and accurate information regarding the state of the business and financial condition of the Company, a copy of the Articles of Organization and this Agreement and all amendments thereto, a current list of the names and last known business, residence, or mailing addresses of all Members; and the Company's federal, state, and local tax returns.

8.2.2. The books and records shall be maintained in accordance with sound accounting practices consistently applied and shall be available at the Company's principal office for examination by any Member or the Member's duly authorized representative at any and all reasonable times during normal business hours.

8.2.3. Each Member shall reimburse the Company for all costs and expenses incurred by the Company in connection with the Member's inspection and copying of the Company's books and records.

8.3. *Annual Accounting Period.* The annual accounting period of the Company shall be its taxable year. The Company's taxable year shall be selected by the General Manager, subject to the requirements and limitations of the Code.

8.4. *Reports*

8.4.1. *Biennial Report.* The Members shall file a biennial report as required by the Department.

8.4.2. *Reports to Members.* Within seventy-five (75) days after the end of each taxable year of the Company, the General Manager shall cause to be sent to each Person who was a Member at any time during the taxable year then ended: (i) an annual compilation report, prepared by the Company's independent accountants in accordance with standards issued by the American Institute of Certified Public Accountants; and (ii) a report summarizing the fees and other remuneration paid by the Company to any Member, the General Manager, or any Affiliate in respect of the taxable year. In addition, within seventy-five (75) days after the end of each taxable year of the Company, the General Manager shall cause to be sent to each Person who was an Interest Holder at any time during the taxable year then ended, that tax information concerning the Company necessary for preparing the Interest Holder's income tax returns for that year. At the request of any Member, and at the Member's expense, the General Manager shall cause an audit of the Company's books and records to be prepared by independent accountants for the period requested by the Member.

8.5. *Tax Matters Member.* The General Manager shall be the Company's tax matters partner ("Tax Matters Member"). The Tax Matters Member shall have all powers and responsibilities of a tax matters partner" as defined in Section 6231 of the Code. The Tax Matters Member shall keep all Members informed of all notices from government taxing authorities that may come to the attention of the Tax Matters Member. The Company shall pay and be responsible for all reasonable third-party costs and expenses incurred by the Tax Matters Member in performing those duties. A Member shall be responsible for any costs incurred by the Member with respect to any tax audit or tax-related administrative or judicial proceeding against any Member, even though it relates to the Company. The Tax Matters Member shall not compromise any dispute with the Internal Revenue Service without the approval of the Members.

8.6. *Tax Elections.* The General Manager shall have the authority to make all Company elections permitted under the Code, including, without limitation, elections of methods of depreciation and elections under Section 754 of the Code. The decision to make or not make an election shall be at the General Manager's sole and absolute discretion.

8.7. *Title to Company Property.* All real and personal property acquired by the Company shall be acquired and held by the Company in its name.

Article IX
Amendments; General Provisions

9.1. *Assurances.* Each Member shall execute all certificates and other documents and shall do all such filing, recording, publishing, and other acts as the General Manager deems appropriate to comply with the requirements of law for the formation and operation of the Company and to comply with any laws, rules, and regulations relating to the acquisition, operation, or holding of the property of the Company.

9.2. *Notifications.* Any notice, demand, consent, election, offer, approval, request, or other communication (collectively a "notice") required or permitted under this Agreement must be in writing and either delivered personally or sent by certified or registered mail, postage prepaid, return receipt requested. Any notice to be given hereunder by the Company shall be given by the General Manager. A notice must be addressed to an Interest Holder at the Interest Holder's last known address on the records of the Company. A notice to the Company must be addressed to the Company's principal office. A notice delivered personally will be deemed given only when acknowledged in writing by the person to whom it is delivered. A notice that is sent by mail will be deemed given three (3) business days after it is mailed. Any party may designate, by notice to all of the others, substitute addresses or addressees for notices; thereafter, notices are to be directed to those substitute addresses or addressees.

9.3. *Specific Performance.* The parties recognize that irreparable injury will result from a breach of any provision of this Agreement and that money damages will be inadequate to remedy the injury fully. Accordingly, in the event of a breach or threatened breach of one or more of the provisions of this Agreement, any party who may be injured (in addition to any other remedies which may be available to that party) shall be entitled to one or more preliminary or permanent orders (i) restraining and enjoining any act that would constitute a breach or (ii) compelling the performance of any obligation that, if not performed, would constitute a breach.

9.4. *Complete Agreement.* This Agreement constitutes the complete and exclusive statement of the agreement among the Members. It supersedes all prior written and oral statements, including any prior representation, statement, condition, or warranty. Except as expressly provided otherwise herein, this Agreement may not be amended without the written consent of all of the Members.

9.5. *Applicable Law.* All questions concerning the construction, validity, and interpretation of this Agreement and the performance of the obligations imposed by this Agreement shall be governed by the internal law, not the law of conflicts, of the State of Alaska.

9.6. *Section Titles.* The headings herein are inserted as a matter of convenience only and do not define, limit, or describe the scope of this Agreement or the intent of the provisions hereof.

9.7. *Binding Provisions.* This Agreement is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

9.8. *Jurisdiction and Venue.* Any suit involving any dispute or matter arising under this Agreement may only be brought in the United States District Court for Alaska or any Alaska State Court having jurisdiction over the subject matter of the dispute or matter. All Members hereby consent to the exercise of personal jurisdiction by any such court with respect to any such proceeding.

9.9. *Terms.* Common nouns and pronouns shall be deemed to refer to the masculine, feminine, neuter, singular, and plural, as the identity of the Person may in the context require.

9.10. *Separability of Provisions.* Each provision of this Agreement shall be considered separable; and if, for any reason, any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid.

9.11. *Counterparts.* This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which, when taken together, constitute one and the same document. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

9.12. *Estoppel Certificate.* Each Member shall, within ten (10) days after written request by the General Manager, deliver to the requesting Person a certificate stating, to the Member's knowledge, that: (a) this Agreement is in full force and effect; (b) this Agreement has not been modified except by any instrument or instruments identified in the certificate; and (c) there is no default hereunder by the requesting Person, or if there is a default, the nature and extent thereof. If the certificate is not received within that ten (10) day period, the General Manager shall execute and deliver the certificate on behalf of the requested Member.

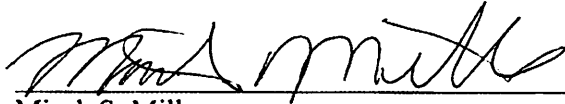
9.13. *Amendment.* This Agreement may be amended by a vote of the members holding 100% of the capital accounts of all of the Members, *provided however* that no amendment which materially reduces the distributions which may be made to a Member (or changes the Profit or Loss allocation to such Member) may be made without such Member's consent.

9.14. *Consents.* Unless otherwise explicitly provided for herein, any and all consents, agreements or approvals provided for or permitted by this Agreement shall be in writing and a signed copy thereof shall be filed and kept with the books of the Company.

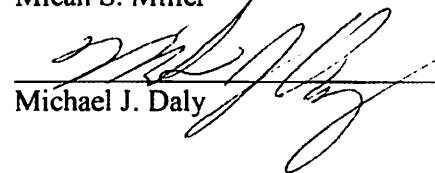
9.15. *Legends.* If certificates for any Interest or Interests are issued that evidence a Member's Interest, each such certificate shall bear such legends as may be required by applicable federal and state laws, or as may be deemed necessary or appropriate by the General Manager to reflect restrictions upon transfer contemplated herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

2-27-2016
Date


Micah S. Miller

2-27-2016
Date


Michael J. Daly

STATE OF ALASKA

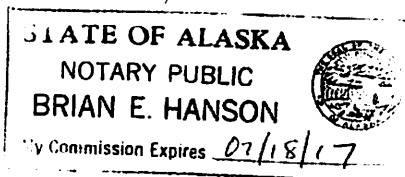
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ss:

FIRST JUDICIAL DISTRICT

)

The foregoing instrument was acknowledged before me this 27th day of February, 2016, by MICAH S. MILLER.




Notary Public in and for Alaska

STATE OF ALASKA

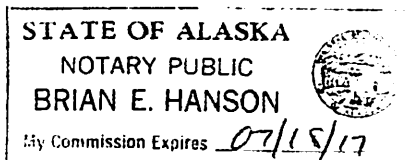
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ss:

FIRST JUDICIAL DISTRICT

)

The foregoing instrument was acknowledged before me this 27th day of February, 2016, by MICHAEL J. DALY.




Notary Public in and for Alaska

EXHIBIT A
Northern Lights Indoor Gardens, LLC
Members
02/26/16

<u>Member / Address</u>	<u>Capital Contribution</u>	<u>Percent Ownership Interest</u>
Micah S. Miller 1710 Halibut Point Road Sitka, Alaska 99835	N/A	50%
Michael J. Daly 501 Charteris Street Sitka, Alaska 99835	N/A	50%



State of Alaska
Division of Corporations, Business and Professional Licensing
CORPORATIONS SECTION
PO Box 110806
Juneau, AK 99811-0806
Phone: (907) 465-2550
Fax: (907) 465-2974
Website: www.commerce.alaska.gov/occ

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NOTICE OF CHANGE OF OFFICIALS
Domestic Limited Liability Company
AS 10.50.765

☒ **\$25.00 Filing Fee (non-refundable)**

Pursuant to Alaska Statutes 10.50.765, the following will apply to the members and/or managers on record:

ITEM 1: Name of the Entity:

Alaska Entity #:

Northern Lights Indoor Gardens, LLC *10028235*

ITEM 2: Prior and new information:

Prior member/manager	New (replacement) member/manager	New (replacement) mailing address	X if Member	X if Manager	% of interest held
<i>Lorraine Daly</i>	<i>Michael Daly</i>	<i>* 501 Charteris St Sitka AK 99835</i>	<i>X</i>		<i>25%</i>
<i>* Michael Daly now owns 50%</i>					

Attach an additional sheet if necessary.

ITEM 3: The Statement must be signed by a manager, member, or Attorney-in-Fact.

<i>[Signature]</i>	<i>micah miller</i>	<i>general manager</i>	<i>2-27-2016</i>
Signature	Printed name	Title	Date

NOTE: Persons who sign documents filed with the commissioner that are known to the person to be false in material respects are guilty of a class A misdemeanor.

Mail the Notice of Change of Officials and non-refundable \$25.00 filing fee in U.S. dollars to:
State of Alaska, Corporations Section, PO Box 110806, Juneau, AK 99811-0806

STANDARD PROCESSING TIME for complete and correct applications submitted to this office is approximately 10-15 business days. All applications are reviewed in the date order they are received.



State of Alaska
Division of Corporations, Business and Professional Licensing
CORPORATIONS SECTION
PO Box 110806
Juneau, AK 99811-0806
Phone: (907) 465-2550
Fax: (907) 465-2974
Website: www.commerce.state.ak.us/occ

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Office Use Only

CORP

STATEMENT OF CHANGE
Registered Agent or Registered Agent Address
Domestic Limited Liability Company
AS 10.50.060

☒ **\$25.00 Filing Fee (non-refundable)**

To ensure a successful filing please read the instructions first and complete all sections. Failure to maintain complete registered agent information will result in the entity being Non-Compliant.

Pursuant to Alaska Statutes 10.50.060, the following will apply to the registered agent on file with this office:

ITEM 1: Name of the Entity:

Alaska Entity #:

Northern Lights Indoor Gardens, LLC	100 28235
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ITEM 2: PRIOR registered agent information:

Name: Lorraine Daly			
Physical address: 501 Charteris Street	City: Sitka	AK	Zip Code: 99835
Mailing address: same	City:	AK	Zip Code:

A registered agent must be a resident of Alaska or a corporation (excluding LLC, LP and LLP) registered and in good standing with this office. A corporation may not act as its own registered agent.

ITEM 3: NEW registered agent information (must include a physical and mailing address in Alaska):

Name: Michael Daly			
Physical address: 501 Charteris Street	City: Sitka	AK	Zip Code: 99835
Mailing address: same	City:	AK	Zip Code:

ITEM 4: Authorization per AS 10.50.060(6):

The registered agent change was authorized by a resolution duly adopted by the company. The company is to keep and make available record of the resolution.

ITEM 5: Required Signature:

The Statement must be signed by a manager, member, or Attorney-in-Fact.

	Micah Miller	general manager	2-27-2016
Signature	Printed name	Title	Date

Mail the Statement of Change and the non-refundable \$25.00 filing fee in U.S. dollars to:
State of Alaska, Corporations Section, PO Box 110806, Juneau, AK 99811-0806

STANDARD PROCESSING TIME for complete and correct applications submitted to this office is approximately 10-15 business days. All applications are reviewed in the date order they are received.

The information you submit is a public record and, once filed for record, will be posted on the State's website.

ASSIGNMENT OF LLC OWNERSHIP INTEREST
OF
NORTHERN LIGHTS INDOOR GARDENS, LLC

THIS ASSIGNMENT OF LLC OWNERSHIP INTEREST OF NORTHERN LIGHTS INDOOR GARDENS, LLC (this "Assignment") is made by and between LORRAINE DALY (the "Assignor") and MICHAEL DALY (the "Assignee").

RECITALS

A. Assignor is the owner of twenty-five percent (25%) ownership interest (the "Ownership Interest"), consisting of membership rights and interest, in NORTHERN LIGHTS INDOOR GARDENS, LLC, an Alaska limited liability company (the "Company");

B. The Company is governed by the provisions of an Operating Agreement, dated April 9, 2015, by and between the Assignor, Assignee, and Micah Miller (the "Agreement"); and

C. The Assignor desires by this Assignment to assign to the Assignee all of her Ownership Interest, and the Assignee desires by this Assignment to accept the same.

NOW, THEREFORE, FOR AND IN CONSIDERATION of good and valuable consideration, the receipt and sufficiency of which are acknowledged by each party, the parties agree as follows:

1. **Assignment.**

Effective as of February 27, 2016, (the "Effective Date"), the Assignor assigns to the Assignee and the Assignee accepts and assumes from the Assignor (a) the Ownership Interests (so that from and after the Effective Date, and until any other or further assignment made in accordance with the provisions of the Agreement, the Assignor shall have no Ownership Interest and the Assignee shall have all of Assignor's assigned Ownership Interest, i.e., twenty-five percent (25 %), and (b) any and all right, title and interest which the Assignor has under the provisions of the Agreement, or in and to any of the Company's assets, with respect to the Ownership Interest so assigned.

2. **Representations.**

2.1. **By Assignor.** To induce the Assignee to accept the delivery of this Assignment, the Assignor hereby represents and warrants to the Assignee that, on the date hereof and at the time of such delivery:

2.1.1. The Assignor is the sole legal and beneficial owner of the Ownership

Interest. The Assignor has not sold, transferred or encumbered any or all of the Ownership Interest. Subject to the provisions of the Agreement, the Assignor has the full and sufficient right at law and in equity to transfer and assign the Ownership Interest, and is transferring and assigning the Ownership Interest to the Assignee free and clear of any and all right, title or interest of any other person whatsoever;

2.1.2. The Assignor has been given no notice of any default by the Assignor in performing her obligations under the provisions of the Agreement and, to the best of the Assignor's knowledge, information and belief, the Assignor is not in default in performing those obligations; and

2.1.3. The required consent of any member in the Company to this Assignment has been obtained.

2.2. **By Assignee.** The Assignee covenants, warrants, and represents to the Company that the Ownership Interest is being acquired for investment for the Assignee's own account and not with a view to offering it for sale or distribution.

2.3. **By Each Party.** Each party represents and warrants to the other that it has been duly authorized to execute and deliver this Assignment, and to perform its obligations under this Assignment.

3. **Indemnification.**

3.1. **Assignor.** The Assignor shall defend, indemnify, and hold harmless the Assignee from and against any and all liability, claim of liability, or expense arising out of (a) any default by the Assignor in performing its obligations under the provisions of the Agreement occurring before the Effective Date, (b) except as assumed hereunder, any and all liability or expense of the Company arising before the Effective Date, and (c) any failure of the Assignor's representations contained in Section 2 to be true and complete in all material respects.

3.2. **By Assignee.** The Assignee shall defend, indemnify, and hold harmless the Assignors against and from any and all liability, claim of liability, or expense arising out of (a) any default by the Assignee in performing his obligations under the provisions of the Agreement occurring after the Effective Date, (b) any and all liability or expense assumed hereunder, and (c) any and all liability, claim of liability, or expense of the Company arising after the Effective Date. The Assignee, on behalf of the Company, also hereby release any and all claims the Company has or may have against the Assignors, except to the extent inconsistent with Section 3.1 hereof.

4. **Consent of Company.** This Assignment is subject to and conditioned upon the Company's delivery of its consent hereto. If that consent is not obtained upon or before the execution of this Assignment, this Assignment shall be null, void, and of no further force and effect.

5. **Notices.** Any notice, demand, consent, approval, request, or other communication or document to be provided hereunder to a party hereto shall be made as required by the Agreement.

6. **Miscellaneous.**

6.1. **Effectiveness.** This Assignment shall become effective upon its complete execution and delivery by each party.

6.2. **Complete Understanding.** Subject to the provisions of the Agreement, this Assignment represents the complete understanding between the parties as to the subject matter hereof, and supersedes all prior negotiations, representations, guarantees, warranties, promises, statements, or agreements, either written or oral, between the parties hereto as to the same.

6.3. **Amendment.** This Assignment may be amended by and only by an instrument executed and delivered by each party.

6.4. **Waiver.** No party shall be deemed to have waived any right which it holds hereunder unless the waiver is made expressly and in writing (and, without limiting the generality of the foregoing, no delay or omission by any party in exercising any such right shall be deemed a waiver of its future exercise). No waiver shall be deemed a waiver as to any other instance or any other right.

6.5. **Applicable Law.** All questions concerning the construction, validity, and interpretation of this Agreement and the performance of the obligations imposed hereby shall be governed by the internal law, not the law of conflicts, of the State of Alaska. If any action or proceeding involving such questions arises under the Constitution, laws, or treaties of the United States of America, or if there is a diversity of citizenship between the parties thereto, so that it is to be brought in a United States District Court, it shall be brought in the United States District Court for Alaska.

6.6. **Headings.** The headings of the sections, subsections, paragraphs and subparagraphs hereof are provided herein for and only for convenience of reference, and shall not be considered in construing their contents.

6.7. **Construction.** As used herein, (a) the term "person" means a natural person, a trustee, a corporation, a partnership, and any other form of legal entity; and (b) all reference made (i) in the neuter, masculine or feminine gender shall be deemed to have been made in all genders, (ii) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well, and (iii) to any Section, subsection, paragraph or subparagraph shall, unless therein expressly indicated to the contrary, be deemed to have been made to such Section, subsection, paragraph or subparagraph of this Assignment.

6.8. **Assignment.** This Assignment shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns hereunder.

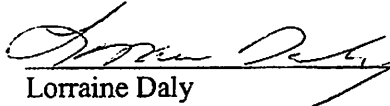
6.9. **Severability.** No determination by any court, governmental body or otherwise that any provision of this Assignment or any amendment hereof is invalid or unenforceable in any instance shall affect the validity or enforceability of (a) any other provision thereof, or (b) that provision in any circumstance not controlled by the determination. Each such provision shall be valid and enforceable to the fullest extent allowed by and shall be construed wherever possible as being consistent with applicable law.

6.10. **Further Assurances.** The parties shall cooperate with each other and shall execute and deliver, or cause to be delivered, all other instruments and shall take all other actions, as either party hereto may reasonably request from time to time in order to effectuate the provisions hereof.

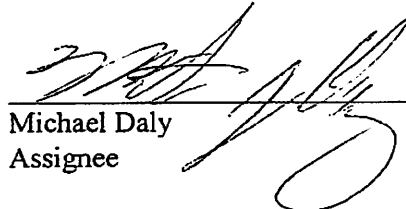
6.11. **Assumption and Indemnification.** From and after the Effective Date, the Assignee shall (a) be bound by the provisions of the Agreement, as if the Assignee was a party thereto and a Member of the Company, and (b) indemnify the Company against any expense incurred by then in connection with the Assignee's admission and substitution as a Member (including, by way of example rather than of limitation, any expense incurred in preparing and filing for record any amendment of the Agreement or the Company's Articles of Organization, and any other instrument, if necessitated by the admission and substitution of the Member).

IN WITNESS WHEREOF, each party hereto has executed this Assignment, which may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall be deemed to be one and the same document, on the dates below written.

2-27-2014
Date


Lorraine Daly
Assignor

2-27-2016
Date


Michael Daly
Assignee

**UNANIMOUS CONSENT OF MEMBERS TO WAIVE NOTICE OF WITHDRAWAL,
ELECT TO ACCEPT TRANSFER OF OWNERSHIP INTEREST, WAIVE NOTICE OF
ELECTION TO ACCEPT TRANSFER OF OWNERSHIP INTEREST, CONSENT TO
ASSIGNMENT AND CONTINUE COMPANY BUSINESS**

The undersigned, being all of the members, of NORTHERN LIGHTS INDOOR GARDENS, LLC, an Alaska limited liability company (the "Company"), acting pursuant to the Operating Agreement of the Company, hereby unanimously adopt the following resolutions:

RESOLVED that LORRAINE DALY ("Withdrawing Member") has withdrawn from the Company, effective February 26, 2016, and the other members, MICHAEL DALY and MICAH MILLER agree to waive written notice of that withdrawal, if required.

FURTHER RESOLVED that MICHAEL DALY has elected to accept transfer of all ownership interest in the Company from the Withdrawing Member and the Withdrawing Member agrees to waive written notice of that election, if required.

FURTHER RESOLVED that the Company does hereby consent to the Assignment Of LLC Ownership Interest, signed contemporaneously with this consent.

FURTHER RESOLVED that, notwithstanding the withdrawal of Lorraine Daly, the Company shall not be dissolved and its business shall be continued.

To evidence our consent, we hereby execute this document, which may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall be deemed to be one and the same document, on the date(s) set forth below and direct that Micah Miller place this document among the records of the Company.

2-27-2016
Date

Lorraine Daly
Lorraine Daly

2-27-2016
Date

Michael Daly
Michael Daly

2-27-2016
Date

Micah Miller
Micah Miller

**NORTHERN LIGHTS INDOOR GARDENS, LLC
MINUTES OF THE SPECIAL MEETING**

The SPECIAL MEETING of NORTHERN LIGHTS INDOOR GARDENS, LLC ("Company") was called to order on February 27, 2016, at 713-B Sawmill Creek Road, Sitka, Alaska. Michael Daly and Micah Miller, members of the Company, were present. Brian E. Hanson was present as attorney for the Company.

Micah Miller amended the Operating Agreement, dated April 9, 2016, by replacing it with a new Operating Agreement approved and signed on this date.

Micah Miller was elected as General Manager.

The members of the Company authorized by resolution a registered agent change from Lorraine Daly to Michael Daly. Micah Miller was authorized to effectuate that change with the State of Alaska.

Micah Miller, as General Manager, then adjourned the meeting.

Respectfully submitted on February 27, 2016,

By: 
Micah Miller, General Manager



Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

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

What is this form?

This cover sheet **must** be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

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

Licensee:	Northern Lights Indoor Gardens, LLC	License Number:	10136
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	NORTHERN LIGHTS INDOOR GARDENS, LLC		
Physical Address:	1321 Sawmill Creek Road Suite O and P		
City:	sitka	State:	AK
		Zip Code:	99835
Designated Owner:	Micah Miller		
Email Address:	dalys@gci.net		

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items: Form – MS-00	Application Certifications Micah Miller 3 pages Mike Daly 3 pages Lorraine Daly 3 pages <hr/> 9 pages Total
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OFFICE USE ONLY

Received Date:		Payment Submitted Y/N:		Transaction #:	
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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:	Micah Miller	License Number:	10136		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Northern Lights Indoor Gardens, LLC				
Premises Address:	1321 Sawmill Creek Road, Suite O and P				
City:	Sitka	State:	ALASKA	ZIP:	99835

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Micah Miller
Title:	Owner

Section 3 – Other Licenses

Ownership and financial interest in other licenses:

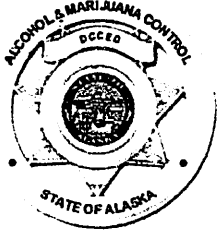
Yes No

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?

License # 10138 Retail Marijuana Facility



Alaska Marijuana Control Board

Form MJ-00: Application Certifications

Section 4 – Certifications

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

Initials

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

mm

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

mm

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

mm

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.

mm

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.

mm

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.

mm

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).

mm

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

mm

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.

mm

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.

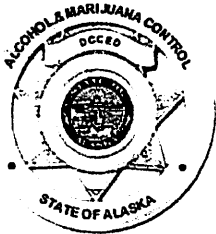
mm

I certify that all proposed licensees have been listed on my application with the Division of Corporations.

mm

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.

mm



Alaska Marijuana Control Board

Form MJ-00: Application Certifications

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

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.

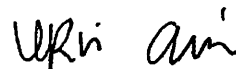
☒

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 I have examined the online application and this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find them to be true, correct, and complete.

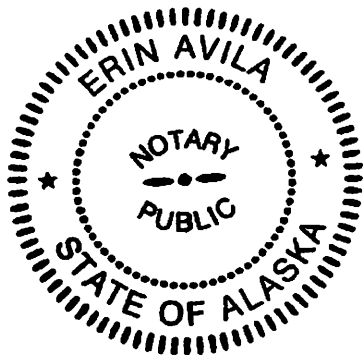

Signature of licensee

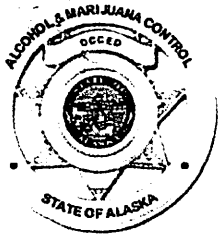
Subscribed and sworn to before me this 4TH day of MAY, 20 16.



Notary Public in and for the State of Alaska.

My commission expires: 05/12/2019





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:	Micah Miller	License Number:	10136		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Northern Lights Indoor Gardens, LLC				
Premises Address:	1321 Sawmill Creek Road, Suite O and P				
City:	Sitka	State:	ALASKA	ZIP:	99835

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Mike Daly
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?

License # 10138 Retail Marijuana Facility



Alaska Marijuana Control Board

Form MJ-00: Application Certifications

Section 4 – Certifications

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

Initials

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

MO

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

MO

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

MO

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.

MO

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.

MO

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.

MO

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).

MO

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

MO

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.

MO

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.

MO

I certify that all proposed licensees have been listed on my application with the Division of Corporations.

MO

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.

MO



Alaska Marijuana Control Board

Form MJ-00: Application Certifications

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

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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.

☐

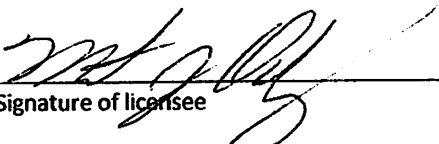
Only initial next to the following statement if this form is accompanying an application for a retail marijuana store, a marijuana cultivation facility, or a marijuana products manufacturing facility license:

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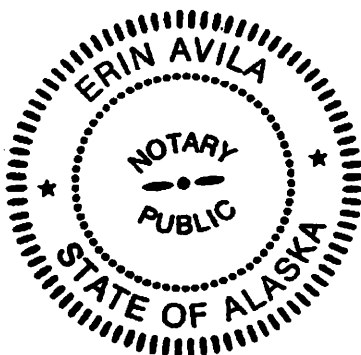
☒

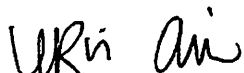
All marijuana establishment license applicants:

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 I have examined the online application and this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find them to be true, correct, and complete.


Signature of licensee

Subscribed and sworn to before me this 4th day of MAY, 2016.




Notary Public in and for the State of Alaska.
My commission expires: 06/14/2019



Alaska Marijuana Control Board

Form MJ-00: Application Certifications

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Licensee:	Micah Miller	License Number:	10136		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Northern Lights Indoor Gardens, LLC				
Premises Address:	1321 Sawmill Creek Road, Suite O and P				
City:	Sitka	State:	ALASKA	ZIP:	99835

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Lorraine Daly
Title:	Affiliate

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?

License # 10138 Retail Marijuana Facility



Alaska Marijuana Control Board

Form MJ-00: Application Certifications

Section 4 – Certifications

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

Initials

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AO

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

AO

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

AO

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.

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AO

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.

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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).

AO

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

AO

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

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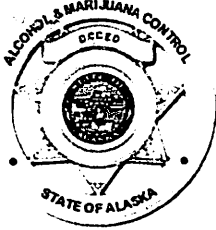
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AO

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AO



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 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.

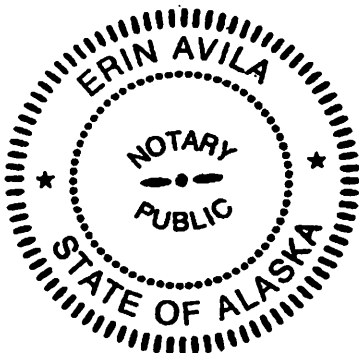
☒

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 I have examined the online application and this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find them to be true, correct, and complete.

Erin Avila
Signature of licensee

Subscribed and sworn to before me this 9th day of MAY, 20 16.



Erin Avila
Notary Public in and for the State of Alaska.
My commission expires: 05/12/2019



Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

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

What is this form?

This cover sheet must be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

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

Licensee:	Northern Lights Indoor Gardens, LLC	License Number:	10136
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	NORTHERN LIGHTS INDOOR GARDENS, LLC		
Physical Address:	1321 Sawmill Creek Road Suite O and P		
City:	sitka	State:	AK
		Zip Code:	99835
Designated Owner:	Micah Miller		
Email Address:	dalys@gci.net		

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items: MS-01	Marijuana Establishment Operating Plan Total Pages 19
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OFFICE USE ONLY

Received Date:		Payment Submitted Y/N:		Transaction #:	
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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:

- Security
- Inventory tracking of all marijuana and marijuana product on the premises
- Employee qualification and training
- Waste disposal
- Transportation and delivery of marijuana and marijuana products
- Signage and advertising
- Control plan for persons under the age of 21

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.

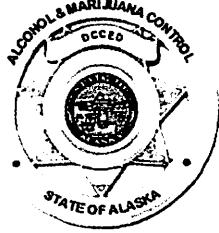
Section 1 – Establishment Information

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

Licensee:	Micah Miller	License Number:	10136		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Northern Lights Indoor Gardens, LLC				
Premises Address:	1321 Sawmill Creek Road Suite O & P				
City:	Sitka	State:	ALASKA	ZIP:	99835

Mailing Address:	501 Charteris Street				
City:	Sitka	State:	ALASKA	ZIP:	99835

Primary Contact:	Mike Daly				
Main Phone:	907-747-5858	Cell Phone:	907-738-2242		
Email:	dalys@gci.net				



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 2 – Security

Review the requirements under 3 AAC 306.710 – 3 AAC 306.720 and 3 AAC 306.755, and identify how the proposed premises will meet the listed requirements.

Describe how the proposed premises will comply with each of the following:

Restricted Access Areas (3 AAC 306.710):

Describe how you will prevent unescorted members of the public from entering restricted access areas:

All restricted areas (including cultivation, trimming, packaging, storage of materials, waste products and office areas) will be secured behind commercial grade, non-residential door locks accessible by licensed employees and management with a current marijuana handlers permit on record at the facility only. Entry doors to restricted areas will have signs that clearly read "Restricted access area. Visitors must be escorted." and "No one under 21 years of age permitted". The signs will not be less than 12 inches long and 12 inches wide, with letters at least one-half inch in height contrast to the background of the sign.

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

Visitors will enter the business through the designated reception area in suite O. They will be required to show proof of age (21 years or older) by showing a valid government issued identification. All visitors will be required to sign and date a visitors log sheet located at the reception area. Visitors will be required to wear a visitor's badge containing the words "VISITOR" in large print while inside any restricted area. A maximum of 5 visitors at a time per escorting employee. Visitors will be in visible sight of the escorting employee at all times. Monitored security cameras will be recording all activity inside the restricted areas. Once the escorted visitors exit the restricted area with the employee they will return the visitor's badge and be allowed to exit the reception area at will.



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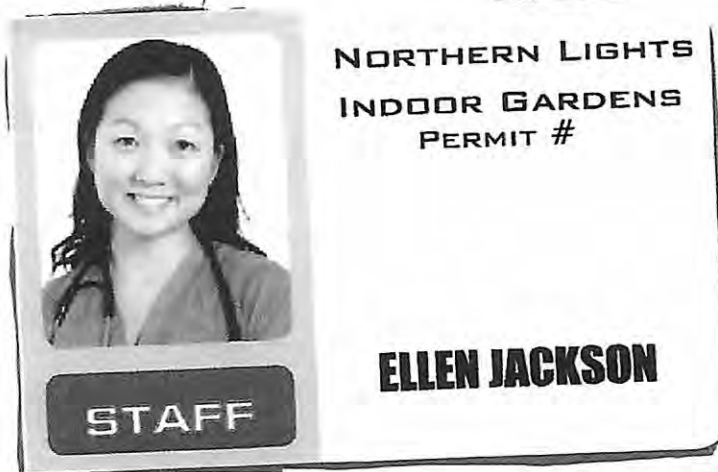
Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Describe your recordkeeping of visitors who are escorted into restricted access areas:

Visitors 21 years of age and older must sign and date a monthly log sheet that includes, the date, visitor's printed name, type of identification used, time entered into restricted area and time exited restricted area. The monthly log sheets will be stored in a Visitors Log Binder located in the locked fire proof cabinet in the locked office. At the end of 3 years the Visitors Log Book record will be scanned into an electronic record and kept as an electronic file in a fire proof safe. Video security camera footage of visitors will be kept in a fire proof safe located in the secured (locked) office for 40 days.

Provide a copy of a sample identification badge to be displayed by each licensee, employee, or agent while on the premises:





Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Security Alarm Systems and Lock Standards (3 AAC 306.715):

Exterior lighting is required to facilitate surveillance. Describe how the exterior lighting will meet this requirement:

Each exterior: Lighting is located at every exterior exit including windows. Lighting will be at a minimum of 8 feet high from the ground. Ground floor exterior lights will illuminate approximately 20 feet from all exterior entrances. Cameras located at each exit will be positioned so lighting will enhance video surveillance and not cause a hindrance.

An alarm system is required for all license types. Describe the security alarm system for the proposed premises:

Every exterior entrance and window will be equipped within an alarm system. The alarm system includes a DSC NEO alarm panel with keypad, outdoor loud siren for the two front and two rear entrances, window and door contact alarms, Roll up door contact alarm, indoor motion detector for interior entry ways, glass break detectors for all windows. The system is monitored by LJ Alarm Systems located in Juneau Alaska.

The alarm system must be activated on all exterior doors and windows when the licensed premises is closed for business. Describe how the security alarm system meets this requirement:

Alarm system is activated by keypad near the employee exit. Prior to exiting the building the managing employee will activate the alarm system using the key pad then will exit and lock the door. Management will be able to track whether the system is activated by using an APP on a cell phone.



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Describe your policies and procedures for preventing diversion of marijuana or marijuana product:

All marijuana and marijuana products will be kept in a secured locked (restricted) areas. All marijuana plants will be in compliance with the state approved marijuana inventory tracking system, METRC. METRC is a hosted, real-time system that uses serialized tags with barcode, human-readable and Radio Frequency identification (RFID) tags attached to every plant, and labels attached to wholesale packages to track marijuana inventory. Each tag will be attached to a plant when they reach 8 inches in height to facilitate tracking through different stages of growth, as well the drying and curing process. Marijuana products will be stored in the water and fire proof safe in locked office located in the restricted area. All marijuana product inventory record keeping including plant, tracking, and products will be kept in a water/fire proof safe in the locked office located in the restricted area for a the current year and three previous calender years. These records will then be scanned into electronic files and kept in the water/fire proof safe for future reference. Diversion of marijuana and marijuana products will also be prevented with use of video surveillance cameras located throughout the facility ensuring coverage of all entrances, point of sale and restricted areas. Video footage will be stored in a locked cabinet inside the locked office in the restricted area for 40 days. Visitors will be limited to 5 per employee and must be escorted a all times when inside the restricted area. Customers in the retail area will be personally assisted and products will be kept behind restricted counters.

Describe your policies and procedures for preventing loitering:

"No Loitering" signs will be posted at external doors. Surveillance camera with adequate lighting located at the external doors will be monitored by licensed staff during business hours for possible loitering. Any suspected loiterers will be asked to leave by licensed staff. If the loitering party refuses to leave the local law enforcement will be notified.

Describe your policies and procedures regarding the use of any additional security device, such as a motion detector, pressure switch, and duress, panic, or hold-up alarm to enhance security of the proposed premises:

Motion detectors will be activated using the security key pad at the employee exit during non business hours. Motion detectors will be located at each interior area around the windows and doors monitoring unauthorized motion during non business hours 20 feet from the windows and doorways.



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Describe your policies and procedures regarding the actions to be taken by a licensee, employee, or agent when any automatic or electronic notification system alerts a local law enforcement agency of an unauthorized breach of security:

Once the alarm system is activated by unauthorized breach of security management and local law enforcement will be notified by L.J. Alarm System. A secured knox box will be accessible for police or other emergency personnel to gain access to business if they arrive prior to management. All personnel will work with local authorities to assist in any investigation deemed necessary. Management will notify the state marijuana control board of the unauthorized breach of security with in 24 business hours. Management will ensure full inventory will be assessed and reported to the authorities and the state marijuana control board. A quality control review of security measures will be conducted and proper steps to correct any deficiencies in the security plan will made.

Video Surveillance (3 AAC 306.720):

All licensed marijuana establishments must meet minimum standards for surveillance equipment. Applicants should be able to answer "Yes" to all items below.

Video surveillance and camera recording system covers the following areas of the premises:

Yes No

Each restricted access area and each entrance to a restricted access area

☒ ☐

Both the interior and exterior of each entrance to the facility

☒ ☐

Each point of sale area

☒ ☐

Each video surveillance recording:

Yes No

Is preserved for a minimum of 40 days, in a format that can be easily accessed for viewing

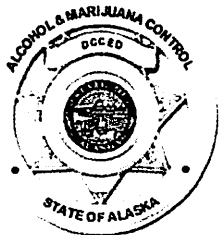
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Clearly and accurately displays the time and date

☒ ☐

Is archived in a format that does not permit alteration of the recorded image, so that the images can readily be authenticated

☒ ☐



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Describe how the video cameras will be placed to produce a clear view adequate to identify any individual inside the licensed premises, or within 20 feet of each entrance to the licensed premises:

Cameras will be mounted on ceilings and upper area of walls to ensure clear views of all operations and identify any individual inside the licensed facility. Multiple cameras may be used in larger areas in order to ensure clear views of activity within the room. Outdoor cameras will be placed to ensure clear view within 20 feet of entrances. A camera will be placed above the second story windows with clear view of both the windows and the area below including the main entrance way and at least 20 feet around the main entrance. Video footage will have a clear time and date displayed at all times.

Describe the locked and secure area where video surveillance recording equipment and 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 board:

The locked and secured area will be the office. It will be secured by a commercial grade non residential locking mechanism accessible by management only. the surveillance recording equipment will be locked in a cabinet within the office. Records will be kept housed and stored in a fire proof safe within the secured office. The office and fire proof safe will be accessible to management only. In the event law enforcement or an agent of the board requires access to the office, records, video surveillance recording equipment or any other contents within the fire proof safe or office area the management staff will accommodate their wishes and assist in gathering any information requested.

Location of Surveillance Equipment and Video Surveillance Records:

Yes No

Surveillance room or area is clearly defined on the premises diagram

☒☐

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

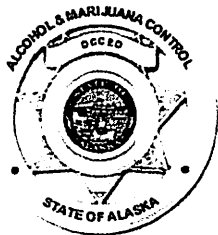
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Surveillance recording equipment access is limited to a marijuana establishment licensee or authorized employee, and to law enforcement personnel including an agent of the board

☒☐

Video surveillance records are stored off-site

☐☒



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Business Records (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. Applicants should be able to answer "Yes" to all items below.

Business Records Maintained and Kept on the Licensed Premises:

Yes No

All books and records necessary to fully account for each business transaction conducted under its license for the current year and three preceding calendar years; records for the last six months are maintained on the marijuana establishment's 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

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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

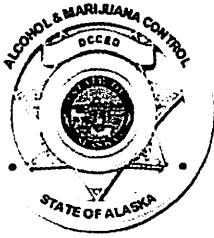
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Accurate and comprehensive inventory tracking records that account for all marijuana inventory activity from seed or immature plant stage until the retail marijuana or retail marijuana product is sold to a consumer, to another marijuana establishment,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

☒ ☐

Transportation records for marijuana and marijuana product as required under 3 AAC 306.750(f)

☒ ☐



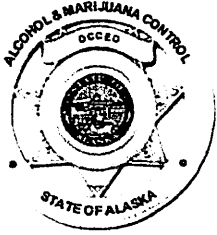
Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

A marijuana establishment is required to exercise due diligence in preserving and maintained all required records.

Describe how you will prevent records and data, including electronically maintained records, from being lost or destroyed:

Records including inventory, testing results, quality control and quality assurance, accurate and comprehensive inventory tracking data, bookkeeping for each business transaction, employee list, business and vendor contacts, advertising and marketing, diagrams of licensed premise, waste management, and visitor's log. Records will keep the above mentioned records on the licensed premise for the current year and three proceeding calender years. Records will secured in a water and fire proof safe in the secured office located in the restricted area. Records will be provided to the state marijuana control board for inspection no later than three business days after a written request as been made. After the proceeding three years records will be scanned records into electronic files and house them in a fire proof safe in the secured office located in the restricted area. Original records will not be permitted to leave the site for the current year and three proceeding years preventing any possibility of being lost or stolen.



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 3 – Inventory Tracking of All Marijuana and Marijuana Product

Review the requirements under 3 AAC 306.730, and identify how the proposed establishment will meet the listed requirements.

All licensed marijuana establishments must use a marijuana inventory tracking system capable of sharing information with the system the board implements 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 propagated from seed or cutting, through transfer to another licensed marijuana establishment, or use in manufacturing a product, to a completed sale of marijuana or marijuana product, or disposal of the harvest batch of marijuana or production lot of marijuana product.

Applicants should be able to answer "Yes" to all items below.

Marijuana Tracking and Weighing:

Yes No

A marijuana inventory tracking system, capable of sharing information with the system the board implements to ensure tracking for the reasons listed above, will be used

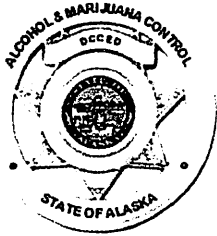
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All marijuana delivered to a marijuana establishment will be weighed on a scale certified in compliance with 3 AAC 306.745

☒☐

Describe the marijuana tracking system that you plan to use and how you will ensure that it is capable of sharing information with the system the board implements:

All marijuana plants will be in compliance with the state approved marijuana inventory tracking system, METRC by Franwell. METRC is a hosted, real-time system that uses serialized tags with barcode, human-readable and Radio Frequency identification (RFID) tags attached to every plant, and labels attached to wholesale packages to track marijuana inventory. Each tag will be attached to a plant when they reach 8 inches in height to facilitate tracking through different stages of growth, as well the drying and curing process. This system is the state recommended system and the system the Alaska Marijuana Control Board has contracted for its marijuana inventory tracking needs.



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 4 – Employee Qualification and Training

Review the requirements under 3 AAC 306.700, and identify how the proposed establishment will meet the listed requirements.

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, shall obtain a marijuana handler permit from the board before being licensed or beginning employment at a marijuana establishment.

Applicants should be able to answer “Yes” to all items below.

Marijuana Handler Permit:

Yes No

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

☒☐

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 premises of a retail marijuana store, marijuana cultivation facility, or marijuana product manufacturing facility) when on the licensed premises

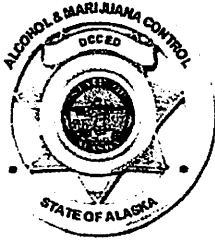
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Each licensee, employee, or agent who is required to have a marijuana handler permit shall ensure that that person's marijuana handler permit card is valid and has not expired

☒☐

Describe how your establishment will meet the requirements for employee qualifications and training:

Every applicant or agent must attend a marijuana handler course and show completion prior to hiring.
The marijuana handler permit number will be located on the employee's badge. A copies of all employee and agent handler permits will be kept locked in the office. Each employee will keep their handler permit on their person for inspection at any given time.



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 5 – Waste Disposal

Review the requirements under 3 AAC 306.740, and identify how the proposed establishment will meet the listed requirements.

Applicants should be able to answer “Yes” to the statement below.

Marijuana Waste Disposal:

Yes No

The marijuana establishment shall give the board at least 3 days notice in the marijuana inventory tracking system required under 3 AAC 306.730 before making the waste unusable and disposing of it

☒ ☐

Describe how you will store, manage, and dispose of any solid or liquid waste, including wastewater generated during marijuana cultivation, production, process, testing, or retail sales, in compliance with applicable federal, state, and local laws and regulations:

Marijuana plants will be grown in soil. Used soil will be mixed at a minimum ratio of 50:50 with ground up waste product, (roots, stocks, leaves, and stems that have not been processed with solvents). Product waste prior to grinding will be stored in an contained area (large tote with cover) within restricted area under video surveillance, and documented weight will be recorded in the inventory tracking system and will be kept on record in a water/fire proof safe in the locked office for the current year and 3 previous calendar years. 3 days prior to grinding waste product the Alaska Marijuana Control board will be notified before making the waste unusable and disposing of it by giving it local gardeners. A record of the final destination of marijuana waste made unusable will be kept in a water/fire proof safe in the locked office. Waste water as been approved by the local waste water authority to be disposed of through drains located within the facility. No special treatment deemed not necessary. Retail sales waste (paper and typical business waste) will disposed of in trash receptacles and transported to the local waste facility. Any sensitive waste will be first shredded prior to disposal in trash receptacles. Marijuana product waste will documented. Any expired edible marijuana or marijuana products will be disposed of by best means possible including grinding, mixing with other mediums such as used soil in order to make it unusable for human consumption. The waste will then be disposed of by taking it to the local waste department and disposed of.

Describe what material or materials you will mix with the ground marijuana waste to make it unusable:

Used soil from the same harvest that does not contain solvents



Alcohol and Marijuana Control Office

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Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Marijuana waste must be rendered unusable for any purpose for which it was grown or produced before it leaves the marijuana establishment. Describe the process or processes that you will use to make the marijuana plant waste unusable:

After the three business day wait all marijuana waste material (including, roots, stock, leaves, stem) will be ground up using a commercial wood grinder. End product will then be thoroughly mixed with used soil at a minimum ratio of 50:50. Local gardeners will be notified when mixture has been deemed ready use for growing or composing purposes.



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan**Section 6 – Transportation and Delivery of Marijuana and Marijuana Products**

Review the requirements under 3 AAC 306.750, and identify how the proposed establishment will meet the listed requirements.

Applicants should be able to answer "Yes" to all items below.

Marijuana Transportation:

Yes No

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

☒ ☐

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

☒ ☐

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

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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

☒ ☐

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

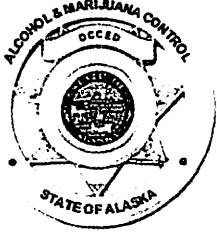
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When the marijuana establishment receives marijuana or marijuana product from another licensed marijuana establishment, the recipient of the shipment will use the marijuana inventory tracking system to report the type, amount, and weight of marijuana or marijuana product received

☒ ☐

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

☒ ☐



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Describe how marijuana or marijuana product will be prepared, packaged, and secured for shipment:

Marijuana and marijuana products will be stored in airtight glass jars located in a water/fire proof safe located in a secured office within the restricted area. Once an order has been made by a licensed manufacturing facility or licensed marijuana retail store, within the restricted area the products will be packaged in sealed child resistant packaging weighing no more than 5 pounds and containing a single strain or a mixture of strains as identified on the package. Each package will be identified by a tracking label generated for tracking. The packages will be placed in a secured locked tote. The tote will be sealed with a secure seal which must remain intact until opened at the receiving facility. A manifest including the type, amount and weight of marijuana or marijuana products, name of individual completing the transporting of marijuana and marijuana products, the time of departure and expected delivery, make model, and license plate number of the transporting vehicle will be recorded for business records and in the marijuana inventory tracking system. The transport manifest will remain with the marijuana at all times while being transported. The tote will remain in site of transporting licensed employee until secured inside the secure location of the transporting vehicle.

Describe the type of locked, safe, and secure storage compartments that will be used in any vehicles transporting marijuana or marijuana product:

The sealed and secured package containing marijuana products weighing no more than 5 pounds will be placed in a locked trunk of a licensed employee vehicle, or secured utility box with a lock in the back of a licensed employee truck. Once the product is placed in the vehicle, the vehicle can not be left unattended by that employee. The sealed and locked package will not be opened during transport. The vehicle transporting marijuana or marijuana products must travel directly from our facility to the licensed marijuana facility receiving the shipment. Accompanying transport manifest will be verified by the transport licensed individual and the receiving licensed facility, a signed receipt copy given to the receiving agent for their records.



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 7 – Signage and Advertising

Describe any signs that you intend to post on your establishment with your business name, including quantity and dimensions:

Outdoor sign: one sign above front entrances to the facility includes the company name Northern Lights Indoor Gardens.
Dimensions will not exceed 4800 square inches.
Sign at the entrance to the the parking area visible from the main roadway, Sawmill Creek Road will read Northern Lights Indoor Gardens.
No advertising of marijuana or marijuana products will be included in our signs.

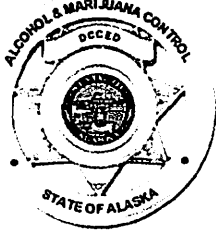
If you are not applying for a retail marijuana store license, you do not need to complete the rest of Section 7, including Page 17.

Restriction on advertising of marijuana and marijuana products (3 AAC 306.360):

All licensed retail marijuana stores must meet minimum standards for signage and advertising.

Applicants should be able to answer "Agree" to all items below.

No advertisement for marijuana or marijuana product will contain any statement or illustration that:	Agree	Disagree
Is false or misleading	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Promotes excessive consumption	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Represents that the use of marijuana has curative or therapeutic effects	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Depicts a person under the age of 21 consuming marijuana	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Includes an object or character, including a toy, a cartoon character, or any other depiction designed to appeal to a child or other person under the age of 21, that promotes consumption of marijuana	<input checked="" type="checkbox"/>	<input type="checkbox"/>



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

No advertisement for marijuana or marijuana product will be placed:

Agree Disagree

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

☒ ☐

On or in a public transit vehicle or public transit shelter

☒ ☐

On or in a publicly owned or operated property

☒ ☐

Within 1000 feet of a substance abuse or treatment facility

☒ ☐

On a campus for post-secondary education

☒ ☐

Signage and Promotional Materials:

Agree Disagree

I understand and agree to follow the limitations for signs under 3 AAC 306.360(a)

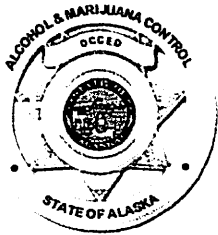
☒ ☐

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

☒ ☐

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

☒ ☐



Alaska Marijuana Control Board


Form MJ-01: Marijuana Establishment Operating Plan

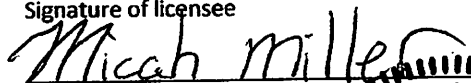
Section 8 – Control Plan for Persons Under the Age of 21

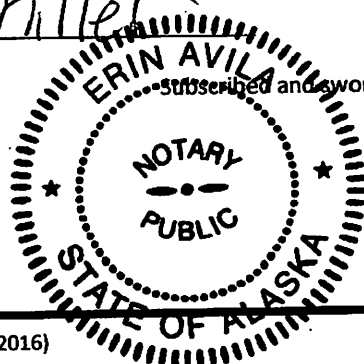
Describe how the marijuana establishment will prevent persons under the age of 21 from gaining access to any portion of the licensed premises and marijuana items:

Sign outside front entrance "No one under age of 21 years allowed". Valid government issued identification checked at the front entrance in the reception area of the business. All employee entrances will remained locked and under video surveillance at all times.


I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.


Signature of licensee

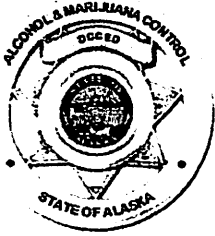

Printed name



Subscribed and sworn to before me this 9TH day of MAY, 2016.


Notary Public in and for the State of Alaska.

My commission expires: 05/21 2019



Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

marijuana.licensing@alaska.gov

<https://www.commerce.alaska.gov/web/amco>

Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

(Additional Space as Needed):



Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

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

What is this form?

This cover sheet **must** be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

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

Licensee:	Northern Lights Indoor Gardens, LLC	License Number:	10136		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	NORTHERN LIGHTS INDOOR GARDENS, LLC				
Physical Address:	1321 Sawmill Creek Road Suite O and P				
City:	Sitka	State:	AK	Zip Code:	99835
Designated Owner:	Micah Miller				
Email Address:	dalys@gci.net				

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items: 6 pages	Section MJ-02 Premises Diagrams
----------------------------	---------------------------------

OFFICE USE ONLY

Received Date:		Payment Submitted Y/N:		Transaction #:	
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Alaska Marijuana Control Board

Form MJ-02: Premises Diagram

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

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). Your diagram must show all entrances and boundaries of the premises, restricted access areas, and storage areas, and dimensions. For those applying for a limited marijuana cultivation license, the proposed area(s) for cultivation must be clearly delineated.

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, and submitted to any supplemental premises 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 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:	Micah Miller	License Number:	10136		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Northern Lights Indoor Gardens, LLC				
Premises Address:	1321 Sawmill Creek Road, Suite O and P				
City:	Sitka	State:	ALASKA	ZIP:	99835

1/12/2016



City & Borough of Sitka, Alaska

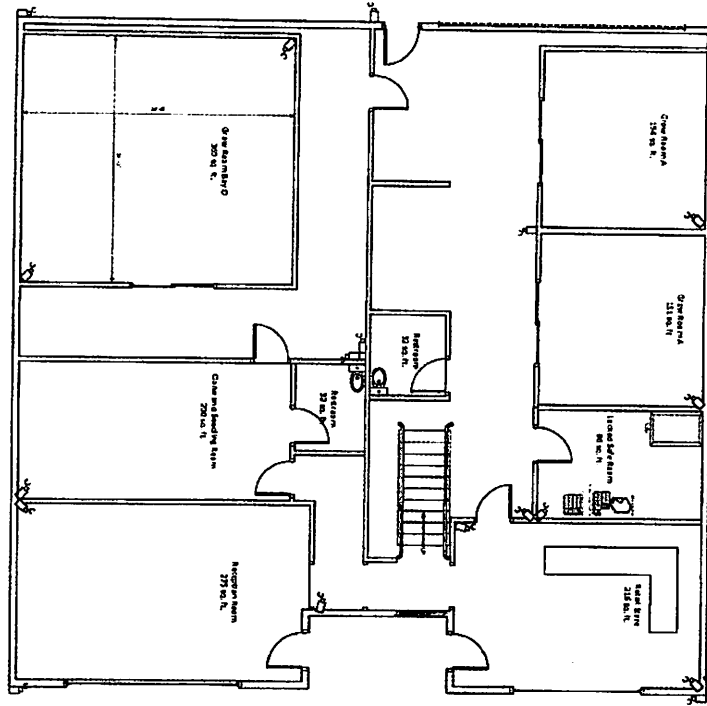
Selected Parcel: 1321 SAWMILL CREEK ID: 30450000

Printed on 1/12/2016 from <http://www.mainstreetmaps.com/ak/sitka/internal.asp>

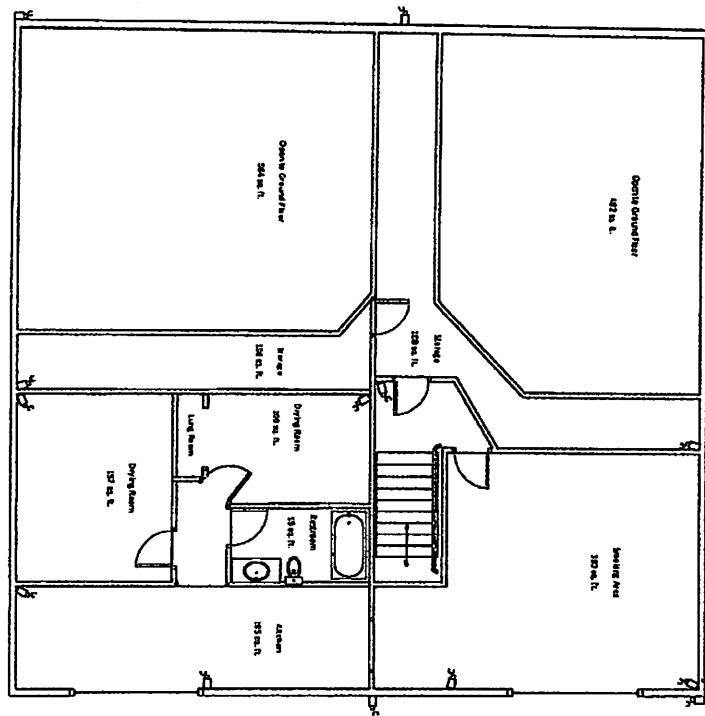


MainStreetGIS
MainStreetGIS, LLC
www.mainstreetgis.com

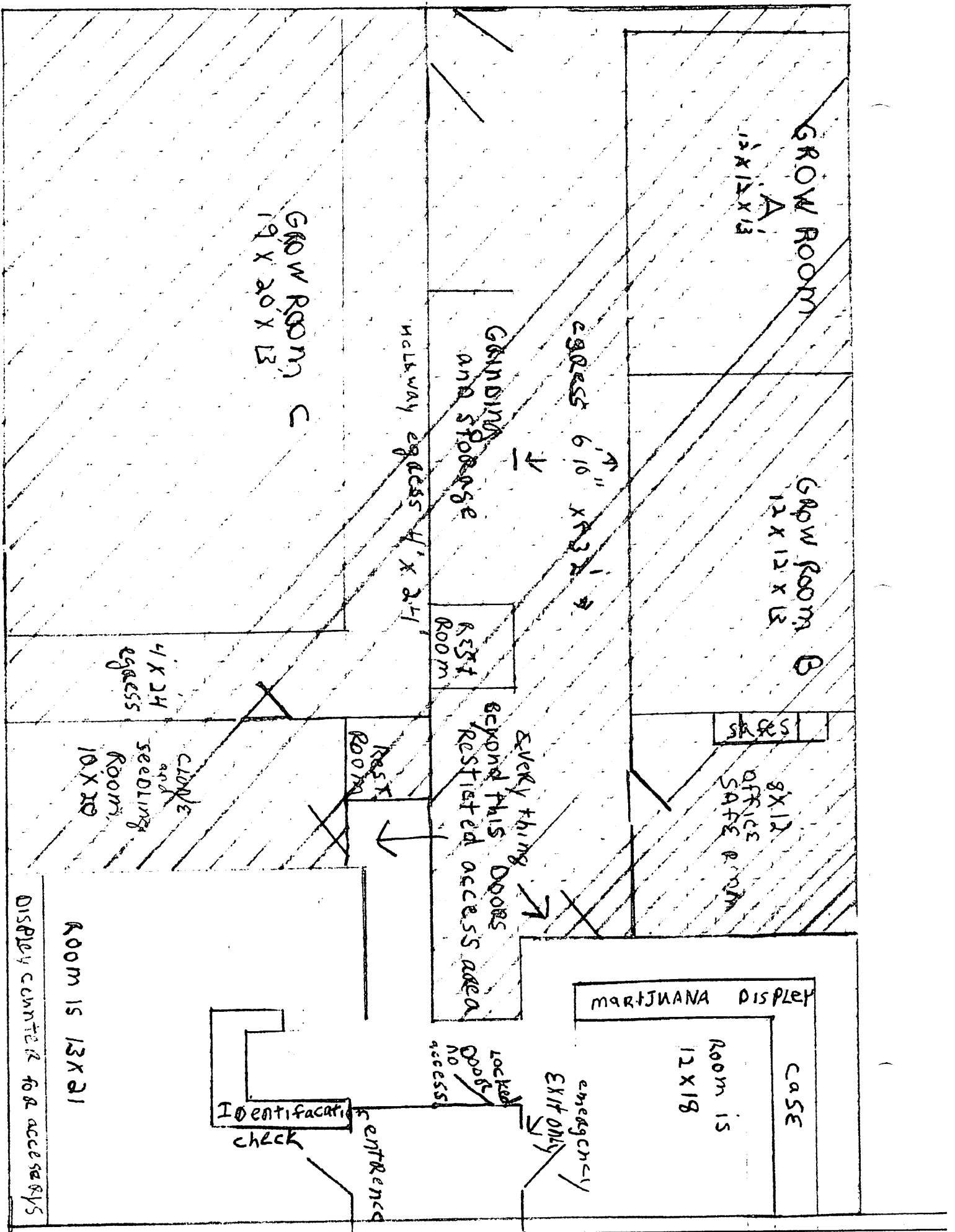
This map is for informational purposes only. It is not for appraisal of, description of, or conveyance of land. The City & Borough of Sitka, Alaska and MainStreetGIS, LLC assume no legal responsibility for the information contained herein.



1st Floor



2nd Store of
Business



NORTHERN LIGHTS WOODBOR GARDENS
SITKA

2nd Floor

Open
to 1st Floor

Balcony Storage 4x24

Open
to
First Floor

2nd Floor

Everything in Red
Restricted Area

Balcony
Storage
4x20

Storage

Room is 19x15

Storage

Window

Stairway

Drying Room A

Rest
Room

Room is 12x8

Room 15
9x25

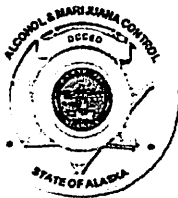
TRIM
AREA

Drying Room B

Room is 14x9

Window

Balcony
and
Storage
Vent
BOX
AREA
4x24



Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

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

What is this form?

This cover sheet must be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

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

Licensee:	Northern Lights Indoor Gardens, LLC	License Number:	10136
License Type:	Standard Marijuana Cultivation Facility		
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Physical Address:	1321 Sawmill Creek Road Suite O and P		
City:	sitka	State:	AK
Designated Owner:	Micah Miller		
Email Address:	dalys@gci.net		

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	MJ-04 Marijuana Cultivation Facility Total pages <u>8</u>
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OFFICE USE ONLY

Received Date:		Payment Submitted Y/N:		Transaction #:	
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Alaska Marijuana Control Board
**Operating Plan Supplemental
Form MJ-04: Marijuana Cultivation Facility**

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

What is this form?

This operating plan supplemental form is required for all applicants seeking a marijuana cultivation facility license and must accompany the **Marijuana Establishment Operating Plan (Form MJ-01)**, 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 those 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:

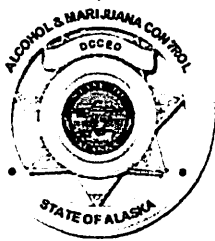
- Prohibitions
- Cultivation plan
- Odor control
- Testing procedure and protocols
- Security

This form must be submitted to AMCO's main office before any marijuana cultivation facility 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:	Micah Miller	License Number:	10136			
License Type:	Standard Marijuana Cultivation Facility					
Doing Business As:	Northern Lights Indoor Gardens, LLC					
Premises Address:	1321 Sawmill Creek Road, Suite O & P					
City:	Sitka	State:	ALASKA	ZIP:	99835	



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

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Section 2 – Prohibitions

Applicants should review 3 AAC 306.405 – 3 AAC 306.410 and be able to answer “Agree” to all items below.

The marijuana cultivation facility will not:

Agree Disagree

Sell, 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 its licenses premises or within 20 feet of the exterior of any building or outdoor cultivation facility

☒ ☐

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 3 – Cultivation Plan

Review the requirements under 3 AAC 306.420, and identify how the proposed premises will meet the listed requirements.

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:

We will have 3 different grow (cultivation) rooms, A,B,C. Grow rooms A an B are each 144 square feet, (12ft x 12ft inner diameter), one story, wall to wall canopy. Grow room C is 380 square feet, (19ft x 20ft inner diameter), one story, wall to wall canopy. Please reference drawings page 1 and 4 for illustrations.



Alaska Marijuana Control Board

Operating Plan Supplemental

Form MJ-04: Marijuana Cultivation Facility

Alcohol and Marijuana Control Office

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Phone: 907.269.0350

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

Only one growing medium will be used, soil. Brand of soil used is Roots Organics. Roots organics ingredients: Coco fiber, peat moss, perlite, pumice, premium worm castings, bat guano, kelp, fish bone meal, soy bean meal, feather meal, greensand, leonardite, and alfalfa meal.

Clones will be cultivated in a Ezclone machine which contains only water until they reach a proper size to be transplanted into the above mentioned soil.

Describe the marijuana cultivation facility's fertilizers, chemicals, gases, and delivery systems, including carbon dioxide management, to be used:

We will not use chemicals, gases, or CO2 in our cultivation facility. Fertilizers will be used according to the plant stage of life. Fertilizers to be used include:

Botanicare brands: Pure Blend Pro, Liquid Karma, Cal-mag

Canna brands: Terra Flores, Bio-Boost

Mad Farmer brand: Mother of all Blooms

Hydrozyme brand: Hydrozyme.

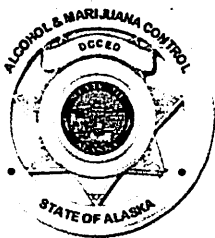
For pest control: If a crop becomes infested with any type of bug we may use an organic product such as Neem oil to rid the infestation. But most likely we would destroy the whole crop.

Mold and Mildew control: If mildew or molds occur we will burn sulfur as needed inside the grow rooms. If the mold or mildew problem is extensive within the grow room we will destroy the whole crop.

We do not use pesticides in our cultivation.

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

We will use a 700 gallon closed water tank heated with water heating element and air stones for oxygenation. A sump pump located in the 700 gallon tank will transfer water to a 50 gallon tank. We will mix the nutrients listed above in the 50 gallon tank. A sump pump located in the 50 gallon tank will have a hose and nozzle attached that is capable of reaching all three grow (cultivation) rooms. This hose will be used to water every plant. Waste water will be minimal. We have spoken and received permission from the local waste water management department to dispose of any waste water in our sewer system.



Alaska Marijuana Control Board

Operating Plan Supplemental

Form MJ-04: Marijuana Cultivation Facility

Alcohol and Marijuana Control Office

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Anchorage, AK 99501

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<https://www.commerce.alaska.gov/web/amco>

Phone: 907.269.0350

Describe the marijuana cultivation facility's waste disposal arrangements:

Once a product (roots, stems, leaves, stocks) have been deemed unusable we will store it in a contained area (large tote with cover) in the restricted area under surveillance cameras, and contact the state Marijuana Control Board regarding its destruction. Documented weight will be recorded in the inventory tracking system and be kept on record for 4 years. After three days past notification all product waste will be ground up using a commercial wood chipper. We will mix the ground waste product with used soil to a ratio no less than 50:50. We will store the soil mixture in a controlled area within the restricted area under surveillance cameras. We have spoken to the local gardening club and will give them the soil to be distributed in local gardens. Typical business waste will be disposed of in the municipality trash receptacle located outside the premises.

Section 4 – Odor Control

Review the requirements under 3 AAC 306.430, and identify how the proposed premises will meet the listed requirement.

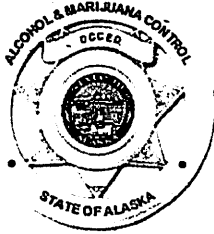
Describe the odor control method(s) to be used and how the marijuana cultivation facility will ensure that any marijuana at the facility does not emit an odor that is detectable by the public from outside the facility:

Each grow room (A,B,C) will be constructed airtight with in the already existing building. All grow rooms will have intake fans with carbon filters on them to scrub the air coming in. That air will circulate through the room before exiting through an outtake fan which has a carbon filter for scrubbing any odor.

Room C (the larger grow room) will have two separate outtake filters exiting the room to ensure no escaping odors. Room A and B (the small grow rooms) will have one outtake filter each exiting the rooms to ensure no escaping odors.

The drying rooms will have 3 separate carbon filters running through the rooms before exiting to ensure no escaping odor. Filtration for these areas are above recommendation.

All exhaust will go through the same exit at the top of the exterior back wall of the building. Filters may be added outside the airtight grow rooms as needed to scrub all air in the building for additional odor control.



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

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

Section 5 – Testing Procedure and Protocols

Review the requirements under 3 AAC 306.455 and 3 AAC 306.465, and identify how the proposed premises will meet the listed requirements.

Applicants should be able to answer "Agree" to the item below.

I understand and agree that:

Agree Disagree

The board will or the director shall 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

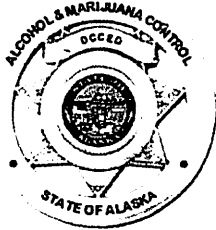
☒ ☐

Describe the testing procedure and protocols the marijuana cultivation facility will follow:

No product will be sold until testing is complete per state Marijuana Control Board regulation 3 AAC 306.455.

1. 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.
2. designate an individual responsible for collecting each sample; that individual shall:
 - a. prepare a signed statement showing that each sample has been randomly selected for testing.
 - b. provide the signed statement to the marijuana testing facility; and
 - c. maintain a copy as a business record for up to 4 years
3. transport the sample to the marijuana testing facility's licensed premises in compliance with 3 AAC 306.750

All samples will be located in a locked box and escorted with a manifest by the designated individual until it reaches the licensed testing facility. Until test results have returned, all product awaiting results will be stored in a airtight containers, locked in a fire/water proof safe in the locked office within the restricted area under video surveillance.



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

Alcohol and Marijuana Control Office
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marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Section 6 – Security

Review the requirements under 3 AAC 306.430 and 3 AAC 306.470 – 3 AAC 306.475, and identify how the proposed premises will meet the listed requirements.

Applicants should be able to answer “Agree” to the two items below.

The marijuana cultivation facility applicant has:

Agree Disagree

Read and understands and agrees to the packaging of marijuana requirements under 3 AAC 306.470

☒☐

Read and understands and agrees to the labeling of marijuana requirements under 3 AAC 306.475

☒☐

Restricted Access Area (3 AAC 306.430):

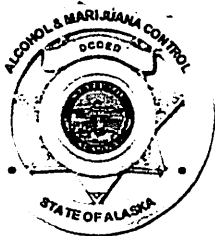
Yes

No

Will the marijuana cultivation facility include outdoor production?

☐☒

If “Yes”, describe the outdoor structure(s) or the expanse of open or clear ground fully enclosed by a physical barrier:



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

Alcohol and Marijuana Control Office
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Anchorage, AK 99501
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<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Describe the method(s) used to ensure that any marijuana at the marijuana cultivation facility cannot be observed by the public from outside the facility:

Restricted areas of the cultivation facility area not visible by the general public. Ground level windows to the reception area will be not be transparent from the outside. Entry ways leading to the restricted area containing marijuana will be locked at all times. Grow rooms within the restricted area are rooms inside the existing building and will be kept contained (doors shut) most of the time. Drying room doors in the restricted area will be kept closed. Waste area within the restricted area is a secured area with lid.

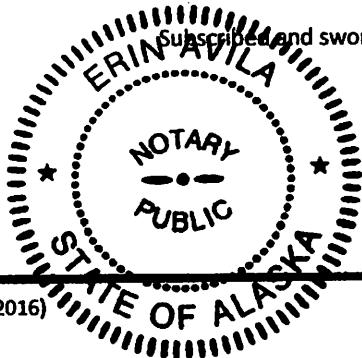
I certify that as a marijuana cultivation facility, I will submit monthly reports to the Department of Revenue and pay the excise tax required under AS 43.61.010 and 43.61.020 on all marijuana sold or provided as a sample to a marijuana establishment, as required under 3 AAC 306.480.

I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.

Signature of licensee

Micah Miller

Printed name



Subscribed and sworn to before me this 4th day of MAY, 2016.

Notary Public in and for the State of Alaska.

My commission expires: 05/12/2019



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

Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

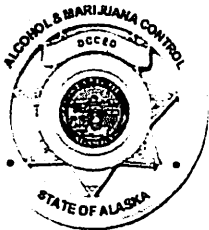
Anchorage, AK 99501

marijuana.licensing@alaska.gov

<https://www.commerce.alaska.gov/web/amco>

Phone: 907.269.0350

(Additional Space as Needed):



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 new marijuana establishment license application, an applicant must give notice of the application to the public by posting a copy of the application (produced by the board's application website) 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 submitted to AMCO's main office 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:	Micah Miller	License Number:	10136		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Northern Lights Indoor Gardens, LLC				
Premises Address:	1321 Sawmill Creek Road Suite O & P				
City:	Sitka	State:	ALASKA	ZIP:	99835

Section 2 – Certification


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

Start Date: 03-01-2016

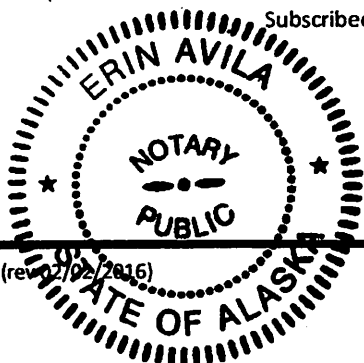
End Date: 03-11-2016

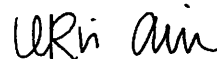
Other conspicuous location: Market Center 210 Baranof St., Sitka, AK 99835

I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.


Signature of licensee

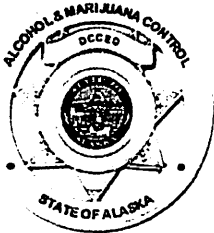
Subscribed and sworn to before me this 11th day of MAY, 2016.





Notary Public in and for the State of Alaska.

My commission expires: 06/12/2019



Alaska Marijuana Control Board

Form MJ-08: Local Government Notice Affidavit

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

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 new marijuana establishment license application, an applicant must give notice of the application to the public by submitting a copy of the application (produced by the board's application website) to the local government and any community council in the area of the proposed licensed premises.

This form must be submitted to AMCO's main office 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:	Micah Miller	License Number:	10136		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Northern Lights Indoor Gardens, LLC				
Premises Address:	1321 Sawmill Creek Road, Suite O & P				
City:	Sitka	State:	ALASKA	ZIP:	99835

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 and community council (if applicable):

Local Government: City of Sitka Planning Commission

Date Submitted: 05-02-2016

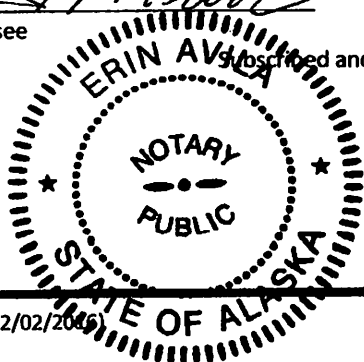
Community Council: _____
(Municipality of Anchorage and Matanuska-Susitna Borough only)

Date Submitted: _____

I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.

Signature of licensee

Subscribed and sworn to before me this 4TH day of MAY, 20 16.



Notary Public in and for the State of Alaska.

My commission expires: 05/12/2019



Alaska Marijuana Control Board

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Cover Sheet for Marijuana Establishment Applications

What is this form?

This cover sheet must be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

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

Licensee:	Northern Lights-Indoor Gardens, LLC	License Number:	10136		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	NORTHERN LIGHTS INDOOR GARDENS, LLC				
Physical Address:	1321 Sawmill Creek Road Suite O and P				
City:	Sitka	State:	AK	Zip Code:	99835
Designated Owner:	Micah Miller				
Email Address:	dalys@gci.net				

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	6	Form MJ-09 Statement of Financial Interest Micah Miller 2 pages Mike Daly 2 pages Lorraine Daly 2 pages
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OFFICE USE ONLY

Received Date:		Payment Submitted Y/N:		Transaction #:	
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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

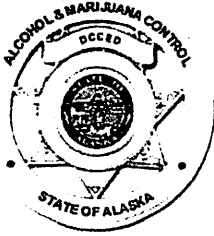
Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	Micah Miller	License Number:	10136		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Northern Lights Indoor Gardens, LLC				
Premises Address:	1321 Sawmill Creek Road, Suite O & P				
City:	Sitka	State:	ALASKA	ZIP:	99835

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Micah Miller
Title:	Owner
SSN:	[REDACTED]



Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest

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

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.

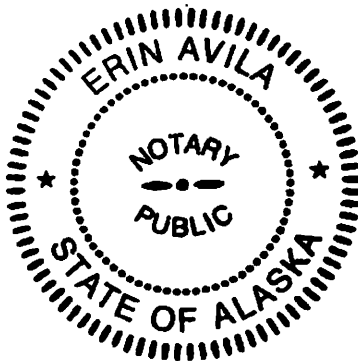
I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.

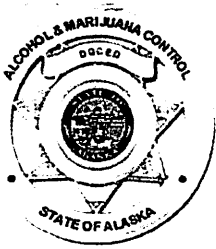
Signature of licensee/affiliate

Subscribed and sworn to before me this 4th day of MAY, 2016.

Notary Public in and for the State of Alaska.

My commission expires: 05/12/2019





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

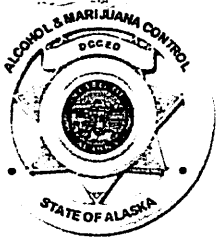
Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	Micah Miller	License Number:	10136		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Northern Lights Indoor Gardens, LLC				
Premises Address:	1321 Sawmill Creek Road, Suite O & P				
City:	Sitka	State:	ALASKA	ZIP:	99835

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Mike Daly				
Title:	Owner				
SSN:	[REDACTED]				



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

Alaska Marijuana Control Board

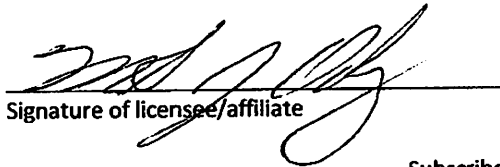
Form MJ-09: Statement of Financial Interest

Section 3 – Certifications

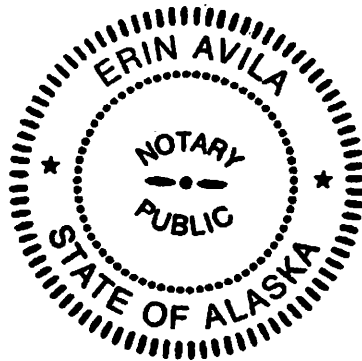
I certify that no person other than a proposed licensee listed on my marijuana establishment license application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which a marijuana establishment license is being applied for.

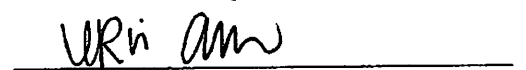
I further certify that any ownership change shall be reported to the board as required under 3 AAC 306.040.

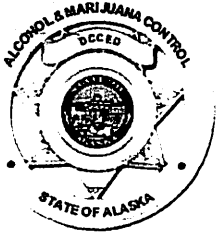
I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.


Signature of licensee/affiliate

Subscribed and sworn to before me this 4TH day of MAY, 20 16.




Notary Public in and for the State of Alaska.
My commission expires: 05/12/2019



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

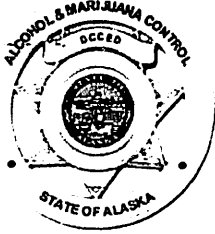
Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	Micah Miller	License Number:	10136		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Northern Lights Indoor Gardens, LLC				
Premises Address:	1321 Sawmill Creek Road, Suite O & P				
City:	Sitka	State:	ALASKA	ZIP:	99835

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Lorraine Daly
Title:	Affiliate
SSN:	[REDACTED]



Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest

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

Section 3 – Certifications

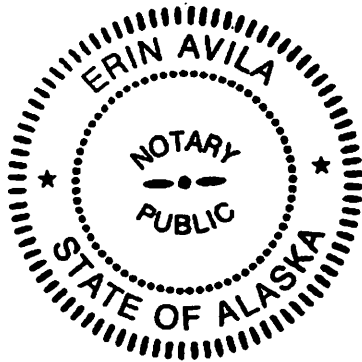
I certify that no person other than a proposed licensee listed on my marijuana establishment license application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which a marijuana establishment license is being applied for.

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

I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.

[Signature]
Signature of licensee/affiliate

Subscribed and sworn to before me this 4TH day of MAY, 2016.



[Signature]

Notary Public in and for the State of Alaska.

My commission expires: 05/12/2019

Alcohol & Marijuana Control Office

License #10136

Initiating License Application

3/1/2016 10:13:14 AM

License Number: 10136

License Status: New

License Type: Standard Marijuana Cultivation Facility

Doing Business As: NORTHERN LIGHTS INDOOR GARDENS, LLC

Business License Number: 1019601

Designated Owner: Micah Miller

Email Address: dalys@gci.net

Latitude, Longitude: 57.290940, -135.183000

Physical Address: 1321 Sawmill Creek Road Suite O and P
sitka, AK 99835
UNITED STATES

Owner #1

Owner Type: Entity

Alaska Entity Number: 10028235

Alaska Entity Name: Northern Lights Indoor Gardens,
LLC

Phone Number: 907-738-4890

Email Address: dalys@gci.net

Mailing Address: 501 charteris Street
sitka, AK 99835
UNITED STATES

Affiliate #1

Owner Type: Individual

Name: Micah Miller

SSN: [REDACTED]

Date of Birth: 11/13/1985

Phone Number: 9077384890

Email Address: illermiller@hotmail.com

Mailing Address: 201 Nicole Dr.
Sitka, AK 99835
UNITED STATES

Affiliate #2

Owner Type: Individual

Name: Michael Daly

SSN: [REDACTED]

Date of Birth: 10/15/1965

Phone Number: 907-747-5858

Email Address: dalys@gci.net

Mailing Address: 501 Charteris Street
Sitka, AK 99835
UNITED STATES

Affiliate #3

Owner Type: Individual

Name: Lorraine Daly

SSN: [REDACTED]

Date of Birth: 12/24/1966

Phone Number: 9077475858

Email Address: dalys@gci.net

Mailing Address: 501 Charteris Street
Sitka, AK 99835
UNITED STATES

COMMERCIAL LEASE AGREEMENT

**Eagle Bay Inn LLC
1321 Sawmill Creek Road Suite C
Sitka Alaska 99835**

This Lease is made this 1st day of May, 2016 by and between Eagle Bay Inn LLC and Mike Daly, Northern Lights Indoor Gardens LLC. In consideration for the mutual promises and covenants contained herein, and for other good and valuable consideration, the parties hereby agree as follows:

Eagle Bay Inn LLC leases to Mike Daly, Northern Lights Indoor Gardens LLC rents from the Landlord the following described premises: O & P Bays. Eagle Bay Inn LLC understands that this is going to be a marijuana growing business distributions and retail store.

The term of the Lease shall be for 3-year commencing 5/01/2016 and ending 5/01/2019.

Mike Daly, Northern Lights Indoor Gardens LLC shall pay to Eagle Bay Inn LLC as rent \$22,500.00 per year in equal monthly installments of \$1,875.00 payable in advance in 30 days.

Mike Daly, Northern Lights Indoor Gardens LLC shall use and occupy the premises only as a business; this is subject at all times to the approval of Eagle Bay Inn LLC.

Mike Daly, Northern Lights Indoor Gardens LLC shall not make any alterations, additions or improvements to the premises without the prior written consent of Eagle Bay Inn LLC. Eagle Bay Inn LLC, does not furnish the utilities or amenities for the benefit of Mike Daly, Northern Lights. Mike Daly, Northern Lights Indoor Gardens LLC, at his own expense shall furnish all utilities.

Mike Daly, Northern Lights Indoor Gardens LLC shall purchase at his own expense public liability insurance in the amount of one million dollars as well as fire and hazard insurance in the amount of one million dollars, or have it in the business insurance policy, for the premises and shall provide satisfactory evidence thereof to the Landlord and shall continue same in force and effect throughout the Lease term hereof.

Mike Daly, Northern Lights Indoor Gardens LLC, shall not permit or commit waste to the premises. Mike Daly, Northern Lights Indoor Gardens LLC is responsible for snow and ice removal at the back and front of the business entrances. Snow removal of the parking lot is provided and during heavy snow, tenant will comply with all parking and removing vehicles as needed.

Mike Daly, Northern Lights Indoor Gardens LLC shall comply with all rules, regulations, ordinances codes and laws of all Eagle Bay Inn LLC members. The members are: Dan Kelly and JoAnn Daly.

Mike Daly, Northern Lights Indoor Gardens LLC shall not permit or engage in any activity that will affect an increase in the rate of insurance for the Building in which the premises is now

contained nor shall Mike Daly, Northern Lights Indoor Gardens LLC permit or commit any nuisance thereon.

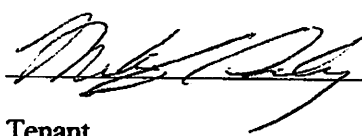
Mike Daly, Northern Lights Indoor Gardens LLC shall not sublet or assign the premises nor allow any other person or business to use or occupy the premises without the prior written consent of Eagle Bay Inn LLC.

At the end of the term of this Lease, Mike Daly, Northern Lights Indoor Gardens LLC shall surrender and deliver up the premises in the same condition (subject to any additions, alterations or improvements, if any) as presently exists, reasonable wear and tear excluded.

Upon default in any term or condition of this Lease, Eagle Bay Inn LLC shall have the right to undertake any or all other remedies permitted by Law.

This Lease shall be binding upon, and insure to the benefit of, the parties, their heirs, successors, and assigns. Eagle Bay Inn LLC agrees to give Mike Daly, Northern Lights Indoor Gardens LLC first option when renewing his lease on March 1, 2016.

Signed this ___ 1st ___ day of ___ May ___ (Month) ___ 2016 ___ (Year).



Tenant

Mike Daly

Northern Lights Indoors Gardens LLC



Eagle Bay Inn LLC

Vicki Brown

Manager

Eagle Bay Inn LLC

1321 Sawmill Creek Road


Sitka, Alaska 99835

December 2, 2013

To Whom It May Concern

Vicki Brown is hereby authorized and empowered by Eagle Bay Inn LLC to pursue any and all litigation which concerns Eagle Bay Inn and Sawmill Creek Business Center.

Thank you,



Jo Ann Daly

Managing Member

504-434-8154

Affidavit of Publication

STATE OF ALASKA
FIRST JUDICIAL DISTRICT) ss.
AT SITKA, ALASKA

Travis Smith, being first sworn, says she or he
is the publisher, managing editor or business manager of the DAILY SITKA
SENTINEL, a newspaper printed and published in Sitka, Alaska, and le-
gally qualified as a medium of official and legal publications, and that the
Legal Notice a copy of

which is hereto annexed, was published in the Daily Sitka Sentinel on:

3/1 , 3/8 , 3/15 ,
_____, _____, _____,
_____, _____, _____,
_____, _____, _____,

Signature _____

Sworn and subscribed to

me this 16 day of March, 20 16

Notary Public for Alaska

Amabel F. Poulson

My commission expires

_____, 20 _____

STATE OF ALASKA

NOTARY PUBLIC

AMABEL F. POULSON

My Commission Expires

1-15-18



LEGAL NOTICE

Northern Lights Indoor Gardens, LLC is applying for a new Standard Marijuana Cultivation Facility License 3 AAC 306.400(1), doing business as NORTHERN LIGHTS INDOOR GARDENS, LLC located at 1321 Sawmill Creek Road, Suite O and P, Sitka, AK, 99835, UNITED STATES.

Interested persons should submit written comment or objection to their local government, the applicant, and to the Alcohol & Marijuana Control Office at 550 W 7th Ave, Suite 1600, Anchorage, AK 99501.

Published: March 1, March 8, March 15, 2016



Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

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

What is this form?

This cover sheet must be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

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

Licensee:	Northern Lights Indoor Gardens, LLC	License Number:	10136
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	NORTHERN LIGHTS INDOOR GARDENS, LLC		
Physical Address:	1321 Sawmill Creek Road Suite O and P		
City:	Sitka	State:	AK
		Zip Code:	99835
Designated Owner:	Micah Miller		
Email Address:	dalys@gci.net		

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	
2	revised diagram upstairs of premises Explanation letter regarding questioned area

OFFICE USE ONLY

Received Date:		Payment Submitted Y/N:		Transaction #:	
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May 24' 2016

**Northern Lights Indoor Gardens, LLC
1321 Sawmill Creek Rd. Suite O & P
Sitka, AK 99835**

**Alcohol & Marijuana Control Office
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501**

Re: Standard Marijuana Cultivation Facility License Application #10136

MJ-02 Premises Diagram response:

In our diagram we included a possible designated marijuana smoking area for our initiated license 10138 Retail Marijuana Facility which will be located at front end of the same site. This area will be used for storage until the state determines the regulations regarding at site smoking and we submit our application for license 10138. At this time the area marked as "designated smoking area" will not be used for tobacco or any other smoking and will serve as a storage area only. We apologize for the confusion and hope this explanation is acceptable.

Thank you,

**Mike Daly
Northern Lights Indoor Gardens**

NORTHERN LIGHTS WOODOR GARDENS
SITKA

2nd Floor

Open to 1st Floor

2nd Floor

4x24

BALCONY STORAGE

Open to First Floor

4x24

Balcony and Storage and Vent BOX AREA

Everything in Red Restricted Area

BALCONY STORAGE

4x20

Possible DESIGNATED SMOKING AREA For license 10138

Room is 19x15

Storage

Window

Stairway

Drying Room A REST ROOM

Room is 12x8

Room 15 9x25

TRIM AREA

Window

Drying Room B

Room is 14x9



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-06S Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 2/16/2016 In control: City and Borough Assembly

On agenda: 2/23/2016 Final action:

Title: Renaming and amending Chapter 4.40 of the Sitka General Code, "Uncollectable Accounts and Bad Debt Write-Offs" and amending Sections 4.40.010 "Definitions", 4.40.020 "Policies", and 4.40.030 "Records and Reporting" and adding Sections 4.40.040 "Write-Off of Uncollectable Accounts", 4.40.050 "Utility Debts Remain with Real Property", and 4.40.060 "Authority to Offset"

Sponsors:

Indexes:

Code sections:

Attachments: [Ord 2016-06S.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-06S on
first reading.

Memo

Thru: Mark Gorman, Municipal Administrator

To: City and Borough of Sitka Assembly

From: Jay Sweeney, Chief Financial and Administrative Officer



Date: June 22, 2016

Re: Credit and Collection Policy

Mayor McConnell and Assembly Members,

Issue: The Sitka General Code (SGC or "Code") does not presently contain a comprehensive credit and collection policy applicable to all aspects of the Municipality; bits and pieces of such policy are scattered through Titles 4, 13 and 15 of the Code. As a result, there is no comprehensive set of policies which set forth how the Municipality extends credit to its customers, how and when such credit is revoked, and how and when the Municipality will seek to collect past due amounts from its customers. The attached credit and collection policy, presented to you in the form of an ordinance, seeks to remedy the problem by establishing a comprehensive set of regulations.

Background:

The lack of a comprehensive Municipal credit and collections policy has been a long-standing problem which has manifested itself in inefficient operations; inconsistent procedures; and staff, Assembly, and citizen frustration with the inability of the Municipality to prudently manage its fiscal operations.

As a general business policy, the Municipality extends credit to all of its customers. While not apparent, this is intuitive; in almost every sense, the Municipality provides a service, then bills the customer for the service. The provision of services before payment, based on the customer's commitment to eventual payment, is the act of extending credit. If credit is not extended, then business is conducted on a cash basis wherein payment is tendered before goods or services are provided or sold.

Most organizations which extend credit to their customers have some type of official credit policy. Such a policy usually specifies when and how credit will be granted, how much credit will be granted, normal trade terms under which customers are expected to remit payment in full for goods or services sold on credit, circumstances under which credit may be revoked, what transpires when credit is revoked, and how revoked credit may be restored. The Municipality has no such comprehensive credit policy. The closest the Municipality comes is in the Electric Utility Policies contained in SGC 15.01.030.

In addition, most credit policies either contain procedures pertaining to collections of past due amounts, or, exist in tandem with a separate collection policy. Collection policies detail when and how past due balances owed by customers are subject to various collection procedures. Such policies often detail exactly when past due balances are turned over to collection agencies; the levying of fees for collection efforts, and the reporting of delinquencies to credit bureaus. Collection policies are usually tied closely to collection policies, as a normal collection tool is the revocation of credit. Again, this makes intuitive sense, as it is fiscally imprudent to continue to advance credit to a customer who can't pay. Again, the Municipality has no such comprehensive collections policy. The closest the Municipality comes is, again, in the Electric Utility Policies contained in SGC 15.01.030, and, in Title 4 of the SGC, Chapters 4.35 and 4.40.

Ramifications:

As a result of not having a comprehensive credit and collections policy, the Municipality operates inefficiently and inconsistently. Credit is often extended to customers in one respect who have past due accounts owed to the Municipality in another respect. Collection efforts have been piecemeal, with different staff elements of the Municipality having responsibility during different parts of the collections process.

Efforts by the Municipality to collect large debts owed have been hampered by the lack of procedures which would allow for both rapid collection efforts, and, the ability to limit the degree to which a customer or business could build up past due balances owed the Municipality.

Finally, efforts to manage credit and collections has been hampered by the absence of defining law in the Code which would serve as the underlying legal basis for actions the Municipality might seek to take. More defining policy is needed.

Recommendations And Proposed Actions:

The issue of Municipal credit and collections is complex. We are breaking new ground with our recommendations for establishing a comprehensive credit and collections policy. Thus, staff anticipates that development and implementation of an effective, comprehensive credit and collections policy will be an evolutionary process. The proposed policy is a starting point. We anticipate that much public debate will take place over our recommendations.

The attached credit and collections policy has the following key elements:

- 1) It is comprehensive, in that it defines each customer's over-arching credit relationship with the Municipality as a whole. It moves away from the concept of a customer having separate credit with various elements of the Municipality, such as utilities, harbors, and general government.
- 2) It firmly establishes that all citizens and customers are granted credit, in that the Municipality will bill them for goods and services after providing them. Such credit can be revoked upon approval of the Administrator, however, placing customers and citizens without credit on a cash-only basis.
- 3) It establishes what happens when credit is revoked, and, what actions a citizen or customer must take to restore credit.
- 4) It streamlines and clarifies the collections process, specifying at what point past due balances are turned over to collection services.

- 5) It ties the concepts of extension of credit and collections together, in that credit may be formally revoked at the point in time in which past due balances are turned over to external collection agencies.
- 6) The policy was written in a comprehensive, organized fashion, anticipating that some provisions under consideration might be added later. For this reason, some sections of the Code which are under consideration but not ready for adoption at this time are Reserved.

Summary: A comprehensive credit and collections policy is badly needed by the Municipality, in order to improve its fiscal management. Existing policies are piecemeal and fragmented. Credit and collections are complex topics, however, and development of an effective credit and collections process will be an evolutionary process. Passage of the attached ordinance, containing the initial proposed credit and collections policy for the Municipality would be an important first step.

New Business First Reading

- E [ORD 16-06](#) Renaming and amending Chapter 4.40 of the Sitka General Code, "Uncollectable Accounts and Bad Debt Write-Offs" and amending Sections 4.40.010 "Definitions", 4.40.020 "Policies", and 4.40.030 "Records and Reporting" and adding Sections 4.40.040 "Write-Off of Uncollectable Accounts", 4.40.050 "Utility Debts Remain with Real Property", and 4.40.060 "Authority to Offset"
- Ordinance 2016-06 was introduced on first reading and after discussion the Assembly felt the ordinance may need to be reworked and moved to postpone the ordinance. After realizing that if they postponed the ordinance, they would not be able to rework it from its original state they voted down the motion to postpone; simultaneously they withdrew their original motion to pass on first reading. Therefore, if the ordinance as written, comes back, it would be considered first introduction/reading. From conversations at the table an alternate ordinance may be brought forward in its place. It was also expressed that while this ordinance deserved discussion it should occur after a utility subsidization ordinance had been explored.

Additional New Business Items

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-06S

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA RENAMING AND AMENDING CHAPTER 4.40 OF THE SITKA GENERAL CODE, "UNCOLLECTABLE ACCOUNTS AND BAD DEBT WRITE-OFFS", AND AMENDING SECTIONS 4.40.010 "DEFINITIONS", 4.40.020 "POLICIES", AND 4.40.030 "RECORDS AND REPORTING" AND ADDING SECTIONS 4.40.040 "WRITE-OFF OF UNCOLLECTABLE ACCOUNTS", 4.40.050 "UTILITY DEBTS REMAIN WITH REAL PROPERTY", AND 4.40.060 "AUTHORITY TO OFFSET"

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.
2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person or circumstances shall not be affected thereby.
3. **PURPOSE.** The purposes of this ordinance are to rename and expand Chapter 4.40 of the Sitka General Code into a Municipal Credit and Collections Policy, which will include and revise existing Municipal uncollectable accounts and bad debt write-off procedures; authorize the Municipality to offset past due debts owed to the Municipality against future payments to be made; and to establish a framework for additional credit and collection policy guidelines.
4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby revises Chapter 4.40 of the Sitka General Code as set out below (new language underlined; deleted language stricken):

Chapter 4.40

UNCOLLECTABLE ACCOUNTS AND BAD DEBT WRITE-OFFS
MUNICIPAL CREDIT AND COLLECTIONS POLICY

* * *

Sections:

- 4.40.010 Definitions
- 4.40.020 ~~Policies~~ Municipal Credit Policy
- 4.40.030 ~~Records and Reporting~~ Municipal Collections Policy
- 4.40.040 Write-off of Uncollectable Accounts
- 4.40.050 Utility Debts Remain With Real Property
- 4.40.060 Authority to Offset

4.40.010 Definitions

A. ~~“Bad debt”~~ Uncollectable Accounts refers to any account or debt owed the Municipality which has become overdue by more than ~~one hundred twenty~~ ninety days.

B. “Collection” means any action taken by the Municipality to attempt to collect a debt or account which is overdue.

C. “Credit” means the extension of any services by the Municipality to any person or entity for which a charge or fee is levied, and, for which the charge or service is provided in advance of payment.

~~B D.~~ “Cash Only Basis” means that any goods or services provided to a citizen must be prepaid, either by credit card or by placing cash on accounts in advance of billing.

E. “Debt” means any sum of money which a citizen of the city and borough, or customer of the city and borough Municipality in some capacity, is legally obligated to pay to the city and borough for any purpose.

~~C F.~~ “Overdue” refers to any debt owed to the city and borough of Sitka which has not been paid within thirty days of the date the payment was due. As an exception, debts owed for utility services consumed are considered overdue fifteen days after the date the payment was due. “Good Standing” shall mean that any citizen, business, or other entity doing business with the City and Borough does not have an account which is overdue.

G. “Overdue” refers to any debt owed to the city and borough of Sitka which has not been paid within thirty days of the date the payment was due. As an exception, debts owed for utility services consumed are considered overdue fifteen days after the date the payment was due.

H. “Write Off” refers to any debt for which collection action is no longer pursued.

4.40.020 Policies Municipal Credit Policy

A. ~~Bad debts are to be accounted for by the city and borough of Sitka finance department until collected or permanently written off.~~ The City and Borough of Sitka shall, as a basic policy, provide goods and services to its citizens in advance of payment, and, bill citizens for amounts owed.

87 B. ~~The finance department will take ongoing aggressive action to collect all debts owed~~
88 ~~to the municipality which are not otherwise written off under the provisions of this~~
89 ~~chapter. These actions may include, but are not limited to, turning over of delinquent~~
90 ~~accounts to a collection agency for collection; filing of negative credit reports with credit~~
91 ~~bureaus; and, filing cases with the state of Alaska Small Claims Court. If a citizen,~~
92 ~~business, or other entity has an unpaid bill which is more than 120 days old, and, is~~
93 ~~therefore has an overdue debt, the City and Borough of Sitka may require all future all~~
94 ~~business interactions between a citizen, business, or other entity will be henceforth~~
95 ~~conducted on a cash-only basis until credit is restored. Any determination to place a~~
96 ~~citizen, business or entity on a cash-only basis must be approved by the Administrator.~~
97 For purposes of municipal utilities and moorage, accounts will be required to be prepaid.
98

99 C. ~~Bad debts over one hundred twenty days old which are under a cumulative amount of~~
100 ~~one hundred dollars per customer may be written off immediately upon approval of the~~
101 ~~finance director, if they are deemed not to be cost efficient to attempt to collect on. Once~~
102 ~~revoked, credit may be restored by returning to good standing. Good standing would be~~
103 ~~achieved by both resolving all overdue accounts, and, by written application to the~~
104 ~~Municipality. The Municipality may, at its discretion, require a deposit as a condition of~~
105 restoring credit.
106

107 * * *

108 **4.40.030 Records and reporting Municipal Collections Policy**

109 A. ~~The City and Borough of Sitka finance department shall keep records of all bad debts~~
110 ~~which have been permanently written off for a period of three years after the year of the~~
111 ~~write-off shall take lawful actions to collect all debts owed to the Municipality which~~
112 ~~have become overdue.~~
113

114 B. ~~The administrator will submit a report to the assembly, on an annual basis within the~~
115 ~~first month of the new fiscal year, of all bad debts written off under the provisions of this~~
116 ~~chapter for the prior fiscal year. The City and Borough of Sitka shall employ progressive~~
117 ~~steps to attempt to collect debts owed to the Municipality. These progressive steps shall~~
118 may include the following:
119

120
121 1. Mailing of a collection dunning letter to the last known valid address of the
122 debtor;
123

124 2. Mailing and physical posting of a utility disconnection notice for failure to
125 resolve any debt owed the Municipality;

3. Physical disconnection of utilities for failure to resolve any debt owed the Municipality;

4. Forwarding of overdue accounts to a collection agency for further collection attempts;

5. Publication on the Municipal website and/or in a local newspaper of the names of residents, businesses and other entities who meet all of the following criteria: (1) have a debt or debts owed to the Municipality which are overdue; (2) to whom a collection/dunning letter has been written; and (3) who has not entered into a payment plan with the Municipality

6. Revocation of all credit by revoking the good standing an individual, business or other entity and placing such an entity on a cash-only basis.

7. Filing of a civil suit in the appropriate legal jurisdiction for both a judgment of indebtedness and a writ of execution.

8. Employment of process servers to execute writs of judgment, taking all appropriate actions afforded by law to include till taps, bank account sweeps, and seizure of other collateral.

9. Filing of foreclosure lawsuits against all real property against which a deed of trust is held.

C. The City and Borough of Sitka may, at its discretion, add collection costs to any overdue balance. As a matter of policy, collection costs will be added to all accounts turned over to a collection agency for further collection attempts.

D. The Administrator shall have the authority to approve payment plans for overdue balances owed the Municipality. This authority may be delegated. This authority shall include the ability to establish repayment terms. The following criteria shall be applicable to all payment plans:

1. A citizen, business, or entity may have only one active repayment plan at any time. Consolidation of multiple debts into repayment plans may occur at the discretion of the Administrator.

2. Any payment plan shall be for past due balances only and shall contain a provision that all new balances must be paid in full in addition to required payment per the plan.

3. Unless unusual circumstances are present, no payment plan shall have a repayment term exceeding 12 months.

4. For any payment plan exceeding \$5,000, the Municipality shall, as a matter of course, require the debtor to agree to a lien on real property owned by the debtor as a condition; agree to a Confession of Judgment; and, agree to having reasonable legal fees added to any judgment obtained by the Municipality.

5. Any uncured default on a payment plan shall constitute a reason for revocation of good standing and allow the Municipality, at its discretion, to place the debtor on a cash-only basis.

4.40.040 Write-Off of Uncollectable Accounts.

A. Unpaid debts for which more than 120 days has elapsed since the date of the bill or invoice, and which are under a cumulative amount of two hundred dollars per customer, may be written off immediately upon approval of the Finance Director, if they are deemed not to be cost efficient to attempt to collect on.

B. Unpaid debts for which more than 120 days has elapsed since the date of the bill or invoice, and which are under a cumulative amount of one thousand dollars per customer, may be written off immediately upon approval of the Administrator, if they are deemed not to be cost efficient to attempt to collect on.

C. Unpaid debts for which more than 120 days has elapsed since the date of the bill or invoice, and which are over cumulative amount of one thousand dollars per customer, may be written off immediately upon approval of the Assembly.

D. Any overdue debt which is not collected within 90 days shall, as a matter of accounting policy be recorded against the allowance for uncollectable accounts when applicable under governmental accounting guidelines. Collection actions shall not cease, however, until the debt is collected, a statute of limitations is reached, or the debt is written off. Any debt recorded against the allowance for uncollectable accounts, which is

subsequently recovered, shall as a matter of accounting policy, be recorded as a recovery of bad debt.

4.40.050 Utility Debts Remain With Real Property (Reserved)

4.40.060 Authority To Offset

A. If a resident, business, vendor, or other entity has an overdue balance owed to any department of the Municipality (excluding Sitka Community Hospital), the Municipality shall have the authority to offset such overdue balances against any payment to be made to such resident, business, vendor, or other entity unless otherwise prohibited by law.

B. No offset of an overdue balance shall occur unless the resident, business, vendor, or other entity is notified in writing of the overdue balance and afforded a minimum period of 10 business days to remit the overdue balance. During this 10 business day period, the Municipality will withhold payments otherwise due.

EFFECTIVE DATE. This ordinance shall become effective thirty days after the date of passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 12th day of July, 2016.

Mim McConnell, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-120 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/21/2016 In control: City and Borough Assembly

On agenda: 6/28/2016 Final action:

Title: Legal matter - Baranof Island Brewing Company loans

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Executive Session.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTIONS

EXECUTIVE SESSION

I MOVE to go into Executive Session with Chief Finance and Administrative Officer Jay Sweeney under the statutory categories of discussing subjects that tend to prejudice the reputation and character of any person and to discuss matters, the immediate knowledge of which, would adversely affect the finances of the City and Borough of Sitka and invite in when ready: Suzan Hess and Rick Armstrong of Baranof Island Brewing Company and John Emmi, Lisa Laudon and Scott Laudon.

I MOVE to reconvene as the Assembly in regular session