



# CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS  
330 Harbor Drive  
Sitka, AK  
(907)747-1811

## Meeting Agenda

### City and Borough Assembly

*Mayor Gary Paxton  
Deputy Mayor Steven Eisenbeisz,  
Vice Deputy Mayor Kevin Mosher,  
Kevin Knox, Dr. Richard Wein, Valorie Nelson, Thor Christianson*

*Municipal Administrator: John Leach  
Municipal Attorney: Brian Hanson  
Municipal Clerk: Sara Peterson*

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Tuesday, March 24, 2020

6:00 PM

Assembly Chambers

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#### REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[20-075](#) Reminders, Calendars, and General Correspondence

Attachments: [Reminders and Calendars](#)

[01 Chill Drill 2020 3](#)

[Letter to Governor Dunleavy](#)

[Smith Certificate](#)

[Winger Certificate](#)

V. CEREMONIAL MATTERS

*None.*

VI. SPECIAL REPORTS: Government to Government, Municipal  
Boards/Commissions/Committees, Municipal Departments, School District, Students  
and Guests (five minute time limit)

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**      [20-071](#)      Approve a liquor license renewal application for American Legion Post #13 at 205 Lincoln Street

**Attachments:** [Consent](#)

[Motion and Memos](#)

[A LGB Notice - City of Sitka in Borough 56](#)

[B Complete Renewal Application 56](#)

- B**      [20-072](#)      Approve 1) a transfer of controlling interest application for Northern Lights Indoor Gardens Retail Marijuana Store at 1321 Sawmill Creek Road Suites N, O, and P, and 2) a transfer of controlling interest application for Northern Lights Indoor Gardens Standard Marijuana Cultivation Facility at 1321 Sawmill Creek Road Suites M, N, O, and P

**Attachments:** [Motion and Memos](#)

[A 10138 Transfer Local Government Notice \(002\)](#)

[B 10138 Entity Documents](#)

[C 10138 Food Safety Permit](#)

[D 10138 MJ-00 Application Certifications](#)

[E 10138 MJ-07 Public Notice Posting Affidavit](#)

[F 10138 MJ-08 Local Government Notice Affidavit](#)

[G 10138 MJ-09 Statement of Financial Interest Redacted](#)

[H 10138 MJ-17c Transfer Application](#)

[I 10138 MJ-17d Unaltered Operating Plan and-or Premises Diagram Affidavit](#)

[J 10138 Publisher's Affidavit](#)

[K 10138 POPPP](#)

[10136 Transfer Local Government Notice](#)

[10136 Entity Documents \(3\)](#)

[10136 MJ-00 Application Certifications \(2\)](#)

[10136 MJ-07 Public Notice Posting Affidavit \(2\)](#)

[10136 MJ-08 Local Government Notice Affidavit \(2\)](#)

[10136 MJ-09 Statement of Financial Interest Redacted](#)

[10136 MJ-17c Transfer Application](#)

[10136 MJ-17d Unaltered Operating Plan and-or Premises Diagram Affidavit](#)

[10136 Publisher's Affidavit \(1\)](#)

[10136 POPPP](#)

**X.      BOARD, COMMISSION, COMMITTEE APPOINTMENTS**

- C**      [20-073](#)      Appointments: 1) Reappoint George D. Bennett Jr. to a three-year term on the Local Emergency Planning Committee in the category of 2 - Law Enforcement, Civil Defense, Fire Fighting, First Aid, Local Env't/Hospital, and Transportation Personnel, and, 2) Appoint Robert Hattle to a three-year term on the Local Emergency Planning Committee in the category of 6 - Members of the Public, and, 3) Appoint Mim McConnell to a three-year term on the Local Emergency Planning Committee in the category of 4 - Community Groups

**Attachments:** [Motion](#)

[Bennett Application LEPC](#)

[Hattle Application LEPC](#)

[McConnell Application LEPC](#)

**XI.      UNFINISHED BUSINESS:**

- D**      [ORD 20-07](#)      Making supplemental appropriations for Fiscal Year 2020 (Sitka Police Department Legal Expenses)

**Attachments:** [Motion Ord 2020-07](#)

[Ord 2020-07](#)

- E**      [ORD 20-08](#)      Making supplemental appropriations for Fiscal Year 2020 (Crescent Harbor Lightering Float Repairs)

**Attachments:** [Motion Ord 2020-08](#)

[Memo Ord 2020-08](#)

[Ord 2020-08](#)

[Sitka Lightering Float Condition Report\\_01.21.2020](#)

- F**      [ORD 20-09](#)      Amending Title 22 "Zoning" of the Sitka General Code by modifying Chapter 22.08 "Definitions" and Chapter 22.16 "District Regulations", and adding Section 22.08.162 "Bulk Retail"

**Attachments:** [Motion Ord 2020-09](#)

[Memo Ord 2020-09](#)

[Ord 2020-09](#)

[Planning Commission Materials](#)

**XII.      NEW BUSINESS:**

- G**      [20-074](#)      Approve employee benefits that may vary from those set out in Section 6.14 of the City and Borough of Sitka Personnel Policies Handbook; specifically authorizing and ratifying up to 14 days of paid administrative leave per the Municipal Administrator's flowchart in response to COVID-19 essential operations

**Attachments:** [Motion, Memo, and Flow Chart](#)



- H      [RES 20-06](#)      Ordering people in the City and Borough of Sitka hunker down related to COVID-19

Attachments: [Motion Res 2020-06](#)  
[Res 2020-06](#)

- I      [20-076](#)      Discussion / Direction for Assembly communication with the Municipal Administrator and Municipal Attorney to discuss response powers of the Municipal Administrator during emergency declaration and clarification of items in the "shelter in place" news release

Attachments: [Discussion Direction](#)

**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**

*Not anticipated.*

**XV.      ADJOURNMENT**

*Note: Detailed information on these agenda items can be found on the City website at <https://sitka.legistar.com/Calendar.aspx> or by contacting the Municipal Clerk's Office at City Hall, 100 Lincoln Street or 747-1811. A hard copy of the Assembly packet is available at the Sitka Public Library. Regular Assembly meetings are livestreamed through the City's website, aired live on KCAW FM 104.7, and broadcast live on local television channel 11. To receive Assembly agenda notifications, sign up with GovDelivery on the City website.*

*Sara Peterson, MMC, Municipal Clerk  
Publish: March 23*



# CITY AND BOROUGH OF SITKA

## Legislation Details

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**File #:** 20-075      **Version:** 1      **Name:**

**Type:** Item      **Status:** AGENDA READY

**File created:** 3/20/2020      **In control:** City and Borough Assembly

**On agenda:**      **Final action:**

**Title:** Reminders, Calendars, and General Correspondence

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [Reminders and Calendars](#)  
[01 Chill Drill 2020 3](#)  
[Letter to Governor Dunleavy](#)  
[Smith Certificate](#)  
[Winger Certificate](#)

Date	Ver.	Action By	Action	Result
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# **REMINDERS**

<b><u>DATE</u></b>	<b><u>EVENT</u></b>	<b><u>TIME</u></b>
Tuesday, March 24	Regular Meeting	6:00 PM
Thursday, April 2	Special Meeting <i>Budget</i>	6:00 PM
Tuesday, April 14	Regular Meeting	6:00 PM
Tuesday, April 21	Special Meeting <i>Evaluations for Attorney and Administrator</i>	5:30 PM



# Assembly Calendar

2019 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2021

March 2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1 Mar	2	3	4	5	6	7
			Knox 6:00pm Library Commission - Liaison Christianson 6:00pm School Board - Liaison Mosher 7:00pm Planning Commission - Liaison Mosher (Wein attending)	Knox 6:00pm <a href="#">Special Budget Meeting: General Fund</a>	Knox	Knox
8	9	10	11	12	13	14
Knox	Knox	12:00pm Parks & Recreation - Liaison Knox 6:00pm <a href="#">Regular Assembly Mtg</a>	Nelson 5:30pm Tree & Landscape - Liaison Wein 6:00pm Historic Preservation - Liaison Mosher 6:00pm Port & Harbors Commission - Liaison Knox	Nelson 12:00pm LEPC - Liaison Nelson (Wein attending) 12:00pm SEDA - Liaison Paxton 1:30pm Health Needs & Human Services - Liaison Wein	Nelson	Nelson
15	16	17	18	19	20	21
Nelson	Nelson	Nelson	Nelson 7:00pm <b>CANCELLED</b> Planning Commission - Liaison Mosher	Nelson	Nelson	Nelson
22	23	24	25	26	27	28
Nelson Christianson	Nelson Christianson	Nelson Christianson 6:00pm <a href="#">Regular Assembly Mtg</a>	Nelson Christianson 6:00pm <b>CANCELLED:</b> Police and Fire - Liaison Nelson	Nelson Christianson 3:00pm <b>CANCELLED:</b> GPIP - Liaison Paxton	Nelson Christianson	Nelson Christianson
29	30	31	1 Apr	2	3	4
Nelson Christianson	Nelson Christianson 6:00pm School Board budget work session - Liaison Mosher	Nelson Christianson	6:00pm School Board - Liaison Mosher 7:00pm Planning Commission - Liaison Mosher (Knox attending)	6:00pm <a href="#">Special Budget Meeting: all funds and final changes</a>		

# Assembly Calendar

2019 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2021

April 2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29 Mar	30	31	1 Apr	2	3	4
Nelson Christianson	Nelson Christianson 6:00pm School Board budget work session - Liaison Mosher	Nelson Christianson	6:00pm School Board - Liaison Mosher 7:00pm Planning Commission - Liaison Mosher (Knox attending)	6:00pm <a href="#">Special Budget Meeting: all funds and final changes</a>		
5	6	7	8	9	10	11
	6:00pm School Board budget meeting - Liaison Mosher		6:00pm Library Commission - Liaison Christianson 5:30pm Tree & Landscape - Liaison Wein 6:00pm Historic Preservation - Liaison Mosher 6:00pm Port & Harbors Commission - Liaison Knox	12:00pm LEPC - Liaison Nelson 1:30pm Health Needs & Human Services - Liaison Wein 6:00pm School Board budget work session - Liaison Mosher		
12	13	14	15	16	17	18
		12:00pm Parks & Recreation - Liaison Knox 6:00pm <a href="#">Regular Assembly Mtg</a>	7:00pm Planning Commission - Liaison Mosher		Knox	Knox Nelson
19	20	21	22	23	24	25
Nelson	Nelson	Nelson 5:30pm <a href="#">Special Meeting: Evaluations - Attorney and Administrator</a>	Nelson Knox 6:00pm Police and Fire - Liaison Nelson 6:00pm School Board budget meeting - Liaison Mosher	Nelson Knox	Nelson Knox	Nelson Knox
26	27	28	29	30	1 May	2
Nelson Knox	Nelson Knox	6:00pm <a href="#">Regular Assembly Mtg</a>				





# *Chill... It's a Drill!*

## Details

**When:** March 25th, 2020 between 10:15 AM and 10:45 AM

**What:** A test of the tsunami warning system. You may hear sirens, or receive a message that a tsunami warning has been issued.

**Who:** Your Alaskan community

**Why:** This is a test of the entire tsunami warning system to ensure it is working. Now is a good time to make sure you know what to do in case of a real tsunami!

### Find us on the web!



NWSAlaska  
Readyalaska



@NWSAlaska  
@AlaskaDHSEM



tsunami.gov  
ready.alaska.gov

- ♦ It's not a real emergency
- ♦ Do not call 911
- ♦ Great time to practice your procedures
- ♦ Provide feedback at:  
[ready.alaska.gov](http://ready.alaska.gov)





# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

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March 6, 2020

Honorable Michael Dunleavy  
Governor of Alaska  
P.O. Box 110001  
Juneau, AK 99811-0001

Dear Governor Dunleavy,

Thank you very much for you taking the time to meet with me. This is a time of immense challenge for the state and communities. I value your leadership and look forward to solving these challenges together.

Again, I request your support on working with the Delegation regarding Sitka's Green Lake hydro generation plant renovation. We are preparing for the increased electrical load in anticipation of a Coast Guard Fast Response Cutter to be placed in Sitka as an additional asset and new Mt. Edgecumbe Medical Center campus.

Fishing is one of the most important industries in Sitka. We were put on notice that the only private haul out is being closed. We request your assistance with DEC for financial assistance on Sitka's Working Waterfront, and specifically, if possible, a grant to build an EPA required wash out facility for the haul out. That cost is 1.5 million dollars of a 7.5 million dollar project.

Again, your leadership is appreciated. We look forward to working with you and your staff.

Sincerely,

  
Gary L. Paxton  
Mayor


# Service Award

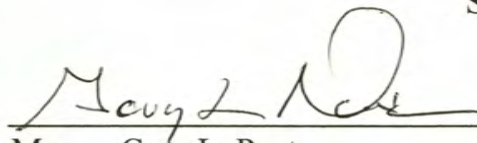
*On behalf of the City and Borough of Sitka is hereby awarded to*

***Beth Smith***

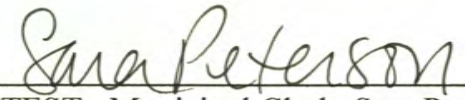
*this expression of grateful acknowledgment for your three years of  
valued service rendered in the public interest while serving on the  
Parks and Recreation Committee. Thank you!*

Signed and sealed this 24<sup>th</sup> day of March 2020





Mayor, Gary L. Paxton



ATTEST: Municipal Clerk, Sara Peterson



# Certificate of Achievement


is hereby presented to

**Allison Winger**

*The City & Borough of Sitka presents this certificate in recognition of your outstanding accomplishment in achieving the highest award in Girl Scouting, the Sitka Gold Award Girl Scout. Obtained by demonstrating leadership by taking charge and effecting change locally, nationally, and worldwide, through sustainable "Take Action" projects and for starting a Best Buddies club at Sitka High School that is dedicated to enhancing the lives of people with intellectual and development disabilities by creating one-to-one friendships.*



Signed and sealed this 24<sup>th</sup> day of March 2020

  
\_\_\_\_\_  
Gary L. Paxton, Mayor

ATTEST:

  
\_\_\_\_\_  
Sara Peterson, MMC Municipal Clerk



# CITY AND BOROUGH OF SITKA

## Legislation Details

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File #: 20-071      Version: 1      Name:

Type: Item      Status: AGENDA READY

File created: 3/19/2020      In control: City and Borough Assembly

On agenda: 3/24/2020      Final action:

Title: Approve a liquor license renewal application for American Legion Post #13 at 205 Lincoln Street

Sponsors:

Indexes:

Code sections:

Attachments: [Consent](#)

[Motion and Memos](#)

[A LGB Notice - City of Sitka in Borough 56](#)

[B Complete Renewal Application 56](#)

Date	Ver.	Action By	Action	Result
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# **CONSENT AGENDA**

## **POSSIBLE MOTION**

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

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 a liquor license renewal application for American Legion Post #13 at 205 Lincoln Street and forward this approval to the Alcoholic Beverage Control Board without objection.



# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

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## MEMORANDUM

**To:** Mayor Paxton and Assembly Members  
John Leach, Municipal Administrator

**From:** Sara Peterson, Municipal Clerk

**Date:** March 19, 2020

**Subject:** Approve a liquor license renewal application for American Legion Post #13

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Our office has received notification of the following liquor license renewal application:

**Lic #:** 56  
**DBA:** American Legion Post #13  
**License Type:** Club  
**Licensee:** American Legion Post #13  
**Premises Address:** 205 Lincoln Street

A memo was circulated to the various departments who may have a reason to protest the renewal of this license. No departmental objections were received.

**Recommendation:**

**Approve the liquor license renewal application for American Legion Post #13 and forward this approval to the Alcoholic Beverage Control Board without objection.**





# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

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## MEMORANDUM

**To:** Utility Billing Clerk – Diana  
Collections - Carolyn  
Municipal Billings – Lindsey  
Sales Tax/Property Tax - Justin  
Fire Department  
Police Department  
Building Official(s)

**From:** Sara Peterson, Municipal Clerk

**Date:** March 6, 2020

**Subject:** Liquor License Renewal Application – American Legion Post #13

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The Municipal Clerk's Office has been notified by the Alcohol and Marijuana Control Office of the following liquor license renewal application submitted by:

**Lic #:** 56  
**DBA:** American Legion Post #13  
**License Type:** Club  
**Licensee:** American Legion Post #13  
**Premises Address:** 205 Lincoln Street

Please notify no later than **noon on Tuesday, March 17** of any reason to protest this renewal request. This request is scheduled to go before the Assembly on March 24.

Thank you.



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

Department of Commerce,  
Community,  
and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE  
550 West 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
Main: 907.269.0350

March 5, 2020

City and Borough of Sitka

Via Email: [sara.peterson@cityofsitka.org](mailto:sara.peterson@cityofsitka.org) ; [melissa.henshaw@cityofsitka.org](mailto:melissa.henshaw@cityofsitka.org)

**Re: Notice of 2020/2021 Liquor License Renewal Application**

56	American Legion Post #13	Club
748	Loyal Order of Moose #1350	Club

We have received a completed renewal application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under AS 04.11.480.

A local governing body may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of this notice, and by allowing the applicant a reasonable opportunity to defend the application before a meeting of the local governing body, as required by 3 AAC 304.145(d). If a protest is filed, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable.

To protest the application referenced above, please submit your written protest within 60 days, and show proof of service upon the applicant and proof that the applicant has had a reasonable opportunity to defend the application before a meeting of the local governing body.

Sincerely,

A handwritten signature in black ink, appearing to read "Glen Klinkhart", on a light-colored rectangular background.

Glen Klinkhart, Director

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





Alcohol and Marijuana Control Office  
550 W 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
[alcohol.licensing@alaska.gov](mailto:alcohol.licensing@alaska.gov)  
<https://www.commerce.alaska.gov/web/amco>  
Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

## Form AB-17: 2020/2021 Renewal License Application

### What is this form?

This renewal license application form is required for all individuals or entities seeking to apply for renewal of an existing liquor license that are is due to renew by December 31, 2019. All fields of this form must be complete and correct, or the application will be returned to you in the manner in which it was received, per AS 04.11.270 and 3 AAC 304.105. The Community Council field only should be verified/completed by licensees whose establishments are located within the Municipality of Anchorage or outside of city limits within the Matanuska-Susitna Borough.

This form must be completed and submitted to AMCO's main office before any license renewal application will be reviewed. Receipt and/or processing of renewal payments by AMCO staff neither indicates nor guarantees that an application will be considered complete, or that a license will be renewed.

### Section 1 – Establishment and Contact Information

Enter information for the business seeking to have its license renewed. If any populated information is incorrect, please contact AMCO.

Licensee:	American Legion Post #13	License #:	56
License Type:	Club		
Doing Business As:	American Legion Post #13		
Premises Address:	205 Lincoln St		
Local Governing Body:	City & Borough of Sitka		
Community Council:	None		
Mailing Address:	205 Lincoln Street		
City:	SITKA	State:	ALASKA
		ZIP:	99835

Enter information for the individual who will be designated as the primary point of contact regarding this application. This individual **must be a licensee** who is required to be listed in and authorized to sign this application.

Contact Licensee:	RON DAVIS	Contact Phone:	907-738-3277
Contact Email:	halfbreed1971@yahoo.com		

**Optional:** If you wish for AMCO staff to communicate with an individual who is not a licensee named on this form (eg: legal counsel) about this application and other matters pertaining to the license, please provide that person's contact information in the fields below.

Name of Contact:	Margaret Carlson	Contact Phone:	907-747-8629
Contact Email:	margaret66@yahoo.com		





# Alaska Alcoholic Beverage Control Board

## Form AB-17: 2020/2021 Renewal License Application

### Section 2 – Entity or Community Ownership Information

Licensees who directly hold a license as an individual or individuals should skip to Section 3. General partnerships and local governments should skip to the second half of this page. All licensees that are **corporations** or **LLCs** must complete this section. Corporations and LLCs are required to be in good standing with the Alaska Division of Corporations, Business & Professional Licensing (CBPL). The CBPL Entity # below is **neither** your EIN/tax ID number, **nor** your business license number. You may view your entity's status or find your CBPL entity number by using the following site: <https://www.commerce.alaska.gov/cbp/main/search/entities>

Alaska CBPL Entity #:	50544 D
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You must ensure that you are able to certify the following statement before signing your initials in the box to the right: Initials

I certify that this entity is in good standing with CBPL and that all current entity officials and stakeholders (listed below) are also currently and accurately listed with CBPL.

RD

This subsection must be completed by any **community** or **entity**, including a corporation, limited liability company, partnership, or limited partnership, that is applying for renewal. If more space is needed, please attach additional completed copies of this page.

- If the applicant is a **corporation**, the following information must be completed for each **shareholder who owns 10% or more** of the stock in the corporation, and for each **president, vice-president, secretary, and managing officer**.
- If the applicant is a **limited liability organization**, the following information must be completed for each **member with an ownership interest of 10% or more**, and for each **manager**.
- If the applicant is a **partnership**, including a limited partnership, the following information must be completed for each **partner with an interest of 10% or more**, and for each **general partner**.

**Important Note:** The information provided in the below fields (including spelling of names, specific titles, and percentages held) must match that which is listed with CBPL. If one individual holds multiple titles mentioned in the bullets above, all titles must be listed for that individual on this application and with CBPL. Failure to list all required titles constitutes an incomplete application. You must list **ALL** of your qualifying officials, additional copies of this page or a separate sheet of paper may be submitted if necessary.

P

Name of Official:	RONALD DAVIS				
Title(s):	PRESIDENT	Phone:	907-738-3277	% Owned:	—
Mailing Address:	PO BOX 11				
City:	SITKA	State:	AK	ZIP:	99835

UP

Name of Official:	James Roberts				
Title(s):	VICE PRESIDENT	Phone:	907-623-7132	% Owned:	
Mailing Address:	222 MARINE ST				
City:	SITKA	State:	ALASKA	ZIP:	99835

TR

Name of Official:	Theodore Allio				
Title(s):	SECRETARY/TREAS	Phone:	907-752-0556	% Owned:	
Mailing Address:	1007 Lake St				
City:	SITKA	State:	AK	ZIP:	99835





# Alaska Alcoholic Beverage Control Board

## Form AB-17: 2020/2021 Renewal License Application

### Section 3 – Sole Proprietor Ownership Information

Entities, such as corporations or LLCs, should skip this section. This section must be completed by any licensee who directly holds the license as an **individual or multiple individuals** and is applying for license renewal. If more space is needed, please attach a separate sheet that includes all of the required information.

The following information must be completed for each licensee and each affiliate.

This individual is an: ☐ applicant ☐ affiliate

Name:				Contact Phone:	
Mailing Address:					
City:		State:		ZIP:	
Email:					

This individual is an: ☐ applicant ☐ affiliate

Name:				Contact Phone:	
Mailing Address:					
City:		State:		ZIP:	
Email:					

### Section 4 – Alcohol Server Education

This section must be completed only by the holder of a **beverage dispensary, club, or pub** license or **conditional contractor's permit**. The holders of all other license types should skip to Section 5.

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

Initials

I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check identification of a patron have completed an alcohol server education course approved by the ABC Board and keep current, valid copies of their course completion cards on the licensed premises during all working hours, as set forth in AS 04.21.025 and 3 AAC 304.465.

### Section 5 – License Operation

Check a **single box** for each calendar year that best describes how this liquor license was operated:

2018 2019

The license was regularly operated continuously throughout each year.

<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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The license was regularly operated during a specific season each year.

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

The license was only operated to meet the minimum requirement of 240 total hours each calendar year.

If this box is checked, a complete copy of Form AB-30: Proof of Minimum Operation Checklist, and all necessary documentation must be provided with this application.

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

The license was not operated at all or was not operated for at least the minimum requirement of 240 total hours each year, during one or both of the calendar years.

If this box is checked, a complete copy of Form AB-29: Waiver of Operation Application and corresponding fees must be submitted with this application for each calendar year during which the license was not operated for at least the minimum requirement, unless a complete copy of the form (including fees) has already been submitted for that year.

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------





## Alaska Alcoholic Beverage Control Board

## Form AB-17: 2020/2021 Renewal License Application

## Section 6 – Violations and Convictions

Applicant violations and convictions in calendar years 2018 and 2019:

Yes No

Have any notices of violation (NOVs) been issued for this license in the calendar years 2018 or 2019?☐ ☒

Has any person or entity named in this application been convicted of a violation of Title 04, of 3 AAC 304, or a local ordinance adopted under AS 04.21.010 in the calendar years 2018 or 2019?

☐ ☒

If "Yes" to either of the previous two questions, attach a separate page to this application listing all NOVs and/or convictions.

## Section 7 – Certifications

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

Initials

I certify that all current licensees (as defined in AS 04.11.260) and affiliates have been listed on this application, and that in accordance with AS 04.11.450, no one other than the licensee(s) has a direct or indirect financial interest in the licensed business.

☒

I certify that I have not altered the functional floor plan or reduced or expanded the area of the licensed premises, and I have not changed the business name or the ownership (including officers, managers, general partners, or stakeholders) from what is currently approved and on file with the Alcoholic Beverage Control Board.

☒

I certify on behalf of myself or of the organized entity that I understand that providing a false statement on this form or any other form provided by AMCO is grounds for rejection or denial of this application or revocation of any license issued.

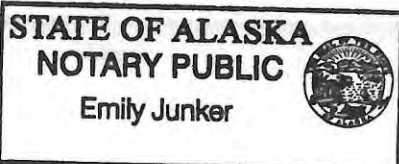
☒

As an applicant for a liquor license renewal, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 304, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Alcoholic Beverage Control Board or AMCO staff in support of this application and understand that failure to do so by any deadline given to me by AMCO staff will result in this application being returned to me as incomplete.

Signature of licensee

Signature of Notary Public

Printed name of licensee

Notary Public in and for the State of AlaskaMy commission expires: 9-10-23Subscribed and sworn to before me this 30<sup>th</sup> day of November, 2019.Seasonal License? ☐ Yes ☒ No

If "Yes", write your six-month operating period: \_\_\_\_\_

License Fee:	\$ 1200.00	Application Fee:	\$ 300.00	TOTAL:	\$ 1500.00
Miscellaneous Fees:					
GRAND TOTAL (if different than TOTAL):					\$1500.00

CK# 6807





THE STATE  
of ALASKA  
GOVERNOR MIKE DUNLEAVY

**Department of Commerce,  
Community,  
and Economic Development**

ALCOHOL & MARIJUANA CONTROL OFFICE

550 West Seventh Avenue, Suite 1600  
Anchorage, AK 99501  
Main: 907.269.0350

March 3, 2020

Owner: American Legion Post #13  
DBA: American Legion Post #13  
Via Email: [halfbreed197071@yahoo.com](mailto:halfbreed197071@yahoo.com)

Re: Liquor License # DBA: American Legion Post #13

Dear Applicant:

I have received your application for renewal of your liquor license. Our staff has reviewed your application after receiving your application and required fees. Your renewal documents appear to be in order, and I have determined that your application is complete for purposes of AS 04.11.510, and AS 04.11.520.

Your application is now considered complete and will be sent electronically to your local governing body, your community council if your proposed premises is in Anchorage or certain locations in the Matanuska-Susitna Borough, and to any non-profit agencies who have requested notification of applications. The local governing body will have 60 days to protest the renewal of your license or waive protest.

**A temporary license will be issued for this establishment.**

Your application will be scheduled for the March 2020 board meeting for Alcoholic Beverage Control Board consideration. **A temporary license will be issued for this establishment due to expiration dates on the current license and the board meeting occurring after current license expiration.**

The address and call-in number for the meeting will be posted on our home page. The board will not grant or deny your application at the meeting unless your local government waives its right to protest per AS 04.11.480(a).

Please feel free to contact us through the [alcohol.licensing@alaska.gov](mailto:alcohol.licensing@alaska.gov) email address if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Randi Baker".

Randi Baker  
Occupational Licensing Examiner



# CITY AND BOROUGH OF SITKA

## Legislation Details

File #: 20-072 Version: 1 Name:  
Type: Item Status: AGENDA READY  
File created: 3/19/2020 In control: City and Borough Assembly  
On agenda: 3/24/2020 Final action:  
Title: Approve 1) a transfer of controlling interest application for Northern Lights Indoor Gardens Retail Marijuana Store at 1321 Sawmill Creek Road Suites N, O, and P, and 2) a transfer of controlling interest application for Northern Lights Indoor Gardens Standard Marijuana Cultivation Facility at 1321 Sawmill Creek Road Suites M, N, O, and P

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Memos](#)  
[A 10138 Transfer Local Government Notice \(002\)](#)  
[B 10138 Entity Documents](#)  
[C 10138 Food Safety Permit](#)  
[D 10138 MJ-00 Application Certifications](#)  
[E 10138 MJ-07 Public Notice Posting Affidavit](#)  
[F 10138 MJ-08 Local Government Notice Affidavit](#)  
[G 10138 MJ-09 Statement of Financial Interest Redacted](#)  
[H 10138 MJ-17c Transfer Application](#)  
[I 10138 MJ-17d Unaltered Operating Plan and-or Premises Diagram Affidavit](#)  
[J 10138 Publisher's Affidavit](#)  
[K 10138 POPPP](#)  
[10136 Transfer Local Government Notice](#)  
[10136 Entity Documents \(3\)](#)  
[10136 MJ-00 Application Certifications \(2\)](#)  
[10136 MJ-07 Public Notice Posting Affidavit \(2\)](#)  
[10136 MJ-08 Local Government Notice Affidavit \(2\)](#)  
[10136 MJ-09 Statement of Financial Interest Redacted](#)  
[10136 MJ-17c Transfer Application](#)  
[10136 MJ-17d Unaltered Operating Plan and-or Premises Diagram Affidavit](#)  
[10136 Publisher's Affidavit \(1\)](#)  
[10136 POPPP](#)

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

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

## **POSSIBLE MOTION**

**I MOVE TO** approve:

- 1) a transfer of controlling interest application for Northern Lights Indoor Gardens Retail Marijuana Store at 1321 Sawmill Creek Road Suites N, O, and P, and,
- 2) a transfer of controlling interest application for Northern Lights Indoor Gardens Standard Marijuana Cultivation Facility at 1321 Sawmill Creek Road Suites M, N, O, and P, and,
- 3) forward this approval to the Alcohol and Marijuana Control office without objection.



# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

## MEMORANDUM

**To:** Mayor Paxton and Assembly Members  
John Leach, Municipal Administrator

**From:** Sara Peterson, Municipal Clerk

**Date:** March 17, 2020

**Subject:** Approve two Transfer of Controlling Interest Applications  
Northern Lights Indoor Gardens (Retail Marijuana Store and Standard Marijuana Cultivation Facility)

---

The Municipal Clerk's Office has been notified by the Alcohol and Marijuana Control Office of a transfer of controlling interest application for Northern Lights Indoor Gardens Retail Marijuana Store and Standard Marijuana Cultivation Facility.

### **Retail Marijuana Store**

License #: 10138  
License Type: Retail Marijuana Store  
Physical Address: 1321 Sawmill Creek Road Suites N, O, and P

Transferor: Northern Lights Indoor Gardens, LLC  
Doing Business As: Northern Lights Indoor Gardens, LLC  
Designated Licensee: Michael Daly

Transferee: Northern Lights Indoor Gardens, LLC  
Doing Business As: Northern Lights Indoor Gardens, LLC  
Designated Licensee: Michael Daly

### **Standard Marijuana Cultivation Facility**

License #: 10136  
License Type: Standard Marijuana Cultivation Facility

Physical Address: 1321 Sawmill Creek Road Suites M, N, O, and P

Transferor: Northern Lights Indoor Gardens, LLC  
Doing Business As: Northern Lights Indoor Gardens, LLC  
Designated Licensee: Michael Daly

Transferee: Northern Lights Indoor Gardens, LLC  
Doing Business As: Northern Lights Indoor Gardens, LLC  
Designated Licensee: Michael Daly

Both of these are existing licenses. One of the two partners has changed, hence the need for the transfer of controlling interest application. A memo was circulated to the various departments who may have a reason to protest the renewal of this license. No departmental objections were received.

**Recommendation:**

**Approve the transfer of controlling interest application for Northern Lights Indoor Gardens Retail Marijuana Store at 1321 Sawmill Creek Road Suites N, O, and P, and the transfer of controlling interest application for Northern Lights Indoor Gardens Standard Marijuana Cultivation Facility at 1321 Sawmill Creek Road Suites M, N, O, and P, and forward this approval to the Alcoholic Beverage Control Board without objection.**





# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

## Memorandum

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

From: Sara Peterson, Municipal Clerk

Date: March 13, 2020

Subject: Transfer of Controlling Interest – Northern Lights Indoor Gardens  
(Retail Marijuana Store and Standard Marijuana Cultivation Facility)

---

The Municipal Clerk's Office has been notified by the Alcohol and Marijuana Control Office of a transfer of controlling interest application for Northern Lights Indoor Gardens Retail Marijuana Store and Standard Marijuana Cultivation Facility.

### **Retail Marijuana Store**

License #: 10138  
License Type: Retail Marijuana Store  
Physical Address: 1321 Sawmill Creek Road Suites N, O, and P

Transferor: Northern Lights Indoor Gardens, LLC  
Doing Business As: Northern Lights Indoor Gardens, LLC  
Designated Licensee: Michael Daly

Transferee: Northern Lights Indoor Gardens, LLC  
Doing Business As: Northern Lights Indoor Gardens, LLC  
Designated Licensee: Michael Daly

### **Standard Marijuana Cultivation Facility**

License #: 10136  
License Type: Standard Marijuana Cultivation Facility

Physical Address: 1321 Sawmill Creek Road Suites M, N, O, and P

Transferor: Northern Lights Indoor Gardens, LLC

Doing Business As: Northern Lights Indoor Gardens, LLC

Designated Licensee: Michael Daly

Transferee: Northern Lights Indoor Gardens, LLC

Doing Business As: Northern Lights Indoor Gardens, LLC

Designated Licensee: Michael Daly

Please notify me **no later than noon on Tuesday, March 17** of any reason to protest this request. This license is scheduled to go before the Assembly on March 24.

Thank you.



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,  
and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE

550 West Seventh Avenue, Suite 1600  
Anchorage, AK 99501  
Main: 907.269.0350

March 6, 2020

City & Borough of Sitka

Attn: City & Borough of Sitka

Via Email: [sara.peterson@cityofsitka.org](mailto:sara.peterson@cityofsitka.org)  
[melissa.henshaw@cityofsitka.org](mailto:melissa.henshaw@cityofsitka.org)  
[planning@cityofsitka.org](mailto:planning@cityofsitka.org)  
[brian.hanson@cityofsitka.org](mailto:brian.hanson@cityofsitka.org)

<b>License Number:</b>	10138
<b>License Type:</b>	Retail Marijuana Store
<b>Physical Address:</b>	1321 Sawmill Creek Road Suites N, O, and P Sitka, AK 99835

<b>Transferor:</b>	Northern Lights Indoor Gardens, LLC
<b>Doing Business As:</b>	Northern Lights Indoor Gardens, LLC
<b>Designated Licensee:</b>	Michael Daly
<b>Phone Number:</b>	907-747-1087
<b>Email Address:</b>	<a href="mailto:northernlightsig@acsalaska.net">northernlightsig@acsalaska.net</a>

<b>Transferee:</b>	Northern Lights Indoor Gardens, LLC
<b>Doing Business As:</b>	Northern Lights Indoor Gardens, LLC
<b>Designated Licensee:</b>	Michael Daly
<b>Phone Number:</b>	907-747-1087
<b>Email Address:</b>	<a href="mailto:northernlightsig@acsalaska.net">northernlightsig@acsalaska.net</a>

☐ Transfer of Ownership Application

☒ Transfer of Controlling Interest

AMCO has received a complete application for a marijuana establishment within your jurisdiction. This notice is required under 3 AAC 306.045(c)(2). Application documents will be sent to you separately via ZendTo.

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

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

This application will be in front of the Marijuana Control Board at our April 2-3, 2020 meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Glen Klinkhart", with a stylized flourish at the end.

Glen Klinkhart, Interim Director

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





THE STATE  
of **ALASKA**

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

**COR**

**Corporations Section**

State Office Building, 333 Willoughby Avenue, 9<sup>th</sup> Floor

PO Box 110806, Juneau, AK 99811-0806

Phone: (907) 465-2550 • Fax: (907) 465-2974

Email: [corporations@alaska.gov](mailto:corporations@alaska.gov)

Website: [Corporations.Alaska.Gov](http://Corporations.Alaska.Gov)

## Notice of Change of Officials

### Domestic Limited Liability Company (AS 10.50)

- This Notice of Change of Officials form is only for Domestic Limited Liability Companies and is used to report changes between biennial reporting periods in: members, managers, and percentage of interest held.
- This Notice of Change of Officials will not be filed if the entity's biennial report is not current. To verify the entity's biennial report due date, go online to [www.Corporations.Alaska.Gov](http://www.Corporations.Alaska.Gov) and select *Search Corporations Database*
- Standard processing time for complete and correct filings submitted to this office is approximately 10-15 business days. All filings are reviewed in the date order they are received.
- The information you submit is a public record and will be posted on the State's website.

**1. Important:**

AS 10.50.765

Each Domestic Limited Liability Company is required to notify this office when there is a change of officials.

— AS 10.50.765

Failure to meet this requirement may result in involuntary dissolution of the entity's authority to transact business in the State of Alaska.

The Domestic Limited Liability Company is to keep and make available the records of the official(s) changes.

— AS 10.50.860-.870

**2. Fee:**

☒ \$25 Nonrefundable Filing Fee (CORF)

3 AAC 16.065(b)

Mail this form and the non-refundable \$25 filing fee in U.S. dollars to the letterhead address. Make the check or money order payable to the State of Alaska, or use the attached credit card payment form.

**3. Entity Information:**

AS 10.50.765

Entity Name: Northern Lights Indoor Gardens, LLC

Alaska Entity Number: 10028235

AMCO

**4. REMOVE from Record:**

AS 10.50.765(b)

The following officials (members and, if applicable, managers) will be completely removed from the record as a result of this filing:

Name: Micah Miller

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

If an official is not being removed from record, then list them in Item #5 below (with their current information).

**5. ALL Current Officials:**

AS 10.50.765(b)

The following is a complete list of ALL remaining and new officials who will be on record as a result of this filing.

- An LLC must have at least one member who owns a % of the LLC. — AS 10.50.155(b)
- Must provide all members who own 5% or more of the LLC. — AS 10.50.765 (b)
- Members must own a % of the LLC. A member may be a manager if the LLC is manager managed.
- An LLC may be managed by a manager if provided in Articles of Organization. A manager may be a member if the manager also owns a % of the LLC. — AS 10.50.075(5) and AS 10.50.110(b)

- List ALL officials and their current information to be on record.
- Manager will only be accepted if the entity is manager-managed per the articles.
- **BOLD** fields are required.

FULL LEGAL NAME	COMPLETE MAILING ADDRESS	% OWNED	MEMBER	Manager
Michael Daly	501 Charteris Street, Sitka AK 99835	55	x	x
Lorraine Daly	501 Charteris Street, Sitka AK 99835	45	x	

→ If necessary, use the following supplement page and include all information required above in Item #5.

**6. Required Signature:**

AS 10.50.840

The Notice of Change of Officials must be signed by: a member (AS 10.50.840(a)(2)); or a manager if manager managed (AS 10.50.840(a)(1)); or an attorney-in-fact (AS 10.50.840(c)). 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.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title of Authorized Signer:



Member



Manager



Attorney-in-fact

If signing on behalf of a member or manager which is an entity, then identify the signer's relationship and signing authority with the member entity. For example: John Smith, President of XYZ Inc. the sole member of ABC LLC.





THE STATE  
of **ALASKA**

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

**COR**

**Corporations Section**

State Office Building, 333 Willoughby Avenue, 9<sup>th</sup> Floor

PO Box 110806, Juneau, AK 99811-0806

Phone: (907) 465-2550 • Fax: (907) 465-2974

Email: [corporations@alaska.gov](mailto:corporations@alaska.gov)

Website: [Corporations.Alaska.Gov](http://Corporations.Alaska.Gov)

## Contact Information

- Return this form with your filing
- This information may be used by the Division to assist with processing your attached filings
- This form will not be filed for record, or appear online

Entity Information		Enter your entity information as it appears on this filing.	
Entity Name:	Northern Lights Indoor Gardens, LLC		
AK Entity #:	10028235		

Contact Person		Whom may we contact with any questions or problems with this filing?	
Company:	Birch Horton Bittner & Cherot		
Contact:	Jason Brandeis		
Mailing Address:	Address: 510 L Street, Suite 700		
	City: Anchorage	State: AK	ZIP: 99501
Phone:	907-276-1550		
Email:	jbrandeis@bhb.com		

Document Return Address		Provide an address for the return of your filed documents.	
<input checked="" type="checkbox"/> Return my filings to the address provided <b>ABOVE</b>			
<input type="checkbox"/> Return my filings to this address provided <b>BELOW</b>			
Company:			
Contact:			
Mailing Address:	Address: 510 L Street, Suite 700		
	City: Anchorage	State:	ZIP: 99501



THE STATE  
of **ALASKA**

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

FOR DIVISION USE ONLY

State of Alaska  
Department of Commerce, Community, and Economic Development  
Division of Corporations, Business and Professional Licensing  
PO Box 110806, Juneau, AK 99811  
Phone: (907) 465-2550

## Credit Card Payment Form

All major credit cards are accepted. For security purposes, do not email credit card information. Include this credit card payment form with your application.

Name of Applicant or Licensee: Northern Lights Indoor Gardens, LLC

Program Type: Domestic LLC License Number (if applicable): 10028235

I wish to make payment by credit card for the following (check all that apply):

**AMOUNT**

☒ Application Fee: Change of Officials (CORF) \$25.00

☐ License or Renewal Fee: \_\_\_\_\_

☐ Other (name change, wall certificate, fine, duplicate license, exam, etc.):

1. \_\_\_\_\_

2. \_\_\_\_\_

**TOTAL:** \$25.00

Name (as shown on credit card): \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email (optional): \_\_\_\_\_

Signature of Credit Card Holder: \_\_\_\_\_

08-4438

Rev 12/26/18

Credit Card Payment Form (all major cards accepted)

**CREDIT CARD INFO: Your payment cannot be processed unless all fields are completed!**

1. Account Number: \_\_\_\_\_

2. Expiration Date: \_\_\_\_\_

3. Billing ZIP Code: \_\_\_\_\_

4. Security Code: \_\_\_\_\_

All four fields **MUST**  
be completed!

This section will be  
destroyed after the  
payment is processed.

JAN 6 7 2020



**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 ("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

[Signature]  
Micah S. Miller

2-27-2016  
Date

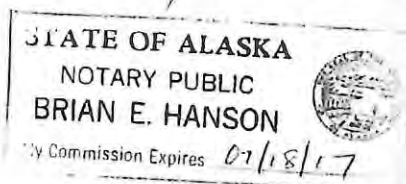
[Signature]  
Michael J. Daly

STATE OF ALASKA

)  
) ss:  
)

FIRST JUDICIAL DISTRICT

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



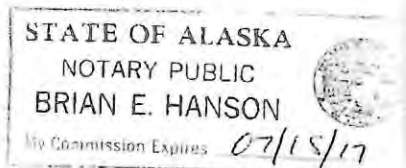
[Signature]  
Notary Public in and for Alaska

STATE OF ALASKA

)  
) ss:  
)

FIRST JUDICIAL DISTRICT

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



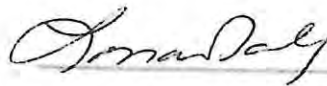
[Signature]  
Notary Public in and for Alaska

**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%

**AGREEMENT IN RESPECT OF OPERATING AGREEMENT**

IN WITNESS WHEREOF, the undersigned acknowledges and agrees that the undersigned is making the contribution with intent to be legally bound to the terms and conditions contained in the Operating Agreement attached hereto and executes this Agreement in Respect of Operating Agreement as a counterpart thereto.



Lorraine Daly

12/20/2019

Date

AMCO

JAN 07 2020





**Alaska Food Code  
2020 Establishment Permit**  
Division of Environmental Health  
Food Safety & Sanitation Program

Permit Number: 8879  
Issued to: Northern Lights Indoor Gardens LLC  
For: Northern Lights Indoor Gardens  
For Operation of: FM-1 Convenience Store  
Located at: 1321 Sawmill Creek RD Sitka, AK 99835

This permit, issued under the provisions of 18 AAC 31, is valid until the noted expiration date or unless suspended or revoked by the department.

This permit is not transferable for change of ownership, facility location, or type of operation. It must be posted in plain view in the establishment and is the property of the State of Alaska.

Expiration Date:  
December 31, 2020

Program Manager:

A handwritten signature in black ink, appearing to read "Kimberly 8879", is written over the printed name of the Program Manager.

**If you have questions or concerns regarding  
safe food handling practices call toll free:**

**1-87-SAFE-FOOD**

**(in Anchorage call 334-2560)**





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:	Northern Lights Indoor Gardens LLC	License Number:	10138		
License Type:	Retail Marijuana Store				
Doing Business As:	Northern Lights Indoor Gardens LLC				
Premises Address:	1321 Sawmill Creek Road, Suites N, O, and P				
City:	Sitka	State:	AK	ZIP:	99835

### Section 2 – Individual Information

Enter information for the individual licensee.

Name:	Lorraine Daly
Title:	Member

### Section 3 – Other Licenses

Ownership and financial interest in other licenses:

Yes No

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

☒☐

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

Standard Marijuana Cultivation Facility #10136





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.

JO

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

JO

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

JO

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.

JO

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.

JO

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.

JO

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).

JO

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

JO

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.

JO

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

JO

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.

JO

AMCO





Alaska Marijuana Control Board

**Form MJ-00: Application Certifications**

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

Initials

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



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



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

Initials

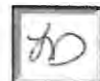
Only initial next to the following statement if this form is accompanying an application for a marijuana testing facility license:

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



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

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



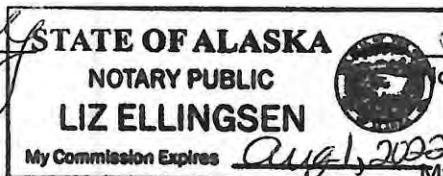
**All marijuana establishment license applicants:**

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

  
Signature of licensee

Lorraine Daly

Printed name of licensee



  
Notary Public in and for the State of Alaska

My commission expires: Aug 1, 2022

Subscribed and sworn to before me this 20 day of December, 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:	Northern Lights Indoor Gardens LLC	License Number:	10138		
License Type:	Retail Marijuana Store				
Doing Business As:	Northern Lights Indoor Gardens LLC				
Premises Address:	1321 Sawmill Creek Road, Suites N, O, and P				
City:	Sitka	State:	AK	ZIP:	99835

**Section 2 – Individual Information**

Enter information for the individual licensee.

Name:	Michael Daly
Title:	Member, Manager

**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?

Standard Marijuana Cultivation Facility #10136



**Alaska Marijuana Control Board**

**Form MJ-00: Application Certifications**

**Section 4 – Certifications**

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

Initials

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

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

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

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

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

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

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

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

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

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

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





Alaska Marijuana Control Board

## Form MJ-00: Application Certifications

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

Initials

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

*MD*

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

*MD*

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.

*MD*

**All marijuana establishment license applicants:**

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

Signature of licensee

Michael Daly

Printed name of licensee



Notary Public in and for the State of Alaska

My commission expires: Aug 1, 2022

Subscribed and sworn to before me this 14 day of February, 2020.



## Alaska Marijuana Control Board

**Form MJ-07: Public Notice Posting Affidavit****What is this form?**

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

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

**Section 1 – Establishment Information**

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

Licensee:	Northern Lights Indoor Gardens LLC	License Number:	10138		
License Type:	Retail Marijuana Store				
Doing Business As:	Northern Lights Indoor Gardens LLC				
Premises Address:	1321 Sawmill Creek Road, Suites N, O, and P				
City:	Sitka	State:	AK	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: 02/19/2020

End Date: 3/01/2020

Other conspicuous location: Lakeside Grocery 705 H.P.R. STE B SITKA AK

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

Signature of licensee

Michael Daly

Printed name of licensee

STATE OF ALASKA  
NOTARY PUBLIC  
Alexandria C. Galiza



Notary Public in and for the State of Alaska

My commission expires: 09/15/2023

Subscribed and sworn to before me this 2 day of MARCH, 2020





Alaska Marijuana Control Board

## Form MJ-08: Local Government Notice Affidavit

### What is this form?

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

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

### Section 1 – Establishment Information

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

Licensee:	Northern Lights Indoor Gardens LLC	License Number:	10138		
License Type:	Retail Marijuana Store				
Doing Business As:	Northern Lights Indoor Gardens LLC				
Premises Address:	1321 Sawmill Creek Road, Suites N, O, and P				
City:	Sitka	State:	AK	ZIP:	99835

### Section 2 – Certification

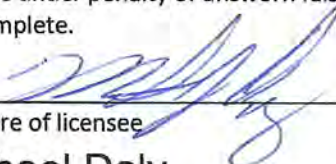
I certify that I have met the local government notice requirement set forth under 3 AAC 306.025(b)(3) by submitting a copy of my application to the following local government (LG) official(s) and community council (if applicable):

Local Government(s): City of Sitka Date Submitted: 2/29/2020

Name/Title of LG Official 1: Sara Peterson Municipal Clerk Name/Title of LG Official 2: \_\_\_\_\_

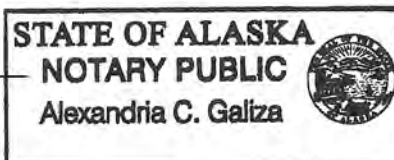
Community Council: \_\_\_\_\_ Date Submitted: \_\_\_\_\_  
(Municipality of Anchorage and Matanuska-Susitna Borough only)

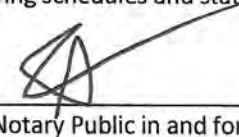
I declare under penalty of unsworn falsification that this form, including all accompanying schedules and statements, is true, correct, and complete.

  
Signature of licensee

Michael Daly

Printed name of licensee



  
Notary Public in and for the State of Alaska

My commission expires: 09/15/2023

Subscribed and sworn to before me this 2 day of MARCH, 2020





## Alaska Marijuana Control Board

**Form MJ-09: Statement of Financial Interest****What is this form?**

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

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

**Section 1 – Establishment Information**

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

Licensee:	Northern Lights Indoor Gardens LLC	License Number:	10138		
License Type:	Retail Marijuana Store				
Doing Business As:	Northern Lights Indoor Gardens LLC				
Premises Address:	1321 Sawmill Creek Road, Suites N, O, and P				
City:	Sitka	State:	AK	ZIP:	99835

**Section 2 – Individual Information**

Enter information for the individual licensee.

Name:	Lorraine Daly				
Title:	Member				
SSN:		Date of Birth:			



Alaska Marijuana Control Board

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

**Section 3 – Certifications**

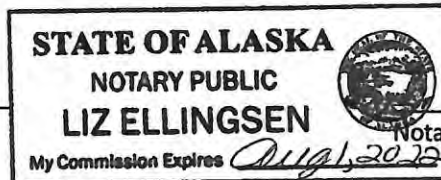
I certify that no person other than a proposed licensee listed on my marijuana establishment license application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which a marijuana establishment license is being applied for.

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

I understand that my fingerprints will be used to check the criminal history records of the Federal Bureau of Investigation (FBI), and that I have the opportunity to complete or challenge the accuracy of the information contained in the FBI identification record.  
*The procedures for obtaining a change, correction, or updating an FBI identification record are set forth in Title 28, CFR, 16.34.*

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

*Lorraine Daly*  
Signature of licensee



**Lorraine Daly**

Printed name of licensee

*Liz Ellingsen*  
Notary Public in and for the State of Alaska  
My commission expires: *Aug 1, 2022*

Subscribed and sworn to before me this *20* day of *December*, 20*19*.

AMCO

JAN 6 7 2020



## Alaska Marijuana Control Board

**Form MJ-09: Statement of Financial Interest****What is this form?**

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

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

**Section 1 – Establishment Information**

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

Licensee:	Northern Lights Indoor Gardens LLC	License Number:	10138		
License Type:	Retail Marijuana Store				
Doing Business As:	Northern Lights Indoor Gardens LLC				
Premises Address:	1321 Sawmill Creek Road, Suites N, O, and P				
City:	Sitka	State:	AK	ZIP:	99835

**Section 2 – Individual Information**

Enter information for the individual licensee.

Name:	Michael Daly				
Title:	Member, Manager				
SSN:		Date of Birth:			





Alaska Marijuana Control Board

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

**Section 3 – Certifications**

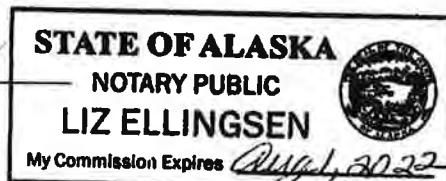
I certify that no person other than a proposed licensee listed on my marijuana establishment license application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which a marijuana establishment license is being applied for.


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

I understand that my fingerprints will be used to check the criminal history records of the Federal Bureau of Investigation (FBI), and that I have the opportunity to complete or challenge the accuracy of the information contained in the FBI identification record.  
*The procedures for obtaining a change, correction, or updating an FBI identification record are set forth in Title 28, CFR, 16.34.*

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

  
Signature of licensee  
**Michael Daly**  
Printed name of licensee



  
Notary Public in and for the State of Alaska  
My commission expires: Aug 1, 2022

Subscribed and sworn to before me this 14 day of February, 2020.



## Alaska Marijuana Control Board Marijuana Establishment Form MJ-17c: License Transfer Application

### What is this form?

This form must be used to initiate a transfer of ownership of a marijuana establishment license under 3 AAC 306.045. This transfer application must be completed and submitted to AMCO's main office, along with all necessary supplemental documents and fees listed in **Form MJ-17b: License Transfer Application Checklist**, before a transfer of ownership, including a change that affects the controlling interest of an entity, will be considered by the Marijuana Control Board.

Please note that licensees seeking to change controlling interest of an entity that owns multiple licenses must submit a separate completed copy of this form and the required supplemental documents and fees for each license.

### Section 1 – Transferor Information

Enter information for the **current** licensee and licensed establishment.

Licensee:	Northern Lights Indoor Gardens LLC	License Number:	10138		
License Type:	Retail Marijuana Store				
Doing Business As:	Northern Lights Indoor Gardens LLC				
Premises Address:	1321 Sawmill Creek Road, Suites N, O, and P				
City:	Sitka	State:	Alaska	ZIP:	99835
Email:	northernlightsig@acsalaska.net				
Local Government:	City of Sitka				



Regular ownership transfer



Transfer of controlling interest in the licensed entity

### Section 2 – Transferee Information

Enter information for the **new** applicant seeking to be licensed. The business license # should be issued for the DBA listed below, and held by the transferee.

Licensee:	Northern Lights Indoor Gardens LLC	Alaska Entity #	10028235		
Mailing Address:	1321 Sawmill Creek Road, Suites N, O, and P				
City:	Sitka	State:	AK	ZIP:	99835
Doing Business As:	Northern Lights Indoor Gardens LLC				
Business License #:	1019601	Business Phone:	907-738-2242		
Designated Licensee:	Michael Daly				
Contact Email:	northernlightsig@acsalaska.net	Phone #	907-738-2242		





## Form MJ-17c: License Transfer Application

## Section 3 – Entity Ownership Information

This section must be completed by any entity, including a corporation, limited liability company (LLC), partnership, or limited partnership, that is applying for a license. Sole proprietors should skip to Section 4. If any entity official is another entity, you must include the AK Entity # of that entity in the Entity Official Name field, attach a separate completed copy of this page that breaks down the ownership information for that entity, and submit the supplemental documents and fingerprint fees listed on Form MJ-17b required for each individual entity official. Entity documents must be submitted for each entity listed on this form.

If more space is needed, please attach additional completed copies of this page.

- If the applicant is a corporation, list each officer or director, and owner of any of the corporation's stock.
- If the applicant is a limited liability company, list each member holding any ownership interest and each manager.
- If the applicant is a partnership or limited partnership, list each partner holding any interest and each general partner.

Entity Official Name:	Michael Daly				
Title(s):	Member, Manager	Phone:	907-738-2242	% Owned:	55%
Email:	dalys@gci.net				
Mailing Address:	501 Charteris St				
City:	Sitka	State:	AK	ZIP:	99835
Entity Official Name:	Lorraine Daly				
Title(s):	Member	Phone:	907-738-0189	% Owned:	45%
Email:	northernlightsig@acsalaska.net				
Mailing Address:	501 Charteris St				
City:	Sitka	State:	AK	ZIP:	99835
Entity Official Name:					
Title(s):		Phone:		% Owned:	
Email:					
Mailing Address:					
City:		State:		ZIP:	
Entity Official Name:					
Title(s):		Phone:		% Owned:	
Email:					
Mailing Address:					
City:		State:		ZIP:	
Entity Official Name:					
Title(s):		Phone:		% Owned:	
Email:					
Mailing Address:					
City:		State:		ZIP:	





# Form MJ-17c: License Transfer Application

## Section 4 – Other Licenses

Ownership and financial interest in other marijuana establishments:

Yes No

Does any representative or owner named as a transferee in this application have any direct or indirect financial interest in any other marijuana establishment that is licensed in Alaska?



If "Yes", disclose which individual(s) has the financial interest, which license number(s), and license type(s):

Standard Cultivation Facility #10136

## Section 5 – Authorization

Communication with AMCO staff:

Yes No

Does any person other than a licensee named in this application have authority to discuss this license with AMCO staff?



If "Yes", disclose the name of the individual and the reason for this authorization:

Jason Brandeis, Attorney

## Section 6 – Transferee Certifications

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

Initials

I certify that all proposed licensees (as defined in 3 AAC 306.020) have been listed on this application.



Completed copies of all required documents and fees listed on Form MJ-17b are attached to this form.



I certify that I understand that providing a false statement on this form or any other form provided by AMCO is grounds for rejection or denial of this application or revocation of any license issued.



I agree to provide all information required by the Marijuana Control Board in support of this application.



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 this form, including all accompanying schedules and statements, is true, correct, and complete.

Signature of transferee

Printed name of transferee

STATE OF ALASKA  
NOTARY PUBLIC  
Alexandria C. Galiza



Notary Public in and for the State of Alaska.

My commission expires: 09/15/2023

Subscribed and sworn to before me this 19th day of February, 2020.

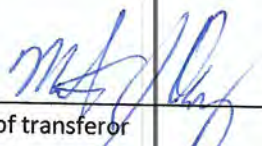



# Form MJ-17c: License Transfer Application

## Section 7 – Transferor Certifications

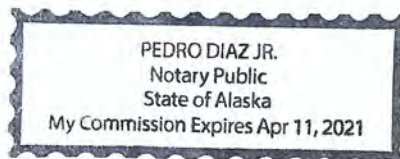
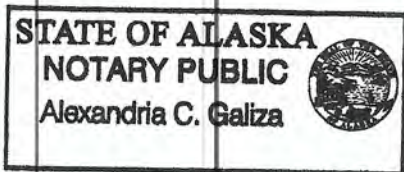
Additional copies of this page may be attached, as needed, for the controlling interest of the current licensee to be represented.

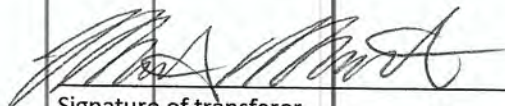
I declare under penalty of unsworn falsification that the undersigned represents a **controlling interest** of the current licensee. I additionally certify that I, as the current licensee (either the sole proprietor or the controlling interest of the currently licensed entity) approve of the transfer of this license, and that the information on this form is true, correct, and complete.

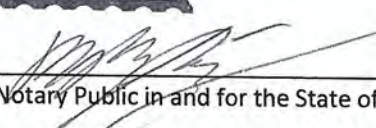
  
Signature of transferor  
Mike James Daly  
Printed name of transferor

  
Notary Public in and for the State of Alaska.  
My commission expires: 09/15/2023

Subscribed and sworn to before me this 16th day of February, 2020.



  
Signature of transferor  
Micah Miller  
Printed name of transferor

  
Notary Public in and for the State of Alaska.  
My commission expires: 4-11-21

Subscribed and sworn to before me this 19 day of February, 2020.

\_\_\_\_\_  
Signature of transferor  
\_\_\_\_\_  
Printed name of transferor

\_\_\_\_\_  
Notary Public in and for the State of Alaska.  
My commission expires: \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.





Alaska Marijuana Control Board

Alcohol and Marijuana Control Office  
550 W 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501

[marijuana.licensing@alaska.gov](mailto:marijuana.licensing@alaska.gov)

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

Phone: 907.269.0350

## Form MJ-17d: Unaltered Operating Plan and/or Premises Diagram Affidavit

### What is this form?

An operating plan and/or diagram affidavit is required to be submitted by the transferee for any marijuana establishment transfer license application where the transferee is not making changes to the operating plan and/or premises diagram approved by the Marijuana Control Board, in the course of the transfer application, per 3 AAC 306.045(e). By completing this form you are certifying that no changes will be made to the operating plan and/or premises diagram that have been previously submitted and approved for this license. This form replaces the information required by regulations 3 AAC 306.020(b)(8), 3 AAC 306.020(c), 3 AAC 306.315(2), 3 AAC 306.420, 3 AAC 306.520(2) and (3), and 3 AAC 306.615 if no changes are being made to your operating plan or diagram during the transfer.

### Section 1 – Establishment Information

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

New Licensee:	Northern Lights Indoor Gardens LLC	License Number:	10138		
License Type:	Retail Marijuana Store				
Doing Business As:	Northern Lights Indoor Gardens LLC				
Premises Address:	1321 Sawmill Creek Road, Suites N, O, and P				
City:	Sitka	State:	AK	ZIP:	99835

### Section 2 – Certification

You must be able to certify at least one of the statements below. Read the following and then sign your initials in the applicable box(es) to the right:

Initials

I certify that there will be no changes to the operating plan for this license.

If the above statement is certified you will not be required to submit forms MJ-01 and MJ-03, MJ-04, MJ-05 or MJ-06.

*LD*

I certify that there will be no changes to the premises diagram for this license.

If the above statement is certified, you will not be required to submit form MJ-02.

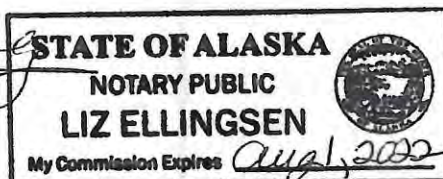
*LD*

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

*Lorraine Daly*  
Signature of transferee

Lorraine Daly

Printed name of transferee



*Liz Ellingsen*  
Notary Public in and for the State of Alaska

My commission expires: *Aug 1, 2022*

Subscribed and sworn to before me this *20* day of *December*, 20 *19*.

AMCO  
JAN 07 2020



# Affidavit of Publication

STATE OF ALASKA  
FIRST JUDICIAL DISTRICT ) ss.  
AT SITKA, ALASKA

Kathleen Erickson, 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 - Retail store a copy of  
which is hereto annexed, was published in the Daily Sitka Sentinel on:

12.16.19, 12.23.19, 12.30.19

Signature

Sworn and subscribed to

before me this 30 day of Dec, 2019

Notary Public for Alaska

My commission expires

20

STATE OF ALASKA

NOTARY PUBLIC

AMABEL F. POULSON

My Commission Expires

1-15-22



## LEGAL NOTICE

Northern Lights Indoor Gardens LLC doing business as Northern Lights Indoor Gardens LLC, located at 1321 Sawmill Creek Road, Suites N, O, & P, Sitka, AK 99835 is applying under 3 AAC 306.045 for a transfer of controlling interest in a Retail Marijuana Store (3 AAC 306.300), license #10138.

The transfer involves a change in ownership percentage from Michael Daly 50% and Micah Miller 50% to Michael Daly 55% and Lorraine Daly 45%

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

Published: December 16, 23, 30, 2019

AMCO

JAN 07 2020

## COMMERCIAL LEASE AGREEMENT

EAGLE BAY INN LLC

1321 SAWMILL CREEK ROAD SUITE C

SITKA, ALASKA 99835

This lease is made this 1<sup>st</sup> day of October 2018 by and between Eagle Bay Inn, LLC and **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 follow:

Eagle Bay Inn, LLC leases to **Northern Lights Indoor Gardens, LLC**, the following described premises: M, N, O AND P bays, Eagle Bay Inn, LLC understands and knows that this is for a marijuana growing business distributions and retail store.

Eagle Bay Inn, LLC, will not take possession of and/or remove marijuana from the premises, and that Alaska Marijuana Control office (AMCO) will be contacted in the event that is necessary.

The term of this lease shall be for 36 months commencing 10/01/2018 and ending 10/01/2021.

**Northern Lights Indoor Gardens, LLC**, shall pay to Eagle Bay Inn, LLC rent in the amount of \$240,012.00 per 36 months in equal monthly installments of \$6667. 00.

**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.

**Northern Lights Indoor Gardens, LLC**, will furnish the utilities or amenities at his own expense.

**Northern Lights Indoor Gardens, LLC**, shall purchase at his own expense public liability insurance in the amount of one million dollars, or have it in the business insurance policy.

**Northern Lights Indoor Gardens, LLC**, shall not permit or commit waste the premises. **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.

**Northern Lights Indoor Gardens, LLC** shall comply with all rules, regulations, ordinances codes, and laws of all Eagle Bay Inn, LLC members.

**Northern Lights Indoor Gardens, LLC**, shall not permit or engage in any activity that will affect an increase in the rate of insurance of the building which the premises is now contained nor shall **Northern Lights Indoor Gardens, LLC**, permit or commit any nuisance thereon.



## COMMERCIAL LEASE AGREEMENT

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 this lease, 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 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 Northern Lights Indoor Gardens, LLC, first option when renewing this lease on October 1, 2021.

  
October 1, 2018  
\_\_\_\_\_  
NORTHERN LIGHTS INDOOR GARDENS, LLC

  
October 1, 2018  
\_\_\_\_\_  
EAGLE BAY INN, LLC





THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,  
and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE

550 West Seventh Avenue, Suite 1600  
Anchorage, AK 99501  
Main: 907.269.0350

March 6, 2020

City & Borough of Sitka

Attn: City & Borough of Sitka

Via Email: [sara.peterson@cityofsitka.org](mailto:sara.peterson@cityofsitka.org)  
[melissa.henshaw@cityofsitka.org](mailto:melissa.henshaw@cityofsitka.org)  
[planning@cityofsitka.org](mailto:planning@cityofsitka.org)  
[brian.hanson@cityofsitka.org](mailto:brian.hanson@cityofsitka.org)

<b>License Number:</b>	10136
<b>License Type:</b>	Standard Marijuana Cultivation Facility
<b>Physical Address:</b>	1321 Sawmill Creek Road Suites M, N, O, and P Sitka, AK 99835

<b>Transferor:</b>	Northern Lights Indoor Gardens, LLC
<b>Doing Business As:</b>	Northern Lights Indoor Gardens, LLC
<b>Designated Licensee:</b>	Michael Daly
<b>Phone Number:</b>	907-747-1087
<b>Email Address:</b>	<a href="mailto:northernlightsig@acsalaska.net">northernlightsig@acsalaska.net</a>

<b>Transferee:</b>	Northern Lights Indoor Gardens, LLC
<b>Doing Business As:</b>	Northern Lights Indoor Gardens, LLC
<b>Designated Licensee:</b>	Michael Daly
<b>Phone Number:</b>	907-747-1087
<b>Email Address:</b>	<a href="mailto:northernlightsig@acsalaska.net">northernlightsig@acsalaska.net</a>

☐ Transfer of Ownership Application

☒ Transfer of Controlling Interest

AMCO has received a complete application for a marijuana establishment within your jurisdiction. This notice is required under 3 AAC 306.045(c)(2). Application documents will be sent to you separately via ZendTo.

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

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

This application will be in front of the Marijuana Control Board at our April 2-3, 2020 meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Glen Klinkhart", with a stylized flourish at the end.

Glen Klinkhart, Interim Director

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





THE STATE  
of **ALASKA**

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

**COR**

**Corporations Section**

State Office Building, 333 Willoughby Avenue, 9<sup>th</sup> Floor

PO Box 110806, Juneau, AK 99811-0806

Phone: (907) 465-2550 • Fax: (907) 465-2974

Email: [corporations@alaska.gov](mailto:corporations@alaska.gov)

Website: [Corporations.Alaska.Gov](http://Corporations.Alaska.Gov)

## Notice of Change of Officials

### Domestic Limited Liability Company (AS 10.50)

- This Notice of Change of Officials form is only for Domestic Limited Liability Companies and is used to report changes between biennial reporting periods in: members, managers, and percentage of interest held.
- This Notice of Change of Officials will not be filed if the entity's biennial report is not current. To verify the entity's biennial report due date, go online to [www.Corporations.Alaska.Gov](http://www.Corporations.Alaska.Gov) and select *Search Corporations Database*
- Standard processing time for complete and correct filings submitted to this office is approximately 10-15 business days. All filings are reviewed in the date order they are received.
- The information you submit is a public record and will be posted on the State's website.

**1. Important:**

AS 10.50.765

Each Domestic Limited Liability Company is required to notify this office when there is a change of officials.

— AS 10.50.765

Failure to meet this requirement may result in involuntary dissolution of the entity's authority to transact business in the State of Alaska.

The Domestic Limited Liability Company is to keep and make available the records of the official(s) changes.

— AS 10.50.860-.870

**2. Fee:**

☒ \$25 Nonrefundable Filing Fee (CORF)

3 AAC 16.065(b)

Mail this form and the non-refundable \$25 filing fee in U.S. dollars to the letterhead address. Make the check or money order payable to the State of Alaska, or use the attached credit card payment form.

**3. Entity Information:**

AS 10.50.765

Entity Name: Northern Lights Indoor Gardens, LLC

Alaska Entity Number: 10028235

**4. REMOVE from Record:**

AS 10.50.765(b)

The following officials (members and, if applicable, managers) will be completely removed from the record as a result of this filing:

Name: Micah Miller

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

If an official is not being removed from record, then list them in Item #5 below (with their current information).

**5. ALL Current Officials:**

AS 10.50.765(b)

The following is a complete list of ALL remaining and new officials who will be on record as a result of this filing.

- An LLC must have at least one member who owns a % of the LLC. — AS 10.50.155(b)
- Must provide all members who own 5% or more of the LLC. — AS 10.50.765 (b)
- Members must own a % of the LLC. A member may be a manager if the LLC is manager managed.
- An LLC may be managed by a manager if provided in Articles of Organization. A manager may be a member if the manager also owns a % of the LLC. — AS 10.50.075(5) and AS 10.50.110(b)

- List ALL officials and their current information to be on record.
- Manager will only be accepted if the entity is manager-managed per the articles.
- **BOLD** fields are required.

FULL LEGAL NAME	COMPLETE MAILING ADDRESS	% OWNED	MEMBER	
			MEMBER	Manager
Michael Daly	501 Charteris Street, Sitka AK 99835	55	x	x
Lorraine Daly	501 Charteris Street, Sitka AK 99835	45	x	

→ If necessary, use the following supplement page and include all information required above in Item #5.

**6. Required Signature:**

AS 10.50.840

The Notice of Change of Officials must be signed by: a member (AS 10.50.840(a)(2)); or a manager if manager managed (AS 10.50.840(a)(1)); or an attorney-in-fact (AS 10.50.840(c)). 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.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title of Authorized Signer:

☒ Member☒ Manager☐ Attorney-in-fact

*If signing on behalf of a member or manager which is an entity, then identify the signer's relationship and signing authority with the member entity. For example: John Smith, President of XYZ Inc. the sole member of ABC LLC.*





THE STATE  
of **ALASKA**

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

**COR**

**Corporations Section**

State Office Building, 333 Willoughby Avenue, 9<sup>th</sup> Floor  
PO Box 110806, Juneau, AK 99811-0806  
Phone: (907) 465-2550 • Fax: (907) 465-2974  
Email: [corporations@alaska.gov](mailto:corporations@alaska.gov)  
Website: [Corporations.Alaska.Gov](http://Corporations.Alaska.Gov)

## Contact Information

- Return this form with your filing
- This information may be used by the Division to assist with processing your attached filings
- This form will not be filed for record, or appear online

Entity Information		Enter your entity information as it appears on this filing.
Entity Name:	Northern Lights Indoor Gardens, LLC	
AK Entity #:	10028235	

Contact Person		Whom may we contact with any questions or problems with this filing?
Company:	Birch Horton Bittner & Cherot	
Contact:	Jason Brandeis	
Mailing Address:	Address: 510 L Street, Suite 700	
	City: Anchorage	State: AK ZIP: 99501
Phone:	907-276-1550	
Email:	<a href="mailto:jbrandeis@bhb.com">jbrandeis@bhb.com</a>	

Document Return Address		Provide an address for the return of your filed documents.
<input checked="" type="checkbox"/> Return my filings to the address provided <b>ABOVE</b>		
<input type="checkbox"/> Return my filings to this address provided <b>BELOW</b>		
Company:		
Contact:		
Mailing Address:	Address: 510 L Street, Suite 700	
	City: Anchorage	State: ZIP: 99501

AMCO



THE STATE  
of **ALASKA**

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

FOR DIVISION USE ONLY

State of Alaska  
Department of Commerce, Community, and Economic Development  
Division of Corporations, Business and Professional Licensing  
PO Box 110806, Juneau, AK 99811  
Phone: (907) 465-2550

## Credit Card Payment Form

All major credit cards are accepted. For security purposes, do not email credit card information. Include this credit card payment form with your application.

Name of Applicant or Licensee: Northern Lights Indoor Gardens, LLC

Program Type: Domestic LLC License Number (if applicable): 10028235

I wish to make payment by credit card for the following (check all that apply):

**AMOUNT**

☒ Application Fee: Change of Officials (CORF) \$25.00

☐ License or Renewal Fee: \_\_\_\_\_

☐ Other (name change, wall certificate, fine, duplicate license, exam, etc.):

1. \_\_\_\_\_

2. \_\_\_\_\_

**TOTAL:** \$25.00

Name (as shown on credit card): \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email (optional): \_\_\_\_\_

Signature of Credit Card Holder: \_\_\_\_\_

08-4438

Rev 12/26/18

Credit Card Payment Form (all major cards accepted)

**CREDIT CARD INFO: Your payment cannot be processed unless all fields are completed!**

1. Account Number: \_\_\_\_\_

2. Expiration Date: \_\_\_\_\_

3. Billing ZIP Code: \_\_\_\_\_

4. Security Code: \_\_\_\_\_

All four fields **MUST**  
be completed!

This section will be  
destroyed after the  
payment is processed.

AMCO  
JAN 07 2020



**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 ("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

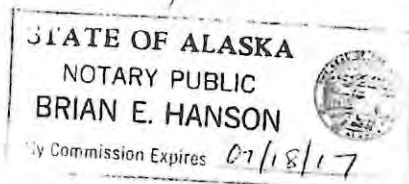
  
Michael J. Daly

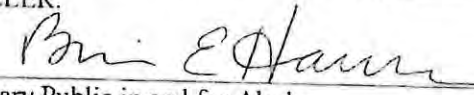
STATE OF ALASKA

FIRST JUDICIAL DISTRICT

)  
) ss:  
)

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



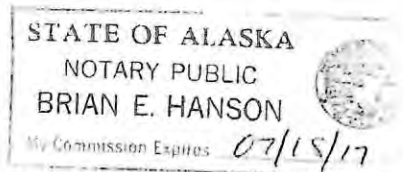
  
Notary Public in and for Alaska

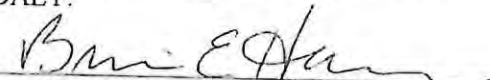
STATE OF ALASKA

FIRST JUDICIAL DISTRICT

)  
) ss:  
)

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



  
Notary Public in and for Alaska

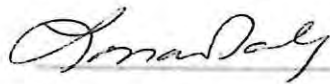


**EXHIBIT A**  
**Northern Lights Indoor Gardens, LLC**  
**Members**  
**02/26/16**

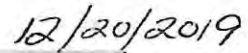
<u>Member / Address</u>	<u>Capital Contribution</u>	<u>Percent Ownership Interest</u>
Micah S. Miller 1710 Halibut Point Road Sitka, Alaska 99835	N/A	50%
Michael J. Daly 501 Charteris Street Sitka, Alaska 99835	N/A	50%

**AGREEMENT IN RESPECT OF OPERATING AGREEMENT**

IN WITNESS WHEREOF, the undersigned acknowledges and agrees that the undersigned is making the contribution with intent to be legally bound to the terms and conditions contained in the Operating Agreement attached hereto and executes this Agreement in Respect of Operating Agreement as a counterpart thereto.



Lorraine Daly



Date

AMCO  
JAN 07 2020





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

### Section 2 – Individual Information

Enter information for the individual licensee.

Name:	Lorraine Daly
Title:	Member

### Section 3 – Other Licenses

Ownership and financial interest in other licenses:

Yes No

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

☒ ☐

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

Retail Marijuana Store #10138
-------------------------------



## Alaska Marijuana Control Board

**Form MJ-00: Application Certifications****Section 4 – Certifications**

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

Initials

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

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

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

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

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

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

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

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

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

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

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





Alaska Marijuana Control Board

**Form MJ-00: Application Certifications**

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

Initials

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



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



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

Initials

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

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



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

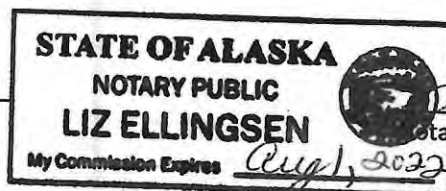
I certify that I do not have an ownership in, or a direct or indirect financial interest in a marijuana testing facility license.



**All marijuana establishment license applicants:**

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

Signature of licensee



Notary Public in and for the State of Alaska

Lorraine Daly

Printed name of licensee

My commission expires: Aug 1, 2022

Subscribed and sworn to before me this 30 day of December, 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:	Northern Lights Indoor Gardens LLC	License Number:	10136		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Northern Lights Indoor Gardens LLC				
Premises Address:	1321 Sawmill Creek Road, Suites M, N, O, and P				
City:	Sitka	State:	AK	ZIP:	99835

### Section 2 – Individual Information

Enter information for the individual licensee.

Name:	Michael Daly
Title:	Member, Manager

### 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?

Retail Marijuana Store #10138





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.

MD

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

MD

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

MD

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.

MD

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.

MD

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.

MD

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).

MD

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

MD

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.

MD

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

MD

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.

MD



Alaska Marijuana Control Board

**Form MJ-00: Application Certifications**

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

Initials

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



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

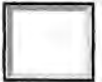


Read each line below, and then sign your initials in the box to the right of only the applicable statement:

Initials

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

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



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

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



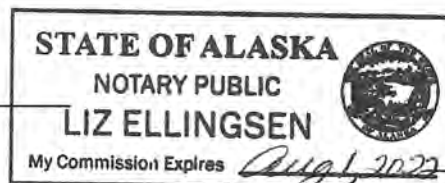
**All marijuana establishment license applicants:**

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

Signature of licensee

Michael Daly

Printed name of licensee



Notary Public in and for the State of Alaska

My commission expires: Aug 1, 2022

Subscribed and sworn to before me this 14 day of February, 2020.





Alaska Marijuana Control Board

## Form MJ-07: Public Notice Posting Affidavit

### What is this form?

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

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

### Section 1 – Establishment Information

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

Licensee:	Northern Lights Indoor Gardens LLC	License Number:	10136		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Northern Lights Indoor Gardens LLC				
Premises Address:	1321 Sawmill Creek Road, Suites M, N, O, and P				
City:	Sitka	State:	AK	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: 2/19/2020

End Date: 3/01/2020

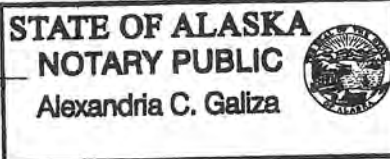
Other conspicuous location: Lakeside Grocery 705 H.P.R. STE B Sitka AK

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

Signature of licensee

Michael Daly

Printed name of licensee



Notary Public in and for the State of Alaska

My commission expires: 09/15/2023

Subscribed and sworn to before me this 2 day of march, 2020



## Alaska Marijuana Control Board

**Form MJ-08: Local Government Notice Affidavit****What is this form?**

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

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

**Section 1 – Establishment Information**

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

Licensee:	Northern Lights Indoor Gardens LLC	License Number:	10136		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Northern Lights Indoor Gardens LLC				
Premises Address:	1321 Sawmill Creek Road, Suites M, N, O, and P				
City:	Sitka	State:	AK	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 (LG) official(s) and community council (if applicable):

Local Government(s): City of Sitka Date Submitted: 2/29/2020

Name/Title of LG Official 1: Sara Peterson Municipal Clerk Name/Title of LG Official 2: \_\_\_\_\_

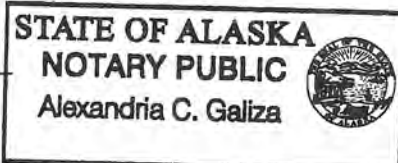
Community Council: City and Borough of Sitka Date Submitted: \_\_\_\_\_  
(Municipality of Anchorage and Matanuska-Susitna Borough only)

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

Signature of licensee

Michael Daly

Printed name of licensee



Notary Public in and for the State of Alaska

My commission expires: 09/15/2023

Subscribed and sworn to before me this 2 day of March, 2020





## Alaska Marijuana Control Board

**Form MJ-09: Statement of Financial Interest****What is this form?**

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

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

**Section 1 – Establishment Information**

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

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

**Section 2 – Individual Information**

Enter information for the individual licensee.

Name:	Lorraine Daly				
Title:	Member				
SSN:			Date of Birth:		



Alaska Marijuana Control Board

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

**Section 3 – Certifications**

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

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

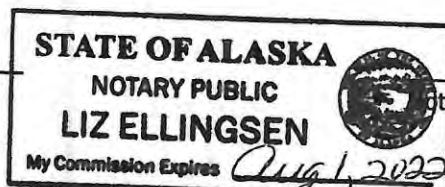
I understand that my fingerprints will be used to check the criminal history records of the Federal Bureau of Investigation (FBI), and that I have the opportunity to complete or challenge the accuracy of the information contained in the FBI identification record.  
*The procedures for obtaining a change, correction, or updating an FBI identification record are set forth in Title 28, CFR, 16.34.*

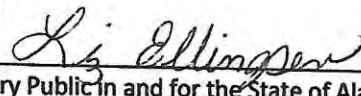
I declare under penalty of unsworn falsification that this form, including all accompanying schedules and statements, is true, correct, and complete.

  
Signature of licensee

**Lorraine Daly**

Printed name of licensee



  
Notary Public in and for the State of Alaska

My commission expires: Aug 1, 2022

Subscribed and sworn to before me this 20 day of December, 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)) is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(4). A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

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

**Section 1 – Establishment Information**

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

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

**Section 2 – Individual Information**

Enter information for the individual licensee.

Name:	Michael Daly				
Title:	Member, Manager				
SSN:		Date of Birth:			



Alaska Marijuana Control Board

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

**Section 3 – Certifications**

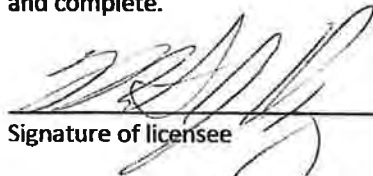
I certify that no person other than a proposed licensee listed on my marijuana establishment license application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which a marijuana establishment license is being applied for.

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

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

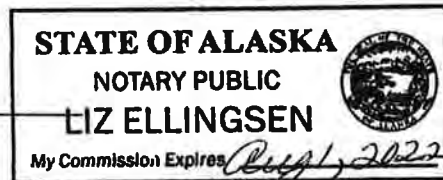
*The procedures for obtaining a change, correction, or updating an FBI identification record are set forth in Title 28, CFR, 16.34.*

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

  
Signature of licensee

**Michael Daly**

Printed name of licensee



  
Notary Public in and for the State of Alaska

My commission expires: Aug 1, 2022

Subscribed and sworn to before me this 14 day of February, 20 2020





Alaska Marijuana Control Board  
**Marijuana Establishment  
Form MJ-17c: License Transfer Application**

**What is this form?**

This form must be used to initiate a transfer of ownership of a marijuana establishment license under 3 AAC 306.045. This transfer application must be completed and submitted to AMCO's main office, along with all necessary supplemental documents and fees listed in **Form MJ-17b: License Transfer Application Checklist**, before a transfer of ownership, including a change that affects the controlling interest of an entity, will be considered by the Marijuana Control Board.

Please note that licensees seeking to change controlling interest of an entity that owns multiple licenses must submit a separate completed copy of this form and the required supplemental documents and fees for each license.

**Section 1 – Transferor Information**

Enter information for the **current** licensee and licensed establishment.

Licensee:	Northern Lights Indoor Gardens LLC	License Number:	10136		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Northern Lights Indoor Gardens LLC				
Premises Address:	1321 Sawmill Creek Road, Suites M, N, O, and P				
City:	Sitka	State:	Alaska	ZIP:	99835
Email:	northernlightsig@acsalaska.net				
Local Government:	City of Sitka				

☐

Regular ownership transfer

☒

Transfer of controlling interest in the licensed entity

**Section 2 – Transferee Information**

Enter information for the **new** applicant seeking to be licensed. The business license # should be issued for the DBA listed below, and held by the transferee.

Licensee:	Northern Lights Indoor Gardens LLC	Alaska Entity #	10028235		
Mailing Address:	1321 Sawmill Creek Road, Suites M, N, O, and P				
City:	Sitka	State:	AK	ZIP:	99835
Doing Business As:	Northern Lights Indoor Gardens LLC				
Business License #:	1019601	Business Phone:	907-738-2242		
Designated Licensee:	Michael Daly				
Contact Email:	northernlightsig@acsalaska.net		Phone #	907-738-2242	





Alaska Marijuana Control Board  
**Form MJ-17c: License Transfer Application**

**Section 3 – Entity Ownership Information**

This section must be completed by any entity, including a corporation, limited liability company (LLC), partnership, or limited partnership, that is applying for a license. Sole proprietors should skip to Section 4. If any entity official is another entity, you must include the AK Entity # of that entity in the Entity Official Name field, attach a separate completed copy of this page that breaks down the ownership information for that entity, and submit the supplemental documents and fingerprint fees listed on Form MJ-17b required for each individual entity official. Entity documents must be submitted for each entity listed on this form.

If more space is needed, please attach additional completed copies of this page.

- If the applicant is a corporation, list each officer or director, and owner of any of the corporation's stock.
- If the applicant is a limited liability company, list each member holding any ownership interest and each manager.
- If the applicant is a partnership or limited partnership, list each partner holding any interest and each general partner.

Entity Official Name:	Michael Daly				
Title(s):	Member, Manager	Phone:	907-738-2242	% Owned:	55%
Email:	dalys@gci.net				
Mailing Address:	501 Charteris St				
City:	Sitka	State:	AK	ZIP:	99835
Entity Official Name:	Lorraine Daly				
Title(s):	Member	Phone:	907-738-0189	% Owned:	45%
Email:	northernlightsig@acsalaska.net				
Mailing Address:	501 Charteris St				
City:	Sitka	State:	AK	ZIP:	99835
Entity Official Name:					
Title(s):		Phone:		% Owned:	
Email:					
Mailing Address:					
City:		State:		ZIP:	
Entity Official Name:					
Title(s):		Phone:		% Owned:	
Email:					
Mailing Address:					
City:		State:		ZIP:	
Entity Official Name:					
Title(s):		Phone:		% Owned:	
Email:					
Mailing Address:					
City:		State:		ZIP:	





## Form MJ-17c: License Transfer Application

## Section 4 – Other Licenses

Ownership and financial interest in other marijuana establishments:

Yes No

Does any representative or owner named as a transferee in this application have any direct or indirect financial interest in any other marijuana establishment that is licensed in Alaska?



If "Yes", disclose which individual(s) has the financial interest, which license number(s), and license type(s):

Retail Marijuana Store #10138

## Section 5 – Authorization

Communication with AMCO staff:

Yes No

Does any person other than a licensee named in this application have authority to discuss this license with AMCO staff?



If "Yes", disclose the name of the individual and the reason for this authorization:

Jason Brandeis, Attorney

## Section 6 – Transferee Certifications

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

Initials

I certify that all proposed licensees (as defined in 3 AAC 306.020) have been listed on this application.



Completed copies of all required documents and fees listed on Form MJ-17b are attached to this form.



I certify that I understand that providing a false statement on this form or any other form provided by AMCO is grounds for rejection or denial of this application or revocation of any license issued.



I agree to provide all information required by the Marijuana Control Board in support of this application.



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 this form, including all accompanying schedules and statements, is true, correct, and complete.

Signature of transferee

Lorraine Daley

Printed name of transferee

STATE OF ALASKA  
NOTARY PUBLIC  
Alexandria C. Galiza



Notary Public in and for the State of Alaska.

My commission expires: 09/15/2028

Subscribed and sworn to before me this 14th day of February, 2020.



## Form MJ-17c: License Transfer Application

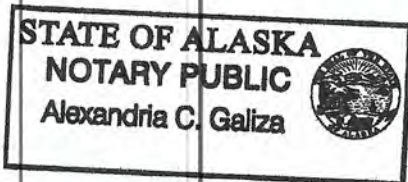
## Section 7 – Transferor Certifications

Additional copies of this page may be attached, as needed, for the controlling interest of the current licensee to be represented.

I declare under penalty of unsworn falsification that the undersigned represents a **controlling interest** of the current licensee. I additionally certify that I, as the current licensee (either the sole proprietor or the controlling interest of the currently licensed entity) approve of the transfer of this license, and that the information on this form is true, correct, and complete.

Signature of transferor

Printed name of transferor



Signature of transferor

Printed name of transferor

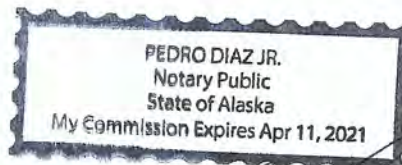
Signature of transferor

Printed name of transferor

Notary Public in and for the State of Alaska.

My commission expires: 09/15/2023

Subscribed and sworn to before me this 18th day of February, 2020.



Notary Public in and for the State of Alaska.

My commission expires: 4-11-21

Subscribed and sworn to before me this 19 day of February, 2020.

Notary Public in and for the State of Alaska.

My commission expires: \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.





Alaska Marijuana Control Board

Alcohol and Marijuana Control Office

550 W 7<sup>th</sup> Avenue, Suite 1600

Anchorage, AK 99501

[marijuana.licensing@alaska.gov](mailto:marijuana.licensing@alaska.gov)

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

Phone: 907.269.0350

## Form MJ-17d: Unaltered Operating Plan and/or Premises Diagram Affidavit

### What is this form?

An operating plan and/or diagram affidavit is required to be submitted by the transferee for any marijuana establishment transfer license application where the transferee is not making changes to the operating plan and/or premises diagram approved by the Marijuana Control Board, in the course of the transfer application, per 3 AAC 306.045(e). By completing this form you are certifying that no changes will be made to the operating plan and/or premises diagram that have been previously submitted and approved for this license. This form replaces the information required by regulations 3 AAC 306.020(b)(8), 3 AAC 306.020(c), 3 AAC 306.315(2), 3 AAC 306.420, 3 AAC 306.520(2) and (3), and 3 AAC 306.615 if no changes are being made to your operating plan or diagram during the transfer.

### Section 1 – Establishment Information

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

New Licensee:	Northern Lights Indoor Gardens LLC	License Number:	10136		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Northern Lights Indoor Gardens LLC				
Premises Address:	1321 Sawmill Creek Road, Suites M, N, O, and P				
City:	Sitka	State:	AK	ZIP:	99835

### Section 2 – Certification

You must be able to certify at least one of the statements below. Read the following and then sign your initials in the applicable box(es) to the right:

I certify that there will be no changes to the operating plan for this license.

If the above statement is certified you will not be required to submit forms MJ-01 and MJ-03, MJ-04, MJ-05 or MJ-06.

Initials

dd

I certify that there will be no changes to the premises diagram for this license.

If the above statement is certified, you will not be required to submit form MJ-02.

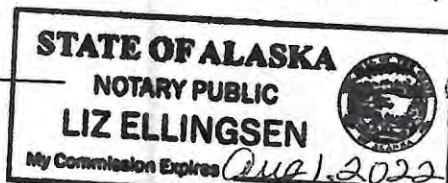
dd

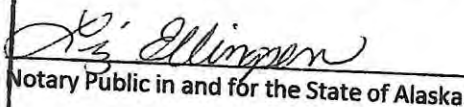
I declare under penalty of unsworn falsification that this form, including all accompanying schedules and statements, is true, correct, and complete.

  
Signature of transferee

Lorraine Daly

Printed name of transferee



  
Notary Public in and for the State of Alaska

My commission expires: Aug 1, 2022

Subscribed and sworn to before me this 20 day of December, 2019.



# Affidavit of Publication

STATE OF ALASKA  
FIRST JUDICIAL DISTRICT ) ss.  
AT SITKA, ALASKA

Kathy Hope Erickson, 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 - cultivation a copy of  
which is hereto annexed, was published in the Daily Sitka Sentinel on:

12.16.19, 12.23.19, 12.30.19,  
\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_.

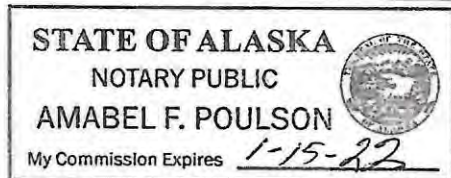
Signature [Signature]

Sworn and subscribed to

before me this 30 day of Dec, 2019

Notary Public for Alaska [Signature]

My commission expires \_\_\_\_\_, 20\_\_\_\_



## LEGAL NOTICE

Northern Lights Indoor Gardens LLC doing business as Northern Lights Indoor Gardens LLC, located at 1321 Sawmill Creek Road, Suites M, N, O, & P, Sitka, AK 99835 is applying under 3 AAC 306.045 for a transfer of controlling interest in a Standard Marijuana Cultivation Facility (3 AAC 306.400), license #10136.

The transfer involves a change in ownership percentage from Michael Daly 50% and Micah Miller 50% to Michael Daly 55% and Lorraine Daly 45%

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

Published: December 16, 23, 30, 2019

AMCO

JAN 07 2020



# COMMERCIAL LEASE AGREEMENT

EAGLE BAY INN LLC

1321 SAWMILL CREEK ROAD SUITE C

SITKA, ALASKA 99835

This lease is made this 1<sup>st</sup> day of October 2018 by and between Eagle Bay Inn, LLC and **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 follow:

Eagle Bay Inn, LLC leases to **Northern Lights Indoor Gardens, LLC**, the following described premises: M, N, O AND P bays, Eagle Bay Inn, LLC understands and knows that this is for a marijuana growing business distributions and retail store.

Eagle Bay Inn, LLC, will not take possession of and/or remove marijuana from the premises, and that Alaska Marijuana Control office (AMCO) will be contacted in the event that is necessary.

The term of this lease shall be for 36 months commencing 10/01/2018 and ending 10/01/2021.

**Northern Lights Indoor Gardens, LLC**, shall pay to Eagle Bay Inn, LLC rent in the amount of \$240,012.00 per 36 months in equal monthly installments of \$6667. 00.

**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.

**Northern Lights Indoor Gardens, LLC**, will furnish the utilities or amenities at his own expense.

**Northern Lights Indoor Gardens, LLC**, shall purchase at his own expense public liability insurance in the amount of one million dollars, or have it in the business insurance policy.

**Northern Lights Indoor Gardens, LLC**, shall not permit or commit waste the premises. **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.

**Northern Lights Indoor Gardens, LLC** shall comply with all rules, regulations, ordinances codes, and laws of all Eagle Bay Inn, LLC members.

**Northern Lights Indoor Gardens, LLC**, shall not permit or engage in any activity that will affect an increase in the rate of insurance of the building which the premises is now contained nor shall **Northern Lights Indoor Gardens, LLC**, permit or commit any nuisance thereon.

## COMMERCIAL LEASE AGREEMENT

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 this lease, 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 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 Northern Lights Indoor Gardens, LLC, first option when renewing this lease on October 1, 2021.

  
\_\_\_\_\_  
NORTHERN LIGHTS INDOOR GARDENS, LLC

October 1, 2018

  
\_\_\_\_\_  
EAGLE BAY INN, LLC

October 1, 2018





# CITY AND BOROUGH OF SITKA

## Legislation Details

File #: 20-073      Version: 1      Name:

Type: Item      Status: AGENDA READY

File created: 3/19/2020      In control: City and Borough Assembly

On agenda: 3/24/2020      Final action:

Title: Appointments: 1) Reappoint George D. Bennett Jr. to a three-year term on the Local Emergency Planning Committee in the category of 2 - Law Enforcement, Civil Defense, Fire Fighting, First Aid, Local Env't/Hospital, and Transportation Personnel, and, 2) Appoint Robert Hattle to a three-year term on the Local Emergency Planning Committee in the category of 6 - Members of the Public, and, 3) Appoint Mim McConnell to a three-year term on the Local Emergency Planning Committee in the category of 4 - Community Groups

Sponsors:

Indexes:

Code sections:

Attachments: [Motion](#)  
[Bennett Application LEPC](#)  
[Hattle Application LEPC](#)  
[McConnell Application LEPC](#)

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

## **POSSIBLE MOTION**

**I MOVE TO** 1) Reappoint George D. Bennett Jr. to a three-year term on the Local Emergency Planning Committee in the category of 2 – Law Enforcement, Civil Defense, Fire Fighting, First Aid, Local Env't/Hospital, and Transportation Personnel, and, 2) Appoint Robert Hattle to a three-year term on the Local Emergency Planning Committee in the category of 6 – Members of the Public, and, 3) Appoint Mim McConnell to a three-year term on the Local Emergency Planning Committee in the category of 4 – Community Groups.



**State of Alaska**  
**LOCAL EMERGENCY PLANNING COMMITTEE**  
**INDIVIDUAL APPLICATION FORM FOR MEMBERSHIP ON LEPC**

LEPC name: Sitka Local Emergency Planning Committee

Applicant name: George D. Bennett Jr

Mailing address: [REDACTED]

Residence address: [REDACTED]

Day phone: [REDACTED]

Home Phone (optional): \_\_\_\_\_

Where employed: SEARHC

Job title: Assistant Safety Manager

LEPC category/seat that applicant seeks: Local Env't/Hospital

*Categories: 1) Elected local officials, 2) Law Enforcement, Civil Defense, Fire Fighting, First Aid, Local Env't/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*

New applicant \_\_\_\_\_ Renewal ☒ Regular member \_\_\_\_\_ Alternate member \_\_\_\_\_

Qualifications for this category: As the Assistant Safety Manager, I am part of the SEARHC

incident command staff. Involved with drills and events for the past 5 years.

Organizations in which applicant participates (that are pertinent to the application): \_\_\_\_\_

Please provide enough information to demonstrate an applicant's eligibility or suitability for a particular seat on the LEPC. For the Public At Large position, please state whether an applicant qualifies for any other category on the LEPC.

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

I hereby certify that the above information is correct and that I have not misrepresented myself.

Signature

G Bennett

Date

03/10/2020

→ To be considered, your application must be complete AND be accompanied by either a letter of interest or resume. Return to:

Melissa Henshaw, Deputy Clerk  
100 Lincoln Street  
Fax: 907-747-7403  
Email: [melissa.henshaw@cityofsitka.org](mailto:melissa.henshaw@cityofsitka.org)



# LOCAL EMERGENCY PLANNING COMMITTEE

NAME	CONTACT NUMBERS		TERM STARTS	EXPIRES	CATEGORY
DAVE MILLER, <b>CHAIR</b>	747-1860	dave.miller@cityofsitka.org	Permanent	Fire Chief*	2
GEORGE BENNETT JR. 225 Tongass Drive	966-8916	gbennett@searhc.org	3/28/17	3/28/20	2
SHANNON FREITAS 222 Tongass Drive	966-8511	shannonf@searhc.org	3/28/17	3/28/20	2
ALAN STEVENS 2606 Sawmill Creek Road	747-8848 738-8237	astevenssit@gmail.com	1/23/18	1/23/21	2
DAVID BIRKY 611 Airport Road	966-5525 503-510-3401	david.a.birky@uscg.mil	11/8/18	11/8/21	2
JENNIFER KLEJKA 311 Cascade Street	623-7499	jennifer.klejka@cityofsitka.org	3/10/20	3/10/23	2
DONNA CALLISTINI 208 Lake Street #2G	747-7107 w 747-5494	donna.callistini@yahoo.com	10/26/10, 11/12/13 1/23/18	10/26/13, 11/12/16 1/23/21	3
GAYLE HAMMONS 210 Kruzof Street	738-3028 c	kghammons@gmail.com	7/28/15	7/28/18 11/8/21	3
BECKY MEIERS 2 Lincoln Street Ste. B	747-5877	generalmanager@kcaw.org	12/11/18	12/11/21	3
AMY ZANUZOSKI 113 Metlakatla Street	966-8237	amyz@scpsak.org	6/12/18	6/12/21	4
JUSTIN MULLENIX 503 Marine Street	907-290-4306 907-623-8155 h	justin.mullenix2.mil@mail.mil	2/25/20	2/25/23	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, 3/27/18	3/10/12, 3/15/15 3/24/18, 3/27/21	5
SCOTT WAGNER 304 Nicole Drive	747-3791 h 738-2729 c	scott_wagner@nsraa.org	11/12/13, 12/27/16 1/14/20	11/12/16, 12/27/19 1/14/23	5
MARY ANN HALL 2037 Halibut Point Road	738-1687	jaryberry77@gmail.com	8/23/11, 8/12/14 8/8/17	8/23/14, 8/12/17 8/8/20	6
JOEL HANSON 417 Arrowhead Street	747-9834	captainjoel@alaskan.com	2/25/20	2/25/23	6
ROBERT BATY	747-3245	robert.baty@sitkapd.org	Permanent	Interim Police Chief*	2
LANCE EWERS	747-3245	lance.ewers@sitkapd.org	Permanent	Law Enforcement*	2
CRAIG WARREN	747-3233	craig.warren@cityofsitka.org	Permanent	LEPC Coordinator*	7
VALORIE NELSON	747-4589	assemblynelson@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 and 99-727. Meeting: Second Thursday, noon – Fire Hall. **Quorum Requirement:** At least one member from four different categories must be present. **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

Revised: March 19, 2020



**State of Alaska**  
**LOCAL EMERGENCY PLANNING COMMITTEE**  
**INDIVIDUAL APPLICATION FORM FOR MEMBERSHIP ON LEPC**

LEPC name: Sitka Local Emergency Planning Committee

Applicant name: ROBERT HATTLE

Mailing address:

Residence address:

Day phone:

Home Phone (optional):

Where employed:

Job title:

LEPC category/seat that applicant seeks: 6

*Categories: 1) Elected local officials, 2) Law Enforcement, Civil Defense, Fire Fighting, First Aid, Local Env't/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*

New applicant

☒

Renewal

Regular member

Alternate member

Qualifications for this category:

Please see attached letter and Resume

Organizations in which applicant participates (that are pertinent to the application):

Please provide enough information to demonstrate an applicant's eligibility or suitability for a particular seat on the LEPC. For the Public At Large position, please state whether an applicant qualifies for any other category on the LEPC.

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

I hereby certify that the above information is correct and that I have not misrepresented myself.

Robert J. Hattle

Signature

3/9/2020

Date

→ To be considered, your application must be complete AND be accompanied by either a letter of interest or resume. Return to:

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

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

**Assembly Members and Honorable Mayor,  
City and Borough of Sitka  
C/O Melissa Henshaw Deputy Clerk  
100 Lincoln Street  
Sitka, AK 99835**

**Dear Honorable Assembly Members and City Mayor**

It is with honor that I submit my name for consideration as a candidate to serve on the Local Emergency Planning Committee. In my over 40 years practice as a Registered Nurse and as a community leader I think I bring forth a seasoned and unique voice to assist our community in its emergency planning. In the paragraphs below I hope to illuminate my reasons for applying, qualifications, work history, and professional affiliations.

**Reason for Applying/Background Experience**

Having been a previous employee of Sitka Community Hospital and serving on the Hospital Board for two years I hope to bring some insight into the needs of the community. I have served several terms on hospitals Emergency Planning Committee and was the board liaison to the Emergency Planning Committee.

I feel that my 40 plus year background as an RN and in Nursing/Hospital administration will allow me to contribute to this team. Most of my practice as an RN has been in small, rural, Critical Access Hospitals. Most of my clinical practice has been as an Emergency Room RN. I have been a consultant and independent contractor in Rural Health Care. I have attended and have assisted in teaching various Homeland Security Incident Command Trainings. I also have participated and directed various "drills" for disaster planning. Through my past experience as an Ordained Presbyterian Minister I have gained extensive training and experience in crisis counseling, consensus building, committee work and servant leadership.

Foremost in my qualifications I feel is my strong passion for all things Sitka and wanting to serve this unique community in a role that both challenges and utilizes my skill sets and life experiences.



## **Affiliated Professional and Volunteer Organizations**

### *Local*

Sitka Community Hospital, Board Member 2017 to 2019

Raven Radio, Board Member 2012 to 2015

Sitka Playground Group

Emergency Planning Committee, Sitka Community Hospital

Sitka Ministerial Association

### *State and National*

Alaska Association of Nurses

Emergency Nurses Association, State Delegate New Mexico

Association of Presbyterian Tentmaking Pastors, Past National Board Member

National Eagle Scout Association, Lifetime Member

## **Conflict of Interest**

I have no identified business interest or employment status that would be deemed a conflict of interest for the function of the Local Emergency Planning Committee.

Respectively submitted,

Rev. Robert J Hattle, RN

Objective	<p><i>I am seeking a role in healthcare that will allow me to continue to develop professionally as a Registered Nurse and a Minister. I desire to combine my experience in healthcare administration, ministry, community development and entrepreneurial hospitality to establish residential assisted living for aging adults and other at-risk populations.</i></p>
Professional Experience	<ul style="list-style-type: none"> <li>➤ April 2019 to Present <b>Providence Kodiak Island Medical Center</b> Kodiak Alaska. Charge RN, Emergency Department for this Critical Access Hospital.</li> <li>➤ October 2018 to April 2019 <b>Providence Alaska Medical Center</b> Anchorage, AK Contracted <i>Staff RN</i> in this Level II Trauma Center</li> <li>➤ October 2017 to Present <b>Sitka Community Hospital</b>, Sitka Alaska <i>Hospital Board Member</i> as appointed by City Assembly. The board has fiduciary responsibilities and hires and evaluates the CEO. I sat as a board member on the Quality Improvement/Risk Management Committee. Also sat on the committee for Emergency Preparedness.</li> <li>➤ February 2018 to May 2018 and February 2017 to May 2017 <b>Sutter Memorial Hospital</b>, Sacramento, CA. Contracted as an <i>Emergency Department RN</i> in this busy inner-city hospital.</li> <li>➤ May 2016 to November 2016 <b>University of California, Davis Health Center</b> Sacramento, CA. Contracted as an <i>Emergency Department RN</i> in this Level 1 Trauma Center.</li> <li>➤ November 2015 to February 2016 <b>Norton Sound Regional Hospital</b> Nome, AK. <i>Staff RN</i> in Emergency Department for this Critical Access Hospital in rural Alaska.</li> <li>➤ January 2012 to June 2015. <b>Sitka Community Hospital</b>. Shift <i>Charge Nurse</i> and Emergency Department nurse. Also, <i>Cardiac Rehabilitation Co-Director</i>.</li> <li>➤ January 2011 to December 2011 <b>SEARHC</b> Mt. Edgecumbe Hospital Sitka, AK. Contracted RN staffing the Emergency Department and ICU.</li> <li>➤ June 2010 to January 2011 <b>Mad River Hospital</b> Arcata, CA. Charge Nurse ED. <i>Nursing Administrative Supervisor</i>, duties included: overall supervision of all disciplines in this small hospital.</li> <li>➤ June 2008 to March 2010 <b>Midland Hospice Care</b>. Topeka, KS Inpatient Unit. <i>RN</i> Duties included: End of life care, pain management, patient and family education regarding the death process, supervising LPNs and healthcare technicians.</li> <li>➤ May 2008-May 2010 <b>Oakland Presbyterian Church</b>, Topeka, KS. <i>Minister of Word and Sacrament</i>. Duties included: weekly preaching, Funerals, weddings, spiritual direction and visiting the sick and homebound.</li> </ul>



- June 2007-May 2008 **Mad River Hospital** Arcata, CA. Nursing Administrative Supervisor, duties included: Overall supervision of all disciplines in the hospital. Maintaining staffing patterns and addressing budgetary parameters. Responded to all codes and emergencies. Also did after hour post-op recovery and blood administration.
- May 2007-May 2008 **Orrick Presbyterian Church and Trinidad Presbyterian Church.** Pastor to these yoked churches in Humboldt County, California.
- September 2006-May 2007 **Heart Hospital of New Mexico** Albuquerque, NM. Critical Care RN duties included acute care of post open-heart surgery patients. Responsible for ongoing assessments and treatments, management of ventilators, heart pumps and critical care IV drips. Also supervised LPNs and Patient Care Techs.
- October 2004-July 2006 **San Quentin State Prison**, CA. RN Duties included; intake assessments, infirmary charge nurse, acute sick call, emergency response, prisoner health care education, and shift supervision of LVN's and CNA's.
- August 2002-May 2006 San Francisco Theological Seminary, CA *Master's In divinity.* Full time student.
- 1990-2002 Rural Community Resources Las Vegas, NM  
*President / Owner.* Rural Community Resources provided contracted management services in four areas:

## I) Health Care Management

- Functioned as Interim Director of Nursing and Acting Hospital Administrator during management recruitment.
- Conducted pre-JACHO inspections in ED and ICU areas.
- Developed and directed **Life Steps** (1993-1995). Life Steps provided comprehensive Cardio-Pulmonary Rehabilitation programs. Responsible for day-to-day operations, budget, supervision and clinical management of clients in an educational, life style change and exercise training program for individuals with heart disease, lung disease and diabetes.

## II) Hospital Staffing Relief

Provided "prn" services as an independent contractor in critical care and emergency departments. Hospitals contracted: Los Alamos Medical Center, Los Alamos, NM. Sierra Vista Community Hospital, Truth or Consequences, NM. Dan Trigg Memorial Hospital, Tucumcari, NM. Guadalupe County Hospital, Santa Rosa, NM. Checkerboard Service Area Community Hospital, Cuba, NM. Miner's Colfax Hospital, Raton, NM. Doctor's University General Hospital, Seminole, FL. Ed White Memorial Hospital, St Petersburg, FL.

## III) Nursing/Health Care Advocacy

- Supported other nursing and health care professionals to function as Independent Contractors.
- Conducted contract negotiations, guest lecturing, and public speaking.
- Corporate Hospital Board Member during selling of a non-profit hospital to a for-profit management group and initial negotiations for building a new hospital facility.

## IV) Tecolote House

An intentional community that provided residential services for outpatient mental health consumers and dormitory housing for International Youth Hostel travelers and visiting faith-based, mission work groups.

- 1986–1990 **Wilderness Inn** Pecos, NM *Owner/Manager*  
14 room Bed and Breakfast and 24 bed International Youth Hostel.  
Guide and wrangler for pack llamas into the Pecos Wilderness.
- 1985-1990 **Northeastern Regional Hospital** Las Vegas, NM *Emergency Department Manager* responsible for departmental budget and direct supervision of 25 employees. After 1988 worked seasonally and part-time as *House Supervisor*.
- 1982-1985 **University of Cincinnati Medical Center** Cincinnati, OH Staff RN, Shift Charge Nurse and Fixed Wing Flight Nurse.



**Education**

1981 ADN Yavapai College, Nursing

1982 BS Arizona State University, Nursing/Psychology

2006 Masters of Divinity, San Francisco Theological Seminary

**Certifications**

Advance Cardiac Life Support

Pediatric Advance Life Support

AHA HCP Life Support (CPR), Instructor

Trauma Nursing Core Course

MAB (Managing Aggressive Behavior) for Emergency Room Nurses

Board Training and Strategic Planning, The Foraker Group

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# LOCAL EMERGENCY PLANNING COMMITTEE

NAME	CONTACT NUMBERS		TERM STARTS	EXPIRES	CATEGORY
DAVE MILLER, <b>CHAIR</b>	747-1860	dave.miller@cityofsitka.org	Permanent	Fire Chief*	2
GEORGE BENNETT JR. 225 Tongass Drive	966-8916	gbennett@searhc.org	3/28/17	3/28/20	2
SHANNON FREITAS 222 Tongass Drive	966-8511	shannonf@searhc.org	3/28/17	3/28/20	2
ALAN STEVENS 2606 Sawmill Creek Road	747-8848 738-8237	astevenssit@gmail.com	1/23/18	1/23/21	2
DAVID BIRKY 611 Airport Road	966-5525 503-510-3401	david.a.birky@uscg.mil	11/8/18	11/8/21	2
JENNIFER KLEJKA 311 Cascade Street	623-7499	jennifer.klejka@cityofsitka.org	3/10/20	3/10/23	2
DONNA CALLISTINI 208 Lake Street #2G	747-7107 w 747-5494	donna.callistini@yahoo.com	10/26/10, 11/12/13 1/23/18	10/26/13, 11/12/16 1/23/21	3
GAYLE HAMMONS 210 Kruzof Street	738-3028 c	kghammons@gmail.com	7/28/15	7/28/18 11/8/21	3
BECKY MEIERS 2 Lincoln Street Ste. B	747-5877	generalmanager@kcaw.org	12/11/18	12/11/21	3
AMY ZANUZOSKI 113 Metlakatla Street	966-8237	amyz@scpsak.org	6/12/18	6/12/21	4
JUSTIN MULLENIX 503 Marine Street	907-290-4306 907-623-8155 h	justin.mullenix2.mil@mail.mil	2/25/20	2/25/23	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, 3/27/18	3/10/12, 3/15/15 3/24/18, 3/27/21	5
SCOTT WAGNER 304 Nicole Drive	747-3791 h 738-2729 c	scott_wagner@nsraa.org	11/12/13, 12/27/16 1/14/20	11/12/16, 12/27/19 1/14/23	5
MARY ANN HALL 2037 Halibut Point Road	738-1687	jaryberry77@gmail.com	8/23/11, 8/12/14 8/8/17	8/23/14, 8/12/17 8/8/20	6
JOEL HANSON 417 Arrowhead Street	747-9834	captainjoel@alaskan.com	2/25/20	2/25/23	6
ROBERT BATY	747-3245	robert.baty@sitkapd.org	Permanent	Interim Police Chief*	2
LANCE EWERS	747-3245	lance.ewers@sitkapd.org	Permanent	Law Enforcement*	2
CRAIG WARREN	747-3233	craig.warren@cityofsitka.org	Permanent	LEPC Coordinator*	7
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Revised: March 19, 2020



**State of Alaska**  
**LOCAL EMERGENCY PLANNING COMMITTEE**  
INDIVIDUAL APPLICATION FORM FOR MEMBERSHIP ON LEPC

LEPC name: Sitka Local Emergency Planning Committee

Applicant name: Mim McConnell

Mailing address: [REDACTED]

Residence address: [REDACTED]

Day phone: [REDACTED]

Home Phone (optional): [REDACTED]

Where employed: SCLT, home office

Job title: Co-Executive Director

LEPC category/seat that applicant seeks: 4

*Categories: 1) Elected local officials, 2) Law Enforcement, Civil Defense, Fire Fighting, First Aid, Local Env't/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*

New applicant ☒ Renewal ☐ Regular member ☐ Alternate member ☐

Qualifications for this category: I served on the LEPC for three years while Mayor, including during the 2015 landslide. I was a caregiver for my octogenarian mother for 3 years, I have children and grandchildren in town. I'm a Realtor, I run a non-profit organization focused on housing, I'm in touch with many of the non-profits in town through my support group, SHED (Sitkans Helping Executive Directors) and I have a connection with the boating community as a boat broker and past fishing experience. In other words, my connections are broad.

Organizations in which applicant participates (that are pertinent to the application): SHED, SCLT, Chamber St. Peter's by-the-sea Episcopal Church

Please provide enough information to demonstrate an applicant's eligibility or suitability for a particular seat on the LEPC. For the Public At Large position, please state whether an applicant qualifies for any other category on the LEPC.

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

I hereby certify that the above information is correct and that I have not misrepresented myself.

Mim McConnell

Signature

3/14/2020

Date

→ To be considered, your application must be complete AND be accompanied by either a letter of interest or resume. Return to:

Melissa Henshaw, Deputy Clerk  
100 Lincoln Street  
Fax: 907-747-7403  
Email: [melissa.henshaw@cityofsitka.org](mailto:melissa.henshaw@cityofsitka.org)



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JUSTIN MULLENIX 503 Marine Street	907-290-4306 907-623-8155 h	justin.mullenix2.mil@mail.mil	2/25/20	2/25/23	4
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Gail Johansen Peterson 3511 Halibut Point Road	747-7646	scribeinkservices@gmail.com		Secretary	

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Revised: March 19, 2020





# CITY AND BOROUGH OF SITKA

## Legislation Details

File #: ORD 20-07      Version: 1      Name:

Type: Ordinance      Status: AGENDA READY

File created: 3/4/2020      In control: City and Borough Assembly

On agenda: 3/24/2020      Final action:

Title: Making supplemental appropriations for Fiscal Year 2020 (Sitka Police Department Legal Expenses)

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2020-07](#)  
[Ord 2020-07](#)

Date	Ver.	Action By	Action	Result
3/10/2020	1	City and Borough Assembly		

## **POSSIBLE MOTION**

**I MOVE TO** approve Ordinance 2020-07 on second and final reading making supplemental appropriations for Fiscal Year 2020 (Sitka Police Department Legal Expenses).



CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2020-07  
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA MAKING SUPPLEMENTAL  
APPROPRIATIONS FOR FISCAL YEAR 2020  
(Sitka Police Department Legal Expenses)

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

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 and circumstances shall not be affected thereby.

3. **PURPOSE.** The purpose of this ordinance is to make a supplemental operating appropriations for FY2020.

4. **ENACTMENT.** In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the Assembly hereby makes the following supplemental appropriation for the budget period beginning July 1, 2019 and ending June 30, 2020.

<b><u>FISCAL YEAR 2020 EXPENDITURE BUDGETS</u></b>
<b>GENERAL FUND</b>
Legal – Operations: Increase appropriations in the amount of \$88,500 for legal expenses regarding the Sitka Police Department litigations.

**EXPLANATION**

Additional funding for outside counsel is needed regarding ongoing Sitka Police Department litigation.

Total supplemental appropriations to date for the General Fund in FY2020 totals \$960,085. Increases of operating budgets in the amount of \$571,924.23, to comply with Charter provisions pertaining to non-lapsing of encumbered funds at the end of a fiscal year (“Year-end soft close”), are not included in this amount.

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 24<sup>th</sup> Day of March, 2020.

ATTEST:

Gary L. Paxton, Mayor

Sara Peterson, MMC  
Municipal Clerk

1<sup>st</sup> reading 3/10/2020  
2<sup>nd</sup> and final reading 3/24/2020

Sponsor: Administrator



# CITY AND BOROUGH OF SITKA

## Legislation Details

File #: ORD 20-08      Version: 1      Name:

Type: Ordinance      Status: AGENDA READY

File created: 3/4/2020      In control: City and Borough Assembly

On agenda: 3/24/2020      Final action:

Title: Making supplemental appropriations for Fiscal Year 2020 (Crescent Harbor Lightering Float Repairs)

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2020-08](#)  
[Memo Ord 2020-08](#)  
[Ord 2020-08](#)  
[Sitka Lightering Float Condition Report\\_01.21.2020](#)

Date	Ver.	Action By	Action	Result
3/10/2020	1	City and Borough Assembly		



## **POSSIBLE MOTION**

**I MOVE TO** approve Ordinance 2020-08 on second and final reading making supplemental appropriations for Fiscal Year 2020 (Crescent Harbor Lightering Float Repairs).




# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

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## MEMORANDUM

**To:** Mayor Paxton and Assembly Members

**Thru:** John Leach, Municipal Administrator 

**From:** Stan Eliason, Harbormaster

**Date:** March 2, 2020

**Subject:** Supplemental Budget Appropriation for FY20 – Tender Dock Repairs

---

### Background

In September 2019, the City and Borough of Sitka Public Works Department commissioned an assessment of the Tender Dock in Crescent Harbor, to be performed by Jacobs Engineering Group. In January 2020, the CBS received the assessment report (attached).

### Analysis

The very detailed Jacobs report outlines many items that are in need of repair. Many structural repairs were identified prior to this report and a plan was put into place. Three quotes were received in response to an RFP, and the contract is being drafted to address the items we discovered along with Bid Items 02.01.02, 03, and 04 of the Jacobs report. The Jacobs repairs are identified in red on the report (page 28).

A few items can either be suspended or deferred which are identified in black on the report – specifically, Bid Items 02.03.01, 02.03.02 which are required for new construction only (i.e. Crescent Harbor). These items can be deferred until full replacement of the facility. Estimated savings by deferring is \$26,530.56.

02.03.05 - Remove and replace HID lighting with LED lighting. Estimated savings by deferring is \$74,290.00.

02.03.06 - Ground fault protection is required for new construction. This item can be deferred until full replacement of the facility. Estimated savings by deferring is \$44,956.00.



Bid Item 02.03.08 provides utilities to the guard shack. This item can be deferred, however, if cruise ships are scheduled to stay beyond daylight hours, this will need to be addressed. Estimated savings by deferring is \$9,216.36

We also intend on performing several repairs in-house, as noted in green.

Fiscal Note

\$30,000.00 supplemental appropriation required to complete repairs.

Recommendation

Approve supplemental budget appropriation of \$30,000.00 to make structural repairs outlined in 02.01.02, 03, and 04 of the Jacobs report and repairs identified by the Harbor Department.

Attachments:

Jacobs Crescent Harbor Lightering Float Condition Assessment

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2020-08  
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA MAKING SUPPLEMENTAL  
APPROPRIATIONS FOR FISCAL YEAR 2020  
(Crescent Harbor Lightering Float Repairs)

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

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 and circumstances shall not be affected thereby.

3. **PURPOSE.** The purpose of this ordinance is to make a supplemental capital appropriation for FY2020.

4. **ENACTMENT.** In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the Assembly hereby makes the following supplemental appropriation for the budget period beginning July 1, 2019 and ending June 30, 2020.

:

<b><u>FISCAL YEAR 2020 EXPENDITURE BUDGETS</u></b>
<b>CAPITAL PROJECTS</b>
<b>Fund 750 – Crescent Harbor Lightering Float Repairs Project: Increase appropriations in the amount of \$30,000 for the Crescent Harbor Lightering Float Repairs. These funds will come from the Harbor Fund working capital.</b>

**EXPLANATION**

Critical repairs to the Crescent Harbor lightering float are needed prior to the beginning of the summer 2020 tourist season. These repairs will ensure that further and more expensive repairs are not need in the near term.

Total supplemental appropriations to date for the Harbor Fund in FY2020 totals 20,000. Increases of operating budgets in the amount of \$21,570.23, to comply with Charter provisions pertaining to non-lapsing of encumbered funds at the end of a fiscal year (“Year-end soft close”), are not included in this amount.

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 24<sup>th</sup> Day of March 2020.

ATTEST:

\_\_\_\_\_  
Gary L. Paxton, Mayor

\_\_\_\_\_  
Sara Peterson, MMC  
Municipal Clerk

1<sup>st</sup> reading 3/10/2020  
2<sup>nd</sup> and final reading 3/24/2020

Sponsor: Administrator





# Crescent Harbor Lightering Float Condition Assessment

## Condition Summary Report

Version 1.0

January 21, 2020

City and Borough of Sitka, Alaska



**Crescent Harbor Lightering Float Condition Assessment**

Project No: W3X90900  
Document Title: Condition Summary Report  
Document No.: BI1023190117BAO  
Revision: Final  
Date: January 21, 2020  
Client Name: City and Borough of Sitka, AK  
Project Manager: George Newman, PE, PMP  
Author: Mark Parent, PE, SE  
Ryan Breen, PE  
John Owens, PE  
File Name: Sitka Lightering Float Condition Report\_01.21.2020

Jacobs Engineering Group Inc.

949 East 36<sup>th</sup> Avenue, Suite 500  
Anchorage, Alaska 99508  
United States  
T +1.907.762.1343

[www.jacobs.com](http://www.jacobs.com)

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## Acronyms and Abbreviations

ACI	American Concrete Institute
ADCI	Association of Diving Contractors International
AISC	American Institute of Steel Construction
ASCE	American Society of Civil Engineers
CBS	City and Borough of Sitka
(E)	existing
ft	feet
HID	high-intensity discharge
Jacobs	Jacobs Engineering Group
MOP	Manual of Practice
NEC	National Electrical Code
OCPD	overcurrent protection device
PE	Professional Engineer
ROM	rough order of magnitude
SE	Structural Engineer





# **1. Introduction**

## **1.1 Project Background**

This report was produced for the City and Borough of Sitka (CBS), Alaska to provide an overall condition assessment of the Crescent Harbor Lightering Float. The condition assessment includes a general evaluation of the constituent elements of the structures, recommendations for repair or replacement of elements that are nearing or exceeded their service life, a rough order of magnitude (ROM) cost estimate for recommended repairs and maintenance, and an estimated remaining service life for the remaining elements. Detailed designs and load ratings are not included in the scope of this project.

## **1.2 Inspection Methodology**

Prior to the on-site investigation, Jacobs Engineering Group Inc. (Jacobs) engineers conducted preliminary research by reviewing the existing design documents available for the subject facilities to gain a detailed understanding of the structural systems, load paths, and construction materials. After the preliminary document research and trip planning, a team of engineers mobilized to Crescent Harbor and performed field investigations on October 1, 2019 through October 4, 2019. A team of engineer-divers performed all below-water investigations while a structural engineer and an electrical engineer evaluated the above-deck features.

The investigation of the Lightering Float included the following inspection tasks:

- Level I visual and tactile underwater inspection of the concrete floats and galvanized steel piles.
- Level II underwater cleaning inspections on 10 percent of the concrete floats and galvanized steel piles.
- Topside inspection of the concrete floats, timber rails, and connection hardware.
- Inspection of the two access gangways.
- Photographs to document general conditions and significant defects.

Element-level damage ratings and overall system condition assessment ratings are assigned based on the guidelines within American Society of Civil Engineers (ASCE) Manual of Practice (MOP) 130, "Waterfront Facilities Inspection and Assessment." Descriptions of the overall system assessment ratings are presented below in Figure 1 and damage ratings for timber elements are shown in Figure 2.

### **1.2.1 Underwater Inspection**

The underwater inspection was performed by a three-person engineer-diver team led by a Professional Engineer who is also a commercial diver certified by the Association of Diving Contractors International (ADCI). The other two members of the dive team were the Dive Supervisor and Technician-Diver, both of whom are also ADCI certified. The Jacobs dive inspection team members have successfully completed structural inspection training for engineer-divers to accurately report structural damage and deficiencies, and all Jacobs Professional Engineer-Diver Team Leaders have more than 10 years of experience performing underwater structural inspections of waterfront structures.

The members of the inspection team were equipped and trained, and all diving operations were conducted, in accordance with the Occupational Safety and Health Administration Commercial Diving Operations Standard (29 Code of Federal Regulations 1910, Subpart T), ADCI Consensus Standards for Commercial Diving and Underwater Operations, and Jacobs' Commercial Diving Safe Work Practices Manual (2016).

Commercial scuba diving equipment, including full face masks with through-water communications and high-pressure primary and bailout tanks, was utilized to perform the inspection. The diving operations were staged from the topside of the Lightering Float and the city-owned vessel “Stray Current.”

**Figure 1: Overall System Condition Assessment Ratings**

Rating		Description
6	Good	No visible damage or only minor damage noted. Structural elements may show very minor deterioration, but no overstressing observed. No repairs are required.
5	Satisfactory	Limited minor to moderate defects or deterioration observed but no overstressing observed. No repairs are required.
4	Fair	All primary structural elements are sound but minor to moderate defects or deterioration observed. Localized areas of moderate to advanced deterioration may be present but do not significantly reduce the load-bearing capacity of the structure. Repairs are recommended, but the priority of the recommended repairs is low.
3	Poor	Advanced deterioration or overstressing observed on widespread portions of the structure but does not significantly reduce the load-bearing capacity of the structure. Repairs may need to be carried out with moderate urgency.
2	Serious	Advanced deterioration, overstressing, or breakage may have significantly affected the load-bearing capacity of primary structural components. Local failures are possible, and loading restrictions may be necessary. Repairs may need to be carried out on a high-priority basis with urgency.
1	Critical	Very advanced deterioration, overstressing, or breakage has resulted in localized failure(s) of primary structural components. More widespread failures are possible or likely to occur, and load restrictions should be implemented as necessary. Repairs may need to be carried out on a very high-priority basis with strong urgency.

Source: ASCE MOP 130 Waterfront Facilities Inspection and Assessment



**Figure 2: Damage Ratings for Timber Elements**

Damage Rating		Existing Damage <sup>a</sup>	Exclusions [Defects Requiring Elevation to the Next Higher Damage Rating(s)]
NI	Not Inspected	<ul style="list-style-type: none"> <li>Not inspected, inaccessible, or passed by<sup>b</sup></li> </ul>	
ND	No Defects	<ul style="list-style-type: none"> <li>Sound surface material</li> </ul>	
MN	Minor	<ul style="list-style-type: none"> <li>Checks, splits, and gouges less than 0.5 in. wide</li> <li>Evidence of marine borers or fungal decay</li> </ul>	Minor damage not appropriate if <ul style="list-style-type: none"> <li>Loss of cross section</li> <li>Marine borer infestation</li> <li>Displacements, loss of bearing, or connections</li> </ul>
MD	Moderate	<ul style="list-style-type: none"> <li>Remaining diameter loss up to 15%</li> <li>Checks and splits wider than 0.5 in.</li> <li>Cross-section area loss up to 25%</li> <li>Corroded hardware</li> <li>Evidence of marine borers or fungal decay, with loss of section</li> </ul>	Moderate damage not appropriate if <ul style="list-style-type: none"> <li>Displacements, loss of bearing or connections</li> </ul>
MJ	Major	<ul style="list-style-type: none"> <li>Remaining diameter loss 15 to 30%</li> <li>Checks and splits through full depth of cross section</li> <li>Cross-section area loss 25 to 50%; heavily corroded hardware</li> <li>Displacement and misalignments at connections</li> </ul>	Major damage not appropriate if <ul style="list-style-type: none"> <li>Partial or complete breakage</li> </ul>
SV	Severe	<ul style="list-style-type: none"> <li>Remaining diameter loss more than 30%</li> <li>Cross-section area loss more than 50%</li> <li>Loss of connections and/or fully nonbearing condition</li> <li>Partial or complete breakage</li> </ul>	

Source: ASCE MOP 130 Waterfront Facilities Inspection and Assessment

### 1.3 Lightering Float Description

The Crescent Harbor Lightering Float is a concrete float consisting of a 10-foot (ft)-wide x 180-ft-long section which transitions to a 14-ft-wide x 60-ft-long section at the northern end. There are two gangways for accessing the float. The Lightering Float was relocated to Crescent Harbor from its original location below the O'Connell Bridge in 2002.

### 1.4 Cost Estimate

The ROM cost estimate for recommended repairs and maintenance of the Lightering Float identified in this report is presented in Appendix A. The estimated construction cost is \$243,184.

#### 1.4.1 Estimate Methodology

This cost estimate is considered a bottom rolled up type estimate with cost items and breakdown of Labor, Materials and Equipment.

For the development of this cost estimate, there may be systems that have yet to be defined enough on which to base a scope of work for estimating purposes. Jacobs estimating provides parametric costing based on a unit of measurement (i.e., cost per square foot or cost per unit). The cost is assigned per unit and typically is developed by averaging similar projects and analysis of historic costs. Using this approach, estimators strive to generate a basic system design fitting the parameters of the structure and its proposed function.

Finally, pricing is geographically adjusted to reflect local labor and material rates and job site conditions and requirements. As the design process progresses and more detailed project information becomes available, the parametric costing can be replaced with a detailed takeoff and estimated accordingly.

#### **1.4.2 Estimate Classification**

This cost estimate is considered a Budget or Class 5 estimate as defined by the Association for the Advancement of Cost Engineering International (AACEI) (see Appendix A for further detail).

Project feasibility and funding needs must be carefully reviewed prior to making specific financial decisions to help ensure proper project evaluation and adequate funding. This estimate is based on material, equipment, and labor pricing as of October 2019.

This cost estimate is based on the use of conceptual and stochastic costs and detailed items using separate Labor, Materials and Equipment costs. The estimate uses parametric costs where design information or details are insufficient to allow a detailed item method.

## **2. Existing Conditions**

The overall condition of the Lightering Float is fair. There is moderate concrete spall at a panel joint, some pile guides installed upside down, moderate to major connection hardware corrosion, and moderate damage to various timber elements.

### **2.1 Concrete Floats**

There is one topside spall with exposed and corroded reinforcing steel located on the northern edge of Float 6 at the east end that measures 44 inches long x 8 inches wide x 8 inches deep (see Photographs 1 and 2; photographs are presented in Section 4). The concrete floats typically exhibit moderate scaling on topside and underside with pitting up to 3/8 inch deep (Photographs 3 and 4).

The timber rail to concrete float connection hardware typically exhibits moderate corrosion. There is an area of 20 percent timber section loss on the eastern face of Float 2 extending from the northern edge 5 ft to the south. There is a missing timber chock at the southeast corner of the northern section and the lower timber member at this location is severely deteriorated (Photograph 5). The connection hardware at this location exhibits severe corrosion.

The timber rail to concrete float connection hardware on the southern section (Floats 8 through 22) exhibits moderate to major corrosion on the eastern side where exposed. Most of the connection hardware on the eastern side is covered by the plastic fender. The connection hardware on the western side ranges from minor to major corrosion (Photograph 8).

The timber chock and upper rail at the southeast corner of the southern section (Float 22) is split and the vertical connection hardware is loose at this location (Photograph 6).

The rubber 'D' fender on the east side of Floats 7 and 8 is detached at both ends for approximately 20 inches at each end (Photograph 7). The rubber 'D' fender connection hardware exhibits major corrosion.

### **2.2 Float Piles and Pile Guides**

The galvanized steel lightering float piles do not exhibit any significant corrosion or damage (Photograph 10). The piles are cathodically protected with one anode on each pile. The anodes are installed near the mudline, approximately 36 ft below the tops of the piles, and the anode at Pile 1 is partially buried. The anodes are 24 inches long with approximately 5-inch x 5-inch section remaining. The anode connection hardware exhibits minor corrosion (Photograph 11).

The pile guides are in fair to satisfactory condition. The pile guides are installed upside down at Piles 3, 5, 7, and 9 (Photograph 12). The level of surface corrosion damage ranges from minor to moderate (Photograph 13). Minor movement of the piles was evident when load from the lightering float was applied.

## **2.3 Gangways**

The north and south gangways do not have significant deterioration or damage. The south gangway exhibits light surface corrosion on the railings (Photographs 14 and 15).

## **2.4 Electrical Systems and Lighting**

The Lightering Float electrical system consists of a feeder from a nearby local utility distribution transformer powering a service disconnect with meter, feeders to the lightering floats, lighting branch circuits, and receptacle branch circuits. There is also a circuit that extends from the lightering floats back to shore, powering a portable shack in the parking area of Harrigan Centennial Hall.

The service disconnect with meter is enclosed in a commercial grade pedestal and shows minimal corrosion. The receptacle outlets, receptacle branch circuit overcurrent protection devices (OCPDs), and pole lighting OCPDs are combined into two shore power pedestals that are located near the two gangway landings.

Feeder and branch cables lack support in locations where the routing conduit is broken or unfastened (Photographs 16 through 18). Feeder and branch cables also have insufficient support at transitions of conduit and are subject to chafing, especially where cables are encrusted with marine life (Photographs 19 through 21).

Lighting on the floats is provided by pole-mounted luminaires along the floats and low-mounted walkway lights in the shore power pedestals. The pole-mounted luminaires and shore power pedestals each incorporate their own individual photocell lighting control. The luminaires are high-intensity discharge (HID) source units. The luminaires show little or no corrosion and are generally in good condition.

Shore power receptacles on the floats are 30-amp rated and mounted on either side of the two shore power pedestals. The receptacle connectors show evidence of rough usage (Photograph 22) and minor arcing at the terminals.

## **3. Conclusions and Recommendations**

The following repair and maintenance recommendations are based on existing conditions at the time of Jacobs' inspections. Please contact George Newman of Jacobs in the event of any change in conditions or questions about our findings.

In accordance with the ASCE Waterfront Facilities Inspection and Assessment MOP, the next underwater inspection of the Lightering Float should take place within four years, which is the maximum recommended inspection interval for concrete and protected steel structures that are in fair condition in an aggressive marine environment. Should an adverse event occur, such as a vessel impact or seismic event, an interim underwater inspection may be warranted.

### **3.1 Concrete Floats**

The concrete floats are in fair condition. The concrete scaling on the topside and underside is not a significant structural concern. However, there are various concrete, timber, and connection hardware defects that should be repaired. The spall with corroded reinforcement steel on the northern edge of Float 6 (Photographs 1 and 2) should be repaired by removing the unsound concrete, cleaning the exposed reinforcement, and placing an epoxy grout suitable for marine applications to prevent further deterioration of the steel reinforcement.



The missing timber chock and the severely deteriorated lower timber member located at the southeast corner of Float 7 (Photograph 5) should be replaced, along with the connection hardware.

The split timber chock and vertical connection hardware at the southeast corner of the south section (Float 22; Photograph 6) should be replaced.

The rubber 'D' fender and connection hardware on the east side of Floats 7 and 8 (Photograph 7) should also be replaced.

### **3.2 Float Piles and Pile Guides**

The galvanized steel Lightering Float piles are in good condition. There is significant remaining section on the pile anodes, and therefore they do not yet require replacement.

The pile guides are in fair to satisfactory condition. The pile guides installed improperly (Photograph 12) should be addressed by drilling new weep holes in the bottom of the tubular members to prevent water from pooling within. The new holes should be drilled using the existing holes in the top as guides. The bare steel or damaged galvanized surfaces at the weep holes should be repaired with zinc-rich paint suitable for marine environments.

### **3.3 Gangways**

The gangways are in good condition. No action is required at this time.

### **3.4 Electrical Systems and Lighting**

The Lightering Float electrical system needs significant repairs. The scope of these repairs will necessitate upgrade of existing related equipment to the latest National Electrical Code (NEC) requirements. Benefits of the recommended repairs and upgrades include improved public safety and system reliability, increased system useful life, and reduced maintenance. The circuit that powers the shack in the parking area of Harrigan Centennial Hall also has some code issues to be resolved. The outbuilding electrical recommendations are independent of each other and may be obviated if a different means of electrical supply for the outbuilding were implemented or the outbuilding were used in a different way.

#### **3.4.1 Lightering Float Service and Feeder Ground Fault Protection**

Replace the service and feeder OCPDs with ground fault protection equipped units in accordance with the NEC 2017 Article 555.3. The new requirement is for protection not exceeding 30 milliamps.

#### **3.4.2 Lightering Float Receptacles Ground Fault Protection**

Replace the shore power receptacles and OCPDs with ground fault protection equipped units in accordance with the NEC 2017 Article 555.3.

#### **3.4.3 Lightering Float Conduit**

Replace the broken and unfastened conduit on the lightering floats (Photographs 16, 17 and 18).

#### **3.4.4 Lightering Float Conductor Routing**

Reroute the feeder and branch circuit power cable conductors to be under the floats for protection from damage in accordance with the NEC 2017 Article 555.13.

Replace the feeder and branch circuit conductors as required to facilitate replacement of the damaged conduit and rerouting of the conductors to be underneath the floats.

**3.4.5 Lightering Float Lighting**

Replace the pole-mounted HID source luminaires with LED source luminaires to eliminate relamping maintenance and reduce energy use. Consider consolidated lighting controls.

**3.4.6 On-Shore Outdoor Receptacle**

Replace the on-shore outdoor wet location receptacle located near the parking area of Harrigan Centennial Hall with a ground fault protection equipped unit or install a ground fault protected branch OCPD for the receptacle in accordance with NEC 2017 210.8(B)(4) (Photograph 24).

**3.4.7 Outbuilding Grounding**

Equip the feeder supplied outbuilding (shack) (Figure 23) with a grounding electrode in accordance with NEC 2017 250.32 (A). The existing (feeder) circuit that supplies the structure feeds a small load-center branch circuit panel inside the outbuilding (Photographs 24 and 25). Alternatively, the shack power supply could be rewired as a branch circuit with local disconnect switch.

**3.4.8 Outbuilding Feeder Wiring**

Replace the cord and plug feeder for the outbuilding (shack) with permanent wiring in accordance with NEC 2017 400.12(1 & 7), alt. Temporary Attractions 525.20(E). The outbuilding plug connector is apparently left in place for long periods as it has accumulated spider webs and plant debris (Photograph 25). This structure is a relocatable building with a base frame notched for forklift transport – it is not a vehicle or travel trailer. This existing implementation is a permanent installation for electrical code considerations. The feeder cord is easily subject to physical damage if building is (re)located anywhere that extends the supply cord away from the supply receptacle.

## 4. Photographs



Photograph 1: View of the Lightering Float looking south with spall in the foreground.



Photograph 2: Close up view of spall with exposed reinforcement on north edge of Float 6.





Photograph 3: View of scaling on topside of north gangway float.

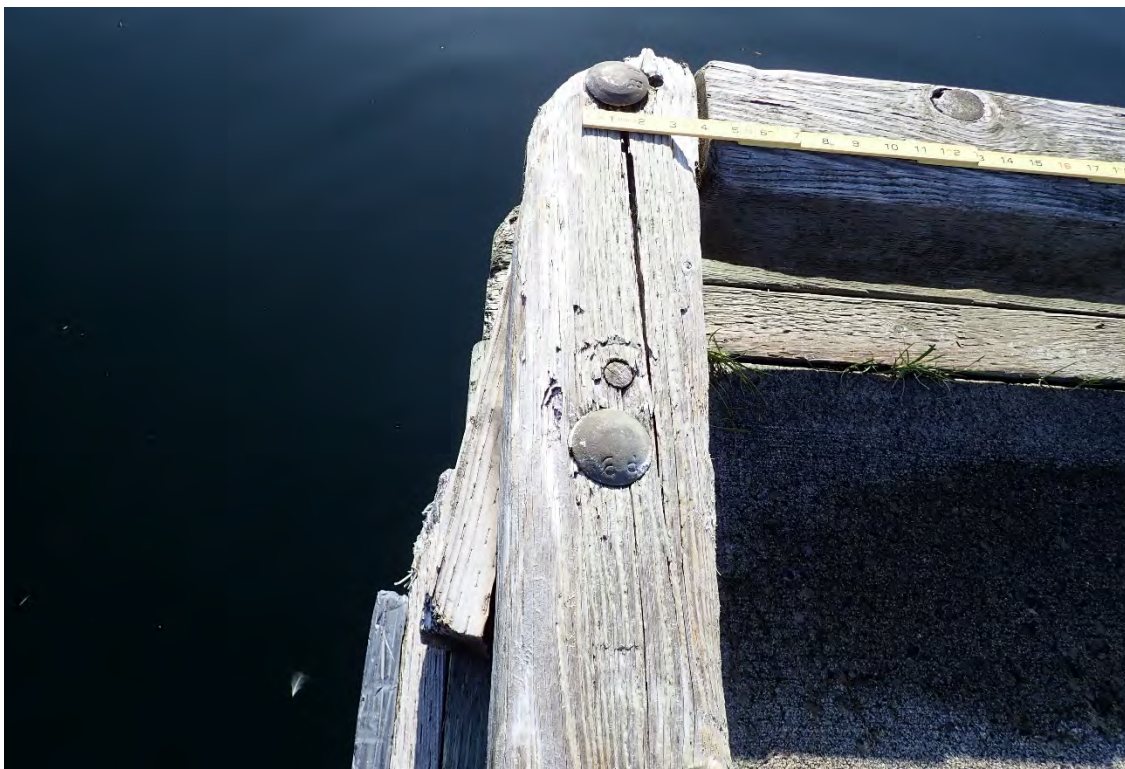


Photograph 4: View of topside scaling on south section of Lightering Float.





Photograph 5: View of the missing timber chock at southeast corner of Float 7.



Photograph 6: View of the split upper rail and chock at the southeast corner of Float 22.



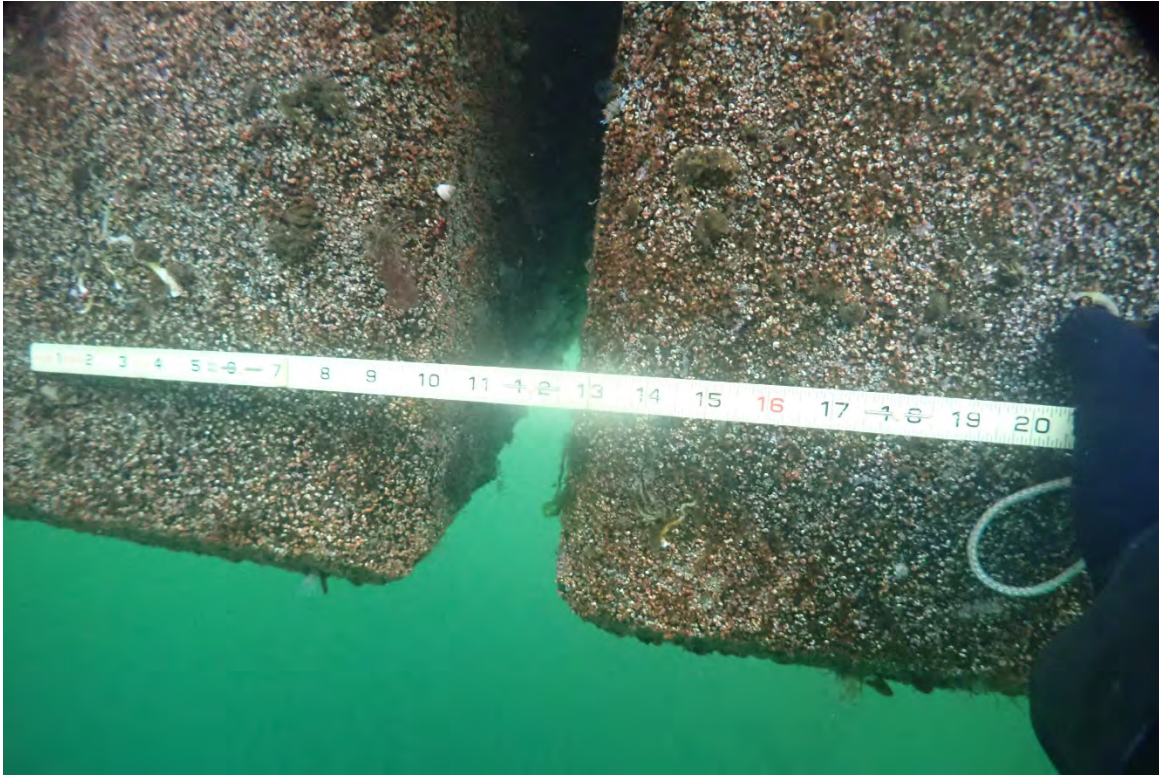


Photograph 7: View of the detached rubber 'D' fender at the southeast corner of Float 7.



Photograph 8: View of typical conditions on the western fascia of the Lighter Float.





Photograph 9: View of typical concrete float condition below water.



Photograph 10: View of typical galvanized steel pile condition below water.





Photograph 11: Underwater view of typical anode and bracket on a Lightering Float pile.



Photograph 12: View of pile guide installed upside down with weep holes on top surface.





Photograph 13: Moderate corrosion at pile guide.



Photograph 14: View of South Gangway with light surface corrosion on rails.





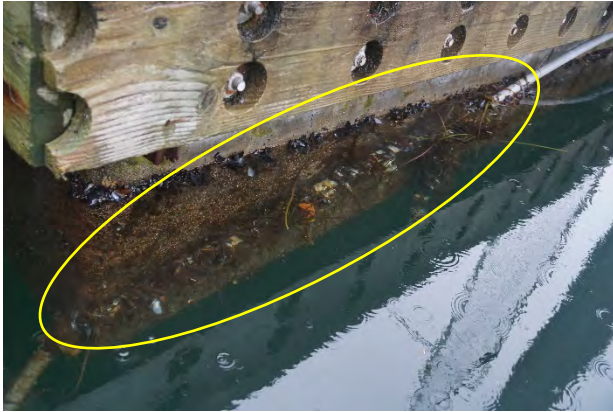
Photograph 15: View of the North Gangway abutment and connection hardware.



Photograph 16: Unfastened conduit.



Photograph 17: Unfastened conduit.



Photograph 18: Unfastened conduit.



Photograph 19: Cable unsupported and subject to chafing.



Photograph 20: Cable weighted by encrusted marine life.



Photograph 21: Cable weighted by encrusted marine life and subject to chafing.





Photograph 22: Worn receptacle.



Photograph 23: Harrigan Centennial Hall parking area outbuilding (shack).



Photograph 24: Receptacle feeding outbuilding.



Photograph 25: Outbuilding feeder plug with spider webs and plant debris accumulation.





## Appendix A Cost Estimate





Summary Report

Project type:  
Job Size:  
Duration:

Project Name: Lightering Dock Condition Assessment Repairs Rev 0  
Project Number:  
Design Stage: Preliminary

Estimator: Nick Cavalleri/RDD  
Rev/Date: 0 / Oct 29, 2019  
Estimate Class: 5

Area	Bid Item	Description	Takeoff Quantity	Labor Cost/Unit	Equip Cost/Unit	Material Cost/Unit	Total Cost/Unit	Direct Total	Grand Total Price	Grand Total with Markups
02		Lightering Dock								
	02.01	Concrete Floats	1.00 LS	10,229.60 /LS	2,680.00 /LS	16,750.00 /LS	29,659.60 /LS	29,660	69,375.88 /LS	69,376
	02.02	Float Piles and Pile Guides	1.00 LS	538.40 /LS	280.00 /LS	250.00 /LS	1,068.40 /LS	1,068	2,550.03 /LS	2,550
	02.03	Electrical System and Lighting	1.00 LS	28,112.78 /LS	7,220.00 /LS	37,500.00 /LS	72,832.78 /LS	72,833	171,258.78 /LS	171,259
		02 Lightering Dock	1.00 LS	38,880.78 /LS	10,180.00 /LS	54,500.00 /LS	103,560.78 /LS	103,561	243,184.69 /LS	243,185

Estimate Totals

Description	Amount	Totals	Hours	Rate
Labor	98,586		540.000 hrs	
Material	121,840			
Subcontract				
Equipment	22,758		236.000 hrs	
Other				
Total Construction Cost	243,184	243,184		

## Detail Report

Project type:  
Job Size:  
Duration:

Project Name: Lightering Dock Condition Assessment Repairs Rev 0  
Project Number:  
Design Stage: Preliminary

Estimator: Nick Cavalleri/RDD  
Rev/Date: 0 / Oct 29, 2019  
Estimate Class: 5

Area	Bid Item	WorkActiv	Description	Takeoff Quantity	Labor Cost/Unit	Equip Cost/Unit	Material Cost/Unit	Total Cost/Unit	Direct Total	Grand Total Price	Grand Total with Markups
<b>02</b>			<b>Lightering Dock</b>								
	<b>02.01</b>		<b>Concrete Floats</b>								
		02.01.01	Float 6 Concrete Spalling Repair								
			Clean and Prepare Spalling Areas for Repair	1.00 ls	269.20 /ls	140.00 /ls	250.00 /ls	659.20 /ls	659	1,554.47 /ls	1,554
			Place and Finish Repair with Marine Suitable Epoxy Grout	1.00 ls	269.20 /ls	140.00 /ls	500.00 /ls	909.20 /ls	909	2,113.36 /ls	2,113
			02.01.01 Float 6 Concrete Spalling Repair	<b>1.00 LS</b>	<b>538.40 /LS</b>	<b>280.00 /LS</b>	<b>750.00 /LS</b>	<b>1,568.40 /LS</b>	<b>1,568</b>	<b>3,667.83 /LS</b>	<b>3,668</b>
		02.01.02	Float 7 Missing Timber Chock and Deteriorated Lower Timbers								
			Float 7 Replace Missing Timber Chock and Remove and Replace Deteriorated Lower Timbers, Including Hardware	1.00 ls	4,845.60 /ls	1,200.00 /ls	7,500.00 /ls	13,545.60 /ls	13,546	31,736.22 /ls	31,736
			02.01.02 Float 7 Missing Timber Chock and Deteriorated Lower Timbers	<b>1.00 LS</b>	<b>4,845.60 /LS</b>	<b>1,200.00 /LS</b>	<b>7,500.00 /LS</b>	<b>13,545.60 /LS</b>	<b>13,546</b>	<b>31,736.22 /LS</b>	<b>31,736</b>
		02.01.03	Float 22 Replace Split Timber Chock								
			Float 22 Remove and Replace Split Timber Chock and Vertical Connection Hardware	1.00 ls	1,615.20 /ls	400.00 /ls	3,500.00 /ls	5,515.20 /ls	5,515	12,814.34 /ls	12,814
			02.01.03 Float 22 Replace Split Timber Chock	<b>1.00 LS</b>	<b>1,615.20 /LS</b>	<b>400.00 /LS</b>	<b>3,500.00 /LS</b>	<b>5,515.20 /LS</b>	<b>5,515</b>	<b>12,814.34 /LS</b>	<b>12,814</b>
		02.01.04	Floats 7 and 8 Replace Rubber "D" Fender								
			Floats 7 and 8 Remove and Replace Rubber "D" Fender and Hardware	1.00 ls	3,230.40 /ls	800.00 /ls	5,000.00 /ls	9,030.40 /ls	9,030	21,157.49 /ls	21,157
			02.01.04 Floats 7 and 8 Replace Rubber "D" Fender	<b>1.00 LS</b>	<b>3,230.40 /LS</b>	<b>800.00 /LS</b>	<b>5,000.00 /LS</b>	<b>9,030.40 /LS</b>	<b>9,030</b>	<b>21,157.49 /LS</b>	<b>21,157</b>
			02.01 Concrete Floats	<b>1.00 LS</b>	<b>10,229.60 /LS</b>	<b>2,680.00 /LS</b>	<b>16,750.00 /LS</b>	<b>29,659.60 /LS</b>	<b>29,660</b>	<b>69,375.88 /LS</b>	<b>69,376</b>
	<b>02.02</b>		<b>Float Piles and Pile Guides</b>								
		02.02.01	Drill New Weep Holes in Bottom of Pile Guides								
			Drill New Holes in Bottom of Pile Guides Where Required	1.00 ls	538.40 /ls	280.00 /ls	250.00 /ls	1,068.40 /ls	1,068	2,550.03 /ls	2,550
			02.02.01 Drill New Weep Holes in Bottom of Pile Guides	<b>1.00 LS</b>	<b>538.40 /LS</b>	<b>280.00 /LS</b>	<b>250.00 /LS</b>	<b>1,068.40 /LS</b>	<b>1,068</b>	<b>2,550.03 /LS</b>	<b>2,550</b>
			02.02 Float Piles and Pile Guides	<b>1.00 LS</b>	<b>538.40 /LS</b>	<b>280.00 /LS</b>	<b>250.00 /LS</b>	<b>1,068.40 /LS</b>	<b>1,068</b>	<b>2,550.03 /LS</b>	<b>2,550</b>
	<b>02.03</b>		<b>Electrical System and Lighting</b>								
		02.03.01	Lightering Float Service and Feeder Ground Fault Protection								
			Replace the Service and Feeder OCPDs with Ground Fault Equipped Units	1.00 ls	2,367.39 /ls	560.00 /ls	5,000.00 /ls	7,927.39 /ls	7,927	18,432.69 /ls	18,433
			02.03.01 Lightering Float Service and Feeder Ground Fault Protection	<b>1.00 LS</b>	<b>2,367.39 /LS</b>	<b>560.00 /LS</b>	<b>5,000.00 /LS</b>	<b>7,927.39 /LS</b>	<b>7,927</b>	<b>18,432.69 /LS</b>	<b>18,433</b>
		02.03.02	Lightering Float Receptacles Ground Fault Protection								
			Replace Lightering Float Receptacles with Ground Fault Protection Equipped Units	1.00 ls	1,183.70 /ls	280.00 /ls	2,000.00 /ls	3,463.70 /ls	3,464	8,098.56 /ls	8,099
			02.03.02 Lightering Float Receptacles Ground Fault Protection	<b>1.00 LS</b>	<b>1,183.70 /LS</b>	<b>280.00 /LS</b>	<b>2,000.00 /LS</b>	<b>3,463.70 /LS</b>	<b>3,464</b>	<b>8,098.56 /LS</b>	<b>8,099</b>
		02.03.03	Lightering Float Conduit								
			Replace Broken and Unfastened Conduit	1.00 ls	1,775.54 /ls	280.00 /ls	2,500.00 /ls	4,555.54 /ls	4,556	10,717.02 /ls	10,717
			02.03.03 Lightering Float Conduit	<b>1.00 LS</b>	<b>1,775.54 /LS</b>	<b>280.00 /LS</b>	<b>2,500.00 /LS</b>	<b>4,555.54 /LS</b>	<b>4,556</b>	<b>10,717.02 /LS</b>	<b>10,717</b>
		02.03.04	Lightering Float Conductor Routing								
			Reroute Feeder and Branch Circuit Power Conductors Under Floats	1.00 ls	8,877.72 /ls	1,400.00 /ls	8,500.00 /ls	18,777.72 /ls	18,778	44,642.77 /ls	44,643
			02.03.04 Lightering Float Conductor Routing	<b>1.00 LS</b>	<b>8,877.72 /LS</b>	<b>1,400.00 /LS</b>	<b>8,500.00 /LS</b>	<b>18,777.72 /LS</b>	<b>18,778</b>	<b>44,642.77 /LS</b>	<b>44,643</b>
		02.03.05	Lightering Float Lighting								
			Replace Pole Mounted HID Luminaires with LED	1.00 ls	11,836.96 /ls	4,000.00 /ls	15,000.00 /ls	30,836.96 /ls	30,837	72,490.19 /ls	72,490
			02.03.05 Lightering Float Lighting	<b>1.00 LS</b>	<b>11,836.96 /LS</b>	<b>4,000.00 /LS</b>	<b>15,000.00 /LS</b>	<b>30,836.96 /LS</b>	<b>30,837</b>	<b>72,490.19 /LS</b>	<b>72,490</b>
		02.03.06	On-Shore Outdoor Receptacles								
			Replace the On-Shore Outdoor Wet Location Receptacle with Ground Fault Protection Equipped Unit	1.00 ls	295.92 /ls	140.00 /ls	500.00 /ls	935.92 /ls	936	2,181.13 /ls	2,181
			02.03.06 On-Shore Outdoor Receptacles	<b>1.00 LS</b>	<b>295.92 /LS</b>	<b>140.00 /LS</b>	<b>500.00 /LS</b>	<b>935.92 /LS</b>	<b>936</b>	<b>2,181.13 /LS</b>	<b>2,181</b>
		02.03.07	Outbuilding Grounding								
			Install a Grounding Electrode to Outbuilding Feeder	1.00 ls	591.85 /ls	280.00 /ls	1,500.00 /ls	2,371.85 /ls	2,372	5,480.06 /ls	5,480
			02.03.07 Outbuilding Grounding	<b>1.00 LS</b>	<b>591.85 /LS</b>	<b>280.00 /LS</b>	<b>1,500.00 /LS</b>	<b>2,371.85 /LS</b>	<b>2,372</b>	<b>5,480.06 /LS</b>	<b>5,480</b>
		02.03.08	Outbuilding Feeder Wiring								
			Replace Cord and Plug Feeder with Permanent Wiring	1.00 ls	1,183.70 /ls	280.00 /ls	2,500.00 /ls	3,963.70 /ls	3,964	9,216.36 /ls	9,216
			02.03.08 Outbuilding Feeder Wiring	<b>1.00 LS</b>	<b>1,183.70 /LS</b>	<b>280.00 /LS</b>	<b>2,500.00 /LS</b>	<b>3,963.70 /LS</b>	<b>3,964</b>	<b>9,216.36 /LS</b>	<b>9,216</b>
			02.03 Electrical System and Lighting	<b>1.00 LS</b>	<b>28,112.78 /LS</b>	<b>7,220.00 /LS</b>	<b>37,500.00 /LS</b>	<b>72,832.78 /LS</b>	<b>72,833</b>	<b>171,258.78 /LS</b>	<b>171,259</b>
			<b>02 Lightering Dock</b>	<b>1.00 LS</b>	<b>38,880.78 /LS</b>	<b>10,180.00 /LS</b>	<b>54,500.00 /LS</b>	<b>103,560.78 /LS</b>	<b>103,561</b>	<b>243,184.69 /LS</b>	<b>243,185</b>

## Detail Report

Project type:  
Job Size:  
Duration:

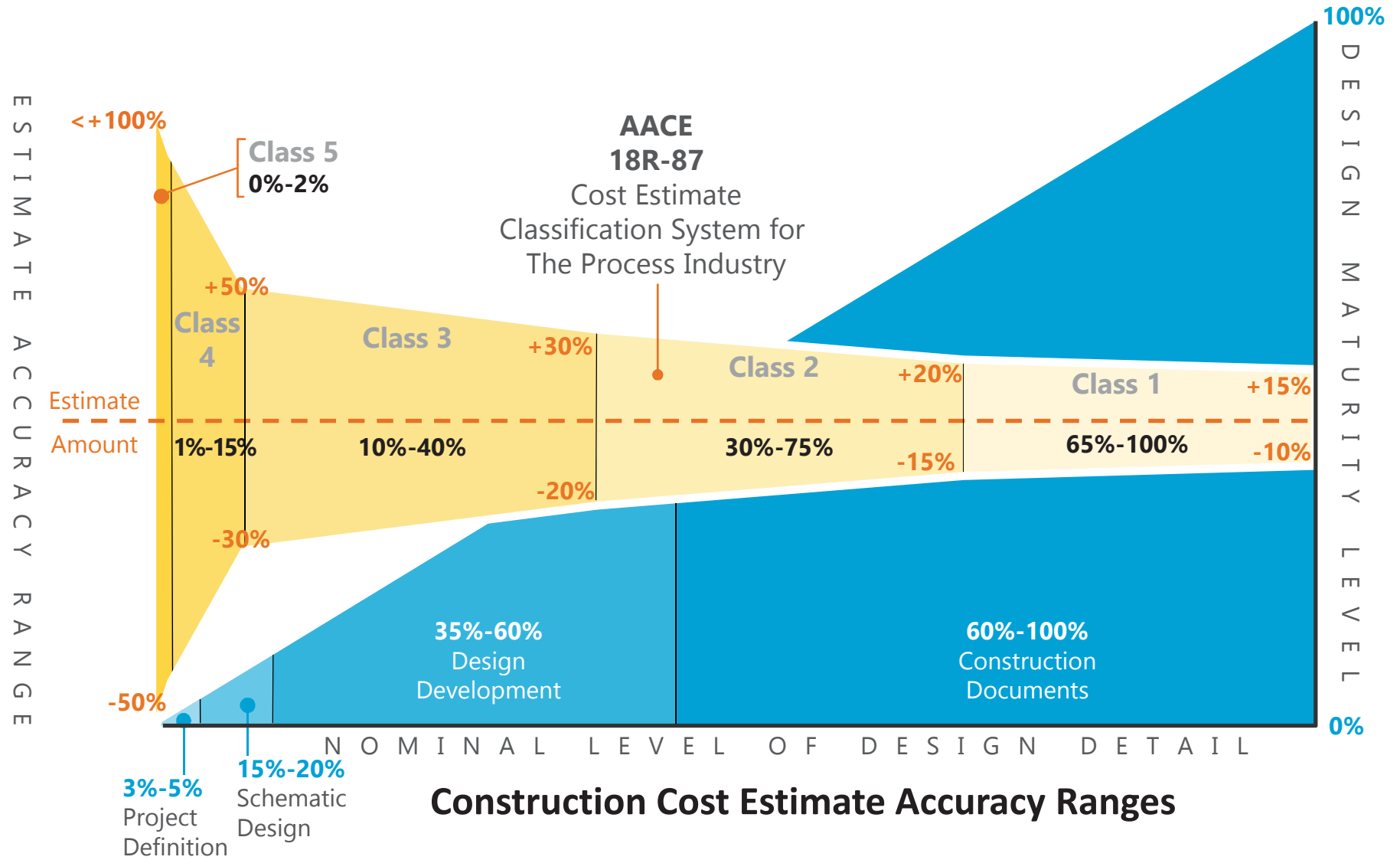
Project Name: Lightering Dock Condition Assessment Repairs Rev 0  
Project Number:  
Design Stage: Preliminary

Estimator: Nick Cavalleri/RDD  
Rev/Date: 0 / Oct 29, 2019  
Estimate Class: 5

### Estimate Totals

Description	Amount	Totals	Hours	Rate
Labor	38,881		540.000 hrs	
Material	54,500			
Subcontract				
Equipment	10,180		236.000 hrs	
Other				
<b>Subtotal Direct Costs</b>	<b>103,561</b>	<b>103,561</b>		
Location Adj. Factor	11,664			30.000 %
<b>Subtotal W/ Adj. Factors</b>	<b>11,664</b>	<b>115,225</b>		
General Conditions	13,827			12.000 %
<b>Subtotal W/ General Conditions</b>	<b>13,827</b>	<b>129,052</b>		
Mobilization/Demobilization	10,324			8.000 %
Prime Contractor Overhead	20,906			15.000 %
Prime Contractor Profit	16,028			10.000 %
Bonds & Insurance	3,826			2.170 %
<b>Subtotal W/ Prime Markups</b>	<b>51,084</b>	<b>180,136</b>		
Contingency	63,048			35.000 %
<b>Subtotal W/ Contingency</b>	<b>63,048</b>	<b>243,184</b>		
<b>Total Construction Cost</b>		<b>243,184</b>		





Estimate Class	Class 5		Class 4		Class 3		Class 2		Class 1	
LEVEL OF PROJECT DEFINITION Expressed as a % of complete definition	0% to 2%		1% to 15%		10% to 40%		30% to 70%		50% to 100%	
END USAGE Typical Purpose of Estimate	Concept Screening		Study or Feasibility		Budget Authorization, or Control		Control or Bid / Tender		Check Estimate or Bid / Tender	
METHODOLOGY Typical estimating method	Capacity Factored, Parametric Models, Judgment, or Analogy		Equipment Factored or Parametric Models		Semi-Detailed Unit Costs with Assembly Level Line Items		Detailed Unit Cost with Forced Detailed Take-Off		Detailed Unit Cost with Detailed Take-Off	
EXPECTED ACCURACY RANGE Typical variation in low and high ranges [a]	L: -20% to -50%	H: +30% to +100%	L: -15% to -30%	H: +20% to +50%	L: -10% to -20%	H: +10% to +30%	L: -5% to -15%	H: +5% to +20%	L: -3% to -10%	H: +3% to +15%
PREPARATION EFFORT Typical degree of effort relative to least cost index of 1 [b]	1		2 to 4		3 to 10		4 to 20		5 to 100	
REFINED CLASS DEFINITION	Class 5 estimates are generally prepared based on very limited information, and subsequently have very wide accuracy ranges. As such, some companies and organizations have elected to determine that due to the inherent inaccuracies, such estimates cannot be classified in a conventional and systematic manner. Class 5 estimates, due to the requirements of end use, may be prepared within a very limited amount of time and with very little effort expended - sometimes requiring less than 1 hour to prepare. Often, little more than proposed plant type, location, and capacity are known at the time of estimate preparation.		Class 4 estimates are generally prepared based on very limited information, and subsequently have very wide accuracy ranges. They are typically used for project screening, determination of feasibility, concept evaluation, and preliminary budget approval. Typically, engineering is from 1% to 5% complete, and would comprise at a minimum the following: plant capacity, block schematics, indicated layout, process flow diagrams (PFDs) for main process systems and preliminary engineered process and utility equipment lists. Level of Project Definition Required: 1% to 15% of full project definition.		Class 3 estimates are generally prepared to form the basis for budget authorization, appropriation, and/or funding. As such, they typically form the initial control estimate against which all actual costs and resources will be monitored. Typically, engineering is from 10% to 40% complete, and would comprise at a minimum the following: process flow diagrams, utility flow diagrams, preliminary piping and instrument diagrams, utility flow diagrams, preliminary piping and instrument diagrams, plot plan, developed layout drawings, and essentially complete engineering process and utility equipment lists. Level Of Project Definition Required: 10% to 40% of full project definition.		Class 2 estimates are generally prepared to form a detailed control baseline against which all project work is monitored in terms of cost and progress control. For contractors, this class of estimate is often used as the "bid" estimate to establish contract value. Typically, engineering is from 30% to 70% complete, and would comprise at a minimum the following: Process flow diagrams, utility flow diagrams, piping and instrument flow diagrams, heat and material balances, final plot plan, final layout drawings, complete engineered process and utility equipment lists, single line diagrams for electrical, electrical equipment and motor schedules, vendor quotations, detailed project execution plans, resourcing and work force plans, etc.		Class 1 estimates are generally prepared for discrete parts or sections of the total project rather than generating this level of detail for the entire project. The parts of the project estimated at this level of detail will typically be used by subcontractors for bids, or by owners for check estimates. The updated estimate is often referred to as the current control estimate and becomes the new baseline for cost/schedule control of the project. Class 1 estimates may be prepared for parts of the project to comprise a fair price estimate or bid check estimate to compare against a contractor's bid estimate, or to evaluate/dispute claims. Typically, engineering is from 50% to 100% complete, and would comprise virtually all engineering and design documentation of the project, and complete project execution and commissioning plans. Level for Project Definition Required: 50% to 100% of full project definition.	
END USAGE DEFINED	Class 5 estimates are prepared for any number of strategic business planning purposes, such as but not limited to market studies, assessment of initial viability, evaluation of alternate schemes, project screening, project location studies, evaluation of resource needs and budgeting, long-range capital planning, etc.		Class 4 estimates are prepared for a number of purposes, such as but not limited to, detailed strategic planning, business development, project screening at more developed stages, alternative scheme analysis, confirmation of economic and/or technical feasibility, and preliminary budget approval or approval to proceed to next stage.		Class 3 estimates are typically prepared to support full project funding requests, and become the first of the project phase "control estimate" against which all actual costs and resources will be monitored for variations to the budget. They are used as the project budget until replaced by more detailed estimates. In many owner organizations, a Class 3 estimate may be the last estimate required and could well form the only basis for cost/schedule control.		Class 2 estimates are typically prepared as the detailed control baseline against which all actual costs an resources will now be monitored for variation to the budget, and form a part of the change/variation control program.		Class 1 estimates are typically prepared to form a current control estimate to be used as the final control baseline against which all actual costs and resources will now be monitored for variations to the budget, and form a part of the change/variation control program. They may be used to evaluate bid checking, to support vendor/contractor negotiations, or for claim evaluations and dispute resolution.	
ESTIMATING METHODS USED	Class 5 estimates virtually always use stochastic estimating methods such as cost/capacity curves and factors, scale of operations factors, Lang factors, Hand factors, Chilton factors, Peters-Timmerhaus factors, Guthrie factors, and other parametric and modeling techniques.		Class 4 estimates virtually always use stochastic estimating methods such as cost/capacity curves and factors, scale of operations factors, Lang factors, Hand factors, Chilton factors, Peters-Timmerhaus factors, Guthrie factors, the Miller method, gross unit costs/ratios, and other parametric and modeling techniques.		Class 3 estimates usually involve more deterministic estimating methods that stochastic methods. They usually involve a high degree of unit cost line items, although these may be at an assembly level of detail rather than individual components. Factoring and other stochastic methods may be used to estimate less-significant areas of the project.		Class 2 estimates always involve a high degree of deterministic estimating methods. Class 2 estimates are prepared in great detail, and often involve tens of thousands of unit cost line items. For those areas of the project still undefined, an assumed level of detailed takeoff (forced detail) may be developed to use as line items in the estimate instead of relying on factoring methods.		Class 1 estimates involve the highest degree of deterministic estimating methods, and require a great amount of effort. Class 1 estimates are prepared in great detail, and thus are usually performed on only the most important or critical areas of the project. All items in the estimate are usually unit cost line items based on actual design quantities.	
EXPECTED ACCURACY RANGE	Typical accuracy ranges for Class 5 estimates are -20% to -50% on the low side, and +30% to +100% on the high side, depending on the technological complexity of the project, appropriate contingency determination. Ranges could exceed those shown in unusual circumstances.		Typical accuracy ranges for Class 4 estimates are -15% to -30% on the low side, and +20% to +50% on the high side, depending on the technological complexity of the project, appropriate reference information, and the inclusion of an appropriate contingency determination. Ranges could exceed those shown in unusual circumstances.		Typical accuracy ranges for Class 3 estimates are -10% to -20% on the low side, and +10% to +30% on the high side, depending on the technological complexity of the project, appropriate reference information, and the inclusion of an appropriate contingency determination. Ranges could exceed those shown in unusual circumstances.		Typical accuracy ranges for Class 2 estimates are -5% to -15% on the low side, and +5% to +20% on the high side, depending on the technological complexity of the project, appropriate reference information, and the inclusion of an appropriate contingency determination. Ranges could exceed those shown in unusual circumstances.		Typical accuracy ranges for Class 1 estimates are -3% to -10% on the low side, and +3% to +15% on the high side, depending on the technological complexity of the project, appropriate reference information, and the inclusion of an appropriate contingency determination. Ranges could exceed those shown in unusual circumstances.	
EFFORT TO PREPARE (for US\$20MM project):	As little as 1 hour or less to prepare to perhaps more than 200 hours, depending on the project and the estimating methodology used.		Typically, as little as 20 hours or less to perhaps more than 300 hours, depending on the project and the estimating methodology used.		Typically, as little as 150 hours or less to perhaps more than 1500 hours, depending on the project and the estimating methodology used.		Typically, as little as 300 hours or less to perhaps more than 3000 hours, depending on the project and the estimating methodology used. Bid Estimates typically require more effort than estimates used for funding or control purposes		Class 1 estimates require the most effort to create, and as such are generally developed for only selected areas of the project, or for bidding purposes. A complete Class 1 estimate may involve as little as 600 hours or less, to perhaps more than 6,000 hours, depending on the project and the estimating methodology used. Bid estimate typically require more effort than estimates used for funding or control purposes.	
ANSI Standard Reference Z94.2-1989 name; Alternate Estimate Names, Terms, Expressions, Synonyms:	Order of Magnitude Estimate; Ratio, ballpark, blue sky, seat-of-pants, ROM, idea study, prospect estimate, concession license estimate, guessimate, rule-of thumb.		Budget Estimate; Screening, top-down, feasibility, authorization, factored, pre-design, pre-study.		Budget Estimate; Budget, scope, sanction, semi-detailed, authorization, preliminary control, concept study, development, basic engineering phase estimate, target estimate.		Definitive Estimate; Detailed Control, forced detail, execution phase, master control, engineering, bid, tender, change order estimate.		Definitive Estimate; Full detail, release, fall-out, tender, firm price, bottoms-up, final, detailed control, forced detail, execution phase, master control, fair price, definitive, change order estimate.	

Estimate Class	Class 5	Class 4	Class 3	Class 2	Class 1
Estimate Input Checklist and Maturity Index	Class 5	Class 4	Class 3	Class 2	Class 1
GENERAL PROJECT DATA					
Project Scope Description	General	Preliminary	Defined	Defined	Defined
Plant Production / Facility Capacity	Assumed	Preliminary	Defined	Defined	Defined
Plant Location	General	Approximate	Specific	Specific	Specific
Soils & Hydrology	None	Preliminary	Defined	Defined	Defined
Integrated Project Plan	None	Preliminary	Defined	Defined	Defined
Project Master Schedule	None	Preliminary	Defined	Defined	Defined
Escalation Strategy	None	Preliminary	Defined	Defined	Defined
Work Breakdown Structure	None	Preliminary	Defined	Defined	Defined
Project Code of Accounts	None	Preliminary	Defined	Defined	Defined
Contracting Strategy	Assumed	Assumed	Preliminary	Defined	Defined
ENGINEERING DELIVERABLES:	Class 5	Class 4	Class 3	Class 2	Class 1
Block Flow Diagrams	Started / Preliminary	Preliminary / Complete	Complete	Complete	Complete
Plot Plans		Started	Preliminary / Complete	Complete	Complete
Process Flow Diagrams (PFDs)		Started / Preliminary	Preliminary / Complete	Complete	Complete
Utility Flow Diagrams (UFDs)		Started / Preliminary	Preliminary / Complete	Complete	Complete
Piping & Instrument Diagrams (P&IDS)		Started	Preliminary / Complete	Complete	Complete
Heat and Material Balances		Started	Preliminary / Complete	Complete	Complete
Process Equipment List		Started / Preliminary	Preliminary / Complete	Complete	Complete
Utility Equipment List		Started / Preliminary	Preliminary / Complete	Complete	Complete
Electrical One Line Drawings		Started / Preliminary	Preliminary / Complete	Complete	Complete
Specifications and Datasheets		Started	Preliminary / Complete	Complete	Complete
General Equipment Arrangement Drawings		Started	Preliminary / Complete	Complete	Complete
Spare Parts Lists			Started / Preliminary	Preliminary	Complete
Architectural Details / Schedules		Started	Preliminary / Complete	Complete	Complete
Structural Details		Started	Preliminary / Complete	Complete	Complete
Mechanical Discipline Drawings			Started	Preliminary	Preliminary / Complete
Electrical Discipline Drawings			Started	Preliminary	Preliminary / Complete
System Discipline Drawings			Started	Preliminary	Preliminary / Complete
Civil/Site Discipline Drawings			Started	Preliminary	Preliminary / Complete
Demolition Details		Started	Preliminary / Complete	Complete	Complete





# CITY AND BOROUGH OF SITKA

## Legislation Details

File #: ORD 20-09      Version: 1      Name:

Type: Ordinance      Status: AGENDA READY

File created: 3/4/2020      In control: City and Borough Assembly

On agenda: 3/24/2020      Final action:

Title: Amending Title 22 "Zoning" of the Sitka General Code by modifying Chapter 22.08 "Definitions" and Chapter 22.16 "District Regulations", and adding Section 22.08.162 "Bulk Retail"

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2020-09](#)  
[Memo Ord 2020-09](#)  
[Ord 2020-09](#)  
[Planning Commission Materials](#)

Date	Ver.	Action By	Action	Result
3/10/2020	1	City and Borough Assembly		

## **POSSIBLE MOTION**

**I MOVE TO** approve Ordinance 2020-09 on second and final reading amending Title 22 “Zoning” of the Sitka General Code by modifying Chapter 22.08 “Definitions” and Chapter 22.16 “District Regulations”, and adding Section 22.08.162 “Bulk Retail”.





# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

## Memorandum

**To:** Mayor Paxton and Members of the Assembly  
**From:** Amy Ainslie, Director, Planning and Community Development   
**Thru:** John Leach, Municipal Administrator   
**Subject:** Zoning Text Amendment for Bulk Retail  
**Date:** March 4, 2020

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The request is for a Zoning Text Amendment (ZTA) to amend SGC Code Title 22, "Zoning" with two outcomes; add a definition of bulk retail to the code and make bulk retail a conditional use in Industrial zoning districts. The request for this ZTA was filed by Jeremy and Savannah Plank, owners and operators of Sitka Bulk Foods.

Bulk retail is identified as a distinct use in our use tables, specifically Table 22.16.015-6 Retail and Business Uses. However, there is no corresponding definition of this use. Staff saw this as an ideal time to update the code with a definition which should make this section of code easier to administer in the future. The definition as shown in the ordinance comes from the American Planning Association's Glossary of Zoning, Development, and Planning Terms.

Currently, bulk retail is prohibited in the Industrial zone. The intent of the Industrial zone as stated in SGC 22.16.110 is "*for industrial or heavier commercial uses including warehousing, wholesale, and distribution operations, manufacturing, natural resource extraction, contractors' yards, and other such uses that require larger property or larger water and sewer services.*" Given the stated intent for warehousing and wholesale, bulk retail largely appears to be conducive to the intent of the district. Making bulk retail a conditional use allows the Planning Commission to examine on a case-by-case basis whether or not the proposed use truly is bulk retail (as opposed to convenience or specialty retail), and provides a checkpoint to avoid over-saturation of retail in Industrial zones.

The Planning Commission held a public hearing and consideration on this item on February 5, 2020. The Commission voted 3-0 to recommend approval of the rezoning. A copy of the minutes, staff report, and the applicant documents are provided for the Assembly's review.



CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2020-09

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING TITLE 22  
“ZONING” OF THE SITKA GENERAL CODE BY MODIFYING CHAPTER 22.08  
“DEFINITIONS” AND CHAPTER 22.16 “DISTRICT REGULATIONS”, AND ADDING  
SECTION 22.08.162 “BULK RETAIL”**

**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 circumstance shall not be affected.

**3. PURPOSE.** The purpose of this ordinance is to establish a definition for bulk retail and change its use in the Industrial district from prohibited to conditional.

**4. ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Title 22 entitled “Zoning”, be amended by modifying Chapter 22.08, entitled “Definitions”, by adding Section 22.08.162, entitled “Bulk Retail” and Chapter 22.16, entitled “District Regulations”, to read as follows (deleted language stricken, new language underlined):

**Title 22  
ZONING**

**Chapters:**

- 22.04 Introduction and General Provisions**
- 22.08 Definitions**
- 22.12 Zoning Maps and Boundaries**
- 22.16 District Regulations**
- 22.20 Supplemental District Regulations and Development Standards**
- 22.24 Special Use permits**
- 22.30 Zoning Code Administration**

\* \* \*

**Chapter 22.08  
DEFINITIONS**

**Sections:**

\* \* \*

**22.08.162 Bulk retail.**

\* \* \*

**22.08.162 Bulk retail.**

“Bulk retail” is a retail establishment engaged in selling goods or merchandise to the general public as well as to other retailers, contractors, or businesses, and rendering services incidental to the sale of such goods. Bulk retail involves a high volume of sales of related and/or unrelated products in a warehouse setting and may include membership warehouse clubs (i.e. “big box”

retail). Bulk retail is differentiated from general retail by any of the following characteristics: items for sale include large, categorized products (e.g., lumber, appliances, household furnishings, electrical and heating fixtures and supplies, wholesale and retail nursery stock, etc.) and may also include a variety of carry out goods (e.g., groceries, household, and personal care products)."

\* \* \*

## Chapter 22.16 DISTRICT REGULATIONS

Sections:

\* \* \*

22.16.015 Permitted, conditional and prohibited uses.

\* \* \*

**22.16.015 Permitted, conditional and prohibited uses.**

\* \* \*

**Table 22.16.015-6  
Retail and Businesses Uses**

ZONES	P(1)	SF	SFLD	R-1	R-1 MH	R-1 LDMH	R-2	R-2 MHP	CBD (8)	C- 1	C- 2	WD(2)	I(3)	GI(4)	LI(4)	R	OS	GP	C (10)
<b>RETAIL USES</b>																			
• Building, hardware and garden materials										P	P		P	C	C			P	
• Bulk forest products sales									P	P	P	P	P	P				P	
• Retail forest products sales										P	P	P	P					C	
• Art galleries and sales of art									P	P	P	P							
• Department and variety stores									P	P	P	P(5)		C	C				
• Food stores									P	P	P	P(5)		C	C	C(6)		C	
• Agricultural product sales										P	P		P	C	C			P	
• Motor vehicle and boat dealers									P(7)	P	P	P(5)		C				P	

<b>ZONES</b>	<b>P(1)</b>	<b>SF</b>	<b>SFLD</b>	<b>R-1</b>	<b>R-1 MH</b>	<b>R-1 LDMH</b>	<b>R-2</b>	<b>R-2 MHP</b>	<b>CBD (8)</b>	<b>C- 1</b>	<b>C- 2</b>	<b>WD(2)</b>	<b>I(3)</b>	<b>GI(4)</b>	<b>LI(4)</b>	<b>R</b>	<b>OS</b>	<b>GP</b>	<b>C (10)</b>
• Auto supply stores									P	P	P			C	C			P	
• Gasoline service stations									C	P	P		P	C	C			C	
• Apparel and accessory stores									P	P	P	P(5)		C	C				
• Furniture and home furnishing stores									P	P	P			C				C	
• Eating and drinking places									P	P	P	P	C	PU/ CS	C			C	
• Drug stores									P	P	P			C	C				
• Liquor stores									P	P	P	P(5)		C	C				
• Used goods, secondhand stores									P	P	P	P(5)		C	C			C	
• Sporting goods									P	P	P	P(5)		C	C				
• Book, stationery, video and art supply									P	P	P	P(5)		C	C				
• Jewelry stores									P	P	P	P(5)		C	C				
• Monuments, tombstones and gravestones									P	P	P		P	C	C			P	
• Hobby, toy, game stores									P	P	P			C	C				
• Photographic and electronic stores									P	P	P	P(5)		C	C				
• Fabric stores									P	P	P			C	C				
• Fuel dealers										P	P		P	C	C			C	
• Florists									P	P	P			C	C				
• Medical supply stores									P	P	P			C	C				
• Pet shops									P	P	P			C	C				



<b>ZONES</b>	<b>P(1)</b>	<b>SF</b>	<b>SFLD</b>	<b>R-1</b>	<b>R-1 MH</b>	<b>R-1 LDMH</b>	<b>R-2</b>	<b>R-2 MHP</b>	<b>CBD (8)</b>	<b>C- 1</b>	<b>C- 2</b>	<b>WD(2)</b>	<b>I(3)</b>	<b>GI(4)</b>	<b>LI(4)</b>	<b>R</b>	<b>OS</b>	<b>GP</b>	<b>C (10)</b>
• Sales of goods that are wholly manufactured at Gary Paxton industrial park GPIP																		P	
• Sales of gifts, souvenirs and promotional materials that bear the logo or trade name of a GPIP permitted use business																		P	
• Stand alone souvenir and gift shops									P	P	P	P							
• Bulk retail										P	P		<u>C</u>	C	C				
• Commercial home horticulture	P	C	C	C(9)	C(9)		C(9)	C(9)	P	P	P	P		PU/ CS(9)	C(9)	P	P		
• Horticulture and related structures	P								P	P	P	P						P	
• Marijuana retail facility									C	C	C	C	C	C	C			C	
<b>BUSINESS SERVICES</b>																		P	
• General business services									P	P	P	P(5)	P	C	C			C	
• Professional offices							C	C	P	P	P	P(5)		C	C			P	
• Communications services									P	P	P	P(5)		C	C			P	
• Research and development services									C	P	P	C(5)	P	C	C			P	

P: Public Lands District

SF: Single-Family District

SFLD: Single-Family Low Density District

R-1: Single-Family/Duplex District

R-1 MH: Single-Family/Duplex/Manufactured Home District

R-1 LDMH: Single-Family/Duplex and Single-Family/Manufactured Home Low Density Districts

R-2: Multifamily District

R-2 MHP: Multifamily/Mobile Home District

CBD: Central Business District

C-1/C-2: General Commercial and General Commercial/ Mobile Home Districts

WD: Waterfront District

I: Industrial District

GI: General Island District

LI: Large Island District

R: Recreational District

OS: Open Space District

GP: Gary Paxton Special District

C: Cemetery District

77

78 P—Permitted

79

80 C—Conditional Use Permit Required

81

82 PU/CS—Permitted on Unsubdivided Islands and Conditional Use on Subdivided Islands

83 H. Retail and Business Uses Table 22.16.015-6 Footnotes.

84

85 1. Public facilities not otherwise identified may be permitted in the public zone subject  
86 to planning commission recommendation and assembly approval subject to findings of  
87 fact that show the use is in the public interest, all reasonable safeguards are to be  
88 employed to protect the surrounding area, and that there are no reasonable alternative  
89 locations for the use.

90

91 2. All uses in the waterfront district are intended to be water-related or water-  
92 dependent except that upland uses may be non-water-related.

93

94 3. No industrial use shall be of a nature which is noxious or injurious to nearby  
95 properties by reason of smoke, emission of dust, refuse matter, odor, gases, fumes,  
96 noise, vibration or similar conditions.

97

98 4. Uses listed as conditional uses in the GI and LI zones may be considered, but not  
99 necessarily approved, on a case-by-case basis.

100

101 5. When associated with a water-related principal use.

102

103 6. Small scale convenience stores subordinate to principal permitted uses.

104

105 7. Motor vehicles and boat dealers permitted on a short-term basis.

106

107 8. Kiosks, outdoor restaurants, portable structures such as food stands and other  
108 temporary structures that are clearly incidental to the primary use on the lot are  
109 permitted uses. Mobile food carts on wheels are permitted uses on private property.  
110 Kiosks, outdoor restaurants, portable structures such as food stands and other

temporary structures that are not clearly incidental to the primary use on the lot are conditional uses.

9. Commercial home horticulture conditional use permits governed by Section 22.24.025.

10. All uses in the cemetery district are intended to be cemetery-related and conducted with reverence and respect for those interred.

\* \* \*

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

**PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka, Alaska, this 24th day of March, 2020.

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Gary L. Paxton, Mayor

ATTEST:

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Sara Peterson, MMC  
Municipal Clerk

1<sup>st</sup> reading 3/10/2020  
2<sup>nd</sup> and final reading 3/24/2020

Sponsor: Administrator





# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

*Coast Guard City, USA*

## **Planning and Community Development Department**

### **AGENDA ITEM**

Case No: ZA 20-02  
Proposal: Add a definition for “bulk retail” and change “bulk retail” to a conditional use in Industrial zones  
Applicant: Jeremy and Savannah Plank  
Location: N/A  
Legal: N/A  
Zone: Industrial

### **PROJECT DESCRIPTION**

This request is for a zoning text change to amend the Sitka General Code (SGC) to add a definition of “Bulk retail” - a use that is identified in the zoning code’s use tables but not defined, and to make “Bulk retail” a conditional use in Industrial zones.

### **KEY POINTS AND CONCERNS**

- Bulk retail is already an identified use in the zoning code, this amendment provides clarity to enable better administration of this use.
- A few retail uses are currently allowed in the Industrial zone – bulk retail is a logical extension of these uses in the Industrial zone.
- Making bulk retail a conditional use in the Industrial zone will allow staff and the Commission to analyze on a case-by-case basis the appropriateness of categorizing a proposal as bulk retail and consider whether it will be conducive to the industrial area in question.
- Other professional and political organizations have worked to create a definition of bulk retail that can be adopted for local use.
- The applicants are working with staff to operate a business under the name “Sitka Bulk Retail” in an industrial zone.

### **RECOMMENDATION**

Staff recommends approval of this zoning text change.

### **ATTACHMENTS**

Attachment A: Draft Ordinance

Attachment B: APA Glossary of Zoning, Development, and Planning Terms Excerpt

Attachment C: Applicant Materials

## **BACKGROUND**

The intent of the Industrial zone as stated in SGC 22.16.110 is *“for industrial or heavier commercial uses including warehousing, wholesale, and distribution operations, manufacturing, natural resource extraction, contractors’ yards, and other such uses that require larger property or larger water and sewer services.”*

Retail services are very limited, primarily allowing wholesale, business-to-business type sales. Allowed retail uses currently include (per SGC Table 22.16.015-6):

- Building, hardware and garden materials
- Bulk forest products sales
- Retail forest products sales
- Agricultural product sales
- Gasoline service stations
- Monuments, tombstones, and gravestones
- Fuel dealers

Conditional uses in the Industrial zone include eating and drinking places, and marijuana retail facilities.

“Bulk retail” is a use that is identified in the use tables of the zoning code under 22.16.015-6 Retail and Business Uses. Bulk retail is allowed in the C-1 and C-2 zones, and a conditional use in the GI and LI zones. It is a prohibited use in the Industrial zone. However, the zoning code lacks a definition of what constitutes bulk retail.

The American Planning Association (APA) in its Glossary of Zoning, Development, and Planning Terms defines bulk retail as: *“A retail establishment engaged in selling goods or merchandise to the general public as well as to other retailers, contractors, or businesses, and rendering services incidental to the sale of such goods. Bulk retail involves a high volume of sales of related and/or unrelated products in a warehouse setting and may include membership warehouse clubs (i.e. “big box” retail). Bulk retail is differentiated from general retail by any of the following characteristics: items for sale include large, categorized products (e.g., lumber, appliances, household furnishings, electrical and heating fixtures and supplies, wholesale and retail nursery stock, etc.) and may also include a variety of carry out goods (e.g., groceries, household, and personal care products).”*

Staff recommends that along with changing the zones of allowed/conditional use of this activity, we adopt the above definition into Sitka’s zoning code to allow for/enable better administration of the use.

## **ANALYSIS**

**Definition:** As previously stated, the zoning code recognizes bulk retail as a use, but does not provide a definition of said use. Adopting a definition of this use would make it easier for both staff and the Commission to administer. Even the definition provided by the APA requires a degree of judgement, so having a baseline of standards from which to judge is an important code update.

**Use:** When considering the other allowed retail uses in the Industrial zone, there are a few common themes. First, retail sales are limited to items conducive/related to other industrial uses – construction, garden, agricultural, gasoline, and stonework. Second, most of these items generate only moderate, rather than high, vehicular and pedestrian traffic. The current allowed retail uses are not “convenience” in nature that would draw in high traffic, and thereby do not conflict with large vehicle and heavy machinery traffic needed for other industrial uses. Third, the allowed retail uses are not what staff would characterize as “aesthetically sensitive”. Patrons of apparel, jewelry, hobby, craft supply, art, books, florists, and other specialty retail stores, may expect a particular aesthetic of the stores and surrounding areas. These expectations could create conflict between shop owners and other industrial users if in close proximity to one another. The current allowed retail uses in the industrial zone are not of this “aesthetically sensitive” nature.

Bulk retail fits within these themes of currently allowed retail uses in Industrial zones. The items themselves are large, categorized products (their relatedness to industrial use is proposal-specific). Bulk retail would likely generate only moderate traffic, as bulk retail operations do not sell convenience goods. Most consumers would visit this type of establishment on a once-weekly or bi-weekly basis due to the large quantities of packaging/goods sold. Lastly, bulk retail takes place in a “warehouse” type setting conducive to many Industrial properties/developments.

Making bulk retail a conditional use, rather than allowed use, in Industrial zones allows staff and the Commission to consider these factors and determine on case-by-case basis if the proposal 1) fits within the definition of bulk retail and 2) is conducive with the industrial area in question.

## **STAFF RECOMMENDATION/CONCLUSION**

Staff recommends the zoning text change to amend Title 22 of the Sitka General Code to add a definition of “Bulk retail” and to make bulk retail a conditional use in the Industrial zone.

## **RECOMMENDED MOTION**

**“I move to recommend approval of the zoning text change to amend Title 22 of the Sitka General Code to add a definition for bulk retail, and to make bulk retail a conditional use in Industrial zones.”**



Ainslie described the short term rental located directly off of Halibut Point Road near Sandy Beach, in a stand-alone single family residence located on a large lot, with good parking and setbacks from the highway. Ainslie stated that this property had a good buffer with neighbors, one of whom provided a letter of support for the conditional use permit. This property already passed a health, life, and safety inspection.

Applicants Charles and Theresa Olson were present telephonically, and stated that they wanted to use the property as a rental in the summer to offset costs, and that it was otherwise used by them for project space. Staff recommended approval.

**M-Mudry/S-Hughey moved to approve a conditional use permit for a short-term rental at 2160 Halibut Point Road in the R-1 MH single-family, duplex, and manufactured home zoning district. The property was also known as Lot 1, Vonrekowski Subdivision. The request was filed by Charles and Theresa Olson. The owners of record were Charles and Theresa Olson. Motion passed 3-0 by voice vote.**

**M-Mudry/S-Hughey moved to adopt the findings as listed in the staff report. Motion passed 3-0 by voice vote.**

E. [ZA 20-02](#)

Public hearing and consideration of a zoning text amendment to Title 22 of the Sitka General Code to add a definition of bulk retail, and make bulk retail a conditional use in Industrial zones. The request is filed by Jeremy and Savannah Plank.

**Attachments:**     [ZA 20-02 Plank Bulk Retail ZMA Staff Report](#)  
                              [ZA 20-02 Plank Bulk Retail ZMA Draft Ordinance](#)  
                              [ZA 20-02 Plank Bulk Retail ZMA APA Glossary Excerpt](#)  
                              [ZA 20-02 Plank Bulk Retail ZMA Applicant Materials](#)

Ainslie stated that this zoning amendment had two parts: the definition of bulk retail, and the zone in which it can be used. Ainslie stated that bulk retail was present as a use in the city code use table, and noted that it was allowed in C-1 and C-2 zoning, and conditionally in the large and general island zones. Ainslie noted bulk retail did not currently have a definition in the code. Ainslie stated she used the definition provided by the American Planning Association to form the proposed amendment language.

Having defined bulk retail, Ainslie stated changing bulk retail from a prohibited to conditional use in industrial areas was the second feature of this zoning text change, and noted the Industrial zone allowed for the sale of building, hardware, and garden materials, bulk forest/agricultural products, fuel, etc to the general public and/or other retailers in a warehouse setting. Ainslie noted that there were three things in common between what the code allowed in industrial zones, and the proposed changes: Items sold are used in other industrial activity, sales generate low to moderate traffic, and retail currently allowed in industrial zones is not aesthetically sensitive.

Ainslie stated that staff considered bulk retail to be conducive to industrial zones, the conditional permitting allowed for case-by-case review of the zoning change, and the codified definition provided ease of administration. Staff recommended approval.

Applicants Jeremy and Savannah Plank were present. Mr. Plank stated he recently opened a bulk goods store, which required a warehouse setting allowing for pallet transport of large quantities of goods.

Richard Wein provided public comment regarding the importance of retail diversity and affordability. He stated his support for the proposal.

**M-Hughey/S-Mudry moved to approve the zoning text amendment to Title 22 of the Sitka General Code to add a definition of bulk retail, and make bulk retail a conditional use in Industrial zones. The request was filed by Jeremy and Savannah Plank. Motion passed 3-0 by voice vote.**

**F. [MISC 20-02](#)**

Discussion/Direction on the No Name Mountain/Granite Creek Master Plan stakeholder outreach

**Attachments:**     [Stakeholder Survey](#)

Special Projects Manager Scott Brylinsky provided an update on the progress of Jones & Jones consultants on the No Name Mountain master plan. Brylinsky explained that the consultants were looking for abundant and diverse public input, which was needed for success. Brylinsky requested that the Planning Commission, as well as the general public, provide contacts for knowledgeable parties and stakeholders to Jones & Jones, as they needed as much local input as possible. Brylinsky stated that he planned on circulating a questionnaire/survey to the public, with hopes of obtaining additional feedback.

Richard Wein spoke up during public testimony, and stated that Sitka had a great deal of experienced individuals and local knowledge, and that it was important to continue to add layers of information to the process. Spivey suggested distribution of the survey via local businesses.

**VIII. ADJOURNMENT**

**Seeing no objection, Chair Spivey adjourned the meeting at 7:38 PM.**

# A Glossary of Zoning, Development, and Planning Terms

*Edited by Michael Davidson and Fay Dolnick*

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American Planning Association

Planning Advisory Service  
Report Number 491/492



Establishments engaged in selling commodities or goods in small quantities to ultimate customers or consumers. (*Burlingame, Calif.*)

A business having as its primary function the supply of merchandise or wares to the end consumer. Such sales constitute the "primary function" of the business when such sales equal at least 80 percent of the gross sales of the business. (*Maple Grove, Minn.*)

The retail sale of any article, substance, or commodity within a building but not including the sale of lumber or other building materials. (*King City, Calif., which uses the term "retail business"*)

■ **retail sales establishment, bulk merchandise** A retail establishment engaged in selling goods or merchandise to the general public as well as to other retailers, contractors, or businesses, and rendering services incidental to the sale of such goods. Bulk retail involves a high volume of sales of related and/or unrelated products in a warehouse setting and may include membership warehouse clubs (i.e., "big box" retail). Bulk retail is differentiated from general retail by any of the following characteristics: items for sale include large, categorized products (e.g., lumber, appliances, household furnishings, electrical and heating fixtures and supplies, wholesale and retail nursery stock, etc.) and may also include a variety of carry out goods (e.g., groceries, household, and personal care products). (*Federal Way, Wash.*)

■ **retail sales establishment, food** Any establishment selling food or beverages for consumption off-premises either immediately or with further preparation. Such establishments may include, but not be limited to, supermarket, grocery store, bakery, candy store, butcher, delicatessen, convenience store, and similar establishments. (*Champaign, Ill.*)

■ **retail sales establishment, general merchandise** Establishments that are retail operations that carry an assortment of merchandise from all the other categories. Such establishments may include, but are not limited to, department

store, discount store, farm store, and similar establishments. (*Champaign, Ill.*)

■ **retail sales establishment, household** Establishments are retail operations that sell goods for furnishing or improving housing units. These establishments may include, but are not limited to, furniture store, home improvement center, electronic store, appliance store, and similar establishments. (*Champaign, Ill.*)

■ **retail sales establishment, specialty** Retail operations that specialize in one type or line of merchandise. Such stores may include, but are not limited to, apparel stores, jewelry stores, bookstores, shoe stores, stationary stores, antique stores, and similar establishments. (*Champaign, Ill.*)

■ **retail services establishment** Establishments providing services or entertainment, as opposed to products, to the general public for personal or household use, including eating and drinking places, hotels and motels, finance, real estate and insurance, personal service, motion pictures, amusement and recreation services, health, educational, and social services, museums, and galleries. (*Maryland Heights, Mo.*)

■ **retaining wall** A wall or similar structure devised used at a grade change to hold the soil on the up-hillside from slumping, sliding, or falling. (*Beaufort County, S.C.*)

Any fence or wall built or designed to retain or restrain lateral forces of soil or other materials, said materials being similar in height to the height of the wall. (*Fort Wayne, Ind.*)

A wall or terraced combination of walls used to retain more than 18 inches of material and not used to support, provide a foundation for, or provide a wall for a building or structure. (*Beverly Hills, Calif.*)

■ **retaining wall, enclosed** A retaining wall located on a lot such that it is visually shielded by other permanent structures and cannot be seen from public streets and adjacent lots. (*Oakland, Calif.*)

■ **retention** (See also *detention definitions*) The permanent on-site maintenance of stormwater. (*Gurnee, Ill.*)

■ **retention basin** A wet or dry stormwater holding area, either natural or manmade, which does not have an outlet to adjoining watercourses or wetlands other than an emergency spillway. (*Grand Traverse County, Mich.*)

■ **retention system** A stormwater facility that is designed to accept runoff from a developed site and discharge it at a limited rate. Flows exceeding the limited rate are stored until they can be released at the limited rate (when the runoff rate into the system drops below the limited rate). A specified volume is stored indefinitely (retained) until it is displaced by runoff from another storm. (*Redmond, Wash.*)

■ **retreat center** A facility used for professional, educational, or religious conclaves, meetings, conferences, or seminars and which may provide meals, housing, and recreation for participants during the period of the retreat or program only. Such centers may not be utilized by the general public for meals or overnight accommodations. Housing for participants may be in lodges, dormitories, sleeping cabins (with or without baths), or in such other temporary quarters as may be approved, but kitchen and dining facilities shall be located in a single centrally located building or buildings. (*Carroll County, Md.*)

■ **retrofitting** To improve or reconstruct an existing facility with the intent of bringing it into compliance (or where that is not feasible, more nearly into compliance) with modern standards for such facilities. . . . (*Volusia County, Fla.*)

■ **reversion clause** A requirement that may accompany special use permit approval or a rezoning that returns the property to its prior zoning classification if a specified action, (such as taking out a building permit or beginning construction) does not begin in a specified period of time, say, one year. (*Handbook for Planning Commissioners in Missouri*)

■ **rezoning** An amendment to the map and/or text of a zoning ordinance



# CITY AND BOROUGH OF SITKA

PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT  
GENERAL APPLICATION FORM

- Applications must be deemed complete at least TWENTY-ONE (21) days in advance of next meeting date.
- Review guidelines and procedural information.
- Fill form out completely. No request will be considered without a completed form.
- Submit all supporting documents and proof of payment.

## APPLICATION FOR:

☐

VARIANCE

☐

CONDITIONAL USE

☒

ZONING AMENDMENT

☐

PLAT/SUBDIVISION

**BRIEF DESCRIPTION OF REQUEST:** We are requesting a zoning text change to allow the planning department to issue a conditional use permit for Bulk Retail operations occurring within an industrial zoned building

**PROPERTY INFORMATION:** N/A

CURRENT ZONING: \_\_\_\_\_ PROPOSED ZONING (if applicable): \_\_\_\_\_

CURRENT LAND USE(S): \_\_\_\_\_ PROPOSED LAND USES (if changing): \_\_\_\_\_

## APPLICANT INFORMATION:

✓ **PROPERTY OWNER:** \_\_\_\_\_

✓ **PROPERTY OWNER ADDRESS:** \_\_\_\_\_

✓ **STREET ADDRESS OF PROPERTY:** \_\_\_\_\_

**APPLICANT'S NAME:** Jeremy & Savannah Plank

**MAILING ADDRESS:** 110 Sand Dollar Dr. Sitka, AK 99835

**EMAIL ADDRESS:** plankj@outlook.com **DAYTIME PHONE:** 425-269-3921

**PROPERTY LEGAL DESCRIPTION:** N/A

**TAX ID:** \_\_\_\_\_ **LOT:** \_\_\_\_\_ **BLOCK:** \_\_\_\_\_ **TRACT:** \_\_\_\_\_

**SUBDIVISION:** \_\_\_\_\_ **US SURVEY:** \_\_\_\_\_

Last Name

Date Submitted

Project Address



## REQUIRED INFORMATION:

### For All Applications:

- ☐ Completed General Application form
- ☐ Supplemental Application (Variance, CUP, Plat, Zoning Amendment)
- ☐ ~~Site Plan~~ showing all existing and proposed structures with dimensions and location of utilities
- ☐ ~~Floor Plan~~ for all structures and showing use of those structures
- ☐ ~~Copy of Deed~~ (find in purchase documents or at Alaska Recorder's Office website)
- ☐ ~~Copy of current plat~~ (find in purchase documents or at Alaska Recorder's Office website)
- ☐ ~~Site photos showing~~ all angles of structures, property lines, street access, and parking – emailed to [planning@cityofsitka.org](mailto:planning@cityofsitka.org) or printed in color on 8.5" x 11" paper
- ☐ Proof of filing fee payment **\$100 + tax**

### For Marijuana Enterprise Conditional Use Permits Only:

- ☐ AMCO Application

### For Short-Term Rentals and B&Bs:

- ☐ Renter Informational Handout (directions to rental, garbage instructions, etc.)

## CERTIFICATION:

I hereby certify that I am the owner of the property described above and that I desire a planning action in conformance with Sitka General Code and hereby state that all of the above statements are true. I certify that this application meets SCG requirements to the best of my knowledge, belief, and professional ability. I acknowledge that payment of the review fee is non-refundable, is to cover costs associated with the processing of this application, and does not ensure approval of the request. I understand that public notice will be mailed to neighboring property owners and published in the Daily Sitka Sentinel. I understand that attendance at the Planning Commission meeting is required for the application to be considered for approval. I further authorize municipal staff to access the property to conduct site visits as necessary. I authorize the applicant listed on this application to conduct business on my behalf.

Owner

Date

Owner

Date

I certify that I desire a planning action in conformance with Sitka General Code and hereby state that all of the above statements are true. I certify that this application meets SCG requirements to the best of my knowledge, belief, and professional ability. I acknowledge that payment of the review fee is non-refundable, is to cover costs associated with the processing of this application, and does not ensure approval of the request.

Applicant (If different than owner)

Date

Last Name

Date Submitted

Project Address





# CITY AND BOROUGH OF SITKA

PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT  
SUPPLEMENTAL APPLICATION FORM  
ZONING AMENDMENT APPLICATION

## APPLICATION FOR

☐

ZONING MAP AMENDMENT

☒

ZONING TEXT AMENDMENT

### ANALYSIS: (Please address each item in regard to your proposal)

- NEED/HARDSHIP/JUSTIFICATION FOR PROPOSAL: Due to Sitka's limited size with limited commercial retail, this will open up opportunities and spaces, upon board approval, for new business to try and start new businesses without incurring the high commercial rent.
- PUBLIC BENEFIT OF PROPOSAL: A text change will allow the board to review requests for new business looking for cheaper sites to get started and/or operate. They are still subject to Life's Safety inspections.
- CONSISTENCY WITH COMPREHENSIVE PLAN (Cite Section and Explain): This doesn't change existing plans, but allows the board to hear cases from business owner & approve requests if satisfactory to the board.
- CONSISTENCY WITH PHYSICAL BOUNDARIES (Streets, Major Creeks, etc.): There are no changes from this request.
- DOES NOT RESULT IN SPOT ZONING BECAUSE: W/A - no changes

- PUBLIC HEALTH, SAFETY, AND WELFARE: No impact to public health, safety, or welfare as all premises are still subject to city inspections.

Jeremy Plank  
Applicant

1-5-20  
Date

Plank  
Last Name

1-5-20  
Date Submitted

Project Address



# CITY AND BOROUGH OF SITKA

## Legislation Details

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File #: 20-074      Version: 1      Name:

Type: Item      Status: AGENDA READY

File created: 3/19/2020      In control: City and Borough Assembly

On agenda: 3/24/2020      Final action:

Title: Approve employee benefits that may vary from those set out in Section 6.14 of the City and Borough of Sitka Personnel Policies Handbook; specifically authorizing and ratifying up to 14 days of paid administrative leave per the Municipal Administrator's flowchart in response to COVID-19 essential operations

Sponsors:

Indexes:

Code sections:

Attachments: [Motion, Memo, and Flow Chart](#)

Date	Ver.	Action By	Action	Result
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## **POSSIBLE MOTION**

**I MOVE TO** approve employee benefits that may vary from those set out in Section 6.14 of the City and Borough of Sitka Personnel Policies Handbook; specifically authorizing and ratifying up to 14 days of paid administrative leave per the Municipal Administrator's flowchart in response to COVID-19 essential operations.





# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

---

## MEMORANDUM

**To:** Mayor Paxton and Assembly Members

**From:** John Leach, Municipal Administrator

**Date:** March 20, 2020

**Subject:** COVID-19 Paid Administrative Leave

---

### Background

On March 15, 2020, and following the State's Emergency Declaration in response to COVID-19, I declared a Local Disaster Emergency in accordance with AS 26.23.140, closed CBS buildings, and limited operations to functions essential to the safety, health, and security of CBS citizens in alignment with FEMA definitions of essential functions.

Section 6.14 of the Personnel Policies Handbook states:

ASSEMBLY AUTHORITY TO APPROVE BY MOTION PARTICULAR BENEFITS THAT MAY VARY FROM THOSE SET OUT IN THIS PERSONNEL POLICIES HANDBOOK Notwithstanding any other provision of this Personnel Policies Handbook, the Assembly may approve by motion benefits for individual employees that vary from the benefits set out in this Personnel Policies Handbook. In the case of any employee other than the Administrator or the Attorney, the benefits that vary from those set out in this Personnel Policies Handbook that are to be approved by motion must be recommended by the Administrator.

### Analysis

Some employees were forced home against their will due to their function within CBS, and others were forced home due to mandated quarantines following travel. If an employee was unable to work remotely, they would have been charged personal leave or sick leave for either of these scenarios, however, some employees' leave balances were insufficient to cover the mandated quarantine period, or even a short period in some cases.

I created a flowchart (enclosure 1), enacting a pathway to allow for up to 14 days of paid

administrative leave to cover the scenarios I described above, and to align with the 14-day quarantine timeline mandated by the CDC.

Currently, we are not requiring staff to report to work if they are uncomfortable and want to stay home. In that case, the employee can take sick leave, personal leave, or leave without pay.

After discussing this with AMAA, referencing our Personnel Policies Handbook, and speaking with other Alaskan communities, it appears that the administrative leave authorization must come from an Assembly motion per 6.14 of the Personnel Policies Handbook.

It should also be noted that other Alaskan communities are in this similar situation due to the lack of prescribed policies for situations such as these. The intent of my action was to keep staff ready and available to work and limit exposure to leave without pay so the CBS could maintain resiliency to provide essential services to the community while mitigating the spread of any COVID-19 exposure.

#### Fiscal Note

Wages are calculated at 97% FTE when included in the budget, which has already been allocated (not obligated) for FY20. We historically spend 92% FTE. Offering this Administrative leave option due to COVID-19 response will be transparent to our FY20 budget forecasts and promotes keeping money flowing through our economy during this pandemic.

#### Recommendation

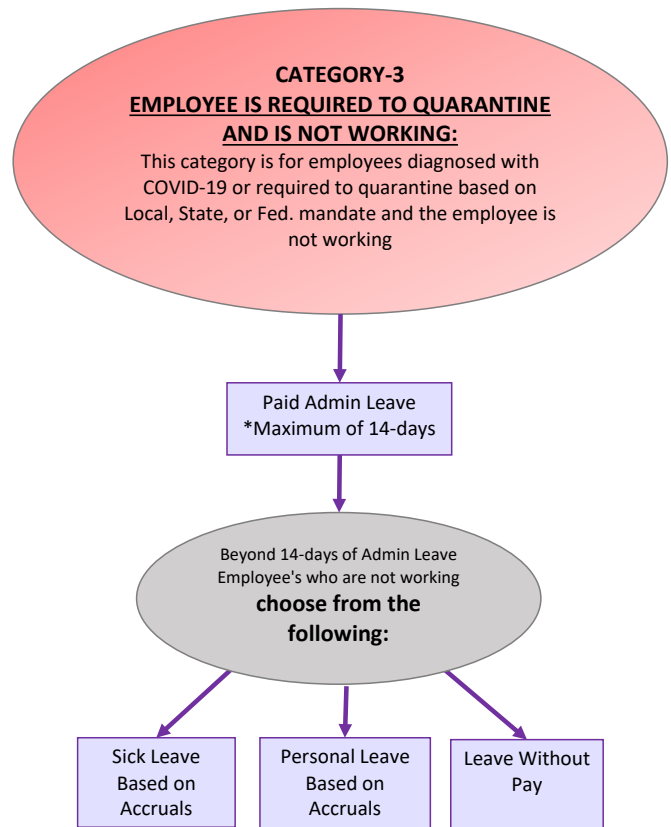
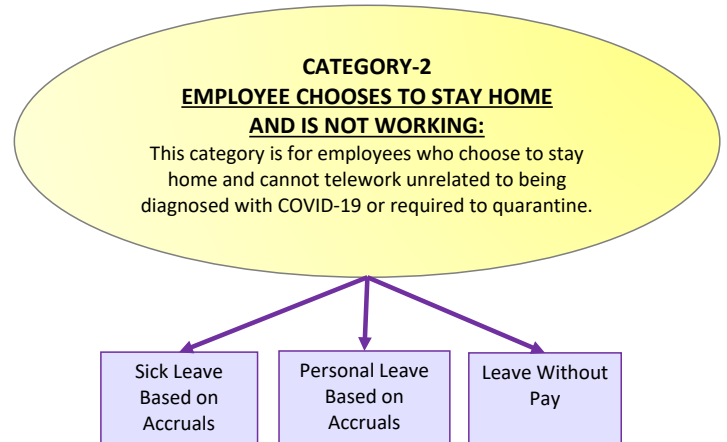
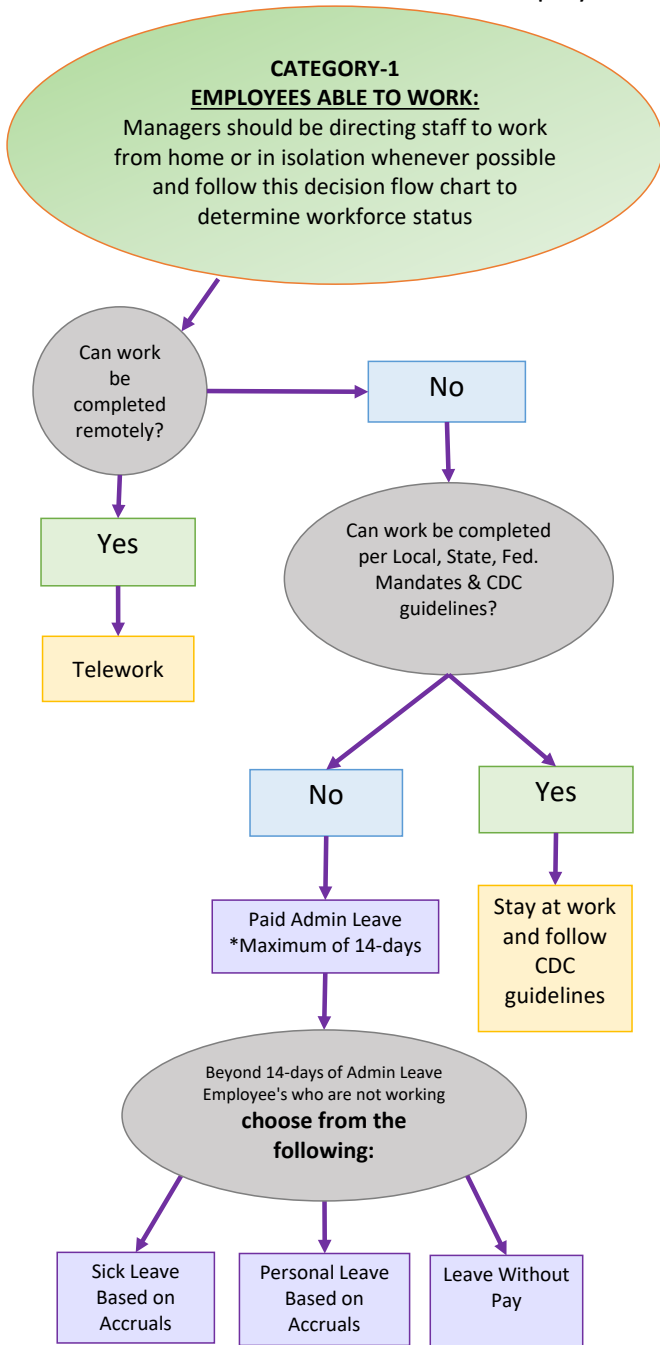
Approve benefits that may vary from those set out in the Personnel Policies Handbook by authorizing up to 14 days of paid administrative leave per my flowchart in response to COVID-19 essential operations and ratify the administrative leave decision I made during my emergency declaration on March 15, 2020.

Note: What is meant by “up to 14 days of paid administrative leave” is the employee may be paid the maximum hours of work for two regular work weeks with no overtime.

Encl: 1. Draft Administrative Leave Flowchart

# City and Borough of Sitka

## Employee Status Flowchart COVID-19



<http://cityofsitka.org/>



Link to CDC Guidelines:

<https://www.cdc.gov/coronavirus/2019-ncov/prepare/prevention.html>

Any employee who is quarantined will either be teleworking or on FMLA with a note from their healthcare provider. If the employee cannot work they will be allowed to use a \*max. of 14-days paid Admin Leave before using leave accruals or leave without pay.

\* "Maximum of 14-days" means the employee may be paid the maximum hours of work for two regular work weeks with no overtime





# CITY AND BOROUGH OF SITKA

## Legislation Details

File #: RES 20-06      Version: 1      Name:

Type: Resolution      Status: AGENDA READY

File created: 3/23/2020      In control: City and Borough Assembly

On agenda: 3/24/2020      Final action:

Title: Ordering people in the City and Borough of Sitka hunker down related to COVID-19

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Res 2020-06](#)  
[Res 2020-06](#)

Date	Ver.	Action By	Action	Result
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## **POSSIBLE MOTION**

**I MOVE TO** approve Resolution 2020-06 on first and final reading ordering people in the City and Borough of Sitka to hunker down related to COVID-19.

**CITY AND BOROUGH OF SITKA**

**RESOLUTION NO. 2020-06**

**ORDERING PEOPLE IN THE CITY AND BOROUGH OF SITKA  
TO HUNKER DOWN RELATED TO COVID-19**

**WHEREAS**, COVID-19 is a respiratory disease that can result in serious illness or death and is caused by the SARS-Cov-2 virus ("virus"), a new strain of the coronavirus that has not been previously identified in humans and is easily transmittable person to person; and

**WHEREAS**, on March 11, 2020, the World Health Organization ("WHO") declared the virus a pandemic; and

**WHEREAS**, on March 11, 2020, the State of Alaska declared a public health emergency in response to the anticipated outbreak of the virus in Alaska; and

**WHEREAS**, on March 13, 2020, President Donald J. Trump declared a national emergency in response to the virus pandemic; and

**WHEREAS**, on March 15, 2020, the Administrator declared a local emergency in response to COVID-19 which was continued by the Assembly in Resolution 2020-05; and

**WHEREAS**, as of March 22, 2020, the State of Alaska had 22 confirmed COVID-19 cases; and

**WHEREAS**, as of March 22, 2020, the State of Alaska had issued eight health mandates including closing schools until May 1, 2020; and

**WHEREAS**, as of March 22, 2020, the neighboring municipalities of the Ketchikan Gateway Borough had 6 confirmed COVID-19 cases and the neighboring municipality of the City and Borough of Juneau had 1 confirmed COVID-19 case; and

**WHEREAS**, on March 20, 2020, the State of Alaska issued health mandate 7.1 that generally prohibited close contact with people by prohibiting personal care services and gatherings of ten or more people in two municipalities, including the Ketchikan Gateway Borough; and

**WHEREAS**, the City and Borough of Sitka is linked to the Ketchikan Gateway Borough and the City and Borough of Juneau by daily commercial air traffic; and

**WHEREAS**, this resolution is akin to an emergency declaration and is reasonable and necessary under the circumstances to protect the public, health, welfare, and safety in the City and Borough of Sitka; and

**WHEREAS**, entities that provide services for unsheltered people are urged to make shelter space available as soon as possible and to the maximum extent possible in compliance with COVID-19 risk mitigation practices; and



**WHEREAS**, people particularly at risk of complications from COVID-19 include those 60 years and older and individuals of any age with a serious underlying medical condition, and household members of those who are at elevated risk should implement these more stringent guidelines as well, to the extent possible; and

**WHEREAS**, anyone particularly at-risk from COVID-19 should reduce exposure by staying at home, not physically going to work, and not doing their own shopping if possible; and

**WHEREAS**, this resolution shall have the same effect as an order issued by the Administrator pursuant to SGC 2.47.010.C.

**NOW, THEREFORE, BE IT RESOLVED** by the Assembly of the City and Borough of Sitka, Alaska:

**Section 1.** This resolution may also be referred to as "CBS COVID-19 Order No. 1."

**Section 2. Stay Home Order.** All people in the City and Borough of Sitka shall stay at home as much as possible, except to work in critical jobs, listed below; to buy, sell, or deliver groceries or other important goods such as those sold by critical businesses; to receive or provide health care; and to get fresh air without contacting others. On the limited occasions when individuals leave home, they should maintain social distancing of at least six feet from any person outside their household whenever possible. Individuals are also encouraged to practice recommended hygiene, including regular hand washing. Individuals experiencing homelessness are exempt from this order.

**Section 3. Non-critical Business Closure Order.** All non-critical businesses and entities must close their premises to the public; however, businesses and entities are encouraged to use telecommuting or work from home procedures.

**Section 4. Social Distancing Order for Critical Businesses or Entities.** All critical businesses or entities that remain open must comply with social distancing guidelines as much as possible, including by maintaining six-foot social distancing for employees and members of the public.

**Section 5. Definition of critical business or entity.** A critical business or entity includes the following regardless whether it is for profit, not for profit, or other entity:

(a) "Healthcare Operations" including hospitals, clinics, dentists, ophthalmologists and optometrists, chiropractors, pharmacies, medical laboratories, other healthcare facilities and providers, home healthcare services providers, mental health providers, companies and institutions involved in the research and development, manufacture, distribution, warehousing, or supplying of pharmaceuticals, biotechnology therapies, consumer health products, medical devices, diagnostics, equipment, services, or any related and/or ancillary healthcare services. "Healthcare Operations" also includes veterinary care and healthcare services provided to animals. "Healthcare Operations" does not include fitness and exercise gyms, massage therapy locations, or similar facilities;

(b) Businesses providing any services or performing any work necessary to the operations and maintenance of "Critical Infrastructure," including, but not limited to, the barge services, public works construction, construction of housing, airport operations, water, sewer, gas, electrical, utility, mineral production, roads and

- highways, trucking and shipping companies, public transportation, solid waste collection and removal, internet, and telecommunications systems;
- (c) First responders, emergency management personnel, emergency dispatchers, court personnel, and law enforcement personnel;
- (d) Critical Government Functions means the judiciary, the legislature, and all services needed to ensure the continuing operation of the government agencies that provide for the health, safety, and welfare of the public. Federal, Tribal, and State of Alaska employees should follow direction of their employer regarding whether and where to report to work;
- (e) Defense and national security-related operations supporting the U.S. Government or a contractor to the U.S. government;
- (f) Grocery stores, supermarkets, food banks, marijuana dispensaries, convenience stores, and other similar establishments engaged in the retail sale of food, beverages, or other household consumer products (such as cleaning and personal care products, pet food and pet supplies). This includes stores that sell groceries and also sell other non-grocery products, as well as stores that sell products necessary to maintaining the safety, sanitation, and operation of residences;
- (g) Food cultivation, including fishing, hunting, farming, and livestock;
- (h) Businesses that provide food, shelter, and social services, and other necessities of life for economically disadvantaged, unsheltered, or otherwise vulnerable individuals;
- (i) Newspapers, television, radio, and other media services;
- (j) Gas stations and auto-supply, auto-repair, towing companies, and related facilities;
- (k) Banks, mortgage companies, insurance companies, and related financial institutions;
- (l) Hardware stores;
- (m) Plumbers, electricians, exterminators, and other service providers who provide services that are necessary to maintaining the safety, sanitation, and operation of residences and critical businesses;
- (n) Businesses providing mailing and shipping services;
- (o) Educational institutions for purposes of facilitating distance learning;
- (p) Laundromats, dry cleaners, and laundry service providers;
- (q) Restaurants, bars, and breweries and other facilities that prepare and serve food and beverages, but only for delivery or carry out under the restrictions described in the State of Alaska Health Mandate 3;
- (r) Businesses that supply products needed for people to work from home;

- (s) Businesses that supply other critical businesses with the support or supplies necessary to operate;
- (t) Businesses that ship or deliver groceries, food, goods or services directly to residences;
- (u) Businesses that provide transportation services of passengers or goods, including the Alaska Marine Highway System;
- (v) Home-based care for seniors, adults, or children;
- (w) Hotels, residential facilities and shelters for seniors, adults, and children;
- (x) Professional services, such as legal or accounting services, that do not involve close personal contact or that are necessary to assist in compliance with legally mandated activities, to complete time sensitive activities, or activities related to or caused by COVID-19;
- (y) Labor union essential activities;
- (z) Childcare facilities, subject to new recommendations for increased hygiene and social distancing. Childcare facilities should be used only by those who need childcare to work at a critical job; and
- (aa) Funeral, mortuary, cremation, burial, cemetery, and related services.

**Section 5. Procedural Due Process.** If a business or entity is not listed above, and the business owner or authorized agent believes that the business or entity is critical or it is an entity providing critical services or functions, the business may request a determination from the Administrator, or designee.

**Section 6. Effective Date and Duration.** This resolution shall be effective immediately after its adoption. A public service announcement shall be widely distributed providing public notice of the orders in this resolution. This resolution shall remain in effect through April 14, 2020.

**PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka, Alaska on this 24<sup>th</sup> day of March, 2020.

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Gary L. Paxton, Mayor

ATTEST:

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Sara Peterson, MMC  
Municipal Clerk

1<sup>st</sup> and final reading 3/24/2020





# CITY AND BOROUGH OF SITKA

## Legislation Details

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File #: 20-076      Version: 1      Name:

Type: Item      Status: AGENDA READY

File created: 3/23/2020      In control: City and Borough Assembly

On agenda: 3/24/2020      Final action:

Title: Discussion / Direction for Assembly communication with the Municipal Administrator and Municipal Attorney to discuss response powers of the Municipal Administrator during emergency declaration and clarification of items in the "shelter in place" news release

Sponsors:

Indexes:

Code sections:

Attachments: [Discussion Direction](#)

Date	Ver.	Action By	Action	Result
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## **Discussion / Direction**

for Assembly communication with the Municipal Administrator and Municipal Attorney to discuss response powers of the Municipal Administrator during emergency declaration and clarification of items in the "shelter in place" news release.