



MEMORANDUM

New Retail Marijuana License for Kachemak Cannabis.

Item Type: Action Memorandum
Prepared For: Mayor Castner and Homer City Council
Date: 18 May 2023
From: Melissa Jacobsen, MMC, City Clerk

The City Clerk's Office has been notified by the Alcohol and Marijuana Control Office of a standard marijuana cultivation facility renewal application within the City of Homer for the following business:

License Type: Retail Marijuana Store
Lic #: 33236
DBA Name: Kachemak Cannabis
Service Location: 3585 East End Road, Suite 3, Homer, AK 99603
Licensee: Kachemak Cannabis, LLC
Designated Licensee: Jesse Sherwood
Mailing Address: PO Box 3226, Homer, AK 99603

Recommendation:

Voice non-objection and approval for the new retail marijuana license application.

Attachments:

AMCO Application
City of Homer Police Non-Objection
City of Homer Planning Non-Objection



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

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

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

April 27, 2023

City of Homer/ Kenai Peninsula Borough
Attn: Melissa Jacobsen; Michele Turner; Jenny Ratky; Tamera Ward
VIA Email: mjacobsen@ci.homer.ak.us; clerk@cityofhomer-ak.gov
CC: micheleturner@kpb.us ; jratky@kpb.us; tward@kpb.us

License Number:	33236
License Type:	Retail Marijuana Store
Licensee:	Kachemak Cannabis, LLC
Doing Business As:	Kachemak Cannabis
Physical Address:	3585 East End Road Suite 3 Homer, AK 99603
Designated Licensee:	Jesse Sherwood
Phone Number:	907-299-2986
Email Address:	ceo@smfak.com

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


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

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

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

This application will be in front of the Marijuana Control Board at our June 1-2, 2023 meeting.

Sincerely,

A handwritten signature in cursive script that reads "Joan M. Wilson". The signature is contained within a thin black rectangular border.

Joan M. Wilson, Director

amco.localgovernmentonly@alaska.gov



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:	Kachemak Cannabis, LLC	License Number:	33236
License Type:	Retail Marijuana Store		
Doing Business As:	Kachemak Cannabis		
Premises Address:	3585 East End Road, Suite #3		
City:	Homer	State:	AK
		ZIP:	99603

Section 2 - Individual Information

Enter information for the individual licensee.

Name:	Jesse Sherwood
Title:	Manager/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?

31565 - Cultivation License
31566 - Manufacturing License
14302 - Cultivation License



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.

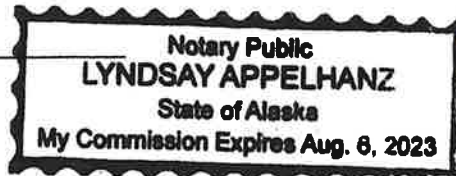
All marijuana establishment license applicants:

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

Jesse Sherwood

Printed name of licensee



Notary Public in and for the State of Alaska

My commission expires:

08/06/2023

Subscribed and sworn to before me this

8th day of July

2022



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:	Kachemak Cannabis, LLC	License Number:	33236
License Type:	Retail Marijuana Store		
Doing Business As:	Kachemak Cannabis		
Premises Address:	3585 East End Road, Suite #3		
City:	Homer	State:	AK
		ZIP:	99603

Section 2 – Individual Information

Enter information for the individual licensee.

Name:	Amanda Piaskowski
Title:	Manager/Member

Section 3 – Other Licenses

Ownership and financial interest in other licenses: Yes No

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

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



Alaska 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.

AP

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

AP

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

AP

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.

AP

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.

AP

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.

AP

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).

AP

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

AP

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.

AP

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.

AP

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.

AP



Alaska Marijuana Control Board

Form MJ-00: Application Certifications

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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:

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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.



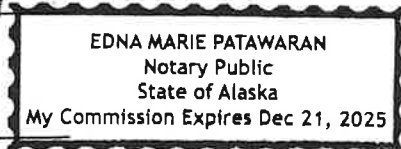
All marijuana establishment license applicants:

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.

Amanda Piaskowski
Signature of licensee

Amanda Piaskowski

Printed name of licensee



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

My commission expires: 12/21/2025

Subscribed and sworn to before me this 10TH day of JULY, 2022.



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

What is this form?

An operating plan is required for all marijuana establishment license applications. Applicants should review **Title 17.38** of **Alaska Statutes** and **Chapter 306** of the **Alaska Administrative Code**. This form will be used to document how an applicant intends to meet the requirements of those statutes and regulations. If your business has a formal operating plan, you may include a copy of that operating plan with your application, but all fields of this form must still be completed per 3 AAC 306.020(c).

What must be covered in an operating plan?

Applicants must identify how the proposed premises will comply with applicable statutes and regulations regarding the following:

- Control plan for persons under the age of 21
- Security
- Business records
- Inventory tracking of all marijuana and marijuana product on the premises
- Employee qualification and training
- Health and safety standards
- Transportation and delivery of marijuana and marijuana products
- Signage and advertising

Applicants must also complete the corresponding operating plan supplemental forms (**Form MJ-03, Form MJ-04, Form MJ-05, or Form MJ-06**) to meet the additional operating plan requirements for each license type.

Section 1 – Establishment & Contact Information

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

Licensee:	Kachemak Cannabis, LLC	MJ License #:	33236		
License Type:	Retail Marijuana Store				
Doing Business As:	Kachemak Cannabis				
Premises Address:	3585 East End Road, Suite #3				
City:	Homer	State:	Alaska	ZIP:	99603
Mailing Address:	PO BOX 3226				
City:	Homer	State:	Alaska	ZIP:	99603
Designated Licensee:	Jesse Sherwood				
Main Phone:	907-299-2986	Cell Phone:			
Email:	ceo@smfak.com				



Form MJ-01: Marijuana Establishment Operating Plan

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

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

Each and every individual wishing to enter Kachemak Cannabis will be required to present an unaltered, valid, government issued, photo identification proving they are at least 21 years of age before being allowed to enter the retail store. Kachemak Cannabis will have internal policies in which all customers will be asked for ID upon entering the retail store, prior to viewing or ordering products. Employees will be trained to spot the inconsistencies of forged identifications and will be given an ID guide to help them recognize ID's from other states, countries, and federally recognized tribes. Signs will be posted at the main entry door stating, "No one under 21 years of age allowed". The sign will be twelve (12) inches long and twelve (12) inches wide, and the letters will be one half (1/2) inch in height in high contrast to the background of the sign.

Section 3 – Security

Restricted Access Areas (3 AAC 306.710):

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

Kachemak Cannabis' retail store will be equipped with a 24 hour monitoring alarm system, exterior lighting, and video surveillance. There will be one customer entrance/exit to better manage ingress and egress. The restricted access area will be located behind the retail sales counter that will allow for employees to access the rest of the facility. At least one employee will be present behind the point of sale/display counter at all times, ensuring customers do not enter the restricted access area behind the counter. The entrance to the restricted access area behind the counter will have prominent signage stating that the area is restricted and that the public must be escorted. The door to the office will remain closed and locked at all times. Security cameras will be installed throughout the retail store that allow for monitoring of all areas 24 hours each day including, at a minimum, all entrances and exits, restricted access areas, all windows, every portion of the office, the point of sale area and the exterior of the building to monitor and identify all activities outside the facility.

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

Kachemak Cannabis will ensure that each visitor is scheduled by a licensee or an employee/manager to access any restricted access area, with the exception of AMCO and duly authorized law enforcement agents. Each visitor will sign into the visitor's log indicating their name, the date, time in and time out of the restricted access area, and purpose of the visit (if deemed necessary). All visitors will be required to sign in, and to provide valid, government issued, photo identification. Each visitor will be issued a visitor badge and will be instructed to clearly display it on their person at all times while in the restricted access area and return the badge upon exit. At this time, the employee/manager or licensee will brief the visitor on the company's policies regarding safety, regulatory compliance and any other pertinent information the visitor should be aware of while inside the restricted access areas of the retail store. A designated employee/manager or licensee will escort and actively supervise the visitor(s) during the entire visit. At no time will there be more than five (5) visitors per supervising employee/manager or licensee. Once the visit has concluded, all visitors will be required to exit the premises and return their visitor badges. The visitors log will be kept and stored on-site as an official business record. The escorting employee/manager or licensee will record all information related to the visitor's presence if there is any reportable activity or behavior during the visit. The visitor log will be made available to AMCO upon request.



Form MJ-01: Marijuana Establishment Operating Plan

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



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

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

Kachemak Cannabis will ensure that adequate exterior lighting is installed throughout the property and will be sufficient to facilitate video surveillance. Commercial, LED lights with extremely bright bulbs will be used in all exterior light fixtures as well as motion detection sensors. The licensee or manager will ensure light fixtures are installed in such a way to keep the exterior of the premises, signs and doors well lit and to allow surveillance cameras to clearly record individuals that are within twenty (20) feet from the entrance. Exterior lighting, as well as video surveillance recordings and cameras will be inspected frequently by a licensee or manager to ensure that each light is functioning and there is sufficient lighting for surveillance. Additional lighting will be installed as/if needed.



Form MJ-01: Marijuana Establishment Operating Plan

3.5. An alarm system is required for all license types that must be activated on all exterior doors and windows when the licensed premises is closed for business. Describe the security alarm system for the proposed premises, explain how it will meet all regulatory requirements, and outline your policies and procedures regarding the actions to be taken by a licensee, employee, or agent when the alarm system alerts of an unauthorized breach:

Kachemak Cannabis will contract with a third party security company who will install the alarm system and panic buttons, maintain its equipment, test the devices and continuously monitor the facility to ensure the safety of the property and to detect unauthorized activity. The alarm system will be set up to monitor for intrusions with motion detectors in all areas of the building during closed hours. The licensees or manager will be educated on the alarm system and panic buttons by the third party company. Kachemak Cannabis will train all employees on the alarm system's functions such as arming and disarming the alarm, panic buttons, police response and proper use of the system. Troubleshooting any issues will remain the responsibility of the licensees or manager. Each morning, the first employee/licensee or manager to arrive at the store will disable the overnight alarm system and check the surveillance cameras and recordings to ensure the system is functioning as expected. The last employee/licensee/manager to leave the store in the evening will activate the overnight devices and sensors, and lock all doors that are not self-locking. Sensors will be installed and maintained on all potential entry points, including all doors, to monitor for motion, intrusion, or activity when the alarm system is activated. The alarm system will be active at all times the store is closed, and any attempted intrusion will initiate an immediate and electronic notification to the off-site security center and to the licensees and/or manager's cell phones. In the event of an unauthorized breach, the licensees or manager will direct all persons in the retail store to vacate immediately and await law enforcement. Kachemak Cannabis will comply with all law enforcement directives. When deemed safe to do so, the licensees and manager will enter the retail store and inspect for damages and/or missing property. Additionally, any event that occurs on the licensed premises that involves local law enforcement will be promptly reported to AMCO Enforcement via email. In the case of Kachemak Cannabis' knowledge of evidence or circumstances that reasonably indicate theft, diversion, or unexplained disappearance of marijuana, marijuana products, or money from the licensed premises; or any unauthorized access to the licensed premises, the licensees will notify AMCO and AMCO Enforcement, electronically, within 24 hours.

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

All areas of the licensed premises where marijuana or marijuana products are stocked for sale or dispensed for sale and storage/inventory areas will be designated as restricted access areas and will be under 24/7 video surveillance. Access to restricted access areas will be granted only to specific personnel. These secured, surveilled areas will have video back up for all video footage and will be stored for a minimum of forty (40) days. When the business is open, all products will be on display in specific areas, unreachable to customers. Cameras will be visible and provide a full view of the room, including the entryway, point of sale counter and marijuana storage areas. Security monitors and video recording equipment will be located in the facility office. Mandatory inventory counts will be taken weekly and stored as official business records. Additionally, a licensee or manager will perform internal audits by reconciling the inventory on hand with the recorded data in Metrc to ensure they match. Continued on Page 11 ...

3.7. Describe your policies and procedures for preventing loitering:

Kachemak Cannabis will have signs on the exterior of the store and around the property that states "No Loitering". Employees will do frequent, but not scheduled, checks around the retail store and the property. If anyone is found loitering, they will be asked to leave. If said person does not comply, local law enforcement will be contacted.

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

Initials

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



Form MJ-01: Marijuana Establishment Operating Plan

Video Surveillance (3 AAC 306.720):

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

Initials

3.9. The video surveillance and camera recording system for the licensed premises covers each restricted access area, and both the interior and exterior of each entrance to the facility.



3.10. Each video surveillance recording: is preserved for a minimum of 40 days, in a format that can be easily accessed for viewing (consistent with the Alcohol & Marijuana Control Office's approved format list); clearly and accurately displays the time and date; and is archived in a format that does not permit alteration of the recorded image.



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



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



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

Kachemak Cannabis will have multiple cameras in use in order to record all areas of the retail facility, inside and outside at multiple angles and at a height that will provide a clear, unobstructed view. Cameras will be carefully placed to prevent any blockage from fixtures, posts, display cases, or other equipment. All security cameras will be positioned in such a manner as to get the best facial image of anyone present within the building and within twenty (20) feet of any facility entrance. Any entrance door will have cameras that will clearly identify the face of anyone present. All exterior entrances and restricted access areas will have video coverage documenting the face of anyone going in or out of the building. All restricted access doors will have coverage to clearly identify the face of anyone present. All exterior corners of the space will have cameras installed to facilitate monitoring of all activity on each side of the building. The parking lot and entrance will also have video coverage. Footage from security cameras will be accessible remotely, allowing a licensee or manager to view operations from anywhere. A failure notification system will be installed to provide audible and visual notification of any failure in the electronic monitoring system. During a power outage, all video cameras and recording equipment will be run on emergency power with a battery backup system to ensure continued operation for at least one (1) hour.

3.14. Describe the locked and secure area where video surveillance recording equipment and original copies of surveillance records will be housed and stored, and how you will ensure the area is accessible only to authorized personnel, law enforcement, or an agent of the Marijuana Control Board. If you will be using an offsite monitoring service and offsite storage of video surveillance records, your response must include how the offsite facility will meet these security requirements:

All surveillance recording equipment and footage will be stored in the surveillance room with backups on site. The surveillance storage room will be accessible only by the licensees and the manager, and any authorized AMCO agents or law enforcement. The surveillance storage room will have a security door, locked at all times. The door will be equipped with a commercial grade lock with keys that are marked "do not duplicate" and a spring loaded hinge. The licensees and manager will have remote access to surveillance recordings to monitor the operations virtually. The security system will be password protected to prevent any data tampering, and recorded data will be stored for a minimum of forty (40) days as an official business record. All surveillance footage will be accessible for upload to a separate hard drive in the event that it must be stored longer for criminal, civil, or administrative investigations. All recordings will be time and date stamped, and archived in a format that prevents alteration of the recorded image. Recordings and surveillance data will be available to AMCO, AMCO Enforcement and local law enforcement upon request.



Section 4 – Business Records

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

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

Initials

- a. all books and records necessary to fully account for each business transaction conducted under my license for the current year and three preceding calendar years (records for the last six months must be maintained on the licensed premises; older records may be archived on or off-premises);
- b. a current employee list setting out the full name and marijuana handler permit number of each licensee, employee, and agent who works at the marijuana establishment;
- c. the business contact information for vendors that maintain video surveillance systems and security alarm systems for the licensed premises;
- d. records related to advertising and marketing;
- e. a current diagram of the licensed premises, including each restricted access area;
- f. a log recording the name, and date and time of entry of each visitor permitted into a restricted access area;
- g. all records normally retained for tax purposes;
- h. accurate and comprehensive inventory tracking records that account for all marijuana inventory activity from seed or immature plant stage until the retail marijuana or retail marijuana product is sold to a consumer, to another marijuana establishment, or destroyed;
- i. transportation records for marijuana and marijuana product, as required by 3 AAC 306.750(f); and
- j. registration and inspection reports of scales registered under the Weights and Measures Act, as required by 3 AAC 306.745.

4.2. A marijuana establishment is required to exercise due diligence in preserving and maintaining all required records. Describe how you will prevent records and data, including electronically maintained records, from being lost or destroyed:

All business records, including operational and regulatory documents, recordings, surveillance, financial books, inventory and employment records, logs, manifests, and communications and marketing documents, will be stored on-site in the restricted access area and surveillance storage room, and backed up every six to twelve (6-12) months on an off-site external hard drive to protect from loss and destruction and to allow ownership and designated authorities access at any time. Paper business records will be kept in the surveillance storage room in a locked cabinet that is accessible only to the licensees and manager. Facility records will be managed by authorized agents in accordance with standard retention policies to ensure that business records are stored in a consistent and searchable manner. Every six (6) months the company will do a manual back up to an external hard drive. Kachemak Cannabis does not intend to destroy electronic records. Hard copies of documents will be kept for a minimum of five (5) years, after which documents may be destroyed.



Section 5 – Inventory Tracking of All Marijuana and Marijuana Product

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

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

5.1. My marijuana establishment will be using Metrc, and if any other tracking software is used, it will be capable of sharing information with Metrc.

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

5.3. My marijuana establishment will use registered scales in compliance with AS 45.75.080 (Weights and Measures Act), as required by 3 AAC 306.745.

Section 6 – Employee Qualification and Training

Review the requirements under 3 AAC 306.700. All licensees, and every employee or agent of the marijuana establishment who sells, cultivates, manufactures, tests, or transports marijuana or a marijuana product, or who checks the identification of a consumer or visitor, must obtain a marijuana handler permit from the board before being licensed or beginning employment at a marijuana establishment.

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

6.1. All licensees, and each employee or agent of the marijuana establishment who sells, cultivates, manufactures, tests, or transports marijuana or marijuana product, or who checks the identification of a consumer or visitor, shall obtain a marijuana handler permit from the board before being licensed or beginning employment at the marijuana establishment.

6.2. Each licensee, employee, or agent who is required to have a marijuana handler permit shall keep that person's marijuana handler permit card in that person's immediate possession (or a valid copy on file on the licensed premises) when on the licensed premises.

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

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

Kachemak Cannabis will hire candidates on a probationary period during which they will receive training and evaluation specific to their position. Training will include marijuana industry topics; customer care, food handling, safety precautions and procedures; legal issues; and state, local and federal regulations. Training will take place throughout the year, as well as when topics arise that need further explanation. The licensees or manager will personally present or arrange training and education to employees. Within the probationary period, all new employees will be required to meet with the manager to learn the company's business approach and to adopt the standard of service. Educational packets may be provided to each retail employee to be read and reviewed. The educational packets will also include safety procedures that specifically address the facility's security measures and controls for the prevention of diversion, theft, and loss of marijuana such as emergency response procedures and state and federal statutes regarding confidentiality. Continued on Page 11 ...



Section 7 – Health and Safety Standards

Review the requirements under 3 AAC 306.735.

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

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

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

- 7.5. Adequate and readily accessible toilet facilities that are maintained and in good repair and sanitary condition are clearly indicated on my Form MJ-02: Premises Diagram.
7.6. Convenient handwashing facilities with running water at a suitable temperature are clearly indicated on my Form MJ-02: Premises Diagram.

7.7. If you answered "No" to either 7.5 or 7.6 above, describe how toilet and/or handwashing facilities are made accessible, as required by 3 AAC 306.735(b)(2):

Section 8 – Transportation and Delivery of Marijuana and Marijuana Products

Review the requirements under 3 AAC 306.750.

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

In the event that Kachemak Cannabis transports any marijuana or marijuana product from the retail store, a trip manifest will be printed from Metrc to accompany the shipment. A copy of the trip manifest will also be maintained on the licensed premises as a business record. Any marijuana or marijuana products to be transported will be placed within a sealed package or container up to ten (10) pounds and then into a secured storage compartment within the transport vehicle or in the bed of a truck. Any individuals involved in the transport will have a valid, marijuana handler permit and be trained to travel directly to the destination without any unnecessary stops and without opening packages of marijuana or marijuana product. Continued on Page 11 ...



Form MJ-01: Marijuana Establishment Operating Plan

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

Initials

8.2. The marijuana establishment from which a shipment of marijuana or marijuana product originates will ensure that any individual transporting marijuana shall have a marijuana handler permit required under 3 AAC 306.700.

8.3. The marijuana establishment that originates the transport of any marijuana or marijuana product will use the marijuana inventory tracking system to record the type, amount, and weight of marijuana or marijuana product being transported, the name of the transporter, the time of departure and expected delivery, and the make, model, and license plate number of the transporting vehicle.

8.4. The marijuana establishment that originates the transport of any marijuana or marijuana product will ensure that a complete printed transport manifest on a form prescribed by the board must be kept with the marijuana or marijuana product at all times during transport.

8.5. During transport, any marijuana or marijuana product will be in a sealed package or container in a locked, safe, and secure storage compartment in the vehicle transporting the marijuana or marijuana product, and the sealed package will not be opened during transport.

8.6. Any vehicle transporting marijuana or marijuana product will travel directly from the shipping marijuana establishment to the receiving marijuana establishment, and will not make any unnecessary stops in between except to deliver or pick up marijuana or marijuana product at any other licensed marijuana establishment.

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

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

Section 9 – Signage and Advertising

Review the requirements under 3 AAC 306.770.

9.1. Describe any signs that you intend to post on your establishment, including quantity, dimensions, graphics, and location on your establishment (photos or drawings may be attached):

Kachemak Cannabis may have up to three (3) signs with the business name and logo visible to the general public. The signs will not exceed 4800 square inches. Two of the three signs may be attached to the outer walls of the building and a third sign may be on an independent sign pole or similar on the property. Sign placement will be done within the parameters set forth by AMCO regulations and the Homer City Code.



Form MJ-01: Marijuana Establishment Operating Plan

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

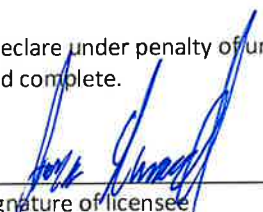
Kachemak Cannabis plans to utilize the following medium types when distributing advertisements:

- Newspaper ads
- Magazine ads
- Social media to feature specific strains
- Direct text messages (that require consent and an opt out feature)
- Sponsorships such as sporting events or fundraisers
- Platforms such as Weed Maps or LeafLinks

Advertisement will contain each of the five warning statements, verbatim, as they are listed in the regulations.

Kachemak Cannabis is currently working on their company logo. Once complete, a copy will be submitted to AMCO Enforcement.

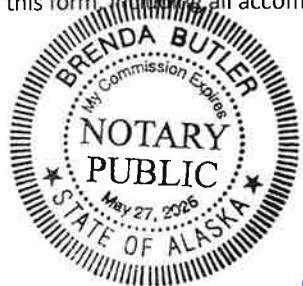
I declare under penalty of unsworn falsification that this form, including all accompanying schedules and statements, is true, correct, and complete.



 Signature of licensee

Jesse Sherwood

 Printed name of licensee





 Notary Public in and for the State of Alaska

My commission expires: May 27, 2025

Subscribed and sworn to before me this 19th day of July, 2022



Form MJ-01: Marijuana Establishment Operating Plan

(Additional Space as Needed):

3.6 Continued: Kachemak Cannabis understands that diversion can happen in two ways -inversion and diversion - and is equally profitable diverting product out of the legal system as it is diverting product from the illegal system into the legal market. In the event that theft or diversion is suspected, employees will be trained to alert the licensees or manager immediately. In the event that an employee is caught stealing marijuana, or infusing the store with non-regulated black-market product, Kachemak Cannabis will notify local law enforcement and AMCO Enforcement immediately, comply with all directives, and provide all necessary information and records for the investigation. The licensees or manager will take the necessary steps to ensure that illegal conduct by an employee does not compromise the facility's license and legitimate business operations. All employees will be trained to recognize potential theft, and are required to notify either the licensee or manager if they suspect such activity is occurring. All reports and documentation concerning potential or actual theft will be maintained by Kachemak Cannabis and will be made available to AMCO upon request.

6.4 Continued: As proper safety and security procedures are of the utmost importance to Kachemak Cannabis, the most up-to-date reading materials will be available to employees at all times. Kachemak Cannabis will conduct quarterly staff meetings (if needed) with the purpose of updating all employees on new state and local regulations, assuring that each employee is performing within company procedure, assessing any procedural changes that are needed, and addressing any comments or concerns from the staff. Prior to beginning work, employees will be expected to understand (1) Alaska laws, regulations, and codes governing the marijuana industry and marijuana establishments; (2) all of the permitting requirements to act as a marijuana handler including obtaining a marijuana handler permit prior to commencing employment; (3) Kachemak Cannabis' standards, operational protocol, and best practices with regard to retail and sale of marijuana; (4) general safety procedures and security protocol; (5) how to think defensively if a threatening situation occurs, and how to recognize the signs of impairment, drug abuse, and instability; (6) in-depth information about marijuana strains and related products; (7) in-depth information on the requirements of each room, task, and system; (8) the general federal, state, and local employment regulations by which Kachemak Cannabis is governed; and (9) retail-specific education. To ensure full coverage for each position, all employees will be cross-trained on the requirements of each job. Kachemak Cannabis will encourage staff to attend seminars, conferences and workshops. Kachemak Cannabis will maintain a library of resources on marijuana topics, available to employees at all times. The state and local marijuana regulations will be posted in the facility for reference. All new hires will be required to meet with the licensees or manager to go over employment documents, specific tasks, educational materials, facility features, security and position-specific training.

8.1 Continued: Labels will be affixed to the packaging including all information originally provided by the cultivation or manufacturing facility such as (1) testing facility license number; (2) testing date and results; (3) name and license number of cultivation facility; (4) name and license number of manufacturing facility, if applicable (for concentrates and products); (5) harvest batch number or production lot number; (6) date of packaging; (7) net marijuana weight and (8) expiration date if applicable.



Alaska Marijuana Control Board Form MJ-02: Premises Diagram

What is this form?

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

What must be submitted with this form?

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

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

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

Section 1 – Establishment Information

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

Licensee:	Kachemak Cannabis, LLC	MJ License #:	33236		
License Type:	Retail Marijuana Store				
Doing Business As:	Kachemak Cannabis				
Premises Address:	3585 East End Road, Suite #3				
City:	Homer	State:	Alaska	ZIP:	99603



Form MJ-02: Premises Diagram

Section 2 – Required Information

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

The following details must be included in all diagrams:

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

The following additional details must be included in Diagram 1:

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

The following additional details must be included in Diagram 2:

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

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

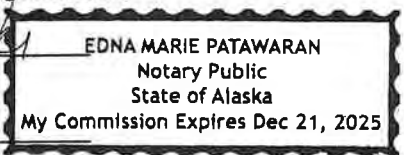
- Areas of ingress and egress
- Cross streets and points of reference

The following additional details must be included in Diagram 5:

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

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

Amanda Piaskowski
Signature of licensee

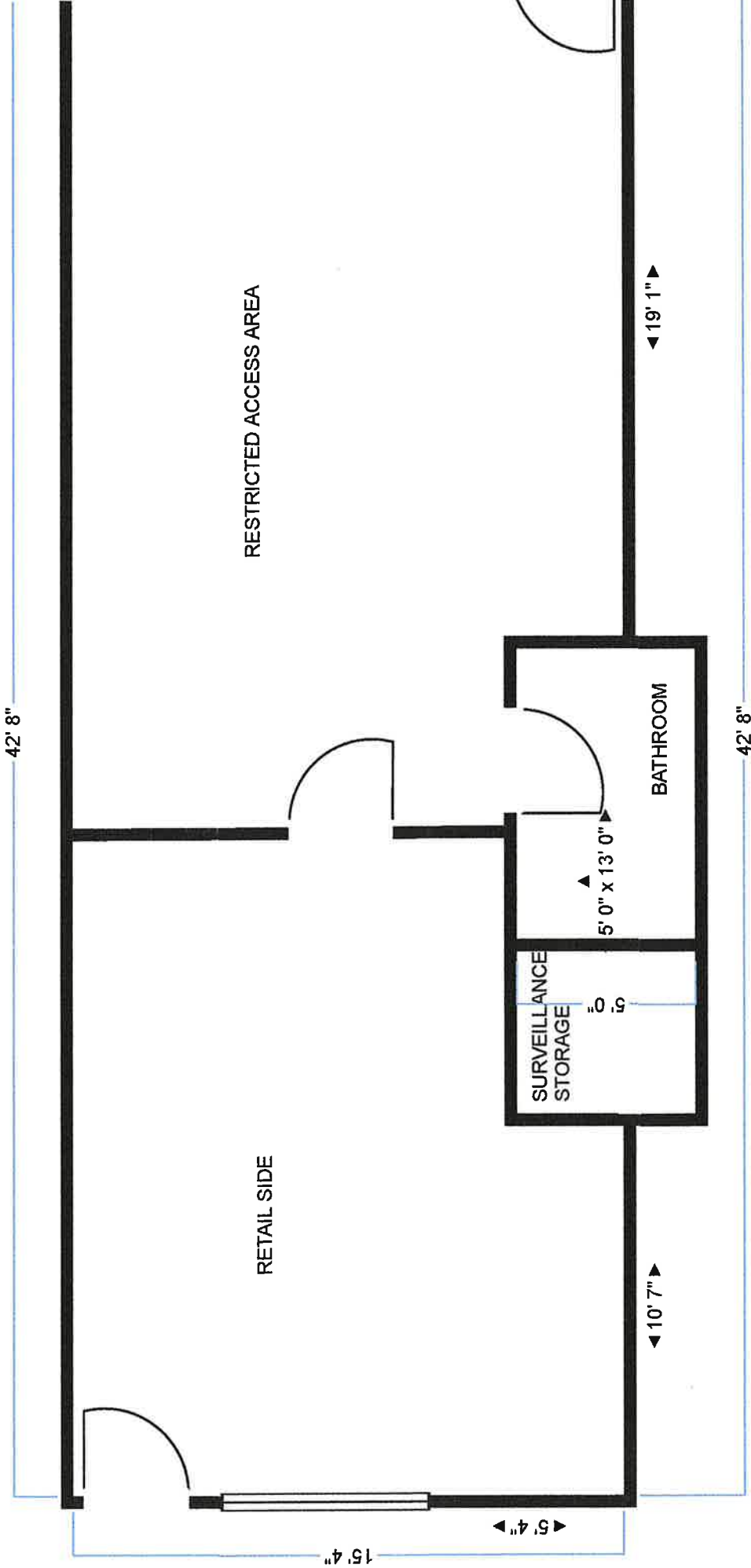


[Signature]
Notary Public in and for the State of Alaska

Amanda Piaskowski
Printed name of licensee

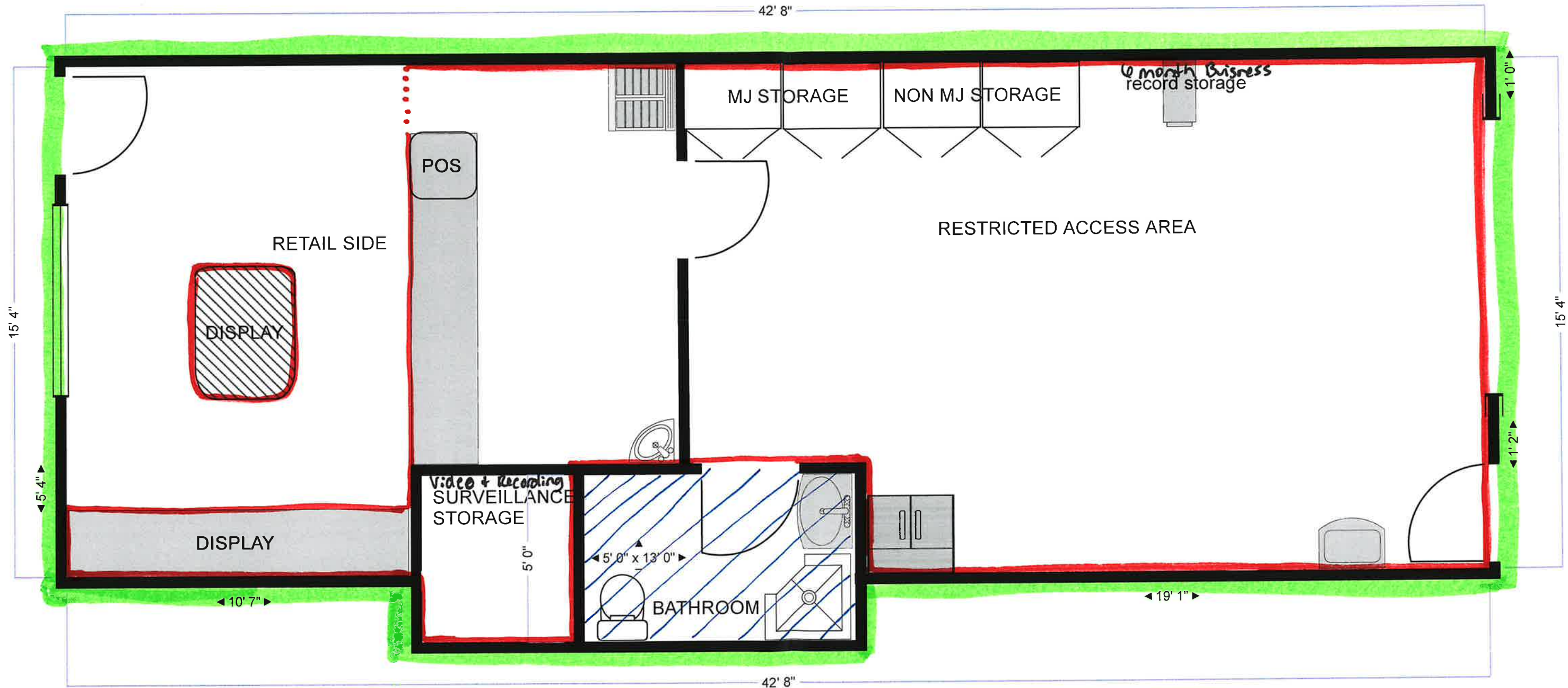
My commission expires: 12/21/2025




Subscribed and sworn to before me this 10TH day of JULY, 2022.



Kachemak Cannabis License #33236

Diagrams 1, 2+5



-  - proposed licensed premises
-  - Restricted Access Area
-  - non-restricted Restroom

Kachemak Cannabis License # 33236

Diagrams 3+4



- 1- Strong Construction
 - 2- residential
 - 3- proposed licensed premises
 - 4- residential
 - 5th fire and flue
 - 7+8 - T-shirts
 - 9- the record shop
 - 10/11/12 - mini storage
- - proposed licensed premises / Right to possession



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

What is this form?

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

If your business has a formal operating plan, you may include a copy of that operating plan with your application, but all fields of this form must still be completed per 3 AAC 306.020 and 3 AAC 306.315(2).

What additional information is required for retail stores?

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

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

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

Section 1 – Establishment Information

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

Licensee:	Kachemak Cannabis, LLC	MJ License #:	33236		
License Type:	Retail Marijuana Store				
Doing Business As:	Kachemak Cannabis				
Premises Address:	3585 East End Road, Suite #3				
City:	Homer	State:	Alaska	ZIP:	99603



Section 2 – Overview of Operations

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

Each shipment of marijuana and marijuana product that arrives at Kachemak Cannabis will be inspected by either a licensee or manager before it's accepted and added to the store's inventory. The shipment will be reconciled with the transport manifest, shipment labels and packaging labels to ensure consistency. All product will be weighed by a Kachemak Cannabis employee and reconciled with the weight listed on the manifest and labels. Any shipments with discrepancies will be rejected. Shipments that pass initial inspection will be accepted into the facility, entered into Metrc and the point of sale system and added to the store's inventory storage or display cases. At the end of each business day, Kachemak Cannabis will reconcile the sale's transactions from the point of sale software with the inventory on hand and with Metrc to ensure consistency and that any discrepancies are immediately addressed. Customers will be greeted near the store's entrance by a Kachemak Cannabis employee who will check their ID and watch for signs of impairment. If cleared by the employee, customers will be able to browse the retail sales floor and view the menu of available products. Sales transactions will take place at the point of sale station and once a sales transaction is complete, customers will be directed to the store exit. Kachemak Cannabis will train all employees on the importance of the limits on quantity sold per transaction and the exit packaging requirements set forth in the regulations.

Section 3 – Prohibitions

Review the requirements under 3 AAC 306.310.

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

Kachemak Cannabis will not sell, offer to sell, give, distribute, or deliver marijuana or marijuana products to any consumers who are: (1) not physically present on the licensed premises; (2) under the influence of an alcoholic beverage, inhalant, or controlled substance; or (3) not at least twenty-one (21) years of age at the time of purchase, as evidenced by valid government-issued photo identification. All customers will enter the retail store where a Kachemak Cannabis employee will check their ID. During this time, employees will be watching for signs of impairment. Continued on Page 6 ...

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

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

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

3.3. Do you plan to request future approval of the Marijuana Control Board to permit consumption of marijuana or marijuana product in a designated area on the proposed premises? Yes No



Section 4 – Signage and Advertising

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

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

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

AP

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

AP

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

AP

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

AP

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

AP

a. is false or misleading;

b. promotes excessive consumption;

AP

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

AP

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

AP

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

AP

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

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

AP

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

AP

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

AP

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

AP

e. on a campus for postsecondary education.

AP

Section 5 – Displays and Sales

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

Kachemak Cannabis will display all marijuana and marijuana products for sale within the restricted access area, unreachable to customers. Signage stating "Restricted Access Area" and "Visitors Must be Escorted" will be posted at the access points that lead to the restricted access area behind the sales counter. Marijuana and marijuana products will be displayed in locked display cases, on shelving along the wall behind the display case/point of sale counter and in a cooler behind the display case/point of sale counter. Product displays will be in full view of a working video surveillance camera at all times that marijuana or marijuana products are stored in the display. Marijuana and marijuana products will be secured in a locked case at all times. All employees will be trained and regularly monitored to ensure compliance with the display and closing policies, and that all product is secured and accounted for at all times. When customers have made their purchasing decisions, they will head to the point of sale counter. Continued on Page 6 ...



Section 6 – Exit Packaging and Labeling

Review the requirements under 3 AAC 306.345.

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

Kachemak Cannabis will assign an employee to inspect all shipments of marijuana and marijuana products that arrive at the retail store. Shipments will be inspected for quality and consistency with the transport manifest and shipment labels, and for regulatory compliance. Labels will be checked for: (1) name and license number of the manufacturing or cultivation facility; (2) production and/or batch number; (3) strain information; (4) net weight of the product; (5) packaging date and expiration date; and (6) testing lab name and license number. The transport manifest will be checked for: (1) name and license number of the providing entity; (2) delivery date; (3) start time and estimated arrival time; (4) strain and batch information; (5) delivery driver name and handler's card verification; (6) the weight of the products transferred; and (7) testing information. Once a delivery is approved by Kachemak Cannabis the inventory will be accepted into the retail store and entered into Metrc and stored on-site as an official business record. Both the transporting agent and Kachemak Cannabis will sign all paperwork and documents expressing that all information is deemed correct and the transfer took place. Kachemak Cannabis will refuse to accept the transfer if any information listed above is incomplete or inaccurate.

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

Produced By: Kachemak Cannabis
License Number: 33236

Product Name:	Strain:		
Batch/Lot Number:	Gross Weight:	Net MJ Weight	OZ(g)
Best By Date:	Packaging Date:		
Tested By:	License Number:		
Total THC:	THCA:	CBD:	
CBDA:	CBN:	Total Terpenes:	
Microbial Test:	Pesticides:	Herbicides:	
Fungicides:			
Residual Solvent Test:	Contaminants Test Result:		
Retailer:	License Number:		

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



Section 7 - Security

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

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

Kachemak Cannabis will not sell, offer to sell, give, distribute, or deliver marijuana or marijuana products to any consumers who are (1) not physically present on the licensed premises; (2) under the influence of an alcoholic beverage, inhalant, or controlled substance; or (3) not at least twenty-one (21) years of age at the time of purchase, as evidenced by a valid, government-issued photo identification or tribal card (tribal card must meet the regulatory standards). Kachemak Cannabis employees will greet all customers and check each customer's ID near the entrance to the retail store. No individual will be allowed to enter the sales floor and browse any selection without their photo ID being verified, regardless of how familiar the person is to the employee. Continued on Page 6 ...

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

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

[Handwritten initials]

Section 8 - Waste Disposal

Review the requirements under 3 AAC 306.740.

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

Kachemak Cannabis will dispose of: (1) marijuana that is identified as contaminated, infected or is otherwise rejected for quality; (2) marijuana and marijuana products that reach their expiration date; (3) any other materials or containers in contact with marijuana products that risk contamination; (4) any other marijuana or marijuana product deemed as waste by Kachemak Cannabis, an assigned employee, or AMCO official. Marijuana waste will be stored away from all other products in a locked container on the premises, away from all other marijuana products and currency, and will be rendered unusable prior to leaving the store. A notice, via email, on a form prescribed by the board will be sent to AMCO Enforcement not later than three (3) days prior to rendering the waste unusable. Marijuana waste will be rendered unusable by grinding the materials and mixing with other compostable and non-compostable non-marijuana material; such as food waste, cardboard, paper, and yard waste; until the resulting mixture is no more than fifty percent (50%) marijuana waste. Kachemak Cannabis will maintain a log on the status of all marijuana waste, tracking the type, date of disposal, date it was rendered unusable, the reason for wastage and the final destination of the waste. Kachemak Cannabis may either compost the waste, contract a city/borough waste truck or have an assigned employee collect the waste mixture and dispose of it at the local waste station. All waste information will be recorded in the disposal log and securely stored as a business record, available to AMCO upon request.

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

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

[Handwritten initials]

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

[Handwritten signature of Amanda Piaskowski]

Signature of licensee
Amanda Piaskowski

EDNA MARIE PATAWARAN
Notary Public
State of Alaska
My Commission Expires Dec 21, 2025

[Handwritten signature of Notary Public]

Notary Public in and for the State of Alaska

My commission expires: 12/21/2025

Printed name of licensee

Subscribed and sworn to before me this 10th day of JULY, 2022



(Additional Space as Needed):

3.1 Continued: If it is determined that a customer is impaired, that individual will be safely escorted from the premises. Law enforcement will be contacted for back-up when necessary. Additionally, employees and management will exercise strict diligence and compliance with the sale limits embodied in 3 AAC 306.355. A manager will be on hand to help manage customer ingress and egress and ensure there is an adequate number of employees on the sales floor.

5.1 Continued: All edibles, concentrates, and flower will be stored behind the point of sale counter. Budtenders will take the customer order and dispense for sale from behind the counter. Concentrates and edibles will all be prepackaged and labeled. Flower will be sold either prepackaged or "Deli" style. "Deli" style flower will be displayed in large containers behind the point of sale counter with the batch labeled strains. Budtenders will take customer orders at the point of sale counter and weigh the flower using a certified scale. Once weighed to the desired amount, the budtender will register the purchase in the POS system which will integrate with Metrc, seal the product into a child-resistant container, and print the packaging label. The prepackaged products will be displayed in the display case located within the restricted access area. Kachemak Cannabis will also buy bulk marijuana and roll their own pre-roll marijuana joints and package them in accordance with the regulations and place into pre-labeled mylar bags, pop top tubes, joint boxes, etc. Any edibles requiring refrigeration will be stored in a refrigerator behind the point of sale counter in the restricted access area. Employees will ensure that each marijuana product is in fully opaque and child-resistant packaging before a customer exits the store with it.

7.1 Continued: Employees will be trained on how to identify forgeries and inconsistencies in ID's and will utilize an ID guide to help recognize ID's from other states, countries, and federally recognized tribes. Kachemak Cannabis will schedule employees to help manage customer ingress and egress on the sales floor. If an ID is not in compliance for any reason, the customer will be asked to leave. If the customer refuses to leave the retail store, law enforcement will be contact to enforce Kachemak Cannabis' ID policy.



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:	Kachemak Cannabis, LLC	License Number:	33236		
License Type:	Retail Marijuana Store				
Doing Business As:	Kachemak Cannabis				
Premises Address:	3585 East End Road, Suite #3				
City:	Homer	State:	Alaska	ZIP:	99603

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: 05/24/2022

End Date: 06/03/2022

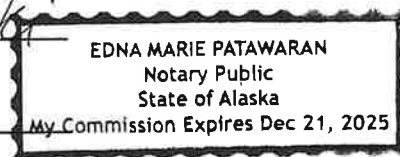
Other conspicuous location: Kachemak Gear Shed, Homer, Alaska

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

Signature of licensee

Amanda Piaskowski

Printed name of licensee



Notary Public in and for the State of Alaska

My commission expires: 12/21/2025

Subscribed and sworn to before me this 10th day of JULY, 2022.



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:	Kachemak Cannabis, LLC	License Number:	33236		
License Type:	Retail Marijuana Store				
Doing Business As:	Kachemak Cannabis				
Premises Address:	3585 East End Road, Suite #3				
City:	Homer	State:	AK	ZIP:	99603

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): Homer City (City of Homer)/Kenai Peninsula Borough Date Submitted: 06/02/2022

Name/Title of LG Official 1: Melissa Jacobsen/City Clerk Name/Title of LG Official 2: Johni Blankenship/KPB

Community Council: N/A 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

Amanda Piaskowski

Printed name of licensee

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

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:	Kachemak Cannabis, LLC	License Number:	33236		
License Type:	Retail Marijuana Store				
Doing Business As:	Kachemak Cannabis				
Premises Address:	3585 East End Road, Suite #3				
City:	Homer	State:	AK	ZIP:	99603

Section 2 – Individual Information

Enter information for the individual licensee.

Name:	Amanda Piaskowski				
Title:	Manager/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.

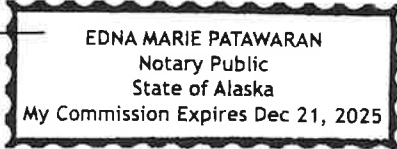
I further certify that any ownership change shall be reported to the board as required under 3 AAC 306.040.

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.

Amanda Piaskowski

Signature of licensee



[Signature]

Notary Public in and for the State of Alaska

Amanda Piaskowski

Printed name of licensee

My Commission Expires Dec 21, 2025

My commission expires: 12/21/2025

Subscribed and sworn to before me this 10th day of JULY, 20 22.



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:	Kachemak Cannabis, LLC	License Number:	33236		
License Type:	Retail Marijuana Store				
Doing Business As:	Kachemak Cannabis				
Premises Address:	3585 East End Road, Suite #3				
City:	Homer	State:	AK	ZIP:	99603

Section 2 – Individual Information

Enter information for the individual licensee.

Name:	Jesse Sherwood				
Title:	Manager/Member				
SSN:	██████████	Date of Birth:	██████████		



Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest

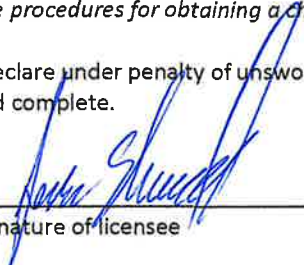
Section 3 – Certifications

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

Jesse Sherwood

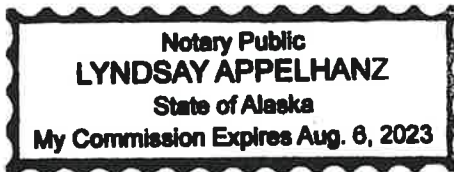
Printed name of licensee



Notary Public in and for the State of Alaska

My commission expires: 08/06/2023

Subscribed and sworn to before me this 8th day of July, 2022.



PUBLISHER'S AFFIDAVIT

UNITED STATES OF AMERICA,
STATE OF ALASKA

}
SS:

Jeff Hayden being first duly sworn, on oath deposes and says:
That I am and was at all times here in this affidavit mentions,
Supervisor of Legals of the Sound Publishing / Homer News, a
newspaper of general circulation and published at Homer, Alaska,
that the advertisement, a printed copy of which is hereto annexed
was published in said paper on the dates listed below:

Marijuana License Application - Kach. Cannal
May 26, 2022
June 2, 2022
June 9, 2022



SUBSCRIBED AND SWORN before me on this

28th day of June, 2022



NOTARY PUBLIC in favor for the State of Alaska.

My commission expires 3-6-24.

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

Marijuana License Application

Kachemak Cannabis, LLC is applying under 3 AAC 306.300 for a new Retail Marijuana Store license, license #33236, doing business as Kachemak Cannabis, located at 3585 East End Road, Suite #3, Homer, AK, 99603, UNITED STATES.

Interested persons may object to the application by submitting a written statement of reasons for the objection to their local government, the applicant, and the Alcohol & Marijuana Control Office (AMCO) not later than 30 days after the director has determined the application to be complete and has given written notice to the local government. Once an application is determined to be complete, the objection deadline and application information will be posted on AMCO's website at <https://www.commerce.alaska.gov/web/amco>. Objections should be sent to AMCO at marijuana.licensing@alaska.gov or to 550 W 7th Ave, Suite 1600, Anchorage, AK 99501 and Attorney Jana Weltzin, Esq. at jana@jdw.com or JDW, LLC, 901 Photo Avenue, Second Floor, Anchorage, AK 99503.

Pub: May 26, June 2 & 9, 2022 955333



Plan Review Application

Alaska Department of Environmental Conservation
Division of Environmental Health
Food Safety and Sanitation Program



Permit ID: _____

Section A- General Information (All applicants complete entire section – please print).

Purpose (check one) New Construction Remodel of Existing Structure Reactivation

General Information	Establishment Name: Kachemak Cannabis	Date
	Plan Review Contact Name Amanda Piaskowski	
	Phone Number 907-388-2986	Email ceo@smfak.com
	Address 3585 East End Road, Suite #3, Homer, AK 99603	
	Operating Days/Hours Monday through Sunday 9am-11pm	Proposed Opening Date

If you are proposing to build a new food establishment or extensive remodeling of an existing food establishment in Alaska (except in the Municipality of Anchorage), you must submit a completed Plan Review Packet 30 days prior to construction. Additional information regarding calculations and drawings can be found in the Plan Review Guide.

Please Note: Failure to provide all the required information may delay the plan review process and permit issuance.

REQUIRED DOCUMENTATION LIST (Include the following in your packet)

- Food Establishment Application
- Fees (Plan Review Fee is Non-Refundable)
- Plot Plan
- Floor Plan
- Plumbing Schematic
- Complete list of equipment (including manufacturer's specifications)

SECTION B – REQUIRED DOCUMENTATION

a. Potable Water Supply. Have plans been submitted to the [Drinking Water Program](#) as required by 18 AAC 80?

- Yes* No N/A (Municipal Water Supply) *Specify in comments.*

Comments:

***Attach a confirmation email or letter from the Drinking Water Program stating that the system has been approved.**

b. Wastewater Disposal System. Have plans been submitted to the [Wastewater Program](#) as specified by 18 AAC 72?

- Yes* No N/A (Municipal System) *Specify in comments.*

Comments:

***Attach a confirmation email or letter from the Wastewater Program stating that the system has been approved.**

If you have a septic system, please provide the legal description of your property (Lot, Block, etc.)

c. Solid Waste Disposal. Please describe how you plan to dispose of your solid waste:

Waste will be taken to the local landfill via third party waste management company.

d. Plot Plan. Have you included a detailed to scale drawing of the plot plan including: Yes No

- All buildings
- Refuse storage site
- Potable water supply
- Outside walk-in cooler(s)/freezer(s)
- Outside storage areas
- Identify nearby roads, other landmarks, and/or give GPS coordinates
- Access for deliveries
- Sewage disposal system
- Oil/Fuel tanks

e. **Floor Plan.** A floor plan with the listed components must be submitted as part of the application packet. Have you included a floor plan? Yes No

Layout and purpose of each room Type and location of lighting

Location of fixed equipment and plumbing features Type and location of ventilation, both building and local systems

Size, construction, and design of fixed equipment

Location of restrooms, including the number of toilets and handwash sinks.

f. **Plumbing Schematic.** A plumbing schematic with the listed components must be submitted as part of the application packet. Have you included a detailed drawing of the plumbing schematic? Yes No

Plumbing schematic showing each hot, cold, and wastewater line.

Plumbing connection to the wastewater line (direct vs. indirect)

Hot water capacity

Have you contacted the State Plumbing Inspector? Yes No

G **Fire Marshall.** Have you contacted the State Fire Marshall? Yes No

Please describe your ventilation/hood system:

SECTION C – ADDITIONAL INFORMATION

a. **Storage.** How often will you receive food deliveries? Do you have adequate storage to support your operation? Consult the Plan Review Guide for information about storage capacity.

Marijuana Deliveries will be made from licensed marijuana cultivation and/or manufacturing facilities, on a daily basis or as needed. Edible products (food) will be delivered weekly or as needed. Kachemak Cannabis will have adequate storage in the facility for all deliveries made.

b. **Dressing Rooms and Locker Rooms.** Describe how employee clothing, belongings, etc will be stored:

Employee's will have a designated area within the facility with adequate storage space to store their personal belongings while on shift.

c. **Poisonous/Toxic Materials.** Describe location and means to store poisonous or toxic materials:

Toxic cleaning chemicals will be stored in a dedicated storage cabinet separate from consumable products.

d. **Floors/Walls/Ceilings.** Describe how the floors, walls, ceilings, and shelving will be finished (tile, paint, etc):

e. **Warewashing:** Describe how dishes, utensil, and equipment will be washed:

Kachemak Cannabis will not be preparing food/food products in the retail store, no dishes, utensils and/or equipment that require warewashing will be used.

f. **Linens.** Describe how soiled and clean clothing/linens will be stored and where they will be cleaned:

Soiled, non disposable linens will be stored temporarily in a receptacle and cleaned by a third party cleaning service.

SECTION D

I declare, under penalty of unsworn falsification, that this application (including any accompanying statements) has been examined by me and to the best of my knowledge and belief is true, correct, and complete. I understand that plan review fees are not refundable under the Alaska Food Code 18 AAC 31.050(k), I agree to pay all fees before operating.

Applicant's Signature  Date _____

Applicant's Printed Name Amanda Piaskowski Title Manager



Application for Food Establishment Permit

Alaska Department of Environmental Conservation
Division of Environmental Health
Food Safety and Sanitation Program



Permit ID: _____

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

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

Owner/Business Information	Name of Entity or Owner Responsible for Food Service Kachemak Cannabis, LLC		AK Business License # 2157350		
	Business/Corporate Mailing Address 3585 East End Road, Suite #3		City Homer	State AK	Zip 99603
	Business/Corporate Phone 907-299-2986		Email ceo@smfak.com		
	Owner(s) or Corporate Officer(s) & Title(s) or Responsible Party Amanda Piaskowski, Manager			Fax	
	Type of Entity <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Other:				

Establishment Information	Establishment Name Kachemak Cannabis		Physical Location 3585 East End Road, Suite #3		Nearest Community Homer		
	Establishment Mailing Address PO Box 3226		City Homer	State AK	Zip 99603		
	Establishment Phone 907-388-8937		Fax	Contact Person Amanda Piaskowski			
	Establishment Physical Address 3585 East End Road, Suite #3		City Homer	State AK	Zip 99603		

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

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

Retail marijuana store.

SECTION 2 – NEW OR EXTENSIVELY REMODELED FACILITIES

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

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

FOOD SERVICE ESTABLISHMENTS

a.	A copy of your menu will be required. Have you attached a copy of the proposed menu?		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
b.	Attach appropriate label, placard, or menu notation for the consumer advisories if you serve:				
	<input type="checkbox"/> Wild Mushrooms	<input type="checkbox"/> Unpasteurized juices	<input type="checkbox"/> Farmed halibut, salmon, or sablefish		
	<input type="checkbox"/> Raw/undercooked animal foods such as beef, shell eggs, lamb, pork, poultry, seafood, and shellfish.				
c.	Methods of food preparation (check the one that most closely describes the establishment):				
	<input type="checkbox"/> Assembly of Ready to Eat Foods	<input type="checkbox"/> Cook and Serve			
	<input type="checkbox"/> Hot or cold Service for 2 hours or more is done				
	<input type="checkbox"/> Complex (Preparation 1 day or more in advance, cooling and reheating is done).				
d.	Style of Service:		<input type="checkbox"/> Counter Service	<input type="checkbox"/> Self Service (i.e. buffet line, salad bar)	<input type="checkbox"/> Table Service
			<input type="checkbox"/> Other:		
e.	Do you plan to operate as a caterer ?		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
	If yes , list all the equipment used to protect food from contamination and maintain product temperature during:				
	Transportation:		Hot or Cold Holding:		

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

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

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

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

Will you have a service provide water or remove wastewater? Yes No
If yes, provide a letter of agreement from water hauler or wastewater hauler outlining services provided and frequency.

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

FOOD PROCESSORS

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

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

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

Reduced Oxygen Packaging Smoking Other:

Low Acid Canned Foods Curing

Shelf Stable Acidified Foods Dehydrating

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

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

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

MOBILE RETAIL VENDOR SELLING SEAFOOD

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

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

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

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

MACHINES VENDING POTENTIALLY HAZARDOUS FOODS

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

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

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

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

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

Applicant's Signature Amanda Piaskowski Date 7/10/22

Applicant's Printed Name Amanda Piaskowski Title Manager

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

Certificate of Organization

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

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

Kachemak Cannabis, LLC



IN TESTIMONY WHEREOF, I execute the certificate and affix the Great Seal of the State of Alaska effective **May 20, 2022**.

A handwritten signature in black ink, appearing to read "Julie Sande".

Julie Sande
Commissioner



THE STATE of ALASKA

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

AK Entity #: 10196333
Date Filed: 05/20/2022
State of Alaska, DCCED

FOR DIVISION USE ONLY

Articles of Organization
Domestic Limited Liability Company

Web-5/20/2022 12:03:23 PM

1 - Entity Name

Legal Name: Kachemak Cannabis, LLC

2 - Purpose

Retail of miscellaneous goods and any other lawful purpose.

3 - NAICS Code

452990 - ALL OTHER GENERAL MERCHANDISE STORES

4 - Registered Agent

Name: Jana Weltzin

Mailing Address: 901 Photo Avenue, Second Floor, Anchorage, AK 99503

Physical Address: 901 Photo Avenue, Second Floor, Anchorage, AK 99503

5 - Entity Addresses

Mailing Address: PO Box 3226, Homer, AK 99603

Physical Address: 3585 East End Road, Suite #3, Homer, AK 99603

6 - Management

The limited liability company is managed by a manager.

7 - Officials

Table with 4 columns: Name, Address, % Owned, Titles. Row 1: Jana Weltzin, Organizer

Name of person completing this online application

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

Name: Jana Weltzin



THE STATE
 of ALASKA

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

FOR DIVISION USE ONLY

Domestic Limited Liability Company
Initial Biennial Report

Entity Name: Kachemak Cannabis, LLC
Entity Number: 10196333
Home Country: UNITED STATES
Home State/Prov.: ALASKA
Physical Address: 3585 EAST END ROAD, SUITE #3,
 HOMER, AK 99603
Mailing Address: PO BOX 3226, HOMER, AK 99603

Registered Agent information cannot be changed on this form. Per Alaska Statutes, to update or change the Registered Agent information this entity must submit the Statement of Change form for this entity type along with its filing fee.

Name: Jana Weltzin
Physical Address: 901 PHOTO AVENUE, SECOND FLOOR,
 ANCHORAGE, AK 99503
Mailing Address: 901 PHOTO AVENUE, SECOND FLOOR,
 ANCHORAGE, AK 99503

Officials: The following is a complete list of officials who will be on record as a result of this filing.

- **Provide all officials and required information. Use only the titles provided.**
- **Mandatory Members:** this entity must have at least one (1) Member. A Member must own a %. In addition, this entity must provide all Members who own 5% or more of the entity. A Member may be an individual or another entity.
- **Manager:** If the entity is manager managed (per its articles or amendment) then there must be at least (1) Manager provided. A Manager may be a Member if the Manager also owns a % of the entity.

Full Legal Name	Complete Mailing Address	% Owned	Manager	Member
Jesse Sherwood	PO Box 3226, Homer, AK 99603	50	X	X
Amanda Piaskowski	PO Box 3226, Homere, AK 99603	50	X	X

If necessary, attach a list of additional officers on a separate 8.5 X 11 sheet of paper.

NAICS Code: 452990 - ALL OTHER GENERAL MERCHANDISE STORES

New NAICS Code (optional):

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

Name: Jana Wel

**LIMITED LIABILITY COMPANY OPERATING AGREEMENT OF
KACHEMAK CANNABIS, LLC
an Alaska limited liability company**

THIS LIMITED LIABILITY COMPANY OPERATING AGREEMENT (this "*Agreement*") is entered into to be effective as of 7/8, 2022 (the "*Effective Date*"), by and among each of the persons listed on **Exhibit A** and executing this Agreement, or a counterpart thereof, as Members of KACHEMAK CANNABIS, LLC, an Alaska limited liability company (the "*Company*").

Section I - Formation; Name and Office; Purpose

1.1. *Formation.* Pursuant to the Alaska Revised Limited Liability Company Act, A.S. Sections 10.50.010 through 10.50.995, as amended (the "*Act*"), the parties have formed an Alaska limited liability company effective upon the filing of the Articles of Organization of this Company (the "*Articles*") with the State of Alaska Department of Commerce, Community, and Economic Development. The party has executed this Agreement to serve as the "*Operating Agreement*" of the Company, as that term is defined in A.S. section 10.50.095, and, subject to any applicable restrictions set forth in the Act, the business and affairs of the Company, and the relationships of the parties to one another, shall be operated in accordance with and governed by the terms and conditions set forth in this Agreement. By executing this Agreement, the Member certifies that those executing this Agreement constitute all of the Members of the Company at the time of its formation. The party agrees to execute all amendments of the Articles and do all filing, publication, and other acts as may be appropriate from time to time hereafter to comply with the requirements of the Act.

1.2. *Name and Known Place of Business.* The Company shall be conducted under the name of Kachemak Cannabis, LLC, and the known place of business of the Company shall be at 3585 East End Road, Suite #3, Homer, Alaska 99603, or such other place as the Managers may from time to time determine.

1.3. *Purpose.* The purpose and business of this Company shall be: (a) to own and operate a commercial marijuana retail facility and (b) any other lawful purpose as may be determined by the Members. The Company shall have the power to do any and all acts and things necessary, appropriate, or incidental in furtherance of such purpose as authorized by the Marijuana Control Board of Alaska (the "*MCBA*"), as promulgated under AS 17.38 *et seq.*, and 3 AAC 306.015 *et seq.*, as they may be amended, expanded, or modified from time to time (collectively, the "*Alaska Marijuana Governance*"), the terms and provisions of which are incorporated herein by this reference. If any provision of this Agreement is or later becomes in violation of Alaska Marijuana Governance or if the federal government takes any position inconsistent with those positions regarding the enforcement of federal law on marijuana in Alaska, then it shall, without any further action of the Members, be automatically amended to the minimum extent necessary to comply with such Alaska Marijuana Governance and such new federal government position.

1.4. *Treatment as a Partnership.* It is the intent of the Members that the Company shall always be operated in a manner consistent with its treatment as a partnership for federal income tax purposes, but that the Company shall not be operated or treated as a partnership for purposes of the federal Bankruptcy Code. It is the intent of the membership that taxation may be done in a manner consistent with guidance from tax professional advisers, which may be different than treatment as a partnership.

Section II - Definitions

Unless otherwise defined in this Agreement, the following terms set forth in this Agreement shall have the meanings set forth in this Section II:

“Act” means the Alaska Revised Limited Liability Company Act, A.S. Sections 10.50.010 through 10.50.995, as amended from time to time (or any corresponding provisions of succeeding law).

“Affiliate” means, with respect to any Member, any Person: (i) who is a member of the Member’s or Member’s Family; (ii) which owns more than ten percent (10%) of the voting or economic interests in the Member; (iii) in which the Member owns more than ten percent (10%) of the voting or economic interests; or (iv) in which more than ten percent (10%) of the voting or economic interests are owned by a person who has a relationship with the Member described in clause (i), (ii), or (iii) above.

“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 secured by the contributed Property that the Company is considered to assume or take subject to under Section 752 of the Code. Capital contributions are to be repaid prior to any issuance of dividends or profit drawn from members.

“Cash Flow” means all cash funds derived from operations of the Company (including interest received on reserves), without reduction for any noncash charges, but fewer 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 Members. Cash Flow shall be increased by the reduction of any reserve previously established.

“Cause” in context of a Member’s expulsion for Cause under this Agreement, means, without limiting at common law the generality of such word, that such Member: (i) has been has been convicted of a disqualifying crime identified in AS 17.38.200(i) and/or 3AAC306.010(d); (ii) has committed an act of fraud or dishonesty with respect to the Company or the business operations thereof; (iii) has engaged in misconduct that seriously injures the Company’s or its subsidiaries’ good will and is injurious to the Company; (iv) has willfully and persistently committed a material breach of this Agreement; (v) has engaged conduct constituting larceny, fraud, or theft; (vi) has been guilty of wrongful conduct that adversely and materially affects the business or affairs of the Company; or (vii) in the case of any Member, or any Person holding a “direct or indirect financial interest,” in such Member, such Person or Member becomes disqualified from participating in an Alaska recreational marijuana business in any capacity, or takes any action that is in violation of any Alaska statute or regulation that would result in the revocation or termination of the Company’s Licenses on an ongoing basis, including without limitation, revocation, rejection, suspension, denial, or cancellation, as finally determined by the MCBA, or other Alaska court or administrative agency with proper jurisdiction and authority on the issue. Such determination of Cause must be made in good faith by the Managers and be approved by the Members by Major Decision Special Majority, excluding the vote and Interest of the Member being expelled for Cause.

“Event of Withdrawal” means those events and circumstances listed in Section 10.50.220 and 10.50.225 of the Act provided, however, that following an Event of Withdrawal described in Section 10.50.220 and 10.50.225(4) of the Act the Member shall remain a Member until it ceases to exist as a legal entity.

“Family” means a Person’s spouse, lineal ancestor, or descendant by birth or adoption, sibling, and trust for the benefit of such Person or any of the foregoing.

“Fiscal Year” or *“Annual Period”* means the fiscal year of the Company, as determined under Section V.

“Interest” means a Member’s share of the Profits and Losses (and specially allocated items of

income, gain, and deduction) of, and the right to receive distributions from, the Company.

“*Involuntary Transfer*” shall include, without limitation, any Transfer of a Member’s Interest pursuant to any order of any court relating to any petition for divorce, legal separation, marital dissolution, annulment, or any guardianship, conservatorship, or other protective proceedings.

“*Managers*” shall have the meaning set forth under Section V.

“Major Decision”. For purposes of this Agreement, “Major Decision” means a decision by the Company to:

- (i) admit one or more additional or substitute Members;
- (ii) transfer all or substantially all of the assets of the Company;
- (iii) merge or convert the Company into any other entity;
- (iv) dissolve the Company;
- (v) cause the Company to seek protection from creditors under federal or state bankruptcy or insolvency laws;
- (vi) take any action, excluding regulatory compliance filings, submissions to Alaska Marijuana Control Board of Operating Plan Changes (known as MJ-15), or Premises Diagram Changes (known as MJ-14), with respect to any license held by the Company.
- (vii) purchase, receive, lease, or otherwise acquire, own, hold, improve, use, and otherwise deal in or with any real property, wherever situated;
- (viii) sell, convey, mortgage, pledge, create a security interest in, lease, exchange, transfer, and otherwise dispose of all or any part of any Company asset other than in the ordinary course;
- (ix) make guarantees, incur liabilities, borrow money, issue notes, or secure any of the obligations of the Company by mortgage or pledge of any assets of the Company;
- (x) approve any transaction involving an actual or potential conflict of interest between a Member or a Managers and the Company, including the approval of any Member Loan;
- (xi) make any capital expenditure in any single transaction in excess of Twenty-Five Thousand Dollars (\$25,000), except in cases of emergency (as determined by the Managers in good faith) where immediate action is needed to maintain or resume business operations in the ordinary course, or reoccurring payments in excess of Five Thousand Dollars (\$5,000), per month;
- (xii) make any capital call or require any additional Capital Contribution; or
- (xiii) vote any shares or interests in other entities in which Company holds an interest;
- (xiv) approval of the Annual Operating Budget, as defined under Section VI, below.
- (xv) make any amendment to this Operating Agreement.

The Members agree that Major Decisions can only be made by a Major Decision Special Majority vote.

"Major Decision Special Majority" shall mean consent of seventy-five (75%) percent of the Members' Percentage Interest. For the avoidance of doubt, if a Major Decision does not receive approval by a Major Decision Special Majority vote, the Major Decision shall not be approved, and no Managers or members of the Company shall have the ability or authority to take action with respect to such Major Decision on behalf of the Company.

"Majority of the Members" means a vote of the Members holding not less than 51% of the Percentage Interests held by all Members.

"Member" means each Person signing this Agreement as a member and any Person who subsequently is admitted as a member of the Company in accordance with Section VI of this Agreement and agrees in writing to be bound to the terms and conditions of this Agreement.

"Member Loan" means a loan made by a Member to the Company for the benefit of the Company.

"Percentage Interest" means, as to a Member, the percentage set forth after the Member's name on Exhibit A, as amended from time to time.

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

"Property" means all real and personal property (including cash) acquired by the Company, and any improvements thereto.

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

Section III - Capital Contributions

3.1. *Capital Contributions.*

3.1.1. *Initial Capital Contributions.* Upon the execution of this Agreement, the Members have or shall make contributions to the capital of the Company as set forth in Exhibit A attached hereto and by this reference made a part hereof.

3.1.2. *Additional Capital Contributions.* No Member shall be required to contribute any additional capital to the Company without unanimous consent, and no Member shall have any personal liability for any obligation of the Company.

3.2. *Withdrawal or Return of Capital Contributions.* Except as specifically provided in this Agreement, no Member shall have the right to withdraw or reduce the Capital Contributions he or she makes to the Company. Upon dissolution of the Company or liquidation of his or her interest in the Company, each Member shall look solely to the assets of the Company for the return of his or her Capital Contributions and, if the Company's property remains after the payment or discharge of the debts, obligations, and liabilities of the Company is insufficient to return the Capital contributions of each Member, no Member shall have any recourse against the Company or any Member except for gross negligence, malfeasance, bad faith, or fraud.

3.3. *Form of Return of Capital.* Under circumstances requiring a return of any Capital Contributions, no Member shall have the right to receive property other than cash except as may be specifically provided herein.

3.4. *In the Event of Member Loans.* All Member Loans made pursuant to this Agreement and approved by a Major Decision Special Majority shall bear interest at the prime rate of interest as reported by *the Wall Street Journal - Western Edition* shall be unsecured and shall be repaid in full out of available funds of the Company before any distribution may be made to any Member. If more than one Member has made a Member Loan, repayment shall be made to each Member in proportion to the amount of principal each has advanced.

Section IV - Distributions

4.1. *Distributions.* Except as otherwise provided in this Agreement, distributions shall be made to the Members at such times and in such amounts as determined by the Managers. Distributions will be made to Members *pro rata*, in proportion to their Percentage Interests, after capital contributions have been repaid.

4.2. *General.*

4.2.1. *Form of Distribution.* In connection with any distribution, no Member shall have the right to receive Property other than cash except as may be specifically provided herein. If any assets of the Company are distributed in kind to the Members, those assets shall be valued on the basis of their fair market value, and any Member entitled to any interest in those assets shall receive that interest as a tenant-in-common with all other Members so entitled. Unless the Members otherwise agreed by a vote of the Majority of the Members, the fair market value of the assets shall be determined by an independent appraiser who shall be selected by the Managers.

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

4.2.3. *Varying Interests; Distributions in Respect to Transferred Interests.* If any Interest is Transferred in compliance with the provisions of this Agreement, all distributions on or before the date of such Transfer shall be made to the transferor, and all distributions thereafter shall be made to the transferee. Solely for purposes of making distributions, and allocating Profits, Losses, and other items of income, gain, loss, and deduction pursuant to **Exhibit B** hereof, the Company shall recognize the Transfer not later than the end of the calendar month during which it is given notice of such, provided that if the Company does not receive a notice stating the date such Interest was Transferred and such other information as it may reasonably require within thirty (30) days after the end of the Fiscal Year during which the Transfer occurs, then all of such items shall be allocated, and all distributions shall be made, to the Person who, according to the books and records of the Company, on the last day of the Fiscal Year during which the Transfer occurs, was the owner of the Interest. Neither the Company nor any Member shall incur any liability for making allocations and distributions in accordance with the provisions of this Section, whether or not any Member or the Company has knowledge of any Transfer of ownership of Interest.

Section V - Management

5.1. *Management.* Subject to the rights under the Act or the provisions of this Agreement to approve certain actions, the business, and affairs of the Company shall be managed exclusively by its Managers. The exact number of Managers of the Company shall be two (2) until amended in accordance with this Agreement. The Members shall vote and select a Managers that will direct, manage, and control the business of the Company to the best of their ability and, subject only to those restrictions set forth in the Act or this Agreement, shall have full and complete authority, power, and discretion to make any and all decisions and to do any and all things which the Managers deem appropriate to accomplish the business and objectives of the Company, other than those decisions requiring a Major Decision Special Majority or a vote of the Members as required by the Act. Managers(s) shall be elected and removed by a vote of the Majority of the Members, and an election or removal of Managers may be held at any time, by a call of the majority percentage ownership, by providing proper written notice at least 14 days prior to election or removal. Any vacancy occurring in the position of Manager (whether caused by resignation, death, or otherwise) may be filled by the vote of the Majority of the Members. Each Member agrees not to incur any liability on behalf of the other Members or otherwise enter into any transaction or do anything which will subject the other Members to any liability, except in all instances as contemplated hereby.

5.2. *Certain Management Powers of the Managers.* Without limiting the generality of Section 5.1, and subject to all Major Decisions, the Managers shall have power and authority on behalf of the Company:

5.2.1. To manage the day-to-day business operations of the Company in accordance with this Agreement, the rules and regulations promulgated by the MCBA, and the Alaska Marijuana Governance;

5.2.2. In the ordinary course of business, to acquire property from and sell the property to any person as the Managers may determine;

5.2.3. Use credit facilities and borrow money for the Company from banks, other lending institutions, the Interest Holders, or Affiliates of the Interest Holders, on such terms as approved by the Managers, and in connection therewith, to hypothecate, encumber, and grant security interests in the assets of the Company to secure repayment of the borrowed sums. No debt or other obligation shall be contracted or liability incurred by or on behalf of the Company by the Member;

5.2.4. To purchase liability and other insurance to protect the Company's property and business;

5.2.5. Except for any Major Decision, to execute on behalf of the Company all instruments and documents, including, without limitation, checks, drafts, notes, and other negotiable instruments, mortgages, or deeds of trust, security agreements, financing statements, documents providing for the acquisition, mortgage, or disposition of the Company's property, assignments, bills of sale, leases, partnership agreements, and any other instruments or documents necessary, in the opinion of the Managers, to accomplish the purposes of the Company;

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

5.2.7. Except for any Major Decision, to enter into any and all other agreements on behalf of the Company, with any other person for any purpose, in such forms as the Managers may approve;

5.2.8. To do and perform all other acts as may be necessary or appropriate to accomplish

the purposes of the Company; and

5.2.9. To take such other actions as do not expressly require the consent of any Members under this Agreement.

Managers may act by a duly authorized attorney-in-fact. Unless authorized to do so by this Agreement, no Member, agent, or employee of the Company shall have any power or authority to bind the Company in any way, to pledge its credit, or to render it liable for any purpose.

5.3. *Duties of the Managers.* The Managers shall have all duties as set forth in the Act, including, without limitation, those duties set forth under AS § 10.50.135, as amended. Subject to AS § 10.50.140, the Managers shall not be required to manage the Company as the Managers' sole and exclusive function and the Managers may engage in other business and investment activities in addition to those relating to the Company. Neither the Company nor any Member shall have any right, solely by virtue of this Agreement or its relationship to a Member of the Company, to share or participate in any such other investments or activities of the Members or to the income or proceeds derived therefrom. Managers shall not have any obligation to disclose any such other investments or activities to the Members unless it actually or potentially adversely affects the business or property of the Company.

5.4. *Compensation and Expenses.* The Company may enter into management or employment contracts with one or more Member or Members or Persons Affiliated with the Member as approved by a Major Decision Special Majority.

5.5. *Books and Records.* At the expense of the Company, the Managers shall keep or cause to be kept complete and accurate books and records of the Company and supporting documentation of transactions with respect to the conduct of the Company's business. The books and records shall be maintained in accordance with the Act and sound accounting practices and kept at the Company's known place of business and such other location or locations as the Managers shall from time to time determine. At a minimum the Company shall keep at its known place of business the following records:

5.5.1. A current list of the full name and last known business, residence, or mailing address of each Member;

5.5.2. A copy of the initial Articles and all amendments thereto and restatements thereof;

5.5.3. Copies of the Company's federal, state, and local income tax returns, and reports, if any, for the three most recent fiscal years;

5.5.4. Copies of this Agreement and all amendments thereto or restatements hereof, including any prior operating agreements no longer in effect;

5.5.5. Copies of any documents relating to a Member's obligation to contribute cash, property, or services to the Company;

5.5.6. Copies of any financial statements of the Company for the three (3) most recent fiscal years; and

5.5.7. Copies of minutes of all meetings of the Members and all written consents obtained from Members for actions taken by Members without a meeting.

5.6. *Financial Accounting/Member Access to Books and Records.* In addition to the Annual

Operating Budget, the Managers shall prepare and make available a financial accounting of the Company no less than once every sixty (60) days. Within three (3) calendar days following written notice, which may be submitted in writing, via facsimile or electronic mail, each Member shall have the right, during normal business hours, to inspect and copy, at the Member's expense, the Company's books, and records.

5.7. *Reports.* Within seventy-five (75) days after the end of each Fiscal Year of the Company, the Members shall cause to be sent to each person who was a Member at any time during the Fiscal Year a complete accounting of the affairs of the Company for the Fiscal Year then ended. In addition, within seventy-five (75) days after the end of each Fiscal Year of the Company, the Members shall cause to be sent to each person who was a Member at any time during the Fiscal Year, the tax information concerning the Company which is necessary for preparing the Member's income tax returns for that year. At the request of any Member, and at the Member's expense, the Members shall cause an audit of the Company's books and records to be prepared by independent accountants for the period requested by the Member.

5.8. *Title to Company Property.*

5.8.1. Except as provided in Section 5.8.2, all real and personal property acquired by the Company shall be acquired and held by the Company in its name.

5.8.2. Ten (10) days after giving notice, the Managers may direct that legal title to all or any portion of the Company's property be acquired or held in a name other than the Company's name. Without limiting the foregoing, the Managers may cause title to be acquired and held any one Member's name or in the names of trustees, nominees, or straw parties for the Company. It is expressly understood and agreed that the manner of holding title to the Company's property (or any part thereof) is solely for the convenience of the Company and all of that property shall be treated as Company property. The notice to be given to the Members under this section shall identify the asset or assets to be titled outside of the Company name, the Person in whom the legal title is intended to vest, and the reason for the proposed transaction. If any Member provides written notice of an objection to the transaction before the expiration of the ten (10) day period, the transaction shall not be consummated except upon approval of a majority of the Members.

Section VI - Members

6.1. *Members.* The names and addresses of the Members, their initial Capital Contributions, and Percentage Interest, are set forth in **Exhibit A**, as amended from time to time. No Person shall become a Member unless and until they: (a) execute this Agreement (or a counterpart signature page to the Agreement); (b) tender to the Company the consideration for their Percentage Interest; (c) are approved as a Member by a Major Decision Special Majority; and (d) are approved as a Member of the Company by the MCBA in accordance with all Alaska Marijuana Governance, as applicable.

6.2. *Meetings.* Unless otherwise prescribed by the Act, meetings of the Members may be called, for any purpose or purposes, by a majority of the Members.

6.3. *Place of Meetings.* Whoever calls the meeting may designate any place, either within or outside the State of Alaska, as the place of meeting for any meeting of the Members.

6.4. *Notice of Meetings.* Except as provided in this Agreement, a written notice stating the date, time, and place of the meeting, and the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, electronic mail, facsimile, or overnight or next-day delivery services by or at the direction of the person or persons calling the meeting, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered two (2) days after being deposited in the United States mail, postage prepaid, addressed to the Member at his or her address as it appears on the books of the Company. If transmitted by

way of electronic mail or facsimile, such notice shall be deemed to be delivered on the date of such electronic mail or facsimile transmission to the electronic mail address or fax number, if any, for the respective Member which has been supplied by such Member to the Company and identified as such Member's electronic mail address or facsimile number. If transmitted by overnight or next-day delivery, such notice shall be deemed to be delivered on the next business day after deposit with the delivery service addressed to the Member at his or her address as it appears on the books of the Company. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken, unless the adjournment is for more than thirty (30) days. At the adjourned meeting the Company may transact any business which might have been transacted at the original meeting.

6.5. *Meeting of All Members.* If all of the Members shall meet at any time and place, including by conference telephone call, either within or outside of the State of Alaska, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice.

6.6. *Record Date.* For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, the date on which notice of the meeting is mailed shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof, unless notice of the adjourned meeting is required to be given pursuant to Section 6.3.

6.7. *Quorum.* A Majority of the Members, represented in person or by proxy, shall constitute a quorum at any meeting of Members. Business may be conducted once a quorum is present.

6.8. *Voting Rights of Members.* Members shall be entitled to vote on any matter submitted to a vote. If all of an Interest is transferred to an assignee who does not become a Member, the Member from whom the Interest is transferred shall no longer be entitled to vote. No withdrawn Member shall be entitled to vote nor shall such Member's Interest be considered outstanding for any purpose pertaining to meetings or voting.

6.9. *Manner of Acting.* Unless otherwise provided in the Act, the Articles, or this Agreement, the affirmative vote of a majority of the Members at a meeting at which a quorum is present shall be the act of the Members.

6.10. *Proxies.* At all meetings of Members, a Member may vote in person or by proxy executed in writing by the Member or by a duly authorized attorney-in-fact. Such proxy shall be filed with the Company before or at the time of its exercise. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy.

6.11. *Action by Members Without a Meeting.* Any action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, circulated to all the Members with an explanation of the background and reasons for the proposed action, signed by that percentage or number of the Members required to take or approve the action. Any such written consent shall be delivered to the Members of the Company for inclusion in the minutes or for filing with the Company records. Action taken by written consent under this Section shall be effective on the date the required percentage or number of the Members have signed and delivered the consent to all Members unless the consent specifies a different effective date. The record date for determining Members entitled to take action without a meeting shall be the date the written consent is circulated to the Members.

6.12. *Telephonic Communication.* Members may participate in and hold a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such meeting shall constitute attendance and presence in person, except where the Member participates in the meeting for the express purpose of objecting to the transaction of any business on the ground the meeting is not lawfully called or convened.

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

6.14. *Budget.* The Managers shall, within ninety (90) days of the complete execution of this Agreement, and on or before December 15 in each calendar year thereafter, deliver to the Members for approval by a Major Decision Special Majority, an estimated annual operating budget for the Company for the next calendar year (the "Annual Operating Budget") which shall set forth an estimate, on a monthly basis, of Company revenue and expenses, together with an explanation of anticipated changes to any charges, rates, expenses and positions, non-wage cost increases, the proposed methodology and formula employed by the Managers, and all other factors differing from the then-current calendar year. The Annual Operating Budget shall be accompanied by a narrative description of operating objectives and assumptions. If the Members do not approve of an Annual Operating Budget in total, it shall do so, to the extent practicable, on a line-item basis. The Managers and the Members shall cooperate to resolve disputed items, provided if a part of, or the total, Annual Operating Budget is not approved by the Members by a Major Decision Special Majority within thirty (30) days of the Managers' transmission of such Annual Operating Budget to the Members, the Managers shall operate under the expired Annual Operating Budget, on a line-item basis, until a new Annual Operating Budget is approved. The Managers shall obtain the prior written approval of a Major Decision Special Majority for any Company expenditure which will, or is reasonably expected to, result in a material variation to the Annual Operating Budget for the applicable calendar year or is materially outside the scope of any item set forth on the Annual Operating Budget.

Section VII - Transfers and Withdrawals

7.1. *Transfers.* Except as otherwise provided in this Section VII no Member may, voluntarily or involuntarily, Transfer all, or any portion of, a Member's Interest without the prior written consent of a Major Decision Special Majority, which consent may be withheld in the Members' sole and absolute discretion. In addition, such Transfer must receive the express written approval of the MCBA, or other Alaska court or administrative agency with proper jurisdiction and authority on the issue, after filing any and all necessary forms for such transfer in compliance with Alaska Marijuana Governance. Each Member hereby acknowledges the reasonableness of this prohibition in view of the purposes of the Company and the relationship of the Members. The Transfer of any Interest in violation of the prohibitions contained in this Section VII shall be deemed invalid, null, and void, and of no force or effect. Any person to whom any Interest is attempted to be transferred in violation of this Section 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 allocations or distributions from the Company, or have any other membership rights in or with respect to the Interest.

7.2. *Deemed Transfer.* In addition to the foregoing, each of the following shall be deemed a "Transfer" and shall be subject to Section 7.1:

7.2.1. *Involuntary Transfer.* Any Involuntary Transfer;

7.2.2. *Bankruptcy and Related Events.* Filing of a voluntary petition in bankruptcy or involuntary petition in bankruptcy by a Member pursuant to Chapters 7, 11, or 13 of the U.S. Bankruptcy

Code, unless such a petition is denied or dismissed within thirty (30) days after filing in the case of a voluntary petition or within ninety (90) days after filing in the case of an involuntary petition; the entry of an order of relief in bankruptcy of a Member; the assignment by a member of all or a portion of their Interests for the benefit of creditors; the appointment of a receiver or trustee for a member's property; or the attachment of an Interest which is not released within thirty (30) days;

7.2.3 *Attachment and Security Interest.* Any portion of an Interest of a Member becomes subject to any attachment, levy, execution, or other judicial seizure, or any lien, encumbrance, or security interest;

7.2.4. *Voluntary Withdrawal.* A Member voluntarily withdraws by giving all Members thirty (30) days prior written notice, and a majority of the remaining Members approves such voluntary withdrawal;

7.2.5. *Involuntary Withdrawal.* An Event of Withdrawal occurs, as defined in this Agreement;

7.2.6. *Death.* Upon the transfer of any portion of an Interest in the Company as a result of death, whether to any heir, devisee, beneficiary, third-party, person, trust, or estate;

7.2.7. *Expulsion.* Any Member is expelled from the Company for Cause.

7.3. *Transfer.* Upon the Transfer or deemed Transfer of any portion of an Interest under Section 7.2, the holder of such Interest shall become an "assignee" in accordance with this Agreement and the Act, with no voting rights, notice rights, rights to information, or other rights as a Member of any kind.

7.4. *Option of Company.* Upon the Transfer or deemed Transfer of any portion of an Interest under Section 7.2:

7.4.1. *Perpetual Option.* The Company shall automatically have the perpetual option to purchase and redeem all or any portion of the Interest in the manner as provided for in Section 7.4. In the event, that the Company exercises its option to purchase the Interest pursuant to Section 7.4.2, the Company shall, within ninety (90) days, distribute to the Member whose Interest is being purchased (the "Transferring Holder"), or such holder's estate, the net taxable income allocable to such Transferring Holder's Interest for the portion of the taxable year prior to the transfer date, if any.

7.4.2. *Exercise of Option; Notice.* In the event the Company wishes to exercise its option pursuant to Section 7.4.1, the Company shall deliver to the Transferring Holder written notification ("Notice"), by email to the Transferring Holder's email address, certified mail, or personal delivery, of its intention to so exercise its option to purchase and redeem the Transferring Holder's Interest. The value of such Transferring Holder's Interest shall be determined in accordance with Section 7.4.3 and Exhibit C and shall be distributed in accordance with Section 7.4.4.

7.4.3. *Valuation of Interest.*

7.4.3.1. *Purchase of Transferring Holder's Interest.* Unless otherwise agreed between the Company and the Transferring Holder, for purposes of determining the purchase price to be paid for a Transferring Holder's Interest, it is hereby agreed that a Transferring Holder's Interest shall be purchased and redeemed for an amount equal to the Purchase Price, as defined below, based on the Transferring Holder's Percentage Interest in the Company, subject to standard discounts for lack of marketability and lack of control, if applicable. Upon delivery of the Subordinated Promissory Note (as defined below) to the Transferring

Holder, the Transferring Holder's Interest shall have been redeemed by the Company pursuant hereto, without any further action by the Transferring Holder, the Company, or any other Member.

7.4.4 *Purchase Price.* The Purchase Price of a Transferring Holder's Interest shall be as follows:

7.4.4.1. Where the redemption of a Transferring Holder's Interest is due to a Transfer event described in Section 7.2.1 through 7.2.6, then the Purchase Price shall be either: (a) the fair market value of the Company as mutually agreed upon by the Company and the Transferring Holder (or such Transferring Holder's representative) in good faith, multiplied by the Transferring Holder's Percentage Interest, subject to standard discounts for lack of marketability and lack of control, if applicable; or (b) if no agreement can be reached, the fair market value of the Company (as determined by an Appraiser, selected pursuant to Exhibit C), multiplied by the Transferring Holder's Percentage Interest, subject to standard discounts for lack of marketability and lack of control, if applicable; or

7.4.4.2. Where the redemption of a Transferring Holder's Interest is due to a Transferring Holder's Transfer event under Section 7.2.7 or 7.2.8, then the Purchase Price shall be the fair market value of the Transferring Holder's Percentage Interest as determined in accordance with the provisions of Section 7.4.4.1, above, less fifty percent (50%) of such fair market value; provided, however, that such amount shall then be less (and offset by) the aggregate amount of damages, liabilities, losses or other expenses incurred by the Company due to such Transferring Holder's actions constituting Cause or such Transferring Holder's breach, as applicable, and including fees and legal expenses incurred in the purchase of such Transferring Holder's Interest.

7.5. *Terms of Payment.* Unless otherwise mutually agreed in writing by the Company and the Transferring Holder, after the Purchase Price has been established in accordance with Section 7.4.3, as applicable, the Company shall pay the Purchase Price, together with the principal amount of any loan outstanding to the Transferring Holder, or such Transferring Holder's estate, whose interest is being purchased, as follows: the value of the Transferring Holder's Interest shall be paid with a minimum of twenty percent (20%) down within thirty (30) days of the date the Purchase Price is established in accordance with Section 7.4.3, and the balance of eighty percent (80%) shall be made payable pursuant to an unsecured Subordinated Promissory Note, made by the Company in favor of the Transferring Holder, payable over sixty (60) months, beginning the first day of the first month following the down payment. In no event shall there be any prepayment penalty in the event the Company wishes to pay the amount due hereunder prior to the expiration of the term of the Subordinated Promissory Note. In each instance, interest shall be computed and paid on the balance owing at the prime rate charged by the Company's banking institution. The promissory notes described herein shall be expressly subordinated to all senior debt, pre-existing or hereafter existing debt to financial institutions or lessors in connection with commercial loans, credit arrangements, equipment financings, leases, or similar transactions. If the Company is sold (whether via a change in control or otherwise) or liquidated following the purchase of a Transferring Holder's Interest, the installment obligation shall be immediately due and owing.

7.6. *Transferee Not a Member.* The attempted transfer or assignment of a Member's Interest shall not result in any transferee or assignee becoming a Member of the Company unless the transferee or assignee is admitted as a Member pursuant to this Agreement, and the transferee or assignee shall only be entitled to receive, to the extent transferred, the share of distributions, including distributions representing the return of contributions, and the allocation of Profits and Losses (and other items of income, gain, or deduction), to which the Member would have otherwise been entitled with respect to the Member's Interest. The transferee or assignee shall have no rights as a Member or any other right to participate in the management of the business and affairs of the Company or any right to become a Member unless admitted by a Major Decision Special Majority.

7.7. *Substitute Members.* Notwithstanding any provision of this Agreement to the contrary, an assignee of a Member may only be admitted as a substitute Member upon the written consent of a Major Decision Special Majority, which consent may be withheld in the Members' sole and absolute discretion.

7.8. *Additional Members.* The Company shall not issue additional Interests after the date of formation of the Company without the written consent or approval of a Major Decision Special Majority, which consent may be withheld in the Members' sole and absolute discretion.

7.9. *Expenses.* Expenses of the Company or of any Member occasioned by transfers of Interests shall be reimbursed to the Company or Member, as the case may be, by the transferee.

Section VIII - Dissolution and Termination

8.1. *Dissolution.*

8.1.1. *Events of Dissolution.* The Company will be dissolved upon the occurrence of any of the following events:

8.1.1.1. Upon the written consent of a Major Decision Special Majority;

8.1.1.2. Upon the entry of a decree of dissolution under Section 10.50.405 of the Act or an administrative dissolution under Section 10.50.408 of the Act;

8.1.1.3. Upon the sale or other disposition of all or substantially all of the Company's assets and receipt by the Company of the proceeds therefrom; or

8.1.1.4. Upon the occurrence of an Event of Withdrawal of the last remaining Member unless within ninety (90) days all assignees of Interests in the Company consent in writing to admit at least one member to continue the business of the company.

8.2. *Continuation.* An Event of Withdrawal with respect to a Member shall not cause dissolution, and the Company shall automatically continue following such an Event of Withdrawal.

8.3. *Distributions and Other Matters.* The Company shall not terminate until its affairs have been wound up and its assets distributed as provided herein. Promptly upon the dissolution of the Company, the Members shall cause to be executed and file a Notice of Winding Up with the Alaska Department of Commerce, Community, and Economic Development, and will liquidate the assets of the Company and apply and distribute the proceeds of such liquidation, or distribute the Company's assets in kind, as follows and in the following order:

8.3.1. *Ordinary Debts.* To the payment of the debts and liabilities of the Company, including debts owed to Members, in the order of priority provided by law; provided that the Company shall first pay, to the extent permitted by law, liabilities with respect to which any Member is or may be personally liable;

8.3.2. *Reserves and Distributions.* To the setting up of such reserves as the Members may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company arising out of or in connection with the Company business;

8.3.3. *Remainder.* The balance of the proceeds shall be distributed to the Members in accordance with the positive balance in their Capital Accounts, determined as though all of the Company assets were sold for cash at their fair market value as of the date of distribution. Any such distributions shall be made in accordance with the timing requirements of Treasury Regulation Section 1.704-1(b)(2)(ii)(b)(2).

8.4. *Deficit Capital Accounts.* Notwithstanding anything to the contrary in this Agreement, if any Member's Capital Account has a deficit balance (taking into account all contributions, distributions, and allocations for the year in which a liquidation occurs), the Member shall not be obligated to make any contribution to the capital of the Company and the negative balance of such Member's Capital Account shall not be considered a debt owed by the Member to the Company or to any other person for any purpose whatsoever.

8.5. *Rights of Members—Distributions of Property.* Except as otherwise provided in this Agreement, each Member shall look solely to the assets of the Company for the return of his or her Capital Contribution and shall have no right or power to demand or receive property other than cash from the Company. No Member shall have priority over any other Member for the return of his or her Capital Contributions, distributions, or allocations.

8.6. *Articles of Termination.* When all the assets of the Company have been distributed as provided herein, the Members shall cause to be executed and filed Articles of Termination as required by the Act.

Section IX - Other Interests of a Member

Any Member may engage in or possess interests in other business ventures of every nature and description, independently or with others. Neither the Company nor any Member shall have any right to any independent ventures of any other Member or to the income or profits derived therefrom. The fact that a Member, a member of his or her family, or an Affiliate is employed by, or owns, or is otherwise directly or indirectly interested in or connected with, any person, firm, or corporation employed or retained by the Company to render or perform services, including without limitation, management, contracting, mortgage placement, financing, brokerage, or other services, or from whom the Company may buy property or merchandise, borrow money, arrange to finance, or place securities, or may lease real property to or from the Company, shall not prohibit the Company from entering into contracts with or employing that person, firm, or corporation or otherwise dealing with him or it, and neither the Company nor any of the Members as such shall have any rights in or to any income or profits derived therefrom.

Section X - Indemnity

10.1. *Indemnity Rights.* The Company shall indemnify, defend and hold harmless each member who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of his or her actions as a Member or by reason of his or her acts while serving at the request of the Company as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprises, against expenses, including attorneys' fees, and against judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding, provided that the acts of such Member were not committed with gross negligence or willful misconduct, and, with respect to any criminal action or proceeding, such Member had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction, or upon a plea of no contest or its equivalent, shall not, in and of itself, create a presumption that the Member acted with gross negligence or willful misconduct, or with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

10.2. *Notice and Defense.* Any Member who is or may be entitled to indemnification shall give timely written notice to the Company, the Members that a claim has been or is about to be made against him or her, shall permit the Company to defend him or her through legal counsel of its own choosing, and shall cooperate with the Company in defending against the claim. The Member shall have the sole power and authority to determine the terms and conditions of any settlement of the claim.

10.3. *Other Sources.* The indemnification provided for herein shall apply only in the event, and to the extent that, the person is not entitled to indemnification, or other payment, from any other source (including insurance), and the Company's indemnity obligations hereunder shall be in excess of any indemnification or other payment provided by such other source.

10.4. *Survival.* The indemnification provided for herein shall continue as to a person who has ceased to be a Member and shall inure to the benefit of the heirs, executors, and administrators of such person.

Section XI - Miscellaneous

11.1. *Notices.* Any notice, demand, offer, or other communication which any person is required or may desire to give to any other person shall be delivered in person or by United States mail, electronic mail, facsimile, or overnight or next-day delivery service. If mailed, such notice shall be deemed to be delivered two (2) days after being deposited in the United States mail, postage prepaid, addressed to the person at his or her address as it appears on the books of the Company. If transmitted by way of electronic mail or facsimile, such notice shall be deemed to be delivered on the date of such electronic mail or facsimile transmission to the electronic mail address or facsimile number, if any, for the person which has been supplied by such person and identified as such person's electronic mail address or facsimile number. If transmitted by overnight or next-day delivery, such notice shall be deemed to be delivered on the next business day after deposit with the delivery service addressed to the person at his or her address as it appears on the books of the Company.

11.2. *Bank Accounts.* All funds of the Company shall be deposited in a bank account or accounts opened in the Company's name. The Managers 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.

11.3. *Severability.* The parties intend that this Agreement be enforced to the greatest extent permitted by applicable law. Therefore, if any provision of this Agreement, on its face or as applied to any person or circumstance, is or becomes unenforceable to any extent, the remainder of this Agreement and the application of that provision to other persons or circumstances, or to any other extent, will not be impaired.

11.4. *Governing Law; Parties in Interest; Attorneys' Fees.* This Agreement will be governed by and construed according to the laws of the State of Alaska without regard to conflicts of law principles and will bind and inure to the benefit of the heirs, successors, assigns, and personal representatives of the parties. Unless otherwise agreed, if any litigation or other dispute resolution proceeding is commenced between parties to this Agreement to enforce or determine the rights or responsibilities of such parties, the prevailing party, or parties in any such proceeding will be entitled to receive, in addition to such other relief as may be granted, its reasonable attorneys' fees, expenses, and costs incurred preparing for and participating in such proceeding.

11.5. *Execution in Counterparts.* This Agreement may be executed in counterparts, all of which taken together shall be deemed one original.

11.6. *Titles and Captions.* All article, section, or paragraph titles or captions contained in this Agreement are for convenience only and are not deemed part of the context thereof.

11.7. *Pronouns and Plurals.* All pronouns and any variations thereof are deemed to refer to the masculine, feminine, neuter, singular, or plural as the identity of the person or persons may require.

11.8. *Waiver; Waiver of Action for Partition.* No right or obligation under this Agreement will be deemed to have been waived unless evidenced by a writing signed by the party against whom the waiver is asserted, or its duly authorized representative. Any waiver will be effective only with respect to the specific instance involved and will not impair or limit the right of the waiving party to insist upon strict performance in any other instance, in any other respect, or at any other time. Each of the Members irrevocably waives any right that he or she may have to maintain any action for partition with respect to any of the Company Property.

11.9. *Entire Agreement.* This Agreement and all Exhibits attached hereto collectively contain the entire understanding between the parties and supersede any prior understandings and agreements between or among them with respect to the subject matter hereof.

11.10. *Estoppel Certificate.* Each member shall, within ten (10) days after written request by any Member or the Members, 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.

Section XII – Arbitration

If the parties are unable to resolve any dispute arising out of this Agreement either during or after its term informally, including the question as to whether any particular matter is arbitrable, the parties agree to submit the matter to binding arbitration. In the event the parties have not agreed upon an arbitrator within twenty (20) days after either party has demanded arbitration, either party may file a demand for arbitration with an Alaska regional office of the American Arbitration Association (“AAA”) and a single arbitrator shall be appointed in accordance with the then-existing Commercial Arbitration Rules of the AAA. At all times during arbitration, the arbitrator shall consider that the purpose of arbitration is to provide for the efficient and inexpensive resolution of disputes, and the arbitrator shall limit discovery whenever appropriate to ensure that this purpose is preserved. The dispute between the parties shall be submitted for determination within sixty (60) days after the arbitrator has been selected. The decision of the arbitrator shall be rendered within thirty (30) days after the conclusion of the arbitration hearing. The decision of the arbitrator shall be in writing and shall specify the factual and legal basis for the decision. Upon stipulation of the parties, or upon a showing of good cause by either party, the arbitrator may lengthen or shorten the time periods set forth herein for conducting the hearing or for rendering a decision. The decision of the arbitrator shall be final and binding upon the parties. Judgment to enforce the decision of the arbitrator, whether for legal or equitable relief, may be entered in any court having jurisdiction thereof, and the parties hereto expressly and irrevocably consent to the jurisdiction of the Alaska Courts for such purpose. The arbitrator shall conduct all proceedings pursuant to the then-existing Commercial Arbitration Rules of the AAA, to the extent such rules are not inconsistent with the provisions of this Article III. The AAA Uniform Rules of Procedure shall not apply to any arbitration proceeding relating to the subject matter or terms of the documents. In the event a dispute is submitted to arbitration pursuant to this Section, the prevailing party shall be entitled to the payment of its reasonable attorneys' fees and costs, as determined by the arbitrator. Each of the parties shall keep all disputes and arbitration proceedings strictly confidential, except for disclosures of information required by applicable law or regulation.

Section XIV – Representation -

The parties all acknowledge that the JDW, LLC (“Firm” and/or “Counsel”), prepared this Agreement as a courtesy, but that currently the Firm only represents Manager Member Jesse Sherwood. In the event the Company desires to engage the Firm to represent the Company and its subsidiaries in the near future, all members agree and have been advised of the following:

The Firm representation of the Company, its subsidiaries, and Jesse Sherwood (a Member / Manager) in their respective individual capacities creates conflicts of interests;

The Members hereby are advised by the Firm that conflicts may exist among the Company, the subsidiaries, and/or Members’ and/or Managers’ individual interests;

The Members hereby are advised by Counsel to seek the advice of independent counsel;

The Members are afforded and encouraged to seek the advice of independent counsel;

The Members have received no representations from Counsel or Firm about this Agreement, including without limitation, the tax consequences of this Agreement;

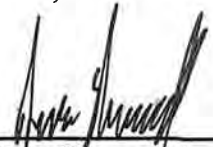
The Members are hereby advised by Counsel that this Agreement may have tax consequences;

The Members hereby are advised by Counsel to seek the advice of independent tax counsel; and

The Members have had the opportunity to seek the advice of independent tax counsel.

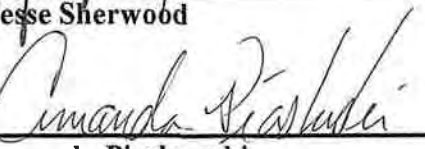
The Members hereby agree and understand that if the Company and its subsidiaries engage the Firm as counsel, then the Members will need to consent to the Firm’s joint representation of the Company, its subsidiaries, and Jesse Sherwood (a Member / Manager) and are greatly encouraged to seek independent legal counsel prior to waiving said conflicts, consistent with Alaska’s RPC 1.13(g), RPC 1.6 and RPC 1.7.

IN WITNESS WHEREOF, the Members and the Managers have executed this Operating Agreement, effective as of the date first set forth above.

By: 

Jesse Sherwood

Date: 7-8-22

By: 

Amanda Piaskowski

Date: 7/10/22

EXHIBIT A

Members, Capital Contributions, and Interest

	<u>Full Required Contribution</u>	<u>Paid Contribution</u>	<u>Total Remaining</u>	<u>Percentage Ownership</u>
Jesse Sherwood	\$TBD	\$TBD	\$TBD	50.0%
Amanda Piaskowski	\$TBD	\$TBD	\$TBD	50.0%
TOTALS:	\$TBD	\$TBD	\$TBD	100%

EXHIBIT B

Tax Matters

1. *Definitions.* The capitalized words and phrases used in this **Exhibit B** shall have the following meanings:

1.1. “*Adjusted Book Value*” means with respect to Company Property, the Property’s Initial Book Value with the adjustments required under this Agreement.

1.2. “*Adjusted Capital Account Deficit*” means, with respect to any Member, the deficit balance, if any, in the Member’s Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

1.2.1. the Capital Account shall be increased by the amounts which the Member is obligated to restore under this Agreement or is deemed obligated to restore pursuant to Regulation Sections 1.704-2(g)(1) and (i)(5) (i.e., the Member’s share of Minimum Gain and Member Minimum Gain); and

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

This definition of Adjusted Capital Account Deficit is intended to comply with Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations and shall be interpreted and applied in a manner consistent with that Regulation.

1.3. “*Capital Account*” means the account maintained by the Company for each Member in accordance with the following provisions:

1.3.1. A Member’s Capital Account shall be credited with the amount of money contributed by the Member to the Company; the fair market value of the Property contributed by the Member to the Company (net of liabilities secured by such contributed Property that the Company is considered to assume or take subject to under Section 752 of the Code); the Member’s allocable share of Profit and items of income and gain; and the amount of Company liabilities that are assumed by the Member under Regulation Section 1.704-1(b)(2)(iv)(c);

1.3.2. A Member’s Capital Account shall be debited with the amount of money distributed to the Member; the fair market value of any Company property distributed to the Member (net of liabilities secured by such distributed Property that the Member is considered to assume or take subject to under Section 752 of the Code); the Member’s allocable share of Loss and items of deduction; and the number of the Member’s liabilities that are assumed by the Company under Regulation Section 1.704-1(b)(2)(iv)(c);

1.3.3. If Company Property is distributed to a Member, the Capital Accounts of all Members shall be adjusted as if the distributed property had been sold in a taxable disposition for the gross fair market value of such property on the date of distribution (taking into account Section 7701 of the Code) and the Profit or Loss from such disposition allocated to the Members as provided in this **Exhibit B**.

1.3.4. If money or other property (other than a *de minimis* amount) is (a) contributed to the Company by a new or existing Member in exchange for an interest in the Company; or (b) distributed by the Company to retiring or continuing Member as consideration for an interest in the Company; then, if the Members deem such an adjustment to be necessary to reflect the economic interests of the Members, the

Book Value of the Company's Property shall be adjusted to equal its gross fair market value on such date (taking into account Section 7701(g) of the Code) and the Capital Accounts of all Members shall be adjusted in the same manner as if all the Company Property had been sold in a taxable disposition for such amount on such date and the Profit or Loss allocated to the Members as provided in this **Exhibit B**.

1.3.5. To the extent an adjustment to the tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the Book Value of the Company's Property and the Capital Account of the Members shall be adjusted in a manner consistent with the manner in which the Capital Accounts are required to be adjusted pursuant to that Section of the Regulations.

1.3.6. 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. It is intended that the Capital Accounts of all Members 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 or the Adjusted Book Value of Company Property shall be interpreted and applied in a manner consistent with that Section of the Regulations.

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

1.5. "*Company Minimum Gain*" has the meaning set forth in Regulation Section 1.704-2(b)(2) for "partnership minimum gain."

1.6. "*Initial Book Value*" means, with respect to Property contributed to the Company by a Member, the Property's fair market value at the time of contribution and, with respect to all other property, the Property's adjusted basis for federal income tax purposes at the time of acquisition.

1.7. "*Member Nonrecourse Debt*" has the meaning set forth in Section 1.704- 2(b)(4) of the Treasury Regulations for "partner nonrecourse debt."

1.8. "*Member Nonrecourse Debt Minimum Gain*" has the meaning set forth in Regulation Section 1.704-2(i) for "partner nonrecourse debt minimum gain."

1.9. "*Member Nonrecourse Deductions*" has the meaning set forth in Regulation Section 1.704-2(i) for "partner nonrecourse deductions."

1.10. "*Nonrecourse Deductions*" has the meaning set forth in Regulation Section 1.704-2(b)(1). The number of Nonrecourse Deductions shall be determined according to the provisions of Regulation Section 1.704-2(c).

1.11. "*Nonrecourse Liability*" has the meaning set forth in Regulation Section 1.704-2(b)(3).

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

1.12.1. All items of income, gain, loss, deduction, or credit required to be stated separately pursuant to Code Section 703(a)(1) shall be included in computing taxable income or loss;

1.12.2. Any tax-exempt income of the Company, not otherwise taken into account in computing Profit or Loss, shall be included in computing Profit or Loss;

1.12.3. Any expenditures of the Company described in Code Section 705(a)(2)(B) (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 included in computing Profit or Loss;

1.12.4. If the Adjusted Book Value of Company Property differs from its adjusted basis for federal income tax purposes, then 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 rather than the adjusted basis of the property for federal income tax purposes;

1.12.5. If the Adjusted Book Value of Company Property differs from its adjusted basis for federal income tax purposes, then in lieu of the depreciation, amortization, or cost recovery deductions allowable in computing taxable income or loss, the depreciation, amortization (or other cost recovery deduction) shall be an amount that bears the same ratio to the Adjusted Book Value of such Property as depreciation, amortization (or other cost recovery deduction) computed for federal income tax purposes for such period bears to the adjusted tax basis of such Property. If the Property has a zero adjusted tax basis, the depreciation, amortization (or other cost recovery deduction) of such Property shall be determined under any reasonable method selected by the Company; and

1.12.6. Any items that are specially allocated pursuant to Sections 2.3 and 2.4 hereof shall not be taken into account in computing Profit or Loss.

1.13. “Treasury Regulations” or “Regulations” means the income tax regulations, including any temporary regulations, promulgated under the Code as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

2. *Allocations.* After making any special allocations contained in Section 2.5, remaining Profits and Losses shall be allocated for any Fiscal Year in the following manner:

2.1. *Profits.*

2.1.1. First, Profits shall be allocated among the Members in proportion to the cumulative Losses previously allocated to the Member under Section 2.2.3 until the cumulative Profits allocated to each Member under this subparagraph equal the cumulative Losses previously allocated to each Member under Section 2.2.3;

2.1.2. Second, Profits shall be allocated proportionately among the Members until the cumulative Profits allocated to each Member under this subparagraph equal the cumulative Priority Return each Member has received through the end of the Fiscal Year plus Losses, if any, allocated to the Member under Section 2.2.2; and

2.1.3. Third, Profits shall be allocated to the Members in accordance with their Percentage Interests.

2.2. *Losses.*

2.2.1. First, Losses shall be allocated to the Members in proportion to the cumulative Profits previously allocated to the Members under Section 2.1.3 until the cumulative Losses allocated pursuant to this subparagraph to each Member are equal to the cumulative Profits previously allocated to each Member under Section 2.1.3.

2.2.2. Second, Losses shall be allocated to the Members in proportion to the cumulative Profits previously allocated to the Members under Section 2.1.2 until the cumulative Losses allocated pursuant to this subparagraph to each Member are equal to the cumulative Profits previously allocated to each Member under Section 2.1.2; and

2.2.3. Third, Losses shall be allocated to the Members in accordance with their Percentage Interests.

2.3. *Loss Limitations.*

2.3.1. *Adjusted Capital Account Deficit.* No Losses shall be allocated to any Member pursuant to Section 2.1 if the allocation causes the Member to have an Adjusted Capital Account Deficit or increases the Member's Capital Account Deficit. All Losses in excess of the limitations set forth in this Subsection shall be allocated to the other Members in accordance with the other Members' Percentage Interests until all Members are subject to the limitation of this Subsection, and thereafter, in accordance with the Members' interest in the Company as determined by the Members. If any Losses are allocated to a Member because of this Subsection, then notwithstanding any other provision of this Agreement, all subsequent Profits shall be allocated to the Members pro-rata based on Losses allocated to them pursuant to this Subsection until each Member has been allocated a number of Profits pursuant to this Subsection equal to the Losses previously allocated to that Member under this Subsection.

2.3.2. *Cash Method Limitation.* If the Company is on the cash method of accounting and more than 35% of the Company's Losses in any year would be allocable to Members who are limited entrepreneurs (within the meaning of § 464(e)(2) of the Code), then except as otherwise provided in Section 2.2.1, the Losses in excess of 35% otherwise allocable to those Members shall be specially allocated among the other Members in the ratio that each share in Losses. If any Losses are allocated to a Member under this Subsection, then notwithstanding any other provision of this Agreement, all subsequent Profits shall be allocated to the Members pro-rata based on Losses allocated to them pursuant to this Subsection until each Member has been allocated a number of Profits pursuant to this Subsection in the current and previous Fiscal Years equal to the Losses allocated to that Member pursuant to this Subsection in previous Fiscal Years.

2.4. *Section 704(c) Allocations.*

2.4.1. *Contributed Property.* In accordance with Code Section 704(c) and the Regulations thereunder, as well as Regulation Section 1.704-1(b)(2)(iv)(d)(3), 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 Members 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).

2.4.2. Adjustments to Book Value. If the Adjusted Book Value of any Company asset is adjusted as provided in clause (iv) of the definition of Capital Account, subsequent allocations of income, gain, loss, and deduction with respect to the asset shall, solely for tax purposes, 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 as provided under Code Section 704(c) and the Regulations thereunder.

2.5. Regulatory Allocations. The following allocations shall be made in the following order:

2.5.1. Company Minimum Gain Chargeback. Except as set forth in Regulation Section 1.704-2(f)(2), (3), (4), and (5), if during any Fiscal Year there is a net decrease in Company Minimum Gain, each Member, prior to any other allocation pursuant to this Section IV, shall be specially allocated items of gross income and gain for such taxable year (and, if necessary, succeeding taxable years) in an amount equal to that Member's share of the net decrease of Company Minimum Gain, computed in accordance with Regulation Section 1.704-2(g)(2). Allocations of gross income and gain pursuant to this Subsection shall be made first from gain recognized from the disposition of Company assets subject to Nonrecourse Liabilities to the extent of the Minimum Gain attributable to those assets and, thereafter, from a pro-rata portion of the Company's other items of income and gain for the taxable year. It is the intent of the parties hereto that any allocation pursuant to this Subsection shall constitute a "minimum gain chargeback" under Regulation Section 1.704-2(f).

2.5.2. Member Nonrecourse Debt Minimum Gain Chargeback. Except as set forth in Regulation Section 1.704-2(i)(4), if during any Fiscal Year there is a net decrease in Member Nonrecourse Debt Minimum Gain, each Member with a share of that Member Nonrecourse Debt Minimum Gain (determined under Regulation Section 1.704-2(i)(5)) as of the beginning of the Fiscal Year shall be specially allocated items of income and gain for such Fiscal Year (and, if necessary, succeeding Fiscal Years) in an amount equal to that Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain, computed in accordance with Regulation Section 1.704-2(i)(4). Allocations of gross income and gain pursuant to this Subsection shall be made first from gain recognized from the disposition of Company assets subject to Member Nonrecourse Debt to the extent of the Member Minimum Gain attributable to those assets and, thereafter, from a pro-rata portion of the Company's other items of income and gain for the Fiscal Year. It is the intent of the parties hereto that any allocation pursuant to this Subsection shall constitute a "minimum gain chargeback" under Regulation Section 1.704-2(i)(4).

2.5.3. Qualified Income Offset. If a Member unexpectedly receives an adjustment, allocation, or distribution described in Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5), or (6), then to the extent required under Regulations Section 1.704-1(b)(2)(d), such Member shall be allocated items of income and gain of the Company (consisting of a pro-rata portion of each item of Company income, including gross income and gain for that Fiscal Year) before any other allocation is made of Company items for that Fiscal Year, in the amount and in proportions required to eliminate the Member's Adjusted Capital Account Deficit as quickly as possible. This Subsection is intended to comply with and shall be interpreted consistently with, the "qualified income offset" provisions of the Regulations promulgated under Code Section 704(b).

2.5.4. Nonrecourse Deductions. Nonrecourse Deductions for a Fiscal Year or another period shall be allocated among the Members in proportion to their Percentage Interests.

2.5.5. Member Nonrecourse Deductions. Any Member Nonrecourse Deduction for any Fiscal Year or another period attributable to a Member Nonrecourse Liability shall be allocated to the Member who bears the risk of loss for the Member Nonrecourse Debt in accordance with Regulation Section 1.704-2(i).

2.5.6. Regulatory Allocations. The allocations contained in Section 2.5 are contained herein to comply with the Regulations under Section 704(b) of the Code. In allocating other items of Profit or Loss, the allocations contained in Section 2.5 shall be taken into account so that to the maximum extent possible the net amount of Profit or Loss allocated to each Member will be equal to the amount that would have been allocated to each Member if the allocations contained in Section 2.4 had not been made.

2.6. Varying Interests; Allocations in Respect to Transferred Interests. Profits, Losses, and other items shall be calculated on a monthly, daily, or other basis permitted under Code Section 706 and the Regulations. If any Interest is sold, assigned, or transferred in compliance with the provisions of this Agreement, profits, losses, each item thereof, and all other items attributable to such Interest for such period shall be divided and allocated between the transferor and the transferee by taking into account their varying interests during the period in accordance with Code Section 706(d), using any conventions permitted by law and selected by the Company.

2.7. Tax Matters Partner. The Managers shall be the Company's tax matters partner ("Tax Matters Partner") unless the Members designate a different person to serve in this capacity. The Tax Matters Partner shall have all powers and responsibilities provided in Code Section 6221, et seq. The Tax Matters Partner shall keep all members informed of all notices from government taxing authorities that may come to the attention of the Tax Matters Partner. The Company shall pay and be responsible for all reasonable third-party costs and expenses incurred by the Tax Matters Partner in performing those duties. The Company shall be responsible for any costs incurred by any Member with respect to a tax audit or tax-related administrative or judicial proceeding against the Member. The Tax Matters Partner shall not compromise any dispute with the Internal Revenue Service without the approval of the Members.

2.8. Returns and Other Elections. The Managers shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business.

2.9. Annual Accounting Period. The annual accounting period of the Company shall be its Fiscal Year. The Company's Fiscal Year shall be selected by the Managers, subject to the requirements and limitations of the Code.

2.10. Knowledge. The Members acknowledge that they understand the economic and income tax consequences of the allocations and distributions under this Agreement and agree to be bound by the provisions of this **Exhibit B** in reporting their taxable income and loss from the Company.

2.11. Amendment. The Managers is hereby authorized, upon the advice of the Company's tax counsel, to amend this **Exhibit B** to comply with the Code and the Regulations promulgated under Code Section 704(b); provided, however, that no amendment shall materially affect the distributions to a Member without the Member's prior written consent.

EXHIBIT C

Formula for Determining an Appraiser to Determine the Purchase Price of a Transferring Holder's Interest Pursuant to Section VII

When required pursuant to Section VII of this Agreement, the value of an Interest will be determined by a valuation professional accredited in business valuation by the AICPA or American Society of Appraisers ("Appraiser"). Such Appraiser shall be jointly selected by the Company and the Transferring Holder within fifteen (15) days after the Managers' and the other Members' actual knowledge of the Transferring Holder's Transfer. The cost of the Appraiser shall be borne equally by the Company and the Transferring Holder. If a mutually satisfactory Appraiser cannot be selected, then the Company and the Transferring Holder each shall select and pay for its own Appraiser and the two Appraisers shall attempt to reconcile their valuations to arrive at a single valuation. If they are unable to do so, they shall jointly select a third Appraiser to value the Transferring Holder's Interest. The cost of the third Appraiser shall be borne equally by the Company and the Transferring Holder. The three Appraisers shall attempt to reconcile their valuations to arrive at a single valuation. If they are unable to do so, then the middle of the three appraisals shall be used as the valuation. The standard of value shall be fair market value.

If applicable, each party shall appoint its Appraiser within seven (7) days after the parties determine they cannot agree on a single Appraiser. The two Appraisers appointed shall select a third Appraiser within seven (7) days after they determine they cannot agree on a single valuation. The Appraisers shall be instructed to provide their valuations within thirty (30) days after their appointment.

Alcohol & Marijuana Control Office

License Number: 33236

License Status: New

License Type: Retail Marijuana Store

Doing Business As: Kachemak Cannabis

Business License Number: 2157350

Designated Licensee: Jesse Sherwood

Email Address: ceo@smfak.com

Local Government: Homer

Local Government 2:

Community Council:

Latitude, Longitude: 59.668640, -151.440110

Physical Address: 3585 East End Road
Suite #3
Homer, AK 99603
UNITED STATES

Licensee #1

Type: Entity

Alaska Entity Number: 10196333

Alaska Entity Name: Kachemak Cannabis, LLC

Phone Number: 907-299-2986

Email Address: ceo@smfak.com

Mailing Address: PO Box 3226
Homer, AK 99603
UNITED STATES

Entity Official #1

Type: Individual

Name: Jesse Sherwood

[REDACTED]

[REDACTED]

[REDACTED]

Email Address: ceo@smfak.com

Mailing Address: PO Box 3226
Homer, AK 99603
UNITED STATES

Entity Official #2

Type: Individual

Name: Amanda Piaskowski

[REDACTED]

[REDACTED]

[REDACTED]

Email Address: ceo@smfak.com

Mailing Address: PO Box 3226
Homer, AK 99603
UNITED STATES

Note: No affiliates entered for this license.

LEASE AGREEMENT

THIS LEASE made May 13, 2022, by and between East End Mini Storage LLC, (herein called Lessor), and Jesse Sherwood and Amanda Piaskowski dba Kachemak Cannabis LLC (herein called Lessee):

1. **PREMISES:** Lessor does hereby lease to Lessee, those certain premises commonly known as 3585 East End Road, unit 3, Homer, Alaska 99603 (herein called Premises)
2. **TERM:** The term of this Lease shall be for thirteen and a half months commencing the sixteenth (16) day of May 2022 and shall terminate the thirtieth (30) day of June 2023.
3. **RENT:** Lessee covenants and agrees to pay Lessor, by mail at 3585 East End Rd #12, Homer, AK 99603, monthly rent in the amount of Seven Hundred Fifty and no/100 Dollars (\$750.00) plus applicable sales tax (currently \$39.25), in advance, on the 1st day of each month for the months of May 2022 through October 2022. Lessee covenants and agrees to pay Lessor, by mail at 3585 East End Rd #12, Homer, AK 99603, monthly rent in the amount of Nine Hundred Fifty and no/100 Dollars (\$950.00) plus applicable sales tax (currently \$39.25), in advance, on the 1st day of each month for the months of November 2022 through June 2023. If Lessee is in possession of the premises for a portion of a month, the monthly rent shall be prorated for the number of days of Lessee's possession during that month. If the Lessee fails to pay rent in its entirety by the 10th of the month for which it is due, Lessee shall also pay a penalty of 5% of the rental amount due and owing. This penalty, which may be waived by Lessor, shall not limit the remedies of Lessor upon default by Lessee as described elsewhere in this lease.
4. **UTILITIES AND FEES:** Lessee agrees to pay all charges for electricity, heat and any other utilities during the full term of this lease. Lessee agrees to establish accounts with HEA and Enstar Gas for unit A3 who will bill him directly for electricity and gas. Water charges are included in the monthly rent.
5. **REPAIRS AND MAINTENANCE:** Lessee will keep the common entrances to the store neat and clean and will cooperate with the Lessor in maintaining these areas. The Lessor and Lessee will ensure that this area shall not be used for the posting of announcements and will be kept free of obstacles. Lessee will use the premises in accordance with applicable laws, ordinances, rules, regulations and requirements of governmental authorities. Lessor agrees to pay for reasonable upkeep of building, including, but not limited to snow removal and sanding of parking lot. Lessee will keep sidewalk area and entryway immediately in front of his leased premises free from snow. In the event damage of building occurs through Lessor's negligence, costs of repair to be borne by Lessor. Lessee agrees to notify Lessor of damage done within 20 days of said damage. Lessor agrees to repair said damage within a reasonable time period. Lessee shall be responsible for providing and replacing light bulbs in the leased premises.
6. **SIGNS:** All signs or symbols placed by Lessee in the windows and doors of the premises, or upon any exterior part of the building, signposts or anywhere on the Lessor's property shall be subject to Lessor's prior written approval. Lessor may demand removal of signs that are not so approved, and Lessee's failure to comply with said request within forty-eight (48) hours will constitute a breach of this paragraph and will entitle Lessor to terminate Lease or, in Lieu thereof, to cause the sign to be removed and the building repaired at the sole expense of the Lessee. At the termination of this Lease, Lessee will remove all signs placed by it upon premises, and will repair any damage caused by such removal. All signs must comply with sign ordinances and be placed in accordance with required permits.
7. **ALTERATIONS:** After prior written consent of Lessor, Lessee may make alterations, additions and improvements in said premises, at Lessee's sole cost and expense. In the performance of such work, Lessee agrees to comply with all laws, ordinances, rules and regulations of any proper public authority, and to save Lessor harmless from damage, loss or expense. This does not include alterations and improvements that are agreed to be the responsibility of Lessor. Upon termination of this Lease and upon Lessor's request, or Lessor's approval, Lessee shall remove such improvements and restore the premises to its original condition not later than the termination date, at Lessee's sole cost and expense. Any improvements not so

removed shall be removed at Lessee's expense provided that Lessee shall pay for any damage caused by such removal.

8. CONDEMNATION: In the event a substantial part of the premises is taken or damaged by the right of eminent domain, or purchased by the condemner, in lieu thereof, so as to render the remaining premises economically untenable, then this Lease shall be canceled as of the time of taking at the option of either party. In the event of a partial taking which does not render the premises economically untenable, the rent shall be reduced in direct proportion to the leased property taken. Nothing herein shall prevent the Lessee from its entitlement to negotiate for its own moving costs and its household improvements.

9. PARKING: Lessee understands that parking is apportioned in conformity with controlling zoning ordinances and that Lessor shall have the right to make such regulations as Lessor deems desirable for the control of parking on the real property at 3585 East End Road, Homer, Alaska, or property under Lessor's control, including the right to designate certain areas for parking of the Lessee, employees of Lessee, its customers and other Lessees of said buildings. Lessee shall not park or store any vans, trailers or other vehicles in front of building or elsewhere on Lessor's property without prior approval from Lessor.

10. LIENS AND INSOLVENCY: Lessee shall keep the premises free from any liens arising out of any work performed for, materials furnished to, or obligations incurred by Lessee and shall hold Lessor harmless against the same. In the event Lessee becomes insolvent, bankrupt, or if a receiver, assignee or other liquidating officer is appointed for the business of Lessee, Lessor may cancel this Lease at its option.

11. SUBLETTING OR ASSIGNMENT: Lessee shall not sublet the whole or any part of the premises, nor assign this Lease without the written consent of Lessor, which will not be unreasonably withheld. This Lease shall not be assignable by operation of law.

12. ACCESS: Lessor shall have the right to enter the premises at all reasonable times for the purpose of inspection or of making repairs, additions or alterations, and with prior notice, to show the premises to prospective tenants for sixty (60) days prior to the expiration of Lease term.

13. POSSESSION: Lessee may move in on or before May 16, 2022 provided that first month's pro-rated rent of \$417.48, last month's rent of \$989.25 and a security deposit of \$950.00 for a total of \$2,356.73 is paid and Lessee puts utilities in his name. Security Deposit is not to be used as last month's rent.

14. DAMAGE OR DESTRUCTION: In the event the premises are rendered untenable in whole or in part by fire, the elements, or other casualty, Lessor may elect, at his option, not to restore or rebuild the premises and shall so notify Lessee, in which event Lessee shall vacate the premises and lease shall be terminated; or, in the alternative, Lessor shall notify Lessee, within thirty (30) days after the notice of such casualty, that Lessor will undertake to rebuild or restore the premises, and that such work can be completed within one hundred eighty (180) days from date of such notice of intent, and Lessee may elect, at its option, to terminate this Lease. If Lessor is unable to restore or rebuild the premises within the said one hundred eighty (180) days, and Lessee did not earlier elect to terminate, then the Lease may be terminated at Lessee's option by written ten (10) day notice to Lessor. During the period of untenability, rent shall abate in the same ratio as the portion of the premises rendered untenable bears to the whole of the premises.

15. TAXES AND INSURANCE: Lessee shall be responsible for all personal property taxes assessed against their portion of the premise. Lessee agrees to carry Commercial General Liability insurance with regard to the premises with a combined single limit for personal or bodily injury and property damage of not less than \$500,000 primary limits. These limits must be in excess of all defense costs and expenses. Lessee shall defend, indemnify, and hold Lessor harmless from all claims (except those caused solely by Lessor's negligence) which occur as a result of the operation of the Lessee's business. Lessee shall furnish Lessor with a certificate indicating that the insurance policy is in full force and effect, the Lessor has been named as an additional insured, and that the policy may not be canceled unless (10) days prior written notice of cancellation has been given to Lessor.

16. SUBROGATION WAIVER: Lessor and Lessee each herewith and hereby releases and relieves the other and waives its entire right of recovery against the other for loss or damage arising out of or incident to their perils described in standard fire insurance policies and all perils described in the "Extended Coverage" insurance endorsement approved for use in the state where the premises are located, which occurs in, on or about the Premises, unless due to the negligence of either party, their agents, employees or otherwise.

17. DEFAULT AND RE-ENTRY: If the Lessee defaults in the payment of any rent on the date it is due and payable, or if Lessee fails to perform any covenant or promise under this lease, Lessor may, without terminating this lease, issue a notice to quit. If a notice to quit is issued for failure to pay rent when due, within seven (7) days of delivery of the notice to quit, Lessee shall either cure the default, or remove all personal property from the premises and peaceably surrender same to Lessor. Lessee's failure to pay rent gives the Lessor the right to re-enter and take possession of the premises in accordance with A.S. 09.45.690. If a notice to quit is issued for Lessee intentionally inflicting physical damage to the premises, Lessee shall cure the default to Lessor's satisfaction within 24 hours, or surrender the premises. If a notice to quit is issued for any other reason, Lessee shall cure the default to Lessor's satisfaction within ten (10) days, or surrender the premises. If the Lessee holds the premises, or any portion thereof after the surrender date, Lessee shall be deemed guilty of Unlawful Holding by Force under A.S. 09.45.090, and Lessor shall be entitled to re-enter and take possession of the premises and/or pursue all available legal remedies against Lessee. Surrender of the premises by Lessee shall not terminate this lease or Lessee's obligation to pay rent as required herein. Property left in the premises may be sold on conditions as favorable as the market will allow, with the proceeds of such sale going to offset any deficiency owing to Lessor. Any default by Lessee shall entitle Lessor, at his sole discretion, to terminate the lease. Lessor may, without terminating this lease, re-let the premises with Lessee to pay all costs incurred by Lessor in so doing. If Lessor re-lets the premises, Lessee shall pay any deficiency between the monthly rent actually received by Lessor, and the amount of rent which the Lessee promised to pay under the terms of this lease. Lessee agrees that Lessor may seek a judgement for any deficiency or other damages owing under the lease in small claims court pursuant to A.S. 22.15.040 and District Court Civil Rule 8. Lessee shall pay all costs and attorneys' fees incurred by Lessor as a result of a default by Lessee.

18. REMOVAL OF PROPERTY: In the event Lessor lawfully re-enters the premises as provided herein, Lessor shall have the right, but not the obligation, to remove all the personal property located therein and to place such property in storage at the expense and risk of Lessee.

19. COSTS AND ATTORNEY'S FEES: If, by reason of any default or breach on the part of either party in the performance of any of the provisions of this Lease, a legal action is instituted, the losing party agrees to pay all reasonable costs and attorney's fees in connection therewith. It is agreed that the venue of any legal action brought under the terms of this Lease may be in the county in which the premises are situated.

20. SUBORDINATION: Lessee agrees that this Lease shall be subordinate to any mortgages or deeds of trust, placed on the property described, provided that in the event of foreclosure, Lessee is not then in default and agrees to atom to the mortgagee or beneficiary under deed of trust, such mortgagee or beneficiary shall recognize Lessee's right of possession for the term of this Lease.

21. NO WAIVER OF COVENANTS: Any waiver by either party of any breach hereof by the other shall not be construed a waiver of any future similar breach. This Lease contains all the agreements between the parties; and there shall be no modification of the agreements contained herein except by written instrument.

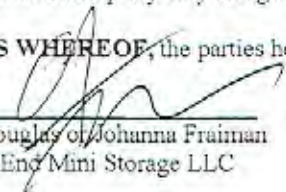
22. SURRENDER OF PREMISES: Lessee agrees, upon termination of this Lease, to peacefully quit and surrender the premises without notice, leave the premises neat and clean and to deliver all keys to the premises to Lessor.

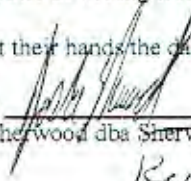
23. **HOLDING OVER:** If Lessee, with the implied or express consent of Lessor, shall hold over after the expiration of the term of this Lease, Lessee shall be bound by all the covenants and agreements herein, except that the tenancy shall be month to month.

24. **USE:** Lessee shall use the premises for the purposes of a marijuana dispensary and for no other purposes, without written consent of Lessor. Lessee shall not grow marijuana on the premises and shall insure that there are no "pungent odors" emanating from the premises that might impact any of the other tenants. Lessee shall obtain all permits and licenses from government authorities and will be solely responsible for being in compliance with said authorities. Lessee agrees not to offer services that would compete with any existing businesses in the East Village. In the interest of maintaining a clean environment, Lessee agrees not to operate loud or, industrial equipment on the premises such as welders, planers, etc. or to use premises for auto repair nor shall Lessee dispose of any petroleum products or hazardous waste on the premises. **ABSOLUTELY NO SMOKING OR PETS PERMITTED ON THE PREMISES.**

25. **NOTICE:** Any notice required to be given by either party to the other shall be deposited on the United States mail, postage prepaid, addressed to the Lessor at 3585 East End Road Suite 12, Homer, AK 99603 or to the Lessee at PO Box 3226, Homer, AK 99603, (907) 299-2986 or at ceo@smlak.com or at such address as either party may designate to the other in writing from time to time.

IN WITNESS WHEREOF, the parties hereunto set their hands the date first above written.

LESSOR: 
Douglas or Johanna Fraiman
East End Mini Storage LLC

LESSEE: 
Jesse Sherwood dba Sherwood Magic Forest LLC
Kachimal Cannabis LLC

AMENDMENT TO LEASE AGREEMENT

THIS AMENDMENT is entered into between Lessor and Lessee effective as of the 7 day of July 2022 under that certain Lease originally dated May 13, 2022, related to the property commonly known as 3585 East End Road, Unit 3, Homer, Alaska 99503.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, RECEIPT OF WHICH IS ACKNOWLEDGED BY BOTH LANDLORD AND TENANT, THE PARTIES HEREBY AGREE THAT THE LEASE IS AMENDED AS FOLLOWS.

- 1. Default:** Lessor shall not take into its possession any marijuana or marijuana product and shall contact the State of Alaska AMCO prior to any access to the licensed premises if Lessee cannot be reached, abandons the property, or similar event.

Except to the extent that the terms and conditions of this Lease Amendment are to the contrary, all other terms and conditions of the original Lease Agreement and any amendments thereto remain in full force and effect.

DATED effective as of the year and date above set forth.

Lessor:
East End Mini Storage, LLC

By:  _____

Lessee:
Kachemak Cannabis, LLC

By:  _____



City of Homer

www.cityofhomer-ak.gov

Police Department

625 Grubstake Avenue
Homer, Alaska 99603

police@cityofhomer-ak.gov

(p) 907-235-3150

(f) 907-235-3151/ 907-226-3009

Memorandum

TO: MELISSA JACOBSEN, MMC, CITY CLERK

CC: LISA LINEGAR, COMMUNICATIONS SUPERVISOR

FROM: MARK ROBL, POLICE CHIEF

DATE: MAY 17, 2023

SUBJECT: NEW RETAIL MARIJUANA STORE LICENSE FOR KACHEMAK CANNABIS, LLC – No
Objection

Homer Police Department has no objection to a new Retail Marijuana Store Application within the City of Homer for the following businesses:

Type: Retail Marijuana Store
Lic #: 33236
DBA Name: Kachemak Cannabis
Service Location: 3585 East End Road, Suite 3, Homer, AK 99603
Licensee: Kachemak Cannabis, LLC
Designated Licensee: Jesse Sherwood
Mailing Address: PO Box 3226, Homer, AK 99603



City of Homer

www.cityofhomer-ak.gov

Planning

491 East Pioneer Avenue
Homer, Alaska 99603

Planning@ci.homer.ak.us

(p) 907-235-3106

(f) 907-235-3118

MEMORANDUM

TO: MAYOR CASTNER AND HOMER CITY COUNCIL
THROUGH: ROB DUMOUCHEL, CITY MANAGER
FROM: RYAN FOSTER, AICP, ACTING CITY PLANNER
DATE: MAY 15, 2023
SUBJECT: KACHEMAK CANNABIS, LLC NEW RETAIL MARIJUANA
STORE LICENSE

I have received and reviewed the new license application for Kachemak Cannabis, Retail Marijuana Store, License number 33236, located at 3585 East End Road, Suite 3, Homer, AK.

I have no objection to the application on zoning related issues.