



MEMORANDUM

TO: Robert Klein, Chair, and
Members of the Board

DATE: September 13, 2017

FROM: Erika McConnell
Director, ABC Board

RE: Serrano's Mexican Grill
#5364 Restaurant or Eating
Place

Renewal applications were due on January 1, 2017, in accordance with AS 04.11.270(b)(2). AS 04.11.540 states that if a complete application for renewal has not been filed by February 28 [2017], the license expires on midnight of February 28.

The AMCO office first received paperwork to renew this license in April, but a complete renewal application was not finalized until September 1, 2017. While AMCO's staffing issues did contribute to the delay in reviewing this application, the applicant also needed three incomplete letters to finalize a correct application.

The licensee is seeking reinstatement and renewal and a transfer of controlling interest.

The new majority owner (who will own 76% of the LLC) is a shareholder in other licenses where there have been problems with transfers not being promptly requested from the board.

Due to the prior behavior of this applicant with other licenses, staff recommends that the board place the following condition on the license, if the board chooses to renew the license:

Lack of compliance with AS 04.11.040 and/or AS 04.11.045(b) shall result in the immediate initiation of revocation proceedings.

Recommendation: Evaluate the request for reinstatement and renewal pursuant to 3 AAC 304.160(e) and (f).

If the license is renewed, approval of the transfer with delegation and the suggested condition is recommended.

Attachments: Request for Reinstatement
Renewal Application
Transfer Application

April 11, 2017

Department of Commerce, Community,
And Economic Development
Alcohol & Marijuana Control Office
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501

RE: Renewal application of License #5364 DBA Serrano's Mexican Grill

Dear Sir or Madam,

Please consider the reinstatement of our expired Liquor License.

The owners were not aware of the fact that the License had expired. The responsibility for renewing it was with the new company accountant. She did not realize that the License was to be renewed this year and thought it was still valid until the end of 2017.

She works from out of state and did not receive any renewal notices which were likely lost at the restaurant by the staff. As the company is going through some structural changes she had been taking care of the financial aspects of the reorganization and did not double check the expiration date.

Please let us rectify this mistake. Being a Mexican restaurant we heavily depend on the sale of beer and wine. Every day without liquor sales will impact our cash flow dramatically. With the Cinco de Mayo holiday coming up the absence of the Liquor License would be devastating to our business.

Thank you for your understanding and assistance in this matter.

Sincerely,

Katerina Filina
Accountant



Alaska Alcoholic Beverage Control Board
Renewal License Application
Form AB-17a: Restaurant / Eating Place

What is this form?

This renewal license application form is required for all individuals or entities seeking to apply for renewal of an existing restaurant / eating place license that will expire on December 31, 2016. All fields of this form must be complete and correct, or the application will be returned to you in the manner in which it was received, per AS 04.11.270 and 3 AAC 304.105. The Community Council field only needs to be verified/completed by licensees whose establishments are located within the Municipality of Anchorage or outside of city limits within the Matanuska-Susitna Borough.

This form must be completed correctly and submitted to the Alcohol & Marijuana Control Office (AMCO)'s main office, along with all other required documents and fees, before any renewal license application will be considered complete.

Section 1 – Establishment and Contact Information

Enter information for the business seeking to have its license renewed.

Licensee:	Serrano's, LLC	License #:	5364
License Type:	Restaurant/Eating Place	Statute:	AS 04.11.100
Doing Business As:	Serrano's Mexican Grill		
Premises Address:	201 E Northern Lights Blvd, Ste A		
Local Governing Body:	Municipality of Anchorage		
Community Council:	Midtown		

Mailing Address:	201 E Northern Lights Blvd, Ste A				
City:	Anchorage	State:	AK	ZIP:	99503

Enter information for the licensee who will be designated as the primary point of contact regarding this application and the license.

Designated Licensee:	Josue Picasso		
Contact Phone:	907-297-9952	Business Phone:	907-744-1555
Contact Email:	katia@serranosgrill.com		

Seasonal License? ☐ Yes ☒ No If "Yes", write your six-month operating period: _____





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

Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board
Renewal License Application
Form AB-17a: Restaurant / Eating Place

Section 2 – Sole Proprietor Ownership Information

This section must be completed by any sole proprietor who is applying for a license. Entities should skip to Section 3.
If more space is needed, please attach a separate sheet with the required information.
The following information must be completed for each licensee and each affiliate (spouse).

This individual is an: ☐ applicant ☐ affiliate

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

This individual is an: ☐ applicant ☐ affiliate

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

Section 3 – Entity Ownership Information

This subsection must be completed by any licensee that is a corporation or LLC. Corporations and LLCs are required to be in good standing with the Alaska Division of Corporations (DOC). Partnerships may skip to Page 3. Sole proprietors should skip to Section 4.

Alaska DOC Entity #:	118849
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Alaska Division of Corporations:

Yes No

Is your entity in good standing with the Alaska Division of Corporations?

☒ ☐





Alaska Alcoholic Beverage Control Board
Renewal License Application
Form AB-17a: Restaurant / Eating Place

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

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

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

Entity Official:	Josue Picasso				
Title(s):	President	Phone:	907-297-9952	% Owned:	33.76
Address:	201 E Northern Lights Blvd				
City:	Anchorage	State:	AK	ZIP:	99503

Entity Official:	Jorge Perez				
Title(s):	Vice-president	Phone:	907-382-7191	% Owned:	43
Address:	718 S 8th Street				
City:	Las Vegas	State:	NV	ZIP:	89101

Entity Official:	Alberto Perez				
Title(s):	Secretary	Phone:	907-250-2020	% Owned:	15
Address:	9410 Morningside Loop A				
City:	Anchorage	State:	AK	ZIP:	99515

Entity Official:					
Title(s):		Phone:		% Owned:	
Address:					
City:		State:		ZIP:	

Entity Official:					
Title(s):		Phone:		% Owned:	
Address:					
City:		State:		ZIP:	

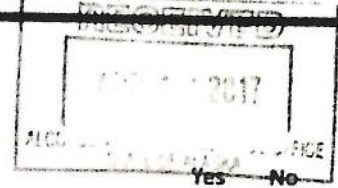




Alaska Alcoholic Beverage Control Board
Renewal License Application
Form AB-17a: Restaurant / Eating Place

Section 4 – Authorization

Communication with AMCO staff:



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

☒ ☐

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

Ekaterina Filina, Accountant

Section 5 – License Operation

Check the box that best describes your liquor license operations in calendar years 2015 and 2016:

The license was regularly operated continuously throughout each year, for 8 or more hours each day.

☒

The license was regularly operated during a specific season each year, for 8 or more hours each day.

☒

The license was only operated to meet the minimum requirement of 30 days each year, 8 hours each day.
If this box is checked, an AMCO employee will contact you after reviewing your application.

☐

The license was not operated at all or was not operated for at least the minimum requirement of 30 days each year, 8 hours each day, during one or both of the calendar years.
If this box is checked, an AMCO employee will contact you after reviewing your application.

☐

Section 6 – Convictions

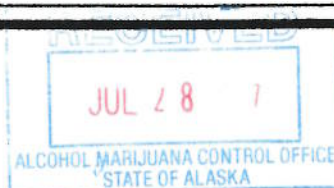
Applicant convictions in calendar years 2015 and 2016:

Yes No

Has any person named in this application been convicted of a violation of Title 04, of 3 AAC 304, or a local ordinance adopted under AS 04.21.010 in the calendar years 2015 or 2016?

☐ ☒

If "Yes", list all convictions:





Alaska Alcoholic Beverage Control Board
Renewal License Application
Form AB-17a: Restaurant / Eating Place

Section 7 – Certifications



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

I certify that all current licensees (as defined in AS 04.11.260) and affiliates have been listed on this application, and if the licensee is an organized entity, that all current entity officials and stakeholders are listed with the Alaska Division of Corporations.

JP

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

JP

I certify that in accordance with AS 04.11.450, no one other than the licensee(s) has a direct or indirect financial interest in the licensed business.

JP

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

JP

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Alcoholic Beverage Control Board.

JP

I certify that the gross receipts for the sale of food at the restaurant equal at least 50% of the total gross receipts for calendar years 2015 and 2016.

JP

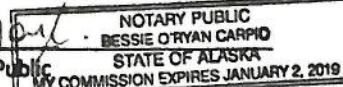
As an applicant for a liquor license renewal, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 304, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the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

Signature of licensee

Josue Picasso

Printed name of licensee

Signature of Notary Public

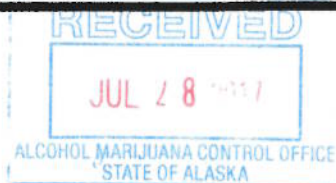


Notary Public in and for the State of Alaska

My commission expires: 01/02/2019

Subscribed and sworn to before me this 12 day of April, 2017.

License Fee:	\$ 600.00	Filing Fee:	\$ 200.00	TOTAL:	\$ 800.00
Late Fee of <u>500</u> – if received or postmarked after 01/03/2017:					<u>500</u>
Miscellaneous Fees:					
GRAND TOTAL (if different than TOTAL):					<u>1300</u>





Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

What is this form?

This transfer license application form is required for all individuals or entities seeking to apply for the transfer of ownership and/or location of an existing liquor license. Applicants should review **Title 04 of Alaska Statutes** and **Chapter 304 of the Alaska Administrative Code**. All fields of this form must be completed, per AS 04.11.260, AS 04.11.280, AS 04.11.290, and 3 AAC 304.105.

This form must be completed and submitted to AMCO's main office, along with all other required forms and documents, before any license application will be considered complete.

Section 1 – Transferor Information

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

Licensee:	Serrano's LLC	License #:	5364		
License Type:	Restaurant/Eating Place	Statutory Reference:	AS04.11.100		
Doing Business As:	Serrano's Mexican Grill				
Premises Address:	201 E Northern Lights Blvd				
City:	Anchorage	State:	AK	ZIP:	99503
Local Governing Body:	Municipality of Anchorage				

Transfer Type:

- ☒ Regular transfer
☐ Transfer with security interest
☐ Involuntary retransfer

OFFICE USE ONLY			
Complete Date:		Transaction #:	15445
Board Meeting Date:		License Years:	
Issue Date:		BRE:	





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

Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Section 2 – Transferee Information

Enter information for the *new* applicant and/or location seeking to be licensed.

Licensee:	Serrano's LLC				
Doing Business As:	Serrano's Mexican Grill				
Premises Address:	201 E Northern Lights Blvd				
City:	Anchorage	State:	AK	ZIP:	99503
Community Council:	Midtown				

Mailing Address:	201 E. Northern lights Blvd				
City:	Anchorage	State:	AK	ZIP:	99503

Designated Licensee:	Josue Picasso			
Contact Phone:	907-297-9952	Business Phone:	907-744-1555	
Contact Email:	katia@serranosgrill.com			

Seasonal License? ☐ Yes ☒ No
If "Yes", write your six-month operating period: _____

Section 3 – Premises Information

Premises to be licensed is:

☒ an existing facility ☐ a new building ☐ a proposed building

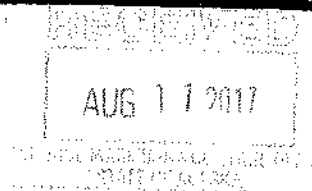
The next two questions must be completed by beverage dispensary (including tourism) and package store applicants only:

What is the distance of the shortest pedestrian route from the public entrance of the building of your proposed premises to the outer boundaries of the nearest school grounds? Include the unit of measurement in your answer.

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What is the distance of the shortest pedestrian route from the public entrance of the building of your proposed premises to the public entrance of the nearest church building? Include the unit of measurement in your answer.

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Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application**Section 4 – Sole Proprietor Ownership Information**

This section must be completed by any sole proprietor who is applying for a license. Entities should skip to Section 5.

If more space is needed, please attach a separate sheet with the required information.

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

This individual is an: ☐ applicant ☐ affiliate

Name:					
Address:					
City:		State:		ZIP:	

This individual is an: ☐ applicant ☐ affiliate

Name:					
Address:					
City:		State:		ZIP:	

Section 5 – Entity Ownership Information

This section must be completed by any entity, including a corporation, limited liability company (LLC), partnership, or limited partnership, that is applying for a license. Sole proprietors should skip to Section 6.

If more space is needed, please attach a separate sheet with the required information.

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

Entity Official:	Josue Picasso				
Title(s):	President	Phone:	907-297-9952	% Owned:	76
Address:	201 E Northern Lights Blvd				
City:	Anchorage	State:	AK	ZIP:	99503





Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Entity Official:	Alberto Perez Garcia				
Title(s):	Manager	Phone:	907-250-2020	% Owned:	15
Address:	9410 Morningside Loop Unit A				
City:	Anchorage	State:	AK	ZIP:	99515

Entity Official:					
Title(s):		Phone:		% Owned:	
Address:					
City:		State:		ZIP:	

Entity Official:					
Title(s):		Phone:		% Owned:	
Address:					
City:		State:		ZIP:	

This subsection must be completed by any applicant that is a corporation or LLC. Corporations and LLCs are required to be in good standing with the Alaska Division of Corporations (DOC) and have a registered agent who is an individual resident of the state of Alaska.

DOC Entity #:	118849	AK Formed Date:	2008	Home State:	AK
Registered Agent:	Josue Picasso	Agent's Phone:	907-297-9952		
Agent's Mailing Address:	201 E Northern Lights Blvd				
City:	Anchorage	State:	AK	ZIP:	99503

Residency of Agent:

Yes No

Is your corporation or LLC's registered agent an individual resident of the state of Alaska?





Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Section 6 – Other Licenses

Ownership and financial interest in other alcoholic beverage businesses:

Yes No

Does any representative or owner named as a transferee in this application have any direct or indirect financial interest in any other alcoholic beverage business that does business in or is licensed in Alaska?

☐☒

If "Yes", disclose which individual(s) has the financial interest, what the type of business is, and if licensed in Alaska, which license number(s) and license type(s):

Section 7 – Authorization

Communication with AMCO staff:

Yes No

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

☒☐

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

Ekaterina Filina, Accountant





Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Section 8 – Transferor Certifications

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

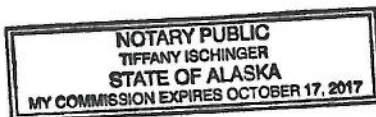
I declare under penalty of perjury that the undersigned represents a **controlling interest** of the current licensee. I additionally certify that I, as the current licensee (either the sole proprietor or the controlling interest of the currently licensed entity) have examined this application, approve of the transfer of this license, and find the information on this application to be true, correct, and complete.

Signature of transferor

Jorge Perez Garcia

Printed name of transferor

Subscribed and sworn to before me this 16 day of MAY, 2017.



Signature of Notary Public

Notary Public in and for the State of ALASKA

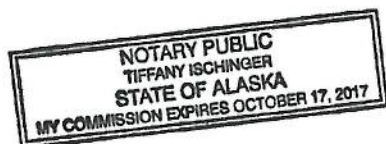
My commission expires: 10/17/17

Signature of transferor

Josue Picasso

Printed name of transferor

Subscribed and sworn to before me this 16 day of MAY, 2017.



Signature of Notary Public

Notary Public in and for the State of ALASKA

My commission expires: 10/17/17





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

Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Section 9 – Transferee Certifications

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

Initials

I certify that all proposed licensees (as defined in AS 04.11.260) and affiliates have been listed on this application.



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



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



I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check the identification of a patron will complete an approved alcohol server education course, if required by AS 04.21.025, and, while selling or serving alcoholic beverages, will carry or have available to show a current course card or a photocopy of the card certifying completion of approved alcohol server education course, if required by 3 AAC 304.465.



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



As an applicant for a liquor license, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 304, and that this application, including all accompanying schedules and statements, is true, correct, and complete.

Signature of transferee

Josue Picasso

Printed name



Subscribed and sworn to before me this 22 day of May, 2017.

Signature of Notary Public

Notary Public in and for the State of Alaska

My commission expires: 06/19/17





Alaska Alcoholic Beverage Control Board

Form AB-02: Premises Diagram

What is this form?

A detailed diagram of the proposed licensed premises is required for all liquor license applications, per AS 04.11.260 and 3 AAC 304.185. Your diagram must include dimensions and must show all entrances and boundaries of the premises, walls, bars, fixtures, and areas of storage, service, consumption, and manufacturing. If your proposed premises is located within a building or building complex that contains multiple businesses and/or tenants, please provide an additional page that clearly shows the location of your proposed premises within the building or building complex, along with the addresses and/or suite numbers of the other businesses and/or tenants within the building or building complex.

The second page of this form is not required. Blueprints, CAD drawings, or other clearly drawn and marked diagrams may be submitted in lieu of the second page of this form. The first page must still be completed, attached to, and submitted with any supplemental diagrams. An AMCO employee may require you to complete the second page of this form if additional documentation for your premises diagram is needed.

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

Yes No

I have attached blueprints, CAD drawings, or other supporting documents in addition to, or in lieu of, the second page of this form.



Section 1 – Establishment Information

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

Licensee:	Serrano's LLC	License Number:	5364		
License Type:	Restaurant/Eating Place				
Doing Business As:	Serrano's Mexican Grill				
Premises Address:	201 E Northern Lights Blvd				
City:	Anchorage	State:	AK	ZIP:	99503

RECEIVED

JUN 26 2017

ALCOHOL MARIJUANA CONTROL OFFICE
STATE OF ALASKA



Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

alcohol.licensing@alaska.gov

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

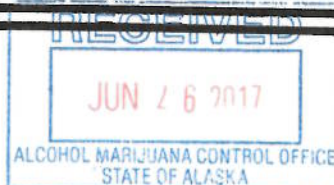
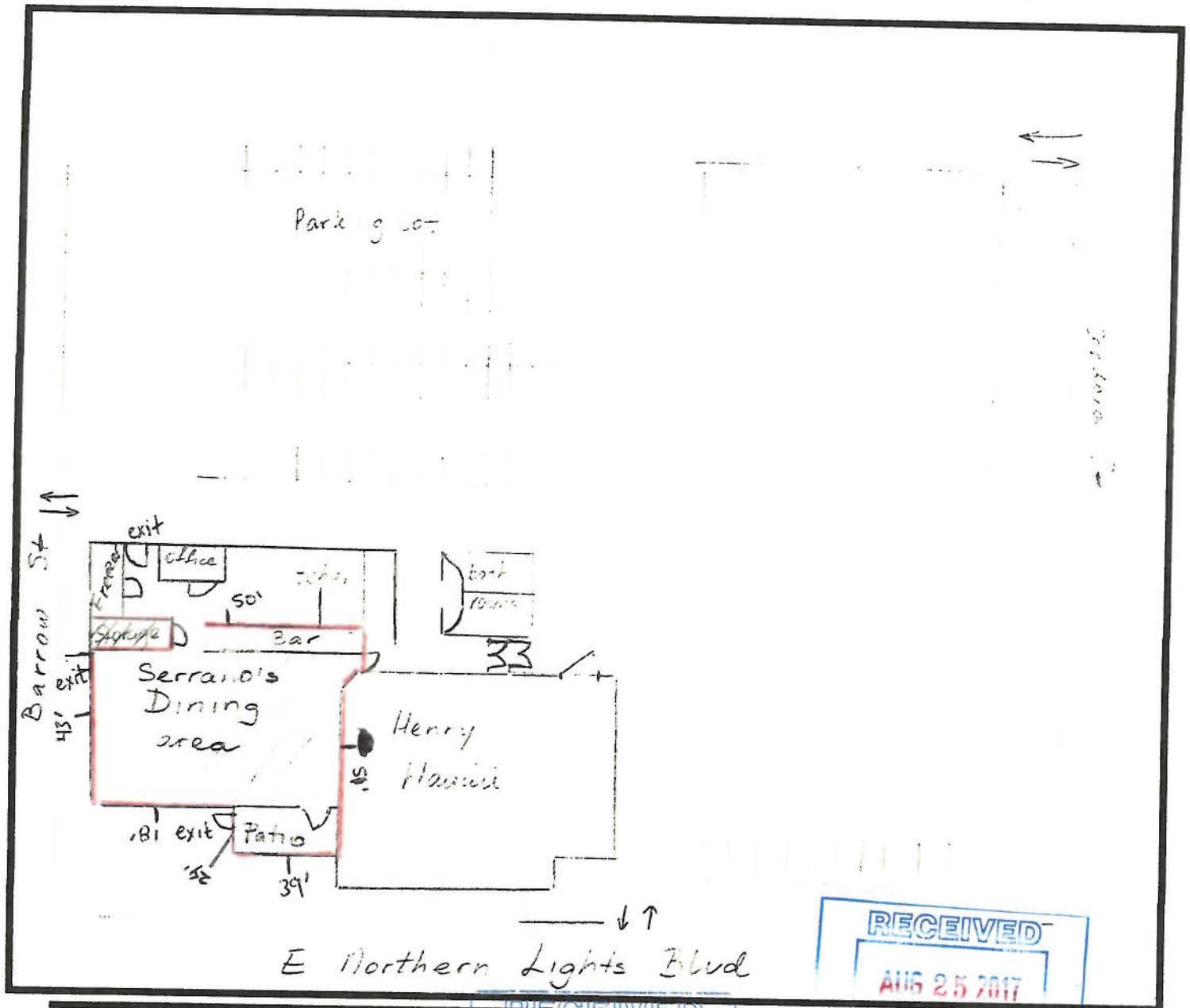
Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

Form AB-02: Premises Diagram

Section 2 – Detailed Premises Diagram

Clearly indicate the boundaries of the premises and the proposed licensed area within that property. Clearly indicate the interior layout of any enclosed areas on the proposed premises. Clearly identify all entrances and exits, walls, bars, and fixtures, and outline in red the perimeter of the areas designated for alcohol storage, service, consumption, and manufacturing. Include dimensions, cross-streets, and points of reference in your drawing. You may attach blueprints or other detailed drawings that meet the requirements of this form.





Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application

What is this form?

A restaurant designation permit application is required for a licensee desiring designation under 3 AAC 304.715 – 3 AAC 304.795 as a bona fide restaurant, hotel, or eating place for purposes of AS 04.16.010(c) or AS 04.16.049. Designation will be granted only to a holder of a beverage dispensary, club, recreational site, golf course, or restaurant or eating place license, and only if the requirements of 3 AAC 304.305, 3 AAC 304.725, and 3 AAC 304.745, as applicable, are met. A **detailed floor plan** of the proposed designated and undesignated areas of the licensed business and a **menu or expected menu** listing the meals to be offered to patrons must accompany this form. Applicants should review AS 04.16.049 – AS 04.16.052 and 3 AAC 304.715 – 3 AAC 304.795. All fields of this form must be completed. The required \$50 permit fee may be made by credit card, check, or money order.

Section 1 – Establishment Information

Enter information for licensed establishment.

Licensee:	Serrano's LLC				
License Type:	Restaurant/Eating Place	License Number:	5364		
Doing Business As:	Serrano's Mexican Grill				
Premises Address:	201 E Northern Lights Blvd				
City:	Anchorage	State:	AK	ZIP:	99503
Contact Name:	Josue Picasso	Contact Phone:	907-297-9952		

Section 2 – Type of Designation Requested

This application is for the request of designation as a bona fide restaurant, hotel, or eating place for purposes of AS 04.16.010(c) or AS 04.16.049, and for the request of the following designation(s) (check all that apply):

- ☐ Dining after standard closing hours: AS 04.16.010(c)
- ☒ Dining by persons 16 – 20 years of age: AS 04.16.049(a)(2)
- ☒ Dining by persons under the age of 16 years, accompanied by a person over the age of 21: AS 04.16.049(a)(3)
- ☐ Employment for persons 16 or 17 years of age: AS 04.16.049(c)

NOTE: Under AS 04.16.049(d), this permit is not required to employ a person 18 – 20 years of age.

OFFICE USE ONLY				
Issue Date:		Transaction #:	BRE:	

RECEIVED

JUN 26 2017

ALCOHOL MARIJUANA CONTROL OFFICE
STATE OF ALASKA



Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application

Section 3 – Additional Information

Enter all hours that your establishment intends to be open. Include variances in weekend/weekday hours, and indicate am/pm:

Monday through Saturday 11.00am -10.00 pm

Sunday 12.00pm - 9.00 pm

Are any forms of entertainment offered or available within the licensed business or on the proposed designated portions of the premises?

Yes

☐

No

☒

If "Yes", describe the entertainment offered or available:

Food and beverage service offered or anticipated is:

☐

table service

☐

buffet service

☒

counter service

☒

other

If "other", describe the manner of food and beverage service offered or anticipated:

Patrons order at the counter, the food is brought out to their table

Is an owner, manager, or assistant manager 21 years of age or older always present on the premises during business hours?

Yes

☒

No

☐

Blueprints, CAD drawings, or other clearly drawn and marked diagrams may be submitted in lieu of the third page of this form.

I have attached blueprints, CAD drawings, or other supporting documents in addition to, or in lieu of, the third page of this form that meet the requirements of this form.

Yes

☒

No

☐



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

Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application

Section 5 – Certifications and Approvals

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

Initials

I have included with this form a detailed floor plan of the proposed designated and undesignated areas of the licensed business for purposes of this application. I understand that this diagram is different than my licensed premises diagram.



I have included with this form a menu, or an expected menu, listing the meals to be offered to patrons.



I certify that the license for which I am requesting designation is either a beverage dispensary, club, recreational site, golf course, or restaurant or eating place license.



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

Signature of licensee

Josue Picasso

Printed name of licensee



Signature of Notary Public

Notary Public in and for the State of

Alaska

My commission expires:

06/14/17

Subscribed and sworn to before me this 22 day of May, 20 17.

Local Government Review (to be completed by an appropriate local government official):

Approved

Disapproved



Signature of local government official

Date

Printed name of local government official

Title





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

Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application

AMCO Enforcement Review:

Signature of AMCO Enforcement Supervisor

Printed name of AMCO Enforcement Supervisor

Enforcement Recommendations:

AMCO Director Review:

Approved Disapproved

☐☐

Signature of AMCO Director

Printed name of AMCO Director

Date

Limitations:





Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

alcohol.licensing@alaska.gov

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

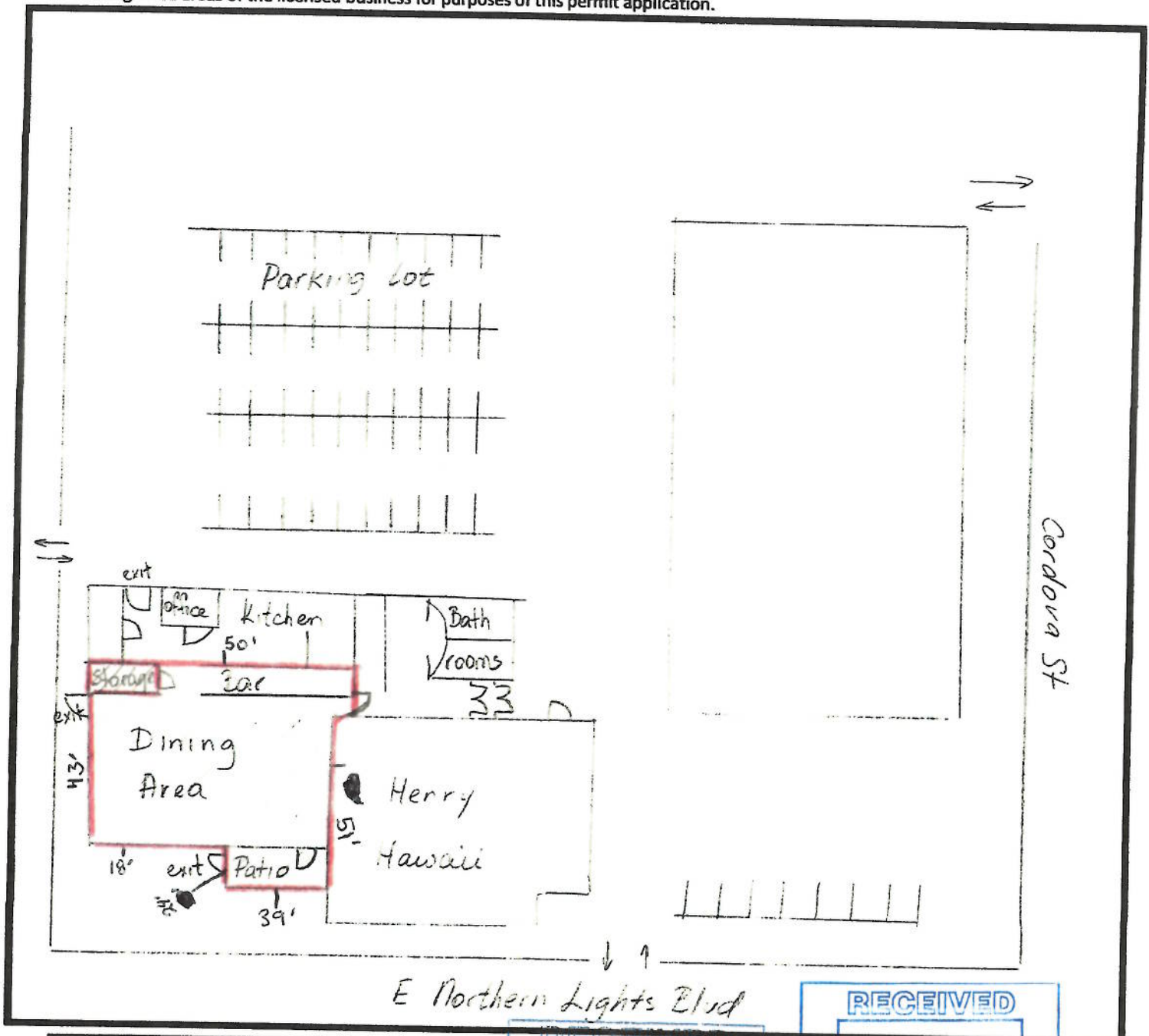
Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

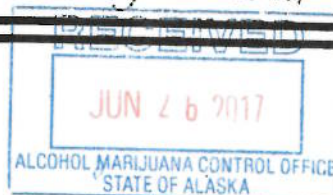
Form AB-03: Restaurant Designation Permit Application

Section 4 – Detailed Floor Plan

Provide a detailed floor plan that meets the requirements listed in Form AB-02 and clearly indicates the proposed designated and undesignated areas of the licensed business for purposes of this permit application.



[Form AB-03] (rev 10/10/2016)



Page 3 of 5

SANDWICHES

ALL SERVED WITH CILANTRO PARMESAN FRIES

TORTA Mexican sandwich served hot on bolillo bread, garnished with guacamole, tomatoes, mayo, and queso fresco. Choose from chicken, steak, pork, shredded beef, lengua or chorizo. | 12.99

SERRANO'S BURGER A half pound Angus beef burger on a brioche bun with American cheese, ham, bacon, and Polish sausage, garnished with lettuce and tomatoes. | 13.99

CUBAN SANDWICH Grill-pressed bolillo bread with carnitas, ham, polish sausage, cheddar & pepper jack cheeses, creamy avocado sauce, lettuce and tomatoes. | 13.99

DESSERTS

ALL DESSERTS ARE 5.99

FLAN Sweetened egg custard with a caramel topping.

CHEESECAKE CHIMICHANGA Banana cheesecake filling wrapped in a flour tortilla, fried til golden brown and dusted in cinnamon sugar.

CHURROS Fried dough pastry, tossed in cinnamon sugar and topped with whipped cream and chocolate sauce.

DRINKS

HORCHATA Creamy beverage made with rice, cinnamon, sugar and vanilla. | 3.49

HIBISCUS LEMONADE A refreshing drink made with freshly squeezed lemons combined with hibiscus flower tea. | 3.49

SOFT DRINKS

Bottled Mexican Coke 2.99 | Fountain Sodas 2.99
Coke, Diet Coke, Dr. Pepper, Barq's Root Beer, Fanta Orange and Sprite

DRAUGHT BEERS | pint 5.00 | pitcher 15.50

Negra Modelo, Pacifico, and XX Amber

BOTTLED BEERS | 5.25

Corona, Modelo Especial, and Corona Light

WINE MARGARITAS | 6.99

MICHELADA (MEXICAN RED BEER) | 6.99

Your choice of beer mixed with lime juice, clamato juice, assorted sauces, spices and peppers. Served in a chilled salt rimmed glass.

WINE BY THE GLASS | 6.49

ask your server for current selection.



Serrano's
MEXICAN GRILL

**FRESH
AUTHENTIC
MEXICAN
FOOD**

NOW WITH TWO LOCATIONS

MIDTOWN
201 E. Northern Lights Blvd
907-744-1555

EAST ANCHORAGE
2514 E. Tudor Road
907-561-5611

RESTAURANT HOURS:
Open 7 Days a Week
11am-10pm Mon-Sat
Noon-9pm Sun



SERRANOSGRILL.COM

WE DELIVER 7 DAYS A WEEK | 11AM-10PM*

* LIMITED DELIVERY AREA. PRICES, HOURS AND AVAILABILITY
SUBJECT TO CHANGE WITHOUT NOTICE.

ORDER YOUR CATERING THROUGH US!



APPETIZERS

NACHOS Housemade crispy tortilla chips layered with a blend of cheeses, refritos, pico de gallo, and guacamole with your choice of chicken, beef, carnitas, chorizo, or fajita veggies. | 11.99

GRILLED QUESADILLA 8-inch tortillas filled with a blend of cheeses and your choice of chicken, beef, carnitas, chorizo, or fajita veggies. Served with fresh guacamole. | 10.99 | just cheese 7.99

CEVICHÉ Tiger prawns cured in citrus juices with onions, cucumber, jalapeños and carrots. Served with chips. | 13.99

SOUTHWESTERN EGGROLLS Crisped to perfection and stuffed with charbroiled al pastor chicken, refritos, and jack cheese. Served with avocado salsa. | 11.99

GUACAMOLE AND CHIPS Mashed fresh avocados mixed with freshly chopped jalapeños, serranos, onion, cilantro, and lime juice. Served with tortilla chips. | 8.99

CILANTRO PARMESAN FRIES | 3.99

ASADA FRIES Fries layered with a blend of cheeses, refritos, pico de gallo, guacamole, and your choice of chicken, steak, pork, or chorizo. | 11.99

CHIPS AND SALSA | 3.49

SOUP & SALAD

TORTILLA SOUP Mildly spicy tomato-based soup with chicken broth, avocado, panela cheese, fried tortilla noodles, and cilantro | 7.99 add chicken for 2.49

SHRIMP TOSTADA Sinaloa inspired tostada topped with shrimp alajillo, cucumber, garlic aioli, cabbage, and creamy avocado salsa. | 6.49

TACO SALAD Crispy flour tortilla bowl filled with refritos, rice, Romaine lettuce, blend of cheddar and pepperjack cheeses, pico de gallo, guacamole, and your choice of carne asada, chicken, ground beef, barbacoa, carnitas, chorizo, or fajita veggies | 11.99

AVOCADO & TOMATO SALAD Crisp Romaine lettuce with roma tomatoes, sliced avocado, grilled corn, fried tortilla noodles, and your choice of grilled chicken, carne asada, carnitas, chorizo, or fajita veggies. Served with avocado sauce. | 11.99 add shrimp for 2.99

BAJA SHRIMP SALAD Shrimp grilled alajillo served with avocado, crispy bacon and tomatoes over Romaine lettuce. Dressed with avocado salsa. | 13.99

DON CAESAR SALAD Did you know the original Caesar salad was created in Mexico? TRUE STORY. Romaine, parmesan cheese, and classic Caesar dressing with your choice of carne asada or grilled chicken. | 11.99 add shrimp for 2.99

MEXICAN 101

REFRITOS: Refried Beans | CARNITAS: Pulled Pork Confit
BARBACOA: Shredded Beef | LENGUA: Slow Cooked Beef Tongue
CARNE ASADA: Marinated Steak | CHORIZO: Spicy Mexican Sausage

ENTREES

ALL SERVED WITH RICE AND BEANS | ASK FOR OUR DAILY SPECIAL

MUCHO MACHO DINNER Choose from carne asada, barbacoa, grilled chicken, carnitas, or lengua. Garnished with chopped onions and cilantro with a lime wedge. Served with corn or flour tortillas. | 13.99

ENCHILADAS TRADICIONAL Two corn tortillas filled with your choice of ground beef, barbacoa, chicken or cheese, topped with traditional red sauce and melted jack cheese. | 11.99

ENCHILADAS SUIZAS Two corn tortillas filled with shredded chicken and cheese, smothered in tomatillo cream sauce and melted jack cheese. | 11.99

GRILLED QUESADILLA DINNER Flour tortillas filled with a blend of cheeses and your choice of grilled chicken, ground beef, barbacoa, carne asada, carnitas, chorizo, or fajita veggies. Served with fresh guacamole. | 13.49

RICE BOWL Perfectly cooked rice with refritos and our signature molcajete sauce. Garnished with cotija cheese and your choice of grilled chicken, carne asada, carnitas or fajita veggies. | 12.99

TACOS

EACH FOR 3.95 | ADD BEANS AND RICE FOR 3.49

Your choice of chicken, carne asada, carnitas, ground or shredded beef, lengua, chorizo, or chipotle shrimp (+.75).

STREET TACO Soft corn tortillas garnished with onions, cilantro and a lime wedge. The way a taco should be. 🌮

SOUTHWEST TACOS Choice of soft flour or crispy corn tortillas, garnished with cheese, salsa and Romaine lettuce.

BURRITOS

ALL SERVED WITH RICE AND BEANS

Your choice of chicken, carne asada, carnitas, ground or shredded beef, lengua or chorizo.

SERRANO'S ORIGINAL BURRITO Flour tortilla with refritos, rice, choice of meat, cheese, onions, cilantro, and salsa and topped with guacamole. | 11.99

FAJITA BURRITO A colorful mix of sauteed peppers and onions, cilantro, and wrapped in a flour tortilla with rice, refritos, and your choice of meat. Topped with guacamole. | 13.49

CHIPOTLE SHRIMP BURRITO Flour tortilla, beans, rice, shrimp in a creamy chipotle sauce, cabbage and cheese. Topped with guacamole. | 14.99

SOUTHWEST CHIMICHANGA A deep-fried burrito filled with a blend of cheeses and your choice of meat. Topped with our molcajete sauce. | 12.99

MONSTER BEAN & CHEESE BURRITO | 8.99



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

Alaska Alcoholic Beverage Control Board

Form AB-07: Public Notice Posting Affidavit

What is this form?

A public notice posting affidavit is required for all liquor license applications. An applicant must give notice of a liquor license application to the public by posting a true copy of the **Form AB-00** (new licenses) or **Form AB-01** (license transfers) 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 AS 04.11.310 and 3 AAC 304.125. The public notice must be given within the 60 days immediately preceding filing of the application.

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

Section 1 – Establishment Information

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

Licensee:	Serrano's LLC			
License Type:	Restaurant/Eating Place			
Doing Business As:	Serrano's Mexican Grill			
Premises Address:	201 E Northern Lights Blvd			
City:	Anchorage	State:	AK	ZIP: 99503

Section 2 – Certification

I certify that I have met the public notice requirement set forth under AS 04.11.310 by posting a copy of my application for the following 10-day period at the location of the proposed licensed premises and at the following conspicuous location in the area of the proposed premises:

Start Date: 5.01.2017

End Date: 5.11.2017

Other conspicuous location: Post office

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

Signature of licensee

Josue Picasso

Printed name of licensee



Signature of Notary Public

Notary Public in and for the State of Alaska

My commission expires: 06/11/17

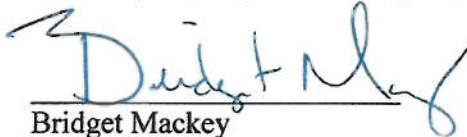
Subscribed and sworn to before me this 22 day of May, 20 17.



ANCHORAGE PRESS
731 I STREET SUITE 102
Anchorage, Alaska 99501
Phone: 561-7737 Fax: 561-7777

**LIQUOR LICENSE
TRANSFER NOTICE**
Serrano's LLC, d/b/a Serrano's Mexican Grill located at 201 E. Northern Lights Blvd is applying for transfer of a restaurant/ eating place AS 04.11.100. The change in ownership involves the stock transfer from Jorge Perez Garcia to Josue Picasso in the amount of 42.67%. Interested persons should submit written comment to their local governing body, the applicant and to the Alcoholic Beverage Control Board at 550 W. 7th Ave., Suite 1600 Anchorage AK 99501. Pub 5.11, 5.18 and 5.25

I, Bridget Mackey, advertising representative for The Anchorage Press verify that the liquor license transfer notice for Serrano's LLC 201 E. Northern Lights Blvd appeared in the May 11, May 18 and May 25, 2017 issues of the Anchorage Press Newspaper.


Bridget Mackey

Subscribed and sworn to me in the Municipality of Anchorage, in the state Alaska, on this First day of JUNE, 2017.


Notary Public Signature
5/24/2021
Commission Expires

CLARE TILLEY
Notary Public
State of Alaska
My Commission Expires
May 24, 2021





Alaska Alcoholic Beverage Control Board

Form AB-08a: Authorization of Records Release**What is this form?**

This authorization of records release form is required for all liquor license applications. Each licensee and affiliate who is required to be listed on an application for a liquor license under AS 04.11.260 must provide written authorization for release of conviction and arrest records, as required by 3 AAC 304.105(a)(1).

The following individuals must complete this form:

- If the applicant is a sole proprietor, this form must be completed by the *applicant* and the applicant's *spouse*.
- If the applicant is a corporation, this form must be completed for each *stockholder who owns 10% or more* of the stock in the corporation, and for each *president, vice-president, secretary, and managing officer*.
- If the applicant is a limited liability organization, this form must be completed for each *member with an ownership interest of 10% or more*, and for each *manager*.
- If the applicant is a partnership, including a limited partnership, this form must be completed for each *partner with an interest of 10% or more*, and for each *general partner*.

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

Section 1 – Establishment Information

Enter information for licensed establishment.

Licensee:	Serrano's LLC				
License Type:	Restaurant/Eating Place	License Number:	5364		
Doing Business As:	Serrano's Mexican Grill				
Premises Address:	201 E Northern Lights Blvd				
City:	Anchorage	State:	AK	ZIP:	99503

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Alberto Perez Garcia
Title:	Manager
Date of Birth:	





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

Alaska Alcoholic Beverage Control Board

Form AB-08a: Authorization of Records Release

Section 3 - Certifications and Approvals

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

Initials

I certify that I have **never** been convicted of an act that constitutes a crime involving moral turpitude.



I certify that I have **never** been convicted of a violation of AS 04 or regulations adopted by the ABC Board.



I certify that I have **never** been convicted of a violation of the alcoholic beverage control laws of another state, as a licensee of that state.



I certify that I have **not** been convicted of a felony in this state, the United States, or another state or territory, including a suspended imposition of sentence, during the 10 years immediately preceding the date of this form.



Sign your initials to the following statement only if you are unable to certify one or more of the above statements:

Initials

I have been convicted of one or more of the above offenses, and I have attached a written explanation that includes the type of offense and why it would be in the public interest for the ABC Board to approve me as a licensee.



I declare under penalty of perjury that this form, including all attachments and accompanying schedules and statements, is true, correct, and complete, and I understand that by signing this form, I am providing written authorization for release of my conviction and arrest records to the Alaska Alcoholic Beverage Control Board through the Alaska Alcohol & Marijuana Control Office under AS 04.11.295 and 3 AAC 304.105.

Signature of licensee/affiliate



Signature of Notary Public

Alberto Perez Garcia
 Printed name of licensee/affiliate

Notary Public in and for the State of Alaska

My commission expires: 06/19/17

Subscribed and sworn to before me this 22 day of May, 2017.





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

Alaska Alcoholic Beverage Control Board

Form AB-08a: Authorization of Records Release

What is this form?

This authorization of records release form is required for all liquor license applications. Each licensee and affiliate who is required to be listed on an application for a liquor license under AS 04.11.260 must provide written authorization for release of conviction and arrest records, as required by 3 AAC 304.105(a)(1).

The following individuals must complete this form:

- If the applicant is a sole proprietor, this form must be completed by the **applicant** and the applicant's **spouse**.
- If the applicant is a **corporation**, this form must be completed for each **stockholder who owns 10% or more** of the stock in the corporation, and for each **president, vice-president, secretary, and managing officer**.
- If the applicant is a **limited liability organization**, this form must be completed for each **member with an ownership interest of 10% or more**, and for each **manager**.
- If the applicant is a **partnership**, including a **limited partnership**, this form must be completed for each **partner with an interest of 10% or more**, and for each **general partner**.

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

Section 1 – Establishment Information

Enter information for licensed establishment.

Licensee:	Serrano's LLC		
License Type:	Restaurant/Eating Place	License Number:	5364
Doing Business As:	Serrano's Mexican Grill		
Premises Address:	201 E Northern Lights Blvd		
City:	Anchorage	State:	AK
		ZIP:	99503

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Josue Picasso
Title:	President
Date of Birth:	





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

Alaska Alcoholic Beverage Control Board

Form AB-08a: Authorization of Records Release

Section 3 – Certifications and Approvals

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

Initials

I certify that I have **never** been convicted of an act that constitutes a crime involving moral turpitude.



I certify that I have **never** been convicted of a violation of AS 04 or regulations adopted by the ABC Board.



I certify that I have **never** been convicted of a violation of the alcoholic beverage control laws of another state, as a licensee of that state.



I certify that I have **not** been convicted of a felony in this state, the United States, or another state or territory, including a suspended imposition of sentence, during the 10 years immediately preceding the date of this form.



Sign your initials to the following statement only if you are unable to certify one or more of the above statements:

Initials

I have been convicted of one or more of the above offenses, and I have attached a written explanation that includes the type of offense and why it would be in the public interest for the ABC Board to approve me as a licensee.



I declare under penalty of perjury that this form, including all attachments and accompanying schedules and statements, is true, correct, and complete, and I understand that by signing this form, I am providing written authorization for release of my conviction and arrest records to the Alaska Alcoholic Beverage Control Board through the Alaska Alcohol & Marijuana Control Office under AS 04.11.295 and 3 AAC 304.105.

Signature of licensee/affiliate

Josue Picasso

Printed name of licensee/affiliate



Signature of Notary Public

Notary Public in and for the State of

Alaska

My commission expires:

06/19/17

Subscribed and sworn to before me this 22 day of May, 2017.





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

Alaska Alcoholic Beverage Control Board

Form AB-09: Statement of Financial Interest

What is this form?

A statement of financial interest is required for all liquor license applications, per 3 AAC 304.105(b)(3). A person other than a licensee may not have a direct or indirect financial interest (as defined in AS 04.11.450(f)) in the business for which a liquor license is issued, per AS 04.11.450.

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

Section 1 – Establishment Information

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

Licensee:	Serrano's LLC				
License Type:	Restaurant/Eating Place	EIN:	26-3613245		
Doing Business As:	Serrano's Mexican Grill				
Premises Address:	201 E Northern Lights Blvd				
City:	Anchorage	State:	AK	ZIP:	99503

Section 2 – Certifications

The sole proprietor or entity listed above certifies that no person other than a proposed licensee listed on the liquor license application has a direct or indirect financial interest, as defined in AS 04.11.450(f), in the business for which a liquor license is being applied for.

The sole proprietor or entity listed above additionally certifies that any ownership change shall be reported to the board as required under AS 04.11.040, AS 04.11.045, AS 04.11.050, and AS 04.11.055.

I, as the sole proprietor or as an officer or stakeholder of the entity listed above, declare under penalty of perjury that this form, including all accompanying schedules and statements, is true, correct, and complete.

Signature of licensee

Josue Picasso

Printed name of licensee



Signature of Notary Public

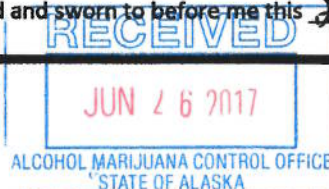
Notary Public in and for the State of

Alaska

My commission expires:

06/19/17

Subscribed and sworn to before me this **22** day of **May**, 20 **17**.



STATE OF ALASKA ALCOHOLIC BEVERAGE
CONTROL BOARD CREDITORS AFFIDAVIT AS
04.11.280 AND AS 04.11.360

AFFIDAVIT

Employer Identification Number (EIN) 26-3613245 Phone Number 907 744-1555

I/We Josue Picasso being first duly sworn on oath, depose
and state that I/we am/are the licensee(s) and transferor(s) of that certain business known as
Serrano's LLC located at
201 E Northern Lights Blvd in connection with liquor license
number 5364 and that the following is a listing of accounts payable and taxes owed by the
above licensed business as of 5.12.2017.

Creditor/Taxing Authority	Complete Mailing Address	Amount	Purpose of Liability
	- NONE -		

SIGNED

SIGNED

SIGNED

SIGNED



Subscribed & sworn to before me this

22 day of May 20 17

Notary Public in & for Alaska

My commission expires

06/19/18

(Rev.12/2012)



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

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

NAME(S)

Type	Name
Legal Name	Serrano's LLC

ENTITY DETAILS

Entity Type: Limited Liability Company
Entity #: 118849
Status: Good Standing
AK Formed Date: 10/28/2008
Duration/Expiration: Perpetual
Home State: ALASKA
Next Biennial Report Due: 1/2/2018
Entity Mailing Address: 201 E NORTHERN LIGHTS BLVD, ANCHORAGE, AK 99503
Entity Physical Address: 201 E NORTHERN LIGHTS BLVD, ANCHORAGE, AK 99503

REGISTERED AGENT

Agent Name: JORGE PEREZ GARCIA
Registered Mailing Address: BOX 231762, ANCHORAGE, AK 99523
Registered Physical Address: 201 E N LIGHTS BLVD, ANCHORAGE, AK 99503

OFFICIALS

				<input type="checkbox"/> Show Former
AK Entity #	Name	Titles	Owned	
	Alberto Perez Garcia	Member	15	
	JOSUE PICASSO	Member	76	
	Timothy Altman	Member	9	

FILED DOCUMENTS

Date Filed	Type	Filing	Certificate
10/28/2008	Creation Filing	Click to View	
12/10/2008	Initial Report	Click to View	
6/06/2011	Biennial Report	Click to View	
2/17/2012	Biennial Report	Click to View	
6/01/2012	Change of Officials	Click to View	
4/04/2013	Certificate of Compliance		Click to View
4/04/2013	Certificate of Compliance		Click to View
2/06/2014	Biennial Report	Click to View	
1/15/2015	Agent Change	Click to View	
5/27/2016	Biennial Report	Click to View	
8/05/2016	Certificate of Compliance		Click to View
5/16/2017	Change of Officials	Click to View	



3692758

THE STATE
of **ALASKA**Department of Commerce, Community and Economic Development
Division of Corporations, Business and Professional Licensing

Corporations Section

State Office Building, 333 Willoughby Avenue, 9th Floor

PO Box 110806, Juneau, AK 99811-0806

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

Email: corporations@alaska.govWebsite: Corporations.Alaska.Gov

COR

FOR DIVISION USE ONLY

MAY 16 2017

CBPL

CC 25 82

Notice of Change of Officials

Domestic Limited Liability Company (AS 10.50)

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

1. Important:

AS 10.50.765

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

— AS 10.50.765

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

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

— AS 10.50.860-.870

2. Fee:

☒ \$25 Nonrefundable Filing Fee (CORF)

3 AAC 16.065(b)

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

3. Entity Information:

Entity Name: Serrano's LLCAlaska Entity Number: 118849

K 1 8 6 2 7 0 8

RECEIVED

JUN 26 2017

ALCOHOL MARIJUANA CONTROL OFFICE
STATE OF ALASKA

IMPORTANT: A Limited Liability Company must have one or more members who must hold a percent of interest.
— AS 10.50.155

4. Officials Changing: (only list officials whose information is changing) AS 10.50.765(b)

- a. If applicable, list the resigning official's name whose information will be removed from the record.
b. List the updating or new official's information which will be placed on record.

Changing Official #1.

a. Resigning Official's Name: (if applicable) Jorge Perez Garcia **MAY 16 2017**

b. Updating or New Official's Name: Josue Picasso **CBPL**

Mailing Address: Address: 201 E Nrthern Lights Blvd

City: Anchorage State: AK ZIP: 99503

Check all that apply: ☒ Member 76 %

☐ Manager (must be provided for in the Articles of Organization)

Changing Official #2

a. Resigning Official's Name: (if applicable) _____

b. Updating or New Official's Name: _____

Mailing Address: Address: _____

City: _____ State: _____ ZIP: _____

Check all that apply: ☐ Member _____ %

☐ Manager (must be provided for in the Articles of Organization)

→ For additional changing officials, continue listing them on the attached form 08-491a. Make copies as necessary.

5. Required Signature: AS 10.50.840

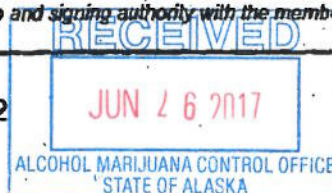
The Notice of Change of Officials must be signed by: a member (AS10.50.840(a)(2)); or a manager (AS 10.50.840(a)(1); or an attorney-in-fact (AS 10.50.840(c)). Persons who sign documents filed with the commissioner that are known to the person to be false in material respects are guilty of a class A misdemeanor.

Signature: [Signature] Date: 05-16-17

Printed Name: Josue Picasso

Title of Authorized Signer: ☒ Member ☐ Manager ☐ Attorney-in-fact

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



Notice of Change of Officials Supplement**If used, this supplement must be returned with Form 08-491**Entity Name: Serrano's LLCAlaska Entity Number: 118849

MAY 16 2017

Additional Changing Official

CBPL

a. Resigning Official's Name: (if applicable)

b. Updating or New Official's Name: _____

Mailing Address: _____

City: Anchorage

State: _____

ZIP: _____

Check all that apply: ☐ Member _____ %☐ Manager (must be provided for in the Articles of Organization)**Additional Changing Official**a. Resigning Official's Name: (if applicable)

b. Updating or New Official's Name: _____

Mailing Address: _____

City: _____

State: _____

ZIP: _____

Check all that apply: ☐ Member _____ %☐ Manager (must be provided for in the Articles of Organization)**Additional Changing Official**a. Resigning Official's Name: (if applicable)

b. Updating or New Official's Name: _____

Mailing Address: _____

City: _____

State: _____

ZIP: _____

Check all that apply: ☐ Member _____ %☐ Manager (must be provided for in the Articles of Organization)



State of Alaska
Corporations, Business and Professional Licensing
CORPORATION SECTION
PO Box 110808
Juneau, AK 99811-0808

AK Entity #: 118849
Date Filed: 10/28/2008 12:39 AM
State of Alaska
Department of Commerce

ARTICLES OF ORGANIZATION
Online Filing
(Domestic Limited Liability Company)

The undersigned person(s) of the age of 18 years or more, acting as organizers of a limited liability company under the Alaska Limited Liability Act (AS 10.50) hereby adopt the following Articles of Organization:

Article 1. Name of the Limited Liability Company. The name of a limited liability company must contain the words "limited liability company" or the abbreviation "L.L.C.," or "LLC":

Serrano's LLC

Article 2. The purpose for which the company is organized. A limited liability company may list any lawful as its purpose:

Any Lawful.

Article 3. Registered Agent Name and Address:

Name:	Josue Picasso
Mailing Address:	2954 Suncatcher Court Anchorage, AK 99507
Physical Address if Mailing Address is a Post Office Box:	

Article 4. Duration:

Check this box if the duration is perpetual: ☒

If the duration is not perpetual, list the latest date upon which the Limited Liability Company is to dissolve:

Article 5. Management: Check this box if the company will be managed by a manager. ☐

Article 6. Optional Provisions:

--

One or more organizer shall sign the Articles of Organization for a limited liability company.

Name of Organizer	Online Signature of Organizer
Josue Picasso	Josue Picasso

Date Submitted Online

October 28, 2008



**DISCLOSURE OF COMPANY ACTIVITIES
USING THE
NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM
(NAICS)**

A separate disclosure of purpose must be attached to the entity creation filing that most closely describes the activities of the entity. The NAICS Code must not conflict with the purpose listed in the formation document.

The 6 digit NAICS industry grouping code that most clearly describe the initial activities of the corporation is:

722211



Alaska Entity #: 118849

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

CERTIFICATE
OF
ORGANIZATION
Limited Liability Company

THE UNDERSIGNED, as Commissioner of Commerce, Community, and Economic Development of the State of Alaska, hereby certifies that Articles of Organization duly signed and verified pursuant to the provisions of Alaska Statutes has been received in this office and have 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

Serrano's LLC

and attaches hereto the original copy of the Articles of Organization for such certificate.



IN TESTIMONY WHEREOF, I execute this certificate and affix the Great Seal of the State of Alaska on **October 28, 2008**.

Emil Notti

Emil Notti
Commissioner



Operating Agreement of Serrano's LLC, A Limited Liability Company

This Operating Agreement is made and entered into as of this 8 day of August, 2017 by and among Jouse Picasso and Alberto Perez Garcia, referred to herein individually as "Member" and collectively as "Members". The Members desire to form a limited liability company upon the terms and conditions set forth herein.

The parties hereto agree as follows:

1. Name and Formation.

1.1 Name. The name of the Company shall be Serrano's, L.L.C. (sometimes referred to herein as the Company)

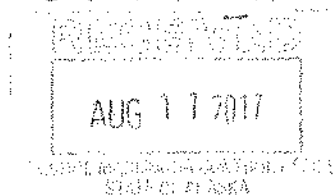
1.2 Formation. The Members hereby agree to form and operate the Company under the terms and conditions set forth herein. Except as otherwise provided herein, the rights and liabilities of the Members shall be governed by the Alaska Limited Liability Act, AS 10.50 (the Act).

1.3 Defects as to Formalities. A failure to observe any formalities or requirements of the Operating Agreement, the Articles of Organization for the Company or the Act shall not be grounds for imposing personal liability on the Members for liabilities of the Company.

1.4 No Partnership Intended for Nontax Purposes. The Members have formed the company under the Act, and expressly do not intend hereby to form a partnership under either the Alaskan Partnership Act or the Alaska Uniform Limited Partnership Act, or a corporation under the Alaska Corporations Code. The Members do not intend to be partners one to another, or partners as to any third party. The Members hereto agree and acknowledge that the Company is to be treated as a partnership for federal and state income tax purposes.

1.5 Rights of Creditors and Third Parties. This Operating Agreement is entered into among the Company and the Members for the exclusive benefit of the Company, its Members and their successors and assigns. The Operating Agreement is expressly not intended for the benefit of any creditor of the Company or any other person. Except and only to the extent provided by applicable statute, no such creditor or third party shall have any rights under the Operating Agreement or any agreement between the Company and any Member with respect to any contribution or otherwise.

1.6 Title to Property. All Company property shall be owned by the Company as an entity and no Member shall have any ownership interest in such property in the Member's individual name or right, and each Member's interest in the Company



Operating Agreement of Serrano's LLC, A Limited Liability Company

shall be personal property for all purposes. Except as otherwise provided in this Operating Agreement, the Company shall hold all Company property in the name of the Company and not in the name or names of any Member.

- 1.7 Payments of Individual Obligations. The Company's credit and assets shall be used solely for the benefit of the Company, and no asset of the Company shall be transferred or encumbered for or in payment of any individual obligation of any Member unless otherwise provided for herein.

2. Principal Place of Business; Registered Agent

- 2.1 The principal office of the Company shall be at 201 E. Northern Lights Boulevard, Anchorage, Alaska, or at such other place designated by the Members. The Company may have other places of business at any other place or places as the Members may from time to time deem advisable.

- 2.2 Registered Agent and Address. The Company's initial registered Agent and the address of its initial registered office in the State of Alaska are as follows:

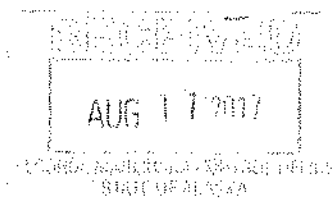
Jorge Perez Garcia PO Box 231762 Anchorage, AK 99523

The registered office and registered agent may be changed by the Members from time to time by filing an amendment to the Articles of Organization.

3. Term. The term of the Company shall commence on the date of the filing of the Articles of Organization of the Company in the office of the Division of Banking, Securities, and Corporations, State of Alaska. The Members hereby elect, pursuant to AS 10.50.085(a), to continue the business of the Company until the earlier of (i) six months from the date of sale or other disposition of the Serrano's restaurants, or (ii) the winding up of the business affairs of the Company after such sale or other disposition, unless sooner terminated in accordance with the provisions of the Operating Agreement and the Act. The withdrawal, bankruptcy or dissolution of a Member, or the occurrence of any other event which terminates the Member's continued membership, including but not limited to the termination of Member's ownership interest in the Company, shall not result in the dissolution or winding up of the affairs of the Company.

4. Purpose and Powers.

- 4.1 Purpose. The purpose of the Company shall be to operate all locations of Serrano's restaurants in a manner that will produce a high-quality product consistent with industry standards and to conduct any other business activities



Operating Agreement of Serrano's LLC, A Limited Liability Company

determined by the Members in accordance with this Operating Agreement. The Company will have no other purpose without the unanimous written consent of the Members.

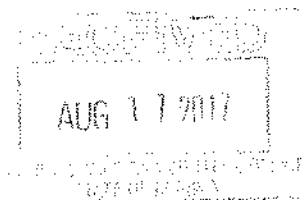
4.2 Powers. Subject to the provisions of this Operating Agreement, the Company shall have the following powers:

- (a) To conduct and operate the business of the Company and to execute documents and instruments relating to the Company business, including, but not limited to agreements, notes, mortgages, deeds of trust, leases, management agreements, contracts and other documents.
- (b) To obtain short or long-term borrowings as reasonably necessary for the business of the Company.
- (c) To produce and maintain insurance covering the various risks to which the Company or its operations may be subject.
- (d) To open bank accounts in the name of the Company, designate the authorized signatures therefore and make deposits and withdrawals from Company accounts on the signatures of one or more designated individuals.
- (e) To pay expenses incurred in performing the business and purposes of the Company.
- (f) To employ, discharge and pay the compensation of accountant, lawyers, and others whose services are required or necessary.
- (g) To prosecute or defend, as the case may be suits, arbitration or administrative proceedings asserted against or brought on behalf of the Company.
- (h) To do all things necessary, incidental, or convenient to the exercise of the foregoing powers and to the accomplishment of the foregoing purposes.

5. Definitions.

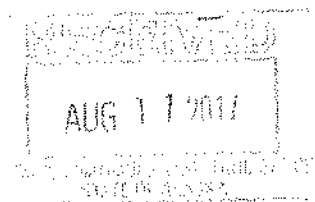
The following terms used in the Operating Agreement shall have the meaning specified below:

- 5.1 "Act" means the Alaska Limited Liability Act, as amended from time to time.
- 5.2 "Adjusted Contribution Account" means the Capital Contributions of each Member made pursuant to Section 6.1 as reduced from time to time by distributions pursuant to Section 9.
- 5.3 "Adjusted Gross Income" means the gross revenue of the combined restaurants less cost of goods sold.
- 5.4 "Operating Agreement" means this Operating Agreement of Serrano's, L.L.C. as it may be amended from time to time.



Operating Agreement of Serrano's LLC, A Limited Liability Company

- 5.5 "Assignee" means a person who acquired a Member's interest in whole or part and has not become a Substitute Member.
- 5.6 "Budget" means the annual operating and capital improvement budget prepared for the Company by the Members and approved by all the Members.
- 5.7 "Capital Account" means the account maintained for each Member in accordance with Section 6.5. In case of a transfer of interest, the transferee shall succeed to the Capital Account of the transferor or, in the case of a partial transfer, a proportionate share thereof.
- 5.8 "Capital Contribution" means the total amount of money and the fair market value of all property contributed to the Company by each Member pursuant to the terms of the Operating Agreement; any reference to the capital contribution of a Member shall include the capital contribution made by a predecessor holder of the interest of such Member.
- 5.9 "Cash Available for Distribution" means all cash receipts of the Company in excess of amounts reasonably required for payment of operating expenses, repayment of current liabilities current or noncurrent to members for amounts advances for operations throughout the year or as carried forward from prior years, and the establishment of an additions to the cash reserves established by the Members for the operation of the business, including, but not limited to, reserves for contingent or unforeseen liabilities or obligations of the Company.
- 5.10 "Articles of Organization" means the articles of organization pursuant to which the Company was formed, as originally filed with the Department of Commerce and Economic Development, State of Alaska, on and as amended from time to time.
- 5.11 "Code" means the United States Internal Revenue Code of 1986, as amended, References to specific Code Sections or Treasure Regulations shall be deemed to refer to such Code Sections or Treasure Regulations as they may be amended from time to time or to any successor Code Sections or Treasure Regulations if the Code Section or Treasure Regulation referred to is repealed.
- 5.12 "Company" means Serrano's L.L.C. as created and governed by this Operating Agreement.
- 5.13 "Company Property" means all the real and personal (tangible and intangible) property owned by the Company, including but not limited to the Serrano's restaurants, its equipment, and related certificates, permits and licenses.

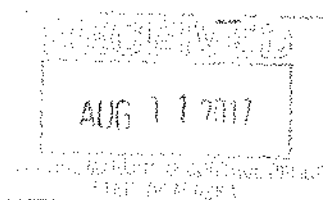


Operating Agreement of Serrano's LLC, A Limited Liability Company

- 5.14 "Investor Company Interest" means the ownership interest of a Member in the Company at any particular time, including the right if such Member to any and all benefits to which such Member may be entitled as provided in the Operating Agreement and in the Act, together with the obligations of such Member to comply with all the terms and provisions of the Operating Agreement and the Act.
- 5.15 "Member(s)" means Josue Picasso and Alberto Perez Garcia and those persons who are hereafter admitted as members under Section 15 below.
- 5.16 "Net Income or Net Loss" for tax purposes means taxable income or 1055 (including items requiring separate computation under Section 702 of the Code) of the Company as determined using the method of accounting chosen by the Members and used by the Company for federal and state income tax purposes.
- 5.17 "Percentage Interest" means the percentage interest of each Member as set forth in Section 6.1.

6. Percentage Interests, Capital Contributions and Capital Accounts.

- 6.1 Capital Contributions; Percentage Interests. Members shall contribute capital contributions to the Company in accordance with the mutual agreement of the Members and in accordance with any budget approved unanimously by the Members (an "Approved Budget"). The Members shall have the following Percentage Interest in the Company:
- | | |
|----------------------|-----|
| Josue Picasso | 76% |
| Alberto Perez Garcia | 15% |
| Timothy Altman | 9% |
- 6.2 No Interest on Capital. No Member shall be entitled to receive interest on such Member's Capital Contributions or such Member's Capital Account.
- 6.3 No Withdrawal of Capital, Except as otherwise provided in this Operating Agreement, no Member shall have the right to withdraw or demand a return of any or all of such Member's Capital Contribution. It is the intent of the Members that no distribution (of any part of any distribution) made to any Member pursuant to Section 9 hereof shall be deemed a return or withdrawal of Capital Contributions, even if such distribution represents (in full or in part) a distribution of revenue offset by depreciation or any other non-cash item accounted for as an expense, loss or deduction from, or offset to, the Company's income, and that no Member shall be obligated to re-pay any such amount to or for the account of the Company or any creditor of the Company. (a) Except as



Operating Agreement of Serrano's LLC, A Limited Liability Company

otherwise provided for herein or mutually agreed upon by the Members, no Member shall be obligated to make any additional capital contributions to the Company. (b) A Member or an Affiliate may elect to lend funds to the company for Company purposes. Such loans shall be made on commercially reasonable terms and conditions as mutually agreed by the Members. Such loans shall be an obligation of the Company and shall be repaid prior to any distributions to the Members. All loans or advances will be short term in nature, not to exceed 120 days unless agreed to by all the members. If the loan is not repaid within the due date of the note then an immediate capital contribution, which by nature of the loan will constitute a mutually agreed capital contribution, will be called to repay the loan.

6.4 Capital Accounts. The Company shall establish and maintain a Capital Account for each Member in accordance with Treasury Regulations issued under Code Section 704.

6.5 Allocation of Profits and Loss. Except as otherwise provided in this Operating Agreement, Profits and Losses of the Company (as defined below) resulting from operations shall be allocated among the Members in accordance with their Percentage Interest.

6.6 Company Expenses. The Company shall pay, and, if appropriate, the Members shall be reimbursed for all costs and expenses of the Company, approved or appropriate in accordance with this Operating Agreement.

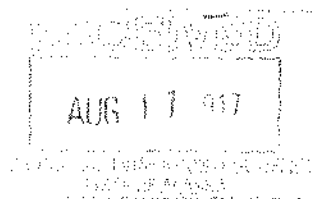
6.7 Distribution of Cash Available for Distribution. Cash available for distribution shall be distributed among the Members in proportion to their Percentage Interests.

6.8 Management of Serrano's, L.L.C.; Books and Records. The Members hereby designate Josue Picasso as the primary Member responsible for the day-to-day management of Serrano's LLC. He is also the Member responsible for maintaining the books and records of Serrano's LLC.

7. Management and Powers, Rights and Obligations of Members.

7.1 General Powers. Management decisions requiring the mutual agreement of the Members or the approval of the Members shall be made by each Member or the designated Representatives of each Member. The authority of the Members shall include, but shall not be limited to the following:

- (a) To spend the capital and revenues of the Company in accordance with this Operating Agreement.



Operating Agreement of Serrano's LLC,
A Limited Liability Company

- (b) To employ persons, firms and/or corporations for the operation and management of the Company's business including but not limited to attorneys and accountants.
 - (c) To acquire, lease and sell personal and or real property, hire and fire employees, and to do all other acts necessary, appropriate or helpful for the operation of the Company business.
8. Restrictions on Authority of Members.
The following decisions shall require the unanimous vote by resolution or written consent of all Members holding Percentage Interest of 12% or higher prior to any action by a Member:
- (a) Approval of all major elements of the business plan;
 - (b) Approval of, and amendment to, the Approved Budget and approval of any financial plans prepared for the Company;
 - (c) Demands for Capital contributions in excess of the amounts necessary to fund expenditures provided for in any Approved budget for such year;
 - (d) Approval of any material agreements, documents or other arrangements between or involving the Company and any Member or affiliate thereof, as well as any amendment, consent or waiver with respect to such arrangements;
 - (e) Approval of any loans, guarantees or other extensions of credit other than on the ordinary course of business;
 - (f) Approval of any merger into or with or acquisition of all or part of the business of another person or entity;
 - (g) Approval of the transfer in any one transaction or series of transactions of all or a substantial portion of the company's business or assets;
 - (h) Approval of any distribution of any cash available for distribution;
 - (i) Any matters similar to the foregoing as they relate to the Company.
9. The Board of Members.
The board of Members shall be made of each Member of the Company with Percentage Interest 12% or higher.
- 9.1 Action by Board Without a Meeting. Any action permitted or required to be taken at a meeting of the board of Members may be taken without a meeting if one or more written consents setting forth the action so taken, shall be signed, either before or after the action taken.

AUG 11 2017

Operating Agreement of Serrano's LLC, A Limited Liability Company

9.2 Appointment. Josue Picasso is hereby appointed as President of the Company.

Alberto Perez Garcia is hereby appointed as Vice-President of the Company.

9.3 The president shall be the principal executive officer of the Company and, subject to the control of the board of Members, shall generally supervise and control the business and affairs of the Company.

9.4 In the absence of the president or in the event of his death, disability or refusal to act, the vice-president, shall perform the duties of the president.

10. Books and Records.

All books and records of the Company shall be kept on the basis of an annual accounting period determined by the Members in accordance with the Internal Revenue Code, which will be December 31.

11. Right to Examine and copy Records.

Members shall be entitled, upon written request directed to the Members to review and copy the records of the Company at all reasonable times and at the location where such records are kept by the company.

12. Tax Matters.

Should there be any controversy with the Internal Revenue Service or any other taxing authority involving the Company, the Members may expend such funds as it deems necessary and advisable in the interest of the Company to resolve such controversy.

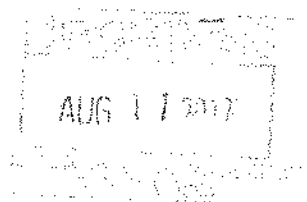
Any cost incurred in the audit by any governmental authority of the income tax returns of a Member (as opposed to the Company) shall not be Company expense.

13. Tax Returns.

The Members shall, at Company expense, cause the Company to prepare and file a United States Company Return of Income and all other tax returns required to be filed by the Company for each fiscal year of the Company.

14. Arbitration.

Any controversy or claim among the Members arising out of or relating to this Operating Agreement will, at the request of any Member be determined by



Operating Agreement of Serrano's LLC,
A Limited Liability Company

arbitration. The arbitration shall be conducted in the State of Alaska in
accordance with the Federal Arbitration Act (Title 9, U.S.Code).

Members:



Josue Picasso

Date: 08-09-17



Alberto Perez Garcia

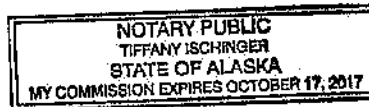
Date: 08/09/17

Subscribed and sworn to before me
this 9th day of AUGUST 20 17



Notary Public

My Commission Expires 10/17/17

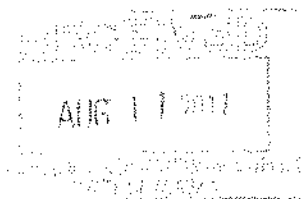


Subscribed and sworn to before me
this 9th day of AUGUST 20 17



Notary Public

My Commission Expires 10/17/17



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

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

NAME(S)

Type	Name
Legal Name	Serrano's LLC

ENTITY DETAILS

Entity Type: Limited Liability Company
Entity #: 118849
Status: Good Standing
AK Formed Date: 10/28/2008
Duration/Expiration: Perpetual
Home State: ALASKA
Next Biennial Report Due: 1/2/2018
Entity Mailing Address: 201 E NORTHERN LIGHTS BLVD, ANCHORAGE, AK 99503
Entity Physical Address: 201 E NORTHERN LIGHTS BLVD, ANCHORAGE, AK 99503

REGISTERED AGENT

Agent Name: JORGE PEREZ GARCIA
Registered Mailing Address: BOX 231762, ANCHORAGE, AK 99523
Registered Physical Address: 201 E N LIGHTS BLVD, ANCHORAGE, AK 99503

OFFICIALS

<input type="checkbox"/> Show Former			
AK Entity #	Name	Titles	Owned
	Alberto Perez Garcia	Member	15
	JOSUE PICASSO	Member	76
	Timothy Altman	Member	9

FILED DOCUMENTS

Date Filed	Type	Filing	Certificate
10/28/2008	Creation Filing	Click to View	
12/10/2008	Initial Report	Click to View	
6/06/2011	Biennial Report	Click to View	
2/17/2012	Biennial Report	Click to View	
6/01/2012	Change of Officials	Click to View	
4/04/2013	Certificate of Compliance		Click to View
4/04/2013	Certificate of Compliance		Click to View
2/06/2014	Biennial Report	Click to View	
1/15/2015	Agent Change	Click to View	
5/27/2016	Biennial Report	Click to View	
8/05/2016	Certificate of Compliance		Click to View
5/16/2017	Change of Officials	Click to View	

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

Anchorage Mailing/Physical Address
550 West Seventh Avenue
Suite 1500
Anchorage, AK 99501-3567
Phone Numbers
Main Phone: (907) 269-8160
FAX: (907) 269-8156

SECOND AMENDMENT OF LEASE

THIS SECOND AMENDMENT OF LEASE made and executed this 02 day of June 2014, by and between JRW VENTURES whose business and post office address is 411 West 4th Avenue, Suite 200, Anchorage, Alaska 99501, hereinafter called "Lessor," and Serrano's, LLC, whose post office address is 640 West 36th Avenue, Anchorage, Alaska 99503, hereinafter called "Lessee."

WITNESSETH:

WHEREAS, by that certain Indenture of Lease described herein below, Lessor did convey the following leasehold interest to Lessee:

ALL of the right, title, and interest in and to that certain Indenture of Lease dated June 1, 2019 by and between JRW VENTURES as Lessor, and Herrera Brother's Inc., as Lessee, as amended by that First Amendment of Lease dated February 12, 2013 and assigned from Herrera Brother's Inc to Serrano's, LLC on February 12, 2013, the real property by said Indenture of Lease demise being more particularly described as follows:

ALL of that certain office space designated as Suites No. 201A containing a floor area of approximately 3,500 square feet, more or less, within the Northern Lights Professional Building, situated at 201 East Northern Lights Boulevard Anchorage, AK 99503, and

Together with such appurtenant rights, easements and privileges to be enjoyed in common with all others entitled thereto in connection with the use and enjoyment of the above demised premises.

NOW THEREFORE, in consideration of the premises, Lessor and Lessee have mutually agreed to amend said Lease as hereinafter set forth:

1. To replace Section 2 Business Purposes with the following: The Premises are to be used for the purpose of operating a Mexican Restaurant, and for no other business or purpose, without the written consent of Lessor.
2. To amend Exhibit "A" Description of Premises: adding patio area as rentable space totaling approximately 675 square feet more or less.
3. To make addition to Section 7 Additional Rent:
F: Lessee agrees to pay Lessor as additional rent, Six Hundred Seventy Five and NO/100 Dollars (\$675.00) per month in advance for rental of patio space of 675 square feet at a rate of \$1.00 per square foot per month, commencing on June 1, 2014 and ending on September 30, 2014 and seasonally from May 1st to September 30th annually for the extent of the lease. Lessee agrees to pay \$675.00 per month or such prorated amount should Lessee use the patio area for other periods of time prior to May or after September 30th.
4. All other terms and conditions to remain the same.

IT IS MUTUALLY UNDERSTOOD AND AGREED by and between Lessor and Lessee that this Second Amendment of Lease shall be effective as of the date hereof, and that all of the terms, covenants, provisions, and conditions of said Lease, as heretofore and herein amended, shall remain in full force and effect for the full term thereof and said Lease as heretofore and herein amended is ratified and confirmed as of the date hereof.



IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed the day and year first above written.

LANDLORD: JRW VENTURES
By: RW, Inc., its general partner

By 
Its: _____

TENANT: Serrano's, LLC

By 



)

) SS.

i

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Public, Third Judicial
ct, State of Alaska

A circular notary seal for Gaji Bingham, a Notary Public in the State of Alaska. The seal features the text "GAJI BINGHAM" at the top, "My Commission Expires" in a smaller font, "NOTARY PUBLIC" in large bold letters, and "May 2, 2019" below it. The words "STATE OF ALASKA" are at the bottom, flanked by two stars. The entire seal is enclosed in a decorative, textured border.

STATE OF ALASKA)
) SS.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY THAT ON THIS 04 day of June, 20 14 before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Darryl Wong, to me known to be the person described in and who executed the above and foregoing instrument, and acknowledged to be that he/she signed the same freely and voluntarily for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.


Notary Public, Third Judicial District
State of Alaska

My commission expires March 08/2018



EXHIBIT "A"

DESCRIPTION OF PREMISES

The lease premises (the "Premises") consists of all of that certain space designated as Suites 201A containing a floor area of approximately 3,500 square feet and 675 totaling 4,175 square feet, more or less within the 201 East Northern Light Boulevard, Anchorage, Alaska 99503.

Together with such appurtenant rights, easements and privileges to be enjoyed in common with all others entitled thereto in connection with the use and enjoyment of the above demised premises.



**NORTHERN LIGHTS PROFESSIONAL BUILDING
STANDARD FORM LEASE AGREEMENT**

THIS LEASE, made in Anchorage, Alaska, this 1 day of ^{June}~~May~~, 2009 between JRW Ventures, whose business and post office address is 411 West 4th Avenue, Suite 200, Anchorage, Alaska 99501, herein referred to as "Lessor," and Herrera Brothers, Inc, whose business and post office address is 2006 Fairweather Park Loop, Anchorage, AK 99503, hereinafter referred to as "Lessee."

WITNESSETH:

1. **Description of Premises.** Lessor hereby leases to Lessee and Lessee leases from Lessor on the rent, terms, covenants and conditions as set forth herein, those premises described in Exhibit "A", attached hereto and by this reference incorporated herein (hereinafter referred to as the "Premises").
2. **Business Purpose.** The Premises are to be used for the purpose of operation of a Greek restaurant, and for no other business or purpose, without the written consent of Lessor.
3. **Term.** The term of this lease shall be for Five year(s), and shall commence July 1, 2009 and end on June 30, 2014 inclusive. Lessee shall have the right to occupy the space commencing July 1, 2009.

If Lessor, for any reason whatsoever, cannot deliver possession of the premises to Lessee at the commencement of the lease term, this lease shall not be void or voidable, nor shall Lessor be liable to Lessee for any loss or damage resulting there-from, but in that event, there shall be a proportionate reduction of rent covering the period between the commencement of the lease term and the time when Lessor can deliver possession. The lease term shall be extended by such delay for an equal period.

4. **Options.** While not in default of any of the terms of this lease, Lessee shall have an option to extend the lease for One term of Two year(s), at rate and terms to be negotiated. Lessee shall give ninety (90) days' written notice to Lessor of its exercise of its option to renew. Lessor shall base renewal rent on fair market value of the space within thirty (30) days of receipt of written notice of exercise of option to renew from Lessee but in no event shall the monthly rent be less than the rent in the preceding period.
5. **Arbitration.** Except as to matters pertaining to the payment of minimum rent and other charges as provided in the Lease, any controversy or claim arising out of or relating to this Lease shall be resolved by mutual assent between the parties, or failing to reach mutual assent, by arbitration before a single arbitrator chosen by both parties. The arbitration shall be conducted pursuant to the Commercial Arbitration Rules of the American Arbitration Association ("AAA"), as amended and in effect at the time.

Either party who desires to submit a controversy or claim to arbitration shall notify the other



party by certified mail, return receipt requested, or by facsimile. Said written notice shall identify the controversy or claim and propose a date and place for the parties to meet to agree to the person who would be acceptable as arbitrator and who has agreed to serve in that capacity. The single arbitrator's decision shall be final and binding and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Each party shall bear its own expense of arbitration, including attorney(s)' fees and costs, as well as any administrative fees incurred. The cost of the single arbitrator will be paid by the losing party and not by the prevailing party.

6. **Rent.** Lessee covenants and agrees to pay Lessor as rental for said premises a minimum monthly rental of Six Thousand and No/100 Dollars (\$6,000.00), commencing on July 1, 2009 and ending on June 30, 2012 in lawful money of the United States, without deduction or offset, in advance on the first day of each calendar month of the lease term. The rent amount shall be prorated if the lease commences on a date other than the first of the month using a 365 calendar day period. The rent shall be considered delinquent if not paid by the fifth day of each month, payable to Lessor at the address specified above or at such other place as Lessor may hereafter designate. If said rent is not paid by the fifth day of each calendar month Lessor may charge Lessee an additional Ten Percent (10%) of minimum monthly rental rate as a late charge. The rent is exclusive of any sales, franchise, business, occupation or other taxes based on rents, and should any such taxes apply or be enacted during the term of this lease, the rent shall be increased by such amount. Lessee's failure to pay rent promptly may cause Lessor to incur unanticipated costs. The exact amounts of such costs are impractical or extremely difficult to ascertain. Such costs may include but are not limited to, processing and accounting charges and late charges that may be imposed on Lessor by any ground lease, mortgage or trust deed encumbering the property. The parties agree that such late charges represent a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Any amount owed by Lessee to Lessor, which is not paid when due shall bear interest at the rate, provided in **paragraph 54** herein from the due date of such amount. However, interest shall not be payable on late charges to be paid by Lessee under this lease. The payment of interest on such amounts shall not excuse or cure any default by Lessee under this lease.

From July 1, 2012 until June 30, 2014 the minimum monthly rental shall be Six Thousand Eight Hundred and No/100 Dollars (\$6,800.00).

7. **Additional Rent.**

- A. In addition to all other rents, payments, and charges provided for herein, Lessee agrees to pay to Lessor, as additional rental, commencing in the second year (if renewed) its proportionate share of the increase of any general or special real property taxes or assessments levied or imposed upon the property, the Leased Premises, the common area, or land underlying any of the foregoing, following the execution of this Lease Agreement. Lessee's proportionate share of such charges shall be based upon the ratio that the Leased Premises bear to the leased building area comprising the complex. In no event shall the minimum monthly rental be decreased as a result of decreases in taxes during subsequent tax years.



- B. In the event that a sales tax on rental income or a tax on property and improvements is adopted by any governmental agency during the term of this Lease Agreement or any extended period hereof, Lessee agrees to pay to Lessor, as additional rental, a pro rata amount of said tax based upon the ratio that the Leased Premises bear to the leased building area comprising the complex.
- C. Lessee agrees to pay to Lessor, as additional rental, commencing in the second year (if renewed) following the execution of this Lease Agreement, its proportionate share of the increase in any insurance, sewer, water, electrical, garbage, gas, or any other utility payments of the complex. Lessee's proportionate share of such charges shall be the ratio that the Leased Premises bear to the leased building area in the complex. In no event shall the minimum monthly rental be decreased as a result of decreases in such charges during subsequent calendar years.
- D. Any additional rental payable under the terms of this Lease Agreement shall be paid by Lessee without any deduction or set-off within ten (10) days after proper evidence thereof has been submitted by Lessor.
- E. Any charges assessed against Lessee that have to be prorated shall be prorated on a 365 calendar day period.
8. **Security Deposit.** Lessee has deposited with Lessor the sum of Six Thousand and No/100 Dollars (\$6,000.00) as security for the full performance of all of the provisions of this lease. Lessee will deposit any additional sum as security deposit as required from time to time so as to allow Lessor to have a sum equivalent to one (1) month's rent plus general excise tax thereon, if imposed by the State of Alaska. If at any time during the lease term, or the lease term as it may be extended, Lessee shall be in default in payment of rent or any other sum due Lessor as additional rent, Lessor may appropriate all or part of the security deposit for such payment. Lessor may also appropriate all or part of the deposit to repair damages to the premises caused by Lessee or defray any and all reasonable expenses incurred by Lessor in cleaning the premises upon the termination of the tenancy created by this lease. Upon use of any part or all of the security deposit, Lessee shall pay to Lessor, on demand, a like sum or additional security. Lessor's obligation with respect to the deposit is that of a debtor, not a trustee, and the deposit may be commingled or dissipated, or both, and no interest shall accrue thereon. If Lessee shall have fully complied with all of the covenants and conditions of this lease, (including cured defaults and late charges), but not otherwise, such sum shall be repaid to Lessee within thirty (30) days after the expiration or termination of this lease.
9. **Common Area Charges** are included in the first year's rent. In order to help defray the expenses incurred by Lessor in operating, managing and maintaining the parking areas, streets, if applicable, sidewalks, mall, planting and other areas and facilities common to occupants of the building specified in Section 1 herein. Commencing in the second year following the execution of this Lease, in the event there is an increase in these expenses that exceeds the amount of \$0.37 per square foot, the increase shall be passed through to the



Lessee. Lessee will pay to the Lessor as additional charge for each and every calendar month of said term, Lessee's proportionate share, which is based upon the ratio that Lessee's gross leasable area bears to the total gross leasable area in the commercial complex, of the increase of all expenses incurred by Lessor for such month in operating and maintaining the common facilities, excluding only items of expense commonly known and designated as carrying charges, such as, but not limited to, ground rent, principal and interest on mortgage indebtedness, capital items, and Lessor's executive and administrative salaries, wages or fees; but specifically including, without limitation, the cost of water and electricity not separately metered to the tenants, the cost of public liability, fire, and property damage insurance, maintenance, repair and painting of all portions or otherwise of the walls, columns, roof, ceiling, sidewalks, floors, floor coverings and pavement within the common facilities, exterior window washing, holiday decorations, line painting, electricity, maintenance and recharging of fire extinguishers, janitorial services, repairs to lighting fixtures and equipment (including replacement of tubes, ballasts, and bulbs), maintenance and repairs to water, sewer, electrical and storm drain lines, and any portion of the HVAC system, replanting, and maintenance of all landscaping, cost of garbage and refuse removal, depreciation on machinery and equipment used in all maintenance services, the cost of employee's salaries (including payroll taxes and workmen's compensation premiums), supplies and small tools to implement all maintenance services, the cost of services contracted out, an amount to reimburse Lessor for its overhead and administrative costs in connection therewith, real property taxes and any assessments or charges made under any betterment or improvement law or otherwise attributable to such common areas, maintenance and repair of equipment, all billing, auditing and legal expenses, any expenses incurred in contesting real property assessments and any assessments or charges made under any betterment or improvement law or otherwise and other costs of operating such parking and other common areas. As used herein the term "equipment" shall be taken to include both personally and fixtures.

Such expenses for the first and last calendar months of said term shall be pro-rated as of the commencement date and expiration date respectively. Lessor has estimated the amount of such expenses for the purpose of monthly billing of said charge and included them in the base rental. "Common Facilities" means all areas provided by Lessor for the common or joint use and benefit of all tenants of the commercial complex, their employees, agents, customers, and other invitees, and includes the entire commercial complex other than the space leasable to tenants.

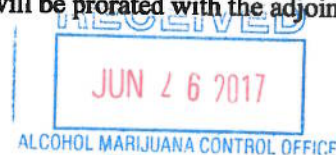
Within sixty (60) days after the end of each calendar year, or such other term as may be determined by Lessor, Lessor will deliver to Lessee a written statement showing, in reasonable detail, all such expenses for such year and the computation of said charge therefore, and any deficiency or excess in the payment of said charge for such year as determined by such statement shall thereupon be adjusted between Lessee and Lessor. Lessor will keep in its principal office in Anchorage, Alaska, for at least two (2) years after the end of each calendar year of said term, a permanent, accurate set of books and records of all such expenses incurred by Lessor for such year, and for at least one (1) year after the end of each calendar year, all supporting records of such expenses for such year, including checks, contracts and vouchers. All such books and records shall be open to examination by Lessee and its agents at all reasonable times during ordinary business hours.



10. **Definition of Floor Area.** "Floor area" means cumulatively with respect to all buildings in the building the actual number of square feet of net usable floor space within the exterior faces of the exterior (except party walls as to which the center line thereof instead of the exterior face thereof shall be used) of all floors, including mezzanines, showcases, entrances within the exterior limits of each of said buildings and the Premises, but there shall not be included space on the roofs or other structures on roofs nor any space between the mall level ceiling and the roof. No deduction or exclusion shall be made from floor area by reason of columns, stairs, or other interior construction or equipment. Changes in any particular floor area occurring during any calendar month shall be effective on the first day of the next succeeding calendar month.
11. **Real Property Tax** is included in the minimum monthly base rental amount. Commencing in the second year following the execution of this Lease (if extended), in the event there is an increase in any general or special real property taxes or assessments levied or imposed upon the property, the Leased Premises, the common area, or land underlying any of the foregoing that exceeds the amount of \$0.13 per square foot, Lessee agrees to pay, as an additional charge, the increase in real property taxes assessed Lessee based upon its proportionate share of any increase. Computation of Lessee's proportionate share shall be based upon the ratio that Lessee's gross leasable area bears to so much of the total leasable area in the complex. The tax assessor's valuations and assessments and the betterment or improvement law or other assessments or charges shall be the basis for determining the real property taxes and the assessments or charges made under any betterment or improvement law or otherwise, respectively, attributable to the Premises if the Premises are separately assessed or charged. In the event the Premises are not separately assessed or charged by the tax assessor or by the betterment or improvement law or otherwise, Lessee shall pay its prorated portion of the total amount of such real property taxes or such assessments or charges made under any betterment or improvement law or otherwise assessed or charged against the building and the land under the building or any part thereof in the commercial complex. Said percentage represents the weighted ratio between areas, and the aggregate floor area, including storage, office and mezzanine areas, in the commercial complex on the subject property. In the event the area of Lessee's Premises shall be changed or the aggregate areas in the commercial complex of the subject property shall at any time in the future be changed, the said percentage shall be recomputed on March 31st of the following calendar year and shall become effective as of the first of that calendar year.

In the event the Lessor shall contest the tax assessor's assessments upon the Premises and the land under the Premises or the assessment or charges made under any betterment or improvement law or otherwise, Lessee shall, upon demand, pay to the Lessor a prorated share of all legal and other expenses incurred in contesting the same, Lessee's prorated share to the ratio that the total floor area of the Premises bears to the total leasable floor of the building.

Utilities. Lessor shall furnish the premises with sewer, refuse and snow removal. Lessee shall be responsible for and shall pay for the following utilities and services: electricity (which electricity will be submetered from Lessor's meter), water (which water charges will be prorated with the adjoining



tenant unless a different allocation is agreed upon between Lessee and the adjoining tenant), gas, heat, interior janitorial, telephone, and internet service (if any). Lessor shall not be liable to Lessee for any loss or damage caused by or resulting from variation, interruption or failure of such services or in the making of repairs, alterations, or improvements, or due to accident or strike, or conditions or events beyond Lessor's reasonable control and such loss or damage shall not be deemed an eviction of Lessee or relieve Lessee from any of Lessee's obligations hereunder. Any meters recording the amount of water furnished to the demised premises and consumed by Lessee shall be installed by Lessee at its own expense, unless previously installed by Lessor.

12. HVAC (HEATING, VENTILATION AND AIR CONDITIONING) SYSTEM

Lessor shall operate the HVAC System for the building year-round. Air conditioning (if available) and heating can be locally controlled by Lessee. Lessor reserves the right to modify the operating hours of the HVAC equipment, which operating hours shall be reasonable and similar to other commercial buildings in mid-town Anchorage, upon 30 days written notice to Lessee.

Additionally, if the HVAC System (return air ducts, vents, etc.) is shared with any other leasable or common area spaces, no smoking (or similar activity) shall be allowed within the demised premises.

14. **Lessee's Renovation Obligations.** Lessee will prepare and submit to Lessor for written approval in accordance with requirements of this Lease herein, plans and specifications for construction of the leasehold improvements within the Premises. Lessee will complete the renovation in accordance with plans and specifications as approved by Lessor no later than the rent commencement date.
15. **Acceptance of Premises.** By entry hereunder, Lessee acknowledges that it has examined the premises and accepts the same in their "as is" condition. Lessee has fully investigated the condition of the Premises or waived its right to do so and is fully familiar with the physical condition of the Premises and every part thereof, including, and without limitation, the HVAC system, and indoor air quality (IAQ) generally, and Lessee accepts the same "as is." Lessor made no express representations or warranties and disclaims any implied representations or warranties relating to the condition of the building, Premises, or any part thereof, including, without limitation, the building systems (including the HVAC system), the IAQ within the building and the environmental condition of the building. Lessor shall not be liable for any latent or patent defects therein.

Lessee shall comply with all current and future federal, state, and local environmental and IAQ laws, regulations, and industry standards, including, without limitation, any restrictions on smoking in the workplace.

The Premises shall not be used for any dangerous, noxious, or offensive trade or business or for any purpose, trade or business that will adversely affect the IAQ for the Premises (including any common areas);



Lessee will at all times use and operate the Premises in such a manner as to minimize the risk of IAQ problems, "sick-building syndrome," and/or any diagnosable illness that can be identified and attributed directly to contaminants in the building and center.

Lessee will take all steps necessary to prevent: inadequate ventilation, emission of chemical contaminants from indoor and/or outdoor sources, emission of biological contaminants;

Lessee will assure adequate ventilation and operation of any HVAC systems and/or office equipment under its control.

Lessee will not allow any unsafe levels of chemical or biological contaminants (including volatile organic compounds) in the Premises, and will take all steps necessary to prevent the release of such contaminants from adhesives (for example, upholstery, wallpaper, carpet, machinery, supplies, and cleaning agents);

Lessee will not bring, generate, treat, store, or dispose of any chemicals, materials, or other potential pollution sources without Lessor's prior consent. Notwithstanding the foregoing, the levels of these chemicals, materials, or other potential pollution sources shall not exceed legal limits.

All materials used in connection with the alteration or refurbishment of the Premises, including, without limitation, paint, carpet, wall, or window coverings, carpet glues, and other chemicals, shall be subject to Lessor's prior written approval. Any such approval shall not be deemed a representation or warranty that the materials so approved are in compliance with laws (including IAQ laws) or that same do not affect the IAQ in the Premises.

Lessor shall have the right, but not the obligation, at all times during the Lease Term to inspect the Premises and conduct such tests and investigations (including, without limitation, a Phase I Indoor Air Quality audit) to evaluate the IAQ in the Premises and/or the building. Lessor's entry may be made at any time either during or after Lessee's business hours.

Lessee will cooperate with Lessor and will, at any time, allow Lessor and Lessor's representative's access to any Lessee's records with respect to the Premises for environmental inspection purposes. Lessee will make available its personnel to respond to interview questions posed by Lessor, Lessor's representatives, or an environmental consultant.

Lessee shall cooperate in all respects with rules and regulations promulgated by Lessor regarding the management of the IAQ in the building and in the development and implementation of an IAQ management plan for the building that integrates monitoring, operations, maintenance, building staff training, and building renovation activities.

16. **Americans With Disabilities Act Compliance.** Lessor will be responsible for compliance with the Americans with Disabilities Act (ADA) 42 U.S.C. paragraphs 12191 through 12213, as amended, relating only to the common areas and parking areas of the commercial complex.



Lessee will be solely responsible for compliance with ADA regulations relating to Lessee's demised premises:

1. To provide barrier removal to ensure customers and/or employees public access to all goods and services within Lessee's demised premises;
2. To provide auxiliary aids and services needed for effective communication, if needed;
3. To provide and/or modify any other items so as to assure customers/employees equal services without discrimination;
4. It shall be Lessee's responsibility to protect itself against any potential liability created by a third party who subleases from Lessee, or any independent contractor who performs services for the Lessee on the demised premise.

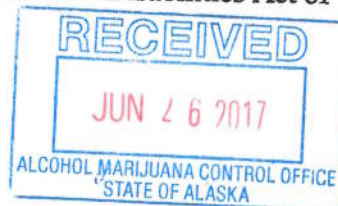
Lessee warrants that the leased premises and any and all improvements and alterations made by Lessee therein shall be in compliance with the provisions of the Americans with Disabilities Act (ADA), as amended, and any and all rules and regulations promulgated thereunder, including without limitation, any and all design requirements specified by the ADA.

Lessee shall, at its sole cost and expense, make any and all alterations and improvements necessary to ensure that Lessee and the leased premises and any and all improvements and alterations therein are in compliance with the ADA, including without limitation, any and all design requirement specified by the ADA.

Lessee shall further indemnify, defend, and hold harmless, Lessor and the fee owner of the land from and against any and all claims, losses, expenses, damages, liabilities or injuries suffered by reason of any acts, omissions or alleged acts or omissions arising out of Lessee's failure to comply with the provisions of the ADA and this section, including, without limitation, any judgment, award, settlement, reasonable attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim; provided that such indemnified party shall not have acted or failed to act fraudulently or in bad faith or as a result of gross negligence.

Anything herein to the contrary notwithstanding, Lessee shall not make any alterations, additions or improvements in Lessee's demised premises without Lessor's prior written consent, which consent may be withheld in Lessor's sole discretion, if such alteration, addition, or improvement by Lessee requires any other alteration, addition, or improvement to be performed in or made to any portion of the complex/plaza other than Lessee's demised premises.

Lessor's consent to such alterations, additions, or improvements, or Lessor's approval of the plans, specifications, and working drawings for such alterations, additions, or improvements shall create no responsibility or liability on the part of Lessor for their completeness, design sufficiency, or compliance with all laws, rules and regulations of governmental and quasi-governmental agencies (including, without limitation, the Americans with Disabilities Act of 1990 and all regulations issued there under).



Notwithstanding the foregoing, Lessor will have the right, which shall not be subject to Lessee's prior notice or approval, to change the size, use, shape or nature of any common areas, including erecting additional buildings on the common areas, expanding the existing complex/plaza, or altering the common areas to comply with the American with Disabilities Act of 1990 and all regulations issued thereunder.

If, as a result of Lessee's use and occupancy of the demised premises or the making of any alterations, additions, or improvements therein, any additions, alterations, or improvements shall be required to be made by Lessor to any part of the demised premises or the complex/plaza to comply with any requirements of the Americans with Disabilities Act of 1990 and all regulations issued thereunder, Lessee shall reimburse Lessor on demand for the costs incurred by Lessor to effect such compliance.

As a condition prior to the consent required to sublet or assign a leasehold interest and if Lessor elects to complete the work, Lessor may require, at its sole option, Lessee (or its assignee or sub-lessee) to agree to reimburse Lessor on demand for the costs incurred by Lessor to comply with the Americans with Disabilities Act of 1990 and all regulations issued thereunder as they apply to the use, occupancy, or alteration of the demised premises; and Lessee shall be required, upon Lessor's demand, to deposit with Lessor 50% of Lessor's reasonable estimate of the cost of such alterations five (5) days prior to any contract work beginning.

17. **Repairs and Care of Premises.** Lessor agrees to keep the basic building structure of the premise, including the roof, roof supports, foundation and structural supports, exterior and support walls, structural portion of the floors, skylights, gutters, downspouts and exterior doors, plus all heating, water, sewer, electrical and mechanical equipment in good repair during the lease term, except for damage caused by Lessee, but excluding glass. Lessee shall keep the balance of the premises in good order and repair except for the items enumerated above which are the responsibility of Lessor. Lessee will grant to Lessor the right to make renovations, repairs, and/or changes to the building containing the demised premises provided that such renovations, repairs, and/or changes are pursued with diligence and Lessor will do said work without any abatement of rentals to Lessee.
18. **Parking.** Lessee shall not have the right to any designated parking space but shall have the right to park in common with other employees, guests and invitees of Lessor and other tenants of the building.
19. **Alterations.** All personal property kept on said premises shall be so kept at the risk of Lessee. Lessor shall not be liable for theft or any damage, either to person or property, sustained by Lessee or others, caused by any defects now in said premises, or any service facilities, or hereafter occurring therein, or due to the premises or any part or appurtenance thereof, arising out of repair, or caused by fire or by the bursting or leaking of water, gas, sewer or steam pipes, or from any act or neglect of other occupants of said premises, or any other persons, or due to the happening of any accident from whatsoever caused in and about said premises except for cause due to negligence of Lessor. Lessee will not make any alterations or additions whatsoever to the demised premises without first obtaining Lessor's



written approval of the plans and specifications.

At least five (5) days prior to commencing any alterations, improvements, or other construction within the demised premises, Lessee shall deposit with Lessor a fully executed copy of the contract(s) therefore, a copy of any building permit, and furnish evidence satisfactory to Lessor that Lessee is financially able to pay the contractor, and shall furnish a copy of a Performance Bond and a Labor and Material Payment Bond in an amount equal to one hundred percent (100%) of the contract value, in a form and with a surety acceptable to Lessor, naming Lessor and Lessee as obligees and insuring completion of the proposed work free and clear of all liens.

In the event Lessee is granted permission by Lessor and/or Lessor's architect to make, add to, or construct any improvements to the roof, ceiling, building or structure, Lessee shall be responsible for any additions, modifications, improvements, installation of equipment without limitation which may be placed upon or about the roof, ceiling, building or structure; furthermore, Lessee, Lessee's architect, consultant, agent of, or Lessee's licensee shall at all times maintain the structural integrity of the roof and verify at time of installation of equipment or improvements load limits of same so as not to exceed the structural load bearing specifications and conditions of roof, ceiling, building and/or any part of the structure with, but not limited to, verifying calculations and records. Lessee shall allow lessor and agents of Lessor upon reasonable notice, to examine and inspect said records, equipment or improvements if deemed necessary by Lessor. Lessee shall be responsible for any damage incurred, therein or thereafter to the demised, ceiling, building and/or any part of the structure due to penetration of the roof or ceiling membrane by Lessee or licensee of Lessee, and Lessee shall further indemnify and hold Lessor harmless from all such damage and claims. Lessee shall do any resulting repair that is necessary in a timely manner.

Lessee will pay to Lessor all reasonable costs incurred by Lessor as a result of obtaining said consent for approval, with said cost to include all reasonable architect's fees.

Lessee will also comply with all governmental regulations pertaining to any change in Lessee's use, or alterations to any part of or all of the demised premises; and if any parking should be required to satisfy any governmental requirements, Lessee shall be responsible for providing and maintaining any additional off-site parking stalls or areas required.

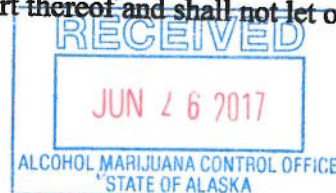
20. Use. Lessee shall continuously conduct and carry on in said premises, during each and every business day of the term hereof, the business for which said premises are leased, and that no stock of goods will be carried, or anything done in or about the premises which will increase the present rate of insurance. The rental contained herein is predicated on, among other things, Lessor's existing insurance premiums and in the event that the Lessee's usage shall cause an increase in the insurance rate or rating, in which event, Lessee shall pay for any resulting increase. Lessee agrees that it has determined, to Lessee's satisfaction, that the premises can be used for the purpose for which they are leased. Lessee shall not commit or allow to be committed any waste upon the premises or any public or private nuisance or other act or thing which disturbs the quiet enjoyment of any other Lessees in the adjoining premises. Lessee shall not cause or permit any Hazardous Material to be generated.



produced, brought upon, used, stored, treated or disposed of in or about the Property by Lessee, its agents, employees, contractors, sub-lessees or invitees without the prior written consent of Lessor. Lessor shall be entitled to take into account such other factors or facts as Lessor may reasonably determine to be relevant in determining whether to grant or withhold consent to Lessee's proposed activity with respect to Hazardous Material; however, in no event shall Lessor be required to consent to such proposed activity.

The term "Hazardous Materials" means any flammable items, explosives, radioactive materials, hazardous or toxic substances, material or waste or related materials, including any substances defined as or included in the definition of "Hazardous Wastes", "Hazardous Materials", or "Toxic Substances" now or subsequently regulated under any applicable federal, state or local laws or regulations, including without limitation petroleum-based products, paints, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, asbestos, PCB's and other similar compounds, and including any different products and materials which are subsequently found to have adverse effects on the environment or the health and safety of persons. The aforementioned shall not apply to cleansing products and/or repair supplies if used and disposed of per the manufacturer's directions.

21. **Liens and Insolvency.** Lessee shall keep the premises, and the property on which the leased premises are located, free from any liens arising out of any work performed, materials furnished or obligations incurred by Lessee. In the event Lessee becomes insolvent, voluntary or involuntary bankrupt, or if a receiver, assignee or other liquidating officer is appointed for the business of the Lessee, then the Lessor may cancel this lease at Lessor's option.
22. **Exclusion of Trespassers.** Lessor may at any time and from time to time during the term hereof exclude and restrain any persons from the use of occupancy of the common areas, excepting however, bona fide customers, patrons and service suppliers of the Lessee and other lessees of the Lessor who make use of said areas in accordance with the rules and regulations established by Lessor from time to time with respect thereto. The rights of Lessee hereunder in and to said driveways, entrances and exits thereto, the delivery and service entrances and exits thereto, and the sidewalks and pedestrian passageways, shall be subject to the rights of the Lessor and of all other lessees of the Lessor using the same in common with the Lessee, and it shall be the duty of Lessee to keep all of said areas free and clear of any obstructions created or permitted by Lessee or resulting from Lessee's operations and to permit the use of any of said areas only for normal parking and ingress and egress by said customers, patrons and service-suppliers, to and from the building occupied by Lessee and such other lessees of the Lessor. If, in the opinion of Lessor, unauthorized persons are using any of said areas by reason of the presence of Lessee in the demised premises, Lessee, upon demand of Lessor, shall take such action as is legally permissible without breach of the peace and by resorting to judicial relief, if necessary, to restrain the use of any of said areas by unauthorized persons or to remove any unauthorized persons from said areas; provided, however, that nothing contained herein shall preclude Lessor from taking such action.
23. **Assignment.** Lessee shall not assign this lease or any part thereof and shall not let or sublet



the whole or any portion of the premises without the written consent of Lessor. This lease shall not be assignable by operation of law. If Lessee is a corporation, then any transfer of this lease from Lessee by merger, consolidation or liquidation and any change in the ownership of, or power to vote, the majority of its outstanding voting stock shall constitute an assignment for the purposes of this paragraph. If the Lessee is a partnership or other entity, a withdrawal or change, voluntary, involuntary, or by operation of law, of the partner or partners, or members owning more than fifty percent (50%) of the partnership or other entity, or the dissolution of the partnership or other entity, shall be deemed a voluntary assignment. Any assignment of this lease shall not extinguish or diminish the liability of Lessee herein. If consent is once given by Lessor to the assignment of this lease, or any interest therein, Lessor shall not be barred from afterwards refusing to consent to any further assignment.

Lessee shall be permitted to assign this lease to an affiliated company of the Lessee with the following stipulations. Lessee shall submit financial reports of the affiliated company to the Lessor for approval and review. Approval by the Lessor shall not be unreasonably withheld. Lessor to advise the Lessee of their approval or disapproval within 14 days after receipt of the affiliated company's financial reports.

24. **Access.** Lessee will allow Lessor or Lessor's agent free access at all reasonable times in and to said premises for the purpose of inspection, or of making repairs, additions or alterations to the premises or any property owned by or under the control of Lessor, but this right shall not be construed as an agreement on the part of Lessor to make any repairs. Lessor shall have the right to place and maintain "For Rent," "For Lease," or "For Sale" signs in a conspicuous place on said premises. The Lessee will promptly make good any defects for which the Lessee may be responsible hereunder within thirty (30) days after written notice thereof, or sooner if the nature of such condition or the delay in its repair would cause, or create the risk of further damages to the premises. If the Lessee refuses or neglects to commence such repairs and complete the same within said period, the Lessor may, but shall not be obligated to make or cause such repairs to be made and shall not be responsible to the Lessee for any loss or damage that may accrue to the property, profession, occupation or business of the Lessee or of any third party by reason thereof, and if the Lessor make or cause such repairs to be made, the Lessee hereby agrees to pay forthwith on demand to the Lessor as additional rent the costs thereof, plus twenty percent (20%) of such costs to cover overhead and administrative expenses, with interest at the rate described in **paragraph 54** herein calculated from the date of completion of repairs by Lessor until fully paid by Lessee.

Lessee shall allow Lessor and the agents of Lessor to enter said premises after hours without the presence of Lessee only in the event of an emergency where such emergency necessitates the safety and protection of the building by Lessor. Lessor shall make every reasonable attempt to contact Lessee or any of its authorized agents based upon an emergency contact list provided by Lessee, to be present when Lessor enters the premises after hours. Lessee agrees to hold Lessor harmless and release Lessor from any liability in such event if Lessor is unable to reach Lessee or any of its authorized agents and Lessor must enter the premises without the presence of Lessee and or its authorized agents. If Lessor enters the premises without the presence of Lessee and or its authorized agents, Lessor shall on the following



business day, notify Lessee that Lessor entered Lessee's premises, the time it entered and exited the premises and the reasons for entering Lessee's premises.

No Lessee will alter, change, replace or re-key any lock or install a new lock on any door of the demised premises. Lessor, its agents or employees, will retain a pass (master) key to all door locks on the demised premises. Any new door locks required by Lessee or any change in keying of existing locks will be installed or changed by Lessor following Lessee's written request to Lessor and will be at Lessee's expense. All new locks and re-keyed locks will remain operable by Lessor's pass (master) key. Lessor will furnish each tenant, free of charge, with two (2) keys to each door lock on the demised premises. Lessor shall have the right to collect a reasonable charge for additional keys requested by each lessee. Each Lessee, upon termination of its tenancy, will deliver to Lessor all keys for the demised premises and building which have been furnished to such tenant. Should Lessee change any locks or re-key any locks on its own and are not the keys issued or reissued by Lessor, Lessor shall have the right to collect a reasonable charge for re-keying the locks after the termination of Lessee's tenancy.

25. **Signs.** All signs or symbols placed in the windows or doors of the premises or upon any exterior part of the building, by Lessee, shall be subject to the prior written approval of Lessor. Any signs so placed on the premises shall be so placed upon the understanding and agreement that Lessee will remove same at the termination of the tenancy herein created and repair any damage or injury to the premises caused thereby, and if not so removed by Lessee, then Lessor may have same removed at Lessee's expense.
26. **Indemnification.** Lessee shall defend and indemnify Lessor and save it harmless from and against any and all liability, damages, costs, or expenses, including attorney's fees, arising from any act, omission, or negligence of Lessee, or of the officers, contractors, licensees, agents, servants, employees, guests, invitees, or visitors of Lessee in the premises provided that the foregoing provisions shall not be construed to make Lessee responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence of Lessor, or of any officer, contractor, licensee, agent, servant, employee, guest, invitee, or visitor of Lessor.
27. **Damage or Destruction.** In the event the premises are damaged to such an extent as to render the same unleaseable in whole or in a substantial part thereof, or are destroyed, it shall be optional with Lessor to repair or rebuild the same; and after the happening of any such event, Lessee shall give Lessor or Lessor's agent immediate written notice thereof. Lessor shall have not more than thirty (30) days after the date of such notification to notify Lessee in writing of Lessor's intention to repair or rebuild said premises, or the part so damaged as aforesaid, and if Lessor elects to repair or rebuild said premises, Lessor shall prosecute the work of such repairing or rebuilding without unnecessary delay, and during such period, the rent shall be abated in the same ratio that the portion of the premises rendered for the time being unfit for occupancy shall bear to the whole of the lease premises. Lessee shall have the right to terminate lease if premises becomes unleaseable for more than sixty (60) days or if Lessor shall fail to give the notice as aforesaid, Lessee shall have the right to declare this lease terminated by written notice served upon Lessor or Lessor's agent.



28. **Liability Insurance.** Lessee agrees to carry liability insurance naming Lessor as an additional insured, in an amount not less than ONE MILLION (\$1,000,000.00) for injury or death to any one person, ONE MILLION DOLLARS (\$1,000,000.00) for injury or death per any number of persons in any one accident, and TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00) for property damage or destruction.
29. **Insurance Deductible.** All policies of insurance required under this lease by Lessee shall provide that any insurance deductible or self insurance provision, if applicable, will not exceed the amount of \$5,000.00 except with the prior written approval of Lessor.
30. **Fire Insurance.** Lessee will during said term keep all improvements now or hereafter erected on said premises insured against loss or damage by fire and any hazards, casualty, or contingency for which insurance is procurable which Lessee may be able to insure with an insurance company or companies pursuant to **paragraph 33** herein, in the name of the Lessee in an amount equal to the full replacement cost of said improvements, and will pay all premiums thereon at the time and place the same are payable. Annually, Lessee shall review the amount of insurance coverage to assure the improvements are insured for the full replacement cost. Lessor shall be named as an additional insured. Every policy shall be made payable in case of loss or damage to the parties as their interest may appear, and all compensation, indemnity or other monies paid on account of any loss or damage, other than rental value insurance, shall with all convenient speed be laid out in rebuilding, repairing, or otherwise reinstating the same improvements in a good and substantial manner according to the plan and elevation of the improvements so destroyed or damaged, or according to such modified plan as shall be previously approved by the Lessor in writing. In the event such insurance proceeds are inadequate to accomplish the foregoing, the Lessee shall promptly pay for the difference. Should Lessee fail to pay for the difference, Lessor has the option to cancel the Lease by giving Lessee written notice within thirty (30) days of the casualty and Lessee will assign all interest in said insurance proceeds to the Lessor and such proceeds shall be applied by the Lessor, at its sole option, to rebuilding or repairing of loss, destruction or damage, over the reduction of any indebtedness by Lessee to Lessor, or may be retained by Lessor as payment for damages incurred to the leasehold.
31. **Business Interruption.** Lessee, at its own cost and expense, shall obtain business interruption insurance on Lessee's operations in the Premises or any part thereof from an insurance company or company pursuant to **paragraph 33** herein and shall cause all of its sub-lessees, concessionaires, and licensees to also obtain such insurance on their respective operations in the Premises or any part thereof. The business interruption insurance required to be obtained by Lessee shall insure that installments of minimum annual rent and percentage rent payable hereunder, together with the net amount thereon required to be paid shall be paid to Lessor for a period of not less than two (2) years following any damage, destruction or other casualty to any of the buildings, equipment or improvements situated upon the Premises, or other event covered by such insurance, be required to be paid beyond the expiration date of this Lease or any extension thereof, and shall name the Lessor as an additional assured.



32. **Plate Glass Insurance.** Lessee will procure, keep in force during the term and deposit with the Lessor, a policy or policies of plate glass insurance covering all plate glass in windows of the premises to the extent of their full insurable value and naming the Lessor as an additional assured.
33. **Insurance Rating & Certificates of Insurance.** Lessee, at its own cost and expense, shall obtain the insurance coverages from an insurance company or companies qualified to do business in the State of Alaska and having a general policy holder's rating of not less than "A" and a financial rating of "XV" or better, as rated in the most current available "Best's Insurance Reports", and shall deposit with Lessor current certificates of insurance together with every receipt for premiums or evidence thereof. All such certificates shall state that such insurance has been endorsed to provide that such insurance cannot be modified or terminated without at least thirty (30) days' prior written notice to Lessor and any mortgagee. If Lessee shall fail to provide any insurance required by this Lease, Lessor may, at its option, procure such insurance and pay the premiums therefore and Lessee shall be obligated to repay every such premium upon demand, plus interest thereon calculated from the date of such payment by Lessor at the rate provided in **paragraph 54** of this Lease.
34. **Condemnation.** If all of the premises or such portion of any building wherein the premises may be located as may be required for the reasonable use of the premises, is taken by eminent domain, this lease shall automatically terminate as of the date Lessee is required to vacate the premises and all rentals shall be paid to that date. In case of taking of a part of the premises, or a portion of any building wherein the leased premises may be located which is not required for the reasonable use of the premises, then this lease shall continue in full force and effect and the rental shall be equitably reduced, based on the proportion by which the floor area of the premises is reduced, such rent deduction to be effective as of the date possession of such portion is delivered to the condemning authority. Lessor reserves all rights to damages to the premises for any taking by eminent domain, and Lessee hereby assigns to Lessor any right Lessee may have to such damages or award, and Lessee shall make no claim against Lessor for damages for termination of the leasehold interest or interference with Lessee's business. Lessee shall have the right, however, to claim and recover from the condemning authority compensation for any loss to which Lessee may be put for Lessee's moving expenses and for interruption of or damage to Lessee's business, provided that such damages may be claimed only if they are awarded separately in the eminent domain proceeding and not as a part of the damages recoverable by Lessor.
35. **Notices.** All notices to be given by the parties hereto shall be in writing and may either be served personally or deposited in the United States mail, postage prepaid, either by registered, certified, or regular mail with certificate of mailing obtained; and if to be given Lessor, to be addressed to Lessor at the address specified above. Notice shall be deemed to be delivered when received by the Lessor or, if to be given Lessee, may be addressed to Lessee at the leased premises or the address specified above. Notice shall be deemed to be delivered when received by the Lessee.
36. **Default by Lessee.** If Lessee shall fail to pay any installment of rent or any additional rent or other charges as and when the same shall become due and payable, and if such default shall



continue for a period of ten (10) days after payment shall be due or if Lessee shall default in the performance of any of the other items, covenants and conditions of this lease, and if such default shall continue for a period of thirty (30) days after notice in writing specifying the matter claimed to be in default is given by Lessor to Lessee; Lessor shall have the right, at Lessor's option, to terminate this lease and the term hereof, as well as the right, title and interest of Lessee hereunder, unless (except for a default of nonpayment of rent) Lessee shall then diligently be engaged in prosecuting the work necessary to remove said cause or taking the steps necessary to remedy said default, and Lessor may re-enter the premises, using such force as may be necessary, and repossess itself thereof and remove all persons and property from the premises. If Lessor exercises its right of re-entry, Lessor may change the locks to the demised premises without having to provide Lessee with a copy of such key. Notwithstanding any such re-entry, the liability of Lessee for the full rental provided for herein shall not be extinguished for the balance of this lease, and Lessee shall make good such deficiency arising from any re-letting of the premises and reasonable attorney's fees. Lessor will also have the rights of Lessor distraint.

Each of the following events shall constitute a default:

- A. Lessee's failure to make payment of any rent or other payments required of Lessee or any part thereof, if said failure shall continue for a period of ten (10) days after the payment shall be due.
- B. A default in the performance of any other covenant or condition on the part of Lessee for a period of thirty (30) days after being served with a notice spelling out the specific default or defaults.
- C. The filing of a petition by or against Lessee for adjudication as a bankrupt, appointment of a receiver or trustee of any substantial part of the assets of Lessee or the institution of any proceeding involving Lessee under any reorganization or arrangement, insolvency, dissolution, liquidation, or other similar statutes of the federal government or any state government heretofore or hereinafter enacted.
- D. The execution, attachment, or levy upon the leasehold interests or any part of the Leased Premises.
- E. Lessee's desertion, vacation, abandonment, or suspension of business operation on the Leased Premises for a period of five (5) or more days. Notwithstanding the Lessee may upon written notice to Lessor, suspend business activity during low season for a period of time. Such period of time shall be no longer than ten (10) days.

37. **Disposal of Property.** For each and every case where Lessor has removed and stored Lessee's property in accordance with one or more provisions of this Lease, in the event that Lessee fails to claim said property by taking actual possession of said property and paying immediately to Lessor any and all sums due as a result of Lessee's obligations under this Lease, including all costs incurred in the removal and storage of said property, within forty-five (45) days from the date of Lessor's removal of said property from demised premises, then said property shall become immediately and indefeasibly vested in the Lessor who shall be at liberty to dispose of such property as it sees fit and Lessee covenants with Lessor that in



such event it shall make no claim against Lessor in respect of said property and will pay to Lessor all costs incurred by Lessor in the removal, storage, and disposal of said property. Lessor agrees that any and all proceeds from the disposition of said property shall first be applied to removal, storage, and disposal costs incurred by Lessor, then to any outstanding balance on Lessee's account owed to Lessor, and the balance, if any, shall be the sole property of Lessor.

38. **Right To Re-Let.** Should Lessor elect to re-enter, as herein provided, or should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, it may either terminate this Lease, or it may from time to time without terminating this Lease, make such alterations and repairs as may be necessary in order to re-let the premises, and re-let said premises or a part thereof for such term or terms (which may be for a term extending beyond the term of this Lease) and at such rental or rentals and upon such other terms and conditions as Lessor in its sole discretion may deem advisable; upon each such re-letting, all rentals received by the Lessor from such re-letting shall be applied first to the payment of any indebtedness other than rent hereunder from Lessee to Lessor; second, to the payment of any costs and expenses of such re-letting, including brokerage fees and attorney's fees and costs of such alterations and repairs; third, to the payment of rent due and unpaid hereunder, and the residue, if any, shall be held by Lessor and applied to payment of future rent as the same shall become due and payable hereunder. If such rentals received from such re-letting during any month are less than that required to be paid during that month by Lessee hereunder, Lessee shall pay any such deficiency to Lessor before the end of such month. Lessor shall make reasonable effort to re-let said premises at no less than current fair market rent. Termination may, but need not necessarily, be made effective by the giving of written notice to the Lessee of intention to end the term of this lease, specifying a day not earlier than five days thereafter, and upon the giving of such notice, the term of this lease and all rights, title and interest of the Lessee hereunder shall expire as fully and completely on the day so specified as if that day were the date herein specifically fixed for the expiration of the term. No such re-entry or taking possession of said premises by Lessor shall be construed as an election on its part to terminate this Lease unless a written notice of such intention is given to Lessee or unless the termination thereof is decreed by a court of competent jurisdiction. Notwithstanding any such re-letting without termination, Lessor may at any time thereafter elect to terminate this Lease for such previous breach.

39. **Damages On Termination.** Should Lessor at any time terminate this Lease for any default, breach or failure of Lessee hereunder, then, in addition to any other rights or remedies available to Lessor hereunder or by law provided, Lessor may have and recover from Lessee, all damages Lessor may incur by reason of such default, breach or failure including, without limitation, court costs and reasonable attorney's fees for services in recovering possession, all costs and expenses of any re-letting including, without limitation, all costs of alterations and repairs, dividing and subdividing, of the premises in connection therewith, all brokerage commissions or other similar expenses of Lessor in connection with such re-letting, or, at the option of Lessor, Lessor may have and recover from Lessee the worth at the time of termination of this Lease, of the excess, if any, of the total minimum rental and percentage rental and other charges reserved in this Lease for the remainder of the term hereof, over the then reasonable rental value of the premises for the same period, all of which amounts,



including attorney's fees of Lessor, shall be immediately due and payable by Lessee to Lessor.

40. **Lessor's Consent.** Whenever Lessor's consent is required under the terms hereof, such consent shall be in writing, and shall not unreasonably be withheld.
41. **Non-Waiver of Breach.** The failure of Lessor to insist upon strict performance of any of the covenants and agreements of this lease, or to exercise any option herein offered in any one or more instances, shall not be construed to be a waiver or relinquishment of such, or of any other covenants or agreements, but the same shall be and remain in full force and effect.
42. **Removal of Property.** In the event of any entry in or taking possession of the premises as aforesaid, Lessor shall have the right, but not the obligation to remove from the premises all personal property located therein, and may store the same in any place selected by Lessor, including but not limited to, a public warehouse, at the expense and risk of the owners thereof, with the right to sell such stored property, without, with notice to Lessee, after it has been stored for a period of thirty (30) days or more, the proceeds of such sale to be applied first to the cost of such sales, second to the payment of charges for storage, if any, and third to the payment of any other sums of money which may then be due from Lessee to Lessor under any of the terms hereof, the balance, if any, to be paid to Lessee.

Lessee hereby waives all claims for damages that may be caused by Lessor's re-entering and taking possession of the premises or removing and storing the property of Lessee as provided in this lease, and will save Lessor harmless from loss, costs or damages occasioned by Lessor thereby, and such re-entry shall not be considered or construed to be forcible entry.

43. **Surrender Of Premises.** The Lessee shall, at least three (3) months before the end of said term, give to Lessor written notice of intention to surrender the premises on that date; if such notice is not given, the Lessee shall be liable for the rent for one (1) additional month as liquidated damages for failure to give such notice and not as a penalty.

At the termination of this Lease, by lapse of time or otherwise, Lessee will peaceably deliver up to Lessor, possession of the demised premises. At the option of Lessor, (at Lessor's sole discretion), with reasonable notice given in writing to Lessee prior to the earlier termination or expiration of the Lease, Lessee shall either a) remove at Lessee's expense those existing alterations or improvements, made by the Lessee requested by Lessor to be removed, by whomsoever made or installed to said demised premises, flush to the wall or floor and Lessee shall make good any damage caused to the premises in the removal of said alterations or improvements, in accordance with Lessee's covenants herein contained to maintain and repair said premises or b) shall peaceably deliver up to Lessor, possession of the demised premises together with all improvements, additions, fixtures, permanently attached or otherwise, and alterations thereon, by whomsoever made or installed, and shall keep thereto, in the same condition of cleanliness, repair, sightliness, order and condition as the demised premises was in upon the commencement of business under the lease, reasonable wear and tear excepted, in accordance with Lessee's covenants herein contained to maintain and repair said premises, without disturbance, molestation or injury, and without credit to Lessee, its sub-lessees,



concessionaires or licensees. If no written notice is given to Lessee, Lessee shall at the termination of the lease remove all improvements, additions, fixtures, trade or otherwise and alterations thereon, made by the Lessee.

Lessee shall surrender all keys for the demised premises to Lessor at the place then fixed for the payment of rent.

The Lessee will allow the Lessor during the last month of the term hereof, or during any holdover period, to affix to keep on said demised premises "To Let" notice, and will allow the Lessor to show the premises during Lessor's business hours to prospective tenants with 48 hours notice.

44. **Heirs and Successors.** Subject to the provisions hereof pertaining to assignment and subletting, the covenants and agreements of this lease shall be binding upon the heirs, legal representatives, successors and assigns of any or all of the parties hereto.
45. **Lessor's Liability; Certain Duties.** As used in this lease the term "Lessor" means only the current owner or owners of the title to the property or the leasehold estate under a ground lease of the property at the time in question. Each Lessor is obligated to perform the obligations of Lessor under this Lease only during the time such Lessor owns such interest or title. Any Lessor who transfers its title or interest is relieved of all liability with respect to the obligations of Lessor under this lease to be performed on or after the date of transfer. However, each Lessor shall deliver to its transferee all funds that Lessee previously paid if such funds have not yet been applied under the terms of this lease.

Lessee shall give written notice of any failure by Lessor to perform any of its obligations under this lease to Lessor and to any ground lessor, mortgagee, or beneficiary under any deed of trust encumbering the property whose name and address have been furnished to Lessee in writing. Lessor shall not be in default under this lease unless Lessor (or such ground lessor, mortgagee or beneficiary) fails to cure such non-performance within thirty (30) days after receipt of Lessee's notice. However, if such nonperformance reasonably requires more than thirty (30) days to cure, Lessor shall not be in default if such cure is commenced within such thirty (30) day period and thereafter diligently pursued to completion.

Notwithstanding any term or provision herein to the contrary, the liability of Lessor for the performance of its duties and obligations under this lease is limited to Lessor's interest in the Property and the Project, and neither the Lessor nor its partners, shareholders, officers or other principals shall have any personal liability under this lease.

46. **Holdover.** If Lessee shall, with the consent of Lessor, hold over after the expiration of the term of this lease, such tenancy shall be for an indefinite period of time on a month-to-month tenancy, which tenancy may be terminated as provided by laws of the State of Alaska. During such tenancy, Lessee agrees to pay Lessor one hundred fifty percent (150%) of the rent payable immediately prior to such expiration, unless a different rate is agreed upon, and to be bound by all the terms, covenants and conditions as herein specified, so far as they are applicable.

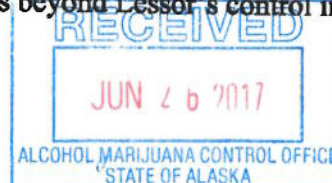


47. **Subordination.** This lease is subject and is hereby subordinated to all present and the future mortgages, deeds of trust and other encumbrances affecting the premises or the property of which said premises are a part. Lessee agrees to execute, at no expense to Lessor, any instrument, which may be deemed necessary or desirable by Lessor to further effect the subordination of this lease to any mortgage, deed of trust or encumbrance.
48. **Attornment.** If Lessor's interest in the property is acquired by any ground Lessor, beneficiary under a deed of trust, mortgagee, or purchase at a foreclosure sale, Lessee shall attorn to the transferee of or successor to Lessor's interest in the property and recognize such transferee or successor as Lessor under this lease. Lessee waives the protection of any statute or rule of law, which gives or purports to give Lessee any right to terminate this lease or surrender possession of the property upon the transfer of Lessor's interest.
49. **Estoppel Certificates.** Upon Lessor's written request, Lessee shall execute, acknowledge and deliver to Lessor a written statement certifying: (i) that none of the terms or provisions of this Lease have been changed (or if they have been changed, stating how they have been changed); (ii) that this Lease has not been canceled or terminated; (iii) the last date of payment of the Base Rent and other charges and the time period covered by such payment; (iv) that Lessor is not in default, under this Lease (or, if Lessor is claimed to be in default, stating why); and (v) such other representations or information with respect to Lessee or the Lease as Lessor may reasonably may require. Lessee shall deliver such statement to Lessor within ten (10) days after Lessor's request. Lessor may give any such statement by Lessee to any prospective purchaser or encumbrancer of the Property. If Lessee does not deliver such statement to Lessor within such ten (10) day period, Lessor, and any prospective purchaser or encumbrancers, may conclusively presume and rely upon the following facts: (I) that the terms and provisions of this Lease have been changed except as otherwise represented by Lessor; (ii) that this Lease has not been canceled or terminated except as otherwise represented by Lessor; (iii) that not more than one month's Base Rent or other charges have been paid in advance; and (iv) that Lessor is ;not in default under the Lease. In such event, Lessee shall be estopped from denying the truth of such facts.
50. **Lessee's Financial Condition.** Within ten (10) days after written request from Lessor, Lessee shall deliver to Lessor such financial statements, as Lessor reasonably requires, to verify the net worth of Lessee or any assignee, sub-lessee, or guarantor of Lessee. In addition, Lessee shall deliver to any lender designated by Lessor any financial statements required by such lender to facilitate the financing or refinancing of the Property. Lessee represents and warrants to Lessor that each such financial statement is true and accurate statement as of the date of such statement. All financial statements shall be confidential and shall be used only for the purposes set forth in this lease.
51. **Costs and Attorney's Fees.** If Lessee or Lessor shall bring any action for any relief against the other, declaratory or otherwise, arising out of this lease, including any suit by Lessor for the recovery of rent or possession of the premises, the losing party shall pay the successful party a reasonable sum for attorney's fees in such suit, and such attorney's fees shall be deemed to have accrued on the commencement of such action. In case of any breach by



Lessee of its covenants herein contained, Lessor may at any time without notice, cure such breach for the account and at the expense of Lessee. Lessee will pay to Lessor within 10 days after the date of Lessor making personal delivery of statements therefore, (a) all reasonable and actual costs and expenses, including reasonable attorney's fees incurred or paid by Lessor, but required to be paid by Lessee under any covenant herein contained or paid or incurred by Lessor in enforcing any of the covenants and conditions of this Lease, in protecting itself against any breach thereof, in remedying any breach thereof, incurring any breach by Lessee of its covenants herein contained, in recovering possession of the demised premises or any part thereof or in collecting any delinquent rent or other charges payable hereunder by Lessee, or in connection with any litigation (other than condemnation proceedings) commenced by or against Lessee to which Lessor shall without fault be made party, and (b) a reasonable fee for reviewing and processing any request by Lessee for Lessor's consent or approval, which fee shall be a flat-rate service charge as established by the policy of Lessor, including without limitation reasonable fees of attorneys and other consultants retained by Lessor and the costs of Lessor's regular salaried staff in connection therewith, whichever is greater.

52. **Interest.** The Lessee shall pay to Lessor, on demand, interest on all sums payable by Lessee to Lessor pursuant to the provisions of this Lease, from the date due until paid, at the rate of twelve percent (12%) per annum or such higher rate as shall equal the maximum rate of interest allowed by Alaska statutes, or any statute succeeding thereto or substituted therefore; provided, however, that in no event shall the interest rate charged by Lessor exceed the maximum rate per annum allowed by applicable law for said period.
53. **Rules and Regulations by Lessor.** Lessee shall comply with all reasonable rules and regulations hereafter and from time to time adopted by Lessor for the use, safety, care and preservation of the premises.
54. **Janitorial.** Lessee is responsible for keeping the premises in a neat and clean condition.
55. **Collateral Assignment of Subleases.** As additional security of the prompt payment of the rent herein reserved to Lessor, and for the faithful performance and punctual observance of all of the other covenants and conditions herein contained to be performed or observed on Lessee's part, Lessee hereby assigns to Lessor all of Lessee's right, title and interest in and to any such subleases which may be made by Lessee or any assignments of Lessee's interest affecting the premises, or any part thereof, and in and to the rents due to become due under the terms of any such subleases or assignments. The aforesaid assignment by Lessee to Lessor of its interest in and to any sublease or assignments which may be made by Lessee as aforesaid, shall take effect, however, only in the event any default hereunder is made or suffered by Lessee and after written notice of any such default is given by Lessor to the sub-lessee, sub-lessees or assignees and shall take effect only after Lessor shall elect to continue said subleases in full force and effect.
56. **Force Majeure.** If Lessor cannot perform any of its obligations due to events beyond Lessor's control, the time provided for performing such obligations shall be extended by a period of time equal to the duration of such events. Events beyond Lessor's control include,



but are not limited to, acts of God, war, civil commotion, labor disputes, strikes, fire, flood or other casualty, shortages of labor or material, government regulation or restriction and weather conditions.

57. Alaska Statute 08.88.396. JRW Ventures acts as an agent of the Lessor under the Management Agreement and is paid by the Lessor. However, Lessor's agent or any broker acting as subagent to the Lessor in this transaction has the obligation of a duty of good faith, fair dealing, and honesty in fact in negotiating with the Lessee in this transaction and a duty to disclose all known facts that materially affect the lease value, desirability, or condition of the premises being leased.

58. Other Miscellaneous Conditions. Upon payment by Lessee of the rent hereinafter reserved and upon observance and performance of the covenants by Lessee herein contained, Lessee shall peaceably hold and enjoy the demised premises for said term without hindrance or interruption by Lessor or any other persons lawfully or equitably claiming by, through or under it except as herein expressly provided.

Lessee agrees to operate all of the leased premises during the entire term of this lease with due diligence and efficiency, unless prevented from doing so by causes beyond Lessee's control.

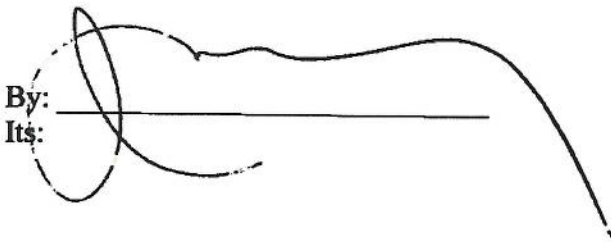
IN WITNESS WHEREOF, the parties hereto have executed this lease the day and year first above written.

LESSOR:

JRW VENTURES

By: JW, Inc., its general partner

By:
Its:



LESSEE:

Herrera Brothers, Inc.

By:

By:
Its:



FIRST AMENDMENT OF LEASE

THIS FIRST AMENDMENT OF LEASE made and executed this 12 day of February 2013, by and between **JRW Ventures** whose business and post office address is 411 West 4th Avenue, Suite 200, Anchorage, Alaska 99501, hereinafter called "Lessor," and Herrera Brothers, Inc, whose post office address is, Anchorage, AK 99503, hereinafter called "Lessee."

WITNESSETH:

WHEREAS, by that certain Indenture of Lease described herein below, Lessor did convey the following leasehold interest to Lessee:

ALL of the right, title, and interest in and to that certain Indenture of Lease dated **June 1, 2009**, made and executed by and between **JRW Ventures** as Lessor, and Herrera Brothers, Inc as Lessee, , the real property by said Indenture of Lease demise being more particularly described as follows:

ALL of that certain office space designated Space A, containing a floor area of approximately 3,491 square feet, more or less, and as more particularly described in the plot plan entitled 'New Space Area' and made a part hereof as Addendum "B" within the Northern Lights Professional Building Annex building, situated at 201 E. Northern Lights, Anchorage, Alaska 99503.

Together with such appurtenant rights, easements and privileges to be enjoyed In common with all others entitled thereto in connection with the use and enjoyment of the above demised premises.

NOW THEREFORE, in consideration of the premises, Lessor and Lessee have mutually agreed to amend said Lease as hereinafter set forth:

1. To amend **Section 3. Term** to extend the termination date of this lease for five years from June 30, 2014 to June 30, 2019.
2. To amend **Section 3. Options** to read "While not in default of any of the terms of this lease, Lessee shall have an option to extend the lease for Two terms of Three year(s), at rate and terms to be negotiated. Lessee shall give ninety (90) days' written notice to Lessor of its exercise of its option to renew. Lessor shall base renewal rent on fair market value of the space within thirty (30) days of receipt of written notice of exercise of option to renew from Lessee but in no event shall the monthly rent be less than the rent in the preceding period.'
3. To amend **Utilities** read "Lessor shall furnish the premises with snow removal as part of CAM expense. Lessee shall be responsible for and shall pay for the following utilities and services: electricity (which electricity will be submetered from Lessor's meter), water and sewer (which water and sewer charges will be prorated with the adjoining tenant unless a different allocation is agreed upon between Lessee



and the adjoining tenant), refuse, gas, heat, interior janitorial, telephone, and internet service (if any). Lessor shall not be liable to Lessee for any loss or damage caused by or resulting from variation, interruption or failure of such services or in the making of repairs, alterations, or improvements, or due to accident or strike, or conditions or events beyond Lessor's reasonable control and such loss or damage shall not be deemed an eviction of Lessee or relieve Lessee from any of Lessee's obligations hereunder. Any meters recording the amount of water furnished to the demised premises and consumed by Lessee shall be installed by Lessee at its own expense, unless previously installed by Lessor."

4. To amend Section 9. by deleting the paragraph in its entirety and inserting a new Section 9. to read. "Common Area Charges In order to help defray the expenses incurred by Lessor in operating, managing and maintaining the parking areas, streets, if applicable, sidewalks, mall, planting and other areas and facilities common to occupants of the building specified in Section 1 herein, in the event there is an increase in these expenses that exceeds the amount of \$0.25 per square foot, the increase shall be passed through to the Lessee. Lessee will pay to the Lessor as additional charge for each and every calendar month of said term, Lessee's proportionate share, which is based upon the ratio that Lessee's gross leasable area bears to the total gross leasable area in the commercial complex, of the increase of all expenses incurred by Lessor for such month in operating and maintaining the common facilities, excluding only items of expense commonly known and designated as carrying charges, such as, but not limited to, ground rent, principal and interest on mortgage indebtedness, capital items, and Lessor's executive and administrative salaries, wages or fees; but specifically including, without limitation, the cost of water and electricity not separately metered to the tenants, the cost of public liability, fire, and property damage insurance, maintenance, repair and painting of all portions or otherwise of the walls, columns, roof, ceiling, sidewalks, floors, floor coverings and pavement within the common facilities, exterior window washing, holiday decorations, line painting, electricity, maintenance and recharging of fire extinguishers, janitorial services, repairs to lighting fixtures and equipment (including replacement of tubes, ballasts, and bulbs), maintenance and repairs to water, sewer, electrical and storm drain lines, and any portion of the HVAC system, replanting, and maintenance of all landscaping, cost of garbage and refuse removal, depreciation on machinery and equipment used in all maintenance services, the cost of employee's salaries (including payroll taxes and workmen's compensation premiums), supplies and small tools to implement all maintenance services, the cost of services contracted out, an amount to reimburse Lessor for its overhead and administrative costs in connection therewith, real property taxes and any assessments or charges made under any betterment or improvement law or otherwise attributable to such common areas, maintenance and repair of equipment, all billing, auditing and legal expenses, any expenses incurred in contesting real property assessments and any assessments or charges made under any betterment or improvement law or otherwise and other costs of operating such parking and other common areas. As used herein the term "equipment" shall be taken to include both personally and fixtures.

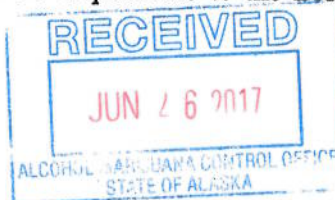


Such expenses for the first and last calendar months of said term shall be pro-rated as of the commencement date and expiration date respectively. Lessor has estimated the amount of such expenses for the purpose of monthly billing of said charge and included them in the base rental. "Common Facilities" means all areas provided by Lessor for the common or joint use and benefit of all tenants of the commercial complex, their employees, agents, customers, and other invitees, and includes the entire commercial complex other than the space leasable to tenants.

Within sixty (60) days after the end of each calendar year, or such other term as may be determined by Lessor, Lessor will deliver to Lessee a written statement showing, in reasonable detail, all such expenses for such year and the computation of said charge therefore, and any deficiency or excess in the payment of said charge for such year as determined by such statement shall thereupon be adjusted between Lessee and Lessor. Lessor will keep in its principal office in Anchorage, Alaska, for at least two (2) years after the end of each calendar year of said term, a permanent, accurate set of books and records of all such expenses incurred by Lessor for such year, and for at least one (1) year after the end of each calendar year, all supporting records of such expenses for such year, including checks, contracts and vouchers. All such books and records shall be open to examination by Lessee and its agents at all reasonable times during ordinary business hours.

5. To amend **Section 6. Rent** by adding the following language "From July 1, 2014 until June 30, 2015 the minimum monthly rental shall be Seven Thousand Four and No/100 Dollars (\$7.004.00). From July 1, 2015 until June 30, 2016 the minimum monthly rental shall be Seven Thousand Two Hundred Fourteen and 12/100 Dollars (\$7.214.12). From July 1, 2016 until June 30, 2017 the minimum monthly rental shall be Seven Thousand Four Hundred Thirty and 54/100 Dollars (\$7.430.54). From July 1, 2017 until June 30, 2018 the minimum monthly rental shall be Seven Thousand Six Hundred Fifty Three and 45/100 Dollars (\$7.653.45). From July 1, 2018 until June 30, 2019 the minimum monthly rental shall be Seven Thousand Eight Hundred Eighty Three and 06/100 Dollars (\$7.883.06)."
6. To amend **Section 17. Repairs and Care of Premises** by adding the following language "Lessee will have any grease interceptor installed on the kitchen waste line professionally cleaned at least quarterly, and drain lines jetted or snaked, biannually, and will provide Lessor with evidence to confirm this work has been performed.

The Lessee will allow the Lessor, at reasonable times to enter upon said premises and examine the condition thereof, and will promptly make good any defects for which the Lessee may be responsible hereunder within thirty (30) days after written notice thereof, or sooner if the nature of such condition or the delay in its repair would cause, or create the risk of further damages to the premises. If the Lessee refuses or neglects to commence such repairs and/or work and complete the same within said period, the Lessor may, but shall not be obligated to make or cause such repairs and/or work to be made and shall not be responsible to the Lessee for any loss or



damage that may accrue to the property, profession, occupation or business of the Lessee or of any third party by reason thereof, and if the Lessor make or cause such repairs and/or work to be made, the Lessee hereby agrees to pay forthwith on demand to the Lessor as additional rent the costs thereof, plus twenty percent (20%) of such costs to cover overhead and administrative expenses, with interest at the rate described in paragraph 53 herein calculated from the date of completion of repairs by Lessor until fully paid by Lessee."

7. To amend **Section 17. Other Miscellaneous Conditions** to include "Tenant at its cost shall maintain and repair, in good, neat and clean condition, all portions of the Premises, including, without limitation, all fixtures, air conditioning and heating equipment located on or in the Premises or on the roof of the Premises, the storefront, all signs, locks, doors, floors and floor coverings, all glass, both exterior and interior, ceilings, walls, electrical, mechanical, lighting, and exposed plumbing. Any broken glass shall be promptly replaced by Tenant. Upon surrender of the Premises, Tenant shall deliver the Premises to Landlord in good order, condition and repair, reasonable wear and tear excepted. Upon written request of Landlord, Tenant shall provide evidence that its air conditioning and heating equipment are being periodically properly serviced and maintained under a service contract.
8. All other terms and conditions of the lease remain the same.

IT IS MUTUALLY UNDERSTOOD AND AGREED by and between Lessor and Lessee that this First Amendment of Lease shall be effective as of the date hereof, and that all of the terms, covenants, provisions, and conditions of said Lease, as heretofore and herein amended, shall remain in full force and effect for the full term thereof and said Lease as heretofore and herein amended is ratified and confirmed as of the date hereof.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed the day and year first above written.

LESSOR: JRW VENTURES
BY: JW, INC., its general partner

By *[Signature]*
Its: Sec Treas

LESSEE: Herrera Brothers, Inc

By *[Signature]*
Its: Jose Herrera, President



Combined Statement

Seller(s) Alyeska Title Guaranty Agency, Alyeska Title Guaranty Agency
 3801 Centerpoint Drive, Suite 102, Anchorage, AK 99503, (907)569-2842
Buyer(s) Herrera Brothers, Inc., 201 E Northern Lights Blvd., Suite A, Anchorage, AK 99503
Lender(s) Serrano's, LLC, 2954 Suncatcher Court, Anchorage, AK 99507
Property 201 East Northern Lights Boulevard Anchorage, Alaska 99503
Closing Date 2/13/2013 **Disbursement Date** 2/13/2013 **Proration Date** 2/13/2013

Buyer		Seller	
Debit	Credit	Debit	Credit
\$120,000.00			\$120,000.00
	Sales/Price		
	Contract sales price		
	Deposits		
	\$5,000.00 Deposit or earnest money		
	Prorations		
\$6,000.00	Reimburse Security Deposit		\$6,000.00
	\$88.49 Business Personal Property Taxes (Est) 1/1/2013 to 2/13/2013	\$88.49	
	Other Adjustments		
	\$108,000.00 Seller Financing	\$108,000.00	
	Commissions		
	\$12,000.00 to Jack White Commercial	\$12,000.00	
	Title Charges		
\$200.00	Settlement or closing fee to Alyeska Title Guaranty Agency	\$200.00	
\$125.00	Document preparation to Law Offices Of James H. McCollum	\$125.00	
	Recording Fees/Transfer Charges		
\$13.50	Recording fees: Other \$27.00	\$13.50	
\$22.00	UCC Filing to Alyeska Title Guaranty Agency	\$22.00	
	Additional Charges		
\$100.00	FNBA Escrow Set-up Fee to First National Bank Alaska		
\$175.00	FNBA Annual Escrow Fee to First National Bank Alaska		
\$126,635.50	\$113,088.49	\$120,448.99	\$126,000.00
	Subtotals		
	\$13,547.01		
	Balance due from Buyer		
	Balance due to Seller	\$5,551.01	
\$126,635.50	\$126,635.50	\$126,000.00	\$126,000.00
	Totals		



Combined Statement

SERRANO'S, LLC

Josue Picasso
Member

HERRERA BROTHERS, INC.

Jose Herrera
President

Ezequiel Herrera
Vice President





3801 Centerpoint Drive
Suite 102
Anchorage, AK 99503
(907) 569-2842 (907) 569-2843 FAX

PRIVACY POLICY NOTICE

What kind of information we collect. We collect information about you (e.g., your name, address, telephone number), and information about your transaction, including the identity of the real property that you are selling, buying or financing. We may obtain a copy of deeds, notes, or mortgages that are involved in the transaction. We may get this information from you or from the lender, attorney or real estate broker that you have chosen. We may obtain information from the public records about the property. We provide settlement services, we may obtain your social security number, date of birth and we may receive additional information from third parties including appraisals, credit reports, land surveys, escrow account balances, and sometimes bank account information, your credit application, paycheck receipts, tax returns, and bank statements to facilitate the transaction.

How we use this information. The company giving or specifically adopting this notice does not share your information with outside marketers. There is no need to tell us to keep your information to ourselves because we share your information only to provide the service requested by you or your lender, or in other ways permitted by law. The privacy laws permit some sharing of information without your approval. We may share internally and with nonaffiliated third parties in order to carry out and service your transaction, to protect against fraud or unauthorized transactions, for institutional risk control, and to provide information to government and law enforcement agencies and during the course of legal proceedings. Credit information about you is shared only to facilitate your transaction or for some other purpose permitted by law.

How we protect your information. We restrict access to nonpublic personal information about you to those employees who need the information to provide products or services to you. We maintain physical, electronic, and/or procedural safeguards that comply with the law to guard your nonpublic personal information. We reinforce the company's privacy policy with our employee.

BUYER(S):

Date:

SERRANO'S, LLC

Josue Picasso
Member

SELLER(S):

Date:

HERRERA BROTHERS, INC.

Jose Herrera
President

Ezequiel Herrera
Vice President





3801 Centerpoint Drive
Suite 102
Anchorage, AK 99503
(907) 569-2842 (907) 569-2843 FAX

Seller Herrera Brothers, Inc.
Buyer Serrano's, LLC
Order No. 39429
Property 201 East Northern Lights Boulevard, Anchorage, AK 99503

Affiliated Business Arrangement Disclosure Statement

The parties to this real estate transaction are notified that there is some common ownership between Alyeska Title Guaranty Agency, Homestate Mortgage, Jack White Commercial and Prudential Jack White Vista Real Estate. Because of these relationships, referrals to these entities may provide the owner(s) of Alyeska Title Guaranty Agency a financial benefit.

All title companies provide essentially the same services and products and Alyeska Title Guaranty Agency's rates are comparable to all other title companies in the local area. You are not required to use Alyeska Title Guaranty Agency as a condition for the settlement of your loan on the subject property or as a condition for purchase, sale or refinance of the subject property.

I/We have read and understand this disclosure form.

BUYER(S):

Dated:

SERRANO'S, LLC

Josue Picasso
Member

SELLER(S):

Dated:

HERRERA BROTHERS, INC.

Jose Herrera
President

Ezequiel Herrera
Vice President





3801 Centerpoint Drive, Suite 102
Anchorage, AK 99503

ESCROW ONLY INSTRUCTIONS

RE: File No.: 39429
Borrower: Serrano's, LLC
Seller: Herrera Brothers, Inc.
Legal Description: 201 E. Northern Lights Blvd.

TO: Alyeska Title Guaranty Agency

Alyeska Title Guaranty Agency is hereby authorized to deliver and record all of said documents and disburse the above funds together with any additional funds deposited with you.

Alyeska Title Guaranty Agency, as Escrowee, assumes no liability for determining that the parties to this escrow have complied with the requirements of the Truth in Lending, Consumer Credit Protection Act (Public Law 90-321) or similar law.

Alyeska Title Guaranty Agency, cannot guarantee the accuracy of any data shown on the attached statement based on figures obtained from other sources.

It is understood that all money and documents required by Alyeska Title Guaranty Agency herein shall be deposited with you before these instructions will be complied with.

The undersigned parties agree that these instructions comply with Loan Commitment and acknowledge by execution hereof that all contingencies prior to closing of this transaction have been met or waived or otherwise arranged between Borrower and Lender outside this escrow, and further agree that Alyeska Title Guaranty Agency may rely upon said statement in the closing of this escrow.

These instructions are effective and are to be complied with in the normal course of business as soon as can be affected.

The undersigned hereby authorize Alyeska Title Guaranty Agency to provide copies of any closing statements, loan documents, financial information, commitments, approval letters, appraisals, inspection reports, insurance policies, contracts, payoffs, transaction documents, and other nonpublic personal information in connection with our transaction to the Mortgage Broker and Lender.

*** These documents have been prepared based upon a request for documents from my/our Lender. Alyeska Title Guaranty Agency has not reviewed or rendered any opinion as to the title nor has Alyeska Title Guaranty Agency independently verified any of the information and or documents provided by my/our Lender regarding the title. I/We have been advised that if I/we have questions regarding my/our legal rights I/we must seek the advice of my/our own counsel.**

Dated:
Herrera Brothers, Inc.

Jose Herrera, President

Ezequiel Herrera, Vice President

Serrano's, LLC

Josue Picasso, Member





3801 Centerpoint Drive
Suite 102
Anchorage, AK 99503
(907) 569-2842 (907) 569-2843 FAX

ESCROW INSTRUCTIONS ADDENDUM

Order No 39429
Escrow Officer Cristy Nugent
Date 12th day of February, 2013

TERMS:

Earnest Money Agreement-All terms met/waived: The undersigned buyers and sellers hereby acknowledge, accept and agree that all terms and conditions of the certain Earnest Money Receipt and Agreement to Purchase, between the undersigned parties, dated February 11, 2013 and made a part hereof by this reference, have been met and/or satisfied and hereby further agree to hold Alyeska Title Guaranty harmless from any outstanding conditions.

No Title Insurance: THE UNDERSIGNED PARTIES HEREIN ACKNOWLEDGE THAT THEY HAVE NOT REQUESTED Alyeska Title Guaranty Agency TO PROVIDE TITLE INSURANCE ON THIS TRANSACTION AND FURTHER ACKNOWLEDGE THAT Alyeska Title Guaranty Agency WILL NOT BE LIABLE FOR ANY REPRESENTATION MADE BY Alyeska Title Guaranty Agency OR ANY OF ITS OFFICERS AS TO THE STATUS OF THE LEGAL TITLE EVEN IF WE WERE NEGLIGENT IN PROVIDING INACCURATE OR INCOMPLETE INFORMATION AND THAT THE SOLE FUNCTION OF Alyeska Title Guaranty Agency IN THIS TRANSACTION IS TO ACT ONLY AS SETTLEMENT AGENT.

Rents Handled Outside of Closing: All rents, if any, will be pro-rated and collected directly between the undersigned Buyer(s) and Seller(s) and outside of this transaction. The undersigned shall indemnify, defend and hold Alyeska Title Guaranty harmless from and against any and all claims, demands suits actions and damages of every kind and nature arising from or out of, or in any way connected with payment of rents.

UCC Search: The undersigned Buyer and Seller have instructed Alyeska Title to not perform a formal UCC search from the State of Alaska UCC Central. However, informal findings of public record indicate that there is a UCC Financing Statement recorded as Instrument No, 2012-748086-0 for the benefit of Wells Fargo Bank NA. The UCC statement is attached to these instructions. The undersigned parties hereby agree that Alyeska Title Guaranty Agency will not be held responsible for the contents of the findings.

Business Personal Property Tax Prorations (Based on Prior Year Tax Figures): The undersigned parties understand that the Buyer(s) have received a credit on the settlement statement from the Seller(s) for prorated taxes based on prior year tax figures. The tax proration used on the settlement statement is an estimate and Buyer(s) are aware that they are responsible to pay the taxes when due, regardless of receipt of a tax bill. For purposes of this escrow closing, the prorations are considered final. ANY FURTHER ADJUSTMENTS SHALL BE HANDLED BETWEEN THE UNDERSIGNED PARTIES OUTSIDE OF THIS ESCROW.

Dated: _____

BUYER(S):

SERRANO'S, LLC

Josue Picasso
Member

Dated: _____

SELLER(S):

HERRERA BROTHERS, INC.

Jose Herrera
President

Ezequiel Herrera
Vice President

A
L
A
S
K
A

2012-748086-0

Recording District 500 UCC Central File

11/07/2012 01:29 PM Page 1 of 2

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME + PHONE OF CONTACT AT FILER (optional) Klenke, Donna B. 713-533-4661 Donna_Klenke@uccdirect.com 713-527-0641
B. SEND ACKNOWLEDGMENT TO: (Name and Address) CT Lien Solutions 330 N. Brand Blvd., Suite 700 Glendale CA 91203

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME HERRERA BROTHERS INCORPORATED				
OR				
1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS 201 E NORTHERN LIGHTS BLVD SUITE A		CITY ANCHORAGE	STATE AK	POSTAL CODE 99503
1d. SEE INSTRUCTIONS		1e. TYPE OF ORGANIZATION Corporation	1f. JURISDICTION OF ORGANIZATION AK	1g. ORGANIZATIONAL ID #, if any 71274D

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME				
OR				
2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
2d. SEE INSTRUCTIONS		2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME WELLS FARGO BANK NA				
OR				
3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS 333 MARKET STREET 4TH FLOOR		CITY SAN FRANCISCO	STATE CA	POSTAL CODE 94105

4. This FINANCING STATEMENT covers the following collateral:

See Attached

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSOR/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING6. ☐ This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS, Attached Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] (optional) ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA covers the following collateral:

AK-0-50324363

Attachment - Collateral Information: it is generated by the system.

All goods, tools, machinery, furnishings, furniture and other equipment and fixtures of Debtor described below, wherever located, whether in the possession of Debtor or any other person, and all improvements, replacements, accessions and additions thereto and embedded software included therein, and all such equipment and fixtures now or at any time hereafter installed on the land or in the improvements at the real property described below, and all proceeds of any of the foregoing, whether arising from the sale, lease or other use or disposition thereof, including without limitation, all rights to payment with respect to any insurance, including returned premiums, or any claim or cause of action relating to any of the foregoing. Description of equipment and fixtures:RFS-40 FRYER/RSP-24 STOCK POT RANGER/RTG-36 GRIDDLE/RRB-36 CHARBROILER/TUC-48 U/C REFRIGERATOR/38004 ALL STEAM TABLE/38002 WALL STEAM TABLE/TSSU-27-8 SANDWICH PREP/2 TSSU-48-12-SANDWICH/1X-0324A ICE MACHINE WITH BIN/VW2S-1 DRAWER WARMER/MICROWEAVE/SBS-30S 36 EQUIP STAND/TRCB-36 REFRIGERATED EQUIPMENT STAND/RWT30536 STANDING TABLE/ICMA 60 CHESSE MELTER/NFL49S-2 DOOR FREEZER NORLAKE/

** End **





3801 Centerpoint Drive
Suite 102
Anchorage, AK 99503
(907) 569-2842 (907) 569-2843 FAX

ESCROW INSTRUCTIONS OWNER/PRIVATE FINANCING

Order No. 39429

TERMS: Total purchase price of the furniture, fixtures and equipment (assets) of the Greek Corner Restaurant located at 201 E. Northern Lights, Anchorage, AK 99508 is One Hundred Twenty Thousand Dollars (\$120,000.00).

NO LENDERS TITLE INSURANCE ISSUED: Upon my request, I /We the Lender/Beneficiary/Payee acknowledge a loan policy insuring my position on the above mentioned escrow transaction will not be issued. The undersigned shall indemnify, defend and hold Alyeska Title Guaranty harmless from and against any and all claims, demands suits actions and damages of every kind and nature arising from or out of, or in any way connected with no Title Insurance Policy issued at the time of recording.

SELLER FINANCE: Seller agrees to carry back a Note in the amount of \$108,000.00 secured by a UCC on the assets. This note will accrue zero interest. Payments in the amount of **\$9,000.00 or more** will be due monthly starting with the first payment due date of **March 1, 2013** and continuing until this note is due and payable in full **February 1, 2013**.

LATE CHARGE, IF APPLICABLE: Borrowers agree to pay a late charge of **\$100.00** for any payment received by the lender (or escrow collection agent) more than **10** after the payment is due.

DOCUMENT PREPARATION:

This is to advise you that Alyeska Title Guaranty Agency requested the fulfillment documents for the closing of this transaction be prepared by an Attorney based solely upon information supplied by the Purchase and Sale Agreement. This firm has not made any analysis of this transaction or the security regarding the adequacy thereof, nor of the suitability of the property for any particular use, nor of the zoning compliance requirements. No legal or tax advice from said firm has been given to any party.

DUE ON SALE CLAUSE, IF APPLICABLE: Buyer and Seller are fully aware of the acceleration or "due on sale" clause disclosed in the Deed of Trust and fully understand the terms of said clause. The undersigned shall indemnify, defend and hold Alyeska Title Guaranty harmless from and against any and all claims, demands suits actions and damages of every kind and nature arising from or out of, or in any way connected with Due on Sale Clause.

RIGHT TO SUE ON NOTE, IF APPLICABLE: A provision has been placed in the Deed of Trust Promissory Note regarding the right of the holder of the Note to sue on the Note without first commencing foreclosure of the Deed of Trust. This provision in the Note will allow the Note holder to obtain personal judgment against the buyer or any assumptor if the buyer or assumptor is in default under the Note as therein provided. The Note holder may alternately choose to judicially or non-judicially foreclose the property.

Each party to this transaction should seek its own counsel for their ultimate protection in legal, financial and accounting matters.

The undersigned represent that they (a) are adequately informed regarding this property; (b) have read and received a copy of this Disclosure Statement; (c) understand the contest; (d) they hereby release and agree to indemnify Alyeska Title Guaranty Agency; and (e) will hold Alyeska Title Guaranty Agency harmless from and against any and all claims, demands, judgments or any other actions relative to the preparation of documents related to this transaction.

ADD DATES TO THE NOTE AND ESCROW INSTRUCTIONS AFTER DEED OF TRUST RECORDS:

The undersigned authorize Alyeska Title Guaranty Agency to add the recording dates to the Note and Escrow Instructions after all parties have signed and Deed of Trust records. The undersigned shall indemnify, defend and hold Alyeska Title Guaranty harmless from and against any and all claims, demands suits actions and damages of every kind and nature arising from or out of, or in any way connected with the adding this information to the Note and Escrow Instructions.

ESCROW SET UP AND ANNUAL FEES, IF ANY: The buyer agrees to pay for the Set Up and Annual Fees at closing and in the future to the Escrow Holder and acknowledge that failure to do so may result in

short payoff amount or delinquency. The undersigned shall indemnify, defend and hold Alyeska Title Guaranty harmless from and against any and all claims, demands suits actions and damages of every kind and nature arising from or out of, or in any way connected with payment of fees due to the Escrow Holder.

DEPOSIT OF ORIGINAL LOAN DOCUMENTS: Lender/Beneficiary/Payee hereby accepts and approves the terms and conditions contained in the loan documents deposited into escrow.

Beneficiary hereby instructs escrow agent to deliver documents to: First National Bank Alaska Escrow Department

TO BE HELD BY THIRD PARTY ESCROW: The undersigned authorize Alyeska Title Guaranty Agency to forward all documents for Escrow Set up at First National Bank Alaska, known as Escrow Holder. If for any reason the Escrow Holder does not accept said documents, all parties agree to provide correction signatures or initials after closing if necessary to correct any errors or omissions that may be noted by Escrow Holder. If for any reason the Escrow Holder does not accept documents, Alyeska Title will release all documents to the Note Holder (Beneficiary). The undersigned shall indemnify, defend and hold Alyeska Title Guaranty harmless from and against any and all claims, demands suits actions and damages of every kind and nature arising from or out of, or in any way connected with Escrow Holder not accepting documents.

Dated: _____

Borrower(s):

SERRANO'S, LLC

Josue Picasso
Member

Dated: _____

Lender/Beneficiary/Payee:

HERRERA BROTHERS, INC.

Jose Herrera
President

Ezequiel Herrera
Vice President



3801 Centerpoint Drive
Suite 102
Anchorage, AK 99503
(907) 569-2842 (907) 569-2843 FAX

BUYER/BORROWER FORWARDING/CONTACT INFORMATION

Date: 12th day of February, 2013
File Number: 39429
Buyer/Borrower: Serrano's, LLC
Property: 201 East Northern Lights Boulevard Anchorage, Alaska 99503

My mailing address after recording:

Same as property: _____

OR forward to:

e-mail address: (Optional) _____

Phone Numbers:

Cell: _____

Home: _____

Work: _____

BUYER/BORROWER(S):

SERRANO'S, LLC

Josue Picasso
Member



3801 Centerpoint Drive
Suite 102
Anchorage, AK 99503
(907) 569-2842 (907) 569-2843 FAX

SELLERS FORWARDING/CONTACT INFORMATION

Date: 12th day of February, 2013
File Number: 39429
Seller: Herrera Brothers, Inc.
Property: 201 East Northern Lights Boulevard Anchorage, Alaska 99503

My forwarding address after recording:

e-mail address: (Optional)

Phone Numbers:

Cell:

Home:

Work:

SELLER(S):

HERRERA BROTHERS, INC.

Jose Herrera
President

Ezequiel Herrera
Vice President



3801 Centerpoint Drive
Suite 102
Anchorage, AK 99503
(907) 569-2842 (907) 569-2843 FAX

PROCEEDS DISBURSEMENT INSTRUCTIONS

RE: Order No. 39429

Please handle my/our proceeds check as follows:

- ☐ I/We will pick up at your office (No Charge).
- ☐ Federal Express to street address (\$25.00 fee will be deducted from proceeds).
- ☐ Express Mail to street address or P.O. Box (\$25.00 fee will be deducted from proceeds).
- ☐ Wire to local bank (No Charge) NOTE: Receiving bank may charge a bank fee to receive wire.

Name of Bank: *

Account No: *

ABA Routing No: *

☐ Checking

☐ Savings

☐ Other

Account Name: _____

Other (Specify): _____

NOTE: ALL FUNDS WILL BE READY AFTER 3:00 P.M. ON THE DATE OF RECORDING

Dated: _____

HERRERA BROTHERS, INC.

Jose Herrera
President

Ezequiel Herrera
Vice President

First National Bank Alaska

Escrow Instructions

Dated: _____ Account No.: _____
(check squares or fill in blanks only if applicable - do not alter form or refer to provisions of other documents)

To The First National Bank Alaska: The undersigned payer is obligated to pay money to the undersigned payee. You are instructed to receive and disburse it. Bank's duties are determined from these instructions alone and without reference to other agreements, including deposited documents, regardless whether such other agreements differ from (as to parties or otherwise), or are more complete than, these instructions.

Our payment arrangement is of the: (Required)
☐ "interest only" type, and its terms are stated in Exhibit C
☐ "including interest" type, or "non-installment" type and its terms are stated below:
☐ "plus interest" type (see note 1) and its terms are stated below:
Note 1. If this is a "plus interest" type of account, interest is due on the same day that an installment, regular or irregular, is due. Except to the extent that it has accrued, interest cannot be paid prior to its due date. Since money paid is first applied to interest accrued as of the date of the application, an installment cannot be satisfied unless the amount paid at least equals the installment plus accrued interest.

Terms ("including interest" type or "non-installment" type or "plus interest" type)

- Beginning principal is \$ 108,000.00
- Annual interest rate is %; daily interest rate is 1/365 of that rate (see note 2);
- Interest accrues from
- There is no interest on interest.
- Regular installment period is ☒ monthly ☐ quarterly ☐ semi-annually ☐ annually.
- First regular installment is due on 03/01/13
- Regular installments are due on the same day of the calendar month.
- Regular installment amount is \$ 9,000.00 (see note 3)
- Irregular installments are as follows (if due on the same date as regular installment, it is in addition to regular installment):

Amount	Due Date
\$ _____	_____
\$ _____	_____
\$ _____	_____
\$ _____	_____

(not more than 5)
- All unpaid principal and interest is due on 02/01/14 (despite the schedule of installments if any).
- There is a discount of \$ _____ if all principal and interest is paid on or before _____
- Any amount of money may be paid at any time.
- Money paid is applied on the day that cash, check, or other item is received, or as soon thereafter as practicable.
- Money paid satisfies installments in their scheduled order. Of installments not yet due, money paid satisfies an unlimited number, or Unless checked below:
☐ only one (and if that installment has been satisfied, none)
- Money paid is applied to accrued interest and then to principal.

Note 2. If interest rate changes during term, or if it finally after a certain date, state initial rate and attach Exhibit D.

Note 3. If regular installment amount changes during term, attach Exhibit D.

(Original signatures of all parties required. Type name and address below signature line)

s/ _____, Payer
 Herrera Brothers, Inc.
 _____ Address
 _____ Address

s/ _____, Payee
 Serrano's, LLC
 _____ Address
 _____ Address

s/ _____, Payer
 _____ Address
 _____ Address

s/ _____, Payee
 _____ Address
 _____ Address

Date accepted: _____ By: _____ First National Bank Alaska Rec'd \$: _____

(Required)
☐ Payee(s) Disbursement Instructions:
 *Complete attached Exhibit A-Payee Disbursement Instructions
 The following documents are deposited herewith:
Original Promissory Note, Copy of UCC1,
Original Security Agreement

Paid in Full:
 When all principal and interest has been paid, cancel any promissory note and deliver above listed documents to payer (any of the payers), or order.

Close for Delinquency: (Required)
 Upon written notice from payee, terminate the account and deliver the deposited documents as directed in the notice; but do so ONLY if the account is delinquent.
☒ 10 days ☐ 20 days ☐ 30 days ☐ _____ days

Close by Mutual Consent:
 Upon written notice from all of us, terminate the account and deliver the deposited documents as directed in the notice.

Fees: (Required)
 Receipt of your current fee schedule is acknowledged. Your setup and first year's annual fee are tendered herewith. Collect future annual fees as follows: ☐ all from payer ☐ all from payee ☐ one-half from payer and one-half from payee.

Late Charges. (Available only in connection with "including interest" type, payment arrangement.)

Commencing with the installment due 03/01/13 an installment is unsatisfied for 10 days (not fewer than 5 or more than 90), there is a late charge of \$ 100.00

☐ _____ % of the unsatisfied part of the installment.
 A late charge is based on failure to satisfy an installment or part of an installment (when an amount exceeds \$15.00) within a prescribed time. If your instructions specify a date on which all unpaid principal and interest is then due, there is no late charge for failure to pay the same, within any time period. There is only one late charge with respect to a particular installment. There is no interest on late charges, and late charges are in addition to interest.
 Money paid (after deduction of fees due from payer) is applied to late charges, interest and principal, in that order. Money paid, and not applied to late charges, satisfies installments in scheduled order.

Attached hereto are Exhibits: ☐ C (interest only) ☐ D (payment arrangement changes) ☐ E (partial release) ☐ F (security assignment) ☐ G (prior mortgage).
 Such exhibits, the terms and conditions stated on the reverse side, and the above are your instructions.

Interpretation of instructions. These instructions are to be interpreted strictly.

Effective date. The effective date hereof is the date of acceptance of the account, or the first installment due date, or the first interest due date, or the date that money, if any, was paid (on the account) directly by payer to payee prior to acceptance, whichever is earliest. Money received by bank prior to acceptance is deemed to be received on the date of acceptance.

Changes in fee schedule. Future changes by bank in its schedule of fees (basic and special) are applicable to fees that become due thereafter.

Annual fee. An annual fee is due and earned when each full or partial account year begins. The first account year begins on the effective date hereof.

Deduction for fees. Fees and other claims in connection with the account, due bank from payer, may be deducted from money received, leaving the balance for application to interest and principal. Fees, and other claims in connection with the account, due bank from payee, may be deducted from money otherwise available for disbursement.

Uncollected check. The amount of an uncollected check or other item is applied without waiting for collection, but disbursement may be delayed. If a check or other item is not collected, and disbursement has occurred, bank may recover the amount disbursed and bank's fee from payer or payee (or a security assignee).

Set-off and security interest. Fees and other claims in connection with the account, due bank from payer, payee, or security assignee, may be set-off against any deposit account that the debtor has with bank. Also, to secure the payment of such fees and other claims due bank from payee, payee grants to bank a security interest in any promissory note deposited herewith.

Payments directly to payee. Bank is not required to apply to balances money paid by payer directly to payee. However, as to money so paid prior to acceptance of the account and reported to bank in writing by payer and payee prior to acceptance, the bank will apply to balances.

Adjustment of balances. Upon written notice from payer, payee, and security assignee, bank may, at its discretion, adjust balances to reflect money paid by payer directly to payee or assignee, forgiveness of debt, or other transaction.

Directions by payer as to application of money. Money received with directions to apply to interest and principal or allocate in installments in a manner inconsistent with the payment arrangement, or to disburse in a manner inconsistent with disbursement instructions, will not be applied and will be disbursed back to the person who paid it.

Satisfaction of installments. For purposes of satisfaction of installments, a regular installment is considered to be scheduled before an irregular installment due on the same date. For purposes of a limitation on the number of future installments that money paid satisfies, regular and irregular installments due on the same date are considered to be one installment.

Substitution of payer. Bank is not required to recognize a substitute payer unless payer acknowledges the substitution in writing. However, without such acknowledgment, bank may recognize a person as a substitute for payer if it is reasonable to do so. The substitute payer must join in these instructions and acknowledge in writing that bank has no responsibility as to the validity of any transfer of property from payer to substitute payer.

Absolute transfer by payer. Bank is not required to recognize an absolute transfer of payee unless payee acknowledges the transfer in writing. However, without such acknowledgment, bank may recognize a person whom it reasonably determines to be the absolute transfer of payee. The transferee must join in these instructions as a payee, deposit for delivery to payer, or order, executed documents in the same form (but warranties may be omitted) as the documents originally deposited by payee for that purpose, and authorize bank to execute and deliver documents of partial release or transfer in accordance with an arrangement, if any, between payer and payee for that purpose.

Transfer by bank. Bank may assign its duties hereunder (and thereby be released from its duties) to any corporation regularly engaged in the business of providing, in Alaska, the service the bank is required to provide hereunder.

Termination by bank. Bank may terminate the account upon 30 days notice to payer and payee, without opportunity to cure, either if a delinquency continues for a period of one year, or if fees, or other claims in connection with the account, due bank remain unpaid for a period of 60 days, or if the account has been in existence for 30 years or longer.

Security assignment. Bank is not required to recognize a security assignee of payee if bank is notified of the assignment after the date of acceptance hereof. Among the terms and conditions of any such recognition are that the account cannot be terminated by notice from payer and payee unless all assignees join in the notice; that where all payees have assigned, termination for delinquency is upon notice from the assignee only; that where fewer than all payees have assigned, termination for delinquency is by notice from the assignee and the non-assigning payee; that a priority assignee (first to notify bank) is the only assignee who can give notice of termination for delinquency; that the security assignee deposit with bank, for delivery to payer, or order, a document in the same form (but warranties may be omitted) as the release or transfer document deposited by payee; and that, if Exhibit E (FD105) is a part of these instructions, the assignee authorizes bank to execute and deliver partial release documents.

Partial release/prior mortgage. Bank is not required to administer a partial release arrangement or disburse to a prior mortgagee except upon terms and conditions prescribed by bank, if bank is notified of the partial release arrangement or the prior mortgage after the date of acceptance hereof.

Amendment. With the bank's approval, instructions may be amended by the parties apparently affected.

Deposited documents. Bank is not required to determine (or consider) the effectiveness, correctness, validity, adequacy, or appropriateness, of any document that it is instructed to execute and/or deliver. As an alternative to the delivery of a document to payer, or order, bank may, at its discretion, deliver to a title company, public recorder, or filing officer.

Corporate stock held for delivery. Where a document for delivery is a certificate of corporate stock, bank is not required to vote or otherwise exercise rights with respect to the stock, to attend dividends, or to transmit notices.

Destruction of documents after termination by bank. After termination by bank, bank will deliver deposited documents as directed in writing by payer and payee; and, in the absence of such direction, bank may destroy deposited documents that remain undelivered seven years after termination by bank.

Recording costs. Payer will reimburse bank for recording or filing costs incurred.

Bank's right to retain documents. Bank may retain documents until it is paid fees, and other claims in connection with the account, due from a party entitled to delivery.

Notice to bank. Bank is deemed to have notice only when notice actually is received at its Executive Department office, which does not include any branch office of bank.

Notice to payer upon termination for delinquency. Bank is not required to notify payer prior to termination for delinquency.

Claim against bank after termination. A claim against bank is unenforceable unless an action is commenced within 90 days after termination.

Bank's liability. Bank's failure to perform or fulfill the covenants or conditions hereof is not a negligence unless it is willful or constitutes gross negligence.

Entire agreement. These instructions constitute the entire agreement between parties. Bank has not made representations or assurances to payer or payee not stated herein.

Interpleader. If there is a dispute between or among any two or more other parties with respect to a duty of the bank, the bank may bring an interpleader action, and recover its costs, including attorney fees.

Singular includes plural. Wherever the context requires, the singular includes the plural.

Multiple payer/payee. Where there is more than one payer (payees), notice to the prime payer (prime payee) is notice to all of them. The payer (payee) whose name appears first on the instructions is the prime payer (prime payee) unless bank is otherwise advised in writing by all payers (payees). Notice includes demand.

Electronic Funds Transfer. Disbursement will be governed by the rules of the Northwest Clearing House Association then in effect. If a check or other item upon which EFT disbursement was based is not collected, you may recover from the undersigned by an adjusting debit entry, which you are hereby authorized to initiate in accordance with said rules. The undersigned will hold you harmless from, and will defend and indemnify you against, any and every claims or loss that may arise from your complying with this authorization. Acceptance of these instructions by The First National Bank Alaska is subject to acceptance of the EFT disbursement by the receiving financial institution. In accordance with the said rules, The First National Bank Alaska will send a pre-note test to the receiving financial institution, and if such test is accepted, these instructions will be implemented within 20 days of receipt. In the event the receiving financial institution will not accept the pre-note test, and upon notification to the undersigned, alternate written disbursement instructions will be provided.

Please initial here: Payer _____ Payee _____ Payee _____ Payee _____

For Title Company Use:

Prepared by: _____ Title Co: _____ ON: _____

Mailing Address: _____

Title Company Reference Number: _____

First National Bank Alaska

Escrow /Collection Instructions - Exhibit A (Disbursements to payee(s))

Dated: _____ Account No.: _____
To The First National Bank Alaska: Of money remaining for disbursement, after disbursement to prior mortgagee and/or security assignee, if any. Funds are disbursed by percentage only. The total of all percentages must equal 100%.

Payee(s) Disbursements

Disburse \$ to _____, payee(s), by
☐ depositing to FNBA account # _____ ☐ Checking ☐ Savings
☐ mailing cashier's check payable to _____
at _____
☐ EFT: Financial Institution _____
Routing # _____
Address _____
For Deposit to: ☐ Checking ☐ Savings Account No.: _____
(Please attach a deposit slip, if possible)

Disburse \$ to _____, payee(s), by
☐ depositing to FNBA account # _____ ☐ Checking ☐ Savings
☐ mailing cashier's check payable to _____
at _____
☐ EFT: Financial Institution _____
Routing # _____
Address _____
For Deposit to: ☐ Checking ☐ Savings Account No.: _____
(Please attach a deposit slip, if possible)

Disburse \$ to _____, payee(s), by
☐ depositing to FNBA account # _____ ☐ Checking ☐ Savings
☐ mailing cashier's check payable to _____
at _____
☐ EFT: Financial Institution _____
Routing # _____
Address _____
For Deposit to: ☐ Checking ☐ Savings Account No.: _____
(Please attach a deposit slip, if possible)

Disburse \$ to _____, payee(s), by
☐ depositing to FNBA account # _____ ☐ Checking ☐ Savings
☐ mailing cashier's check payable to _____
at _____
☐ EFT: Financial Institution _____
Routing # _____
Address _____
For Deposit to: ☐ Checking ☐ Savings Account No.: _____
(Please attach a deposit slip, if possible)

Consecutive Disbursement Balance Record

Disburse \$ to _____, payee(s), by
☐ depositing to FNBA account # _____ ☐ Checking ☐ Savings
☐ mailing your cashier's check payable to _____
at _____
with instructions (if any) to deposit to _____
☐ EFT: Financial Institution _____
Routing # _____
Address _____
For Deposit to: ☐ Checking ☐ Savings Account No.: _____
(Please attach a deposit slip, if possible)

until _____ and an amount equal to _____ a year (from _____) of the declining balance thereof has been disbursed;
thereafter, disburse the same percentage to _____, payee(s), by
☐ depositing to FNBA account # _____ ☐ Checking ☐ Savings
☐ mailing your cashier's check payable to _____
at _____
with instructions (if any) to deposit to _____
☐ EFT: Financial Institution _____
Routing # _____
Address _____
For Deposit to: ☐ Checking ☐ Savings Account No.: _____
(Please attach a deposit slip, if possible)

\$ _____, Payee

\$ _____, Payee

\$ _____, Payee

\$ _____, Payee

Disbursements will be governed by the rules of the Northwest Clearing House Association then in effect.

If a check or other item upon which EFT disbursement was based is not collected, you may recover from the undersigned by an adjusting debit entry, which you are hereby authorized to initiate in accordance with said rules.

The undersigned will hold you harmless from, and will defend and indemnify you against, any and every claim or loss that may arise from your complying with this authorization.

Acceptance of these instructions by The First National Bank Alaska is subject to acceptance of the EFT disbursement by the receiving financial institution. In accordance with the said rules, The First National Bank Alaska will send a pre-note test to the receiving financial institution, and if such test is accepted, these instructions will be implemented within 20 days of receipt. In the event the receiving financial institution will not accept the pre-note test, and upon notification to the undersigned, alternate written disbursement instructions will be provided.

Please initial here: Payee _____ Payee _____ Payee _____ Payee _____

For Title Company Use:
Prepared by: _____ Title Co: _____ on _____
Mailing Address: _____
Title Company Reference Number: _____

PROMISSORY NOTE

\$108,000.00

_____, 2013
_____, Alaska

FOR VALUE RECEIVED, the undersigned Borrower, **SERRANO'S, LLC**, promises to pay **HERRERA BROTHERS, INC.**, Lender or order, the principal sum of One Hundred and Eight Thousand Dollars and No Cents (\$108,000.00), with no interest, payable as follows:

The sum of Nine Thousand Dollars and No Cents (\$9,000.00), including interest, is due on or before the 1st day of March, 2013, and like payments on the 1st day of each and every succeeding month thereafter. All sums remaining due of principal and interest shall be paid in full on or before the 1st day of February, 2014. There shall be no prepayment penalty.

The holders of this Note may cause additional parties to be added hereto or release any party hereto, either with or without notice to the undersigned, either as co-maker, endorsers or guarantors, or may extend the time for making any installment provided for herein, or may accept said installment in advance, all without affecting the liability of the undersigned.

If the holders of this Note have not received the full amount of any payment, including the last payment of the balance of principal and interest, by the end of ten (10) calendar days after the date it is due, a late charge in the amount of One Hundred Dollars and No/100 (\$100.00) will also be paid to the Note Holders. This late charge will be paid only once on any late payment.

Should suit be commenced to collect this Note or any part hereof, the undersigned agrees to pay, in addition to the costs and disbursements provided for by statute, a reasonable sum as attorneys' fees in such suit, plus any actual expenditures incurred to secure the payment of or to collect this Note.

If default be made in the payment of any installment due under this Note herewith, which default is not cured within ten (10) days after due date, then the entire principal sum and accrued interest due under this Note shall become at once due and payable at the option of the holders of this Note. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

The undersigned hereby waives demand, protest and notice of demand, protest and nonpayment. The undersigned hereby consents to the acceptance of further security, including other types of security, all without in any way affecting the liability of such parties and expressly agrees that this Note or any part hereunder may be extended from time to time.

LENDER:

HERRERA BROTHERS, INC.

By: _____
Jose Herrera, President

By: _____
Ezequiel Herrera, Vice President

BORROWER:

SERRANOS, LLC

By: _____
Josue Picasso, Managing Member

SECURITY AGREEMENT

SERRANO'S, INC.,
as Borrower,

and

HERRERA BROTHERS, INC.,
as Lender.

Effective Date:

_____, 2013

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SECURITY AGREEMENT

Borrowers:

Serranos, LLC
2954 Suncatcher Court
Anchorage, AK 99507

Lenders:

Herrera Brothers, Inc.
201 E. Northern Lights Blvd., Suite A
Anchorage, AK 99503

THIS COMMERCIAL SECURITY AGREEMENT is entered into between **SERRANO'S, LLC** (referred to below as "Grantor"); and **HERRERA BROTHERS, INC.**, (referred to below as "Lender"). For valuable consideration, Grantor grants to Lender a security interest in the Collateral to secure the Indebtedness and agree that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

DEFINITIONS. The following words shall have the following meanings when used in this Agreement. Terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Alaska Uniform Commercial Code.

Agreement. The word "Agreement" means this Commercial Security Agreement, as may be modified from time to time, together with all exhibits and schedules attached to this Commercial Security Agreement from time to time, if any.

Collateral. The word "Collateral" means the following described property of Grantor, whether now owned or hereafter acquired, whether now existing or hereafter arising, and where located:

All personal property including inventory, furniture and equipment and any detached trade fixtures.

In addition, the word "Collateral" includes all the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

(a) All attachments, accessions, tools, parts, supplies, increases, and additions to and all replacements of and substitutions for any property described above.

(b) All accounts, contract rights, general intangibles, instruments, monies, payments, and all other rights, arising out of a sale, lease, or other disposition of any of the property described in this Collateral section.

(d) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this Collateral section.

(e) All records and data relating to any of the property described in this Collateral section, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Grantors' right, title, and interest

in and to all programming and software required to utilize, create, maintain, and process any such records or data on electronic media.

Event of Default. The words "Event of Default" mean and include any of the Events of Default set forth below in the section titled "Events of Default."

Grantors. The word "Grantor" means SERRANO'S, LLC, its successors and assigns.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note, including all principal and interest, together with all other indebtedness and costs and expenses for which Grantor is responsible under this Agreement or under any of the Related Documents. In addition, the word "Indebtedness" includes all other obligations, debts and liabilities, plus interest thereon, of Grantor, or any one or more of them, to Lender, as well as all claims by Lender against Grantor or any one or more of them, whether existing now or later; whether they are voluntary or involuntary, due or not due, direct or indirect, absolute or contingent, liquidated or unliquidated; whether Grantor may be liable individually or jointly with others; whether Grantor may be obligated as guarantor, surety, accommodation party or otherwise; whether recovery upon such Indebtedness may be or hereafter may become barred by any statute of limitations; and whether such Indebtedness may be or hereafter may become otherwise unenforceable.

Lenders. The word "Lender" means **HERRERA BROTHERS, INC.**, its successors and assigns.

Note. The word "Note" means the note dated _____, 2013, in the principal amount of One Hundred and Eight Thousand Dollars and Zero Cents (\$108,000.00) from Grantor to Lender, together with all renewals of, extensions of, modifications of, consolidations of, and substitutions for the note.

Related Documents. The words "Related Documents" mean and include without limitation the promissory note, security agreements, and all other instruments and documents, whether now or hereafter existing, executed in connection with Grantor's Indebtedness to Lender.

OBLIGATIONS OF GRANTOR. Grantor warrants and covenant to Lender as Follows:

Perfection of Security Interest. Grantor agrees to take whatever other actions are requested by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral, and Grantor will note Lender's interest upon any and all chattel paper if not delivered to Lender for possession by Lender. Grantor hereby appoint Lender as its irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect or to continue the security

interest granted in this Agreement. Grantor will reimburse Lender for all expenses for the perfection and the continuation of the perfection of Lender's security interest in the Collateral. Grantor will promptly notify Lender of any change in Grantor's names including any change to the assumed business names of the Grantor.

No Violation. The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party.

Removal of Collateral. Grantor shall keep the Collateral (or to the extent the Collateral consists of intangible property such as accounts, the records concerning the Collateral) at Grantor's address shown above, or at such other locations as are acceptable to Lender. Grantor shall not remove the Collateral from its existing locations without the prior written consent of Lender.

Transactions Involving Collateral. Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral except for sale of inventory in the ordinary course of business. Grantor shall not pledge, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for this Agreement, without the prior written consent of Lenders. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held

in trust for Lender and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition.

Title. Grantor warrants that it holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement. No financing statement covering any of the Collateral is on file in any public office other than those which reflect the security interest created by this Agreement or to which Lender has specifically consented. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons.

Collateral Schedules and Locations. Grantor shall deliver to Lender, as often as Lender shall require, such lists, descriptions, and designations of such Collateral as Lender may require to identify the nature, extent, and location of such Collateral.

Maintenance and Inspection of Collateral. Grantor shall maintain all tangible Collateral in good condition and repair. Grantor will not commit or permit damage to or destruction of the Collateral or any part of the Collateral. Lender and its designed representatives and agents shall have the right at all reasonable times to examine, inspect, and audit the Collateral wherever located.

Taxes, Assessments and Liens. Grantor will pay when due all taxes, assessments and liens upon the Collateral. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized in Lender's sole opinion. If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs, reasonable attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Grantor shall defend themselves and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. In any contest Grantor shall defend themselves and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Grantor shall name Lender as additional obligees under any surety bond furnished in the contest proceedings.

Compliance With Governmental Requirements. Grantor shall comply promptly with all laws, ordinances and regulations of all governmental authorities applicable to the production, disposition, or use of the Collateral. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized.

Maintenance of Casualty Insurance. Grantor shall procure and maintain property insurance, including without limitation fire, and theft coverage together with such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonable acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be canceled or diminished without at least ten (10) days' prior written notice to Lender. In connection with all policies covering assets in which Lender hold or are offered a security interest for the Loans, Grantor will provide Lender with such loss payable or other endorsements as Lender may require. If Grantor at any time fails to obtain or maintain any insurance as required under this Agreement, Lender may (but shall not be obligated to) obtain such insurance as Lender deem appropriate, including if they so choose "single interest insurance," which will cover only Lender's interest in the Collateral.

Application of Insurance Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Collateral. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. All proceeds of any insurance on the Collateral, including accrued proceeds thereon, shall be held by Lender as part of the Collateral. Lender shall, upon satisfactory proof of expenditure, pay or reimburse

Grantor from the proceeds for the reasonable cost of repair or restoration. Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the Indebtedness.

GRANTOR'S RIGHT TO POSSESSION AND TO COLLECT RECEIVABLES. Until default, Grantor may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents. If Lender at any time have possession of any Collateral, whether before or after and Event of Default, Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Lender takes such action for that purpose as Grantor shall request or as Lender, in Lender's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Grantor shall not of itself be deemed to be failure to exercise reasonable care. Lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the Collateral.

EXPENDITURES BY LENDER. If not discharged or paid when due, Lender may (but shall not be obligated to) discharge or pay any amounts required to be discharged or paid by Grantor under this Agreement, including without limitation all taxes, liens, security interests, encumbrances, and other claims, at any time levied or placed on the Collateral. Lender also may (but shall not be obligated to) pay all costs for insuring, maintaining and preserving the Collateral. All such

expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note unless payment of interest at that rate would be contrary to applicable law, in which event such expenses shall bear interest at the highest rate permitted by applicable law from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses shall become a part of the Indebtedness and, at Lender's option, will (a) be payable on demand, or (b) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during the remaining term of the Note, or (c) be treated as a balloon payment which will be due and payable at the Note's maturity. This Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon the occurrence of an Event of Default.

EVENTS OF DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Default on Indebtedness. Failure of Grantor to make any payment when due on the Indebtedness.

False Statements. Any warranty, representation or statement made or furnished to Lender by or on behalf of Grantor under this Agreement is false or misleading in any material respect, either now or at the time made or furnished.

Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral documents to create a valid and perfected security interest or lien) at any time and for any reason.

Insolvency. The dissolution or termination of Grantor's existence as a going business, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor Proceedings. Commencement of foreclosure, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor against the Collateral or any other collateral securing the Indebtedness. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor proceeding and if Grantor gives Lender written notice of the creditor proceeding and deposit with Lender monies or a surety bond for the creditor proceeding, in an amount determined by Lender, in their sole discretion, as being an adequate reserve or bond for the dispute.

Insecurity. Lender, in good faith, deems itself insecure.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the

Alaska Uniform Commercial Code as may be amended from time to time. In addition and without limitation, Lender may exercise anyone or more of the following rights and remedies.

Accelerate Indebtedness. Lender may declare the entire indebtedness, including any prepayment penalty which Grantor would be required to pay, immediately due and payable, without notice.

Assemble Collateral. Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Grantor agrees Lender may take such other goods, provided that Lender make reasonable efforts to return them to Grantor after repossession.

Sell the Collateral. Lender shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in its own name or that of Grantors. Lender may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor reasonable notice of the time after which any private sale or any other intended disposition of the Collateral is to be made. The requirements of reasonable notice shall be

met if such notice is given at least ten (10) days before the time of the sale or disposition. All expenses relating to the disposition of the Collateral, including without limitation the expenses of retaking, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate unless payment of interest at that rate would be contrary to applicable law, in which event such expenses shall bear interest at the highest rate permitted by applicable law from date of expenditure until repaid.

Appoint Receiver. To the extent permitted by applicable law, Lender shall have the following rights and remedies regarding the appointment of a receiver: (a) Lender may have a receiver appointed as a matter of right; (b) the receiver may be an employee of Lender and may serve without bond; and (c) all fees of the receiver and his or her attorney shall become part of the indebtedness secured by this agreement.

Collect Revenues. Lender, either themselves or through a receiver, may collect the payments, rents, income and revenues from the Collateral. Lender may at any time in their discretion transfer any Collateral into their own names or that of their nominee and receive the payments, rents, income, and revenue therefrom and hold the same as security for the indebtedness or apply it to payment of the indebtedness in such order of preference as Lender may determine. Insofar as the Collateral consists of accounts, general intangibles, insurance policies, instruments, chattel paper, choses in action, or similarly property, Lender may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, or

realize on the Collateral as Lenders may determine, whether or not indebtedness or Collateral is then due. For these purposes, Lender may, on behalf of and in the name of Grantor, receive, open and dispose of mail addressed to Grantor and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection, Lender may notify account debtors and obligors on any Collateral to make payments directly to Lender.

Obtain Deficiency. If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Grantor for any deficiency remaining on the indebtedness due to Lender after application for all amounts received from the exercise of the rights provided in this Agreement. Grantor shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel paper.

Other Rights and Remedies. Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

Cumulative Remedies. All of Lender's rights and remedies, whether evidenced by this Agreement or the Related Documents or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default to exercise its remedies.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this agreement.

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Applicable Law. This Agreement has been delivered to Lender and accepted by Lender in the State of Alaska. If there is a lawsuit, Grantors agree upon Lender's request to submit to the jurisdiction of the Alaska state courts in the Judicial District at or nearest Lender's address shown above, or at Lender's option, to the jurisdiction of the courts wherever any Property is located.

Attorney's Fees; Expense. Grantor agrees to pay upon demand all of Lender's costs and expenses, including reasonable attorneys' fees and legal expenses, incurred in connection with the enforcement of this Agreement. Lender may pay someone else to help enforce this Agreement, and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy

proceedings (and including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Grantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Multiple Parties; Corporate Authority. All obligations of Grantor under this Agreement shall be joint and several, and all references to Grantor shall mean each and every Grantor. This means that each of the persons signing below is responsible for all obligations in this Agreement.

Notices. All notices required to be given under this Agreement shall be given in writing and shall be effective when actually delivered or when deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the address shown above. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. To the extent permitted by applicable law, if there is more than one Grantor, notice to any Grantor will constitute notice to all Grantors. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address(es).

Power of Attorney. Grantor hereby appoints Lender as its true and lawful attorney-in-fact, irrevocably, with full power of substitution to do the following: (a) to demand, collect, receive, receipt for, sue and recover all sums of money or other property which may now or hereafter become due, owing or payable from the Collateral; (b) to execute, sign and endorse any and all claims, instruments, receipts, checks, drafts or warrants issued in payment for the Collateral; (c) to settle or compromise any and all claims arising under the Collateral, and, in the place and stead of Grantor, to execute and deliver its release and settlement to the claims; and (d) to file any claim or claims or to take any action or institute or take part in any proceedings, either in its own name or in the name of Grantor, or otherwise, which in the discretion of Lender may seem to be necessary or advisable. This power is given as security for the indebtedness, and the authority hereby conferred is and shall be irrevocable and shall remain in full force and effect until renounced by Lender.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

Successor Interests. Subject to the limitations set forth above on transfer of the Collateral, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns.

UCC. Authorization to File Financing Statements; Power of Attorney. The Borrower hereby authorizes the Lender at any time and from time to time to file any initial financing statements, amendments thereto and continuation statements with or without the signature of the Borrower as authorized by applicable law, as applicable to all or part of the Collateral. For purposes of such filings, the Borrower agrees to furnish any information requested by the Lender promptly upon request by the Lender. The Borrower also ratifies their authorization for the Lender to have filed any like initial financing statements, amendments thereto and continuation statements, if filed prior to the date of this security instrument. The Borrower hereby irrevocably constitutes and appoints the Lender and any officer or agent of the Lender, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of the Borrower or in the Borrower's own names to execute in the Borrower's names any documents and otherwise to carry out the purposes of this Section, to the extent that the Borrower's authorization above is not sufficient. To the extent not permitted by law, the Borrower hereby ratifies all acts said attorneys-in-fact have lawfully done in the past or shall lawfully do or cause to be done in the future by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable.

Waiver. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision of any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS SECURITY AGREEMENT, AND GRANTOR AGREES TO ITS TERMS. THIS AGREEMENT IS DATED _____, 2013.

GRANTOR: SERRANO'S, LLC

By: _____
Josue Picasso, Member

EXHIBIT A
TO
SECURITY AGREEMENT

[illegible]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]	
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
Herrera Brothers, Inc. 201 E. Northern Lights Blvd., Suite A Anchorage, AK 99503	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME						
Serrano's, LLC						
OR	1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
1c. MAILING ADDRESS		CITY		STATE	POSTAL CODE	COUNTRY
2954 Suncatcher Court		Anchorage		AK	99507	USA
1d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION		1g. ORGANIZATIONAL ID #, if any	
		LLC	Anchorage		<input type="checkbox"/> NONE	

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME						
OR	2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
2c. MAILING ADDRESS		CITY		STATE	POSTAL CODE	COUNTRY
2d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION		2g. ORGANIZATIONAL ID #, if any	
					<input type="checkbox"/> NONE	

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME						
Herrera Brothers, Inc.						
OR	3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
3c. MAILING ADDRESS		CITY		STATE	POSTAL CODE	COUNTRY
201 E. Northern Lights Blvd., Suite A		Anchorage		AK	99503	USA

4. This FINANCING STATEMENT covers the following collateral:

Inventory, furniture and equipment and any detached trade fixtures.

5. ALTERNATIVE DESIGNATION (if applicable)		LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BAILEE/BAILOR	SELLER/BUYER	AG. LIEN	NON-UCC FILING
6. <input type="checkbox"/> This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum		7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (if applicable) (ADDITIONAL FEE)		All Debtors		Debtor 1	Debtor 2
8. OPTIONAL FILER REFERENCE DATA							

Greek Corner Equipment List

Included but not limited to:

Pizza Oven

Broiler

6 Burners and Grill Stove

Under Counter Freezer

Steam Table

San Cooler

Under Counter Cooler

Dishwasher Machine

Triple Compartment Sink

Hobart Mixer

3 Door Cooler

2" Cooler

1" Cooler

Soup Steam

Ice Machine

3 Prep Tables

Indoor Tables and Chairs

Outdoor Tables and Chairs

Pots and Pans

Assorted Silverware

Interior Decorations