



## MEMORANDUM

TO: Alcoholic Beverage Control Board      DATE: March 31, 2020

FROM: Glen Klinkhart, Interim Director      RE: 4170 The Library

**Requested Action:** Transfer of ownership with security interest

**Statutory and Regulatory Authority:** AS 04.06.090(b): “The board shall review all applications for licenses made under this title and may order the director to issue, renew, revoke, transfer, or suspend licenses and permits authorized under this title.”

AS 04.11.360(4): “An application requesting approval of a transfer of a license to another person under this title shall be denied if the transferor has not paid all debts or taxes arising from the conduct of the business licensed under this title unless

- (A) the transferor gives security for the payment of the debts or taxes satisfactory to the creditor or taxing authority; or
- (B) the transfer is under a promise given as collateral by the transferor to the transferee in the course of an earlier transfer of the license under which promise the transferor is obliged to transfer the license back to the transferee in the event of default in payment for property conveyed as part of the earlier transfer of the license...”

AS 04.11.670: “A license issued under this title is not subject to foreclosure, and may not be used as collateral to secure a debt. However, if a license is transferred to another person, the transferor may secure payment for real and personal property conveyed to the transferee upon the promise of the transferee to transfer the license back to the transferor upon default in payment.”

3 AAC 304.107(a): “If a former licensee seeks to compel the transfer of a license because of a promise under [AS 04.11.670](#) given as collateral by the current licensee to the former licensee in the course of an earlier transfer of the license, followed by a default in payment in connection with property conveyed or a lease made in the course of the previous transfer, the board will deny the transfer if creditors are not satisfied under [AS 04.11.360\(4\)\(A\)](#) unless it clearly appears that the former licensee, at the time of the previous transfer, complied with the following notice requirements:

- (1) a leasehold conveyance or contract of sale of property made in the course of the previous license transfer was recorded in the manner provided for recordation of real estate conveyances, and the transferor, at the time of the previous transfer, made a UCC filing statement in which a security interest in the license was claimed under [AS 04.11.670](#) and [AS 04.11.360\(4\)\(B\)](#); the documents recorded under this paragraph must contain the following statement: "Under the terms of [AS 04.11.670](#), [AS 04.11.360\(4\)\(B\)](#), and [3 AAC 304.107](#), the transferor/lessor retains a security interest in the liquor license that is the subject of this conveyance, and may, as a result, be able to obtain a retransfer of the license without satisfaction of other creditors."; and
- (2) all documents prepared in connection with the previous transfer of the liquor license, including all leases, contracts, and other relevant memoranda, were filed with the board at the time of the previous transfer; the documentation must include a statement of the book and page number showing where the lease or contract, and UCC filing statement, bearing the disclosure statement required in (1) of this subsection, are recorded; and
- (3) the notice of the previous transfer required by [AS 04.11.310\(a\)](#) was made in writing and published, as required under [3 AAC 304.125](#), once a week for three weeks in a newspaper of general circulation before the transfer, in addition to any other notice of the application that might have been required by the board at the time of the previous transfer; the published notice must contain the following statement: "Under the terms of [AS 04.11.360\(4\)\(B\)](#), [AS 04.11.670](#), and [3 AAC 304.107](#), the transferor/lessor retains a security interest in the liquor license that is the subject of this conveyance, and may, as a result, be able to obtain a retransfer of the license without satisfaction of other creditors."

**Staff Rec.:** Approve the transfer with a security interest.

**Background:** A completed transfer application has been received for liquor license 635. Staff has reviewed and determined that both the transfer application and Security Interest notices and documents have been completed to meet the requirements laid out in 3 AAC 304.107(a); signed recorded copies of all Security Interest documents will be required before the transfer is effectuated.

Attachment: Security Interest Documents  
AB-01  
AB-02

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
B. E-MAIL CONTACT AT FILER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address)
Tapas, LLC Franklin Eagle 575 First Avenue Fairbanks, Alaska 99701

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here  and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a ORGANIZATION'S NAME <b>Redbox, LLC</b>			
OR			
1b INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS			
<b>536 Haines Avenue</b>	CITY <b>Fairbanks</b>	STATE <b>AK</b>	POSTAL CODE <b>99701</b>
			COUNTRY <b>USA</b>

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name), if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here  and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a ORGANIZATION'S NAME			
OR			
2b INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS			
	CITY	STATE	POSTAL CODE
			COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a ORGANIZATION'S NAME <b>Tapas, LLC</b>			
OR			
3b INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS			
<b>575 First Avenue</b>	CITY <b>Fairbanks</b>	STATE <b>AK</b>	POSTAL CODE <b>99701</b>
			COUNTRY <b>USA</b>

4. COLLATERAL: This financing statement covers the following collateral:

**Personal property listed on Exhibit A hereto and all additions and substitutions therefore, all inventory, after acquired property, tangible or intangible, and all equipment used in connection with the property located at 603 Lacey Street, Fairbanks, Alaska 99701 where the liquor license #4170 is operated.**

**Under the terms of AS 04.11.670, AS 04.11.360(4)(B), and 3 AAC 304.107, the transferor/lessor retains a security interest in the liquor license that is the subject of this conveyance, and may, as a result, be able to obtain a retransfer of the license without satisfaction of other creditors.**



5. Check only if applicable and check only one box: Collateral is  held in a Trust (see UCC1Ad, item 17 and Instructions)  being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:

Public-Finance Transaction  Manufactured-Home Transaction  A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box

Agricultural Lien  Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable)  Lessee/Lessor  Consignee/Consignor  Seller/Buyer

Bailee/Bailor  Licensee/Licenser

8. OPTIONAL FILER REFERENCE DATA:

## Instructions for UCC Financing Statement (Form UCC1)

Please type or laser-print this form. Be sure it is completely legible. Read and follow all Instructions, especially Instruction 1; use of the correct name for the Debtor is crucial.

Fill in form very carefully; mistakes may have important legal consequences. If you have questions, consult your attorney. The filing office cannot give legal advice.

Send completed form and any attachments to the filing office, with the required fee.

### ITEM INSTRUCTIONS

A and B. To assist filing offices that might wish to communicate with filer, filer may provide information in item A and item B. These items are optional.

C. Complete item C if filer desires an acknowledgment sent to them. If filing in a filing office that returns an acknowledgment copy furnished by filer, present simultaneously with this form the Acknowledgment Copy or a carbon or other copy of this form for use as an acknowledgment copy.

1. **Debtor's name.** Carefully review applicable statutory guidance about providing the debtor's name. Enter only one Debtor name in item 1 -- either an organization's name (1a) or an individual's name (1b). If any part of the Individual Debtor's name will not fit in line 1b, check the box in item 1, leave all of item 1 blank, check the box in item 9 of the Financing Statement Addendum (Form UCC1Ad) and enter the Individual Debtor name in item 10 of the Financing Statement Addendum (Form UCC1Ad). Enter Debtor's correct name. Do not abbreviate words that are not already abbreviated in the Debtor's name. If a portion of the Debtor's name consists of only an initial or an abbreviation rather than a full word, enter only the abbreviation or the initial. If the collateral is held in a trust and the Debtor name is the name of the trust, enter trust name in the Organization's Name box in item 1a.

1a. **Organization Debtor Name.** "Organization Name" means the name of an entity that is not a natural person. A sole proprietorship is not an organization, even if the individual proprietor does business under a trade name. If Debtor is a registered organization (e.g., corporation, limited partnership, limited liability company), it is advisable to examine Debtor's current filed public organic records to determine Debtor's correct name. Trade name is insufficient. If a corporate ending (e.g., corporation, limited partnership, limited liability company) is part of the Debtor's name, it must be included. Do not use words that are not part of the Debtor's name.

1b. **Individual Debtor Name.** "Individual Name" means the name of a natural person; this includes the name of an individual doing business as a sole proprietorship, whether or not operating under a trade name. The term includes the name of a decedent where collateral is being administered by a personal representative of the decedent. The term does not include the name of an entity, even if it contains, as part of the entity's name, the name of an individual. Prefixes (e.g., Mr., Mrs., Ms.) and titles (e.g., M.D.) are generally not part of an individual name. Indications of lineage (e.g., Jr., Sr., III) generally are not part of the individual's name, but may be entered in the Suffix box. Enter individual Debtor's surname (family name) in Individual's Surname box, first personal name in First Personal Name box, and all additional names in Additional Name(s)/Initial(s) box.

If a Debtor's name consists of only a single word, enter that word in Individual's Surname box and leave other boxes blank.

For both organization and individual Debtors. Do not use Debtor's trade name, DBA, AKA, FKA, division name, etc. in place of or combined with Debtor's correct name; filer may add such other names as additional Debtors if desired (but this is neither required nor recommended).

1c. Enter a mailing address for the Debtor named in item 1a or 1b.

2. **Additional Debtor's name.** If an additional Debtor is included, complete item 2, determined and formatted per Instruction 1. For additional Debtors, attach either Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP) and follow Instruction 1 for determining and formatting additional names.

3. **Secured Party's name.** Enter name and mailing address for Secured Party or Assignee who will be the Secured Party of record. For additional Secured Parties, attach either Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP). If there has been a full assignment of the initial Secured Party's right to be Secured Party of record before filing this form, either (1) enter Assignor Secured Party's name and mailing address in item 3 of this form and file an Amendment (Form UCC3) [see item 5 of that form]; or (2) enter Assignee's name and mailing address in item 3 of this form and, if desired, also attach Addendum (Form UCC1Ad) giving Assignor Secured Party's name and mailing address in item 11.

4. **Collateral.** Use item 4 to indicate the collateral covered by this financing statement. If space in item 4 is insufficient, continue the collateral description in item 12 of the Addendum (Form UCC1Ad) or attach additional page(s) and incorporate by reference in item 12 (e.g., See Exhibit A). Do not include social security numbers or other personally identifiable information.

**Note:** If this financing statement covers timber to be cut, covers as-extracted collateral, and/or is filed as a fixture filing, attach Addendum (Form UCC1Ad) and complete the required information in items 13, 14, 15, and 16.

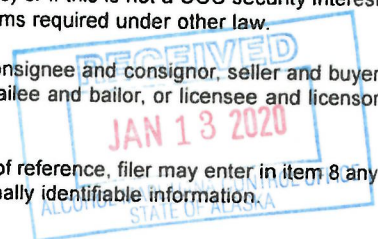
5. If collateral is held in a trust or being administered by a decedent's personal representative, check the appropriate box in item 5. If more than one Debtor has an interest in the described collateral and the check box does not apply to the interest of all Debtors, the filer should consider filing a separate Financing Statement (Form UCC1) for each Debtor.

6a. If this financing statement relates to a Public-Finance Transaction, Manufactured-Home Transaction, or a Debtor is a Transmitting Utility, check the appropriate box in item 6a. If a Debtor is a Transmitting Utility and the initial financing statement is filed in connection with a Public-Finance Transaction or Manufactured-Home Transaction, check only that a Debtor is a Transmitting Utility.

6b. If this is an Agricultural Lien (as defined in applicable state's enactment of the Uniform Commercial Code) or if this is not a UCC security interest filing (e.g., a tax lien, judgment lien, etc.), check the appropriate box in item 6b and attach any other items required under other law.

7. **Alternative Designation.** If filer desires (at filer's option) to use the designations lessee and lessor, consignee and consignor, seller and buyer (such as in the case of the sale of a payment intangible, promissory note, account or chattel paper), bailee and bailor, or licensee and licensor instead of Debtor and Secured Party, check the appropriate box in item 7.

8. **Optional Filer Reference Data.** This item is optional and is for filer's use only. For filer's convenience of reference, filer may enter in item 8 any identifying information that filer may find useful. Do not include social security numbers or other personally identifiable information.



## **Exhibit "A"**

### **Name / Memo**

Wine Cellar

Dishwasher

Gas Fireplace

Television Brackets

Televisions

Cooler, sink, and ice handler

Bench Seating & Divider Wall

Point of Sale System

Speaker System

Restraunt Supplies / Cooking pots, pans, utensils

Menus & Covers

Wine Preservation System

Bar Supplies

Crystal Glassware

Chine and Silverware

Uniforms

Linens

Lighting Fixtures

Art Work

Additional Equipment, sinks, oven, preptable, Refridgerators, Freezers

Ecolabs / Sinks

## ASSET PURCHASE AND SALE AGREEMENT

THIS ASSET PURCHASE AND SALE AGREEMENT (this "Agreement") is entered into by and between Tapas, LLC, an Alaska limited liability company (the "Seller"), and Redbox, LLC, an Alaska limited liability company (the "Buyer").

### **Recitals**

WHEREAS, Seller is the owner of a certain bar establishment engaged in the sale of alcoholic beverages located at 603 Lacey Street, Fairbanks, Alaska 99701, known as "The Library";

WHEREAS, Seller is the holder and licensee of Beverage Dispensary License No. 4170 associated with the premises;

WHEREAS, Seller and Buyer are parties to that certain Management Agreement dated November 1, 2019, providing Redbox, LLC the ability to manage "The Library" on behalf of Tapas, LLC until such time as the Beverage Dispensary License No. 4170 has been finally approved for transfer to Buyer by the Alaska Alcoholic Beverage Control Board; and

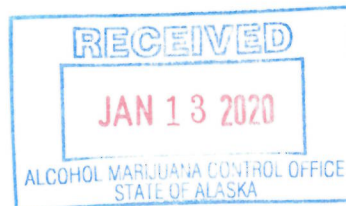
WHEREAS, Seller desires to sell and Buyer desires to purchase the bar business, the assets used in connection with business operations, including the transfer by Seller to Buyer of Beverage Dispensary License No. 4170, subject to approval by the Alaska Alcoholic Beverage Control Board.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

1. **Assets Purchased and Sold.** Seller shall sell to Buyer and Buyer shall purchase from Seller all of Seller's right, title, and interest in and to the business concern "The Library", including the goodwill of the business, furniture, fixtures, equipment, and all other assets used or relating to the business, situated on the premises, and specifically set forth in the attached Exhibit \_\_\_ attached hereto and incorporated by reference (the "Assets"). This Agreement also includes the trade name or business name, licenses, permits, insurance policies, and all contracts relating to the business sold.

2. **Liabilities Assumed and Excluded.**

A. **Assumed Liabilities.** As of the Closing, Buyer will assume, pay and perform in due course the liabilities of Seller under the contracts arising after the Closing and those trade payables and other liabilities specifically identified on Exhibit \_\_\_ attached hereto and incorporated by reference. At the Closing, this Exhibit shall be updated and delivered by Seller



to Buyer, and Buyer, at Buyer's election, may assume any liabilities in excess of the specific dollar amount described in the foregoing Exhibit.

**B. Excluded Liabilities.** Except for the Assumed Liabilities, Buyer does not assume nor shall Buyer be obligated for any other liabilities or responsibilities whatsoever of Seller or the business conducted by Seller through the Closing.

**3. Payment of the Purchase Price.** The total Purchase Price for the Assets is \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) payable as follows:

**A. Cash.** Buyer shall pay a cash down payment to Seller in the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) on \_\_\_\_\_, 20\_\_.

**B. Promissory Note.** The remaining balance of \$ \_\_\_\_\_ shall be evidenced by a Promissory Note duly executed by Buyer in favor of Seller in form and substance as set forth in Exhibit \_\_\_ attached hereto and incorporated by reference (the "Note"). The Note shall bear interest at \_\_\_\_\_ percent (\_\_\_%) per annum. Commencing thirty (30) days after the Closing and continuing on the same day of each month thereafter, principal and interest shall be paid in \_\_\_\_\_ (\_\_\_) equal monthly installments of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) each, as set forth in the Note.

**C. Security Agreement.** As security for the payment of the Note and other obligations of Buyer owed to Seller, Buyer shall execute a security agreement granting a security interest in the Assets in favor of Seller in form and substance as set forth in Exhibit \_\_\_ attached hereto and incorporated by reference (the "Security Agreement"), together with a UCC-1 financing statement (the "Financing Statement"); provided, however, that any security interest pertaining to the liquor license shall be subject to approval by the Alaska Alcoholic Beverage Control Board.

**4. Allocation of Purchase Price.** Seller and Buyer agree that the Purchase Price shall be allocated in accordance with Section 1060 of the Code and the regulations thereunder (such allocation to be determined jointly by Seller and Buyer prior to Closing). Each of Seller and Buyer agrees to provide the other promptly with any other information required to complete the allocation. Such allocation shall be binding on Seller and Buyer for all purposes, including the reporting of gain or loss and determination of basis for income tax purposes, and each of the parties hereto agrees that it will file a statement (on IRS Form 8594 or other applicable form) setting forth such allocation with its federal and applicable state income tax returns and will also file such further information or take such further actions as may be necessary to comply with applicable law.

**5. Conduct of the Business of Seller Pending Closing.** The business of Seller will be conducted only in the ordinary course including the order and purchase of inventory. No sale,



transfer, pledge, encumbrance or other disposition or hypothecation of any of the Assets shall be made, other than in the ordinary course of business

**6. Representations and Warranties.**

**A. Seller's Representations and Warranties.** Seller represents and warrants to Buyer that:

(i) Seller is a limited liability company duly organized and validly existing under the laws of the State of Alaska.

(ii) Seller has all of the necessary power and authority to execute, deliver and perform this Agreement, and this Agreement and all related documents when executed will be legal, valid, and binding obligations of each party signing such instruments on behalf of Seller.

(iii) As of the Closing, none of the Assets, except for Seller's leasehold interest in the premises, is or will be held under any lease, security agreement, conditional sales contract, or other title retention or security arrangement, or be located other than in the possession of the Seller and on the premises.

(iv) Seller is the sole owner of the Assets and has good and marketable title thereto, whether real, personal, mixed, tangible or intangible. Other than as disclosed to Buyer in writing, all of the Assets are and, at the time of the Closing shall be, free and clear of restrictions on or conditions to transfer or assignment, and free and clear of mortgages, liens, pledges, charges, encumbrances, equities, claims, easements, rights-of-way, covenants, conditions or restrictions.

(v) Seller presently possesses and will continue to possess at the Closing all governmental licenses, permits, certificates, other authorizations, filings, and registrations that are necessary for Seller to own and operate the bar business and assets as presently conducted.

(vi) Seller has complied with, and is not in violation of, applicable federal, state or local statutes, laws, regulations or ordinances affecting the business operations or the Assets.

(vii) There are no suits, actions or arbitrations, or other legal, administrative or other proceedings, or governmental investigations pending, or to the best knowledge of Seller, threatened, against or affecting Seller or the Assets.





(viii) The consummation of the transactions contemplated by this Agreement will not result in or constitute any of the following: (A) a breach of any term or provision of this Agreement; (B) a default or an event that, with notice or lapse of time or both, would be a default or breach of, any license, promissory note, conditional sales contract, commitment, indenture, mortgage, deed of trust or other agreement, instrument or arrangement to which Seller is a party or by which it or its property is bound; or (C) the creation or imposition of any lien, charge or encumbrance on any of the Assets.

(ix) All known business, income, sales, use, withholding, social security, state disability, unemployment insurance or similar tax liabilities of Seller and the business of Seller have been fully satisfied or provided for, and there are no audits pending by, or disputes with, any tax authority with respect to such items.

(x) All leasehold improvements to the premises are in good order or condition, including without limitation, heating, ventilation, gas, plumbing, electrical and air conditioning systems, wiring, paving and roofing.

(xi) The foregoing representations and warranties are made by Seller with the knowledge and expectation that Buyer is placing complete reliance on them.

**B. Buyer's Representations and Warranties.** Buyer represents and warrants to Seller that:

(i) Buyer is a limited liability company duly organized and validly existing under the laws of the State of Alaska.

(ii) Buyer has all of the necessary power and authority to execute, deliver and perform this Agreement, and this Agreement and all related documents when executed will be legal, valid, and binding obligations of each party signing such instruments on behalf of Buyer.

(iii) To Buyer's knowledge, the consummation of the transactions contemplated by this Agreement will not result in or constitute any of the following: (A) a breach of any term or provision of this Agreement; (B) a default or an event that, with notice or lapse of time or both, would be a default or breach of, any license, promissory note, conditional sales contract, commitment, indenture, mortgage, deed of trust or other agreement, instrument or arrangement to which Buyer is a party or by which it or his or her property is bound; or (C) the creation or imposition of any lien, charge or encumbrance on any of the properties of Buyer.



(iv) The foregoing representations and warranties are made by Buyer with the knowledge and expectation that Seller is placing complete reliance on them.

**7. Closing.**

**A. General.** The term "Closing" shall mean the settlement of the obligations of Seller and Buyer to each other under this Agreement. The transaction will close within two (2) days after receiving final approval from the Alcoholic Beverage Control Board for the transfer of License No. 4170 to Buyer, or at such other date and time as mutually agreed by the parties. Buyer shall take title to and possession of all Assets upon Closing. All adjustments for taxes, insurance premiums (provided Buyer assumes same), and other current charges, if any, shall be adjusted, proportioned, and allowed as of the day of the Closing.

**B.** The parties agree that each will use good faith best efforts to cause the transaction to be closed in accordance with the terms and conditions of this Agreement.

**C. Documents and Instruments Delivered by Buyer.** At or before the Closing, Buyer shall deliver to Seller the following items:

- (i) This Agreement signed by Buyer;
- (ii) \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) in cash;
- (iii) The Note executed by Buyer in favor of Seller in the principal amount of \$ \_\_\_\_\_;
- (iv) The Commercial Security Agreement executed by Buyer granting Seller a security interest in all of the Assets; and
- (v) A UCC-1 financing statement.

**D. Documents and Instruments Delivered by Seller.** At or before the Closing, Seller shall deliver to Buyer, the following items:

- (i) This Agreement signed by Seller;
- (ii) A bill of sale for the Assets conveying such assets to Buyer free and clear of any liens or encumbrances;
- (iii) Seller's signed Liquor License Transfer Application (Form AB-01) for License No. 4170 and all documentation required to consummate the transfer of the license to Buyer;



(iv) An assignment of the lease of the premises if Buyer does not enter into a new lease with the lessor(s) of the premises; and

(v) Corporate resolutions authorizing the transaction, and Seller shall take such further steps at or after the Closing as are needed to carry out the transactions described in this Agreement and conclude the sale provided for in this Agreement;.

**8. Conditions to Closing.** If the Alaska Alcoholic Beverage Control Board refuses to approve final transfer of Beverage Dispensary License No. 4170 to Buyer, then escrow shall, at the election of Buyer, return to Buyer the full amount deposited by Buyer in escrow. On the return of the money, the parties shall have no liability to one another, and this Agreement shall be null and void.

**A. Conditions of Seller's Obligation.** The obligation of Seller to sell the Assets to Buyer is made subject to and on the following conditions:

(i) The transfer of Beverage Dispensary License No. 4170 from Seller to Buyer is approved by the Alaska Alcoholic Beverage Control Board not later than January 5, 2020;

(ii) The representations and warranties of Buyer set forth in this Agreement shall be true and correct on and as of the Closing as though then made;

(iii) Buyer shall have performed all of its obligations which are required by this Agreement to be performed on or before the Closing; and

(iv) Buyer shall deliver at or prior to the Closing the documents and instruments described in this Agreement;

**B. Conditions of Buyer's Obligation.** The obligation of Buyer to purchase the Assets from Seller is made subject to and on the following conditions:

(i) The transfer of Beverage Dispensary License No. 4170 from Seller to Buyer is approved by the Alaska Alcoholic Beverage Control Board not later than January 5, 2020;

(ii) The representations and warranties of Seller set forth in this Agreement shall be true and correct on and as of the Closing as though then made;

(iii) Seller shall have performed all of its covenants and obligations which are required by this Agreement to be performed on or before the Closing;



(iv) Seller shall deliver to Buyer at or prior to Closing the documents and instruments described in this Agreement.

(v) Buyer's approval of the Assets; and

(vi) Buyer's satisfaction with all contracts, documents, notes, and other agreements necessary to complete the transfer of the Assets.

**9. Indemnification.**

**A. Indemnity by Buyer.** Buyer shall indemnify and hold Seller harmless from, and defend Seller against, any and all claims, expenses, demands, liabilities, and debts by or to all persons or entities arising from or relating to: (i) the Assets acquired hereunder or the operation of that portion of Seller's business being acquired by Buyer from and after the date of Closing; and (ii) any breach of any representation or warranty of Buyer set forth in this Agreement.

**B. Indemnity by Seller.** Seller shall indemnify and hold Buyer harmless from, and defend Buyer against, any and all claims, expenses, demands, liabilities, and debts by or to all persons or entities, arising from or relating to: (i) the operation of Buyer's business activities, including the Assets acquired hereunder, as of and prior to date of Closing, including, without limitation, any sums that may be payable to employees of Seller, but excluding the Contracts and Service Agreements and any other obligations assumed by Buyer pursuant to this Agreement; and (ii) any breach of a representation or warranty of Seller.

**10. Waiver of Bulk Transfer Notice.** Buyer hereby waives compliance by Seller with the requirements and provisions of any "bulk-transfer" laws of any jurisdiction that may otherwise be applicable with respect to the sale and transfer of any or all of the Assets to Buyer under this Agreement.

**11. Further Assurances.** From time to time before or after the Closing, Seller and Buyer shall, at the reasonable request of one another and without further consideration, execute and deliver or cause to be executed and delivered such instruments, and take such other actions as either may reasonably request in order to fully transfer and perfect title to the assets and to effectuate the transactions contemplated by this Agreement. Seller shall take all such actions as may be necessary or advisable in order to consummate this Agreement and the transactions contemplated herein, including cooperating fully with Buyer and executing any and all documentation as reasonably necessary to ensure approval by the Alcoholic Beverage Control Board of the transfer of Beverage Dispensary License No. 4170. The parties acknowledge that this Agreement and the parties' respective rights and obligations set forth in this Agreement are expressly contingent upon the Alcoholic Beverage Control Board's final approval of the transfer of the license from Seller to Buyer. In the event Buyer is unable to obtain final approval of the



liquor license transfer, Seller agrees that, at the sole option of Buyer, this Agreement shall become null and void and Seller shall re-assume ownership of the business.

**12. Termination of Agreement.** Except as otherwise specifically set forth in this Agreement:

**A. Right of Termination.** This Agreement may be terminated at any time before the Closing: (i) by mutual written agreement of Seller and Buyer; (ii) by Seller or Buyer if the Closing shall not have been consummated within two (2) days after the anticipated approval of the transfer of Beverage Dispensary License No. 4170; (iii) by Seller or Buyer if there has been a material breach of the representations or warranties set forth in this Agreement on the part of the other party, and the breach by its nature cannot be cured before the Closing; or (iv) by Seller or Buyer if there has been a breach of any of the covenants or agreements set forth in this Agreement on the part of the other party and the breach is not cured within ten (10) days after the breaching party receives written notice of the breach from the nonbreaching party.

**B. Effect of Termination.** If this Agreement is terminated as provided in subparagraph 12(A)(i), this Agreement shall become void and have no effect.

**13. Miscellaneous.**

**A. Survival.** The representations and warranties of the parties contained in this Agreement shall survive the Closing for a period of two (2) years.

**B. Notices.**

(i) Any notice provided for or permitted to be given pursuant to this Agreement must be in writing and shall be deemed to have been properly given only if personally delivered or deposited in the official U.S. mail, postage paid and registered or certified, with return receipt requested, or via a reputable overnight mail carrier addressed as follows:

If to Seller:                      Tapas, LLC  
   Attn: Franklin Eagle  
   575 1st Avenue  
   Fairbanks, Alaska 99701

If to Buyer:                         Redbox, LLC  
   Attn: Saleutogi Letuligasenoa  
   536 Haines Avenue  
   Fairbanks, Alaska 99701



With a Copy to:       Gazewood & Weiner, P.C.  
                                  Attn: Christopher Bodle  
                                  1008 16th Avenue, Suite 200  
                                  Fairbanks, Alaska 99701

(ii) All notices shall be effective upon the date of personal delivery, the day after mailing if sent by overnight mail, or the date of receipt on the return receipt of the notice on behalf of the addressee thereof. Rejection or other refusal to accept a notice or the inability to deliver the same because of changes of address of which no notice was given as provided in this Agreement shall be deemed to be receipt of the notice sent.

(iii) By giving the other party at least thirty (30) days written notice thereof, any party shall have the right, at any time or from time to time, to change its address.

**C. Governing Law.** This Agreement shall be governed in all respects by the laws of the State of Alaska.

**D. Headings.** The paragraph headings used in this Agreement are included solely for convenience purposes and shall not affect the meaning or interpretation of this Agreement.

**E. Recitals.** The Recitals set forth above are incorporated into and shall be deemed a part of the agreement between the parties.

**F. Successors and Assigns.** The provisions of this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns; provided, however, that no party may assign, delegate, or otherwise transfer any of its rights or obligations under this Agreement without the written consent of the other party.

**G. Waiver.** No failure or delay by any party in exercising any right, power, or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power, or privilege.

**H. Costs and Expenses.** Except as otherwise set forth expressly herein, all costs and expenses incurred in connection with this Agreement or the transactions contemplated by it shall be paid and borne by the party incurring such cost or expense.

**I. Severability.** If any provision of this Agreement is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to this Agreement to the extent possible. In any event, all other provisions of this Agreement shall be deemed valid and enforceable to the fullest extent possible.



**J. Legal Counsel; Construction of Agreement.** The parties acknowledge that each of them and their counsel have reviewed and revised this Agreement, and the normal rule to the effect that any ambiguities shall be interpreted against the drafting party shall not be employed in the interpretation of this Agreement and its exhibits. To the extent that either party has not engaged legal or tax counsel to review this Agreement and advise such party regarding the legal issues and consequences of this Agreement and the transaction set forth in this Agreement, such party has knowingly and voluntarily elected to waive such right to legal and tax counsel. In the event of any dispute regarding the construction of this Agreement or its provisions shall not be construed to favor one party over the other; rather, questions of interpretation shall be construed equally as to each party.

**K. Entire Agreement; Amendment; Counterparts.** This Agreement constitutes the entire understanding of the parties with respect to the specific subject matter of this Agreement; and may not be modified, amended or otherwise changed in any manner, and no provisions of this Agreement may be waived, except by a writing executed by the party to be charged therewith. This Agreement may be executed in counterparts, each of which when taken together shall constitute an original.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

**BUYER:**  
**Redbox, LLC**

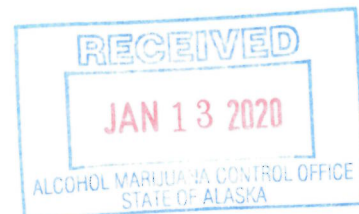
**SELLER:**  
**Tapas, LLC**

By: \_\_\_\_\_  
Luther Brice  
Its: Member and Authorized Agent

By: \_\_\_\_\_  
Franklin Eagle  
Its: Member and Authorized Agent

By: \_\_\_\_\_  
Saleutogi Letuligasenoa  
Its: Member and Authorized Agent

By: \_\_\_\_\_  
Kathleen Lavelle  
Its: Member and Authorized Agent



STATE OF ALASKA )  
 ) ss.  
FOURTH JUDICIAL DISTRICT )

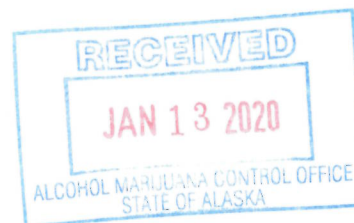
The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2019, by Luther Brice in his capacity as Member and Authorized Agent of Redbox, LLC, an Alaska limited liability company.

\_\_\_\_\_  
Notary Public in and for the State of Alaska  
My Commission Expires: \_\_\_\_\_

STATE OF ALASKA )  
 ) ss.  
FOURTH JUDICIAL DISTRICT )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2019, by Saleutogi Letuligasenoa in his capacity as Member and Authorized Agent of Redbox, LLC, an Alaska limited liability company.

\_\_\_\_\_  
Notary Public in and for the State of Alaska  
My Commission Expires: \_\_\_\_\_





STATE OF ALASKA )  
 ) ss.  
FOURTH JUDICIAL DISTRICT )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2019, by Franklin Eagle in his capacity as Member and Authorized Agent of Tapas, LLC, an Alaska limited liability company.

\_\_\_\_\_  
Notary Public in and for the State of Alaska  
My Commission Expires: \_\_\_\_\_

STATE OF ALASKA )  
 ) ss.  
FOURTH JUDICIAL DISTRICT )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2019, by Kathleen Lavelle in her capacity as Member and Authorized Agent of Tapas, LLC, an Alaska limited liability company.

\_\_\_\_\_  
Notary Public in and for the State of Alaska  
My Commission Expires: \_\_\_\_\_



**EXHIBIT C**  
**Form of Promissory Note**

PROMISSORY NOTE

\$ \_\_\_\_\_, 20\_\_

FOR VALUE RECEIVED, the undersigned promises to pay to the order of Tapas, LLC, an Alaska limited liability company, or its successors or assigns (the "Holder"), the principal sum of \_\_\_\_\_ NO/100 DOLLARS (\$ \_\_\_\_\_), with interest commencing \_\_\_\_\_, 20\_\_, at the rate of \_\_\_\_\_ PERCENT (\_\_\_%) per annum on the balance remaining from time to time unpaid. The said principal and interest shall be payable to \_\_\_\_\_, at \_\_\_\_\_ or at such other place as the Holder hereof may designate in writing. The Note shall be payable over a term of \_\_\_\_\_ (\_\_\_) years in equal monthly installments of \_\_\_\_\_ NO/100 DOLLARS (\$ \_\_\_\_\_) (inclusive of principal and interest) commencing on \_\_\_\_\_, 20\_\_, until paid in full but in no event later than \_\_\_\_\_, 20\_\_. On \_\_\_\_\_, 20\_\_, and on the same day of each subsequent month, \$ \_\_\_\_\_, to be applied first to the payment of interest on the unpaid balance at the rate specified above, and the remainder to be applied on principal, until \_\_\_\_\_, 20\_\_, on which date the balance of principal and interest then remaining unpaid shall be due and payable.

The undersigned reserves the right to prepay this Note in whole or in part at any time without penalty. Any payment made in addition to the monthly payments noted above shall be applied to the principal balance owing. Any such additional payment shall not waive the undersigned's continuing monthly payment obligation under this Note.

A failure or refusal to pay any installments under this Note in full and when due shall constitute a default. In the event of a default, and if the default is not made good prior to the due date of the next monthly installment, the entire remaining unpaid principal sum and accrued interest shall at once accelerate and become immediately due and payable at the option of the Holder 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. If any suit or action is instituted to collect on this Note, or any part thereof, the undersigned promises and agrees to pay, in addition to the costs and disbursements provided by statute, a reasonable sum of attorney's fees and costs in such suit or action.

The undersigned, whether principal, surety, guarantor, endorser, or other party hereto, hereby waives any homestead or exemption right against said debt, waives demand, protest and notice of demand, protest and nonpayment, and expressly agrees that this Note or any payment thereunder may be extended from time to time and consents to the acceptance of further security, including other types of security, all without in any way affecting the liability of such parties.

This Note is secured by a certain Commercial Security Agreement of even date given by undersigned maker, Redbox, LLC, to Tapas, LLC. Tapas, LLC shall have all of the rights and powers set forth in the Commercial Security Agreement as though they were fully set forth in this Note.

THE MORTGAGOR OR TRUSTOR IS OBLIGATED AND FULLY LIABLE FOR THE AMOUNT DUE UNDER THE NOTE. THE MORTGAGEE OR BENEFICIARY HAS THE RIGHT TO SUE ON THE NOTE AND OBTAIN A PERSONAL JUDGMENT AGAINST THE MORTGAGOR OR TRUSTOR FOR SATISFACTION OF THE AMOUNT DUE UNDER THE NOTE EITHER BEFORE OR AFTER A JUDICIAL FORECLOSURE OF THE MORTGAGE OR DEED OF TRUST UNDER AS 09.45.170 -09.45.220.

**REDBOX, LLC**

By: \_\_\_\_\_  
Luther Brice  
Its: Member and Authorized Agent

By: \_\_\_\_\_  
Saleutogi Letuligasenoa  
Its: Member and Authorized Agent





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

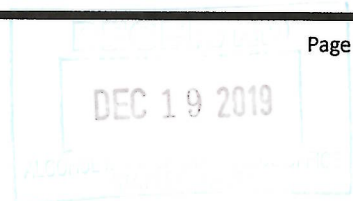
Enter information for the **current** licensee and licensed establishment.

Licensee:	Tapas, LLC	License #:	4170		
License Type:	Beverage Dispensary	Statutory Reference:	04.11.090		
Doing Business As:	The Library				
Premises Address:	603 Lacey Street				
City:	Fairbanks	State:	Alaska	ZIP:	99701
Local Governing Body:	City of Fairbanks				

**Transfer Type:**

- Regular transfer
- Transfer with security interest
- Involuntary retransfer

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





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:	Redbox, LLC				
Doing Business As:	The Library				
Premises Address:	603 Lacey Street				
City:	Fairbanks	State:	AK	ZIP:	99701
Community Council:	<u>Fairbanks</u>				

Mailing Address:	536 Haines				
City:	Fairbanks	State:	AK	ZIP:	99701

Designated Licensee:	Saleutogi Letuligasenoa				
Contact Phone:	907-378-5630	Business Phone:	907-378-5630		
Contact Email:	togiletuligasenoa@gmail.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

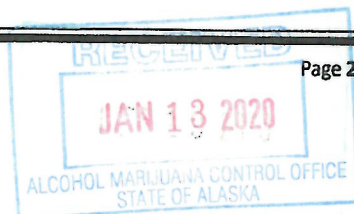
The next two questions must be completed by beverage dispensary (including tourism) and package store applicants only:

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.

0.5 mile

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.

0.1 mile





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

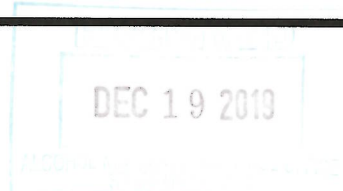
Name:					
Address:					
City:		State:		ZIP:	

**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:	Luther Brice				
Title(s):	Member	Phone:	978-3017	% Owned:	51
Address:	3207 Shell Street				
City:	Fairbanks	State:	Alaska	ZIP:	99701





Alaska Alcoholic Beverage Control Board

**Form AB-01: Transfer License Application**

Entity Official:	Saleutogi Letuligasenoa				
Title(s):	Member	Phone:	378-5630	% Owned:	49
Address:	536 Haines Avenue				
City:	Fairbanks	State:	Alaska	ZIP:	99701

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

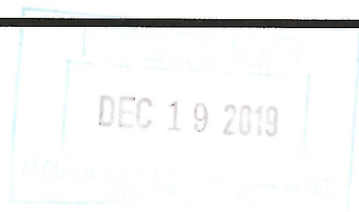
Entity Official:					
Title(s):		Phone:		% Owned:	
Address:					
City:		State:		ZIP:	

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 #:	10104619	AK Formed Date:	04/23/2019	Home State:	Alaska
Registered Agent:	Saleutogi Letuligasenoa	Agent's Phone:	378-5630		
Agent's Mailing Address:	536 Haines Avenue				
City:	Fairbanks	State:	Alaska	ZIP:	99701

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

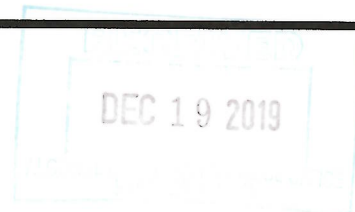
Communication with AMCO staff:

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:

Christopher J. Bodle, counsel for proposed licensee Redbox, LLC dba The Library







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.

*Franklin Egle*  
Signature of transferor

Franklin Egle  
Printed name of transferor

Subscribed and sworn to before me this 15<sup>th</sup> day of November, 20 19.



*Beverly C. Beshaler*  
Signature of Notary Public

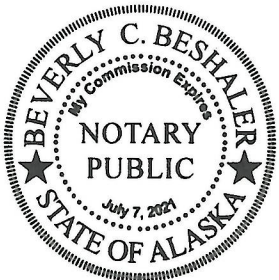
Notary Public in and for the State of Alaska

My commission expires: 7-7-2021

*Kathleen Lavelle*  
Signature of transferor

KATHLEEN LAVELLE  
Printed name of transferor

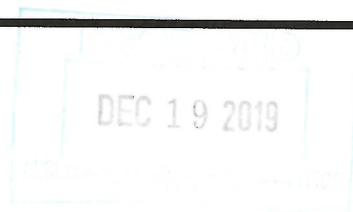
Subscribed and sworn to before me this 15<sup>th</sup> day of November, 20 19.



*Beverly C. Beshaler*  
Signature of Notary Public

Notary Public in and for the State of Alaska

My commission expires: 7-7-2021





# 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.

*J.R.*

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

*J.R.*

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.

*J.R.*

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.

*J.R.*

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

*J.R.*

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.

*J.R.*

Signature of transferee

*LOTHER W BRICE*

Printed name

Subscribed and sworn to before me this 15<sup>th</sup> day of November, 2019.



*Beverly C. Beshaler*  
Signature of Notary Public

Notary Public in and for the State of Alaska

My commission expires: 7-7-2021

DEC 19 2019



## 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:	Redbox, LLC	License Number:	4170		
License Type:	Beverage Dispensary				
Doing Business As:	The Library				
Premises Address:	603 Lacey Street				
City:	Fairbanks	State:	Alaska	ZIP:	99701

DEC 19 2019



Alaska Alcoholic Beverage Control Board

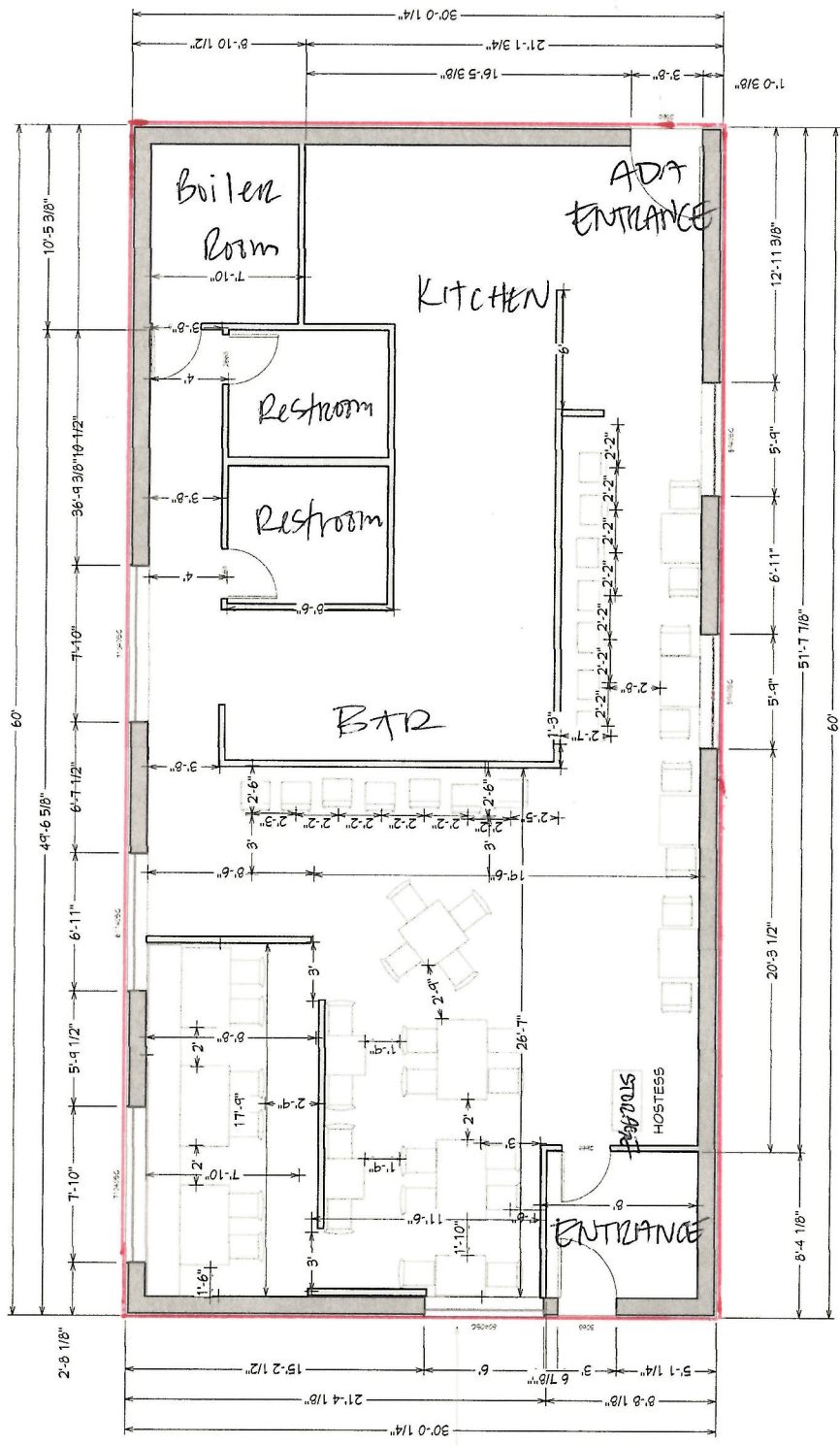
**Form AB-02: Premises Diagram**

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**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.

DEC 19 2013



LIVING AREA  
1176 SQ FT

← Lacey St. →

1st Floor

← 6th Ave →

ALL WINDOW LOCATIONS ARE PER EXISTING PLAN

DEC 19 2013

