



MEMORANDUM

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

FROM: Glen Klinkhart, Interim Director RE: 4535 TJ Seggy's

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 (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional] Blaine D. Gilman 907-283-2600	
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	

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						
OR	1b. INDIVIDUAL'S LAST NAME Nylander		FIRST NAME Heidi	MIDDLE NAME Lynn	SUFFIX	
1c. MAILING ADDRESS 29395 Bluebell Lane			CITY Soldotna	STATE AK	POSTAL CODE 99669	COUNTRY USA
1d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION L	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any		<input checked="" 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						
OR	3b. INDIVIDUAL'S LAST NAME Seggeser		FIRST NAME John	MIDDLE NAME	SUFFIX	
3c. MAILING ADDRESS 30485 Rosland			CITY Soldotna	STATE AK	POSTAL CODE 99669	COUNTRY USA

4. This FINANCING STATEMENT covers the following collateral:

All building fixtures and building improvements and appurtenances now or hereafter erected thereon, such as apparatus, equipment, fixtures, and articles used to supply heat, gas, air conditioning, water, light, power, refrigeration, and ventilation, and other similar property now or hereafter used, or procured for use in connection with the buildings, structures, or improvements, and any and all alterations, replacements, and additions to any such buildings, structures, or improvements, and in addition, all personal property owned by the Debtor, wherever located, including all equipment, inventory, goods, fixtures, accounts, deposit accounts, letter-of-credit rights, rents, security deposits, instruments, investment property, documents, chattel paper, insurance claims and proceeds, and general intangibles, whether now owned or existing or hereafter created or acquired by the Debtor which relate to the Debtor's Business known as TJ Seggy's located at 50470 Sterling, Highway, Soldotna, Alaska 99669, the improvements thereon, or the Debtor's operations involving TJ Seggy's, all as more specifically described in Schedule A and made a part hereof. Under the terms of AS 04.11.670, AS 04.11.360(4)(B), and 3 AAC 304.106, 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. ALTERNATIVE DESIGNATION [if applicable]:	<input type="checkbox"/> LESSEE/LESSOR	<input type="checkbox"/> CONSIGNEE/CONSIGNOR	<input type="checkbox"/> BAILEE/BAILOR	<input type="checkbox"/> SELLER/BUYER	<input type="checkbox"/> AG. LIEN	<input type="checkbox"/> NON-UCC FILING
6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS Attach Addendum UCC1AP [if applicable]	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (ADDITIONAL FEE) [optional]		<input type="checkbox"/> All Debtors		<input type="checkbox"/> Debtor 1	<input type="checkbox"/> Debtor 2

Financing Statement -- File in Alaska UCC Central

AMCO

FEB 19 2020

SCHEDULE A

EQUIPMENT

Cash Registers	\$6,300.00
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INVENTORY

Grocery	\$24,084.05
Gas	\$14,169.44
Propane	\$736.58
Cigarettes	\$26,354.90
Alcohol	\$42,213.66

TOTAL:	\$113,858.63
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AMCO
FEB 19 2020

PURCHASE AGREEMENT FOR TJ SEGGY'S

This Purchase Agreement ("Agreement") is entered into as of the 28 day of October, 2019 by and between Heidi Lynn Nylander Nylander and Donald Marvin Nylander or assigns ("Buyer") and TLS, Inc. dba TJ Seggy's ("Seller").

RECITALS

A. Seller is the owner of the business known as TJ Seggy's ("Business"), situated and located in the Third Judicial District, State of Alaska, more particularly described as:

Lot 3, Char Subdivision No. 4, Kenai Recording District, Third Judicial District, State of Alaska.

Physical Address: 50470 Sterling Highway, Soldotna, Alaska 99669

B. Seller is also the holder of a Package Store License No. 4535 at the above described Premises.

C. Seller desires to sell and Buyer desires to purchase all of Seller's right, title and interest in and to its Business and Liquor License in accordance with the terms and conditions set forth in this Agreement.

AGREEMENT

In consideration of the mutual agreements and covenants set forth herein and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree and covenant as follows:

1. DEFINITIONS:

1.1. "ABC" Board" is the Alaska Alcoholic Beverage Control Board.

1.2. "Closing Date" is the date when all documentation required by this Agreement are deposited with Escrow Agent pursuant to Section 6.

1.3. "Escrow Agent" is Stewart Title of the Kenai Peninsula, 35096 Kenai Spur Highway, Soldotna, Alaska 99669.

1.4. "Funding Date" is the date Buyer notifies Escrow Agent that it has received written approval from the ABC Board of the transfer of the Liquor License from Seller to Buyer with the ABC Board in connection with this Agreement.



1.5. "Lien" means any lien, claim, option, judgment, charge, security interest, license, lease, or other encumbrance and includes, without limitation, any and all claims or charges of any creditor or supplier.

1.6. "Liquor License" means a Package Store License No. 4535.

1.7. "Purchase Price" means the amount paid for the Business and the Liquor Licenses as set forth in Section 3.1.

2. AGREEMENT TO BUY AND SELL:

2.1. Subject to the terms and conditions contained herein, Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller all of Seller's right, title and interest in and to the Business known as TJ Seggy's. Title to the real property shall be conveyed by Warranty Deed from Seller to Buyer. The assets consist of the following:

a. Real Property, more particularly described as:

Lot 3, Char Subdivision No. 4, Kenai Recording District, Third
Judicial District, State of Alaska.

Physical Address: 50470 Sterling Highway, Soldotna, Alaska
99669

b. Package Store License No. 4535;

c. All assets associated with or relating to that certain business establishment known and commonly referred to as TJ Seggy's located at 50470 Sterling Highway, Soldotna, Alaska 99669, including, but not limited to: the trade name "TJ Seggy's", all leasehold improvements, inventory, furniture, fixtures, and any and all other items normally considered and commonly referred to as assets. Title to the inventory shall be conveyed by Bill of Sale.

3. PURCHASE PRICE AND PAYMENT

3.1. The Purchase Price shall be TWO HUNDRED AND EIGHTY-FIVE THOUSAND (\$285,000.00). At closing, the Buyer shall enter into a Deed of Trust Note in the amount of TWO HUNDRED AND EIGHTY-FIVE THOUSAND (\$285,000.00) with payments of FIVE THOUSAND (\$5,000.00) per month at 6% interest per annum. Buyer shall enter into a Deed of Trust securing the real property and a Conditional Special Power of Attorney securing the Liquor License.

3.2 The parties shall take an inventory a day before the closing date of the fuel, groceries, sundries, alcohol, cash on hand, and related items that would normally be considered inventory in the course of business. The Purchase Price shall be increased by the wholesale value of these items. The inventory shall be secured by a Security Agreement.



3.3. Seller shall be responsible for payment of any liens and/or judgments on the property.

4. LIQUOR LICENSE

4.1 Seller represents and warrants that it has good and marketable title to the Liquor License being sold to Buyer hereunder and shall convey and assign the Liquor License to Buyer on the Closing Date. The Liquor License is and shall remain free and clear of all Liens, including Liens of any persons or entities (such as suppliers and taxing authorities) otherwise against the Liquor License arising by reason of operation of the Liquor License or law that must be disclosed under Alaska law. To the extent that there is a Lien, the Buyer has the right to offset from the purchase price the amount of any Lien. To the best of Seller's knowledge, upon finalization of this closing and based on the Purchase Price defined herein, the Liquor License will be free of all Liens. Seller has all appropriate power and authority to enter into this Agreement and to sell the Liquor License to Buyer and needs no consent from any third party or governmental approval other than approval from the ABC Board.

4.2. Up to and until the Closing Date, Seller shall maintain the Liquor License in good standing and shall not knowingly allow the Liquor License to be burdened with Liens.

5. CLOSING AND CLOSING COSTS

5.1. Closing shall occur at the offices of the Escrow Agent.

5.2 Closing shall be conducted pursuant to all of the following:

a. On the Closing Date, Buyer shall sign the Deed of Trust Note, Deed of Trust, and the Conditional Special Power of Attorney in the amount specified sections 3.1 and 3.2.

b. Each party shall deliver or cause to be delivered to the other party such additional documents as may be required by law or by the terms of this Agreement to complete the sale and transfer of the Liquor Licenses to Buyer.

c. Closing date shall occur no later than five (5) business days after the approval by the ABC Board of the application for transfer of ownership of the Liquor Licenses from Seller to Buyer.

d. Each party shall, from time to time, upon request of the other party, do, execute, acknowledge, and deliver such further acts, assignments, transfers, conveyances, and assurances as may be reasonably required to consummate the transaction contemplated by the Agreement, including the vesting in the Buyer of all of Seller's right, title and interest in and to the Liquor License.

5.4. Parties shall split all closing cost including the title report. The Seller shall advance Buyer's share of the closing costs and said share shall be added to the purchase price specified in sections 3.1 and 3.2.



5.5 All real property taxes with the Kenai Peninsula Borough and utilities will be prorated at the date of closing.

6. CONDITIONS OF CLOSING

The closing of the transaction contemplated by this Agreement is subject to:

6.1. Approval by the ABC Board of the application for transfer of ownership of the Liquor Licenses from Seller to Buyer. The transfer of the Liquor Licenses from Seller to Buyer shall be approved by the ABC Board without conditions.

6.2. Renewal of the Liquor Licenses by Seller if such renewal is required in order to maintain the Liquor Licenses as an active license through closing, which Seller agrees to do.

6.3. Approval of the State of Alaska, the Kenai Peninsula Borough ("Borough") and/or other governmental authority as may be necessary, of the transfer of ownership of the Liquor Licenses.

6.4 All representations and warranties of Seller shall be true in all material respects as of the Closing Date.

6.5 Seller shall have performed all of its covenants in material respects as of the Closing Date.

6.6 As of the Closing Date, there shall not exist any law, regulation, judgment, or order which prohibits the transaction contemplated by this Agreement or which prevents or adversely affects the transfer the transfer of the Liquor License to Buyer.

6.7. In the event that all conditions stated in this Section 6 cannot be satisfied or otherwise waived by the 1st day of June, 2020, Seller may terminate this Agreement.

7. SURVIVAL AND INDEMNIFICATION

7.1. All representations, warranties, and covenants of the parties shall survive closing, except as may be otherwise provided herein.

7.2. Seller shall indemnify, defend and hold Buyer harmless from and against any and all claims, suits, actions, proceedings, demands, assessments, judgments, costs and expenses or other matters arising out of or related to any breach of Seller representations, warranties, or covenants hereunder.

8. REAL ESTATE COMMISSION

8.1. Parties acknowledge that there is no real estate commission on this sale.



9. GENERAL PROVISIONS

9.1. Any notice given hereunder shall be in writing and shall be given by personal delivery or by certified or registered U.S. mail, postage or delivery charge prepaid, return receipt requested, addressed as follows:

Buyer: Heidi Lynn Nylander
Donald Marvin Nylander
29395 Bluebell Lane
Soldotna, Alaska 99669
907-741-1223

Seller: John Segesser
TLS, Inc. dba TJ Seggy's
c/o Gilman & Pevehouse
130 South Willow, Suite 3
Kenai, Alaska 99611
(907) 283-2600
bdgilman@gilmanlawak.com

9.2. This Agreement, and any exhibits hereto, constitutes the entire agreement of the parties and supersedes all other prior understandings, agreements or representations by or between the parties, written or oral, with respect to the subject matter hereof.

9.3. This Agreement may not be amended or waived except in writing executed by the parties. No course of dealing between or among the parties shall be deemed effective to modify or amend any part of this Agreement or any rights or obligations of any person under or by reason of this Agreement.

9.4. Except as otherwise expressly provided herein, Seller and Buyer will pay all of their own expenses, including attorneys' fees and accountants' fees, in connection with the negotiation of this Agreement, the performance of their respective obligations hereunder and the consummation of the transaction contemplated by this Agreement (whether consummated or not). Each party has had the opportunity for assistance of counsel in preparation and review of this Agreement.

9.5. Whenever possible, each provision of this Agreement will be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions of the remaining provisions of this Agreement.

9.6. This Agreement may be executed in one or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same instrument.



9.7. The laws of the State of Alaska will govern all questions concerning the construction, validity, and interpretation of this Agreement and the performance of the obligations imposed by this Agreement.

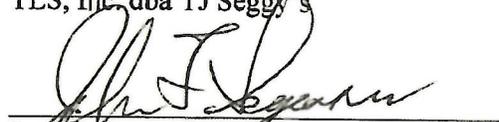
9.8. Each party agrees to cooperate with the other in preparation and submittal of the liquor licenses transfer application and supporting documentation. Buyer will coordinate and be responsible for the positing and publication associated with the liquor license transfer process.

BUYER:

SELLER:


By: Heidi Nylander or Assigns

TLS, Inc. dba TJ Seggy's


By: John Segesser, President


By: Butch Nylander or Assigns



BILL OF SALE

TLS, Inc. dba TJ Seggy's, Seller, whose address is c/o Gilman & Pevehouse, 130 South Willow, Suite 3, Kenai, Alaska 99611, in consideration of the payment of the sum of \$10.00 dollars and other valuable consideration, receipt of payment acknowledged, does hereby sell and transfer to Heidi Lynn Nylander and Donald Marvin Nylander, Jr., Buyers, whose address is 29395 Bluebell Lane, Soldotna, Alaska 99669, the following described personal property for the business known as TJ Seggy's:

1. All equipment and furniture owned by TJ Seggy's including:

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2. All inventory owned by TJ Seggy's including:

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THE DESCRIBED PROPERTY IS SOLD "AS-IS" WITHOUT ANY WARRANTIES, EXPRESS OR IMPLIED, AS TO THE CONDITION OF SUCH PROPERTY. BY ACCEPTING THIS BILL OF SALE, BUYER REPRESENTS THAT BUYER HAS PERSONALLY INSPECTED THE DESCRIBED PROPERTY AND ACCEPTS THE PROPERTY "AS-IS".

This Bill of Sale shall be effective as to the transfer of all property listed in it as of the ____ day of _____, 2019.

IN WITNESS WHEREOF, this Bill of Sale is executed on this ____ day of May, 2018.

TLS, Inc./Seller

By:

John Segesser, President



DEED OF TRUST AND ASSIGNMENT OF RENTS

THIS DEED OF TRUST, made between Heidi Nylander and Butch Nylander, herein called Trustor, whose address is 29395 Bluebell Lane, Soldotna, Alaska 99669, Stewart Title of the Kenai Peninsula, an Alaska corporation, whose address is 35096 Kenai Spur Hwy, Soldotna, Alaska 99669 herein called Trustee, and John Segesser, whose address is c/o Gilman & Pevehouse, 130 South Willow, Suite 3, Kenai, Alaska 99611, herein called Beneficiary.

WITNESSETH: That Trustor irrevocably grants, transfers and assigns to Trustee in trust with power of sale the following described real property:

Lot 3, Char Subdivision No 4, according to the official plat thereof, filed under Plat Number 80-120, Records of Kenai Recording District, Third Judicial District, State of Alaska.

Physical Address: 50470 Sterling Highway, Soldotna, Alaska 99669

TOGETHER with all buildings, appurtenances, fixtures and appurtenances now or hereafter erected thereon, including all apparatus, equipment, fixtures and articles, whether in single units or centrally controlled, used to supply heat, gas, air conditioning, water, light, power refrigeration, ventilation, laundry, clothes drying, dishwashing, garbage disposal or other services, and any other thing now or hereafter located therein or thereon, the furnishing of which by lessors to lessees is customary or appropriate, including screens, window shades, storm doors and window, floor coverings, screen doors, in-a-door beds, awnings, stoves and water heaters (all of which are declared to be a part of said real estate, whether physically attached thereto or not); and also together will all easements, appurtenant to said premises which are hereby pledged, assigned, transferred, and set over unto the Trustee, whether now due or hereafter to become due.

A. FOR THE PRUPOSE OF SECURING:



1. Payment of indebtedness in an amount not to exceed \$285,000 [amount will be increased at closing to increase for inventory and ½ of closing expenses] with interest at 6% per annum. 2. Performance of each condition or covenant of Trustor herein contained or incorporate by reference.

B. TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

1. To keep said property in good condition and repair, not to remove or demolish any building thereon; to underpin and support when necessary any building or other improvement thereon and to protect and preserve the same; to complete or restore promptly and in a good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefore, and if the loan secured hereby or any part thereof is being obtained for the purpose of construction of improvements on said property, Trustor also agrees, anything in this Deed of Trust to the contrary notwithstanding: (a) to complete the same in accordance with plan and specifications satisfactory to Beneficiary; (b) to allow Beneficiary to inspect said property at all time during construction; (c) to replace any work or materials unsatisfactory to Beneficiary, within fifteen (15) calendar days after written notice from Beneficiary of such fact, which notice may be given to the Trustor by registered mail, sent to his last known address, or by personal service of the same; (d) that work shall not cease on the construction of such improvements for any reason whatsoever for a period of fifteen (15) calendar days; to comply with all laws affecting said property or requiring any alterations, repairs or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character of use of said property may be reasonably necessary, the specific enumerations herein not excluding the general. The Trustee, upon presentation to it of an affidavit signed by Beneficiary, setting forth facts showing a default by Trustor under this paragraph, is authorized to accept as true and conclusive all facts and statement therein, and to act thereon hereunder.

2. To provide and maintain in force, at all times, fire, and other insurance each satisfactory to, and with loss payable to said Beneficiary and providing protection to Beneficiary not less than that provided by standard mortgagees clause endorsement and not greater than that available through a domestic or foreign company admitted to Alaska giving the greatest protection to Beneficiary. Approval by Beneficiary of any Insurance Policy or company may be withdrawn by Beneficiary at any time Beneficiary determines more adequate insurance policy or company is available. Said policies shall be delivered to, and remain in possession of Beneficiary as further security for the faithful performance of these trusts. At least thirty (30) days prior to the expiration of any said insurance policy, a policy or policies renewing or extending said expiring insurance shall be delivered to said Beneficiary together with a receipt showing payment of the premium therefore. By executing this Deed of Trust the Trustor specifically requests the Beneficiary to obtain said insurance in the event any said insurance policy and a receipt for payment of the premium therefore be not so delivered to said Beneficiary by the Trustor; but Beneficiary shall be under no obligation so to do, and the obtaining of any such insurance and the payment of the premium therefore



by Beneficiary shall not release Trustor from any obligation hereof. Neither Trustee nor Beneficiary shall be responsible for such insurance or for the collection of any insurance moneys, or for any insolvency of any insurer or insurance underwriter. Any and all unexpired insurance shall inure to the benefit of, and pass to the purchaser of the property conveyed hereby at any Trustee's sale held hereunder.

The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be release to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

3. To appear in and defend any action or proceeding purporting to affect the security hereof, or the rights of powers of Beneficiary or Trustee, and should Beneficiary or Trustee or both, elect to institute, appear in or defend, or file proof to secured claims, in any such action or proceeding, including actions or proceedings to foreclose this Deed of Trust, proceedings under the Bankruptcy Act, and proceedings for the administration of the estates of deceased or incompetent Trustor, and their successors; to pay all costs and expenses including cost of evidence of title and attorney's fees in a reasonable sum incurred by Beneficiary or Trustee.

4. To pay all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior may, at Beneficiary's option, apply all, or any part of any payment first to the repayment of any such advances. Beneficiary shall notify Trustor in writing of the revised amount of such monthly payments upon such consolidated indebtedness by regular mail sent to Trustor's address as herein set forth.

5. To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with all costs, fees and expenses of this trust, with interest from date of expenditure at the rate specified in said note, which said sum are secured hereby.

6. Any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by it in the same manner and with the same effect as above provided for disposition of proceeds of fire and other insurance.

7. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

8. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."



9. That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name, sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

10. Upon default by Trustor in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable. In the event of default, Beneficiary shall cause the Trustee to execute, a written notice of such default and of his election to cause to be sold the herein described property to satisfy the obligations hereof, and shall cause such notice to be recorded in the office of the recorder of each Recording District wherein said real property, or some part of it is situated.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as herein defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale and a reasonable attorney's fee, Trustee shall apply the proceeds of sale to payment of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at six percent (6%) per annum; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.



11. Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and with notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

12. Beneficiary may, from time to time, as provided by statute, substitute or appoint one or more new Trustees hereunder, and thereupon, the Trustee herein named shall be discharged and the new Trustee or Trustees shall succeed to and be vested with the same rights, powers, duties, authority and title as though said new Trustee or Trustees had been originally named herein.

13. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledges, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

14. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

C. SPECIAL CONDITIONS AND COVENANTS:

Trustor may not sell, convey, or in any manner dispose of the subject property without first obtaining the written consent of Beneficiary until such time as the Deed of Trust Note executed concurrently herewith has been paid in full. In the event Trustor shall sell, convey, or in any manner dispose of the subject property without first obtaining the written consent of Beneficiary, Trustor shall be in default under the terms and conditions of this Deed of Trust.

Dated this _____ day of _____, 2019.

By: _____



Hiedi Nylander, Trustor

By: _____
Butch Nylander, Trustor

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2020, by Heidi Nylander.

Notary Public In and For Alaska
My Commission Expires: _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by Butch Nylander.

Notary Public In and For Alaska
My Commission Expires: _____

RETURN TO:

John Segesser
Gilman & Pevehouse
130 South Willow, Suite 3
Kenai, Alaska 99611



CONDITIONAL SPECIAL POWER OF ATTORNEY

TLS, Inc. whose address is c/o Gilman & Pevehouse 130 South Willow Street, Suite 3, Kenai, Alaska 99611, hereinafter referred to as Transferor, has entered into a contract with Heidi Nylander and Donald Marvin Nylander, Jr. whose address is 29395 Bluebell Lane, Soldotna, Alaska 99669, hereinafter referred to as Transferee, whereby the Package Store License No. 4535 shall be sold to Transferee. In connection with said transfer, the Transferor and Transferee shall make application to and reasonably cause the Alaska Alcoholic Beverage Control Board to consent to transfer of the Package Store License No. 4535 to Transferee. In connection with said transfer, the Transferee will execute in favor of the Transferor a Deed of Trust Note in the Principal sum of _____, together with interest at 6% per annum.

FOR VALUABLE CONSIDERATION, the Transferee does, upon condition precedent of a breach of the Deed of Trust Note referred to above,

(a) conditionally appoint Transferor as Transferee's Special Attorney-in-fact, with full power of substitution, for the purposes of executing and delivering all documents, and otherwise taking any and all steps whatsoever required or pertinent to the transfer of the Package Store License No. 4535, to any person or entity designated by Transferor; and

(b) hereby grants to the Transferor the power to make such designation. Further, Transferee agrees that such power shall be exclusive.

Transferee further agrees that it will not transfer, encumber or otherwise make any disposition whatsoever of such license which is the subject hereof at any time, unless such subsequent transferee shall assume all obligations imposed on Transferee by this agreement by execution of a like Conditional Special Power of Attorney in favor of Transferor, and that it will in all respects cause the business to be operated under such license in a lawful manner that will not cause or tend to cause the State of Alaska or the Alaska Alcoholic Beverage Control Board to



suspend or revoke such license. The foregoing Power of Attorney is deemed to be a power coupled with an interest, and to be irrevocable.

This Conditional Power of Attorney is made for the purpose of securing performance by the Transferee of each and every obligation herein set forth, as security for the payment of the Deed of Trust Note, described above, together with interest at 6% per annum, and for all other obligations of Transferee to Transferor, and the further protection of Transferor's interest in and to the above-described license.

PROVIDED HOWEVER, that this Conditional Special Power of Attorney is conditioned on and shall not be exercisable unless and until Transferee shall fail to comply with any condition, covenant, provision, or agreement contained in the Deed of Trust Note dated the ____ day of _____, 2019. If Transferee shall fail to comply with any condition, covenant, provision, or agreement contained in said documents then this Conditional Special Power of Attorney shall be of full force and effect.

The appointment herein shall be irrevocable, and no action taken by Transferee in contravention of the purposes hereof shall have any effect whatsoever without the prior written consent of Transferor.

The purpose of this Conditional Special Power of Attorney is to enable the Transferor to have the same rights and powers to petition the Alcoholic Beverage Control Board to consent to a transfer of the Package Store License No. 4535 that Transferee has, and would have, in all instances where the transfer of such license is involved.

Subject to the foregoing, this Conditional Special Power of Attorney shall bind and inure to the benefit of the parties herein named, their heirs, administrators, executors, assigns, or other successors in interest.

PROVIDED FURTHER, that if Transferee (or its subsequent transferee or assignee) shall perform all payment conditions contained in the Deed of Trust Note, then this agreement shall be deemed satisfied and released and of no further force and effect.

DATED this ____ day of _____, 2019.



Heidi Nylander, Transferee

Donald Marvin Nylander, Jr. Transferee

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of _____, 2019 by Heidi Nylander.

Notary Public In And For Alaska
My Commission Expires: _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of _____, 2019 by Donald Marvin Nylander, Jr.

Notary Public In And For Alaska
My Commission Expires: _____



SECURITY AGREEMENT

This SECURITY AGREEMENT (the "Security Agreement") is made and entered into as of the ____ day of _____, 2019, between Heidi Lynn Nylander and Donald Marvin Nylander, Jr. (the "Borrower"), whose address is 29395 Bluebell Lane, Soldotna, Alaska 99669, and John Segesser (the "Secured Party"), whose address is P.O. Box 537, Soldotna, Alaska 99669.

RECITALS

- A. The Borrower are together referred to herein as the "Debtor".
- B. On the ____ day of _____, 2019, the Secured Party lent \$_____ to the Debtor with a Deed of Trust Note to purchase the business know as TJ Seggy's including the inventory (the "Loan").
- C. This Security Agreement secures payment of the Loan.

In consideration of the mutual covenants and promises set forth herein, the Debtor and the Secured Party agree:

Section 1. Creation of Security Interest. The Debtor hereby grants to the Secured Party a security interest in the Collateral described in Section 3 to secure the performance and payment of the Debtor's Deed of Trust Note in the amount of \$_____ (the "Note") and given to the Secured Party and payable as to principal and interest as therein provided; all expenditures by the Secured Party for taxes, insurance, repairs to and maintenance of the Collateral described below, and all costs and expenses incurred by the Secured Party in the collection and enforcement of the Note and other indebtedness of the Debtor; any future advances under the Note to be evidenced by like notes to be made by the Debtor to the Secured Party at the Secured Party's option; and all liabilities of the Debtor to the Secured Party now existing or hereafter incurred with respect to the Loan and the Collateral, matured or unmatured, direct or contingent, and any renewals and extensions thereof and substitutions therefor.

Section 2. Definitions. All terms used herein that are defined in AS 45.29, shall have the same meaning herein as therein defined. The references in this Security Agreement to "UCC" shall mean the Uniform Commercial Code as adopted by the State of Alaska and set forth in AS 45.29, as amended from time to time.

Section 3. Description of Collateral. The collateral subject to this Security Agreement (the "Collateral") consists of the following types (or items) of property:

See attached Exhibit A.

- A. All personal property owned by the Debtor, wherever located, including all equipment, inventory, goods, fixtures, accounts, deposit accounts, letter-of-credit rights, rents, security deposits, contract rights (including but not limited to all contract rights to the payment of money and all contracts relating to the construction of improvements or repairs to any structures),



instruments, investment property, documents, chattel paper, insurance claims and proceeds, and general intangibles, whether now owned or existing or hereafter created or acquired by the Debtor and relating to the Real Property, the improvements thereon, or the Debtor's operations involving the Real Property;

B. All compensation, awards, damages, rights of action and proceeds, including the proceeds of any policies of insurance arising out of or relating to a taking or damaging of any buildings or improvements by reason of any public or private improvements, condemnation proceeding (including change of grade), or fire, earthquake, or other casualty;

C. All right, title and interest of the Debtor as lessor in and under all leases now or hereafter affecting any buildings including, without limitation, all rents, issues, security deposits, and profits therefrom; and

D. All proceeds of A through C.

Section 4. Obligations of Debtor Generally.

A. Payment. The Debtor shall pay, or cause to be paid to the Secured Party the sum evidenced by the Note and any renewal or extension thereof in accordance with their terms, and any other obligations that now exist or may hereafter accrue from the Debtor to the Secured Party, including all future advances that may be made under the Note at the option of the Secured Party as provided therein.

B. Warranties and Representations. Debtor warrants and covenants that:

(1) The Debtor has, or upon acquisition will have, full title to the Collateral (or the power to transfer the Collateral and its title), free from any superior lien, security interest, encumbrance, or claim, and the Debtor will, at the Debtor's own cost and expense, defend any action which may affect the Secured Party's security interest in, or the Debtor's title to, the Collateral;

(2) The Collateral is used or is to be used primarily in the business of the Borrower; provided, however, that the Collateral is not to be purchased or held for lease or sale;

(3) The Borrower's chief executive office is in the State of Alaska and Borrower's state of formation is the State of Alaska;

(4) The Debtor's legal names are as set forth on the first page of this Security Agreement; and

(5) No superior financing statements covering the Collateral or any part thereof or any proceeds thereof are presently on file in any public office.

C. Location of Debtor and Debtor's Identity. The Debtor shall perform all covenants and agreements set forth in this Security Agreement. The Borrower shall preserve its legal organizational structure and existence and shall not, in one transaction or a series of related transactions, merge into or consolidate with any other entity, or sell all or substantially all of its



assets, except with the written consent of Secured Party. The Borrower shall not change the state of its formation or chief executive office and shall not change its name without providing Secured Party at least thirty (30) days prior written notice.

Section 5. Financing Statement. The Debtor authorizes the Secured Party, without further consent or signature, to file all financing statements, amendments, addenda, and continuations thereto, in a form satisfactory to the Secured Party, and the Debtor will pay the cost of filing such statements. The Secured Party may choose to perfect its security interest in certain Collateral by possession in addition to the filing of a financing statement, and the Debtor agrees to deliver possession of such Collateral to the Secured Party on its request. Debtor shall not create any chattel paper without placing a legend on the chattel paper acceptable to Secured Party indicating that Secured Party has a security interest in the chattel paper. The Debtor will execute all other instruments deemed necessary to carry out the intent hereof by the Secured Party and will pay the cost of filing or recording such documents.

Section 6. Location and Identification of Collateral. The Debtor will keep the Collateral separate and identifiable and at the Real Property and solely in the State of Alaska, and the Debtor will not remove the Collateral from the Real Property, except as may be necessary for the normal conduct of the business of the Debtor, without the written consent of the Secured Party. The Debtor shall, on request, provide the Secured Party with the location of the Collateral.

Section 7. Alienation of Collateral. The Debtor will not, without the written consent of the Secured Party, sell, contract to sell, lease, encumber, grant any other security interest in, or otherwise dispose of the Collateral, or any interest therein, until this Security Agreement and all debts secured thereby have been fully satisfied. Notwithstanding the foregoing, this Section does not prevent the transfer of certain Collateral such as appliances, equipment and the like, in the normal course of business, for purposes of repair or replacement of such Collateral. No reference to "proceeds" in this Security Agreement authorizes any sale, transfer, or other disposition of the Collateral by the Debtor.

Section 8. Insurance. The Debtor acknowledges and agrees that it bears all risk of loss of the Collateral; provided, however, that the Debtor shall nonetheless insure the Collateral with companies acceptable to the Secured Party against such casualties and in the amount of \$500,000. The insurance shall be for the benefit of the Debtor and the Secured Party as their interests may appear. The Secured Party is hereby authorized to collect from the insurance company any amount that may become due under any such insurance.

Section 9. Taxes and Assessments. The Debtor shall promptly pay when due all taxes and assessments levied on the Collateral or on its use and operation.

Section 10. Protection of Collateral. The Debtor shall keep the Collateral in good order and repair; the Debtor shall not waste or destroy the Collateral or any part thereof; and the Debtor shall not use the Collateral in violation of any statute or ordinance. The Secured Party shall have the right to examine and inspect the Collateral at any reasonable time, and the parties to this Security Agreement may inspect any Collateral in the other party's possession, at any time upon reasonable



notice. The Secured Party shall have no duty to collect any income accruing on the Collateral or to preserve any rights relating to the Collateral.

Section 11. Reimbursement of Expenses. Should an event of default occur under this Security Agreement, the Secured Party may at its option and at any time discharge taxes, liens, or interest on the Collateral, perform or cause to be performed for and on behalf of the Debtor any actions and conditions, obligations, or covenants that the Debtor has failed or refused to perform, or pay for the repair, maintenance, and preservation of the Collateral. All sums so expended shall bear interest from the date of payment at the rate which will be applicable for borrowing under the Note, shall be payable at the place designated in the Note, and shall be secured by this Security Agreement.

Section 12. Time of Essence. When performing any act under this Security Agreement and the Note secured thereby, time shall be of the essence.

Section 13. No Waiver. Failure of the Secured Party to exercise any right or remedy accruing upon any default, including but not limited to the acceptance of partial or delinquent payments, shall not be a waiver of any obligation of the Debtor or right of the Secured Party or impair any right or remedy, or constitute a waiver of any other default of the same or of a different nature subsequently occurring.

Section 14. Default. The occurrence of any of the following shall, at the option of Secured Party, be an event of default under this Security Agreement:

A. The Debtor fails to pay when due any amount payable on the Note or on any other indebtedness of the Debtor secured hereby, or shall breach, or fail to observe or perform any of the provisions of this Security Agreement;

B. The Debtor shall have made an incorrect representation or warranty in this Security Agreement;

C. Transfer or disposition of any of the Collateral, except as expressly permitted by this Security Agreement;

D. Attachment, execution or levy on any of the Collateral;

E. The Debtor voluntarily or involuntarily becoming subject to any proceeding under (i) the Bankruptcy Code or (ii) any similar remedy under state statutory or common law;

F. The Debtor shall fail to comply with, or become subject to any administrative or judicial proceeding under any federal, state or local (i) hazardous waste or environmental law, (ii) asset forfeiture or similar law which can result in the forfeiture of property, or (iii) other law, where noncompliance may have any significant effect on the Collateral;

G. The Secured Party receiving at any time a UCC filing information report or other report indicating that the Secured Party's security interest is not prior to all other security interests or other interests reflected in such report.



Section 15. Remedies. Upon the occurrence of a default under this Security Agreement which remains uncured for a period of more than fifteen (15) days or the occurrence of a default under the Promissory Note and the expiration of any applicable cure periods described therein:

A. The Secured Party may declare all obligations secured hereby immediately due and payable and may proceed to enforce payment of the same and exercise any and all of the rights and remedies available at law (including those available under the provisions of the UCC), or in equity, to collect, enforce or satisfy any obligation then owing, whether by acceleration or otherwise.

B. The Secured Party shall have the right to remove the Collateral from the Property or such other location. The Secured Party may require the Debtor to assemble the Collateral and make it available to the Secured Party at any place to be designated by the Secured Party that is reasonably convenient to the Secured Party. For purposes of removal and possession of the Collateral, the Secured Party or its representatives may enter any premises of the Debtor without legal process. The Secured Party may, without taking possession, sell, lease or otherwise dispose of the Collateral at public or private sale in accordance with the UCC. Secured Party shall also have the right at any time to enforce Debtor's rights against the account debtors and obligors.

C. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Secured Party shall give the Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of the Debtor shown herein at least five (5) days (or such other period of notice permitted by the UCC) before the time of the sale or disposition. Expenses of retaking, holding, preparing for sale, selling, or the like shall include reasonable attorneys' fees and legal expenses incurred by the Secured Party.

D. The Secured Party has no obligation to attempt to satisfy the obligations by collecting them from any other person liable for them and the Secured Party may release, modify or waive any collateral provided by any other person to secure any of the obligations, all without affecting the Secured Party's rights against the Debtor. The Debtor waives any right it may have to require the Secured Party to pursue any third person for any of the obligations.

E. The Secured Party may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral.

F. The Debtor shall pay to the Secured Party all costs reasonably incurred by the Secured Party for the purpose of enforcing its rights hereunder, including (a) costs of foreclosure; (b) costs of obtaining money damages; and (c) reasonable attorneys' fees incurred by the Secured Party for any purpose related to this Security Agreement or the obligations secured thereby, including consultation, drafting documents, sending notices or instituting, prosecuting or defending litigation.



Section 16. Governing Law. This Security Agreement is being executed and delivered and is intended to be performed in the State of Alaska and shall be construed and enforced in accordance with the laws of the State of Alaska.

Section 17. Assignment. The Secured Party may assign its rights and interests under this Security Agreement. If an assignment is made, then upon the Debtor's receipt of written notice of such assignment the Debtor shall render performance under this Security Agreement to the assignee. The Debtor waives and will not assert against any assignee any claims, defenses or set-offs which the Debtor could assert against the Secured Party, except defenses which cannot be waived under the UCC. The Secured Party does not consent to any assignment by the Debtor except as expressly provided in this Security Agreement.

Section 18. Attorney-in-Fact. The Debtor has hereby appointed the Secured Party as attorney-in-fact to do all acts and things which the Secured Party may deem necessary to perfect and continue the perfection of the security interest created by this Security Agreement and to protect the Collateral.

Section 19. Deficiency. The Debtor shall be liable to pay any deficiency resulting from disposition of the Collateral by the Secured Party. To the extent permitted by law, the Debtor hereby waives any exemption it may claim by virtue of any law now in force or which may hereafter be enacted.

Section 20. Severability. The provisions of this Security Agreement are severable, and if a provision is held invalid or unenforceable by a court of competent jurisdiction, such invalidation or unenforceability shall not affect or impair any of the remaining provisions.

Section 21. Successors and Assigns. This Security Agreement shall bind and shall inure to the benefit of the heirs, legatees, executors, administrators, successors and assigns of the parties hereto.

Section 22. Notices. Any notices required by this Security Agreement shall be deemed to be delivered when a record has been (a) deposited in any United States postal box if postage is prepaid and the notice properly addressed to the intended recipient, (b) received by telecopy, or (c) when personally delivered. The addresses of the parties to this Security Agreement are located in the first paragraph hereof.

Section 23. Further Assurances. The Debtor agrees to execute any further documents and to take any further actions reasonably requested by the Secured Party to evidence or perfect the security interests granted herein, to maintain the first priority of the security interests, or to effectuate the rights granted to the Secured Party herein, including without limitation the revision, execution, and filing of documents to conform with the provisions of AS 45.29 as amended from time to time.

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



DEBTOR:

By: _____
Heidi Lynn Nylander

By: _____
Donald Marvin Nylander

SECURED PARTY:

By: _____
John Segesser

ACKNOWLEDGMENTS

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019 by Heidi Lynn Nylander.

Notary Public in and for Alaska
My commission expires: _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019 by Donald Martin Nylander, Jr.

Notary Public in and for Alaska
My commission expires: _____





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:	TLS, Inc		License #:	4535	
License Type:	Package Store		Statutory Reference:	04.11.150	
Doing Business As:	TJ Seggy's				
Premises Address:	50470 Sterling Highway				
City:	Soldotna	State:	Alaska	ZIP:	99669
Local Governing Body:	Kenai Peninsula Borough				

Transfer Type:

- Regular transfer
- Transfer with security interest
- Involuntary retransfer

OFFICE USE ONLY

Complete Date:		Transaction #:	1220812, 1220808, 1220805
Board Meeting Date:		License Years:	
Issue Date:		BRE:	

AMCO
DEC 23 2019



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:	Heidi Lynn Nylander				
Doing Business As:	TJ Seggy's				
Premises Address:	50470 Sterling Highway				
City:	Soldotna	State:	AK	ZIP:	99669
Community Council:	None				

Mailing Address:	29395 Bluebell Lane				
City:	Soldotna	State:	AK	ZIP:	99669

Designated Licensee:	Heidi Lynn Nylander				
Contact Phone:	907-741-1223	Business Phone:	907-262-9216		
Contact Email:	spottymut@hotmail.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.

4.4 miles

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.

5.2 miles



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:	Heidi Lynn Nylander				
Address:	29395 Bluebell Lane				
City:	Soldotna	State:	Alaska	ZIP:	99669

This individual is an: applicant affiliate

Name:	Donald Marvin Nylander, JR				
Address:	29395 Bluebell Lane				
City:	Soldotna	State:	Alaska	ZIP:	99669

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



Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

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

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 #:		AK Formed Date:		Home State:	
Registered Agent:			Agent's Phone:		
Agent's Mailing Address:					
City:		State:		ZIP:	

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:

Blaine D. Gilman, attorney for licensee



Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Section 8 – Transferor Certifications

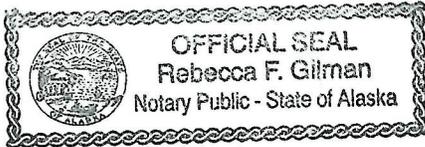
Additional copies of this page may be attached, as needed, for the controlling interest of the current licensee to be represented.

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.

John Segesser
Signature of transferor

JOHN SEGESSER
Printed name of transferor

Subscribed and sworn to before me this 4 day of November, 2019.



Rebecca F. Gilman
Signature of Notary Public

Notary Public in and for the State of Alaska.

My commission expires: October 1, 2022

Signature of transferor

Printed name of transferor

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

Signature of Notary Public

Notary Public in and for the State of _____.

My commission expires: _____



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.

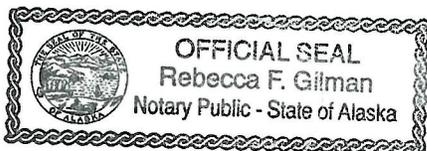
I agree to provide all information required by the Alcoholic Beverage Control Board in support of this application.

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

Heidi Nylander
Printed name

Subscribed and sworn to before me this 4 day of November, 2019.



Signature of Notary Public

Notary Public in and for the State of Alaska.

My commission expires: 06/07/2022



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:	Heidi Lynn Nylander	License Number:	4535		
License Type:	Package Store License				
Doing Business As:	TJ Seggy's				
Premises Address:	50470 Sterling Highway				
City:	Soldotna	State:	AK	ZIP:	99669



Alaska Alcoholic Beverage Control Board

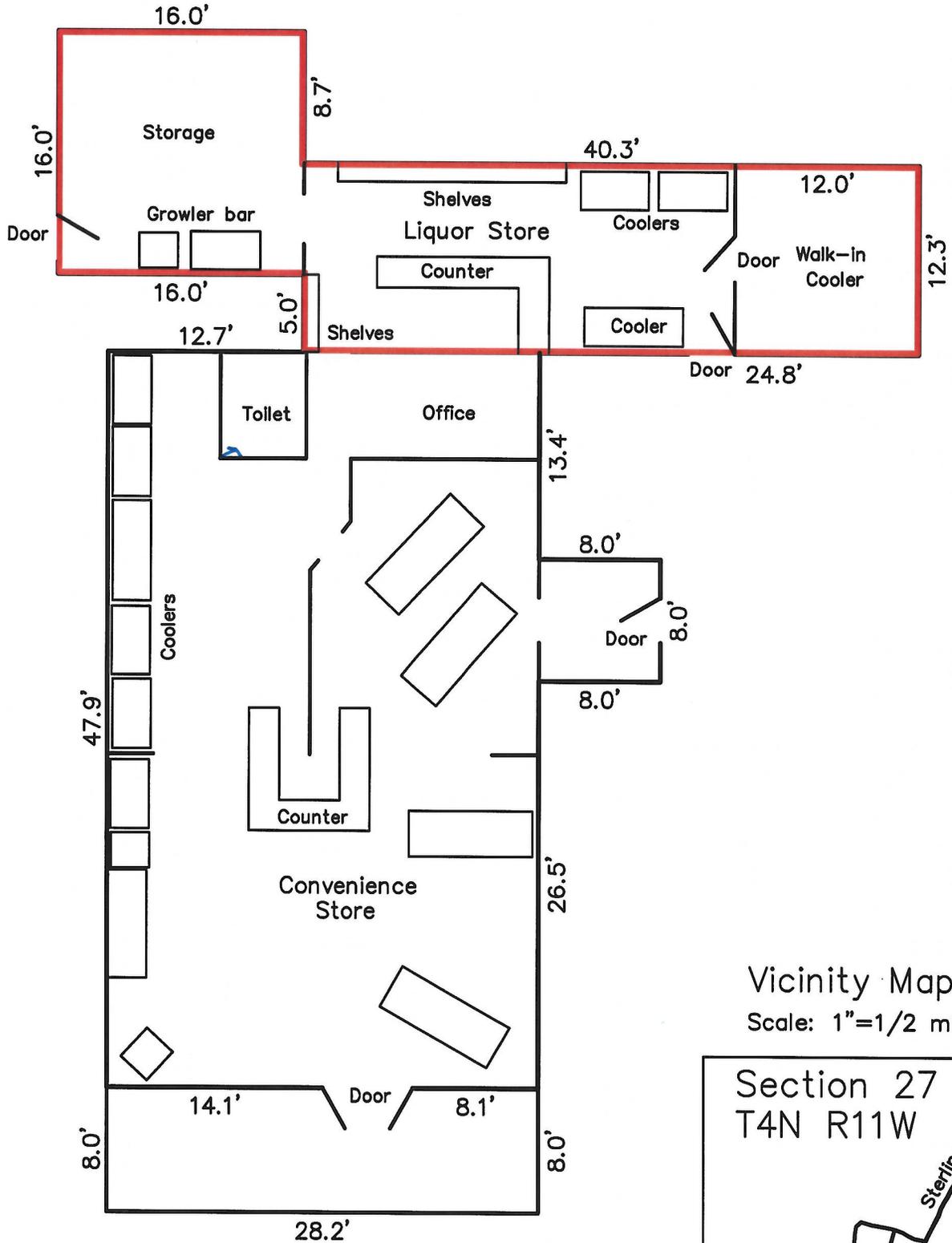
Form AB-02: Premises Diagram

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.

TJ Seggy's Liquor and Convenience Store

Scale: 1"=10'



Vicinity Map

Scale: 1"=1/2 mile

Section 27
T4N R11W



DEC 23 2019