



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

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

ALCOHOL AND MARIJUANA CONTROL OFFICE

550 West 7th Ave, Suite 1600  
Anchorage, AK 99501  
Main: 907.269.0350

**MEMORANDUM**

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

DATE: November 13, 2017

FROM: Erika McConnell  
Director, ABC Board

RE: Knik Bar and Liquor Store, #596  
Package Store  
Transfer with Security Interest

This is an application for a transfer of ownership with security interest. The requirements to enable a future involuntary retransfer which a security interest permits, at 3 AAC 304.107, appear to have been met.

Recommendation:

As required by 3 AAC 304.170(c)(2), determine whether the property conveyed has sufficient independent value apart from the license to justify the taking of a security interest in the license, using accepted business principles.



Alcohol and Marijuana Control Office

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

Anchorage, AK 99501

alcohol.licensing@alaska.gov

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

Phone: 907.269.0350

## Alaska Alcoholic Beverage Control Board

**Form AB-01: Transfer License Application****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:	Dinnelly Incorporated		License #:	594	
License Type:	Package Store		Statutory Reference:		
Doing Business As:	Knik Bar & Liquor Store				
Premises Address:	10204 S. Knik Goose Bay Rd				
City:	Wosilla	State:	AK	ZIP:	99654
Local Governing Body:	Matanuska-Susitna Borough				

**Transfer Type:**

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

OFFICE USE ONLY			
Complete Date:		Transaction #:	15470
Board Meeting Date:		License Years:	
Issue Date:		BRE:	WBS





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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:	SKAB LLC			
Doing Business As:	KNIK BAR & LIQUOR STORE			
Premises Address:	10204 S. KNIK GOOSEBAY RD			
City:	Wasilla	State:	AK	ZIP: 99684
Community Council:	KNIK-FAIRVIEW			

Mailing Address:	12622 S. LEO LN			
City:	Wasilla	State:	AK	ZIP: 99623

Designated Licensee:	Katie Bourland		
Contact Phone:	800-549-4735	Business Phone:	907-374-3818
Contact Email:	knik.bar@yahoo.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.

approx 6 mi

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.

approx 1 mi





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### Alaska Alcoholic Beverage Control Board

## Form AB-01: Transfer License Application

### Section 4 – Sole Proprietor Ownership Information

This section must be completed by any sole proprietor who is applying for a license. Entities should skip to Section 5.  
 If more space is needed, please attach a separate sheet with the required information.  
 The following information must be completed for each licensee and each affiliate (spouse).

This individual is an: ☐ applicant ☐ affiliate

Name:					
Address:					
City:		State:		ZIP:	

This individual is an: ☐ applicant ☐ affiliate

Name:					
Address:					
City:		State:		ZIP:	

### Section 5 – Entity Ownership Information

This section must be completed by any entity, including a corporation, limited liability company (LLC), partnership, or limited partnership, that is applying for a license. Sole proprietors should skip to Section 6.  
 If more space is needed, please attach a separate sheet with the required information.

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

Entity Official:	Katie Boorland				
Title(s):	organizer	Phone:	8065496735	% Owned:	50
Address:	12622 S. Leola				
City:	Wasilla	State:	AK	ZIP:	99623







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Alaska Alcoholic Beverage Control Board

## Form AB-01: Transfer License Application

Entity Official:	Scott Bourland II				
Title(s):	Organizer	Phone:	806 7784626	% Owned:	50
Address:	12622 S. Leo Ln				
City:	Wasilla	State:	AK	ZIP:	99623

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 #:	10061163	AK Formed Date:	6.12.17	Home State:	AK
Registered Agent:	Katie Bourland	Agent's Phone:	806 5496735		
Agent's Mailing Address:	12622 S. Leo Ln				
City:	Wasilla	State:	AK	ZIP:	99623

Residency of Agent:

Yes No

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

☒ ☐




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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:

Patricia R. Hefferan  
attorney for  
Donnelly  
incorporated





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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.

Edward Donnelly  
Signature of transferor Donnelly Incorporated  
Edward Donnelly  
Printed name of transferor

Subscribed and sworn to before me this 27<sup>th</sup> day of July, 2017.

Angela C. Cepher  
Signature of Notary Public

Notary Public in and for the State of AK.

My commission expires: 12-25-2018

Darlene Donnelly  
Signature of transferor Donnelly Incorporated  
Darlene Donnelly  
Printed name of transferor

Subscribed and sworn to before me this 27<sup>th</sup> day of July, 2017.

Angela C. Cepher  
Signature of Notary Public

Notary Public in and for the State of AK.

My commission expires: 12-25-2018







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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.

KB  
5/10/17

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

KB  
5/10/17

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.

KB  
5/10/17

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.

KB  
5/10/17

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

KB  
5/10/17

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.

Katie Bourland Scott Bourland  
Signature of transferee  
Katie  
and Scott Bourland  
Printed name

Subscribed and sworn to before me this 27<sup>th</sup> day of July, 2017.

Angela C. Oyden  
Signature of Notary Public

Notary Public in and for the State of AK

My commission expires: 12-25-2018







## 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

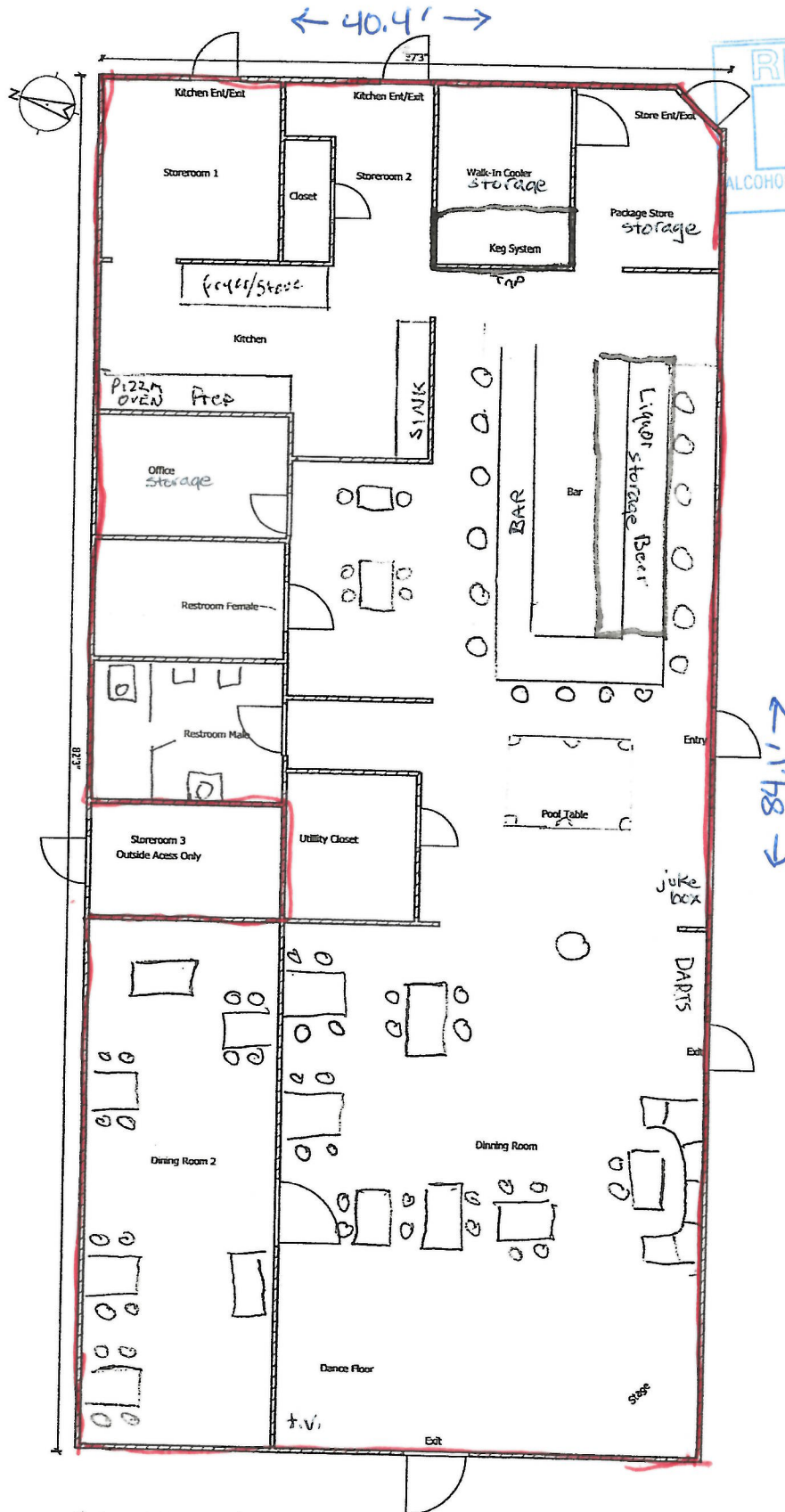
I have attached blueprints, CAD drawings, or other supporting documents in addition to, or in lieu of, the second page of this form.

**Section 1 – Establishment Information**

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

Licensee:	SKAB LLC	License Number:	596
License Type:	package store		
Doing Business As:	Knik Bar & Liquor Store		
Premises Address:	10204 S Knik Goose Bay Rd		
City:	Wasilla	State:	AK
		ZIP:	99654





\* See Attached Photos .

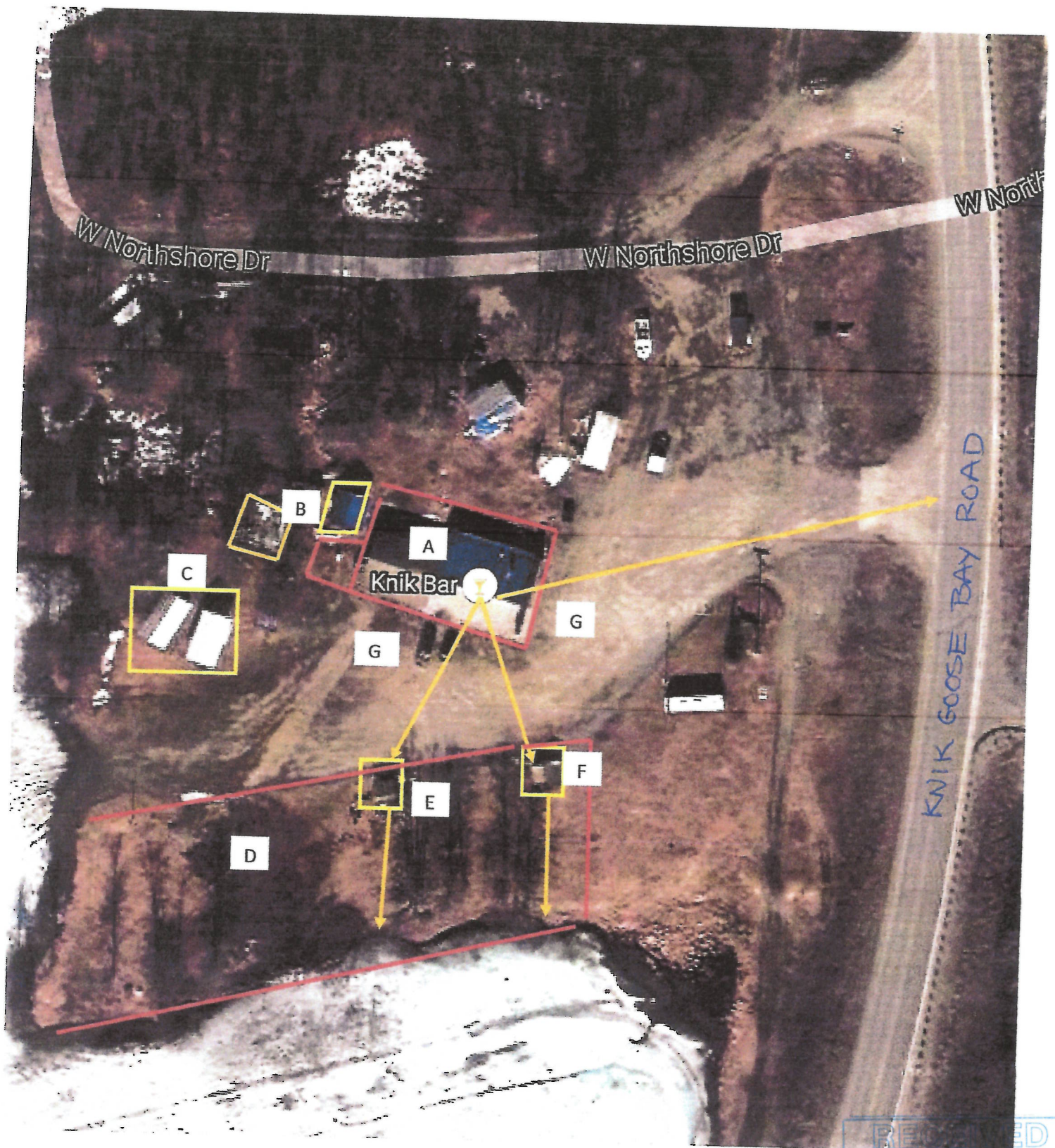
FOR  
AB-02  
596  
597 &  
AB-03  
597





FOR AB-02  
596  
597





**Features and Layout of KNIK BAR and GRILL Property:**

- A: Knik Bar 40'x86' (see floor plan) aprox. 211' from Knik Goose Bay Road
- B: 2 Storage Sheds(12x14) aprox. 13' – 38' from bar
- C: 2 Cabins(12x20) aprox. 40' from bar

- D: Event Area/Campgrounds
- E: Cook Shack 17'x10'; 97' from Knik Bar; 56' from lake
- F: Storage Shed 8'x12'; 70' from Knik Bar; 69' from lake
- G: Parking Area



FOR AB-02  
596, 597  
2 AB-03  
597





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## 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.

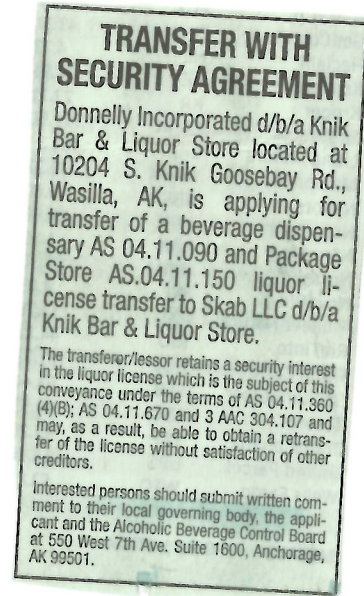


269493  
#1408357  
\$585.00

# AFFIDAVIT OF PUBLICATION

STATE OF ALASKA  
THIRD JUDICIAL DISTRICT

Joleesa Stepetin  
being first duly sworn on oath  
deposes and says that she is  
a representative of the  
Alaska Dispatch News, a  
daily newspaper. That said  
newspaper has been approved  
by the Third Judicial Court,  
Anchorage, Alaska, and it now  
and has been published in the  
English language continually as a  
daily newspaper in Anchorage,  
Alaska, and it is now and during  
all said time was printed in an  
office maintained at the aforesaid  
place of publication of said  
newspaper. That the annexed is  
a copy of an advertisement as it  
was published in regular issues  
(and not in supplemental form)  
of said newspaper on



August 2, 9, 16, 2017

and that such newspaper was  
regularly distributed to its  
subscribers during all of said  
period. That the full amount of  
the fee charged for the foregoing  
publication is not in excess of  
the rate charged private individuals.

Signed

Subscribed and sworn to before

me this 17 day of August

20 17

Britney Thompson

Notary Public in and for  
The State of Alaska.  
Third Division  
Anchorage, Alaska  
MY COMMISSION EXPIRES

2/23/2019

Notary Public  
BRITNEY L. THOMPSON  
State of Alaska  
Commission Expires Feb 23, 2019



**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) <b>PATRICIA R. HEFFERAN</b>
B. E-MAIL CONTACT AT FILER (optional) <b>lawmall@live.com</b>
C. SEND ACKNOWLEDGMENT TO: (Name and Address) <b>PATRICIA R. HEFFERAN</b> <b>1451 W. SPRUCE AVE.</b> <b>WASILLA, AK. 99654</b>

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>SKAB, LLC.</b>				
OR	1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
<b>12622 S. LEO LANE</b>	<b>WASILLA</b>	<b>AK</b>	<b>99623</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>DONNELLY INCORPORATED</b>				
OR	3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
<b>PO BOX 877163</b>	<b>WASILLA</b>	<b>AK</b>	<b>99687</b>	<b>USA</b>

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

**SEE ATTACHED A, ATTACHED AND INCORPORATED**

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 <u>only</u> if applicable and check <u>only</u> one box: Collateral is <input type="checkbox"/> held in a Trust (see UCC1Ad, Item 17 and instructions) <input type="checkbox"/> being administered by a Decedent's Personal Representative	
6a. Check <u>only</u> if applicable and check <u>only</u> one box: <input type="checkbox"/> Public Finance Transaction <input type="checkbox"/> Manufactured-Home Transaction <input type="checkbox"/> A Debtor Is a Transmitting Utility	
6b. Check <u>only</u> if applicable and check <u>only</u> one box: <input type="checkbox"/> Agricultural Lien <input type="checkbox"/> Non-UCC Filing	
7. ALTERNATIVE DESIGNATION (if applicable): <input type="checkbox"/> Lessee/Lessor <input type="checkbox"/> Consignee/Consignor <input type="checkbox"/> Seller/Buyer <input type="checkbox"/> Seller/Bailor <input type="checkbox"/> Licensee/Licenser	
8. OPTIONAL FILER REFERENCE DATA:	

COPY

### ASSET PURCHASE AGREEMENT

This agreement is entered into this 27 day of July, 2017, whereby DONNELLY INCORPORATED, (hereinafter referred to as "Seller") agrees to sell, and SKAB LLC, (hereinafter referred to as "Buyer") agrees to purchase assets as follows:

#### RECITALS:

A. DONNELLY, INCORPORATED is the owner and operator of a bar, restaurant and package store at 10204 S. Knik Goose Bay Road, Wasilla, AK, known as the Knik Bar and Liquor Store.

B. Seller is the holder of liquor licenses #596 and #597 associated with the premises.

C. Buyer desires to purchase the Seller's business assets (hereinafter collectively referred to as the "Property").

D. Seller desires to sell the Property to Buyer, subject to the terms set forth herein.

NOW THEREFORE, in consideration of the mutual promises and conditions contained herein, the Parties agree as follows:

1. Assets to be Sold. The Property being purchased by Buyer and sold by Seller consists of the real property, those assets located at the premises and used by Seller doing business, and shall include certain personal property and intangibles.

The assets to be sold consist of the following:

1.1 Real Property and Improvements. Seller agrees to deed the





following real property and improvements thereon to Buyer subject to matters of record, to wit:

Lot 1, Knik Lake 2011, according to Plat 2013-24,  
Palmer Recording District, Third Judicial District,  
State of Alaska.

1.2 Personal Property. Personal Property shall include equipment, furniture, fixtures, and other business related movable Property as more fully described on Exhibit 1, attached hereto and incorporated herein by this reference. Inventories of food, supplies and liquor shall be paid for in cash at closing, based on the prices paid by Seller.

1.3 Intangibles. Intangibles shall include the name of the business, telephone numbers, menus, good will, and right to licenses #596 and #597. Buyer agrees NOT to change the name of the business from "Knik Bar and Liquor Store".

2. Assets Not To Be Sold. This is an asset purchase. Buyer must establish its own business reputation.

3. Purchase Price. The purchase price for the assets sold shall be the sum of SIX HUNDRED THOUSAND dollars (\$600,000.00) and shall be payable by promissory note, secured by deed of trust, security agreement, personal guaranties, and irrevocable ABC power of attorney, substantially as set forth at Exhibit 2.

3.1 Earnest Money. Upon the execution of this agreement, Buyer will pay the sum of Ten Thousand dollars (\$10,000.00) as Earnest Money, with \$5,000.00 payable to the title company and \$5,000.00 payable to PATRICIA R. HEFFERAN'S trust account, to reimburse Seller for Buyer's share of the closing costs. After payment of closing costs, the amount remaining from the \$10,000.00 will be applied to the down payment at closing, to be in the total amount of \$60,000.00.

3.1 Allocation. The values of the components of the sale, for allocation purposes, is as follows:

ASSET PURCHASE AGREEMENT  
DONNELLY INCORPORATED / SKAB LLC  
PAGE 2 OF 7



\$300,000.00 Liquor Licenses  
\$249,700.00 Land & Buildings  
\$ 50,300.00 Miscellaneous

4. Transfer of Liquor License. Final approval of the transfer of the liquor licenses to Buyer by the Alaska Alcoholic Beverage Control Board is anticipated to take up to several months. There will be no obligation for Seller to reimburse Buyer any part of the earnest money or sales price if for any reason, transfer of the licenses are not approved.

Buyer covenants that the owners are citizens of the United States, and have never been arrested, indicted, or convicted of any crime or accused of violating any law which would disqualify them as transferee for an alcohol license, or for any other license with regard to the operation of a business at the premises, and;

No liquor license ever issued to Buyer or the owners has been suspended or revoked, and;

The funds to be paid under this agreement are from sources acceptable to the State Alcoholic Beverage Control Board, and;

Buyer knows of no reason why the applications for liquor license transfer should be denied, or why the transfers herein should not be approved by the Alcoholic Beverage Control Board, and;

Buyer has inspected and is familiar with the premises, with the physical condition of the building, improvements, furniture, fixtures, assets and equipment referred to herein and hereby waives further inspection, and;

Buyer shall diligently pursue transfer of the alcohol licenses from Seller by furnishing all information and documents required by the Alcoholic Beverage Control Board.





There are no judgments against Buyer or Buyer's owners.

5. Proration/Closing/Closing Costs, Taxes, Etc. Any taxes and governmental assessments for the prior years shall be Seller's responsibilities. All such charges shall be paid current and in full at or before closing. Liquor license fees, taxes and assessments and any contracts for advertising shall be prorated as of the date of closing.

Buyer shall pay closing costs and liquor license transfer fees. Seller will not pay any costs. There will be title insurance and mortgagee's insurance at closing. Buyer will provide proof of insurance showing Seller as mortgage holder/loss payee at closing, at least for coverage in the amounts currently held by Seller.

The transaction will close at First American Title Insurance Company in Wasilla, Alaska within one week of receiving approval of the liquor licenses transfer by the Alcoholic Beverage Control Board.

6. Possession. Buyer shall be entitled to possession on closing. The Property is being purchased "as is." Seller makes no representation or warranty regarding the condition of said Property. Seller specifically and without exception, disclaims any implied warranties as to workmanship, habitability, fitness for a particular purpose, or as to present or future usability. Seller makes no representation about the viability of the business planned by Buyer, instead relying on Buyer's own independent evaluation of its own commercial prospects or plans for the assets.

Buyer will make its own arrangement with Seller's current Employees.

7. Remedies in the Event of Default. In the event, for any reason, Seller violates this Agreement and fails to close or fulfill conditions related to the sale of the Property in accordance herewith, then Buyer shall have the right to return of the earnest money and no other remedy. In the event, for any reason, Buyer violates this



Agreement or fails to close, Buyer shall have no further right to purchase or obtain reimbursement of the earnest money.

8. Notices. Any written notice to be mailed to either party as provided for therein, shall be addressed as follows:

TO SELLER:  
DONNELLY, INCORPORATED  
PO BOX 877163  
WASILLA, AK. 99687

TO BUYER:  
SKAB LLC  
12622 S. LEO LANE  
WASILLA, AK. 99623

9. Binding Effect. The covenants herein made shall be binding upon Buyer, Seller, and their successors. Buyer may not assign rights hereunder except to close in the name of their solely owned limited liability company. Buyer shall provide personal guaranties from its owners, MR. and MRS. SCOTT BOURLAND II.

10. Completeness of Agreement. This Agreement constitutes the sole understanding of the parties with respect to the subject matter hereof. All oral understandings and agreements previously existing between the Parties are merged into this Agreement. No change may be made in this Agreement except by instrument in writing, duly executed with the same formalities of this Agreement.

11. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Alaska.

12. Invalid Provision. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unreasonable provisions were omitted.

13. Waiver. Waiver by either party of strict performance of any provision of this agreement shall not be a waiver of nor prejudice the party's right to





require strict performance of any provision in the future.

14. Conflict. The parties acknowledge that Patricia R. Hefferan has provided these papers at Seller's request, representing Seller only. Buyer and guarantors acknowledge having sufficient opportunity, before signing, to have the documents reviewed by their own independent attorney or tax advisor.

IN WITNESS WHEREOF, the Parties have signed this Agreement by reference as of the dates set opposite their respective signatures below.

SELLER:

Date: 7-27-17

Edward Donnelly  
DONNELLY INCORPORATED  
BY: EDWARD DONNELLY  
ITS: President

Date: 7-27-17

Darlene Donnelly  
DONNELLY INCORPORATED  
BY: DARLENE DONNELLY  
ITS: Sec / Treas

BUYER:

Date: 7.27.17

Scott Bourland II  
SKAB LLC  
BY: SCOTT BOURLAND, II.  
ITS: MEMBER



Date: 7.27.17

Katie Bourland  
SKAB LLC  
BY: KATIE BOURLAND  
ITS: MEMBER  
GUARANTORS:

Date: 7.27.17

Scott Bourland II  
SCOTT BOURLAND, II.

Date: 7.27.17

Katie Bourland  
KATIE BOURLAND



BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS:

That DONNELLY INCORPORATED, herein referred to as the Seller, for and in consideration of TEN AND NO/100 DOLLARS (\$10.00), lawful money of the United States of America, and other good and valuable consideration in hand paid by SKAB LLC, an Alaska Limited Liability Company, herein referred to as the Buyer, the receipt of which is hereby acknowledged, does by these presents GRANT, BARGAIN, SELL, and CONVEY, unto the Buyer, its successors and assigns, all of the Seller's right, title and interest in the following described property to-wit:

All personal property described on Exhibit A, attached and incorporated.

TO HAVE AND TO HOLD the same unto the said Buyer, its successors and assigns FOREVER, SUBJECT to SELLER'S Security interest until paid in full.

The personal property transferred hereby is sold in a strictly "AS-IS" condition, without warranties, whatsoever. Buyer acknowledges herein that the undersigned has fully inspected the property and agrees to accept the same in an "AS-IS" condition and with no warranties of any type, expressed or implied.

IN WITNESS WHEREOF, the Seller has signed this \_\_\_\_ day of \_\_\_\_\_, 2017.

SELLER:

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

*exhibit only*

DONNELLY INCORPORATED  
BY: EDWARD DONNELLY  
ITS: PRESIDENT

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

*exhibit only*

DONNELLY INCORPORATED  
BY: DARLENE DONNELLY  
ITS: SECRETARY

BUYER:

BUYER HAS INSPECTED AND AGREES TO  
ACCEPT THE PROPERTY TRANSFERRED IN AN  
"AS-IS" CONDITION:

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

*exhibit only*

SKAB, LLC  
BY: SCOTT BOURLAND, II  
ITS: MEMBER

*Exhibit 1, pg 1 of 3*

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

*Exhibit*

SKAB, LLC  
BY: KATIE BOURLAND  
ITS: MEMBER

*Only*

STATE OF ALASKA )  
 )ss.  
THIRD JUDICIAL DISTRICT )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2017, by EDWARD DONNELLY, for DONNELLY INCORPORATED.

*Exhibit*

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 \_\_\_\_\_, 2017, by DARLENE DONNELLY, for DONNELLY INCORPORATED.

*Exhibit*

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 \_\_\_\_\_, 2017, by SCOTT BOURLAND, II., for SKAB LLC.

*Exhibit*

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 \_\_\_\_\_, 2017, by KATIE BOURLAND, for SKAB LLC.

*Exhibit*

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



*Exhibit 1, pg 2 of 3*



BILL OF SALE  
LIST OF PERSONAL PROPERTY

1. Package Store License #596	27. Beer Cooler
2. Beverage Dispensary License #597	28. Small Safe
3. Name, "Knik Bar & Liquor Store"	29. Office Furnishings
4. Phone #376-3818	30. Pizza Oven
5. 2 old, non-working grills	31. Cash Register
6. Booth with long table	32. (2) Fireplaces in each Cabin
7. (3) Cabins (2 w/fireplaces)	33. (3) Picnic Tables
8. Mop bucket	34. (31) Folding Chairs
9. (3) Storage Sheds (12x14, 8x6, 8x12)	35. Bar Stools (10 with Backs, 5 Round)
10. Hoodover Grill	36. (17) Tables
11. Grill and Stove Combination	37. Microwave
12. (2) Deep Fat Fryers	38. Toaster (new)
13. Meat Slicer	39. Roaster
14. Stainless Steel Refrigerator with work top (new)	40. All Pots, Pans, Utensils, Baskets, Glasses, (6) Trash Cans
15. Freezers (1 old) (1 new)	41. Heater in Add on Room (new)
16. (2) Refrigerator with top Freezer	42. Bar signs and lights
17. Fire Repression System for Stove & Deep Fryers	43. Grill in cook shack
18. Boiler	44. (42) Chairs
19. Hot water Heater (new)	45. The games, juke box, and pool table are rented.
20. Walk in Cooler (new floor & walls)	46. The ATM machine is not owned.
21. Ice Machine (new)	
22. (4) Stainless Shelves	
23. Bar Sign (said open)	
24. Popcorn Machine	
25. (3) 42" Flat Televisions (new)	
26. TV Dish	

Exhibit A

Exhibit 1, page 3 of 3



## DEED OF TRUST

**THIS DEED OF TRUST**, effective on the \_\_\_\_ day of \_\_\_\_\_, 2017, between SKAB LLC, an Alaska Limited Liability Company, herein called TRUSTOR, whose address is 12622 S. Leo Lane, Wasilla, AK. 99623, and FIRST AMERICAN TITLE INSURANCE COMPANY, 892 E. USA Circle, Suite 101, Wasilla, AK. 99654, herein called TRUSTEE and DONNELLY INCORPORATED, an Alaskan Corporation, BENEFICIARY, whose address is PO Box 877163, Wasilla, AK. 99687.

### **WITNESSETH:**

That TRUSTOR GRANTS, BARGAINS, SELLS AND CONVEYS TO TRUSTEE IN TRUST WITH POWER OF SALE, THAT PROPERTY IN THE Palmer Recording District, State of Alaska, described as:

Lot 1, Knik Lake 2011, according to Plat 2013-24,  
Palmer Recording District, Third Judicial District,  
State of Alaska.

TOGETHER with the tenements, hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits. To have and to hold the same, with the appurtenances, unto TRUSTEE.

TRUSTOR shall be entitled to possession of the above described premises from and after the date of execution of this Trust Deed, and for so long as all payments on the promissory note herein referred to are currently paid and all promises, conditions and covenants of the TRUSTOR herein are faithfully kept and performed.

### **FOR THE PURPOSE OF SECURING:**

1. Performance of each agreement of TRUSTOR herein contained; and
2. Payment of the indebtedness evidenced by one promissory note dated \_\_\_\_\_, 2017, in the principal sum of FIVE HUNDRED FORTY THOUSAND AND 00/100 DOLLARS (\$540,000.00), with SIX (6%) PERCENT interest per annum on the declining balance, payable to BENEFICIARY or order.
3. Performance of Trustor according to a Security Agreement between the parties of even date herewith, pertaining to other collateral.

### **A. TO PROTECT THE SECURITY OF THIS DEED OF TRUST,**

Exhibit 2, Page 1 of 18





## TRUSTOR AGREES:

1. To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in 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 therefor; to comply with all laws affecting said property or requiring any alterations 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 maintain in an orderly manner, paint, repair, keep free from freezing, and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

2. To provide, maintain and deliver to the BENEFICIARY, fire insurance satisfactory to and with loss payable to BENEFICIARY in an amount at least equal to the balance owing at all times under this Deed of Trust.

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 released 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 or powers of BENEFICIARY or TRUSTEE; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which BENEFICIARY or TRUSTEE may appear, and in any proceeding brought by BENEFICIARY to foreclose this Deed.

4. To pay at least ten days before delinquency, all taxes and assessments affecting said property; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

5. To pay immediately and without demand all sums expended by BENEFICIARY or TRUSTEE pursuant to the provisions hereof.

6. Should TRUSTOR fail to make any payment or to do any act as herein provided, then BENEFICIARY or TRUSTEE, but without obligation to do so and without 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.

**B. IT IS MUTUALLY AGREED THAT:**

1. Any award or 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 him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

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

3. At any time or from time to time, without liability therefor and without notice, upon written request of BENEFICIARY and presentation of this Deed and said Note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, TRUSTEE may reconvey all or any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

4. Upon written request of BENEFICIARY stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note 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 any reconveyance executed under this Deed of Trust 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".

5. 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 cost and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order



Exhibit 2, Page 3 of 18



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. In addition to all of the other rights and powers provided herein, BENEFICIARY may in his discretion commence legal proceedings to recover possession of the property.

6. Upon default by TRUSTOR in payment of any indebtedness secured hereby or in performance of any agreement hereunder, all sums secured hereby shall immediately become due and payable at the option of the BENEFICIARY. In the event of default, BENEFICIARY shall execute or 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 obligation hereof, and shall cause such notice to be recorded in the office of the Recorder for the recording district in which said property or some part thereof is located.

Notice of sale having been given as then required by law and not less than the time then required by law having elapsed after recordation of such notice of default, TRUSTEE, without demand on TRUSTOR, shall sell said property in Alaska at the place provided by law at the time 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 and best bidder for cash in lawful money of the United States, payable at time of sale. BENEFICIARY shall have the right to make an offset bid without cash in an amount equal to the balance owed on the obligation at the time of the sale, including any sums expended by BENEFICIARY and TRUSTEE under the deed of trust with interest, attorney's fees, and costs 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 the 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 hereunder 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 and reasonable counsel fees in connection with sale, TRUSTEE shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid with accrued interest at nine percent per annum; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereof.

7. Nothing contained herein shall be construed to limit the right of BENEFICIARY to foreclose this deed of trust by judicial action. BENEFICIARY shall further be entitled to bring an action upon the note secured by this Deed of Trust without attempting to foreclose this Deed of Trust either by judicial action or



Exhibit 2, page 4 of 18



by exercise of the power of sale. TRUSTOR shall be liable for and agrees to pay any deficit.

8. This deed 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 holder and owner including pledgee, of the note secured hereby, whether or not named as a BENEFICIARY herein, or, if the note has been pledged, the pledgee thereof in this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

9. TRUSTEE accepts this Trust when this Deed, 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.

10. BENEFICIARY may, from time to time, as provided by statute, appoint another TRUSTEE in place and stead of TRUSTEE herein named, and thereupon, the TRUSTEES herein named shall be discharged and TRUSTEE so appointed shall be substituted as TRUSTEE hereunder with the same effect as if originally named TRUSTEE herein.

11. If two or more persons be designated as TRUSTEE herein, any, or all, powers granted herein to TRUSTEE may be exercised by any of such persons, if the other person or persons is unable, for any reason, to act, and any recital of such inability in any instrument executed by any of such persons shall be conclusive against TRUSTOR, their heirs and assigns.

12. TRUSTEE shall release and reconvey this Deed of Trust on notice from BENEFICIARY or subsequent agents, that the debt secured hereby has been satisfied.

13. The promissory note secured by this deed of trust instrument is all due and payable on or before the \_\_\_\_ day of \_\_\_\_\_, 2037. It is agreed and acknowledged that the "date of maturity" of this instrument, as that term is used in AS 34.20.150, is 3 years after the due date specified above.

#### C. SPECIAL CONDITIONS & COVENANTS:

1. The property described herein and any interest in said property shall not be assumed, transferred, or sold without paying off in full and releasing this Deed of Trust. This condition and restriction is a part of the bargained-for consideration between TRUSTOR and BENEFICIARY and any unauthorized attempt at sale, transfer, or assumption shall constitute a default in the terms of the Deed of Trust, whereupon the entire balance owed on the Deed of Trust Note shall





immediately become due and payable.

2. The property described herein shall be maintained and used as a NON-SMOKING facility only. Any permission given to allow smoking in the buildings shall constitute a default in the terms of the Deed of trust, whereupon the entire balance owed on the Deed of Trust Note shall immediately become due and payable.

The undersigned TRUSTOR request that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to the address hereinbefore set forth.

**TRUSTOR:**

\_\_\_\_\_  
SKAB LLC  
BY: SCOTT BOURLAND, II.  
ITS: MEMBER

\_\_\_\_\_  
SKAB LLC  
BY: KATIE BOURLAND  
ITS: MEMBER

STATE OF ALASKA                    )  
  )ss.  
THIRD JUDICIAL DISTRICT        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day  
of \_\_\_\_\_, 2017, by SCOTT BOURLAND, II., for SKAB LLC.

\_\_\_\_\_  
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 \_\_\_\_\_, 2017, by KATIE BOURLAND, for SKAB LLC.

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

RECORD IN THE PALMER RECORDING DISTRICT  
RETURN TO: FIRST NATIONAL BANK OF ALASKA ESCROW DEPARTMENT  
PO BOX 100720, ANCHORAGE AK 99510-0720

DEED OF TRUST  
DONNELLY INCORPORATED / SKAB LLC  
PAGE 6 OF 6



Exhibit 2, Page 6 of 18

DEED OF TRUST NOTE

\$540,000.00

Wasilla, Alaska

\_\_\_\_\_, 2017

FOR VALUE RECEIVED, the undersigned promises to pay to DONNELLY INCORPORATED, an Alaskan Corporation, of Wasilla, Alaska, and to its successors and assigns, or to order, the principal sum of FIVE HUNDRED FORTY THOUSAND AND 00/100 DOLLARS (\$540,000.00) with Six Percent (6%) interest on the balance remaining from time to time unpaid. The said principal and interest shall be payable at/to the holder of this note at First National Bank of Alaska Escrow Department. The said principal and interest shall be due as follows:

The first payment shall be due and payable on or before the \_\_\_\_ day of \_\_\_\_\_, 2017, with a like sum of THREE THOUSAND EIGHT HUNDRED THIRTY TWO AND 00/100 DOLLARS (\$3,832.00) or more per month, including interest at the rate of SIX PERCENT (6%) per annum, commencing from the \_\_\_\_ day of \_\_\_\_\_, 2017, due on or before the \_\_\_\_ day of each month thereafter until the \_\_\_\_ day of \_\_\_\_\_, 2037 when the entire balance of principal and interest is due in full.

A LATE FEE in the amount of 10% of the delinquent amount due shall be charged if any payment is late by 10 days or more.

IF DEFAULT be made in the payment of any installment under this note, and if such default is not made good prior to thirty (30) days after the due date of said installment, the entire principal sum and accrued interest shall at once become due and payable at the option of the holder(s) of this note. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of subsequent default. If any suit or action is instituted to collect this note or any part thereof, the undersigned promise and agree to pay, in addition to costs and disbursements provided by statute, a reasonable sum as attorney's fees in such suit or action.

The undersigned are personally obligated and fully liable for the amount due hereunder. The Mortgagees or Beneficiaries (Lender) have the right to sue on the Note and obtain a personal judgment against the undersigned 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.

The undersigned, whether principal, surety, guarantor, endorser, or other party hereto, agree to be jointly and severally bound, severally hereby waive any homestead or exemption right against said debt, waives demand, protest and notice of demand, protest and nonpayment, and expressly agree that this note or any payment thereunder may be extended from time to time and consent 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 Security Agreement and a Deed of Trust of

DEED OF TRUST NOTE  
DONNELLY INCORPORATED / SKAB LLC  
PAGE 1 OF 2





even date herewith to FIRST AMERICAN TITLE INSURANCE COMPANY as Trustee, on real estate, personal property and Alcoholic Beverage Dispensary License #597 and Package Store License #596, all situated in the Palmer Recording District, Third Judicial District, and this note is to be construed according to the laws of the State of Alaska.

DATED: \_\_\_\_\_  
SKAB LLC  
BY: SCOTT BOURLAND, II.  
ITS: MEMBER

DATED: \_\_\_\_\_  
SKAB LLC  
BY: KATIE BOURLAND  
ITS: MEMBER

GUARANTORS:

DATED: \_\_\_\_\_  
SCOTT BOURLAND, II.

DATED: \_\_\_\_\_  
KATIE BOURLAND

STATE OF ALASKA                    )  
  )ss.  
THIRD JUDICIAL DISTRICT        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2017, by SCOTT BOURLAND, II., individually, and as managing member for SKAB LLC.

\_\_\_\_\_  
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 \_\_\_\_\_, 2017, by KATIE BOURLAND, individually, and as managing member for SKAB LLC.

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





## SECURITY AGREEMENT

THIS INDENTURE, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2017, by and between DONNELLY INCORPORATED, whose address is PO Box 877163, Wasilla, AK. 99687, hereinafter called "Secured Party", and SKAB LLC, whose address is 12622 S. Leo Lane, Wasilla, Alaska, 99623, hereinafter called "Debtor."

That the said Debtor, for a valuable consideration, hereby grants a security interest in the following property:

All personal property described on Exhibit A, attached hereto.

This Security Agreement is made, executed and delivered to the Secured Party by the Debtor to secure the payment of the sum of \$540,000.00, and payable in installments according to the terms and conditions of a Promissory Note of even date herewith, which Note may cover other collateral.

This Security Agreement shall be void if the Debtor shall pay off and discharge all of the indebtedness secured hereby when the same shall become due, but otherwise this Security Agreement shall remain in full force and effect.

It is expressly provided that it shall be lawful for the Debtor to retain possession of said secured property at its own expense, and to keep and hold the same until default shall be made in the payment of said debt or until the said Debtor shall otherwise fail to comply with some or one of the terms, conditions or provisions of this Security Agreement.

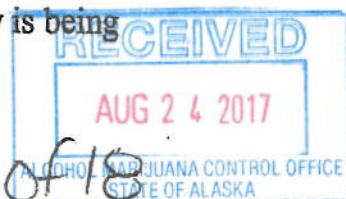
The Debtor further agrees to keep said secured property in good condition and repair and not to permit the same to be removed from the State of Alaska without first having secured the written consent of the Secured Party.

The Debtor agrees, at its own cost, during the continuance hereof, to keep the secured property fully insured against damage or loss to the reasonable insurable value thereof, and naming Secured Party as additional insured/loss payee.

The Debtor covenants that Debtor will keep said property at all times free from any lien or charge, whether for storage or otherwise, and failing to do so, the Secured Party may, at its option, pay such charges and hold this Agreement as security for any sums so expended; and that Debtor will pay all taxes or other charges levied thereon before the same become delinquent and will not suffer or permit the same to be attached or seized on execution or otherwise. Debtor further covenants that other than in the normal course of business, it will not rent, sell or dispose of the said property, or loan the same, without the written consent of the Secured party, nor use the same for any illegal or improper use.

If, prior to maturity of said indebtedness or any payment under said Note or this Agreement, the Secured Party believes that the subject property is being

Exhibit Z, page 9 of 18





or will be wasted, injured, destroyed, lost or removed, or if the property should be seized or levied upon, under means of final process had against Debtor, the entire debt hereby secured shall, at Secured Party's option, become immediately due and payable without notice, and Secured Party shall have the right immediately to take possession of the property hereby debted, and the further right of foreclosure without notice; and Secured Party is hereby constituted sole and exclusive judge of whether or not any of said conditions respecting the secured property do in fact exist and of whether the indebtedness hereby secured has in fact been by Debtor rendered insecure. No waiver of any breach or extension as to any covenant hereof shall be deemed or shall imply such as to any other subsequent breach or covenant.

A default under the deed of trust between the parties, of even date herewith, will be deemed a default under this Security Agreement. The collateral hereunder may be sold, in that event, with the collateral under the deed of trust.

It is agreed that all costs and expenses, including actual attorneys fees if in a reasonable amount, incurred or paid by the Secured Party in exercising any right, power, or remedy conferred hereby, and in the enforcement thereof, shall become a part of the indebtedness secured hereby.

It is understood that time is the essence of this contract, and in case default be made in payment of any installments of principal or interest secured by the Agreement and as and when the same become due, or in case Debtor shall make default in performance hereunder or under the parties' Note, or if any attempt shall be made to remove, injure or dispose of said property, or if the same shall not be safely or properly kept, cared for and protected by Debtor, Secured Party may, without notice, declare the whole sum of both principal and interest due and payable, and at once proceed to collect the same and take immediate possession of the property hereby secured without notice and foreclose this Agreement in any manner provided by law.

It is agreed that at any such sale, the Secured Party may become purchaser, and unless all sums secured hereby are fully paid, the Debtor shall be and remain liable for any deficiency.

Under the terms of AS 04.11.670, AS 04.11.360(4)(B), 3AAC 304.107 and applicable regulations, the transferor, DONNELLY INCORPORATED, has retained a security interest in the liquor licenses that are the subject of this conveyance, #596 and #597, and may, as a result, be able to obtain a retransfer of the licenses without satisfaction of other creditors. DEBTOR agrees that neither liquor license is permitted to be relocated, nor shall Debtor's owners change until the debt secured hereby is paid in full.

Each and every clause, term, covenant and condition of this Agreement shall inure to the benefit of, descend to and become binding upon the successors and assigns of the parties hereto.

In this Security Agreement, whenever the context so requires, the masculine gender includes the feminine and or neuter, and the singular numbers



include the plural.

IN WITNESS WHEREOF, the said Debtor has caused these presents to be duly executed effective on the day and year hereinabove first written.

SECURED PARTY:

DEBTOR:

Exhibit only  
DONNELLY INCORPORATED  
BY: EDWARD DONNELLY  
ITS: PRESIDENT

Exhibit only  
SKAB LLC  
BY: SCOTT BOURLAND, II.  
ITS: MEMBER

Exhibit only  
DONNELLY INCORPORATED  
BY: DARLENE DONNELLY  
ITS: SECRETARY

Exhibit only  
SKAB LLC  
BY: KATIE BOURLAND  
ITS: MEMBER

STATE OF ALASKA                    )  
  )ss.  
THIRD JUDICIAL DISTRICT    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2017, by EDWARD DONNELLY, for DONNELLY INCORPORATED.

\_\_\_\_\_  
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 \_\_\_\_\_, 2017, by DARLENE DONNELLY, for DONNELLY INCORPORATED.

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

Exhibit 2, page 11 of 18





STATE OF ALASKA                    )  
  )ss.  
THIRD JUDICIAL DISTRICT        )

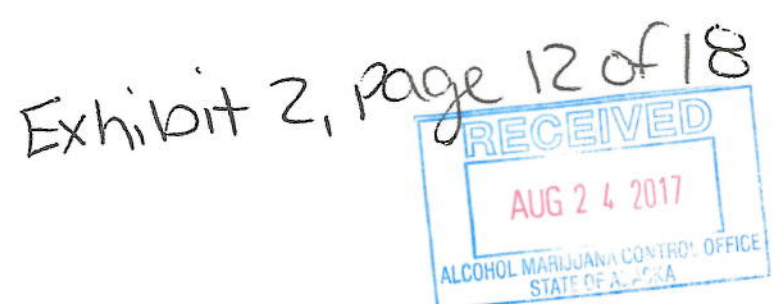
                  The foregoing instrument was acknowledged before me this \_\_\_\_ day of  
\_\_\_\_\_, 2017, by SCOTT BOURLAND, II., for SKAB LLC.

\_\_\_\_\_  
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  
\_\_\_\_\_, 2017, by KATIE BOURLAND, for SKAB LLC.

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



SECURITY AGREEMENT  
LIST OF PERSONAL PROPERTY

1. Package Store License #596	27. Beer Cooler
2. Beverage Dispensary License #597	28. Small Safe
3. Name, "Knik Bar & Liquor Store"	29. Office Furnishings
4. Phone #376-3818	30. Pizza Oven
5. 2 old, non-working grills	31. Cash Register
6. Booth with long table	32. (2) Fireplaces in each Cabin
7. (3) Cabins (2 w/fireplaces)	33. (3) Picnic Tables
8. Mop bucket	34. (31) Folding Chairs
9. (3) Storage Sheds (12x14, 8x6, 8x12)	35. Bar Stools (10 with Backs, 5 Round)
10. Hoodover Grill	36. (17) Tables
11. Grill and Stove Combination	37. Microwave
12. (2) Deep Fat Fryers	38. Toaster (new)
13. Meat Slicer	39. Roaster
14. Stainless Steel Refrigerator with work top (new)	40. All Pots, Pans, Utensils, Baskets, Glasses, (6) Trash Cans
15. Freezers (1 old) (1 new)	41. Heater in Add on Room (new)
16. (2) Refrigerator with top Freezer	42. Bar signs and lights
17. Fire Repression System for Stove & Deep Fryers	43. Grill in cook shack
18. Boiler	44. (42) Chairs
19. Hot water Heater (new)	45. The games, juke box, and pool table are rented.
20. Walk in Cooler (new floor & walls)	46. The ATM machine is not owned.
21. Ice Machine (new)	47. Substitutions & Replacements of above.
22. (4) Stainless Shelves	
23. Bar Sign (said open)	
24. Popcorn Machine	
25. (3) 42" Flat Televisions (new)	
26. TV Dish	

Exhibit A

Exhibit 2, page 13 of 18





IRREVOCABLE ASSIGNMENT FOR SECURITY PURPOSES  
AND POWER OF ATTORNEY

FOR VALUABLE CONSIDERATION SKAB LLC, whose address is 12622 S. Leo Lane, Wasilla, AK. 99623, hereinafter "Assignor," as operator of Package Store License #596 and Beverage Dispensary License #597, under the authority of the State of Alaska and State of Alaska Alcoholic Beverage Control Board hereby irrevocably assigns to DONNELLY INCORPORATED, whose address is PO Box 877163, Wasilla, AK. 99687, hereinafter "Assignee," all of the current and after-acquired right, title and interest in and to the alcoholic beverage licenses issued in the name of SKAB LLC, and grant the said Assignee a security interest therein, and in reissuance of such licenses, such assignment and granting of security interest being for the sole purpose of securing the obligations set forth in the following documents:

1. Security Agreement, dated \_\_\_\_\_, 2017.
2. Deed of Trust Note, dated \_\_\_\_\_, 2017.
3. Deed of Trust, dated \_\_\_\_\_, 2017.
4. Security Agreement, dated \_\_\_\_\_, 2017.

Absent default by the Assignor, this assignment shall be null and void and without force and effect.

Upon default by the Assignor, the Assignor appoints either of the principals of DONNELLY INCORPORATED, i.e. EDWARD DONNELLY or DARLENE DONNELLY, as Assignor's 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 operation, use, transfer or renewal of said licenses, including therein without limitation the powers and authority to retransfer both of the liquor licenses.

The purpose of this assignment and power of attorney is to ensure performance of the Assignor's promise if there is a default in payment or other terms of the agreements under which the licenses were sold. It is the parties' intention that the Assignee has the same rights and powers with respect to the licenses which are the subject thereof that Assignor has and would have in all instances when the operation, transfer, renewal, operation, use or any other disposition of said licenses are involved.

Subject to the foregoing, this assignment and 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.

This assignment and power of attorney is coupled with an interest and is therefore irrevocable.

This document is intended to create a method to allow the Assignee to enforce Assignee's purchase money interest in Package Store License #596 and Beverage Dispensary License #597, in favor of the Assignee as provided by AS 04.11.670, AS 04.11.360 (4)(B), 3AAC 304.107, and applicable regulations, as amended.

Under the terms of AS 04.11.670, AS 04.11.360 (4) (B), 3AAC

Exhibit 2, Page 14 of 18

RECEIVED  
AUG 24 2017  
ALCOHOL MARIJUANA CONTROL OFFICE  
STATE OF ALASKA



304.107, and applicable regulations, the transferor, DONNELLY INCORPORATED, has retained a security interest in the liquor licenses that are the subject of this conveyance, and may, as a result, be able to obtain a retransfer of the licenses without satisfaction of other creditors.

ASSIGNOR:

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

Exhibit Only  
SKAB LLC  
BY: SCOTT BOURLAND, II.  
ITS: MEMBER

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

Exhibit Only  
SKAB LLC  
BY: KATIE BOURLAND  
ITS: MEMBER

STATE OF ALASKA                    )  
  )ss.  
THIRD JUDICIAL DISTRICT        )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2017, by SCOTT BOURLAND, II., as member on behalf of SKAB LLC.

\_\_\_\_\_  
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 \_\_\_\_\_, 2017, by KATIE BOURLAND, as member on behalf of SKAB LLC.

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

Exhibit 2, page 15 of 18



STATUTORY WARRANTY DEED

The Grantor, DONNELLY INCORPORATED, An Alaskan Corporation, whose address is PO Box 877163, Wasilla, AK. 99687, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration in hand paid, receipt of which is hereby acknowledged, does hereby convey and warrant unto the Grantee, SKAB LLC, An Alaska Limited Liability Corporation, whose address is 12622 S. Leo Lane, Wasilla, AK. 99623, and to its successors and assigns, the following described real property:

Lot 1, Knik Lake 2011, according to Plat 2013-24,  
Palmer Recording District, Third Judicial District,  
State of Alaska.

SUBJECT TO ALL reservations, exceptions, easements, rights-of-way, and other matters of record, if any;

PROVIDED HOWEVER, Grantor does transfer the property, including improvements, in an "AS-IS" condition, without any warranties, expressed, implied, or otherwise included as a part of this transfer. GRANTOR SPECIFICALLY AND WITHOUT EXCEPTION, DISCLAIMS ANY IMPLIED WARRANTIES AS TO WORKMANSHIP, USE, OR HABITABILITY OF THE PREMISES.

TOGETHER WITH, ALL AND SINGULAR, the tenements, hereditaments and appurtenances and privileges thereunto belonging or in anywise appertaining, unto said Grantee and to its successors and assigns forever.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

GRANTOR:

Exhibit only  
DONNELLY INCORPORATED  
BY: EDWARD DONNELLY  
ITS: \_\_\_\_\_

Exhibit only  
DONNELLY INCORPORATED  
BY: DARLENE DONNELLY  
ITS: \_\_\_\_\_





ACCEPTED BY GRANTEE:

Exhibit Only

SKAB LLC

BY: SCOTT BOURLAND, II.

ITS: MEMBER

Exhibit Only

SKAB, LLC

BY: KATIE BOURLAND

ITS: MEMBER

STATE OF ALASKA

)

)ss.

THIRD JUDICIAL DISTRICT

)

The foregoing instrument was acknowledged before me this \_\_\_\_ day  
of \_\_\_\_\_, 2017, by EDWARD DONNELLY, for DONNELLY  
INCORPORATED.

\_\_\_\_\_  
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 \_\_\_\_\_, 2017, by DARLENE DONNELLY, for DONNELLY  
INCORPORATED.

\_\_\_\_\_  
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 \_\_\_\_\_, 2017, by SCOTT BOURLAND, II., for SKAB  
LLC.

\_\_\_\_\_  
Notary Public in and for \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

Exhibit 2, Page 17 of 18



STATE OF ALASKA )  
 )ss.  
THIRD JUDICIAL DISTRICT )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2017, by KATIE BOURLAND, for SKAB LLC.

Notary Public in and for \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

RECORD IN THE PALMER RECORDING DISTRICT  
RETURN TO: SKAB, LLC  
12622 S. LEO LANE, WASILLA, AK. 99623

STATUTORY WARRANTY DEED  
DONNELLY INCORPORATED / SKAB LLC  
PAGE 3 OF 3



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