



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: D & D Restaurant, #1909  
Restaurant or Eating Place  
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.

If yes, approve with delegation, pending approvals and the submission of a new licensed premises diagram clarifying the boundary of the premises.



## 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:             | George Kastanas         | License #:           | 1909      |      |       |
| License Type:         | Restaurant/Eating Place | Statutory Reference: | 04.11.100 |      |       |
| Doing Business As:    | D & D Restaurant        |                      |           |      |       |
| Premises Address:     | 1 Main Street           |                      |           |      |       |
| City:                 | Naknek                  | State:               | Alaska    | ZIP: | 99633 |
| Local Governing Body: | Bristol Bay Borough     |                      |           |      |       |

### Transfer Type:

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

| OFFICE USE ONLY     |  |                |         |
|---------------------|--|----------------|---------|
| Complete Date:      |  | Transaction #: | T 15454 |
| Board Meeting Date: |  | License Years: |         |
| Issue Date:         |  | BRE:           |         |





Alaska Alcoholic Beverage Control Board

## Form AB-01: Transfer License Application

### Section 2 – Transferee Information

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

|                    |                  |        |        |      |       |
|--------------------|------------------|--------|--------|------|-------|
| Licensee:          | D Restaurant LLC |        |        |      |       |
| Doing Business As: | D & D Restaurant |        |        |      |       |
| Premises Address:  | 1 Main Street    |        |        |      |       |
| City:              | Naknek           | State: | Alaska | ZIP: | 99633 |
| Community Council: | N/A              |        |        |      |       |

|                  |              |        |        |      |       |
|------------------|--------------|--------|--------|------|-------|
| Mailing Address: | P.O. Box 113 |        |        |      |       |
| City:            | Naknek       | State: | Alaska | ZIP: | 99633 |

|                      |  |                 |              |  |
|----------------------|--|-----------------|--------------|--|
| Designated Licensee: | Paula Monsen (Sole Member and Manager of D Restaurant LLC) |                 |              |  |
| Contact Phone:       | 907-469-0560   | Business Phone: | 907-246-4430 |  |
| Contact Email:       | pvil.paula@gmail.com                                       |                 |              |  |

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

### Section 3 – Premises Information

Premises to be licensed is:

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

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

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

|  |
|--|
|  |
|--|

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.

|  |
|--|
|  |
|--|







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:    | N/A |        |  |      |  |
| Address: |     |        |  |      |  |
| City:    |     | State: |  | ZIP: |  |

This individual is an: ☐ applicant ☐ affiliate

|          |     |        |  |      |  |
|----------|-----|--------|--|------|--|
| Name:    | N/A |        |  |      |  |
| 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: | Paula Monsen |        |              |          |       |
| Title(s):        | Manager      | Phone: | 907-469-0560 | % Owned: | 100   |
| Address:         | P.O. Box 113 |        |              |          |       |
| City:            | Naknek       | State: | Alaska       | ZIP:     | 99633 |







Alaska Alcoholic Beverage Control Board

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

|                  |     |        |  |          |  |
|------------------|-----|--------|--|----------|--|
| Entity Official: | N/A |        |  |          |  |
| Title(s):        |     | Phone: |  | % Owned: |  |
| Address:         |     |        |  |          |  |
| City:            |     | State: |  | ZIP:     |  |

|                  |     |        |  |          |  |
|------------------|-----|--------|--|----------|--|
| Entity Official: | N/A |        |  |          |  |
| Title(s):        |     | Phone: |  | % Owned: |  |
| Address:         |     |        |  |          |  |
| City:            |     | State: |  | ZIP:     |  |

|                  |     |        |  |          |  |
|------------------|-----|--------|--|----------|--|
| Entity Official: | N/A |        |  |          |  |
| 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 #:            | 10060231     | AK Formed Date: | 05/30/17       | Home State:  | Alaska |
| Registered Agent:        | Paula Monsen |                 | Agent's Phone: | 907-469-0560 |        |
| Agent's Mailing Address: | P.O. Box 113 |                 |                |              |        |
| City:                    | Naknek       | State:          | Alaska         | ZIP:         | 99633  |

Residency of Agent:

Yes No

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

☒ ☐



Alaska Alcoholic Beverage Control Board

## Form AB-01: Transfer License Application

### Section 6 – Other Licenses

Ownership and financial interest in other alcoholic beverage businesses:

Yes No

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

☐☒

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

### Section 7 – Authorization

Communication with AMCO staff:

Yes No

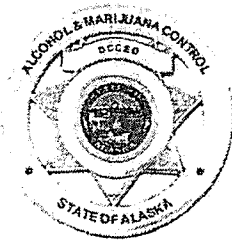
Does any person other than a licensee named in this application have authority to discuss this license with AMCO staff?

☐☐

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

Christopher M. Brecht, Esq. of Bankston Gronning O'Hara, P.C. has the authority to discuss this license with AMCO staff. Mr. Brecht is the attorney representing George Kastanas, the current holder of License No. 1909. The transfer of License No. 1909 is being requested in connection with the sale of the D & D Restaurant (together with all related assets) to D Restaurant LLC of which Paula Monsen is the Manager and sole member. It is contemplated that upon approval of the application by the Alaska Alcoholic Beverage Control Board, Paula Monsen will operate the D & D Restaurant through the entity known as D Restaurant LLC.





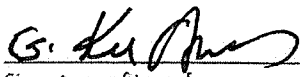
Alaska Alcoholic Beverage Control Board

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

**Section 8 – Transferor Certifications**

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

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

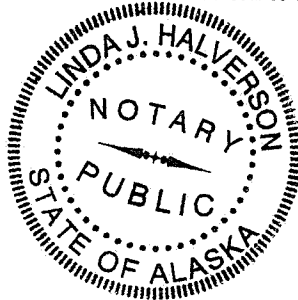


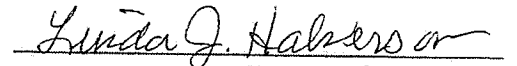
Signature of transferor

**George Kastanas**

Printed name of transferor

Subscribed and sworn to before me this 10<sup>th</sup> day of July, 2017.



  
Signature of Notary Public

Notary Public in and for the State of Alaska

My commission expires: 7/15/19

Signature of transferor

**N/A**

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.

f

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

R

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

R

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

R

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

R

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

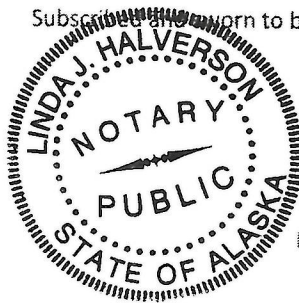
Paula Monsen

Signature of transferee

Paula Monsen, Manager and Sole Member of D Restaurant LLC

Printed name

Subscribed and sworn to before me this 10<sup>th</sup> day of July, 2017.



Linda J. Halverson

Signature of Notary Public

Notary Public in and for the State of Alaska

My commission expires: 7/15/19





## 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:          | D Restaurant LLC        | License Number: | 1909 |      |       |
| License Type:      | Restaurant/Eating place |                 |      |      |       |
| Doing Business As: | D & D Restaurant        |                 |      |      |       |
| Premises Address:  | 1 Main Street           |                 |      |      |       |
| City:              | Naknek                  | State:          | AK   | ZIP: | 99633 |





Alcohol and Marijuana Control Office  
220 W 7<sup>th</sup> Avenue, Suite 1000  
Anchorage, AK 99501  
Alcohol and Marijuana Control Office  
4000 C Street, Anchorage, Alaska 99503  
Phone: 907.269.0150

# 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 area designated for alcohol storage, service, consumption and manufacturing. Include dimensions, cross-sections, and points of reference in your drawing. You may attach blueprints or other detailed drawings that meet the requirements of this form.



[Form AB-02] (Revised 10/2016)



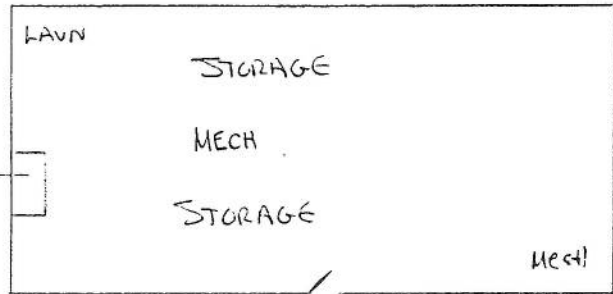


## Building Sketch

## Unfinished BASEMENT

1390 SF

STAIRS



25.5

← 35

FREEZER VAN

## FIRST FLOOR

3141 3F

FREEZER VAN

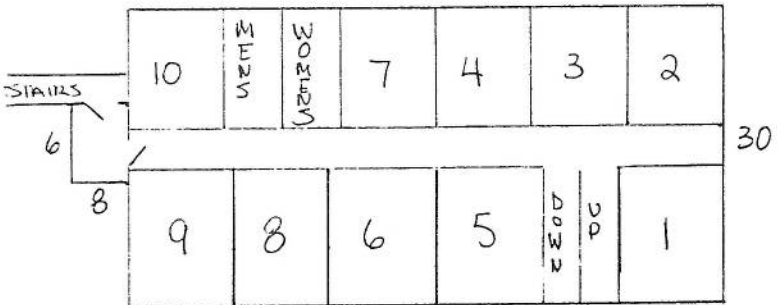
280 SF

trap  
dice to basement

## Second Floor

1938 SF

51A1125



Unfinished ATTIC

945 SF

RECEIVED

AUG 07 2017

ALCOHOL MARIJUANA CONTROL OFFICE  
STATE OF ALASKA

# Building Sketch

Unfinished basement

10' x 27'

10' x 27'

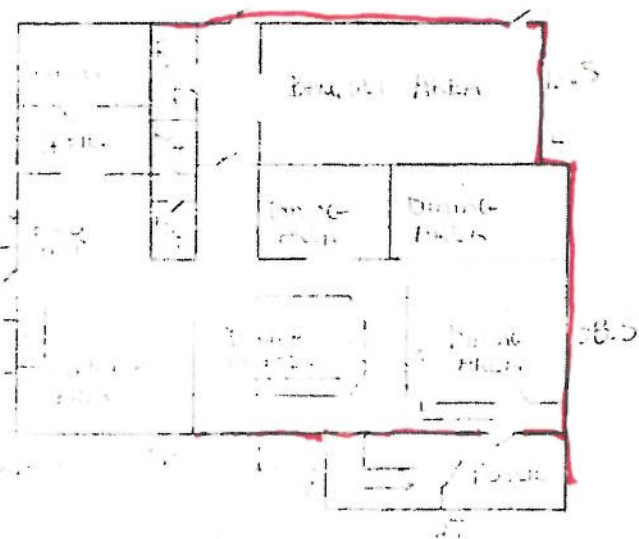


350

10

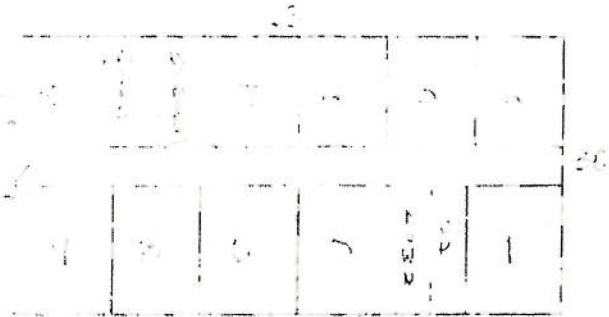
10' x 27' x 10'

10' x 27' x 10'



2nd Floor

10' x 27'



Unfinished basement

10' x 27'



RECEIVED

OCT 05 2017

ALCOHOLIC BEVERAGE CONTROL OFFICE  
STATE OF ALASKA



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

Alaska Alcoholic Beverage Control Board

## Form AB-02: Premises Diagram

### Section 2 – Detailed Premises Diagram

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







Alaska Alcoholic Beverage Control Board

## Form AB-03: Restaurant Designation Permit Application

### What is this form?

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

### Section 1 – Establishment Information

Enter information for licensed establishment.

|                    |                         |                 |              |      |       |
|--------------------|-------------------------|-----------------|--------------|------|-------|
| Licensee:          | D Restaurant, LLC       |                 |              |      |       |
| License Type:      | Restaurant/Eating Place | License Number: | 1909         |      |       |
| Doing Business As: | D&D Restaurant          |                 |              |      |       |
| Premises Address:  | 1 Main Street           |                 |              |      |       |
| City:              | Naknek                  | State:          | AK           | ZIP: | 99633 |
| Contact Name:      | Paula Monsen            | Contact Phone:  | 907-469-0560 |      |       |

### Section 2 – Type of Designation Requested

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

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

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

| OFFICE USE ONLY |  |                |  |      |  |
|-----------------|--|----------------|--|------|--|
| Issue Date:     |  | Transaction #: |  | BRE: |  |





**Alaska Alcoholic Beverage Control Board**

**Form AB-03: Restaurant Designation Permit Application**

**Section 3 – Additional Information**

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

Seven days per week; open from 10A until 11P (lock doors at 11P)

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

Yes

☐

No

☒

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

Food and beverage service offered or anticipated is:

☒

table service

☐

buffet service

☒

counter service

☐

other

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

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

Yes

☒

No

☐

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

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

Yes

☐

No

☒

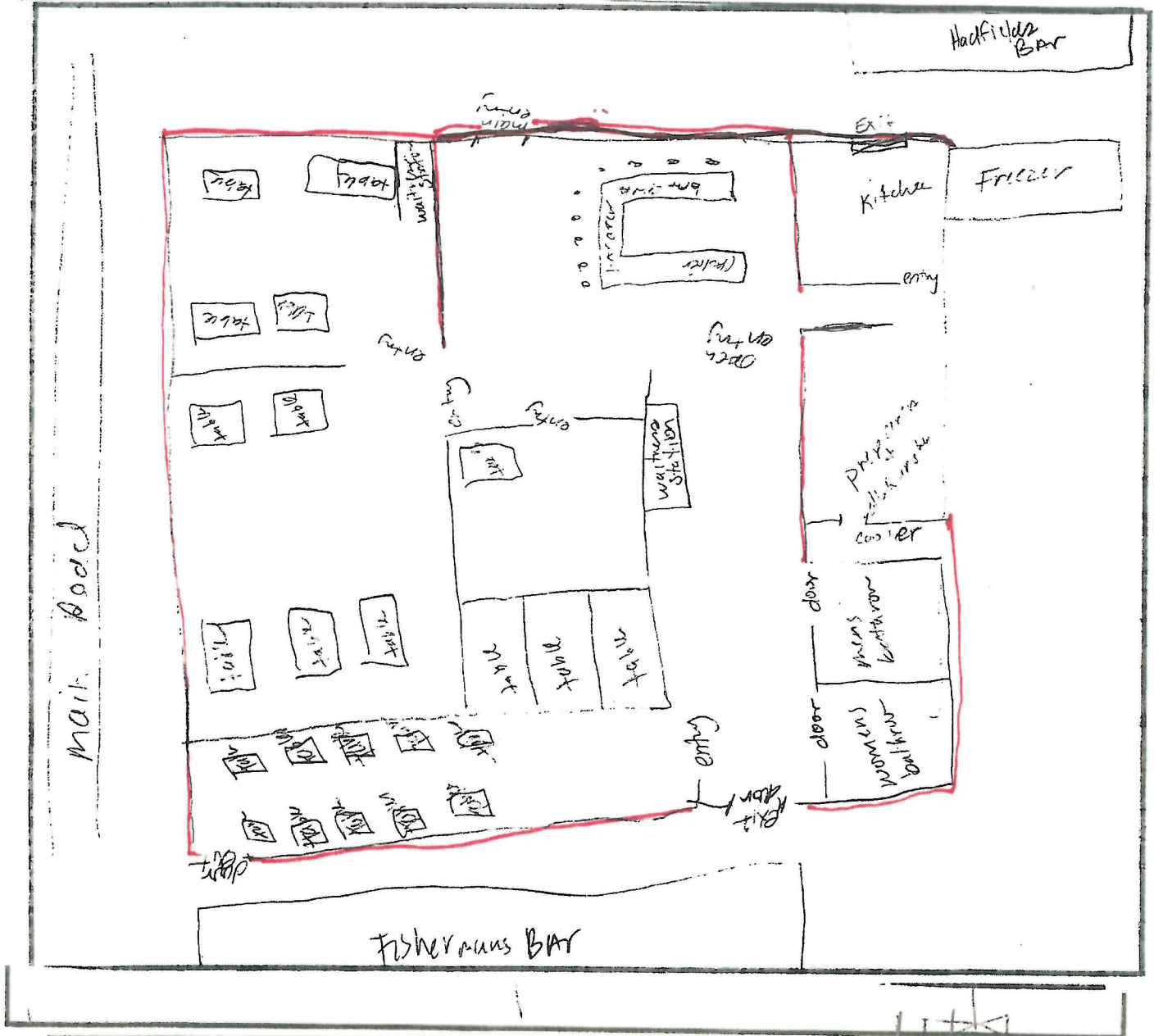


Alaska Alcoholic Beverage Control Board

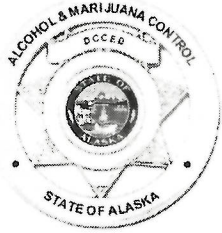
**Form AB-03: Restaurant Designation Permit Application**

**Section 4 - Detailed Floor Plan**

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







Alaska Alcoholic Beverage Control Board

**Form AB-03: Restaurant Designation Permit Application**

**Section 5 – Certifications and Approvals**

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

Initials

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



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



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



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

Signature of licensee

Paula Monsen

Printed name of licensee

Signature of Notary Public

Notary Public in and for the State of

Alaska

My commission expires:

02/15/19

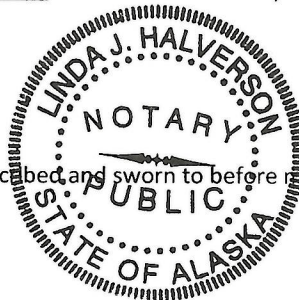
Subscribed and sworn to before me this

9<sup>th</sup>

day of

August

20 17



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

Approved

Disapproved



Signature of local government official

Date

Printed name of local government official

Title





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

**Alaska Alcoholic Beverage Control Board**

**Form AB-03: Restaurant Designation Permit Application**

**AMCO Enforcement Review:**

\_\_\_\_\_  
Signature of AMCO Enforcement Supervisor

\_\_\_\_\_  
Printed name of AMCO Enforcement Supervisor

**Enforcement Recommendations:**

**AMCO Director Review:**

Approved      Disapproved

☐☐

\_\_\_\_\_  
Signature of AMCO Director

\_\_\_\_\_  
Printed name of AMCO Director

\_\_\_\_\_  
Date

**Limitations:**





## LOT FOR SALE

LOT FOR SALE IN NUTAN-ATAM ACRES  
SUBDIVISION ON WOOD RIVER BELOW  
ALEKNAGIK  
Lot 1, Block 2, 1.35 acres \$69,000  
contact at: 907.842.5480

## NOTICE OF APPLICATION FOR TRANSFER OF LIQUOR LICENSE [AS 04.11.310]

George Kastanas, d/b/a D & D Restaurant,  
located at 1 Main Street, Naknek, Alaska  
("Transferor"), is applying for the transfer of a  
Restaurant/Eating Place AS 04.11.100 liquor  
license to D Restaurant LLC, an Alaska limited  
liability company, d/b/a D & D Restaurant,  
located at 1 Main Street, Naknek, Alaska  
("Transferee").

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

Interested persons should submit written  
comment to their local governing body, the  
applicant, and to the Alcoholic Beverage  
Control Board at 550 West 7th Avenue, Suite  
1600, Anchorage, Alaska 99501.

BANKSTON GRONNING O'HARA, P.C.  
Attorneys for George Kastanas  
Christopher M. Brecht  
Alaska Bar No. 0611089

Published: July 20 & 27, & August 3, 2017

## CLASSIFIEDS WANTED

Here at Alaska Media, LLC, we strive to provide our  
clients with an easy and carefree way to advertise. The  
Classified and Business Directory section is an  
affordable option for those who are just starting their  
business. Other options include Display Ads which are  
flexible in size and are priced with our open rate.

It's as simple as emailing your inquiry to ads@  
reportalaska.com or calling us at (907) 770-0820.

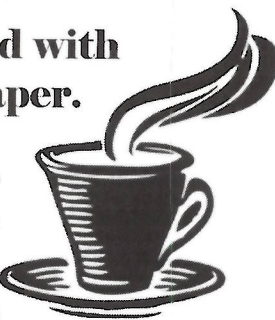
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## "NOTICE TO TAXPAYER"

For the current fiscal year the City of Dillingham has been allocated the following amount of state  
aid for school and municipal purposes under the applicable financial assistance Acts:

|   |             |
|---|-------------|
| PUBLIC SCHOOL FOUNDATION PROGRAM ASSISTANCE (AS 14.17)              | \$6,324,272 |
| STATE AID FOR RETIREMENT OF SCHOOL CONSTRUCTION DEBT (AS 14.11.100) | \$824,978   |
| COMMUNITY REVENUE SHARING PROGRAM (AS 29.60.850-29.60.879)          | \$107,246   |
| TOTAL AID   | \$7,256,496 |

The millage equivalent of this state aid, based on the dollar value of a mill in the municipality during  
the current assessment year and for the preceding assessment year, is:

| MILLAGE EQUIVALENT                                      | FY17             | FY18          |
|---|------------------|---------------|
| PUBLIC SCHOOL FOUNDATION PROGRAM ASSISTANCE             | 34.34 MILLS      | 32.30 MILLS   |
| STATE AID FOR RETIREMENT OF SCHOOL<br>CONSTRUCTION DEBT | 3.57 MILLS       | 4.21 MILLS    |
| COMMUNITY REVENUE SHARING PROGRAM                       | 0.77 MILLS       | 0.55 MILLS    |
| TOTAL MILLAGE EQUIVALENT                                | 38.67 MILLS      | 37.06 MILLS   |
| ASSESSED VALUE  | \$173,062,607.00 | \$195,800,198 |

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**proudly** publish it in the next issue of

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Bristol Bay Times &  
The Dutch Harbor Fisherman

Email to  
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## NOTICE OF GENERAL MUNICIPAL ELECTION City of Unalaska, Alaska

**OCTOBER 3, 2017**

FOR THE PURPOSE OF ELECTING THREE (3) CITY COUNCIL MEMBERS FOR THE  
CITY OF UNALASKA.

|           |                     |             |
|-----------|---------------------|-------------|
| Seat CC-B | City Council Member | 3-year term |
| Seat CC-E | City Council Member | 3-year term |
| Seat CC-G | City Council Member | 1-year term |

FOR THE PURPOSE OF ELECTING TWO (2) SCHOOL BOARD MEMBERS FOR THE  
CITY OF UNALASKA.

|           |                     |             |
|-----------|---------------------|-------------|
| Seat SB-B | School Board Member | 3-year term |
| Seat SB-E | School Board Member | 3-year term |

FOR THE PURPOSE OF VOTING ON PROPOSITION NO. 1 CONCERNING TAX ON SALES OF  
ALCOHOL, MARIJUANA, AND TOBACCO

### Proposition No. 1

Shall the City of Unalaska increase the sales tax on sales of alcohol, marijuana, and tobacco  
from 3% to 6%?

YES ( )  
NO ( )

PERSONS INTERESTED IN FILING AS A CANDIDATE FOR ANY OF THE ABOVE POSITIONS MUST  
FILE A DECLARATION OF CANDIDACY FORM. FORMS ARE AVAILABLE AT CITY HALL, MONDAY  
THROUGH FRIDAY 8:00 A.M. - 5:00 P.M. DURING THE CANDIDACY FILING PERIOD.

UNALASKA CITY CODE SECTION 4.12.020 (A) states, "No person shall hold the elective office of  
Mayor or member of the City Council, or be eligible to seek election thereto, unless at the time of filing  
the declaration of candidacy, the person is a qualified voter of the city who has resided within the city  
for a period of no less than twelve consecutive months immediately prior to the time of submission of  
declaration of candidacy."

SECTION 4.12.020 (B) states, "No person shall hold the elective office of member of the school board  
or be eligible to seek election thereto unless the person is a qualified voter of the city and has been a  
resident of the city for a period of no less than 30 days immediately preceding the time of submission of  
declaration of candidacy."

FOR MORE INFORMATION, PLEASE CONTACT CITY CLERK'S OFFICE AT 581-1251 OR STOP BY  
CITY HALL.

### PERIOD FOR FILING DECLARATION OF CANDIDACY FORMS:

**JULY 20, 2017 THROUGH AUGUST 17, 2017**



Community newspapers  
the original social networking site

Volunteer • Artist • Entrepreneur

RECEIVED  
AUG 10 2017  
ALCOHOL MARIJUANA CONTROL OFFICE  
STATE OF ALASKA



## PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this "Agreement") is entered into as of this 10th day of July, 2017, by and between George Kastanas ("Seller"), D Restaurant LLC, an Alaska limited liability company ("Purchaser"), and Paula Monsen ("Monsen") but shall be effective as of May 1, 2017 ("Effective Date"). Seller, Purchaser, and Monsen are collectively referred to herein as the Parties.

### RECITALS

A. Seller is the owner of the D & D Restaurant (a/k/a the "D and D Restaurant") and the Naknek Hotel, located at 1 Main Street (a/k/a Alaska Peninsula Highway), Naknek, Alaska, including without limitation the real property upon which the aforementioned restaurant and hotel are located and all improvements thereto (separately referred to hereinafter as the "Land and Improvements"), and all other assets of the aforementioned businesses, including but not limited to all furniture, fixtures, equipment, intellectual property rights, good will, service contracts, inventory, liquor license, and all other assets related to the operation of the restaurant and hotel (collectively referred to hereinafter as the "Personal Property"). The Land and Improvements and Personal Property related to the operation of the D & D Restaurant and the Naknek Hotel are collectively referred to hereinafter as the "Business Assets."

B. The Land and Improvements are fully described in Exhibit A hereto. The property tax identification number associated with the Land and Improvements is 21-020-700.

C. Purchaser is a manager-managed limited liability company organized under the Alaska Revised Limited Liability Company Act. Monsen is the Manager and sole member of Purchaser.

D. Seller desires to sell the Business Assets to Purchaser on the terms and conditions hereinafter set forth, and Purchaser desires to purchase the Business Assets from Seller on the terms and conditions hereinafter set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, the Parties covenant and agree as follows:

1. **Purchase and Sale.** On the terms and subject to the conditions set forth in this Agreement, on the Closing Date, Seller shall sell, transfer, convey, assign, and deliver to Purchaser at the Closing and Purchaser shall purchase, acquire, receive, accept, and pay Seller for the Business Assets as follows:

(a) **Transfer of Land and Improvements.** Seller shall sell, transfer, convey, assign, and deliver to Purchaser all right, title, and interest in the Land and Improvements free and clear of all liens, other than permitted liens. Seller has given Purchaser the Preliminary Commitment for Title Insurance, First American Title Order No. 0201-2882322, dated June 8, 2017 ("Title Report"), the receipt of which is acknowledged by Purchaser. The Title Report disclosed a Deed



of Trust recorded against the Land and Improvements on October 13, 2003 (Doc. No. 2003-000375-0, Kvichak Recording District) and an Assignment of Rents recorded against the Land and Improvements on November 24, 2003 (Doc. No. 2003-0000434-0, Kvichak Recording District). Both of the aforementioned encumbrances were recorded by or for the benefit of Wells Fargo Bank to secure repayment of a Promissory Note in the amount of \$250,000. Seller represents that the Promissory Note has been paid in full and has requested the issuance and recording of a Deed of Reconveyance. Seller shall convey to Purchaser the Land and Improvements free and clear of the aforementioned lien.

(b) Personal Property Used in the Operation of the Restaurant and Hotel. Seller shall sell, transfer, convey, assign, and deliver to Purchaser all right, title, and interest in the Personal Property used in the operation of the D & D Restaurant and the Naknek Hotel free and clear of all liens, other than permitted liens. As used herein, the term "Personal Property" means, collectively, the items described in clauses (i) through (xiv), inclusive:

(i) FF&E. All furniture, fixtures, machinery, appliances, equipment (including but not limited to kitchen appliances), vehicles, van unloaders, forklifts, washers, dryers, telephones, telephone numbers, facsimiles, facsimile numbers, all telephone and email databases or other guest or customer contact information maintained by Seller, business center services, photocopies, mail machines, office supplies, door locking systems, laundry facilities, cable or satellite television, other entertainment services, restaurant reservation list, restaurant table seating diagrams, hair dryers, lighted mirrors, alarm clocks, coffee and tea makers, art work, rugs, personal property, brochures, and marketing material and other personal property which are now, or may after the date of this Agreement but prior to the Closing Date, be placed in or attached to the Land and Improvements or are used in connection with the operation of the D & D Restaurant or the Naknek Hotel, together with all replacements thereof that are purchased prior to the Closing or ordered for future use as of the Closing (the "FF&E"), including the logo or similar identification of the D & D Restaurant and the Naknek Hotel;

(ii) Liquor License. Restaurant or eating place license No. 1909;

(iii) Customer List. All guest, member, travel group, association, affiliation, subscriber, customer, purchaser, client, payer, shopper, buyer, patron, vendee, consumer, and other lists of revenue generating persons or other customer relationships of Seller relating to the D & D Restaurant and the Naknek Hotel;

(iv) Internet Marketing Matters. All websites relating to the D & D Restaurant and the Naknek Hotel, IT Systems (including those relating to high speed or other internet access), business center accommodations, computer hookups, internet domain names and registrations relating solely to the D & D Restaurant and the Naknek Hotel, together with all unique registration links, source codes, technical information, and other items of like nature or categorization relating to the ownership or operations of the D & D Restaurant and the Naknek Hotel;





(v) Documents, Instruments, and Records. All documents, instruments, records, contracts, or agreements relating to the D & D Restaurant and the Naknek Hotel;

(vi) Governmental Approvals. All licenses, permits, consents, approvals, registrations, and other governmental approvals issued in connection with the construction, operation, occupancy, or ownership of all or any part of the Land and Improvements, together with deposits (if any) made by Seller thereunder;

(vii) Warranties and Guaranties. All warranties and guaranties issued to Seller by any manufacturer or contractor in connection with the construction or installation of equipment or any component of the improvements included as part of the Land and Improvements;

(viii) Equipment Leases. All leases of equipment and other personal property, including those under contracts that are in nature installment sales agreements or purchase money security instruments, for any personal property located at or used in connection with the D & D Restaurant and the Naknek Hotel, together with any security deposits made in connection therewith, that Purchaser designates will be assumed contracts pursuant to an assumed contract notice from Purchaser to Seller;

(ix) Operating and Service Agreements. All operating agreements, management agreements, franchise agreements, and other like contracts, together with any security deposits made in connection therewith, that Purchaser designates will be assumed contracts pursuant to an assumed contract notice from Purchaser to Seller;

(x) Guest Reservations and Deposits. All bookings and reservations for guests, conference, meeting, and banquet rooms or other facilities located at or on the Land and Improvements, together with all deposits held by Seller with respect thereto;

(xi) Supplies. All china, glassware, silverware, linens, uniforms, engineering, maintenance, cleaning and housekeeping supplies, towels, matches, ashtrays, soap and other toiletries, guest amenities, stationery, menus, napkins, tissues, papers towels, cooking utensils and other kitchen equipment, disposable goods, and all other similar materials and supplies that relate to the D & D Restaurant and the Naknek Hotel;

(xii) Food and Beverages. All food and soft beverages (if any) that are located that relate to the D & D Restaurant and the Naknek Hotel, excluding alcoholic beverages which shall remain in the possession and control of Seller until such time as the Alaska Alcoholic Beverage Control Board ("ABC Board") approves the transfer of Seller's liquor license to Purchaser;

(xiii) Retail Merchandise. All merchandise located at the Property, including, among other things, any gift shop or newsstand maintained by Seller and held for sale to guests and customers of the D & D Restaurant and the Naknek Hotel;

(c) Excluded Assets. The following assets are excluded from this transaction:





(i) Cash. All cash, commercial paper, certificates of deposit, bank deposits, treasury bills, and other cash equivalents relating to matters at the D & D Restaurant and the Naknek Hotel occurring prior to the Closing Date; and

(ii) Accounts Payable and Receivable. All accounts receivable and payable arising out of the Property prior to the Closing Date.

2. **Purchase Price**. The total consideration for the purchase and sale of the Business Assets is \$300,000 US, inclusive of the estimated value of the liquor inventory which shall be conveyed only upon approval by the ABC Board of the transfer of the liquor license currently held by Seller (the "Purchase Price"). The Purchase Price shall include all assets as set forth in paragraph 1. Purchaser shall pay the balance of the Purchase Price to Seller as set forth in Section 3 below, minus adjustments as set forth in this Agreement. The parties acknowledge that applicable laws require them to allocate and adjust the Purchase Price pursuant to the Internal Revenue Code ("IRC"), including, among other sections, IRC Section 1060. Seller and Purchaser agree that the Purchase Price shall be allocated as follows:

- (a) \$40,000 to the furniture, fixtures, equipment, and inventory (including food, non-alcoholic beverages, and supplies);
- (b) \$20,000 to the good will associated with the D & D Restaurant and the Naknek Hotel;
- (c) \$10,000 to alcoholic beverage inventory (*i.e.* beer and wine inventory)<sup>1</sup>
- (c) \$200,000 to the buildings, structures and other improvements; and
- (d) \$30,000 to the land; totaling **\$300,000**.

The Parties acknowledge and agree that they will use this allocation to report to the applicable governmental authorities the allocation designated by this Agreement. Neither Seller nor Purchaser shall take any position in any tax return, tax proceeding, tax audit or other matter that is inconsistent with the allocation provided by this section. Seller and Purchaser acknowledge and agree that the allocations set forth in this Agreement represent an arm's length transaction negotiated by two contracting parties, neither of which is under any compulsion to purchase or sell, and based on Seller's and Purchaser's best judgment as to the fair market value of the Property.

3. **Payment of the Purchase Price**. The Purchase Price paid by Purchaser to Seller for the Business Assets shall be paid as follows: (a) \$20,000 payable to Seller at Closing; and (b) a promissory note in commercially reasonable form executed by Purchaser to Seller in the principal amount of Two Hundred Eighty Thousand Dollars (\$280,000.00), bearing interest at a rate of Three-Percent (3%) per annum, compounded semi-annually, payable in monthly

<sup>1</sup> The Parties agree that this is an accurate estimate of the inventory that will likely be present at the time the transfer of the liquor license is approved by the Alaska Alcoholic Beverage Control Board based on inventory purchased for the summer 2017 season and estimated sales. The parties agree that this value will not be adjusted in the event that the actual inventory is less than or more than the value estimated at the time of this Agreement



installments of Six Thousand Dollars (\$6,000.00) to an escrow account to be established at First National Bank Alaska, without pre-payment penalty, and personally guaranteed by Monsen. In addition, Purchaser shall execute a Deed of Trust in commercially reasonable form to secure payment of the aforementioned promissory note and designating Seller as the beneficiary. Monsen shall execute an Assignment Separate from Certificate assigning all interest she may have in Purchaser to Seller to secure payment of the aforementioned promissory note. Finally, Purchaser shall execute a Security Agreement agreeing to treat as collateral (and authorizing Seller to file a UCC financing statement to perfect his security interest in) all of Purchaser's machinery, equipment, furniture, furnishings, tools, fixtures, and accessories, and all inventory (including but not limited to food, beer, and wine), accounts receivable, instruments, contract rights and other rights to receive payment of money, chattel paper, licenses, leases, general intangibles, and all additions, accessions, modifications, improvements, replacements and substitutions thereto and therefor, whether now owned or hereafter acquired or arising, and the proceeds, products and income of any of the foregoing, including but not limited to insurance proceeds.

4. **Contingencies.** The parties agree to the following contingencies:

(a) **Title.** Furnished with this Agreement is a preliminary commitment for title insurance for the Land and Improvements. Purchaser agrees to accept the Land and Improvements subject to any exceptions identified in the aforementioned title report; provided however, that Seller shall cause to be removed the lien associated with the Deed of Trust and Assignment of Rents recorded against the Land and Improvements in 2003 (as discussed in Section 1 of this Agreement); and

(b) **Termination of Agreement: Rescission.** Purchaser shall have the right to terminate and/or rescind, as the case may be, this Agreement up until August 31, 2017 subject to the terms set forth herein. Notice of termination and/or rescission shall be provided in a signed writing delivered to Seller. In the event that Purchaser exercises a right of termination and/or rescission after the Closing Date, Monsen shall assign and convey all right, title, and interest in Purchaser to Seller free and clear of all liens. In that event, neither Purchaser nor Monsen shall be entitled to any refund of payments made to Seller.

5. **As Is.** Purchaser acknowledges that it is purchasing the Business Assets "as is, where is," without any express or implied warranties of any nature whatsoever; with the exception of the warranty of title. Monsen represents and warrants that she has worked at the D & D Restaurant and the Naknek Hotel since May 1, 2017. In such capacity, Monsen has had access to the books and records of the business and/or businesses and has performed her due diligence including but not limited to inspection of the Land and Improvements and a thorough review of the assets and liabilities of the business and/or businesses, all insurance records and policies (including worker's compensation, unemployment, hazard, and liability insurance), federal income tax withholding records, and all payroll records. Purchaser has not relied on any oral or written representation of the Seller.

6. **Closing.** Closing shall occur within five (5) business days of Seller's removal of the title contingency described in Section 4(a) of this Agreement or the approval by the Alaska





Alcoholic Beverage Control Board of the transfer of the liquor license from Seller to Purchaser, whichever occurs first. Unless otherwise agreed to by the Parties, closing shall take place at First American Title Company at 3035 C St, Anchorage, Alaska 99503. The Parties agree to take all steps necessary to transfer the liquor license held by the Seller to Purchaser. The Parties recognize that the transfer of the liquor license may take 90-120 days. Purchaser shall bear all filing fees payable to the State of Alaska in connection with the transfer the liquor license. The Parties agree to cooperate in good faith in the execution of a lease and management agreement in the event the Closing shall occur before the liquor license transfer is complete.

7. **Commission.** Seller will pay a real estate or brokerage commission to LaVerne Pettigen of Herrington & Company, LLC in the amount of Fifteen Thousand Dollars (\$15,000.00) from the proceeds paid by Purchaser at Closing. Seller will hold Purchaser harmless from any such commission asserted by any other entity. Purchaser will hold Seller harmless from any such commission asserted by any entity. **Purchaser and Monsen acknowledge that LaVerne Pettigen represents Seller in the sale of the D & D Restaurant and Naknek Hotel and that neither LaVerne Pettigen nor Herrington & Company, LLC represent Purchaser and Monsen in this transaction.**

8. **Closing Costs.** Unless otherwise agreed, closing costs payable to First American Title Company shall be paid by Seller from the proceeds paid by Purchaser on the Closing Date. Annual taxes levied against real and personal property will be prorated to the date of closing including all taxes due the Borough and City. The escrow set up fees and annual escrow fee will be paid by Purchaser. The documents will be escrowed at First National Bank Alaska. All other closing costs not specifically addressed herein will be paid by the incurring party, or as is customary state of Alaska for the sale of restaurants and hotels. All prepaid deposits will be prorated as of the Closing Date. The Parties will meet on the day prior to Closing and develop a schedule which shall apply to all prepaid deposits. Any revenue received on the day of Closing will be the property of the Purchaser. The following costs will be prorated: utilities, water and sewer charges, any amounts prepaid or accrued to any governmental agency. Seller will pay in full prior to Closing all accounts payable to vendors or other suppliers of goods and services to the D & D Restaurant and the Naknek Hotel that are due and payable as of the Closing Date. Seller shall pay obligations related to the Land and Improvements that arise prior to the Closing Date. Purchaser shall pay all obligations related to the Land and Improvements that arise after Closing. The standard policy of title insurance, recording and escrow fees, wire fees or overnight delivery fees shall be paid by Seller from the proceeds received from Purchaser at Closing. The Parties have jointly paid attorney's fees to Bankston Gronning O'Hara, P.C. at a flat fee for the cost of document preparation in this transaction including but not limited to this Agreement, the warranty deed for the transfer of the Land and Improvements, and all other documents implicated in this transaction.

9. **Risk of Loss.** Notwithstanding any other provision of this Agreement, the risk of loss from this transaction will pass upon the Closing of the sale contemplated by this Agreement. On or before the Closing Date, if the Land and Improvements or any portion thereof is damaged or destroyed by any type of fire or other casualty, or taken as a result of condemnation, Seller shall promptly notify Purchaser and Purchaser may either, at or prior to Closing, terminate this Agreement (notwithstanding Section 4(b) of this Agreement) and in that event neither Seller nor





Purchaser/Monsen shall have any other liability with regard to this Agreement, or alternatively, Purchaser will consummate the Closing after an adjustment between Seller and Purchaser as to any proceeds to be received as a result of any insurance policy, condemnation proceeds, or any other adjustment to be made as a result of the casualty.

10. **Seller's Representations.** Seller represents and warrants to Purchaser, as of the date of this Agreement Date and as of the Closing Date, as follows.

(a) **Non-Contravention.** The execution, delivery, observance, and performance of this Agreement by Seller does not, and the consummation of the transactions will not, constitute or result in (i) to Seller's actual knowledge, a breach or violation of or default (with notice, lapse of time, or both) under any applicable law to which Seller is subject, or (ii) a breach or violation of or a default (with notice, lapse of time, or both) under any contract to which Seller is a party or by which Seller is bound.

(b) **Governmental and Other Consents.** No governmental approvals from any governmental authorities are required to be made or obtained by Seller as a condition to the authorization, execution, delivery, observance, or performance of this Agreement, with the exception of the transfer of the liquor license which requires the approval of the ABC Board.

(c) **Due Execution and Delivery.** This Agreement has been duly executed by Seller who is the sole owner of the D & D Restaurant and the Naknek Hotel and related assets.

(d) **Legal, Valid, Binding, and Enforceable Obligations.** This Agreement constitutes Seller's legal, valid, and binding agreements, and are enforceable against Seller in accordance with its terms.

(e) **Seller Not a "Foreign Person" Under the Code.** Seller is not a "foreign person" under and as defined in Section 1445 of the Code. Neither Seller nor any affiliate of Seller is subject to any other applicable laws that would require Purchaser or the Escrow Agent to withhold any tax from the Closing payment or any other portion of the Purchase Price.

(f) **Actions, Suits, or Proceedings.** There are no actions, suits, or proceedings against Seller or the Business Assets or with respect to this Agreement that are now pending or, to Seller's actual knowledge, threatened by any person.

(g) Seller warrants that there are no additional financial obligations remaining in connection with the D & D Restaurant and the Naknek Hotel other than real estate taxes and the ordinary carrying costs of the Land and Improvements, which have been fully disclosed to Purchaser in connection with the books and records of the aforementioned businesses.

(h) **Compliance with Laws and Agreements.** Seller is not a party to any contract, or subject to any charter or organizational or other restriction affecting its business, operations, properties, prospects, assets, or condition (financial or otherwise). Seller is not in violation of any terms or provision of any contract to which it is a party or by which it is bound or of any applicable law.



(i) Full and Accurate Disclosure. To the best of Seller's actual knowledge, Seller has not made any statement of fact in this Agreement or in any certificate, schedule, exhibit, affidavit, or other writing of like import relating to the Business Assets (including in Seller's due diligence materials) that contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which such statements were made. To the best of Seller's actual knowledge, there is no material fact presently known to Seller regarding the Business Assets that has not been disclosed to Purchaser and that, as far as Seller can reasonably foresee, would have an adverse impact or effect in any material respect on Purchaser's due diligence of the Property.

(j) Taxing Authority Obligations; Property Tax. Seller has filed all tax returns required to be filed under applicable laws with all appropriate governmental authorities (or has obtained a valid and subsisting extension in the form of a governmental approval relating thereto) and has paid all taxes required to be filed and paid.

(k) No Casualty or Condemnation. There is no unrepaired casualty damage to the Property. No condemnation of any portion of its assets or properties, or actions, suits, or proceedings that could result in a taking by any governmental authority of any of the real property that is subject to this Agreement have been commenced or, to Seller's actual knowledge, are being threatened or has been noticed in writing by any governmental authority.

(l) No Purchase Options. Seller has not granted to any person any right or option or other agreement of like import (including a right of first refusal) to acquire all or any portion of the Land and Improvements other than to Purchaser under this Agreement.

(m) No Financial Insolvency. Seller is not financially insolvent and no actions, suits, or proceedings have been commenced by him or against him by any person or have been threatened to be commenced by it or against it by any person in connection therewith.

(n) Anti-Money Laundering Laws. None of the funds or other assets of Seller constitute property of, or are beneficially owned, directly or indirectly, by any person subject to trade restrictions under applicable laws, including, among others, anti-money laundering laws, with the result that the transactions contemplated by this Agreement are prohibited by or in violation of applicable laws, including anti-money laundering laws, or Seller is dealing with a specially designated national and blocked person. No specially designated national and blocked person has any direct or indirect interest of any nature whatsoever with respect to Seller or the Business Assets. None of Seller's funds have been derived directly or indirectly from any unlawful activity or relationship with a specially designated national and blocked person or in violation of any anti-money laundering laws.

(o) State of Title to Land and Improvements. Seller is the owner and holder of the Land and Improvements. Seller will deliver good and marketable fee simple title to the Land and Improvements and good and clean title to the Personal Property, free and clear of all liens, except for permitted liens.





(p) Environmental Assessments. Seller has not received any written notice from any person, including any governmental authority, of any environmental claims, environmental liabilities, or violations of environmental laws relating to the Land and Improvements, and Seller knows of no actual or threatened environmental claims, environmental liabilities, or violations of environmental laws relating to the Land and Improvements.

(q) Contracts and Assumed Contracts. Seller is not a party to any contract that must be assumed by Purchaser. Seller represents that all accounts for the purchase of food, beverages (including both alcoholic and non-alcoholic beverages) are current or have been paid in full.

(r) Employees. Seller has no written agreements with any employees. Seller shall terminate all employees of the D & D Restaurant and the Naknek Hotel, effective as of the Closing Date. Seller will provide commercially reasonable evidence of such termination of employees at the Closing. Purchaser shall then be free to hire any former employees of Seller, including Seller, to work in the restaurant and hotel.

(s) Governmental Approvals. A list of all governmental approvals relating to the Property has been provided by Seller. The governmental approvals are all of the licenses, permits, approvals, qualifications and the like which are necessary for the ownership and operation, maintenance, and management of the Property, including the D & D Restaurant and the Naknek Hotel. The governmental approvals are in full force and effect and no such governmental approvals are conditional or restricted. Seller has not received any written notice from any governmental authority or other person of (i) any violation, non-renewal, suspension or revocation of any governmental approvals with respect to the Property that has not been dismissed or cured, or (ii) any failure by such Seller to obtain any governmental approvals required for the use, occupancy or operation of the Property that has not been dismissed or cured.

(t) Financial Statements. Seller has delivered to Purchaser its tax statements for 2014, 2015 and 2016, and current profit and loss statements. The Seller's financial information, taken as a whole, fairly presents the financial condition of the D & D Restaurant and the Naknek Hotel as of the respective dates set forth therein so far as reasonably know to Seller.

(u) No Benefit Plans. Seller has no benefit plans or retirement plans for any one or more persons in connection with the D & D Restaurant and the Naknek Hotel.

11. Covenants of Seller Prior to the Closing. From the Effective Date of this Agreement until the consummation of the Closing or earlier termination of this Agreement, Seller shall:

(a) Advise Purchaser. Promptly advise Purchaser and Monsen in writing of any act, omission, matter, event, circumstances, or thing that would be likely to have a material adverse effect on Seller observing and performing its duties and obligations under this Agreement.

(b) Actions, Suits, or Proceedings. Promptly advise Purchaser and Monsen in writing of any actions, suits, or proceedings commenced or threatened by any person.





(c) Continue Business Operations. Continue operating the D & D Restaurant and the Naknek Hotel in the manner historically performed by Seller and consistent with any applicable terms and provisions of this Agreement.

(d) Taxes. Pay when due all taxes and other fees and charges of Governmental Authorities required to be paid by Seller relating to itself and the Land and Improvements (or contest the same pursuant to appropriate legal proceedings conducted in good faith with due diligence and advise Purchaser thereof).

(e) Only Permitted Liens. Not create any lien relating to all or any portion of Business Assets.

(f) Exclusivity. Neither directly nor indirectly (through one or more affiliates, related or unrelated, or any other person) solicit or attempt to solicit, authorize or attempt to authorize the solicitation of, or entering into any discussions or negotiations, relating to the offer, acceptance, purchase, sale, financing, refinancing, or other disposition of the Business Assets or any direct or indirect legal or beneficial interest in the Land and Improvements (whether debt, equity, or otherwise) so long as Purchaser is proceeding with good faith under this Agreement.

(g) Notice of Certain Exclusivity Matters. Promptly give notice to Purchaser if any person attempts to initiate any solicitation, offer, acceptance, purchase, sale, financing, refinancing or other disposition Seller's interest in the Business Assets (whether debt, equity, or otherwise) so long as Purchaser is proceeding with good faith under this Agreement.

(h) Compliance With All Applicable Laws. To the best of Seller's knowledge, comply with all applicable laws, including, among others, anti-money laundering laws.

(i) Due Diligence. Assist and cooperate with Purchaser in all commercially reasonable respects with performing Purchaser's due diligence in connection with the Business Assets.

12. Covenants of Seller Following the Closing. After the Closing, Seller shall use commercially reasonable efforts to cooperate with Purchaser and observe and perform in all material respects its duties and obligations hereunder that are required to be observed and performed after the Closing.

13. Amendment of Purchaser's Articles of Organization. After the Closing, Monsen shall cause Purchaser to amend its Articles of Organization to provide that until the promissory note is paid in full, no member of said company may transfer any interest in the company (other than to Seller) without the written consent of Seller which shall not be unreasonably withheld. In addition, Monsen shall cause Purchaser to amend its Articles of Organization to provide that after the Closing and until the promissory note is paid in full, Purchaser shall not issue additional units of the company which might dilute Monsen's interest in the company which will be pledged to Seller to secure payment of the promissory note.



14. **Additional Covenants of Monsen.** After the Effective Date of this Agreement and prior to Closing, Monsen shall work as the full-time Manager the D & D Restaurant and the Naknek Hotel (and shall be entitled to reasonable compensation for the same) subject to the direction of Seller. In the event that the Closing shall occur prior to the approval of the transfer of Seller's liquor license to Purchaser by the ABC Board, Monsen shall continue to work full-time as an employee of the D & D Restaurant and the Naknek Hotel (and shall be entitled to reasonable compensation for the same) under the oversight and control of Seller, subject to a management agreement that may be executed by the Parties as the case may be. After the Closing and until such time as the promissory note is paid in full, Monsen by and through Purchaser shall devote her entire time, energies, and attention to the operation of the D & D Restaurant and Naknek Hotel.

15. **Representations and Warranties of Purchaser and Monsen.** Purchaser represents and warrants to Seller as follows. Where a representation or warranty is qualified by "Purchaser's actual knowledge," it shall mean to the actual knowledge of Monsen.

(a) **Organization and Existence of Purchaser.** Purchaser is a duly formed and validly existing limited liability company and in good standing under the laws of Alaska, and Monsen is the sole member thereof and the Manager thereof,

(b) **Power and Authority.** Purchaser will have taken all action necessary or desirable to authorize the execution, delivery, observance, and performance of this Agreement and consummation of the transactions, and Purchaser has the full power, legal right, and authority to execute and deliver this Agreement and engage in, observe, perform, and fulfill the transactions contemplated hereby.

(c) **Non-Contravention.** The execution, delivery, observance, and performance of this Agreement by Purchaser does not, and the consummation of the transactions contemplated hereby will not, constitute: (i) to Purchaser's actual knowledge, a breach or violation of or default (with notice, lapse of time, or both) under any applicable law to which Purchaser is subject; (ii) a breach or violation of or a default (with notice, lapse of time, or both) under any applicable operating agreement of Purchaser or other charter, existence, organization, or other governance documents of Purchaser; or (iii) a breach or violation of or a default (with notice, lapse of time, or both) under any contract to which Purchaser is a party or by which Purchaser is bound.

(d) **Governmental and Other Consents.** No governmental approvals from any governmental authorities are required to be made or obtained by Seller as a condition to the authorization, execution and delivery of this Agreement save those that have been made and obtained and are in full force and effect. Purchaser will at a minimum require governmental consents from the ABC Board in order to approve the transfer of Seller's liquor license as required under this Agreement.

(e) **Due Execution and Delivery.** This Agreement has been duly authorized, executed, and delivered by Purchaser.





(f) Legal, Valid, Binding, and Enforceable Obligations. This Purchase Agreement constitutes Purchaser's legal, valid, and binding agreement, and is enforceable against Purchaser in accordance with its terms.

(g) No Financial Insolvency. Purchaser was formed in contemplation of the purchase of the Business Assets. As part of the capitalization of Purchaser, Monsen has or will execute a Special Guaranty by which she will agree to indemnify, defend, and hold harmless Seller for all performances required of Purchaser under this Agreement including but not limited to the payment of the Purchase Price. Purchaser represents that no actions, suits, or proceedings have been commenced by it or against it by any person or have been threatened to be commenced by it or against it by any person in connection therewith.

(h) Due Diligence. Purchaser and Monsen agree and acknowledge that Monsen has had unfettered access to the books and records of the D & D Restaurant and the Naknek Hotel from May 1, 2017 through the date of the execution of this Agreement. In this regard, Purchaser and Monsen agree and acknowledge that Monsen has had the opportunity to fully investigate the condition of all Business Assets and the financial condition of the D & D Restaurant and the Naknek Hotel. In this regard, Purchaser and Monsen expressly agree and acknowledge that they have relied upon their own judgment and that of their financial, legal, and tax professionals in making the decision to purchase the Business Assets. Purchaser and Monsen agree and acknowledge that neither Seller nor any agent of Seller (including but not limited to LaVerne Pettigen of Herrington & Company, LLC and Christopher Brecht, Esq. of Bankston Gronning O'Hara, P.C.) have made any representation concerning the current condition of or future performance of the business or businesses involved or the Business Assets. Purchaser and Monsen agree and acknowledge that LaVerne Pettigen and Herrington & Company, LLC and Christopher Brecht, Esq. and Bankston Gronning O'Hara, P.C. represent Seller alone in this transaction.

16. Conditions Precedent to Seller's Obligations. The obligation of Seller to consummate the transactions contemplated by this Agreement on the Closing Date is subject to the satisfaction (or waiver by Seller) as of the Closing of the following conditions:

(a) Each of the representations and warranties made by Purchaser and Monsen in this Agreement shall be true and correct in all material respects when made and on and as of the Closing Date as though such representations and warranties were made on and as of the Closing Date.

(b) Purchaser and Monsen, as the case may be, shall have performed or complied in all material respects with each obligation and covenant required by this Agreement to be performed or complied with by Purchaser or Monsen on or before the Closing.

(c) No order or injunction of any court or administrative agency of competent jurisdiction or any statute, rule, regulation, or executive order promulgated by any governmental authority of competent jurisdiction shall be in effect as of the Closing which restrains or prohibits the conveyance of the Business Assets.





(d) No action, suit, or other proceeding shall be pending which shall have been brought by any person (other than the Parties hereto and their affiliates) (i) to restrain, prohibit, or change in any material respect the purchase and sale of the Business Assets or the consummation of the transactions, or (ii) seeking material damages with respect to the purchase and sale of the Business Assets or the consummation of the transactions.

(e) Purchaser shall have delivered to Seller all of the transaction documents that are required to be delivered by Purchaser to Seller under this Agreement at or prior to the Closing.

(f) Seller shall have received the Purchase Price (subject to Section 3 of this Agreement) in accordance with this Agreement and all other amounts due to Seller hereunder.

**17. Conditions Precedent to Purchaser's Obligations.** The obligation of Purchaser to purchase and pay for the Property is subject to the satisfaction (or waiver by Purchaser) as of the Closing of the following conditions:

(a) Each of the representations and warranties made by Seller in this Agreement shall be true and correct in all material respects when made and on and as of the Closing Date as though such representations and warranties were made on and as of the Closing Date.

(b) Seller shall have performed or complied in all material respects with each obligation and covenant required by this Agreement to be performed or complied with by such Seller on or before the Closing.

(c) No order or injunction of any court or administrative agency of competent jurisdiction nor any statute, rule, regulation, or executive order promulgated by any governmental authority of competent jurisdiction shall be in effect as of the Closing which restrains or prohibits the conveyance of the Business Assets.

(d) No action, suit, or other proceeding shall be pending which shall have been brought by any person (other than the Parties hereto and their affiliates) (i) to restrain, prohibit, or change in any material respect the purchase and sale of the Business Assets or the consummation of the transactions contemplated by this Agreement, or (ii) seeking material damages with respect to the purchase and sale of the Business Assets or the consummation of the transactions contemplated by this Agreement.

(e) Seller shall have delivered to Purchaser all of the transaction documents that are required to be delivered by Purchaser to Seller under this Agreement at or prior to the Closing, including the Warranty Deed and the Bill of Sale.

(f) There shall be no contracts affecting the Business Assets that have not been terminated by Seller effective as of the Closing, other than assumed contracts, if any. There shall be no employees of the D & D Restaurant and the Naknek Hotel that Purchaser shall be required to continue the employment of after the Closing, other than those employees (if any) designated in writing by Purchaser to Seller.



(g) Title to the Business Assets shall be delivered to Purchaser free and clear of all liens, except the permitted liens.

(h) The title company shall be irrevocably committed to issue to Purchaser, as of the Closing Date, a title policy with respect to the Land and Improvements.

**18. Purchaser Closing Deliveries.** Purchaser shall deliver the following at Closing:

(a) The Purchase Price (subject to Section 3 of this Agreement) in accordance with this Agreement and all other amounts required to be paid by Purchaser hereunder.

(b) A Closing Certificate, duly executed by Purchaser, with respect to the transactions contemplated by this Agreement;

(c) A Representations and Warranties Certificate, duly executed by Purchaser, to the effect that the representations and warranties made by Purchaser in this Agreement are true and correct in all material respects on and as of the Closing Date as though such representations and warranties were made on and as of the Closing Date.

(d) A Manager's Certificate, duly executed by Purchaser, certifying that Purchaser has taken all necessary action to authorize the execution of all documents being delivered hereunder and the consummation of all of the transactions contemplated by this Agreement and that such authorization has not been revoked, modified, or amended.

(e) An Incumbency Certificate, duly executed by Purchaser, certifying the authority of the officers of Purchaser to execute this Agreement and the other documents delivered by Purchaser at the Closing.

(f) The Settlement Statement in connection with the purchase of the Land and Improvements.

(g) Such documents, instruments, record, and papers as Seller may reasonably require in order to complete the transactions contemplated by this Agreement or to evidence compliance by Purchaser with the covenants, agreements, representations, and warranties made by it hereunder, in each case, duly executed by Purchaser including but not limited to the promissory note, deed of trust, security agreement assignment separate form certificate, escrow instructions, and amendment to the operating agreement prohibiting dilution of Monsen's ownership.

**19. Seller Closing Deliveries.** Seller shall deliver the following at Closing:

(a) A Warranty Deed, duly executed by Seller, which deed, upon proper recording by Purchaser, shall be sufficient to transfer and convey good and marketable fee simple title to the Land and Improvements to Purchaser, free and clear of all liens and subject only to the permitted liens.





(b) A Bill of Sale, duly executed by Seller, transferring the Personal Property (with the exception of any alcoholic beverages which shall be conveyed to Purchaser upon approval of the transfer of Seller's liquor license by the ABC Board) to Purchaser, in form and substance reasonably satisfactory to Purchaser.

(c) An Assignment of all Governmental Approvals, if any, duly executed by Seller, assigning the governmental approvals to Purchaser, in form and substance reasonably satisfactory to Purchaser. Purchaser shall apply for the transfer of Seller's liquor license which shall be approved by the ABC Board. It is contemplated that the approval of the transfer of Seller's liquor license may occur after Closing.

(d) An affidavit that Seller is not a "foreign person" within the meaning of the Foreign Investment in Real Property Tax Act of 1980, as amended, in customary form (the "FIRPTA Affidavit") and, in any event, reasonably acceptable to Purchaser and the Title Company.

(f) The Title Affidavit.

(g) A Closing Certificate, duly executed by Seller, with respect to the transactions contemplated by this Agreement.

(h) A Representations and Warranties Certificate, duly executed by Seller, to the effect that the representations and warranties made by Seller in this Agreement are true and correct in all material respects on and as of the Closing Date as though such representations and warranties were made on and as of the Closing Date.

(i) The Settlement Statement.

(j) Commercially reasonable evidence of termination of all contracts.

(k) Such documents, instruments, record, and papers as Purchaser or the title company may reasonably require in order to complete the transactions contemplated by this Agreement or to evidence compliance by Seller with the covenants, agreements, representations, and warranties made by it hereunder, in each case, duly executed by Seller.

**20. Indemnification by Seller.** Seller shall indemnify and hold Purchaser harmless from and against any and all losses and costs arising out of, or in any way relating to, (a) any breach of any representation or warranty of Seller in any document, instrument, record, or paper delivered in connection with this Agreement, the transactions, or the Closing, (b) any breach of any covenant of Seller contained in this Agreement, and (c) the operation or ownership of the Business Assets with respect to the period prior to the Closing, including, among other things, claims for unpaid taxes to the extent not adjusted and prorated pursuant to the provisions of this Agreement and taxes imposed under, or triggered by, any applicable laws. This indemnification shall survive the Closing and expire one (1) year after Closing regardless of the discovery of any facts which give rise to the indemnity. The amount of this indemnity is limited to the total purchase price.





21. **Indemnification by Purchaser and Monsen.** Purchaser and Monsen shall indemnify and hold Seller harmless from any and all losses and costs arising out of, or in any way relating to, (a) any breach of any representation or warranty by Purchaser or Monsen contained in this Agreement or in any transaction document and (b) any breach of any covenant of Purchaser contained in this Agreement which survives the Closing (but specifically excluding Purchaser's failure to purchase the Business Assets, which shall be governed exclusively by this Agreement). This indemnification shall survive the Closing. This indemnification shall survive the closing and expires one (1) year after the Closing regardless of the discovery of any facts which give rise the indemnity.

22. **No Third Party Beneficiaries.** Nothing contained this Agreement shall create a contractual relationship with, or any rights in favor of, any third person, other than the Parties hereto and their permitted assigns and with respect to any legal or equitable rights thereunder and hereunder.

23. **Notices.** All notices, consents, approvals, waivers, and other communications affected under this Agreement shall be in writing and shall have been validly given when (a) delivered by hand, (b) sent by certified or registered mail, postage prepaid, return receipt requested, that confirms delivery thereof:

if to Purchaser, to Purchaser at the Purchaser's address; and  
if to Seller, to Seller at the Seller's address.

All such notices, consents, approvals, waivers, and other communications may be given by a party or such party's attorneys.

24. **Whole Agreement.** This Agreement constitutes the entire agreement of the Parties relating to the subject matter, and no representations, warranties, inducements, considerations, promises, or other references shall be implied that are not expressly addressed herein. Any and all prior understandings or agreements heretofore had or made by the Parties (including but not limited to that certain Letter of Intent signed by Seller and Monsen on April 20, 2017) are merged in this Agreement, which alone fully and completely expresses the agreement of and contract between the Parties hereto.

25. **Severability.** If all or any portion of this Agreement or the application thereof to any person is held by a governmental authority to be invalid, illegal, non-binding, or unenforceable, the same shall be construed as if such invalid, illegal, non-binding, or unenforceable provision had never been contained herein or therein and the remaining provisions in this Agreement or applications to a party shall remain in full force and effect and shall not be affected, impaired, or invalidated by the offending contractual provision.

26. **Counterparts; Email; Facsimile.** The Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute one and the same instrument. Executed signature pages may be delivered by Email or facsimile and any such signature page delivered shall be deemed as if actual original signature pages had been delivered.



27. **Successors and Assigns.** This Agreement shall inure to the benefit of and be binding on the Parties and their respective heirs, successors, and permitted assigns.

28. **Modification, Amendment, or Other Change.** This Agreement may not be modified, amended, waived, or otherwise changed, in whole or in part, orally and may only be modified, amended, waived, or otherwise changed by a written agreement signed by the parties.

29. **Further Assurances.** The Parties shall from time to time promptly do, execute, acknowledge, and deliver all further acts, documents, instruments, records, papers, and assurances as are reasonably necessary or required to carry out the intention and facilitate the observance and performance of this Agreement.

30. **No Construction Against Drafting Party.** Each party hereto has had participated fully in the negotiation of this Agreement and has had the opportunity to consult counsel, as well as tax professionals, regarding the consequences of signing this Agreement. The parties intend that this Agreement shall not be construed against one party or the other based upon any rule of applicable law giving preference in interpretation to the drafting or non-drafting party or its counsel.

31. **Actions, Suits, and Proceedings.** Any action, suit, or proceeding brought by either party shall be brought in the Superior Court for the State of Alaska, in Anchorage, Alaska. The losing party shall pay all attorney's fees and court costs of the prevailing party.

32. **Release of Herrington & Company, LLC.** Purchaser and Monsen agree and acknowledge that LaVerne Pettigen and Herrington & Company, LLC represented Seller alone in this transaction and therefore did not represent Purchaser and Monsen. Purchaser and Monsen also agree and acknowledge that neither LaVerne Pettigen nor any employee, representative, director, officer, member or affiliate of Herrington & Company, LLC made any representations concerning the condition of the Business Assets or the profitability of the D & D Restaurant and the Naknek Hotel. In this regard, Purchaser and Monsen forever release, discharge, and waive any claim as against LaVerne Pettigen and Herrington & Company, LLC arising from this transaction.

33. **Legal Representation.** THE LAW FIRM OF BANKSTON GRONNING O'HARA, P.C. PREPARED THIS AGREEMENT AS AN ACCOMMODATION TO ITS CLIENT GEORGE KASTANAS (SELLER). THE AFOREMENTIONED LAW FIRM DOES NOT REPRESENT PURCHASER OR MONSEN. PURCHASER AND MONSEN ACKNOWLEDGE THAT THEY HAVE BEEN ADVISED TO RETAIN COUNSEL TO REPRESENT THEM IN THIS TRANSACTION AND THAT THEY HAVE HAD THE OPPORTUNITY TO CONSULT THEIR OWN ATTORNEY PRIOR TO EXECUTING THIS AGREEMENT. THE EXECUTION OF THIS AGREEMENT CONFIRMS THEY HAVE EITHER CONSULTED WITH AN ATTORNEY OR WAIVED THAT PROTECTION.





IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement, intending it to be their respective legal, valid, binding, and enforceable contractual obligation, on this Agreement Date.

**SELLER:**

G. Kastanas  
George Kastanas

**PURCHASER:**

D RESTAURANT LLC

By: Paula Monsen  
Paula Monsen, Manager and Sole Member

**GUARANTOR:**

Paula Monsen  
Paula Monsen,





## UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

|   |  |
|---|--|
| A. NAME & PHONE OF CONTACT AT FILER (optional)<br><b>Christopher M. Brecht</b> <b>907-276-1711</b>  |  |
| B. E-MAIL CONTACT AT FILER (optional)<br><b>cbrecht@bgolaw.pro</b>  |  |
| C. SEND ACKNOWLEDGMENT TO: (Name and Address)<br><br><b>Christopher M. Brecht, Esq.</b><br><b>Bankston Gronning O'Hara, P.C.</b><br><b>601 W. 5th Avenue, Suite 900</b><br><b>Anchorage, AK 99501</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                    |                                     |                               |                             |                       |
| OR   |                                     |                               |                             |                       |
| 1b. INDIVIDUAL'S SURNAME<br><b>Monsen</b>  | FIRST PERSONAL NAME<br><b>Paula</b> | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX                      |                       |
| 1c. MAILING ADDRESS<br><b>P.O. Box 113</b> | CITY<br><b>Naknek</b>               | STATE<br><b>AK</b>            | POSTAL CODE<br><b>99633</b> | COUNTRY<br><b>USA</b> |

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

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

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

|   |                                      |                               |                             |                       |
|---|--------------------------------------|-------------------------------|-----------------------------|-----------------------|
| 3a. ORGANIZATION'S NAME                     |                                      |                               |                             |                       |
| OR  |                                      |                               |                             |                       |
| 3b. INDIVIDUAL'S SURNAME<br><b>Kastanas</b> | FIRST PERSONAL NAME<br><b>George</b> | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX                      |                       |
| 3c. MAILING ADDRESS<br><b>P.O. Box 9</b>    | CITY<br><b>Naknek</b>                | STATE<br><b>AK</b>            | POSTAL CODE<br><b>99633</b> | COUNTRY<br><b>USA</b> |

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

All rights granted to Debtor embodied in or arising out of Debtor's status as the sole member and manager of D Restaurant LLC, an Alaska limited liability company ("LLC"), including any assigns, successor in interest and consisting of: (a) all economic rights, including, without limitation, all rights to share in the profits and losses of the LLC and all rights to receive distributions of the assets of the LLC; and (b) all governance rights, including, without limitation, all rights to vote, consent to action and otherwise participate in the management of the LLC.

|   |  |
|---|--|
| 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:<br><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:<br><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"/> Bailee/Bailor <input type="checkbox"/> Licensee/Licensor |  |
| 8. OPTIONAL FILER REFERENCE DATA:<br><b>K4843-1</b>   |  |



## UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS

|   |
|---|
| A. NAME & PHONE OF CONTACT AT FILER (optional):<br><b>Christopher M. Brecht 907-276-1711</b>  |
| B. E-MAIL CONTACT AT FILER (optional):<br><b>ygearring@bgolaw.pro</b>   |
| C. SEND ACKNOWLEDGMENT TO: (Name and Address):<br><b>Bankston Gronning OHara, P.C.<br/>601 W. 5th Avenue, Suite 900<br/>Anchorage, AK 99501</b> |

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE NUMBER

**2017-015323-8**1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed [for record]  
(or recorded in the REAL ESTATE RECORDS)

Filer: attach Amendment Addendum (Form UCC3Ad) and provide Debtor's name in item 13

2. ☐ **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to the security interest(s) of Secured Party authorizing this Termination Statement
3. ☐ **ASSIGNMENT** (full or partial): Provide name of Assignee in item 7a or 7b, and address of Assignee in item 7c and name of Assignor in item 9  
For partial assignment, complete items 7 and 9 and also indicate affected collateral in item 8
4. ☐ **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to the security interest(s) of Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law

5. ☐ **PARTY INFORMATION CHANGE:**Check one of these two boxes:AND Check one of these three boxes to:This Change affects ☐ Debtor or ☐ Secured Party of record ☐ CHANGE name and/or address: Complete item 6a or 6b; and item 7a or 7b and item 7c ☐ ADD name: Complete item 7a or 7b, and item 7c ☐ DELETE name: Give record name to be deleted in item 6a or 6b6. **CURRENT RECORD INFORMATION:** Complete for Party Information Change - provide only one name (6a or 6b)

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S) : INITIAL(S)

SUFFIX

7. **CHANGED OR ADDED INFORMATION:** Complete for Assignment or Party Information Change - provide only one name (7a or 7b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name)

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S SURNAME

INDIVIDUAL'S FIRST PERSONAL NAME

INDIVIDUAL'S ADDITIONAL NAME(S) : INITIAL(S)

SUFFIX

7c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

- 8.
- ☒
- COLLATERAL CHANGE:**
- Also check
- one
- of these four boxes:
- ☒
- ADD collateral
- ☐
- DELETE collateral
- ☐
- RESTATE covered collateral
- ☐
- ASSIGN collateral

Indicate collateral:

**See Addendum**9. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT:** Provide only one name (9a or 9b) (name of Assignor, if this is an Assignment)If this is an Amendment authorized by a DEBTOR, check here ☐ and provide name of authorizing Debtor

9a. ORGANIZATION'S NAME

OR

9b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S) : INITIAL(S)

SUFFIX

**Kastanas****George**10. **OPTIONAL FILER REFERENCE DATA:****K4843-1**



# UCC FINANCING STATEMENT AMENDMENT ADDENDUM

FOLLOW INSTRUCTIONS

11. INITIAL FINANCING STATEMENT FILE NUMBER: Same as item 1a on Amendment form

**2017-015323-8**

12. NAME OF PARTY AUTHORIZING THIS AMENDMENT: Same as item 9 on Amendment form

12a. ORGANIZATION'S NAME

OR

12b. INDIVIDUAL'S SURNAME

**Kastanas**

FIRST PERSONAL NAME

**George**

ADDITIONAL NAME(S) ; INITIAL(S)

SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

13. Name of DEBTOR on related financing statement (Name of a current Debtor of record required for indexing purposes only in some filing offices - see Instruction item 13i: Provide only one Debtor name (13a or 13b (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name ; see Instructions if name does not fit

13a. ORGANIZATION'S NAME

OR

13b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S) ; INITIAL(S)

SUFFIX

14. ADDITIONAL SPACE FOR ITEM 8 (Collateral):

**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.**

**All collateral identified in that certain UCC Financing Statement recorded in the UCC Central File for the State of Alaska on 8-17-2017, under Document No. 2017-015323-8 is incorporated by reference herein. All such collateral is covered by this financing statement.**

15. This FINANCING STATEMENT AMENDMENT:

☐ covers timber to be cut ☐ covers as-extracted collateral ☐ is filed as a fixture filing

16. Name and address of a RECORD OWNER of real estate described in item 17

(if Debtor does not have a record interest :

17. Description of real estate:

18. MISCELLANEOUS:



# UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

|   |
|---|
| A. NAME & PHONE OF CONTACT AT FILER (optional)<br><b>Christopher M. Brecht, Esq.</b>  |
| B. E-MAIL CONTACT AT FILER (optional)<br><b>cbrecht@bgolaw.pro</b>  |
| C. SEND ACKNOWLEDGMENT TO: (Name and Address)<br><br><b>Christopher M. Brecht, Esq.<br/>Bankston Gronning O'Hara, P.C.<br/>601 W. 5th Avenue, Suite 900<br/>Anchorage, Alaska 99501</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<br><b>D Restaurant LLC d/b/a D &amp; D Restaurant and the Naknek Hotel</b> |                          |  |                       |                               |                             |                       |
| OR   | 1b. INDIVIDUAL'S SURNAME |  | FIRST PERSONAL NAME   | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX                      |                       |
| 1c. MAILING ADDRESS<br><b>P.O. Box 113</b>   |                          |  | CITY<br><b>Naknek</b> | STATE<br><b>AK</b>            | POSTAL CODE<br><b>99633</b> | COUNTRY<br><b>USA</b> |

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

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

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

|  |   |  |                                      |                               |                             |                       |
|--|---|--|--------------------------------------|-------------------------------|-----------------------------|-----------------------|
| 3a. ORGANIZATION'S NAME                  |   |  |                                      |                               |                             |                       |
| OR                                       | 3b. INDIVIDUAL'S SURNAME<br><b>Kastanas</b> |  | FIRST PERSONAL NAME<br><b>George</b> | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX                      |                       |
| 3c. MAILING ADDRESS<br><b>P.O. Box 9</b> |   |  | CITY<br><b>Naknek</b>                | STATE<br><b>AK</b>            | POSTAL CODE<br><b>99633</b> | COUNTRY<br><b>USA</b> |

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

All of Debtor's machinery, equipment, furniture, furnishings, tools, fixtures, and accessories, and all inventory (including but not limited to food, beer, and wine), accounts receivables, instruments, contract rights and other rights to receive payment of money, chattel paper, licenses (including but not limited to Restaurant/Eating Place Liquor License No. 1909), leases, general intangibles, and all additions, accessions, modifications, improvements, replacements and substitutions thereto and therefor, whether now owned or hereafter acquired or arising, and the proceeds, products and income of any of the foregoing, including but not limited to insurance proceeds.

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

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

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

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

☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☒ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

**K4843-1**





## UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS

|   |
|---|
| A. NAME & PHONE OF CONTACT AT FILER (optional):<br><b>Christopher M. Brecht 907-276-1711</b>  |
| B. E-MAIL CONTACT AT FILER (optional):<br><b>ygearring@bgolaw.pro</b>   |
| C. SEND ACKNOWLEDGMENT TO: (Name and Address):<br><b>Bankston Gronning OHara, P.C.<br/>601 W. 5th Avenue, Suite 900<br/>Anchorage, AK 99501</b> |

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE NUMBER

**2017-015322-6**1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed [for record,  
(or recorded in the REAL ESTATE RECORDS

Filer: attach Amendment Addendum (Form UCC3Ad and provide Debtor's name in item 13

2. ☐ **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to the security interest(s) of Secured Party authorizing this Termination Statement3. ☐ **ASSIGNMENT** (full or partial): Provide name of Assignee in item 7a or 7b, and address of Assignee in item 7c and name of Assignor in item 9  
For partial assignment, complete items 7 and 9 and also indicate affected collateral in item 84. ☐ **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to the security interest(s) of Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law5. ☐ **PARTY INFORMATION CHANGE:**Check one of these two boxes:AND Check one of these three boxes to:This Change affects ☐ Debtor or ☐ Secured Party of record☐ CHANGE name and/or address: Complete item 6a or 6b; and item 7a or 7b and item 7c☐ ADD name: Complete item 7a or 7b, and item 7c☐ DELETE name: Give record name to be deleted in item 6a or 6b6. **CURRENT RECORD INFORMATION:** Complete for Party Information Change - provide only one name (6a or 6b)

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S) :INITIAL(S)

SUFFIX

7. **CHANGED OR ADDED INFORMATION:** Complete for Assignment or Party Information Change - provide only one name (7a or 7b) use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S SURNAME

INDIVIDUAL'S FIRST PERSONAL NAME

INDIVIDUAL'S ADDITIONAL NAME(S) :INITIAL(S)

SUFFIX

7c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

8. ☒ **COLLATERAL CHANGE:** Also check one of these four boxes: ☒ ADD collateral ☐ DELETE collateral ☐ RESTATE covered collateral ☐ ASSIGN collateral

Indicate collateral:

**See Addendum**9. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT:** Provide only one name (9a or 9b) (name of Assignor, if this is an Assignment)  
If this is an Amendment authorized by a DEBTOR, check here ☐ and provide name of authorizing Debtor

9a. ORGANIZATION'S NAME

OR

9b. INDIVIDUAL'S SURNAME

**Kastanas**

FIRST PERSONAL NAME

**George**

ADDITIONAL NAME(S) :INITIAL(S)

SUFFIX

10. **OPTIONAL FILER REFERENCE DATA:****K4843-1**

# UCC FINANCING STATEMENT AMENDMENT ADDENDUM

FOLLOW INSTRUCTIONS

11. INITIAL FINANCING STATEMENT FILE NUMBER: Same as item 1a on Amendment form  
**2017-015322-6**

12. NAME OF PARTY AUTHORIZING THIS AMENDMENT: Same as item 9 on Amendment form

12a. ORGANIZATION'S NAME

OR

12b. INDIVIDUAL'S SURNAME

**Kastanas**

FIRST PERSONAL NAME

**George**

ADDITIONAL NAME(S) / INITIAL(S)

SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

13. Name of DEBTOR on related financing statement (Name of a current Debtor of record required for indexing purposes only in some filing offices - see Instruction item 13): Provide only one Debtor name (13a or 13b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name; see Instructions if name does not fit)

13a. ORGANIZATION'S NAME

OR

13b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S) / INITIAL(S)

SUFFIX

14. ADDITIONAL SPACE FOR ITEM 8 (Collateral):

**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.**

**All collateral identified in that certain UCC Financing Statement recorded in the UCC Central File for the State of Alaska on 8-17-2017, under Document No. 2017-015322-6 is incorporated by reference herein. All such collateral is covered by this financing statement.**

15. This FINANCING STATEMENT AMENDMENT:

☐ covers timber to be cut ☐ covers as-extracted collateral ☐ is filed as a fixture filing

16. Name and address of a RECORD OWNER of real estate described in item 17

(if Debtor does not have a record interest:)

17. Description of real estate:

18. MISCELLANEOUS:

