



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:	Kito's Kave, Inc.		License #:	590	
License Type:	Package Store		Statutory Reference:	AS 04.11.150	
Doing Business As:	Kito's Kave Bar & Liquor				
Premises Address:	200 Chief John Lott				
City:	Petersburg	State:	Alaska	ZIP:	99833
Local Governing Body:	Petersburg Borough				

Transfer Type:

- Regular transfer
- Transfer with security interest
- Involuntary retransfer

OFFICE USE ONLY			
Complete Date:		Transaction #:	79774 - 81539
Board Meeting Date:		License Years:	
Issue Date:		BRE:	





Alaska Alcoholic Beverage Control Board

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Section 2 – Transferee Information

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

Licensee:	Kito's Kave, Inc.				
Doing Business As:	Kito's Kave Bar & Liquor				
Premises Address:	200 Chief John Lott				
City:	Petersburg	State:	Alaska	ZIP:	99833
Community Council:					

Mailing Address:	PO Box 1510				
City:	Petersburg	State:	Alaska	ZIP:	99833

Designated Licensee:	Diane Otness				
Contact Phone:	425-971-1652	Business Phone:	907-772-4827		
Contact Email:	diane.otness@yahoo.com				

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

Section 3 – Premises Information

Premises to be licensed is:

- an existing facility a new building a proposed building



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

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

approx .4 mile or 2112 feet to Petersburg School district

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

approx .2 mile or 1056 feet to Petersburg Presbyterian Church



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Section 4 – Sole Proprietor Ownership Information

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

This individual is an: applicant affiliate

Name:					
Address:					
City:		State:		ZIP:	

This individual is an: applicant affiliate

Name:					
Address:					
City:		State:		ZIP:	

Section 5 – Entity Ownership Information

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

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

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

Entity Official:	Greg Birchell				
Title(s):	President	Phone:	225-718-4157	% Owned:	33.33
Address:	PO Box 183				
City:	Petersburg	State:	Alaska	ZIP:	99833





Alaska Alcoholic Beverage Control Board

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Entity Official:	Curtis Birchell				
Title(s):	Vice President	Phone:	907-518-1449	% Owned:	33.33
Address:	PO Box 12				
City:	Petersburg	State:	Alaska	ZIP:	99833

Entity Official:	Darshann Caples				
Title(s):	Treasurer	Phone:	907-518-1406	% Owned:	33.33
Address:	PO Box 524				
City:	Petersburg	State:	Alaska	ZIP:	99833

Entity Official:	Diane Otness				
Title(s):	Secretary	Phone:	425-971-1652	% Owned:	.01
Address:	PO Box 183				
City:	Petersburg	State:	Alaska	ZIP:	99833

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 #:	6760D	AK Formed Date:	June 25, 1965	Home State:	Alaska
Registered Agent:	Diane Otness		Agent's Phone:	425-971-1652	
Agent's Mailing Address:	PO Box 183				
City:	Petersburg	State:	Alaska	ZIP:	99833

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

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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):

Darshann Caples, Curtis Birchell (DC Harbor, Inc.) 04.11.150 #503 & 04.11.090 #498

Greg Birchell, Curtis Birchell, Darshann Caples and Diane Otness (Kito's Kave) 04.11.090 #589

Section 7 – Authorization

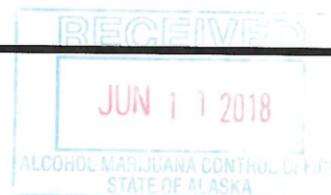
Communication with AMCO staff:

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:

Hillary Whitethorn, transferor and assisting with license transfer. Baxter Bruce & Sullivan P.C., attorney firm assisting with license transfer.





Alaska Alcoholic Beverage Control Board

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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.

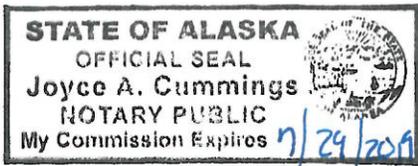
I declare under penalty of perjury that the undersigned represents a **controlling interest** of the current licensee. I additionally certify that I, as the current licensee (either the sole proprietor or the controlling interest of the currently licensed entity) have examined this application, approve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

James Swainson
Signature of transferor

James Swainson

Printed name of transferor

Subscribed and sworn to before me this 20th day of March, 20 18.



Joyce A. Cummings
Signature of Notary Public

Signature of Notary Public

Notary Public in and for the State of Alaska

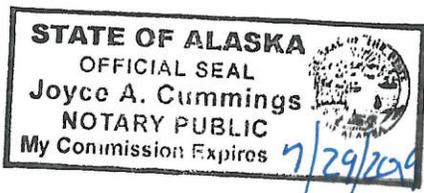
My commission expires: 7/29/2019

Marcia Farrell
Signature of transferor

Marcia Farrell

Printed name of transferor

Subscribed and sworn to before me this 20th day of March, 20 18.



Joyce A. Cummings
Signature of Notary Public

Signature of Notary Public

Notary Public in and for the State of Alaska

My commission expires: 7/29/2019



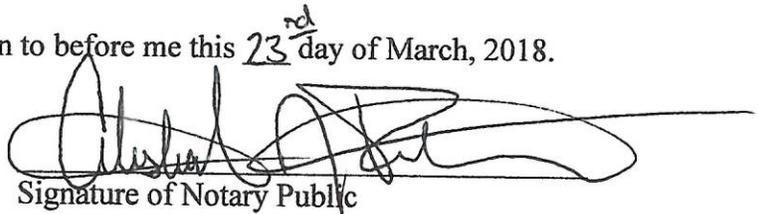
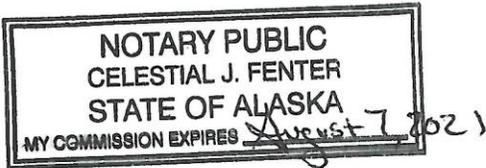
TRANSFEROR CERTIFICATIONS
CONTINUED

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
HILLARY WHITETHORN

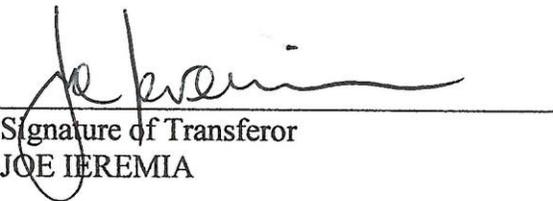
Subscribed and sworn to before me this 23rd day of March, 2018.



Signature of Notary Public

Notary Public in and for the State of Alaska
My Commission Expires: August 7, 2021

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
JOE IEREMIA

Subscribed and sworn to before me this 22ND day of March, 2018.



Signature of Notary Public

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





Alaska Alcoholic Beverage Control Board

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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.

CB

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

CB

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.

CB

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.

CB

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

CB

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.

Curtis W Birchell
Signature of transferee

Curtis Birchell
Printed name

Subscribed and sworn to before me this 15th day of March, 2018.

Joyce A. Cummings
Signature of Notary Public



Notary Public in and for the State of Alaska.

My commission expires: 7/29/2019





Alaska Alcoholic Beverage Control Board

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Section 9 – Transferee Certifications

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

Initials

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

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

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

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

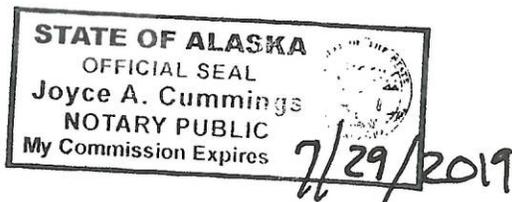
I agree to provide all information required by the Alcoholic Beverage Control Board in support of this application.

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

Signature of transferee

Greg Birchell
Printed name

Subscribed and sworn to before me this 15th day of March, 20 18.



Signature of Notary Public

Notary Public in and for the State of Alaska.

My commission expires: 7/29/2019





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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.

[Handwritten initials]

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

[Handwritten initials]

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.

[Handwritten initials]

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.

[Handwritten initials]

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

[Handwritten initials]

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

Signature of transferee

Diane Otness

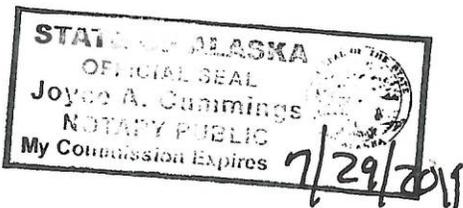
Printed name

Subscribed and sworn to before me this 15th day of March, 2018.

[Handwritten signature]
Signature of Notary Public

Notary Public in and for the State of Alaska

My commission expires: 7/29/2019





Alaska Alcoholic Beverage Control Board

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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.

DC

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

DC

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.

DC

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.

DC

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

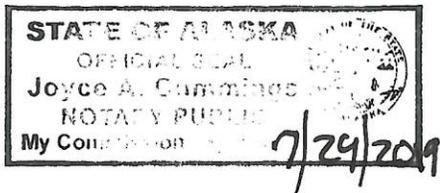
DC

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.

Darshann Caples
Signature of transferee

Darshann Caples
Printed name

Subscribed and sworn to before me this 15th day of March, 2018.



Joyce A. Cummings
Signature of Notary Public

Notary Public in and for the State of Alaska

My commission expires: 7/29/2019



PUBLISHER'S AFFIDAVIT

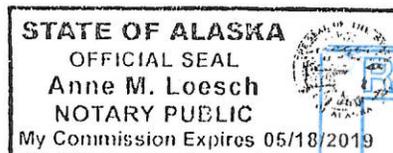
UNITED STATES OF AMERICA)
STATE OF ALASKA)
: SS.
FIRST JUDICIAL DISTRICT)

Before me, the undersigned, a notary public this day personally appeared Ron Loesch who, being first duly sworn, according to law, says that he/she is the publisher of Petersburg Pilot published at Petersburg in said Division First Judicial and State of Alaska and that the advertisement, of which the annexed is a true copy, was published in said publication on the 22 day of March, 2018 and thereafter for 3 weeks, the last publication appearing on the 5 day of April, 2018, and that the rate charged thereon is not in excess of the rate charged private individuals.



Subscribed and sworn to before me

This 5 day of April, 2018



Legal

About Town

Library News



Library will be closed Mon. March 26.

Five Finger Lighthouse Slideshow & talk with Fred Sharpe - Thurs. March 29 7 p.m.

Read 1,000 Books Before Kindergarten - A special program for parents with little ones baby - 5 years. Details at psglib.org/1000-books

Toddler Time - Every Tues. 11:15 a.m.

Curiosity Creates - every Wed. 3:30 p.m. - free drop in program - Open to kids grades 1-6.

Open Play - Every Thurs. 11:15 a.m.

Lego Crazy - Every Fri. 2 p.m. - all ages

Online Library Catalog - Search for and request material from libraries across the State. Manage your checkouts, renewals and holds in one convenient location with your library card and PIN (last 4 digits of card #) at psglib.org.

Passport processing is available at the library on Thursdays by appointment only, call 772-3349 to schedule.

EBooks and Digital Audiobooks are available through the Alaska Digital Library (<https://adl.overdrive.com/>). If you need help loading and listening to books on your device, book time with a library tech to get started.

Petersburg newspapers online - Discover people, places and events in the early days of our town. Use the archive to gain a local perspective on historical news, to research your family history or to read about a person or event that interests you. Visit www.psglib.org to search the archive.



Senior Meals

FRIDAY, March 23
Sloppy Joes, French Fries, Steamed Carrots, Applesauce, Ice Cream

MONDAY, March 26
Chicken Burger with Trimmings, Pasta Salad, Steamed Broccoli, Angel Food Cake with Strawberries

WEDNESDAY, March 28
Stuffed Pepper (Half), Cheese Potatoes, Caesar Salad, Corn Muffins, Pears, Butterscotch Bars

Please call Mountain View Food Service at 772-4331 before noon for reservations. Dinner is served at Mountain View Manor at 5:00 p.m. The menu is subject to change without notice. Milk, juice, coffee, bread and/or rolls will be served with every meal. Mountain View Manor extends an invitation to those over 60 and their spouses.

BIRTHDAYS & ANNIVERSARIES

The Pilot extends its best wishes to the persons listed on the Community Calendar.

Those with birthdays this week are: **Mar. 22:** Lauren Rabago, Wally Swanson; **Mar. 25:** Carrie Enge, Martha Trautman; **Mar. 26:** Amzie Sokol, Fred Hisaw, Kenny Berkley; **Mar. 27:** Elly Hegar, Dustin Delong, Joyce Bergmann, Mandy Kivisto, Sage Drilevich; **Mar. 28:** Blair Martens, Barb Luhr, Bridget Schwartz.

If you'd like to be included on our list, please call 772-9393.

Public Notice

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
AT PETERSBURG

IN THE MATTER OF THE ESTATE OF)
KARILYN E. REID,)
(Deceased))
) Case No. IPE-16-5PR

NOTICE TO CREDITORS

NOTICE IS HEREBY GIVEN that Glen Reid, Jr. has been appointed the personal representative of the Estate of Karlyn E. Reid. Pursuant to Alaska Statute 13.16.450, all creditors are hereby notified to present their claims within four (4) months after the date of first publication of this notice or the claims will be forever barred. Said claims must be submitted to Glenn Reid, Jr., c/o Chupka Currall LLC, 306 Main Street, Suite 326, Ketchikan, Alaska 99901.

Dated this 2nd day of March, 2018.

Published: March 8, 15 and 22, 2018

PUBLIC NOTICE

Tingit-Haida Regional Housing Authority is accepting bids for: Rebuild Decks at Petersburg Indian Association Apartments. Please contact: Brad Kizer at bkizer@thraa.org for complete bid package. RFP Proposals are due March 27, 2018.

Published: March 8, 15 and 22, 2018

NOTICE TO CREDITORS

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
FIRST JUDICIAL DISTRICT AT PETERSBURG

In the Matter of the Estate of BRET R. LANE; Case No. IPE-18-06 PR. Notice is hereby given that Marjorie Lane has been appointed personal representative of the above-named estate. All persons having claims against the deceased are required to present their claims within four months after the date of the first publication of this notice or the claims will be forever barred. Claims must either be presented to Marjorie R. Lane, P.O. Box 392, Petersburg, AK 99833, or be filed with the Clerk of Court, Box 1009, Petersburg, AK 99833.

Published: March 8, 15 and 22, 2018

PUBLIC NOTICE

Section 324 of the Emergency Planning and Community Right to Know Act (EPCRA) of 1986, also known as Title III of the Superfund Amendments and Reauthorization Act (SARA), allows for public access to information gathered under the law regarding hazardous chemicals (Tier II reporting) in the community.

For information regarding requests to review Petersburg's Tier II information, please contact the Petersburg Local Emergency Planning Committee at (907) 772-3355. For additional information, you may also contact the Emergency Planning and Community Right to Know Hotline at 1-800-424-9346 Monday thru Friday from 9:00-6:00 EST.

This ad was paid for by a grant from the Division of Homeland Security and Emergency Management.

Published: March 15 and 22, 2018

Classifieds

PROPERTY

Building lots - Water views or panoramic mountain views. Residential lots with sunny southern exposure. Call 907-518-1281.
..... tfn6-23b16

FOR RENT

Alaska Island Storage, several sizes to choose from. Call 772-3696.
..... eowtfn3-22b11

Beachcomber Inn: Weekly and monthly rentals available. Completely furnished apartments, kitchenettes and rooms. 772-3888.
..... tfn11-11b14

MATTINGLY
ELECTRICAL LLC.

- COMMERCIAL
- INDUSTRIAL
- RESIDENTIAL

907-772-4455
• LICENSED • BONDED • INSURED

Heat Pumps... Experience Counts!

In the years since we installed the first heat pumps in Petersburg, more and more efficient systems designed specifically for northern climates have evolved. We've been the first to install these new generation systems locally. We specialize in energy-star installations rated to 15 below zero!

FLEET REFRIGERATION AND HEATING
Licensed • Bonded • Insured
Since 1988
(907)772-4625

JOB

Position Opening - Deputy Borough Clerk. The Petersburg Borough is accepting resumes for a Deputy Borough Clerk. The Deputy Clerk, under supervision of the Borough Clerk, assists in all administrative services performed for, and provided to, the Assembly, Borough Manager, Department Heads, Borough employees and the general public. Typical duties include: Meeting agenda and minutes preparation, attendance at meetings, preparation and conduct of municipal elections, information gathering and report writing, public records management and requests, planning and conduct of special events, collective bargaining preparation, employee recruitment and new hire paperwork, payroll support, and a wide variety of other administrative tasks. The Deputy Clerk works with both public and private information and performs all duties of the Borough Clerk in the Clerk's absence. Confidentiality is a required duty of

For Rent-1,700 Sq. Ft. Retail Space on Main St. Will consider dividing space. 907-518-1199.
..... eowtfn3-22b15

For Rent 2-Bedroom Apt. above Kinder Komfort on Sing Lee Alley. \$800.00/mo. plus last month's rent and \$600.00 damage deposit. Parking space, and on-site washer & dryer. No smoking, no pets. Pickup rental application at the Pilot office at 207 N. Nordic Drive. 772-9393.
..... tfn6-29dh

THE TONGUE STORE
S&G FLOORSTORE

Offering tongue and groove products, including:
Flooring, Mouldings,
& Ceilings/Wall Paneling

ALASKA FIBRE INC. 93 Mile Mitkof Hwy.
AkFibre.com • 772-2173
Mon - Fri 8am - 5pm Sat - Sun 10am - 4pm

TRANSFER OF STOCK OWNERSHIP WITH SECURITY INTEREST

Kito's Kave, Inc., dba Kito's Kave Bar & Liquor, located at 200 Chief John Lott, Petersburg, Alaska 99833, is applying for transfer of a Beverage Dispensary (AS 04.11.090) and Package Store Liquor License (AS 04.11.150). The change in ownership involves the stock transfer from James Swainson (30%), Marcia Farrell (30%), Hillary Whitehorn (20%) and Joseph Jeremia (20%) in the amount of 100%, to Curtis Birchell (33.33%), Darshann Caples (33.33%), Greg Birchell (33.33%) and Diane Otmes (0.01%) in the amount of 100%.

The transferor/lessor retains a security interest in the liquor licenses that are 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 licenses without satisfaction of the 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 Ave, Suite 1600 Anchorage, AK 99501.

Published: March 22, 29 and April 5, 2018



**IRREVOCABLE ASSIGNMENT FOR SECURITY PURPOSES
AND
POWER OF ATTORNEY**

FOR VALUABLE CONSIDERATION, **CURTIS BIRCHELL, DARSHANN CAPLES, GREG BIRCHELL and DIANE OTNESS, the shareholders of and doing business as KITO'S KAVE, INC.**, whose address for all purposes herein is P.O. Box 183, Petersburg, Alaska 99833, ("ASSIGNOR"), operating Package Store Liquor License No. 590 under the authority of the State of Alaska and the State of Alaska Alcohol & Marijuana Control Office, hereby irrevocably assigns to **JAMES SWAINSON**, of P.O. Box 1510, Petersburg, Alaska 99833, **MARCIA FARRELL**, of P.O. Box 1456, Petersburg, Alaska 99833, **HILLARY WHITETHORN**, of P.O. Box 187, Petersburg, Alaska 99833, and **JOE IEREMIA**, P.O. Box 835, Petersburg, Alaska 99833, **the previous shareholders of KITO'S KAVE, INC.** ("ASSIGNEE"), all of its right, title and interest in and to the Package Store Liquor License No. 590, previously issued in the name of ASSIGNEE, and heretofore transferred to ASSIGNOR by the Alcohol & Marijuana Control Office. Further, ASSIGNOR grants to ASSIGNEE a security interest therein, and in re-issuance of such license, such assignment and granting of security interest being for the sole purpose of securing the obligations set forth in the following agreements:

- (a) Amended & Restated Stock Purchase Agreement dated February 13, 2018.
- (b) Addendum to Stock Purchase Agreement and Memorandum of Understanding dated April __, 2018.
- (c) Deed of Trust Note, dated _____, 2018.
- (d) Deed of Trust and Security Agreement, dated effective _____, 2018.



(e) Commercial Security Agreement, dated effective _____, 2018.

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

Upon default by the ASSIGNOR, the ASSIGNOR appoints ASSIGNEE as ASSIGNOR'S attorney-in-fact, with full power of substitution, for the purposes of executing and delivering all documents, and otherwise taking any and all steps whatsoever required or pertinent to the operation, use, transfer or renewal of said license.

In the event that ASSIGNOR shall be in default of any of its obligations to ASSIGNEE under the agreements and instruments described herein, ASSIGNEE shall have the immediate right to possession of all of the assets of the business operated by the ASSIGNOR at Kito's Kave Bar & Liquor, located at 200 Chief John Lott, Petersburg, Alaska. Pending re-transfer of the Package Store Liquor License, ASSIGNEE shall also have the immediate and continuing right to operate the Package Store Liquor License, and to conduct business under the Package Store Liquor License as the agent of ASSIGNOR with the full and complete authority and approval of ASSIGNOR.

During the time the ASSIGNEE has possession of the business assets, ASSIGNEE may, but is not obligated to, conduct any lawful business in connection therewith, and in such event, shall apply all revenues collected from such business as follows:

- (a) First, to pay normal operating expenses of the business, such as employee salaries, replacement and acquisition of inventory, taxes, insurance premiums, fees, utilities and the like including reasonable compensation for the ASSIGNEE'S work.



- (b) Then, to cure any and all defaults in any obligations and to pay all sums then owed by ASSIGNOR to ASSIGNEE, including interest thereon, and to reimburse the ASSIGNEE for any legal fees or costs incurred by the ASSIGNEE.
- (c) Lastly, the balance of the operating revenues, if any, to ASSIGNEE, provided such payment shall not be made until such time as the Alcohol & Marijuana Control Office shall have approved the retransfer of the package store liquor license to the ASSIGNEE.

The purpose of this assignment and power of attorney is to enable the ASSIGNEE, in the event of ASSIGNOR'S default, to have the same rights and powers with respect to the license which is the subject hereto that ASSIGNOR has and would have in all instances when the operation, transfer, renewal, use or any other disposition of said license is involved.

Subject to the foregoing, this assignment and power of attorney shall bind and inure to the benefit of the parties herein named, their heirs, administrators, executors, assigns or other successors in interest.

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

In no event shall this assignment be deemed to create any liability or responsibility on the part of ASSIGNEE with respect to the subject Package Store Liquor License unless and until the legal and equitable title thereto shall re-vest in ASSIGNEE.

ASSIGNOR HEREBY AUTHORIZES ASSIGNEE TO FILE A COPY OR DUPLICATE ORIGINAL OF THIS IRREVOCABLE ASSIGNMENT FOR SECURITY PURPOSES AND POWER OF ATTORNEY AND ANY OTHER DOCUMENTS



REFERRED TO HEREIN, WITH THE ALCOHOL & MARIJUANA CONTROL OFFICE, AND HEREBY AUTHORIZES AND INSTRUCTS THE ALCOHOL & MARIJUANA CONTROL OFFICE THAT IT IS INTENDED THAT ANY TRANSFER OF THE SUBJECT LIQUOR LICENSE, OR CHANGE OR REQUEST TO CHANGE THE LOCATION OR PREMISES TO WHICH THE SUBJECT LIQUOR LICENSE PERTAINS, SHALL REQUIRE THE WRITTEN ACKNOWLEDGEMENT, AGREEMENT AND CONSENT OF ASSIGNEE.

This document is intended to create a method to allow the ASSIGNEE to enforce ASSIGNEE’S security interest in the Package Store Liquor License in favor of the ASSIGNEE as provided by AS 04.11.360(4)(B), AS 04.11.670 and 3 AAC 304.107. The ASSIGNEE retains a security interest in the liquor license which is subject to 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.

Dated at Petersburg, Alaska, this ___ day of _____, 2018.

ASSIGNOR

Greg Birchell

Curtis Birchell

Darshann Caples

Diane Otness



STATE OF ALASKA)
: ss
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this ____ day of _____, 2018, before me, the undersigned, a notary public in and for the State of Alaska, personally appeared Greg Birchell, to me known or proven to me to be the person named in and who executed within and foregoing document, and he acknowledged that he executed the same freely and voluntarily, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year first above written.

Notary Public for Alaska
My Commission Expires: _____

STATE OF ALASKA)
: ss
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this ____ day of _____, 2018, before me, the undersigned, a notary public in and for the State of Alaska, personally appeared Curtis Birchell, to me known or proven to me to be the person named in and who executed within and foregoing document, and he acknowledged that he executed the same freely and voluntarily, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year first above written.

Notary Public for Alaska
My Commission Expires: _____

STATE OF ALASKA)
: ss
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this ____ day of _____, 2018, before me, the undersigned, a notary public in and for the State of Alaska, personally appeared Darshann Caples, to me known or proven to me to be the person named in and who executed within and foregoing document, and she acknowledged that she executed the same freely and voluntarily, for the uses and purposes therein mentioned.



GIVEN under my hand and official seal the day and year first above written.

Notary Public for Alaska
My Commission Expires: _____

STATE OF ALASKA)
 : ss
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this ____ day of _____, 2018, before me, the undersigned, a notary public in and for the State of Alaska, personally appeared Diane Otness, to me known or proven to me to be the person named in and who executed within and foregoing document, and she acknowledged that she executed the same freely and voluntarily, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year first above written.

Notary Public for Alaska
My Commission Expires: _____



UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) Jeanette M. Fishel (907) 790-7150
B. E-MAIL CONTACT AT FILER (optional) jfifishel@bbslawyer.com
C. SEND ACKNOWLEDGMENT TO: (Name and Address) Baxter Bruce & Sullivan P.C. P.O. Box 32819 Juneau, Alaska 99803

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 Kito's Kave, Inc.	OR			
1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
1c. MAILING ADDRESS P.O. Box 183	CITY Petersburg	STATE AK	POSTAL CODE 998233	COUNTRY USA

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 Birchell	FIRST PERSONAL NAME Greg	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX Mr.	
2c. MAILING ADDRESS P.O. Box 183	CITY Petersburg	STATE AK	POSTAL CODE 99833	COUNTRY USA

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 Swainson	FIRST PERSONAL NAME James	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX Mr.	
3c. MAILING ADDRESS P.O. Box 1510	CITY Petersburg	STATE AK	POSTAL CODE 99833	COUNTRY USA

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

All business personal property described on Exhibit 1 attached hereto.

All shares of stock and certificates evidencing such shares of stock in Kito's Kave, Inc., now existing or hereafter issued. 1971 PTRL Mobile Home, Serial No. GS2478, located at Space 8E, Island Trailer Court, Petersburg, Alaska 99833.

WITH REGARD TO THE HEREAFTER LISTED LIQUOR LICENSES, the following provisions apply:

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 licenses that are the subject of this conveyance, and may, as a result, be able to obtain a retransfer of the licenses without satisfaction of other creditors.

State of Alaska, Package Store Liquor License No. 590.

State of Alaska, Beverage Dispensary Liquor License No. 589.

5. Check <u>only</u> if applicable and check <u>only</u> one box: Collateral is <input type="checkbox"/> held in a Trust (see UCC1Ad, item 17 and Instructions) <input type="checkbox"/> being administered by a Decedent's Personal Representative.	
6a. Check <u>only</u> if applicable and check <u>only</u> one box: <input type="checkbox"/> Public-Finance Transaction <input type="checkbox"/> Manufactured-Home Transaction <input type="checkbox"/> A Debtor is a Transmitting Utility	6b. Check <u>only</u> if applicable and check <u>only</u> one box: <input type="checkbox"/> Agricultural Lien <input type="checkbox"/> Non-UCC Filing
7. ALTERNATIVE DESIGNATION (if applicable): <input type="checkbox"/> Lessee/Lessor <input type="checkbox"/> Consignee/Consignor <input type="checkbox"/> Seller/Buyer <input type="checkbox"/> Bailee/Bailor <input type="checkbox"/> Licensee/Licensor	
8. OPTIONAL FILER REFERENCE DATA: 11247-001	

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because Individual Debtor name did not fit, check here

9a. ORGANIZATION'S NAME	
OR	
9b. INDIVIDUAL'S SURNAME	
FIRST PERSONAL NAME	
ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. DEBTOR'S NAME. Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a. ORGANIZATION'S NAME	
OR	
10b. INDIVIDUAL'S SURNAME	
Birchell	
INDIVIDUAL'S FIRST PERSONAL NAME	
Curtis	
INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)	
SUFFIX	
Ms.	

10c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
P.O. Box 183	Petersburg	AK	99833	USA

11. ADDITIONAL SECURED PARTY'S NAME or ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME				
OR				
11b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
Whitethorn	Hillary			Ms.
11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
P.O. Box 187	Petersburg	AK	99833	USA

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

13. This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)

14. This FINANCING STATEMENT:

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

15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

16. Description of real estate:



17. MISCELLANEOUS:
UCC Financing Statement Addendum No. 2 of 3

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

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OR	
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INDIVIDUAL'S FIRST PERSONAL NAME	
Curtis	
INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)	
SUFFIX	
Ms.	

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P.O. Box 187	Petersburg	AK	99833	USA

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17. MISCELLANEOUS:
UCC Financing Statement Addendum No. 2 of 3

UCC FINANCING STATEMENT ADDENDUM

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OR	
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Birchell	
INDIVIDUAL'S FIRST PERSONAL NAME	
Curtis	
INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)	
SUFFIX	
Ms.	

10c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
P.O. Box 183	Petersburg	AK	99833	USA

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11a. ORGANIZATION'S NAME				
OR				
11b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
Whitethorn	Hillary		Ms.	
11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
P.O. Box 187	Petersburg	AK	99833	USA

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16. Description of real estate:



17. MISCELLANEOUS:
UCC Financing Statement Addendum No. 2 of 3

EXHIBIT 1

Kito's Kave, Inc. Items

Furnishings/Fixtures

Tables-28	Chairs-32
Bar Stools-38	Booth Seating-6
Wood Buffet-1	Wine Rack-2
Urinal (3 Person)-1	Toilets-3
Chip Display-3	Snack Display-1
Paper Towel Dispenser-2	Industrial 3 Large Sink Unit-1
Industrial Shelving Unit-2	Beer Taps-2
Bottle Holders (Metal) for Wells-4	Bottle Holders (Plastic) for Wells-2
Rolling Caddy-2	

Glass Ware

Pint Glasses-103	Bucket-39
Rocks-84	Shot-91
Martini-8	Wine-14
Pitchers (Plastic)-17	Pitchers (Glass)-2

Appliances

Microwave-1	Dishwasher-1
Mini Fridge-3	Standard Fridge-3
Beer Cooler-6	Beer Cooler (Mini)-1
Ice Machine-1	Blender-1
Coffee Pot-1	Hot Water Maker-1
Hot Dog Machine-1	Keg Cooler-1
Freezer-2	Gas Stove-1

Entertainment

Pool Tables-3	Pool Sticks-18
Pool Table Lights-4	Dart Board-2

Electronics & Accessories

TV-4	TV (Broken?)-1
Projector-1	Projector Screen-1

Arcade Game (Broken?)-1
Speakers-6
Disco Ball-1
Cash Register-3

DJ Equipment-1
Dance Lights-9
Lap top-1

Equipment

Shakers (Stainless Steel)-11
Shakers (Stainless Steel Bottoms)-9
Bar mats-19
Muddler-2
Well Ice Scoops-3
½ Gallon Juice Container-4
Soda Guns-2
Countertop Water Dispenser-1
Garbage Cans-15
Metal Hand Juicer-1

Shakers (Glass)-4
Shaker Strainer Top-2
Napkin/Straw Holders-2
Fruit Caddy-4
Ice Machine Scoops-3
Juice Pitchers w/ Lids & Spouts-18
Cork Screw-4
Tap Handles-112
Bar Keys-5

Décor

Moose Head Mount-1
Beer Lights-10

Antler Mounts-2
Misc. Wall Decor



**DEED OF TRUST
AND SECURITY AGREEMENT**
(due on sale)

THIS DEED OF TRUST AND SECURITY AGREEMENT (“**Deed of Trust**”) is made this ____ day of _____, 2018, between **KITO’S KAVE, INC., an Alaska corporation**, herein called TRUSTOR, whose address is P.O. box 183, Petersburg, Alaska 99833, **ALASKA ESCROW & TITLE INSURANCE AGENCY**, herein called TRUSTEE, and **JAMES SWAINSON**, as to an undivided thirty percent (30%), of P.O. Box 1510, Petersburg, Alaska 99833, **HILLARY WHITETHORN**, as to an undivided twenty percent (20%), of P.O. Box 187, Petersburg, Alaska 99833, **MARCIA FARRELL**, as to an undivided thirty percent (30%), of P.O. Box 1456, Petersburg, Alaska 99833, and **JOE IEREMIA**, as to an undivided twenty percent (20%), of P.O. Box 835, Petersburg, Alaska 99833, herein called BENEFICIARY.

For purposes of Article 29 of the Uniform Commercial Code (AS Ch. 45.29), this Deed of Trust constitutes a Security Agreement with the Trustor being the Debtor and the Beneficiary being the Secured Party. This Deed of Trust also constitutes a Financing Statement filed as a fixture filing pursuant to Article 29 of the Uniform Commercial Code (AS 45.29.502(c)).

WITNESSETH: That Trustor GRANTS, BARGAINS, SELLS, AND CONVEYS to TRUSTEE in TRUST WITH POWER OF SALE, that property (“**Property**”) in the Juneau Recording District, First Judicial District, State of Alaska, described as:

- (a) The real property described on Exhibit A, all rights to water, water rights and water stock, and all other rights, hereditaments, privileges, and appurtenances now or hereafter belonging or in any way appertaining to such real property (“**Real Property**”).
- (b) The personal property described on Exhibit B, together with the products and proceeds thereof and together with all additions and replacements thereto (“**Personal Property**”).
- (c) All proceeds (including claims and demands therefor) of the conversion, voluntary or involuntary, of any of the forgoing into cash or liquidated claims, including without limitation the insurance proceeds and condemnation awards.
- (d) All proceeds of the forgoing.



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

THIS DEED OF TRUST IS MADE FOR THE PURPOSE OF SECURING: The performance of each agreement of Trustor herein containing and payment of the indebtedness evidenced by one note, of even date herewith, in the Principal sum of **TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$250,000.00)**, payable to Beneficiary or order. Maturity date: _____, 2033.

A. To protect the security of this Deed of Trust, Trustor agrees:

1. To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

2. To provide, maintain and deliver to Beneficiary fire insurance with extended coverage, satisfactory to and with loss payable to Beneficiary in an amount not less than full insurable value. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

All insurance shall be issued by a company that is authorized to do business in the State of Alaska, and shall be fully paid for, nonassessable and shall provide for at least thirty (30) days' prior written notice to Beneficiary of cancellation, material amendment (including without limitation any reduction in the scope and limits of coverage) or renewal. Trustor shall deliver the policy(s) to Beneficiary. Beneficiary may, at its option, permit (which permission may be withdrawn at any time) Trustor to maintain the required policy(s) in Trustor's possession in lieu of delivering the policy(s) to Beneficiary, in which event the policy(s) shall be kept available by Trustor at all times for return to Beneficiary or for inspection by Beneficiary, and a duplicate original policy(s) or certified copy(s) of original policy(s), evidencing the insurance required hereunder and any additional insurance which shall be taken out on the Property by or on behalf of Trustor, shall be deposited with and held by Beneficiary. Trustor shall deliver to Beneficiary (i) upon request, receipts evidencing payment of all premiums and (ii) original renewal policy(s) (or duplicate original(s) if Beneficiary has permitted Trustor to retain original policy(s)) or a binder thereof with



evidence satisfactory to Beneficiary of payment of all premiums thereon, at least thirty (30) days prior to the expiration of each such policy.

3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary, or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in the actual sum, in any such action or proceeding in which Beneficiary or Trustee may appear. In the event of default in any of the terms contained in this Deed of Trust or the Deed of Trust Note secured hereby, Trustor agrees to pay upon demand all of Beneficiary's expenses, including, without limitation, actual attorneys' fees incurred in connection with enforcement, modification and collection of this Deed of Trust. Beneficiary may pay someone else to help collect and enforce this Deed of Trust, and Trustor will pay that amount. This includes, subject to any limits under applicable law, Beneficiary's actual attorneys' fees and Beneficiary's legal expenses, whether or not there is actual commencement of judicial or non-judicial proceedings, including actual attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Trustor also will pay any court costs, in addition to all other sums provided by law.

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

5. To pay: at least thirty days before delinquency, all payments due and owing to First Bank for the Deed of Trust recorded _____, 2018 at Serial No. 2018-_____-0 (First Bank Deed of Trust). Default under the First Bank Deed of Trust constitutes an event of default under this Deed of Trust entitling Beneficiary to legal remedies available pursuant to the terms of the Deed of Trust and the Deed of Trust Note secured hereby.

6. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, with interest from date of expenditure at six percent per annum.

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



8. This Deed of Trust constitutes a security agreement pursuant to the Uniform Commercial Code with respect to:

- (a) Any of the Property which, under applicable law, is not real property or effectively made part of the real property by the provisions of this Deed of Trust; and
- (b) Any and all other property now and hereafter described on any Uniform Commercial Code Financing Statement naming Trustor as Debtor and Beneficiary as Secured Party and affecting property in any way connected with the use and enjoyment of the "Property".

With respect to the Property subject to the foregoing security interest, Beneficiary shall have all of the rights and remedies (i) of a secured party under the Uniform Commercial Code, (ii) provided herein, including without limitation the right to cause such Property to be sold by Trustee under the power of sale granted by this Deed of Trust, and (iii) provided by law. In exercising its remedies, Beneficiary may proceed against the items of Real Property and any items of Personal Property separately or together and in any order whatsoever, without in any way affecting the availability of Beneficiary's remedies. Upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, upon demand by Beneficiary, Trustor shall assemble any items of Personal Property and make them available to Beneficiary at the Real Property. Beneficiary shall give Trustor at least ten (10) days' prior written notice of the time and place of any public sale or other disposition of such Property or of the time of or after which any private sale or any other intended disposition is to be made. Any person permitted by law to purchase at any such sale may do so. Such Property may be sold at any one or more public or private sales as permitted by applicable law.

B. It is mutually agreed that:

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

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

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



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

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

6. If required by Beneficiary, Trustor shall, at the time of making each monthly installment payment under the Note, deposit with Beneficiary a sum, as estimated by Beneficiary, equal to (i) the taxes and special assessments next due on the property, and (ii) the premiums that will next become due on insurance policies as may be required under this Deed of Trust, less all sums already deposited therefor, divided by the number of months to elapse before two (2) months prior to the date when such taxes, special assessments and premiums will become delinquent. If required by Beneficiary, Trustor shall promptly deliver to Beneficiary all bills and notices with respect to any taxes, assessments, and premiums. Unless Beneficiary and Trustor otherwise agree in writing, Beneficiary shall not be required to pay Trustor any interest, earnings or profits on any sums deposited with Beneficiary. All sums deposited with Beneficiary under this Paragraph 6 are hereby pledged as security for the Note.

All such deposited sums shall be held by Beneficiary and applied in such order as Beneficiary elects to pay such taxes, assessments, and premiums, or, upon any event of default, may be applied in whole or in part, to the Note. The arrangement provided for in this Paragraph 6 is solely for the added protection of Beneficiary and entails no responsibility on Beneficiary's part beyond the allowing of due credit, without interest, for the sums actually received by it. Upon any assignment of this Deed of Trust by Beneficiary, any funds on hand shall be turned over to the assignee and any responsibility of Beneficiary with respect thereto shall terminate. Each transfer of the property in accordance with Paragraph 12 below shall automatically transfer to the transferee all rights of Trustor with respect to any funds



deposited hereunder. Upon payment in full of the Note, Beneficiary shall promptly refund to Trustor the remaining balance of any deposits then held by Beneficiary.

If the total deposits held by Beneficiary exceed the amount deemed necessary by Beneficiary to provide for the payment of such taxes, assessments, and premiums, such excess shall, provided there is no event of default or any event which would constitute an event of default if not cured within the time allowed, be credited by Beneficiary on the next due installment or installments of such deposits. If at any time the total deposits held by Beneficiary are less than the amount deemed necessary by Beneficiary to provide for the payment of such taxes, assessments, and premiums, Trustor shall promptly deposit the deficiency with Beneficiary after receipt of written demand from Beneficiary.

Notwithstanding the foregoing, Beneficiary shall not require the payment of reserves as provided in this Paragraph until a delinquency occurs in the payment of such taxes, assessments, and premium, or until the occurrence of an event of default.

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

Notice of sale having been given as then required by law and not less than the time required by law having elapsed after recordation of such notice of default, Trustee, without demand on Trustor, shall sell said property at the time and place of sale fixed by it in said notice of sale, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest and best bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to the purchaser its deed conveying the property so sold, but without any covenant or warranty, expressed or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary, as hereunder defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including costs of evidence of title and reasonable counsel fees in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid with accrued interest at six percent (6.0%) per annum; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto. Trustor shall be liable for and agrees to pay any deficit.

8. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The



term Beneficiary shall mean the holder and owner, including pledgee, of the note secured hereby, whether or not named as a beneficiary herein, or, if the note has been pledged, the pledgee thereof. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

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

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

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

12. Due on Sale Condition: Should Trustor sell, convey, transfer, or dispose of said property, or any part thereof, or any interest therein, or agree to do so including by means of assumption, a sale by land contract, or wrap-around financing, without the written consent of Beneficiary being first obtained, then Beneficiary shall have the right, at its option, to declare all sums secured hereby forthwith due and payable. Consent to one such transaction shall not be deemed to be a waiver of the right to require such consent to future or successive transactions.

13. Hazardous Substances. Trustor represents and warrants that the Property never will be so long as this Deed of Trust remains a lien on the Property, used in violation of any Environmental Laws or for the generation, manufacture, storage, transportation, treatment, disposal, release or threatened release of any hazardous waste or substance, as those terms are defined in the Comprehensive Environmental Response, Compensations, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 49 U.S.C Section 6901, et seq., or other applicable state or Federal laws, rules, or regulations adopted pursuant to any of the foregoing. The representations and warranties contained herein are based on Trustor's due diligence in investigating the Property for Hazardous Substances. Trustor hereby (a) releases and waives any future claims against Beneficiary for indemnity or contribution in the event Trustor becomes liable for cleanup or other causes under any such laws, and (b) agrees to indemnify and hold harmless Beneficiary against any and all claims and losses resulting from a breach of this provision of this Deed of Trust. This obligation to indemnify shall survive the payment of the indebtedness and the reconveyance of this Deed of Trust.



First National Bank Alaska
Escrow Department
P.O. Box 100720
Anchorage, Alaska 99510-0720

Kito's Kave, Inc., Deed of Trust and Security Agreement, 11247-001, 4/26/2018, Page 9 of 11



EXHIBIT "A"

Real Property:

Lots 1A and 1B, of the Kito's/Lock's Subdivision, as the same appears on Plat No. 2005-13, situate in the Petersburg Recording District, First Judicial District, State of Alaska.

Having a street address of: 200 Chief John Lot Street, Petersburg, Alaska 99833.



EXHIBIT "B"

Liquor License:

State of Alaska, Package Store Liquor License No. 590.
State of Alaska, Beverage Dispensary Liquor License No. 589.

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

Personal Property:

All business personal property described on Exhibit 1 attached hereto.

All shares of stock and certificates evidencing such shares of stock in Kito's Kave, Inc., now existing or hereafter issued.

1971 PTRL Mobile Home, Serial No. GS2478, located at Space 8E, Island Trailer Court, Petersburg, Alaska 99833.

Together with the products and proceeds thereof and together with all additions and replacements thereto.



EXHIBIT 1

Kito's Kave, Inc. Items

Furnishings/Fixtures

Tables-28	Chairs-32
Bar Stools-38	Booth Seating-6
Wood Buffet-1	Wine Rack-2
Urinal (3 Person)-1	Toilets-3
Chip Display-3	Snack Display-1
Paper Towel Dispenser-2	Industrial 3 Large Sink Unit-1
Industrial Shelving Unit-2	Beer Taps-2
Bottle Holders (Metal) for Wells-4	Bottle Holders (Plastic) for Wells-2
Rolling Caddy-2	

Glass Ware

Pint Glasses-103	Bucket-39
Rocks-84	Shot-91
Martini-8	Wine-14
Pitchers (Plastic)-17	Pitchers (Glass)-2

Appliances

Microwave-1	Dishwasher-1
Mini Fridge-3	Standard Fridge-3
Beer Cooler-6	Beer Cooler (Mini)-1
Ice Machine-1	Blender-1
Coffee Pot-1	Hot Water Maker-1
Hot Dog Machine-1	Keg Cooler-1
Freezer-2	Gas Stove-1

Entertainment

Pool Tables-3	Pool Sticks-18
Pool Table Lights-4	Dart Board-2

Electronics & Accessories

TV-4	TV (Broken?)-1
Projector-1	Projector Screen-1



Arcade Game (Broken?)-1
Speakers-6
Disco Ball-1
Cash Register-3

DJ Equipment-1
Dance Lights-9
Lap top-1

Equipment

Shakers (Stainless Steel)-11
Shakers (Stainless Steel Bottoms)-9
Bar mats-19
Muddler-2
Well Ice Scoops-3
½ Gallon Juice Container-4
Soda Guns-2
Countertop Water Dispenser-1
Garbage Cans-15
Metal Hand Juicer-1

Shakers (Glass)-4
Shaker Strainer Top-2
Napkin/Straw Holders-2
Fruit Caddy-4
Ice Machine Scoops-3
Juice Pitchers w/ Lids & Spouts-18
Cork Screw-4
Tap Handles-112
Bar Keys-5

Décor

Moose Head Mount-1
Beer Lights-10

Antler Mounts-2
Misc. Wall Decor



DEED OF TRUST NOTE

\$250,000.00

Petersburg, Alaska
_____, 2018

FOR VALUE RECEIVED, on or before the dates hereinafter specified, the undersigned promises to pay to: **JAMES SWAINSON, as to an undivided thirty percent (30%), HILLARY WHITETHORN, as to an undivided twenty percent (20%), MARCIA FARRELL, as to an undivided thirty percent (30%), and JOE IEREMIA, as to an undivided twenty percent (20%),** hereinafter referred to as “Beneficiary”, the sum of **TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$250,000.00)**, in lawful money of the United States of America, together with interest from date at the rate of six percent (6.0%) per annum on the balance remaining from time to time unpaid. Monthly installments shall be due in the amount of **TWO THOUSAND ONE HUNDRED NINE AND 64/100 DOLLARS (\$2,109.64)**, with the first monthly payment due on or before the ____ day of _____, 2018, and a like payment due on the same date of each month thereafter until the ____ day of _____, 2033, whereupon the entire principal balance, plus accrued interest, shall be due in full.

The undersigned, hereinafter referred to as “Trustor”, may make payments of more than the stated monthly payment; however, Trustor may not make payments of less than \$2,109.64 per month. If Trustor elects to pay off the Deed of Trust Note prior to maturity, Trustor may do so without penalty.

Each and every person and agent signing or endorsing this Note agrees to be jointly and severally bound, severally hereby waive any homestead or exemption and/or allowance right against enforcement of said debt, hereby waives presentment for payment, notice of nonpayment, protest and notice of protest for nonpayment thereof; and binds himself and/or herself as a principal and not as a surety. Trustor agrees to pay upon demand all of Beneficiary’s expenses, including, without limitation, actual attorneys’ fees incurred in connection with enforcement, modification and collection of this Deed of Trust Note. Beneficiary may pay someone else to help collect and enforce this Deed of Trust Note, and Trustor will pay that amount. This includes, subject to any limits under applicable law, Beneficiary’s actual attorneys’ fees and Beneficiary’s legal expenses, whether or not there is actual commencement of judicial or non-judicial proceedings, including actual attorneys’ fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Trustor also will pay any court costs, in addition to all other sums provided by law.

Should default be made in any payment hereunder or in any other obligation to Beneficiary, including but not limited to, all payments due and owing to First Bank for the Deed of Trust recorded _____, 2018 at Serial No. 2018-_____-0, which default is not cured within thirty (30) days after due date, the whole sum of principal and interest shall become immediately due at the option of the Beneficiary of this Note, although the time for payment



thereof may not have otherwise arrived. A late penalty of \$105.50 shall be due and payable for any payment not made within fifteen (15) days of the due date. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default. Failure of Trustor to pay any late fee when assessed shall constitute an event of default entitling Beneficiary to all rights and remedies allowed by statute, including commencement of foreclosure proceedings. The undersigned agree to remain bound notwithstanding any extension or extensions that may be made to any party liable on this Note, and consent is hereby given to any such extension or extensions, all without affecting liability hereunder. This Note is to be construed according to the laws of the State of Alaska, and shall be paid at First National Bank Alaska, Escrow Department, P.O. Box 100720, Anchorage, Alaska 99510-0720, or as Beneficiary may from time to time direct in writing to Trustor at P.O. Box 183, Petersburg, Alaska 99833, the address shown in the Deed of Trust which this Note secures.

All payments with respect to any outstanding indebtedness hereunder will be applied first to reimburse Beneficiary for any expenses, costs, and fees (including attorneys' fees) incurred and due hereunder, second to the payment of accrued interest, and third (to the extent that the amount of such payment exceeds the amount of all such accrued interest) to the payment of principal.

THE TRUSTOR IS PERSONALLY OBLIGATED AND FULLY LIABLE ON THE AMOUNT DUE UNDER THE NOTE. THE BENEFICIARY HAS THE RIGHT TO SUE ON THE NOTE AND OBTAIN A PERSONAL JUDGMENT AGAINST THE TRUSTOR FOR SATISFACTION OF THE AMOUNT DUE UNDER THE NOTE EITHER BEFORE OR AFTER A JUDICIAL FORECLOSURE OF THE DEED OF TRUST, AS 09.45.170-220.

This Note is secured by a Deed of Trust and Commercial Security Agreement, of even date herewith.

TRUSTOR:

KITO'S KAVE, INC.

By: _____
Greg Birchell, President

By: _____
Darshann Caples, Treasurer



STATE OF ALASKA)
 : ss
FIRST JUDICIAL DISTRICT)

On this ____ day of _____, 2018, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Greg Birchell and Darshann Caples, represented to me to be the President and Treasurer, respectively, of Kito’s Kave, Inc., the corporation that executed the foregoing instrument, and they acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above-written.

Notary Public for Alaska
My Commission Expires: _____

CO-SIGNERS/GUARANTORS:

Greg Birchell, individually

Curtis Birchell, individually

Darshann Caples, individually

Diane Otness, individually

STATE OF ALASKA)
 : ss
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this ____ day of _____, 2018, before me, the undersigned, a notary public in and for the State of Alaska, personally appeared Greg Birchell, to me known or proven to me to be the person named in and who executed within and foregoing document, and



he acknowledged that he executed the same freely and voluntarily, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year first above written.

Notary Public for Alaska
My Commission Expires: _____

STATE OF ALASKA)
 : ss
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this ____ day of _____, 2018, before me, the undersigned, a notary public in and for the State of Alaska, personally appeared Curtis Birchell, to me known or proven to me to be the person named in and who executed within and foregoing document, and he acknowledged that he executed the same freely and voluntarily, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year first above written.

Notary Public for Alaska
My Commission Expires: _____

STATE OF ALASKA)
 : ss
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this ____ day of _____, 2018, before me, the undersigned, a notary public in and for the State of Alaska, personally appeared Darshann Caples, to me known or proven to me to be the person named in and who executed within and foregoing document, and she acknowledged that she executed the same freely and voluntarily, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year first above written.

Notary Public for Alaska
My Commission Expires: _____



STATE OF ALASKA)
 : ss
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this ____ day of _____, 2018, before me, the undersigned, a notary public in and for the State of Alaska, personally appeared Diane Otness, to me known or proven to me to be the person named in and who executed within and foregoing document, and she acknowledged that she executed the same freely and voluntarily, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year first above written.

Notary Public for Alaska
My Commission Expires: _____



NOTICE OF SECURITY INTEREST
IN PACKAGE STORE LIQUOR LICENSE NO. 590

Notice is hereby given to the Alcohol & Marijuana Control Office and any and all present and future creditors of the licensee of the Package Store Liquor License No. 590 issued to **CURTIS BIRCHELL, DARSHANN CAPLES, GREG BIRCHELL and DIANE OTNESS, the shareholders of and doing business as KITO'S KAVE, INC.,** that **JAMES SWAINSON, MARCIA FARRELL, HILLARY WHITETHORN, and JOE IEREMIA, the previous shareholders of KITO'S KAVE, INC.,** as Beneficiary/Secured Party of Deed of Trust and Commercial Security Agreement on sale of real and personal property, retains a purchase money security interest in the liquor license under the terms of AS 04.11.670, AS 04.11.360(4)(B), and 3 AAC 304.107, which interest was created concurrent with the transfer of the Package Store Liquor License No. 590, as evidenced by Uniform Commercial Code Financing Statement No. _____, filed _____, 2018 and the Deed of Trust recorded _____, 2018 at Serial No. 2018-_____, Petersburg Recording District records, which transfer was approved by the Alcohol & Marijuana Control Office on _____, 2018.

Under the terms of AS 04.11.670, AS 04.11.360(4)(B), and 3 AAC 304.107, **JAMES SWAINSON, MARCIA FARRELL, HILLARY WHITETHORN, and JOE IEREMIA** retain a security interest in the liquor license that was the subject of the conveyance to the current licensee, and may, as a result, be able to obtain a retransfer of the license without satisfaction of other creditors.



All documents pertinent to this transfer are on file at the Alcohol & Marijuana Control Office.

Dated this ____ day of _____, 2018, at Petersburg, Alaska.

James Swainson

Marcia Farrell

Hillary Whitethorn

Joe Ieremia

STATE OF ALASKA)
 : ss
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this ____ day of _____, 2018, before me, the undersigned, a notary public in and for the State of Alaska, personally appeared James Swainson, to me known or proven to me to be the person named in and who executed within and foregoing document, and he acknowledged that he executed the same freely and voluntarily, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year first above written.

Notary Public for Alaska
My Commission Expires: _____

STATE OF ALASKA)
 : ss
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this ____ day of _____, 2018, before me, the undersigned, a notary public in and for the State of Alaska, personally appeared Marcia Farrell, to me known or proven to me to be the person named in and who executed within and foregoing document, and she acknowledged that she executed the same freely and voluntarily, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year first above written.

Notary Public for Alaska
My Commission Expires: _____

STATE OF ALASKA)
 : ss
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this ____ day of _____, 2018, before me, the undersigned, a notary public in and for the State of Alaska, personally appeared Hillary Whitethorn, to me known or proven to me to be the person named in and who executed within and foregoing document, and she acknowledged that she executed the same freely and voluntarily, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year first above written.

Notary Public for Alaska
My Commission Expires: _____

STATE OF ALASKA)
 : ss
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this ____ day of _____, 2018, before me, the undersigned, a notary public in and for the State of Alaska, personally appeared Joe Ieremia, to me known or proven to me to be the person named in and who executed within and foregoing document, and he acknowledged that he executed the same freely and voluntarily, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year first above written.

Notary Public for Alaska
My Commission Expires: _____

