



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:	JSR INC	License #:	4232
License Type:	Beverage Dispensary	Statutory Reference:	04.11.090
Doing Business As:	The Spur		
Premises Address:	537 Gaffney Road		
City:	Fairbanks	State:	AK
		ZIP:	99701
Local Governing Body:	Fairbanks City Council		

Transfer Type:

- Regular transfer
- Transfer with security interest
- Involuntary retransfer

OFFICE USE ONLY			
Complete Date:	9/7/18	Transaction #:	106884
Board Meeting Date:	10/15/18	License Years:	19/20
Issue Date:		BRE:	CDC





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:	JNJ INC				
Doing Business As:	The Spur				
Premises Address:	537 Gaffney Road				
City:	Fairbanks	State:	AK	ZIP:	99701
Community Council:	Fairbanks City Council				

Mailing Address:	PO Box 73441				
City:	Fairbanks	State:	AK	ZIP:	99707

Designated Licensee:	Jori Clawson				
Contact Phone:	907-388-7202	Business Phone:			
Contact Email:	jnj.spur@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.

.06 miles

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

1 mile





Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Section 4 – Sole Proprietor Ownership Information

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

This individual is an: applicant affiliate

Name:					
Address:					
City:		State:		ZIP:	

This individual is an: applicant affiliate

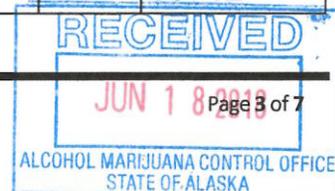
Name:					
Address:					
City:		State:		ZIP:	

Section 5 – Entity Ownership Information

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

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

Entity Official:	Jori Clawson				
Title(s):	Director, Pres., Treasurer	Phone:	907-388-7202	% Owned:	25
Address:	1517 Riffle Board Rd				
City:	Fairbanks	State:	AK	ZIP:	99712





Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Entity Official:	JD Clawson				
Title(s):	Director, VP	Phone:	907-378-6969	% Owned:	25
Address:	1517 Riffle Board Rd				
City:	Fairbanks	State:	AK	ZIP:	99712

Entity Official:	Nicholas Nyquist				
Title(s):	Director, Secretary	Phone:	907-388-5949	% Owned:	50
Address:	558 Gaffney Rd				
City:	Fairbanks	State:	AK	ZIP:	99701

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

This subsection must be completed by any applicant that is a corporation or LLC. Corporations and LLCs are required to be in good standing with the Alaska Division of Corporations (DOC) and have a registered agent who is an individual resident of the state of Alaska.

DOC Entity #:	10078600	AK Formed Date:	02/20/2018	Home State:	Alaska
Registered Agent:	Jori Clawson	Agent's Phone:	907-388-7202		
Agent's Mailing Address:	PO Box 73441				
City:	Fairbanks	State:	AK	ZIP:	99707

Residency of Agent: Yes No

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





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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):

Nick Nyquist, JSR INC (DBA The Spur, Tony's Sports Bar), Beverage Dispensary, #3969 (Tony's Sports Bar) and #4232 (The Spur)

Section 7 – Authorization

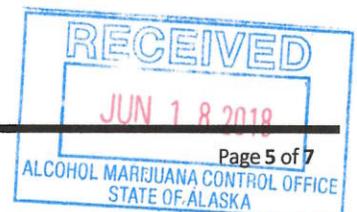
Communication with AMCO staff:

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:

[Empty box for disclosure]





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.

[Handwritten Signature]

Signature of transferor

Rick Mensik

Printed name of transferor

Subscribed and sworn to before me this 4th day of June, 2018.



[Handwritten Signature]
Signature of Notary Public

Notary Public in and for the State of Alaska.

My commission expires: 08/01/2018

Signature of transferor

Printed name of transferor

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

Signature of Notary Public

Notary Public in and for the State of _____.

My commission expires: _____



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.

[Handwritten initials in box]

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

[Handwritten initials in box]

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 in box]

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 in box]

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

[Handwritten initials in box]

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.

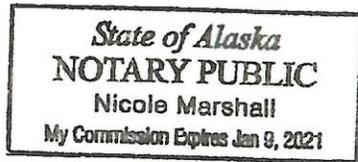
[Handwritten signature of JD Crason]

Signature of transferee

JD Crason

Printed name

Subscribed and sworn to before me this 1 day of June, 2018.

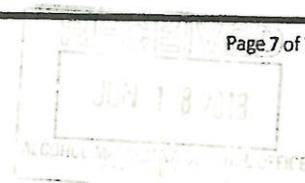


[Handwritten signature of Nicole Marshall]

Signature of Notary Public

Notary Public in and for the State of Alaska

My commission expires: Jan 9, 2021



AFFP

JSR Inc. doing business as Ton

Affidavit of Publication

UNITED STATES OF AMERICA
STATE OF ALASKA } SS.
FOURTH DISTRICT

46731

Before me, the undersigned, a notary public, this day personally appeared Tameka Ambersley, who, being first duly sworn, according to law, says that he/she is an Advertising Clerk of the Fairbanks Daily News-Miner, a newspaper (i) published in newspaper format, (ii) distributed daily more than 50 weeks per year, (iii) with a total circulation of more than 500 and more than 10% of the population of the Fourth Judicial District, (iv) holding a second class mailing permit from the United States Postal Service, (v) not published primarily to distribute advertising, and (vi) not intended for a particular professional or occupational group. The advertisement which is attached is a true copy of the advertisement published in said paper on the following day(s):

JSR Inc. doing business as Tony's Sports Bar located at 537 Gaffney Road Suite #1 Fairbanks is applying for a transfer of a Beverage Dispensary AS 04.11.090 liquor license to JNJ Inc.
And JSR Inc. doing business as The Spur located at 537 Gaffney Road Fairbanks is applying for a transfer of a Beverage Dispensary AS 04.11.090 liquor license to JNJ Inc.

The transferor/lessor 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 Ave. Suite 1600 Anchorage, AK 99501

July 23, 2018

Publish: July 23, 2018

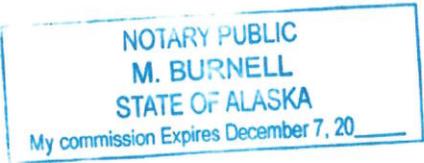
and that the rate charged thereon is not excess of the rate charged private individuals, with the usual discounts.

Advertising Clerk

Subscribed to and sworn to me this 23rd day of July 2018.

Marena Burnell, Notary Public in and for the State Alaska.

My commission expires: December 07, 2021



00009867 00046731

JORI CLAWSON
PO BOX 73441
FAIRBANKS, AK 99707



AFFIDAVIT OF PUBLICATION

UNITED STATES OF AMERICA }
STATE OF ALASKA } SS.
FOURTH DISTRICT }

Before me, the undersigned, a notary public, this day personally appeared Jenny Nance, who, being first duly sworn, according to law, says that he/she is an Advertising Clerk of the Fairbanks Daily News-Miner, a newspaper (i) published in newspaper format, (ii) distributed daily more than 50 weeks per year, (iii) with a total circulation of more than 500 and more than 10% of the population of the Fourth Judicial District, (iv) holding a second class mailing permit from the United States Postal Service, (v) not published primarily to distribute advertising, and (vi) not intended for a particular professional or occupational group. The advertisement which is attached is a true copy of the advertisement published in said paper on the following day(s):

April 20, 27, 2018 _____

May 4, 2018 _____

The Spur / Tony's Sports Bar _____

Ad # 45513 _____

Acct # 9867 _____

and that the rate charged thereon is not excess of the rate charged private individuals, with the usual discounts.

Jenny Nance

Subscribed and sworn to before me on this 8th day
of June, 2018

Samuel M. Crabtree

Notary Public in and for the State Alaska.

My commission expires November 20, 2018

44921
JSR INC. d/b/a
The Spur/Tony's
Sports Bar
located at 537 Gaffney
Road is applying for a
transfer of a beverage
Dispensary AS
04.11.090 liquor
license to JNJ, Inc.
d/b/a The Spur/
Tony's Sports Bar

The transferor/lessor
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 Ave. Suite
1600 Anchorage AK
99501.

Publish: 04-20, 04-27
& 05-04-18



UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) RICK MENSIK 907-347-6671
B. E-MAIL CONTACT AT FILER (optional) rickmensik@gmail.com
C. SEND ACKNOWLEDGMENT TO: (Name and Address) RICK MENSIK PO BOX 70655 FAIRBANKS, AK 99707

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 JNJ INC				
OR	1b. INDIVIDUAL'S SURNAME			
	FIRST PERSONAL NAME NICK NYQUIST	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
1c. MAILING ADDRESS 558 GAFFNEY ROAD		CITY FAIRBANKS	STATE AK	POSTAL CODE 99701
			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			
	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 JSR INC				
OR	3b. INDIVIDUAL'S SURNAME			
	FIRST PERSONAL NAME RICK MENSIK	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
3c. MAILING ADDRESS PO BOX 70655		CITY FAIRBANKS	STATE AK	POSTAL CODE 99707
			COUNTRY USA	

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

All FF&e LOCATED AT 537 GAFFNEY ROAD SUITE 1 AND 2 FAIRBANKS AK which includes-bar,Walk in cooler,7 true coolers,sound and lighting equipment for both bars,208 bar stools,26 tables,38 chairs,3 ice machines and bins,mechanical bull,5 wells,3 3hole sinks, 5 tv's portable bar, 6 cash registers,pos tab wizard, 3 undercounter dishwashers,kitchendishwasher,kitchen walk-in cooler,freezer,slicer,4 deepfryers,pizza oven,stainless tables,kitchenware,grill,flattop,soup,warmers,cold table,buffet table,knives,storage rack,WITH REGARD TO THE HEREFTER 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 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.State of Alaska, Beverage Dispensary Liquor License #3969 and State of Alaska, Beverage Dispensary Liquor License #4232

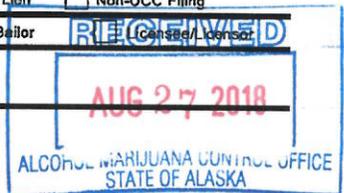
5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, item 17 and Instructions) being administered by a Decedent's Personal Representative

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

8. OPTIONAL FILER REFERENCE DATA:



PURCHASE MONEY SECURITY AGREEMENT

Nick Nyquist, Jori Clawson, and JD Clawson, and their wholly owned corporation, JNJ, INC., an Alaskan Corporation, whose address for all purposes herein is 537 Gaffney Road, Fairbanks, Alaska 99701, hereinafter " Debtors " and JSR INC and Rick Mensik, President of JSR INC a single man, whose address for all purposes herein is 115 Chief Evan Drive, Fairbanks, Alaska, 99709, hereinafter "Secured Party", agree as follows;

1. Creation of Security Interest. The Debtors hereby grant to the Secured Party a purchase money security interest in 'the collateral described in Paragraph 2 to secure the payment and performance obligations of the Debtors' to the Secured Party described Paragraph 3.

2. Collateral. The property which is subject to the security interest created by this agreement consists of the following described personal property and the proceeds thereof:

a) All inventory (stock-in-trade) now owned or hereafter acquired by the Debtors. "Inventory" means all goods, merchandise and other personal property which are held for sale or materials used or consumed or to be used or consumed, in the Debtors' licensed business; and

b) All FF&E located at 537 Gaffney Road Suite 1 and 2 Fairbanks, Ak 99701

3. Debtors' Obligations. The Debtors ' obligations to make the payments provided for in a Promissory Note and to perform the other obligations described in the Transaction Documents set out below, have been incurred as a result of the sale and/or lease of the collateral described in paragraph 2 of this Security Agreement, which sale and lease were made by the Secured Party to the Debtors. The documents described below constitute some of the Transaction Documents associated with this sale. A default in the performance of any payment or performance obligation set forth herein or in anyone or more of the terms and provisions of such Transaction Documents shall be a default hereunder entitling the Secured Party to all remedies provided by law, by this Security Agreement and by the other Transaction Documents including, without limitation, the right to accelerate the sums due on the promissory Note and demand payment in full. The obligations of the Debtors to the Secured Party are set forth in the following Transaction Documents;

1

1



b) A Promissory Note in favor of the Secured Party, with an initial principal balance of \$150,000.00 bearing interest at the rate of 2.5 (Bt) per annum; and

c) This Purchase Money Security Agreement for the two liquor license in favor of the Secured Party; and

d) An Irrevocable Limited Power of Attorney in" favor of the Secured Party.

4. The 2 Liquor License. The provisions of this paragraph apply to specifically to the 2 Liquor License and generally to operation of the business:

a) Debtors shall pay all charges and expenses of any nature whatsoever connected with the operation of such License and its biennial renewal.

b) Debtors shall be solely responsible for compliance of Debtors and Debtors' employees, agents, business visitors and invitees with all laws, ordinances and regulations in connection with operation of business on the premises in order that any such licensed business shall be conducted only in a lawful and safe manner so that no property damage or personal injury proximately results from such operation and no violation of law, ordinance or regulations occurs that could jeopardize the interests of Secured Party in such Licenses.

c) So as to preclude any claims for business indebtedness being submitted to the Alcoholic Beverage Control Board, the Debtors agree to pay all business creditors upon receipt of either the merchandise or services or an invoice or a bill for such merchandise or service. No credit shall be obtained by the Debtors without the Secured Party' express written consent.

d) Debtors agree to do all things necessary to renew said 2 License with the State of Alaska in a timely manner and shall submit the biennial renewal forms to the Alcoholic Beverage Control Board prior to December 1st of each year as required by the regulations of the Alcoholic Beverage Control Board. Should Debtors fail to do so, Secured Party shall be entitled to renew said Licenses and, for that purpose and to further protect Secured Party' interest in such license, Debtors have executed an Irrevocable Power of Attorney authorizing Secured Party to repossess and cause transfer of the Licenses from Debtors' names in the event of any default hereunder and to sign any necessary documents for renewal or transfer from Debtors' names.

e) "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. State of Alaska, Beverage Dispensary Liquor License #3969 and State of Alaska, Beverage Dispensary Liquor License #4232"



security interest in the 2-liquor license which is the subject of this transaction and may, as a result, be able to obtain a retransfer of the license without satisfaction of other creditors.

f) Debtors shall operate the licensed business only in the ordinary course; shall operate the business strictly in accordance with law, ordinance and regulation; shall be solely responsible for all operating expenses of the business; and shall not transfer, convey or in any way dispose of or encumber any interest in the License or the other personal property described on Exhibit "1" attached.

5. Indemnification. The Debtors shall save, protect and hold harmless and indemnify the Secured Party against all liabilities, claims, expenses and losses incurred by the Debtors as a result of any or all of the following:

a) Failure by the Debtors to perform any covenant required to be performed by the Debtors under the terms of this Purchase Money Security Agreement and those Transaction Documents set forth in Paragraph 3 above.

b) Any accident, injury or damage which may arise or grow out of any injury to or death of persons or damage to property arising directly or indirectly from the Debtors' use and occupancy of the premises, including, without limitation, any of the foregoing arising out of the actions, omissions of or use by the Debtors, their agents, employees, assigns, invitees, servants or others authorized to be on or about the premises.

c) Debtors' failure to substantially comply with any requirement of any governmental authority, local, state or federal, or any regulatory agency of any local, state or federal government authority.

d) In the event that the Secured Party shall, without fault on their part, be made a party to any litigation commenced by or against the Debtors or be made a party to any administrative proceeding, then the Debtors shall pay all costs and the actual attorney's fees incurred or paid by the Secured Party in connection with such litigation or administrative proceeding or any other proceeding before any governmental body.

e) Any action or non-action by the Debtors causing the State of Alaska, Alcoholic Beverage Control Board to cancel, suspend or revoke, or attempt to cancel, suspend or revoke the License sold hereunder.

f) Any violation of the law or regulation in connection with the licensed business or the 2 License.

g) Any action or non-action by the Debtors causing the City of Fairbanks



to protest renewal of the License sold hereunder.

6. Financing Statement. Debtors, upon request by Secured Party, will at any time and from time to time, execute, within five (5) days of request, such financing statements in the form required by the Uniform Commercial Code as enacted in the State of Alaska as Secured Party desires, and will, immediately upon demand by Secured Party, deposit with Secured Party any certificate of title concerning any collateral.

7. Events of Default. Debtors shall perform all of their obligations according to the terms of those Transaction Documents set forth in paragraph 3 above and as provided in this Purchase Money Security Agreement. Any breach of the terms and provisions of the Transaction Documents or failure of the Debtors to fulfill any of their obligations thereunder shall be a default under the terms of this Purchase Money Security Agreement. Any one of the following events shall by itself constitute default in this agreement:

- a) default in payment of any payment obligations or the failure to perform any performance obligations set forth in this Security Agreement or any of the Transaction Documents identified and described above; or
- b) the making of any rightful levy, seizure or attachment upon any collateral by reason of any debt of Debtors; or
- c) a bankruptcy petition being filed by or against Debtors pursuant to which Debtors are adjudicated bankrupt; or
- d) dissolution, merger, consolidation or transfer of a substantial part of the assets of Debtors, which assets are associated with the above described business; or
- e) failure of the Debtors to operate the Licenses in accordance with the statutes and regulations associated with the sale of alcoholic beverages in the State of Alaska so as to cause the Alcoholic Beverage Control Board to revoke or suspend the License or to attempt to suspend or revoke the Licenses.

8. Secured Party' Right's on Debtors' Default: upon the default of Debtors, Secured Party may, within ten (10) days advance written notice to Debtors, and without waiving any other rights hereunder, take appropriate action to cure such default or validate such warranty, and add its expenses, including reasonable attorney's fees, to the obligations secured hereby.

a) Upon default by Debtors, Secured Party shall have all rights and remedies of a Secured Party under the uniform Commercial Code as enacted in the State of Alaska and other applicable laws of the State of Alaska, all rights set forth in this Security Agreement and in the other Transaction Documents, including, without limitation, the right to take immediate possession of the collateral, the right to operate



the licensed business and the right to accelerate the balance due on the Deed of Trust Note.

a) No delay by Secured Party in the exercise of any right or remedy under this agreement shall waive any default hereunder, and no single or partial exercise by Secured Party of any such right or remedy shall preclude other exercise thereof.

b) waiver of any default hereunder shall not waive any continuing or subsequent default.

C) Until default, Debtors may retain possession of collateral and use it in any manner consistent with this agreement and the terms and conditions of any insurance policy on collateral and as to the License, in any manner consistent with state and municipal law and the regulations and requirements of the Alcoholic Beverage Control Board and the City of Fairbanks.

9. Assembling Collateral. Upon default and request by the Secured Party, the Debtors shall assemble the collateral and make it available to the Secured Party in Fairbanks, Alaska.

10. Representations and Warranties. Debtors represent and warrant as follows:

a) The making of this agreement is not in contravention of any other agreement by which Debtors are bound.

b) Except for the security interest granted hereby, Debtors are and, as to any collateral hereafter acquired, shall be, the owners of such collateral free from any security interest or other encumbrance, with full right to grant a security interest therein to the Secured Party.

c) All financial data, if any, which Debtors have furnished to Secured Party accurately represents the financial condition of Debtors.

d) Debtors will not permit any lien or security interest to attach to any collateral, other than security interest's inferior to this one, which may be incurred only upon the express written consent of the Secured Party, nor will the Debtors dispose of any collateral without written consent of Secured Party.

e) Except to the extent that inventory is sold in the ordinary course of business, Debtors shall not sell, grant a security interest in, or otherwise dispose of an interest in the collateral without the written consent of Secured Party.

f) The Corporation, JNJ, Inc., is now and shall be at all times pertinent hereto, a valid, existing Alaska Corporation in good standing. The persons executing this document on behalf of the Corporation have been authorized by its Board of Directors to do so



with the specific intent of binding the Corporation to all of the obligations set forth herein and in the other transaction documents .

11. Notices. Any notice of sale, disposition or other intended action by Secured Party sent to Debtors, at least ten (10) calendar days prior to such action, at the address herein stated, at any other address of Debtors shown on Secured Party' records subsequent to this agreement, or at such other address designated in writing by Debtors with reference to this transaction shall constitute reasonable notice to Debtors.

12. Payment of Taxes, Fees and Business Expenses. Before their delinquency, Debtors shall pay all taxes (real and personal property and sales taxes), penalties, interest, assessments, renewal fees, and other claims against the collateral, or against the interest of Secured Party therein and shall pay all expenses associated with the operation of the business associated with the License so that no claim for business indebtedness may be asserted against the License .

13. Insurance. Debtors shall maintain insurance on the collateral in full force and effect as provided in the transaction documents set forth in paragraph 3 as follows:

a) Bodily Injury and Property Damage Liability Insurance, including premises liability, personal injury liability, Alaskan suits, liquor law liability (dram shop liability) " and such other insurance as the Secured Party may reasonably require with a minimum limit of liability of \$1, 000, 000.00. Such insurance shall provide that the secured Party shall be co-insureds.

b) Any insurance, which lessor may carry, will not cover Lessee s personal property or loss of income in the event of a fire or other event causing the premises to be unusable.

c) Worker's Compensation Insurance for all employees as required by state law.

d) Such insurance shall be obtained from an insurance company qualified to do business in the State of Alaska.

e) A copy of the policy (ies) or certificate (s) of insurance shall be delivered to the Secured Party at closing and, subsequently whenever such insurance is changed or renewed. Such insurance shall be obtained and maintained at the Debtors' sole expense.

14 General.

a) The provisions hereof shall bind and inure to the benefit of the parties' successors and assigns.

b) Time shall be of the essence for the performance of any of the covenants and the fulfillment of any of the conditions hereof.



All of Secured Party' rights either provided herein or in any other Transaction Document shall be cumulative and may be exercised separately or concurrently.

c) No waiver by Secured Party of any default shall operate as a waiver of any other default or of a like default on a future occasion. Only waivers in writing and signed by Secured Party shall be effective. No delay or omissions on the part of Secured Party in exercising any of their rights shall operate as a waiver of such right or any other right.

d) The collateral shall include whatever rights Debtors has against persons who guarantee payment or collection.

e) Wherever the context herein so requires, the neuter gender includes the masculine and the feminine, and the singular includes the plural.

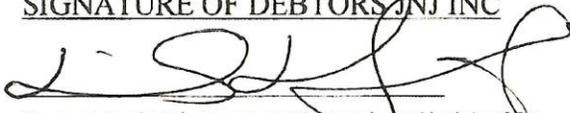
f) This Security Agreement has been delivered to Secured Party in the State of Alaska and shall be construed under the laws of the State of Alaska.

g) If any provision of this agreement is prohibited or invalid under law in some part or under some circumstances, such provision, and all other provisions herein shall otherwise remain in full force and effect.

h) Any demand or notice made or given by Secured Party upon or to Debtors shall be effective when mailed postage prepaid to the address of Debtors herein set forth, or when delivered charges prepaid to a telegraph or other communications company similarly addressed. Furthermore, when for purposes of demand or notice Secured Party uses the address at which he customarily communicates with Debtor, such demand or notice shall be effective.

Executed at Fairbanks, Alaska this 1st day of March 2018

SIGNATURE OF DEBTORS INJ INC



Nick Nyquist/ Personally and Individually



J.D. Clawson/ Personally and Individually



Jori Clawson/ Personally and Individually

SIGNATURE OF SECURED PARTY JSR INC/RICK MENSIK





PURCHASE AGREEMENT

Nick Nyquist (JNJ INC) personally and corporately, agrees to purchase the 66.6 percent of stock of JSR INC. owned by Rick Mensik representing FF&E and the two-beverage dispensary licenses from Rick Mensik belonging to JSR INC for \$200,000.

Terms: \$50,000 down March 1, 2018 -- \$50,000 due when license transfers and then 36 monthly payments of \$2,77.77 beginning the first month after the license transfer is complete.


Rick Mensik JSR INC


Nick Nyquist-Purchaser
2/22/18

