



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

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

ALCOHOL & MARIJUANA CONTROL OFFICE
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

MEMORANDUM

TO: Alcoholic Beverage Control Board DATE: April 26, 2021

FROM: Nathan Hall, Occupational Licensing Examiner RE: 5638 Palmer Alehouse

Requested Action: Transfer of controlling interest with security interest

Statutory and Regulatory Authority: AS 04.06.090(b): "The board shall review all applications for licenses made under this title and may order the director to issue, renew, revoke, transfer, or suspend licenses and permits authorized under this title."

AS 04.11.360(4): "An application requesting approval of a transfer of a license to another person under this title shall be denied if the transferor has not paid all debts or taxes arising from the conduct of the business licensed under this title unless

- (A) the transferor gives security for the payment of the debts or taxes satisfactory to the creditor or taxing authority; or
- (B) the transfer is under a promise given as collateral by the transferor to the transferee in the course of an earlier transfer of the license under which promise the transferor is obliged to transfer the license back to the transferee in the event of default in payment for property conveyed as part of the earlier transfer of the license..."

AS 04.11.670: "A license issued under this title is not subject to foreclosure, and may not be used as collateral to secure a debt. However, if a license is transferred to another person, the transferor may secure payment for real and personal property conveyed to the transferee upon the promise of the transferee to transfer the license back to the transferor upon default in payment."

3 AAC 304.106(a): "If a former licensee seeks to compel the transfer of a license because of a promise under [AS 04.11.670](#) given as collateral by the current licensee to the former licensee in the course of an earlier transfer of the license, followed by a default in payment in connection with property conveyed or a lease made in the course of the previous transfer, the board will deny the transfer if creditors are not satisfied under [AS 04.11.360\(4\)\(A\)](#) unless it clearly appears that the former licensee, at the time of the previous transfer, complied with the following notice

requirements:

- (1) a leasehold conveyance or contract of sale of property made in the course of the previous license transfer was recorded in the manner provided for recordation of real estate conveyances, and the transferor, at the time of the previous transfer, made a UCC filing statement in which a security interest in the license was claimed under [AS 04.11.670](#) and [AS 04.11.360\(4\)\(B\)](#); the documents recorded under this paragraph must contain the following statement: "Under the terms of [AS 04.11.670](#), [AS 04.11.360\(4\)\(B\)](#), and [3 AAC 304.106](#), the transferor/lessor retains a security interest in the liquor license that is the subject of this conveyance, and may, as a result, be able to obtain a retransfer of the license without satisfaction of other creditors."; and
- (2) all documents prepared in connection with the previous transfer of the liquor license, including all leases, contracts, and other relevant memoranda, were filed with the board at the time of the previous transfer; the documentation must include a statement of the book and page number showing where the lease or contract, and UCC filing statement, bearing the disclosure statement required in (1) of this subsection, are recorded; and
- (3) the notice of the previous transfer required by [AS 04.11.310\(a\)](#) was made in writing and published, as required under [3 AAC 304.125](#), once a week for three weeks in a newspaper of general circulation before the transfer, in addition to any other notice of the application that might have been required by the board at the time of the previous transfer; the published notice must contain the following statement: "Under the terms of [AS 04.11.360\(4\)\(B\)](#), [AS 04.11.670](#), and [3 AAC 304.106](#), the transferor/lessor retains a security interest in the liquor license that is the subject of this conveyance, and may, as a result, be able to obtain a retransfer of the license without satisfaction of other creditors."

Staff Rec.: Approve the transfer with a security interest.

Background: A completed transfer application has been received for liquor license 5638. Staff has reviewed and determined that both the transfer application and Security Interest notices and documents have been completed to meet the requirements laid out in 3 AAC 304.106(a); signed recorded copies of all Security Interest documents will be required before the transfer is effectuated

Attachment: Security Interest Documents
Transfer Application

MEMBERSHIP INTEREST PURCHASE AGREEMENT

This Membership Interest Purchase Agreement (this “Agreement”) is entered into on October 4, 2020, by and among Cory Shea Hughes and Sarah Irene Hughes, a married couple (together the “Buyer”), and Steven Dike (the “Seller”). The Buyer and the Seller are each referred to individually as a “Party” and collectively as the “Parties.”

The Seller owns all of the outstanding limited liability company membership interest (the “Membership Interest”) in Palmer Alehouse LLC, an Alaska limited liability company (the “Company”).

This Agreement contemplates a transaction in which the Buyer will purchase from the Seller, and the Seller will sell to the Buyer, the Membership Interest in return for the Purchase Price set forth in Section 2, on the terms set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, the Parties agree as follows.

1. Definitions.

Certain capitalized terms have the meaning given them above or in the body of this Agreement, and the other capitalized terms are defined as follows:

“Affiliate” has the meaning set forth in Rule 12b-2 of the regulations promulgated under the Securities Exchange Act of 1934, as amended.

“Applicable Law” means, in respect of any Person, property, transaction, or event, any domestic or foreign statute, law, ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, or order that applies in whole or in part to such Person, property, transaction, or event.

“Business” means the business conducted by the Company immediately prior to the Closing.

“Business Day” means any day except Saturday, Sunday, or any other day on which commercial banks located in Anchorage, Alaska are authorized or required by Applicable Law to be closed for business.

“Code” means the Internal Revenue Code of 1986, as amended.

“Contract” means any written or oral contract, agreement, lease, instrument, or other commitment that is binding on any Person or its property under Applicable Law.

“Current Assets” means cash and cash equivalents, accounts receivable, prepaid deposits, lease deposit, prepaid expenses, and Inventory determined in accordance with GAAP.

CONFIDENTIAL

- 1 -

“Current Liabilities” means accounts payable, accrued wages, accrued expenses, an amount equal to the Holdbac [REDACTED] and other current liabilities determined in accordance with GAAP.

“GAAP” means United States generally accepted accounting principles as in effect from time to time.

“Governmental Authority” means any agency of the United States or of any state or local government, and any intergovernmental agency or quasi-governmental agency.

[REDACTED]

“Inventory” means, with respect to the Company, any and all inventories of beer, wine, spirits, other alcoholic and non-alcoholic liquor, food, supplies, perishable inventory, disposable paper goods (such as napkins and paper towels), soaps and detergents, condiments, retail merchandise, replacement and spare parts, bottles, barrels, labels, plates, cups, utensils, and other products, materials and goods which are held for sale or used by the Company in connection with the Business, regardless of where located, and all rights of the Company against suppliers of such inventories including, but not limited to, the Company’s rights to receive refunds, rebates, and/or other similar amounts in connection with the Company’s purchases of goods, products, and/or materials.

“Key Employees” means the employees listed as “Key Employees” in **Schedule 1(a)**.

“Liquor Permits” means any Permit issued by the State of Alaska Alcohol & Marijuana Control Office or the Alcohol and Tobacco Tax and Trade Bureau that is required in connection with the operation of the Business.

“Losses” means all damages, losses, liabilities, fines, penalties, costs, and expenses, including reasonable attorneys’ fees.

“Ordinary Course of Business” means the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency).

“Permit” means all permits, registrations, licenses, franchises, approvals, authorizations, and consents required to be obtained from any Governmental Authority in connection with the operation of the Business including, without limitation, the Liquor Permits.

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department, agency, or political subdivision thereof).

“Security Interest” means any mortgage, pledge, lien, encumbrance, or other security interest.

“Subsidiary” means, with respect to any Person, any corporation, limited liability company, partnership, association, or other business entity of which (a) if a corporation, a majority of the total voting power of shares of stock entitled to vote in the election of directors, managers, or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof or (b) if a limited liability company, partnership, association, or other business entity (other than a corporation), a majority of the partnership or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof and for this purpose, a Person or Persons own a majority ownership interest in such a business entity (other than a corporation) if such Person or Persons will be allocated a majority of such business entity’s gains or losses or will be or control any managing director or general partner of such business entity (other than a corporation).

“Tax” or “Taxes” means any federal, state, local, or non-United States income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code Section 59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not, and including any obligations to indemnify or otherwise assume or succeed to the Tax liability of any other Person.

“Tax Return” means any return, declaration, report, claim for refund, or information return or statement relating to any Tax, including any schedule or attachment thereto, and including any amendment thereof.

2. Purchase and Sale of Membership Interest.

(a) Basic Transaction. On and subject to the terms and conditions set forth in this Agreement, the Buyer hereby purchases from the Seller, and the Seller hereby sells, transfers and assigns to the Buyer, all of the Membership Interest for the consideration specified below in this Section 2.

(b) Purchase Price. The aggregate purchase price for the Membership Interest will be [REDACTED], subject to adjustment pursuant to Section 2(e) hereof (the “Purchase Price”). The Purchase Price will consist of the following components:

(i) a payment at Closing (the “Closing Cash Payment”) of [REDACTED] *minus* all outstanding legal, accounting, and other professional fees, costs, and expenses incurred by the Seller or the Company in connection with the transactions contemplated hereby (collectively, the “Company Transaction Expenses”); and

(ii) a five-year secured promissory note executed by the Buyer in favor of the Seller in the form attached hereto as **Exhibit A** (the “Promissory Note”) with a principal

CONFIDENTIAL

balance of [REDACTED] Any payment made pursuant to the Promissory Note will be subject to suspension and a right of offset as set forth in Section 6(d).

(c) The Closing. The closing of the transactions contemplated by this Agreement (the “Closing”) will take place at the offices of Stoel Rives LLP in Anchorage, Alaska, concurrent with the execution and delivery of this Agreement (the “Closing Date”) and will be deemed effective as of 11:59 p.m. Alaska time on the Closing Date. In light of Section 8(d), none of the Parties hereto are required to be physically present at the Closing.

(d) Deliveries at the Closing. At the Closing:

(i) the Seller will deliver to the Buyer evidence to the satisfaction of the Buyer that the consents listed on Section 4(c) of the Disclosure Schedules have been obtained and the notices listed on Section 4(c) of the Disclosure Schedules have been delivered;

(ii) the Seller will deliver to the Buyer a non-foreign affidavit dated as of the Closing Date, sworn under penalty of perjury and in form and substance required under the Treasury Regulations issued pursuant to Code Section 1445, stating that the Seller is not a “foreign person” as defined in Code Section 1445;

(iii) the Seller will deliver to the Buyer a resignation of the manager (and, as requested by the Buyer, the officers) of the Company;

(iv) the Buyer will deliver to the Seller a copy of a properly completed (1) notice of transfer of equity and (2) notice of change in corporate officers and directors to be delivered to the Alaska Alcoholic Beverage Control Board pursuant to AS 04.11.050(a);

(v) the Buyer will execute and deliver the Promissory Note;

(vi) the Buyer will deliver to the Seller a copy of a properly completed notice of change of officials to be delivered to the Alaska Department of Commerce, Community, and Economic Development, Division of Corporations; and

(vii) the Buyer will pay the Company Transaction Expenses and the Closing Cash Payment by check to the payees thereof, as set forth in Section 2(b)(i).

(e) Working Capital Adjustment.

(i) Buyer Determination. Within five days after the Closing Date, the Buyer will prepare and deliver to the Seller a statement (the “Closing Statement”) setting forth its calculation of Closing Working Capital, which statement will contain a balance sheet of the Company as of the Closing Date, prepared in accordance with GAAP (the “Closing Date Balance Sheet”). The Seller’s review and resolution of any disputes regarding the Closing Statement will be handled as set forth below. “Closing Working Capital” means

Current Assets *minus* Current Liabilities as set forth on the Closing Date Balance Sheet; *provided, however*, that “Current Assets” will include the miscellaneous unrecorded deposits and prepaid expenses set forth on **Schedule 2(e)**.

(ii) Adjustment. If the Closing Working Capital is a positive number, the Buyer will pay such positive amount to the Seller. If the Closing Working Capital is a negative number, the Seller will pay such negative amount to the Buyer. In either case, payment will be made as set forth in Section 2(e)(iv).

(iii) Sellers’ Examination and Review; Dispute Resolution.

(A) Examination. After receipt of the Closing Statement, the Seller will have 10 days (the “Review Period”) to review the Closing Statement. During the Review Period, the Seller will have reasonable access to the books and records of the Company, and the personnel of and work papers prepared by the Buyer and/or the Buyer’s accountants to the extent that they relate to the Closing Statement and to such historical financial information (to the extent in the Buyer’s possession) relating to the Closing Statement as the Seller may reasonably request for the purpose of reviewing the Closing Statement and preparing a Statement of Objections (defined below).

(B) Objection. On or prior to the last day of the Review Period, the Seller may object to the Closing Statement by delivering to the Buyer a written statement setting forth the Seller’s objections in reasonable detail, indicating each disputed item or amount and the basis for the Seller’s disagreement therewith (a “Statement of Objections”). If the Seller fails to deliver a Statement of Objections before the expiration of the Review Period, the Closing Statement will be deemed to have been accepted by the Seller. If the Seller delivers a Statement of Objections before the expiration of the Review Period, the Buyer and the Seller will negotiate in good faith to resolve such objections within 10 days after the delivery of the Statement of Objections (the “Resolution Period”), and, if the same are so resolved within the Resolution Period, the Closing Statement, with such changes as may have been previously agreed to in writing by the Buyer and the Seller, will be final and binding.

(C) Resolution of Disputes. If the Seller and the Buyer fail to reach an agreement with respect to all of the matters set forth in the Statement of Objections before expiration of the Resolution Period, then any amounts remaining in dispute (the “Disputed Amounts”) will be submitted for resolution to the office of a nationally recognized firm of independent certified public accountants to be mutually agreed upon by the Buyer and the Seller (the “Independent Accountant”) who, acting as experts and not arbitrators, will resolve the Disputed Amounts only and make any adjustments to the Closing Statement.

(D) Fees of the Independent Accountant. The fees and expenses of the Independent Accountant will be paid one-half by the Buyer and one-half by the Seller.

(E) Determination by Independent Accountant. The Independent Accountant will make a determination within 15 days after their engagement, and their resolution of the Disputed Amounts and their adjustments to the Closing Statement (and the resulting Closing Working Capital) will be conclusive and binding upon the Parties.

(iv) Payments of Closing Working Capital. Except as otherwise provided herein, any payment of the Closing Working Capital will (A) be due (1) within three Business Days after acceptance of the Closing Statement or (2) if there are Disputed Amounts, then within three Business Days after the resolution described in subsection (iii)(C) above; and (B) be paid by check to the Buyer or the Seller, as the case may be, with any payment due from the Seller to the Buyer to be set off against any payments to be made by the Buyer under the Promissory Note. Any payments made pursuant to this Section 2(e) will be treated as an adjustment to the Purchase Price by the Parties for Tax purposes, unless otherwise required by Applicable Law.

3. Representations and Warranties Concerning the Transaction.

(a) Representations and Warranties of the Seller. The Seller represents and warrants to the Buyer that the statements contained in this Section 3(a) are correct and complete as of the date of this Agreement.

(i) Binding and Enforceable Agreement. Subject to due execution by the Buyer, this Agreement constitutes the valid and legally binding obligation of the Seller, enforceable in accordance with its terms. The Seller need not give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or Governmental Authority in order to consummate the transactions contemplated by this Agreement.

(ii) Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (A) violate any Applicable Law to which the Seller is subject or (B) result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, Contract, license, instrument, or other arrangement to which the Seller is a party or by which the Seller is bound or to which any of the Seller's assets are subject.

(iii) Brokers' Fees. The Seller has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

(iv) Membership Interest. The Seller holds of record and owns beneficially the Membership Interest free and clear of any restrictions on transfer, Taxes, Security Interests, options, warrants, purchase rights, voting commitments, and proxies.

(b) Representations and Warranties of the Buyer. The Buyer represents and warrants to the Seller that the statements contained in this Section 3(b) are correct and complete as of the date of this Agreement.

(i) Binding and Enforceable Agreement. Subject to due execution by the Seller, this Agreement constitutes the valid and legally binding obligation of the Buyer, enforceable in accordance with its terms. The Buyer need not give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or Governmental Authority in order to consummate the transactions contemplated by this Agreement.

(ii) Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (A) violate any Applicable Law to which the Buyer is subject or (B) result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, Contract, license, instrument, or other arrangement to which the Buyer is a party or by which the Buyer is bound or to which any of the Buyer's assets are subject.

(iii) Tax Residency. The Buyer is a married couple, and each individual is a United States citizen within the meaning of Section 7701(a)(30) of the Code for United States federal income Tax purposes.

(iv) Liquor Permits. The Buyer hereby acknowledges that the consent of the Alaska Alcoholic Beverage Control Board is required to receive or transfer the controlling interest in the Liquor Permits.

4. Representations and Warranties Concerning the Company. The Seller represents and warrants to the Buyer that the statements contained in this Section 4 are correct and complete as of the date of this Agreement, except as set forth in the disclosure schedule delivered by the Seller to the Buyer on the date hereof (the "Disclosure Schedule"). As used in this Section 4, the phrase "Knowledge of the Seller," "Seller's Knowledge," or similar statements means that the representation is made to the knowledge of the Seller, together with the knowledge the Seller would be deemed to have after a reasonable investigation of the matter.

(a) Organization, Qualification, and Power. The Company is a limited liability company duly formed, validly existing, and in good standing under the laws of the State of Alaska. The Company is not required to be qualified to conduct business in any other jurisdiction. The Company has full power and authority to carry on the Business and to own and use the properties owned and used by it.

(b) Equity Ownership; Subsidiaries. The Membership Interest constitutes all of the outstanding equity ownership interest in the Company, and there is no subscription, option, warrant, call, right, agreement, or commitment relating to the issuance, sale, delivery, or transfer by the Company or the Seller of any ownership, profits, management, or similar interest in the Company. The Membership Interest was issued in compliance with all Applicable Laws. The Company does not own any equity in other entities.

(c) Noncontravention. Except as set forth in Section 4(c) of the Disclosure Schedule, neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any Applicable Law to which the Company is subject or any provision of the organizational documents of the Company, (ii) result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any Contract, license, instrument, or other arrangement to which the Company is a party or by which it is bound or to which any of its assets are subject, or result in the imposition of any Security Interest upon any of its assets, or (iii) require the Company to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any Governmental Authority or other Person.

(d) Financial Statements; No Adverse Changes; Liabilities. Since August 31, 2020, there has not been any material change to the Company's financial statements, and since August 31, 2020, the Company has operated in the normal course consistent with past practices. The Company does not have any debt or liability except for the Current Liabilities.

(e) Legal Compliance. To the Seller's Knowledge, the Company has complied, and is in compliance, with all Applicable Laws in all material respects, and no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed or commenced against the Company alleging any failure to so comply.

(f) Tax Matters.

(i) All Tax Returns that were required to be filed by the Company have been filed. All such Tax Returns were correct and complete in all material respects. All material Taxes owed by the Company (whether or not shown on any Tax Return) have been paid. The Company is not currently the beneficiary of any extension of time within which to file any Tax Return. The Company has withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, member, or other third party, and all Forms W-2 and 1099 required with respect thereto have been properly completed and timely filed. Except with respect to any Taxes that are not yet due and payable, there is no Security Interest on any of the assets that arose in connection with any failure, or alleged failure, to pay any Tax.

(ii) The Company has in effect (A) a valid election under Code Section 1362(a) to be taxed as an S corporation for U.S. federal income Tax purposes and (B) valid comparable elections required under state or local Tax law ((A) and (B) together, "S Elections"). To the Seller's Knowledge, all S Elections are valid and in effect.

CONFIDENTIAL

- 8 -

(iii) There is no dispute or claim made in writing concerning any Tax liability of the Company, and the Company has not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.

(g) Real Property.

(i) The Company does not own any real property. The Company leases the real property identified on Section 4(g) of the Disclosure Schedule (the “Real Property”).

(ii) The present uses of the Real Property are in compliance with all applicable zoning and land use and development laws and ordinances. The Company has not received any notice, oral or written, from any Governmental Authority, that the Real Property or any improvements erected or situated thereon, or the uses conducted thereon or therein, violate any Applicable Laws. There are no pending or threatened condemnation proceedings, lawsuits, or administrative actions relating to the Real Property or other matters affecting materially and adversely the current use, occupancy, or value thereof. There are no leases, subleases, licenses, concessions, or other agreements, oral or written, granting any party (other than the Company) the right of use or occupancy of any portion of the Real Property, and no party (other than the Company) is currently in possession of any Real Property.

(iii) The Seller has delivered to the Buyer a complete and accurate copy of the lease affecting the Real Property listed on Section 4(g) of the Disclosure Schedule. Such lease is valid, binding, and enforceable in accordance with its terms and is in full force and effect and the Company’s leasehold interest is free and clear of any Security Interest. The Company is not in default under the lease affecting the Real Property listed on Section 4(g) of the Disclosure Schedule and no event has occurred and is continuing that, with the passage of time, or upon the giving of notice, or both, would constitute an event of default thereunder.

(h) Intellectual Property. The Company owns or has the right to use pursuant to license, sublicense, or agreement all Intellectual Property necessary for the operation of the Business. To the Seller’s Knowledge, the operation of the Business does not infringe upon, misappropriate, or violate any Intellectual Property rights of third parties and the Company has not received any written claim, demand, or notice alleging any such infringement, misappropriation, or violation that is not resolved. As used herein, “Intellectual Property” means all patents, trademarks, service marks, trade dress, logos, trade names, copyrights, mask works, trade secrets, software, domain names and other intellectual proprietary rights.

(i) Tangible Assets. The Company has good and marketable title to, or valid and subsisting leasehold interests in, all of its personal property, free and clear of all Security Interests, and such personal property constitutes all of the personal property necessary for the conduct of the Business. Except for those properties noted to Buyer in the independent inspection conducted by Alaska Food Equipment LLC at the request of Buyer, all of the personal

property owned or used by the Company is in good operating condition and repair, ordinary wear and tear excepted.

(j) Contracts. All of the Contracts to which the Company is a party are legal, valid, binding, and enforceable by the Company in accordance with their terms. No default by the Company exists with respect to such Contracts and no event has occurred which, with the passage of time or the giving of notice, or both, would constitute a default by the Company. No default by the other parties to such Contracts exists and no event has occurred which, with the passage of time or the giving of notice, or both, would constitute a default by such other party.

(k) Inventory. All of the Company's Inventory is listed on Section 4(k) of the Disclosure Schedule. The Inventory listed on Section 4(k) of the Disclosure Schedule (i) is, in all material respects, of a quantity and quality usable or saleable by the Company in the Ordinary Course of Business; (ii) is located on or in route to the regular business premises of the Company; and (iii) has been legally acquired from properly licensed suppliers.

(l) Insurance. Section 4(l) of the Disclosure Schedule lists each insurance policy (including policies providing property, casualty, liability, and workers' compensation coverage, and bond and surety arrangements) with respect to which the Company is a party, a named insured, or otherwise the beneficiary of coverage. All policy premiums due to date have been paid in full and all such insurance policies are legal, valid, binding, enforceable, and in full force and effect with respect to the periods for which they purport to provide coverage.

(m) Litigation. The Company is not subject to any outstanding injunction, judgment, order, decree, or ruling. The Company is not party, or threatened to be made a party, to any action, suit, proceeding, hearing, or investigation of, in, or before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction or before any arbitrator; and to the Seller's Knowledge, there are no facts, circumstances, or conditions existing as of the date hereof that are reasonably likely to lead to any action, suit, proceeding, hearing, or investigation involving the Company.

(n) Employees.

(i) Section 4(n) of the Disclosure Schedule contains a list of all individuals employed by the Company, including a description of each individual's position and current annual salary (or hourly wage). All such employees are employed on an "at-will" basis.

(ii) The Company is in compliance with all Applicable Laws respecting employment and employment practices, terms and conditions of employment, and wages and hours, and is not engaged in any unfair labor or discriminatory practices. There is no unfair labor practice claim against the Company or any dispute, arbitration, or any discrimination or wrongful termination claim pending or threatened against or involving the Company and none has occurred.

(iii) The Company is not a party to or bound by or subject to any collective agreement, has not made any commitment to, or conducted any negotiation or discussion with, any labor union or employee association with respect to any future agreement or arrangement, is not required to recognize any labor union or employee association representing its employees or any agent having bargaining rights for its employees.

(o) Permits. All Permits required for the Company to conduct its Business have been obtained by it and are listed on Section 4(o) to the Disclosure Schedule except where the failure to obtain such Permit would not result in any delay or suspension of the operation of the Business, or result in the imposition of any material fine or penalty. With respect to each such Permit, including specifically the Liquor Permits: (i) the Permit is in full force and effect; (ii) the Company is in compliance with the terms of the Permit in all material respects; and (iii) to the Seller's Knowledge, no suspension, revocation or cancellation of the Permit is threatened; *provided, however*, that the Seller and the Buyer must give the notices, make filings with, and obtain the approval of any Governmental Authority or other Person with respect to the Permits set forth on Section 4(c) of the Disclosure Schedule.

(p) Bank Accounts. Section 4(p) of the Disclosure Schedule contains a list of all bank accounts maintained by the Company and a list of the signatories on each such account.

(q) Brokers' Fees. The Company has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

5. Certain Post-Closing Covenants.

(a) Non-Competition. The Seller agrees that for five years following the Closing, other than on behalf of the Company, the Seller will not directly or indirectly (A) engage in or assist others in engaging in the Restricted Business anywhere in, or within 50 miles of, Palmer, Alaska (the "Territory"); (B) have an interest in any entity that engages directly or indirectly in the Restricted Business in the Territory in any capacity, including as a partner, shareholder, officer, director, member, manager, employee, principal, agent, trustee, contractor, or consultant; or (C) intentionally interfere with the business relationships between the Company and customers or suppliers of the Company. As used herein, "Restricted Business" means the Business. The Seller acknowledges that the covenants contained in this Section 5(a) were a material inducement for the Buyer to purchase the Membership Interest. The Seller further acknowledges and agrees that the Seller has received adequate and sufficient consideration for the covenants and obligations in this Section 5(a). If the Company or the Buyer has reason to believe that the Seller has breached, threatened to breach, or is about to breach the provisions of this Section 5(a), the Company or the Buyer may seek judicial rulings and equitable relief to prevent or restrain any such breach or threatened breach. The Seller expressly understands and agrees that the equitable remedies described above are in addition to, and not any limitation upon, all rights and remedies as the Buyer or the Company may be entitled to under this Agreement and Applicable Law. For United States federal and applicable state income Tax purposes, the Parties agree that, from the Purchase Price, \$50,000 of the Closing Cash Payment shall be allocated to the covenant described in this Section 5(a). Each Party shall report the allocation described in the preceding sentence in a manner consistent with this provision for all

CONFIDENTIAL

applicable United States federal and applicable state income tax purposes, and no Party will take any position to the contrary on any applicable Tax Return.

(b) Liquor Permit Approval Process. The Seller and the Buyer will reasonably cooperate in obtaining any required consent or approval of any Governmental Authority, including the transfer of the Liquor Permits listed on Section 4(o) of the Disclosure Schedule. The Buyer will submit (i) a complete application at Buyer's sole cost and expense, to the Alcohol & Marijuana Control Office to obtain the approval of the Alaska Alcoholic Beverage Control Board (the forgoing Governmental Authorities referred to as the "Alaska Liquor Regulators") for the transfer of the controlling interest and the Liquor Permits; and (ii) the notices delivered to the Seller at Closing pursuant to Sections 2(d)(iv) and 2(d)(vi) above (collectively, the "Required Filings") as soon as commercially reasonable after the Closing Date, and the Seller will cooperate in all reasonable respects with, and will not take any action to oppose or otherwise hinder, the preparation, submission and review process associated with such application and the Required Filings. The Buyer will promptly notify the Seller of any correspondence between the Buyer, the Company and any Governmental Authorities with respect to the Liquor Permits and the Required Filings, such notice to include copies of any materials provided to, or received from, any Governmental Authorities in connection therewith. In addition to the application costs discussed above, the Buyer will pay for all of the professional services fees and expenses incurred by the Parties in connection with the approval process described in this Section 5(b).

(c) Transition Services. Beginning on the Closing Date and continuing until the nine-month anniversary thereof (the "Transition Services Period"), the Seller will provide to the Company certain transition services (collectively, the "Services") as reasonably requested by the Company on the terms and subject to the conditions set forth in this Section 5(c). For the first 90 days of the Transition Services Period, the Seller will provide the Services to the Company for 40 hours per week and for no additional consideration other than the Purchase Price. Following such 90-day period through the expiration of the Transition Services Period, the Seller will be available to provide the Services to the Company as reasonably requested by the Company at a rate of [REDACTED]. The Seller will perform the Services in accordance with Applicable Law and, as applicable, in substantially the same manner as the Seller provided such Services to the Company prior to the Closing. The relationship between the Company and the Seller established by this Section 5(c) will be that of independent contractors.

(d) Retention Bonus. On the first anniversary of the Closing Date, the Buyer will cause the Company to pay a retention bonus of up to, in the aggregate, [REDACTED] of the Holdback to the Key Employees in the amounts set forth on **Schedule 1(a)**. In the event that a Key Employee leaves his or her employment with the Company for any reason, such Key Employee's portion of the foregoing retention bonus will be paid to the Seller immediately following the first anniversary of the Closing Date.

(e) Maintenance Repairs. Following the Closing, the Buyer will cause the Company to use up to [REDACTED] of the Holdback to make any Material Repair necessary to conduct the Business in the ordinary course. In the event that any of the foregoing Holdback remains unused on the first anniversary of the Closing Date, such unused amount will promptly be paid to the

Seller. As used herein, “Material Repair” means any repair of the Company’s personal property that individually equals or exceeds [REDACTED]

(f) Paycheck Protection Program. The Parties acknowledge and agree that the Seller will be responsible for any liabilities that arise in connection with the loan received by the Company from the U.S. Small Business Administration Paycheck Protection Program (the “PPP Loan”); *provided, however*, that the Buyer agrees to cooperate, or cause the Company to cooperate, with the Seller in obtaining the forgiveness of the PPP Loan.

(g) AK Cares Grant. In the event that the Company receives any funds in connection with the AK Cares Grant Program application submitted by the Seller on August 31, 2020, the Buyer will cause the Company to pay such funds to the Seller within three Business Days of receipt.

(h) Financial Information. Beginning with the calendar quarter ending March 31, 2021, and continuing until all amounts owed under the Promissory Note have been paid in full, the Buyer agrees to deliver to the Seller quarterly financial statements of the Company prepared in accordance with GAAP and consistent with past practice. In addition, the Buyer further agrees to deliver to the Seller promptly upon completion annual Tax Returns for the Company until all amounts owed under the Promissory Note have been paid in full.

(i) Insurance. Immediately following the Closing, the Buyer will terminate each policy listed on Section 4(l) of the Disclosure Schedule, and the Buyer will promptly return to the Seller any policy premiums that are refunded to the Company in connection with such termination.

(j) Gift Cards. Following the Closing and continuing until all amounts owed under the Promissory Note have been paid in full, the Buyer will deliver a [REDACTED] gift card each month to the Seller to be redeemed at the Company’s Business.

6. Indemnification.

(a) Indemnity of the Buyer by the Seller. The Seller will indemnify, defend, and hold the Buyer and the Buyer’s employees, agents, Affiliates, and representatives harmless from and against any and all Losses suffered or incurred as a result of (i) any breach of any representation or warranty set forth in Sections 3(a) and 4 or (ii) any breach of, or failure to perform, any obligation or covenant to be performed by the Seller in this Agreement. The Seller shall not be liable, responsible or accountable to the Buyer or any Affiliate of the Buyer under this Section 6(a) in connection with any Losses suffered, sustained or incurred by the Buyer or any Affiliate of the Buyer, regardless of whether such damage was foreseeable and whether or not the Buyer has been advised of the possibility of damages, in connection with not having obtained, at or following the Closing, the Liquor Permits or any authorization, consent, or approval of the Alaska Liquor Regulators in connection with the Liquor Permits; *provided, however*, that the foregoing will not limit the Seller’s liability if the Seller breaches its covenants in Section 5(b) or if the Seller’s actions, inactions, business operations or negligence cause the Alaska Liquor Regulators to deny the required Liquor Permit transfer.

(b) Indemnity of the Seller by the Buyer. The Buyer will indemnify, defend, and hold the Seller and the Seller's employees, agents, Affiliates, and representatives harmless from and against any and all Losses suffered or incurred as a result of (i) any breach of any representation or warranty made in Section 3(b) or (ii) any breach of, or failure to perform, any obligation or covenant made by the Buyer in this Agreement.

(c) Claims.

(i) Third Party Claims. The Seller and the Buyer will, with reasonable promptness after obtaining knowledge thereof, provide each other with notice of all third party actions, suits, proceedings, claims, demands, or assessments that may be subject to the indemnification provisions of this Section 6 (collectively, "Third Party Claims"), stating the nature and basis of such Third Party Claims and the amounts thereof, in reasonable detail, to the extent then known by the indemnified party, and will otherwise timely make available all relevant information material to the defense of any Third Party Claims against it. The indemnifying party will have the right to elect to join in the defense of any such Third Party Claim at its sole expense, and no claim will be settled or compromised without the consent of the indemnifying party, which consent will not be unreasonably withheld, unless the indemnifying party has failed, after the lapse of a reasonable time, but in no event more than 15 days, after notice to it or them of such proposed settlement to notify the indemnified party of the indemnifying party's objection thereto. If the indemnifying party wishes, it may control the defense of such litigation, at its own expense, insofar as such claim may result in liability to the indemnifying party; *provided, however*, that the indemnifying party may not object to or refuse to incur any legal or other defense costs reasonably requested by the indemnified party; and further provided that legal counsel and other professional and expert assistance retained in connection with such defense must be reasonably satisfactory to the indemnified party. A party's failure to give timely notice or to provide copies of documents or to furnish relevant data in connection with any Third Party Claim will not constitute a defense, in part or in whole, to any claim for indemnification by such party, except and only to the extent that such failure results in any material prejudice to the indemnifying party. If any indemnifying party determines not to assume the defense of a Third Party Claim, such indemnifying party will thereby waive any claim, defense, or argument that the indemnified party's defense of such Third Party Claim is in any respect inadequate.

(ii) Non-Third Party Claims. The Buyer will promptly deliver to the Seller and the Seller will promptly deliver to the Buyer, as applicable, itemized statements setting forth all claims for indemnification under this Section 6, other than Third Party Claims. Within 30 Business Days after receipt of any such notice, the indemnifying party will give notice to the indemnified party of: (A) the acquiescence by the indemnifying party in whole to the claim; (B) the acquiescence by the indemnifying party in part to the claim; or (C) the rejection by the indemnifying party in whole of the claim. Any disputes regarding indemnification will be resolved pursuant to Section 8(f).

(d) Right of Offset and Recovery. In connection with making a claim for indemnification hereunder, the Buyer may suspend any payment of the Promissory Note that otherwise comes due while such claim is pending. Such suspension will continue until the earlier to occur of (i) the Buyer and the Seller agree in writing about the amount of recovery under such indemnification claim or (ii) a court of competent jurisdiction issues an order containing the amount of recovery (or an order that no recovery is justified). Upon the occurrence of either (i) or (ii), the Buyer shall set off any indemnification amounts to which the Buyer is entitled against any suspended amount and, to the extent there remains amounts outstanding after such set off, the Buyer shall pay the balance of any suspended amount to the Seller pursuant to the terms of this Agreement and the Promissory Note. In the event that the Buyer exhausts the Promissory Note, it can seek recovery of any remaining Adverse Consequences to which it is entitled directly from the Seller.

(e) Nature of Indemnification Payments. All indemnification payments under this Section 6 will be deemed adjustments to the Purchase Price.

(f) Remedies. The Buyer and the Seller acknowledge and agree that the foregoing indemnification provisions in this Section 6 will be in addition to, and not in derogation of, any other statutory, equitable, or common law remedies.

7. Tax Matters.

(a) Transfer Taxes. Any and all transfer, documentary, recording, notarial, sales, use, registration, stamp, and other Taxes, fees, and expenses (including, but not limited to, any penalties, interest, and additions to such Tax) incurred in connection with this Agreement, the transactions contemplated hereby, the purchase of the Membership Interest, and the acquisition by the Buyer of any and all rights, assets, and interests related to or attributable to the assets of the Company or the Business (all of the foregoing Taxes collectively referred to as “Transfer Taxes”) will be borne in full by the Buyer, regardless of whether any Governmental Authority seeks to collect such Transfer Taxes from the Seller. If any Governmental Authority collects such Transfer Taxes from the Seller, the Buyer will immediately reimburse the Seller for such Transfer Taxes.

(b) Taxes and Tax Returns.

(i) The Seller will prepare or cause to be prepared and file or cause to be filed all Tax Returns for the Company or that relate in any way to the assets of the Company or the Business for all taxable periods ending on or prior to the Closing Date that are required to be filed after the Closing Date, and will pay or cause to be paid all Taxes shown due on such Tax Returns. The Seller will permit the Buyer a reasonable amount of time to review and comment on each such Tax Return described in the preceding sentence prior to filing and will consider in good faith any revisions to such Tax Returns as are reasonably requested by the Buyer. The Seller will bear the costs of preparing such Tax Returns.

(ii) Except as otherwise provided in Section 7(d), the Buyer will prepare or cause to be prepared and file or cause to be filed any Tax Returns for the Company or that relate in any way to the assets of the Company or the Business for Tax periods that begin before the Closing Date and end after the Closing Date, and all such Tax Returns will be prepared in a manner consistent with past practices of the Company. The Buyer will permit the Seller a reasonable amount of time to review and comment on each such Tax Return described in the preceding sentence prior to filing and will make all revisions to such Tax Returns as are reasonably requested by the Seller. The Buyer will bear the costs of preparing such Tax Returns. Except with respect to income Taxes required to be reported on the Seller's individual income Tax Return, the Seller will pay to the Buyer within 15 days after the date on which the Buyer pays the Taxes shown due on the Tax Returns an amount equal to the portion of such payment that is attributable to Taxes for the portion of such Tax period ending on the Closing Date (the "Pre-Closing Tax Period"). For purposes of this Section 7(b)(ii), in the case of any Taxes that are imposed on a periodic basis and are payable for a Tax period that includes (but does not end on) the Closing Date, the portion of such Tax that relates to the Pre-Closing Tax Period will (A) in the case of any Taxes other than income Taxes, be deemed to be the amount of such Tax for the entire Tax period multiplied by a fraction, the numerator of which is the number of days in the Tax period ending on the Closing Date and the denominator of which is the number of days in the entire Tax period, and (B) in the case of any income Tax, be deemed equal to the amount that would be payable if the relevant Tax period ended on the Closing Date. All determinations necessary to give effect to the foregoing allocations will be made, except as required by Applicable Law, in a manner consistent with prior practice of the Company and in conformity with the Code and any other Applicable Law.

(iii) The Buyer and the Seller will furnish or cause to be furnished to each other, as promptly as practicable, such information and assistance relating to the assets of the Company and the Business as is reasonably necessary for the preparation and filing of any Tax Return, any claim for refund or other filings relating to Tax matters, for the preparation for any Tax audit, for the preparation for any Tax protest, or for the prosecution or defense of any suit or other proceeding relating to Tax matters; *provided, however*, that the Buyer and the Seller will not be required to provide any information to the other Party if such information is subject to a claim of privilege or confidentiality.

(c) The Buyer will promptly notify the Seller of the initiation of any audit, examination, proceeding (a "Proceeding"), or claim by any Governmental Authority relating to Taxes with respect to any Tax period beginning before the Closing Date. The Seller will be entitled to control the conduct of any such Proceeding; *provided, however*, that the Seller will keep the Company and the Buyer reasonably informed of the progress of any such Proceeding, and will provide the Company and the Buyer (at the Buyer's expense) a reasonable opportunity to participate in such Proceeding; and provided further, that the Seller will not settle any such Proceeding relating to a Tax Period that begins before the Closing Date and ends after the Closing Date without the consent of the Buyer, such consent not to be unreasonably withheld, conditioned, or delayed.

(d) With respect to U.S. federal and applicable state income Tax Returns of the Company, for the taxable year ending December 31, 2020, the Seller will cause Kevin Van Nortwick, CPA, BDO USA (or, if unavailable, another CPA in the BDO USA Anchorage office) to prepare such Tax Returns. The Seller and the Buyer will work together to compile and deliver to BDO USA any documents or information necessary for the preparation of such Tax Returns. The Seller will provide a draft of such Tax Returns to the Buyer at least 15 days prior to the due date of such Tax Returns, and will consider in good faith any comments made by the Buyer (prior to the due date of such Tax Returns) with respect to such Tax Returns. The cost of preparing such Tax Returns will be borne by the Seller and the Buyer based on the proportionate number of days each Party owned the Company during such taxable year. Each of the Seller, the Buyer, and the Company hereby agree to make the “closing of the books” election set forth in Section 1377(a)(2) of the Code and Treasury Regulations Section 1.1377-1(b), and to prepare, execute, and timely file (or cause the Company to prepare, execute, and timely file) all consents and other documentation required to make such election. In the case of any conflict between the provisions contained in this Section 7(d) and provisions contained in Section 7(b)(ii), this Section 7(d) will control.

(e) Neither the Buyer nor the Company may (i) change the Company’s method of accounting for United States federal income Tax purposes with respect to any Pre-Closing Period, or (ii) amend any Tax Return relating to any Tax period beginning before the Closing Date, in either case without the written consent of the Seller. Any Tax refund relating to any Tax period of the Company ending on or prior to the Closing Date or any Pre-Closing Tax Period will be promptly paid to the Seller.

(f) On the Closing Date and except for transactions described in this Agreement, neither the Buyer nor the Company will undertake any transaction outside the Ordinary Course of Business with respect to the Company or the Company’s assets. The Parties agree that no election under Section 336(e) of the Code will be made with respect to the transactions contemplated pursuant to this Agreement.

8. Miscellaneous.

(a) Survival. The representations and warranties made in this Agreement will survive the Closing for a period of 12 months from the Closing Date. The covenants and agreements contained herein will survive the Closing until fully performed.

(b) Entire Agreement; Amendment. This Agreement (including the documents referred to herein) constitutes the entire agreement among the Parties and supersedes any prior understandings, agreements, or representations by or among the Parties, written or oral, to the extent they relate in any way to the subject matter hereof. This Agreement may not be amended except by an instrument in writing signed by the Buyer and the Seller, and no claimed amendment, modification, termination, or waiver will be binding unless in writing and signed by the Party against whom or which such claimed amendment, modification, termination, or waiver is sought to be enforced.

(c) Succession and Assignment. This Agreement will be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. This Agreement will not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns. No Party may assign either this Agreement or any of his or her rights, interests, or obligations hereunder without the prior written approval of the other Parties.

(d) Counterparts; Electronic Delivery. This Agreement may be executed in multiple counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument. A signed copy of this Agreement delivered by e-mail or other means of electronic transmission will be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

(e) Notices. All notices, requests, demands, claims, and other communications hereunder will be in writing. Any notice, request, demand, claim, or other communication hereunder will be deemed duly given if it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below:

If to the Seller:

[REDACTED]

[REDACTED]

[REDACTED]

If to the Buyer:

[REDACTED]

[REDACTED]

[REDACTED]

CONFIDENTIAL

Attention: [REDACTED]

Such notice, request, demand, waiver, consent, approval, or other communication will be deemed to have been given as of the date so delivered if delivered personally or, if mailed, three Business Days after the date so mailed or, if sent by overnight courier service, one Business Day after the date so sent. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

(f) Governing Law and Venue; Waiver of Jury Trial.

(i) This Agreement will be governed by and construed in accordance with the domestic laws of the State of Alaska without giving effect to any choice or conflict of law provision or rule.

(ii) Except for matters dealt with in Section 2(e) above, any legal suit, action, or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be instituted in the federal courts of the United States of America or the courts of the State of Alaska, in each case located in the city of Anchorage, Alaska, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding. Service of process, summons, notice, or other document by mail to such Party's address set forth herein will be effective service of process for any suit, action, or other proceeding brought in any such court. The Parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action, or any proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action, or proceeding brought in any such court has been brought in an inconvenient forum.

(iii) Each Party acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues and, therefore, each such Party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Agreement or the transactions contemplated hereby or thereby.

(g) Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction will not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

(h) Expenses. Unless otherwise stated herein, each of the Parties will bear their own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby. The Seller agrees that any Company Transaction Expenses, to the extent not paid prior to Closing or at Closing will, following the Closing, be the sole responsibility of the Seller, and not of the Buyer or the Company.

CONFIDENTIAL

(i) Confidentiality. The Seller will treat and hold as confidential (i) all of the Company's confidential and proprietary information relating to the Business; (ii) the Buyer's plans for the Company following the Closing; and (iii) the existence and terms of this Agreement ((i), (ii), and (iii), collectively, the "Confidential Information"). The Seller will further refrain from using any of the Confidential Information except in connection with this Agreement, and deliver promptly to the Buyer or destroy, at the request and option of the Buyer, all tangible embodiments (and all copies) of the Confidential Information covered by (i) above which are in the Seller's possession. In the event that the Seller is requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any Confidential Information, the Seller will notify the Buyer promptly of the request or requirement so that the Buyer may seek an appropriate protective order or waive compliance with the provisions of this Section 8(i). If, in the absence of a protective order or the receipt of a waiver hereunder, the Seller is, on the advice of counsel, compelled to disclose any Confidential Information to any tribunal or else stand liable for contempt, the Seller may disclose the Confidential Information to the tribunal.

(j) Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Each Party acknowledges that he or she has obtained the advice and representation of competent, independent legal, financial, and tax counsel in negotiating, entering into, and executing this Agreement or knowingly and voluntarily waived the right to do so.

(k) Further Assurances. In case at any time after the Closing any further action is necessary to carry out the purposes of this Agreement, each of the Parties will take such further action as any other Party reasonably may request, all at the sole cost and expense of the requesting Party (unless the requesting Party is entitled to indemnification under Section 6 above).

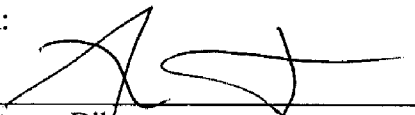
SIGNATURE PAGE FOLLOWS

CONFIDENTIAL

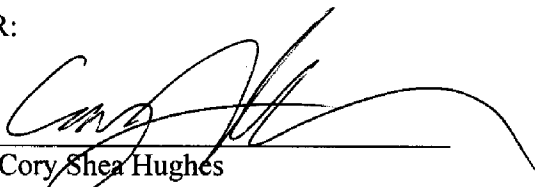
- 20 -

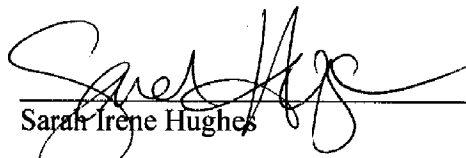
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first above written.

SELLER:


Steven Dike

BUYER:


Cory Shea Hughes


Sarah Irene Hughes

SECURED PROMISSORY NOTE

October 4, 2020

THIS SECURED PROMISSORY NOTE (this “Note”) is delivered by Cory Shea Hughes and Sarah Irene Hughes, a married couple (together, the “Maker”), to Steven Dike (“Holder”). This Note is delivered in connection with that certain Membership Interest Purchase Agreement of even date herewith by and between Maker and Holder (the “Purchase Agreement”) pursuant to which Maker has purchased from Holder all of the outstanding limited liability company membership interest in Palmer Alehouse LLC, an Alaska limited liability company (the “Company”). A portion of the Purchase Price for the acquisition is being financed through an extension of credit by Holder evidenced by this Note. Any capitalized term used but not otherwise defined herein shall have the meaning given to such term in the Purchase Agreement.

Section 1. Promise to Pay; Interest. Subject to the terms and conditions hereof, Maker promises to pay Holder the principal sum of [REDACTED] in lawful money of the United States of America, with interest accruing on the outstanding principal balance at five percent (5%) per annum from the date of this Note and continuing until all sums due hereunder are paid in full. Interest shall be compounded on the basis of a 365-day year. In the event that the interest rate in this Section 1 exceeds the maximum amount permitted by Applicable Law, such interest rate shall be retroactively reduced to such maximum permissible amount.

Section 2. Scheduled Payments.

(a) Monthly Payments. The unpaid balance of principal and any accrued and unpaid interest shall be due and payable on the fifth anniversary of the date hereof (the “Maturity Date”). Equal monthly payments of principal and interest based on a ten (10) year amortization schedule in the amount of [REDACTED] shall be due and payable beginning on November 15, 2020 and continuing on the fifteenth day of each month thereafter until the Maturity Date. For the avoidance of doubt, Maker hereby acknowledges that the entire outstanding principal balance of this Note, together with all accrued unpaid interest, shall be due and payable in full on the Maturity Date.

(b) Annual Payments. In addition to the monthly payments described in Section 2(a), Maker shall be required to make an annual balloon payment (each such payment, an “Annual Payment”) beginning in January 2022 and continuing each calendar year thereafter until January 2025 (each such year, a “Payment Year”). The amount of the Annual Payment shall be calculated in the manner set forth in Section 2(b)(i) based on the net income of the Company for the calendar year immediately preceding the applicable Payment Year (each such year, a “Preceding Year”).

(i) Determination of Annual Payment Amount. No later than January 15 of each Payment Year, Maker shall prepare and deliver to Holder a statement (each, a “Determination Statement”) containing Holder’s calculation of the Annual Payment owed together with the unaudited year-end financial statements of the Company for the Preceding Year, which shall have been prepared in accordance with GAAP (the “Year-End Financial Statements”). The Annual Payment amount for any Payment Year shall be equal to the sum of (i) the Total Taxable Income *multiplied by* (ii) sixty-five percent (65%) *less* (iii) the aggregate amount of monthly payments made by Maker pursuant to this Note during the Preceding Year. If

the result of the foregoing is a positive number, such positive amount shall be the Annual Payment amount for the applicable Payment Year, due and payable as described in Section 2(b)(iii). If the result of the foregoing is a negative number, then no Annual Payment shall be owed for such Payment Year. An example of the foregoing calculation is set forth in Schedule 1 attached hereto. As used herein, “Total Taxable Income” means, as shown on the Year-End Financial Statements, net income *less* depreciation; *provided, however*, that for the purposes of calculating an Annual Payment, depreciation shall not exceed [REDACTED] for any Proceeding Year.

(ii) Holder’s Review; Objection; Dispute Resolution. After receipt of a Determination Statement, Holder shall have five (5) days (the “Review Period”) to review the Determination Statement. During the Review Period, Holder shall have reasonable access to the books and records of the Company, and the personnel of and work papers prepared by Maker and/or Maker’s accountants, to the extent that they relate to the Determination Statement, as Holder may reasonably request for the purpose of reviewing the Determination Statement. If Holder disputes any amount in the Determination Statement (an “Objection”), Holder shall so notify Maker within the Review Period. If Holder fails to notify Maker of an Objection before the expiration of the Review Period, the Determination Statement shall be deemed to have been accepted by Holder. If Holder notifies Maker of an Objection prior to the expiration of the Review Period, and Holder and Maker are able to resolve such Objection within three (3) days after delivery to Maker of notice of an Objection, such resolution, as agreed to in writing by Holder and Maker, shall be final and binding. If Holder and Maker are unable to resolve an Objection in good faith within such three (3) day period, then Holder shall appoint an independent accountant who, acting as expert and not arbitrator, shall resolve the Objection and make adjustments to the Determination Statement within ten (10) days after their engagement. Such resolution of an Objection and adjustments to a Determination Statement shall be conclusive and binding upon Holder and Maker. The fees and expenses of any independent accountant engaged pursuant to this Section 2(b)(ii) shall be paid one-half by Holder and one-half by Maker.

(iii) Payment of Annual Payments. Any Annual Payment owed pursuant to this Note shall be due within three (3) days after acceptance of a Determination Statement or, if a timely Objection is made by Holder, within three (3) days after the resolution described in Section 2(b)(ii).

Section 3. Prepayment.

(a) No Penalty. Maker may prepay all or any amounts owing hereunder at any time without penalty.

(b) Early Payment Discount. The principal balance of this Note shall be reduced as follows in the event Maker pays the entire outstanding principal balance and all accrued unpaid interest on or before December 31, 2023 (such prepayment, the “Early Payment”): (i) if Early Payment occurs on or before December 31, 2021, the principal balance of this Note shall be reduced by [REDACTED]; or (ii) if Early Payment occurs after December 31, 2021 but on or before December 31, 2022, the principal balance of this Note shall be reduced by [REDACTED]; or (iii) if Early Payment occurs after December 31, 2022 but on or before December 31, 2023, the principal balance shall be reduced by [REDACTED]. No discount shall be applied if any amounts owed under this Note remain outstanding after December 31, 2023.

Section 4. Manner of Payment; Late Charge.

(a) All payments under this Note shall be made to First National Bank Alaska as “Escrow Agent” and deposited in an escrow account to be held and released as mutually agreed upon by Holder and Escrow Agent. The fees and expenses of the Escrow Agent shall be paid one-half by Holder and one-half by Maker.

(b) Whenever a payment to be made hereunder shall be due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day.

(c) Any payment owing under this Note that is not paid within ten (10) days of its due date shall incur a five percent (5%) late charge.

Section 5. Continuity of Operations. Until this Note is paid in full, Maker hereby agrees to use all commercially reasonable efforts to cause the Company to be operated in the ordinary course of business, and where appropriate in Maker’s discretion, consistent with past practice, including, specifically the Company’s operating expenses.

Section 6. Security.

(a) As security for the prompt and full performance of Maker’s obligations hereunder, Maker hereby pledges and grants to Holder a continuing Security Interest in and to all of Maker’s right, title and interest in and to all of the outstanding limited liability company membership interest in the Company (the “Membership Interest”).

(b) As further security for the prompt and full performance of Maker’s obligations hereunder, the Company hereby pledges and grants to Holder a continuing Security Interest in and to all of the Company’s right, title and interest in and to the assets of the Company, wherever located, whether now existing or hereafter arising or acquired (collectively, the “Company Assets” and together with the Membership Interest, the “Collateral”) including, but not limited to:

(i) the Liquor Permits;

(ii) all other personal property and fixtures of every kind and nature, including all accounts, goods (including Inventory and equipment), documents (including, if applicable, electronic documents), Contracts, instruments, promissory notes, chattel paper (whether tangible or electronic), letters of credit, securities and all other investment property, general intangibles (including all payment intangibles), money, deposit accounts, and any other Contract rights or rights to the payment of money; and

(iii) all proceeds and products of each of the foregoing, all books and records relating to the foregoing, all supporting obligations related thereto, and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, and any and all proceeds of any insurance, indemnity, warranty or guaranty payable to the Company from time to time with respect to any of the foregoing.

Section 7. Covenants Regarding Collateral.

(a) Inspection. Holder may inspect the Collateral, or documentation thereof, in the possession of Maker or the Company at any time upon reasonable notice.

(b) Collection Rights. Holder shall have the right at any time to enforce Maker’s rights against all Persons obligated in any of the Collateral.

(c) Change of Name; Organization. Without thirty (30) days' prior written notice to Holder, the Company shall not (i) change its name or place of business or the office in which the Company's records relating to accounts receivable and payment intangibles are kept, or (ii) change the Company's state of organization.

(d) No Disposition of Collateral. Maker and the Company each hereby agree not to:

(i) sell, lease, transfer or otherwise dispose of any of the Collateral, other than in the Ordinary Course Business, without the prior written consent of Holder; or

(ii) grant any Security Interest in or lien on any of the Collateral, other than the Security Interests created hereby, without the prior written consent of Holder.

Section 8. Representations and Warranties.

(a) Maker represents and warrants to Holder that:

(i) Maker is the sole, direct, legal and beneficial owner of the Membership Interest, free and clear of any restrictions on transfer, Taxes, Security Interests, options, warrants, purchase rights, voting commitments, and proxies, except for the Security Interest granted herein.

(ii) Maker has all necessary power, authority and legal right to grant a Security Interest in the Membership Interest pursuant to this Note.

(iii) The Security Interest granted herein constitutes a valid first lien on the Membership Interest in favor of Holder and Maker authorizes Holder to file a UCC-1 financing statement or other documents as may hereafter be required by Holder for the purpose of perfecting or continuing the perfection of Holder's Security Interest in the Membership Interest granted hereunder.

(b) The Company represents and warrants to Holder that:

(i) The Company is the sole, direct, legal and beneficial owner of the Company Assets, free and clear of any Security Interests, except for the Security Interest granted herein.

(ii) The Security Interest granted herein constitutes a valid first lien on the Company Assets in favor of Holder and the Company authorizes Holder to file a UCC-1 financing statement or other documents as may hereafter be required by Holder for the purpose of perfecting or continuing the perfection of Holder's Security Interest in the Company Assets granted hereunder.

(iii) The Company shall preserve the Company Assets for the benefit of Holder. Without limiting the generality of the foregoing, the Company shall:

(1) make all repairs, replacements, additions and improvements necessary to maintain the Company Assets in good working order and condition;

(2) maintain the Liquor Permits and comply with any Applicable Law applicable thereto;

(3) insure all of the Company Assets that constitute personal property in a manner consistent with the past practice of the Company and provide Holder with evidence of such insurance and the endorsements regarding insurance coverage as reasonably requested by Holder from time to time;

(4) obtain business interruption insurance in a manner and with a company reasonably acceptable to Holder;

(5) maintain and account for all Inventory;

(6) preserve beneficial Contract rights;

(7) take commercially reasonable steps to collect all accounts; and

(8) pay all Taxes or other charges and fees on the Company Assets when due.

Section 9. Default and Remedies.

(a) Events of Default. Any one of the following occurrences shall constitute an “Event of Default” under this Note:

(i) The failure by Maker to timely make any payment due under this Note in accordance with the terms herein.

(ii) The breach of or failure to comply with any non-payment covenant or condition contained herein by Maker or the Company.

(iii) Upon any representation, warranty or statement made by Maker or the Company herein that is proven to be untrue, incorrect, incomplete or misleading in any material respect at the time made or becomes untrue, incorrect, incomplete or misleading at any time thereafter.

(iv) Pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors (a “Bankruptcy Law”), Maker or the Company (1) commences a voluntary case or proceeding; (2) consents to the entry of an order for relief against it in an involuntary case; (3) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official; (4) makes an assignment for the benefit of its creditors; or (5) admits in writing to its inability to pay its debts as they become due.

(v) If a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (1) is for relief against Maker or the Company; (2) appoints a trustee, receiver, assignee, liquidator or similar official for Maker, the Company or substantially all of their properties; or (3) orders the liquidation of the Company, and in each case the order or decree is not dismissed within sixty (60) days.

(b) Remedies. Upon the occurrence and continuance of any Event of Default:

(i) The entire unpaid principal balance of this Note, any unpaid interest, and any other amounts owing under this Note shall, at the option of Holder, immediately become due

and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by Maker and the Company.

(ii) Holder shall have the sole and absolute right to exercise all voting and consensual rights and powers pertaining to the Membership Interest or any part thereof until such time as the Event of Default has been cured, and Holder may exercise such voting and consensual rights in whatever manner it deems appropriate, owing no duty or obligation to Maker with respect to any vote or consent.

(iii) Holder shall have the sole and absolute right to retransfer the Liquor Permits to Holder.

(iv) Holder may perform any warranty, covenant or agreement which Maker or the Company has failed to perform under this Note.

(v) Holder may take any action which Holder deems reasonably necessary or desirable to protect the Collateral or the Security Interests granted herein.

(vi) Holder shall have and may exercise any and all rights and remedies available at law or in equity, including those rights and remedies set forth under the Uniform Commercial Code of the State of Alaska. The remedies of Holder, as provided in this Note shall be cumulative and concurrent and may be pursued singularly, successively or together, at the sole discretion of Holder, and may be exercised as often as occasion therefor may arise.

If Holder commences legal proceedings to enforce its rights hereunder, Holder shall be entitled to its costs and reasonable attorneys' fees from Maker. Maker agrees that the Company may rely conclusively upon any notice from Holder that Holder has the right and authority to exercise all rights and powers of Maker as with respect to the Membership Interest.

Section 10. **Power of Attorney.** Maker and the Company each hereby irrevocably constitutes and appoints Holder, or any Person whom Holder may from time to time designate, with full power of substitution, as the true and lawful attorney-in-fact of Maker and the Company with full irrevocable power and authority in the place and stead of Maker and the Company and in the name of Maker and the Company or in such attorney-in-fact's own name, from time to time in the discretion of such attorney-in-fact following the occurrence of an Event of Default, for the purpose of carrying out the terms of this Note, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Note. This power of attorney is a power coupled with an interest and shall be irrevocable. The power conferred on the attorney-in-fact hereunder is solely to protect the interest in the Collateral and shall not impose any duty upon the attorney-in-fact to exercise any such power. The attorney-in-fact shall be accountable only for amounts that it actually receives as a result of the exercise of such power and neither it nor any of its agents shall be responsible to Maker or the Company for any act or failure to act unless such action or failure to act constitutes gross negligence or willful misconduct or intentionally wrongful acts or omissions.

Section 11. **No Waiver by Holder; Amendment.** No act or omission of Holder, including without limitation any failure to exercise any right, remedy or recourse, shall be deemed to be a waiver or release of any right, remedy, or recourse by Holder. A waiver or release with reference to any one event shall not be construed as continuing, as a bar to, or as a waiver or release of, any subsequent right, remedy, or recourse as to any subsequent event. No covenant, condition, right or remedy in this Note may be waived or modified orally, by course of conduct or previous acceptance or otherwise unless such

waiver or modification is specifically agreed to in a writing executed by Holder. This Note may be amended in whole or in part by a writing executed by all of the parties hereto.

Section 12. Application of Payments. Each payment under this Note shall be applied first to any costs and expenses owing hereunder, second to accrued unpaid interest, and third to the outstanding principal balance of this Note.

Section 13. Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of Alaska, without regard for conflict of law rules.

Section 14. Successors and Assigns. Maker and the Company may not assign, pledge, or otherwise transfer this Note or their obligations hereunder without the prior written consent of Holder. The terms and conditions of this Note shall be binding upon Maker and the Company and their respective successors and permitted assigns.

Section 15. Waivers. The undersigned, all endorsers, and all Persons liable or to become liable on this Note hereby waive presentment, demand, protest and notice of demand, protest and nonpayment, and any defense of claim that resort must first be had to any security or any other Person.

Section 16. Headings; Construction. Any headings used herein are for convenience of reference only and have no force or effect or legal meaning in the construction or enforcement of this Note. Whenever required by the context in this Note, the singular number shall include the plural and vice versa, and any gender shall include the masculine, feminine and neuter genders.

Section 17. Further Assurances. Maker and the Company each hereby agree that each shall execute and deliver all further instruments and documents, obtain such agreements from third parties, and take all further action that may be necessary or desirable, or that Holder may reasonably request, in order to create and/or maintain the validity, perfection or priority of and protect any Security Interest granted or purported to be granted hereby or to enable Holder to exercise and enforce its rights and remedies hereunder.

Section 18. Notices. All notices required to be given under the terms of this Note or which any of the parties may desire to give hereunder shall be in writing and delivered personally or sent by registered or certified mail, postage and expenses prepaid, return receipt requested, addressed to the parties as follows:

MAKER OR THE COMPANY:
Cory Shea Hughes and Sarah Irene Hughes
PO Box 876818
Wasilla, AK 99687

HOLDER:
Steven Dike
12601 Atherton Rd.
Anchorage, AK 99516

Section 19. Severability. If one or more provisions contained in this Note shall be invalid, illegal or unenforceable in any respect in any jurisdiction or with respect to any party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such party shall, to the fullest extent permitted by Applicable Law, not invalidate or render illegal or unenforceable any such provision in any other jurisdiction or with respect to any other party, or any other provisions of this Note.

[Signature page follows]

Execution Version

MEMBERSHIP INTEREST PURCHASE AGREEMENT

This Membership Interest Purchase Agreement (this "Agreement") is entered into on October 4, 2020, by and among Cory Shea Hughes and Sarah Irene Hughes, a married couple (together the "Buyer"), and Steven Dike (the "Seller"). The Buyer and the Seller are each referred to individually as a "Party" and collectively as the "Parties."

The Seller owns all of the outstanding limited liability company membership interest (the "Membership Interest") in Palmer Alehouse LLC, an Alaska limited liability company (the "Company").

This Agreement contemplates a transaction in which the Buyer will purchase from the Seller, and the Seller will sell to the Buyer, the Membership Interest in return for the Purchase Price set forth in Section 2, on the terms set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, the Parties agree as follows.

1. Definitions.

Certain capitalized terms have the meaning given them above or in the body of this Agreement, and the other capitalized terms are defined as follows:

"Affiliate" has the meaning set forth in Rule 12b-2 of the regulations promulgated under the Securities Exchange Act of 1934, as amended.

"Applicable Law" means, in respect of any Person, property, transaction, or event, any domestic or foreign statute, law, ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, or order that applies in whole or in part to such Person, property, transaction, or event.

"Business" means the business conducted by the Company immediately prior to the Closing.

"Business Day" means any day except Saturday, Sunday, or any other day on which commercial banks located in Anchorage, Alaska are authorized or required by Applicable Law to be closed for business.

"Code" means the Internal Revenue Code of 1986, as amended.

"Contract" means any written or oral contract, agreement, lease, instrument, or other commitment that is binding on any Person or its property under Applicable Law.

"Current Assets" means cash and cash equivalents, accounts receivable, prepaid deposits, lease deposit, prepaid expenses, and Inventory determined in accordance with GAAP.

Handwritten signature/initials

"Current Liabilities" means accounts payable, accrued wages, accrued expenses, an amount equal to the Holdback (\$20,000 of which will fund a retention bonus pool for Key Employees, and \$10,000 of which will fund Material Repairs), and other current liabilities determined in accordance with GAAP.

"GAAP" means United States generally accepted accounting principles as in effect from time to time.

"Governmental Authority" means any agency of the United States or of any state or local government, and any intergovernmental agency or quasi-governmental agency.

"Holdback" means that portion of Company cash in an amount equal to \$30,000, which will be retained by the Company following the Closing and paid in the manner set forth in Sections 5(d) and 5(e).

"Inventory" means, with respect to the Company, any and all inventories of beer, wine, spirits, other alcoholic and non-alcoholic liquor, food, supplies, perishable inventory, disposable paper goods (such as napkins and paper towels), soaps and detergents, condiments, retail merchandise, replacement and spare parts, bottles, barrels, labels, plates, cups, utensils, and other products, materials and goods which are held for sale or used by the Company in connection with the Business, regardless of where located, and all rights of the Company against suppliers of such inventories including, but not limited to, the Company's rights to receive refunds, rebates, and/or other similar amounts in connection with the Company's purchases of goods, products, and/or materials.

"Key Employees" means the employees listed as "Key Employees" in **Schedule 1(a)**.

"Liquor Permits" means any Permit issued by the State of Alaska Alcohol & Marijuana Control Office or the Alcohol and Tobacco Tax and Trade Bureau that is required in connection with the operation of the Business.

"Losses" means all damages, losses, liabilities, fines, penalties, costs, and expenses, including reasonable attorneys' fees.

"Ordinary Course of Business" means the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency).

"Permit" means all permits, registrations, licenses, franchises, approvals, authorizations, and consents required to be obtained from any Governmental Authority in connection with the operation of the Business including, without limitation, the Liquor Permits.

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department, agency, or political subdivision thereof).

Handwritten signatures and initials, including a large stylized signature and the letters 'CH'.

"Security Interest" means any mortgage, pledge, lien, encumbrance, or other security interest.

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, partnership, association, or other business entity of which (a) if a corporation, a majority of the total voting power of shares of stock entitled to vote in the election of directors, managers, or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof or (b) if a limited liability company, partnership, association, or other business entity (other than a corporation), a majority of the partnership or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof and for this purpose, a Person or Persons own a majority ownership interest in such a business entity (other than a corporation) if such Person or Persons will be allocated a majority of such business entity's gains or losses or will be or control any managing director or general partner of such business entity (other than a corporation).

"Tax" or "Taxes" means any federal, state, local, or non-United States income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code Section 59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not, and including any obligations to indemnify or otherwise assume or succeed to the Tax liability of any other Person.

"Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to any Tax, including any schedule or attachment thereto, and including any amendment thereof.

2. Purchase and Sale of Membership Interest.

(a) Basic Transaction. On and subject to the terms and conditions set forth in this Agreement, the Buyer hereby purchases from the Seller, and the Seller hereby sells, transfers and assigns to the Buyer, all of the Membership Interest for the consideration specified below in this Section 2.

(b) Purchase Price. The aggregate purchase price for the Membership Interest will be \$2,400,000, subject to adjustment pursuant to Section 2(e) hereof (the "Purchase Price"). The Purchase Price will consist of the following components:

(i) a payment at Closing (the "Closing Cash Payment") of \$500,000 *minus* all outstanding legal, accounting, and other professional fees, costs, and expenses incurred by the Seller or the Company in connection with the transactions contemplated hereby (collectively, the "Company Transaction Expenses"); and

(ii) a five-year secured promissory note executed by the Buyer in favor of the Seller in the form attached hereto as **Exhibit A** (the "Promissory Note") with a principal

balance of \$1,900,000. Any payment made pursuant to the Promissory Note will be subject to suspension and a right of offset as set forth in Section 6(d).

(c) The Closing. The closing of the transactions contemplated by this Agreement (the "Closing") will take place at the offices of Stoel Rives LLP in Anchorage, Alaska, concurrent with the execution and delivery of this Agreement (the "Closing Date") and will be deemed effective as of 11:59 p.m. Alaska time on the Closing Date. In light of Section 8(d), none of the Parties hereto are required to be physically present at the Closing.

(d) Deliveries at the Closing. At the Closing:

(i) the Seller will deliver to the Buyer evidence to the satisfaction of the Buyer that the consents listed on Section 4(c) of the Disclosure Schedules have been obtained and the notices listed on Section 4(c) of the Disclosure Schedules have been delivered;

(ii) the Seller will deliver to the Buyer a non-foreign affidavit dated as of the Closing Date, sworn under penalty of perjury and in form and substance required under the Treasury Regulations issued pursuant to Code Section 1445, stating that the Seller is not a "foreign person" as defined in Code Section 1445;

(iii) the Seller will deliver to the Buyer a resignation of the manager (and, as requested by the Buyer, the officers) of the Company;

(iv) the Buyer will deliver to the Seller a copy of a properly completed (1) notice of transfer of equity and (2) notice of change in corporate officers and directors to be delivered to the Alaska Alcoholic Beverage Control Board pursuant to AS 04.11.050(a);

(v) the Buyer will execute and deliver the Promissory Note;

(vi) the Buyer will deliver to the Seller a copy of a properly completed notice of change of officials to be delivered to the Alaska Department of Commerce, Community, and Economic Development, Division of Corporations; and

(vii) the Buyer will pay the Company Transaction Expenses and the Closing Cash Payment by check to the payees thereof, as set forth in Section 2(b)(i).

(e) Working Capital Adjustment.

(i) Buyer Determination. Within five days after the Closing Date, the Buyer will prepare and deliver to the Seller a statement (the "Closing Statement") setting forth its calculation of Closing Working Capital, which statement will contain a balance sheet of the Company as of the Closing Date, prepared in accordance with GAAP (the "Closing Date Balance Sheet"). The Seller's review and resolution of any disputes regarding the Closing Statement will be handled as set forth below. "Closing Working Capital" means

Current Assets *minus* Current Liabilities as set forth on the Closing Date Balance Sheet; *provided, however*, that "Current Assets" will include the miscellaneous unrecorded deposits and prepaid expenses set forth on **Schedule 2(e)**.

(ii) Adjustment. If the Closing Working Capital is a positive number, the Buyer will pay such positive amount to the Seller. If the Closing Working Capital is a negative number, the Seller will pay such negative amount to the Buyer. In either case, payment will be made as set forth in Section 2(e)(iv).

(iii) Sellers' Examination and Review; Dispute Resolution.

(A) Examination. After receipt of the Closing Statement, the Seller will have 10 days (the "Review Period") to review the Closing Statement. During the Review Period, the Seller will have reasonable access to the books and records of the Company, and the personnel of and work papers prepared by the Buyer and/or the Buyer's accountants to the extent that they relate to the Closing Statement and to such historical financial information (to the extent in the Buyer's possession) relating to the Closing Statement as the Seller may reasonably request for the purpose of reviewing the Closing Statement and preparing a Statement of Objections (defined below).

(B) Objection. On or prior to the last day of the Review Period, the Seller may object to the Closing Statement by delivering to the Buyer a written statement setting forth the Seller's objections in reasonable detail, indicating each disputed item or amount and the basis for the Seller's disagreement therewith (a "Statement of Objections"). If the Seller fails to deliver a Statement of Objections before the expiration of the Review Period, the Closing Statement will be deemed to have been accepted by the Seller. If the Seller delivers a Statement of Objections before the expiration of the Review Period, the Buyer and the Seller will negotiate in good faith to resolve such objections within 10 days after the delivery of the Statement of Objections (the "Resolution Period"), and, if the same are so resolved within the Resolution Period, the Closing Statement, with such changes as may have been previously agreed to in writing by the Buyer and the Seller, will be final and binding.

(C) Resolution of Disputes. If the Seller and the Buyer fail to reach an agreement with respect to all of the matters set forth in the Statement of Objections before expiration of the Resolution Period, then any amounts remaining in dispute (the "Disputed Amounts") will be submitted for resolution to the office of a nationally recognized firm of independent certified public accountants to be mutually agreed upon by the Buyer and the Seller (the "Independent Accountant") who, acting as experts and not arbitrators, will resolve the Disputed Amounts only and make any adjustments to the Closing Statement.

5ed CH

(D) Fees of the Independent Accountant. The fees and expenses of the Independent Accountant will be paid one-half by the Buyer and one-half by the Seller.

(E) Determination by Independent Accountant. The Independent Accountant will make a determination within 15 days after their engagement, and their resolution of the Disputed Amounts and their adjustments to the Closing Statement (and the resulting Closing Working Capital) will be conclusive and binding upon the Parties.

(iv) Payments of Closing Working Capital. Except as otherwise provided herein, any payment of the Closing Working Capital will (A) be due (1) within three Business Days after acceptance of the Closing Statement or (2) if there are Disputed Amounts, then within three Business Days after the resolution described in subsection (iii)(C) above; and (B) be paid by check to the Buyer or the Seller, as the case may be, with any payment due from the Seller to the Buyer to be set off against any payments to be made by the Buyer under the Promissory Note. Any payments made pursuant to this Section 2(e) will be treated as an adjustment to the Purchase Price by the Parties for Tax purposes, unless otherwise required by Applicable Law.

3. Representations and Warranties Concerning the Transaction.

(a) Representations and Warranties of the Seller. The Seller represents and warrants to the Buyer that the statements contained in this Section 3(a) are correct and complete as of the date of this Agreement.

(i) Binding and Enforceable Agreement. Subject to due execution by the Buyer, this Agreement constitutes the valid and legally binding obligation of the Seller, enforceable in accordance with its terms. The Seller need not give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or Governmental Authority in order to consummate the transactions contemplated by this Agreement.

(ii) Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (A) violate any Applicable Law to which the Seller is subject or (B) result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, Contract, license, instrument, or other arrangement to which the Seller is a party or by which the Seller is bound or to which any of the Seller's assets are subject.

(iii) Brokers' Fees. The Seller has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

Handwritten signatures and initials, including a large signature that appears to be 'Ged' and initials 'CH'.

(iv) Membership Interest. The Seller holds of record and owns beneficially the Membership Interest free and clear of any restrictions on transfer, Taxes, Security Interests, options, warrants, purchase rights, voting commitments, and proxies.

(b) Representations and Warranties of the Buyer. The Buyer represents and warrants to the Seller that the statements contained in this Section 3(b) are correct and complete as of the date of this Agreement.

(i) Binding and Enforceable Agreement. Subject to due execution by the Seller, this Agreement constitutes the valid and legally binding obligation of the Buyer, enforceable in accordance with its terms. The Buyer need not give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or Governmental Authority in order to consummate the transactions contemplated by this Agreement.

(ii) Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (A) violate any Applicable Law to which the Buyer is subject or (B) result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, Contract, license, instrument, or other arrangement to which the Buyer is a party or by which the Buyer is bound or to which any of the Buyer's assets are subject.

(iii) Tax Residency. The Buyer is a married couple, and each individual is a United States citizen within the meaning of Section 7701(a)(30) of the Code for United States federal income Tax purposes.

(iv) Liquor Permits. The Buyer hereby acknowledges that the consent of the Alaska Alcoholic Beverage Control Board is required to receive or transfer the controlling interest in the Liquor Permits.

4. Representations and Warranties Concerning the Company. The Seller represents and warrants to the Buyer that the statements contained in this Section 4 are correct and complete as of the date of this Agreement, except as set forth in the disclosure schedule delivered by the Seller to the Buyer on the date hereof (the "Disclosure Schedule"). As used in this Section 4, the phrase "Knowledge of the Seller," "Seller's Knowledge," or similar statements means that the representation is made to the knowledge of the Seller, together with the knowledge the Seller would be deemed to have after a reasonable investigation of the matter.

(a) Organization, Qualification, and Power. The Company is a limited liability company duly formed, validly existing, and in good standing under the laws of the State of Alaska. The Company is not required to be qualified to conduct business in any other jurisdiction. The Company has full power and authority to carry on the Business and to own and use the properties owned and used by it.

(b) Equity Ownership; Subsidiaries. The Membership Interest constitutes all of the outstanding equity ownership interest in the Company, and there is no subscription, option, warrant, call, right, agreement, or commitment relating to the issuance, sale, delivery, or transfer by the Company or the Seller of any ownership, profits, management, or similar interest in the Company. The Membership Interest was issued in compliance with all Applicable Laws. The Company does not own any equity in other entities.

(c) Noncontravention. Except as set forth in Section 4(c) of the Disclosure Schedule, neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any Applicable Law to which the Company is subject or any provision of the organizational documents of the Company, (ii) result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any Contract, license, instrument, or other arrangement to which the Company is a party or by which it is bound or to which any of its assets are subject, or result in the imposition of any Security Interest upon any of its assets, or (iii) require the Company to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any Governmental Authority or other Person.

(d) Financial Statements; No Adverse Changes; Liabilities. Since August 31, 2020, there has not been any material change to the Company's financial statements, and since August 31, 2020, the Company has operated in the normal course consistent with past practices. The Company does not have any debt or liability except for the Current Liabilities.

(e) Legal Compliance. To the Seller's Knowledge, the Company has complied, and is in compliance, with all Applicable Laws in all material respects, and no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed or commenced against the Company alleging any failure to so comply.

(f) Tax Matters.

(i) All Tax Returns that were required to be filed by the Company have been filed. All such Tax Returns were correct and complete in all material respects. All material Taxes owed by the Company (whether or not shown on any Tax Return) have been paid. The Company is not currently the beneficiary of any extension of time within which to file any Tax Return. The Company has withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, member, or other third party, and all Forms W-2 and 1099 required with respect thereto have been properly completed and timely filed. Except with respect to any Taxes that are not yet due and payable, there is no Security Interest on any of the assets that arose in connection with any failure, or alleged failure, to pay any Tax.

(ii) The Company has in effect (A) a valid election under Code Section 1362(a) to be taxed as an S corporation for U.S. federal income Tax purposes and (B) valid comparable elections required under state or local Tax law ((A) and (B) together, "S Elections"). To the Seller's Knowledge, all S Elections are valid and in effect.

(iii) There is no dispute or claim made in writing concerning any Tax liability of the Company, and the Company has not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.

(g) Real Property.

(i) The Company does not own any real property. The Company leases the real property identified on Section 4(g) of the Disclosure Schedule (the "Real Property").

(ii) The present uses of the Real Property are in compliance with all applicable zoning and land use and development laws and ordinances. The Company has not received any notice, oral or written, from any Governmental Authority, that the Real Property or any improvements erected or situated thereon, or the uses conducted thereon or therein, violate any Applicable Laws. There are no pending or threatened condemnation proceedings, lawsuits, or administrative actions relating to the Real Property or other matters affecting materially and adversely the current use, occupancy, or value thereof. There are no leases, subleases, licenses, concessions, or other agreements, oral or written, granting any party (other than the Company) the right of use or occupancy of any portion of the Real Property, and no party (other than the Company) is currently in possession of any Real Property.

(iii) The Seller has delivered to the Buyer a complete and accurate copy of the lease affecting the Real Property listed on Section 4(g) of the Disclosure Schedule. Such lease is valid, binding, and enforceable in accordance with its terms and is in full force and effect and the Company's leasehold interest is free and clear of any Security Interest. The Company is not in default under the lease affecting the Real Property listed on Section 4(g) of the Disclosure Schedule and no event has occurred and is continuing that, with the passage of time, or upon the giving of notice, or both, would constitute an event of default thereunder.

(h) Intellectual Property. The Company owns or has the right to use pursuant to license, sublicense, or agreement all Intellectual Property necessary for the operation of the Business. To the Seller's Knowledge, the operation of the Business does not infringe upon, misappropriate, or violate any Intellectual Property rights of third parties and the Company has not received any written claim, demand, or notice alleging any such infringement, misappropriation, or violation that is not resolved. As used herein, "Intellectual Property" means all patents, trademarks, service marks, trade dress, logos, trade names, copyrights, mask works, trade secrets, software, domain names and other intellectual proprietary rights.

(i) Tangible Assets. The Company has good and marketable title to, or valid and subsisting leasehold interests in, all of its personal property, free and clear of all Security Interests, and such personal property constitutes all of the personal property necessary for the conduct of the Business. Except for those properties noted to Buyer in the independent inspection conducted by Alaska Food Equipment LLC at the request of Buyer, all of the personal

property owned or used by the Company is in good operating condition and repair, ordinary wear and tear excepted.

(j) Contracts. All of the Contracts to which the Company is a party are legal, valid, binding, and enforceable by the Company in accordance with their terms. No default by the Company exists with respect to such Contracts and no event has occurred which, with the passage of time or the giving of notice, or both, would constitute a default by the Company. No default by the other parties to such Contracts exists and no event has occurred which, with the passage of time or the giving of notice, or both, would constitute a default by such other party.

(k) Inventory. All of the Company's Inventory is listed on Section 4(k) of the Disclosure Schedule. The Inventory listed on Section 4(k) of the Disclosure Schedule (i) is, in all material respects, of a quantity and quality usable or saleable by the Company in the Ordinary Course of Business; (ii) is located on or in route to the regular business premises of the Company; and (iii) has been legally acquired from properly licensed suppliers.

(l) Insurance. Section 4(l) of the Disclosure Schedule lists each insurance policy (including policies providing property, casualty, liability, and workers' compensation coverage, and bond and surety arrangements) with respect to which the Company is a party, a named insured, or otherwise the beneficiary of coverage. All policy premiums due to date have been paid in full and all such insurance policies are legal, valid, binding, enforceable, and in full force and effect with respect to the periods for which they purport to provide coverage.

(m) Litigation. The Company is not subject to any outstanding injunction, judgment, order, decree, or ruling. The Company is not party, or threatened to be made a party, to any action, suit, proceeding, hearing, or investigation of, in, or before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction or before any arbitrator; and to the Seller's Knowledge, there are no facts, circumstances, or conditions existing as of the date hereof that are reasonably likely to lead to any action, suit, proceeding, hearing, or investigation involving the Company.

(n) Employees.

(i) Section 4(n) of the Disclosure Schedule contains a list of all individuals employed by the Company, including a description of each individual's position and current annual salary (or hourly wage). All such employees are employed on an "at-will" basis.

(ii) The Company is in compliance with all Applicable Laws respecting employment and employment practices, terms and conditions of employment, and wages and hours, and is not engaged in any unfair labor or discriminatory practices. There is no unfair labor practice claim against the Company or any dispute, arbitration, or any discrimination or wrongful termination claim pending or threatened against or involving the Company and none has occurred.

(iii) The Company is not a party to or bound by or subject to any collective agreement, has not made any commitment to, or conducted any negotiation or discussion with, any labor union or employee association with respect to any future agreement or arrangement, is not required to recognize any labor union or employee association representing its employees or any agent having bargaining rights for its employees.

(o) Permits. All Permits required for the Company to conduct its Business have been obtained by it and are listed on Section 4(o) to the Disclosure Schedule except where the failure to obtain such Permit would not result in any delay or suspension of the operation of the Business, or result in the imposition of any material fine or penalty. With respect to each such Permit, including specifically the Liquor Permits: (i) the Permit is in full force and effect; (ii) the Company is in compliance with the terms of the Permit in all material respects; and (iii) to the Seller's Knowledge, no suspension, revocation or cancellation of the Permit is threatened; *provided, however*, that the Seller and the Buyer must give the notices, make filings with, and obtain the approval of any Governmental Authority or other Person with respect to the Permits set forth on Section 4(c) of the Disclosure Schedule.

(p) Bank Accounts. Section 4(p) of the Disclosure Schedule contains a list of all bank accounts maintained by the Company and a list of the signatories on each such account.

(q) Brokers' Fees. The Company has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

5. Certain Post-Closing Covenants.

(a) Non-Competition. The Seller agrees that for five years following the Closing, other than on behalf of the Company, the Seller will not directly or indirectly (A) engage in or assist others in engaging in the Restricted Business anywhere in, or within 50 miles of, Palmer, Alaska (the "Territory"); (B) have an interest in any entity that engages directly or indirectly in the Restricted Business in the Territory in any capacity, including as a partner, shareholder, officer, director, member, manager, employee, principal, agent, trustee, contractor, or consultant; or (C) intentionally interfere with the business relationships between the Company and customers or suppliers of the Company. As used herein, "Restricted Business" means the Business. The Seller acknowledges that the covenants contained in this Section 5(a) were a material inducement for the Buyer to purchase the Membership Interest. The Seller further acknowledges and agrees that the Seller has received adequate and sufficient consideration for the covenants and obligations in this Section 5(a). If the Company or the Buyer has reason to believe that the Seller has breached, threatened to breach, or is about to breach the provisions of this Section 5(a), the Company or the Buyer may seek judicial rulings and equitable relief to prevent or restrain any such breach or threatened breach. The Seller expressly understands and agrees that the equitable remedies described above are in addition to, and not any limitation upon, all rights and remedies as the Buyer or the Company may be entitled to under this Agreement and Applicable Law. For United States federal and applicable state income Tax purposes, the Parties agree that, from the Purchase Price, \$50,000 of the Closing Cash Payment shall be allocated to the covenant described in this Section 5(a). Each Party shall report the allocation described in the preceding sentence in a manner consistent with this provision for all

applicable United States federal and applicable state income tax purposes, and no Party will take any position to the contrary on any applicable Tax Return.

(b) Liquor Permit Approval Process. The Seller and the Buyer will reasonably cooperate in obtaining any required consent or approval of any Governmental Authority, including the transfer of the Liquor Permits listed on Section 4(o) of the Disclosure Schedule. The Buyer will submit (i) a complete application at Buyer's sole cost and expense, to the Alcohol & Marijuana Control Office to obtain the approval of the Alaska Alcoholic Beverage Control Board (the forgoing Governmental Authorities referred to as the "Alaska Liquor Regulators") for the transfer of the controlling interest and the Liquor Permits; and (ii) the notices delivered to the Seller at Closing pursuant to Sections 2(d)(iv) and 2(d)(vi) above (collectively, the "Required Filings") as soon as commercially reasonable after the Closing Date, and the Seller will cooperate in all reasonable respects with, and will not take any action to oppose or otherwise hinder, the preparation, submission and review process associated with such application and the Required Filings. The Buyer will promptly notify the Seller of any correspondence between the Buyer, the Company and any Governmental Authorities with respect to the Liquor Permits and the Required Filings, such notice to include copies of any materials provided to, or received from, any Governmental Authorities in connection therewith. In addition to the application costs discussed above, the Buyer will pay for all of the professional services fees and expenses incurred by the Parties in connection with the approval process described in this Section 5(b).

(c) Transition Services. Beginning on the Closing Date and continuing until the nine-month anniversary thereof (the "Transition Services Period"), the Seller will provide to the Company certain transition services (collectively, the "Services") as reasonably requested by the Company on the terms and subject to the conditions set forth in this Section 5(c). For the first 90 days of the Transition Services Period, the Seller will provide the Services to the Company for 40 hours per week and for no additional consideration other than the Purchase Price. Following such 90-day period through the expiration of the Transition Services Period, the Seller will be available to provide the Services to the Company as reasonably requested by the Company at a rate of \$150 per hour. The Seller will perform the Services in accordance with Applicable Law and, as applicable, in substantially the same manner as the Seller provided such Services to the Company prior to the Closing. The relationship between the Company and the Seller established by this Section 5(c) will be that of independent contractors.

(d) Retention Bonus. On the first anniversary of the Closing Date, the Buyer will cause the Company to pay a retention bonus of up to, in the aggregate, \$20,000 of the Holdback to the Key Employees in the amounts set forth on **Schedule 1(a)**. In the event that a Key Employee leaves his or her employment with the Company for any reason, such Key Employee's portion of the foregoing retention bonus will be paid to the Seller immediately following the first anniversary of the Closing Date.

(e) Maintenance Repairs. Following the Closing, the Buyer will cause the Company to use up to \$10,000 of the Holdback to make any Material Repair necessary to conduct the Business in the ordinary course. In the event that any of the foregoing Holdback remains unused on the first anniversary of the Closing Date, such unused amount will promptly be paid to the

Seller. As used herein, "Material Repair" means any repair of the Company's personal property that individually equals or exceeds \$2,500.

(f) Paycheck Protection Program. The Parties acknowledge and agree that the Seller will be responsible for any liabilities that arise in connection with the loan received by the Company from the U.S. Small Business Administration Paycheck Protection Program (the "PPP Loan"); *provided, however*, that the Buyer agrees to cooperate, or cause the Company to cooperate, with the Seller in obtaining the forgiveness of the PPP Loan.

(g) AK Cares Grant. In the event that the Company receives any funds in connection with the AK Cares Grant Program application submitted by the Seller on August 31, 2020, the Buyer will cause the Company to pay such funds to the Seller within three Business Days of receipt.

(h) Financial Information. Beginning with the calendar quarter ending March 31, 2021, and continuing until all amounts owed under the Promissory Note have been paid in full, the Buyer agrees to deliver to the Seller quarterly financial statements of the Company prepared in accordance with GAAP and consistent with past practice. In addition, the Buyer further agrees to deliver to the Seller promptly upon completion annual Tax Returns for the Company until all amounts owed under the Promissory Note have been paid in full.

(i) Insurance. Immediately following the Closing, the Buyer will terminate each policy listed on Section 4(l) of the Disclosure Schedule, and the Buyer will promptly return to the Seller any policy premiums that are refunded to the Company in connection with such termination.

(j) Gift Cards. Following the Closing and continuing until all amounts owed under the Promissory Note have been paid in full, the Buyer will deliver a \$250 gift card each month to the Seller to be redeemed at the Company's Business.

6. Indemnification.

(a) Indemnity of the Buyer by the Seller. The Seller will indemnify, defend, and hold the Buyer and the Buyer's employees, agents, Affiliates, and representatives harmless from and against any and all Losses suffered or incurred as a result of (i) any breach of any representation or warranty set forth in Sections 3(a) and 4 or (ii) any breach of, or failure to perform, any obligation or covenant to be performed by the Seller in this Agreement. The Seller shall not be liable, responsible or accountable to the Buyer or any Affiliate of the Buyer under this Section 6(a) in connection with any Losses suffered, sustained or incurred by the Buyer or any Affiliate of the Buyer, regardless of whether such damage was foreseeable and whether or not the Buyer has been advised of the possibility of damages, in connection with not having obtained, at or following the Closing, the Liquor Permits or any authorization, consent, or approval of the Alaska Liquor Regulators in connection with the Liquor Permits; *provided, however*, that the foregoing will not limit the Seller's liability if the Seller breaches its covenants in Section 5(b) or if the Seller's actions, inactions, business operations or negligence cause the Alaska Liquor Regulators to deny the required Liquor Permit transfer.

CH

(b) Indemnity of the Seller by the Buyer. The Buyer will indemnify, defend, and hold the Seller and the Seller's employees, agents, Affiliates, and representatives harmless from and against any and all Losses suffered or incurred as a result of (i) any breach of any representation or warranty made in Section 3(b) or (ii) any breach of, or failure to perform, any obligation or covenant made by the Buyer in this Agreement.

(c) Claims.

(i) Third Party Claims. The Seller and the Buyer will, with reasonable promptness after obtaining knowledge thereof, provide each other with notice of all third party actions, suits, proceedings, claims, demands, or assessments that may be subject to the indemnification provisions of this Section 6 (collectively, "Third Party Claims"), stating the nature and basis of such Third Party Claims and the amounts thereof, in reasonable detail, to the extent then known by the indemnified party, and will otherwise timely make available all relevant information material to the defense of any Third Party Claims against it. The indemnifying party will have the right to elect to join in the defense of any such Third Party Claim at its sole expense, and no claim will be settled or compromised without the consent of the indemnifying party, which consent will not be unreasonably withheld, unless the indemnifying party has failed, after the lapse of a reasonable time, but in no event more than 15 days, after notice to it or them of such proposed settlement to notify the indemnified party of the indemnifying party's objection thereto. If the indemnifying party wishes, it may control the defense of such litigation, at its own expense, insofar as such claim may result in liability to the indemnifying party; *provided, however,* that the indemnifying party may not object to or refuse to incur any legal or other defense costs reasonably requested by the indemnified party; and further provided that legal counsel and other professional and expert assistance retained in connection with such defense must be reasonably satisfactory to the indemnified party. A party's failure to give timely notice or to provide copies of documents or to furnish relevant data in connection with any Third Party Claim will not constitute a defense, in part or in whole, to any claim for indemnification by such party, except and only to the extent that such failure results in any material prejudice to the indemnifying party. If any indemnifying party determines not to assume the defense of a Third Party Claim, such indemnifying party will thereby waive any claim, defense, or argument that the indemnified party's defense of such Third Party Claim is in any respect inadequate.

(ii) Non-Third Party Claims. The Buyer will promptly deliver to the Seller and the Seller will promptly deliver to the Buyer, as applicable, itemized statements setting forth all claims for indemnification under this Section 6, other than Third Party Claims. Within 30 Business Days after receipt of any such notice, the indemnifying party will give notice to the indemnified party of: (A) the acquiescence by the indemnifying party in whole to the claim; (B) the acquiescence by the indemnifying party in part to the claim; or (C) the rejection by the indemnifying party in whole of the claim. Any disputes regarding indemnification will be resolved pursuant to Section 8(f).

(d) Right of Offset and Recovery. In connection with making a claim for indemnification hereunder, the Buyer may suspend any payment of the Promissory Note that otherwise comes due while such claim is pending. Such suspension will continue until the earlier to occur of (i) the Buyer and the Seller agree in writing about the amount of recovery under such indemnification claim or (ii) a court of competent jurisdiction issues an order containing the amount of recovery (or an order that no recovery is justified). Upon the occurrence of either (i) or (ii), the Buyer shall set off any indemnification amounts to which the Buyer is entitled against any suspended amount and, to the extent there remains amounts outstanding after such set off, the Buyer shall pay the balance of any suspended amount to the Seller pursuant to the terms of this Agreement and the Promissory Note. In the event that the Buyer exhausts the Promissory Note, it can seek recovery of any remaining Adverse Consequences to which it is entitled directly from the Seller.

(e) Nature of Indemnification Payments. All indemnification payments under this Section 6 will be deemed adjustments to the Purchase Price.

(f) Remedies. The Buyer and the Seller acknowledge and agree that the foregoing indemnification provisions in this Section 6 will be in addition to, and not in derogation of, any other statutory, equitable, or common law remedies.

7. Tax Matters.

(a) Transfer Taxes. Any and all transfer, documentary, recording, notarial, sales, use, registration, stamp, and other Taxes, fees, and expenses (including, but not limited to, any penalties, interest, and additions to such Tax) incurred in connection with this Agreement, the transactions contemplated hereby, the purchase of the Membership Interest, and the acquisition by the Buyer of any and all rights, assets, and interests related to or attributable to the assets of the Company or the Business (all of the foregoing Taxes collectively referred to as "Transfer Taxes") will be borne in full by the Buyer, regardless of whether any Governmental Authority seeks to collect such Transfer Taxes from the Seller. If any Governmental Authority collects such Transfer Taxes from the Seller, the Buyer will immediately reimburse the Seller for such Transfer Taxes.

(b) Taxes and Tax Returns.

(i) The Seller will prepare or cause to be prepared and file or cause to be filed all Tax Returns for the Company or that relate in any way to the assets of the Company or the Business for all taxable periods ending on or prior to the Closing Date that are required to be filed after the Closing Date, and will pay or cause to be paid all Taxes shown due on such Tax Returns. The Seller will permit the Buyer a reasonable amount of time to review and comment on each such Tax Return described in the preceding sentence prior to filing and will consider in good faith any revisions to such Tax Returns as are reasonably requested by the Buyer. The Seller will bear the costs of preparing such Tax Returns.

(ii) Except as otherwise provided in Section 7(d), the Buyer will prepare or cause to be prepared and file or cause to be filed any Tax Returns for the Company or that relate in any way to the assets of the Company or the Business for Tax periods that begin before the Closing Date and end after the Closing Date, and all such Tax Returns will be prepared in a manner consistent with past practices of the Company. The Buyer will permit the Seller a reasonable amount of time to review and comment on each such Tax Return described in the preceding sentence prior to filing and will make all revisions to such Tax Returns as are reasonably requested by the Seller. The Buyer will bear the costs of preparing such Tax Returns. Except with respect to income Taxes required to be reported on the Seller's individual income Tax Return, the Seller will pay to the Buyer within 15 days after the date on which the Buyer pays the Taxes shown due on the Tax Returns an amount equal to the portion of such payment that is attributable to Taxes for the portion of such Tax period ending on the Closing Date (the "Pre-Closing Tax Period"). For purposes of this Section 7(b)(ii), in the case of any Taxes that are imposed on a periodic basis and are payable for a Tax period that includes (but does not end on) the Closing Date, the portion of such Tax that relates to the Pre-Closing Tax Period will (A) in the case of any Taxes other than income Taxes, be deemed to be the amount of such Tax for the entire Tax period multiplied by a fraction, the numerator of which is the number of days in the Tax period ending on the Closing Date and the denominator of which is the number of days in the entire Tax period, and (B) in the case of any income Tax, be deemed equal to the amount that would be payable if the relevant Tax period ended on the Closing Date. All determinations necessary to give effect to the foregoing allocations will be made, except as required by Applicable Law, in a manner consistent with prior practice of the Company and in conformity with the Code and any other Applicable Law.

(iii) The Buyer and the Seller will furnish or cause to be furnished to each other, as promptly as practicable, such information and assistance relating to the assets of the Company and the Business as is reasonably necessary for the preparation and filing of any Tax Return, any claim for refund or other filings relating to Tax matters, for the preparation for any Tax audit, for the preparation for any Tax protest, or for the prosecution or defense of any suit or other proceeding relating to Tax matters; *provided, however*, that the Buyer and the Seller will not be required to provide any information to the other Party if such information is subject to a claim of privilege or confidentiality.

(c) The Buyer will promptly notify the Seller of the initiation of any audit, examination, proceeding (a "Proceeding"), or claim by any Governmental Authority relating to Taxes with respect to any Tax period beginning before the Closing Date. The Seller will be entitled to control the conduct of any such Proceeding; *provided, however*, that the Seller will keep the Company and the Buyer reasonably informed of the progress of any such Proceeding, and will provide the Company and the Buyer (at the Buyer's expense) a reasonable opportunity to participate in such Proceeding; and provided further, that the Seller will not settle any such Proceeding relating to a Tax Period that begins before the Closing Date and ends after the Closing Date without the consent of the Buyer, such consent not to be unreasonably withheld, conditioned, or delayed.

(d) With respect to U.S. federal and applicable state income Tax Returns of the Company, for the taxable year ending December 31, 2020, the Seller will cause Kevin Van Nortwick, CPA, BDO USA (or, if unavailable, another CPA in the BDO USA Anchorage office) to prepare such Tax Returns. The Seller and the Buyer will work together to compile and deliver to BDO USA any documents or information necessary for the preparation of such Tax Returns. The Seller will provide a draft of such Tax Returns to the Buyer at least 15 days prior to the due date of such Tax Returns, and will consider in good faith any comments made by the Buyer (prior to the due date of such Tax Returns) with respect to such Tax Returns. The cost of preparing such Tax Returns will be borne by the Seller and the Buyer based on the proportionate number of days each Party owned the Company during such taxable year. Each of the Seller, the Buyer, and the Company hereby agree to make the "closing of the books" election set forth in Section 1377(a)(2) of the Code and Treasury Regulations Section 1.1377-1(b), and to prepare, execute, and timely file (or cause the Company to prepare, execute, and timely file) all consents and other documentation required to make such election. In the case of any conflict between the provisions contained in this Section 7(d) and provisions contained in Section 7(b)(ii), this Section 7(d) will control.

(e) Neither the Buyer nor the Company may (i) change the Company's method of accounting for United States federal income Tax purposes with respect to any Pre-Closing Period, or (ii) amend any Tax Return relating to any Tax period beginning before the Closing Date, in either case without the written consent of the Seller. Any Tax refund relating to any Tax period of the Company ending on or prior to the Closing Date or any Pre-Closing Tax Period will be promptly paid to the Seller.

(f) On the Closing Date and except for transactions described in this Agreement, neither the Buyer nor the Company will undertake any transaction outside the Ordinary Course of Business with respect to the Company or the Company's assets. The Parties agree that no election under Section 336(e) of the Code will be made with respect to the transactions contemplated pursuant to this Agreement.

8. Miscellaneous.

(a) Survival. The representations and warranties made in this Agreement will survive the Closing for a period of 12 months from the Closing Date. The covenants and agreements contained herein will survive the Closing until fully performed.

(b) Entire Agreement; Amendment. This Agreement (including the documents referred to herein) constitutes the entire agreement among the Parties and supersedes any prior understandings, agreements, or representations by or among the Parties, written or oral, to the extent they relate in any way to the subject matter hereof. This Agreement may not be amended except by an instrument in writing signed by the Buyer and the Seller, and no claimed amendment, modification, termination, or waiver will be binding unless in writing and signed by the Party against whom or which such claimed amendment, modification, termination, or waiver is sought to be enforced.



Execution Version

(c) Succession and Assignment. This Agreement will be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. This Agreement will not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns. No Party may assign either this Agreement or any of his or her rights, interests, or obligations hereunder without the prior written approval of the other Parties.

(d) Counterparts; Electronic Delivery. This Agreement may be executed in multiple counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument. A signed copy of this Agreement delivered by e-mail or other means of electronic transmission will be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

(e) Notices. All notices, requests, demands, claims, and other communications hereunder will be in writing. Any notice, request, demand, claim, or other communication hereunder will be deemed duly given if it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below:

If to the Seller:

Steven Dike
12601 Atherton Rd.
Anchorage, AK 99516
E-mail: steve@akhiker.com

Copy to (which does not constitute notice):

Stoel Rives LLP
510 L Street, Suite 500
Anchorage, AK 99501
Email: andrea.canfield@stoel.com
Attention: Andrea N. Canfield

If to the Buyer:

Cory Shea Hughes and Sarah Irene Hughes
PO Box 876818
Wasilla, AK 99687
E-mail: chughes@hugheshydro.com

Copy to (which does not constitute notice):

Birch Horton Bittner & Cherot
510 L Street, Suite 700
Anchorage, AK 99501
Email: kgarrett@BHB.com



Attention: Kristy Garrett

Such notice, request, demand, waiver, consent, approval, or other communication will be deemed to have been given as of the date so delivered if delivered personally or, if mailed, three Business Days after the date so mailed or, if sent by overnight courier service, one Business Day after the date so sent. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

(f) Governing Law and Venue; Waiver of Jury Trial.

(i) This Agreement will be governed by and construed in accordance with the domestic laws of the State of Alaska without giving effect to any choice or conflict of law provision or rule.

(ii) Except for matters dealt with in Section 2(e) above, any legal suit, action, or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be instituted in the federal courts of the United States of America or the courts of the State of Alaska, in each case located in the city of Anchorage, Alaska, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding. Service of process, summons, notice, or other document by mail to such Party's address set forth herein will be effective service of process for any suit, action, or other proceeding brought in any such court. The Parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action, or any proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action, or proceeding brought in any such court has been brought in an inconvenient forum.

(iii) Each Party acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues and, therefore, each such Party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Agreement or the transactions contemplated hereby or thereby.

(g) Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction will not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

(h) Expenses. Unless otherwise stated herein, each of the Parties will bear their own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby. The Seller agrees that any Company Transaction Expenses, to the extent not paid prior to Closing or at Closing will, following the Closing, be the sole responsibility of the Seller, and not of the Buyer or the Company.

 CH

(i) Confidentiality. The Seller will treat and hold as confidential (i) all of the Company's confidential and proprietary information relating to the Business; (ii) the Buyer's plans for the Company following the Closing; and (iii) the existence and terms of this Agreement ((i), (ii), and (iii), collectively, the "Confidential Information"). The Seller will further refrain from using any of the Confidential Information except in connection with this Agreement, and deliver promptly to the Buyer or destroy, at the request and option of the Buyer, all tangible embodiments (and all copies) of the Confidential Information covered by (i) above which are in the Seller's possession. In the event that the Seller is requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any Confidential Information, the Seller will notify the Buyer promptly of the request or requirement so that the Buyer may seek an appropriate protective order or waive compliance with the provisions of this Section 8(i). If, in the absence of a protective order or the receipt of a waiver hereunder, the Seller is, on the advice of counsel, compelled to disclose any Confidential Information to any tribunal or else stand liable for contempt, the Seller may disclose the Confidential Information to the tribunal.

(j) Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Each Party acknowledges that he or she has obtained the advice and representation of competent, independent legal, financial, and tax counsel in negotiating, entering into, and executing this Agreement or knowingly and voluntarily waived the right to do so.

(k) Further Assurances. In case at any time after the Closing any further action is necessary to carry out the purposes of this Agreement, each of the Parties will take such further action as any other Party reasonably may request, all at the sole cost and expense of the requesting Party (unless the requesting Party is entitled to indemnification under Section 6 above).

SIGNATURE PAGE FOLLOWS

See CH
xx

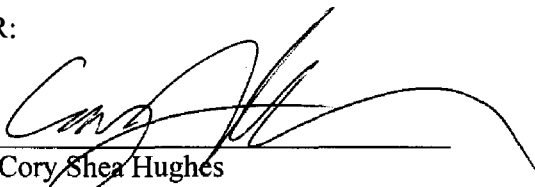
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first above written.

SELLER:

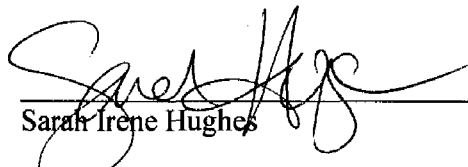


Steven Dike

BUYER:



Cory Shea Hughes



Sarah Irene Hughes

Execution Version

SECURED PROMISSORY NOTE

\$1,900,000

October 4, 2020

THIS SECURED PROMISSORY NOTE (this "Note") is delivered by Cory Shea Hughes and Sarah Irene Hughes, a married couple (together, the "Maker"), to Steven Dike ("Holder"). This Note is delivered in connection with that certain Membership Interest Purchase Agreement of even date herewith by and between Maker and Holder (the "Purchase Agreement") pursuant to which Maker has purchased from Holder all of the outstanding limited liability company membership interest in Palmer Alehouse LLC, an Alaska limited liability company (the "Company"). A portion of the Purchase Price for the acquisition is being financed through an extension of credit by Holder evidenced by this Note. Any capitalized term used but not otherwise defined herein shall have the meaning given to such term in the Purchase Agreement.

Section 1. Promise to Pay; Interest. Subject to the terms and conditions hereof, Maker promises to pay Holder the principal sum of One Million Nine Hundred Thousand and No/100 Dollars (\$1,900,000) in lawful money of the United States of America, with interest accruing on the outstanding principal balance at five percent (5%) per annum from the date of this Note and continuing until all sums due hereunder are paid in full. Interest shall be compounded on the basis of a 365-day year. In the event that the interest rate in this Section 1 exceeds the maximum amount permitted by Applicable Law, such interest rate shall be retroactively reduced to such maximum permissible amount.

Section 2. Scheduled Payments.

(a) Monthly Payments. The unpaid balance of principal and any accrued and unpaid interest shall be due and payable on the fifth anniversary of the date hereof (the "Maturity Date"). Equal monthly payments of principal and interest based on a ten (10) year amortization schedule in the amount of \$20,152.45 shall be due and payable beginning on November 15, 2020 and continuing on the fifteenth day of each month thereafter until the Maturity Date. For the avoidance of doubt, Maker hereby acknowledges that the entire outstanding principal balance of this Note, together with all accrued unpaid interest, shall be due and payable in full on the Maturity Date.

(b) Annual Payments. In addition to the monthly payments described in Section 2(a), Maker shall be required to make an annual balloon payment (each such payment, an "Annual Payment") beginning in January 2022 and continuing each calendar year thereafter until January 2025 (each such year, a "Payment Year"). The amount of the Annual Payment shall be calculated in the manner set forth in Section 2(b)(i) based on the net income of the Company for the calendar year immediately preceding the applicable Payment Year (each such year, a "Preceding Year").

(i) Determination of Annual Payment Amount. No later than January 15 of each Payment Year, Maker shall prepare and deliver to Holder a statement (each, a "Determination Statement") containing Holder's calculation of the Annual Payment owed together with the unaudited year-end financial statements of the Company for the Preceding Year, which shall have been prepared in accordance with GAAP (the "Year-End Financial Statements"). The Annual Payment amount for any Payment Year shall be equal to the sum of (i) the Total Taxable Income *multiplied by* (ii) sixty-five percent (65%) *less* (iii) the aggregate amount of monthly payments made by Maker pursuant to this Note during the Preceding Year. If

the result of the foregoing is a positive number, such positive amount shall be the Annual Payment amount for the applicable Payment Year, due and payable as described in Section 2(b)(iii). If the result of the foregoing is a negative number, then no Annual Payment shall be owed for such Payment Year. An example of the foregoing calculation is set forth in Schedule 1, attached hereto. As used herein, "Total Taxable Income" means, as shown on the Year-End Financial Statements, net income *less* depreciation; *provided, however*, that for the purposes of calculating an Annual Payment, depreciation shall not exceed \$75,000 for any Proceeding Year.

(ii) Holder's Review; Objection; Dispute Resolution. After receipt of a Determination Statement, Holder shall have five (5) days (the "Review Period") to review the Determination Statement. During the Review Period, Holder shall have reasonable access to the books and records of the Company, and the personnel of and work papers prepared by Maker and/or Maker's accountants, to the extent that they relate to the Determination Statement, as Holder may reasonably request for the purpose of reviewing the Determination Statement. If Holder disputes any amount in the Determination Statement (an "Objection"), Holder shall so notify Maker within the Review Period. If Holder fails to notify Maker of an Objection before the expiration of the Review Period, the Determination Statement shall be deemed to have been accepted by Holder. If Holder notifies Maker of an Objection prior to the expiration of the Review Period, and Holder and Maker are able to resolve such Objection within three (3) days after delivery to Maker of notice of an Objection, such resolution, as agreed to in writing by Holder and Maker, shall be final and binding. If Holder and Maker are unable to resolve an Objection in good faith within such three (3) day period, then Holder shall appoint an independent accountant who, acting as expert and not arbitrator, shall resolve the Objection and make adjustments to the Determination Statement within ten (10) days after their engagement. Such resolution of an Objection and adjustments to a Determination Statement shall be conclusive and binding upon Holder and Maker. The fees and expenses of any independent accountant engaged pursuant to this Section 2(b)(ii) shall be paid one-half by Holder and one-half by Maker.

(iii) Payment of Annual Payments. Any Annual Payment owed pursuant to this Note shall be due within three (3) days after acceptance of a Determination Statement or, if a timely Objection is made by Holder, within three (3) days after the resolution described in Section 2(b)(ii).

Section 3. Prepayment.

(a) No Penalty. Maker may prepay all or any amounts owing hereunder at any time without penalty.

(b) Early Payment Discount. The principal balance of this Note shall be reduced as follows in the event Maker pays the entire outstanding principal balance and all accrued unpaid interest on or before December 31, 2023 (such prepayment, the "Early Payment"): (i) if Early Payment occurs on or before December 31, 2021, the principal balance of this Note shall be reduced by \$100,000; or (ii) if Early Payment occurs after December 31, 2021 but on or before December 31, 2022, the principal balance of this Note shall be reduced by \$75,000; or (iii) if Early Payment occurs after December 31, 2022 but on or before December 31, 2023, the principal balance shall be reduced by \$50,000. No discount shall be applied if any amounts owed under this Note remain outstanding after December 31, 2023.

Section 4. Manner of Payment; Late Charge.

(a) All payments under this Note shall be made to First National Bank Alaska as "Escrow Agent" and deposited in an escrow account to be held and released as mutually agreed upon by Holder and Escrow Agent. The fees and expenses of the Escrow Agent shall be paid one-half by Holder and one-half by Maker.

(b) Whenever a payment to be made hereunder shall be due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day.

(c) Any payment owing under this Note that is not paid within ten (10) days of its due date shall incur a five percent (5%) late charge.

Section 5. Continuity of Operations. Until this Note is paid in full, Maker hereby agrees to use all commercially reasonable efforts to cause the Company to be operated in the ordinary course of business, and where appropriate in Maker's discretion, consistent with past practice, including, specifically the Company's operating expenses.

Section 6. Security.

(a) As security for the prompt and full performance of Maker's obligations hereunder, Maker hereby pledges and grants to Holder a continuing Security Interest in and to all of Maker's right, title and interest in and to all of the outstanding limited liability company membership interest in the Company (the "Membership Interest").

(b) As further security for the prompt and full performance of Maker's obligations hereunder, the Company hereby pledges and grants to Holder a continuing Security Interest in and to all of the Company's right, title and interest in and to the assets of the Company, wherever located, whether now existing or hereafter arising or acquired (collectively, the "Company Assets") and together with the Membership Interest, the "Collateral") including, but not limited to:

(i) the Liquor Permits;

(ii) all other personal property and fixtures of every kind and nature, including all accounts, goods (including Inventory and equipment), documents (including, if applicable, electronic documents), Contracts, instruments, promissory notes, chattel paper (whether tangible or electronic), letters of credit, securities and all other investment property, general intangibles (including all payment intangibles), money, deposit accounts, and any other Contract rights or rights to the payment of money; and

(iii) all proceeds and products of each of the foregoing, all books and records relating to the foregoing, all supporting obligations related thereto, and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, and any and all proceeds of any insurance, indemnity, warranty or guaranty payable to the Company from time to time with respect to any of the foregoing.

Section 7. Covenants Regarding Collateral.

(a) Inspection. Holder may inspect the Collateral, or documentation thereof, in the possession of Maker or the Company at any time upon reasonable notice.

(b) Collection Rights. Holder shall have the right at any time to enforce Maker's rights against all Persons obligated in any of the Collateral.

(c) Change of Name; Organization. Without thirty (30) days' prior written notice to Holder, the Company shall not (i) change its name or place of business or the office in which the Company's records relating to accounts receivable and payment intangibles are kept, or (ii) change the Company's state of organization.

(d) No Disposition of Collateral. Maker and the Company each hereby agree not to:

(i) sell, lease, transfer or otherwise dispose of any of the Collateral, other than in the Ordinary Course Business, without the prior written consent of Holder; or

(ii) grant any Security Interest in or lien on any of the Collateral, other than the Security Interests created hereby, without the prior written consent of Holder.

Section 8. Representations and Warranties.

(a) Maker represents and warrants to Holder that:

(i) Maker is the sole, direct, legal and beneficial owner of the Membership Interest, free and clear of any restrictions on transfer, Taxes, Security Interests, options, warrants, purchase rights, voting commitments, and proxies, except for the Security Interest granted herein.

(ii) Maker has all necessary power, authority and legal right to grant a Security Interest in the Membership Interest pursuant to this Note.

(iii) The Security Interest granted herein constitutes a valid first lien on the Membership Interest in favor of Holder and Maker authorizes Holder to file a UCC-1 financing statement or other documents as may hereafter be required by Holder for the purpose of perfecting or continuing the perfection of Holder's Security Interest in the Membership Interest granted hereunder.

(b) The Company represents and warrants to Holder that:

(i) The Company is the sole, direct, legal and beneficial owner of the Company Assets, free and clear of any Security Interests, except for the Security Interest granted herein.

(ii) The Security Interest granted herein constitutes a valid first lien on the Company Assets in favor of Holder and the Company authorizes Holder to file a UCC-1 financing statement or other documents as may hereafter be required by Holder for the purpose of perfecting or continuing the perfection of Holder's Security Interest in the Company Assets granted hereunder.

(iii) The Company shall preserve the Company Assets for the benefit of Holder. Without limiting the generality of the foregoing, the Company shall:

(1) make all repairs, replacements, additions and improvements necessary to maintain the Company Assets in good working order and condition;

(2) maintain the Liquor Permits and comply with any Applicable Law applicable thereto;

(3) insure all of the Company Assets that constitute personal property in a manner consistent with the past practice of the Company and provide Holder with evidence of such insurance and the endorsements regarding insurance coverage as reasonably requested by Holder from time to time;

(4) obtain business interruption insurance in a manner and with a company reasonably acceptable to Holder;

(5) maintain and account for all Inventory;

(6) preserve beneficial Contract rights;

(7) take commercially reasonable steps to collect all accounts; and

(8) pay all Taxes or other charges and fees on the Company Assets when due.

Section 9. Default and Remedies.

(a) Events of Default. Any one of the following occurrences shall constitute an "Event of Default" under this Note:

(i) The failure by Maker to timely make any payment due under this Note in accordance with the terms herein.

(ii) The breach of or failure to comply with any non-payment covenant or condition contained herein by Maker or the Company.

(iii) Upon any representation, warranty or statement made by Maker or the Company herein that is proven to be untrue, incorrect, incomplete or misleading in any material respect at the time made or becomes untrue, incorrect, incomplete or misleading at any time thereafter.

(iv) Pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors (a "Bankruptcy Law"), Maker or the Company (1) commences a voluntary case or proceeding; (2) consents to the entry of an order for relief against it in an involuntary case; (3) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official; (4) makes an assignment for the benefit of its creditors; or (5) admits in writing to its inability to pay its debts as they become due.

(v) If a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (1) is for relief against Maker or the Company; (2) appoints a trustee, receiver, assignee, liquidator or similar official for Maker, the Company or substantially all of their properties; or (3) orders the liquidation of the Company, and in each case the order or decree is not dismissed within sixty (60) days.

(b) Remedies. Upon the occurrence and continuance of any Event of Default:

(i) The entire unpaid principal balance of this Note, any unpaid interest, and any other amounts owing under this Note shall, at the option of Holder, immediately become due

and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by Maker and the Company.

(ii) Holder shall have the sole and absolute right to exercise all voting and consensual rights and powers pertaining to the Membership Interest or any part thereof until such time as the Event of Default has been cured, and Holder may exercise such voting and consensual rights in whatever manner it deems appropriate, owing no duty or obligation to Maker with respect to any vote or consent.

(iii) Holder shall have the sole and absolute right to retransfer the Liquor Permits to Holder.

(iv) Holder may perform any warranty, covenant or agreement which Maker or the Company has failed to perform under this Note.

(v) Holder may take any action which Holder deems reasonably necessary or desirable to protect the Collateral or the Security Interests granted herein.

(vi) Holder shall have and may exercise any and all rights and remedies available at law or in equity, including those rights and remedies set forth under the Uniform Commercial Code of the State of Alaska. The remedies of Holder, as provided in this Note shall be cumulative and concurrent and may be pursued singularly, successively or together, at the sole discretion of Holder, and may be exercised as often as occasion therefor may arise.

If Holder commences legal proceedings to enforce its rights hereunder, Holder shall be entitled to its costs and reasonable attorneys' fees from Maker. Maker agrees that the Company may rely conclusively upon any notice from Holder that Holder has the right and authority to exercise all rights and powers of Maker as with respect to the Membership Interest.

Section 10. Power of Attorney. Maker and the Company each hereby irrevocably constitutes and appoints Holder, or any Person whom Holder may from time to time designate, with full power of substitution, as the true and lawful attorney-in-fact of Maker and the Company with full irrevocable power and authority in the place and stead of Maker and the Company and in the name of Maker and the Company or in such attorney-in-fact's own name, from time to time in the discretion of such attorney-in-fact following the occurrence of an Event of Default, for the purpose of carrying out the terms of this Note, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Note. This power of attorney is a power coupled with an interest and shall be irrevocable. The power conferred on the attorney-in-fact hereunder is solely to protect the interest in the Collateral and shall not impose any duty upon the attorney-in-fact to exercise any such power. The attorney-in-fact shall be accountable only for amounts that it actually receives as a result of the exercise of such power and neither it nor any of its agents shall be responsible to Maker or the Company for any act or failure to act unless such action or failure to act constitutes gross negligence or willful misconduct or intentionally wrongful acts or omissions.

Section 11. No Waiver by Holder; Amendment. No act or omission of Holder, including without limitation any failure to exercise any right, remedy or recourse, shall be deemed to be a waiver or release of any right, remedy, or recourse by Holder. A waiver or release with reference to any one event shall not be construed as continuing, as a bar to, or as a waiver or release of, any subsequent right, remedy, or recourse as to any subsequent event. No covenant, condition, right or remedy in this Note may be waived or modified orally, by course of conduct or previous acceptance or otherwise unless such

waiver or modification is specifically agreed to in a writing executed by Holder. This Note may be amended in whole or in part by a writing executed by all of the parties hereto.

Section 12. Application of Payments. Each payment under this Note shall be applied first to any costs and expenses owing hereunder, second to accrued unpaid interest, and third to the outstanding principal balance of this Note.

Section 13. Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of Alaska, without regard for conflict of law rules.

Section 14. Successors and Assigns. Maker and the Company may not assign, pledge, or otherwise transfer this Note or their obligations hereunder without the prior written consent of Holder. The terms and conditions of this Note shall be binding upon Maker and the Company and their respective successors and permitted assigns.

Section 15. Waivers. The undersigned, all endorsers, and all Persons liable or to become liable on this Note hereby waive presentment, demand, protest and notice of demand, protest and nonpayment, and any defense of claim that resort must first be had to any security or any other Person.

Section 16. Headings; Construction. Any headings used herein are for convenience of reference only and have no force or effect or legal meaning in the construction or enforcement of this Note. Whenever required by the context in this Note, the singular number shall include the plural and vice versa, and any gender shall include the masculine, feminine and neuter genders.

Section 17. Further Assurances. Maker and the Company each hereby agree that each shall execute and deliver all further instruments and documents, obtain such agreements from third parties, and take all further action that may be necessary or desirable, or that Holder may reasonably request, in order to create and/or maintain the validity, perfection or priority of and protect any Security Interest granted or purported to be granted hereby or to enable Holder to exercise and enforce its rights and remedies hereunder.

Section 18. Notices. All notices required to be given under the terms of this Note or which any of the parties may desire to give hereunder shall be in writing and delivered personally or sent by registered or certified mail, postage and expenses prepaid, return receipt requested, addressed to the parties as follows:

MAKER OR THE COMPANY:
Cory Shea Hughes and Sarah Irene Hughes
PO Box 876818
Wasilla, AK 99687

HOLDER:
Steven Dike
12601 Atherton Rd.
Anchorage, AK 99516

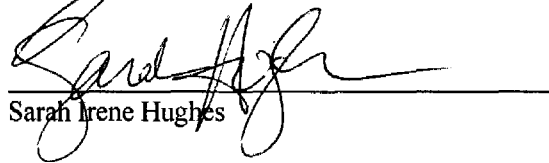
Section 19. Severability. If one or more provisions contained in this Note shall be invalid, illegal or unenforceable in any respect in any jurisdiction or with respect to any party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such party shall, to the fullest extent permitted by Applicable Law, not invalidate or render illegal or unenforceable any such provision in any other jurisdiction or with respect to any other party, or any other provisions of this Note.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned have executed this Secured Promissory Note effective as of the date first written above.

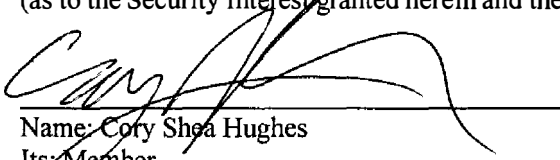
MAKER:


Cory Shea Hughes


Sarah Irene Hughes

COMPANY:

PALMER ALEHOUSE, LLC
(as to the Security Interest granted herein and the obligations related thereto)


Name: Cory Shea Hughes
Its: Member


Name: Sarah Irene Hughes
Its: Member

Palmer Alehouse
Schedule of Property and Values being Conveyed
As of 10/3/2020

Date Placed in Service	Asset Description	Cost
2/15/2014	Restaurant Property - Hoods & Fans	224,856.00
2/15/2014	Furniture & Fixtures	98,899.00
6/20/2014	Bar Buildout	64,498.00
4/6/2015	Refrigerators	4,200.00
4/28/2015	Sprinkler system	4,164.00
5/12/2015	Cooler & Register	1,870.00
5/13/2015	Restaurant Sound System	3,680.00
6/15/2015	Cooktop and Cooler	3,721.00
7/30/2015	Table, Chairs, & Lighting	12,001.00
8/3/2015	TV Satellite	2,000.00
8/25/2015	Restaurant Painting	5,000.00
10/28/2015	Screen Press	1,375.00
5/25/2016	Kitchen Remodel, addl Hood & Pizza Ovens	179,671.00
1/1/2017	Bar Trailer	60,990.00
11/7/2017	HVAC Work	3,600.00
11/7/2017	Security System	2,884.00
11/7/2017	Kitchen Cooler	4,221.00
11/7/2017	Kitchen Cleanout - plumbing work	1,600.00
7/1/2017	2 kitchen coolers	10,635.00
1/14/2018	Mixer	\$3,000.00
3/25/2018	2 Qty Kitchen Coolers	\$8,694.39
3/11/2018	2nd Floor Sink	\$2,106.43
5/13/2018	new data cabeling	\$3,535.68
5/13/2018	New Kitchen Prep table	\$5,337.50
2/11/2018	furniture 2nd floor	\$1,957.86
2/18/2018	2nd floor construction work	\$5,200.00
2/25/2018	furniture 2nd floor	\$4,708.19
3/25/2018	furniture 2nd floor	\$1,363.26
5/20/2018	Stairway carpet	\$469.00
5/20/2018	carpet 2nd floor	\$575.00
5/27/2018	- keg cooler 2nd floor	\$1,425.00
6/3/2018	- 2nd floor work	\$5,650.00
6/17/2018	Beer Cooler	\$2,383.00
6/24/2018	Beer Cooler #2	\$3,852.00
7/15/2018	Office Furniture	\$4,142.56
7/25/2018	Kitchen Equipment	\$4,594.07
7/29/2018	2nd Floor Plumbing	\$3,525.00
7/29/2018	Office Computer	\$1,776.94
8/12/2018	New Busser Stands	\$2,432.50
8/26/2018	Office Furniture	\$2,314.00
9/2/2018	Hot Water Heater	\$1,291.62
9/16/2018	Security System	\$2,343.72
9/16/2018	Security System	\$584.53
9/30/2018	Kitchen Refrigerator	\$4,780.00
10/21/2018	Security System	\$1,000.00
10/21/2018	70" TV upstairs	\$1,130.44
11/18/2018	35 Qty Stools	\$724.86
11/25/2018	4 Qty TV's for Untappd	\$2,178.79
1/29/2019	Bathroom Hand Dryers	\$1,690.00
3/31/2019	Picnic Table	\$1,611.38
6/9/2019	New Patio & Funishings	\$41,720.42
6/16/2019	Outdoor BBQ area	\$8,657.32
6/16/2019	Outdoor POS terminals	\$1,043.90
5/12/2019	Fire Rings	\$8,484.75
9/8/2019	Upstairs tables & Chairs	\$4,935.60
8/4/2019	Stage Equipment & Lighting	\$9,337.35
12/8/2019	Kitchen Equip Robo coup	\$1,847.00
12/22/2019	Host Busser Station	\$4,604.85
5/5/2020	Kitchen Remodel	\$58,019.42
6/21/2020	Patio completion, rail, add'l concrete	\$9,222.23
6/28/2020	Pizza refer	\$3,318.19
7/5/2020	Pizza refer shipping	\$374.21
7/26/2020	Water Filter system	\$805.18
8/2/2020	outdoor signage	\$600.00
9/20/2020	outdoor signage	\$316.04
10/4/2020	new duct for kitch exhaust	\$6,700.00
	TOTAL	936,229.18

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) Andrea N. Canfield 907-263-8450
B. E-MAIL CONTACT AT FILER (optional) andrea.canfield@stoel.com
C. SEND ACKNOWLEDGMENT TO: (Name and Address) Stoel Rives LLP 510 L Street, Suite 500 Anchorage, AK 99501

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 Palmer Alehouse LLC				
OR				
1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
1c. MAILING ADDRESS P.O. Box 876818	CITY Wasilla	STATE AK	POSTAL CODE 99687	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				
OR				
3b. INDIVIDUAL'S SURNAME Dike	FIRST PERSONAL NAME Steven	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
3c. MAILING ADDRESS 12601 Atherton Rd.	CITY Anchorage	STATE AK	POSTAL CODE 99516	COUNTRY USA

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

All right, title and interest in and to all of the assets of Debtor, wherever located, whether now existing or hereafter arising or acquired, including but not limited to all permits, registrations, licenses, franchises, approvals, authorizations and consents issued by the State of Alaska Alcohol & Marijuana Control Office or the Alcohol and Tobacco Tax and Trade Bureau together with all proceeds and products of each of the foregoing.

Under the terms of AS 04.11.670, AS 04.11.360(4)(B), and 3 AAC 304.106, the transferor/lessor retains a security interest in the liquor license that is the subject of this conveyance, and may, as a result, be able to obtain a retransfer of the license without satisfaction of other creditors.

5. 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:

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

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

☐ Agricultural Lien ☐ Non-UCC Filing

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

8. OPTIONAL FILER REFERENCE DATA:

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) Andrea N. Canfield 907-263-8450
B. E-MAIL CONTACT AT FILER (optional) andrea.canfield@stoel.com
C. SEND ACKNOWLEDGMENT TO: (Name and Address) Stoel Rives LLP 510 L Street, Suite 500 Anchorage, AK 99501

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME				
OR				
1b. INDIVIDUAL'S SURNAME Hughes	FIRST PERSONAL NAME Cory	ADDITIONAL NAME(S)/INITIAL(S) Shea		SUFFIX
1c. MAILING ADDRESS P.O. Box 876818	CITY Wasilla	STATE AK	POSTAL CODE 99687	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 Hughes	FIRST PERSONAL NAME Sarah	ADDITIONAL NAME(S)/INITIAL(S) Irene		SUFFIX
2c. MAILING ADDRESS P.O. Box 876818	CITY Wasilla	STATE AK	POSTAL CODE 99687	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 Dike	FIRST PERSONAL NAME Steven	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
3c. MAILING ADDRESS 12601 Atherton Rd.	CITY Anchorage	STATE AK	POSTAL CODE 99516	COUNTRY USA

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

All right, title and interest in and to all of the outstanding limited liability company membership interest in Palmer Alehouse LLC, an Alaska limited liability company.

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:

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

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

☐ Agricultural Lien ☐ Non-UCC Filing

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

8. OPTIONAL FILER REFERENCE DATA:

**Alaska Alcoholic Beverage Control Board****Master Checklist:****Transfer Liquor License Application**

Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

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

Phone: 907.269.0350

License Type:	Beverage Dispensary - Duplicate	License Number:	5638
Doing Business As:	Palmer City Alehouse	Date Received:	11/30
Examiner:	Nathanael D Hall	Date License Issued:	

Document	Received	Completed	Document	Received	Completed
AB-01: Transfer App	11/30	4/19	AB-11: Creditors Affidavit	11/30	4/19
AB-02: Premises Diagram	11/30	4/19	Entity Documents	11/30	4/19
AB-07: Posting Affidavit	11/30	4/19	Lease or Deed	11/30	4/19
Publisher's Affidavit	11/30	4/19	Fingerprint Cards	12/2	4/19
AB-08(a/b): Crim. History	11/30	4/19	App, Lic, and FP Fees	11/30	11/30
AB-09: Financial Interest	11/30	4/19	Suppl. Check. Rqd?	Y	
Notes	Original FP cards pending via mail-not needed, refund pending				

Names on Received Fingerprint Cards:	Cory Hughes; Sarah Hughes - not required		
Owner ID #:	4064	Associate ID #s:	7563, 7564
Background Checks Complete:	n/a -5yo		

Correction Letter Date(s):	3/23	Det. Complete:	4/19
Board Meeting Date:	4/28	Board Action:	

Agency	Date & Response	Agency	Date & Response
LGB 1	MatSu 4/19	DOR	4/19
LGB 2	Palmer 4/19	DOL - WC	4/19
DEC	n/a	DOL - ES	4/19
Fire Marshal	n/a	Creditors	n/a

Objections Received	
Staff Questions for Board	

Requirements for Finalization	
-------------------------------	--



Alaska Alcoholic Beverage Control Board
**Supplemental Checklist:
New & Transfer Applications**

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

RDP Document	Received	Completed	Notes
AB-03: RDP Application	11/30	4/19	
Designation Floor Plan	11/30	4/19	
Menu	11/30	4/19	
RDP Fee	11/30	4/19	

WS/Manuf. Document	Received	Completed	Notes
TTB Permit			
AB-25: Supplier Cert (WS)			

Tourism Document	Received	Completed	Notes
Tourism Statement			
AB-19 Guest Room Stock			

Rec Site or Rec Lodge	Received	Completed	Notes
Rec Site Statement			
Rec Lodge Statement			

Public Conv. OR Outside/Unorganized	Received	Completed	Notes
Map of Radius for Sigs			
Narrative for Pop/Sigs			
AB-12: Petition			

Security Int Document	Received	Completed	Notes
UCC Statement and Docs	11/30	4/19	

Comm Carrier Document	Received	Completed	Notes
USCG Cert/FAA Inspec			



Alaska Alcoholic Beverage Control Board

Internal Checklist: Liquor License New & Transfer

Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

alcohol.licensing@alaska.gov

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

Phone: 907.269.0350

This checklist should be used as a guide when processing liquor license applications. **However it is not exhaustive.** Please see the Examiner Desk Manual for more information.

General:

- ☐ What type of application is this? (Circle all that apply)
 - New
 - Transfer *IF A TRANSFER IS OCCURRING IS THIS A TRANSFERRABLE LICENSE TYPE?* **YES/NO**
 - Use the List of Non Transferrable licenses to confirm.
 - Location
 - Ownership
 - Controlling interest
 - If controlling interest is changing, check for any other licenses held by the entity, transfers will be required for all licenses held.
 - Security Interest
 - Involuntary retransfer
- ☐ Are there available licenses of this type in this LGB? **YES/NO**
 - If NO, check to see if a request for expiration is required- if one is, write it on the master checklist.
- ☐ Is there an existing license in this location? **YES/NO**
 - If YES, check to see if a request for expiration is required- if one is, write it on the master checklist.
- ☐ Does anyone in the proposed ownership own any other licenses? **YES/NO**
 - If YES, discuss with the management team to ensure that prohibited financial interest is not violated.
 - Is prohibited financial interest violated? **YES/NO**
- ☐ Is this a Brewpub or Beverage Dispensary-Duplicate? **YES/NO**
 - If YES, indicate the "master" license number _____.
- ☐ Is this license in a location outside of a LGB? **YES/NO**
 - If YES, check to see if a petition is required. If it is, make sure that you have shown that on the supplemental checklist.
- ☐ Is the premises diagram compliant with the requirements of the form?
 - Please ensure that you have reviewed against all of the form requirements, that it is legible, and that there are no invisible walls/unlabeled area(s).
 - If there is ANYTHING strange about the premises, discuss with the management team.

License Type Specific Checks:

- ☐ Wholesale
 - Is the premises in a personal storage unit? **YES/NO**
- ☐ Tourism
 - Is this license in an airport terminal? **YES/NO**
 - Is this license in a Hotel/Motel Etc.? **YES/NO**
 - If yes:
 - Are there enough rooms based on population? **YES/NO**
 - Make sure that the other requirements are met and addressed in the Tourism Statement.
- ☐ Outdoor Recreation Lodge
 - Does this establishment provide overnight accommodations and meals? **YES/NO**
 - Is the business primarily involved in offering outdoor recreation activities? **YES/NO**
 - Does it provide at least two guest rooms? **YES/NO**
- ☐ Recreational Site
 - Do the service hours show that alcohol is being served no more than 1 hour before and after the recreational events that are being hosted? **YES/NO**
 - Are the events qualifying "recreational" events hosted during a season? **YES/NO**



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:			License #:		
License Type:			Statutory Reference:		
Doing Business As:					
Premises Address:					
City:		State:		ZIP:	
Local Governing Body:					

Transfer Type:

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

OFFICE USE ONLY

Complete Date:		Transaction #:	
Board Meeting Date:		License Years:	
Issue Date:		BRE:	



Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Section 2 – Transferee Information

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

Licensee:					
Doing Business As:					
Premises Address:					
City:		State:		ZIP:	
Community Council:					

Mailing Address:					
City:		State:		ZIP:	

Designated Licensee:			
Contact Phone:		Business Phone:	
Contact Email:			

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

Section 3 – Premises Information

Premises to be licensed is:

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

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

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

--

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

--



Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Section 4 – Sole Proprietor Ownership Information

This section must be completed by any sole proprietor who is applying for a license. Entities should skip to Section 5.

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

The following information must be completed for each licensee and each affiliate (spouse).

This individual is an: ☐ applicant ☐ affiliate

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



Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

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

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

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

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

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

Residency of Agent:

Yes No

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

☐☐



Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Section 6 – Other Licenses

Ownership and financial interest in other alcoholic beverage businesses:

Yes No

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

☐ ☐

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

Section 7 – Authorization

Communication with AMCO staff:

Yes No

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

☐ ☐

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



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

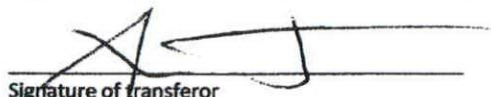
Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Section 8 – Transferor Certifications

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

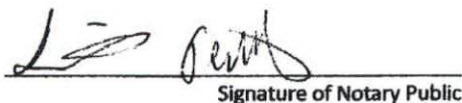
I declare under penalty of perjury that the undersigned represents a **controlling interest** of the current licensee. I additionally certify that I, as the current licensee (either the sole proprietor or the controlling interest of the currently licensed entity) have examined this application, approve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

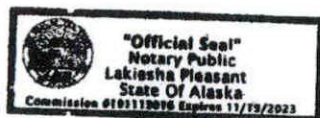

Signature of transferor

Steven Dike

Printed name of transferor

Subscribed and sworn to before me this 11 day of November, 2020.


Signature of Notary Public



Notary Public in and for the State of Alaska

My commission expires: 11/13/2023

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: _____.



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

Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

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.

CH

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

CH

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.

CH

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.

CH

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

CH

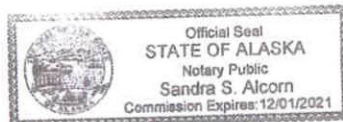
As an applicant for a liquor license, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 304, and that this application, including all accompanying schedules and statements, is true, correct, and complete.

Signature of transferee

Cory Hughes

Printed name

Subscribed and sworn to before me this 11 day of Nov, 2020.



Sandra S. Alcorn

Signature of Notary Public

Notary Public in and for the State of Alaska.

My commission expires: 12-01-2021



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

Alaska Alcoholic Beverage Control Board

Form AB-02: Premises Diagram

What is this form?

A detailed diagram of the proposed licensed premises is required for all liquor license applications, per AS 04.11.260 and 3 AAC 304.185. Your diagram must include dimensions and must show all entrances and boundaries of the premises, walls, bars, fixtures, and areas of storage, service, consumption, and manufacturing. If your proposed premises is located within a building or building complex that contains multiple businesses and/or tenants, please provide an additional page that clearly shows the location of your proposed premises within the building or building complex, along with the addresses and/or suite numbers of the other businesses and/or tenants within the building or building complex.

The **second page of this form is not required**. Blueprints, CAD drawings, or other clearly drawn and marked diagrams may be submitted in lieu of the second page of this form. The first page must still be completed, attached to, and submitted with any supplemental diagrams. An AMCO employee may require you to complete the second page of this form if additional documentation for your premises diagram is needed.

This form must be completed and submitted to AMCO's main office before any license application will be considered complete.

Yes No

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



Section 1 – Establishment Information

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

Licensee:	Palmer Alehouse, LLC	License Number:	5638
License Type:	Beverage Dispensary Duplicate		
Doing Business As:	Palmer Alehouse		
Premises Address:	320 E. Dahlia Ave		
City:	Palmer	State:	AK
		ZIP:	99645



Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

alcohol.licensing@alaska.gov

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

Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

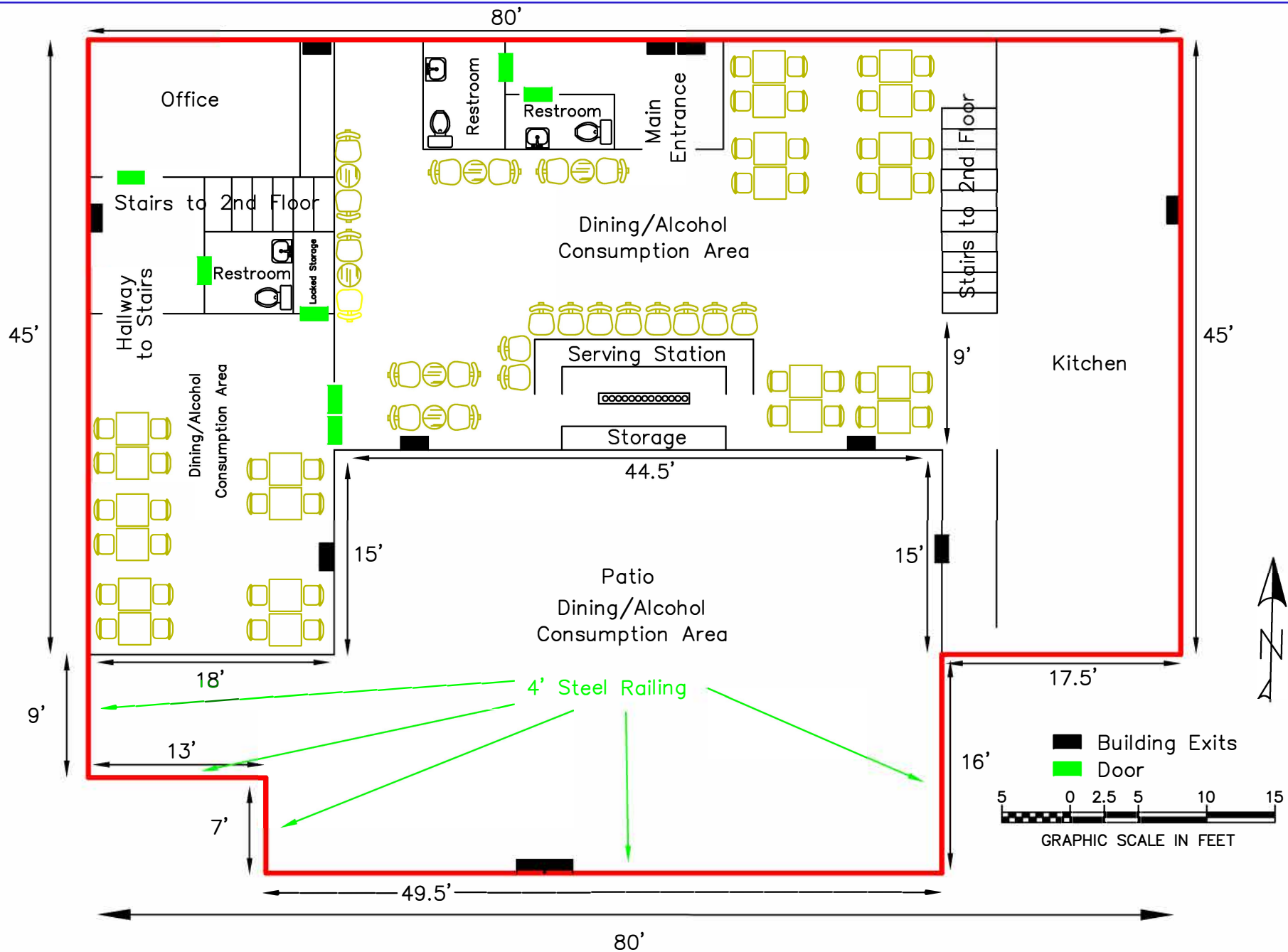
Form AB-02: Premises Diagram

Section 2 – Detailed Premises Diagram

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

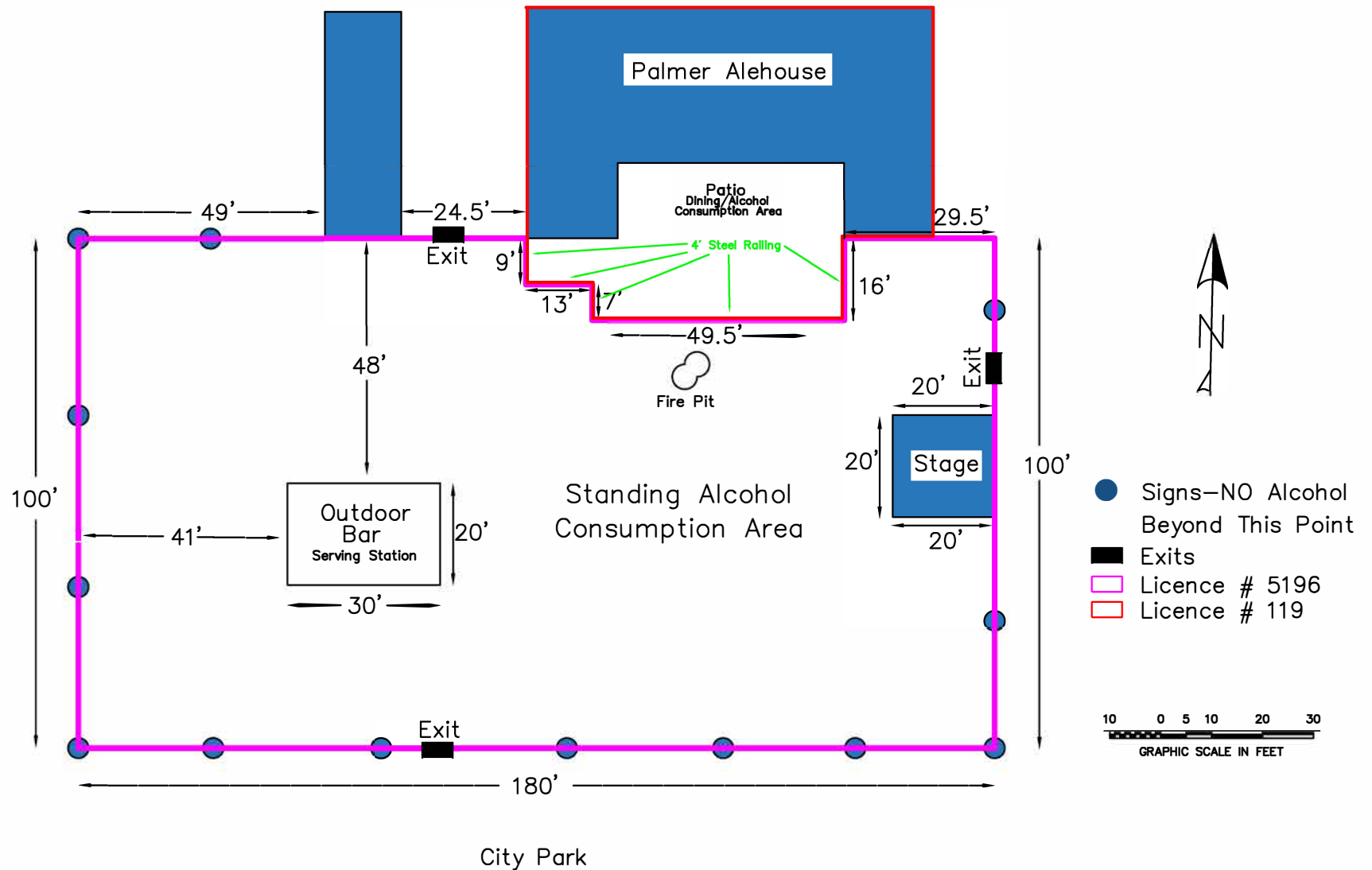
S&B ATTACHED

E DAHLIA AVE

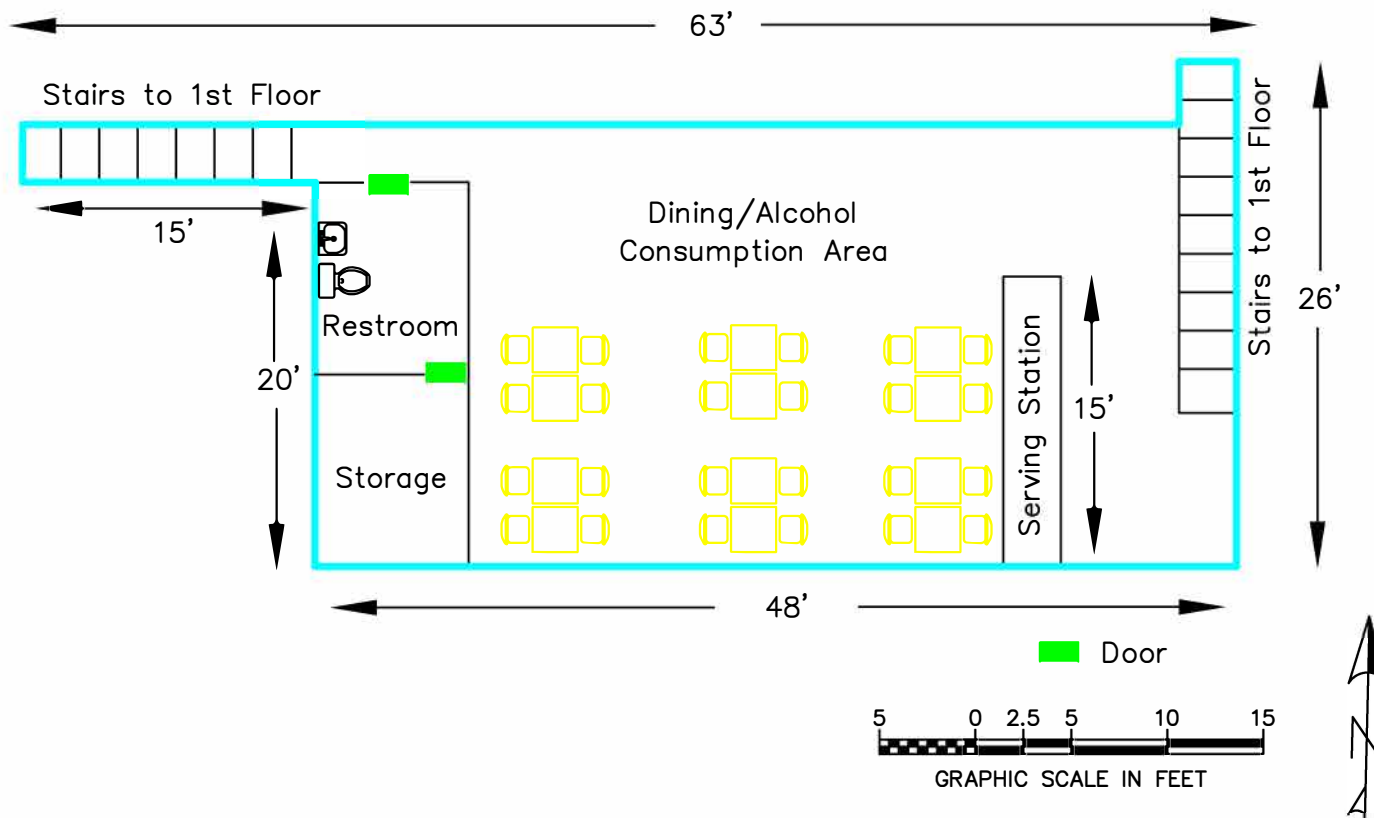


Palmer Alehouse Outdoor Area License # 5716 March 8, 2021

E Dahlia Ave



E Dahlia Ave



Palmer Alehouse, LLC
Outdoor/Indoor Serving Security Plan

1. All minors must be accompanied by an adult (age over 21) while in the restricted area when any alcohol is being served/sold/consumed.
2. All new patrons are carded upon ordering alcohol.
3. All staff is trained in the identification of fake IDs.
4. A four foot high steel fence and railing is around the outdoor servicing area.
5. Underaged persons will be monitored closely by our professionally trained alcohol servers.
6. Proper egress from the outdoor service area will always remain unobstructed.
7. ABC mandated posters as required by law are posted inside Palmer Alehouse and at the entrances of the outdoor seating area.
8. All entrances and exits will provide clear notice that NO ALCOHOL IS ALLOWED BEYOND THE OUTDOOR SEATING AREA.
9. Keeping outdoor seating area viable without any increased risk to minors exposed to alcohol WILL continue to be a part of our training for our staff.
10. All safety related operations for our current liquor service will additionally be enforced in the new service area.
11. Proper signage at points of entry indicating no minors without a parent or legal guardian will be posted.
12. All servers will closely monitor that only the guests that have been carded will have alcoholic beverages.
13. Our top priority continues in providing safety for all guests regarding the service of alcoholic beverages.
14. Servers will be present in the outdoor area to monitor consumption.



Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application**What is this form?**

A restaurant designation permit application is required for a licensee desiring designation under 3 AAC 304.715 – 3 AAC 304.795 as a bona fide restaurant, hotel, or eating place for purposes of AS 04.16.010(c) or AS 04.16.049. Designation will be granted only to a holder of a beverage dispensary, club, recreational site, golf course, or restaurant or eating place license, and only if the requirements of 3 AAC 304.305, 3 AAC 304.725, and 3 AAC 304.745, as applicable, are met. A **menu** or expected menu listing the meals, including entrees prepared onsite and offered to patrons, and copy of the DEC Food Service Permit (or corresponding DHHS documentation for licenses located in the Municipality of Anchorage) must accompany this form. Applicants should review AS 04.16.049 – AS 04.16.052 and 3 AAC 304.715 – 3 AAC 304.795. All fields of this form must be completed. The required \$50 permit fee may be made by credit card, check, or money order.

Section 1 – Establishment Information

Enter information for licensed establishment.

Licensee:					
License Type:		License Number:			
Doing Business As:					
Premises Address:					
City:		State:		ZIP:	
Contact Name:		Contact Phone:			

Section 2 – Type of Designation Requested

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

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

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

OFFICE USE ONLY	
Transaction #:	Initials:



Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application

Section 3 – Minor Access

Review AS 04.16.049(a)(2); AS 04.16.049(a)(3); AS 04.16.049(c)

List where within the premises minors are anticipated to have access in the course of either dining or employment as designated in Section 2. (Example: Minors will only be allowed in the dining area. OR Minors will only be employed and present in the Kitchen.)

Describe the policies, practices and procedures that will be in place to ensure that minors do not gain access to alcohol while dining or employed at your premises.

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

Yes No

☐☐

Section 4 – DEC Food Service Permit

Per 3 AAC 304.910 for an establishment to qualify as a Bona Fide Restaurant, a Food Service Permit or (for licenses within the Municipality of Anchorage) corresponding Department of Health and Human Services documentation is required.

Please follow this link to the DEC Food Safety Website: <http://dec.alaska.gov/eh/fss/food/>

Please follow this link to the Municipality Food Safety Website:

<http://www.muni.org/Departments/health/Admin/environment/FSS/Pages/fssfood.aspx>

IF you are unable to certify the below statement, please discuss the matter with the AMCO office:

Initials

I have attached a copy of the current food service permit for this premises OR the plan review approval.

☐

**Please note, if a plan review approval is submitted, a final permit will be required before finalization of any permit or license application.*



Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application

Section 5 – Hours of Operation

Review AS 04.16.010(c).

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

Section 6 – Entertainment & Service

Review AS 04.11.100(g)(2)

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

Yes

☐

No

☐

If “Yes”, describe the entertainment offered or available and the hours in which the entertainment may occur:

Food and beverage service offered or anticipated is:

☐

table service

☐

buffet service

☐

counter service

☐

other

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



Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application

Section 7 – Certifications and Approvals

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

Initials

There are tables or counters at my establishment for consuming food in a dining area on the premises.

CH

I have included with this form a menu, or an expected menu, listing the meals to be offered to patrons.
This menu includes entrees that are regularly sold and prepared by the licensee at the licensed premises.

CH

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

CH

I have included with this application a copy of the most recent AB-02 or AB-14 for the premises to be permitted.
(AB-03 applications that accompany a new or transfer license application will
not be required to submit an additional copy of their premises diagram.)

CH

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

Signature of licensee

Cory Hughes

Printed name of licensee

Signature of Notary Public

Notary Public in and for the State of Alaska

My commission expires: 05/18/2023



Subscribed and sworn to before me this 23rd day of November, 2020.

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

Approved

Denied

☐
☐

Signature of local government official

Date

Printed name of local government official

Title



Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

alcohol.licensing@alaska.gov

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

Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application

AMCO Enforcement Review:

Enforcement Recommendation:

Approve

Deny

☐☐

Signature of AMCO Enforcement Supervisor

Printed name of AMCO Enforcement Supervisor

Date

Enforcement Recommendations:

AMCO Director Review:

Approved

Denied

☐☐

Signature of AMCO Director

Printed name of AMCO Director

Date

Limitations:



**Alaska Food Code
2020 Establishment Permit**
Division of Environmental Health
Food Safety & Sanitation Program

Permit Number: 7942
Issued to: PALMER ALEHOUSE LLC
For: Palmer City Alehouse Upstairs Bar
For Operation of: FN-4 Tavern/Bar
Located at: 320 E Dahlia ST Palmer, AK 99645

This permit, issued under the provisions of 18 AAC 31, is valid until the noted expiration date or unless suspended or revoked by the department.

This permit is not transferable for change of ownership, facility location, or type of operation. It must be posted in plain view in the establishment and is the property of the State of Alaska.

Expiration Date:
December 31, 2020

Program Manager:

**If you have questions or concerns regarding
safe food handling practices call toll free:**

1-87-SAFE-FOOD

(In Anchorage call 334-2560)





Alaska Food Code 2021 Establishment Permit

Division of Environmental Health
Food Safety & Sanitation Program

Permit Number: 7942
Issued to: PALMER ALEHOUSE LLC
For: Palmer City Alehouse Upstairs Bar
For Operation of: FN-4 Tavern/Bar
Located at: 320 E Dahlia ST Palmer, AK 99645

This permit, issued under the provisions of 18 AAC 31, is valid until the noted expiration date or unless suspended or revoked by the department.

This permit is not transferable for change of ownership, facility location, or type of operation. It must be posted in plain view in the establishment and is the property of the State of Alaska.

Expiration Date:
December 31, 2021

Program Manager:

**If you have questions or concerns regarding
safe food handling practices call toll free:**

1-87-SAFE-FOOD

(in Anchorage call 334-2560)





WE
HAVE
44
BEERS
ON TAP

SEE OUR BEER AND DRINK MENU
WHICH IS UPDATED DAILY



HAVE YOU HEARD ABOUT
OUR UPSTAIRS LOUNGE?

HAVE YOUR NEXT BIRTHDAY, GRADUATION,
BACHELOR, YOU NAME IT PARTY
IN YOUR OWN PRIVATE ROOM
WITH SEATING FOR UP TO 50.

FOR MORE INFORMATION
CHECK WITH HOST/HOSTESS.

STARTERS

** MOZZARELLA ** BREADSTICKS

These Super Famous garlic breadsticks are topped
with mozzarella & Italian seasoning. **13.99**

* NACHOS SUPREME

Crispy Tortilla chips covered with cheddar,
fresh jalapeño, black beans, diced roma, black
olive, red onion, salsa, cilantro & sour cream.
10.99 | 15.99

ADD CHICKEN 1.99 ADD PULLED PORK 2.99

* WINGS

2 STYLES TO CHOOSE FROM **15.99**

BUFFALO -with blue cheese crumbles & celery sticks
THAI -tossed in spicy Thai sauce & Asian slaw

* FRIES

THE BEST FRIES
IN THE VALLEY!



CHEESE FRIES

Melted cheddar, bacon & red onion,
served with ranch. **10.99 | 15.99**

BLACK & BLUE FRIES

Tossed in cajun spices & topped with
blue cheese dressing & crumbles **10.99 | 15.99**

JUST FRIES

One pound of Fresh Cut Fries. **5.49**

SWEET POTATO FRIES

One pound of Fries. **9.99**

HANDCUT EVERYDAY!!!

* BACON MAC & CHEESE

House Made Bacon Mac and Cheese. **13.99**

* SLIDERS

HAWAIIAN

3 beef patties,
mozzarella & Asian
slaw on hawaiian rolls.
12.99

CLASSIC SLIDERS

3 beef patties, cheddar,
pickles, lettuce, tomato
& onion with fries.
13.99

* CHICKEN TENDERS

Chicken Tenders served with fries. **14.99**

* SOUP

Tomato Basil Soup made fresh daily.
CUP 4.49 | BOWL 6.49

SALADS

GARDEN SALAD Chopped romaine with red cabbage, cherry tomatoes, cucumber & sliced carrots. **7.49**

ADD CHICKEN 5.99 AHI TUNA 7.99

CAESAR SALAD Chopped romaine tossed in caesar dressing with garlic croutons & fresh grated parmesan cheese.
7.49 / 10.99 ADD CHICKEN 5.99 AHI TUNA 7.99

BLUE CHEESE SALAD Chopped romaine tossed in our housemade blue cheese dressing with grapes, candied pecans, a
little red onion and topped with blue cheese crumbles. **8.49 / 12.99**

GREEK SALAD Chopped romaine tossed in our housemade balsamic vinaigrette with red onion, green peppers, black
olives, tomato, greek olives, parmesan, artichoke hearts, feta cheese, pepperoncini & hard salami. **9.49 / 15.99**

THAI CHICKEN SALAD Chopped romaine tossed in our housemade Thai peanut sweet chili dressing with grilled chicken
breast, peppers, red onion, bean sprouts, sesame seeds and Asian noodles. **9.49 / 15.99**

CHICKEN BACON RANCH SALAD Chopped romaine tossed in our housemade ranch dressing with grilled chicken breast,
diced tomatoes, red onion, chopped bacon and cheddar cheese. **9.49 / 15.99**

SPINACH GOAT CHEESE Fresh spinach tossed in housemade raspberry vinaigrette with grilled chicken breast, goat
cheese, slivered almonds, red grapes & red onion. **9.49 / 15.99**

SOUTHWESTERN CHICKEN Chopped romaine tossed in our housemade southwest dressing with grilled chicken breast,
corn, black beans, red & green pepper, topped w/ crushed corn chips & cheddar. **9.49 / 15.99**

BUFFALO CHICKEN SALAD Chopped romaine tossed in housemade blue cheese dressing with breaded buffalo chicken,
shredded carrots & celery & topped with blue cheese crumbles. **9.49 / 15.99**



TEX-MEX

JUMBO BURRITOS

Black beans, Mexican rice,
cheddar and southwest
sauce rolled in a flour
tortilla topped with chili
sauce, cheddar, tomato,
lettuce, fresh salsa &
cilantro.

CHICKEN **17.99**

PULLED PORK **18.99**

PRIME RIB **19.99**

QUESADILLA

Toasted flour tortilla with melted cheddar
cheese and sautéed peppers, onion and
jalapeno with housemade spicy southwest
sauce, served with salsa and cilantro.

CHICKEN **15.99** | PRIME RIB **17.99**

PULLED PORK **16.99**

TACOS

Cheddar, lettuce, tomato,
black beans, onion,
southwest sauce & cilantro,
served in a flour tortilla
with salsa.

BLACKENED CHICKEN
ONE **7.49** | TWO **14.99**

BLACKENED PRIME RIB
ONE **7.99** | TWO **15.99**

BLACKENED AHI
ONE **7.99** | TWO **15.99**

PULLED PORK
ONE **7.99** | TWO **15.99**



-BEVERAGES-

Coke, Diet Coke
Sprite, Dr. Pepper
Orange Soda
Lemonade
Iced Tea

2.99

-JUICES-

Apple, Orange
Grapefruit
Cranberry
Coffee or Hot Tea
House Rootbeer
(NO REFILLS)

2.49

4.25

ASK YOUR SERVER ABOUT OUR DESSERT OPTIONS

18% GRATUITY WILL BE ADDED TO TABLES OF 8 OR MORE.

RESERVATIONS ACCEPTED FOR GROUPS OF 8 OR LARGER.

Not all ingredients are listed on menu. Normal kitchen operations involve shared cooking and preparation areas.

Consuming raw or undercooked meats, poultry, seafood or eggs may cause illness. We cannot guarantee that any menu item is free from any allergen.

PHOTO Received 11/30/20

BURGERS

ONE HALF POUND,
ALASKA SIZED BURGERS, SERVED ON
FRESH LOCALLY MADE BUN WITH
LETTUCE, TOMATO, ONION &
PICKLES WITH YOUR CHOICE
OF FRIES, SALAD OR SOUP.

UPGRADE TO SWEET POTATO FRIES 2.49
GLUTEN FREE BUN 1.00

SUBSTITUTE VEGGIE PATTY FOR
NO ADDITIONAL CHARGE

ALEHOUSE CLASSIC BURGER 12.99

ADD CHEDDAR CHEESE \$1.49 | ADD BACON \$1.99

BLACK & BLUE BURGER Cajun seasoning &
blue cheese. 16.99

MUSHROOM BURGER Grilled onions &
mushrooms with Swiss cheese. 16.99

SPICY BURGER Fresh jalapeño & pepper
jack cheese. 15.99

WHITE CHEDDAR BACON BURGER Sharp
white cheddar & bacon. 16.99

PRIME RIB PHILLY BURGER Topped with
grilled prime rib, american cheese, green
peppers, sautéed onion. 18.99

CAJUN AHI BURGER Grilled cajun ahi steak,
topped with wasabi aioli, lettuce, tomato &
red onion. 17.99

CHICKEN BURGER Grilled chicken breast 12.99
ADD CHEDDAR CHEESE \$1.49 | ADD BACON \$1.99

-SANDWICHES-

Served on fresh local bread and
your choice of fries, salad or soup.

Upgrade to sweet potato fries for 2.49

GRILLED CHEESE AND BACON Sourdough bread with
mozzarella, bacon slices, & tomato. 13.99

PRIME RIB DIP Onions, mushrooms, mozzarella, served
with au jus. 17.99

PHILLY CHEESE STEAK Prime rib, red & green peppers,
onion & mozzarella. 17.99

REUBEN (OR TURKEY REUBEN) Corned Beef or Turkey,
sauerkraut, swiss cheese on marbled rye with thousand
island dressing. 14.99

GRILLED TURKEY CLUB Turkey, bacon, Canadian bacon,
cheddar, tomato & lettuce on grilled sourdough. 16.99

GYRO Greek lamb gyro meat with housemade tzatziki
sauce, tomato & onion on grilled pita. 13.99

PULLED PORK Slow cooked, Texas-style pulled pork that is
served on a buttered and toasted bun with side of coleslaw
and fries 14.99

PIZZA

OUR PIZZA DOUGH IS MADE DAILY IN HOUSE,
HAND TOSSED AND MADE TO ORDER,
THEN STONE BAKED TO PERFECTION.

AVAILABLE IN 12" AND 18" | SUB 12" GLUTEN FREE FOR 2.99

* ADD AN ADDITIONAL INGREDIENT 12" - \$1.99 | 18" - \$2.99



CHICKEN PIZZA

THE ROCK Garlic butter sauce, chicken, mozzarella, spinach, bacon, roasted garlic, red onion, cream cheese,
diced roma and fresh grated parmesan. 22.49 | 28.99

CHICKEN BACON RANCH Garlic butter sauce, chicken, mozzarella, cheddar, bacon, diced roma, red onion
and topped with ranch dressing. 20.49 | 26.99

THAI CHICKEN Thai peanut sauce, chicken, mozzarella, green pepper, red onion, chopped peanuts, topped
with sweet Thai chili sauce, shredded carrot, bean sprouts. 22.49 | 28.99

JALAPEÑO CHICKEN Garlic butter sauce, chicken, mozzarella, fresh jalapeño, bacon, parmesan, cream
cheese, fresh mozzarella, spinach. 21.49 | 27.99

VEGETABLE PIZZA

MARGHERITA Red sauce, fresh mozzarella, fresh basil, diced roma. 20.49 | 26.99

MEDITERRANEAN Garlic butter, mozzarella, black olive, kalamata olive, pepperoncini, feta, parmesan,
artichoke hearts, sun dried tomato. 22.49 | 28.99

GARDEN Red sauce, mozzarella, fresh spinach, mushroom, green pepper, black olive, diced roma, red onion
parmesan. 21.49 | 27.99

MEAT PIZZAS

PEPPERONI Red sauce, mozzarella, & pepperoni. 15.99 | 22.49

CLASSIC Red sauce, mozzarella, pepperoni, italian sausage, black olive, mushroom. 18.99 | 25.99

MEAT LOVER Red sauce, mozzarella, italian sausage, pepperoni, Canadian bacon, salami. 20.49 | 26.99

PALMER CITY SPECIAL Red sauce, mozzarella, pepperoni, italian sausage, green pepper,
black olive, mushroom, red onion. 22.49 | 27.99

ALEHOUSE Red sauce, mozzarella, italian sausage, pepperoncini, sun dried tomato, black olive, red onion,
goat cheese, diced roma, parmesan. 22.49 | 28.99

THE GOAT Red sauce, mozzarella, pepperoni, goat cheese, red onion. 18.99 | 25.99

HAWAIIAN Red sauce, mozzarella, Canadian bacon, pineapple. 17.99 | 24.49

GREEK PIZZA Garlic butter, mozzarella, salami, pepperoncini, black olive, kalamata olive, sun dried tomato,
artichoke heart, feta, parmesan. 24.49 | 30.99

MAN-GRRRR-EAT-A Red sauce, mozzarella, fresh mozzarella, fresh basil, diced roma, pepperoni. 21.49 | 27.99

GYRO PIZZA Garlic butter, mozzarella, gyro meat, red onion, fire baked then topped with diced roma tomato,
tzatziki sauce. 20.49 | 26.99

JALAPEÑO POPPER Garlic butter sauce, mozzarella, fresh jalapeño, bacon, cream cheese, fresh mozzarella,
spinach topped with fresh grated parmesan. 18.99 | 25.99



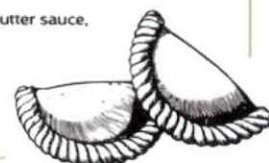
Made with our
hand tossed dough
with a garlic butter crust
and topped with a sprinkle
of Italian seasoning.

CARNIVORE Red sauce, mozzarella, italian sausage, pepperoni,
Canadian bacon & salami. 20.49

SPARTAN Garlic butter sauce, mozzarella, salami, pepperoncini,
black olive, kalamata olive, sun dried tomato, artichoke heart, feta &
parmesan. 24.99

COMBO SPECIAL Red sauce, mozzarella, pepperoni, Italian
sausage, green pepper, black olive, mushroom and red onion. 22.49

GARLIC CHICKEN CALZONE Garlic butter sauce,
mozzarella, chicken, chopped garlic,
bacon, cream cheese, spinach,
parmesan & red onion. 22.49



18% GRATUITY WILL BE ADDED TO TABLES OF 8 OR MORE.

RESERVATIONS ACCEPTED FOR GROUPS OF 8 OR LARGER.

Not all ingredients are listed on menu. Normal kitchen operations involve shared cooking and preparation areas.

Consuming raw or undercooked meats, poultry, seafood or eggs may cause illness. We cannot guarantee that any menu item is free from any allergen.

AMCO Received 11/30/20