



## MEMORANDUM

TO: Alcoholic Beverage Control Board

DATE: June 19, 2024

FROM: Sonya Irwin, RLS

RE: #4838 Sled Dog Liquor and Grocery

**Requested Action:** Transfer of controlling interest with security interest

**Statutory and Regulatory Authority:** AS 04.06.090(b): “(b) Only the board may issue, renew, transfer, relocate, suspend, or revoke a license or endorsement under this title. The board shall review all applications for licenses and endorsements made under this title and may order the director to issue, renew, revoke, transfer, or suspend licenses, endorsements, 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 305.125(a): “If a former licensee seeks to compel the transfer of a license because of a promise given as collateral by the current licensee under AS 04.11.670 to the former licensee during an earlier transfer of the license, followed by a default in payment related to property conveyed or a lease made as part of the previous transfer, the board will deny the transfer if the creditors are not satisfied under AS 04.11.360(4)(A). The board may approve the transfer if circumstances clearly show that

requirements:

- (1) the security interest was established in the previous transfer in accordance with 3 AAC 305.065.
- (2) the former licensee operated the license that was transferred for at least 240 hours; and
- (3) the term of a security interest in a license to secure payment for personal property did not exceed 10 years.

(b) The director may identify applications for transfer of ownership that are secured as described in this section in board meeting agendas.

(c) After the foreclosure of real property that secures payment of debt that is also secured by a promise under AS 04.11.670, a license may not be retransferred without satisfaction of creditors under AS 04.11.360(4)(A) unless

- (1) the board approved an application for retransfer before the foreclosure; or
- (2) the amount owed to the former licensee for the real property at the time of foreclosure exceeds the fair market value of the property; the former licensee carries the burden of proof to show that the fair market value is less than the amount owed.

3 AAC 305.065. Application for return of a license to a person with a retained security interest. (a) A licensee who wishes to establish a security interest in an alcoholic beverage license before the license is transferred to another person under 3 AAC 305.060 shall submit the following additional documents with the transfer application:

- (1) a leasehold conveyance or contract of sale of real property made in the course of the license transfer;
- (2) a list of personal property being conveyed from the transferor to the transferee, including
  - (A) the value of the property; and
  - (B) a draft Uniform Commercial Code financing statement in which a security interest in the license is claimed under AS 04.11.670 and 04.11.360(4)(B), containing the following statement: "Under the terms of AS 04.11.670, AS 04.11.360(4)(B), and 3 AAC 305.065, 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."; the value of the personal property must be sufficient for the board to determine that the license is not being used as collateral except as provided under AS 04.11.670; and
- (3) all transaction and security documents relating to the lease or sale of real property and sale of personal property in conjunction with the license transfer.

3 AAC 305.060. Application for transfer of a license to another person. (a) Except for an applicant for a manufacturer direct shipment license issued under AS 04.09.370, an application for transfer of an alcoholic beverage license or an alcoholic beverage license with one or more endorsements to another person under AS 04.11.280 may be initiated and completed electronically. The application must contain the same information about the transferee as is required of an applicant for a new license or endorsement under AS 04.11.260 and 3 AAC 305.045 and the information required under AS 04.11.295(a) and 04.11.310.

(b) In addition to including the information, statements, documentation, and fees required in (a) of this section, an application for transfer of an alcoholic beverage license or an alcoholic beverage license with one or more endorsements under this section must include a statement under oath, executed by the transferor, listing all debts of and taxes due by the business. The office of the board will promptly notify each identified creditor of the application and the amount the transferor shows as owing to the creditor.

**Staff Rec.:** Consider the controlling interest transfer with a security interest.

**Background:** A completed transfer application has been received for liquor license #4838. 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 305.065; signed recorded copies of all Security Interest documents will be required before the transfer is effectuated.

Attachment: Security Interest Documents

AB-01

AB-02

## LEASE AGREEMENT

This LEASE AGREEMENT (this "Lease") is made and entered into as of June 29, 2023 (the "Effective Date"), by and between JL DENALI SALMON, LLC, an Alaska limited liability company ("Landlord"), and DENALI GIFT COMPANIES, INC., an Alaska corporation ("Tenant").

### 1. Basic Lease Information

1.1 "Real Property" means the real property located at Mile 238.5, George Parks Highway, Denali, Alaska, legally described on Exhibit A attached hereto.

1.2 "Premises" means the following buildings located on the Real Property: (i) the grocery store building (the "Grocery Store"); (ii) gift shop building (the "Gift Shop"); (iii) the warehouse office building, known as the Sled Dog Liquor building (the "Sled Dog"); and (iv) the gravel lot located next to the Sled Dog (the "Gravel Lot"), all of which are depicted on Exhibit B. For the avoidance of doubt, the Premises shall not include the rental cabins, Salmon Bake facility or other excess land and any other unused structures (which is also identified on Exhibit B).

1.3 "Term" means a period commencing on the Effective Date (also referred to herein as the "Commencement Date"), and, unless extended or terminated early in accordance with this Lease, expiring at 11:59pm on September 20, 2026 (the "Expiration Date").

1.4 "Permitted Use" means: operation of a grocery store, gift shop, packaging/liquor store, parking and any uses incidental and related to thereto.

### 1.5 "Base Rent" means

(i) with respect to the Grocery Store, an annual amount of Seventy Thousand Dollars (\$70,000) for the first twelve (12) months of the Term, with three percent (3%) annual increases thereafter;

(ii) with respect to the Gift Shop, as applicable, from the Effective Date through August 31, 2023, an amount equal to Four Thousand One Hundred Sixty-Six and 66/100 Dollars (\$4,166.66) per month, and thereafter, for each subsequent twelve (12) month period, an annual amount equal to the greater of (A) Fifty Thousand Dollars (\$50,000.00) for the first twelve (12) month period after August 31, 2023, with three percent (3%) annual increases thereafter; or (B) eight percent (8%) of Gross Sales for such twelve (12) month period. During each twelve (12) month period commencing after August 31, 2023, Tenant shall pay Base Rent for the Gift Shop in accordance with the amount determined in clause (A), with the parties thereafter determining whether Tenant will owe any additional Base Rent for such twelve (12) month period as a result of the amount in clause (B) being greater than the amount in clause (A) no later than thirty (30) days after the expiration of the applicable twelve (12) month period as further described in Section 5.1 below, with this provision surviving the expiration of this Lease;

(iii) with respect to the Sled Dog, an annual amount of Twenty Thousand Dollars (\$20,000.00) for the first twelve (12) months of the Term, with three percent (3%) annual increases thereafter;

(iv) with respect to the Gravel Lot, no separate rent for this part of the Premises shall be charged.

The Base Rent reflected above shall be paid to Landlord in equal monthly installments on a monthly basis.

**1.6** "Gross Sales" means gross revenues and receipts of every kind (without netting for charge backs, credit card service charges, or uncollectible amounts), from all parts of and in connection with the Gift Shop business, but not including any: (a) tips, service charges, or gratuities to employees to the extent actually received by the employees; (b) proceeds from the sale of FF&E; (c) proceeds from insurance policies, other than business interruption, loss of income or other similar insurance for the Gift Shop business; or (d) any sales tax, value added tax, or similar taxes.

**1.7** "Notice Address" means:

**For Tenant:** Denali Gift Companies, Inc.  
Denali Gift Company  
8327 Bowman Woods Circle  
Las Vegas, NV 89129  
Attn: Kevin Helwig  
Email: [kevin@denalipark.com](mailto:kevin@denalipark.com)

**With a copy to:** CSG, Inc.  
714 Fourth Avenue, Suite 200  
Fairbanks, Alaska 99701  
Attn: Danielle Gardner  
Fax: 907-452-8154  
Email: [danielleg@alaskalaw.com](mailto:danielleg@alaskalaw.com)

**For Landlord:** JL Denali Salmon, LLC  
P.O. Box 202845  
Anchorage, Alaska 99520-2845  
Attn: Leonard B. Hyde  
Fax: 907-279-8066  
Email: [lhyde@jlproperties.com](mailto:lhyde@jlproperties.com)

**With a copy to:** Landye Bennett Blumstein LLP  
701 West 8th Avenue, Suite 1100  
Anchorage, Alaska 99501  
Attn: Joshua Hodes  
Fax: 907-276-8433

Email: joshh@lbblawyers.com

**1.8** "Business Day(s)" are Monday through Friday of each week, exclusive of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

**1.9** "Law(s)" means all applicable statutes, codes, ordinances, orders, rules and regulations of any federal, state, municipal or governmental entity.

## **2. Lease Grant**

Landlord hereby leases the Premises to Tenant, and Tenant hereby leases the Premises from Landlord for the duration of the Term, together with the right in common with others to use any portions of the Real Property that are designated by Landlord for the common use of tenants and others, such as driveways, entrances and exits thereto, and landscaped areas, subject to the terms and conditions of this Lease.

## **3. Option to Extend**

In the event that Landlord notifies Tenant in writing no later than two hundred seventy (270) days prior to the expiration of the initial Term that Landlord does not plan to redevelop the Real Property and some or all of the improvements located thereon, including without limitation, the Premises, which Landlord shall have no obligation to undertake or not undertake, then Tenant shall have the right to extend the term of the Lease for a period of sixty (60) months by delivering written notice thereof to Landlord no later than one hundred eighty (180) days prior to the expiration of the initial Term. Tenant's right to extend the Term is expressly conditioned on Tenant not being in default under the terms of this Lease at the time Tenant exercises the extension option below or at the commencement of the extension term. In the event that Tenant timely exercises the extension option, then the terms and conditions of this Lease shall apply during the extension term; provided that Base Rent during the Term for each building comprising the Premises shall be the greater of (i) the then existing Base Rent for each building or (ii) ninety-five percent (95%) of the Fair Market Rent of each building as determined below, with three percent (3%) annual increases thereafter; and provided further, that the actual amount of Base Rent to be paid by Tenant for the Gift Shop shall remain subject to the terms of Section 1.5(ii) and Tenant shall pay the greater of (i) the then existing Base Rent or ninety-five percent (95%) of the Fair Market Rent of the Gift Shop (with three percent (3%) annual increases) or (ii) eight percent (8%) of Gross Sales.

(i) "Fair Market Rent" shall mean the market rent (including both rent at the commencement of the extension term and annual increases thereafter for the duration of the extension term) for a comparable term for comparable buildings in Denali, Alaska assuming a lease containing the same terms and provisions as those herein contained and taking into consideration all relevant factors including the credit worthiness of Tenant, condition of the space, all allowances and concessions provided by Landlord, and other terms and conditions of this Lease and the market.

(ii) Landlord shall give Tenant notice of Landlord's estimation of the Fair Market Rent ("Landlord's Rent Estimate") within fifteen (15) Business Days after receiving Tenant's exercise notice. Tenant shall have ten (10) Business Days after receipt of Landlord's Rent Estimate to accept the same by written notice to Landlord. If Tenant so accepts, Landlord's Rent Estimate will be used to determine the Base Rent for the extension term. If Tenant does not accept, the parties shall promptly meet and negotiate in good faith to attempt to resolve their differences. If the parties do not reach an agreement as to the Fair Market Rent within thirty (30) days after Tenant's receipt of Landlord's Rent Estimate, then Landlord and Tenant shall each select a qualified real estate broker (as defined below) and those two brokers shall meet and work in good faith to reach agreement on the Fair Market Rent. If they reach agreement, then their decision shall be binding on the parties. If they do not reach agreement, then the two brokers shall, within ten (10) days following the written request of either broker, jointly select a third qualified real estate broker and submit to the third broker their written determination of the Fair Market Rent (the "Brokers' Rent Estimates") and the basis for their determinations. The third broker's sole duty and authority will be to establish what the third broker believes to be the Fair Market Rent, which determination must fall within the range established by the Brokers' Rent Estimates. The Fair Market Rent established by the third broker shall be determined no later than twenty (20) days after receipt of the Brokers' Rent Estimate, and shall be binding on the parties. Each party shall pay the cost of its broker and half the cost of the third broker.

(iii) To be a qualified real estate broker, the broker shall be a real estate broker licensed in Alaska, have at a minimum ten (10) years' experience in commercial leasing, shall be familiar with then-current rental rates in Denali, and, in the case of the third broker only, shall not have represented either Landlord or Tenant or any of their affiliates at any time during the Term.

#### **4. Possession**

Landlord and Tenant acknowledge that Tenant has been in possession and operating of the Premises for many years prior to the Effective Date, that Tenant is fully familiar with the condition of the Premises (and the other portions of the Property) and that Tenant accepts the Premises in their "as-is, where-is" condition, without warranties from Landlord and that Landlord has no obligation to make any repairs or improvements to the Premises.

#### **5. Rent; Taxes; Triple Net Lease**

##### **5.1 Base Rent, Payment; Additional Rent and Gross Revenue**

As consideration for this Lease, Tenant shall pay Landlord the Base Rent due during the Term. Base Rent shall be due and payable in advance on the first (1st) day of each month of the Term without notice or demand. All payments of Base Rent shall be by good and sufficient check or by other means (such as automatic debit or electronic transfer) acceptable to Landlord. If the Term terminates on a day other than the last day of a month, the monthly Base Rent for the month shall be prorated based on the number of days in such month; provided, however, that with respect to the payment of Base Rent due under Section 1.5(ii) above, the final payment of Base Rent shall be determined, reconciled and paid no later than November 1, 2026, and this provision shall survive the expiration of this Lease.

For purposes of this Lease, amounts due from Tenant under this Lease that are in addition to or in excess of Base Rent (if any) are referred to as "Additional Rent", and Base Rent and Additional Rent are referred to collectively as "Rent." Unless otherwise expressly stated, Additional Rent shall be paid within thirty (30) days of receipt of an invoice thereof. If Tenant fails to pay any item or installment of Rent when due, Tenant shall pay Landlord an administration fee equal to five percent (5%) of the past due Rent.

In addition, within thirty (30) days after the end of each twelve (12) month period during the Term from and after August 31, 2023, Tenant shall deliver to Landlord a statement certified by Tenant satisfactory to Landlord setting forth the Gross Revenue during the prior twelve (12) months, certified by an independent certified public accountant satisfactory to Landlord. Tenant promptly shall provide such additional information as Landlord may reasonably request that may be necessary to evaluate Tenant's report. Tenant shall record all revenues in accordance with generally accepted accounting practices and retain copies of all sales tax reports, original source documents related to cash receipts and charges or credit transactions, such as register tapes and customer receipts, and bank statements, which shall be made available to Landlord upon demand. Tenant agrees to preserve its records for at least three (3) years from the end of each calendar year during the term. Upon reasonable advance written notice, Landlord, its auditor, or other designated representative shall have the right to audit all pertinent books and records of Tenant for the purpose of verifying Tenant's Gross Revenues. If it is determined as a result of the audit that there has been a deficiency in the applicable Base Rent payment, then Tenant shall pay such deficiency within thirty (30) days of written notice from Landlord. The acceptance by Landlord of any payment of any Base Rent shall be without prejudice to Landlord's right to examine and audit Tenant's books and records of its Gross Revenues in order to verify the amount of Gross Revenues.

## **5.2 Taxes and Assessments**

Tenant shall be solely responsible for: all rental, sales and use taxes (but excluding income taxes), if any, imposed upon or measured by Base Rent under Law and all personal property taxes and assessments on Tenant's equipment and vehicles, if applicable. In the event that the Property and/or the Premises become subject to real property taxes and assessments during the Term (including any holdover), the parties shall reasonably allocate their respective share thereof based upon a reasonable, agreed upon allocation of the assessed values of the Premises and the remaining portion of the Property. In such case, Tenant shall pay Tenant's applicable amount of such taxes or assessments to the applicable taxing authority at least ten (10) days prior to the due date.

## **5.3 Triple Net Lease**

Except as expressly set forth otherwise in this Lease, Landlord and Tenant intend Rent to be absolutely net to Landlord, and that all costs, expenses and obligations of every kind and nature whatsoever in connection with or relating to the Premises, shall be the obligation of, and paid by, Tenant.

#### **5.4 Tenant's Proportionate Share**

For purposes of this Lease, Tenant's "proportionate share" shall mean and be equal to the portion of square footage that the Premises bears to the total square footage of all buildings then being used and operated by Tenant and/or Landlord on the Property.

### **6. Use; Compliance with Laws**

#### **6.1 Use and Restrictions on Use**

The Premises shall be used only for the Permitted Use and for such other uses with Landlord's prior approval, which approval Landlord will not unreasonably withhold, condition or delay. Tenant shall not use or permit the use of the Premises for any purpose that (a) is illegal or dangerous to persons or property, (b) creates a nuisance, or (c) invalidates any policies of Landlord's insurance carried on the Premises or the Real Property or that increases the rate of Landlord's insurance on the Premises or the Real Property.

#### **6.2 Compliance with Laws**

Tenant shall at its expense comply with all Laws regarding the operation of Tenant's businesses, the Permitted Use and Tenant's occupancy of the Premises. Tenant shall promptly provide Landlord with copies of any notices it receives regarding a violation or alleged violation of any Laws.

### **7. Utilities and Services**

Tenant shall be solely responsible for obtaining and paying for all utilities and services to and for the Premises, including, without limitation, electric, gas, heating fuel, sewer, water, refuse, telephone, janitorial, and cable and internet. Notwithstanding the foregoing, to the extent any of the foregoing utilities are not separately metered (whether on the Effective Date or anytime thereafter during the Term), Landlord shall invoice Tenant for Tenant's proportionate share thereof and Tenant shall within thirty (30) days of receipt of such invoice reimburse Landlord for the cost thereof as Additional Rent.

### **8. Maintenance and Repairs; Alterations**

#### **8.1 Tenant's Maintenance and Repair Obligations**

(a) As stated in Section 5.3 above, this Lease is "triple net" and, except as expressly set forth otherwise in this Lease, Tenant shall, at its sole cost and expense, promptly perform all maintenance, repairs, and inspections to the Premises, necessary or appropriate to keep the Premises in compliance with applicable Laws, in as good order, condition and repair, and in as good a condition as they existed at the Commencement Date, reasonable wear and tear excepted. Tenant's obligations include, without limitation, maintenance, repair and replacement of: (a) electronic, phone and data cabling and related equipment including any security system for the Premises; (b) alterations made pursuant to Section 8.3 below; (c) signage; (d) interior partitions,



exterior siding, windows and doors, lighting including replacing light bulbs, wall finishes, floor coverings, plumbing systems and fixtures, mechanical systems and fixtures, roof repairs, electrical systems and fixtures serving the Premises, and any fire/life safety systems; and (e) all structural elements.

(b) All work in, on or around the Premises shall be performed in a good and workmanlike manner and otherwise in accordance with any reasonable rules and procedures adopted by Landlord. Upon Landlord's reasonable request, Tenant shall permit inspection of Tenant's records regarding Tenant's maintenance, repair, and replacement pursuant to this Section 8.1. If Tenant fails to make maintenance, repairs or replacements required under this Lease in a timely manner given the nature thereof, mobilization and availability of contractors, insurance adjustment, and other reasonable factors, after thirty (30) days' written notice (unless there is there is an emergency, in which case notice shall not be required) describing the repairs to be undertaken, Landlord may perform such maintenance, repair or replacement, and Tenant will reimburse Landlord for the actual, reasonable cost thereof, together with an administrative charge in an amount equal to ten percent (10%) of the cost of the maintenance, repair or replacement, within thirty (30) days after written request from Landlord.

(c) The digital billboards maintenance, repair or replacement shall be at Landlord's sole cost and discretion.

## **8.2 Septic**

The parties acknowledge and agree that the septic system that serves the Property, including the Premises, is located on a portion of the Real Property other than the Premises (and is located near the Salmon Bake facility). Subject to the terms of this Lease, and so long as Landlord elects to maintain the septic system, Tenant may use the septic system during the Term. Should the Tenant choose to use the septic, Tenant shall pay and reimburse, as Additional Rent, its proportionate share of Landlord's maintenance and minor repair costs, i.e. costs less than \$5,000, for the septic system. If there are significant maintenance, repair or replacements, i.e. greater than \$5,000, then the parties shall promptly meet to address the same and use commercially reasonable efforts to agree upon the maintenance, repair or replacement costs. If the parties agree upon such costs, then Tenant shall pay its proportionate share in such costs as Additional Rent, and in such case, Tenant may continue to use the septic system. If the parties are unable to agree upon such costs and Landlord reasonably concludes that it must undertake the same despite no agreement having been reached, then Landlord may, but shall have no obligation to, undertake the applicable maintenance, repair or replacement at Landlord's own cost and expense, in which case Tenant shall no longer have the right to use the septic system. In addition, Landlord shall have no obligation to make any significant maintenance, repair or replacement and shall have the absolute right to abandon or cease operating the septic system. For purposes of this Paragraph 8.2, proportionate share shall mean the Tenant's proportionate share based on Tenant's metered usage of the septic system as compared to all other users of the septic system. Landlord agrees that any user of the septic system will be metered in order for the proportionate share to be accurately determined.

In addition, if there is any significant capital item that is necessary to address any material issues with respect to the Premises or access thereto or Tenant's operations thereon resulting from

off-Premises sources, i.e. snow melt, water related issues or ground movement, then the parties shall use commercially reasonable, good faith efforts to agree upon a written corrective action plan, and if so agreed, the parties shall proportionately share in such costs.

Finally, should Landlord make any future improvements to the Property, including, with Tenant's reasonable consent, to the Premises, that benefit the Premises or if the parties agree to share certain services, then Tenant shall be responsible for its proportionate share thereof as Additional Rent.

### **8.3 Tenant Alterations**

Tenant may make alterations, additions, upgrades or improvements to the Premises exceeding Ten Thousand Dollars (\$10,000.00) only with the prior written consent of Landlord, which consent will not be unreasonably withheld, conditioned or delayed.

## **9. Signs**

Tenant may, at Tenant's expense and with Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, erect and alter reasonable signage related to the Permitted Use but only in compliance with applicable Law. Landlord acknowledges and agrees that the Tenant signage erected as of the Effective Date is acceptable to Landlord. For the avoidance of doubt, Landlord has the absolute right to remove any and all signs with respect to the Salmon Bake facility and associated improvements and such signs will be the property of Landlord and, for the avoidance of doubt, Landlord also has the right to install signs on the portions of the Property other than the Premises.

## **10. Entry by Landlord**

Landlord, upon reasonable prior written notice, may enter the Premises: to improve, repair and maintain such facilities; to inspect the condition of the Premises; during the six (6) months immediately prior to the expiration of the Term, to show the Premises to potential buyers or lessees; and, so long as the same does not materially impact Tenant's operations, to investigate, test and plan alterations to the Premises and the Real Property in connection with Landlord's redevelopment plans, without such entry constituting constructive eviction or entitling Tenant to an abatement or reduction of Rent. Except in emergencies: (a) Landlord shall provide Tenant with reasonable prior written notice of entry into the Premises, which may be given orally; and (b) Landlord will not close the Premises if the work can reasonably be completed on days that are not Business Days. Without limiting the forgoing and for the avoidance of doubt, Landlord has the absolute right to demolish the Salmon Bake facility and associated improvements.

## **11. Representation**

Neither Landlord nor Tenant has employed any broker, agent or finder, or incurred any liability for any brokerage fees, agents' commissions or finders' fees in connection with the transactions contemplated in this Lease. Tenant shall indemnify, defend and hold harmless Landlord and the Landlord Related Parties (as defined in Section 14.1 below) from and against all

claims of a representative, agent or broker claiming to have represented Tenant in connection with this Lease. Landlord shall indemnify, defend and hold harmless Tenant and the Tenant Related Parties (as defined in Section 14.2 below) from and against all claims of a representative, agent or broker claiming to have represented Landlord in connection with this Lease. Notwithstanding the foregoing, the parties acknowledge that Leonard B. Hyde of JL Properties, Inc. is a licensed real estate broker.

## **12. Quiet Enjoyment**

Provided Tenant pays the Rent and performs all of its covenants and agreements in this Lease, Tenant shall, and may peacefully have, hold and enjoy the Premises, free from hindrance by Landlord or any other person claiming by, through or under Landlord.

## **13. Liens**

Tenant shall not permit mechanic's or other liens to be placed upon the Premises or Tenant's leasehold interest in connection with any work or service done or purportedly done by or for benefit of Tenant. If a lien is so placed, Tenant shall, within fifteen (15) days of written notice from any lienholder or Landlord of the filing of the lien, fully discharge the lien by settling the claim which resulted in the lien or by bonding or insuring over the lien in the manner prescribed by Law. If Tenant fails to discharge the lien, then Landlord, upon fifteen (15) days' written notice, may bond or insure over the lien or otherwise discharge the lien, and Tenant shall immediately reimburse Landlord for any amount paid by Landlord to bond or insure over the lien or discharge the lien, including, without limitation, reasonable attorneys' fees (if and to the extent permitted by Law) within thirty (30) days after receipt of an invoice from Landlord.

## **14. Indemnity and Waiver of Claims**

### **14.1 By Tenant**

Except to the extent caused by the negligence or willful misconduct of the indemnified person, Tenant shall indemnify, defend and hold harmless Landlord, other tenants, or any of its directors, officers, managers, employees, contractors, invitees, Mortgagee(s) (as defined in Section 24.1 below) or agents (collectively, "Landlord Related Parties") against and from all liabilities, obligations, damages, penalties, claims, actions, costs, charges and expenses, including, without limitation, reasonable attorneys' fees and other professional fees (if and to the extent permitted by Law) (collectively, "Losses"), which may be imposed upon, incurred by or asserted against Landlord or any of the Landlord Related Parties and arising out of or in connection with any damage or injury occurring in the Premises caused by Tenant and/or any of the Tenant Related Parties, or any acts, errors or omissions (including violations of Law) of Tenant and/or any of the Tenant Related Parties after the Effective Date.

### **14.2 By Landlord**

Except to the extent caused by the negligence or willful misconduct of the indemnified person, Landlord shall indemnify, defend and hold harmless Tenant, its subleases, or any of its

directors, officers, managers, employees, contractors, invitees, or agents (collectively, "Tenant Related Parties") against and from all Losses which may be imposed upon, incurred by or asserted against Tenant or the Tenant Related Parties and arising out of or in connection with the acts, errors or omissions (including violations of Law) of Landlord and/or any of the Landlord Related Parties after the Effective Date.

### **14.3 Survival**

The indemnification obligations set forth in this Section 14 shall survive the expiration or early termination of this Lease.

## **15. Insurance**

### **15.1 In General**

Tenant shall carry and maintain insurance in types and amounts as set forth on Exhibit C hereto ("Tenant's Insurance"), at its sole cost and expense. Each such policy of insurance shall be issued by an insurance company and in a form reasonably acceptable to Landlord. All policies of Tenant's Insurance and umbrella policies shall name Landlord as an additional insured. Tenant shall give, or shall cause its insurer to give, Landlord at least thirty (30) days' advance written notice of any material change, cancellation, termination or lapse of insurance. Tenant shall provide Landlord with a certificate of insurance evidencing Tenant's Insurance upon request.

### **15.2 Landlord's Insurance**

At all times during the Term, Landlord shall carry and maintain insurance in types and amounts determined by Landlord in its sole, reasonable discretion.

### **15.3 Waiver of Subrogation**

Notwithstanding anything in this Lease to the contrary, Landlord and Tenant shall cause their respective insurance carriers, including, without limitation, a carrier providing workers' compensation coverage, to waive any and all rights of recovery, claim, action or causes of action against the other and their respective trustees, principals, beneficiaries, partners, officers, directors, agents, and employees, for any loss or damage that may occur to Landlord or Tenant or any party claiming by, through or under Landlord or Tenant, as the case may be, including, without limitation, with respect to Tenant's trade fixtures, equipment, furniture and other personal property within the Premises ("Tenant's Property"), the Real Property, any additions or improvements to the Premises or the Real Property, or any contents thereof, including all rights of recovery, claims, actions or causes of action arising out of the negligence of Landlord or any of the Landlord Related Parties or the negligence of Tenant or any of the Tenant Related Parties, which loss or damage is (or would have been, had the insurance required by this Lease been carried) covered by insurance.

## **16. Casualty Damage**

In the event the Premises are destroyed or damaged by fire, earthquake, or other casualty, it shall be optional with Landlord to repair or rebuild the same. Landlord shall, within sixty (60) days after the happening of any such damage or casualty, notify Tenant of where it intends to repair or restore the Premises or terminate the Lease. In the event that Landlord does not intend to repair or restore the Premises within three (3) months Tenant shall have the option to terminate the Lease by giving written notice to Landlord within fifteen (15) days of receipt of Landlord's notice. If neither party terminates this Lease, Landlord shall restore the Premises or cause the Premises to be restored to the extent insurance proceeds are available therefor. In the event that the damage to the Premises does not result in the termination of this Lease, Rent shall be abated to the degree to which Tenant's use of the Premises is impaired by the damage. Due to the seasonal nature of Tenant's business (an approximate one hundred twenty (120) day summer tourist season) should the Premises not be useable during the summer tourist season, Rent shall be abated based on the percent of the summer season the Premises was unusable towards the total yearly Rent.

Landlord shall not be required to repair or restore any damage or injury or replace any of Tenant's Property, including, equipment, inventory, fixtures or other personal property of Tenant or others located on the Premises. Any proceeds payable to Landlord from insurance policies carried by or in the name of Landlord shall be the sole and exclusive property of Landlord.

## **17. Condemnation**

Either party may terminate this Lease if all or any material part of the Premises is taken or condemned for any public or quasi-public use under Law, by eminent domain or private purchase in lieu thereof (a "Taking"). In order to exercise its right to terminate this Lease, Landlord or Tenant, as the case may be, must provide written notice of termination to the other within forty-five (45) days after the terminating party first receives notice of the Taking. Any such termination shall be effective as of the date the physical taking of the Premises or the material portion thereof occurs. In addition, Rent for any material portion of the Premises subject to the Taking shall be equitably abated during the unexpired Term effective when the physical taking of the Premises (or material portion thereof) occurs. With respect to compensation awarded for a Taking, or sale proceeds, Tenant shall be entitled to file a claim at its sole cost and expense for Tenant's Property and Tenant's reasonable relocation expenses, or any other allowable damages, provided such claim does not diminish any award or compensation to Landlord.

## **18. Assignment and Subletting**

### **18.1 By Tenant**

Tenant shall not assign, sublease, transfer, convey, mortgage, or encumber any interest in this Lease or allow any third party to use any portion of the Premises ("Transfer") without the prior written consent of Landlord, which Landlord may withhold in its sole and absolute discretion.

## **18.2 By Landlord**

Landlord shall have the right to transfer and assign, in whole or in part, all of its rights and obligations under this Lease and in the Premises upon a sale of the Premises or a portion thereof.

## **19. Events of Default**

Tenant shall be considered to be in default of this Lease upon the occurrence of any of the following events of default (each, an "Event of Default"):

(a) Tenant's failure to pay when due all or any portion of the Rent or any other sum required to be paid by Tenant under the terms of this Lease ("Monetary Default"), provided Tenant may cure such Monetary Default by paying Landlord all sums due within seven (7) days of written notice to Tenant.

(b) Tenant's failure (other than a Monetary Default) to comply with any term, provision or covenant of this Lease, provided Tenant may cure such Event of Default within thirty (30) days after written notice to Tenant. However, if Tenant's failure to comply cannot reasonably be cured within thirty (30) days, so long as Tenant diligently works to cure the default, Tenant shall be allowed additional time as is reasonably necessary (not to exceed ninety (90) days) to cure the failure.

(c) Tenant becomes a debtor in bankruptcy or becomes insolvent; a receiver, trustee, or custodian is appointed for all or substantially all of Tenant's assets; or Tenant admits in writing its inability to pay its debts when due.

(d) The leasehold estate is taken by process or operation of Law.

## **20. Remedies**

### **20.1 Landlord Remedies**

Upon any Event of Default by Tenant, except as limited by this Section 20.1, Landlord shall have the right without notice or demand (except as provided in Section 19 above) to:

(a) Terminate this Lease and all rights of Tenant in and to the Premises, in which case Tenant shall immediately surrender the Premises to Landlord and Landlord may take possession of the Premises.

(b) Without declaring the Term ended, to reenter the Premises and to occupy the same, or any portion thereof, for and on account of the Tenant as hereinafter provided, and Tenant shall be liable for and pay to Landlord on demand all such actual, reasonable expenses as Landlord may have paid, assumed or incurred in recovering possession of the Premises, including costs, expenses, attorney's fees and expenditures placing the same in good order, and Landlord's reasonable expenses paid in connection with reletting the Premises. Any such reletting may be for the remainder of the Term or for a longer or shorter period. Such reletting shall be for such rent

and on such other terms and conditions as Landlord, in its sole reasonable discretion, deems appropriate. Landlord may execute any lease made pursuant to the terms hereof either in the Landlord's own name, and may also assume Tenant's interest in any existing subleases to any tenant of the Premises, as Landlord may see fit, and Tenant shall have no right or authority whatsoever to collect any rent from such subtenants of the Premises. In any case, if and until the Premises or any part thereof is relet, Tenant, until the end of the Term, shall be liable to Landlord for Rent under this Lease, less net proceeds, if any, of any reletting.

(c) The right, even though it may have relet all or any portion of the Premises in accordance with the provisions of Section 20.1(b) above, to thereafter at any time elect to terminate this Lease for such previous default on the part of the Tenant, and to terminate all the rights of Tenant in and to the Premises.

(d) In lieu of calculating damages under Sections 20.1(a) or 20.1(b), Landlord may elect to receive as damages the sum of (i) all Rent accrued through the date of termination of this Lease or Tenant's right to possession, and (ii) an amount equal to the total Rent that Tenant would have been required to pay for the remainder of the Term discounted to present value at the Prime Rate (defined in Section 20.2 below) then in effect, minus the then present fair rental value of the Premises for the remainder of the Term, similarly discounted, after deducting all anticipated costs of reletting.

**20.2** Unless expressly provided in this Lease, the repossession or re-entering of all or any part of the Premises shall not relieve Tenant of its liabilities and obligations under the Lease. No right or remedy of Landlord shall be exclusive of any other right or remedy. Each right and remedy shall be cumulative and in addition to any other right and remedy now or subsequently available to Landlord at Law or in equity. If Landlord declares Tenant to be in default, Landlord shall be entitled to receive interest on any unpaid item of Rent at a rate equal to the Prime Rate plus four percent (4%). For purposes hereof, the "Prime Rate" shall be the per annum interest rate publicly announced as its prime or base rate by a federally insured bank selected by Landlord in the state in which the Building is located. Forbearance by Landlord to enforce one or more remedies shall not constitute a waiver of any default.

**20.3** Pursuant to the rights of re-entry provided above, Landlord may remove all persons from the Premises and may, but shall not be obligated to, remove all property therefrom, and may, but shall not be obligated to, enforce any rights Landlord may have against said property or, upon prior notice to Tenant and the opportunity to recover Tenant's Property (the title to which shall remain in Tenant), to store the same in any public or private warehouse or elsewhere at the cost and for the account of Tenant or the owner or owners thereof. Tenant agrees to indemnify and hold harmless Landlord from any liability whatsoever for the removal and/or storage of any such property, whether of Tenant or any third party whomsoever. Such action by Landlord shall not be deemed to have terminated this Lease.

**21. No Waiver; Remedies Not Exclusive**

No failure or delay by Landlord in exercising or enforcing any right, power, privilege or remedy under this Lease, including, without limitation, in connection with any Event of Default,

shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof, nor shall such failure constitute a waiver of Landlord's rights regarding a subsequent event or Event of Default.

## **22. Surrender of Premises; Option to Purchase License**

### **22.1 Condition**

Subject to Tenant's right to remain in the Premises in order to remove Tenant's Property pursuant to Section 22.2 below, at the expiration or earlier termination of this Lease or Tenant's right of possession, Tenant shall remove Tenant's Property from the Premises, and quit and surrender the Premises to Landlord, broom clean, and in as good order, condition and repair as at the Commencement Date, ordinary wear and tear and changes caused by Landlord excepted.

### **22.2 Abandoned Property**

With Landlord's written consent (which will not be unreasonably withheld, conditioned or delayed), Tenant shall be permitted to remain in the Premises for a period of up to thirty (30) days after the expiration or earlier termination of this Lease or Tenant's right to possession in order to remove Tenant's Property therefrom. If Tenant fails to remove any of Tenant's Property within such thirty (30)-day period, Landlord, at Tenant's expense, may (but is not obligated to) remove and store Tenant's Property. Landlord may withhold its consent if Tenant is in default of its rental obligations.

In addition, if Tenant fails to remove Tenant's Property from the Premises or storage, as the case may be, within thirty (30) days after written notice, Landlord may deem all or any part of Tenant's Property owned outright by Tenant to be abandoned, and, at Landlord's election, title to the same shall be deemed to be immediately vested in Landlord without compensation.

**22.3** Upon the earlier of the termination or expiration of this Lease and for a period of ninety (90) days thereafter, Landlord shall have the option to purchase (the "Purchase Price") Tenant's package store liquor license (the "Liquor License") for a purchase price of One Hundred Fifty Thousand Dollars (\$150,000.00). If Landlord does not exercise the Purchase Option during the foregoing period, the Purchase Option shall automatically terminate. If Landlord timely provides an election notice, then the parties shall promptly undertake to effectuate the same, using commercially reasonable, good faith efforts and executing and delivering any reasonably requested agreements, applications or other documentation in connection therewith. The parties intend that the transaction close no later than one hundred eighty (180) days after the date that Landlord exercises its option, but in any case, not later than thirty (30) days after all applicable regulatory approvals, including, without limitation from, the Alaska Alcohol & Marijuana Control Office, have been obtained. The closing of the transaction is subject to obtaining all such applicable regulatory approvals. All costs and arrangements related to the transaction shall be Landlord's responsibility; provided, however, In the event that the transaction is not approved by the applicable regulatory bodies due to the fault of Tenant, then Tenant shall be solely responsible for such costs. Landlord shall have the right to withdraw and revoke the exercise of the Purchase Option at any time and for any reason without liability therefor.



## **23. Holding Over**

If Tenant fails to surrender the Premises at the expiration or earlier termination of this Lease, occupancy of the Premises after the termination or expiration shall be that of a month-to-month tenancy terminable on thirty (30) days' prior written notice at any time by either party. Tenant's occupancy of the Premises during the holdover shall be subject to all the terms and provisions of this Lease, except those pertaining to Term and provided that the then-applicable Base Rent will be increased by fifty percent (50%); provided that for purposes of the Gift Shop, the "greater of" calculation set forth in Section 1.5 shall still apply, albeit the Base Rent for such purposes shall be increased by fifty percent (50%).

## **24. Mortgages; Estoppel Certificates**

### **24.1 Mortgages**

Tenant accepts this Lease subject and subordinate to any mortgage(s), deed(s) of trust, ground lease(s) or other lien(s) now or subsequently arising upon the Premises, and to renewals, modifications, refinancings and extensions thereof (collectively referred to as a "Mortgage;" the party having the benefit of a Mortgage is referred to as a "Mortgagee"). This clause shall be self-operative. In lieu of having the Mortgage be superior to this Lease, a Mortgagee shall have the right at any time to subordinate its Mortgage to this Lease. If requested by a successor-in-interest to all or a part of Landlord's interest in this Lease, Tenant shall, without charge, attorn to the successor-in-interest.

### **24.2 Estoppel Certificates**

Landlord and Tenant shall each, within ten (10) days after receipt of a written request from the other, execute and deliver an estoppel certificate to those parties as are reasonably requested by the other (including a Mortgagee or prospective purchaser). The estoppel certificate shall include a statement certifying that this Lease is unmodified (except as identified in the estoppel certificate) and in full force and effect, describing the dates to which Rent and other charges have been paid, representing that, to such party's actual knowledge, there is no default (or stating the nature of the alleged default) and indicating other matters with respect to this Lease that may reasonably be requested.

## **25. Notices**

If a demand, request, approval, consent or notice is or may be given under this Lease to either party by the other, the notice shall be in writing and: delivered by hand; or, sent by express, registered or certified mail with return receipt requested; or, sent by overnight or same day courier service; or, sent by electronic mail ("e-mail") with delivery and read receipts requested, in all cases to the receiving party's Notice Address. Each notice shall be deemed to have been received or given: for delivery by hand or courier service, on the earlier to occur of actual delivery or the date on which delivery is refused; or, for notice given by mail, five (5) Business Days after deposited in the U.S. mail; or, for notice given by e-mail, upon receipt by the sending party of a delivery

receipt automatically generated by the receiving computer system. Either party may, at any time, change its Notice Address by giving the other party written notice of the new address in the manner described in this Section 25.

## **26. Miscellaneous**

### **26.1 Severability**

If any term or provision of this Lease shall to any extent be invalid or unenforceable, the remainder of this Lease shall not be affected, and each provision of this Lease shall be valid and enforced to the fullest extent permitted by Law.

### **26.2 Section Headings**

The headings and titles to the sections of this Lease are for convenience only and shall have no effect on the interpretation of any part of this Lease.

### **26.3 Attorneys' Fees**

If either party institutes a suit against the other for violation of or to enforce any covenant or condition of this Lease, or if either party intervenes in any suit in which the other is a party to enforce or protect its interest or rights, the prevailing party shall be entitled to all of its costs and expenses, including, without limitation, reasonable attorneys' fees.

### **26.4 Recordation**

Neither party shall record this Lease or any memorandum without the other's prior written consent.

### **26.5 Governing Law and Venue**

This Lease has been entered into and shall be governed by the Laws of Alaska. Venue for any dispute arising out of this Lease shall be exclusively in Anchorage, Alaska.

### **26.6 Waiver of Trial by Jury**

Landlord and Tenant hereby waive any right to trial by jury in any proceeding based upon a breach or enforcement of this Lease.

### **26.7 Time of Essence**

Time is of the essence in the performance by the parties of their respective obligations under this Lease.

## **26.8 Further Assurances**

Each party shall from time-to-time, at the reasonable request of the other party (a) execute and deliver or cause to be executed and delivered such additional documents and papers, and (b) take or cause to be taken such additional actions as may be reasonably required, in either case to effectively evidence and implement the transactions described in and contemplated by this Lease.

## **26.9 Force Majeure**

Whenever a period of time is prescribed for the taking of an action by Landlord or Tenant, the period of time for the performance of such action shall be extended by the number of days that the performance is actually delayed due to strikes, acts of God, shortages of labor or materials, war, civil disturbances, pandemics and epidemics, and other causes beyond the reasonable control of the performing party ("Force Majeure"). However, events of Force Majeure shall not extend any period of time for the written exercise of a right or option by either party.

## **26.10 Relationship of Parties; No Third-Party Beneficiaries**

This Lease shall create only the relationship of landlord and tenant between the parties, and not a partnership, joint venture or any other relationship. This Lease and the covenants and conditions in this Lease shall inure only to the benefit of and be binding only upon Landlord and Tenant and their permitted successors and assigns. There are no third-party beneficiaries.

## **26.11 Negotiations**

The parties represent and agree that the terms and provisions of this Lease are the result of arm's length negotiations between the parties and that each party has had the benefit of counsel, to the extent it deemed appropriate. Therefore, this Lease shall not be construed either for or against a particular party by reason of draftsmanship or otherwise.

## **26.12 Survival of Certain Covenants**

The expiration of the Term, whether by lapse of time or otherwise, shall not relieve either party of any obligations which accrued prior to or which may continue to accrue after the expiration or early termination of this Lease. Without limiting the scope of the prior sentence, the parties' respective obligations under Sections 11, 13, 14, 20, 21, 22, and 23 shall survive the expiration or early termination of this Lease.

## **26.13 Signatures of Both Parties Required**

This Lease shall not be effective against any party until a copy of this Lease has been signed by such party.

**26.14 Amendment**

This Lease may be amended, modified, superseded, canceled, renewed or extended, and the terms and conditions of this Lease may be waived, only by a written instrument signed by both parties. This Lease may not be amended or modified by course of conduct.

**26.15 Final, Complete Agreement**

This Lease and the attached exhibits referred in this Lease, which exhibits are incorporated herein by this reference, are the final, complete agreement of the parties respecting the lease of the Premises. All understandings and agreements previously made between the parties, including all lease proposals, letters of intent and other documents, are superseded by this Lease. Neither party is relying upon any warranty, statement or representation not contained in this Lease.

**26.16 Signatures Required to be Binding; Counterparts**

Landlord has delivered a copy of this Lease to Tenant for Tenant's review only, and the delivery of it does not constitute an offer to Tenant or an option. This Lease shall not be effective against any party hereto until this Lease has been executed by such party. This Lease, and any exhibit to be executed pursuant to this Lease, may be executed in one or more counterparts, each identical to the other, so long as the counterparts in a set contain the signatures of all the parties to this Lease. Counterparts of this Lease may be delivered and exchanged electronically.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Lease is entered into and effective as of the Effective Date.

**LANDLORD:**

**JL DENALI SALMON, LLC**, an Alaska limited liability company

DocuSigned by:  
By: JONATHAN RUBIN  
Jonathan Rubin  
Its: Managing Member

**TENANT:**

**DENALI GIFT COMPANIES, INC.**, an Alaska corporation

By: \_\_\_\_\_  
Its: \_\_\_\_\_

IN WITNESS WHEREOF, this Lease is entered into and effective as of the Effective Date.

**LANDLORD:**

**JL DENALI SALMON, LLC**, an Alaska limited liability company

By: \_\_\_\_\_

Its: \_\_\_\_\_

**TENANT:**

**DENALI GIFT COMPANIES, INC.**, an Alaska corporation

By: DB \_\_\_\_\_

Its: vice president \_\_\_\_\_

**EXHIBIT A  
REAL PROPERTY**

**PARCEL NO. 1:**

That portion of Tract 3, Subdivision of Lot 2, U.S. Survey No. 5545, according to the official plat thereof filed under Plat No. 79-23, in the records of the Nenana Recording District, Fourth Judicial District, State of Alaska, more particularly described as follows:

BEGINNING at the Southeast corner of said Tract 3; THENCE South 86°33'00" West along the Southerly boundary of said Tract 3 a distance of 245.50 feet to the Southwest corner of said Tract 3; THENCE North 36°41'59" West along the Southwesterly boundary of said Tract 3 a distance of 186.52 feet to a point; THENCE North 65°26'55" East a distance of 312.13 feet to a point on the Northeasterly boundary of said Tract 3; THENCE South 15°21'03" East along said Northeasterly boundary a distance of 274.25 feet to the POINT OF BEGINNING.

**PARCEL NO. 2:**

That portion of Tract 3, Subdivision of Lot 2, U.S. Survey No. 5545, according to the official plat thereof filed under Plat No. 79-23, in the records of the Nenana Recording District, Fourth Judicial District, State of Alaska, more particularly described as follows:

BEGINNING at the Southeast corner of said Tract 3; THENCE North 15°21'03" West along the Northeasterly boundary of said Tract 3 a distance of 274.25 feet to the TRUE POINT OF BEGINNING; THENCE South 65°26'55" West a distance of 312.13 feet to a point on the Southwesterly boundary of said Tract 3; THENCE North 36°41'59" West along said Southwesterly boundary a distance of 226.29 feet to a point; THENCE North 73°42'13" East a distance of 390.54 feet to a point on the Northeasterly boundary of said Tract 3; THENCE South 15°21'03" East along the said Northeasterly boundary a distance of 167.30 feet to the TRUE POINT OF BEGINNING.

We have been informed, but do not insure, that said property is also known as:

Property Address:  
Mile 238.5 George Parks Highway, Denali, AK 99755.

**EXHIBIT B  
DEPICTION OF BUILDINGS**

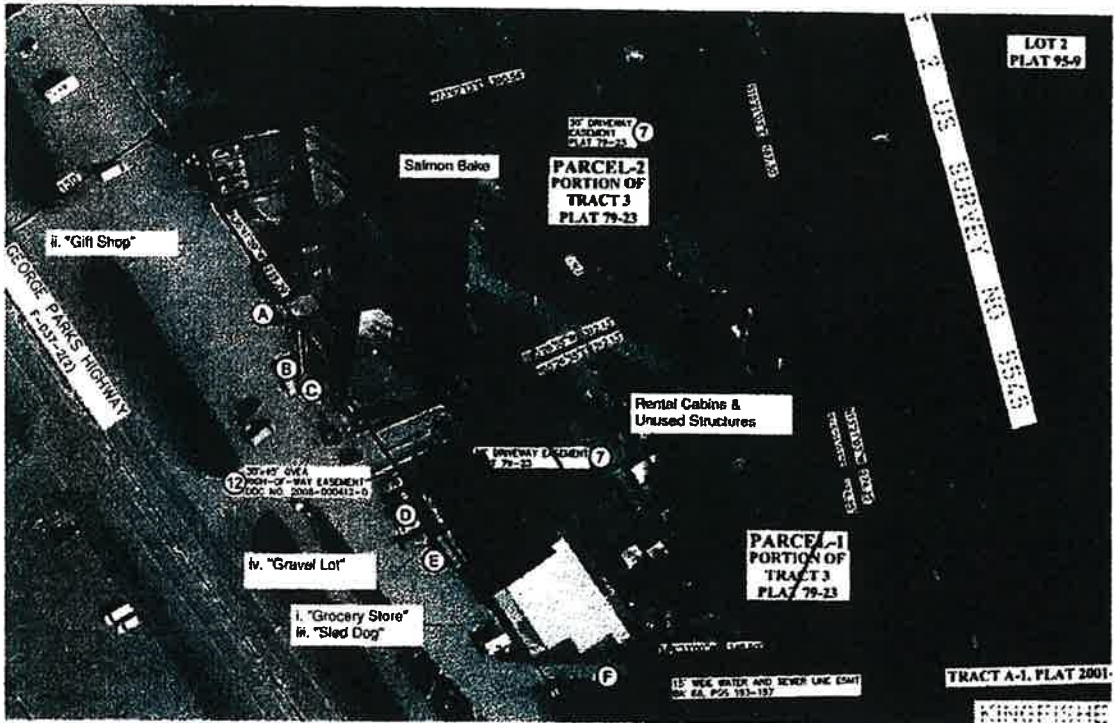


Exhibit B to Lease Agreement (Denali Gift Companies, Inc.)



**EXHIBIT C  
TENANT'S INSURANCE**

Tenant shall at a minimum and at Tenant's sole cost and expense secure and maintain insurance policies in the following types and amounts with respect to the Premises for the duration of the Term:

1. General Liability. Commercial general liability ("CGL") insurance on a combined single limit basis insuring against third party bodily injury and property damage of not less than \$2,000,000 per occurrence and \$4,000,000 in the aggregate.
2. Automobile Liability. Commercial automobile liability with limits of coverage for bodily injury and property damage with a combined single limit of not less than \$1,000,000 per occurrence.
3. Umbrella/Excess Liability. Commercial Umbrella/Excess liability providing excess limits of third party bodily injury and property damage of not less than \$2,000,000 per occurrence and \$4,000,000 in the aggregate.
4. Workers' Compensation/Employers Liability. Workers' Compensation insurance as required by the State of Alaska.
5. Property Insurance. Property insurance for the Premises, including all of upon all of Tenant's Property, in an amount equal to full insurable replacement cost and with a deductible no greater than \$25,000, with coverage for perils as set forth under the Clauses of Loss-Special Form

## LEASE AGREEMENT

This LEASE AGREEMENT (this "Lease") is made and entered into as of August 15, 2023 (the "Effective Date"), by and between DENALI GIFT COMPANIES, INC., an Alaska corporation ("Sub-Landlord"), and DENALI USA MADE, LLC, an Alaska limited liability company ("Tenant"). The Landlord on the Master Lease Agreement is JL Denali Salmon, LLC ("Landlord").

### 1. Basic Lease Information

**1.1** "Real Property" means the real property located at Mile 238.5, George Parks Highway, Denali, Alaska, legally described on Exhibit A attached hereto.

**1.2** "Premises" means the following buildings located on the Real Property: (i) the grocery store building (the "Grocery Store") and (ii) non-exclusive use of the gravel lot next to the warehouse office building, known as the Sled Dog Liquor building (the "Gravel Lot"), all of which are depicted on Exhibit B. For the avoidance of doubt, the Premises shall not include the rental cabins, Salmon Bake facility or other excess land and any other unused structures (which is also identified on Exhibit B).

**1.3** "Term" means a period commencing on the Effective Date (also referred to herein as the "Commencement Date"), and, unless extended or terminated early in accordance with this Lease, expiring at 11:59pm on September 20, 2026 (the "Expiration Date").

**1.4** "Permitted Use" means: operation of a grocery store, packaging/liquor store, parking and any uses incidental and related to thereto.

**1.5** "Base Rent" means

(i) with respect to the Grocery Store, an annual amount of Seventy Thousand Dollars (\$70,000) for the first twelve (12) months of the Term, with three percent (3%) annual increases thereafter;

(ii) with respect to the Gravel Lot, no separate rent for this part of the Premises shall be charged.

The Base Rent reflected above shall be paid to Sub-Landlord annually. The annual lease payments for October 1-September 30 shall be placed into the escrow account no later than September 1 of each year. The Sub-Landlord shall be responsible for making sure that the escrowed funds are paid to the Landlord for the monthly payments under the Master Lease Agreement.

**1.6** "Notice Address" means:

For Sub-Landlord: Denali Gift Companies, Inc.

Denali Gift Company  
8327 Bowman Woods Circle  
Las Vegas, NV 89129  
Attn: Kevin Helwig  
Email: [kevin@denalipark.com](mailto:kevin@denalipark.com)

For Tenant: Denali USA Made, LLC  
P.O. Box 511  
Denali Park, AK 99755  
Attn: Garret Baker  
Email: [garret@denalipark.com](mailto:garret@denalipark.com)

**1.7** “Business Day(s)” are Monday through Friday of each week, exclusive of New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

**1.8** “Law(s)” means all applicable statutes, codes, ordinances, orders, rules and regulations of any federal, state, municipal or governmental entity.

## **2. Lease Grant**

Sub-Landlord hereby leases the Premises to Tenant, and Tenant hereby leases the Premises from Sub-Landlord for the duration of the Term, together with the right in common with others to use any portions of the Real Property that are designated by Sub-Landlord for the common use of tenants and others, such as driveways, entrances and exits thereto, and landscaped areas, subject to the terms and conditions of this Lease.

## **3. Option to Extend**

In the event that Landlord notifies Sub-Landlord in writing no later than two hundred seventy (270) days prior to the expiration of the initial Term that Landlord does not plan to redevelop the Real Property and some or all of the improvements located thereon, including without limitation, the Premises, which Landlord shall have no obligation to undertake or not undertake, then Tenant shall have the right to extend the term of the Lease for a period of sixty (60) months by delivering written notice thereof to Sub-Landlord no later than one hundred eighty five (185) days prior to the expiration of the initial Term. Sub-Landlord shall then submit an extension to the Landlord on behalf of the Tenant prior to the deadline set forth in the Master Lease Agreement, which is one hundred eighty (180) days prior to the end of the initial Term. Tenant’s right to extend the Term is expressly conditioned on Tenant not being in default under the terms of this Lease at the time Tenant exercises the extension option below or at the commencement of the extension term. In the event that Tenant timely exercises the extension option, then the terms and conditions of this Lease shall apply during the extension term; provided that Base Rent during the Term for each building comprising the Premises shall be the greater of (i) the then existing Base Rent for each building or (ii) ninety-five percent (95%) of the Fair Market Rent of each building as determined below, with three percent (3%) annual increases thereafter.

(i) "Fair Market Rent" shall mean the market rent (including both rent at the commencement of the extension term and annual increases thereafter for the duration of the extension term) for a comparable term for comparable buildings in Denali, Alaska assuming a lease containing the same terms and provisions as those herein contained and taking into consideration all relevant factors including the credit worthiness of Tenant, condition of the space, all allowances and concessions provided by Landlord, and other terms and conditions of this Lease and the market.

(ii) Sub-Landlord shall forward to Tenant notice of Landlord's estimation of the Fair Market Rent ("Sub-Landlord's Rent Estimate") within three (3) Business Days of receipt from Landlord. Tenant shall have ten (10) Business Days after the date of Landlord's Rent Estimate to accept the same by written notice to Landlord. If Tenant so accepts, Landlord's Rent Estimate will be used to determine the Base Rent for the extension term. If Tenant does not accept, the parties shall promptly meet and negotiate in good faith to attempt to resolve their differences. If the parties do not reach an agreement as to the Fair Market Rent within thirty (30) days after Tenant's receipt of Landlord's Rent Estimate, then Landlord and Tenant (in place of Sub-Landlord) shall each select a qualified real estate broker (as defined below) and those two brokers shall meet and work in good faith to reach agreement on the Fair Market Rent. If they reach agreement, then their decision shall be binding on the parties. If they do not reach agreement, then the two brokers shall, within ten (10) days following the written request of either broker, jointly select a third qualified real estate broker and submit to the third broker their written determination of the Fair Market Rent (the "Brokers' Rent Estimates") and the basis for their determinations. The third broker's sole duty and authority will be to establish what the third broker believes to be the Fair Market Rent, which determination must fall within the range established by the Brokers' Rent Estimates. The Fair Market Rent established by the third broker shall be determined no later than twenty (20) days after receipt of the Brokers' Rent Estimate, and shall be binding on the parties. Each party shall pay the cost of its broker and half the cost of the third broker.

(iii) To be a qualified real estate broker, the broker shall be a real estate broker licensed in Alaska, have at a minimum ten (10) years' experience in commercial leasing, shall be familiar with then-current rental rates in Denali, and, in the case of the third broker only, shall not have represented either Sub-Landlord or Tenant or any of their affiliates at any time during the Term.

#### **4. Possession**

Sub-Landlord and Tenant acknowledge that Tenant has been in possession and operating of the Premises for many years prior to the Effective Date, that Tenant is fully familiar with the condition of the Premises (and the other portions of the Property) and that Tenant accepts the Premises in their "as-is, where-is" condition, without warranties from Sub-Landlord and that Sub-Landlord has no obligation to make any repairs or improvements to the Premises.

#### **5. Rent; Taxes; Triple Net Lease**

##### **5.1 Base Rent, Payment; Additional Rent and Gross Revenue**

As consideration for this Lease, Tenant shall pay Sub-Landlord the Base Rent due during the Term. Base Rent shall be due and payable in advance on the first (1st) day of each month of the Term without notice or demand. All payments of Base Rent shall be by good and sufficient check or by other means (such as automatic debit or electronic transfer) acceptable to Sub-Landlord. If the Term terminates on a day other than the last day of a month, the monthly Base Rent for the month shall be prorated based on the number of days in such month; provided, however, that with respect to the payment of Base Rent due under Section 1.5(ii) above, the final payment of Base Rent shall be determined, reconciled and paid no later than November 1, 2026, and this provision shall survive the expiration of this Lease.

For purposes of this Lease, amounts due from Tenant under this Lease that are in addition to or in excess of Base Rent (if any) are referred to as "Additional Rent", and Base Rent and Additional Rent are referred to collectively as "Rent." Unless otherwise expressly stated, Additional Rent shall be paid within thirty (30) days of receipt of an invoice thereof. If Tenant fails to pay any item or installment of Rent when due, Tenant shall pay Sub-Landlord an administration fee equal to five percent (5%) of the past due Rent.

In addition, within thirty (30) days after the end of each twelve (12) month period during the Term from and after August 31, 2023, Tenant shall deliver to Sub-Landlord a statement certified by Tenant satisfactory to Sub-Landlord setting forth the Gross Revenue during the prior twelve (12) months, certified by an independent certified public accountant satisfactory to Sub-Landlord. Tenant promptly shall provide such additional information as Sub-Landlord may reasonably request that may be necessary to evaluate Tenant's report. Tenant shall record all revenues in accordance with generally accepted accounting practices and retain copies of all sales tax reports, original source documents related to cash receipts and charges or credit transactions, such as register tapes and customer receipts, and bank statements, which shall be made available to Sub-Landlord upon demand. Tenant agrees to preserve its records for at least three (3) years from the end of each calendar year during the term. Upon reasonable advance written notice, Sub-Landlord, its auditor, or other designated representative shall have the right to audit all pertinent books and records of Tenant for the purpose of verifying Tenant's Gross Revenues. If it is determined as a result of the audit that there has been a deficiency in the applicable Base Rent payment, then Tenant shall pay such deficiency within thirty (30) days of written notice from Sub-Landlord. The acceptance by Sub-Landlord of any payment of any Base Rent shall be without prejudice to Sub-Landlord's right to examine and audit Tenant's books and records of its Gross Revenues in order to verify the amount of Gross Revenues.

## **5.2 Taxes and Assessments**

Tenant shall be solely responsible for: all rental, sales and use taxes (but excluding income taxes), if any, imposed upon or measured by Base Rent under Law and all personal property taxes and assessments on Tenant's equipment and vehicles, if applicable. In the event that the Property and/or the Premises become subject to real property taxes and assessments during the Term (including any holdover), the parties shall reasonably allocate their respective share thereof based upon a reasonable, agreed upon allocation of the assessed values of the Premises and the remaining portion of the Property. In such case, Tenant shall pay Tenant's applicable amount of such taxes or assessments to the applicable taxing authority at least ten (10) days prior to the due date.

### **5.3 Triple Net Lease**

Except as expressly set forth otherwise in this Lease, Sub-Landlord and Tenant intend Rent to be absolutely net to Sub-Landlord, and that all costs, expenses and obligations of every kind and nature whatsoever in connection with or relating to the Premises, shall be the obligation of, and paid by, Tenant.

### **5.4 Tenant's Proportionate Share**

For purposes of this Lease, Tenant's "proportionate share" shall mean and be equal to the portion of square footage that the Premises bears to the total square footage of all buildings then being used and operated by Tenant and/or Sub-Landlord on the Property.

## **6. Use; Compliance with Laws**

### **6.1 Use and Restrictions on Use**

The Premises shall be used only for the Permitted Use and for such other uses with Sub-Landlord's prior approval, which approval Sub-Landlord will not unreasonably withhold, condition or delay. Tenant shall not use or permit the use of the Premises for any purpose that (a) is illegal or dangerous to persons or property, (b) creates a nuisance, or (c) invalidates any policies of Sub-Landlord's insurance carried on the Premises or the Real Property or that increases the rate of Sub-Landlord's insurance on the Premises or the Real Property.

### **6.2 Compliance with Laws**

Tenant shall at its expense comply with all Laws regarding the operation of Tenant's businesses, the Permitted Use and Tenant's occupancy of the Premises. Tenant shall promptly provide Sub-Landlord with copies of any notices it receives regarding a violation or alleged violation of any Laws.

## **7. Utilities and Services**

Tenant shall be solely responsible for obtaining and paying for all utilities and services to and for the Premises, including, without limitation, electric, gas, heating fuel, sewer, water, refuse, telephone, janitorial, and cable and internet. Notwithstanding the foregoing, to the extent any of the foregoing utilities are not separately metered (whether on the Effective Date or anytime thereafter during the Term), Sub-Landlord shall invoice Tenant for Tenant's proportionate share thereof and Tenant shall within thirty (30) days of receipt of such invoice reimburse Sub-Landlord for the cost thereof as Additional Rent.

## **8. Maintenance and Repairs; Alterations**

### **8.1 Tenant's Maintenance and Repair Obligations**

(a) As stated in Section 5.3 above, this Lease is “triple net” and, except as expressly set forth otherwise in this Lease, Tenant shall, at its sole cost and expense, promptly perform all maintenance, repairs, and inspections to the Premises, necessary or appropriate to keep the Premises in compliance with applicable Laws, in as good order, condition and repair, and in as good a condition as they existed at the Commencement Date, reasonable wear and tear excepted. Tenant’s obligations include, without limitation, maintenance, repair and replacement of: (a) electronic, phone and data cabling and related equipment including any security system for the Premises; (b) alterations made pursuant to Section 8.3 below; (c) signage; (d) interior partitions, exterior siding, windows and doors, lighting including replacing light bulbs, wall finishes, floor coverings, plumbing systems and fixtures, mechanical systems and fixtures, roof repairs, electrical systems and fixtures serving the Premises, and any fire/life safety systems; and (e) all structural elements.

(b) All work in, on or around the Premises shall be performed in a good and workmanlike manner and otherwise in accordance with any reasonable rules and procedures adopted by Sub-Landlord and Landlord. Upon Sub-Landlord or Landlord’s reasonable request, Tenant shall permit inspection of Tenant’s records regarding Tenant’s maintenance, repair, and replacement pursuant to this Section 8.1. If Tenant fails to make maintenance, repairs or replacements required under this Lease in a timely manner given the nature thereof, mobilization and availability of contractors, insurance adjustment, and other reasonable factors, after thirty (30) days’ written notice (unless there is there is an emergency, in which case notice shall not be required) describing the repairs to be undertaken, Sub-Landlord may perform such maintenance, repair or replacement, and Tenant will reimburse Sub-Landlord for the actual, reasonable cost thereof, together with an administrative charge in an amount equal to ten percent (10%) of the cost of the maintenance, repair or replacement, within thirty (30) days after written request from Sub-Landlord.

(c) The digital billboards maintenance, repair or replacement shall be at Landlord’s sole cost and discretion.

## 8.2 Septic

The parties acknowledge and agree that the septic system that serves the Property, including the Premises, is located on a portion of the Real Property other than the Premises (and is located near the Salmon Bake facility). Subject to the terms of this Lease, and so long as Landlord elects to maintain the septic system, Tenant may use the septic system during the Term. Should the Tenant choose to use the septic, Tenant shall pay and reimburse, as Additional Rent, its proportionate share of Landlord’s maintenance and minor repair costs, i.e. costs less than \$5,000, for the septic system. If there are significant maintenance, repair or replacements, i.e. greater than \$5,000, then the parties shall promptly meet to address the same and use commercially reasonable efforts to agree upon the maintenance, repair or replacement costs. If the parties agree upon such costs, then Tenant shall pay its proportionate share in such costs as Additional Rent, and in such case, Tenant may continue to use the septic system. If the parties are unable to agree upon such costs and Landlord reasonably concludes that it must undertake the same despite no agreement having been reached, then Landlord may, but shall have no obligation to, undertake the applicable maintenance, repair or replacement at Landlord’s own cost and expense, in which case

Tenant shall no longer have the right to use the septic system. In addition, Landlord shall have no obligation to make any significant maintenance, repair or replacement and shall have the absolute right to abandon or cease operating the septic system. For purposes of this Paragraph 8.2, proportionate share shall mean the Tenant's proportionate share based on Tenant's metered usage of the septic system as compared to all other users of the septic system. Landlord agrees that any user of the septic system will be metered in order for the proportionate share to be accurately determined.

In addition, if there is any significant capital item that is necessary to address any material issues with respect to the Premises or access thereto or Tenant's operations thereon resulting from off-Premises sources, i.e. snow melt, water related issues or ground movement, then the parties shall use commercially reasonable, good faith efforts to agree upon a written corrective action plan, and if so agreed, the parties shall proportionately share in such costs.

Finally, should Landlord make any future improvements to the Property, including, with Tenant's reasonable consent, to the Premises, that benefit the Premises or if the parties agree to share certain services, then Tenant shall be responsible for its proportionate share thereof as Additional Rent.

### **8.3 Tenant Alterations**

Tenant may make alterations, additions, upgrades or improvements to the Premises exceeding Ten Thousand Dollars (\$10,000.00) only with the prior written consent of Sub-Landlord, which consent will not be unreasonably withheld, conditioned or delayed.

## **9. Signs**

Tenant may, at Tenant's expense and with Sub-Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, erect and alter reasonable signage related to the Permitted Use but only in compliance with applicable Law. Sub-Landlord acknowledges and agrees that the Tenant signage erected as of the Effective Date is acceptable to Sub-Landlord. For the avoidance of doubt, Sub-Landlord has the absolute right to remove any and all signs with respect to the Salmon Bake facility and associated improvements and such signs will be the property of Sub-Landlord and, for the avoidance of doubt, Sub-Landlord also has the right to install signs on the portions of the Property other than the Premises.

## **10. Entry by Sub-Landlord**

Landlord and Sub-Landlord, upon reasonable prior written notice, may enter the Premises: to improve, repair and maintain such facilities; to inspect the condition of the Premises; during the six (6) months immediately prior to the expiration of the Term, to show the Premises to potential buyers or lessees; and, so long as the same does not materially impact Tenant's operations, to investigate, test and plan alterations to the Premises and the Real Property in connection with Landlord's redevelopment plans, without such entry constituting constructive eviction or entitling Tenant to an abatement or reduction of Rent. Except in emergencies: (a) Sub-Landlord shall provide Tenant with reasonable prior written notice of entry into the Premises, which may be given



orally; and (b) Landlord and Sub-Landlord will not close the Premises if the work can reasonably be completed on days that are not Business Days. Without limiting the foregoing and for the avoidance of doubt, Landlord has the absolute right to demolish the Salmon Bake facility and associated improvements.

## **11. Representation**

Neither Sub-Landlord nor Tenant has employed any broker, agent or finder, or incurred any liability for any brokerage fees, agents' commissions or finders' fees in connection with the transactions contemplated in this Lease. Tenant shall indemnify, defend and hold harmless Sub-Landlord and the Sub-Landlord Related Parties (as defined in Section 14.1 below) from and against all claims of a representative, agent or broker claiming to have represented Tenant in connection with this Lease. Sub-Landlord shall indemnify, defend and hold harmless Tenant and the Tenant Related Parties (as defined in Section 14.2 below) from and against all claims of a representative, agent or broker claiming to have represented Sub-Landlord in connection with this Lease.

## **12. Quiet Enjoyment**

Provided Tenant pays the Rent and performs all of its covenants and agreements in this Lease, Tenant shall, and may peacefully have, hold and enjoy the Premises, free from hindrance by Sub-Landlord or any other person claiming by, through or under Sub-Landlord.

## **13. Liens**

Tenant shall not permit mechanic's or other liens to be placed upon the Premises or Tenant's leasehold interest in connection with any work or service done or purportedly done by or for benefit of Tenant. If a lien is so placed, Tenant shall, within fifteen (15) days of written notice from any lienholder or Sub-Landlord of the filing of the lien, fully discharge the lien by settling the claim which resulted in the lien or by bonding or insuring over the lien in the manner prescribed by Law. If Tenant fails to discharge the lien, then Sub-Landlord, upon fifteen (15) days' written notice, may bond or insure over the lien or otherwise discharge the lien, and Tenant shall immediately reimburse Sub-Landlord for any amount paid by Sub-Landlord to bond or insure over the lien or discharge the lien, including, without limitation, reasonable attorneys' fees (if and to the extent permitted by Law) within thirty (30) days after receipt of an invoice from Sub-Landlord.

## **14. Indemnity and Waiver of Claims**

### **14.1 By Tenant**

Except to the extent caused by the negligence or willful misconduct of the indemnified person, Tenant shall indemnify, defend and hold harmless Sub-Landlord, other tenants, or any of its directors, officers, managers, employees, contractors, invitees, Mortgagee(s) (as defined in Section 24.1 below) or agents (collectively, "Sub-Landlord Related Parties") against and from all liabilities, obligations, damages, penalties, claims, actions, costs, charges and expenses, including, without limitation, reasonable attorneys' fees and other professional fees (if and to the extent permitted by Law) (collectively, "Losses"), which may be imposed upon, incurred by or asserted

against Sub-Landlord or any of the Sub-Landlord Related Parties and arising out of or in connection with any damage or injury occurring in the Premises caused by Tenant and/or any of the Tenant Related Parties, or any acts, errors or omissions (including violations of Law) of Tenant and/or any of the Tenant Related Parties after the Effective Date.

#### **14.2 By Sub-Landlord**

Except to the extent caused by the negligence or willful misconduct of the indemnified person, Sub-Landlord shall indemnify, defend and hold harmless Tenant, its subleases, or any of its directors, officers, managers, employees, contractors, invitees, or agents (collectively, "Tenant Related Parties") against and from all Losses which may be imposed upon, incurred by or asserted against Tenant or the Tenant Related Parties and arising out of or in connection with the acts, errors or omissions (including violations of Law) of Sub-Landlord and/or any of the Sub-Landlord Related Parties after the Effective Date.

#### **14.3 Survival**

The indemnification obligations set forth in this Section 14 shall survive the expiration or early termination of this Lease.

### **15. Insurance**

#### **15.1 In General**

Tenant shall carry and maintain insurance in types and amounts as set forth on Exhibit C hereto ("Tenant's Insurance"), at its sole cost and expense. Each such policy of insurance shall be issued by an insurance company and in a form reasonably acceptable to Sub-Landlord. All policies of Tenant's Insurance and umbrella policies shall name Landlord as an additional insured. Tenant shall give, or shall cause its insurer to give, Landlord at least thirty (30) days' advance written notice of any material change, cancellation, termination or lapse of insurance. Tenant shall provide Landlord with a certificate of insurance evidencing Tenant's Insurance upon request.

#### **15.2 Sub-Landlord's Insurance**

At all times during the Term, Sub-Landlord shall carry and maintain insurance in types and amounts determined by Sub-Landlord in its sole, reasonable discretion.

#### **15.3 Waiver of Subrogation**

Notwithstanding anything in this Lease to the contrary, Sub-Landlord and Tenant shall cause their respective insurance carriers, including, without limitation, a carrier providing workers' compensation coverage, to waive any and all rights of recovery, claim, action or causes of action against the other and their respective trustees, principals, beneficiaries, partners, officers, directors, agents, and employees, for any loss or damage that may occur to Sub-Landlord or Tenant or any party claiming by, through or under Sub-Landlord or Tenant, as the case may be, including, without limitation, with respect to Tenant's trade fixtures, equipment, furniture and other personal

property within the Premises (“Tenant’s Property”), the Real Property, any additions or improvements to the Premises or the Real Property, or any contents thereof, including all rights of recovery, claims, actions or causes of action arising out of the negligence of Sub-Landlord or any of the Sub-Landlord Related Parties or the negligence of Tenant or any of the Tenant Related Parties, which loss or damage is (or would have been, had the insurance required by this Lease been carried) covered by insurance.

#### **16. Casualty Damage**

In the event the Premises are destroyed or damaged by fire, earthquake, or other casualty, it shall be optional with Sub-Landlord to repair or rebuild the same. Sub-Landlord shall, within sixty (60) days after the happening of any such damage or casualty, notify Tenant of where it intends to repair or restore the Premises or terminate the Lease. In the event that Sub-Landlord does not intend to repair or restore the Premises within three (3) months Tenant shall have the option to terminate the Lease by giving written notice to Sub-Landlord within fifteen (15) days of receipt of Sub-Landlord’s notice. If neither party terminates this Lease, Sub-Landlord shall restore the Premises or cause the Premises to be restored to the extent insurance proceeds are available therefor. In the event that the damage to the Premises does not result in the termination of this Lease, Rent shall be abated to the degree to which Tenant’s use of the Premises is impaired by the damage. Due to the seasonal nature of Tenant’s business (an approximate one hundred twenty (120) day summer tourist season) should the Premises not be useable during the summer tourist season, Rent shall be abated based on the percent of the summer season the Premises was unusable towards the total yearly Rent.

Sub-Landlord shall not be required to repair or restore any damage or injury or replace any of Tenant’s Property, including, equipment, inventory, fixtures or other personal property of Tenant or others located on the Premises. Any proceeds payable to Sub-Landlord from insurance policies carried by or in the name of Sub-Landlord shall be the sole and exclusive property of Sub-Landlord.

#### **17. Condemnation**

Either party may terminate this Lease if all or any material part of the Premises is taken or condemned for any public or quasi-public use under Law, by eminent domain or private purchase in lieu thereof (a “Taking”). In order to exercise its right to terminate this Lease, Sub-Landlord or Tenant, as the case may be, must provide written notice of termination to the other within forty-five (45) days after the terminating party first receives notice of the Taking. Any such termination shall be effective as of the date the physical taking of the Premises or the material portion thereof occurs. In addition, Rent for any material portion of the Premises subject to the Taking shall be equitably abated during the unexpired Term effective when the physical taking of the Premises (or material portion thereof) occurs. With respect to compensation awarded for a Taking, or sale proceeds, Tenant shall be entitled to file a claim at its sole cost and expense for Tenant’s Property and Tenant’s reasonable relocation expenses, or any other allowable damages, provided such claim does not diminish any award or compensation to Sub-Landlord.

## **18. Assignment and Subletting**

### **18.1 By Tenant**

Tenant shall not assign, sublease, transfer, convey, mortgage, or encumber any interest in this Lease or allow any third party to use any portion of the Premises (“Transfer”) without the prior written consent of Sub-Landlord, which Sub-Landlord may withhold in its sole and absolute discretion.

### **18.2 By Sub-Landlord**

Sub-Landlord shall have the right to transfer and assign, in whole or in part, all of its rights and obligations under this Lease and in the Premises upon a sale of the Premises or a portion thereof.

## **19. Events of Default**

Tenant shall be considered to be in default of this Lease upon the occurrence of any of the following events of default (each, an “Event of Default”):

(a) Tenant’s failure to pay when due all or any portion of the Rent or any other sum required to be paid by Tenant under the terms of this Lease (“Monetary Default”), provided Tenant may cure such Monetary Default by paying Sub-Landlord all sums due within seven (7) days of written notice to Tenant.

(b) Tenant’s failure (other than a Monetary Default) to comply with any term, provision or covenant of this Lease, provided Tenant may cure such Event of Default within thirty (30) days after written notice to Tenant. However, if Tenant’s failure to comply cannot reasonably be cured within thirty (30) days, so long as Tenant diligently works to cure the default, Tenant shall be allowed additional time as is reasonably necessary (not to exceed ninety (90) days) to cure the failure.

(c) Tenant becomes a debtor in bankruptcy or becomes insolvent; a receiver, trustee, or custodian is appointed for all or substantially all of Tenant’s assets; or Tenant admits in writing its inability to pay its debts when due.

(d) The leasehold estate is taken by process or operation of Law.

## **20. Remedies**

### **20.1 Sub-Landlord Remedies**

Upon any Event of Default by Tenant, except as limited by this Section 20.1, Sub-Landlord shall have the right without notice or demand (except as provided in Section 19 above) to:

(a) Terminate this Lease and all rights of Tenant in and to the Premises, in which case Tenant shall immediately surrender the Premises to Sub-Landlord and Sub-Landlord may take possession of the Premises.

(b) Without declaring the Term ended, to reenter the Premises and to occupy the same, or any portion thereof, for and on account of the Tenant as hereinafter provided, and Tenant shall be liable for and pay to Sub-Landlord on demand all such actual, reasonable expenses as Sub-Landlord may have paid, assumed or incurred in recovering possession of the Premises, including costs, expenses, attorney's fees and expenditures placing the same in good order, and Sub-Landlord's reasonable expenses paid in connection with reletting the Premises. Any such reletting may be for the remainder of the Term or for a longer or shorter period. Such reletting shall be for such rent and on such other terms and conditions as Sub-Landlord, in its sole reasonable discretion, deems appropriate. Sub-Landlord may execute any lease made pursuant to the terms hereof either in the Sub-Landlord's own name, and may also assume Tenant's interest in any existing subleases to any tenant of the Premises, as Sub-Landlord may see fit, and Tenant shall have no right or authority whatsoever to collect any rent from such subtenants of the Premises. In any case, if and until the Premises or any part thereof is relet, Tenant, until the end of the Term, shall be liable to Sub-Landlord for Rent under this Lease, less net proceeds, if any, of any reletting.

(c) The right, even though it may have relet all or any portion of the Premises in accordance with the provisions of Section 20.1(b) above, to thereafter at any time elect to terminate this Lease for such previous default on the part of the Tenant, and to terminate all the rights of Tenant in and to the Premises.

(d) In lieu of calculating damages under Sections 20.1(a) or 20.1(b), Sub-Landlord may elect to receive as damages the sum of (i) all Rent accrued through the date of termination of this Lease or Tenant's right to possession, and (ii) an amount equal to the total Rent that Tenant would have been required to pay for the remainder of the Term discounted to present value at the Prime Rate (defined in Section 20.2 below) then in effect, minus the then present fair rental value of the Premises for the remainder of the Term, similarly discounted, after deducting all anticipated costs of reletting.

**20.2** Unless expressly provided in this Lease, the repossession or re-entering of all or any part of the Premises shall not relieve Tenant of its liabilities and obligations under the Lease. No right or remedy of Sub-Landlord shall be exclusive of any other right or remedy. Each right and remedy shall be cumulative and in addition to any other right and remedy now or subsequently available to Sub-Landlord at Law or in equity. If Sub-Landlord declares Tenant to be in default, Sub-Landlord shall be entitled to receive interest on any unpaid item of Rent at a rate equal to the Prime Rate plus four percent (4%). For purposes hereof, the "Prime Rate" shall be the per annum interest rate publicly announced as its prime or base rate by a federally insured bank selected by Sub-Landlord in the state in which the Building is located. Forbearance by Sub-Landlord to enforce one or more remedies shall not constitute a waiver of any default.

**20.3** Pursuant to the rights of re-entry provided above, Sub-Landlord may remove all persons from the Premises and may, but shall not be obligated to, remove all property therefrom, and may, but shall not be obligated to, enforce any rights Sub-Landlord may have against said

property or, upon prior notice to Tenant and the opportunity to recover Tenant's Property (the title to which shall remain in Tenant), to store the same in any public or private warehouse or elsewhere at the cost and for the account of Tenant or the owner or owners thereof. Tenant agrees to indemnify and hold harmless Sub-Landlord from any liability whatsoever for the removal and/or storage of any such property, whether of Tenant or any third party whomsoever. Such action by Sub-Landlord shall not be deemed to have terminated this Lease.

## **21. No Waiver; Remedies Not Exclusive**

No failure or delay by Sub-Landlord in exercising or enforcing any right, power, privilege or remedy under this Lease, including, without limitation, in connection with any Event of Default, shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof, nor shall such failure constitute a waiver of Sub-Landlord's rights regarding a subsequent event or Event of Default.

## **22. Surrender of Premises**

### **22.1 Condition**

Subject to Tenant's right to remain in the Premises in order to remove Tenant's Property pursuant to Section 22.2 below, at the expiration or earlier termination of this Lease or Tenant's right of possession, Tenant shall remove Tenant's Property from the Premises, and quit and surrender the Premises to Sub-Landlord, broom clean, and in as good order, condition and repair as at the Commencement Date, ordinary wear and tear and changes caused by Sub-Landlord excepted.

### **22.2 Abandoned Property**

With Sub-Landlord's written consent (which will not be unreasonably withheld, conditioned or delayed), Tenant shall be permitted to remain in the Premises for a period of up to thirty (30) days after the expiration or earlier termination of this Lease or Tenant's right to possession in order to remove Tenant's Property therefrom. If Tenant fails to remove any of Tenant's Property within such thirty (30)-day period, Sub-Landlord, at Tenant's expense, may (but is not obligated to) remove and store Tenant's Property. Sub-Landlord may withhold its consent if Tenant is in default of its rental obligations.

In addition, if Tenant fails to remove Tenant's Property from the Premises or storage, as the case may be, within thirty (30) days after written notice, Sub-Landlord may deem all or any part of Tenant's Property owned outright by Tenant to be abandoned, and, at Sub-Landlord's election, title to the same shall be deemed to be immediately vested in Sub-Landlord without compensation.

## **23. Holding Over**

If Tenant fails to surrender the Premises at the expiration or earlier termination of this Lease, occupancy of the Premises after the termination or expiration shall be that of a month-to-month tenancy terminable on thirty (30) days' prior written notice at any time by either party. Tenant's occupancy of the Premises during the holdover shall be subject to all the terms and provisions of this Lease, except those pertaining to Term and provided that the then-applicable Base Rent will be increased by fifty percent (50%).

## **24. Mortgages; Estoppel Certificates**

### **24.1 Mortgages**

Tenant accepts this Lease subject and subordinate to any mortgage(s), deed(s) of trust, ground lease(s) or other lien(s) now or subsequently arising upon the Premises, and to renewals, modifications, refinancings and extensions thereof (collectively referred to as a "Mortgage;" the party having the benefit of a Mortgage is referred to as a "Mortgagee"). This clause shall be self-operative. In lieu of having the Mortgage be superior to this Lease, a Mortgagee shall have the right at any time to subordinate its Mortgage to this Lease. If requested by a successor-in-interest to all or a part of Sub-Landlord's interest in this Lease, Tenant shall, without charge, attorn to the successor-in-interest.

### **24.2 Estoppel Certificates**

Sub-Landlord and Tenant shall each, within ten (10) days after receipt of a written request from the other, execute and deliver an estoppel certificate to those parties as are reasonably requested by the other (including a Mortgagee or prospective purchaser). The estoppel certificate shall include a statement certifying that this Lease is unmodified (except as identified in the estoppel certificate) and in full force and effect, describing the dates to which Rent and other charges have been paid, representing that, to such party's actual knowledge, there is no default (or stating the nature of the alleged default) and indicating other matters with respect to this Lease that may reasonably be requested.

## **25. Notices**

If a demand, request, approval, consent or notice is or may be given under this Lease to either party by the other, the notice shall be in writing and: delivered by hand; or, sent by express, registered or certified mail with return receipt requested; or, sent by overnight or same day courier service; or, sent by electronic mail ("e-mail") with delivery and read receipts requested, in all cases to the receiving party's Notice Address. Each notice shall be deemed to have been received or given: for delivery by hand or courier service, on the earlier to occur of actual delivery or the date on which delivery is refused; or, for notice given by mail, five (5) Business Days after deposited in the U.S. mail; or, for notice given by e-mail, upon receipt by the sending party of a delivery receipt automatically generated by the receiving computer system. Either party may, at any time, change its Notice Address by giving the other party written notice of the new address in the manner described in this Section 25.

**26. Master Lease Agreement**

The parties acknowledge and agree this Agreement is subject to the terms of the Master Lease Agreement between Landlord and Sub-Landlord. Tenant hereby agrees to abide by the terms of the Master Lease Agreement and this Lease Agreement. Tenant acknowledges receipt of a copy of the Master Lease Agreement.

**27. Miscellaneous**

**27.1 Severability**

If any term or provision of this Lease shall to any extent be invalid or unenforceable, the remainder of this Lease shall not be affected, and each provision of this Lease shall be valid and enforced to the fullest extent permitted by Law.

**27.2 Section Headings**

The headings and titles to the sections of this Lease are for convenience only and shall have no effect on the interpretation of any part of this Lease.

**27.3 Attorneys' Fees**

If either party institutes a suit against the other for violation of or to enforce any covenant or condition of this Lease, or if either party intervenes in any suit in which the other is a party to enforce or protect its interest or rights, the prevailing party shall be entitled to all of its costs and expenses, including, without limitation, reasonable attorneys' fees.

**27.4 Recordation**

Neither party shall record this Lease or any memorandum without the other's prior written consent.

**27.5 Governing Law and Venue**

This Lease has been entered into and shall be governed by the Laws of Alaska. Venue for any dispute arising out of this Lease shall be exclusively in Anchorage, Alaska.

**27.6 Waiver of Trial by Jury**

Sub-Landlord and Tenant hereby waive any right to trial by jury in any proceeding based upon a breach or enforcement of this Lease.

**27.7 Time of Essence**



Time is of the essence in the performance by the parties of their respective obligations under this Lease.

#### **27.8 Further Assurances**

Each party shall from time-to-time, at the reasonable request of the other party (a) execute and deliver or cause to be executed and delivered such additional documents and papers, and (b) take or cause to be taken such additional actions as may be reasonably required, in either case to effectively evidence and implement the transactions described in and contemplated by this Lease.

#### **27.9 Force Majeure**

Whenever a period of time is prescribed for the taking of an action by Sub-Landlord or Tenant, the period of time for the performance of such action shall be extended by the number of days that the performance is actually delayed due to strikes, acts of God, shortages of labor or materials, war, civil disturbances, pandemics and epidemics, and other causes beyond the reasonable control of the performing party ("Force Majeure"). However, events of Force Majeure shall not extend any period of time for the written exercise of a right or option by either party.

#### **27.10 Relationship of Parties; No Third-Party Beneficiaries**

This Lease shall create only the relationship of Sub-Landlord and tenant between the parties, and not a partnership, joint venture or any other relationship. This Lease and the covenants and conditions in this Lease shall inure only to the benefit of and be binding only upon Sub-Landlord and Tenant and their permitted successors and assigns. There are no third-party beneficiaries.

#### **27.11 Negotiations**

The parties represent and agree that the terms and provisions of this Lease are the result of arm's length negotiations between the parties and that each party has had the benefit of counsel, to the extent it deemed appropriate. Therefore, this Lease shall not be construed either for or against a particular party by reason of draftsmanship or otherwise.

#### **27.12 Survival of Certain Covenants**

The expiration of the Term, whether by lapse of time or otherwise, shall not relieve either party of any obligations which accrued prior to or which may continue to accrue after the expiration or early termination of this Lease. Without limiting the scope of the prior sentence, the parties' respective obligations under Sections 11, 13, 14, 20, 21, 22, and 23 shall survive the expiration or early termination of this Lease.

#### **27.13 Signatures of Both Parties Required**

This Lease shall not be effective against any party until a copy of this Lease has been signed by such party.

#### **27.14 Amendment**

This Lease may be amended, modified, superseded, canceled, renewed or extended, and the terms and conditions of this Lease may be waived, only by a written instrument signed by both parties. This Lease may not be amended or modified by course of conduct.

#### **27.15 Final, Complete Agreement**

This Lease and the attached exhibits referred in this Lease, which exhibits are incorporated herein by this reference, are the final, complete agreement of the parties respecting the lease of the Premises. All understandings and agreements previously made between the parties, including all lease proposals, letters of intent and other documents, are superseded by this Lease. Neither party is relying upon any warranty, statement or representation not contained in this Lease.

#### **27.16 Signatures Required to be Binding; Counterparts**

Sub-Landlord has delivered a copy of this Lease to Tenant for Tenant's review only, and the delivery of it does not constitute an offer to Tenant or an option. This Lease shall not be effective against any party hereto until this Lease has been executed by such party. This Lease, and any exhibit to be executed pursuant to this Lease, may be executed in one or more counterparts, each identical to the other, so long as the counterparts in a set contain the signatures of all the parties to this Lease. Counterparts of this Lease may be delivered and exchanged electronically.

#### **27.17 Guarantee**

Garret Baker and his respective successors and assigns (collectively, "Guarantor"), shall guarantee Tenant's payment and performance obligations under this Lease as set forth in the lease guaranty attached hereto as Exhibit D, which Guarantor shall execute on the Effective Date.

[SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF, this Lease is entered into and effective as of the Effective Date.**

**SUB-LANDLORD:**

**DENALI GIFT COMPANIES, INC.,** an Alaska corporation

By:   
Kevin Helwig  
Its: President

**TENANT:**

**DENALI USA MADE, LLC,** an Alaska limited liability company

By:   
Garret Baker  
Its: Managing Member

**LANDLORD'S CONSENT TO SUBLEASE**

The undersigned Landlord under the Master Lease hereby consents to the foregoing Lease Agreement (the "Sublease") on the following conditions: This consent does not waive any restriction in the Master Lease concerning further assignment or subletting. This Sublease does not amend the Master Lease in any respect or affect the rights and obligations of Landlord or Tenant under the Master Lease. This Sublease is in all respects subject to and subordinate to the Master Lease. In the event of conflict between the terms of the Sublease and the Master Lease, the Master Lease shall prevail. Nothing in the Master Lease has changed or is waived by Landlord's consent to this Sublease. Tenant, Denali Gift Companies, Inc., remains fully responsible for the performance of all of its duties under the Master Lease and any future amendments thereto.

**JL DENALI SALMON, LLC,** an Alaska limited liability company

DocuSigned by:  
By: JONATHAN RUBIN  
Jonathan Rubini  
Its: Authorized Representative

**EXHIBIT A  
REAL PROPERTY**

PARCEL NO. 1:

That portion of Tract 3, Subdivision of Lot 2, U.S. Survey No. 5545, according to the official plat thereof filed under Plat No. 79-23, in the records of the Nenana Recording District, Fourth Judicial District, State of Alaska, more particularly described as follows:

BEGINNING at the Southeast corner of said Tract 3; THENCE South  $86^{\circ}33'00''$  West along the Southerly boundary of said Tract 3 a distance of 245.50 feet to the Southwest corner of said Tract 3; THENCE North  $36^{\circ}41'59''$  West along the Southwesterly boundary of said Tract 3 a distance of 186.52 feet to a point; THENCE North  $65^{\circ}26'55''$  East a distance of 312.13 feet to a point on the Northeasterly boundary of said Tract 3; THENCE South  $15^{\circ}21'03''$  East along said Northeasterly boundary a distance of 274.25 feet to the POINT OF BEGINNING.

PARCEL NO. 2:

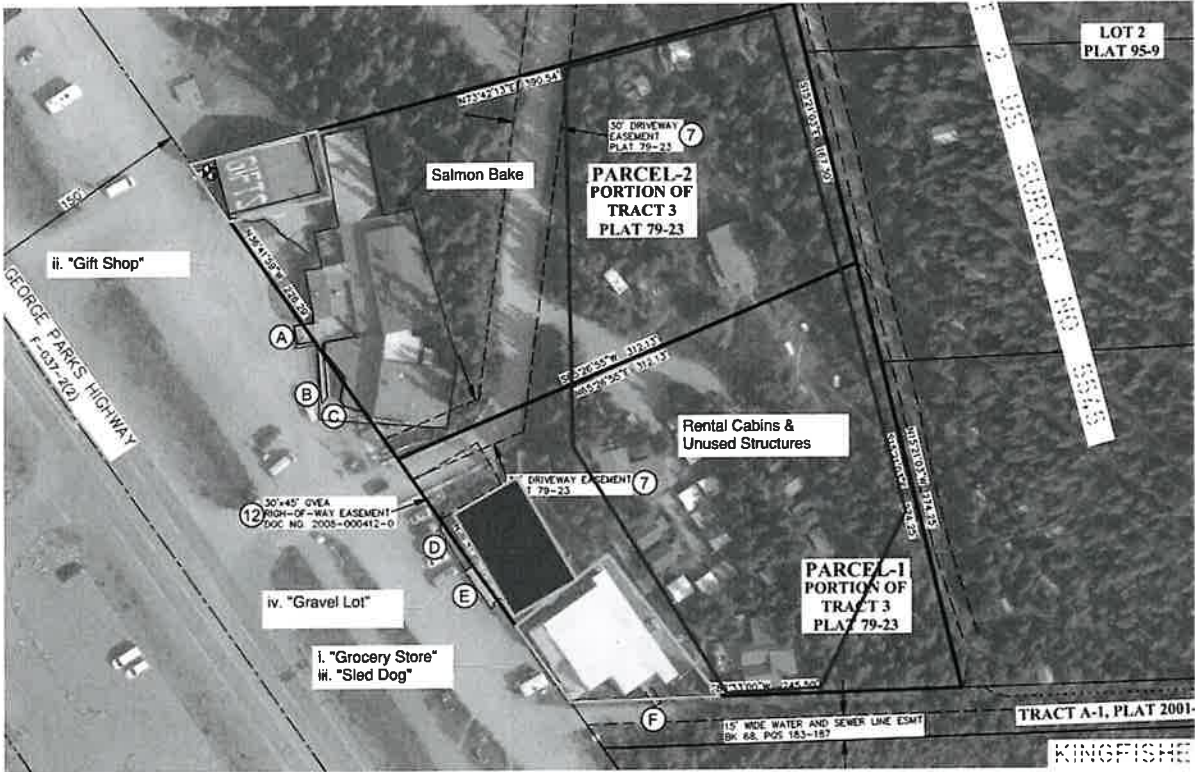
That portion of Tract 3, Subdivision of Lot 2, U.S. Survey No. 5545, according to the official plat thereof filed under Plat No. 79-23, in the records of the Nenana Recording District, Fourth Judicial District, State of Alaska, more particularly described as follows:

BEGINNING at the Southeast corner of said Tract 3; THENCE North  $15^{\circ}21'03''$  West along the Northeasterly boundary of said Tract 3 a distance of 274.25 feet to the TRUE POINT OF BEGINNING; THENCE South  $65^{\circ}26'55''$  West a distance of 312.13 feet to a point on the Southwesterly boundary of said Tract 3; THENCE North  $36^{\circ}41'59''$  West along said Southwesterly boundary a distance of 226.29 feet to a point; THENCE North  $73^{\circ}42'13''$  East a distance of 390.54 feet to a point on the Northeasterly boundary of said Tract 3; THENCE South  $15^{\circ}21'03''$  East along the said Northeasterly boundary a distance of 167.30 feet to the TRUE POINT OF BEGINNING.

We have been informed, but do not insure, that said property is also known as:

Property Address:  
Mile 238.5 George Parks Highway, Denali, AK 99755.

**EXHIBIT B  
DEPICTION OF BUILDINGS**



**EXHIBIT C**  
**TENANT'S INSURANCE**

Tenant shall at a minimum and at Tenant's sole cost and expense secure and maintain insurance policies in the following types and amounts with respect to the Premises for the duration of the Term:

1. General Liability. Commercial general liability ("CGL") insurance on a combined single limit basis insuring against third party bodily injury and property damage of not less than \$2,000,000 per occurrence and \$4,000,000 in the aggregate.
2. Automobile Liability. Commercial automobile liability with limits of coverage for bodily injury and property damage with a combined single limit of not less than \$1,000,000 per occurrence.
3. Umbrella/Excess Liability. Commercial Umbrella/Excess liability providing excess limits of third party bodily injury and property damage of not less than \$2,000,000 per occurrence and \$4,000,000 in the aggregate.
4. Workers' Compensation/Employers Liability. Workers' Compensation insurance as required by the State of Alaska.
5. Property Insurance. Property insurance for the Premises, including all of upon all of Tenant's Property, in an amount equal to full insurable replacement cost and with a deductible no greater than \$25,000, with coverage for perils as set forth under the Clauses of Loss-Special Form.

**EXHIBIT D  
LEASE GUARANTY**

This LEASE GUARANTY (this “Guaranty”) is made and entered into as of August 15 \_\_, 2023 (the “Effective Date”), by GARRET BAKER (the “Guarantor”), for the benefit of DENALI GIFT COMPANIES, INC., an Alaska corporation, and its successors and assigns (“Sub-Landlord”).

**RECITALS**

A. Sub-Landlord entered into that certain Lease Agreement (the “Lease”) between Sub-Landlord, as Sub-Landlord, and DENALI USA MADE, LLC, an Alaska limited liability company, as tenant (“Tenant”), dated August 15 \_\_, 2023, with respect to certain real property located in Denali, Alaska and more particularly described in the Lease (the “Premises”).

B. In order to induce Sub-Landlord to enter into the Lease, Guarantor agrees to guarantee the payment and performance of Tenant’s promises and covenants under the Lease, subject to the terms of this Guaranty.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor agrees as follows:

1. The recitals set forth above are incorporated herein by reference. Capitalized terms used but not defined herein shall have the same meaning as in the Lease.

2. Guarantor hereby, unconditionally and irrevocably guarantees to Sub-Landlord the full and prompt payment, when due, of all rent and all other monetary obligations of Tenant under the Lease and the full and complete performance of each and every other obligation of Tenant under the Lease (collectively, the “Obligations”). Guarantor acknowledges he has received and previously reviewed a copy of the Lease.

3. Guarantor’s liability under this Guaranty is primary and direct. This is a guaranty of payment and performance and not just a guaranty of collection. This Guaranty shall be fully enforceable against Guarantor. No condition precedent to Guarantor’s guaranty obligation shall be required. Sub-Landlord, or its successors or assigns, shall not be required to exhaust any other remedies or to proceed against any other party (including but not limited to Tenant) before invoking its rights under this Guaranty.

4. After any default in the payment or performance of the Obligations and after the expiration of any applicable cure period under the Lease, Guarantor shall undertake and perform Tenant’s Obligations.

5. Guarantor expressly agrees that the validity of this Guaranty and Guarantor’s Obligations hereunder shall not be terminated, affected or impaired in any manner by reason of the assertion or failure to assert by Sub-Landlord against Tenant, or Tenant’s successors or assigns,

of any of the rights or remedies reserved to Sub-Landlord pursuant to the provisions of the Lease. Guarantor hereby waive any right of set-off or counterclaim and all other defenses to Guarantor's Obligations under this Guaranty, but only to the extent Tenant waived such rights or defenses in respect of its obligations under the Lease. Guarantor further agrees that this Guaranty shall remain and continue in full force and effect and shall in no way be affected or modified by any renewal, modification or extension of the Lease or by any termination or cancellation thereunder arising as a result of the fault or default of Tenant therein or by any assignment or subletting of the Lease by Tenant.

6. In the event legal proceedings are commenced to enforce the terms of this Guaranty, the prevailing party shall be entitled to recover an award for its full reasonable attorney's fees and litigation costs in addition to any other relief available from the court.

7. This Guaranty shall be effective immediately and shall remain in effect until the expiration of the Lease. If the Lease is terminated because of any default or breach by Tenant, or its successors or assigns, and so long as the Lease or applicable law permits Sub-Landlord to recover damages, losses or expenses incurred as a result of the termination of the Lease or the default or breach leading to the termination, then this Guaranty shall continue until Sub-Landlord (or Sub-Landlord's successors and assigns) has been compensated for damages, losses and expenses incurred as a result of the termination of the Lease and the default or breach leading to the termination including any attorney's fees and litigation costs.

8. Guarantor agree that, without affecting Guarantor's liability under this Guaranty, Sub-Landlord, or its successors and assigns, may do all or any of the following: (1) release the Security Deposit or other security now held or hereafter held under the Lease; (2) enter into modifications of the Lease with Tenant, or Tenant's successors or assigns; (3) extend the time for Tenant, or Tenant's successors or assigns, to perform; (4) compromise with Tenant, or Tenant's successors or assigns, under the Lease; (5) consent to the assignment or subletting of Tenant's interest in the Lease or the Premises to another person or entity; or (6) release Tenant, or Tenant's successors or assigns, from any or all liability under the Lease. Guarantor hereby expressly consents to any and all such actions by Sub-Landlord, or Sub-Landlord's successors or assigns. However, any such action by Sub-Landlord shall not compromise, release or affect the rights of Guarantor as against Tenant, or Tenant's successors and assigns.

9. This Guaranty contains the entire agreement between the parties with respect to the subject matter hereof. Guarantor agrees that this Guaranty is binding on Guarantor and Guarantor's heirs, successors, executors and permitted assigns. This Guaranty shall be construed and enforced in accordance with the laws of the state of Alaska.

10. Any notice required or permitted under this Guaranty shall be deemed to have been given immediately upon hand delivery; three (3) days after deposit with the U.S. Postal Service when delivered by U.S. certified mail, return receipt requested; one (1) day after pickup by overnight express delivery service; or when sent by facsimile or electronic transmission, with confirmation of delivery, in either case to the parties at their respective addresses set forth below:



If to Guarantors: Garret Baker  
P.O. Box 511  
Denali Park, Alaska 99755  
E-mail: [garret@denalipark.com](mailto:garret@denalipark.com)

If to Sub-Landlord: Denali Gift Company, Inc.  
Attn: Kevin Helwig  
8327 Bowman Woods Circle  
Las Vegas, NV 89129  
Email: [kevin@denalipark.com](mailto:kevin@denalipark.com)

Either party may change its address or contact information by written notice to the other party. Effective notice will be deemed given only as provided above.

11. This Guaranty shall inure to the benefit of Sub-Landlord and its successors and assigns. Sub-Landlord may assign its rights under this Guaranty. The rights and obligations of Guarantor hereunder are personal in nature, and Guarantor may not assign their rights and obligations under this Guaranty except with Sub-Landlord's prior written consent.

12. This Guaranty may be executed and delivered, including by facsimile, in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument.

DATED as of the Effective Date.

**GUARANTOR: GARRET BAKER**


By:   
\_\_\_\_\_  
Garret Baker

**ACKNOWLEDGEMENT**

STATE OF ALASKA            )  
  ) ss  
FOURTH JUDICIAL DISTRICT )

The foregoing LEASE GUARANTY was acknowledged before me this 2 day of August, 2023, by GARRET BAKER.



  
\_\_\_\_\_  
Notary Public for the State of Alaska  
My Commission Expires: 4/19/2028

**DENALI USA MADE, LLC  
OPERATING AGREEMENT**

This Operating Agreement ("Agreement") is entered into this 15 day of September 2020, by and among Kevin Helwig and Garret Baker (hereinafter "Members"). The Members have agreed to organize and operate a limited liability company in accordance with the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the Members intending legally to be bound, agree as follows:

**SECTION 1: DEFINED TERMS**

1.1 The underlined, capitalized terms in the following paragraphs of this Section 1 shall have the meaning set forth in such paragraph.

Act. The Alaska Revised Limited Liability Company Act, as amended from time to time. The Act shall control in any area not addressed by this Operating Agreement.

Articles. The Articles of Organization filed with the State of Alaska on September 4, 2020.

Books and Records. This Agreement, tax returns, financial statements, minutes of Member and Managing Member meetings, and the any other Company books and records.

Capital Contribution(s). The amount of money and value of any Property (other than money) contributed to the Company at any time by a Member.

Capital Event. A Condemnation, Casualty, Sale or Refinancing.

Casualty. An event or occurrence that results in destruction or damage to any item or parcel of Company Properties.

Class A Units. Class A Units means the A membership Units in the Company as described in Section 8.2.

Code. The Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequent superseding federal revenue laws.

Company. DENALI USA MADE, LLC, also referred to as "the LLC."

Company Properties. All parcels, items or interests in Property owned by the Company.

AMCO

DEC - 8 2021

AMCO Received 10/19/2023

**Condemnation.** Any (a) taking of any item or part of or interest in Company Properties under the power of condemnation or eminent domain; (b) conveyance of any item or part of or interest in Company Properties in lieu of condemnation; or (c) act or omission by any governmental authority causing injury or damage to any item or part of or interest in Company Properties compensable under the doctrine of inverse condemnation.

**Covered Person.** A person defined in subparagraph 5.5.1.

**Depreciation.** For each Fiscal Year or other period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable for federal income tax purposes with respect to an asset for such Fiscal Year or other period; *provided, however,* that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year or other period, Depreciation shall be an amount that bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction with respect to such asset for such Fiscal Year or other period bears to such beginning adjusted tax basis; and *provided further* that, if the federal income tax depreciation, amortization or other cost recovery deduction for such Fiscal Year or other period is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value.

**Disability or Disabled.** When a Member is adjudged by a court to be in need of a guardianship or conservatorship; or, when a member has a mental, emotional or physical condition, which by accepted medical standards and upon the written confirmation by two physicians, makes it impossible for a Member to continue to work for the Company or to perform his duties as a Member.

**Dissolution Event(s).** A reference to one or more events described in the subparagraphs of paragraph 13.1.

**Fair Market Value.** Fair Market Value of the Units as of any date and for all purposes means the value determined by an appraisal.

**Fiscal Year.** The period beginning on January 1 and ending on December 31 of any given calendar year or any portion of a calendar year in which the Company is required to allocate Profits, Losses and other items of Company income, gain, loss or deduction.

**Gross Asset Value.** With respect to any asset, such asset's adjusted basis for federal income tax purposes, except as follows:

(i) the initial Gross Asset Value of any asset (other than money) contributed by a Member to the Company shall be the gross fair market value of such asset, as determined in good faith by the Managing Member;

(ii) the Gross Asset Value of all assets of the Company shall be adjusted to equal their respective gross fair market values, as determined in good faith by the Managing Member, immediately prior to the following times: (a) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a *de minimis* Capital Contribution; (b) the distribution by the Company to a Member of more than a *de minimis* amount of Company assets as consideration for an interest in the Company; and (c) the liquidation of the Company); and

(iii) the Gross Asset Value of any Company asset distributed in kind to any Member shall be the gross fair market value of such asset on the date of distribution, as determined in good faith by the Managing Member.

If the Gross Asset Value of an asset has been determined or adjusted pursuant to subparagraph (ii) or (iii) above, such Gross Asset Value shall thereafter be reduced by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

**Incompetency.** When a Member is adjudged mentally incompetent by a court, or if a guardianship or conservatorship is ordered for the Member; or, when a member has a mental, emotional or physical condition, which by accepted medical standards and upon the written confirmation by two physicians, makes it impossible for a Member to continue to work for the Company or to perform his duties as a Member.

**Interest Rate.** The Prime Rate plus one percent (1%).

**Majority Approval.** The affirmative vote of holders of a majority of the then-outstanding Units entitled to vote on a matter submitted for the approval of the Members.

**Managing Member.** Kevin Helwig, together with his successor and any other person who is elected as a Managing Member in accordance with this Agreement and the Act.

**Member.** The following persons are Members and they are also the Charter Members of the LLC.

<b>Member/Address</b>	<b>Contribution</b>	<b>Percentage Ownership Interest</b>
Kevin Helwig PO Box 90 Denali Park, AK 99755	\$	50%
Garret Baker PO Box 90 Denali Park, AK 99755	\$	50%

**"Member"** includes each Person who may hereafter be admitted as a Member of the Company in accordance with the terms of this Agreement.

**Percentage Interest.** Percentage Interest means, with regard to each Member, the percentage obtained by dividing (a) the number of Units held by such Member, by (b) the total of the then outstanding Units of the Company.

**Person.** Person means any individual or entity, and the heirs, executors, administrators, legal representatives, successors, and Transferees of such "Person" where the context so permits. An entity as used in the preceding sentence shall mean or refer to any general partnership, limited partnership, limited liability company, limited liability partnership, corporation, joint venture, trust, business trust, association, cooperative or any other business organization.

**Property.** Real property, tangible personal property, intangible personal property or property in one or more of such categories.

**Refinancing.** The obtaining of refinancing by the Company, whether secured or unsecured, other than credit purchases or short term borrowings, in the ordinary course of the Company's business.

**Regulations or Treasury Regulation.** Proposed, temporary and final Treasury Regulations promulgated under the Code and, in the case of a section referred to specifically, any replacement, restatement or amendment to such specific Regulations.

**Reserves.** With respect to any Fiscal Year or other specified period, the reserves of the Company as defined by the Managing Member.

**Representative.** This person shall be a designee, officer, director, or attorney, of a Member of Denali USA Made, LLC, as designated by the Member in writing given to the Managing Member.

**Sale.** Any transaction that constitutes or commits the Company to the conveyance, assignment or disposition of any parcel or interest in the Company Properties.

**Transfer.** Transfer (and derivatives of that term) means any voluntary or involuntary disposition (including a disposition by operation of law) of Units, or a contract or attempt to make any such disposition. This term shall include a sale, exchange, assignment, transfer, gift, pledge or an involuntary disposition, such as death, disability or incompetency.

**Transferee.** An acquirer of Transferred Units.

**Unit.** The equity interest in the Company existing under this Agreement and the Act, at any particular time, whether held by a Member, or a Transferee of a Member, subject to the obligations associated with such interest under this Agreement or the Act.

Unit Holder. A holder or owner of Units.

## **SECTION 2: FORMATION OF THE COMPANY**

2.1. Formation. The parties have organized a limited liability company on January 20, 2014, pursuant to the Act and the provisions of this Agreement.

2.2. Name. The name of the Company is Denali USA Made, LLC.

2.3. Registered Office and Registered Agent. The principal office of the Company is located at Mile 238.6 Parks Highway, Denali Park, AK 99755, with a mailing address of PO Box 90, Denali Park, AK 99755. The Company may have other offices, either within or without the state of Alaska, as the Members may designate or as the business of the Company may require. The registered office of the Company required by the Act to be maintained in the state of Alaska may be, but need not be, identical with the principal office, and may be changed from time to time by the Members. The registered agent shall be Alaska Registered Agent LLC of 125 N. Willow Street, Suite B, Kenai, AK 99611, until changed by majority vote of the Members or until the signed written resignation form is received by the Company and filed as set forth in the Act. The Members shall comply with AS 10.50.060 in the event of a change of the registered agent or registered office.

2.4. Term. The term of the Company shall begin upon acceptance of the Articles and shall be perpetual, unless its existence is sooner terminated pursuant to the Act or Section 13 of this Agreement.

2.5. No Partnership Intended. The Members have formed the Company under the Act, and expressly do not intend to form a partnership under Alaska partnership law or a corporation under the Alaska Corporations Code. The Members, in their capacities as Members, do not intend to be partners of or among each other, or partners as to any third party. To the extent any Member, by word or action, represents to another person that any other Member is a partner, that Member who makes such representation shall be liable to any other Member that incurs personal liability by reason of such wrongful representation.

2.6. Filings in Compliance with Law: Title.

2.6.1 The Managing Member shall take any and all actions necessary to perfect and maintain the status of the Company as a limited liability company under the Act, including the filing of such certificates and biennial reports and the taking of all other actions required for the continuance of the Company under the Act and this Agreement.

2.6.2 The Managing Member, if responsible for the winding up of the Company, shall file a certificate of dissolution with the Corporations Section of the State of Alaska, Department of Community and Economic Development, upon the dissolution and the completion of winding up of the Company.

**2.6.3 All Property acquired by the Company shall be acquired and held by the Company in its name.**

**2.7 Member Investment. Each Member expressly acknowledges, by signing this Agreement, that he is purchasing Units in this Company. Each Member further acknowledges that he has had the opportunity to consult his financial advisor, accountant, lawyer or other professional before investing in the Company, and has in fact done so.**

**2.7.1. Each Member acknowledges that the Company is exempt from registering any investment in the Company under AS 45.56.100 pursuant to AS 45.56.120(14) for initial issue of Units. Each Member further acknowledges that 1) the Member received sufficient information to make an informed business decision prior to investing in the business, 2) no commission or other remuneration was paid directly or indirectly for soliciting any investor, and 3) that no public solicitation or advertisement was made at all.**

**2.7.2. Membership Certificates representing equity interest in the Company shall be in such form as shall be determined by the Members. A legend shall be placed on the certificate stating that "this security is not registered under AS 45.56.100 and cannot be resold without registration under this chapter or exemption from it. In addition, this security is subject to ownership and transfer restrictions appearing in the Operating Agreement and other Member Agreements." Such Membership Certificates shall be signed by the Managing Member. All Membership Certificates shall be consecutively numbered or otherwise identified. The name and address of the person to whom the Membership Certificates are issued and the Capital Contribution shall be entered on the Transfer Log of the Company. In case of a lost, destroyed or mutilated Membership Certificate, a new one may be issued upon such terms and indemnity to the Company as the Members may prescribe. Each Member represents that before investing in the Company he had the opportunity to consult with an independent accountant, advisor or attorney.**

**2.8 Member Acknowledgement of Non-Securities Registration. By signing this Agreement, each Member acknowledges that he is buying for investment purposes and that the securities, if any, will not be resold without registration under AS 45.56.100 or exemption from it. Each Member expressly acknowledges that this is a high-risk purchase of Units, and no guarantees, warranties or representations of any kind have been made regarding its potential profitability. Each Member represents that he has sufficient business judgment and economic wherewithal to invest in this Company and that the loss of any investment will not cause any significant financial harm.**

**2.9 Federal and State Taxation of LLC and Members.**

**2.9.1 Federal Taxation under Subchapter S. On and after the effective date of its S election under Internal Revenue Code Section 1362(a):**

2.9.1.1 The LLC shall be subject to federal income taxation under Internal Revenue Code Subchapter S.

2.9.1.2 The members shall be subject to federal income taxation on the income, expenses, losses and other dollar items (collectively, "tax items") of the LLC as the shareholders of an S corporation.

2.9.2 State Taxation. The LLC and the members shall be taxable under the laws of Alaska as provided by those laws and by the regulations thereunder.

2.10 LLC's Accounting Method.

2.10.1 Use of Federal Income Tax Definitions. In computing its income, deductions and other tax and financial items, the LLC shall use federal income tax definitions and rules to the extent that these definitions and rules are available in applicable federal tax authorities.

2.10.2 Cash Basis. In determining when to recognize income, expenses and other tax items, the LLC shall use the cash basis.

**SECTION 3: PURPOSES OF THE COMPANY**

3.1 Pursuant to A.S. 10.50.010, the LLC is authorized to engage in all business permitted by the Act. If the LLC qualifies to do business in a foreign jurisdiction, then it may transact all business permitted in that jurisdiction. There is no jurisdictional restriction upon property or activity of the LLC.

3.2 To accomplish the LLC purposes, the LLC has, but is not limited to, the following authority:

3.2.1 to engage in construction activities with a special emphasis on corrosion control and mitigation; and do anything necessary or incident to providing these services;

3.2.2 to invest LLC property or carry on a trade or business, form all types of business entities or trusts; or acquire general or limited partnership interests in a partnership, membership interests in a limited liability company or a joint venture, shares in a corporation, or interests in any syndication;

3.2.3 to borrow and lend money; and, unless prohibited, allow a Member to lend money to and transact other business with the LLC or Members.

3.2.4 to invest and reinvest any of the property or income of the LLC, whether or not the original purpose for the investment has been accomplished, and it being the understood that, until the end of the term of the LLC, the investment objectives of this LLC are to continue until the LLC is dissolved and its affairs wound up.



3.2.5 to purchase, lease, acquire, hold, operate, sell, lease, or dispose of full or fractional interests in improved or unimproved real and personal property;

3.2.6 to borrow or raise money by the issuance, acceptance, endorsement or execution of notes, drafts, bills of exchange, warrants, bonds, debentures, instruments, or evidences of indebtedness, securing the indebtedness by mortgage, pledge, transfer, or assignment in trust of all or any part of the property; and by selling, pledging, or disposing of obligations of the LLC;

3.2.7 to operate one or more offices, lease or acquire office space, engage personnel and do all things necessary to operate the office;

3.2.8 to carry insurance as the Managing Member may deem necessary and appropriate; and

3.2.9 to make, enter into, deliver and perform all contracts, agreements, or undertakings, pay all costs and expenses and perform all acts deemed appropriate by the Managing Member, to carry out the LLC purposes.

#### **SECTION 4. THE LLC'S ELECTION TO BE TAXABLE AS AN S CORPORATION; THE LLC'S TAX ADVISER**

4.1 **The LLC's S Election.** On or promptly after the effective date of this Agreement:

4.1.1 The Managing Member and, to the extent necessary, the other Members, will sign any and all necessary documents to make an election to be taxable as an S corporation (the "LLC's S election"), including but not limited to filing with the Internal Revenue Service (the "IRS") a properly completed Form 2553 ("Election by a Small Business Corporation");

4.1.2 The LLC will obtain from the IRS a letter evidencing the IRS's acceptance of that election; and

4.1.3 The Managing Member shall cause this letter to be filed in a safe place where it may be readily retrieved when needed.

4.2 **Managing Member's and Members' Acknowledgements Concerning Subchapter S.** The Managing Member and Members acknowledge as follows:

4.2.1 The LLC's S election can provide valuable tax benefits to the LLC and the Members.

4.2.2 The rules affecting the LLC's obtaining and retention of its S election are numerous and complex.

4.2.3 Any breach of these rules may have a serious adverse tax effect on the LLC and the Members.

4.2.4 Compliance with these rules will sometimes require the assistance of a tax professional with substantial Subchapter S expertise.

4.3 Appointment and Replacement of LLC's Tax Adviser.

4.3.1 Andrew Warwick, is hereby appointed as the LLC's tax adviser.

4.3.2 If Andrew Warwick, ceases to hold that position because of resignation, dismissal or otherwise, the Managing Member shall promptly replace the tax advisor with another individual or entity with substantial Subchapter S expertise.

4.4 Managing Member's and Members' Duty to Consult with LLC's Tax Adviser, Etc.

4.4.1 Duty to Consult. Before undertaking any of the following actions, the Managing Member shall use reasonable best efforts to consult with the LLC's principal tax adviser concerning the tax implications of the transaction and may require the other Members, subject to their reasonable expectations of privacy with respect to personal tax affairs, to consult with the LLC's tax adviser about the effect of the action on the LLC's S election before:

4.4.1.1 (a) the LLC makes any allocation (as defined in Section 9.1) or distribution (as defined in Section 10.1) not previously approved by the LLC's tax adviser; and (b) the LLC changes the timing of any distribution;

4.4.1.2 the LLC makes any change in its compensation to any Member, if any, for the Member's services to or for the LLC;

4.4.1.3 the LLC issues any Units or other membership rights;

4.4.1.4 any Member sells, gives or otherwise transfers or disposes of all or any part of the Member's Units or other Membership rights (as defined in Section 6);

4.4.1.5 the LLC redeems all or any part of a Member's Units or other Membership rights;

4.4.1.6 a Member makes any loan to the LLC;

4.4.1.7 the LLC withholds or pays taxes on behalf of the Members to any state or other tax authority in a manner not already approved by the tax adviser;

4.4.1.8 the LLC acquires an ownership interest in any other entity;

4.4.1.9 making any change in the LLC's purpose;

4.4.1.10 changing the LLC's accounting method or taxable year; and

4.4.1.11 any Member or the LLC takes any other action relating to the LLC or its business or internal affairs outside the ordinary course of the LLC's business.

4.4.2 Death of a Member. Upon the death of a Member, the other Members shall consult with the LLC's tax adviser about possible Subchapter S issues that may arise because of the death.

4.4.3 Validity of Actions Taken without Consultation. The failure of any Member to consult with the LLC's tax adviser before taking any of the above actions shall have no effect on the validity of the action.

4.5 Revocation of LLC's S Election. The Members may revoke the LLC's S election only by unanimous vote of the Members.

4.6 Inadvertent Termination of LLC's S Election.

4.6.1 Application for Waiver. If the LLC's S election is inadvertently terminated for any reason, the LLC shall, at the discretion of the Managing Member, apply under IRC Section 1362(f) for a waiver of the termination and shall make all adjustments necessary to obtain the waiver.

4.6.2 Costs of Application for Waiver. If the LLC's S election is inadvertently terminated because of the negligence of any Member and if, under Section 4.6.1, the LLC applies for a waiver of the termination, the Member whose action has caused the termination shall reimburse the LLC for its costs in seeking a waiver of the termination.

4.6.3 Change in Estate Plan. Each Member agrees not to change the Member's Estate Plan in any way that would result in the Company losing its S Corporation status. Any attempt to transfer Units, whether during life or upon death, pursuant to estate planning documents that would result in the Company losing its S-election, shall be deemed invalid and shall fail.

4.7 Money Damages for Knowing or Negligent Termination of S Election. If any Member knowingly or negligently takes any action that results in the termination of the LLC's S election and if this termination results in any federal or state tax to the other Members for which the other Members would not otherwise have been liable, the Member whose action has caused the termination shall be liable to the other Members for money damages for the amount of this tax and for all other resulting costs and damages to the other Members, including reasonable accountants' and lawyers' fees.

**4.8 The Members' Acknowledgement of Importance of LLC Tax Planning and Compliance.** The Members acknowledge the importance to the LLC and to the Members of:

**4.8.1 Competent tax planning for the LLC and for the Members as Members in connection with the LLC's formation, operation, dissolution and winding-up; and**

**4.8.2 Full compliance by the LLC and the Members with federal, state and local tax requirements applicable to the LLC and to the Members in their capacity as members.**

**4.9 Members' Duty to Cooperate with Principal Tax Adviser.** In connection with the LLC's formation and thereafter, the members shall reasonably cooperate with the LLC's principal tax adviser to ensure adequate LLC tax planning and compliance.

**4.10 Tax Elections.** The Managing Member shall cause the LLC to make any tax elections and may require the Members to take any other actions necessary or appropriate in the circumstances in order to ensure tax compliance and maximum lawful tax avoidance by the LLC and the Members.

**4.11 LLC's Duty to Complete and File Tax Returns.** On a timely basis each year, the LLC shall accurately complete and file its federal tax return and all applicable state and local returns.

**4.12 LLC's Duty to Provide Certain Tax Information to Members.** As soon as reasonably possible after the close of each of its taxable years, the LLC shall provide each Member with completed federal and state tax reports and with all other documents and information reasonably relevant to the federal and state tax liabilities of the Member as a Member of the LLC. However:

**4.12.1 Each Member shall have sole responsibility for preparing and timely filing the Member's federal and state tax returns and for paying the Member's taxes; and**

**4.12.2 The LLC shall have no duty or liability with respect to these matters except as expressly provided in this Section 4.**

**4.13 LLC's Duty To Withhold and Pay Over Certain Taxes.** The Managing Member, in cooperation with the LLC's principal tax adviser, shall ensure that the LLC complies with all applicable federal and state obligations to withhold tax from distributions to members and to pay these over to tax authorities.

**4.14 Appointment and Replacement of LLC Tax Matters Partner.** If the LLC is required under Internal Revenue Code section 6231(a)(1) to have a tax matters partner for purposes of unified administrative and judicial federal tax proceedings, the Managing

Member shall promptly appoint a Member to that position. The Managing Member may replace the LLC's tax matters partner at the Managing Member's discretion.

4.15 Tax Matters Partner's Duties. The tax matters partner shall consult reasonably with the other Member before taking any action as a tax matters partner and, to the extent permitted by law, shall act in the best interests of all of the Members and the LLC.

## SECTION 5: MANAGEMENT

5.1. General. The business and affairs of the Company shall be managed by the Members.

5.2. Meetings of and Voting by Members.

5.2.1. Member meetings shall be held at least quarterly. Additional meetings may be called at any time by any Member. Meetings of Members shall be held in Denali Park, Alaska or at any other place location as agreed by the Members. Not less than ten (10) nor more than ninety (90) days before each meeting, the Person calling the meeting shall give written notice of the meeting to each Member entitled to vote at the meeting. The notice shall state the time, place, and purpose of the meeting. Notwithstanding the foregoing provisions, each Member who is entitled to notice waives notice if before or after the meeting the Member signs a waiver of the notice that is filed with the records of Members' meetings, or is present at the meeting in person or by proxy. Unless this Agreement provides otherwise, at a meeting of Members, a majority of Members must be present to hold a meeting. A Member may vote either in person or by written proxy signed by the Member or by the Member's duly authorized attorney-in-fact. Members may attend the meetings in person, via conference call, web cam, or other electronic means. Members may submit agenda items to the Managing Member. The Managing Member shall send the meeting agenda to the Members at least 48 hours prior to the scheduled meeting.

5.2.2. Except as otherwise provided in this Agreement, the affirmative majority vote of the Members shall be required to approve any matter coming before the Members.

5.2.3. In lieu of holding a meeting, the Members may vote or otherwise take action by a written instrument indicating the unanimous consent of the Members.

5.2.4. Telephonic Meeting. Members of the Company may participate in any meeting of the Members by means of conference telephone or similar communication if all persons participating in such meeting can hear one another for the entire discussion of the matter(s) to be voted upon. Participating in a meeting pursuant to this Section shall constitute presence in person at such meeting.

5.2.5. Presumption of Assent. A Member of the Company who is present at a meeting of the Members at which action on any matter is taken shall be presumed to have assented to the action taken, unless his dissent shall be entered in the minutes of

the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by certified mail to the secretary of the meeting immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Member who voted in favor of such action.

5.2.6. Unanimous Consent. Unanimous consent will be required for all of the following:

- 5.2.6.1. Amendments to the Operating Agreement and Articles of Organization;
- 5.2.6.2. Incurring company liability over \$30,000;
- 5.2.6.3. Single purchases over \$30,000;
- 5.2.6.4. Assignment of check signing authority;
- 5.2.6.5. Endangering the ownership or possession of the LLC property;
- 5.2.6.6. Encumbering the LLC as collateral;
- 5.2.6.7. Sale of any LLC account receivable except for payment in full;
- 5.2.6.8. Sale of any LLC asset over \$10,000;
- 5.2.6.9. Hiring and employee with an annual salary of \$30,000 or more;
- 5.2.6.10. Waiver or amending non-compete agreements or provisions.

5.3. Personal Service. No Member shall be required to perform services for the Company solely by virtue of being a Member. Unless approved by the Members, no Member shall be entitled to compensation for services performed for the Company. Upon substantiation of the amount and purpose thereof, the Members shall be entitled to reimbursement for expenses reasonably incurred in connection with the activities of the Company.

5.4. Limitation of Liability and Independent Activities.

5.4.1. Limitation of Liability. The Members shall not be liable, responsible or accountable in damages or otherwise to the Company or the Members for any act or omission by any such Person performed in good faith pursuant to the authority granted to

such Person by this Agreement or in accordance with its provisions, and in a manner reasonably believed by such Person to be within the scope of the authority granted to such Person and in the best interest of the Company; provided, however, that such Person shall retain liability for acts or omissions that involve intentional misconduct, a knowing violation of the law, a violation of AS § 10.50.320, or for any transaction from which the Person will personally receive a benefit in money, property, or services to which the person is not legally entitled.

**5.4.2. Independent Activities.** Members of this Company have a duty of undivided loyalty to this Company in all matters affecting this Company's interests. Any Member may engage in or possess an interest in other business ventures of any nature and description, independently or with others, including, without limitation, the ownership, financing and management of the business venture, and neither the Company nor the other Members shall have any right by virtue of this Agreement in and to such independent ventures as to the income or profits therefrom and shall not be liable for a breach of duty of loyalty or any other duty.

**5.5. Indemnification.**

**5.5.1. Covered Person.** To the fullest extent permitted by applicable law, a Member shall be entitled to indemnification from the Company for any loss, damage, or claim incurred by such Member by reason or any act or omission performed or omitted by such Member in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of authority conferred on such Member by this Agreement; *provided, however,* that any indemnity under this *Section* 5.5.1 shall be provided out of and to the extent of Company assets only, and no other Member shall have any personal liability on account thereof.

**5.5.2. Notice.** In the event that any claim, demand, action, suit or proceeding shall be instituted or asserted or any loss, damage or claim shall arise in respect of which indemnity may be sought by a Member pursuant to *Section* 5.5.1, such Member shall promptly notify the Company thereof in writing. Failure to provide notice shall not affect the Company's obligations hereunder except to the extent the Company is actually prejudiced thereby.

**5.5.3. Contest.** The Company shall have the right, exercisable subject to the approval of the disinterested Members to participate in and control the defense of any such claim, demand, action, suit or proceeding, and in connection therewith, to retain counsel reasonably satisfactory to each Member, at the Company's expense, to represent each Member and any others the Company may designate in such claim, demand, action, suit or proceeding. The Company shall keep the Member advised of the status of such claim, demand, action, suit or proceeding and the defense thereof and shall consider in good faith recommendations made by the Member with respect thereto.

**5.6. Managing Member's Responsibilities.** The Managing Member shall have the following duties, authority, or responsibilities:

5.6.1. Management of the day-to-day business and affairs of the Company. The Manager shall have the authority, power and responsibility to conduct and manage the usual, customary and ordinary course of business, affairs and operations of the Company.

5.6.2. Preside at meetings of the Members.

5.6.3. Sign all bonds, deeds, mortgages, and any other agreements, and such signature(s) shall be sufficient to bind the Company.

5.6.4. Prepare minutes of the Members' meetings and keep them in one or more books provided for that purpose.

5.6.5. Authenticate records of the Company.

5.6.6. See that all notices are duly given in accordance with the provisions of this Agreement or as required by law.

5.6.7. Be custodian of the corporate records.

5.6.8. Keep a register of the mailing address of each Member that shall be furnished by such Member.

5.6.9. Have general charge of the Unit transfer books of the Company.

5.6.10. File all reports and documents with the State of Alaska to keep the Company in active and compliant status.

5.6.11. Obtain and maintain all business licenses required by state and local governments. The Managing Member shall not be responsible for obtaining or maintaining professional licenses belonging to members or employees.

5.6.12. Perform such other duties as the Members shall designate.

#### **SECTION 6: RIGHTS AND OBLIGATIONS OF MEMBERS**

6.1 **Liability for Company Obligations.** Members shall not be personally liable for any debts, obligations or liabilities of the Company beyond their respective Capital Contributions.

6.2 **Inspection and Audit of Records.** Upon reasonable request and written notice to the Company, at their expense each Member shall have the right during ordinary business hours to inspect and copy the books and records of the Company.



6.3 No Obligation to Loan or Guaranty. No Member shall be required to lend any funds to the Company or to guaranty or provide any security for the payment of debts or obligations of the Company.

6.4 Transfer of Company Property to Members Prohibited. The Members shall not convey to themselves as individuals any portion of Company property that is necessary to the Company's operation.

## SECTION 7: NON-COMPETITION

7.1 Noncompetition with Former Company. The Members agree that for a period of two (2) years after termination of his membership with the Company in any manner, whether with or without cause, the Member will not: 1) within the boundaries of the Denali Borough, State of Alaska, directly or indirectly engage in the business of gift shops, souvenirs, or in any business competitive with the Company, excluding interest in any company currently owned exclusively by the Members (i.e. Denali Gift Company) and 2) within the United States of America, directly or indirectly engage in an online clothing nor companies that provide nationwide sweepstakes or in any business competitive with the Company. The terms "directly" or "indirectly" engage in the business shall include, but not be limited to, engaging in business as owner, partner, or agent, or employee or as member of any person, firm, corporation, or other entity engaged in such business, or in being interested directly or indirectly in any such business, or in being interested directly or indirectly in any such business conducted by any person, firm, corporation, or other entity.

7.2 Liquidated Damages for Violation of the Noncompetition Clause. The Members agree that in the event of violation by a Member of the agreement against competition contained in this Agreement that Member will pay as liquidated damages to the Company the sum of One Hundred Thousand Dollars and No/100 Dollars (\$100,000.00) per week, for each week or part thereof that Member continues to so breach such agreement. It is recognized and agreed that damages in such event would be difficult or impossible to ascertain, though great and irreparable, and that this agreement with respect to liquidated damages shall in no event disentitle the company to injunctive relief.

## SECTION 8: CAPITAL CONTRIBUTIONS AND CAPITAL ACCOUNTS

8.1 Capital Contributions. The Initial Capital Contributions that each of the Members has made or is required to make to the Company are set forth in Section 1, above. Any additional Capital Contribution shall be made on sixty (60) days notice from the Managing Member.

8.1.1 Pursuant to AS 10.50.280, the Members shall contribute, in proportionate amounts to their ownership interest, any additional capital deemed necessary for the operation of the Company by a majority vote of the Members. For example, if a majority of the Members conclude that an additional \$1,000 is necessary for

operating the Company, each owner would be obligated to pay his share of that \$1,000, (i.e., an 80% owner would be required to pay \$800.00). The Members shall be notified in writing that additional capital is required along with a deadline for payment.

8.1.2 In the event that any Member refuses or otherwise fails to contribute the percentage share of the additional capital required and no payment is received by the Company within sixty (60) days of notice being sent, the following shall occur in the following order:

8.1.2.1 The Company may contribute the unpaid capital by withdrawing it from the non-paying Member's capital account as determined by the Company accountant. This will have the effect of reducing the percentage ownership of the non-paying Member and proportionately increasing the paying Members' ownership interests. If a withdrawal from the non-paying Member's capital account is undertaken, then the non-paying Member shall have 180 days within which to contribute the unpaid capital contribution, plus interest on the unpaid sum at 10% per annum from the date the capital contribution was due until paid. If the Company receives full payment (principal and interest) within the 180-day period, the non-paying Member shall be entitled to have the original percentage ownership interest restored.

8.1.2.2 In the event there are no cash reserves or insufficient cash reserves attributed to the non-paying Member's capital account, or in the event the non-paying Member does not tender the additional capital contribution plus interest within 180 days, the Company may, upon a majority vote of the non-interested Members, and at its option, declare the non-paying Member's ownership interest forfeited, and subsequently transferred in accordance with Section 12.

8.1.2.3 If a forfeiture of interest is declared, the Company shall give written notice to the non-paying Member that his interest has been forfeited due to failure to pay required capital contributions.

8.2. Membership Interests. The Company shall have the authority to issue up to one thousand (1,000) Class A membership Units.

8.2.1 Class A Units. All rights accruing to the outstanding Units of this Company not expressly provided for to the contrary herein shall be vested in the Class A Units. There shall be no associate membership Units offered, unless approved by the Members.

8.2.2 Voting Rights. Except as otherwise required by law, the holders of Class A Units shall be entitled to notice of any Member meeting and to vote as a single class upon any matter submitted for a vote, as follows: the holders of Class A Units shall have one vote per Class A Unit held on the record date for the vote.

8.3 Capital Accounts. A separate Capital Account will be maintained for each Member. In the event of a transfer of any Units pursuant to this Agreement, the Capital

Account of the transferor shall become the Capital Account of the transferee to the extent it relates to the transferred Units.

8.4 No Withdrawal of Members' Capital Contributions. No Member shall demand or receive a return of the Member's Capital Contributions.

8.5 Interest on Capital Accounts. No Member shall be entitled to receive interest on the Member's Capital Account or on the Capital Contributions.

#### **SECTION 9: ALLOCATION OF PROFITS AND LOSSES**

9.1 Allocations-in General. For purposes of this Agreement, an allocation by the LLC to a member of the LLC's tax items (as defined in paragraph 2.9.1.2) shall mean an apportioning of these items in respect of the member's Units on the books of the LLC.

#### **SECTION 10: DISTRIBUTIONS**

10.1 Distribution-Definition. A distribution by the LLC to a Member means a transfer of the LLC's cash or other assets to the Member in respect of the Member's Units.

#### **10.2 LLC's Duty to Make Periodic Tax Distributions to the Members**

10.2.1 LLC's Duty to Make Certain Tax Distributions. If any Member ("a requesting member") requests a distribution of all or any portion of the member's share of LLC profits in order to pay the member's federal or other taxes in respect of the member's share of these profits for any taxable period, the LLC shall, to the extent that its financial condition reasonably permits, make this distribution to the requesting member on a timely basis.

10.2.2 Disclosure by Member. However, as a condition for any such distribution, the LLC may, under reasonable conditions of confidentiality, require the requesting member to disclose to the LLC's principal tax adviser relevant information concerning the requesting member's tax and financial affairs.

10.3 Status of Members as Unsecured Creditors of LLC with Respect to Distributions. Each member shall have the status of an unsecured creditor with respect to distributions to which the member is entitled under the Agreement.

10.4 Restrictions on Distributions in Kind. If this Agreement or applicable law requires the LLC to make a distribution to a member, then:

10.4.1 The member may not compel the LLC to make the distribution except in the form of cash; and

10.4.2 The LLC may not compel a member to accept the distribution except in the form of cash.

**10.5 Prohibition Against Unlawful Distributions.** The LLC shall make no unlawful distribution of its assets (as defined in subparagraphs 10.5.1 and 10.5.2) to any member. A distribution shall be an unlawful distribution within the meaning of this Agreement in either of the following circumstances:

**10.5.1 Net Worth Test.** A distribution shall be an unlawful distribution if, immediately after the distribution, the sum of the LLC's liabilities would exceed the aggregate fair market value of its assets.

**10.5.2 Solvency Test.** A distribution shall be an unlawful distribution if, as a result of the distribution, the LLC would be unable to pay its reasonably foreseeable obligations as they become due.

**10.6 Liability of Managing Member and Members for Authorizing or Receiving Unlawful Distributions.** A Managing Member who authorizes an unlawful distribution and members who receive such a distribution shall be liable as provided in the Act.

## **SECTION 11: ACCOUNTING, BOOKS AND RECORDS**

**11.1 Accounting Principles.** The Company's income tax returns shall be prepared under such accounting methods as permitted under the Code, as the Managing Member determine is in the best interest of the Company and its Members.

**11.2 Records and Reports.** At the expense of the Company, the Managing Member shall maintain reasonable records and accounts of all operations and expenditures of the Company.

**11.3 Bank Accounts.** All funds of the Company shall be maintained in such account or accounts and shall be invested as the Managing Member determine. All withdrawals are to be made on checks from the Company account with full Company identification on the check, including the term "LLC."

## **SECTION 12: TRANSFERS AND ADMISSION OF NEW MEMBERS**

**12.1 Transfer Restrictions.** This Section shall apply to all transfers of a Member's Units, whether voluntarily, involuntarily or upon death.

**12.1.1 Transfers by the Members.** Except as otherwise provided in this Agreement, no Member may Transfer all or any part of the Units held by such Member (a "Selling Member") without the prior written consent of the Company and the non-selling Members (collectively, the "Non-selling Members"), unless the Selling Member has made an offer that conforms to the requirements of subparagraph 12.1.1.1 (an "Offer") and such Offer has not been accepted in the manner described in Sections 12.1.1.2 or 12.1.1.3.

**12.1.1.1 Offer by Selling Member.** The Offer shall be made by the Selling Member to the Company for the Fair Market Value of his Units, and shall consist of a written offer to Transfer all or any part of the Units proposed to be Transferred (the "Offered Units"). The cost of purchase is the Fair Market Value of the Units as defined in Section 1, above. A statement attached to the Offer (the "Offer Statement") shall set forth a full disclosure of the Offer, including (a) the intention to Transfer; (b) the name and address of any prospective transferee identified at the time of the Offer Statement; (c) the number of Offered Units; and (d) the terms and conditions of the Transfer.

**12.1.1.2 Acceptance of Offer by Company.** The Company may elect within thirty (30) days after receipt of the Offer ("Company Offer Period") to purchase and accept some or all of the Offered Units for the cost at Fair Market Value as stated in the Offer Statement by giving written notice within the Company Offer Period to the Selling Member and to the Non-selling Members. The Company may finance the purchase price by executing a Promissory Note, secured by the Units, at the Interest Rate for a period of no more than five (5) years.

**12.1.1.3 Acceptance of Offer by Non-selling Members.** If the Company has not elected to purchase and accept all the Offered Units within the Company Offer Period, then the Non-selling Members may elect within thirty (30) days after the expiration of the Company Offer Period ("Non-selling Member Offer Period") to purchase and accept all of the Offered Units not so purchased by the Company by giving written notice within the Non-selling Member Offer Period to the Selling Member and to the Company. If more than one Non-selling Member elects to purchase and accept all of the Offered Units not so purchased by the Company within the Non-selling Member Offer Period under this Section 12.1.1.3, then the number of Units each such electing Non-selling Member shall be entitled to purchase shall be determined by agreement among the electing Non-selling Members or, if they are unable to so agree, then each electing Non-selling Member shall be entitled to purchase a pro rata amount of the Offered Units not so purchased by the Company based upon a percentage equal to the number of Units in the Company owned by such Non-selling Member relative to the total number of Units in the Company owned by all such electing Non-selling Members.

**12.1.1.4 Closing of Purchase by Company and/or Non-selling Members.** If the Company elects to purchase all of the Offered Units, the closing of such transaction shall occur within one hundred twenty (120) days of the end of the Company Offer Period or such later date as specified in the Offer Statement. If the Company elects to purchase less than all of the Offered Units and the Non-selling Members elect to purchase the balance of the Offered Units not so purchased by the Company, the closing of such transaction shall occur, if at all, within one hundred twenty (120) days of the end of the Non-selling Member Offer Period or such later date as specified in the Offer Statement.

**12.1.1.5 Offer Not Accepted by Non-selling Member.** If the Company and the Non-selling Members have not elected to purchase and accept all of the Offered Units within the time periods specified above, the Selling Member may

Transfer some or all of the Offered Units on terms no more favorable to the prospective transferee than those set forth in the Offer Statement. Any such Transfer must be completed within one hundred twenty (120) days following the expiration of the Non-selling Member Offer Period. After such one hundred twenty (120) days have expired, any Transfer shall again become subject to all the restrictions of this Agreement.

**12.2. Purchase of Units as Result of Death or Disability.**

**12.2.1. Death.** Upon the death of the Member, the Company or other Members, in accordance with this Section 12, shall purchase the Member(s) interest. The estate of the decedent shall sell the interest now owned or hereafter acquired by the Member(s) who died. The purchase price of such interest shall be computed in accordance with Section 12.1.

**12.2.1.1. Life Insurance.** The Company or Members, at their option, and with no obligation to do so, may purchase life insurance on the life of the Member, for the purpose of paying to the estate at the death of the Member, funds to repurchase the Units in the Company owned by the Member at his/her death. The amount of insurance purchased shall be approximately equal to the estimated current value of the Member's interest in the Company, calculated according to Paragraph 12.1 of this Section, together with the estimated appreciation in the value of those units, if any, over the term of the insurance policy. Nothing in this Section shall prohibit the Company from purchasing a life insurance policy in excess of the fair market value of the interest in the Company and establishing that excess as key person insurance, in an amount determined by the Company.

**12.2.1.2. Purchase of Units Without Life Insurance or When Life Insurance Does Not Cover Purchase Price.** In the event the purchase price of the Units exceeds the amount of insurance available, upon the death, disability, or withdrawal of a Member(s), the balance of the purchase price shall be paid in Sixty (60) consecutive monthly payments. The unpaid balance of the purchase price shall be evidenced by a promissory note(s) made by the Company or surviving Members to the order of the deceased Member's estate or Member at the Interest Rate. Said note(s) shall provide for acceleration upon default and shall give the makers the option of prepayment in whole or in part at any time without penalty.

**12.2.2. Disability.** The Company or non-disabled Member(s) shall purchase, in accordance with this Section 12, the complete ownership interest of a totally Disabled Member. The Disabled Member shall convey all such ownership interest to the Company or non-disabled Member(s). The purchase price of such interest shall be computed in accordance with Paragraph 12.1.

**12.2.3. Purchase Date of Buy Out.** The Company or Member(s) shall purchase the Disabled Member(s) entire ownership interest in the Company when the Disabled Member has been continuously totally disabled for a period of six (6) months.

**12.2.4. Notification by Personal Representative or other Legal Representative upon Death or Permanent Disability of Member.** The personal representative or other legal representative of the deceased or permanently Disabled Member shall, within thirty (30) days of the Member's death or Disability, notify the other Member(s) of the death or Disability of the Member.

**12.2.5. Control of Company During Disability.** In the event a Member is totally Disabled for a continuous period of three (3) months he shall relinquish all control over the operation of the Company to the remaining Member(s). They shall then exercise complete control of the Company, in accordance with their percentage of ownership, therein calculated, as if the ownership interest of the Disabled Member did not exist, until such time as the Member is not longer totally Disabled or until the purchase date of the Disabled Member's ownership interest as outlined in this Agreement, whichever is first.

**12.3 No Other Transfer Effective.** Except as herein provided, no Transfer of any right, title, or interest in Units by a Member shall be effective, and the Company shall not record or recognize any such Transfer, until there has been compliance with the provisions of this Agreement. If no Offer is made as herein required, the Company and the Members may nevertheless exercise their rights hereunder as to the Units being Transferred, and they may do so at any time, even after the Transfer of the Units.

**12.4 Removal of a Member.** A Member's ownership interests in the Company terminates if: (1) the Member sells or assigns, or attempts to sell or assign, the Member's ownership interest in the Company without prior written approval of a majority of the Members or in contravention to this Agreement, or (2) if a majority of the non-interested Members unanimously authorize the removal of the person as a Member for cause.

**12.4.1** A Member may be removed for cause upon a majority affirmative vote of the remaining Members, as set forth below. Any Member removed for cause shall not be entitled to compensation, accrued distributions, or re-payment of capital contributions. A Member may be removed if:

**12.4.1.1** the Member is charged with and convicted of, or pleads no contest to, theft (in any degree) from the Company;

**12.4.1.2** the Member usurps Company opportunities for that Member's personal benefit by withholding, concealing or failing to disclose such opportunities to the other Members of the Company when under a duty to do so;

**12.4.1.3** the Member, without consent of the majority of other Members, utilizes Company equipment, funds, accounts, employees or property for personal use and benefit unrelated to any legitimate Company purpose.

**12.5 Payment on Removal.** In the event of a removal of a Member, such removed Member or its Transferee shall be paid the Fair Market Value of such Member's Units in accordance with Section 12.1. The removed Member shall have only the rights specified in this Agreement.

**12.6 Injunctive Relief.** If any Member shall Transfer its Units in violation of the provisions of this Agreement, the Member or Members, or the Company, or both, shall, in addition to all rights and remedies at law and in equity, be entitled to a decree or order restraining and enjoining such transfer and the offending Member shall not plead in defense that there would be an adequate remedy at law, it being expressly acknowledged and agreed that damages at law will be an inadequate remedy for the violation of the provisions concerning Transfer set forth in this Agreement.

### **SECTION 13: DISSOLUTION AND TERMINATION**

**13.1 Dissolution.** The Company shall dissolve and commence winding up and liquidating upon the first to occur of any of the events described in the following subparagraphs (individually, a "Dissolution Event"; collectively "Dissolution Events"):

**13.1.1** The sale or other disposition of all or substantially all of the Company Properties shall be a Dissolution Event or

**13.1.2** The approval of the Members by unanimous vote to dissolve the Company.

**13.1.3** The death, retirement, resignation, expulsion or bankruptcy of a Member or the occurrence of any other event that otherwise terminates the continued membership of a Member in the Company shall not result in the dissolution of the Company or be a Dissolution Event.

**13.2 Administration of Winding Up.** Following a Dissolution Event, the affairs of the Company shall be wound up as provided in this Agreement and the Act. Unless the Managing Member has breached this Agreement or wrongfully dissolved the Company, the Managing Member shall be authorized to wind up the Company's affairs subject to the limitations on the Managing Member's power and authority set forth in this Agreement and to direction and control by the Members in accordance with this Agreement. The Company following the occurrence of a Dissolution Event shall act solely for the purposes of winding up the Company's business and affairs in an orderly manner, liquidating the Company's Properties and satisfying the claims of its creditors and Members. Neither the Managing Member nor any Member shall take action that is inconsistent with or inappropriate to the winding up of the Company's business and affairs. Without approval by the majority of Members in which they otherwise agree to accept a distribution of all or part of the Company Properties in kind, the Company Properties shall be liquidated in an orderly manner and over such time period as may be necessary and reasonable to realize the fair market value of the Company Properties. A reasonable time shall be allowed for the orderly liquidation of the LLC Property and the discharge of its liabilities.

**13.3 Allocation of Profit and Losses in Liquidation.** The allocation of Profit, Losses and other tax items or attributes following an Dissolution Event, including gain or loss from Capital Events occurring during the course of winding up, shall be determined



in accordance with the provisions of Section 9 and shall be credited or charged to the Capital Accounts of the Members in the same manner as such Section 9 would require in the absence of dissolution and winding up.

**13.4 Distributions to Members.** If the Company is dissolved, the Managing Member, or the liquidating Person, shall wind up the Company's affairs. On winding up of the Company, the assets of the Company shall be distributed, first, to creditors of the Company, including Members who are creditors, in satisfaction of the liabilities of the Company, and then, amounts in excess of any reserves deemed reasonably necessary by the Managing Member, or the liquidating Person, to pay all of the Company's claims and obligations shall be distributed to the Members in accordance with Section 9 of this Agreement.

**13.5 No Obligation to Restore Negative Capital Account Balance on Liquidation.** Notwithstanding anything to the contrary in this Agreement upon a liquidation, (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all taxable years, including the year during which such liquidation occurs), such Member shall have no obligation to make any Capital Contribution to the Company, and the negative balance of such Member's Capital Account shall not be considered a debt owed by such Member to the Company or to any other Person for any purpose whatsoever.

**13.6 Return of Contribution Nonrecourse to Other Members.** Except as provided by law or as expressly provided in this Agreement, upon dissolution each Member shall look solely to the Company Properties for the return of its Capital Contribution. If the Property remaining after the payment or discharge of liabilities of the Company is insufficient to return the Capital Contributions of the Members, no Member shall have recourse against any other Member.

**13.7 Notice of Dissolution Event.** If a Dissolution Event occurs, the Managing Member shall provide immediate notice of its occurrence to each Member.

#### **SECTION 14: VIOLATION OF THIS AGREEMENT**

**14.1 Member Violation.** Any Member who violates any of the terms, conditions, and provisions of this agreement will keep and save harmless the Company and will also indemnify the other Members from any and all claims, demands and actions of every kind and nature whatsoever that may arise out of or by reason of the violation of any terms and conditions of this Agreement.

**14.2 Mediation.** Any alleged breach of this agreement, action to enforce this agreement or dispute among or between Members involving any type of claim whatsoever (legal, equitable, tort or contract), including whether there is a dispute between Members, shall first be submitted to Mediation at a place in Denali, Alaska or any other place mutually agreed to by the Members. The dispute shall be referred to a single mediator selected by the Members. Costs for the mediation shall be borne equally by the parties

and each party to the mediation shall bear his own attorney's fees. The Members agree that mediation is preferable since it is less expensive, faster, less formal than litigation and private, thereby keeping the business of the Company private.

**14.3 Jurisdiction and Venue.** If the parties are unable to reach a resolution through Mediation, then a party may file a lawsuit. Any lawsuit involving any dispute or matter arising under this Agreement may only be brought in the Alaska Superior Court at Fairbanks having jurisdiction over the subject matter of the dispute or matter. All Members hereby consent to the exercise of personal jurisdiction by any such court with respect to any such proceeding.

## **SECTION 15: GENERAL PROVISIONS**

**15.1 Insurance.** During the course of the term for which this Company is formed, the Company will carry liability in an amount sufficient to protect the Company from and from liability claims, in an amount deemed appropriate by a majority in interest of the Members at their first meeting and reviewed annually thereafter.

**15.2 Judgment Creditor.** If a Member ever has a judgment entered against that Member, and there is a subsequent writ of execution by a judgment creditor to the Member's percentage interest in the Company, the judgment creditor (or its agents, assigns, successors, etc.), shall not be entitled to vote in the Company business or in any manner participate in the management of the Company. A judgment creditor with a properly executed writ of execution shall only be entitled to an assignment of the judgment debtor's (Member's) distribution of losses or profits.

**15.3 Receivers, Trustees, Guardians and Administrators.** In the event a Member files for voluntary or involuntary bankruptcy, makes an assignment for the benefit of creditors, is adjudicated bankrupt or insolvent, files for reorganization or liquidation, or a trustee, receiver, guardian, administrator, executor, or liquidator is appointed or designated for the Member or the Member's estate, the trustee, receiver, administrator, executor, or liquidator (or any other similar representative) shall not be entitled to vote in the management of the Company or in any manner participate in the management of the Company. Any appointed representative or estate listed above (or similar representative) shall only be entitled to an assignment of the Member's distribution of losses or profits, if any.

**15.4 Loans to Members Prohibited.** The Company shall not loan money to any Member. The Company shall not loan money to any other entity or individual except that the Company may enter into financing arrangements with prospective purchasers of land sold by the Company.

**15.5 Loans from Members.** The Company may borrow money from a Member upon the affirmative vote of a majority of the Members, excluding the Member who offers to lend money, provided that the loan agreement and terms are in writing and that the interest rate does not exceed the average rate offered by commercial banks in Palmer at

that time, and further provided that the loan is for Company business, including the purchase of Company capital or payment of debts. No loan from a Member shall be considered a capital contribution.

**15.6 Notices.** Any notice, consent, approval or other action required or permitted to be delivered or taken under this Agreement shall be delivered or manifested in writing. It shall (a) be transmitted by personal delivery, express or courier service, by the United States Postal Service or electronic means of transmitting written material; and (b) deemed to be delivered on the earlier of (i) the date notice is sent if before 5:00 p.m., otherwise the next calendar day, if delivered in person or electronically; or (ii) four (4) calendar days after having been so deposited in the United States Postal Service, postage prepaid, certified or registered mail, return receipt requested. Notices shall be addressed to the Persons executing this Agreement at their respective addresses set forth hereto, as applicable. The Persons so executing may designate a different address by notice given in the manner specified in this paragraph.

**15.7 No Third-Party Beneficiaries.** Nothing contained in this Agreement is intended to confer any rights, benefits or interests on any third party to this Agreement. Neither a creditor of the Company nor any other Person not a party to this Agreement shall have any right or remedy to require or enforce the obligation to make Capital Contributions or any other obligations set forth in this Agreement.

**15.8 No Right to Partition.** Each Member agrees that he has no right to have the assets of the Company partitioned; and may not file any action to have the assets of the Company partitioned. Doing so constitutes a breach of this agreement, and will result in automatic forfeiture of the Member's interest in the Company.

**15.9 Binding Effect.** The terms contained in this Agreement shall extend to and be obligatory upon the heirs, legal representatives, successors and assigns of the respective parties to this Agreement, but only to the extent such succession or assignment is authorized under this Agreement.

**15.10 Entire Understanding.** This Agreement and the documents referred to or incorporated in it, embody the entire agreement between the parties with respect to their subject matter. Other documents referred to as incorporated in this Agreement shall be deemed incorporated. All previous documents, instruments, discussions and negotiations between the parties relating to the subject matter of this Agreement, and the documents incorporated in it, are deemed superseded by the express terms and conditions of this Agreement and the documents incorporated in it. There have been no promises, agreements, representations, warranties or commitments between the parties with regard to the subject matter of this Agreement other than as set forth in this Agreement and the documents incorporated in it.

**15.11 Governing Law.** This Agreement shall be governed by the laws of the State of Alaska.

15.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall constitute one and the same document.

15.13 Captions and Cross-References. Cross-references to section or paragraph numbers in this Agreement shall, unless otherwise specified, refer to this Agreement and not to any other document. Section or paragraph titles, table of contents or other headings contained in this Agreement are for convenience only and shall not be a part of this Agreement, or considered in its interpretation. The use of any gender shall include any other gender and the use of the singular shall include the plural as the context requires. Whenever a provision of or a definition in this Agreement uses the term "include" or "including," that term shall not be limiting, but shall be interpreted as being illustrative.

15.14 Invalidity or Unenforceability. The invalidity or unenforceability of one or more clauses, phrases, provisions or portions of this Agreement shall not affect or impair the validity or enforceability of the remainder of this Agreement. If such a clause, phrase, provision or portion of this Agreement is found to be invalid or unenforceable, there shall be added to this Agreement a valid and enforceable clause, phrase, provision or portion as similar in terms to such invalid or unenforceable clause, phrase, provision or portion as may be possible.

15.15 Waiver, Amendment and Extension. No waiver, amendment, extension or variation in the terms of this Agreement shall be valid against a party unless in writing and signed by that party and then only to the extent specifically set forth in the writing. Neither a failure nor a delay on the part of any party in exercising any right, power or privilege under this Agreement, nor any course of dealing between the parties, will waive, amend or vary the terms of this Agreement.

15.16 Amendment. This Agreement may be amended by unanimous vote of the Members.

IN WITNESS WHEREOF, the Members hereto have executed this Agreement as of the date and year first above written.

  
\_\_\_\_\_  
Kevin Helwig, Member

  
\_\_\_\_\_  
Garret Baker, Member

## **REDEMPTION AGREEMENT**

THIS REDEMPTION AGREEMENT is made effective as of the 2nd day of August 2023, between Kevin Helwig, of PO Box 90 Denali Park, AK 99755 and 8327 Bowman Woods Circle, Las Vegas, NV 89129 (herein referred to as "Seller") and Denali USA Made, LLC, an Alaska limited liability company (sometimes called "the Purchaser" or the "Company"), of PO Box 90, Denali Park, Alaska 99755, who agree as follows:

### **1. RECITALS**

1.1 Seller is the owner of 50 units (50% interest) of the Company.

1.2 The Company desires to redeem all of such units on the terms and conditions hereinafter set forth.

1.3 The Seller is willing that such units be redeemed on the terms and conditions hereinafter set forth.

1.4 Garret Baker (herein referred to as "Baker") owns the other 50% interest in the Company.

1.5 Seller and the Company have waived any and all rights and obligations that they may have had under any prior Member Agreement or the Company's Operating Agreement and have agreed to enter into a contractually binding arrangement that will provide for the Company to redeem all of Seller's units in the Company.

1.6 Baker consents to this agreement and waives any and all rights he may have had under any Member Agreement or the Company's Operating Agreement.

In consideration of the above recitals and of the mutual covenants and agreements herein contained, the parties mutually agree:

### **2. REDEMPTION OF UNITS**

2.1 **Redemption Price.** The Company shall pay Two Hundred Ten Thousand Dollars and 00/100 (\$210,000.00) to Seller for his units in the Company. The redemption price shall be paid as follows: \$35,000 in cash and \$175,000 in the form of a promissory note. The promissory note shall have a term of seven (7) years, interest shall accrue on the outstanding principal at a rate of six percent (6%), and annual payments shall be made with the first payment being due on October 1, 2024. The promissory note shall be secured by a Security Agreement, executed by the Company covering the assets of the Company, including but not limited to, the Package Store – Seasonal Liquor License #4838. The promissory note shall also be secured by a Personal Guaranty from Garret Baker.

2.2 **Closing.** Closing shall occur as soon as practical but no later than 10 days

after the Alaska Alcohol Beverage Control Board (ABC Board) approval is obtained (the "Closing Date"), and shall be held at the Company's corporate offices or at such other place as the Parties may mutually agree.

- a. Deliveries by Seller. At the Closing, Seller will make the following deliveries to the Company:
  - a. the original unit certificate, if any, representing the Units endorsed to the Company; and
  - b. such other documents as may reasonably be needed to consummate the transaction.
  
- b. Deliveries by the Company. At the Closing, the Company will make the following deliveries to Seller:
  - a. Executed Promissory Note in the amount of \$175,000;
  - b. Cash in the amount of \$35,000; and
  - c. such other documents may reasonably be needed to consummate the transaction.

**2.3 Contingencies.** This transaction is contingent on approval by the ABC Board. All expenses related to the transfer application with the ABC Board, including but not limited to the ABC Board filing fee and Carson Law Group fees, shall be paid by Denali USA Made, LLC.

**3. NOTICE.** Any notice, approval or other communication required or permitted under this Agreement shall be given in writing and shall be sent by courier or U.S. Mail, postage prepaid, to the address specified below or to any other address that may be designated by prior notice. Any notice or other communication delivered by courier will be deemed to have been received the day it is delivered. Any notice or other communication delivered by mail will be deemed to have been received on the 3<sup>rd</sup> day after its date of posting.

**If to Seller:**

Kevin Helwig  
8327 Bowman Woods Circle  
Las Vegas, NV 89129

**If to Purchaser:**

Denali USA Made, LLC  
Attn: Garret Baker  
PO Box 90  
Denali Park, AK 99755

**4. SELLER'S COVENANTS AND WARRANTIES.** Seller makes the following warranties and covenants to the Company with regard to the units that are the subject of this agreement:

4.1 He has not created any voluntary security interest, pledge, lien or other encumbrance on any share or units conveyed to the Company under this agreement, and has not suffered any involuntary lien, levy or other encumbrance to be created, tolerated or allowed in any share or units conveyed to the Company under this agreement.

4.2 His sale to the Company of his units under this agreement does not violate the terms or conditions of any agreement between Seller and any person or entity.

4.3 He is unaware of any claim or claims, or any threatened claim, against himself or against the Company, barring or threatening to bar, limit or restrict him from selling his units to the Company.

4.4 The warranties and covenants set out in this section shall survive Closing. Except as set out in this section and this agreement, Seller makes no further warranties or other representations to the Company.

5. **PURCHASER'S COVENANTS AND WARRANTIES.** The Purchaser makes the following covenants and warranties to Seller with regard to this transaction:

5.1 There are no agreements, contracts or other restrictions that limit or prohibit the Company from entering into this agreement or performing according to its terms.

5.2 This agreement, and the documents contemplated-by this agreement, have been duly authorized and enacted by the Company, and the Company is in all ways competent to enter into this agreement and the documents contemplated by this agreement.

5.3 The warranties and covenants of the Company set out in this section shall survive Closing. Except as set out in this section and in this agreement, the Company makes no further warranties or other representations to Seller.

## 6. **MUTUAL RELEASE**

6.1 Seller and the Company hereby release one another from any claims, liabilities, and causes of action, of any kind or nature, arising up to the present time, or relating in any way to Seller's ownership of or employment by Denali USA Made, LLC, whether known or unknown, whether they have matured or will mature in the future, whether contingent, liquidated or unliquidated, except as stated in or arising under this Agreement. This release covers all claims, including those that may exist or that may later arise out of: the ownership and/or management of the Company, Seller's ownership or employment by the Company, Seller's right to payment from the Company, the Company's assets or liabilities, questions of value of units in the Company, breach of fiduciary responsibility, and/or out of actions taken by either party that are claimed to have been in breach of any duty owed by one party to the other, up to the present time. This Agreement and release cover all claims for payment whether past, present, or future, claimed by one party to be due from the other, unless arising in the future under this

agreement. This mutual release is intended to be broad and general and is intended as a "two-way street," with all parties releasing each other, its/their principals, agents, owners, attorneys, accountants and employees.

**6.2** All parties acknowledge that they are familiar with the Alaska Supreme Court decisions in the cases of *Young v. State of Alaska*, 455 P.2d 889 (Alaska 1969); *Alaska Airlines v. Sweat*, 568 P.2d 916 (Alaska 1977); and *Witt v. Watkins*, 579 P.2d 1065 (Alaska 1978), and have had the benefit of advice from an attorney of their choice concerning the meaning and import of those decisions, and it is their true intent and desire to fully release each other, past, present and future officers, directors, insurers, attorneys, accountants, agents, servants, representatives, employees, subsidiaries, affiliates, predecessors and successors-in-interest, who could at any future date be possible defendants in any action arising up to the present time, as fully as though they were specifically listed and named herein.

**6.3** The parties acknowledge and agree that the consideration involved in the redemption of units constitutes full satisfaction and compensation to the parties in connection with the release of claims and redemption of the units.

**6.4** The parties acknowledge that no promises or inducements that are not expressed herein have been made, and in executing this release of all claims, they do not rely upon any statements or representations made by or on behalf of any person or entity hereby released, or by any persons representing them concerning the nature, extent, or duration of any damages, injuries, or losses, for the legal liability therefore.

**7. WAIVER, AMENDMENT, MODIFICATION.** Except as otherwise provided above, any waiver, amendment or other modification of this Agreement will not be effective unless in writing and signed by the party against whom enforcement is sought.

**8. BINDING EFFECT.** Unless otherwise stated herein, this agreement shall be binding upon and inure to the benefit of the respective legal representatives, heirs, legatees, assigns and successors of the parties to this agreement.

**9. PARAGRAPH HEADINGS.** The headings of paragraphs in this agreement are provided for convenience only and will not affect its construction or interpretation.

**10. SEVERABILITY.** If any provision of this agreement is held invalid or unenforceable, the other provisions of this agreement will remain in full force and effect. Any provision of this agreement held invalid or unenforceable only in part or degree will remain in full force and effect, to the extent not held invalid or unenforceable.

**11. GOVERNING LAW, JURISDICTION AND VENUE.** This Agreement will be governed by and interpreted in accordance with the laws of the State of Alaska. Any suit under this Agreement shall be brought in the Alaska Superior Court at Fairbanks.




**12. LEGAL REPRESENTATION AND DISCLOSURES.** This agreement was prepared by CSG, Inc. The parties acknowledge that CSG, Inc. is Denali USA Made, LLC's attorney. The parties acknowledge that CSG, Inc. has represented and currently represents the Members (Kevin Helwig and Garret Baker) as corporate counsel on other business entities. CSG, Inc. advised the Parties and Baker to consult with separate counsel as to the advisability of CSG, Inc. drafting the agreement and the waiver of any potential conflict. The parties and Baker hereby acknowledge that they waive any potential conflict of interest in CSG, Inc. drafting the agreement. The parties and Baker further acknowledge that they have had the opportunity to have separate legal counsel review the agreement, as well as advise them with regard to the transaction, but have elected not to consult with separate counsel. Should a dispute arise as a result of this agreement or the interpretation of any provisions thereof, the presumption of strict construction against the party drafting the agreement shall not be applied.

**13. ENTIRE AGREEMENT.** This Agreement constitutes the complete and entire ~~agreement between Seller and the Company with respect to its subject matter.~~ <sup>agreement and representations of the agreement between Seller and the Company with respect to its subject matter.</sup> This agreement may not be changed by writing, signed by the Parties.

**14. COUNTERPARTS.** This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.


**IN WITNESS WHEREOF,** Seller and Purchaser, have caused this agreement to be executed as of the day and year first above written.

**Seller:**

  
\_\_\_\_\_  
Kevin Helwig

**Purchaser: Denali USA Made, LLC**

By:   
\_\_\_\_\_  
Garret Baker  
Its: Managing Member

  
\_\_\_\_\_  
Garret Baker, Member of Denali USA Made, LLC  
as to approval of the Redemption Agreement

**NENANA RECORDING DISTRICT**

After recording return to:

JL Denali Salmon, LLC

P.O. Box 202845

Anchorage, Alaska 99520-2845

774821/ SAR ATGA

**STATUTORY WARRANTY DEED**

The Grantor, DENALI GIFT COMPANIES, INC., an Alaska corporation, which acquired title to Parcel No. 2 below as Mt. McKinley Hospitality Services, Inc., an Alaska corporation, whose address is P.O. Box 511, Denali Park, Alaska 99755, for and in consideration of the sum of Ten Dollars (\$10.00) lawful money of the United States of America and other good and valuable consideration in hand paid, the receipt and sufficiency of which is hereby acknowledged, does hereby CONVEY and WARRANT to JL DENALI SALMON, LLC an Alaska limited liability company, whose address is P.O. Box 202845, Anchorage, Alaska 99520-2845, the following described real property, located in the Denali Recording District, Fourth Judicial District, State of Alaska:

PARCEL NO. 1:

That portion of Tract 3, Subdivision of Lot 2, U.S. Survey No. 5545, according to the official plat thereof filed under Plat No. 79-23, in the records of the Nenana Recording District, Fourth Judicial District, State of Alaska, more particularly described as follows: BEGINNING at the Southeast corner of said Tract 3; THENCE South 86°33'00" West along the Southerly boundary of said Tract 3 a distance of 245.50 feet to the Southwest corner of said Tract 3; THENCE North 36°41'59" West along the Southwesterly boundary of said Tract 3 a distance of 186.52 feet to a point; THENCE North 65°26'55" East a distance of 312.13 feet to a point on the Northeasterly boundary of said Tract 3; THENCE South 15°21'03" East along said Northeasterly boundary a distance of 274.25 feet to the POINT OF BEGINNING;

PARCEL NO. 2:

That portion of Tract 3, Subdivision of Lot 2, U.S. Survey No. 5545, according to the official plat thereof filed under Plat No. 79-23, in the records of the Nenana Recording District, Fourth Judicial District, State of Alaska, more particularly described as follows: BEGINNING at the Southeast corner of said Tract 3; THENCE North 15°21'03" West along the Northeasterly boundary of said Tract 3 a distance of 274.25 feet to the TRUE POINT OF BEGINNING; THENCE South

65°26'55" West a distance of 312.13 feet to a point on the Southwesterly boundary of said Tract 3; THENCE North 36°41'59" West along said Southwesterly boundary a distance of 226.29 feet to a point; THENCE North 73°42'13" East a distance of 390.54 feet to a point on the Northeasterly boundary of said Tract 3; THENCE South 15°21'03" East along the said Northeasterly boundary a distance of 167.30 feet to the TRUE POINT OF BEGINNING.

together with all rights, privileges, easements, rights of ingress and egress, tenements, hereditaments, and appurtenances pertaining to such property.

Subject to:

1. Minerals of whatsoever kind, subsurface and surface substances, including but not limited to coal, lignite, oil, gas, uranium, clay, rock, sand and gravel in, on, under and that may be produced from the Land, together with all rights, privileges, and immunities relating thereto, whether or not appearing in the Public Records or listed below.
2. Reservations and exceptions as contained in U.S. Patent No. 50-75-0023, recorded January 21, 1975, Book 16 Page 172 and/or in Acts authorizing the issuance thereof.
3. Subject property lies outside any organized taxing jurisdiction.
4. Reservation of an easement for highway purposes as disclosed by Public Land Order No. 601, dated August 10, 1949 and amended by Public Land Order No. 757, dated October 10, 1959; Public Land Order No. 1613, dated April 7, 1958; and Department of the Interior Order No. 2665, dated October 16, 1951, Amendment No. 1, thereto, dated July 17, 1952 and Amendment No. 2, thereto, dated September 15, 1956, filed in the Federal Register.
5. EASEMENTS as shown on the Plat(s) of said Subdivision.
6. Right-of-Way Easement, including terms and provisions thereof, granted to GOLDEN VALLEY ELECTRIC ASSOCIATION, INC., and its assigns and/or successors in interest, to construct, operate and maintain an electric transmission and/or telephone distribution line or system by instrument recorded January 30, 1986, Book 36 Page 873. (Affects a portion of Parcel No. 1, as set out therein)

Release of General Right of Way with Reservation of Specific Easement, including the terms and provisions thereof, by instrument recorded April 30, 1986, Book 37 Page 542 and recorded May 9, 1972, Book 37 Page 630. (Affects a portion of Parcel No. 1, as set out therein)

7. Right-of-Way Easement, including terms and provisions thereof, granted to GOLDEN VALLEY ELECTRIC ASSOCIATION, INC., and its assigns and/or successors in interest, to construct, operate and maintain an electric transmission and/or telephone distribution line or system by instrument recorded August 26, 1986, Book 38 Page 80.  
(Affects a portion of Parcel No. 1, as set out therein)
8. Right-of-Way Easement, including terms and provisions thereof, granted to GOLDEN VALLEY ELECTRIC ASSOCIATION, INC., and its assigns and/or successors in interest, to construct, operate and maintain an electric transmission and/or telephone distribution line or system by instrument recorded June 25, 2008 as Instrument No. 2008-000412-0.  
(Affects a portion of Parcel No. 1, as set out therein)
9. Any claim based on the encroachment(s) as revealed by that As-built Survey by DOWL under Project No. 1182-63735.01, dated May 2023, as follows:
  - A) The wooden stairs encroach into Parks Highway Right-of-Way
  - B) The wooden ramp encroaches into Parks Highway Right-of-Way
  - C) The Southwesterly most building corner encroaches into Parks Highway Right-of-Way
  - D) The landscape retaining wall encroaches into Parks Highway Right-of-Way
  - E) [Intentionally Deleted]
  - F) The wood stairs encroach into adjacent Tract A-1, Plat No. 2001-4, Kingfisher Development Subdivision

[SIGNATURE AND ACKNOWLEDGEMENT PAGE FOLLOWS]

DATED this 29 day of June, 2023.

GRANTOR:

DENALI GIFT COMPANIES, INC., an Alaska corporation

By: DB

Its: Vice President

ACKNOWLEDGMENT

STATE OF ALASKA )  
 ) ss.  
FOURTH JUDICIAL DISTRICT )

The foregoing instrument was acknowledged before me this 29 day of June, 2023, by Garret Baker, Vice President, of DENALI GIFT COMPANIES, INC., an Alaska corporation, on behalf of the corporation.

(SEAL)

State of Alaska  
NOTARY PUBLIC  
Stephanie A. Kiefer  
My Commission Expires Apr 11, 2025

[Signature]

Notary Public for the State of Alaska  
My commission expires: 4-11-25



Alaska Alcoholic Beverage Control Board

# Form AB-01: Transfer License Application

### Why is this form needed?

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 Anchorage 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:	Denali USA Made, LLC	License #:	4838		
License Type:	Package Store-Seasonal	Statutory Reference:	AS 04.11.150		
Doing Business As:	Sled Dog Liquor and Grocery				
Premises Address:	238.4 Parks Highway				
City:	Denali National Park	State:	Alaska	ZIP:	99755
Local Governing Body:	Denali Borough				

### Transfer Type:

- Regular transfer
- Transfer with security interest
- Involuntary retransfer

### OFFICE USE ONLY

Complete Date:		Transaction #:	100703085
Board Meeting Date:		License Years:	
Issue Date:		Examiner:	



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.

<b>Licensee:</b>	Denali USA Made, LLC			
<b>Doing Business As:</b>	Sled Dog Liquor and Grocery			
<b>Premises Address:</b>	238.4 Parks Highway			
<b>City:</b>	Denali National Park	<b>State:</b>	Alaska	<b>ZIP:</b> 99755
<b>Community Council:</b>	Denali Borough			

<b>Mailing Address:</b>	P.O. Box 90			
<b>City:</b>	Denali Park	<b>State:</b>	Alaska	<b>ZIP:</b> 99755

<b>Designated Licensee:</b>	Garret Baker		
<b>Contact Phone:</b>	(907) 251-0038	<b>Business Phone:</b>	(907) 251-0038
<b>Contact Email:</b>	garret@denalipark.com		

Seasonal License?  Yes  No      If "Yes", write your six-month operating period: 4/1 to 9/30

**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.

10.7 miles

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

11 miles



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**Section 4 – Sole Proprietor Ownership Information**

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

This individual is an:  applicant  affiliate

Name:				
Address:				
City:		State:		ZIP:

This individual is an:  applicant  affiliate

Name:				
Address:				
City:		State:		ZIP:

**Section 5 – Entity Ownership Information**

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

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

Entity Official:	Garret Baker			
Title(s):	Member	Phone:	(907) 251-0038	% Owned: 100
Address:	PO Box 511			
City:	Denali Park	State:	Alaska	ZIP: 99755





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<b>Entity Official:</b>					
<b>Title(s):</b>		<b>Phone:</b>		<b>% Owned:</b>	
<b>Address:</b>					
<b>City:</b>		<b>State:</b>		<b>ZIP:</b>	

<b>Entity Official:</b>					
<b>Title(s):</b>		<b>Phone:</b>		<b>% Owned:</b>	
<b>Address:</b>					
<b>City:</b>		<b>State:</b>		<b>ZIP:</b>	

<b>Entity Official:</b>					
<b>Title(s):</b>		<b>Phone:</b>		<b>% Owned:</b>	
<b>Address:</b>					
<b>City:</b>		<b>State:</b>		<b>ZIP:</b>	

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.

<b>DOC Entity #:</b>	10142046	<b>AK Formed Date:</b>	9/4/2020	<b>Home State:</b>	Alaska
<b>Registered Agent:</b>	Cheryl Corrick		<b>Agent's Phone:</b>	(907) 978-4248	
<b>Agent's Mailing Address:</b>	4075 Teal Ave				
<b>City:</b>	Fairbanks	<b>State:</b>	Alaska	<b>ZIP:</b>	99709

**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:

Daniel Bellerive of Carlson Law Group, LLC is authorized to discuss the license with AMCO staff. Carlson Law Group, LLC is counsel for Denali USA Made, LLC.



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**Section 8 – Transferor Certifications**

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

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

[Signature]  
Signature of transferor

Garret Baker  
Printed name of transferor

Subscribed and sworn to before me this 13 day of Sept, 2023.

[Signature]  
Signature of Notary Public



Notary Public in and for the State of Alaska

My commission expires: 04/19/2026

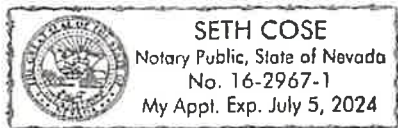
[Signature]  
Signature of transferor

Kevin Herbert Helwig  
Printed name of transferor

State of Nevada, County of Clark  
Subscribed and sworn to before me this 13<sup>th</sup> day of September, 2023.

by Kevin Herbert Helwig

[Signature]  
Signature of Notary Public



Notary Public in and for the State of Nevada

My commission expires: July 5<sup>th</sup>, 2024



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.



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



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



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



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



I hereby certify that I am the person herein named and subscribing to this application and that I have read the complete application, and I know the full content thereof. I declare that all of the information contained herein, and evidence or other documents submitted are true and correct. I understand that any falsification or misrepresentation of any item or response in this application, or any attachment, or documents to support this application, is sufficient grounds for denying or revoking a license/permit. I further understand that it is a Class A misdemeanor under Alaska Statute 11.56.210 to falsify an application and commit the crime of unsworn falsification.



AB

Signature of transferee

Garnet Baker

Printed name

Bart C. Langenberg-Miller

Signature of Notary Public

Notary Public in and for the State of Alaska

My commission expires: 04/19/2026

Subscribed and sworn to before me this 13 day of Sept, 2023.



## Alaska Alcoholic Beverage Control Board Form AB-02: Premises Diagram

### Why is this form needed?

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 may not be 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 Anchorage 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.

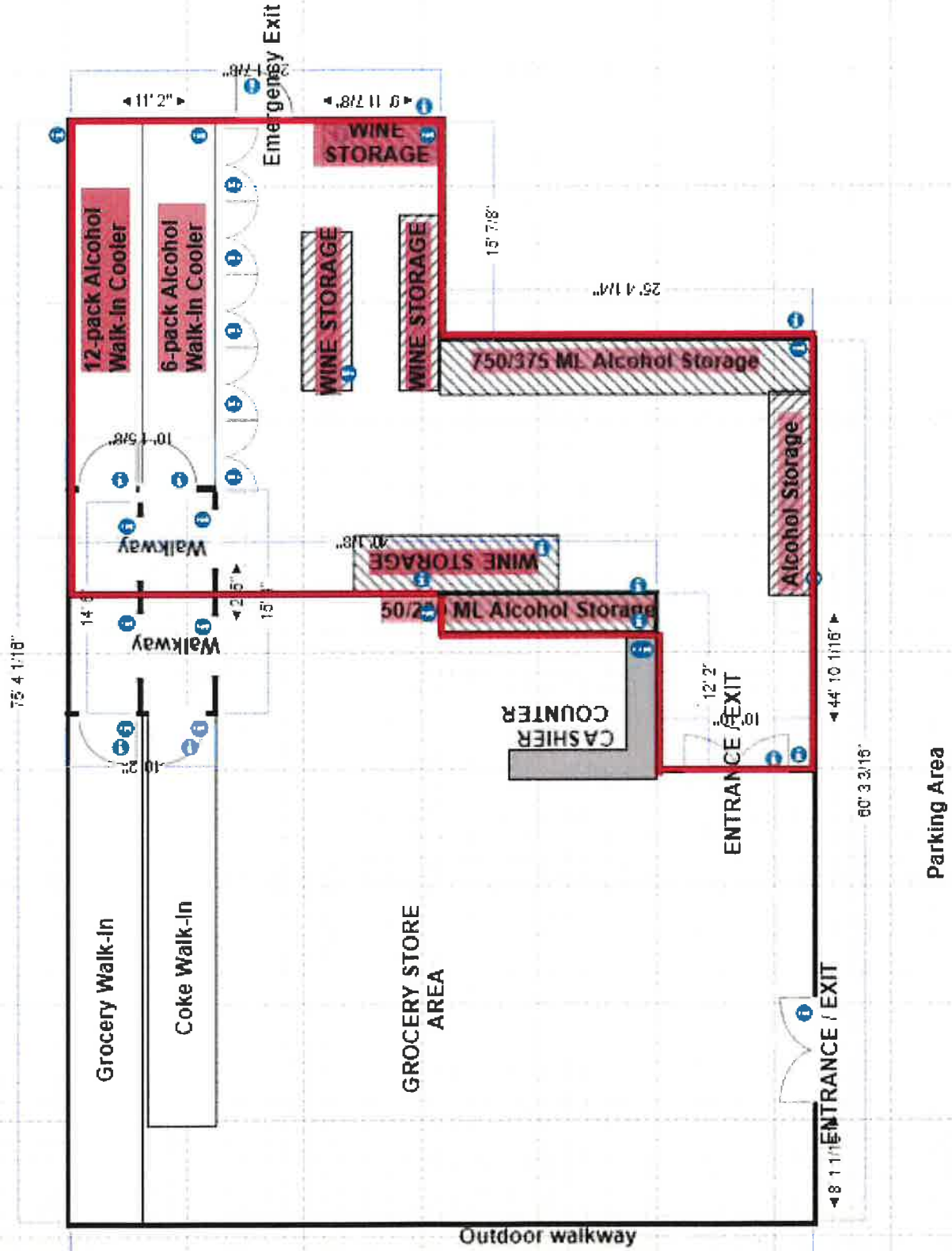


### Section 1 – Establishment Information

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

Licensee:	Denali USA Made LLC	License Number:	4838		
License Type:	Package Store - Seasonal				
Doing Business As:	Sled Dog Liquor and Grocery				
Premises Address:	Mile 238.4 Parks Highway				
City:	Denali Park	State:	Alaska	ZIP:	99755

Denali Bluffs Hotel



Parking Area

Mile 238.4 Parks Hwy, Denali, Alaska 99755

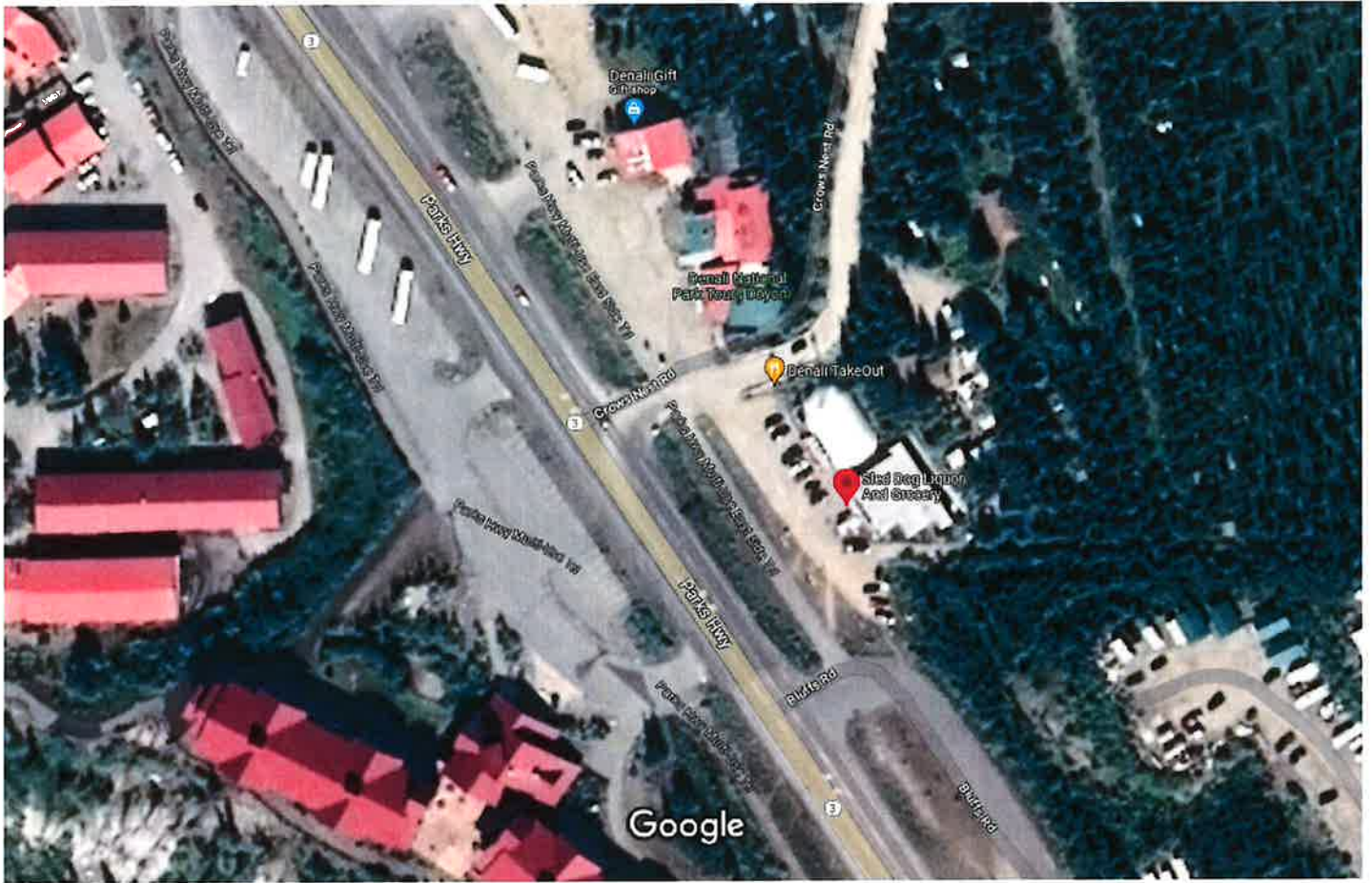
NORTH



McKinley Gifts

AMCO Received 10/19/2023

Google Maps Sled Dog Liquor And Grocery



Imagery ©2023 CNES / Airbus, Maxar Technologies, Map data ©2023 Google 100 ft

AMCO Received 10/19/2023

**UCC FINANCING STATEMENT**  
FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT SUBMITTER (optional)  
Kevin Helwig 702-818-5484

B. E-MAIL CONTACT AT SUBMITTER (optional)  
kevin@denalipark.com

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

Kevin Helwig  
8327 Bowman Woods Circle  
Las Vegas, NV 89129

SEE BELOW FOR SECURED PARTY CONTACT INFORMATION

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  
Denali USA Made LLC

OR

1b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
PO Box 90 Denali Park AK 99755 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 FIRST PERSONAL NAME ADDITIONAL NAME(S)/INITIAL(S) SUFFIX  
Helwig Kevin

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
8327 Bowman Woods Circle Las Vegas NV 89129 USA

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

Package store seasonal liquor license #4838, 8' x 14' custom food trailer made by USA Food Trailers (\$40,000), 3 door freezer (\$5,000), 2 doughnut merchandisers (\$500), drop safe (\$300), front of house safe (\$500), label printer (\$300), pizza/wing merchandiser (\$2,000), 2 plastic shelving (\$100), 3 microwaves (\$300), pressure tank (\$300), printer (\$150), 3 reach in freezers (\$1500), reach in sandwich merchandiser (\$6000), revel POS hardware (\$1000), 4 ipads (\$1200), security camera system (\$400), 18 steel store shelving (\$5400), grocery shelving (\$15000), 2 sump pump (\$500), 2 upright freezer (\$4000), 6 walk in shelving units (\$1800), water heater (\$500), water pump (\$300), 2 water tanks (\$1000), 2022 Ford F250 VIN 1FT7X2BN4NED06126 (\$50000), all inventory, all proceeds, replacements or additions relating to any of the foregoing, all accounts, general intangibles. With regards to liquor license #4838, the following provisions apply: Under the terms of AS 04.11.670, 04.11.360(1)(B), and 3 AAC 204.106, the

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

6a. Check only if applicable and check only one box:  Public-Finance Transaction  Manufactured-Home Transaction  A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:  Agricultural Lien  Non-UCC Filing

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

8. OPTIONAL FILER REFERENCE DATA:

RECEIVED  
JUN 16 2024