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

Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

What is this form?

This cover sheet **must** be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

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

Licensee:	SILVERTHORN INVESTMENT GROUP, LLC	**License Number:**		10316	
License Type:	Retail Marijuana Store				
Doing Business As:	DENALI 420 RECREATIONALS				
Physical Address:	2876 N. Rex Street				
City:	Houston	**State:**	AK	**Zip Code:**	99694
Designated Licensee:					
Email Address:	lambjaredasd@gmail.com				

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	Please find for filing: -Proof of possession of proposed premises Thank you L Wells, Atty

OFFICE USE ONLY					
Received Date:		Payment Submitted Y/N:		Transaction #:	

COMMERCIAL LEASE

FOR RETAIL MARIJUANA STORE

This lease agreement entered into on 6-30-, 2016, between TWB INVESTMENTS, LLC of 733 W. 4th Avenue, Suite 308 Anchorage, AK. 99501 referred to below as "Lessor," and SILVERTHORN INVESTMENT GROUP, LLC., of PO Box 113163 Anch, AK 99511 referred to below as "Lessee."

In consideration of the rent provided for, and of the covenants and agreements contained in this Lease, Lessor demises and leases to Lessee the premises located at 2876 N. Rex Road Houston, AK. 99694, to have and to hold the premises for a term of five (5) years, beginning at 12:00 noon on September 1, 2016, and ending at 12:00 noon on September, 2021, unless extended as set forth below.

The terms and conditions of this Commercial Lease are as follows:

1. **Premises**. Lots 4 and 5, Block 1 Denlow Business Park recorded in the Palmer Recording District, Third Judicial District, State of Alaska.

Physical Location: 2876 N. Rex Road Houston, AK. 99694

2. **Rent**. Lessee agrees to pay Lessor as base rent for the premises: $8,000.00 per month for the first year, and $9,000.00 per month for years two through five and in addition to include 5% of the gross sales of each month sales once the business begins operation beginning the first year throughout the duration of the lease as well as any option to renew that is exercised by the lessee.

a. Rent shall be paid on the 1st of the month, c/o lessor at their address.

b. Lessee shall also pay all sales, excise and similar taxes levied against Lessor or Lessee with respect to this Lease or rentals payable under it, and any such tax applicable to a rental payment shall be payable at the time and in the same manner as the rental payment becomes due and payable.

c. Lessee shall pay a late fee of 5% of the base rent for payment of rent past the fifth (5th) of the month.

d. Lessee has deposited with Lessor $1,000.00 for a security or damage deposit.

3. **Option to Renew.**

(a) If the Lessee shall have duly fulfilled all of the provisions, agreements, covenants, and conditions of this lease, Lessee shall have the option to

Lessor
Lessee

renew this lease for a term of five (5) years upon service of written notice of exercise of option upon Lessor on or before One Hundred Eighty (180) days preceding the last day of the term of this lease.

4. **Use of Premises**.

a. Lessee shall use the premises for operation of a state licensed and approved marijuana retail store and must comply with all state, and local laws, applicable zoning ordinances and restrictions.

b. Lessee shall also be responsible for all business costs, charges and expenses of operating, maintaining, repairing, replacing, and insuring the premises, including but not limited to net costs and expenses of operating, repairs, lighting, cleaning, painting, stripping and securing insurance.

5. **Quiet enjoyment**. Lessor covenants that Lessee shall peacefully and quietly have, hold, and enjoy the premises for the agreed term, free from interference by the Lessor.

6. **Utilities**.

a. Lessee shall promptly pay all charges when due for utilities furnished to the premises including water, gas, electricity and any other utilities services, and Lessee shall promptly pay all taxes levied in connection with utilities used on the premises. Landlord shall not be responsible or liable in any way for quality impairment, interruption, stoppage or other interference with any utility service.

b. It is the intention of Lessor and the Lessee that the rent shall be net to the Lessor, in each year during the term of the Lease, and that all costs, expenses, and obligations of every kind relating to the premises (except as otherwise specifically provided in this lease) which may rise or become due during the term of the Lease shall be paid by Lessee, and Lessor shall be indemnified by Lessee against such costs, expenses and obligations, including attorney's fees and expenses incurred from enforcing the covenants of the Lease.

7. **Repair**. Lessee shall keep the leased grounds free of all cans, bottles, fragments, debris and trash, and in good repair, and the Lessee will keep the downspouts, gutters and drains clean, open and free of obstruction, and in good working order. Lessor shall not be obligated or required to make any repairs or do any work on or about the premises or any part of them. All portions of any building leased shall be kept in good repair by Lessee and at the end of the term, the Lessee shall deliver the demised premises to Lessor in good repair and condition, reasonable wear and tear and damage from fire or other casualty excepted. Lessor reserves the right to enter upon the premises as Lessor may deem necessary or proper, or that Lessor may be lawfully required to make, by giving a 24-hour notice of the inspection. Lessor reserves the right to show the premises to prospective Lessees and purchasers, and the right to display "For Sale" and "For Rent" signs on the premises 90 days prior to termination of this lease.

Lessor
Lessee

Lessor shall not be liable for any injury or damage caused by, or growing out of, any defect of the building, or its equipment, drains, plumbing, wiring, electric equipment or appurtenances, or in the premises, or caused by, or growing out of fire, rain, wind, leaks, seepage or other cause. However, this does not relieve lessor of liability if the building is defective because of lessor's actions.

Should the Lessee fail to make repairs agreed to under this Lease, the Lessor may enter the premises and make such repairs and collect the cost from the Lessee. Except as specifically provided in this Lease, the Lessee will not make or permit to be made any alterations, improvements, additions or changes in the premises, nor will the Lessee paint the outside of the building or permit the same to be painted without the written consent of the Lessor before work is contracted or let. No signs or any character shall be erected on the roof or building until the consent in writing is first had and obtained from the Lessor and all signage must comply with state marijuana laws and regulations as well as local zoning requirements. The consent to a particular alteration, improvement, addition or change shall not be deemed a consent to, nor a waiver of, a restriction against alterations, improvements, additions or changes for the future.

8. **Indemnity & Insurance**. Lessee agrees to indemnify and hold Lessor harmless from the claims of any and all persons for bodily injury and property damage occurring upon the premises during the term of this Lease or any extension of it, provided the Lessor is not negligent. Lessee agrees to obtain and furnish at Lessee's expense a public liability insurance policy with a reputable insurance company, protecting Lessor from any and all such damages and claims, and agrees to have the policy endorsed to include Lessor as the additional insured. The policy or policies shall be with the following limits:

One Million Dollars ($1,000,000.00) comprehensive public liability insurance.

Lessee will give to Lessor a copy of the liability insurance policy with the premium paid.

Lessee covenants and agrees to indemnify, hold harmless and defend lessor from and against all claims, losses and damages for personal injury or death, damage to property occurring on the premises, or Lessee's failure to pay taxes, liens, or assessments, arising out of Lessee's use or occupancy of the premises, or otherwise, arising out of Lessee's operation of the businesses or occupancy of the premises which pre-date the commencement of this Lease. This clause includes any Alaska Department of Environmental Authority, federal Environmental Protection Agency, the Alaska Department of Revenue, Internal Revenue Service, or other government entity or agency.

9. **Fire and Other Casualty**. In the event of the total destruction of, or partial damage to, the buildings upon the demised premises by fire or other casualty, Lessor shall proceed with due diligence and dispatch to repair and restore the buildings to the conditions to which they existed immediately prior to the occurrence of such casualty, at Lessor's cost and expense, provided such cost does not exceed the proceeds of insurance collected on the buildings, by reason of such casualty, the application of which insurance proceeds are not prohibited, by reason of any mortgage provision, from being used toward the cost of restoration

Lessor
Lessee

and repairing the same. If the unexpired portion of the term or any extension of it shall be two years or less on the date of such casualty and the cost of such repair or restoration exceeds 20% of the then replacement value of the damaged leased premises, as estimated by two or more reputable contractors, Lessor may by written notice to the Lessee, within 30 days after the occurrence of such casualty, terminate this Lease. If the insurance proceeds are insufficient to effect such restoration or repairs, Lessor at its option may cancel this Lease by written notice to Lessee within 30 days after the occurrence of such casualty.

In the event the repairing and restoring of the buildings cannot be completed within four months after the date of occurrence of such casualty, as estimated by two or more reputable contractors, the Lessee shall have the right to terminate this Lease upon giving written notice to Lessor within 30 days from the date of occurrence of the casualty. From the date of such damage or destruction until the building has been substantially repaired or restored, an equitable abatement of rent shall be allowed the Lessee. Property Lessee stores in the demised premises shall be at the sole risk of Lessee.

Neither Lessor nor Lessee shall be liable to the other for any loss or damage from risks ordinarily insured against under fire insurance policies with extended coverage endorsements, irrespective of whether such loss or damage results from their negligence or that of any of their agents, servants, employees, licensees or contractors to the extent that such losses are covered by valid and collectable insurance on the property at the time of the loss.

10. **Improvements and Fixtures.** Lessee may at its own expense make such alterations, improvements, additions and changes to the premises, provided Lessee shall not, without the written consent of Lessor, tear down or materially demolish any of the improvements on the premises or make any material change or alteration in such improvements which, when completed, would substantially diminish the value of the premises. All shelving, trade fixtures, or other personal property of Lessee which it may have installed or placed at its own expense on the premises may at any time be removed by Lessee provided Lessee shall repair any damage to the premises caused by such removal. Lessee agrees at Lessee's own cost and expense to keep the building on the premises well painted at all times.

11. **Assignment and Subletting.** Lessee agrees that it will not assign or sublet the leased premises in whole or in part without the written consent of Lessor, which consent shall not be unreasonably withheld. But such assignment or subletting will in no event release Lessee from its responsibility under the terms of this Lease.

12. **Default.** Lessee shall be considered in default under this lease for any of the following actions or occurrences:

a. Failure of Lessee to pay rent or any other sum due and owing Lessor pursuant to the provisions of this lease within seven (7) days after the expiration of written notice by Lessor to Lessee of such default, complying with Alaska Statute (A.S.) 09.45.105.

Lessor ____
Lessee DDL

b. Failure by Lessee to comply with any of the covenants, terms and conditions of this lease within ten (10) days after receipt from Lessor of notice to correct such failure.

c. Failure of Lessee to obtain the release of an attachment, garnishment, execution, or levy against the premises or loaned equipment or the business conducted by lessee on the premises within 72 hours after any such lien attaches.

d. Institution of bankruptcy, insolvency, receivership, or trusteeship proceedings, voluntary or otherwise, or an assignment for the benefit of creditors, by lessee.

e. Abandonment of the premises by Lessee.

d. Death or disablement of Lessee.

e. Assignment or sublease, of this Lease by Lessee without the written consent of the Lessor, which consent shall not be unreasonably withheld.

13. **Lessor Remedies on Default.** Upon default in the terms and conditions of this Lease, Lessor may avail itself of the Forcible Entry and Detainer statutes of the State of Alaska (A.S. 09.45.060 et. seq.), and such other remedies as may exist in law or equity.

14. **Return of Premises Upon Termination.** Upon termination of this Lease by expiration of the term, or by election as above provided, or otherwise, Lessee shall return the premises to Lessor in the same condition as at the commencement of this Lease, ordinary wear and tear excepted.

15. **Non-Waiver of Eminent Domain and Condemnation.** If there is a partial taking of the demised premises by eminent domain, as the result of which the total leased premises is reduced by not more than 25%, the terms of this Lease will continue and Lessor at Lessor's expense will restore the remaining premises to a complete architectural unit with store front, signs and interior of equal appearance and utility as they had previous to the taking, but there will be a prorata reduction in the rent payable each month and Lessee will have no right to any of the proceeds of such taking. If, on the other hand, the taking exceeds 25% of the total leased premises, or in the event the improvements are condemned and ordered torn down or removed by lawful authority, then the terms of this Lease shall cease as of the date possession shall be taken by such authority, the rent will be apportioned as of the date of such taking.

16. **Miscellaneous**.

a. **Notices**. All notices which are required to be given pursuant to this Lease shall be deemed sufficient if in writing and sent by either registered or certified mail or hand delivery as follows:

To Lessor: 733 W. 4th Avenue, Suite 308 Anchorage, Alaska 99504

Lessor ____
Lessee

To Lessee: PO Box 113163 Anchorage, Alaska 99511.

b. **Binding Effects.** This Lease shall be binding and shall inure to the benefit of Lessor and Lessee, their heirs, successors and assigns.

c. **Integrated Contract.** This lease and the attached schedule of property contain the entire agreement and understanding between the parties hereto. From the date on which the form of this lease begins, this lease automatically supersedes and terminates all prior leases between lessee and lessor or the predecessors of lessee pertaining to the premises and loaned equipment. No amendment, addition, alteration, modification or waiver of any provision of this lease shall be of any effect unless in writing and signed by the parties hereto.

d. **Attorney's Fees.** In any proceedings to enforce this Lease, the prevailing party shall pay all reasonable costs, attorneys' fees and expenses that shall be made and incurred in enforcing the agreements of this lease.

e. **Applicable Law.** This Lease shall be interpreted according to the law of the State of Alaska, and any legal proceedings to enforce it shall be venued in the courts of the State of Alaska, Third Judicial District at Anchorage.

In witness, the parties have executed this Lease on the date below written.

DATED at Anchorage, Alaska, this 30th day of June 2016.

Lance C. Wells, Lessor
TWB Investments, LLC.
Manager/member

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 30th day of June 2016, before me, the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Lance C. Wells to me known to be the persons described in and who executed the above agreement, and they acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official notarial seal on the day, month, and year in this certificate first hereinafter written.

Notary Public
SHARON R. LEIPPI
State of Alaska
My Commission Expires Jun 8, 2018

By: Sharon R. Leippi
Notary Public in and for the State of Alaska
My commission expires: June 8, 2018

Lessor ____
Lessee ____

DATED at Anchorage, Alaska, this 30th day of June 2016.

Jared Lamb, Lessee
Silverthorn Investment Group, LLC.
Manager/member

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 30th day of June 2016 before me, the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Jared Lamb, to me known to be the persons described in and who executed the above agreement, and they acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official notarial seal on the day, month, and year in this certificate first hereinafter written.

By: _____
Notary Public in and for the State of Alaska
My commission expires: 5/27/17

Notary Public
JOHN C. PHARR
State of Alaska
My Commission Expires May 27, 2017

Lessor
Lessee