Renewal Application

License Number: 10009
License Status: Active
License Type: Marijuana Testing Facility
Doing Business As: CANNTEST, LLC
Business License Number: 1007028
Designated Licensee: Mark Malagodi
Email Address: mark@canntest.com
Local Government: Anchorage (Municipality of)
Community Council: Downtown
Latitude, Longitude: 61.224000, -149.874000
Physical Address: 620 E Whitney Road
Suite B
Anchorage, AK 99501
UNITED STATES

Licensee #1

Type: Entity
Alaska Entity Number: 10021705
Alaska Entity Name: CannTest, LLC
Phone Number: 907-258-6878
Email Address: mark@canntest.com
Mailing Address: 620 E Whitney Road
Suite B
Anchorage, AK 99501-1622
UNITED STATES

Entity Official #1

Type: Individual
Name: Jonathan Rupp
[redacted]
Phone Number: 907-202-6484
Email Address: jonathan.rupp@gmail.com
Mailing Address: 2621 E 20th Avenue
Anchorage, AK 99508-3280
UNITED STATES

Entity Official #2

Type: Individual
Name: Mark Malagodi
[redacted]
Phone Number: 907-346-1333
Email Address: mark@canntest.com
Mailing Address: 2927 Wentworth Street
Anchorage, AK 99508-4341
UNITED STATES

Note: *No affiliates entered for this license.*

Alcohol and 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

Form MJ-20: Renewal Application Certifications

What is this form?

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.

Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	CannTest, LLC	**License Number:**	10009		
License Type:	Marijuana Testing Facility				
Doing Business As:	CannTest, LLC				
Premises Address:	620 E Whitney Road				
City:	Anchorage	**State:**	AK	**ZIP:**	99501

Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	Jonathan Rupp
Title:	Scientific Director

Section 3 – Changes to Licensed Marijuana Establishment

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

I certify that **no changes have been made**, except for those that have been previously reported or requested on a form prescribed by the Board, to this licensed establishment's business name, ownership, licensed premises diagram, or operating plan, and (for marijuana product manufacturers) that I do not wish to request Board approval for production of any new proposed marijuana products. [ ]

I certify that **a change has been or will be made** to one or more of the items listed above for this establishment, and I understand that an additional form(s) and fee(s) must be submitted to AMCO before any renewal application for this license can be considered complete. [ ]

If you have selected the second certification, please list any and all of the five types of changes that need to be reported/requested:

Alcohol and 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

Form MJ-20: Renewal Application Certifications

Section 4 – Certifications

Read each line below, and then sign your initials in the box to the right of any applicable statements: Initials

I certify that I have **not** been convicted of any criminal charge in the previous two calendar years. [ ]

I certify that I have **not** committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years. [ ]

Sign your initials to the following statement only if you are unable to certify one or both of the above statements: Initials

I have attached a written explanation for why I cannot certify one or both of the above statements, which includes the type of offense, as required under 3 AAC 306.035(b)(4). [ ]

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

I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which the marijuana establishment license has been issued. [ ]

I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state. [ ]

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board. [ ]

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

As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.

Signature of licensee

Jonathan Rupp
Printed name of licensee

RENEE M. BEHYMER NOTARY PUBLIC STATE OF ALASKA

Notary Public in and for the State of Alaska

My commission expires: August 5, 2017

Subscribed and sworn to before me this 16th day of June, 2017.

Alcohol and 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

Form MJ-20: Renewal Application Certifications

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This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.

Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	CannTest, LLC	**License Number:**	10009		
License Type:	Marijuana Testing Facility				
Doing Business As:	CannTest, LLC				
Premises Address:	620 E Whitney Road				
City:	Anchorage	**State:**	AK	**ZIP:**	99501

Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	Mark Malagodi
Title:	CEO

Section 3 – Changes to Licensed Marijuana Establishment

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

I certify that **no changes have been made**, except for those that have been previously reported or requested on a form prescribed by the Board, to this licensed establishment's business name, ownership, licensed premises diagram, or operating plan, and (for marijuana product manufacturers) that I do not wish to request Board approval for production of any new proposed marijuana products. [MM]

I certify that **a change has been or will be made** to one or more of the items listed above for this establishment, and I understand that an additional form(s) and fee(s) must be submitted to AMCO before any renewal application for this license can be considered complete. [ ]

If you have selected the second certification, please list any and all of the five types of changes that need to be reported/requested:

Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
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https://www.commerce.alaska.gov/web/amco
Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

Section 4 – Certifications

Read each line below, and then sign your initials in the box to the right of any applicable statements: Initials

I certify that I have **not** been convicted of any criminal charge in the previous two calendar years. MM

I certify that I have **not** committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.

Sign your initials to the following statement only if you are unable to certify one or both of the above statements: Initials

I have attached a written explanation for why I cannot certify one or both of the above statements, which includes the type of offense, as required under 3 AAC 306.035(b)(4). MM

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

I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which the marijuana establishment license has been issued. MM

I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state. MM

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board. MM

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

As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.

RENEE M. BEHMER NOTARY PUBLIC STATE OF ALASKA

Signature of licensee

Mark Malagodi

Printed name of licensee

Notary Public in and for the State of Alaska

My commission expires: August 5, 2017

Subscribed and sworn to before me this 16th day of June, 2017.

620 E Whitney Road, Suite B
Anchorage, AK 99501
Phone: 907-258-6878

January 27, 2017

Sara Chambers, Acting Director
Alcohol & Marijuana Control Office
550 W. 7th Ave, Suite 1600
Anchorage, AK 99501

RE: CannTest Notice of Violation License #: 10009

In response to Notice of Violation for Canntest #10009, I understand that there is now a pending amendment to the regulations that will allow the Director to grant a request for a sample retest. However in both the version of the regulations on the AMCO website, and the language of 3 AAC 306.660 in the Notice of Violation, there is no mention of the Director having the ability to grant a retest. My understanding at the time was that only the Board had the ability to grant a retest. Since the Board's meetings are scheduled roughly 60 days apart, and the validity of a crop would not last that long, I asked one member of the Board if I could provide a retest of a sample, and was told it would be OK to do so. I have since changed my procedure for providing retests. Assuming the amendment to the regulations passes that will allow the Director to authorize the retest, which I think is an excellent change to the regulations, CannTest's procedure for companies that request a retest of a failed sample will be to direct the company to send an email to the Director of AMCO requesting authorization of a retest. If said company does not hear a response from the Director within 72 hours I will ask the company to contact me, and I will contact James Hoelscher to assist in getting a response from the Director. At the meeting at CannTest to which the Violation Notice refers he indicated he would assist in roadblocks to getting approval of a retest. Once an approval is granted I will ask the company to forward me the email, which will be printed and kept with other important documents. Thank you for your understanding, and for changing the regulations to allow for a more expedient approval method.

Sincerely,

Mark Malagodi, Ph.D
CEO, CannTest, LLC

620 E Whitney Road, Suite B
Anchorage, AK 99501
Phone: 907-258-6878

March 10, 2017

Sara Chambers, Acting Director
Alcohol & Marijuana Control Office
550 W. 7th Ave, Suite 1600
Anchorage, AK 99501

RE: CannTest Notice of Violation License #: 10009

In response to Notice of Violation AB17=00110 for Canntest #10009, I am very surprised to be receiving this notice. I explained at the AMCO office on 2/21/17 why I believe I acted fully within the regulations when I transported samples from Fairbanks to the CannTest facility on 2/13/17, but I will reiterate my explanation in this response. It had been CannTest's plan from the start to transport samples from cultivators and producers back to the testing lab. This plan was discussed at early Control Board meetings, and my operational plan which included this type of transport was approved by the Board. Therefore when I travelled to Fairbanks on 2/13 I had no idea that this would be considered against regulations. I travelled to the first location, picked up the samples, then travelled to the second location. When I arrived at the second location the owner told me he had been informed by James Hoelscher that this would not be allowed. I tried to call Mr. Hoelscher but was told he was gone for the day. I talked to Joe Hamilton who conferred with Sarah Oates, and he told me that it was not against regulations for me to transport the samples. Since it is my understanding that Sarah Oates was involved in the writing of the regulations I believed her opinion to be valid. The second cultivator did not want to risk the ambiguity of the situation, so he said he would fly down to my facility at a later date. By that time it was after 5:00pm and I had to fly out at 6:00pm so I had little choice but to transport the samples from the first cultivator back to the CannTest facility. The next day I called to arrange a meeting to discuss the conflicting information I received on sample transport. At the meeting on 2/21/17 I was surprised to hear that a ruling had been made that the regulations had been interpreted to prevent a testing facility from transporting from a cultivator to the facility. I still believe this was not the intent of the Board. However given the ruling I have now contracted with a transportation company that is not affiliated with CannTest to transport samples from cultivators and producers to CannTest. If the proposed regulations pass, and I am told that they allow an owner of a testing lab to transport, then I will go back to transporting myself. I hope this clarifies my actions.

Sincerely,
Mark Malagodi, Ph.D
CEO, CannTest, LLC

620 E Whitney Road, Suite B
Anchorage, AK 99501
Phone: 907-258-6878

May 9, 2017

Erika McConnell, Director
Alcohol & Marijuana Control Office
550 W. 7th Ave, Suite 1600
Anchorage, AK 99501

RE: CannTest Notice of Violation License #: 10009

In response to Notice of Violation AB17=00110 for Canntest #10009, I would like to explain the entire process that led to this violation. I received a call that informed me the solvent testing equipment at Steep Hill Alaska had broken down, and a client who had several samples at Steep Hill wanted to bring the samples to CannTest to complete testing. Three of the samples completed testing with no issue, but the fourth tested slightly over 800PPM isobutane, but was very low in n-butane. The customer said that in all previous tests conducted by Steep Hill they had never found more than 1PPM of either butane or isobutane. I contacted the owner Brian Coyle to ask about results of similar samples from previous batches. Brian indicated he had never seen either n-butane or isobutane in any of the client‘s previous samples. With the conflicting information on results I decided I was not comfortable with having a sample that came from Steep Hill Alaska. I wanted a sample that came directly from the batch at the customer’s location. The customer brought another sample the following day and that sample tested very low in both isobutane and butane. Results were entered for this sample into METRC which changed both METRC tags to TestingInProgress. I called METRC for direction, and they told me to hold off on further action until I heard from them. They called a few days later telling me to enter results from the first test. I entered a failed result for the initial test. In the future I agree that I should not accept a second sample from a customer without first notifying AMCO of the situation and asking permission after explaining the reason I am not comfortable with the initial test. I also understand that in keeping with the regulations requirement that I enter all results within 24 hours and that I should immediately contact AMCO for clarification on regulations if needed.

Sincerely,

Mark Malagodi, Ph.D
CEO, CannTest, LLC

Department of Commerce, Community, and Economic Development

Division of Corporations, Business and Professional Licensing

State of Alaska > Commerce > Corporations, Business, & Professional Licensing > Search & Database Download > Corp. > Corporation Details

NAME(S)

Type	Name
Legal Name	CannTest, LLC

ENTITY DETAILS

Entity Type: Limited Liability Company
Entity #: 10021705
Status: Good Standing
AK Formed Date: 6/18/2014
Duration/Expiration: Perpetual
Home State: ALASKA
Next Biennial Report Due: 1/2/2018
Entity Mailing Address: 620 E WHITNEY RD STE B, ANCHORAGE, AK 99501
Entity Physical Address: 620 E WHITNEY RD STE B, ANCHORAGE, AK 99501

REGISTERED AGENT

Agent Name: Mark Malagodi
Registered Mailing Address: 2927 WENTWORTH STREET, ANCHORAGE, AK 99508
Registered Physical Address: 2927 WENTWORTH STREET, ANCHORAGE, AK 99508

OFFICIALS

☐Show Former

AK Entity #	Name	Titles	Owned
	Jonathan Rupp	Member	33
	Mark Malagodi	Member	67

FILED DOCUMENTS

Date Filed	Type	Filing	Certificate
6/18/2014	Creation Filing	Click to View	Click to View
6/18/2014	Initial Report	Click to View	
11/26/2015	Biennial Report	Click to View	
2/29/2016	Change of Officials	Click to View	

Juneau Mailing Address
P.O. Box 110806
Juneau, AK 99811-0806
Physical Address
333 Willoughby Avenue
9th Floor
Juneau, AK 99801-1770
Phone Numbers
Main Phone: (907) 465-2550
FAX: (907) 465-2974

Anchorage Mailing/Physical Address
550 West Seventh Avenue
Suite 1500
Anchorage, AK 99501-3567
Phone Numbers
Main Phone: (907) 269-8160
FAX: (907) 269-8156

State of Alaska © 2017

CCCCEO "*** BufferFlush 42416.681539 00c1d175 0000148c"

AK Entity #: 10021705
Date Filed: 02/29/2016
State of Alaska, DCCED

State of Alaska
Division of Corporations, Business and Professional Licensing
CORPORATIONS SECTION
PO Box 110806
Juneau, AK 99811-0806
Phone: (907) 465-2550
Fax: (907) 465-2974
Website: www.commerce.alaska.gov/occ

DO NOT STAMP ABOVE THIS BOX
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RECEIVED
Juneau
FEB 29 2016
CBPL
J2SNY

NOTICE OF CHANGE OF OFFICIALS
Domestic Limited Liability Company
AS 10.50.765

☑ **$25.00 Filing Fee (non-refundable)**

Pursuant to Alaska Statutes 10.50.765, the following will apply to the members and/or managers on record:

ITEM 1: Name of the Entity: Alaska Entity #:

CannTest, LLC	10021705

ITEM 2: Prior and new information:

Prior member/manager	New (replacement) member/manager	New (replacement) mailing address	X if Member	X if Manager	% of interest held
Mark Malagodi		2927 Wentworth Street Anchorage, AK 99507	X		67
	Jonathan Rupp	2621 E 20th Ave Anchorage, AK 99508	X		33

Attach an additional sheet if necessary.

ITEM 3: The Statement must be signed by a manager, member, or Attorney-in-Fact.

Signature	Printed name	Title	Date
	Mark Malagodi	CEO	2/23/2016

NOTE: Persons who sign documents filed with the commissioner that are known to the person to be false in material respects are guilty of a class A misdemeanor.

Mail the Notice of Change of Officials and non-refundable $25.00 filing fee in U.S. dollars to:
State of Alaska, Corporations Section, PO Box 110806, Juneau, AK 99811-0806

STANDARD PROCESSING TIME for complete and correct applications submitted to this office is approximately 10-15 business days. All applications are reviewed in the date order they are received.

K1488294

LIMITED LIABILITY COMPANY OPERATING AGREEMENT

FOR

CannTest, LLC

A Multiple Member Managed Limited Liability Company

ARTICLE I

Company Formation

1.1 **FORMATION.** The Chief Executive Member has formed a Limited Liability Company ("Company") subject to the provisions of the Limited Liability Company Act as currently in effect as of this date. Articles of Organization are filed with the Secretary of State.

1.2 **NAME.** The name of the Company is: CannTest, LLC.

1.3 **REGISTERED AGENT.** The name and location of the registered agent of the Company is:

Mark Malagodi

2927 Wentworth Street

Anchorage, AK 99508

1.4 **TERM.** The Company shall continue for a perpetual period unless,

(a) The Members vote for dissolution; or

(b) Any event which makes it unlawful in the State of domicile for the business of the Company to be carried on by the Members; or

(c) Any other event causing dissolution of this Limited Liability Company under the laws of the State of Alaska.

1.5 **CONTINUANCE OF COMPANY.** Notwithstanding the provisions of ARTICLE 1.4, in the event of an occurrence described in ARTICLE 1.4(c), if there is at least one remaining Member, said remaining Member shall have the right to continue the business of the Company. Such right can be exercised by the written vote of the remaining Member within ninety (90) days after the occurrence of an event described in ARTICLE 1.4(c). If not so exercised, the right of the Member to continue the business of the Company may expire if that member desires.

1.6 **BUSINESS PURPOSE.** The purpose of the Company is to test cannabis according to regulations enacted by the State of Alaska Marijuana Control Board, and any other lawful purpose. These tests include determining the cannabinoid potency of flowers, edibles and extract, determining concentrations of residual solvents in edibles and extracts, and testing for existence of molds and bacteria.

1.7 **PRINCIPAL PLACE OF BUSINESS.** The location of the principal place of business of the Company shall be:

620 E Whitney Road, Suite B

Anchorage, AK 99501

The principal place of business may be changed to a location the Members may select. The Members may also choose to store company documents at any address the Members choose.

1.8 **MEMBERS.** The name and place of residence of the members are contained in Exhibit 2 attached to this Agreement.

1.9 **ADMISSION OF ADDITIONAL MEMBERS.** Except as otherwise expressly provided in the Agreement, additional members may be admitted to the Company through issuance by the company of a new interest in the Company or a sale of a percent of current Member's interest. Membership can be earned through cash infusion, donation of equipment or supplies, or sweat equity. In the case of sweat equity a reasonable salary will be determined for the prospective member, and the prospective member will record number of hours worked and provide the information to existing members so that accounting can be maintained as to the amount of equity earned. There will be a three month trial period for each prospective member before membership is granted. Before the three month period ends the membership can decide it is not in the best interested of the Company to admit the prospective member, or the prospective member can decide not to become a member. In either case cash infusion will be returned with no interest, equipment and supplies will either be purchased or returned, and sweat equity earned will be reimbursed at the rate of salary agreed upon for the number of hours worked. Admission of membership must be unanimous among current members.

ARTICLE II

Capital Contributions

2.1 **INITIAL CONTRIBUTIONS.** The original Member initially contributed to the Company capital as described in Exhibit 3 attached to this Agreement. The total value of such property and cash is $125,000. Each additional Member's initial contribution will be detailed in a separate document attached in Exhibit 3.

2.2 **ADDITIONAL CONTRIBUTIONS.** No Member shall be obligated or allowed to make any additional contribution to the Company's capital except as required in 2.3.

2.3 LOANS MADE TO COMPANY. All additional contributions by members must be done by a loan to the company with a promissory note to repay principle and interest. Interest can not be above the prime rate. Any loan made to the company will receive priority payments above all other debts to the company.

ARTICLE III

Profits, Losses and Distributions

3.1 **PROFITS/LOSSES.** For financial accounting and tax purposes the Company's net profits or net losses shall be determined on an annual basis and shall be allocated to the Members in proportion to

each Member's ownership interest in the Company as set forth in Exhibit 2 as amended from time to time in accordance with Treasury Regulation 1.704-1.

3.2 **DISTRIBUTIONS.** The Members shall determine and distribute available funds annually or at more frequent intervals as the Members sees fit. Distributions shall be allocated to the Members in proportion to each Member's relative ownership in the Company as set forth in Exhibit 2. Available funds, as referred to herein, shall mean the net cash of the Company available after appropriate provision for expenses and liabilities, as determined by the Members. Distributions in liquidation of the Company or in liquidation of a Member's interest shall be made in accordance with the positive capital account balances pursuant to Treasury Regulation 1.704-l(b)(2)(ii)(b)(2). To the extent a Member shall have a negative capital account balance, there shall be a qualified income offset, as set forth in Treasury Regulation 1.704-l(b)(2)(ii)(d).

3.3 S **CORPORATION ELECTION.** The Members may elect to be treated as a S corporation at any time to keep the profits of the LLC at the company level and not be forced to distribute profits to the Members.

ARTICLE IV

Management

4.1 **MANAGEMENT OF THE BUSINESS.** The management of the business is invested in the Members.

4.2 **MEMBERS.** The liability of the Members shall be limited as provided pursuant to applicable law. The Members are in control, management, direction, and operation of the Company's affairs and shall have powers to bind the Company with any legally binding agreement, including setting up and operating a LLC company bank account.

4.3 **POWERS OF THE MEMBERS.** The Members are authorized on the Company's behalf to make all decisions in accordance with ARTICLE 4.2 as to (a) the sale, development lease or other disposition of the Company's assets; (b) the purchase or other acquisition of other assets of all kinds; (c) the management of all or any part of the Company's assets; (d) the borrowing of money and the granting of security interests in the Company's assets; (e) the pre-payment, refinancing or extension of any loan affecting the Company's assets; (f) the compromise or release of any of the Company's claims or debts; and, (g) the employment of persons, firms or corporations for the operation and management of the company's business. In the exercise of its management powers, the Member is authorized to execute and deliver (a) all contracts, conveyances, assignments leases, sub-leases, franchise agreements, licensing agreements, management contracts and maintenance contracts covering or affecting the Company's assets; (b) all checks, drafts and other orders for the payment of the Company's funds; (c) all promissory notes, loans, security agreements and other similar documents; and, (d) all other instruments of any other kind relating to the Company's affairs, whether like or unlike the foregoing.

4.4 DUTIES OF MEMBERS. Each Member must have a duty.

(a) If a Member fails to do the Member’s duties for a period of 120 consecutive days, the Member will lose its Membership interest. The start date of failure must be documented.

(b) If a Member fails to do its Member duties for a period of one hundred twenty (120) days out of two hundred thirty nine (239) days, the Member will lose its Membership interest in accordance with this article. The failure days must be documented.

(c) If a Member disputes the completion of another Members duties and is attempting to take over the Members interest, it must do so in writing and certified delivery to the Members residential address listed in Exhibit 1. If certified delivery is not available, hand delivery is acceptable by a third party.

(d) Upon receipt of complaint, a Member in question of fulfilling the Members duties must remedy and fulfill the duties it has established within fourteen (14) days.

(e) If Members become in dispute of what the Members duties are; if they are being fulfilled; and have gone through the dispute process outlined in section (a) through (d) of this article, the Members agree to enter into binding mediation or arbitration to decide if the Member's duties are being performed in compliance with the outlined agreed duties of Exhibit 1. If there is failure to reach an agreement through arbitration or mediation of performed duties of Members, the Members in dispute agree to file a complaint in the appropriate Court to procure a decision by the appropriate Court as to the fulfillment of Members' duties. Upon decision of the Court that a Member has or is failing to meet the duties it has been prescribed to fulfill, the Member will loose and assign its Membership interest to the other Member(s) still remaining. The assignment of the non-compliant Member's membership interest will establish a debt owed by the LLC in accordance with ARTICLE 7.

(f) A value of the non-compliant Member's interest being transferred and assigned to the complaining Member must be made before the transfer can be completed. During the course of the transfer, the non-compliant Member will maintain complete powers of membership in the LLC.

(g) In the event of a dispute of Member's duties, Members may negotiate an exchange of Membership interests for a lesser amount of Member duties.

4.5 DISPUTES OF MEMBERS. Disputes among Members will be decided by a majority vote. A member has the amount of votes according to the Members percent of interest. (Example: 11% is 11 votes.) There has to be a majority vote for an action to take place.

4.6 CHIEF EXECUTIVE MEMBER. The Chief Executive Member shall have primary responsibility for managing the operations of the Company and for effectuating the decisions of the Members. The Chief Executive Member will be the Member with the highest owner percentage.

4.7 NOMINEE. Title to the Company's assets shall be held in the Company's name or in the name of any nominee that the Members may designate. The Members shall have power to enter into a nominee agreement with any such person, and such agreement may contain provisions indemnifying the nominee, except for his willful misconduct.

4.8 COMPANY INFORMATION. Upon request, the Chief Executive Member shall supply to any member information regarding the Company or its activities. Each Member or his authorized representative shall have access to and may inspect and copy all books, records and materials in the Chief Executive Members possession regarding the Company or its activities. The exercise of the rights contained in this ARTICLE 4.6 shall be at the requesting Member's expense.

4.9 EXCULPATION. Any act or omission of the Members, the effect of which may cause or result in loss or damage to the Company or the Members if done in good faith to promote the best interests of the Company, shall not subject the Members to any liability to the Members

4.10 INDEMNIFICATION. The Company shall indemnify any person who was or is a party defendant or is threatened to be made a party defendant, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Company) by reason of the fact that he is or was a Member of the Company, Manager, employee or agent of the Company, or is or was serving at the request of the Company, for instant expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding if the Members determine that he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Company, and with respect to any criminal action proceeding, has no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of "no lo Contendere" or its equivalent, shall not in itself create a presumption that the person did or did not act in good faith and in a manner which he reasonably believed to be in the best interest of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was lawful.

4.11 RECORDS. The Members shall cause the Company to keep at its principal place of business or at another location agreeable by the Members, the following:

(a) A current list in alphabetical order of the full name and the last known street address of each Member;

(b) A copy of the Certificate of Formation and the Company Operating Agreement and all amendments;

(c) Copies of the Company's federal, state and local income tax returns and reports, if any, for the three most recent years;

(d) Copies of any financial statements of the limited liability company for the three most recent years.

ARTICLE V

Compensation

5.1 MANAGEMENT FEE. Any Member rendering services to the Company shall be entitled to compensation commensurate with the value of such services as all members unanimously agree upon.

5.2 REIMBURSEMENT. The Company shall reimburse the Members for all direct out-of-pocket expenses incurred by them in managing the Company if unanimously agreed upon by all members.

ARTICLE VI

Bookkeeping

6.1 BOOKS. The Members shall maintain complete and accurate books of account of the Company's affairs at the Company's principal place of business or at another location agreeable by the Members.

Such books shall be kept on such method of accounting as the Members shall select. The company's accounting period shall be the calendar year.

6.2 MEMBER'S ACCOUNTS. The Members shall maintain separate capital and distribution accounts for each member. Each member's capital account shall be determined and maintained in the manner set forth in Treasury Regulation 1.704-l(b)(2)(iv) and shall consist of his initial capital contribution increased by:

(a) Any additional capital contribution made by him/her;

(b) Credit balances transferred from his distribution account to his capital account;

and decreased by:

(a) Distributions to him/her in reduction of Company capital;

(b) The Member's share of Company losses if charged to his/her capital account.

6.3 REPORTS. The Members shall close the books of account after the close of each calendar year, and shall prepare and send to each member a statement of such Member's distributive share of income and expense for income tax reporting purposes.

ARTICLE VII

Transfers

7.1 ASSIGNMENT. If at any time a Member proposes to sell, assign or otherwise dispose of all or any part of its interest in the Company, Member shall comply with the following procedures:

(a) First make a written offer to sell such interest to the other Member(s) at a price determined in writing. At this point exiting member may not make this intention publicly known. If such other Members decline or fail to elect such interest within sixty (60) days, the exiting member may advertise its membership interest for sale as it sees fit.

(b) If a member has a buyer of members interest, the other current member(s) have first right of refusal to purchase the exiting members interest for the agreed purchase price. If there are more than one current remaining members, remaining members may combine funds to purchase the exiting members interest. Exiting member must show that potential purchaser has full certified funds, or the ability to get full certified funds before the first right of refusal period starts. Current members have 60 days to buy exiting members interest if they so desire.

(c) Pursuant to the applicable law, current members may unanimously approve the sale of exiting members’ interests to grant full membership benefits and functionality to the new member. The current remaining members must unanimously approve the sale, or the purchaser or assignee will have no right to participate in the management of the business, affairs of the Company, or member voting rights. The purchaser or assignee shall only be entitled to receive the share of the profits or other compensation by way of income and the return of contributions to which that Member would otherwise be entitled. Exiting member must disclose to buyer or assignee if current members will not approve the sale.

7.2 VALUATION OF EXITING MEMBERS INTEREST. If a member wants to exit the LLC, and does not have a buyer of its membership interest, exiting member will assign its interest to current members according to the following set forth procedures:

(a) A value must be placed upon this membership interest before assigned.

(b) If exiting member and current members do not agree on the value of this membership interest, exiting member must pay for a certified appraiser to appraise the LLC company value, and the exiting members' value will be assigned a value according to the exiting members' interest percentage.

(c) The current members must approve the certified appraiser used by exiting member. Current members have 30 days to approve the exiting members certified appraiser. If current members disapprove the certified appraiser, they must show evidence to support their disapproval of the certified appraiser as a vendor qualified to make the LLC business appraisal. Current members may not stall the process by disapproving all certified appraisers.

(d) Upon completion of a certified appraiser placing a value on the LLC, a value will be placed on exiting members' interest according to exiting members' percentage of membership interest.

(e) If current members disagree with the value placed on exiting members' interest, current members must pay for a certified appraiser to value the LLC and exiting members' interest according to the same terms.

(f) Current members' appraiser must be completed within 60 days or right of current members to dispute the value of exiting members interest expires.

(g) Upon completion of current members certified appraiser, the exiting member must approve the value placed on exiting members' interest. Exiting member has 30 days to approve this value.

(h) If exiting member does not approve current members' appraiser value, the value of the LLC will be determined by adding both parties' values, then dividing that value in half, then creating the value of the exiting members' interest according to the exiting members' percentage of membership interest.

7.3 DISTRIBUTION OF EXITING MEMBERS INTEREST. Upon determination of exiting members' interest value, the value will be a debt of the LLC. The exiting member will only be able to demand payment of this debt at dissolution of the LLC or the following method:

(a) LLC will make timely payments.

(b) LLC will only be required to make payments towards exiting members' debt if LLC is profitable and passed income to current members.

(c) LLC must make a debt payment to exiting member if LLC passed income of 50% of the total determined value of the exiting members' interest in one taxable year. (Example: If exiting members' value was $100,000 and current member(s) received $50,000 taxable income in the taxable year, the LLC would owe a debt payment to exiting member. If current member(s) only received $90,000 in passed income, there would be no payment due.)

(d) Debt payment must be at least 10% of the value of the passed income to current LLC members.

(e) LLC must make payment to exiting member within 60 days of the end of the taxable year for the LLC.

(f) Payment schedule will continue until exiting members debt is paid by LLC.

(g) If LLC dissolves, exiting member will be a regular debtor and payment will follow normal LLC dissolution payment statutes.

(h) Exiting members' value of membership interest it assigned current members may NOT accrue interest.

(i) LLC can pay off amount owed to exiting member at any time if it so desires.

ARTICLE 8

AMENDMENTS

8.1. Amendments of Articles. All future amendments of the articles will be done by unanimous consent of members.

EXHIBIT 1

CERTIFICATION OF MEMBERS

The undersigned hereby agree, acknowledge and certify to adopt this Operating Agreement.

Signed this 16th day of March, 2016.

_____ Mark Malagodi

Chief Executive Member 66 Percent

2927 Wentworth Street
Anchorage, AK 99508

Duties: Chief Executive Officer responsible for the overall operation of the Company.

_____ Jonathan Rupp

Member 33 Percent

2624 Ingra Street
Anchorage, AK 99508

Duties: Scientific Director responsible for the operation of the laboratory.

EXHIBIT 2

LISTING OF MEMBERS

As of the 7th day of February, 2016 the following is a list of Members of the Company:

Name Mark Malagodi **Percent** 66%

Address: 2927 Wentworth Street, Anchorage, AK 99508

Name Jonathan Rupp **Percent** 33%

Address: 2621 E 20th Avenue, Anchorage, AK 99508

EXHIBIT 3

CAPITAL CONTRIBUTIONS

Pursuant to ARTICLE 2, the original Member's initial contribution to the Company capital is stated to be $125,000. The description and each individual portion of this initial contribution are as follows:

March 16, 2015	$70,000
January 10, 2016	$50,000
_____	$_____
_____	$_____
_____	$_____
_____	$_____
_____	$_____
_____	$_____
_____	$_____

SIGNED AND AGREED this 16th day of March, 2016.

_____

Mark Malagodi, Original Member

LEASE

THIS LEASE IS MADE effective October 29, 2015, by and between Ship Creek Constructors, LLC, an Alaska corporation ("Landlord") and CannTest, LLC ("Tenant").

Landlord and Tenant agree as follows:

ARTICLE 1 -The Premises Being Leased

1.1 Landlord leases to Tenant approximately 2,112 sq. ft. of office space, located at 620 E. Whitney Road, Anchorage, Alaska, as more fully described in the attached **Exhibit A** (the "Leased Premises").

ARTICLE 2 -Term of Lease

2.1 Initial Term. The Initial Term shall commence November 1, 2015 and shall continue thru December 31, 2016.

Rent commencement shall begin on the January 1, 2016. Tenant may have immediate occupancy upon execution of Lease.

2.2 Renewal Options. Tenant may renew this Lease for up to two (2) additional terms of one (1) year each on the same terms and conditions, except the rent shall be adjusted in accordance with Article 3.4. Tenant shall give Landlord notice of intent to renew at least four (4) months prior to expiration of the term. Tenant must be in full compliance with Tenant's obligations under this Lease as a condition to renew.

Lease is renewed from January 1, 2017, to December 31, 2017, with the same conditions as initial term lease, including the 2016 Anchorage CPI-U increase of 0.9% indicated in Article 3.4.

ARTICLE 3 –Rent

3.1 Amount of Rent. The rent of the Leased Premises shall commence on the first day of the first month and be **Two Thousand Six Hundred Sixty-three Dollars ($2,663) per month**, payable in advance on the first day of each month. The rental payments shall be payable to Landlord at the Landlord's address. The first month's rent is to be paid in full at the time of signing of the lease.

3.2 Late Payments. If rent is not paid within ten (10) days after it is due, Landlord may, at its option, impose a late charge of One Hundred Dollars ($100) per month. In addition, any unpaid rent shall bear interest at the rate of two (2) points above the Wells Fargo prime rate in Anchorage, Alaska, on the first day of the month the rent is not paid, until paid.

3.3 Security Deposit. Concurrently with Tenant's execution of this Lease, Tenant has deposited with Landlord the sum of Three Thousand Dollars and 00/100 ($3,000.00). Said sum shall be held by Landlord as security for the faithful performance by Tenant of all the terms, covenants and conditions of this Lease to be kept and performed by Tenant during the term hereof. If Tenant defaults with respect to any provision of this Lease, including but not limited to the provision relating to the payment of rent, Landlord may (but shall not be required to) use, apply,

or retain all or any part of the security deposit for the payment of any rent or any other sum in default or for the payment of any amount which Landlord may spend or become obligated to spend by reason of Tenant's default. If any portion of said deposit is so used or applied, Tenant shall, within ten (10) days after written demand therefore, deposit cash with Landlord in an amount sufficient to restore the security deposit to its original amount, and Tenant's failure to do so shall be a default under this Lease. Landlord shall not be required to keep this security deposit separate from its general funds, and Tenant shall not be entitled to interest on such deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit or any balance thereof shall be returned to Tenant within thirty (30) days following expiration of the Lease term. In the event of termination of Landlord's interest in this Lease, Landlord shall transfer said deposit to Landlord's successor in interest.

3.4 Rent During Renewal Term. In the event Tenant exercises the renewal option as set forth in Article 2.2, the rent shall be increased based on Anchorage CPI-U Index per year for each renewal.

3.5 Operating Expenses. Landlord's operating costs for Building are covered by a portion of the rent, including property taxes, utilities, building insurance premiums, maintenance, repairs, and building management services, including security system. **Tenant shall pay for janitorial, telephone, and data expenses.**

ARTICLE 4 -Use of Leased Premises

4.1 Purpose. The Leased Premises shall be for general office purposes and for no other purpose without the prior written consent of Landlord.

4.2 Compliance with Laws/Building Rules and Regulations. Tenant shall comply with all requirements of any state or local law or regulation. Tenant shall observe all reasonable rules and regulations which Landlord may establish from time to time for the management, safety, and care of Building. Any violation of such rules and regulations shall, after twenty (20) days written notice and failure to correct, be deemed a material breach of this Lease by Tenant.

4.3 Hazardous Materials. Tenant shall be responsible to handle properly and segregate all hazardous and infectious waste and materials within the premises in accordance with all applicable state and local laws and regulations.

ARTICLE 5 -Utilities and Other Services Furnished by Landlord

5.1 List of Utilities and Services. Landlord shall furnish the following utilities and services at Landlord's expense:

a) Electricity for normal lighting and power. Special or additional electrical requirements over and above the standard for office uses will be charged directly to tenant provided such additional power can be separately metered.
b) Water
c) Heating
d) Hot and cold water.
e) Parking: Back lot for four (4) vehicles, and front lot for four (4) vehicles, subject to availability and snow removal.

5.2 Interruption of Services. Landlord shall not be liable for any loss or damage caused by or resulting from any variation, interruption, or failure of said utilities and services due to any cause whatsoever, other than Landlord's negligence, and no temporary interruption or failure of such utilities and services shall be deemed an eviction of Tenant or relieve Tenant from any of Tenant's obligations.

ARTICLE 6 -Tenant Improvements

6.1 Description. In the event the State of Alaska Marijuana Control Board requires secure space, Landlord at Landlord's expense will (i) construct a demising wall to replace chain link partition, and (ii) install drains in required offices. All other Tenant Improvements done at the Tenant's expense with Landlords prior written permission.

6.2 Intentionally blank.

6.3 Intentionally blank.

6.4 Ownership. Landlord will own all permanent tenant improvements regardless of who bears the cost of such improvements. Tenant will not be required to remove any utility lines installed for temporary facilities, including gravel/asphalt pad.

6.5 Subsequent Alterations and Improvements Tenant shall not make any alterations, additions, or tenant improvements to the Leased Premises without the prior written consent of Landlord. Tenant shall provide to Landlord for Landlord's review and approval a detailed description of any proposed alterations or improvements. Landlord has the sole discretion to determine whether to approve such tenant improvements based on the possible effect of such alterations or improvements on the operation, value or appearance of Building A1 alterations, additions, and improvements, except Tenant's fixtures and equipment, shall immediately become the property of Landlord.

6.6 Delivery of Possession. If Landlord does not deliver possession at the commencement date the rent shall be abated until possession of the Leased Premises are tendered by Landlord. The Lease term shall not be extended by reason of any such delay. Landlord shall not be liable to Tenant for any damages caused by failure to deliver possession of the Leased Premises.

6.7 Condition of the Premises. The Tenant leases the premises "as is, where is" with no warranty of any nature from the Landlord.

ARTICLE 7-Maintenance. Repair and Management of Building

7.1 Tenant's Responsibility. Tenant shall keep the Leased Premises in a neat clean and sanitary condition and shall keep the Leased Premises and all items installed by Tenant in good condition and repair. Tenant shall not commit waste or nuisance of any kind on or about the Leased Premises and Tenant shall pay for all damages to the Leased Premises or the Building caused by misuse or neglect of the Leased premises or the Building by Tenant or Tenant's employees, agents, or invitees. At the expiration or termination of the Lease, Tenant shall surrender the Leased Premises in good condition and repair, normal wear and tear and damage by fire or other casualty accepted.

7.2 Management. All common facilities in the Building shall be subject to the exclusive control and management of the Landlord.

ARTICLE 8 -Destruction and Condemnation

8.1 Casualty Damage. If the Leased Premises are damaged by fire or other casualty and if the damage is repairable within sixty (60) days from the date of the occurrence, the damage shall be repaired with due diligence by Landlord and in the meantime the monthly rental shall be abated in the same proportion that the untenable portion of the Leased Premises bears to the whole. If the Leased Premises or the Building is completely destroyed by fire or other casualty or should it be damaged to such an extent that the damage cannot be repaired within sixty (60) days of the occurrence, Landlord and Tenant shall each have the option to terminate this Lease by written notice to the other, which termination shall be effective as of the date of the damage. If the Lease is not terminated, Landlord shall commence and carry out with reasonable diligence any work necessary to restore or repair the Leased Premises. During the period from the date of the occurrence of damage to the date of completion of the repairs, the monthly rental shall be abated in the same proportion as the untenable portion of the Leased Premises bears to the entire Leased Premises.

8.2 Damage to Tenant's Property. Tenant shall be solely responsible for repairing any damage or filing any insurance claims relating to damage to Tenant's personal property or improvements made at Tenant's expense, unless such damage is caused by the sole negligence of Landlord.

8.3 Condemnation. If the Leased Premises are taken by any public or governmental authority under the power of eminent domain, this Lease shall terminate as of the date possession is taken by such authority. All condemnation awards or settlements shall be payable to Landlord except for any award made separately to Tenant for the taking of Tenant's personal property or improvements or for the interruption of Tenant's business.

ARTICLE 9 -Insurance and Indemnification

9.1 Tenant's Insurance. Tenant shall, at Tenant's expense, maintain comprehensive general liability insurance insuring against any and all claims and risk for injury to or death of persons and loss of or damage to property occurring upon, in or about the Leased Premises with minimum limits of $1,000,000 per occurrence and $2,000,000 aggregate. Such policy or policies shall name the Landlord as an additional insured and shall be non-cancelable as to Landlord, except upon at least thirty (30) days prior written notice to Landlord. Tenant shall furnish to Landlord and keep current at all times during this Lease a certificate or other acceptable evidence verifying the insurance coverage required under this Lease. Tenant shall be solely responsible for securing any casualty insurance that Tenant deems necessary relating to any of Tenant's furniture, equipment, or other personal property maintained by Tenant at the Leased Premises. All insurance coverage procured by the Tenant shall be provided by insurance companies having policy holder ratings no lower than "A" and financial ratings not lower than "XII" in the Best Insurance Guide, latest edition in effect as of the date of this Lease and subsequently in effect at the time of renewal of any policies required by this Lease.

9.2 Landlord's Casualty Insurance. Landlord shall maintain such casualty insurance on the Building as Landlord deems necessary, providing Landlord is not obligated to insure any

furniture, equipment, or other personal property not furnished by Landlord to Tenant under this Lease.

9.3 Waiver of Subrogation. Notwithstanding anything to the contrary in this Lease, Landlord and Tenant each waive all rights of recovery against the other for any loss or damage that may occur to the Leased Premises, or any improvements therein, or to the Building or any personal property therein, by reason of fire, the elements, or any other cause which could be insured against under the terms of standard fire and extended coverage insurance policies, regardless of cause or origin, including negligence of either Landlord or Tenant, their agents, employees or invitees. Landlord and Tenant shall advise their respective insurers of the foregoing and such waiver shall be a part of each policy maintained by Landlord and Tenant which applies to the Leased Premises or the Building.

9.4 Limitation of Landlord's Liability. Landlord shall not be liable to Tenant or to any other persons for injury to or death of persons or for loss or damage to property (including property of the Tenant) occurring in the Leased Premises or the Building from any cause whatsoever, except to the extent caused by the Landlord's negligence.

9.5 Tenant's Indemnity. Tenant shall indemnify and hold Landlord harmless and Landlord shall indemnify and hold Tenant harmless from and against all losses, damages, liabilities and expenses (including reasonable attorney's fees) relating to any actual or alleged injury to or death of any person, or loss or damage to property caused by or resulting from any occurrence on the Leased Premises, except to the extent caused by the Landlord's or Tenant's negligence.

ARTICLE 10 -Default and Remedies

10.1 Event of Default. The occurrence of any of the following events shall be deemed an event of default:

a) If rent shall be in arrears for a period of ten (10) days or more;
b) If Tenant fails to keep or perform any of the covenants or conditions of this Lease within twenty (20) days after written notice of default;
c) If Tenant's leasehold interest shall be subject to attachment or levy;
d) If a receiver is appointed for Tenant's property or any part thereof; or
e) If a petition in bankruptcy or arrangement is filed by or against Tenant or if Tenant shall be declared insolvent or if assignment of Tenant's property shall be made for the benefit of creditors.

10.2 Remedies. In the event of the occurrence of any event of default, Landlord shall have the right, with written notice or demand to terminate this Lease, and at any time thereafter enter into and recover possession of the Leased Premises and remove Tenant and any other person occupying the same, by any lawful means and repossess and enjoy the Leased Premises without prejudice to any of the remedies that Landlord may have under this Lease, or at law equity, by reason of Tenant's default or of such termination. In the event of the occurrence of any event of default, and if Landlord elects not to terminate, this Lease shall continue in effect and Landlord may enforce all its rights and remedies under this Lease, or at law or equity, by reason of Tenant's default.

10.3 Termination by Reason of Default. In the event of termination by reason of an event of default, Landlord shall be entitled to recover immediately all unpaid monthly rental payments through the end of the Lease term, plus the cost of any cleanup, refurbishing, removal of Tenant's

property and fixtures, any remodeling costs, attorney's fees, court costs, broker's commissions and advertising costs, and the unpaid costs of any tenant improvements being amortized over the term of this Lease.

ARTICLE 11 -Transfer of Interest

11.1 Assignment and Subletting. Tenant shall not assign, transfer, sublet or allow the occupancy of the whole or any part of the Leased Premises by another without the express written consent of the Landlord, which consent shall not be unreasonably withheld.

11.2 Subordination. Tenant agrees that this Lease shall be subordinate in interest to any mortgage or deed of trust covering the Building or Property now in effect or hereafter given by the Landlord; provided Tenant's occupancy of the Leased Premises shall not be interfered with so long as Tenant is not in breach of this Lease.

11.3 Successors and Assigns. Subject to the restrictions on assignment provided in Paragraph 11.1 above, all terms, conditions, covenants and agreements of this Lease shall extend to and be binding upon Landlord, Tenant and their respective successors and assigns and upon any person, firm or corporation coming into ownership or possession of any interest in the Leased Premises.

ARTICLE 12 -General Provisions

12.1 Taxes. Tenant shall pay any taxes levied on Tenant's personal property maintained in, on, or about the Leased Premises, and all license and excise fees and occupation taxes covering Tenant's business conducted on the Leased Premises, and any sales and rental taxes that may be assessed from time to time. Landlord shall pay any real property taxes and assessments payable on the Property.

12.2 Liens and Encumbrances. Tenant shall keep the Leased Premises free and clear from any liens and encumbrances including, without limitation, construction liens, arising out of the use and occupancy of the Leased Premises by Tenant.

12.3 Surrender of Possession. Tenant, at the expiration or sooner termination of this Lease, shall surrender the Leased Premises in good, neat, clean, and sanitary condition, except for the reasonable wear and tear and damage not caused by any act or omission by Tenant, its employees, agents, or invitees.

12.4 Holding Over. In the event Tenant remains in possession of the Leased Premises after the expiration of this Lease, Tenant shall be deemed to be occupying the Leased Premises as a Tenant from month-to-month, and shall be subject to all of the conditions and obligations of this Lease with the exception that the month-to-month rental rate may increase to 150% of the monthly rent payable for the last month preceding the expiration of the Lease term. All options granted under the terms of this Lease shall be deemed terminated and be of no further effect during said month-to-month tenancy.

12.5 Inspection. Landlord shall retain a passkey to the Leased Premises and shall have the right to enter the Leased Premise whenever reasonably necessary to exercise any right or privilege of Landlord under this Lease.

12.6 Arbitration. Except for action by the Landlord for a forcible entry and detainer action to retake the possession of the premises and evict the Tenant, any disagreement between the parties with respect to the interpretation or application of this Lease or the obligation of the parties hereunder shall be determined by arbitration. Such arbitration shall be conducted, upon request of either the Landlord or the Tenant before one arbitrator designated by the American Arbitration Association and in accordance with the Commercial Arbitration Rules of such Association. All arbitration proceedings hereunder shall be conducted in Anchorage, Alaska, and shall be binding upon both parties. Any costs or fees including attorney fees incurred as a result of arbitration as provided for herein shall be determined by the arbitrator and awarded as part of the arbitrator's decision. It is the intention of this paragraph that any action for default of rent, or possession of the premises, shall not apply to the provisions of this arbitration agreement.

12.7 **Licensee Relationships.** For this real estate transaction licensees Lottie Michael, CCIM Guadalupe Caro-Ramos, and J Michael James of Commercial Real Estate Alaska, LLC shall represent Tenant but may assist Landlord. Hugh Wade, Licensee with Spire Commercial Real Estate, LLC represents Landlord but may assist Tenant. All parties confirm that oral and/or written disclosure of representation was provided as required by Alaska Statute 08.88.600.

12.8 Attorney's Fees. If any action is commenced to enforce any provision of this Lease, the prevailing party shall, in addition to its other remedies, be entitled to recover all its costs and reasonable attorney's fees.

12.9 Force Majeure. Notwithstanding anything to the contrary herein, Landlord shall not be liable for or responsible to Tenant for anything or for any delay caused by fire, earthquake, explosion, flood, hurricane, the elements, acts of God, action or interference of governmental authorities or agents, war, riots, strikes, or lockouts or any other cause, whether similar or dissimilar to the foregoing, which is beyond the reasonable control of Landlord, nor any delays due to such causes shall not be deemed a breach or default by the Landlord of the terms of this Lease.

12.10 Entire Agreement. This Lease contains the entire agreement of Landlord and Tenant. There are no agreements, terms, conditions or obligations other than those set forth herein. This Lease shall supersede all previous communications, representations or agreements, either verbal or written between Landlord and Tenant. This agreement may be modified only by written agreement signed by both Landlord and Tenant.

12.11 Notices. Any notice shall be sufficient if in writing and deposited in the US Mail by Priority Mail, or personally delivered to the address listed below:

Landlord: Ship Creek Constructors, LLC
620 E. Whitney Road
Anchorage, Alaska 99501

Tenant: CannTest, LLC
2927 Wentworth Street
Anchorage, AK 99508

Notices mailed out will be deemed to have been delivered three (3) days after the deposit of such notice in any U.S. Post Office mail box.

(End of Body of Lease)

Lease renewal authorized by:

Landlord: Ship Creek Constructors, LLC

Date: 1/1/2017

Ship Creek Constructors, LLC
By: Michael J. Fall, Member

Tenant: CannTest, LLC

Date: 1/1/2017

CannTest, LLC
By: Mark Malagodi, Member
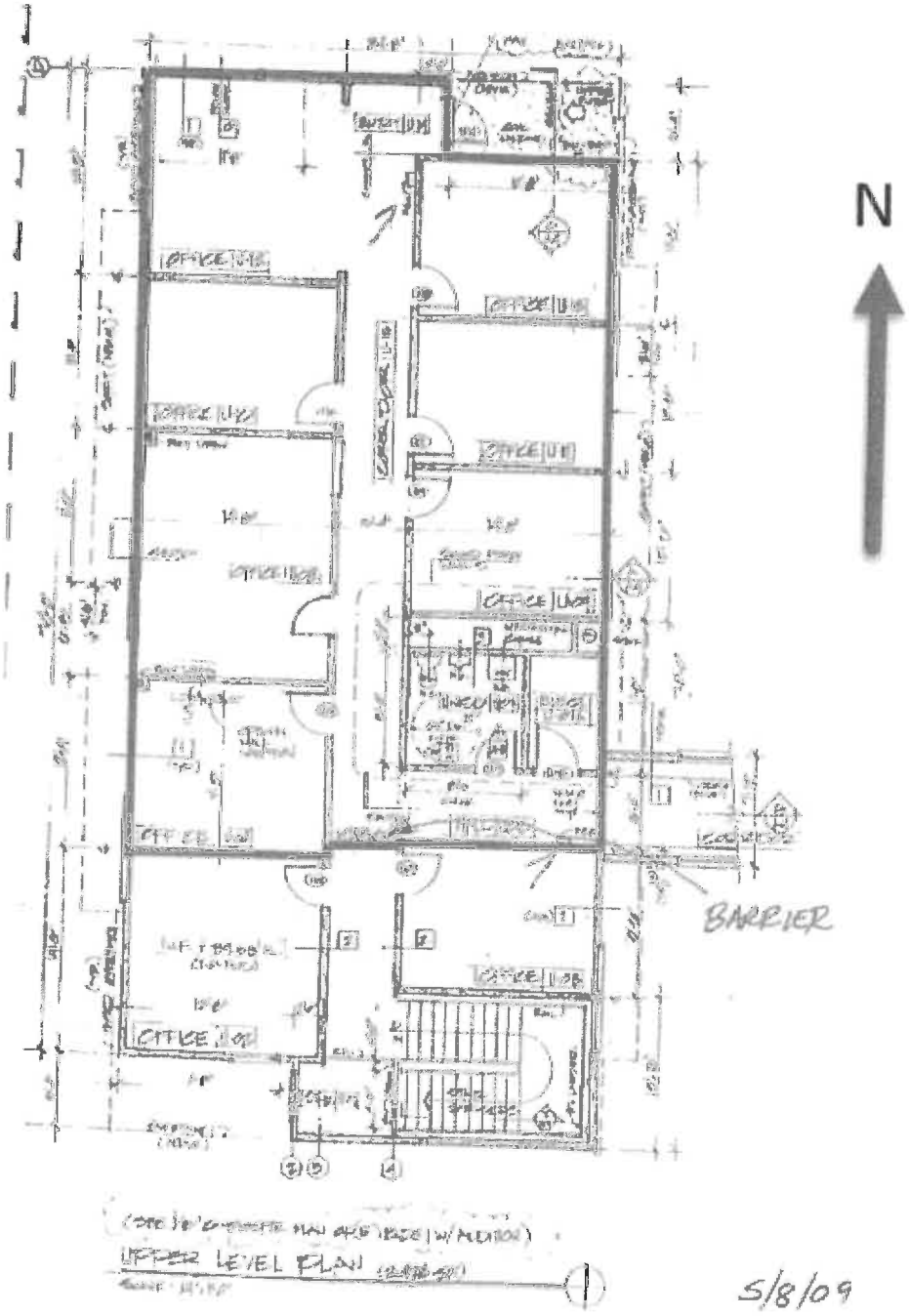
EXHIBIT A