

Application for License and Special Land Use Permit for Marijuana

Municipality of Anchorage
 Clerk's Office/Planning Department
 PO Box 196650
 Anchorage, AK 99519-6650

APPLICANT

Name of Authorized Applicant (see 3 AAC 306.020(d)) (last name first) Malagodi, Mark, Steven	
Home Physical Address 2927 Wentworth Street	Home Mailing Address 2927 Wentworth Street
Anchorage, AK 99508	Anchorage, AK 99508
Contact Phone – Day Evening Fax 907-258-6878 907-346-1333	Business Mailing Address 620 E. Whitney Road
E-mail (required) mark@cantest.com	Anchorage, AK 99501

TYPE OF MARIJUANA ESTABLISHMENT PROPOSED

<input type="checkbox"/> Cultivation Facility (including Limited Cultivation Facility)	<input checked="" type="checkbox"/> Testing Facility
<input type="checkbox"/> Manufacturing Facility (including Concentrate Manufacturing Facility)	<input type="checkbox"/> Retail Sales Establishment
<input checked="" type="checkbox"/> New License/Special Land Use Permit <input type="checkbox"/> Modification of Existing License/Permit for Municipal License #:	
Business Name: CannTest, LLC	
State of Alaska Marijuana Control Board License Number: 10009	

PROPERTY INFORMATION

Property Tax # (000-000-00-000): 002-051-02-001		
Site Street Address: 620 E. Whitney Road, Anchorage, AK 99501		
Current Legal Description: (use additional sheet if necessary) AAR 8626 LT 99A + Parcel B T13N R3W Sec 7		
Zoning District: I-1	Lot Size: 68,384 sf	Grid #: SW1131
Any dwelling units on the property? ___ Yes <u>X</u> No		Any liquor licenses on the property? ___ Yes <u>X</u> No

FACILITY OPERATIONAL INFORMATION

What is the licensed premises area in square feet? 2112
What will be the business hours of operation? 8:30am - 5:00pm Monday - Friday Closed Saturday and Sunday
If application is for a modification to an existing license/special land use permit, explain requested change:

Accepted by <i>Shaundee</i>	Poster & Affidavit 1+1	Fee \$1700.00	Case Number 2016-0091	Requested Meeting Date 9-13-16	License Number 10009
--------------------------------	---------------------------	------------------	--------------------------	-----------------------------------	-------------------------

APPLICATION REQUIREMENTS

1 copy required: Signed/notarized application (original)
 Property owner letter of authorization (with original signature)

17 copies required: Signed/notarized application (copies)
 State of Alaska Marijuana Establishment License application deemed complete by the Alaska Marijuana Control Office Director
 Criminal justice information and records as required by AMC 10.80.056
 Summary of community meeting/community meeting mailer
 Project narrative explaining the proposal, with an analysis of how the proposal meets the special land use permit for marijuana approval criteria set forth below
 For all marijuana establishments (AMC 21.03.105C.3.a.):
 Site plan(s) to scale depicting, with dimensions:
 building footprint parking areas vehicle circulation and driveways loading facilities
 landscaping pedestrian facilities required open space fences lighting
 snow storage area or alternative strategy trash receptacle location and screening detail
 freestanding sign location(s)
 Security plan indicating how the applicant will comply with the requirements of municipal and state law and regulation
 Waste disposal plan

For marijuana cultivation facilities (AMC 21.03.105C.3.b.):
 Plan that specifies the methods to be used to prevent the growth of harmful mold
 Projected amount of water that will be used
 Projected amount of wastewater that will be discharged
 Letter from the applicable electric utility stating that power capacity at the proposed location is sufficient for the intended use
 Odor control plan indicating how the applicant will comply with the requirements of municipal and state law and regulation

For marijuana manufacturing facilities (AMC 21.03.105C.3.c.):
 Description of the type of products to be processed and the equipment to be used, including a list of any solvents, gases, chemicals, or other compounds that will be used, kept, or created at the manufacturing facility, the location of such materials, and how such materials will be stored
 Certification of an industrial hygienist or professional engineer, as required in AMC subsection 21.05.055B.2.
 Projected amount of water that will be used
 Projected amount of wastewater that will be discharged

For marijuana retail sales establishments (AMC 21.03.105C.3.d.):
 Neighborhood responsibility planning MOU or community engagement report, as required in AMC subsection 21.05.055B.4.

(Additional information may be required)

RECENT REGULATORY INFORMATION (Events that have occurred in the last 5 years for all or a portion of the site)

Rezoning - Case Number:

Preliminary Plat Final Plat - Case Number(s):

Conditional Use - Case Number(s):

Zoning Variance - Case Number(s):

Land Use Enforcement Action for:

Building or Land Use Permit for:

Wetland permit: Army Corp of Engineers Municipality of Anchorage

MARIJUANA ESTABLISHMENTS NEAR PETITION SITE

Locate and provide the name and address of all licensed marijuana establishments within 1,000 feet of the petition site. (Use separate sheet if necessary.)

Name	Address
Kush Kingdom, LLC	826 E. Whitney Road Anchorage, AK 99501
CANNALASKA	229 WHITNEY ROAD, ANCHORAGE, AK 99501

SPECIAL LAND USE PERMIT FOR MARIJUANA APPROVAL CRITERIA (AMC 21.03.105C.7.)

The assembly may only approve a special land use permit for marijuana if, in the judgment of the assembly, the application meets the following approval criteria. Each criterion must have a response in as much detail as it takes to explain how the project satisfies the criterion. The burden of proof rests with the applicant. (In the B-2A, B-2B, B-2C, and TA districts, please contact the Planning Department as the approval criteria are different.)

1. The proposed use is consistent with the comprehensive plan, all applicable provisions of this title [Title 21], and applicable state regulations.
2. The proposed use is consistent with the purpose and intent of the zoning district in which it is located, including any district-specific standards set forth in chapter 21.04.
3. The proposed use is consistent with applicable use-specific standards set forth in chapter 21.05.
4. The proposed use is compatible with uses allowed on adjacent properties, in terms of its scale, site design, operating characteristics (e.g., hours of operation, traffic generation, lighting, noise, odor, dust, and other external impacts).
5. The proposed use is appropriately located with respect to existing and/or planned water supply, power supply, fire and police protection, wastewater disposal, storm water disposal, and similar facilities and services.
6. Any significant adverse impacts anticipated to result from the use can and will be mitigated or offset to the maximum extent feasible.
7. The owner/operator of the establishment has no previous denials or revocations of a marijuana license or special land use permit, or previous documented violations of municipal or state law/regulation relating to marijuana establishments. Alternatively, the owner/operator has provided sufficient evidence of rehabilitation to the assembly.
8. The owner/operator of a marijuana retail establishment has meaningfully engaged in neighborhood responsibility planning with residents and other neighborhood businesses to mitigate concerns such as odor, parking, and security. Neighborhood responsibility planning guidelines may be included in AMC chapter 2.40.

SWORN STATEMENT LISTING ALL CRIMINAL CONVICTIONS, NOTWITHSTANDING THE FORM OF JUDGMENT AND INCLUDING WITHHELD JUDGMENTS, DEFERRED JUDGMENTS, AND BOND FORFEITURES, AGAINST EVERY OWNER AND MANAGER OF ANY OFFENSE OTHER THAN TRAFFIC INFRACTIONS FOR THE FIVE YEARS PRECEDING THE APPLICATION DATE, AS REQUIRED BY AMC 10.80.021A.

I, the applicant, hereby swear that the following is a complete list of all such convictions for each proposed owner and manager of the proposed establishment. No Convictions

(use additional sheet if necessary)

MM (initial) I hereby certify that I am owner of the property described above, or that I have permission from the owner to use the property described above, and that I am applying for a municipal license and special land use permit for marijuana in conformance with Title 10 and Title 21 of the Anchorage Municipal Code. My establishment will remain in conformance with municipal code at all times.

MM (initial) If I am applying for a license for a marijuana cultivation facility, marijuana manufacturing facility, or marijuana retail sales establishment, I swear that neither I nor any proposed licensee (as defined in 3 AAC 306.020(b)(2)), agent, or employee of the proposed licensee, have any ownership or financial interest in any marijuana testing facility. If I am applying for a license for a marijuana testing facility, I swear that neither I nor any proposed licensee, agent, or employee of the proposed licensee, have any ownership or financial interest in any marijuana cultivation facility, marijuana manufacturing facility, or marijuana retail sales establishment.

MM (initial) I hereby swear that no proposed licensee (as defined in 3 AAC 306.020(b)(2)) owes past-due taxes (property, business personal property, or other), fees (utility or other), or fines (traffic, library, trash, or other) to the municipality.

MM (initial) In accordance with AMC 10.80.056, I will immediately provide the Municipal Clerk with any communication from the state Marijuana Control Board disclosing the substance of information received by the Board as a result of a criminal history record check.

MM (initial) I understand municipal code requirements regarding separation distance from protected land uses, and I attest that to the best of my knowledge, the proposed premises meets the separation requirements of Title 21 of the Anchorage Municipal Code.

MM (initial) I acknowledge that the Assembly may deny my application for a special land use permit for marijuana if it determines that my application does not meet the criteria listed in AMC 21.03.105C.7., and that the Assembly may deny my application for a marijuana establishment license for any of the reasons listed in AMC 10.80.080.

MM (initial) I understand that payment of the application fee is nonrefundable and is to cover the costs associated with processing this application, and that it does not assure approval of the license or special land use permit. I also understand that assigned hearing dates are tentative and may have to be postponed by the Planning Department, Municipal Clerk, or the Assembly, for administrative reasons or to meet legal requirements regarding notice and public hearings.

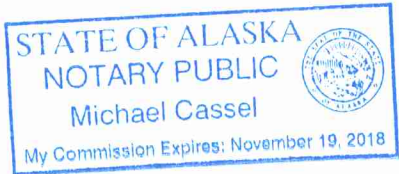
Mark Malagodi 6/6/16
Applicant Signature (must be notarized) Date

Mark Malagodi
Print Name

State of Alaska
Third Judicial District

Mark Malagodi, being duly sworn, deposes and says that he/she is the individual making the foregoing application and is the authorized agent for this business; acknowledges that a person other than the proposed licensee(s) may not have a direct or indirect financial interest in the business being issued the license per AMC 10.80.015A.; **and affirms that the answers to the questions, the sworn statements regarding (1) listing all criminal convictions and (2) past due taxes, fines, and fees, and all other information contained in this application are true and complete to his/her knowledge.**

Subscribed and sworn before me this 6th day of June, 2016.

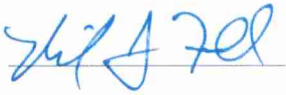


Michael Cassel
Notary Public
My commission expires: 11/19/18

Under AMC 8.30.170, a person commits the crime of unsworn falsification if, with the intent to mislead a public servant in the performance of a duty, the person submits a false written or recorded statement that the person does not believe to be true (1) in an application for a benefit; or (2) on a form bearing notice, authorized by law, that false statements made in it are punishable. Unsworn falsification is a class A misdemeanor.

Addendum to Lease

Landlord Ship Creek Constructors, LLC allows Tenent CannTest, LLC to operate a Marijuana Testing Facility at 620 E. Whitney Avenue, Suite B, Anchorage, AK 99501 for the period of the signed lease from November 1, 2015 through December 31, 2016, and any continuation to said lease.



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

Special Land Use Permit for Marijuana Approval Criteria

- 1. The proposed use is consistent with the comprehensive plan, all applicable provisions of this title [Title 21], and applicable state regulations.**

The proposed cannabis testing facility is consistent with the Anchorage 2020 Comprehensive Plan on at least two levels. On page 50 of the Comprehensive Plan there is a map which shows that the location of CannTest, LLC is in an Industrial Reserve. Page 55 says that “industrial areas located within or adjacent to major employment centers, commercial centers, or neighborhood commercial centers will be encouraged to redevelop to commercial or residential uses.” CannTest, LLC is adjacent to the downtown commercial center, and will provide a much needed commercial use acting as the gatekeeper to keeping the new cannabis industry safe for the public. Secondly on page 41 of the Comprehensive Plan the operation of CannTest, LLC is in line with the stated Work Force and Economic Development goals. The business will provide high paying job opportunities for Alaskans and will contribute to a diverse and stable economy focused on clean industry.

- 2. The proposed use is consistent with the purpose and intent of the zoning district in which it is located, including any district-specific standards set forth in chapter 21.04.**

The proposed use complies with the I-1 zone in which it is located. Chapter 21.04 states:

“Purpose. The I-1 district is intended primarily for public and private light and general manufacturing, processing, service, storage, wholesale, and distribution operations along with other uses that support and/or are compatible with industrial uses. Business-industrial parks and single-commodity bulk retail sales and building supply stores and services are allowed. Many commercial uses are also permitted and/or conditionally allowed, with some limitations on the more intensive customer retail, community service, and commercial employment establishments, to reduce land use and traffic conflicts, promote efficient use of industrial lands, and encourage the location of intensive commercial activities in commercial centers. This district is applied in areas designated as industrial/commercial by the comprehensive plan.”

CannTest, LLC will provide a private service to the Cannabis Industry sector in which it certifies the quality of product grown by cultivators and produced by manufacturers meets the standards determined by the Alaska Marijuana Control Board and the Anchorage Assembly.

3. The proposed use is consistent with applicable use-specific standards set forth in chapter 21.05.

TABLE 21.05-1: TABLE OF ALLOWED USES – RESIDENTIAL, COMMERCIAL, INDUSTRIAL, AND OTHER DISTRICTS of Chapter 21.05 states that a research facility is a permitted use of I-1 land. 21.05.060A.7 gives the following description of a Research Laboratory.

Research laboratory.

a.

Definition. A facility that is designed or equipped for basic or applied research or experimental study, testing, or analysis in the natural sciences or engineering, including any educational activities associated with and accessory to such research, and including research and analysis facilities operated by public agencies and designed to assure public health and safety. The use does not include facilities for the manufacture or sale of products except as incidental to the main purpose of the laboratory.

CannTest, LLC meets this definition of a Research Laboratory as it will function as a testing facility that is designed to assure public safety and health.

4. The proposed use is compatible with uses allowed on adjacent properties, in terms of its scale, site design, operating characteristics (e.g. hours of operation, traffic generation, lighting, noise, odor, dust, and other external impacts).

CannTest, LLC shares the building in which it is housed with two other businesses that share similar operating characteristics. One is a company that offers surveying and mapping services and the other offers construction services. Neither CannTest nor the other two businesses generate a large amount of traffic, noise, odor or dust. Hours of operation for all three businesses are roughly 9-5. The majority of businesses in the area are small scale operations that provide services to the vehicle industry, HVAC industry or other similar industries. For example across the street is E.J. Bartells which provides HVAC and insulation services. Their building is a similar size, and traffic, noise and dust generation is also low.

5. The proposed use is appropriately located with respect to existing and/or planned water supply, power supply, fire and police protection, wastewater disposal, storm water disposal, and similar facilities and services.

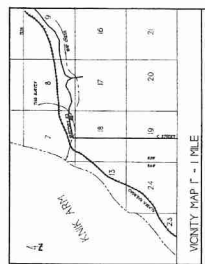
The Canntest, LLC building uses existing Anchorage water supply and wastewater disposal. The building is engineered for proper storm water disposal. The building uses Municipal Light and Power electric supply. The closest fire department is ½ mile away at 100E 4th Avenue. The is patrolled by the Anchorage Police Department.

6. Any significant adverse impacts anticipated to result from the use can and will be mitigated or offset to the maximum extent feasible.

The most likely adverse effect to occur from the operation of this business is crime at the testing facility site. Every effort is being made to reduce the likelihood of crime at the facility, and mitigate the effects if a crime does occur. Security cameras are set up throughout the facility and in each room that will contain marijuana. Cameras also monitor the entrance to the facility. A security system is in place with magnetic switches on the entrance door and each window that will alert the security company if they are activated. There are also two motion detectors in the facility that will alert the security company if they are triggered while the alarm is set. There is also a panic button under the front desk that can be activated if a dangerous person enters the facility. Any other threat that is identified over time will be mitigated to the maximum extent feasible.

7. The owner/operator of the establishment has no previous denials or revocations of a marijuana license or special land use permit, or previous documented violations of municipal or state law/regulation relating to marijuana establishments. Alternatively, the owner/operator has provided sufficient evidence of rehabilitation to the assembly.

It is true that the owner/operator of the establishment has no previous denials or revocations of a marijuana license or special land use permit, or previous documented violations of municipal or state law/regulation relating to marijuana establishments.

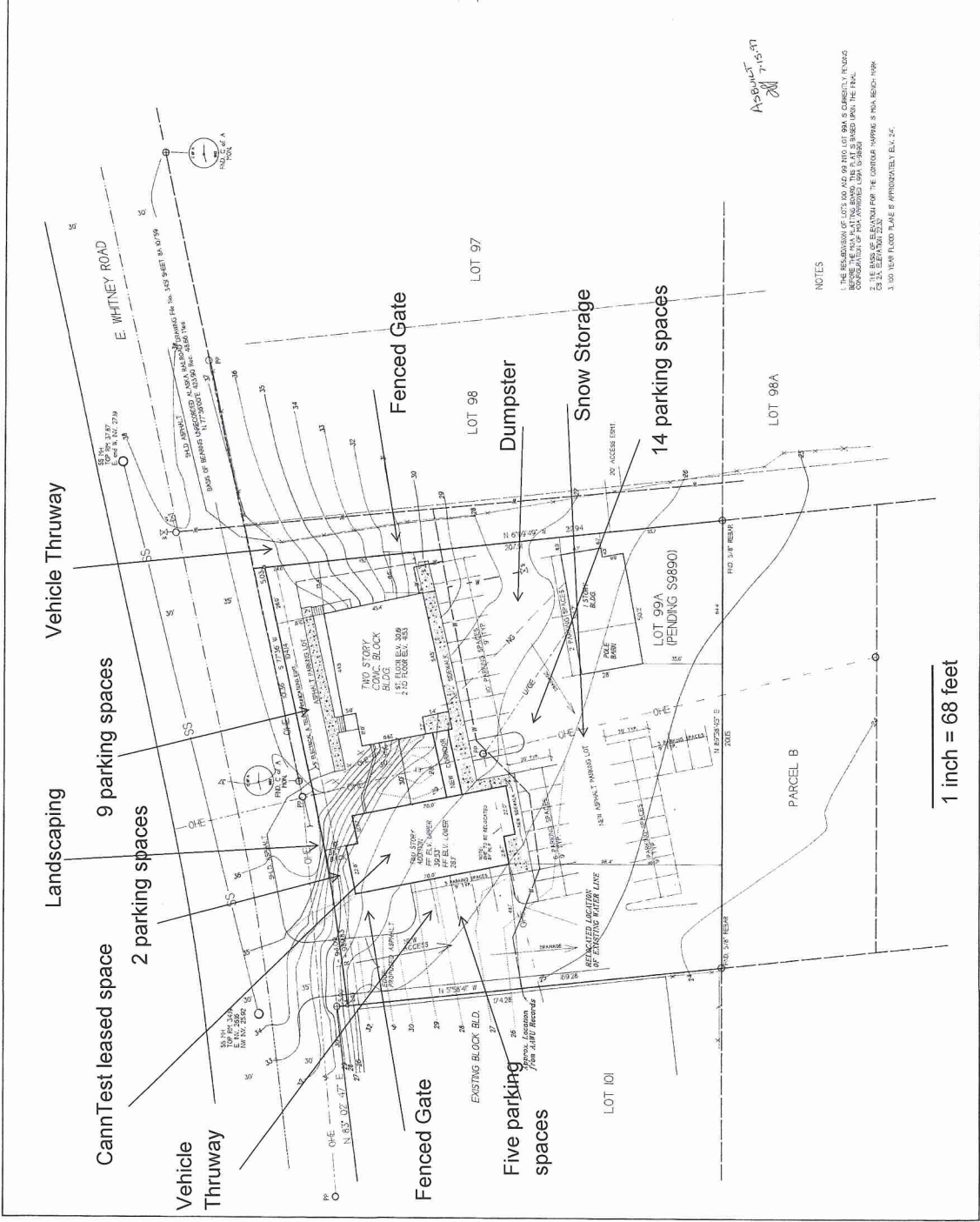


LEGEND
 ○ FOUND PROPERTY CORNER
 --- PROPOSED CONTOURS
 --- EXIST. CONTOURS



SHEET No. PP1

PLOT PLAN LOT 99A ALASKA AIRMOB - ANCHORAGE TERMINAL - RESERVE	
LOCATED WITH: SE 1/4 SEC. 7, T10N, E10W, 4N, AK	CREATED BY:
DRAWN BY: DATE	SCALE: 1" = 20'
FIELD BOOK: 984	FILE: 980A.02
GRID	SHEET: 01
SUBMITTED BY: FARMER & WILSON 199 E. DIXON, SUITE 200 ANCHORAGE, AK 99555 TEL. 349-2020 FAX. 349-0299	



NOTES

1. THE RESUBDIVISION OF LOTS 98, 99 AND 99A INTO LOT 98A IS CURRENTLY PENDING REVIEW BY THE STATE OF ALASKA. THIS PLAN IS BASED UPON THE FINAL RECORD MAP OF THE RESUBDIVISION.
2. THE ELEVATIONS ARE BASED UPON THE CORNER MARKERS IN THE RECORD MAP.
3. 100 YEAR FLOOD PLANE IS APPROXIMATELY ELEV. 24'.

Approved
 [Signature]

Summary of Community Meeting and Community Meeting Mailer

The attached mailer was sent to all addresses on the list emailed by Corliss Kimmel of the Municipality of Anchorage Planning Department on June 6, 2016. There were a total of 23 addresses on the list. The list is also attached. The meeting was held at the proposed testing facility site as the Downtown Community Council does not meet during the Summer months. At the time of the meeting Mark Malagodi, CannTest CEO, and Jonathan Rupp, CannTest Scientific Director were available to meet with interested parties. No one attended the meeting from the public.

I would like to note that CannTest CEO Mark Malagodi presented to the Downtown Community Council at their May 4th meeting. Several people attended the meeting and all were supportive of CannTest's plan to opening a testing facility at 620 E Whitney Road.



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

June 6, 2016

A meeting will be held at 6:00pm on Wednesday, June 29, 2016 to hear comments from neighbors regarding the opening of a proposed marijuana testing facility at 620 E Whitney Road, Anchorage AK 99501. The meeting will be held at the proposed testing facility site as the Downtown Community Council does not meet during the Summer months. Interested parties may appear at the hearing and speak on the matter. Further information can be obtained by calling 907-258-6878 or emailing mark@canntest.com.

Sincerely,

Mark Malagodi, Ph.D
CEO, CannTest, LLC

Security Plan

A computerized alarm system is installed on the premises. The system is programmed to alert the owners (Mark Malagodi and Jonathan Rupp) if there is a breach of security. There is also a motion detector in the hallway that will trip the system to alert the owner if movement in the hallway is detected.

There is only one exterior door to the facility, and this door has a magnetic switch that activates the alarm system if the door is opened. There are a total of eight windows throughout the testing facility that can be cranked open to create an opening of 11" x 36". These windows will each be equipped with a magnetic switch that will activate the alarm if a window is opened.

A Panic Button will be placed under the desk of the receptionist. We will use a Community Response Systems, LLC (www.communityresponsesystems.com) Panic Button which will be installed to have an icon on the receptionist computer. If the employee is faced with a dangerous situation he or she can, with the click of a mouse, send text and/or email messages to up to five designated people. These people will call 911 and give the location of CannTest, LLC for emergency responders.

Eight cameras will be used to capture all secure areas of the lab as well as the walkway leading to the lab and the point of sale area. We will use the Swann - 8-Channel, 8-Camera Indoor/Outdoor DVR Surveillance System which can be purchased at Best Buy. One camera will be placed in the entrance way (marked on the premises diagram) and point towards the walkway through the clear glass door to show any individual approaching the location. One camera will be placed on the East wall to show the reception desk which will be the point of sale area. One camera will be placed on the North wall to capture the hallway leading to the secure areas. One camera will be placed in each of the three testing rooms marked on the premises diagram. Two cameras will be placed in the larger sample preparation room which will also be used to destroy unused marijuana.

The locked and secure area that will be used for video recording equipment will be the first office on the right when entering the lab (shown on premises diagram). This room has a lock that will only be accessible to the CEO and Scientific Director. The room is approximately 10' 6" x 14'. The CEO or Scientific Director will make this room available to law enforcement or an agent of the board on request.

Waste Disposal Plan

There are four sources of solid and liquid waste that must be properly disposed of at CannTest. The first and largest amount will be the marijuana sample fractions that are not used during the testing process. The second is the marijuana remnants that have been used during the testing process. Most of this material will have already been mixed with a solvent. The third is liquid waste from the High Pressure Liquid Chromatography system. This will be a small amount not exceeding one gallon per month. The fourth source is from the qPCR (quantitative Polymerase Chain Reaction) system used to test for microbials. Biohazardous waste from microbials will be autoclaved prior to disposal. All marijuana, both used and unused, will have already been ground to a fine powder before disposal. At the end of each business day all these four sources will be mixed together in a plastic basin and then mixed with an equal amount of used motor oil to render the marijuana unusable. The used motor oil will be sourced from auto centers and/or solid waste facilities.

The day's waste will be mixed with waste from previous days in a sealed five gallon container. CannTest will notify the Board at least 72 hours notice before disposing of the contents of the five gallon container at the Hazardous Waste Collection Center in Eagle River. All cannabis that is not actively being used for testing or being prepared for destruction by CannTest will be kept in a locked refrigerator or freezer.



THE STATE
of ALASKA
GOVERNOR BILL WALKER

Department of Commerce, Community,
and Economic Development

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

May 17, 2016

CannTest, LLC
DBA CannTest, LLC
VIA email: mark@canntest.com

Re: Application Status for License # 10009

Dear Mark and Jonathan

I have received your application for a Marijuana Testing Facility license. Our staff has reviewed your application after receiving your application and required fees. Your application documents appear to be in order, and I have determined that your application is complete for purposes of 3 AAC 306.025(d).

Your application is now considered complete and will be sent electronically, in its entirety, to your local government, your community council if your proposed premises is in Anchorage or certain locations in the Mat-Su Borough, and to any non-profit agencies who have requested notification of applications. The local government will have 60 days to protest the issuance of your license or waive protest.

If you have not yet received all necessary approvals, such as a local license, conditional use permit, site plan review, Fire Marshal approval, or Department of Environmental Conservation approval, you should continue to work with those local or state agencies to get the requirements completed. At this time, at the direction of the Marijuana Control Board, I am determining your application to be complete without sending your fingerprint card(s) to the Department of Public Safety (DPS) for independent verification of your lack of a disqualifying criminal history. The fingerprint card(s) will be forwarded on an as yet undetermined date when DPS and the FBI are ready to receive and process it. Your application status in the application database will be changed to "Complete" today.

Your application may be considered by the board while some approvals are still pending. However, your license will not be finally issued and ready to operate until all necessary approvals are received and a preliminary inspection of your premises by AMCO enforcement staff is completed.

Your application will be scheduled for the June 9th board meeting for Marijuana Control Board consideration. Because June 9th, 2016 is less than 60 days from today, the board will not grant or deny your application before July 1st, 2016 unless your local government waives its right to protest per 3 AAC 306.075(a)(1). Please feel free to contact us through the marijuana.licensing@alaska.gov email address if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "C. Franklin".

Cynthia Franklin
Director, Marijuana Control Board

May 25, 2016

Mr. Mike Fall
Ship Creek Constructors, LLC
620 East Whitney Road
Anchorage, AK 99501

RECEIVED

MAY 31 2016

UNIT COMPANY

Re: Alaska Railroad Corporation (ARRC) Ground Lease, Contract No. 8626
(Ship Creek Constructors, LLC, Lessee)
Non-objection to Sublease Agreement

Dear Mr. Fall:

The Alaska Railroad Corporation ("ARRC") received your letter indicating your intention to enter a Sublease Agreement between Ship Creek Constructors, LLC ("Lessee") and Cann Test LLC ("Subtenant"). Please accept this letter of non-objection to the Sublease Agreement, subject to the conditions listed below.

- The Sublease Agreement is subject to and subordinate to all the terms and provisions of the Ground Lease. The Ground Lease is that certain lease dated May 2, 1989 between the Alaska Railroad as "Lessor" and Enterprise Company, later assigned to Ship Creek Constructors, LLC as "Lessee", and designated as ARRC Contract No. 8626. In the event of any inconsistency between the provisions of the Ground Lease and the Sublease, the Ground Lease shall control.
- If the Ground Lease is terminated by reason of a default by Lessee under the Ground Lease, or for any other reason, Subtenant, upon notice of such termination, shall then attorn to ARRC and shall recognize ARRC as its direct contracting party under the Sublease Agreement; provided, however, that ARRC may elect upon such termination of the Ground Lease to terminate the Sublease Agreement and Subtenant's right to possession of the property. Subtenant shall execute and deliver, at any time after termination of the Ground Lease and upon the request of ARRC, any instrument necessary or appropriate to evidence such attornment.
- ARRC's non-objection is conditioned on Subtenant conforming to the terms and conditions of the Ground Lease, which terms and conditions ARRC shall enforce upon Lessee. No agreement entered by Lessee with Subtenant, including but not limited to the proposed Sublease Agreement, shall be binding upon ARRC and in no event will ARRC be liable for any obligations of Lessee under any such agreement.

- Subtenant shall indemnify, defend and hold harmless ARRC and its employees, agents and contractors from any and all claims an/or judgments for monetary damages, injunctive relief, employment liens, materialmen's liens, and costs and attorney fees, which may be asserted against ARRC in any administrative or judicial forum and which are alleged to have arisen out of Subtenant's occupancy under the Sublease Agreement, which shall include any claim for property damage, bodily injury or death, emotional or other non-physical injury, or violation of employment, environmental, or public safety laws, ordinances or codes by Subtenant or by any of its contractors or subcontractors using the premises for any activity, whether within or outside the scope of activities authorized by Lessee. The provisions contained in this paragraph shall not be given effect if the active negligence of ARRC or its employees is the sole proximate cause of any injury or damage done to the party asserting the claim.
- Subtenant shall name Alaska Railroad Corporation as additional insured on any insurance coverage provided to Lessee by Subtenant.

Occupants authorized by this letter are:

Cann Test, LLC

Please have Cann Test, LLC. indicate its understanding of and commitment to adhere to the above-stated conditions by signing a copy of this letter and returning it to the undersigned.

If you have any questions, please call me at 907.265.2617.

Sincerely,



Andrew Donovan
Director, Real Estate

Agreement to be Bound:

By authorized signature hereto, the undersigned acknowledges the above-listed conditions are binding upon Cann Test LLC.

Cann Test LLC

Dated: 6/2/16

By: 

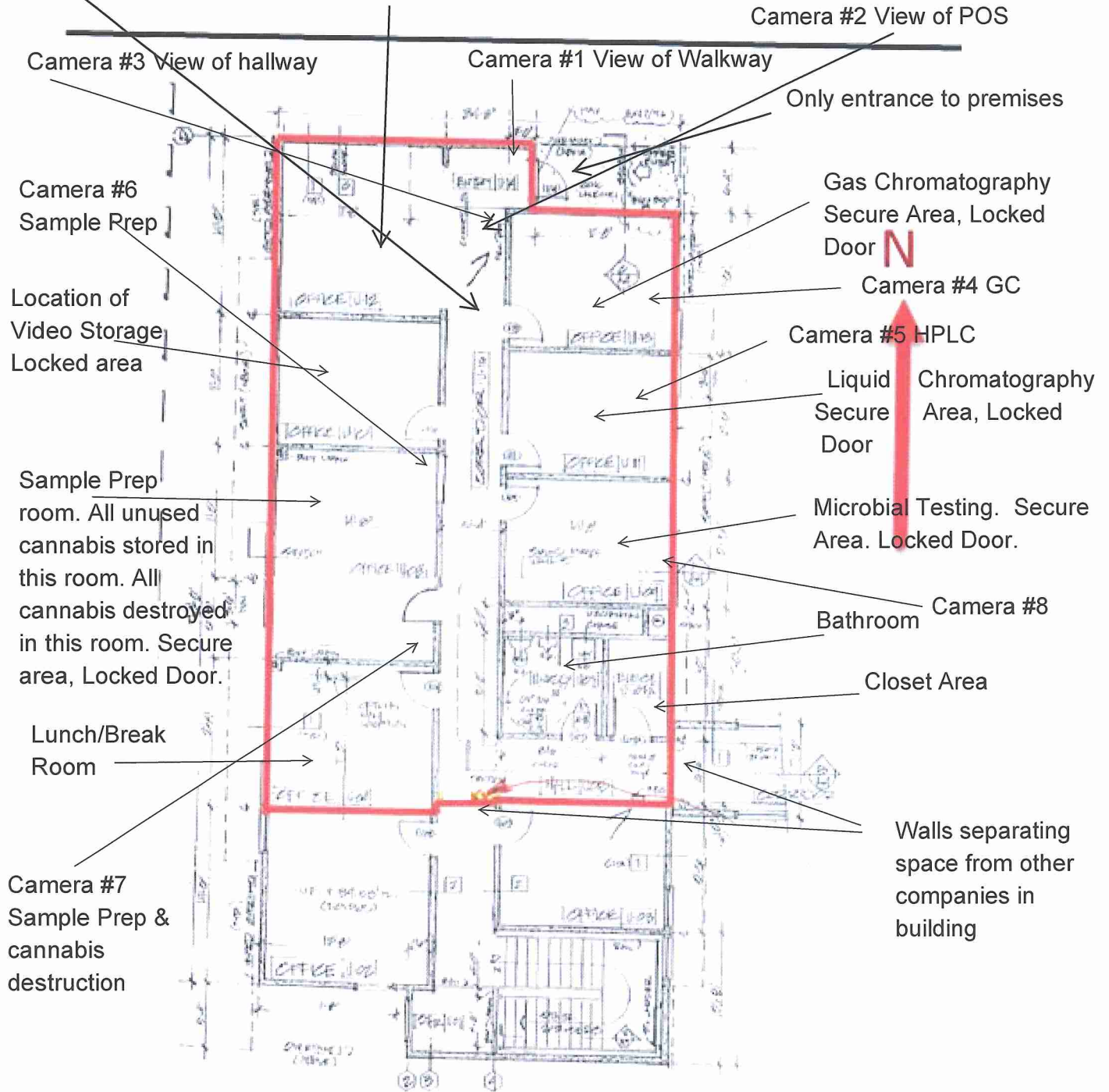
Its: MARK MALAGODI, CEO

Rope separating reception from rest of testing facility

E. Whitney Road

Reception Area

Total Area: 2180 Sq ft.



1 in = 11 feet

(SEE 1/8' DIMENSION PLAN AND ELEVATION) UPPER LEVEL PLAN (2180 SF) SCALE 1/8"=1'

5/8/09

LEASE

THIS LEASE IS MADE effective October __, 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.

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 Forty Dollars (\$2,640) 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:

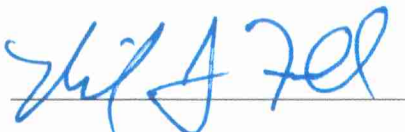
Landlord: Ship Creek Constructors, LLC
620 E. Whitney Road
Anchorage, Alaska 99501

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)

Landlord: Ship Creek Constructors, LLC



Date: 10-28-15

Ship Creek Constructors, LLC

By: Michael J. Fall, Member

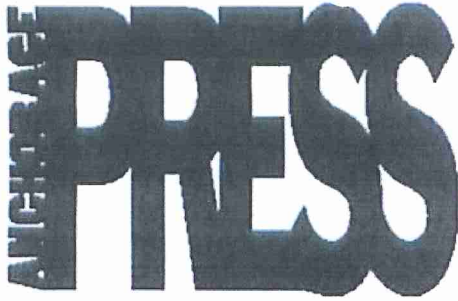
Tenant: CannTest, LLC

DocuSigned by:
Mark Malagodi
40151DD6B4F34FA...

Date: 10/29/2015

CannTest, LLC

By: Mark Malagodi, Member



Anchorage Press
 540 E. Fifth Avenue
 Anchorage, Alaska 99501
 Phone: 561-7737 Fax: 561-7777

**APPLICATION FOR
 NEW MARIJUANA
 TESTING LICENSE**

**CannTest, LLC is applying
 for a new Marijuana
 Testing Facility License**
 3 AAC 306.600, doing business as
 CANNTEST, LLC located at 620 E
 Whitney Road, Suite B, Anchorage,
 AK, 99501, UNITED STATES.

Interested persons should
 submit written comment or
 objection to their local government,
 the applicant, and to the
Alcohol & Marijuana Control Office
 at 550 W 7th Ave, Suite 1600
 Anchorage, AK 99501
 or to
marijuana.licensing@alaska.gov
 not later than 30 days after
 this notice of application.

I, Zach Menzel, Sales Representative for the Anchorage Press, verify that the New Marijuana License for CannTest, LLC appeared in the March 10, March 17, and March 24, 2016 issues of the Anchorage Press Newspaper.

Zach Menzel

Subscribed and sworn to me in the Municipality of Anchorage, in the state Alaska, on
 this 25 day of March, 2016

Notary Public Signature

July 26, 2018

Commission Expires

DAVE DIAZ
 NOTARY PUBLIC
 State of Alaska
 My Commission Expires July 26, 2018



CannTest, LLC Identification Badge

Employee Name: Mark Malagodi

Employee Title: CEO Employee ID #: 0001

Marijuana Handler Permit Number: 10001

Employee Hire Date: June 9, 2016





STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Sean Parnell, Governor
Susan K. Bell, Commissioner
Sara Chambers, Director

Division of Corporations, Business and Professional Licensing

Office Use Only

COR

Web-6/18/2014 10:14:52 AM

Articles of Organization

Domestic Limited Liability Company

1 - Entity Name

Legal Name: CannTest, LLC

2 - Purpose

Laboratory testing of plant material

3 - NAICS Code

541380 - TESTING LABORATORIES

4 - Registered Agent

Name: Mark Malagodi

Mailing Address: 2927 Wentworth Street, Anchorage, AK 99508

Physical Address: 2927 Wentworth Street, Anchorage, AK 99508

5 - Entity Addresses

Mailing Address: 2927 Wentworth Street, Anchorage, AK 99508

Physical Address: 2927 Wentworth Street, Anchorage, AK 99508

6 - Management

The limited liability company is managed by its members.

7 - Officials

Name	Address	% Owned	Titles
Mark Malagodi			Organizer

Name of person completing this online application

I certify under penalty of perjury under the Uniform Electronic Transaction Act and the laws of the State of Alaska that the information provided in this application is true and correct, and further certify that by submitting this electronic filing I am contractually authorized by the Official(s) listed above to act on behalf of this entity.

Name: Mark Malagodi

PO Box 110806, Juneau, AK 99811-0806
Telephone: (907) 465-2550 Fax: (907) 465-2974 Text Tel: (907) 465-5437
Website: <http://commerce.alaska.gov/dnn/cbpl>

Alaska Entity #10021705

State of Alaska
Department of Commerce, Community and Economic Development
Corporations, Business and Professional Licensing

Certificate of Organization

The undersigned, as Commissioner of Commerce, Community and Economic Development of the State of Alaska, hereby certifies that a duly signed and verified filing pursuant to the provisions of Alaska Statutes has been received in this office and has been found to conform to law.

ACCORDINGLY, the undersigned, as Commissioner of Commerce, Community and Economic Development, and by virtue of the authority vested in me by law, hereby issues this certificate to

CannTest, LLC



IN TESTIMONY WHEREOF, I execute the certificate
and affix the Great Seal of the State of Alaska
effective **June 18, 2014**.

A handwritten signature in cursive script that reads "Susan K. Bell".

Susan K. Bell
Commissioner



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Sean Parnell, Governor
Susan K. Bell, Commissioner
Sara Chambers, Director

Division of Corporations, Business and Professional Licensing

Office Use Only

COR

Web-6/18/2014 10:19:28 AM

Limited Liability Company
Initial Biennial Report

Entity Name: CannTest, LLC
Entity Number: 10021705
Home Country: UNITED STATES

Home State/Province: ALASKA

Registered Agent

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

Entity Physical Address: 2927 WENTWORTH STREET, ANCHORAGE, AK 99508

Entity Mailing Address: 2927 WENTWORTH STREET, ANCHORAGE, AK 99508

Please include all officials. Check all titles that apply. Must use titles provided. Please list the names and addresses of the members of the domestic limited liability company (LLC). There must be at least one member listed. If the LLC is managed by a manager(s), there must also be at least one manager listed. Please provide the name and address of each manager of the company. You must also list the name and address of each person owning at least 5% interest in the company and the percentage of interest held by that person.

Name	Address	% Owned	Titles
Mark Malagodi	2927 Wentworth Street, Anchorage, AK 99508	100	Member

NAICS Code: 541380 - TESTING LABORATORIES

New NAICS Code (optional):

I certify under penalty of perjury under the Uniform Electronic Transaction Act and the laws of the State of Alaska that the information provided in this application is true and correct, and further certify that by submitting this electronic filing I am contractually authorized by the Official(s) listed above to act on behalf of this entity.

Name: Mark Malagodi

PO Box 110806, Juneau, AK 99811-0806
Telephone: (907) 465-2550 Fax: (907) 465-2974 Text Tel: (907) 465-5437
Website: <http://commerce.alaska.gov/dnn/cbpl>



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
Office Use Only **CORP**

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.

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

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.





THE STATE
of **ALASKA**

Department of Commerce, Community, and Economic Development
Division of Corporations, Business, and Professional Licensing
PO Box 110806, Juneau, AK 99811-0806
(907) 465-2550 • Email: corporations@alaska.gov
Website: Corporations.Alaska.gov

AK Entity #: 10021705
Date Filed: 11/26/2015
State of Alaska, DCCED

FOR DIVISION USE ONLY

Limited Liability Company
2016 Biennial Report

For the period ending December 31, 2015

Web-11/26/2015 9:25:28 AM

- This report is due on January 02, 2016
- \$100.00 if postmarked before February 02, 2016
- \$137.50 if postmarked on or after February 02, 2016

Entity Name: CannTest, LLC
Entity Number: 10021705
Home Country: UNITED STATES

Home State/Province: ALASKA

Registered Agent

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

Entity Physical Address: 620 E Whitney Road, Suite B, ANCHORAGE, AK 99501

Entity Mailing Address: 620 E Whitney Road, Suite B, ANCHORAGE, AK 99501

Please include all officials. Check all titles that apply. Must use titles provided. Please list the names and addresses of the members of the domestic limited liability company (LLC). There must be at least one member listed. If the LLC is managed by a manager(s), there must also be at least one manager listed. Please provide the name and address of each manager of the company. You must also list the name and address of each person owning at least 5% interest in the company and the percentage of interest held by that person.

Name	Address	% Owned	Titles
Mark Malagodi	2927 WENTWORTH STREET, ANCHORAGE, AK 99508	100	Member

Purpose: Laboratory testing of plant material

NAICS Code: 541380 - TESTING LABORATORIES

New NAICS Code (optional):

I certify under penalty of perjury under the Uniform Electronic Transaction Act and the laws of the State of Alaska that the information provided in this application is true and correct, and further certify that by submitting this electronic filing I am contractually authorized by the Official(s) listed above to act on behalf of this entity.

Name: Mark Malagodi

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 1.704-1(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 1.704-1(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 1.704-1(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.

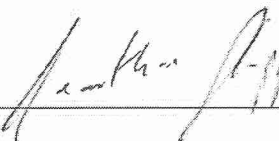
Signed this 16th day of March, 2016.

 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.

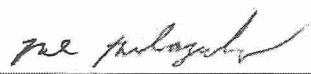
EXHIBIT 3

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