

LETTER FROM THE DIRECTORS



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Dear Member of HCGA,

Here we are in 2018, standing at the precipice between where we've been and where we're going. Nothing about this transition has been easy, and at times we have had to remind ourselves that there is no turning back, to stay focused and to remain diligently engaged as we all work to shape our collective future. Henry Ford once said, "Coming together is a beginning. Keeping together is progress. Working together is success." These words ring so true during this turbulent time.

Looking back this past year we have worked hard to armor you with as much relevant information as possible. Our main channels have been through direct engagement on our online community 'Slack', weekly policy calls with our state partner, the California Growers Association, and countless meetings, workshops, and updates. Make sure you're taking full advantage of these resources!

This year we are even more inspired and committed to provide you with as many opportunities as possible to learn and network. Stay tuned for more Professional Development Workshop Series dates; and please join us for our second "Speed Dating with Distro" in September, where we will once again connect you to other parts of the supply chain across California through a partnership with the California Distribution Association.

Looking out on the advocacy front, we are determined to advance the following objectives: conclude our engagement with Humboldt County and stakeholders in shaping 'Ordinance 2.0"; work to reform Measure S Tax phase 3 to address 'crop loss', gather grassroots support in concert with CalGrowers to ensure that AB 2641, which would provide direct-to-consumer sales for farmers and manufacturers at temporary special events, is signed into law; while continuing to engage the state and local regulatory agencies on permanent regulations and programs.

In the public relations arena our strategy includes participating in market development discussions on cannabis tourism and geographical indicator programs; as well as education and networking with various local institutions. Internally, we will carry on building out our focused committees, developing our board of directors, brining on more staff, and launching our business sponsorship campaign.

It is through this work and your continued success that we will: achieve a unified voice for Humboldt County's cannabis industry; lead the state in the most environmentally responsible cannabis products; and enhance Humboldt County's brand competitiveness through our undeniable cannabis story, in the California market and beyond. Working together is the only way forward. With that we thank you for your continued support, inspiration and courage.

We salute vou.

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FEBRUARY 2017

The State of California accepted HCGA's Articles of Incorporation.

MARCH 2017

HCGA's Board of Directors were appointed.

APRIL 2017

We began building our membership, going from zero to 175 in less than a year!

MAY 2017

HCGA advocated for workable solutions for applications in violation of the Commercial Medical Marijuana Land Use Ordinance. The Supervisors agreed that a one-size-fits all approach to addressing violations was not in the best interest of the burgeoning industry.

JULY 2017

HCGA organized a tour to a farm, manufacturing facility, and a processing a packaging facility for the California State Association of Counties (CSAC).

AUGUST 2017

Hosted "Making Sense of the Trailer Bill" with CalGrowers with over 200 people in attendance.

SEPTEMBER 2017

HCGA successfully advocated for an amendment to the County's Measure S Cultivation tax that would prorate taxes for new, expansion and Retire, Remediate and Relocation cultivation sites.

SEPTEMBER 2017 TO FEBRUARY 2018

HCGA actively engaged the public process that developed the second installment of the Commercial Cannabis Land Use Ordinance (Ordinance 2.0), participated in all twenty public meetings, drafted comments and delivered testimony. Nearly all of our comments have been incorporated into the newest iteration of the CCLUO.

NOVEMBER 2017

Hosted "Speed Dating with Distro." Seventeen distributors from across the state met with nearly 200 cultivators and manufacturers to begin connecting the legal supply chain.

NOVEMBER 2017

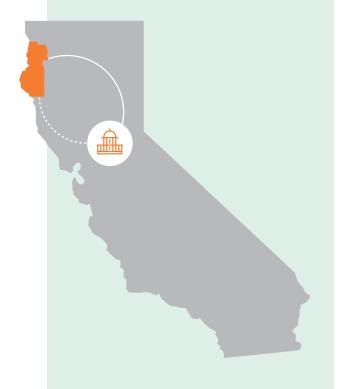
The County adopted Interim Permits finding that "is in the best interest of the County of Humboldt" to provide access to state licensure in time for the January 1, 2018; this was the top policy priority HCGA in 2017.

2017 HCGA ACCOMPLISHMENTS



Throughout the year, HCGA participated in dozens of panel discussions, presentations, and media interviews, additionally, we held countless meetings with state agencies and legislators, as well as local policy makers to advocate and educate people about the state of Humboldt County Cannabis.

2017 ACCOMPLISHMENTS IN PARTNERSHIP WITH CALIFORNIA GROWERS ASSOCIATION



FIXED THE "HARVEST TAX."

Developed new policy that clarifies that tax collection will happen when cannabis flower/trim enters the commercial market and only after the product has completed testing and clarified the tax will be remitted by the distributor instead of the cultivator.

ESTABLISHED AGRICULTURAL COOPERATIVES ASSOCIATIONS FOR CANNABIS.

Limited to license type 1's & 2's, to allow cultivators to organize to create greater efficiencies and compete in the new marketplace. Cannabis cooperatives can cultivate, process, market and distribute cannabis products.

ENSURED AUTHORIZATION FOR DELIVERY/NON-STOREFRONT DISPENSARY.

Established a new authorization for the "Type 10 Retailer" license that authorizes a licensee to conduct sales exclusively by delivery so long as there is a physical location for the licensee.

SECURED CANNABIS APPELLATIONS & ORGANIC STANDARDS.

Policy was achieved to require the Department of Food & Agriculture to develop a California organic designation for cannabis by 2021. The Department will also include standards, practices and varietals as part of their appellations program.

ACCOMPLISHED CO-LOCATION OF MEDICAL & ADULT-USE CANNABIS PRODUCTS, AND PERMITTING OF MULTIPLE LICENSES IN ONE LOCATION.

Ensured that the co-location of medical and adult use products "type A" and "type M" licenses could be issued to a single entity; and achieved policy that allowed multiple cannabis businesses to be licensed at one facility or location.

SECURED CASH MANAGEMENT/TAX PAYMENTS.

Achieved new policy that would require that the Secretary of Business, Consumer Services & Housing work with the Legislature, the Bureau of Medical Cannabis (Bureau), the Department of Food & Agriculture, and the Department of Public Health to ensure there is a safe and viable method to collect taxes and fees related to the regulation of cannabis activity.

ESTABLISHED NORTH COAST FIELD OFFICE FOR CANNABIS BUSINESSES.

Achieved policy that the Bureau will coordinate with the Department of General Services to establish an office to collect fees and taxes in the County of Humboldt, Trinity, and Mendocino to ensure the safe payment and collection of cash in those counties.

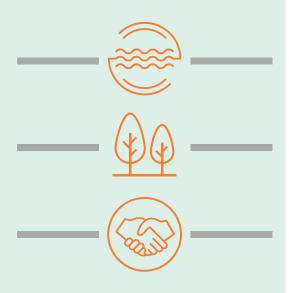
DETERRED MONOPOLIES, EXCESSIVE CONCENTRATION OF CANNABIS BUSINESSES.

Achieved policy that requires each licensing authority to evaluate certain factors before issuing or renewing a license – those factors include whether the issuance of the license would create a monopoly or an excessive concentration of licensees.

ACHIEVED STATE TEMPORARY EVENT LICENSES.

Achieved policy that would allow the Bureau to issue a state temporary event license for a local cannabis event that features or allow sampling of cannabis products for those over 21 years of age.

PEOPLE, PLANET, PROFIT



TRIPLE BOTTOM LINE



A HUGE THANK YOU TO OUR MEMBERS

12/12 Distribution 8-Mile Family Farms

ABC Farms
Aged Vineyards

Alderpoint Road Holdings

Amaranth Farms
Amore Farms

Ancient Tech Cultivation

Apotheca Farms

Azure Terra

Badass Mothers Farm

Barrett Farms

Bear Butte Farms
BlakHum Organics

Butterfly Creek Collective

California Packaging

Company Canigou

CannaEye Cannabis

Cannazine

CARE Cooperative CASA Humboldt

Castle Ridge

Chamise Creek Farms
Chronic Creek Farms

Clear Water Farms

Coastal Praire

Countyline Ranch

Crown Public CW Analytical

Dew Point

East Mill Creek Farms Elk Ridge Holistics

Emerald Mountain Farm

Emerald Organics

Cooperative

Emerald Queen Farms

Empress Farms

Fire Mountain Farms

Forbidden Fruit Farms

Full Moon Farms
Generation Farms

Humboldt

Golden Gardens Good River Farm

Gravel Spur Farm Green Truth Gardens Green with Envy

Greenwood Farmz

Grune Blume

Happy Dreams Farm Happy Head Ranch

Heart of Humboldt

Hendrx Farms

Hidden Prairie Farms

Higher Path

Hilltop Farm Humboldt

Honeydew Farms

Honeydew Creek Farms

Honeydew Grade A Farm Honeydew Valley Farms

House of Jade

Huckleberry Hill Farms

HumBee

Humboldt AF Cannabis Humboldt Apothecary

Humboldt Boutique

Gardens

Humboldt Clone Nursery Humboldt County Indoors

Humboldt Craft Farms

Humboldt Cut Humboldt Dawn Humboldt DNA

Humboldt Family Farms

Humboldt First

Humboldt Green Light

Kitchen

Humboldt Green Tree

Farms

Humboldt Grove Humboldt Growers

Collective

Humboldt Harvest

Humboldt Medicine Man Humboldt Mountain

Humboldt Origins
Humboldt Patient

Resource Center Humboldt Processing

Company

Humboldt Seed Company

Humboldt Trees

Humboldt Weed Farm Ice Box Flat Farms

Infuzions

Joshie's Holistics Kind Solutions

Kiskanu Klamath Sky

Ladybug Herbal Sanctuary

Laughing Tabby Lazy S Ranch Leaf Detective

Light Heart Collective Live Oak Meadows Lost Coast Botanical

Lost Coast Lady Farms Lucy Gulch

Magneculture
Mamba Humboldt

Logistics

Mattole Valley Organics MCB Valley Properties

Medicine Wheel Farm Medix Organix MOCA Humboldt

Moontime Medicinals Mr Beans Veganix Mule Creek Ranch

NASHA Extracts

Native Humboldt Farms

Navaya

Northern Emeralds Organnabliss Farms

Painted Mountain Farms

Palo Verde Farms Papa & Barkley

Paradigm Cannabis

Patterson Flat Farm

Peak Industries

Phylos Bioscience

Power Flower Farm
Prolific Flower

Proper Cannabis

Distribution

Proxima Investments Ouantum Genetics

Redwood Roots

Reed Mountain Pharms

Ridgeline Farms Rise Distribution Riverview Gardens

Rolling Acres Organics Ryan Vineyard

Salmon Creek Family

Farm Sarkara

Satori Wellness

Sayrina Fieldbrook Farm Seal Camp Farms of

Humboldt Sisu Extracts

SoHum Royal Cannabis

Sohum Sown SoHum Sweet Tea Southern Humboldt

Concentrates
Space Gem Candy
Sugarleaf Holdings
Sun Growers Guild

Sungold Flat

Sunhouse Gardens

Sunnabis

Sunnvside Farms

Terravida Farms

The Hills

The Honeydew Creek

Sunrise Mountain Farms

Original Farm

The Humboldt Cure

Three Creeks Farms

UpNorth Distribution

West End Farms
White Farms

Whitethorn Valley Farm

Wild West Herbs

Wildseed Oil

Winterbourne Farms
Woody Ridge Farms

BUSINESS SPONSORS

Beneficial Living Center Branfman Law

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Dark Staffing Solutions

Green Guidance Solutions
Green Road Consulting

GreenspoonMarder

Harris & Gray CPA Hillside Ag Consulting

Humboldt Cannabis

Magazine

Humboldt Green

Inn at 2nd & C

Laura Cutler, Esq. Lysander Professional

Manhard Engineering

Magneculture

North Coast Horticulture Paylich Professionals

ReProp Financial

Trim Scene Solutions

FINANCIAL REPORT



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REVENUE & SUPPORT

Membership	\$167,575.00
Donations	\$4,295.32
TOTAL REVENUE	\$171,870.32

EXPENSES

Insurance Rent & phones Office supplies Database, bank charges,	\$8,251.70 \$1,350.00 \$5,140.75
internet & phones Payroll & taxes Attorney, Branding & Bookkeeping CalGrowers membership Advertising Event costs Travel	\$3,008.58 \$62,456.00 \$14,977.53 \$33,308.00 \$1,750.93 \$4,188.12 \$1,103.81

TOTAL EXPENSES \$135,535.42

NET INCOME \$36,334.90

TOTAL ASSETS \$39,425.33

MEMBERS

Our membership is exclusively comprised of cannabis business with local permits and state licenses. As a trade-association, we work on behalf of our members, providing advocacy, education and public relations.

BUSINESS SPONSORS

Supported, in part, by businesses that value our efforts to preserve, protect and enhance Humboldt County's world-renowned cannabis industry.

Not already a member or Business Sponsor? Contact HCGA.co to join the Alliance today. HCGA is a non-profit, mutual-benefit corportation.

