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CEO  
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Dear Mendocino Board of Supervisors,

It is my belief that Mendocino County is uniquely positioned, like no other county in the state, and by default the world, to be among the most important regions for cannabis commerce beyond just cultivation. The multi-generations of cannabis farmers, the decades of experience, the microclimates of the region, the already recognized Mendocino appellation, the focus of farmers for years on quality over quantity- give Mendocino the opportunity to separate itself from the rest and be on a league of its own when it comes to cannabis. Mendocino has stood, and can continue to own, the highest quality echelon, can be a model for sustainability and environmental protections and can prove a model to the world that promotes community and responsible stewardship at its core.

To create this ecosystem, in this region, it is imperative that the county take steps immediately towards supporting this industry, and all of its components as a whole, or you risk losing the chance to be part of it all together. The following months are critical to establish the foundation for what is to be several years of an evolving industry; and without the proper first steps, and keeping ahead of the other counties, we all risk falling behind, and in the worst case, being left out completely. By not creating an ecosystem, whereby different parts of the supply chain can coexist within the safe confines of the law; you jeopardize draining talent and families from this community that will trickle into other regions where the legal and political environment is friendlier and more supportive of their future. Not assuring a safe haven for the existing communities, and not opening the doors to other important pieces of the industry that complement these, means all of these sectors will develop elsewhere. This will make it ever harder to attract the necessary financial and human resources required to make Mendocino a leading county in this industry.

It is imperative that the board of supervisor sees this process of building an industry as one complete ecosystem and not as separate pieces that can be stripped from one another. When considering to build an industry, it is not possible to regulate one piece, or one sector alone, as the success of each of them depends on the success of the others. A healthy industry has cultivators, manufacturers, transporters, labs, distributors, retailers, etc.- and focusing on one piece without creating a framework for the entire industry to develop is an assured failure. Granting farmers, the ability to cultivate, but giving them, or their partners, no protection to transport from one farm to the other, or from one farmer to manufacturer, or farmer to retailer, or farmer to distributor means they will be able to do nothing in this industry. Adopting the Heritage Initiative, or implementing a similar framework, implies that the Board of Supervisors is

taking a holistic view to the industry and giving a fighting chance for these farmers to engage in the legal marketplace.

At Flow Kana, we have been representing Sungrown Cannabis from the Mendocino hills since our beginning. We have found great success positioning ourselves as a premium source of medicine by telling the stories of these communities and these farmers. Patients at large, and operators all over the state, seek us specifically to obtain this medicine and be able to offer the absolute best to their patients. We started a few years ago in the SF bay area, but have recently expanded to Los Angeles and have plans in the coming months to distribute all over the state. For us, the current state of the legal landscape in Mendocino, prevents us from continuing to do what we do, bringing the demise of our company and as a result our 40+ farmer members that depend on us for a legitimate market. Without the approval of the Heritage initiative on August 2<sup>nd</sup>, or the adoption of a similar framework, we will be forced, along with our farmers, to relocate to a county that will afford us the opportunities we need to thrive.

We are working with a local community of farmers to create an Agricultural Cooperative to ensure that the value created through scaling stays fairly distributed in the farmers' hands and within the community. We have plans to invest large sums of capital into the community into infrastructure, tools, technology and efficiencies to allow our small, fragmented and distributed farmer base to be able to gain the scale to compete effectively in a more regulated marketplace. We want to bring to the community the capital and human resources to ensure the future of these farmers and to shift the seasonal and destructive nature of the temporary workforce into long lasting full time jobs. We are prepared to bring a great number of resources to this community but at this point cannot make the commitment as the current legal framework is not there to support us.

We urge the Board of Supervisors to adopt this initiative, or to create a similar framework, that allows all the other pieces of the supply chain to legally operate no later than Dec. 31, 2016. Ensuring other pieces of the supply can get license, is the first step in ensuring our already licensed farmers will have viable ways to enter the CA legal marketplace.

Sincerely,

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