

ICCP ANNUAL BENEFIT REPORT



**Issued by Integrate Cal Community Partners, Benefit Corporation
For the Operational Period of March 23rd, 2016 to March 23rd, 2017**

Timour A. Kousnoutdinov, Chairman of the Board of Directors
Eric M. Gudz, Benefit Director

ABOUT THIS COMPANY

Integrate Cal Community Partners, Benefit Corporation (ICCP) better known as Integrate Cal or Integrate is a small startup based out of Davis, California.

Our Vision



Integrate envisions the full potential of a post-prohibition world, where resilient local economies and community-oriented policies are rooted in compassion, dignity, social justice, and environmental sustainability.

Our Mission



Integrate creates and champions community development strategies for a maturing cannabis industry and offers local governments sensible pathways for implementing durable cannabis policies.

- - - Integrate's updated Benefit Commitment statement - - -

California represents the largest U.S. economy and the 8th largest economy in the world. Navigating the complex terrain of its legislative and regulatory landscape present many challenges. Beautiful and bountiful, California has a proud history of leadership, innovation, and social justice. It is predicted that California will soon be the leader in many aspects of the Global Cannabis Industry.

There has been a fundamental change in the cultural, political and scientific appreciation of cannabis that has led to a wave of legislation and emergence of a rapidly growing legal market. This realization, while groundbreaking, carries with it a heavy debt to the social justice organizational entities working tirelessly to fix the misaligned, prohibitionist cannabis policies of the past.

Recognizing this link between the successes of both the social justice and the market development sides of the cannabis cluster, Integrate is committed to guiding communities and creating direct benefit through community commerce programming, educational apprenticeships/fellowships, and social justice movement building.

In demonstrating how community-oriented medical cannabis markets may adopt and implement both the Medical Cannabis Regulation and Safety Act as well as the Adult

Use of Marijuana Act, we offer a vision of the potential for the future cannabis industry. By collaborating with all the architects and stakeholders involved, we will work to ensure upcoming regulations support our community's interests.

Most importantly, we invite all of you to participate in our community development process. Engaging in community development programs from a local, social, and environmentally conscious perspective, we can work to repair the impacts of prohibitionist policies towards cannabis.

From recognizing prison reforms, repairing environmental degradation, and addressing the infringement of civil rights, we help our clients face the diverse needs of their community while working towards a more sustainable and equitable future for all Californians.

OUR SUCCESSES

Here are some of Integrate's applicable successes from this first year:

- Ensuring that Davis' municipal government protected patient rights and provided initial insulation for local operators
- Ensuring representation of local cannabis industry interests at nearly every Davis city and Yolo county meeting, hearing, and event
- Drafting a detailed and well-documented 45-page White Paper in partnership with a local operator for the benefit of local government officials, academics, and the like
- Maintaining good overall record-keeping as well as operational transparency and accountability
- Offering equity to every employed or internally contracted team member using the same terms and vesting schedule

OUR SHORTCOMINGS

Here are some of Integrate's applicable shortcomings from this first year:

- Lack of internally recording and then publicizing every positive company function
- Lack of establishing explicit and Board-certified Specific Public Benefits
- Lack of assessing operations against a Third Party Standard

OUR PAST

Integrate Cal first started out as Cal Heritage in January of 2016, before any real formational work was completed. The business venture was finally incorporated in late March of the same year only to be restructured and reformed the very next month by the core team of Eric Gudz, Tim Khousnoutdinov, and Katie Stone. Despite this change, the goal of pursuing a new kind of business model stayed intact, emphasizing corporate responsibility, sustainability, and community commitment.

In October, the Integrate team welcomed two new members into its ranks, being that of Kayla Pace (as the Community Engagement Coordinator) and Brian Egan (as the Policy and Data Architect). Shortly after in November, yet another member by the name of Kareem Aref (as the Program and Project Manager) joined along. As the team grew, so did the scope of work performed by the company as a whole. Advocacy, activism, compliance, management, and other focus areas were added to the weekly docket of work. As business and community demands widened following the passage of Proposition 64, the need to expand, refine, and redefine operations and roles became apparent. So, in January of 2017, the company onboarded the talented Mr. Lorne Silverstein to head daily operations as the Chief Executive Officer. Around the same time, however, Integrate had to part ways with Ms. Katie Stone, who served as the original Chief Community Officer and Benefit Director. Since the company was based in Davis, and since she had completed her academic work in and around the Bay Area and had plans to travel the country helping individuals and companies achieve harmony with new cannabis regulations, the decision made sense but was still difficult to make.

OUR FUTURE

Although Integrate has only been around for just over a year, continued progress and success with local policy-makers, operators, and other involved parties has been promising. With more exciting developments under way in the cities of Davis, Woodland, Sacramento, and beyond, on top of their respective county spaces, the Integrate team remains energized to continue serving the people.

The nature of business is changing.
A mature cannabis industry is emerging.
Let Integrate be your guide through this transition.
We are here to serve you

BOARD OPINION

The Board of Directors believes that the officers of the company did everything they reasonably could to ensure that Integrate's social and economic interests were balanced throughout the course of this first year. The Board further notes that significant financial expenses were incurred by the Founders during incorporation and that initially low earnings coupled with hundreds of hours of pro bono work nevertheless ensured a "material positive impact" to the communities of concern within which the company operates, despite the lack of full compliance to state benefit corp provisions.
