

**GRANT AGREEMENT  
BETWEEN THE COUNTY OF HUMBOLDT, HEADWATERS FUND  
AND  
NORTH COAST SMALL BUSINESS RESOURCE CENTER**

Contract #19-GF-05

This Agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 201\_ by and between the County of Humboldt, Headwaters Fund, a political subdivision of the State of California (hereinafter called “the County”) and the North Coast Small Business Resource Center, a nonprofit corporation located in Humboldt County, California (hereinafter called “the Grantee”), together referred to as “the Parties”.

WHEREAS, the Grantee has applied for funding through the Headwaters Grant Fund competitive awards process; and

WHEREAS, the Grantee’s proposed project supports the Headwaters Grant Fund’s mission and funding priorities of facilitating economic development for Humboldt County; and

WHEREAS, on 5/14/19 the Headwaters Fund Board (“HFB”) recommended the Grantee’s proposed project for Headwaters Grant Fund funding on the terms and conditions set forth herein; and

WHEREAS, on 6/18/19, the Humboldt County Board of Supervisors (“Board”) approved the Grantee’s proposed project for Headwaters Grant Fund funding on the terms and conditions set forth herein.

NOW, THEREFORE, the parties hereto mutually agree as follows:

**I. PROJECT DESCRIPTION**

A. Grantee shall utilize the grant funds for reconstituting the SBRC to serve the cannabis industry (the “Project”). The specific tasks to be carried out are set forth in Exhibit A- Scope of Work and Exhibit B (Grantee’s grant proposal), both of which are attached hereto and incorporated in full herein.

**II. AWARD AMOUNT AND DISBURSEMENT**

A. County agrees to pay Grantee from the Headwaters Fund a sum not to exceed Twenty-Nine Thousand and Forty Dollars (\$29,040) to cover Grantee’s costs in carrying out this part of the Project. Costs for labor and materials shall be as set forth in the Project Budget attached hereto as Exhibit C and incorporated herein full by reference. Grantee shall bear the responsibility for any Project costs in excess of \$29,040.

B. Grantee shall submit an itemized invoice, no less frequently than quarterly and no more frequently than monthly, to the County itemizing all work completed and costs incurred as of the invoice date. Eligible expenses include Project costs beginning on the Agreement date listed above and ending at the termination date of this Agreement. The invoice will utilize Funds Request Form (Exhibit D) and reference relevant sections and categories of Project Budget (Exhibit C). Payment for work performed will be made within thirty (30)

days after receipt of the invoice. Although payment will customarily be made in arrears, Grantee may request prospective payment. Prospective payments must be approved in writing by the Humboldt County Auditor (or his designee), and shall be supported by written justification.

- C. Ten percent (10%) of the total grant amount specified in Section II-A above will not be released to Grantee until Grantee submits the Final Report (*see* Section V(A)(3)) for the Project.
- D. No later than forty-five (45) days after expenditure of all grant funds, or completion of the Project, whichever is sooner, Grantee shall submit adequate written documentation summarizing all costs incurred in connection with performance of services under this Agreement.
- E. Any unspent funds shall be returned to the County with no negative consequences for future grant applications as long as all reasonable efforts were made to execute the Project within the Project Budget (Exhibit C) in a timely manner.
- F. Matching Funds
  - 1. Grantee has documented that required grant matching funds (outlined in Project Budget, Exhibit C) have been received for the Project.
  - 2. If Grantee determines that Project funding from other source(s) can no longer be used, County's funding may be reduced, suspended, or terminated. Grantee must contact Headwaters Fund Executive Director immediately under such conditions.
- G. If Grantee deviates by more than six months from the Project timeline dates outlined in Exhibit A, the Headwaters Fund Board shall have the discretion to modify, terminate, or disencumber unspent funds from the grant.

### III. GRANT MODIFICATIONS

- A. Deviations of any single category proposed in the line item budget must receive written approval of the County at the following levels of approval:
  - 1. Headwaters Fund Executive Director may adjust changes in grant timelines, activities, and partners that are consistent with original Project goals, target populations, and geographical focus. Headwaters Fund Executive Director may approve budget changes under \$10,000.
  - 2. The Headwaters Fund Board must approve changes in Project goals, target population, and geographic focus. Budget changes of \$10,000 or more require Headwaters Fund Board approval.
- B. If additional time beyond the timeline provided by the Grantee (listed in Exhibit A) is required and exceptional circumstances warrant, a formal request must be submitted to the Headwaters Fund Executive Director. The request must be submitted at least forty-five (45) days prior to the expiration date of the grant. The request must explain the need for the extension and include an estimate of the unobligated funds remaining and a plan for their use. Unobligated funds remaining at the expiration of the grant is not sufficient justification for an extension. The plan must adhere to the previously approved objectives of the Project.

### IV. GRANT REPORTING AND AUDITING

#### A. Reporting

1. Grantee will submit Quarterly Reports to Headwaters Staff. Each of these reports covers three months of the calendar year and is due thirty days after the end of the quarter (April 30, July 31, October 31, January 31). Reporting will begin after the first full quarter after the start date of the contract (i.e. if the contract start date is February 1, the first Quarterly Report is not due until July 31). Quarterly reports will utilize the format in Exhibit E and shall include:
  - i. Documentation of activities contracted and completed with grant funds;
  - ii. Financial accountings of grant funds. Grant funds should be tracked separately. Receipts documenting purchases may be requested;
  - iii. Subcontracts signed and/or completed;
  - iv. Narrative of accomplishments to date and schedule of activities and expected completion date;
  - v. Progress on meeting match requirements and fundraising activity report; and
  - vi. Requests for revisions of timeline, budget, and other Project items.
2. County Staff may review any records or documents pertinent to the Project at any time. Such records include information about the Grantee's organization and budget.
3. A Final Report, describing the work accomplished during the entire period of the Agreement, shall be submitted to County no later than the thirtieth (30th) day of the month following the Agreement's termination date. The Final Report will follow the format of Quarterly Reports (Exhibit E) and also include a Grant Evaluation (*see* Section VI and Exhibit F). County may require Grantee to report on other Project activities, processes, and outcomes as needed in the Final Report.
4. County will send a Grant Closeout letter to Grantee after the Final Report. When Grantee returns the letter, the grant is considered closed.

#### B. Auditing

1. Grantee shall retain, and County Staff shall have access to, any pertinent books, documents, papers and records of the Grantee organization (and of the performing organization, if different) to make audits, examinations, excerpts and transcripts for up to four (4) years after grant termination date. County Staff and its representatives may conduct periodic site visits to review the effectiveness of the grant.
2. Grantee agrees to timely prepare and maintain accurate and complete financial and performance records for a minimum of four (4) years from the date of final payment under this Agreement or until all pending County, State, and Federal audits are completed, whichever is later. The books and records shall be original entry books with a general ledger itemizing all debits and credits for the work.
3. Grantee shall maintain detailed payroll records. Grantee agrees to maintain such records locally and make them available for inspection by County Staff and representatives, during normal business hours, upon one (1) working day notice.
4. Grantee will permit the County to audit all books, account or records relating to this Agreement for the purpose of compliance with applicable audit requirements relative to this Agreement. Grantee shall provide the County with any relevant information

required and shall permit access to its premises during normal business hours upon five (5) days' notice.

5. In the event of an audit exception or exceptions, the party responsible for not meeting the program requirement or requirements shall be responsible for the deficiency and for the cost of the audit. If Grantee is the party responsible for the deficiency, the cost of the audit and the deficiency shall be paid by Grantee within thirty (30) days of notice.
6. Grantee assures that it maintains appropriate internal financial controls over grant funds received and disbursed, including procedures for authorizing disbursements, tracking grant expenditures, and reporting grant revenue and expenditures.
7. The County's rights and obligations under this provision shall continue after termination of the Agreement until December 31, 2019. In the event the term of this grant is extended under Paragraph III of this Agreement, the County's rights and obligations under this provision shall be extended for the same period of time.

#### V. GRANT EVALUATION

- A. At the completion of the Project, Grantee will complete a self-evaluation for the Project using the Project Evaluation Form (Exhibit F). The self-evaluation will be part of the Project's Final Report, and due no later than the thirtieth (30th) day of the month following the Agreement's termination date. County may require Grantee to present Project overview, results, and evaluation to the Headwaters Fund Board. County representatives may also conduct site visits to the Grantee and its Project for the purpose of grant evaluation. County may modify Project evaluation requirements as needed during the Project.
- B. Grantee shall submit quarterly reports and a Final Report to County as specified in Section V(A).
- C. In connection with the Headwaters Fund's mission to facilitate economic development for Humboldt County, Headwaters Fund Staff may conduct follow-up interviews with Grantee after the grant has been closed and/or the termination of this Agreement in order to evaluate the Project's long-term results, outcomes, and effectiveness in supporting the Headwaters Fund's purpose. Grantee agrees to be interviewed and shall cooperate and respond to any requests for information from Headwaters Fund Staff.

#### VI. FUNDER RECOGNITION AND MEDIA RELEASE

- A. Grantee shall identify The Headwaters Fund as a support organization on all published material relating to the subject matter of the award.
- B. Grantee shall provide information in a timely manner and otherwise cooperate with the County in completing Headwaters Fund reports on grants and other documents related to grants. This cooperation may include Grantee attendance at events publicizing Headwaters Fund grants.
- C. All press releases and informational material related to this Agreement shall receive approval from the County prior to being released to the media (television, radio, newspapers, Internet). In addition, Grantee shall inform the County of requests for interviews by media related to this Agreement prior to such interviews taking place. The County reserves the right to have a representative present at such interviews.
- D. Grantee must abide by the specific requirements in the Headwaters Fund Recognition Policy attached as Exhibit G.

VII. INSURANCE REQUIREMENTS:

- A. This Contract shall not be executed by County and the Grantee is not entitled to any rights, unless certificates of insurances (or other sufficient proof that the following provisions have been complied with) and such certificate(s) are filed with the Clerk of the Humboldt County Board of Supervisors.
- B. Without limiting Grantee's indemnification obligations provided for herein, Grantee shall take out and maintain and shall require any of its subcontractors to take out and maintain, throughout the period of this Agreement and any extended term thereof, the following policies of insurance placed with insurers authorized to do business in California and with a current A.M. Best rating of no less than A:VII or its equivalent against injury/death to persons or damage to property which may arise from or in connection with the activities hereunder of Grantee, its agents, officers, directors employees, licensees, invitees, assignees or subcontractors:

1. Comprehensive or Commercial General Liability Insurance at least as broad as Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001), in an amount of Two Million Dollars (\$2,000,000) per occurrence for any one incident, including, personal injury, death and property damage. If a general aggregate limit is used, either the general aggregate limit shall apply separately to this Project or the general aggregate shall be twice the required occurrence limit.
2. Automobile/Motor Liability Insurance with a limit of liability not less than One Million Dollars (\$1,000,000.00) combined single limit coverage. Such insurance shall include coverage of all owned, hired and non-owned vehicles. Said coverage shall be at least as broad as Insurance Service Offices Form Code 1 (any auto).

**OR**

As stated in Exhibit A – Scope of Services, CONTRACTOR will not drive an automobile in the performance of services for COUNTY. If that changes, CONTRACTOR will take out and maintain Automobile/Motor Liability Insurance with a limit of liability not less than One Million Dollars (\$1,000,000.00) combined single limit coverage. Such insurance shall include coverage of all owned, hired and non-owned vehicles. Said coverage shall be at least as broad as Insurance Service Offices Form Code 1 (any auto).

3. Workers Compensation and Employers Liability Insurance providing workers' compensation benefits as required by the Labor Code of the State of California. Said policy shall contain or be endorsed to contain a waiver of subrogation against County, its officers, agents, employees, and volunteers. In all cases, the above insurance shall include Employers Liability coverage with limits of not less than One Million Dollars (\$1,000,000) per accident for bodily injury and disease.
4. Professional Liability Insurance/Errors and Omission Coverage including coverage in an amount no less than One Million Dollars (\$1,000,000) for each occurrence (Two Million Dollars (\$2,000,000) general aggregate). Said insurance shall be maintained for the statutory period during which the professional may be exposed to liability. Contractor shall require that the aforementioned professional liability insurance coverage language be incorporated into its contract with any other entity with which it contracts for professional services.

5. Insurance Notices:

County of Humboldt  
Economic Development Division  
Attn: Headwaters  
520 E Street,  
Eureka, CA 95501  
(707)445-7745  
[ddamiano@co.humboldt.ca.us](mailto:ddamiano@co.humboldt.ca.us)

C. Special Insurance Requirements. Said policies shall unless otherwise specified herein be endorsed with, the following provisions:

1. The Comprehensive General Liability Policy shall provide that the County, its officers, officials, employees, agents and volunteers, are covered as additional insured for liability arising out of the operations performed by or on behalf of Grantee. The coverage shall contain no special limitations on the scope of protection afforded to the County, its officers, officials, employees, agents and volunteers. Said policy shall also contain a provision stating that such coverage:
  - i. Includes contractual liability
  - ii. Does not contain exclusions as to loss or damage to property caused by explosion or resulting from collapse of buildings or structures or damage to property underground, commonly referred to "XCU Hazards"
  - iii. Is primary insurance with regards to County of Humboldt
  - iv. Does not contain a pro-rata, excess only, and/or escape clause
  - v. Contains a cross liability, severability of interest or separation of insureds clause
2. The policies shall not be canceled, non-renewed or materially reduced in coverage without thirty (30) days prior written notice being provided to County and in accordance with the Notice provisions set forth under Section XI. It is further understood that Grantee shall not terminate such coverage until it provides County with proof satisfactory to County that equal or better insurance has been secured and is in place.
3. The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the insurer's liability.
4. For claims related to this Project, the Grantee's insurance is primary coverage to the County, and any insurance or self-insurance programs maintained by the County are excess to Grantee's insurance and will not be called upon to contribute with it.
5. Any failure to comply with reporting or other provisions of the Parties, including breach of warranties, shall not affect coverage provided to County, its officers, officials, employees, agents and volunteers.
6. Grantee shall furnish County with certificates and original endorsements affecting the required coverage prior to execution of this Agreement by County. The endorsements shall be on forms as approved by the County's Risk Manager or County Counsel. Any deductible or self-insured retention over One Hundred Thousand Dollars (\$100,000)

shall be disclosed to and approved by County. If Grantee does not keep all required policies in full force and effect, County may, in addition to other remedies under this Agreement, take out the necessary insurance, and Grantee agrees to pay the cost of said insurance. County is also hereby authorized with the discretion to deduct the cost thereof from the monies owed to Grantee under this Contract.

7. County is to be notified immediately if twenty-five percent (25%) or more of any required insurance aggregate limit is encumbered and Grantee shall be required to purchase additional coverage to meet the aggregate limits set forth above.

#### VIII. HOLD HARMLESS AND INDEMNIFICATION

- A. Grantee shall hold harmless, defend and indemnify the County and its officers, officials, employees, agents and volunteers from and against any and all liability, loss, damage, expense, costs (including without limitation costs and fees of litigation) of every nature arising out of or in connection with Grantee's performance of work hereunder or its failure to comply with any of its obligations contained in the Agreement, except such loss or damage which was caused by the sole negligence or willful misconduct of the County.
- B. Acceptance of insurance required by this Agreement does not relieve Grantee from liability under this indemnification clause. This indemnification clause shall apply to all damages or claims for damages suffered by Grantee's operations regardless if any insurance is applicable or not.

#### IX. TERMINATION FOR CAUSE

- A. The County, in its sole discretion, may terminate this Agreement immediately upon notice if, in the opinion of the County, Grantee fails to perform the services required under this Agreement within the time limits specified herein, or otherwise fails to comply with the terms of this Agreement, or violates any ordinance, regulation, or other law which applies to its performance herein. In such event, the County may exercise any of its rights under this Agreement or available to it under the law.

#### X. NOTICES

- A. Notices shall be given to the County at the following address:

Headwaters Fund Director  
Economic Development Division  
County of Humboldt  
520 E Street, Eureka, CA 95501  
(707) 445-7745  
[headwaters@co.humboldt.ca.us](mailto:headwaters@co.humboldt.ca.us)

- B. Notices shall be given to Grantee at the following address:

Natalynne DeLapp  
North Coast Small Business Resource Center  
427 F Street, Suite 220  
Eureka, Ca 95501  
(707)599-6670  
natalynne@hcga.com

- C. Any and all notice(s) required to be given pursuant to the terms of this Agreement shall be in writing and either served personally or sent by certified mail, return receipt requested, to the respective addresses set forth above. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the forgoing.

XI. MISCELLANEOUS

- A. Grantee Status: Grantee certifies that it is a non-profit corporation or tax-exempt governmental unit located in Humboldt County, California.
- B. Restrictions, Limitations or Conditions: This Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Federal and/or State Governments that may affect the provision, terms or funding of this Agreement.
- C. Relationship of Parties: Grantee shall perform all work and services as described herein as an independent contractor. No person performing any of the work or services described herein shall be considered an officer, agent, servant or employee of the County nor shall any such person be entitled to any benefits available or granted to employees of the County. Grantee shall be solely responsible for the acts or omissions of its officers, agents, employees, and subcontractors. Nothing herein shall be construed as creating a partnership or joint venture between the County and Grantee.
- D. Assignment: Neither Party shall assign its obligations under this Agreement without the prior written consent of the other. Any assignment by Grantee in violation of this provision shall be void, and shall be cause for immediate termination of the Agreement.
- E. Subcontracting: Grantee shall not subcontract any portion of the work required by the Agreement without prior written approval of the County.
- F. Licensing: If Grantee is required to be licensed by the State of California, Grantee shall maintain the appropriate licenses throughout the life of this Agreement.
- G. Nuclear Free Humboldt County Ordinance Compliance: Grantee certifies by its signature below that Grantee is not knowingly or intentionally engaged in the research, development, production, or testing of nuclear warheads, nuclear weapons systems, or nuclear weapons components as defined by the Nuclear Free Humboldt County Ordinance. Grantee agrees to notify County immediately if it becomes a nuclear weapons contractor, as defined above. County may immediately terminate this Agreement if it determines that the forgoing certification is false or if Grantee becomes a nuclear weapons contractor.
- H. Title to Information and Documents: It is understood that any and all documents, information, and reports concerning this Project prepared by and/or submitted by Grantee shall become the property of the County. Grantee may retain copies for its own records. In the event of termination of this Agreement, for any reason whatsoever, Grantee shall promptly turn over all information, writings and documents to the County without exception or reservation.
- I. Nondiscrimination Clause Compliance (Employment And Services): In connection with the execution of this Agreement, Grantee shall not discriminate in the provision of services or against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical or mental disability (including HIV status and AIDS), medical condition (including cancer and genetic characteristics), marital status, political affiliation, sex (including gender identity and expression, pregnancy, childbirth and related



medical conditions), age (over 40 years of age), sexual orientation (including heterosexuality, homosexuality and bisexuality), military service, or any other classifications protected by local, state and federal laws and regulations. Nothing herein shall be construed to require the employment of unqualified persons.

Grantee further assures that it shall abide by the provisions of Title VI and Title VII of the Civil Rights Act of 1974, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, United States Executive Order 11246, as amended by United States Executive Order 11375 and as supplemented in 45 CFR, Part 60, and other applicable federal, state, and local laws and regulations to ensure that employment practices and the delivery of services are non-discriminatory. Practices in hiring, compensation, benefits and firing are among the employment practices subject to this requirement.

- J. Entirety of Contract: This Agreement shall constitute the entire Agreement between the parties relating to the subject matter of this Agreement, and shall supersede any previous agreements, promises, representation, understanding and negotiation, whether oral or written, concerning the same subject matter. Any and all acts, which may have already been consummated pursuant to the terms, which are embodied in this Agreement, are hereby ratified.
- K. Amendment: No addition to, or alteration of, the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto.
- L. Compliance with Applicable Laws: Grantee shall comply with any and all applicable federal, state and local laws.
- M. Jurisdiction and Venue: This Agreement shall be construed in accordance with the laws of the State of California. Any dispute arising hereunder or relating to this Agreement shall be litigated in the State of California and venue shall lie in the County of Humboldt, unless transferred by court order pursuant to California Code of Civil Procedure §§ 394 or 395.
- N. Severability: If any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.
- O. No Waiver: The waiver by either party of any breach or violation of any requirement of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other provision of this Agreement. In no event shall any payment by County constitute a waiver of any breach of this Agreement or any default which may then exist on the part of Grantee. Nor shall such payment impair or prejudice any remedy available to County with respect to any breach of default. County shall have the right to demand repayment of, and Grantee shall promptly refund, any funds disbursed to Grantee, which in the judgment of County were not expended in accordance with the terms of this Agreement.
- P. Confidential Information: In the performance of this Agreement, Grantee may receive information which is confidential information under state or federal law. Grantee agrees to comply with all laws regarding confidentiality and shall advise and require all subcontractors to comply with the laws of confidentiality.
- Q. Public Works: To the extent the Project, or any part thereof, constitutes a public work under the California Labor Code and/or the Public Contract Code, Grantee will abide by the prevailing wage laws and the contracting requirements of the respective codes. Grantee's

indemnification and insurance obligations in favor of County under this Agreement specifically extend to these obligations.

R. Authority to Execute: Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement for or on behalf of the parties to this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first herein above written.

(SEAL)

COUNTY OF HUMBOLDT

ATTEST:  
CLERK OF THE BOARD

\_\_\_\_\_  
DEPUTY

BY: \_\_\_\_\_  
CHAIR, BOARD OF SUPERVISORS  
COUNTY OF HUMBOLDT  
STATE OF CALIFORNIA

GRANTEE

BY: \_\_\_\_\_  
*(Signature)*

BY: \_\_\_\_\_  
*(Signature)*

TITLE: \_\_\_\_\_  
*(Print Title)*

TITLE: \_\_\_\_\_  
*(Print Title)*

APPROVED FOR INSURANCE  
REQUIREMENTS

BY: \_\_\_\_\_  
Kacy Green  
Risk Management

Exhibit A – Project Description, Activities, Objectives, Deliverables and Timeline

Exhibit B – Project Application

Exhibit C – Project Budget

Exhibit D – Funds Request Form

Exhibit E – Quarterly Report Form

Exhibit F – Project Evaluation Form – Final Report

Exhibit G – Headwaters Fund Recognition Policy

**EXHIBIT A**  
**Project Description, Activities, Objectives, Deliverables and Timeline**

**Project Description:**

Patterned after NC-SBDC, the North Coast Small Business Resource Center will provide critical training and technical assistance to the potential workforce as well as both existing businesses and new entrants to the industry. These programs will serve the cannabis industry where the SBDC is prohibited to offer assistance due to the federal cannabis ban.

**Activities:**

Funds will be utilized to provide business training and technical assistance services to the underserved cannabis industry in Humboldt County.

**Objectives:**

**Objective 1:** Train 15 people using Manufacturers Skills Standards Council (MSSC) curriculum resulting in a minimum of 10 Production Technician Certificates awarded.

**Objective 2:** Embed the Production Technician Certificate offering into College of the Redwoods programming after this pilot year. Eventually, by starting as a community education pilot there could be the opportunity for this to become a credited class supported by ongoing Career Technical Education funding (CTE.)

**Objective 3:** A minimum of six workshops totaling 100 unique Alternative Agriculture business participants covering the following potential topics:

- Leadership Training (a six-module workshop) with 30 participants
- Human Resources: labor law, employment options, hiring, firing (30+ participants)
- Hands-on OSHA 30 training (30+ participants)
- Sexual harassment prevention training (30+ participants)
- Marketing strategy (40+ participants)
- Hands-on finances and budgeting (40+ participants)
- Merchant to merchant tracking and accounting (20+ participants)
- “Metric” Track and Trace Workshop (40+ participants)

**Objective 4:** An intermediate Bookkeeper Training for the Alternative Agricultural Industry totaling a minimum of 15 participants. This will be a multipart module workshop aimed at existing bookkeepers to provide ongoing educational skills to be better able to serve the needs of the industry.

**Deliverables:**

Deliver training and technical assistance to entrepreneurs in the Humboldt cannabis industry.

**Timeline:**

<b>Date</b>	<b>Milestone</b>
May 2019	Employer workshop #1
June 2019	Workforce Training #1; certification of MSSC- Production Technician Instructor
July 2019	Workforce Training #2
August 2019	MSSC-Production Technician Class; Employer workshop #2
September 2019	Begin providing 1:1 Technical Assistance to Businesses

October 2019	Bookkeeper Training
January 2020	Employer Training #3
February 2020	Employer Training #4
March 2020	Workforce Training #3
April 2020	Job Fair

**EXHIBIT B**  
**Project Application**

The Headwaters Fund  
2018-2019 Grant Fund Application Coversheet

Date of application: March 29, 2019

Organization Name: North Coast Small Business Resource Center

Director/CEO: Natalynne DeLapp (Executive Director)

Contact Person Name and Title: Natalynne DeLapp

Contact Phone: 707-599-6670 Contact Email: natalynne@hcga.co

Contact Address: 427 F, Suite 220, Eureka, CA 95501

Total current year organizational budget:

# of FTE employees: 1

Summarize the organization's mission (in the space provided):

North Coast Small Business Resource Center

Project title: Alternative Agriculture and Niche Manufacturing Training & T/A Project

Please provide a less than 250 word summary of your project which answers the following questions: How will your project lead to improving the local economy and increasing the quality of life for local residents? What exactly are you going to do and for whom? Why is it necessary? What will be accomplished? How will you accomplish this?

The specialty agriculture industry has been part of the fabric of Humboldt County (HC) for 50 years and over that time has seen many industry changes. In its many facets, this industry has been a significant contributor to overall economic growth and development. Negotiating the shifting legislative and regulatory environments has left HC in an economic upheaval. Once, and at least for the time being, specialty agriculture was believed to be the largest single industry in our economy--the industry underpinning much of our retail and hospitality revenue.

In the past few years there has been a significant focus on environmental effects of the lack of regulation and oversight. This has created several challenges—unproductive time while farms are coming into compliance and getting licensed, consolidation of operations, marginal farmers leaving the industry, market demand and pricing shifts, and retail stores experiencing gaps in supply. On top of this, an industry once contending with a surplus of workers, must understand and comply with labor laws, pay required taxes on top of wages and find ways to attract and motivate a new labor force. All of these changes and disruptions are rippling out into the economy.

The ability to support both existing and new players will be critical to stabilization and potential expansion of this industry in HC. Patterned after NC-SBDC, the North Coast Small Business

Resource Center will provide critical training and technical assistance to the potential workforce as well both existing businesses and new entrants to the industry.

Amount requested: 60,255      Total project cost: 101,955  
Grant timeline: Period covered: May 1, 2019 to April 30, 2021

Total match amount: 41,700 Match amount as % of project budget 41% (Required 50% match for implementation, 25% for planning or technical assistance)

Cash match: 38,000 In-kind match: 3,700 Cash match as % of budget 37%  
(Required: 25% for implementation, 12% for planning or technical assistance)

Number of new FTE jobs created, if funded: 22

Number of FTE jobs retained, if funded (jobs that would otherwise be eliminated): 200

Type of project:  Planning       Implementation       Technical Assistance

Geographic focus of project: Humboldt County

Number of permanent, long term, private sector jobs to be created: 22

Which Industry is your project working with (check off all that apply):

- Diversified Health Care
- Specialty Food, Flowers and Beverages
- Building and Systems Construction
- Investment Support Services
- Management and Innovation Services
- Niche Manufacturing
- Tourism
- Forest Products
- Arts and Culture
- Alternative Agriculture

Strategy being employed to promote economic development (check off all that apply):

- Supporting development of pre-permitted commercial space
  - Reducing regulatory bottlenecks for business retention or creation
  - Supporting economic development infrastructure
  - Developing new strategies for economic development
  - Providing access to external markets or plugs the economic leaks
  - Retaining and growing existing businesses
  - Providing workforce training
  - Increasing the number of new businesses
  - Leveraging future funding or projects
  - Reducing poverty by helping people to develop business skills
- Other (describe):

Are any of the following components required, and if so are they in place already? (check off in left column if required, then check of “yes” or “no” for if they are in place already)

- Building permits
- Market research
- Legal review
- Regulatory approval
- Consultants hired
- Staff hired

- |                              |   |  |
|------------------------------|---|--|
|                              | <input type="checkbox"/> Yes            | <input type="checkbox"/> No            |
|                              | <input type="checkbox"/> Yes            | <input type="checkbox"/> No            |
| <input type="checkbox"/> Yes |   | <input type="checkbox"/> No            |
| <input type="checkbox"/> Yes |   | <input type="checkbox"/> No            |
|                              | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
|                              | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            |



North Coast Small Business Resource  
Center  
Alternative Agriculture and Niche  
Manufacturing Training and Technical  
Assistance Grant

**1. Project Need:** The specialty agriculture industry has been part of the fabric of Humboldt County (HC) for close to 50 years and over that time has seen many industry changes. In its many facets, this industry has been a significant contributor to overall economic growth and development. Negotiating the shifting legislative and regulatory environments has left HC in an economic upheaval. Once, and at least for the time being, specialty agriculture was believed to be the largest single industry in our economy--the industry underpinning much of our retail and hospitality revenue.

In the past few years there has been a significant focus on environmental effects of the lack of regulation and oversight. This has created several challenges—unproductive time while farms are coming into compliance and getting licensed, consolidation of operations, marginal farmers leaving the industry, market demand and pricing shifts, and retail stores experiencing gaps in supply. On top of this, an industry once contending with a surplus of workers, must understand and comply with labor laws, pay required taxes on top of wages and find ways to attract and motivate a new labor force. All of these changes and disruptions are rippling out into the economy.

Once exclusively a primary producer selling direct to consumers, the specialty agriculture industry in HC has gone through both rapid expansion and precipitous decline over the past two decades. These rapid transitions have resulted in a chaotic marketplace with existing producers rethinking their strategies, new businesses entering the marketplace at a rapid pace and allied service providers, good and bad, rushing in to fill a knowledge void. Many owners know their product well, but need training in human resources management, supervision, marketing, manufacturing and finance to support their success.

Key next stage skills identified through interviews with existing production and manufacturing operations as well as allied businesses are: entry level workforce training including soft skill development, bookkeeping, management and supervision, labor law compliance, inventory and warehouse management, track and trace systems, quality control, pricing, branding, packaging and marketing—skills that they have not had to contend with in the past. Specialty agriculture has difficulty obtaining training and technical assistance from existing sources including SBDC, College of the Redwoods, AEDC and RREDC. This project will support the needs of both existing and new entries into

the industry and provide both generalize business education and very specific training needs. The ability to support both existing and new players will be critical to stabilization and potential expansion of this industry segment in HC.

Funds, used to focus business training and technical assistance services to the alternative agriculture and related niche manufacturing industries will be delivered through the North Coast Small Business Resource Center (NCSBRC), a non-profit created in the 1980's as precursor and parent organization of the North Coast (SBDC.)

The key to success will be in attracting participants and having a high level of trust with businesses. The restart of the NCSBRC is a partnership between HC Growers Alliance (HCGA) who have already identified widespread industry education as a key focus and Redwood Coast Rural Action (RCRA), a regional leadership network. This project will serve the needs of the industry in HC, and not be limited to the members of HCGA.

#### **Measurable Objectives:**

**Providing Workforce Training:** This grant will provide entry level training for the general manufacturing sector leveraging existing training infrastructure and create industry specific training utilizing expertise in the field.

RCRA will underwrite the development and offering of the Manufacturers Skills Standards Council (MSSC) certificate for entry level workers in manufacturing resulting in a Production Technician Certificate. This first offering will be focused on (but not exclusive to) incumbent workers, engaging manufacturers from a range of sectors and will be asking employers to evaluate relevance and effectiveness of the training. In addition to incumbent workers, HCOE's Trades Academy summer intern program and HC Dept of Social Services Second Chance program can utilize this class as a viable education/training offering.

HCGA will develop industry specific workforce training in the form of shorter, hands on experience using local expertise. Classes could include: Industry vocabulary and nomenclature, cultivation, handling and understanding the regulatory environment.

**Objective 1:** Train 15 people using MSSC curriculum resulting in a minimum of 10 Production Technician Certificates awarded.

**Objective 2:** Deliver a minimum of 3 basic classes specifically designed for the industry with cohorts of 6-12, for a total of 30 trained workers.

**Retaining and growing existing businesses--** Topics critical to supporting industry success have been identified by existing business

owners and aligned businesses who have observed issues in the field. Workshops will help both farmers and manufacturers set up basic systems, minimizing risk and maximizing their capacity to meet market demand. Information will be delivered in a workshop format scheduling at times that make the most sense for attracting owners and upper level managers.

**Objective 3:** A minimum of 4 workshops totaling 50 business participants, covering 4 or more of the following; Human Resources: employment options, hiring, firing, and HR policy, safety plans and planning, sexual harassment, markets and marketing, regulatory compliance.

**Objective 4:** Embed the Production Technician Certificate offering into College of the Redwoods programming after this pilot year. Eventually, by starting as a community education pilot there could be the opportunity for this to becoming a credit class supported by ongoing Career Technical Education funding (CTE.)

**Support the creation/relocation of businesses enhancing the industry segment:** The longer term focus for the NCSBRC is to provide both training and technical assistance to businesses. During year 2, the technical assistance activities will be established.

**Objective 5:** Provide individual technical assistance to 10 businesses.

**3. Project Activities:** Funds will be used to focus business training and technical assistance services delivered by HCGA through the NCSBRC. Services will include formal and informal classes as well as workshops to meet the varied needs identified. NCBRC will be patterned after the North Coast SBDC including the use of “flights”, similar businesses learning together with training specific to the sector of the industry (i.e. business skills for small manufacturers, cultivation and distribution, as well as bookkeeper training for specialty agriculture and niche manufacturing) and will provide specific short term training to meet immediate needs (i.e. workforce training in growing, harvesting and handling training, inventory control for farmers. In addition, NCSBRC will develop a stable of qualified technical assistance providers available to assist individual businesses as needed.

This first year will culminate in a job fair at River Lodge, Fortuna in April 2020. The job fair will include at least 30 businesses, feature 4 speakers and target attracting 100 prospective employees. This fair will include both specialty agriculture and niche manufacturers.

**4) Prior Research:** This approach, providing technical assistance identified by the industry itself is a foundational tenant of Prosperity, the County CEDS. Topics and delivery mechanisms have been

identified through interviews with 15 industry businesses in the industry. HCGA, has part of its educational mission hosted 10 workshops on topics including OSHA, Human Resources, Intellectual property, and contracts and has proven to successfully market their offerings with more than 50 in most and upwards of 100 in attendance at a few.

**5) Job creation:** This project is focused on increasing the viability of existing businesses and providing technical assistance to new businesses in the industry sector, allowing them to create and retain jobs. To the extent that this project supports the development of businesses we anticipate the following:

**New businesses:** Provide training or technical assistance to 10 early stage businesses where intervention helped the businesses launch successfully. Average 1.5 employees each business for 15 jobs created.

**Existing businesses:** By providing regulatory training, businesses will significantly lower their risk of being closed due to regulatory compliance issues. Each business attending a regulatory workshop will be considered jobs retained. Estimating 40 businesses attending regulatory training (inventory tracking, human resources, safety etc) averaging 5 employees per business would be 200 jobs retained.

**6) Environmental Benefits:** Environmental concern has driven much of the compliance enforcement in the County. As producers continue to work toward bringing operations into compliance, environmental degradation will decline. It is critical that these businesses can operate profitably to support continual practice improvement, product quality and environmental sustainability. This project will provide the much needed support for businesses still finding their way to profitability.

**7) Contribution to HC quality of life:** Running a business in HC many times is a solo sport. The focus of Prosperity, the economic development strategy has been to link businesses within a cluster creating supportive relationships, appropriate entrepreneurial supports and a regional identity.

We know that the nature of our agriculture contributes to tourism in the region. The capacity for specialty agriculture to continue to build HC as a destination for upscale, outdoor, adventure driven, quality of life seeking tourists is good.

By working with the specialty agriculture sector we will begin to mold the identity of this industry in the context of HC. Problematic in the past, their reputation for innovation and quality products will contribute positively to our regional identity.

## **8) Capacity of organization, staff and program partners:**

**HC Growers Association:** HCGA, is a non-profit, mutual benefit trade association for specialty Agriculture businesses within HC. HCGA formed in February 2017, has three full-time staff members, and a five person board of directors. As of March 2019, it has 282 members, 230 of which are primary or secondary producers and, fifty-two “Allied Industry Businesses” that support the mission and the industry. An organization focused in the industry, HCGA specializes in advocacy, public relations, market development, and education. NCSBRC serves the educational mission and will have its own board but share staff with HCGA. While HCGA is a membership organization, this project will benefit members and non-members alike with the focus on a viable industry that contributes to the long term economic, environmental and social well-being of the County.

**Redwood Coast Rural Action:** RCRA is a four-county leadership network working to address issues of importance to Humboldt, Del Norte, Trinity and Mendocino Counties. Created in 2000, over the past 5 years RCRA has been working to support manufacturers in the region. Past activities have included; the development of a manufacturer’s network with a series of activities and speakers, the North Coast Regional Manufacturers Directory, MakerSpaces discussions and Entrepreneurial training and support for youth. This year RCRA will be funding the Manufacturers Skills Standards Council production technician training for entry level workers in partnership with College of the Redwoods and manufacturing employers.

**Other Program Partners:** There has been intentional outreach to partners leveraging their need/desire for training options (niche manufacturing for example.) By engaging partners, we have multiple entry points for participants in offerings helping reach minimum thresholds for attendance making offerings economically feasible.  
Partners:

**HCOE Trades Academy:** The Trades Academy is initiating a new apprenticeship program patterned after a program in Colorado. The Production Certification Technician class would be an alternative continuing education option for apprentices.

**HC Dept of Health and Human Services (DHHS): Second Chance Program.** There is an interest in filling participant slots in the Production Certification Technician class.

**HC Workforce Development Board:** Interested in supporting efforts to improve the skills of the local workforce aligned with targets of opportunity and identify those training offerings through direct contact with employers (this project meets both of those needs.)

**9. Hiring of Expertise:** All instructors (consultants) hired will be from HC. Some instructors could be drawn from consultants working with SBDC, contracted directly by NCSBRC. Currently identified trainers include:

Northern CA Safety Consortium: Safety training and safety plan/policies  
Dark Solutions (employment agency): Employment options, benefits and HR  
Kurt Barthell: Labor law  
Making Waves Management Services: Bookkeeping and financial records set up

**10. Acknowledgment of Headwaters Fund:** The following will include acknowledgment of Headwaters Fund support:

- All promotional materials for services and events
- Media coverage of services and events
- Introductions to training at the time of class orientation or workshops will mention Headwaters support.

North Coast Small Business Resource Center  
Alternative Agriculture and Niche Manufacturing  
Training and Technical Assistance Grant

**North Coast Small Business Resource  
Center Board Members:**

Scott Davies, owner of Winterbourne Farms and Humboldt Legends

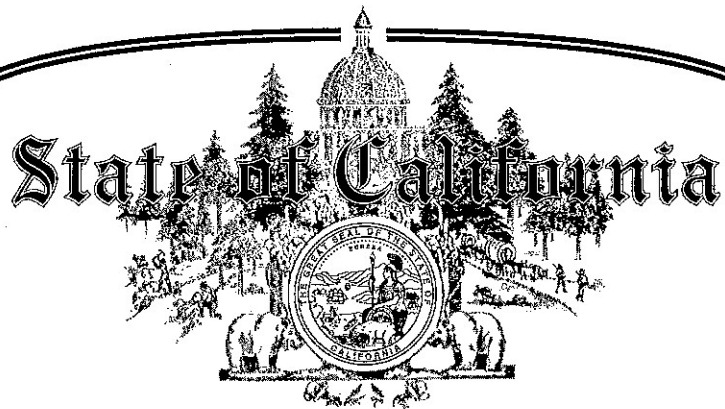
Adam Grossman, founder Papa & Barkley

Ashley Hanson, Humboldt Green Light Kitchen

Elan Puno, King Range Company

Dane Valadao, Business Development, ReProp Financial

Gregg Foster, RRDEC



**SECRETARY OF STATE**

I, *Kevin Shelley*, Secretary of State of the State of California, hereby certify:

That the attached transcript of 3 page(s) was prepared by and in this office from the record on file, of which it purports to be a copy, and that it is full, true and correct.

**IN WITNESS WHEREOF**, I execute this certificate and affix the Great Seal of the State of California this day of

AUG 26 2004



*Kevin Shelley*  
Secretary of State



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FILED  
in the office of the Secretary of State  
of the State of California

JUL 18 1985

MARCH FONG EU, Secretary of State

By *Deputy*  
Deputy

ARTICLES OF INCORPORATION

OF

NORTH COAST SMALL BUSINESS RESOURCE CENTER

I

The name of the corporation is NORTH COAST SMALL BUSINESS RESOURCE CENTER.

II

A. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes.

B. The specific purpose of this corporation is to operate a nonprofit organization to assimilate and distribute information to business persons to promote a healthy economic environment.

III

The name and address in the State of California of this corporation's initial agent for service of process is:

Joan Rainwater-Gish  
1213 Fifth Street  
Eureka, California 95501


IV


A. This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

B. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.


The property of this corporation is irrevocably dedicated to charitable purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person. Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code.

AREA INDEPENDENT DEVELOPMENT CORPORATION, incorporator

By   
Carol Parker  
President

By   
Duane P. Countess  
Secretary

MENDOCINO DEVELOPMENT CORPORATION, incorporator

By   
Guinness McFadden  
President

By   
Christopher Neely  
Secretary

SIX RIVERS LOCAL DEVELOPMENT CORPORATION, incorporator

  
Devin Leaker  
President

By   
William Star  
Secretary/Treasurer



STATE OF CALIFORNIA

FRANCHISE TAX BOARD  
SACRAMENTO, CALIFORNIA 95837-0028  
Telephone: 355-0532

In reply refer to  
342: LK:dt

July 18, 1985

NORTH COAST SMALL BUSINESS RESOURCE CENTER  
1213 Fifth Street  
Eureka, CA 95501

Purpose : Educational  
Form of Organization : Corporation  
Accounting Period Ending : June 30  
Organization Number :

On the basis of the information submitted and provided your present operations continue unchanged or conform to those proposed in your application, you are exempt from state franchise or income tax under Section 23701d, Revenue and Taxation Code. Any change in operation, character or purpose of the organization must be reported immediately to this office so that we may determine the effect on your exempt status. Any change of name or address also must be reported.

You are required to file Form 199 (Exempt Organization Annual Information Return) or Form 199S (Exempt Organization Annual Information Statement) on or before the 15th day of the 9th month (4 1/2 months) after the close of your accounting period. See annual instructions with forms for requirements.

You are not required to file state franchise or income tax returns unless you have income subject to the unrelated business income tax under Section 23731 of the Code. In this event, you are required to file Form 108 (Exempt Organization Business Income Tax Return) by the 15th day of the 9th month (4 1/2 months) after the close of your annual accounting period.

If the organization is incorporating, this approval will expire unless incorporation is completed with the Secretary of State within 90 days.

Exempt status under federal income tax and other state laws required separate approval.

*Michael Robinson*  
By LK

Michael Robinson  
Secretary of State



This exemption is issued on the condition that a Federal exemption will be applied for and a copy of the final determination letter is furnished to this office within 90 months.

John A. ...  
Secretary of State  
Exemption of Charitable Trusts

HUMBOLDT COUNTY GROWERS ALLIANCE BUDGET			
			Jan - Dec 19
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
	<b>4000 · Donations</b>		\$30,000.00
		Cannabis membership	\$175,000.00
		Allied Industry Businesses	\$75,000.00
		Business Sponsorships	\$58,000.00
	<b>4050 · Memberships</b>		\$308,000.00
	<b>Total Income</b>		\$308,000.00
<b>Expense</b>			
	<b>6000 · Advertising and Promotion</b>		\$500.00
		*community donations	\$2,000.00
	<b>6050 · Bank Service Charges</b>		\$1,300.00
	<b>6100 · C- database</b>		\$2,000.00
	<b>6170 · Dues and Memberships</b>		\$2,000.00
	<b>6175 · Event Costs</b>		\$12,000.00
	<b>6200 · Insurance Expense</b>		
		6201 · D&O	\$7,336.00
		6202 · Property & Liability	\$1,500.00
		6204 - Health Insurance	\$15,000.00
		6203 · Workers' Comp	\$636.00
	<b>Total 6200 · Insurance Expense</b>		
		Internet (AT&T)	\$720.00
	<b>6300 · Licenses &amp; Permits</b>		\$50.00
	<b>6350 · Meals and Entertainment</b>		\$3,000.00
	<b>6400 · Office Supplies</b>		\$7,000.00
	<b>6450 · Payroll Expenses</b>		
		6451 · CA ETT Tax Expense	\$14.00
		6452 · CA SUI Expense	\$476.00
		6453 · FUTA Tax Expense	\$400.00
		6454 · Medicare Tax Expense	\$2,204.00
		6455 · Wages and Salaries Expense	\$152,000.00
		6466 · Social Security Tax Expense	\$6,200.00
	<b>Total 6450 · Payroll Expenses</b>		
	<b>6500 · Professional Fees</b>		
		6501 · Attorney	\$500.00
		6502 · Bookkeeper	\$3,500.00
		6504 · Graphic Design	\$500.00
		6505 · Web Design	\$0.00
		6506 · Other Consultants (strategic planning)	\$5,000.00
		6507- Lobbyist	\$60,000.00
	<b>Total 6500 · Professional Fees</b>		
	<b>6525 · Rent</b>		\$12,000.00
	<b>6530 · Verizon Cell Phones</b>		\$1,600.00
	<b>6550 · Travel Expense</b>		\$3,000.00
		Mileage	\$3,600.00


	<b>Total Expense</b>		<b>\$306,036.00</b>
	<b>Net Ordinary Income</b>		
	<b>Other Income/Expense</b>		
	<b>Other Income</b>		
		<b>7000 · Miscellaneous Income</b>	
	<b>Total Other Income</b>		<b>\$308,000.00</b>
	<b>Net Other Income</b>		
<b>Net Income</b>			<b>\$1,964.00</b>

# PAPA & BARKLEY

## Memorandum

March 22, 2019

To: Headwaters Fund Board & Staff

From: Michael Kraft, Senior Compliance Manager, Papa & Barkley 

Subject: Support for HCGA workforce training grant application

Hello,

I am writing to convey my strong support for the grant application by the Humboldt County Growers Alliance and the North Coast Small Business Resource Center.

The growth of cannabis manufacturing and other value-added activities comes with a number of training needs. Despite good intentions, the usual training and technical assistance providers are hamstrung by federal funds restrictions. Meanwhile, Redwood Coast Rural Action, a partner in this training effort, has done a strong job of locating industry-standard trainings that will better prepare our workforce, particularly younger people wanting to join these new companies. In part, awarding this grant will help provide the trained workforce we need. A candidate with one of these certifications will simply be better prepared and more competitive at the point of hiring by companies like the one I work for. I'll add that the entry level of these jobs start at \$15 an hour, with a strong benefits package coming within a few months and \$17 an hour being typical at the employee's one-year anniversary.

In addition, technical assistance to the smallest manufacturers will help classic Humboldt-spawned startups make it in what is already a crowded and dynamic market. These businesses--most often women-owned firms who come from the cultivation community--remind me of Mary Keehn in the 70's or Rosa Dixon and Milia Lando more recently. Not all will make it, but a good number will with your help, and those will become significant contributors to our local economy.

Papa & Barkley has committed to doing its part. We have contributed \$5000 to date in matching funds to the HCGA/NCSBRC to help launch this effort, and have pledged \$23,000 more in cash to match this grant, along with some additional in-kind support.

I am happy to answer questions if you have them. In closing, I strongly encourage you to support this effort, and this changing industry.

Dear Headwaters Board of Directors,

I am writing to convey my support for the grant application by the Humboldt County Growers Alliance and the North Coast Small Business Resource Center to develop a cannabis specific workforce development program.

I was born and raised in Southern Humboldt. I am second generation to the Humboldt County Cannabis industry. After nearly 20 years in banking locally, I made a career shift when I saw the need for support in the regulated market.

As an industry insider, I see the need for access to business solutions and education that are available to every other business except Cannabis. While in banking, every time someone came to talk to me about starting a business, or retaining financing for a business my first step was to refer them to North Coast Small Business Resource Center. Staff of SBDC would offer the expertise and support needed to see if it was a viable business idea, and help to create a solid business plan. I have seen first hand this type of service help start up businesses be successful, help existing businesses expand or figure out what their deficiencies are. These are necessities that the Cannabis community desperately needs, however, is not able to access. It is my belief that a workforce specific program is vital to the Humboldt County Cannabis Industry's success.

As a due paying member of the Humboldt County Growers Alliance I have found benefit in working together with the association to help our industry transition into the regulated market.

I believe HCGA is transparent, inclusive and a participatory trade association that represents all cannabis license types throughout the county.

As a member of HCGA I have been able to keep educated and informed on local, state, federal and even global cannabis affairs. HCGA has been committed to the health and prosperity of the industry. HCGA has proven to understand the complexities of the industry at large, but most importantly the nuances of Humboldt County. Humboldt County has the challenge of never being the largest producer, but we can be the best quality producer. This can be coupled with solid businesses, that are running efficiently and effectively.

It is my belief that HCGA in cooperation with NCSBDC is the only entity knowledgeable enough about the entire industry from farmers, distributors, manufacturers, and processors to administer this program. It is essential that moving into the regulated market we create a workforce training program that helps Cannabis business owners become CEO's, for incumbent workers to gain the skills they need to succeed and for an incoming workforce to garner the skills need to be successful and earn a living wage in Humboldt County.

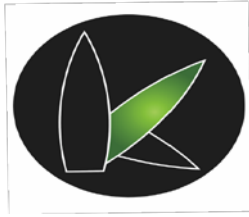
It is my sincere hope that Headwaters Board of Directors will recognize the importance of this program in the form of an approval of funds for the grant submitted by HCGA and NCSBDC.

Sincerely,

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Elan Puno





March 26, 2019

Dear Headwaters Board of Directors,

I am writing to convey my support for the grant application by the Humboldt County Growers Alliance and the North Coast Small Business Resource Center to develop a cannabis specific workforce development program.

I founded Dark Staffing Solutions to become a human resource partner for the cannabis industry. Our mission is to connect great people with great companies in the new and exciting cannabis industry. As the industry grows and adapts so will we in helping our clients find quality employees to match their needs. We help cultivators, manufacturers, processors, distributors, and just about every other cannabis business with their compliant staffing and payroll needs. One of the reasons I started Dark Staffing was to fill a void that was not available to cannabis businesses through traditional staffing agencies.

As an industry insider, I see the need for training for both the people who come into my business looking for work, as well as professional management skills for the businesses who are doing the hiring. It is apparent that there is a need for additional training on both entry level candidates and business managers. I believe this would be an invaluable service that can fill a void in our community.

As a due paying Allied Industry Business member of the Humboldt County Growers Alliance, we have found it to be a benefit in working together with the association to help our industry transition into the regulated market. I believe HCGA is transparent, inclusive, and a participatory trade association that represents are cannabis license types throughout the county. HCGA has helped us connect with other cannabis businesses and been a provider of invaluable support and information and the industry and opportunities that await. We hope by securing this grant, our community will see more qualified employers and employees within the industry. HCGA has the knowledge and resources to ensure this program was successful and resourceful for our community. Absent the county being able to provide these resources, we support HCGA/NCSBRC being able to develop a program that serves not just a small group of interests, but the community as a whole. We hope to be a partner in this program by helping connect great people with great companies after they receive formal workforce training.

Sincerely,

Jaymi Dark

**DARK STAFFING SOLUTIONS**  
1507 G STREET, SUITE 3 (UPSTAIRS), ARCATA CALIFORNIA 95521  
707 630 5090 INFO@DARKSTAFFINGSOLUTIONS.COM

**EXHIBIT C**  
**Project Budget**

**North Coast Small Business Resource Center**

**Alternative Agriculture Training and Technical Assistance Grant**

Project Expense Item	Total Cost	Requested Amount from Headwaters Grant	Amount from Matching Funds	Source Matching
Direct Salaries & Wages				
Executive Director (0.25 FTE)	\$ 17,500.00	\$ -	\$ 17,500.00	HCGA In-Kind
Project Coordinator (0.5 FTE)	\$ 17,400.00	\$ 17,400.00	\$ -	
<b>Subtotal all direct salaries and wages</b>	<b>\$ 34,900.00</b>	<b>\$ -</b>	<b>\$ -</b>	
Benefits & payroll taxes	\$ 3,500.00	\$ -	\$ 3,500.00	HCGA In-Kind
Consultant & Professional fees	\$ 6,350.00	\$ 6,350.00	\$ -	Fee for service workshops and training
Contract Services	\$ 35,000.00	\$ -	\$ 35,000.00	Morgan Family Foundation Grant with partnership of AEDC/RCRA
Facilities	\$ 2,000.00	\$ 1,000.00	\$ 1,000.00	In-Kind
Travel	\$ 790.00	\$ 790.00	\$ -	Mileage within County
Equipment	\$ -	\$ -	\$ -	
Overhead non-staff related	\$ 1,500.00	\$ 1,500.00	\$ -	Printing & advertising
Overhead staff related	\$ 2,200.00	\$ 1,000.00	\$ 1,200.00	HCGA In-Kind (phone, office & bookkeeping)
Insurance	\$ 1,000.00	\$ 1,000.00	\$ -	
<b>Total Project Cost</b>	<b>\$ 87,240.00</b>	<b>\$ 29,040.00</b>	<b>\$ 58,200.00</b>	

All overhead costs as a percentage of project costs	5%			
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**North Coast Small Business Resource Center  
Alternative Agriculture Training and Technical Assistance Grant**

**Narrative:**

Staffing: The E.D. for NCSBRC will be shared with HCGA 25:75 time for program direction and financial oversight. HCGA will provide an “in-kind” staffing contribution of up to 25% of the E.D.’s time including benefits & payroll taxes. The request from Headwaters will pay the NCSBRC Program Coordinator as a contractor position at a rate of \$35/hour with up to 85 hours/month for six-months for a maximum payment of \$17,400.

Consultants and professionals: Funds to pay instructors for workshops and/or technical assistance providers. 85 hours of workshop time (including preparation) x \$75/hour = \$6,350.

Contracted Services: Funding for College of the Redwoods to get the instructor certified with MSSC for the delivery of curriculum for the Production Technician Certificate, obtain materials and teach the class. Funding from Morgan Family Foundation to AEDC, fiscal receiver for RCRA.

Facilities: \$250/room/workshop x 8 workshops = \$2,000

Travel: Approximately 1,362 miles internal to the County at .58/mile plus one trip outside the County limited to \$790.

Overhead staff related: Office space, cell phone, and bookkeeping

Overhead non-staff related: Insurance, printing and advertising

**EXHIBIT D**  
**Funds Request Form**

Exhibit C

**Headwaters Funds Request Form**

Grantee: \_\_\_\_\_ Preparer: \_\_\_\_\_ Grant No.: \_\_\_\_\_  
 Address: \_\_\_\_\_ Title: \_\_\_\_\_ Grant Start Date: \_\_\_\_\_  
 \_\_\_\_\_ Phone: \_\_\_\_\_ Grant End Date: \_\_\_\_\_  
 \_\_\_\_\_ E-Mail Address: \_\_\_\_\_

Request Number:		Report Period: From:				To:		
Contract Activities	Budget Category	HWF Budgeted Amount	HWF Requested in Prior Periods	HW Funds Requested in This Period	HW Funds Remaining	Matching Funds Budgeted	Matching Funds Spent to Date	% HW Funds Spent to Date
					0.00			
					0.00			
					0.00			
					0.00			
					0.00			
					0.00			
					0.00			
					0.00			
Sub-total		0.00	0.00	0.00	0.00	0.00	0.00	
10% Retention				0.00				
Total Payment				0.00				

**Grantee Certification:**

I certify to the best of my knowledge that this report is true in all respects, that the reported amounts agree with the official accounting records, and that all disbursements have been made for the purposes and conditions of this grant.

Name: \_\_\_\_\_  
 Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT E**  
**Quarterly Report Form**

The Headwaters Grant Fund  
Quarterly Report

The purpose of the Quarterly Report is to keep the Headwaters Fund staff and Board up-to-date on grantee projects. A Quarterly Report is due every 90 days: April 30, July 31, Oct 31, Jan 31. Please complete the following form.

Date: \_\_\_\_\_ Project Title: Humboldt Business Challenge

Organization: \_\_\_\_\_ Preparer: \_\_\_\_\_ Grant No.: \_\_\_\_\_

Address: \_\_\_\_\_ Title: \_\_\_\_\_ Grant Start Date: \_\_\_\_\_  
\_\_\_\_\_ Phone: \_\_\_\_\_ Grant End Date: \_\_\_\_\_

Phone: \_\_\_\_\_ email: \_\_\_\_\_

Please respond to the following, using as much space as necessary:

1. Describe your successes on the project to date.
  
2. Are grant activities proceeding according to planned timeline and budget? If not, state and explain any request for change:
  - Delayed/over budgeted activities
  - Revised timeline/budget
  - Impact of delay/over budget on project
  
3. Discuss any problems or unforeseen circumstances in implementing the grant project. Address how these problems/circumstances will be overcome, if appropriate and if there is anything Headwaters Fund staff can do to assist you.
  
4. Is there anything else that the Headwaters Fund staff and Board should know about regarding your project?

I, the undersigned, certify that the information reported in this document is complete and accurate to the best of my knowledge.

Name (print): \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT F**  
**Project Evaluation Form- Final Report**



HUMBOLDT COUNTY

## Headwaters Fund

## Grantee Self-Evaluation Final Report

The information requested on this form will allow the Headwaters Fund to better understand its funding and report to the public. Please return this form within 30 days of your project completion. Headwaters Fund staff may contact you with further questions about your project.

Today's Date:

Project Start Date:

Project End Date:

Organization Name: North Coast Small Business Resource Center

Project Title: Alternative Agriculture and Niche Manufacturing Training & T/A Project

Please answer the following questions, using as much space as necessary on separate pages:

1. What was your plan for improving the local economy?
2. Were you successful in filling the need or solving the problem that you set out to solve?
3. How many jobs did you create?
4. What were the challenges you encountered and how did you overcome them?
5. Which industries and businesses did you work with? Please provide any testimonials or quotes from those businesses related to the impact of your project on them.
6. Based on your identified strategy to promote economic development, what were your measurable objectives, and did you achieve those?
7. If your project leveraged outside funds, how much additional funding was brought into the area?
8. Did your project develop knowledge or a product that can be sold outside the area? If so, describe that knowledge or product and its potential market.
9. What are the lasting benefits of the project (provide quantitative and qualitative benefits)?
10. How will you continue the work started by this project?
11. What, if any, are your comments about working with the Headwaters Fund and its staff?
12. Do you have any other comments?
13. Please attach any press releases, stories, or other materials that have been published regarding the project funded by the Headwaters Fund grant, or let us know how you have recognized the Fund for the support.

I, the undersigned, certify that the information reported in this document is complete and accurate to the best of my knowledge. I understand that as a community fund, it is important that the Headwaters Fund is able to report concrete results. Because of this, staff may be contacting me in

future years to follow up on project outcomes over time. Please include this signed cover page with your report.

Name (print): \_\_\_\_\_

Title: \_\_\_\_\_ Signature: \_\_\_\_\_

**EXHIBIT G**  
**Headwaters Fund Recognition Policy**

***Purpose***

The Headwaters Fund is a public fund of the County of Humboldt. Because of this, it is especially important that our community be made aware of the projects and events we are sponsoring. We request that you honor this need and recognize the Headwaters Fund appropriately on materials and in public announcements which are connected with projects funded by the Headwaters Fund.

***Policy***

The Headwaters Fund requires that grantees include the fund name and/or logo whenever publicizing events or projects which have been supported by Headwaters grant funds. This is to acknowledge funding and to promote the purpose of the Headwaters Fund.

***Implementation***

***Logo Use***

The Headwaters Fund logo should be included on all posters, flyers, invitations, websites and announcements for events sponsored by the Headwaters Fund. Headwaters Fund logo size should be equal to that of other sponsors who have contributed a similar amount of funding. If there is a sponsor section on your website or any associated social media sites, the Headwaters Fund logo should be posted. If possible, the logo should also be a link to the Headwaters Fund website. Contact staff with any questions about appropriate placement or use of the Headwaters Fund logo. Include copies of any materials on which you placed the logo with your Quarterly Grant report.

***Press Releases***

Press releases related to projects or events sponsored by the Headwaters Fund should mention the Headwaters Fund as a sponsor and should be reviewed and approved by Headwaters Fund staff in advance of being sent.

***Public Events***

For openings, ribbon cuttings, open houses, or other ceremonial events related to projects funded by the Headwaters Fund, formal mention of the Headwaters Fund's contribution should be included as part of the program. If appropriate, a Headwaters Fund Board member or member of the Board of Supervisors could be asked to comment. Staff can help make these arrangements.

***Research***

When research or other work generated under the sponsorship of the Headwaters Fund is published or released the contribution should be recognized. (For example: Support provided by the Headwaters Fund.) It is not necessary to include the Headwaters Fund logo unless other sponsor's logos are being included.

***Contact***

Please contact the fund at [headwaters@co.humboldt.ca.us](mailto:headwaters@co.humboldt.ca.us) or 707-445-7745 with any questions or for assistance in implementing this policy.