PROJECT DESCRIPTION

Ursa Valley, LLC (Ursa Valley) is seeking a Major Use Permit and an Early Activation of Use Permit from the County of Lake, for a proposed commercial cannabis cultivation operation at 10950 Bachelor Valley Road near Witter Springs, California on Lake County APNs 002-046-15 and 16 (Project Parcels). Ursa Valley's proposed commercial cannabis cultivation operation will be composed of twelve (12) A-Type 3 "Medium Outdoor" cultivation areas, with a combined cultivation/canopy area of 522,720 ft². The total cultivation area of the proposed cannabis cultivation operation (as defined in Chapter 21, Article 27 of the Lake County Code), including the combined cultivation/canopy area(s), a 120 ft² Security Center/Shed, and a 160 ft² Pesticides & Agricultural Chemicals Storage Area, is 523,000 ft².

The Project Property is composed of six parcels totaling approximately 242 acres (Lake County APNs 002-046-09, 15, 16, & 17 and 002-025-52 & 53), all of which are owned by Morongo Equity Partners II, LLC. Ms. Margaret Snider (Managing Member of Morongo Equity Partners II, LLC) has given Ursa Valley permission to establish the proposed cultivation operation and conduct the proposed cannabis cultivation activities, once the appropriate permits and licenses have been obtained. The Project Property was enrolled for coverage under the State Water Resources Control Board's Cannabis General Order as a Tier 2 Low Risk Discharger on October 6th, 2020.

The Project Property is located in the northeastern portion of Bachelor Valley, within the Lower Scotts Creek Watershed (HUC 12), and approximately 9 miles north of Lakeport, CA. The Project Property is accessed via a shared private gravel access road off of Bachelor Valley Road. Current and past land uses of the Project Property are/were rural residential with intensive and extensive agriculture. The Project Property has been improved with a pond/off-stream water storage reservoir, seven groundwater wells, a residence/house, and two accessory ag structures/buildings (used to store hay, tools, and equipment, and to house poultry and livestock). The pond/off-stream water storage reservoir is used to irrigate the existing onsite walnut orchard in the southern portion of the Project Property. The proposed cultivation operation will be established in an area of the Project Property (over 1,000 feet north of Bachelor Valley Road) that supported a mature walnut orchard until 2016.

An unnamed intermittent Class III watercourse (NHD/DFG Water ID: 156361727) flows from north to south, through the eastern third of the Project Parcels. There are two culverted watercourse crossings and a rocked ford crossing of the unnamed intermittent Class III watercourse on the Project Parcels. No cannabis cultivation activities nor agricultural chemicals storage will occur within 100 feet of any surface waterbody, and no ground disturbance is proposed within 50 feet of any wetland or channel.

6-foot tall wire fences will be erected around the proposed outdoor cultivation/canopy area(s), with privacy mesh where necessary to screen the cultivation/canopy area(s) from public view. The growing medium of the proposed outdoor cultivation/canopy area(s) will be an amended native soil mixture at or below grade, with drip irrigation systems covered in white plastic mulch (to conserve water resources). Irrigation water will be provided from five of the seven existing onsite groundwater wells, as well as the existing onsite pond/off-stream water storage reservoir.

Only outdoor cannabis cultivation activities will be conducted on the Project Parcels (no cannabis processing activities will be conducted onsite). All cannabis cultivated on the Project Parcels, will be harvested and then immediately transported to State of California-licensed processing and manufacturing facilities for processing, preservation, and/or extraction. Prior to being transported offsite, each cannabis plant will be weighed, and its weight will be recorded in the California Cannabis Track-and-Trace system. Ursa Valley will adhere to the reporting requirements of the California Cannabis Track-and-Trace system at all times, to record and report all cannabis transfers and movements.

Outdoor Cultivation and Important Farmlands

Lake County's Commercial Cannabis Cultivation Ordinance (Ordinance No. 3084) limits commercial cannabis cultivation on important farmlands, to structures equipped with filtration systems that prevent the movement of odors, pesticides, and other air borne contaminates out of or into the structure. Ursa Valley's proposed cultivation/canopy area(s) will be located on soils identified as Unique Farmland by the State Farmland Mapping and Monitoring Program. The purpose of the limit, is to protect commercial cannabis from pesticide drift from large scale agricultural production activities, which often utilize pesticides that are not approved for use on cannabis by the California Department of Pesticide Regulation. There is one agricultural production operation located within one mile of Ursa Valley's proposed cultivation/canopy area(s), located approximately 1,000 feet southwest of the Project Parcels at 10878 Witter Spring Road. This agricultural production operation is a certified organic walnut orchard that does not utilize pesticides banned for use on commercial cannabis. Additionally, all pesticides used at this agricultural production operation are applied in the spring, before the start of Ursa Valley's proposed cultivation season. Ursa Valley's Site Manager, Jaime Restrepo, met with the owner of this agricultural production operation and the Lake County Agricultural Commissioner in August of 2020, to inform them of Ursa Valley's plans to establish an outdoor commercial cannabis cultivation operation on the Project Parcels. On August 27th, 2020, the Lake County Agricultural Commissioner emailed the Deputy Director of the Lake County Community Development Department, informing her that neither he nor the owner of the certified organic walnut orchard oppose Ursa Valley's proposed outdoor commercial cannabis cultivation operation (email included in this application package). Furthermore, there is an existing outdoor commercial cannabis cultivation operation located directly adjacent to Project Parcels on Lake County APN 002-024-22 (EA 20-37, UP 20-31).

Planting Timeline Schedule

If Ursa Valley is able to obtain an Early Activation of Use Permit for their proposed commercial cannabis cultivation operation prior to April 31st, 2021, then they will begin preparing for planting on May 1st, 2021, with an expected planting date of May 15th, 2021.