(12) A Management Plan section Described in subsection 3 below.

The intent of said plan is to identify and locate all existing cannabis and non-cannabis related uses on the property and describe how all cannabis and non-cannabis related uses will be managed in the future. The property management plan shall demonstrate how the operation for the commercial cannabis cultivation site will not harm the public health, safety, and welfare or the natural environment of Lake County.

3. PROPERTY MANAGEMENT PLAN

i. Air Quality

(a) Intent: All cannabis permittees shall not degrade the County's air quality as determined by the Lake County Air Quality Management District (LCAQMD).

RHRP1 is committed to protect Lake County's air quality and work with the Lake County Air Quality Management District (LCAQMD) to achieve that goal.

(b) In this section, permittees shall identify any equipment or activity that which may cause, or potentially cause the issuance of air contaminants including odors, and shall identify measures to be taken to reduce, control or eliminate the issuance of air contaminants, including odors.

Gasoline and diesel-powered equipment: The proposed cultivation operation will generate small amounts of carbon dioxide from the operation of small gasoline engines (tillers, weed eaters, lawnmowers, etc.), a utility tractor (diesel engine), and from vehicular traffic associated with staff commuting. RHRP1 will properly maintain this equipment to ensure efficient operations. It should also be noted that the generation of carbon dioxide will be offset by the cultivation of plants, which remove carbon dioxide in the air during the photosynthesis process.

Fugitive dust: The proposed cultivation operation may generate small amounts of fugitive dust through ground-disturbing activities, soil or compost piles, and vehicle or truck trips on unpaved roads. Fugitive dust will be controlled by wetting soils with a mobile water tank and hose, by delaying ground disturbing activities until site conditions are not windy, and by properly storing soil stockpiles with adequate tarping and erosion control. Additionally, the driveway, access roads, and parking areas of the Project cultivation operations areas will be graveled and maintained annually.

Odors: No significant odor impacts are anticipated from the proposed cultivation operations, due to the adequate operational setbacks from public roads, property lines, and neighboring residences/outdoor activity areas. Additionally, fragrant flowering and herb plants, such as lavender and rosemary will be planted around the Project cultivation operations to help mask any residual odors emanating from the cultivation operation.

(**c) All cannabis permittees shall obtain an Authority to Construct permit pursuant to LCAQMD Rules and Regulations, prior to the construction of the facility described in the Property Management Plan.**

(d) All cannabis permittees shall obtain Authority to Construct Permit pursuant to LCAQMD Rules and Regulations, if applicable, to operate any article, machine, equipment or other contrivance which causes or may cause the issuance of an air contaminant.

(e) All permittees shall maintain an Authority to Construct or Permit to Operate for the life of the project, until the operation is closed and equipment is removed.

RHRP1 shall apply for an Annual Authority to Construct Permit upon approval of this Project through the Use Permit process. RHRP1 will maintain this permit annually.

(f) The applicant shall prepare an odor response program that includes (but is not limited to):

a. Designating an individual(s) who is/are responsible for responding to odor complaints 24 hours per day/seven (7) days a week, including holidays.

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Crystal Keesey, Eastside Environmental, Inc. (Consultant): 530-249-0845; crystal@eastsideenvironmental.com.

b. Providing property owners and residents of property within a 1,000 foot radius of the cannabis facility, with the contact information of the individual responsible for responding to odor complaints.

In addition to sharing the RHRP1 Community Liaison/Emergency Contact information with property owners and residents within a 1000-foot radius of the cannabis facility, RHRP1 will provide the name, cell phone number, and email address of the Community Liaison/Emergency Contact to all interested County Departments, and Law Enforcement Officials. RHRP1 will encourage neighboring residents to contact the Community Liaison/Emergency Contact to resolve any operating problems before contacting County Officials/Staff.

c. Policies and procedures describing the actions to be taken when an odor complaint is received, including the training provided to the responsible party on how to respond to an odor complaint.

It should be noted that the odor from the cultivation of Cannabis only occurs during the flowering period of the plant; in an outdoor full-season growing situation, the odor emanating from the growing operations will occur primarily during September and October, and will cease once the plants are harvested and placed into climate-controlled drying and curing facilities.

Odor complaints will be followed up immediately with an assessment of the odor-producing situation; depending on the time of year, different solutions may be employed to remedy the situation including harvesting the odor-causing material, installation of a misting system to increase ambient humidity/reduce offsite odor drift, and/or installation of additional odor control equipment.

The Community Liaison/Emergency Contacts will follow a standard operating procedure that includes: 1. Receipt of the complaint and logging the complaint into the RHRP1 Operations Log; 2. Follow up with the concerned party either in person or via phone/email; 3. Investigation of odor source; 4. Implementation of remediation; 5. Follow up with concerned party to determine if odor nuisance is corrected; 6. Report of remediation recorded into the RHRP1 Operations Log. The two current Community Liaisons/Emergency

Contacts are currently trained from prior years' cannabis cultivation operations in multiple licensed locations. Any new Community Liaison/Emergency Contacts be employed by RHRP1 will be trained by the outgoing Community Liaison/Emergency Contacts to follow the Standard Operating Procedures for handling odor complaints as listed above.

e. Contingency measures to mitigate/curtail odor and other emissions in the event the methods described above are inadequate to fully prevent offsite nuisance conditions.

In the event the methods above are inadequate to fully prevent offsite nuisance conditions, RHRP1 will harvest the product producing the odors and begin planning to convert the outdoor growing operations to a mixed-light grow operation that contains odor-scrubbing equipment within greenhouses.

ii. Grounds

(a) The permittee shall establish and implement written procedures to ensure that the grounds of the premises controlled by the permittee are kept in a condition that prevents the contamination of components and cannabis products. The methods for adequate maintenance of the grounds shall include at minimum:

a. The proper storage of equipment, removal of litter and waste, and cutting of weeds or grass so that the premises shall not constitute an attractant, breeding place, or harborage for pests.

All RHRP1 equipment will be stored in its proper designated area upon completion of the task for which the equipment was needed. RHRP1 managerial staff will conduct daily scans of the site to ensure that all materials used during the workday have been returned to their designated storage area in an organized fashion. Any refuse created during the workday will be placed in the proper waste disposal receptacle upon completion of the task assigned, or before the end of employee shift. Any refuse which poses a risk for contamination or personal injury shall be disposed of immediately. RHRP1's site will be mowed and trimmed regularly to ensure safe and sanitary working conditions and minimize areas for pests.

b. The proper maintenance of roads, yards, and parking lots so that these areas shall not constitute a source of contamination in areas where cannabis products are handled or transported.

Roads and parking areas will have gravel and areas around trimmed to keep down dust, avoid possible contaminations, reduce harborage of pests, and maintain the facility.

c. The provision of adequate draining areas in order to prevent contamination by seepage, foot-borne filth, or the breeding of pests due to unsanitary conditions.

The proposed cannabis cultivation footprint resides entirely within the Lake County-approved Stocking Vineyard Grading Permit, which was approved engineer-designed draining areas for the prevention of contamination by seepage, foot-borne filth, or the breeding of pests due to unsanitary conditions.

d. The provision and maintenance of waste treatment systems so as to prevent contamination in areas where cannabis products may be exposed to such a system's waste or waste by-products.

A portable toilet and handwashing station will be established directly adjacent to the proposed cultivation area, will be serviced regularly to maintain sanitary conditions for operational staff (at minimum weekly service), and will be available at all times during the cultivation season for staff to use. In addition, the portable office buildings on the parcel will contain bathrooms for employee and visitor use, and the waste containment units in these buildings will be serviced weekly. These portable facilities will not be sited within a distance that could cause contamination of cannabis products/cannabis cultivation area on the Project cultivation site.

(b) If the lot of record is bordered by grounds outside the applicant's control that are not maintained in the manner described in subsections (i) through (iv) of this section, inspection, extermination, and other reasonable care shall be exercised within the lot of record in order to eliminate any pests, dirt, and/or filth that pose a source of cannabis product contamination.

(c) Any other information as may be requested by the Director and/or by the Planning Commission.

None has been requested prior to the submission of this Use Permit Application.

iii. Security

(a) Intent: To minimize criminal activity, provide for safe and secure working environments, protect private property, and to prevent damage to the environment. The Applicant shall provide adequate security on the premises, as approved by the Sheriff and pursuant to this section, including lighting and alarms, to ensure the safety of persons and to protect the premises from theft.

(b) Security Plan

This section shall include at a minimum:

a. A description of the security measures to be taken to:

1. Prevent access to the cultivation site by unauthorized personnel and protect the physical safety of employees. This includes, but is not limited to:

(i) Establishing physical barriers to secure perimeter access and all points of entry (such as locking primary entrances with commercial-grade, non-residential door locks, or providing fencing around the grounds, driveway, and any secondary entrances including windows, roofs, or ventilation systems);

(ii) Installing a security alarm system to notify and record incident(s) where physical barriers have been breached;

The main gate to the property will be composed of steel and will be reinforced with concrete to include posts buried in the ground no less than 3' to absorb most attempts to breech the gate by mechanical means.

The Main gate access from highway will have industrial grade tamper resistant locks. All outer gates locks will be encased in a steel cover so exposure to the lock is limited. The steel cover is in place to prevent impact damage and to limit mechanical tampering. Gate will be constructed to withstand a large vehicle impact.

Large pine trees that were removed from the property for vineyard development will be laid on their side and placed along the HWY 175 property perimeter to prevent motor vehicle access.

Motion-sensing alarms will be installed at the main entrance to the Project Property, to alert personnel when someone/something has entered onto the premises. Motion detectors are to employ dual technology (PIR and Microwave), have tamper detection, and shall report an alarm or trouble if masked. Motion-sensing security lights will be installed on all external corners of the proposed cultivation area, the office/breakroom area and at the main entrance to the Project Property. All lighting will be fully shielded, downward casting and will not spill over onto other properties or the night sky.

The entire security system shall be managed by a centralized security station, to be located within the modular office building. This system will be keypad enabled, and capable of having multiple user codes and levels of authority, and capable of accepting a duress code at key pad level. System shall be capable of reporting opening and closing events by individual user ID. The system will be capable of providing text

(SMS) or email messages to emergency contacts and include 48 hours of battery backup, have tamper protection and be equipped with a siren and notification ability (complying with any local alarm ordinances) should the system be compromised.

(iii) Establishing an identification and sign-in/sign-out procedure for authorized personnel, suppliers, and/or visitors;

RHRP1 shall maintain an Activity Log for any personnel, suppliers or visitors to the cultivation premises. This log includes the name, company, purpose, time-in and time-out of the attendance event. RHRP1 personnel shall have identification badges, and any visitor to the site will wear a Visitor Badge after signing in on the Activity Log.

(iv) Maintaining the premises such that visibility and security monitoring of the premises is possible;

A 100-foot defensible space (vegetation management) will be established and maintained around the proposed cultivation operation for fire protection and to provide for visibility and security monitoring.

(v) Establishing procedures for the investigation of suspicious activities:

Upon discovery of suspicious activities, RHRP1 personnel shall immediately notify RHRP1 management. Management will investigate the suspicious activity incident; if it is determined that the suspicious activity cannot be handled administratively or constitutes a violation of any California law, the incident will be referred to the appropriate law enforcement agency for investigation. All investigation documentation will be kept on file for a minimum of 7 years.

2. Prevent theft or loss of cannabis and cannabis products. This includes but is not limited to:

(i) Establishing an inventory system to track cannabis material and the personnel responsible for processing it throughout the cultivation process;

As a state-licensed cultivation operation, RHRP1 is required to participate in the state Track & Trace inventory accounting system (METRC). The owners of RHRP1 are responsible for tracking cannabis materials through the cultivation process. This accounting system will be made available to relevant local and state agencies who wish to review the documentation.

(ii)Limiting access of personnel within the premises to those areas necessary to complete job duties, and to those time-frames specifically scheduled for completion of job duties;

RHRP1 employees and agents will only be on the premises during work shifts, and only in locations where they are authorized to work. Any vendor that comes on site will be accompanied by a RHRP1

representative for the duration of their duties/deliveries/tasks within the cultivation premises. Access to non-owners will be restricted to standard working hours (8-6 pm, Monday through Sunday).

(iii) Supervising tasks or processes with high potential for diversion (including the loading and unloading of cannabis transportation vehicles);

All wholesale transfers will be handled by a vetted, licensed Distributor. RHRP1 follows all state and local regulations for distributing cannabis and cannabis products throughout the licensed supply chain and will utilize the state Track & Trace program to prevent diversion of cannabis flower and flower products. Any on-site harvesting or processing will be supervised by RHRP1 representatives.

(iv) Providing designated areas in which personnel may store and access personal items.

Personnel will have a designated storage area within the modular office buildings to store and access personal items.

(3) Identification of emergency contact(s) that is/are available 24 hours/seven (7) days a week including holidays. The plan shall include the name, phone number and facsimile number or email address of an individual working on the commercial cultivation premises, to whom notice of problems associated with the operation of the commercial cultivation establishment can be provided. The commercial cultivation establishment shall keep emergency contact information current at all times. The applicant shall make every good faith effort to encourage neighborhood residents to call this designated person to resolve operating problems, if any, before any calls or complaints are made to the County.

RHRP1 Community Liaisons/Emergency Contacts:

William Seamus Porter, RHRP1, LLC Representative: 480-250-6691; seamusporter@gmail.com

Crystal Keesey, Eastside Environmental, Inc. (Consultant): 530-249-0845; crystal@eastsideenvironmental.com.

(4) The permittee shall maintain a record of all complaints and resolution of complaints, and provide a tally and summary of issues the annual Performance Review Report.

RHRP1's Community Liaison/Emergency Contact will be made available to Lake County Officials/Staff and the Lake County Sheriff's Office at all times to address any needs or issues that may arise.RHRP1 will provide the name, cell phone number, and email address of the Community Liaison/Emergency Contact to all interested County Departments, Law Enforcement Officials, and neighboring property owners and residents.

If a complaint is received, the RHRP1 Community Liaison/Emergency Contact will document the complainant and the reason for the complaint, then take action to resolve the issue (see the Odor Response Program in the Air Quality section of this Property Management Plan for odor related complaints/issues). The RHRP1 Annual Performance Review Report will include a tally and summary of

any complaints received about the cultivation operations, and the outcome/resolution of those complaints.

(5) A description of fences, location of access points, and how access is controlled.

Fences around the perimeter of the cultivation areas will be 6' tall with wood posts on a maximum of 10-foot centers, wire deer fencing between the posts. The cultivation site will be screened from public view by topographic barriers. Lockable entry gates, large enough to allow farming equipment to pass, will be installed at each distinct cultivation area. In addition, the sides of the cultivation areas closest to the Property access road will be planted with a hedgerow to reduce visibility of the cultivation areas and to and reduce any potential dust contamination in the cultivation area as a result of vehicular traffic.

(6) Video Surveillance

(i) at a minimum, permitted premises shall have a complete digital video surveillance system with a minimum camera resolution of 1080 pixel. The video surveillance system shall be capable of recording all pre-determined surveillance areas in any lighting conditions.

(ii) The video surveillance system shall be capable of supporting remote access by the permittee.

(iii) To the extent reasonably possible, all video surveillance cameras shall be installed in a manner that prevents intentional obstruction, tampering with, and/or disabling.

(iv) Areas that shall be recorded on the video surveillance system include, but are not limited to, the following:

(a) The perimeter of the cannabis cultivation site and cannabis nursery;
(b) Areas where cannabis or cannabis products are weighed, packed, stored, quarantined, loaded and/or unloaded for transportation, prepared, or moved within the premises;
(c) Areas where cannabis is destroyed;
(d) Limited-access areas;
(e) Security rooms;
(f) Areas containing surveillance-system storage devices, in which case, at least one cameral shall record the access pointes to such an area; and
(g) The interior and exterior of all entrances and exits to the cannabis cultivation sites and cannabis nursery including all buildings where cannabis or cannabis products are weighed, packed, stored, quarantined, loaded and/or unloaded for transportation, prepared, or moved within the premises.

(v) The surveillance system shall operate continuously 24 hours per day and at a minimum of 30 frames per second.

(vi) All exterior cameras shall be waterproof, I-66 minimum.

(vii) All interior cameras shall be moisture proof.

(viii) Cameras shall be color capable.

(ix) Video management software shall be capable of integrating cameras with door alarms.

(x) Video recordings shall be digital.

(xi) Thermal technology shall be used for perimeter fencing.

(xii) All cameras shall include motion sensors that activates the camera when motion is detected.

(xiii) In areas with inadequate lighting for the cameras being used, sufficient lighting shall be provided to illuminiate the camera's field of vision.

(xiv) All recording shall be located in secure rooms or areas of the premises in an access and environment-controlled environment which is separate from the room where the computer and monitoring equipment is located.
(xv) All surveillance recordings shall be kept on the applicant's recording device or other approved location for a minimum of 30 days.

(xvi) All video surveillance recordings are subject to inspection by the Department and shall be copied and sent, or otherwise provided, to the Department upon request.

(xvii) The video recordings shall display the current date and time of recorded events. Time is to be measured in accordance with the U.S. National Institute Standards and Technology standards. The displayed date and time shall not significantly obstruct the view of the recorded images.

RHRP1 will use a closed-circuit television (CCTV) system with a minimum camera resolution of 1080p to record activity in accordance with the Lake County regulations listed above.

The video surveillance system will have the capability to record activity in any lighting conditions, 24 hours a day with a minimum of 30 frames per second. The CCTV system will be managed in the proposed Office/Security Center within the Project modular office building.

The CCTV system will be remotely accessible by RHRP1 management and will be equipped with a failure notification system that immediately notifies management of any interruptions or failures. All recordings will be kept a minimum of 90 days, and 7 years for any corresponding reported incidents recorded by the system.

Proposed camera placements can be found on the accompanying Security Site Plan, Figure 7.

(7) Fences

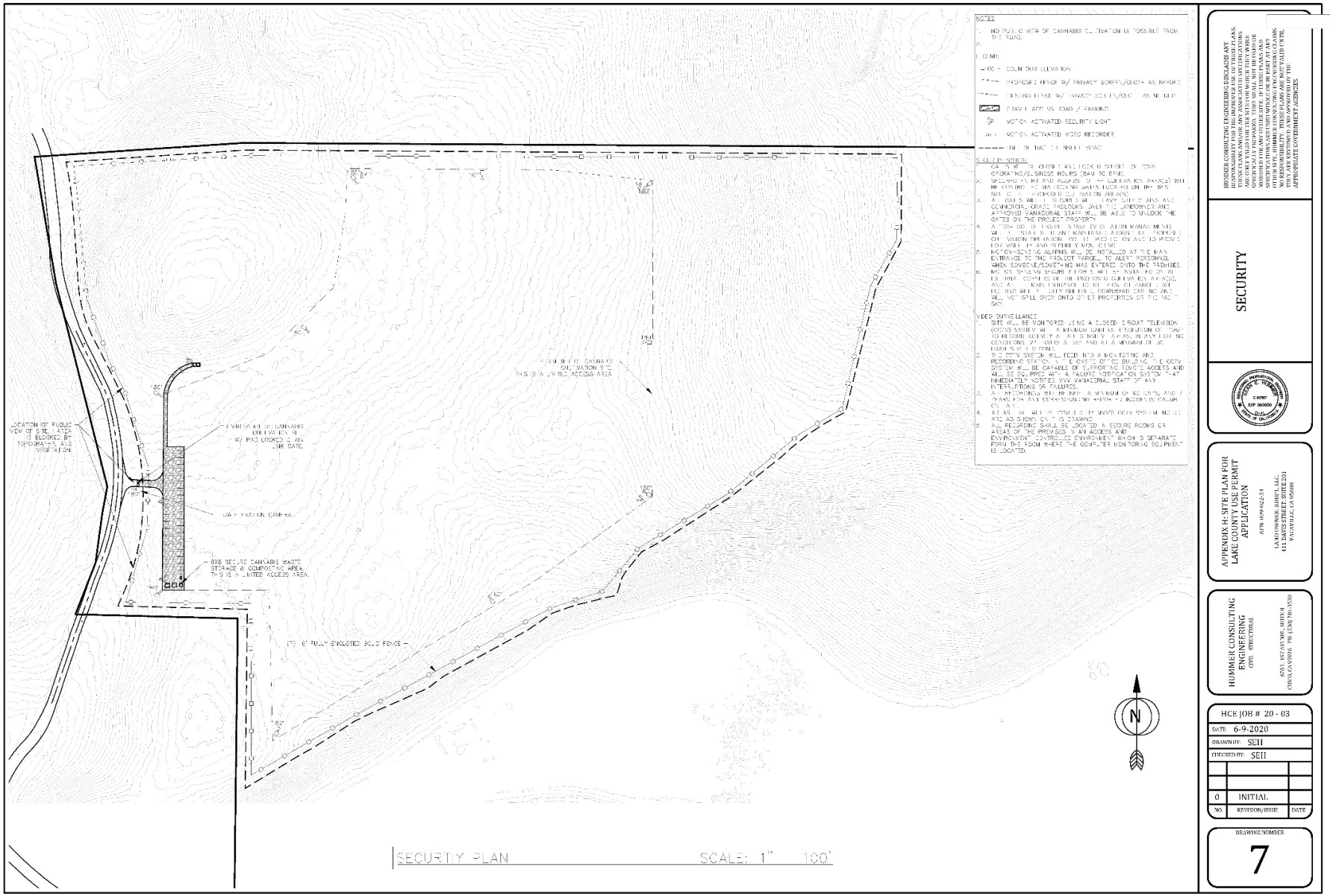
(i) Any commercial cannabis cultivation site shall be enclosed by a fence. The fence shall include, at a minimum, the following: Posts set into the ground. The posts may be steel tubing, timber or concrete and may be driven into the ground or set in concrete. End, corner or gate posts, commonly referred to as "terminal posts", must be set in concrete footing or otherwise anchored to prevent leaning under the tension of a stretched fence. Posts set between the terminal posts shall be set at intervals not to exceed 10 feet. A top horizontal rail is required between all posts. The fence shall be attached to the posts and top horizontal rail.

(ii) No barbed wire, razor wire or similar design shall be used.

(iii) The cultivation area shall be screened from public view. Methods of screening may include, but are not limited to, topographic barriers, vegetation, or solid (opaque) fences.

Fences around the perimeter of the RHRP1 cultivation area will be 6' tall wire deer fencing with wood posts on a maximum of 10-foot centers between the posts. The cultivation site will be screened from public view by topographic barriers. Lockable entry gates, large enough to allow farming equipment to pass, will be installed at each distinct cultivation area. In addition, the sides of the cultivation areas closest to the Property access road will be planted with a hedgerow to reduce visibility of the cultivation areas and to and reduce any potential dust contamination in the cultivation area as a result of vehicular traffic.

Figure 33. Site Plan for 8210 HWY 175, Kelseyville, CA Page 7, Security



iv. Stormwater Management

(a) Intent: To protect the water quality of the surface water and the stormwater management systems managed by Lake County and to evaluate the impact on downstream property owners. All permittees shall manage storm water runoff to protect downstream receiving water bodies from water quality degradation.

(b) All cultivation activities shall comply with the California State Water Board, the Central Valley Regional Water Quality Control Board, and the North Coast Region Water Quality Control Board orders, regulations, and procedures as appropriate.

RHRP1 obtained waste discharge permit coverage from the SWRCB for the cannabis cultivation operations on the Project property on January 25, 2018; Notice of Applicability (NOA) Waste Discharge Identification (WDID) number is 5S17CC400108. The NOA and accompanying Site Management Plan is included as an attachment to this RHRP1 Property Management Plan.

(c) Outdoor cultivation, including any topsoil, pesticide or fertilizers used for the cultivation cannabis shall not be located within 100 feet of any spring, top of bank of any creek or seasonal stream, edge of lake, delineated wetland or vernal pool. For purposes of determining the edge of Clear Lake, the setback shall be measured from the full lake level of 7.79 feet on the Rumsey Gauge.

Please refer to attached National Hydrography Dataset (NHD) and National Wetlands Inventory (NWI) maps of the Project property (Figs 32 & 33); no cultivation operations are located within 100 feet of any spring, top of bank of any creek or seasonal stream, edge of lake, delineated wetland or vernal pool.

(d) The illicit discharges of irrigation or storm water from the premises, as defined in Title 40 of the Code of Federal Regulations, Section 122.26, which could result in degradation of water quality of any water body will be prevented.

By implementing the Best Practicable Treatment and Control (BPTC) measures defined in the SWRCB Site Management Plan for the Project property, there will be no illicit discharges of irrigation or storm water from the premises; the SMP insures that water quality of nearby water bodies will be protected.

(e) All permittees shall prepare a Storm Water Management Plan based on the requirements for the California Regional Water Quality Control Board Central Valley Region or the California Regional Water Quality Control Board North Coast Region. (Appendix A). In addition to those requirements, the plan shall include:

h. Identification of any Lake County maintained drainage or conveyance system that the stormwater is discharged into and documentation that the stormwater discharge is in compliance with the design parameters of those structures.

The proposed project does not discharge stormwater into any Lake County maintained drainage or conveyance system.

i. Identification of any public roads and bridges that are downstream of the discharge point and documentation that the stormwater discharge is in compliance with the design parameters of any such bridges.

The proposed project does not have a stormwater discharge point; no downstream roads or bridges will be affected by the cultivation operations.

j. Documentation that the discharge of stormwater from the site will not increase the volume of water that historically has flow onto adjacent properties.

No offsite stormwater discharge will occur as a result of the cultivation operations. The BPTCs of the Project Site Management Plan and the Stocking Vineyard Erosion Control Plan are designed to ensure that stormwater runoff is managed on-site and will not increase the volume of water that historically has flowed onto adjacent properties.

k. Documentation that the discharge of stormwater will not increase flood elevations downstream of the discharge point.

As indicated within the Project SWRCB Site Management Plan and Stocking Vineyard Erosion Control Plan, there is no stormwater discharge point within the Project operations; all stormwater discharge will be contained within the Project parcel.

l. Documentation that the discharge of stormwater will not degrade water quality of any water body;

No offsite stormwater discharge will occur as a result of the cultivation operations. The BPTCs of the Project Site Management Plan and the Stocking Vineyard Erosion Control Plan are designed to ensure that stormwater runoff is managed on-site and will not increase the degrade water quality of any water body.

m. Provide documentation of compliance with the requirements of Chapter 29, Storm Water Management Ordinance of the Lake County Ordinance Code.

The stormwater management measures outlined within the SWRCB Site Management Plan and Vineyard Erosion Control Plan meet and/or exceed the requirements of the Lake County Storm Water Management Ordinance (Chapter 29 of the Lake County Ordinance Code).

n. Describe the proposed grading of the property.

There is no proposed grading for RHRP1 cannabis cultivation operations; all cannabis cultivation shall occur within the within the footprint of the Lake County-approved vineyard blocks of the Stocking Vineyard project on the same parcel.

o. Describe the storm water management system;

The entire cultivation operations are to be located within the Lake County-approved vineyard blocks for the Stocking Vineyard Project. A requirement of this complex grading permit is a comprehensive erosion control plan designed to protect downstream receiving water bodies from water quality degradation. The erosion control plan for the Stocking Vineyard and the SWRCB Site Management Plan are included as an

attachment to this section of the RHRP1 Property Management Plan; both describe the stormwater management system for RHRP1 cultivation operations on the Project property (Appendix A).

p. **Describe the best management practices (BMPs) that will be used during construction and those that will be used post-construction. Post-construction BMPs shall be maintained through the life of the permit; and**

All construction and post-construction (maintenance) BMPs (now called BPTCs) are described in the SWRCB Site Management Plan that was produced to obtain coverage under the SWRCB Waste Discharge Permit program; this report is included as an attachment to this Property Management Plan (Appendix A).

The proposed cultivation area will be located within the Lake-County approved Stocking vineyard blocks that have stormwater runoff BMPs implemented. Established and re-established vegetation within and around the proposed cultivation operation will be maintained/protected as a permanent erosion and sediment control measure. A certified weed-free straw mulch will be applied to all areas of exposed soil prior to November 15th of each year at a rate of two tons per acre, until permanent stabilization has been achieved.

If areas of concentrated stormwater runoff begin to develop, additional erosion and sediment control measures (such as straw wattles) will be implemented to protect those areas and their outfalls. Monitoring inspections conducted during and following the 2020/2021 winter wet weather period, indicate that the erosion and sediment control measures implemented within and around the existing cultivation area were successful at preventing sediment discharges to surface water bodies.

q. Describe what parameters will be monitored and the methodology of the monitoring program.

RHRP1 must comply with the following SWRCB Monitoring and Reporting Requirements for cannabis cultivation operations:

- Winterization Measures Implementation
- Tier Status Confirmation
- Third Party Identification (if applicable)
- Nitrogen Application (Monthly and Total Annual)

An Annual Report shall be submitted to the Central Valley Regional Water Quality Control Board (CVRWQCB) by March 1st of each year. The Annual Report shall include the following:

4. Facility Status, Site Maintenance Status, and Storm Water Runoff Monitoring.
5. The name and contact information of the person responsible for operation, maintenance, and monitoring.
6. A summary of the numbers and severity of waste discharge violations found during the reporting period, and actions taken or planned to correct the violations and prevent future violations.

RHRP1 will follow all monitoring requirements to maintain compliance with SWRCB Statewide General Order for cannabis waste discharge; these monitoring reports will be provided to Lake County officials upon request.

Figure 34. National Hydrography Dataset for 8210 HWY 175, Kelseyville, CA

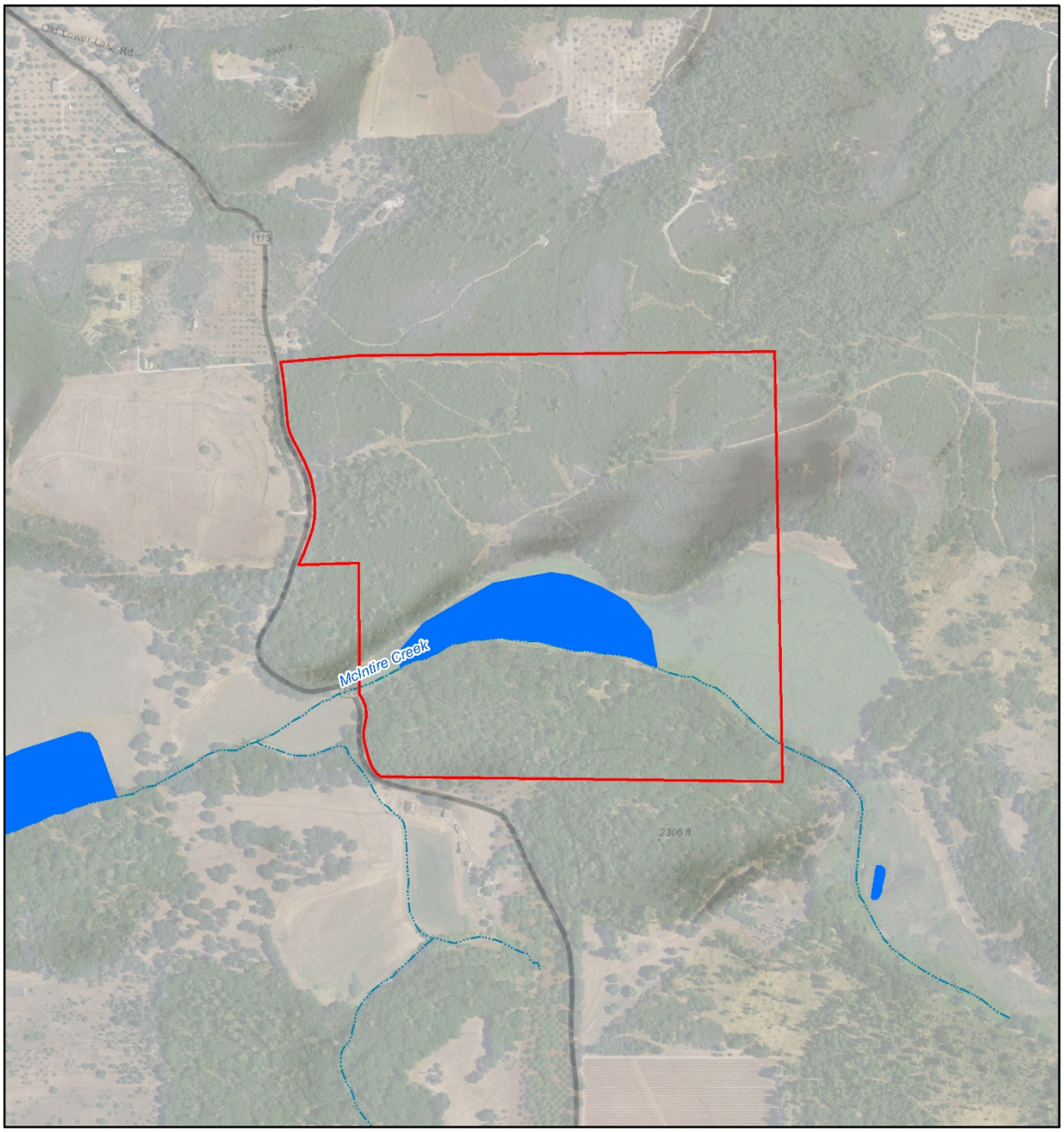
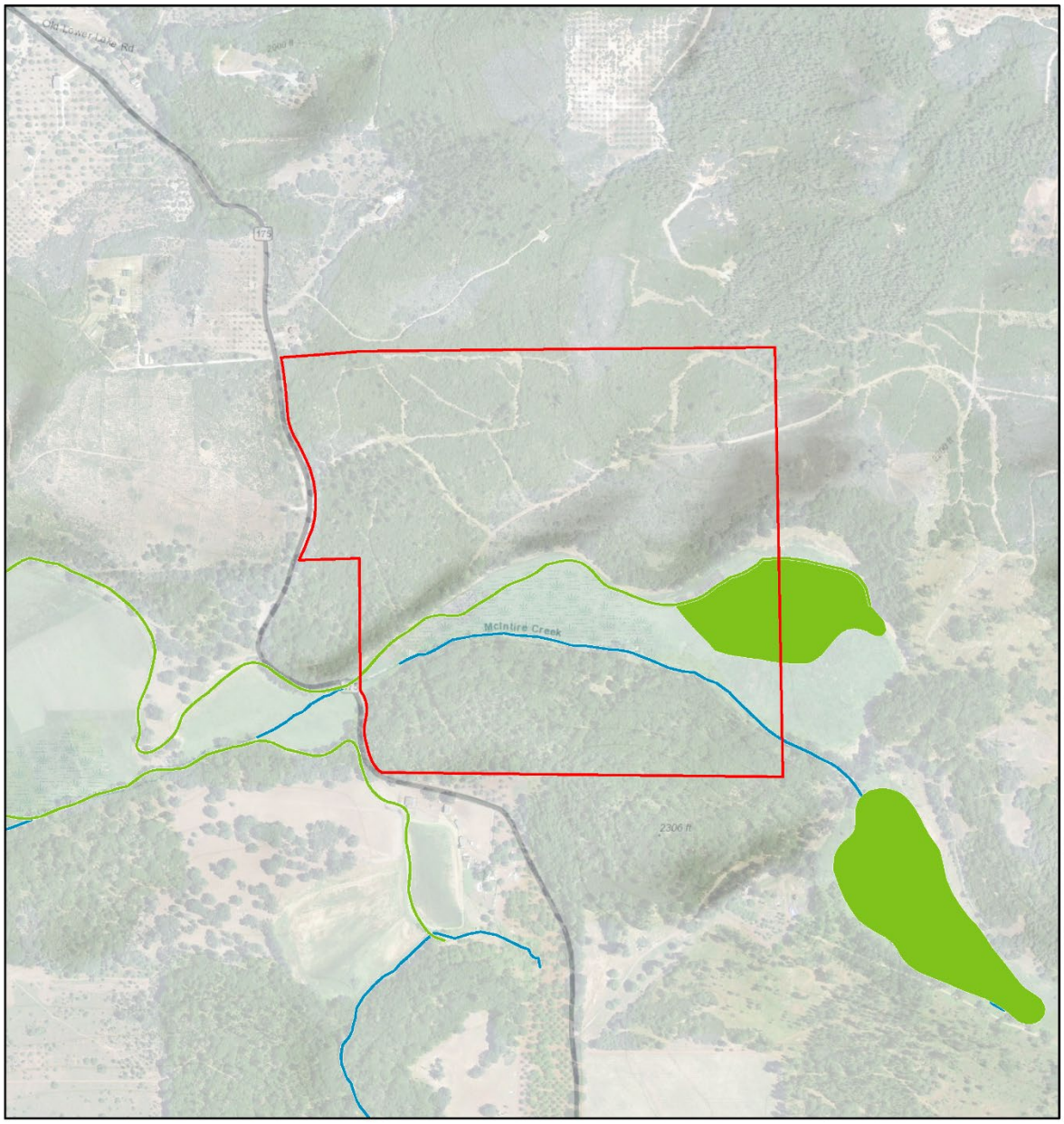


Figure 35. National Wetlands Inventory Map for 8210 HWY 175, Kelseyville, CA



K. Cannabis Vegetative Material Waste Management

The cannabis vegetative material waste management section shall include:

(1) Provide an estimate of the type and amount of cannabis vegetative waste that will be generated on an annual basis;

RHRP1 anticipates that the proposed cannabis cultivation operation will generate approximately 3900 pounds of dried cannabis waste each cultivation season (April 1st through November 15th).

(2) Describe how the permittee will minimize cannabis vegetative waste generation;

Anticipated cannabis waste generated from the cannabis cultivation operation is limited to cannabis plant stems and sun leaves. It is anticipated that all other parts of cannabis plants cultivated at this site will be transferred to a State of California-licensed Distributor for distribution to State of California-licensed Manufacturers and Retailers.

(3) Describe how solid waste will be disposed, and;

RHRP1 will follow State of California Business and Professions Code regulations, Sections 26013 and 26066, to dispose of cannabis waste, which may include:

- On-premises composting of cannabis waste;
- Collection and processing of cannabis waste by a local agency, a waste hauler franchised or contracted by a local agency, or a private waste hauler permitted by a local agency;
- Self-haul cannabis waste to one or more of the following:

  (1) A manned, fully permitted solid waste landfill or transformation facility;
  (2) A manned, fully permitted composting facility or manned composting operation;
  (3) A manned, fully permitted in-vessel digestion facility or manned in-vessel digestion operation;
  (4) A manned, fully permitted transfer/processing facility or manned transfer/processing operation; or
  (5) A manned, fully permitted chip and grind operation or facility.
  (6) A recycling center as defined in title 14, section 17402.5(d) of the California Code of Regulations and that meets the following:
  (a) The cannabis waste received shall contain at least ninety (90) percent inorganic material;
  (b) The inorganic portion of the cannabis waste is recycled into new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace; and the organic portion of the cannabis waste shall be sent to a facility or operation identified in subsection (1) through (5).

- Reintroduction of cannabis waste back into agricultural operation through on premises organic waste recycling methods, including but not limited to tilling directly into agricultural land and no-till farming.

RHRP1 plans either to render the cannabis waste unrecognizable and compost on-site in a secure designated location, or reintroduce the cannabis waste back into the agricultural operation by tilling directly into agricultural land.

(4) Describe the methodology on how the amount of cannabis vegetative waste is generated on the site, the amount that is recycled, and the amount and where cannabis vegetative waste is disposed of is measured.

All cannabis waste generated from the cultivation operation will be composted on-site and in compliance with Title 14 of the California Code of Regulations at Division 7, Chapter 3.1. Under video surveillance, cannabis waste will be chipped/chopped up and placed into plastic containers. Once full, the plastic containers will be weighed and recorded, then the chipped cannabis waste will be deposited into the composting area of the cultivation operation where it will be mixed with other organic/vegetative wastes derived from the Project Property. Cannabis waste will be composted and then incorporated into the soils of the cultivation area(s) as a soil amendment.

Weighing of the cannabis vegetative waste, the amount that is recycled and the amount disposed and/or composted will be performed by the cultivation operation weighmaster at a weighing station near the portable office building and storage sheds on Class II scales that have been certified by the Lake County Commissioner of Weights & Measures.

RHRP1 will maintain accurate and comprehensive records regarding cannabis waste generation that will account for, reconcile, and evidence all activity related to the generation or disposition of cannabis waste. All records will be kept on-site for seven (7) years and will be made available to State and County officials during inspections or when requested.

L. Growing Medium Management

The growing medium management section shall include:

(1) Provide an estimate of the type and amount of new growing medium that will be used and the amount of growing medium that will be disposed of on an annual basis;

The growing medium of the proposed cannabis cultivation area will be the existing soil amended with peat, coco coir, worm castings, compost, ligna peat, pumice, guanos, rock dusts, kelp meal, blood meal, and fish bone meal. Approximately 70,200 yards of on-site soil will be amended with the above-listed materials during the first two years of full production build-out, and afterwards amended to maintain desired nutrient and beneficial microbial levels. RHRP1 does not plan to dispose of any growing medium unless necessary as a result of heavy metals, microbial or chemical contamination.

Prior to each cultivation season, representative soil samples will be collected from the cultivation area(s) and analyzed by an agricultural analytical laboratory. The results of this analysis will be reviewed by RHRP1's managerial staff and crop advisor to determine the types and volumes of amendments that will need to be added to maintain the desired growing medium/native soil mixture for the upcoming cultivation season.

(2) Describe how the permittee will minimize growing medium waste generation;

RHRP1 does not plan to dispose of any growing medium unless necessary as a result of heavy metals, microbial or chemical contamination.

(3) Describe any non-organic content in the growing medium used (such as vermiculite, silica gel, or other non-organic additives;

RHRP1 will only use organic growing medium content; no non-organic additives will be utilized.

(4) Describe how growing medium waste will be disposed; and

RHRP1 does not plan to dispose of any growing medium unless necessary as a result of pest infestation, heavy metals toxicity, microbial or chemical contamination. In the event of a root and/or soil born pest infestation, the infested soil will be removed from the cultivation area(s), quarantined, treated with either heat or a pesticide that targets the infestation and that is approved for use in cannabis cultivation by the California Department of Food and Agriculture, then incorporated with cannabis waste compost. In the event of microbial or chemical contamination, the materials will be transferred by tarped truck to the appropriate waste facility in the area designed to handle the particular contaminant.

(5) Describe the methodology on how the amount of growing medium waste that is generated on the site, the amount that is recycled, and the amount and where growing medium waste is disposed of, is measured.

Growing medium will be measured by the cubic yard, as determined by the volume capacity of the tractor or loader bucket RHRP1 is utilizing for production operations.

V. Water Use

(h) Intent: To conserve the County's water resources by minimizing the use of water.

(i) All permitted activities shall have a legal water source on the premises, and have all local, state, and federal permits required to utilize the water source. If the permitted activity utilizes a shared source of water from another site, such source shall be a legal source, have all local, state and federal permit required to utilize the water source, and have a written agreement between the property owner of the site where the source is located and the permitted activity agreeing to the use of the water source and all terms and conditions of that use.

RHRP1 will use two agricultural wells that are located on APNs 00902256 and 00902283 (via easement) for the cannabis cultivation Project. Figure 39 includes the required written agreement with the parcel owner and easement owners of the agricultural wells.

(j) **Permittee shall not engage in unlawful or unpermitted drawing of surface water**.

RHRP1 will not utilize any surface water for the cannabis cultivation Project.

(k) The use of water provided by a public water supply, unlawful water diversions, transported by a water hauler, bottled water, a water-vending machine, or a retail water facility is prohibited.

RHRP1 intends to use two permitted agricultural wells for the Project water supply.

(l) Where a well is used, the well must be located on the premises, and adjacent parcel, or piped through a dedicated easement. The production well shall have a meter to measure the amount of water pumped. The production wells shall have continuous water level monitors. The methodology of the monitoring program shall be described. A monitoring well of equal depth within the cone of influence of the production well may be substituted for the water level monitoring of the production well. The monitoring wells shall be constructed and monitoring begun at least three months prior to the use of the supply well. An applicant shall maintain a record of all data collected and shall provide a report of the data collected to the County annually.

RHRP1 will install continuous water level monitors on the two production wells that will be used for the cannabis cultivation Project. RHRP1 will provide an annual report of all well-monitoring data collected to Lake County.

(m) Water may be supplied by a licensed retail water supplier, as defined in Section 13575 of the Water Code, on an emergency basis. The application shall notify the Department within 7 days of the emergency and provide the following information:

e. A description of the emergency.
f. Identification of the retail water supplier including the license number.
g. The volume of water supplied.
h. Actions taken to prevent the emergency in the future.

(n) All permittees shall prepare a Water Use/water availability analysis prepared by a qualified individual. Said plan shall:

d. Identify the source of water, including location, capacity, and documentation that it is a legal source.

The source of water for RHRP1 commercial cannabis operations are two groundwater irrigation wells; one located on parcel APN 00902256 and on parcel APN 00902283 (via easement). Location coordinates of the groundwater wells are 38°56'2.77"N, - 122°45'28.52”W for the well located on APN 00902256 and 38°55'52.53"N, - 122°45'11.01"W for the well located on APN 00902283. According to the well driller’s logs, the wells have an estimated capacity of 500 gallons per minute each. The following documents are attached to this Proposal Statement and Property Management Plan: official State of CA-filed Well Completion Reports (**Figure 14**); Water Demand and Water Availability Analysis prepared for the Stocking Vineyard Project[17] (**Figure 15**), and the well-parcel landowner authorization for commercial cannabis operations (**Figure 16**).

e. Describe the proposed irrigation system and methodology.

All irrigation systems for the commercial cannabis operations are designed to efficiently deliver water via drip tubing and micro-sprinkler materials to minimize water loss due to evaporation. Irrigation water for the proposed commercial cannabis operations will be pumped from the groundwater well to water storage tanks positioned above the proposed canopy area via an HDPE water supply line. The water storage tanks will be equipped with a float valve to stop the flow of water from the well when the tanks are full. An HDPE water supply line will be run from the water storage tanks to the irrigation system of the proposed cultivation area to the irrigation system. The water supply lines will be equipped with shutoff valves and inline water meters compliant with California Code of Regulations, Title 23, Division 3, Chapter 2.7. The irrigation system of the proposed cultivation area(s) will be composed of PVC piping, black poly tubing, and drip tapes/lines. Supplemental irrigation may be applied by hand using garden hoses.

f. Describe the amount of water projected to be used on a monthly basis for irrigation and separately for all other uses of water to be withdrawn from each source of water on a monthly basis.

[17] Aspegren, Drew L. P.E., Stocking Erosion Control Plan Water Demand and Water Availability Analysis. Napa Valley Vineyard Engineering, Inc. St. Helena, CA. May 30, 2018.

Type of Water Use	*Projected amount of groundwater use*
Crop irrigation	2.35 million gallons per month average for May-Nov
Domestic	180,000 gallons per month
Firebreak maintenance	243,000 gallons per month
Ranch operations	234,000 gallons per month

- **Provide calculations as to the efficiency of the irrigation system using the methodology of the Model Water Efficient Landscape Ordinance (California Code of Regulations, Title 23, Division2, Chapter 27).**

Hydrozone	*Plant Water Use Type(s)*	*Plant Factor (PF)*[18]	*Hydrozone Area (HA)*[19] *(ft²)*	*PF x HA (ft²)*
Cultivation Area(s)	Moderate/Medium[20]	0.4- 0.6	1,132,560	453,024 – 679,536
Companion Herbs/Plants	Low[21]	0-0.3	566,280	0 – 169,884

Quantification	*Formula*	*Equation*	*Result*
Maximum Applied Water Allowance[22]	MAWA=(ETo) (0.62) [(0.7 x LA) + (0.3 x SLA)][23]	(49.4) (0.62) [(0.7 x 1,698,840) + (0.3 x 566,280)]	41,625,657.21 gallons
Estimated Total Water Use per year[24]	ETWU = (ETo) (0.62) [(PF x HA/IE) + SLA)][25]	ETWU = (49.4) (0.62) [(0.6 x 1,132,560/0.88) + 566,280]	40,994,965.44 gallons

[18] PF = Plant Factor from Water Use Classification of Landscape Species

[19] HA = Hydrozone Area (high, medium, and low water use areas);

[20] Hops (*Humulus lupulus*) was used as an analog for Cannabis (Cannabis, Corn, Tomatoes, and Alfalfa are not listed in Water Use Classification of Landscape Species for the Clearlake Region);

[21] Lavender (*Lavandula spp.*) was used to represent the fragrant flowering, beneficial insect attracting, and naturally insecticidal companion plants to be grown throughout cultivation operation;

[22] (MAWA), measured in gallons per year;

[23] ETo = Reference Evapotranspiration (inches per year); 0.62 = Conversion Factor (to gallons); 0.7 = ET Adjustment Factor (ETAF); LA = Landscape Area including SLA (square feet); 0.3 = Additional Water Allowance for SLA; SLA = Special Landscape Area (square feet);

[24] ETWU = Estimated total water use (measured in gallons);

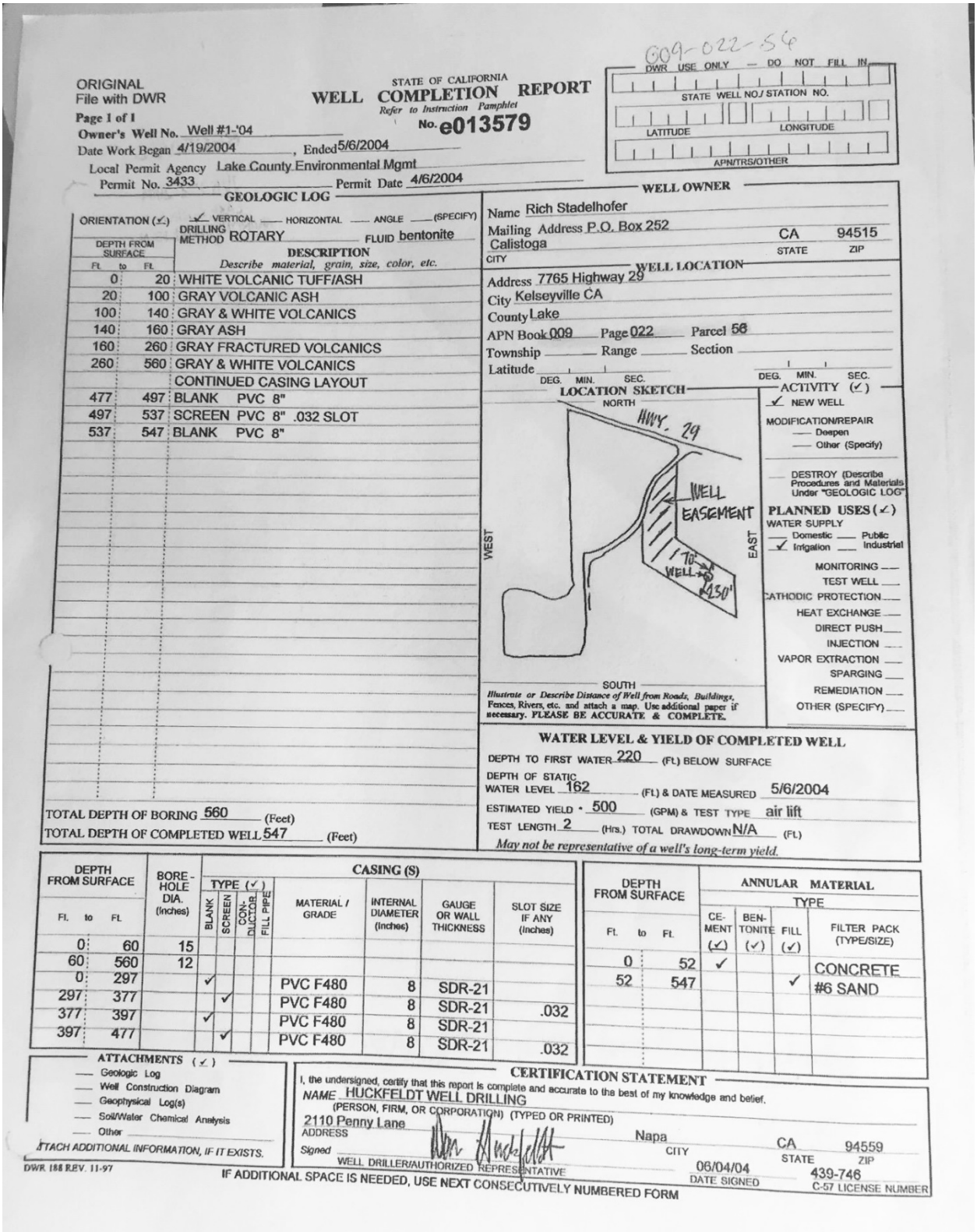
[25] PF = Plant Factor from Water Use Classification of Landscape Species; HA = Hydrozone Area [high, medium, and low water use areas] (square feet); SLA = Special Landscape Area (square feet); 0.62 = Conversion Factor to gallons;

RHRP1's proposed cannabis cultivation operation has a Maximum Applied Water Allowance greater than its Estimated Total Water Use.

RHRP1 anticipates that the actual water usage of their proposed cultivation operation will be less than 14,500,000 gallons per year (based on water usage data from existing cultivation operations on another parcel of the ranch), which is approximately 35 percent of the MAWA for the proposed cultivation operation and 35.3 percent of its ETWU.

IE = Irrigation Efficiency (Micro-spray Irrigation System Design Efficiency = 82%, Drip Irrigation System Design Efficiency = 88%)

Figure 36. Well Completion Report for 8210 HWY 175, Kelseyville Cultivation Project



009-022-54

ORIGINAL
File with DWR

STATE OF CALIFORNIA
WELL COMPLETION REPORT
Refer to Instruction Pamphlet
No. e013579

DWR USE ONLY — DO NOT FILL IN
STATE WELL NO./ STATION NO.
LATITUDE LONGITUDE
APN/TRS/OTHER

Page 1 of 1
Owner's Well No. Well #1-'04
Date Work Began 4/19/2004, Ended 5/6/2004
Local Permit Agency Lake County Environmental Mgmt
Permit No. 3433 Permit Date 4/6/2004

GEOLOGIC LOG

ORIENTATION (✓) ✓ VERTICAL ___ HORIZONTAL ___ ANGLE ___ (SPECIFY)
DRILLING METHOD ROTARY FLUID bentonite

DEPTH FROM SURFACE Ft.	to Ft.	DESCRIPTION *Describe material, grain, size, color, etc.*
0	20	WHITE VOLCANIC TUFF/ASH
20	100	GRAY VOLCANIC ASH
100	140	GRAY & WHITE VOLCANICS
140	160	GRAY ASH
160	260	GRAY FRACTURED VOLCANICS
260	560	GRAY & WHITE VOLCANICS
		CONTINUED CASING LAYOUT
477	497	BLANK PVC 8"
497	537	SCREEN PVC 8" .032 SLOT
537	547	BLANK PVC 8"

TOTAL DEPTH OF BORING 560 (Feet)
TOTAL DEPTH OF COMPLETED WELL 547 (Feet)

WELL OWNER
Name Rich Stadelhofer
Mailing Address P.O. Box 252
Calistoga CA 94515
CITY STATE ZIP

WELL LOCATION
Address 7765 Highway 29
City Kelseyville CA
County Lake
APN Book 009 Page 022 Parcel 56
Township ___ Range ___ Section ___
Latitude ___ DEG. MIN. SEC. ___ DEG. MIN. SEC.

LOCATION SKETCH
NORTH
HWY. 29
WELL EASEMENT
WEST
EAST
TO WELL
430'
SOUTH
Illustrate or Describe Distance of Well from Roads, Buildings, Fences, Rivers, etc. and attach a map. Use additional paper if necessary. PLEASE BE ACCURATE & COMPLETE.

ACTIVITY (✓)
✓ NEW WELL
MODIFICATION/REPAIR
___ Deepen
___ Other (Specify)
___ DESTROY (Describe Procedures and Materials Under "GEOLOGIC LOG"

PLANNED USES (✓)
WATER SUPPLY
___ Domestic ___ Public
✓ Irrigation ___ Industrial
MONITORING ___
TEST WELL ___
CATHODIC PROTECTION ___
HEAT EXCHANGE ___
DIRECT PUSH ___
INJECTION ___
VAPOR EXTRACTION ___
SPARGING ___
REMEDIATION ___
OTHER (SPECIFY) ___

WATER LEVEL & YIELD OF COMPLETED WELL
DEPTH TO FIRST WATER 220 (FT.) BELOW SURFACE
DEPTH OF STATIC WATER LEVEL 162 (FT.) & DATE MEASURED 5/6/2004
ESTIMATED YIELD 500 (GPM) & TEST TYPE air lift
TEST LENGTH 2 (Hrs.) TOTAL DRAWDOWN N/A (FT.)
May not be representative of a well's long-term yield.

CASING (S)

DEPTH FROM SURFACE Ft.	to Ft.	BORE-HOLE DIA. (Inches)	TYPE (✓) BLANK	SCREEN	CONDUCTOR	FILL PIPE	MATERIAL / GRADE	INTERNAL DIAMETER (Inches)	GAUGE OR WALL THICKNESS	SLOT SIZE IF ANY (Inches)
0	60	15								
60	560	12								
0	297			✓			PVC F480	8	SDR-21	
297	377				✓		PVC F480	8	SDR-21	.032
377	397			✓			PVC F480	8	SDR-21	
397	477				✓		PVC F480	8	SDR-21	.032

ANNULAR MATERIAL

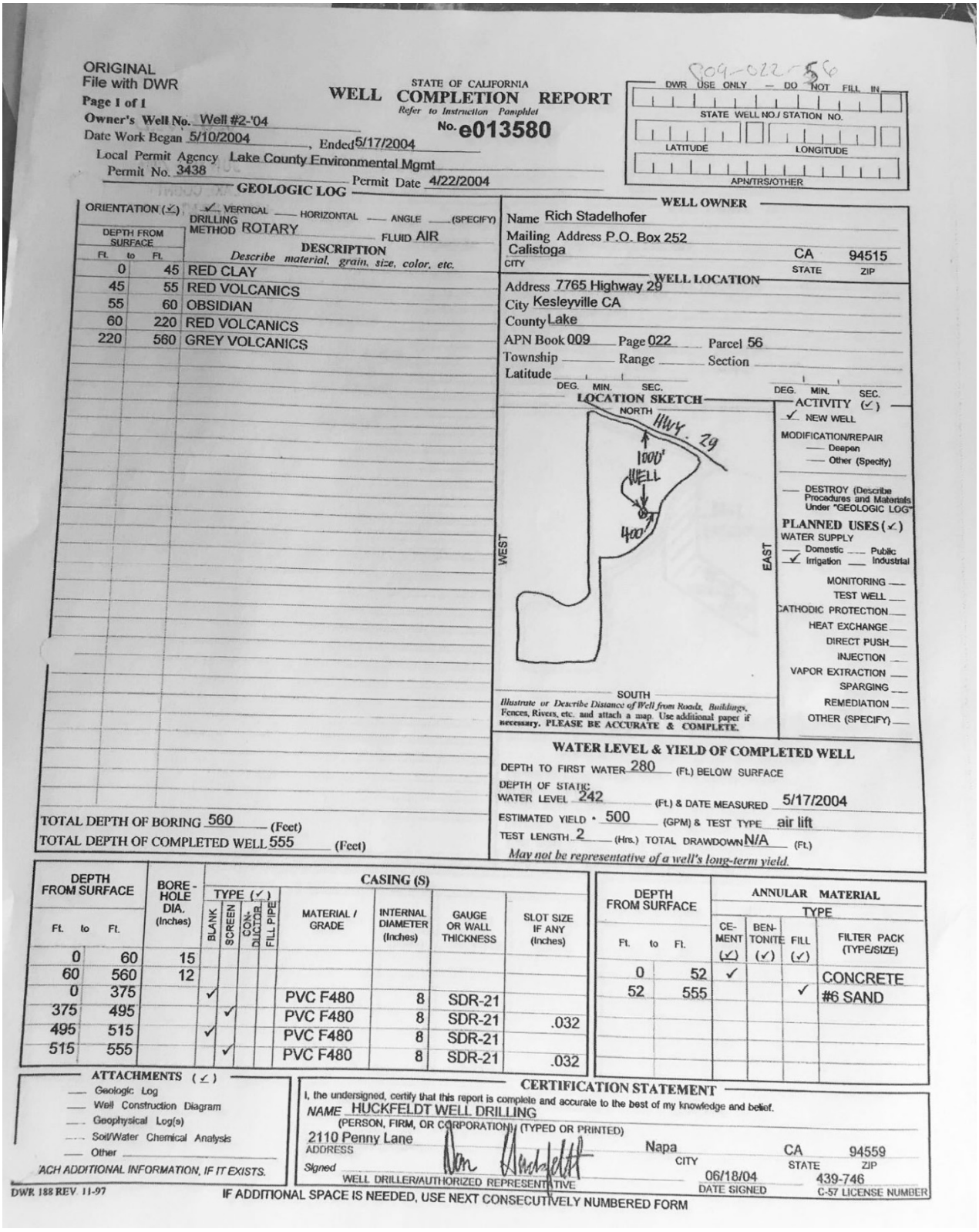
DEPTH FROM SURFACE Ft.	to Ft.	TYPE CEMENT (✓)	BENTONITE (✓)	FILL (✓)	FILTER PACK (TYPE/SIZE)
0	52	✓			CONCRETE
52	547			✓	#6 SAND

ATTACHMENTS (✓)
___ Geologic Log
___ Well Construction Diagram
___ Geophysical Log(s)
___ Soil/Water Chemical Analysis
___ Other
ATTACH ADDITIONAL INFORMATION, IF IT EXISTS.

CERTIFICATION STATEMENT
I, the undersigned, certify that this report is complete and accurate to the best of my knowledge and belief.
NAME HUCKFELDT WELL DRILLING
(PERSON, FIRM, OR CORPORATION) (TYPED OR PRINTED)
2110 Penny Lane Napa CA 94559
ADDRESS CITY STATE ZIP
Signed [signature] 06/04/04
WELL DRILLER/AUTHORIZED REPRESENTATIVE DATE SIGNED
439-746
C-57 LICENSE NUMBER

DWR 188 REV. 11-97
IF ADDITIONAL SPACE IS NEEDED, USE NEXT CONSECUTIVELY NUMBERED FORM

Figure 37. Well Completion Report Well #2 for 8210 HWY 175, Kelseyville, CA Cultivation Project



ORIGINAL
File with DWR
Page 1 of 1

STATE OF CALIFORNIA
WELL COMPLETION REPORT
Refer to Instruction Pamphlet
No. e013580

DWR USE ONLY — DO NOT FILL IN
STATE WELL NO./ STATION NO.
LATITUDE LONGITUDE
APN/TRS/OTHER

Owner's Well No. Well #2-'04
Date Work Began 5/10/2004, Ended 5/17/2004
Local Permit Agency Lake County Environmental Mgmt
Permit No. 3438 Permit Date 4/22/2004

GEOLOGIC LOG

ORIENTATION (✓) ✓ VERTICAL — HORIZONTAL — ANGLE — (SPECIFY)
DRILLING METHOD ROTARY FLUID AIR

DEPTH FROM SURFACE Ft. to Ft.	DESCRIPTION *Describe material, grain, size, color, etc.*
0 45	RED CLAY
45 55	RED VOLCANICS
55 60	OBSIDIAN
60 220	RED VOLCANICS
220 560	GREY VOLCANICS

TOTAL DEPTH OF BORING 560 (Feet)
TOTAL DEPTH OF COMPLETED WELL 555 (Feet)

WELL OWNER
Name Rich Stadelhofer
Mailing Address P.O. Box 252
Calistoga CA 94515
CITY STATE ZIP

WELL LOCATION
Address 7765 Highway 29
City Kesleyville CA
County Lake
APN Book 009 Page 022 Parcel 56
Township Range Section
Latitude DEG. MIN. SEC. DEG. MIN. SEC.

LOCATION SKETCH
NORTH
HWY. 29
1000'
WELL
400'
WEST
EAST
SOUTH
Illustrate or Describe Distance of Well from Roads, Buildings, Fences, Rivers, etc. and attach a map. Use additional paper if necessary. PLEASE BE ACCURATE & COMPLETE.

ACTIVITY (✓)
✓ NEW WELL
MODIFICATION/REPAIR
— Deepen
— Other (Specify)
— DESTROY (Describe Procedures and Materials Under "GEOLOGIC LOG"

PLANNED USES (✓)
WATER SUPPLY
— Domestic — Public
✓ Irrigation — Industrial
MONITORING —
TEST WELL —
CATHODIC PROTECTION —
HEAT EXCHANGE —
DIRECT PUSH —
INJECTION —
VAPOR EXTRACTION —
SPARGING —
REMEDIATION —
OTHER (SPECIFY) —

WATER LEVEL & YIELD OF COMPLETED WELL
DEPTH TO FIRST WATER 280 (Ft.) BELOW SURFACE
DEPTH OF STATIC WATER LEVEL 242 (Ft.) & DATE MEASURED 5/17/2004
ESTIMATED YIELD 500 (GPM) & TEST TYPE air lift
TEST LENGTH 2 (Hrs.) TOTAL DRAWDOWN N/A (Ft.)
May not be representative of a well's long-term yield.

CASING (S)

DEPTH FROM SURFACE Ft. to Ft.	BORE-HOLE DIA. (Inches)	TYPE (✓) BLANK	SCREEN	CONDUCTOR	FILL PIPE	MATERIAL / GRADE	INTERNAL DIAMETER (Inches)	GAUGE OR WALL THICKNESS	SLOT SIZE IF ANY (Inches)
0 60	15								
60 560	12								
0 375		✓				PVC F480	8	SDR-21	
375 495			✓			PVC F480	8	SDR-21	.032
495 515		✓				PVC F480	8	SDR-21	
515 555			✓			PVC F480	8	SDR-21	.032

ANNULAR MATERIAL

DEPTH FROM SURFACE Ft. to Ft.	TYPE CEMENT (✓)	BENTONITE (✓)	FILL (✓)	FILTER PACK (TYPE/SIZE)
0 52	✓			CONCRETE
52 555			✓	#6 SAND

ATTACHMENTS (✓)
— Geologic Log
— Well Construction Diagram
— Geophysical Log(s)
— Soil/Water Chemical Analysis
— Other
ATTACH ADDITIONAL INFORMATION, IF IT EXISTS.

CERTIFICATION STATEMENT
I, the undersigned, certify that this report is complete and accurate to the best of my knowledge and belief.
NAME HUCKFELDT WELL DRILLING
(PERSON, FIRM, OR CORPORATION) (TYPED OR PRINTED)
2110 Penny Lane Napa CA 94559
ADDRESS CITY STATE ZIP
Signed
WELL DRILLER/AUTHORIZED REPRESENTATIVE 06/18/04 439-746
DATE SIGNED C-57 LICENSE NUMBER

DWR 188 REV. 11-97
IF ADDITIONAL SPACE IS NEEDED, USE NEXT CONSECUTIVELY NUMBERED FORM

Figure 38. Water Availability Analysis for Stocking Vineyard Project

NAPA VALLEY VINEYARD ENGINEERING, INC.
176 MAIN STREET, SUITE B
ST. HELENA, NAPA VALLEY, CALIFORNIA 94574
(707) 963-4927 nvvedla@covad.net

DREW L. ASPEGREN, P.E.
CIVIL ENGINEER

STOCKING EROSION CONTROL PLAN

WATER DEMAND AND WATER AVAILABILITY ANALYSIS
May 30, 2018

Water Demand

It is proposed that the new vineyard (259.02 net acres) will be irrigated using groundwater. The average annual water demand is:

(259.02 vine acres)(1089 vines/ac) = 282,073 vines
(282,073 vines)(100 gal/vine/yr)/(325,851 gal/af) = 86.6 afa (acre-feet per annum)

Allowing 0.5 afa for other minor agricultural uses, total average vineyard water use is expected to be ±87.1 afa

There are no other uses for water on the property.

Water Availability

The soils mapped for the subject property are Aiken-Sobrante Association, Benridge-Konocti Association, Bottlerock-Glenview-Arrowhead complex and Clear Lake Variant clay, drained, all of which are derived from the underlying volcanic parent material. It has been estimated that about 9-13% of rainfall which falls on these volcanics can percolate into the underlying formation and appear in the deep aquifers (USGS Water Resources Investigation 77-82, Michael Johnson, 1977); the remaining 87-91% flows off site as direct runoff or is held in the topsoils to be evapotransported by surface vegetation.

The five parcels plus easements total some 666.5 acres overlying these volcanic formations, and the average annual rainfall is ±32" (USGS Isohyetal Map, Mean Annual Precipitation in the California Region, S.E. Rantz, 1972). On average, the property will receive ±1,777 af of rainfall (666.5 ac x 32" = 1,777.33 af). Using a conservative estimate of 10% appearing as annual groundwater recharge, it is expected that the Stocking properties would contribute an average of about 178 af to the groundwater supply annually.

The Isohyetal Rainfall map shows that Ukiah and Stocking Vineyards have approximately the same average annual rainfall (32"). NOAA rainfall records for Ukiah show that 17.11" fell during 2013-14 and 24.73" during 2014-15. We consider 2014-15 to be a "dry year"; (±77% of average) and 2013-14 to be an "extremely dry year: (±53% of average). Assuming the same rainfall at Stocking Vineyards, and using the same analysis presented above, it is expected that for 2013-14, ±950 acre-feet (af) would fall on the 666.5 acre property, and ±95 af would appear as groundwater. Similarly, for 2014-15, ±1,373 af would fall on the property and ±137 af would appear as groundwater.

Conclusions

Total average annual water demand is ±87.1 afa, or about 49% of the subject properties' average annual groundwater recharge. Further, the 87.1 afa total water demand then would be ±92% (87/95) of the 2013-14 rainfall contribution to groundwater, and ±63% (87/137) during 2014-15. Over the long term, it is expected that using groundwater to support the proposed project will not diminish the underlying aquifer. Even during those back to back dry years, it is expected that vineyard irrigation would not have diminished the underlying aquifer nor impacted other wells.

Figure 39. Well use authorization for 8210 HWY 175, Kelseyville, CA Cultivation Project

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

John F. Gardner
Donahue Fitzgerald LLP
1646 N. California Blvd, Suite 250
Walnut Creek, CA 94596

Above space for Recorder's use only

This is a conveyance of an easement and the consideration and value is less than $100.00 *(R&T §11911).*

The undersigned Grantor declares that the documentary transfer tax due is $0 computed on the full value of property conveyed.

WATER EASEMENT AGREEMENT

This Water Easement Agreement ("**Agreement**") is entered into as of October 5, 2020 by and between Anna P. Kirchner trustee of THE KIRCHNER FAMILY TRUST, Sarah E. Harper trustee of THE HARPER FAMILY TRUST, William Seamus Porter trustor of THE WILLIAM SEAMUS PORTER FAMILY TRUST, Thomas Henry Porter trustor of THE THOMAS H. PORTER FAMILY TRUST and Bryant Stocking managing member of S & S FAMILY LLC, a California limited liability company (collectively, "**Grantor**"), and Anna P. Kirchner trustee of THE KIRCHNER FAMILY TRUST, Sarah E. Harper trustee of THE HARPER FAMILY TRUST, William Seamus Porter trustor of THE WILLIAM SEAMUS PORTER FAMILY TRUST AND Thomas Henry Porter trustor of THE THOMAS H. PORTER FAMILY TRUST (collectively, "**Grantee**").

RECITALS

A. Grantor is the owner of the real property described in Exhibit A, attached hereto and incorporated herein by reference (the "**Grantor Property**") and has an exclusive easement for the use of a well located on an adjoining property.

B. Grantee is the owner of the real property described in Exhibit B, attached hereto and incorporated herein by reference (the "**Grantee Property**").

C. The parties desire to provide, for the benefit of the Grantee Property, a water easement over, across, under and through the Grantor Property to access and utilize two (2) groundwater

#4844-0892-9480.2

irrigation wells and related facilities subject to the terms and conditions of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises, covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Grant of Water Easement over the Grantor Property. Grantor hereby grants to Grantee a perpetual, irrevocable, non-exclusive appurtenant easement, consisting of the right from time to time to inspect, maintain, repair, remove, replace, operate and utilize two (2) groundwater irrigation wells and related facilities for commercial cannabis operations, agricultural operations, and related activities, together with a right of way for such use and ingress to and egress from two (2) groundwater irrigation wells, one of which is located on the Grantor Property and the other is located on an adjoining property to which Grantor Property has an exclusive easement as more particularly described in Exhibit C attached hereto and incorporated herein by this reference (collectively, the "**Easement**"). The existing groundwater wells have been constructed as depicted on the map attached hereto as Exhibit D and incorporated herein by this reference, and the location coordinates of which are 38°56'2.77"N, -122°45'28.52"W for the well located on APN 00902256 and 38°55'52.53"N, - 122°45'11.01"W for the well located on APN 00902283 (via easement) (the "**Well Area**"). Grantee shall not have the right to construct additional groundwater wells without the prior consent of Grantor, which may be withheld in Grantor's sole and absolute discretion.

2. Scope of Easement. The Easement shall be used by Grantee as Grantee deems necessary or convenient in connection with Grantee's commercial cannabis operations and agricultural operations on the Grantee Property. Any waterlines or other improvements constructed by Grantee shall be subject to the prior written consent of Grantor, which shall not be unreasonably withheld or delayed for an unreasonable period of time.

3. Grantor's Use of Easement and Well Area; Improvements. Grantor hereby reserves, for itself, its successors and assigns, the right to use the Easement and Well Area for any purpose; provided that Grantor shall not erect or construct any building, improvement, fencing, or structure (collectively, "**Improvements**") or otherwise conduct activities in the Well Area which may impair or prevent Grantee's use of the Well Area for the purposes specified herein. To the extent removal of any new Improvements constructed by Grantor is necessary for Grantee to exercise its rights under this instrument, Grantor shall be solely responsible for the costs of removal of such Improvements, and Grantee shall have no obligation to repair or replace any such Improvements. Grantor shall not engage in any activity that will damage or is reasonably likely to damage, Grantee's facilities and equipment in the Well Area.

4. Maintenance and Repair of Well Area. Grantee agrees, at its sole cost, to keep all facilities and equipment of Grantee in the Well Area in good condition and repair, subject only to ordinary wear and tear. In the event Grantee damages the surface of the Well Area or

improvements thereon installed by or for Grantor, Grantee shall, at its cost, repair the damage caused by the activities of Grantee and make commercially reasonable efforts to restore the surface of the Well Area, as reasonably possible, to the condition in which such surface area and improvements existed at the commencement of the activities of Grantee which caused such damage. In no event shall Grantee be obligated to repair damage caused by activities other than the activities of Grantee.

5. Indemnity. Each party to this Agreement is an Indemnitor (hereinafter referred to as "**Indemnitor**"), and agrees to indemnify, defend, and hold harmless the other party and such other party's officers, directors, shareholders, employees, contractors, licensees, tenants, agents, and representatives (who will be referred to herein, individually and collectively, as the "**Indemnitee**") from and against any claims, demands, actions, proceedings, liabilities, losses, damages, liens, costs and expenses (including court costs and reasonable attorney, experts', and consultants' fees and costs) of any nature whatsoever, at law or in equity arising directly or indirectly out of or relating to the following acts with respect to the Easement or rights granted under this Agreement:

a. any negligence, willful misconduct, or intentional act of Indemnitor or any of Indemnitor's employees, contractors, agents, tenants, or licensees;

b. any use, transport, storage, release, or disposal of any hazardous materials by Indemnitor or any employee, contractor, licensee, tenant, or agent of any Indemnitor; and

c. any breach of Indemnitor's obligations under this Agreement.

6. Amendment. This Agreement may be amended, modified, or supplemented only by a writing signed by both parties.

7. Interpretation. The parties have jointly participated in the negotiation and drafting of this Agreement, and this Agreement shall be construed fairly and equally for the parties, without regard to any rules of construction relating to the party who drafted a particular provision of the Agreement.

8. Governing Law. This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California.

9. Attorney Expert, Consultant Fees and Costs. The prevailing party in any action or proceeding to enforce or interpret this Agreement or otherwise arising out of or in connection with the subject matter of this Agreement (including, but not limited to, any suit, arbitration, entry of judgment, postjudgment motion, or enforcement, appeal, bankruptcy litigation, attachment, or levy) shall be entitled to recover its costs and expenses, including, but not limited to, reasonable attorney, experts', and consultants' fees and costs, at trial and on appeal.

10. Successors and Assigns. This Agreement shall be binding on and shall inure to the benefit of the parties to this Agreement and their respective heirs, personal and legal

representatives, successors, and assigns. As used herein, the term "**Grantor**" shall include all subsequent owners of the land subject to the easement granted hereby. The terms hereof shall run with the Easement. As used herein, the term "**Grantee**" shall include all subsequent owners of the Grantee Property granted hereby. That Grantor covenants that Grantor has good right and title to grant the foregoing easement, and that Grantor and its successors and assigns shall warrant and defend the same unto Grantee, its successors and assigns, forever, against the lawful claims and demands of all persons.

[Signature page follows]

IN WITNESS WHEREOF, Grantor and Grantee have duly executed this instrument as of the day and year first above written.

GRANTOR:

THE KIRCHNER FAMILY TRUST

By: Anna P. K
Name: Anna P. Kirchner
Title: trustee

THE HARPER FAMILY TRUST

By: Sarah E Harper
Name: Sarah E Harper
Title: Trustee

THE WILLIAM SEAMUS PORTER FAMILY TRUST

By: Wm Seamus Porter
Name: William Seamus Porter
Title: Trustor

THE THOMAS H. PORTER FAMILY TRUST

By:
Name: Thomas Henry Porter
Title: Trustor

S & S FAMILY LLC,
a California limited liability company

By:
Name: Bryant Stocking
Title: Managing Member

#4844-0892-9480.2

GRANTEE:

THE KIRCHNER FAMILY TRUST

By: Anna P. Kirchner
Name: Anna Petrina Kirchner
Title: Trustee

THE HARPER FAMILY TRUST

By: Sarah E Harper
Name: Sarah E Harper
Title: Trustee

THE WILLIAM SEAMUS PORTER FAMILY TRUST

By: William Seamus Porter
Name: William Seamus Porter
Title: Trustee

THE THOMAS H. PORTER FAMILY TRUST

By: Thomas Henry Porter
Name: Thomas Henry Porter
Title: Truster

#4844-0892-9480.2

ALL SIGNATURES MUST BE NOTARIZED

CALIFORNIA ACKNOWLEDGMENT
California Civil Code Section 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF Solano

On September 29, 2020 before me, N. Dang, a notary public, personally appeared Bryant Stalking who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I CERTIFY UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

N. DANG
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2259877
SOLANO COUNTY
My Comm. Exp. October 23, 2022

Signature of Notary Public

[SEAL]

7

#4844-0892-9480.2

ALL SIGNATURES MUST BE NOTARIZED

CALIFORNIA ACKNOWLEDGMENT
California Civil Code Section 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF SOLANO

On October 5, 20 20 before me, Anne B. Sison, a notary public, personally appeared Anna Kirchner and Sarah Harper who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I CERTIFY UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

ANNE B. SISON
Comm. #2308264
Notary Public · California
Solano County
Comm. Expires Oct 27, 2023

Anne B. Sison
Signature of Notary Public

[SEAL]

#4844-0892-9480.2

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF SOLANO

On October 5, 2020 before me, Anne B. Sison, a notary public, personally appeared William Porter and Thomas Porter who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I CERTIFY UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

ANNE B. SISON
Comm. #2308264
Notary Public · California
Solano County
Comm. Expires Oct 27, 2023

Anne B. Sison
Signature of Notary Public

[SEAL]

#4844-0892-9480.2

EXHIBIT A

LEGAL DESCRIPTION OF THE GRANTOR PROPERTY

[Attached.]

#4844-0892-9480.2

EXHIBIT A

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA IN COUNTY OF LAKE, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

PARCEL A:

PARCEL 2, AS SHOWN ON A MAP FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID LAKE COUNTY ON AUGUST 16, 2001 IN BOOK 36 OF PARCEL MAPS AT PAGE 8, LAKE COUNTY RECORDS.

EXCEPTING FROM SAID LANDS THE GEOTHERMAL RIGHTS LYING BELOW A DEPTH OF 2,000 FEET BENEATH THE SURFACE, AS RESERVED BY WILLIAM F. BOHN, ET AL. TO MARJORIE L. NEASHAM, RECORDED OCTOBER 1, 1986 IN BOOK 1332, PAGE 713, OF OFFICIAL RECORDS.

ALSO EXCEPTING FROM SAID LANDS THE GEOTHERMAL RIGHTS LYING BELOW A DEPTH OF 2,000 FEET BENEATH THE SURFACE, AS RESERVED BY ROBERT H. VAN LIER TO STACEY T.J. WONG, RECORDED OCTOBER 28, 1986 IN BOOK 1336, PAGE 439, OF OFFICIAL RECORDS.

ALSO EXCEPTING FROM SAID LANDS ALL THE GEOTHERMAL STEAM AND ASSOCIATED GEOTHERMAL RESOURCES AS RESERVED IN A PATENT FROM THE UNITED STATES OF AMERICA TO CAL-BLMX, INC., A CALIFORNIA CORPORATION, RECORDED DECEMBER 22, 1998, INSTRUMENT NO. 98-021848, OF OFFICIAL RECORDS.

APN: 009-022-560

EXHIBIT B

LEGAL DESCRIPTION OF THE GRANTEE PROPERTY

[Attached.]

#4844-0892-9480.2

EXHIBIT B

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA IN COUNTY OF LAKE, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

TRACT ONE:

THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 4, TOWNSHIP 12 NORTH, RANGE 8 WEST, M.D.M.

TRACT TWO:

THE NORTHEAST QUARTER AND THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 12 NORTH, RANGE 8 WEST, M.D.M.

EXCEPTING THEREFROM ALL THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 12 NORTH, RANGE 8 WEST, M.D.M., AND RUNNING NORTH 911 FEET ALONG THE LINE RUNNING NORTH AND SOUTH THROUGH THE CENTER OF SAID SECTION 5; THENCE WEST PARALLEL TO THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 5 TO THE WEST LINE THEREOF; THENCE SOUTH, ALONG SAID WEST LINE, 911 FEET TO THE SOUTHWEST CORNER OF SAID SOUTHEAST QUARTER OF NORTHWEST QUARTER OF SECTION 5; THENCE EAST ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF NORTHWEST QUARTER 1320 FEET TO THE PLACE OF BEGINNING.

TRACT THREE:

ALL THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 31, TOWNSHIP 13 NORTH, RANGE 8 WEST, M.D.M., LYING EAST OF THE PUBLIC ROAD LEADING FROM KELSEYVILLE TO ADAMS SPRINGS.

TRACT FOUR:

THE SOUTHWEST QUARTER; THE WEST HALF OF THE SOUTHEAST QUARTER AND THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 32, TOWNSHIP 13 NORTH, RANGE 8 WEST, M.D.M.

APN: 011-055-061

EXHIBIT C

LEGAL DESCRIPTION OF THE EASEMENT

[Include legal description of Grantor Property and exclusive easement on adjoining property]

[Attached.]

#4844-0892-9480.2

EXHIBIT C

REAL PROPERTY IN THE UNINCORPORATED AREA OF THE COUNTY OF LAKE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

TRACT ONE:

THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 4, TOWNSHIP 12 NORTH, RANGE 8 WEST, M.D.M.

TRACT TWO:

THE NORTHEAST QUARTER AND THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 12 NORTH, RANGE 8 WEST, M.D.M.

EXCEPTING THEREFROM ALL THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 12 NORTH, RANGE 8 WEST, M.D.M., AND RUNNING NORTH 911 FEET ALONG THE LINE RUNNING NORTH AND SOUTH THROUGH THE CENTER OF SAID SECTION 5; THENCE WEST PARALLEL TO THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 5 TO THE WEST LINE THEREOF; THENCE SOUTH, ALONG SAID WEST LINE, 911 FEET TO THE SOUTHWEST CORNER OF SAID SOUTHEAST QUARTER OF NORTHWEST QUARTER OF SECTION 5; THENCE EAST ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF NORTHWEST QUARTER 1320 FEET TO THE PLACE OF BEGINNING.

TRACT THREE:

ALL THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 31, TOWNSHIP 13 NORTH, RANGE 8 WEST, M.D.M., LYING EAST OF THE PUBLIC ROAD LEADING FROM KELSEYVILLE TO ADAMS SPRINGS.

TRACT FOUR:

THE SOUTHWEST QUARTER; THE WEST HALF OF THE SOUTHEAST QUARTER AND THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 32, TOWNSHIP 13 NORTH, RANGE 8 WEST, M.D.M.

APN: 011-055-061; 011-056-011; 009-022-541; 009-022-551

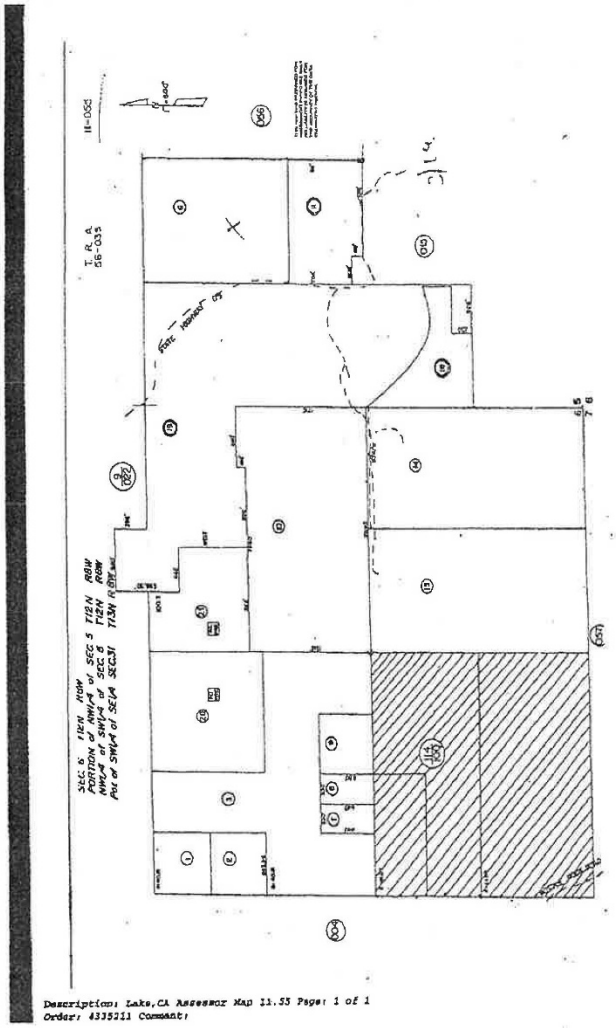
EXHIBIT D

MAP OF THE WELL AREA

[Attached.]

#4844-0892-9480.2

Order Number: **1701-4335211**
Page Number: 8



Description: Lake,CA Assessor Map 11.55 Page: 1 of 1
Order: 4335211 Comment: