COUNTY OF HUMBOLDT

PLANNING AND BUILDING DEPARTMENT
CURRENT PLANNING DIVISION

3015 H Street, Eureka CA 95501
Phone: (707)445-7541 Fax: (707) 268-3792

Hearing Date: January 18, 2018

To: Humboldt County Planning Commission

From: John H. Ford, Director of Planning and Building Department

Subject: **SugarLeaf Holdings Special Permits**
Application Number 13371
Case Numbers SP 16-876 and SP 16-877
Assessor's Parcel Number 205-161-022
67 Metropolitan Heights Road, Fortuna, CA 95540

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Please contact Elanah Adler, Planner, at (707) 445-7541, or by email at eadler@co.humboldt.ca.us, if you have any questions about the scheduled public hearing item.

ADMINISTRATIVE ITEM TRANSMITTAL

Hearing Date	Subject	Contact
January 18, 2018	Special Permits	Elanah Adler

Project Description: SugarLeaf Holdings is requesting a Special Permit for a new 22,000 sq. ft. wholesale cannabis nursery and a Special Permit for a new 2,400 sq. ft. commercial cannabis processing facility on an approximately 36-acre parcel. In addition, subsequent to a decision on these Special Permits, a Zoning Clearance Certificate (ZCC 16-786) will be separately sought for 10,000 square feet of new mixed-light cannabis cultivation and a new 2,400 sq. ft. structure for drying, storage and ancillary nursery and the identification of a location qualified to receive up to 172,952 square feet of future Retirement, Remediation, and Relocation (RRR) cannabis cultivation sites. The Zoning Clearance Certificates are described herein to describe the whole of the project. The operation under the proposed Special Permits will occur in two phases as more fully described in the Operations Plan allowing for time for determining water needs and permitting and construction of permanent facilities. Only phase 1 as described above (nursery and 2,400 sq. ft. processing facility) will be considered under this application request. Irrigation water is sourced from a permitted on-site well and stored in a 5,000-gallon tank; a rain catchment pond for RRR use is proposed. Processing to occur on-site includes drying, trimming, curing, packaging, and labeling. Power is provided by the Pacific Gas and Electric Company (PG&E), with a backup generator to only be used during PG&E outages.

Project Location: The project is located in Humboldt County, in the Rio Dell area, on the east side of US Highway 101 (US 101), approximately 643 feet east from the intersection of US 101 and Metropolitan Heights Road, on the property known as 67 Metropolitan Heights Road.

Present Plan Land Use Designations: Agricultural Exclusive (AE) and Timberland (T), Humboldt County General Plan (HCGP) Density: AE - 20 to 60 acres per dwelling unit; T - 40 to 160 acres per dwelling unit, Slope Stability: Relatively Stable (0), Moderate Instability (2)

Present Zoning: Agriculture Exclusive (AE) B-5 (160) Timberland Production (TPZ)

Case Numbers: SP 16-876, SP 16-877 **Application No.** 13371

Assessor's Parcel Number: 205-161-022

Applicant
SugarLeaf Holdings, LLC
PO Box 334
Bayside, CA 95524

Owner
Metro Heights, LLC
1325 Underhill Avenue
McKinleyville, CA 95519

Agent
Aaron Grubb
PO Box 424
Cutten, CA 95534

Environmental Review: The proposed project is exempt from environmental review per Section 15303 (New Construction or Conversion of Small Structures) and Section 15304 (Minor Alterations to Land) of the California Environmental Quality Act (CEQA) Guidelines.

State Appeal Status: Project is NOT appealable to the California Coastal Commission.

SugarLeaf Holdings Special Permits
Case Numbers SP 16-876, SP 16-877
Assessor's Parcel Number (APN): 205-161-022

Recommended Planning Commission Action

1. Describe the application at a public hearing.
2. Request that staff present the project.
3. Open the public hearing and receive testimony; and,
4. Close the hearing and take the following action:

Find the project exempt from environmental review pursuant to Sections 15303 and 15304 of the State CEQA Guidelines, make all of the required findings for approval of the Special Permits, based on evidence in the staff report and any public testimony, and adopt the Resolutions approving the proposed SugarLeaf Holdings Special Permits subject to the recommended conditions.

Executive Summary

The project is proposed on an approximately 36-acre parcel, and would create a wholesale nursery, a commercial processing facility, a new 10,000 square foot mixed-light cultivation area, and a location qualified to receive up to 172,952 square feet of future Retirement, Remediation, and Relocation (RRR) sites on an existing, developed property in compliance with the County Commercial Medical Marijuana Land Use Ordinance (CMMLUO). The proposed 10,000 square foot of new mixed-light cultivation area and 172,952 square feet of future RRR sites are not part of this action (a separate Zoning Clearance Certificate will be considered for the cultivation activities following a decision on this project) but is presented here to disclose all proposed commercial cannabis activities on the property.

The property contains one existing single-family dwelling, which will be occupied by a Ranch Manager. An existing permitted well, barn, and gravel road also serve the property. The applicant proposes to install the following improvements in association with the proposed initial phase of the project consisting of the wholesale nursery and processing activity:

Phase 1 activities (as indicated under this Project Description, Special Permits):

- 22,000 square foot wholesale nursery greenhouse
  - A portion of the wholesale nursery greenhouse footprint (approximately 2,400 square feet of area) will be developed initially for cloning, strain testing, plant inspection, and for fulfillment orders prior to the build-out of the 22,000 square foot nursery.
- 2,400 square foot metal building for commercial processing

Phase I activities (as indicated under this Project Description, Zoning Clearance Certificate):

- 10,000 square feet of mixed light cultivation
- Use of the above mentioned 2,400 square building to provide for ancillary nursery operations
- The identification of a location qualified to receive up to 172,952 square feet of future Retirement, Remediation, and Relocation (RRR) cannabis cultivation sites

Ancillary

- 5,000 gallon water tank for cultivation use
- 120 square foot shed to contain a backup generator
- Phase I of 6 parking spaces, with
- Storage for cultivation and nursery operations to occur within permitted shipping containers or in the existing barn building

- An area reserved for development of a rainwater catchment pond

The operation will occur in two phases as more fully described in the Operations Plan, allowing for time for determining water needs and permitting and construction of permanent facilities.

Phase 2 (to be fully described and permitted at a later time):

- Additional building(s) up to a combined total of 20,000 square feet for wholesale nursery, commercial processing, ancillary office and security use
- Full-buildout of a parking area to accommodate increased number of employees (anticipated to include a total of 16 parking spaces)
- RRR site incorporated as acquired (maximum 20,000 sq. ft. per relocation)
- Additional water source and storage as needed, including, but not limited to, development of pond

The project site is located off Metropolitan Heights Road (with access provided by Northwestern Avenue), accessed from US-101. The proposed site for cultivation is not within the coastal zone.

Mixed-light cultivation activities, as authorized under the Zoning Clearance Certificate, would occur year-round in 5-6 harvest cycles. SugarLeaf would use on-grid power and would participate in the Redwood Coast Energy Authority (RCEA) Community Choice Energy (CCE) Program and would opt up to the Repower+ plan, which provides customers with on-grid power with 100% renewable sources. SugarLeaf will draw power from a generator only when power from the grid is unavailable to supply the necessities of operations. The generator will be housed in a 10' x 12' shed. When in operation, the generator will not produce noise that is audible to humans from a neighboring residence and will at all times remain below 50 decibels at the property line.

The primary water source for irrigation and domestic use is an existing permitted well located within the property which will provide sufficient production. Imported water from an approved water distributor may be used in emergencies, as defined by the CMMLUO §55.4.11(m). A 5,000 gallon water storage tank would be installed on the property, and a rainwater catchment pond or additional storage tanks may be added to the property in the future. SugarLeaf would register with the North Coast Regional Water Quality Control Board as a Tier-2 discharger and gather accurate data on its year-one water use to project future water use and inform water storage decisions.

The applicant's security plan establishes that the property would be secured by automatic locked gates, a 6-foot security fence (with an additional locked gate), security lighting, security cameras with 30-day data storage, motion sensors at cultivation sites, and an alarm system monitored by a third party.

The safety measures summarized in the project description above are set forth in Attachment 3 to the staff report and remain an ongoing requirement of the permit.

Based on the on-site inspection, a review of Planning Division reference sources, and comments from all involved referral agencies, planning staff supports conditional approval of the Special Permit requests.

Alternatives: The Planning Commission could elect not to approve the project, or to require the applicant to submit further evidence, or modify the project. These alternatives could be implemented if the Commission is unable to make all of the required findings. Planning Division staff has stated that the required findings in support of the proposal have been made. Consequently, Planning staff does not recommend further consideration of either alternative.

RESOLUTION OF THE PLANNING COMMISSION
OF THE COUNTY OF HUMBOLDT
Resolution Number 18-

Case Numbers SP 16-876 and SP16-877
Assessor's Parcel Number: 205-161-022

Makes the required findings for certifying compliance with the California Environmental Quality Act and conditionally approves the SugarLeaf Holdings Special Permit request.

WHEREAS, SugarLeaf Holdings submitted an application and evidence in support of approving Special Permits to permit a wholesale nursery and a commercial processing facility; and

WHEREAS, the County Planning Division has reviewed the submitted application and supporting substantial evidence and has referred the application and evidence to involved reviewing agencies for site inspections, comments, and recommendations; and

WHEREAS, the project is exempt from environmental review per Section 15303 (New Construction or Conversion of Small Structures) and Section 15304 (Minor Alterations to Land); and

WHEREAS, Attachment 2 in the Planning Division staff report includes substantial evidence in support of making all the required findings for approving the proposed Special Permits (Case Numbers SP 16-876 and SP 16-877); and

WHEREAS, a public hearing was held on the matter before the Humboldt County Planning Commission on January 18, 2018.

NOW, THEREFORE, be it resolved, determined, and ordered by the Humboldt County Planning Commission that the following findings be and are hereby made:

1. The proposed project is exempt from environmental review; and
2. The findings in Attachment 2 of the Planning Division staff report support approval of Case Numbers SP 16-876 and SP 16-877 based on the submitted substantial evidence; and
3. Special Permits Case Numbers SP 16-876 and SP 16-877 are approved as recommended and conditioned in Attachment 1.

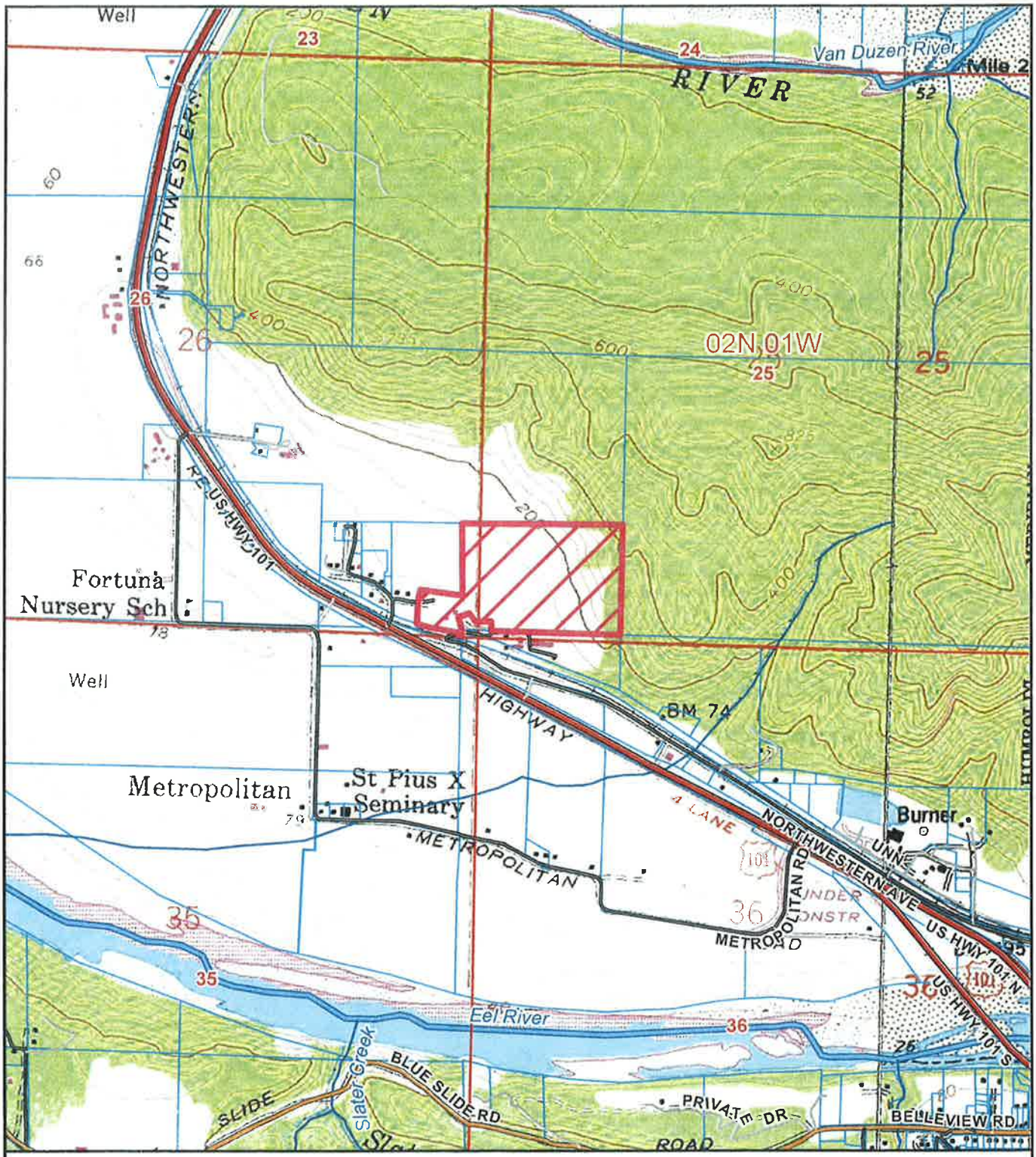
Adopted after review and consideration of all the evidence on January 18, 2018.

The motion was made by COMMISSIONER _____and second by COMMISSIONER _____:

AYES: COMMISSIONERS:
NOES: COMMISSIONERS:
ABSTAIN: COMMISSIONERS:
ABSENT: COMMISSIONERS:
DECISION: Motion carries

I, John Ford, Secretary to the Planning Commission of the County of Humboldt, do hereby certify the foregoing to be a true and correct record of the action taken on the above entitled matter by said Commission at a meeting held on the date noted above.

_____
John Ford
Director, Planning and Building Department



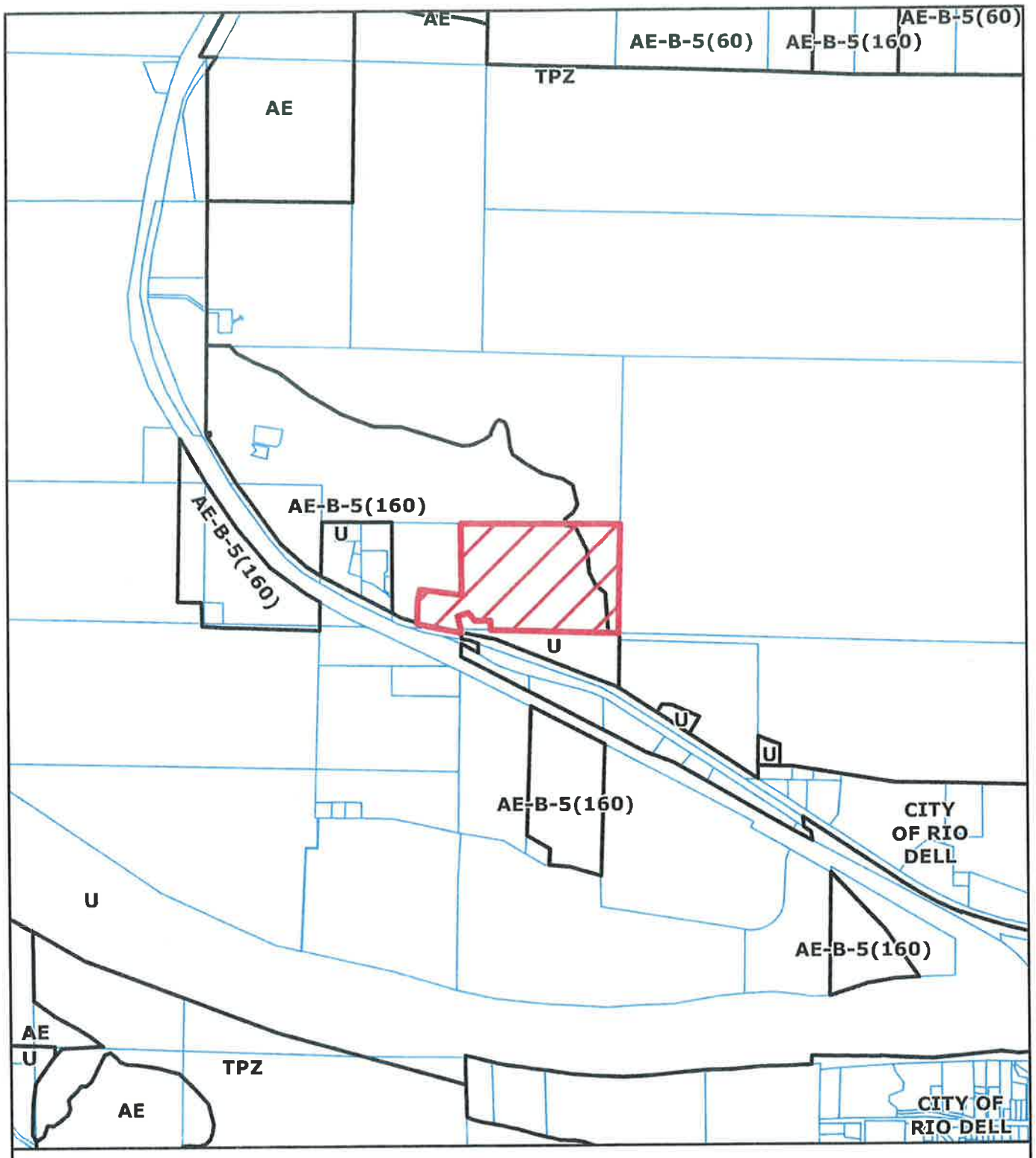
TOPO MAP
PROPOSED SUGARLEAF HOLDINGS, LLC
RIO DELL AREA
SP-16-876; SP-16-877; ZCC-16-786
APN: 205-161-022
T02N R01W S26; S25 HB&M (FORTUNA)

Project Area =

N

This map is intended for display purposes and should not be used for precise measurement or navigation. Data has not been completely checked for accuracy.

0 1,000 2,000 Feet



ZONING MAP
PROPOSED SUGARLEAF HOLDINGS, LLC
RIO DELL AREA
SP-16-876; SP-16-877; ZCC-16-786
APN: 205-161-022
T02N R01W S26; S25 HB&M (FORTUNA)

Project Area =

N

0 1,000 2,000 Feet

This map is intended for display purposes and should not be used for precise measurement or navigation. Data has not been completely checked for accuracy.

AERIAL MAP
PROPOSED SUGARLEAF HOLDINGS, LLC
RIO DELL AREA
SP-16-876; SP-16-877; ZCC-16-786
APN: 205-161-022
T02N R01W S26; S25 HB&M (FORTUNA)

Project Area =

N

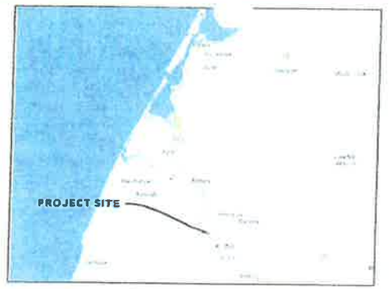
This map is intended for display purposes and should not be used for precise measurement or navigation. Data has not been completely checked for accuracy.

0 1,000 2,000 Feet

SUGARLEAF HOLDINGS, LLC

SPECIAL PERMIT - PROCESSING
SPECIAL PERMIT - WHOLESALE NURSERY
ZONING CLEARANCE CERTIFICATE - MIXED LIGHT CULTIVATION
67 METROPOLITAN HEIGHTS ROAD
FORTUNA, CALIFORNIA 95540

APN: 205-161-022



VICINITY MAP
NOT TO SCALE

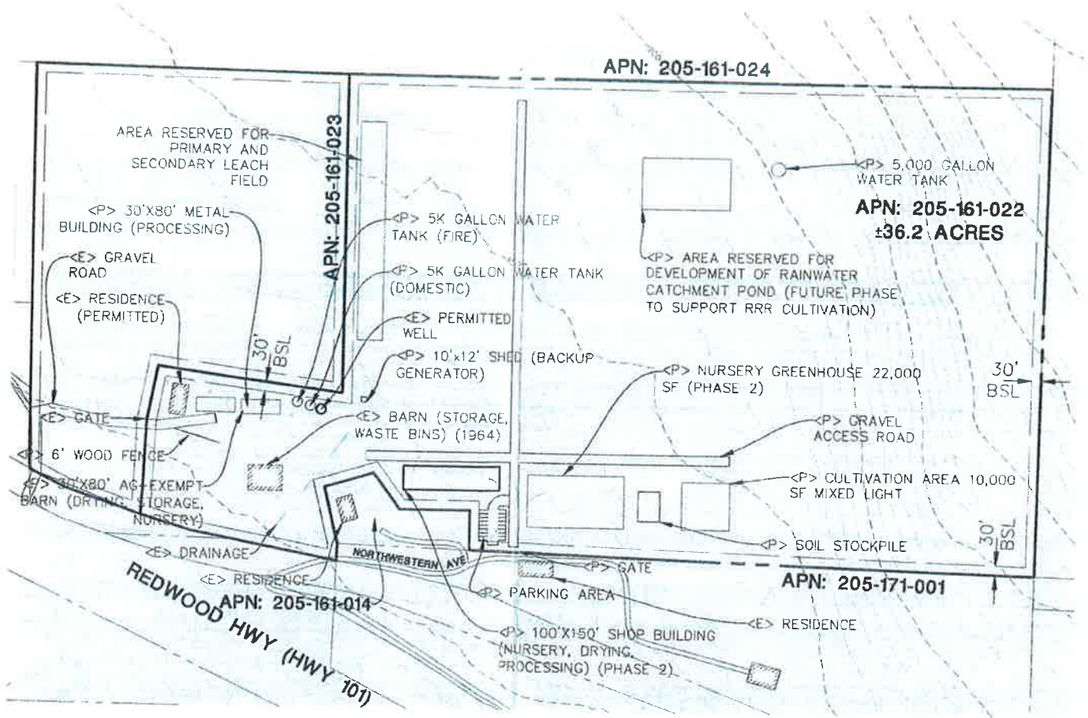
DIRECTIONS TO SITE:
FROM EUREKA, CA
- HEAD SOUTH ON US-101 S/BROADWAY ST. (22.6 MI.)
- TURN LEFT ONTO METROPOLITAN HEIGHTS ROAD (430 FT.)

PROJECT DESCRIPTION:

SUGARLEAF HOLDINGS, LLC IS PROPOSING TO PERMIT PROPOSED MEDICAL CANNABIS CULTIVATION ACTIVITIES IN ACCORDANCE WITH THE COUNTY OF HUMBOLDT'S (COUNTY) COMMERCIAL MEDICAL MARIJUANA LAND USE ORDINANCE (CMMLUO), ORDINANCE NO. 2554. THE PROPOSED OPERATION INCLUDES APPROXIMATELY 10,000 SQUARE FEET (SF) OF MIXED LIGHT MEDICAL CANNABIS CULTIVATION. THE SITE WILL ALSO BE OPERATED AS A WHOLESALE MEDICAL CANNABIS NURSERY AND WHOLESALE MEDICAL CANNABIS PROCESSING FACILITY. THE PROJECT PROPOSAL INCLUDES THE DEVELOPMENT OF FACILITIES APPURTENANT TO THE CULTIVATION, INCLUDING GREENHOUSES, FACILITIES FOR DRYING, CURING, GRADING AND TRIMMING OF MEDICAL CANNABIS, WATER DIVERSION WORKS AND APPROPRIATE WATER STORAGE. THE SITE IS ALSO PROPOSED TO HOST UP TO 180,000 SF OF RRR LICENSES.

GENERAL NOTES:

1. DRAWING SCALE AS NOTED. WRITTEN DIMENSIONS SHALL TAKE PRECEDENCE OVER SCALED DIMENSIONS.
2. THIS IS NOT A BOUNDARY SURVEY. BOUNDARY INFORMATION DEPICTED HAS BEEN OBTAINED FROM HUMBOLDT COUNTY 2015 GIS DATA. MANHARD CONSULTING LTD. HAS NOT VERIFIED THIS PROPERTY BOUNDARY.
3. THERE ARE NO NEARBY SCHOOLS, SCHOOL BUS STOPS, PLACES OF WORSHIP, PUBLIC PARKS OR TRIBAL RESOURCES WITHIN 600 FEET OF THE PROPOSED CULTIVATION AREA.



PLOT PLAN
22x34 SHEET: 1"=150'
11x17 SHEET: 1"=300'
0 75 150 300

NORTH

PROJECT INFORMATION:

APPLICANT:
SUGARLEAF HOLDINGS,LLC
P.O. BOX 334
BAYSIDE, CA 95524

PROPERTY OWNER:
METRO HEIGHTS, LLC
P.O. BOX 334
BAYSIDE, CA 95524

OWNERS AGENT:
MANHARD CONSULTING
517 3RD STREET, SUITE 6
EUREKA, CA 95501
(707) 444-3800

SITE ADDRESS:
205-161-022
67 METROPOLITAN HEIGHTS
FORTUNA, CA 95540

TREES TO BE REMOVED = 0

PRIME AGRICULTURAL AREA = 1,231,294 SQ. FT.
20% OF PRIME AGRICULTURAL AREA = 246,259 SQ. FT

PROPOSED CULTIVATION AREA = 10,000 SQ. FT

EARTHWORK QUANTITIES = TBD

WATER = PRIVATE
SEWER = PRIVATE

PARCEL SIZE = ±36.22 ACRES

ZONING = AE-B-5 (160); TPZ
(AGRICULTURE EXCLUSIVE)

GENERAL PLAN DESIGNATION = AL40; AE (FRWK)

BUILDING SETBACKS:

	AE	TPZ	SRA
FRONT	30'	20'	30'
SIDE	20'	30'	30'
REAR	10'	30'	30'

MAX BLDG. HT. = 35'

SRA AREA: = YES
IN COASTAL ZONE: = NO
IN 100 YR FLOOD ZONE: = YES

SHEET INDEX:

HATCH LEGEND:

PRIME AGRICULTURAL SOILS (PACIFIC AFFILIATES SOIL STUDY)

100-YEAR FLOODPLAIN (HUMBOLDT COUNTY GIS)

RECEIVED
JUN 30 2017
Planning Division

Manhard CONSULTING
517 3rd Street, Suite 6, Eureka, CA 95501 P:(707) 444-3800 F:(707) 444-3805 manhard.com
Civil Engineers • Water Resource Engineers • Surveyors • Water & Wastewater Engineers
Construction Managers • Environmental Scientists • Landscape Architects • Planners

SUGARLEAF HOLDINGS, LLC
67 METROPOLITAN HEIGHTS ROAD, FORTUNA, CA
ZONING PLOT PLAN COVER, VICINITY MAP AND PROJECT NOTES

PROJ MGR: P.D.M.
PROJ ASSOC: S.
DRAWN BY: AS
DATE: 04-25-17
SCALE: AS SHOWN

SHEET
C0

ATTACHMENT 1
CONDITIONS OF APPROVAL

Approval of the proposed cannabis cultivation and other commercial cannabis activity is conditioned on the following terms and requirements, which must be satisfied before the permit can be finalized and use initiated.

1. The applicant has identified an existing well on the property installed with County approval on 6/9/1995 as the primary water supply source. Before cultivation is initiated in reliance on this water source, a notification for jurisdiction review of the existing well shall be filed with the California Department of Fish and Wildlife (CDFW). If found to be jurisdictional, a Lake and Streambed Alteration Agreement shall be obtained from the CDFW prior to use of the well. If hydrologically connected to surface water, forbearance consistent with Section 55.4.11(l) shall be implemented with adequate water storage provided.

2. The applicant shall secure permits for all existing structures and all proposed structures related to the cannabis cultivation and other commercial cannabis activity. Parking and loading areas are to be clearly shown and drawn to the standards of the Humboldt County Code. A letter from the Building Inspection Division indicating that the building's final certificate of occupancy has been issued will satisfy this condition.

3. Noise generated from back-up emergency generator shall not exceed 50 decibels (dB) at 100 feet from the generator or at the edge of the nearest forest habitat, whichever is closer, as required by Section 314-55.4.11(o) of the Humboldt County Code. Prior to issuance of a building permit or the initiation of cultivation activities, whichever occurs first, the applicant shall provide documentation demonstrating that the generators conform to the specified standard. Should the applicant propose to achieve noise attenuation by placing the generators inside a building(s), the applicant shall secure a building permit prior to construction.

4. The applicant shall complete and implement all corrective actions detailed in the Water Resource Protection Plan developed for the parcel, prepared pursuant to Tier 2 enrollment under the North Coast Regional Water Quality Control Board's (RWQCB) Cannabis Waste Discharge Regulatory Program, including those measures later determined necessary during annual and periodic site inspections in accordance with the monitoring element. A copy of the reporting form portion of the Mitigation and Reporting Program (MRP) shall be submitted annually to the Planning and Building Department concurrent with the submittal to the NCRWQCB. A letter or similar communication from the NCRWQCB or the Third Party Consultant verifying that all the requirements in the MRP have been met will satisfy this condition. [After July 31, 2019, plans and reporting shall conform to the Cannabis Cultivation Policy and Cannabis General Order adopted October 17, 2017 by the State Water Board.]

5. The applicant shall secure the approval of the Division of Environmental Health for an on-site sewage disposal system in support of all aspects of the proposed development, and this may include the review by the Regional Water Quality Control Board. If portable toilets are brought to the project site for use by cultivation staff, the applicant shall provide the Humboldt County Division of Environmental Health with an invoice, or equivalent documentation, confirming the continual use of portable toilets to serve the needs of cultivation staff prior to the issuance or re-issuance of any annual permit.

6. The approved building plans shall meet all applicable fire codes, including fire suppression infrastructure requirements deemed necessary for the Building Inspection Division. Sign off on the Occupancy Permit by the Building Division shall satisfy this requirement.

7. The applicant shall provide a complete set of plans completed by a qualified licensed professional for the construction of the processing facility. A letter from the Building Inspection Division indicating that the building final or certificate of occupancy has been issued will satisfy this condition.

8. Provide a copy of an approved Caltrans encroachment permit that identifies the applicant or property title-holder as the owner responsible for the Metropolitan Road access road intersection with US Highway 101, and that this intersection is improved to Caltrans safety standards. Contact Caltrans District 1 Offices for further information.

9. Provide a copy of an approved City of Rio Dell encroachment permit that identifies the applicant or property title-holder as the owner responsible for the Northwestern Avenue access road intersection with the applicant's private road access, and that this intersection is improved to the City of Rio Dell's safety standards. Contact City of Rio Dell for further information.

10. The applicant shall execute and file with the Planning Division the statement titled, "Notice and Acknowledgment regarding Agricultural Activities in Humboldt County," ("Right to Farm" ordinance) as required by the HCC and available at the Planning Division.

11. The applicant shall be responsible for obtaining all necessary State permits or licenses, and for meeting all of the requirements as set forth by other regulatory agencies.

12. The applicant shall be compliant with the County of Humboldt's Certified Unified Program Agency (CUPA) requirements regarding any hazardous materials. Written verification of compliance shall be required before any provisional permits may be finalized. Ongoing proof of compliance with this condition shall be required at each annual inspection in order to keep the permit valid.

13. Greenhouses shall be constructed without improved floors that would preclude agricultural use of the underlying soil in accordance with Humboldt County Code section 314-69.1.1.2.

14. If applicable, the Applicant shall secure permits from the North Coast Unified Air Quality Management District. A letter or similar communication from the North Coast Air Quality Management District verifying that all their requirements have been met and/or no additional permitting is required will satisfy this condition.

15. Applicant is to obtain enrollment in Redwood Coast Energy Authority (RCEA) Community Choice Energy (CCE) Program or other qualified carbon off-set program for any portion of power used for the indoor nursery operation not from renewable sources for the life of the project. Evidence of enrollment and energy use shall be maintained for inspection by County.

Ongoing Requirements/Development Restrictions Which Must Be Satisfied for the Life of the Project:

1. All components of project shall be developed, operated, and maintained in conformance with the Project Description, the approved Site Plan, the Plan of Operations, and these conditions of approval. Changes shall require modification of this permit except where

consistent with Humboldt County Code Section 312-11.1, Minor Deviations to Approved Plot Plan.

2. Cannabis cultivation and other commercial cannabis activity shall be conducted in compliance with all laws and regulations as set forth in the CMMLUO, as applicable to the permit type.

3. If operating pursuant to a written approved compliance agreement, permittee shall abate or cure violations at the earliest feasible date, but in no event no more than two (2) years from the date of issuance of a provisional clearance or permit. Permittee shall provide plans for curing such violations to the Planning & Building Department within one (1) year of issuance of the provisional clearance or permit. If good faith effort towards compliance can be shown within the two years following the issuance of the provisional clearance or permit, The Planning Department may, at the discretion of the Director, provide for extensions of the provisional permit to allow for additional time to meet the outstanding requirements.

4. Possession of a current, valid required license, or licenses, issued by any agency of the State of California in accordance with the MMRSA, and regulations promulgated thereunder, as soon as such licenses become available.

5. Compliance with all statutes, regulations and requirements of the California State Water Resources Control Board and the Division of Water Rights, at a minimum to include a statement of diversion of surface water from a stream, river, underground stream, or other watercourse required by Water Code Section 5101, or other applicable permit, license, or registration, as applicable.

6. Confinement of the area of cannabis cultivation, processing, manufacture or distribution to the locations depicted on the approved site plan. The commercial cannabis activity shall be set back at least 30 feet from any property line, and 600 feet from any School, School Bus Stop, Church or other Place of Religious Worship, Public Park, or Tribal Cultural Resources, except where a reduction to this setback has been approved pursuant to Section 55.4.11(d).

7. Maintain enrollment in Tier 1, 2 or 3, certification with the North Coast Regional Water Quality Control Board (NCRWQCB) Order No. 2015-0023, if applicable, or any substantially equivalent rule that may be subsequently adopted by the County of Humboldt or other responsible agency.

8. For cultivation area(s) for which no enrollment pursuant to NCRWQB Order No. 2015-0023 is required by that Order, comply with the standard conditions applicable to all Tier 1 dischargers.

9. Comply with the terms of any applicable Streambed Alteration (1600) Agreement obtained from the California Department of Fish & Wildlife.

10. Consent to an annual on-site compliance inspection, with at least 24 hours prior notice, to be conducted by appropriate County officials during regular business hours (Monday – Friday, 9:00 am – 5:00 pm, excluding holidays).

11. Refrain from the improper storage or use of any fuels, fertilizer, pesticide, fungicide, rodenticide, or herbicide.

12. Pay all applicable application and annual inspection fees.

13. Where surface water diversion (or the well is determined to be hydrologically connected to surface water) provides any part of the water supply for irrigation of cannabis cultivation,

permittee shall either: 1) forebear from any such diversion during the period from May 15th to October 31st of each year and establish on-site water storage for retention of wet season flows sufficient to provide adequate irrigation water for the size of the area to be cultivated, or 2) comply with the approved water management plan prepared by a qualified person such as a licensed engineer, hydrologist, or similar qualified professional, that establishes minimum water storage and forbearance period, if required, based upon local site conditions, or 3) adhere to the RWQCB approved Water Resources Protection Plan or other clearance issued by the agency. If the method of compliance changes during the term of the Conditional Use Permits, permittee shall notify the Planning and Building Department and furnish appropriate documentation of compliance with this standard.

14. At least one water meter shall be installed on the water line providing irrigation flow to the nursery. The water meter shall have the capacity to measure at least 100,000 gallons of flow before resetting. The water meter shall be used to measure the amount of water provided to the cultivation area during the forbearance period. The meter shall be installed at a point on the water line that provides an accurate measurement of the water used for irrigation. Household water use at the caretaker's residence shall be separately metered if required.

15. The noise produced by a generator used as emergency backup in the event of loss of power shall not be audible by humans at neighboring residences. The decibel level for generators measured at the property line shall be no more than 50 decibels. Where applicable, sound levels must also show that they will not result in the harassment of Marbled Murrelet or Spotted Owl species. Conformance will be evaluated using current auditory disturbance guidance prepared by the United State Fish and Wildlife Service, and further consultation where necessary. Under these guidelines, generator noise may not exceed 50dB as measured at 100 feet from the generator or at the edge of the nearest Marbled Murrelet or Spotted Owl habitat, whichever is closer.

16. Storage of Fuel - Fuel shall be stored and handled in compliance with applicable state and local laws and regulations, including the County of Humboldt's CUPA program, and in such a way that no spillage occurs.

17. All signage shall comply with Section 314-87.2 of the Humboldt County Code.

18. The operation shall participate in the Medical Cannabis Track and Trace Program administered by the Humboldt County Agricultural Commissioner, when available.

19. Performance Standards for Cultivation and Processing Operations

    Pursuant to the MMRSA, Health and Safety Code section 19322(a)(9), an applicant seeking a cultivation license shall "provide a statement declaring the applicant is an 'agricultural employer,' as defined in the Alatorre-Zenovich-Dunlap-Berman Agricultural Labor Relations Act of 1975 (Part 3.5 commencing with Section 1140) of Division 2 of the Labor Code), to the extent not prohibited by law."

    Cultivators shall comply with all applicable federal, state, and local laws and regulations governing California Agricultural Employers, which may include: federal and state wage and hour laws, CAL/OSHA, OSHA, California Agricultural Labor Relations Act, and the Humboldt County Code (including the Building Code).

    Cultivators engaged in processing shall comply with the following Processing Practices:

    I. Processing operations must be maintained in a clean and sanitary condition including all work surfaces and equipment.

II. Processing operations must implement protocols which prevent processing contamination and mold and mildew growth on cannabis.

III. Employees handling cannabis in processing operations must have access to facemasks and gloves in good operable condition as applicable to their job function.

IV. Employees must wash hands sufficiently when handling cannabis or use gloves.

All persons hiring employees to engage in commercial cannabis cultivation and processing shall comply with the following Employee Safety Practices:

i. Cultivation operations and processing operations must implement safety protocols and provide all employees with adequate safety training relevant to their specific job functions, which may include:

1) Emergency action response planning as necessary;

2) Employee accident reporting and investigation policies;

3) Fire prevention;

4) Hazard communication policies, including maintenance of material safety data sheets (MSDS);

5) Materials handling policies;

6) Job hazard analyses; and

7) Personal protective equipment policies, including respiratory protection.

ii. Cultivation operations and processing operations must visibly post and maintain an emergency contact list which includes at a minimum:

8) Operation manager contacts;

9) Emergency responder contacts;

10) Poison control contacts.

iii. At all times, employees shall have access to safe drinking water and toilets and handwashing facilities that comply with applicable federal, state, and local laws and regulations. Plumbing facilities and water source must be capable of handling increased usage without adverse consequences to neighboring properties or the environment.

iv. On site-housing provided to employees shall comply with all applicable federal, state, and local laws and regulations.

All cultivators shall comply with the approved Processing Plan as to the following:

i. Processing Practices.
ii. Location where processing will occur.
iii. Number of employees, if any.
iv. Employee Safety Practices.
v. Toilet and handwashing facilities.
vi. Plumbing and/or septic system and whether or not the system is capable of handling increased usage.
vii. Drinking water for employees.
viii. Plan to minimize impact from increased road use resulting from processing.
ix. On-site housing, if any.

20. Term of Commercial Cannabis Activity Special Permit. Any Commercial Cannabis Cultivation Special Permit issued pursuant to the CMMLUO shall expire one (1) year after the date of issuance, and on the anniversary date of such issuance each year thereafter, unless an annual compliance inspection has been conducted and the permitees and the permitted site have been found to comply with all conditions of approval.

If the inspector or other County official determines that the permitees or site do not comply with the conditions of approval, the inspector shall serve the Special Permit or permit holder with a written statement identifying the items not in compliance, and the action that the permit holder may take to cure the non-compliance, or file an appeal within ten (10) days of the date that the written statement is delivered to the permit holder. Personal delivery or mailing the written statement to the mailing address listed on the application by regular mail, plus three (3) days after date of mailing, shall constitute delivery. The permit holder may request a reinspection to determine whether or not the permit holder has cured all issues of non-compliance. Failure to request reinspection or to cure any items of non-compliance shall terminate the Special Permit, immediately upon the expiration of any appeal period, or final determination of the appeal if an appeal has been timely filed pursuant to Section 55.4.13 of the CMMLUO.

21. Acknowledgements to Remain in Full Force and Effect. Permittee acknowledges that the County reserves the right to reduce the size of the area allowed for cultivation under any clearance or permit issued in accordance with this Section in the event that environmental conditions, such as a sustained drought or low flows in the watershed in which the cultivation area is located will not support diversions for irrigation.

    Permittee further acknowledges and declares that:

    (1) All commercial cannabis activity that I, my agents, or employees conduct pursuant to a permit from the County of Humboldt shall be solely for medical purposes and all commercial cannabis products produced by me, my agents, or employees are intended to be consumed solely by qualified patients entitled to the protections of the Compassionate Use Act of 1996 (codified at Health and Safety Code Section 11362.5); and
    (2) All cannabis or cannabis products under my control, or the control of my agents or employees, and cultivated or manufactured pursuant to local Ordinance and the California Medical Marijuana Regulation and Safety Act will be distributed within the State of California; and
    (3) All commercial cannabis activity conducted by me, or my agents or employees pursuant to a permit from the County of Humboldt will be conducted in compliance with the California Medical Marijuana Regulation and Safety Act.

22. Transfers. Transfer of any leases or permits approved by this project is subject to the review and approval of the Planning Director for conformance with CMMLUO eligibility requirements, and agreement to permit terms and acknowledgments. The fee for required permit transfer review shall accompany the request. The request shall include the following information:

    (1) Identifying information for the new Owner(s) and management as required in an initial permit application;
    (2) A written acknowledgment by the new Owner in accordance as required for the initial Permit application;
    (3) The specific date on which the transfer is to occur; and
    (4) Acknowledgement of full responsibility for complying with the existing permit; and
    (5) Execution of an Affidavit of Non-diversion of Medical Cannabis.

23. Inspections. The permit holder and subject property owner are to permit the County or representative(s) or designee(s) to make inspections at any reasonable time deemed necessary to assure that the activities being performed under the authority of this permit are in accordance with the terms and conditions prescribed herein.

24. Acknowledgements to Remain in Full Force and Effect. Permittee acknowledges that the County reserves the right to reduce the size of the area allowed for cultivation under any clearance or permit issued in accordance with this Section in the event that environmental conditions, such as a sustained drought or low flows in the watershed in which the cultivation area is located will not support diversions for irrigation.

    Permittee further acknowledges and declares that:

    a. All commercial cannabis activity that I, my agents, or employees conduct pursuant to a permit from the County of Humboldt shall be solely for medical purposes and all commercial cannabis products produced by me, my agents, or employees are intended to be consumed solely by qualified patients entitled to the protections of the Compassionate Use Act of 1996 (codified at Health and Safety Code Section 11362.5); and
    b. All cannabis or cannabis products under my control, or the control of my agents or employees, and cultivated or manufactured pursuant to local Ordinance and the California Medical Marijuana Regulation and Safety Act will be distributed within the State of California; and
    c. All commercial cannabis activity conducted by me, or my agents or employees pursuant to a permit from the County of Humboldt will be conducted in compliance with the California Medical Marijuana Regulation and Safety Act.
    d. The above acknowledgements shall also apply to commercial cultivation, processing, manufacturing, and distribution of cannabis for adult use conducted in compliance with the Medicinal and Adult Use Cannabis Regulation and Safety Act ("MAUCRSA") (SB 94) and the Adult Use of Marijuana Act (AUMA) (**Proposition 64**).

25. The project operator shall pay all applicable taxes as required by the Humboldt County Commercial Marijuana Cultivation Tax Ordinance (Humboldt County Code Section 719-1 et seq.).

Informational Notes:

1. This permit approval shall expire and become null and void at the expiration of one (1) year after all appeal periods have lapsed (see "Effective Date"); except where building permits have been secured and/or the use initiated pursuant to the terms of the permit, the use is subject to the Permit Duration and Renewal provisions set forth in Condition of Approval #20 of the On-Going Requirements /Development Restrictions, above.

2. If cultural resources are encountered during construction activities, the contractor on site shall cease all work in the immediate area and within a 50 foot buffer of the discovery location. A qualified archaeologist as well as the appropriate Tribal Historic Preservation Officer(s) are to be contacted to evaluate the discovery and, in consultation with the Applicant and lead agency, develop a treatment plan in any instance where significant impacts cannot be avoided.

    Prehistoric materials may include obsidian or chert flakes, tools, locally darkened midden soils, groundstone artifacts, shellfish or faunal remains, and human burials. If human remains are found, California Health and Safety Code 7050.5 requires that the County Coroner be contacted immediately at 707-445-7242. If the Coroner determines the remains to be Native American, the NAHC will then be contacted by the Coroner to determine appropriate

treatment of the remains pursuant to PRC 5097.98. Violators shall be prosecuted in accordance with PRC Section 5097.99.

3. The Applicant is responsible for costs for permit processing and the post-approval review for project conformance with conditions on a time and material basis as set forth in the schedule of fees and charges as adopted by ordinance of the Humboldt County Board of Supervisors. After the decision on the application, the Department will send a bill to the Applicant for costs incurred in permit processing that exceed the deposit on hand. Also, the Department will send a bill to the Applicant for all staff costs for review of the project for conformance with the conditions of approval. All Planning fees shall be paid to the Humboldt County Planning Division, 3015 "H" Street, Eureka.

4. The Applicant is responsible for costs for post-approval review for determining project conformance with conditions on a time and material basis as set forth in the schedule of fees and charges as adopted by ordinance of the Humboldt County Board of Supervisors. The Department will send a bill to the Applicant for all staff costs incurred for review of the project for conformance with the conditions of approval. All Planning fees for this service shall be paid to the Humboldt County Planning Division, 3015 "H" Street, Eureka.

ATTACHMENT 2

Staff Analysis of the Substantial Evidence Supporting the Required Findings

Required Findings: To approve this project, the Planning Commission must determine that the applicant has submitted substantial evidence in support of making the following required findings.

The County Zoning Ordinance, Section 312-17.1 (Required Findings for All Discretionary Permits) and Section 312-2.4.1 of the Humboldt County Code, specify the findings that are required to grant a Special Permit and Zoning Clearance Certificate:

1. The proposed development is in conformance with the County General Plan.
2. The proposed development is consistent with the purposes of the existing zone in which the site is located.
3. The proposed development conforms to all applicable standards and requirements of these regulations.
4. The proposed development and conditions under which it may be operated or maintained will not be detrimental to the public health, safety, or welfare, or materially injurious to property or improvements in the vicinity.
5. The proposed development does not reduce the residential density for any parcel below that utilized by the Department of Housing and Community Development in determining compliance with housing element law (the mid-point of the density range specified in the plan designation).
6. The proposed development conforms with all requirements of the Humboldt County Zoning Regulations.
7. The proposed development complies with the terms and conditions of any applicable permit and/or subdivision map that was previously approved for such development.
8. The proposed development is not located on the same lot where conditions exist or activities are being conducted which are a part of the proposed development and in violation of the Humboldt County Code, unless the zoning clearance a) is necessary for the abatement of the existing violation(s) or; b) addresses an imminent health and/or safety violation; or, c) facilitates an accessibility improvement to a structure or site for ADA compliance consistent with 312-42 of this Chapter; or d) the applicant has executed and recorded an enforcement agreement with the County to cure the violation(s) on a form approved by the Risk Manager and County Counsel.
9. In addition, the California Environmental Quality Act (CEQA) states that one of the following findings must be made prior to approval of any development which is subject to the regulations of CEQA. The project either:
   a. Is categorically or statutorily exempt; or
   b. Will not have a significant effect on the environment and a negative declaration has been prepared; or
   c. Has had an environmental impact report (EIR) prepared and all significant environmental effects have been eliminated or substantially lessened, or the required findings in Section 15091 of the CEQA Guidelines have been made.

Discussion

1. **General Plan consistency.** The following table identifies the evidence which supports finding that the proposed project is in conformance with all applicable policies and standards in the Humboldt County General Plan (GP).

Relevant Plan Section(s)	Summary of Applicable Goal, Policy, or Standard	Evidence That Supports Making the General Plan Conformance Finding
Land Use Element, Chapter 4 (GP) Section 4.5 Agricultural Resources	Goals and policies contained in this Chapter relate to Prime Agricultural Lands Land (AG-S7) which qualifies for rating 80 through 100 in the Storie Index Rating. Primary uses shall be limited to the production of food, fiber, plants, timber, timber agriculturally related uses, and agriculture-related recreational uses. Very low intensity residential uses may be allowed if they are incidental to the property and if they support agricultural activities or are necessary for the enhancement and protection of the natural resources of the area. Building sites are to be clustered adjacent to existing developed areas or on portions of land least suited for agricultural use with the least adverse effects on the environment. No proposed development will take place in the easterly portion of the property designated Timberland.	The CMMLUO provides for the cultivation and processing of medical cannabis within the zoning districts where agriculture is a principally permitted use, with limits and in compliance with performance standards that will preserve space for more traditional agricultural activities which supply food and fiber contributing to a diverse economic base. The proposed cultivation is considered an agricultural use, which would make agricultural activities the property's primary use. The applicant has indicated there is one existing single-family dwelling on the 36.22-acre site. Proposed structures are concentrated along the south and west property lines adjacent to existing farm structures and neighboring developed parcels maximizing the open pasture area.
Land Use Element Chapter 4 (GP) -Section 4.5 Agricultural Resources	To the maximum extent feasible, the placement of buildings, impermeable surfaces or nonagricultural uses on prime agricultural lands is minimized (AG-P16)	The project proposes the construction of new buildings associated with the growing and processing of cannabis. The site plan details that the proposed construction is clustered in one section of the site. Suitable area on the other portions of this approximately 36 acre parcel exist to accommodate the relocation of RRR cannabis projects to provide an environmentally preferable location for such relocated projects. Based on the soils evaluation submitted, 21 acres of this site are prime agricultural land. Residential development of a single family residence is compatible with the

Relevant Plan Section(s)	Summary of Applicable Goal, Policy, or Standard	Evidence That Supports Making the General Plan Conformance Finding
		General Plan Agricultural policies.
Housing Element Chapter 8 (GP)	Goals and policies contained in this Element seek to identify existing and projected housing needs and establish goals, policies, standards and measures for the preservation, improvement, and development of housing. Related policies: H-P3, Development of Parcels in the Residential Land Inventory.	The project application materials indicate one residence exists on the parcel. The project will not reduce the residential density for any parcel that is utilized by the Department of Housing and Community Development in determining compliance with housing element law. Additionally, the existing single-family residence on the property would not be altered by the project and a condition of approval provides that buildings and septic permits (as applicable) are to be secured for the residence.
Safety Element Chapter 14 (GP)	Goals and policies contained in this Chapter relate to the use of natural drainage channels and watersheds that are managed to minimize peak flows in order to reduce the severity and frequency of flooding. (S-G3) Related policies include: S-P12, Federal Flood Insurance Program; S-P13, Flood Plains; S-P15, Construction Within Special Flood Hazard Areas.	According to FEMA Flood Insurance Rate Map (FIRM) Panel No. 1220, a portion of the project site is within a 100-year flood boundary (Flood Zone A), which is defined as "No base flood elevations determined." According to the submitted site plan, the proposed structures are located outside of the flood boundary. During building permit review, an analysis of the proposed locations and elevations will be conducted and buildings must meet flood standards if found to be with in the flood zone. Geologic hazard maps from the Humboldt County Web GIS show the slope instability of the property to be low, so the proposed development is not likely to be subject to geologic hazards. The parcel is in an area with a Moderate Fire Hazard rating. All applicable referral agencies that have provided comments have recommended approval of the project and have not identified any issues relating to hazards.

Relevant Plan Section(s)	Summary of Applicable Goal, Policy, or Standard	Evidence That Supports Making the General Plan Conformance Finding
Circulation Element Chapter 7 (GP)	Goals and policies contained in this Chapter relate to a balanced, safe, efficient, accessible and convenient circulation system that is appropriate for each type of unincorporated community (C-G1,C-G2); coordinated planning design, development, operations, and maintenance between the County and other transportation system service providers (C-G3); and access for all transportation mode types with improved opportunities to move goods within, into and out of Humboldt County (C-G4, C-G5) Related policies: C-P3. Consideration of Transportation Impacts in Land Use Decision Making.	The property has two points of access: via Metropolitan Heights Road from an intersection with US Highway 101 and from Northwestern Avenue with US Highway 101 from a separate more easterly intersection. The applicant has designated Northwestern Avenue as the primary access for the nursery, cultivation and processing activities. Road Evaluation Reports for both roadways were prepared by the applicant indicating the access roads meet a county road category 4 standard, (20 feet wide). The submitted site plan details a parking area for vehicles using the site. Given the scope of the proposed project, a condition has been incorporated for including the location of a loading space for larger trucks anticipated to use the facility for deliveries, distribution in any submitted building permit. A condition has been incorporated to provide an encroachment permit form Caltrans for the intersection of Metropolitan Heights Road and US 101 and from the City of Rio Dell for the intersection of the private access road with Northwestern Avenue to certify the encroachments meets improvement and safety standards of each agency.
Conservation and Open Space Element Chapter 10 (GP) -Section 10.3 Biological Resources	Goals and policies contained in this Chapter relate to mapped sensitive habitat areas where policies are applied to protect fish and wildlife and facilitate the recovery of endangered species (BR-G1, Threatened and Endangered Species, BR-G2, Sensitive and Critical Habitat, BR-G3, Benefits of Biological Resources) Related policies: BR-P1. Compatible Land Uses, BR-P5. Streamside Management Areas.	The project site is not in a streamside management area, wetland, or sensitive habitat area. The CDFW resource mapping identifies Spotted Owl observations in the greater vicinity of the project, although nothing has been observed on the project site. Power to the project is proposed via PG&E systems, with a back-up generator for emergencies. A condition of approval has been incorporated requiring that noise from generators shall not exceed 50 decibels at 100 feet from the generator or at the edge of the nearest forest habitat, whichever is closer, as required by Section

Relevant Plan Section(s)	Summary of Applicable Goal, Policy, or Standard	Evidence That Supports Making the General Plan Conformance Finding
		314-55.4.11(o) of the HHC in an effort to reduce ad verse effects on sensitive species
Conservation and Open Space Element Chapter 10 (GP) -Cultural Resources, Section 10.6	Goals and policies contained in this Chapter relate to the protection and enhancement of significant cultural resources, providing heritage, historic, scientific, educational, social and economic values to benefit present and future generations (CU-G1, Protection and Enhancement of Significant Cultural Resources) Related policies: CU-P1. Identification and Protection, CU-P2. Native American Tribal Consultation].	The proposed project was referred to the Northwest Information Center, which requested that an archaeological study be completed. The archaeological study found no archaeological resources on the project site. That study was referred to the Bear River Band and Rohnerville Rancheria THPOs. When contacted and informed that a records search and field survey did not discover any significant cultural resources within the project area, both THPOs replied that they had no concerns. The project is conditioned to adhere to the standard Inadvertent Discovery Protocol in the event that cultural resources are found during ground disturbing activities.
Air Quality Chapter 15	Goals and policies contained in this Chapter relate to improved air quality to meet current and future state and federal standards, including attainment of particulate matter requirements (AQ-G1, AQ-G2, AQ-G3) and the successful reduction of greenhouse gas emissions to levels consistent with state and federal requirements (AQ-G4) Related policies: AQ-P4, Construction and Grading Dust Control, AQ-S1, Construction and Grading Dust Control, AQ-P7, Interagency Coordination.	As a condition of project approval, the Applicant shall secure permits from the North Coast Unified Air Quality Management District. A letter or similar communication from the North Coast Air Quality Management District verifying that all their requirements have been met and/or no additional permitting is required will satisfy this condition.

2. **Consistency with existing zone and 3. conformance with all applicable standards and requirements.** The following table identifies the evidence which supports the finding that the proposed development is in conformance with all applicable policies and standards in the Humboldt County zoning regulations.

Zoning Section	Summary of Applicable Requirement	Evidence That Supports Making the Zoning Consistency Finding
§313-7.1 AE – Agriculture Exclusive §313-7.2 TPZ – Timberland Production Zone	The Agriculture Exclusive (AE) zone is intended to be applied in fertile areas in which agriculture is and should be the desirable predominant use and in which the protection of this use from encroachment from incompatible uses is essential to the general welfare. The Timberland Production (TPZ) zone is intended to provide standards and restrictions for the preservation of timberlands for growing and harvesting timber.	The proposed use is an agricultural use that is permitted in this zoning district per Section 314-55 of the Humboldt County Code. None of the land zoned TPZ on the project site would be developed, nor would growing or harvesting timber be restricted.
Development Standards		
Min. Lot Area	20 acres	The subject parcel is approximately 36.22 acres.
Max. Lot Coverage	35%	Less than 10%
Min. Yard Setbacks (through the SRA requirements)	The parcel is within the mapped State Responsibility Area, and 30-foot setbacks to all property lines are required.	No part of the proposed project would occur within 30 feet of the nearest property lines.
Max. Building Height	35 feet	Less than 35 feet

314-55.4.8 General Provisions (CMMLUO)		
Zoning Section	**Summary of Applicable Requirement**	**Evidence That Supports the Required Finding**
§314-55.4.8.2.1 Approvals for New Outdoor and Mixed-Light Cultivation	A Zoning Clearance Certificate may be issued for new outdoor or mixed-light commercial cannabis cultivation for an area up to 10,000 square feet that was not previously in existence as of January 1, 2016, on parcels with Prime Agricultural Soils, in zoning districts RA, U, FP, DF, AG, or AE, on slopes of 15% or less, and with documented current water right or other non-diversionary source of irrigation water (e.g., municipal, public utility, or permitted well,	Under ZCC16-786, the project proposes 10,000 square feet of mixed light cultivation under a separate permit application. The project site is zoned AE and TPZ. The applicant will be required to comply with all conditions of the CMMLUO, as specified in the recommended conditions of approval. A copy of a well permit for this

	subject to the conditions and limitations set forth in this section.	parcel was approved by the county 6-9-1995 has been submitted.
§314-55.4.8.4 Approvals for Processing Facilities	Processing facilities for commercial cannabis for medical use for other than an appurtenant, on-premises cultivation operation as provided in 55.4.9.1 shall be a permitted use in zoning districts AG, AE, RA (on parcels 5 acres or larger), C-2, C-3, MB, ML, U (where developed as industrial use), and MH, subject to a Special Permit and the conditions and limitations set forth in this section. Processing facilities shall meet the Processing Performance Standards and Employee Safety Practices enumerated in Section 55.4.11(q) through (u).	The project would establish a processing facility. The project site is zoned AE and TPZ. The applicant would comply with the processing performance standards and employee safety practices enumerated in the CMMLUO, as specified in the recommended conditions of approval.
§314-55.4.8.4 Approvals for Nurseries	Nurseries, as defined herein, producing commercial cannabis nursery products for retail sale shall be a permitted use in zoning districts C-2, C-3, MB, ML, U (where developed as industrial use), and MH, subject to a Use Permit and the conditions and limitations set forth in this section. Nurseries producing commercial cannabis nursery products for bulk wholesale sale or to supply retail nursery outlets held under the same license shall be a permitted use in the AG or AE zoning district, subject to a Special Permit and the conditions and limitations set forth in this section.	The project would establish a wholesale nursery. The project site is zoned AE and TPZ. The applicant would comply with the processing performance standards and employee safety practices enumerated in the CMMLUO, as specified in the recommended conditions of approval. The Site Plan shows that the required setback 30' for cultivation and/or nursery activities will be meet this standard.
§314-55.4.8.10 Permit Limit	No more than four commercial cannabis activity permits may be issued to a single person.	According to records maintained by the department, the applicant has applied for a total of four cannabis activity permits, the maximum to which the applicant is entitled.
§314-55.4.10 Application Requirements	Identifies the information required for all applications.	The project file contains all the information required by the ordinance.

314-55.4 Commercial Cultivation of Cannabis for Medical Use Inland Land Use Regulation (CMMLUO)

§314-55.4.11 Performance Standards	Identifies the performance standards for cannabis cultivation activities.	All of the applicable performance standards are included as recommended conditions of project approval. They are required to be met throughout the time frame of the permit.
§314-55.4.17 Sunset Date	No application for any Use Permit pursuant to the CMMLUO shall be processed for issuance or approval that is received after December 31, 2016.	The applicant submitted the application on December 30, 2016.

4. **Public health, safety, and welfare and 6. environmental impact.** The following table identifies the evidence which supports finding that the proposed development will not be detrimental to the public health, safety, and welfare, and will not adversely impact the environment.

Code Section	Summary of Applicable Requirement	Evidence That Supports the Required Finding
§312-17.1.4 Special Permit Findings	The proposed development will not be detrimental to the public health, safety, and welfare, and it will not be materially injurious to properties or improvements in the vicinity.	All responding referral agencies have either provided no comment or recommended approval of the proposed use. The proposed agricultural use is consistent with the type of development in the area. There is no evidence that the project as conditioned will be materially injurious to properties or improvements in the vicinity.
§15301 of CEQA Guidelines	Categorically exempt from state environmental review.	The project has been determined to be exempt from CEQA pursuant to Section 15303 (New Construction or Conversion of Small Structures) and Section 15304 (Minor Alterations to Land) of the CEQA Guidelines. In addition, none of the exceptions under CEQA Guidelines Section 15300.2 apply to this project. The project is not in a particularly sensitive environment, will not result in cumulatively considerable impacts, will not impact a hazardous waste site or historical resources, and will not damage scenic resources.

5. **Residential density target.** The following table identifies the evidence which supports the finding that the proposed project will not reduce the residential density for any parcel below that used by the California Department of Housing and Community Development in determining compliance with housing element law.

Code Section	Summary of Applicable Requirement	Evidence That Supports the Required Finding
§312-17.1.5 Housing Element Densities	The proposed development does not reduce the residential density for any parcel below that utilized by the Department of Housing and Community Development in determining compliance with housing element law (the midpoint of the density range specified in the plan designation), except where: (1) the reduction is consistent with the adopted General Plan including the Housing Element; and (2) the remaining sites identified in the Housing Element are adequate to accommodate the County's share of the regional housing need; and (3) the property contains insurmountable physical or environmental limitations and clustering of residential units on the developable portions of the site has been maximized.	The proposed project involves a cultivation operation on lands designated Agricultural Exclusive (AE) and zoned Agricultural Exclusive (AE) and Timberland Production Zone (TPZ). The parcel was not inventoried as a source of potential residential housing. Therefore, the project will not reduce the residential density for any parcel below that utilized by the Department of Housing and Community Development in determining compliance with housing element law.

ATTACHMENT 3

Applicant's Evidence in Support of the Required Findings

Attachment 3 includes a listing of all written evidence which has been submitted by the applicant in support of making the required findings. The following materials are on file with the Planning Division:

1. The name, contact address and phone number(s) of the applicant. (Application form on file)

2. If the applicant is not the record title owner of parcel, written consent of the owner for the application with original signature and notary acknowledgement. (On File)

3. Site plan showing the entire parcel, including easements, streams, springs, ponds and other surface water features, and the location and area for cultivation on the parcel with dimensions of the area for cultivation and setbacks from property lines. The site plan shall also include all areas of ground disturbance or surface water disturbance associated with cultivation activities, including: access roads, water diversions, culverts, ponds, dams, graded flats, and other related features. If the area for cultivation is within ¼ mile (1,320 ft.) of a school, school bus stop, church or other place of religious worship, public park, or Tribal Cultural Resource, the site plan shall include dimensions showing that the distance from the location of such features to the nearest point of the cultivation area is at least 600 feet. (Attached)

4. A cultivation and operations plan that meets or exceeds minimum legal standards for water storage, conservation and use; drainage, runoff and erosion control; watershed and habitat protection; and proper storage of fertilizers, pesticides, and other regulated products to be used on the parcel, and a description of cultivation activities (outdoor, indoor, mixed light), the approximate date(s) cannabis cultivation activities have been conducted on the parcel prior to the effective date of this ordinance, if applicable, and schedule of activities during each month of the growing and harvesting season. (On file Cultivation and Operations Plan dated June, 2017)

5. Copy of the statement of water diversion, or other permit, license or registration filed with the State Water Resources Control Board, Division of Water Rights, if applicable. (Well - Initial Statement of Diversion and Use filed with SWRCB dated June 29, 2017)

6. Description of water source, storage, irrigation plan, and projected water usage. (On file – see Cultivation and Operations Plan dated June, 2017)

7. Copy of Notice of Intent and Monitoring Self-Certification and other documents filed with the NCRWQCB demonstrating enrollment in Tier 1, 2 or 3, NCRWQCB Order No. 2015-0023, or any substantially equivalent rule that may be subsequently adopted by the County of Humboldt or other responsible agency. (On file)

8. If any on-site or off-site component of the cultivation facility, including access roads, water supply, grading or terracing impacts the bed or bank of any stream or other watercourse, a copy of the Streambed Alteration Permit obtained from the Department of Fish & Wildlife. (Notification for Jurisdictional Review to be submitted))

9. If the source of water is a well, a copy of the County well permit, if available. (On file)

10. If the parcel is zoned FR, U or TPZ, or involves the conversion of timberland as defined under section 4526 of the Public Resources Code, a copy of a less-than-3-acre conversion exemption or timberland conversion permit, approved by the California Department of Forestry and Fire Protection (CAL-FIRE). Alternately, for existing operations occupying sites created through prior unauthorized conversion of timberland, evidence may be provided showing that the landowner has completed a civil or criminal process and/or entered into a negotiated settlement with CAL-FIRE. (Not Applicable)

11. Consent for onsite inspection of the parcel by County officials at prearranged date and time in consultation with the applicant prior to issuance of any clearance or permit, and once annually thereafter. (On file)

12. For indoor cultivation facilities, identify the source of electrical power and how it will meet with the energy requirements in section 55.4.8.2.3, and plan for compliance with applicable Building Codes. (Nursery to employ carbon offsets)

13. Acknowledge that the County reserves the right to reduce the size of the area allowed for cultivation under any clearance or permit issued in accordance with this Section in the event that environmental conditions, such as a sustained drought or low flows in the watershed will not support diversions for irrigation. (On file)

14. Acknowledge that the County reserves the right to engage with local Tribes before consenting to the issuance of any clearance or permit, if cultivation operations occur within an Area of Traditional Tribal Cultural Affiliation, as defined herein. This process will follow current departmental referral protocol, including engagement with the Tribe(s) through coordination with their Tribal Historic Preservation Officer (THPO) or other tribal representatives. This procedure shall be conducted similar to the protocols outlined under SB 18 (Burton) and AB 52 (Gatto), which describe "government to government" consultation, through tribal and local government officials and their designees. During this process, the tribe may request that operations associated with the clearance or permit be designed to avoid, minimize or mitigate impacts to Tribal Cultural Resources, as defined herein. Examples include, but are not limited to: conducting a site visit with the THPO or their designee to the existing or proposed cultivation site, requiring that a professional cultural resources survey be performed, or requiring that a tribal cultural monitor be retained during project-related ground disturbance within areas of sensitivity or concern. The county shall request that a records search be performed through the California Historical Resources Information System (CHRIS). (On-file)

HUMBOLDT COUNTY COMMERCIAL MEDICAL CANNABIS LAND USE ORDINANCE (CMMLUO) APPLICATION

SUGARLEAF HOLDINGS, LLC

OPERATIONS MANUAL

HUMBOLDT COUNTY, CA

PROPOSED MEDICAL CANNABIS CULTIVATION, WHOLESALE NURSERY, AND COMMERCIAL PROCESSING FACILITIES

APPLICATION NUMBER: 13371

PREPARED FOR:

June 2017

Lead Agency:

Humboldt County Planning Department

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DISCLAIMER

Cannabis is illegal under United States federal law. This is true even if the possession of cannabis is for medical purposes. This document has been prepared in accordance with California state law, which allows for a medical cannabis patient program. This document is not intended to promote the illegal sale or use of cannabis in any way.

1. Application Summary

As described herein, SugarLeaf Holdings, LLC (Hereafter SugarLeaf) is applying for permission to operate commercial cannabis cultivation operations within Humboldt County. These operations will take place at a location referred to as Metro Heights. The proposed operations will be compliant with a Humboldt County Special Permit, with the intent to apply for state licenses:

- Mixed Light: 10,000 sqft cultivation
- Wholesale Nursery
- Commercial Processing
- Retirement, Remediation, and Relocation (RRR) transfers for use of up to 172,950 sqft for cultivation of mixed light, outdoor, or both. This 20% cap of prime soils use will be adhered to as long as it remains County policy.

This application is compliant with Humboldt County Ordinance No. 2544, which adds Section 313-55.4 to Chapter 3 of Division 1 of Title III.

This application is organized following 55.4.10, Application Requirements for All CMMLUO Clearances or Permits.

A. Project Narrative

SugarLeaf is applying for a land use approval for new medical cannabis cultivation facilities, located on Assessor Parcel Number (APN) 205-161-022 totaling 36.22 acres (per county of Humboldt Web GIS). The parcel is located near the City of Rio Dell. Land uses surrounding the parcel are primarily agricultural, but include the Rio Dell Cannabis Business Park. The surrounding parcels are zoned Timber Production Zone (TPZ), Agriculture Exclusive (AE), and Unclassified (U). The parcel is comprised of mostly AE with some TPZ zoning. Testing performed by Pacific Affiliates Consulting Engineers certifies the parcel contains twenty-one acres (914,760 sqft) of Prime Agricultural Soils (See Attachment 12). All cultivation activities applied for will be conducted on Prime Agricultural Soils.

SugarLeaf is proposing a medical cannabis cultivation operation in accordance with the County of Humboldt Commercial Medical Marijuana Land Use Ordinance (CMMLOU), ordinance no. 2554. The application consists of a combination of applicable permit types to be submitted under one Special Permit. The individual permits applied for are as follows: One Zoning Clearance Certificate (ZCC16-786) of mixed light medical cannabis cultivation of 10,000 sqft, one Special Permit (SP16-877) of nursery for wholesale supply, one Special Permit (SP16-876) of commercial processing (replacing one Special Permit (SP16-876) of 5000 sqft indoor cultivation with approval from the County (See Attachment 3)), and establishment of receivership of qualified farms under the County's Retirement, Remediation, and Relocation (RRR) program. The project will be implemented in phases.

Phase I includes construction of agricultural exempt temporary PVC and wood framed greenhouses to house initial mixed light cultivation operations, an agricultural exempt 2400 sqft metal building utilized for drying and storage purposes for cultivation operations, and to house initial propagation space for wholesale nursery operations supported by 4000 sqft of agricultural exempt temporary PVC and wood framed greenhouses, a 2400 sqft metal building on a concrete slab to house initial commercial processing operations, and parking to accommodate phase I activities. Additionally, the existing barn, constructed prior to 1964, will be utilized for storage purposes and a 120 sqft shed constructed to house the proposed generator. During this time, SugarLeaf will design and submit building permits for commercial

greenhouses for final mixed light operations and a 20,000 sqft metal building on a concrete slab to house final wholesale nursery, commercial processing, and administrative operations. A 22,000 sqft greenhouse will also be designed as part of the commercial nursery operation. During phase I RRR transfers will be submitted to the county as engaged. The cultivation operations will utilize less than 20% of the documented prime agricultural soils. Adequate parking spaces will be developed as part of this project, including 1 ADA compliant parking facility. Phase I water needs will be supplied by an onsite permitted well. Agricultural power upgrades will be sought from PG&E.

In phase II SugarLeaf is proposing construction of 20,000 sqft of commercial greenhouse to accommodate the 10,000 sqft of mixed light medical cannabis cultivation and ancillary propagation needs. Also proposed is the construction of one 20,000 sqft metal building to accommodate the wholesale nursery, processing facility, and administrative/general use. A proposed 22,000 sqft commercial greenhouse will also be constructed to support the wholesale nursery operations. Parking for the processing and nursery operations will be developed. RRR's will continue to be engaged in phase II. All activity will meet the required setbacks.

2. Humboldt Application Requirements

A. Applicant Information

Name: SugarLeaf Holdings, LLC

Contact Address: PO Box 334 Bayside CA, 95524

Phone Number: 512-740-5698

B. Owner Consent

Metro Heights, LLC is the record title owner of parcel and grants written notarized consent to SugarLeaf to cultivate medical cannabis on said parcel.

C. Site Plan

See Attachment 1.

D. Cultivation and Operations Plan

SugarLeaf has developed a comprehensive Cultivation and Operations Plan, divided into the following sections for clarity:

- Executive Summery
- Environmental Protection Plan
- Hazardous Materials Plan
- Cultivation Plan
- Commercial Processing Plan
- Wholesale Nursery Plan
- Quality Assurance Plan
- Security Plan

E. Water Source Documentation

The water source for the development is the existing permitted well. A copy of this permit is included with this application. SugarLeaf may construct additional wells in the future if needed based on water demands

from the proposed RRR licenses. A rainwater catchment pond is also proposed to offset the amount of water to be pumped.

F. Planned Water Use

See Section 4: Environmental Protection Plan.

G. Water Monitoring Self Certification

See Attachment 9.

H. Stream Bed Alteration Permit

No streams are impacted by the proposed development. SugarLeaf will submit a notification for jurisdictional review of the existing well.

I. County Well Permit

See Attachment 10.

J. Timberland Conversions

No timberland conversion is included in the scope of this project.

K. Consent to Onsite Inspections

Through this application, SugarLeaf Holdings, LLC gives consent for an onsite inspection, by County of Humboldt officials, at a prearranged date and time prior to issuance of any clearance or permit, and once annually thereafter.

L. Source of Electrical Power

SugarLeaf will use on-grid power. In support of our mission of environmental sustainability, SugarLeaf will participate in the Redwood Coast Energy Authority (RCEA) Community Choice Energy (CCE) Program. This program will allow the proposed project to purchase on-grid power with 100% renewable sources by opting up to the Repower+ plan.

SugarLeaf will also investigate solar, wind, and hydroelectric power solutions.

M. Acknowledge County Right to Reduce Cultivation Area

SugarLeaf Holdings, LLC acknowledges that the County of Humboldt reserves the right to reduce the size of the area allowed for cultivation under any clearance or permit issued in accordance with Section 314-55.4 of the Humboldt County Code in the event that environmental conditions, such as a sustained drought or low flows in the watershed will not support diversions for irrigation.

N. Acknowledge County Right to Engage Local Tribes

SugarLeaf Holdings, LLC, acknowledges that the County of Humboldt reserves the right to engage the local Tribes before consenting to the issuance of any clearance or permit, if cultivation operations occur with an Area of Traditional Cultural Affiliation, as defined within Section 314-55.4.10(n) of the Humboldt County Code. In anticipation of such an action, SugarLeaf has employed Jaime Roscoe, a qualified Archeologist, to provide a Cultural Resource Investigation Report and engage the relevant local Tribal Historic Preservation Officer(s). See Attachment 11.

3. Executive Summery

SugarLeaf Holdings, Inc. (SugarLeaf) is formed of a group of established professionals with decades of business and industry experience. It is our mission to provide the highest quality cannabis and cannabis

services for our clients while setting an example for environmental sustainability, economic viability, compliance, and integrity. It is our goal to strengthen and develop our community to achieve lasting prosperity as we navigate the unique challenges presented to Humboldt County by the legalization and regulation of our strongest economic sector.

The emerging market of regulated cannabis production in California presents great opportunity. Humboldt County is uniquely positioned to engage this new industry and is presently setting precedents that will guide the State and the Nation for years to come. SugarLeaf is excited to engage this budding economic landscape and develop best practices to lay the foundations for a cannabis industry to provide safe, environmentally conscious, high quality medical cannabis to patients in California and beyond as legislation permits.

SugarLeaf's management team, composed of longtime members of the Humboldt community, is intimately familiar with all aspects of the economic and agricultural cycle of cannabis. From propagation, indoor and outdoor cultivation, and proper curing and processing techniques, to established relationships with compliant retailers and distribution, to relationships with industry professionals in the legal, real estate, and consulting fields, our team is well prepared to comprehensively engage and evolve with all aspects of the compliant marketplace.

After acquiring county permits, SugarLeaf intends to build out professional commercial grade facilities on our 33-acre ranch located just north of the Rio Dell Cannabis Business Park on Metropolitan Heights Rd. Situated in the coastal transition zone with one of the most temperate climates in the Nation, Metro Heights is perfectly suited towards greenhouse cultivation, taking full advantage of the sun, while providing ideal conditions for producing the finest quality cannabis in the world.

By developing world class cannabis propagation, cultivation, and processing facilities, and establishing best practices based on years of experience, a dedication to safety, land stewardship, and environmental protection, SugarLeaf will be a model business for Humboldt County's transition to the regulated market. Capitalizing on well established local industry support infrastructure, SugarLeaf will promote a model for economic growth, job opportunities, tourism, and many more benefits for our special community for years to come.

Becoming compliant is a challenging proposition to many of Humboldt's cannabis farmers, often due not to a desire to remain in the black market, but to the complexities of commercial regulation and land that may not be able to support the needed infrastructure required. As part of our commitment to engaging the compliant marketplace and to environmentally sustainable practices, SugarLeaf will offer space to qualified farms engaging in the County's Retirement, Remediation and Relocation program. By offering access to acres of prime agricultural land, it is our hope to establish a new paradigm in Humboldt County, mitigating the environmental damages caused by years of unregulated cultivation in fragile ecosystems, and moving farms out of the hills and into the valleys where they are meant to be.

Due to our unique location at the cross roads of north and south Humboldt, with proximity to Highway 101 and State Route 36, and direct access to the Rio Dell Cannabis Business Park, SugarLeaf is distinctively positioned to support Humboldt County's transition in to a new economic landscape. Providing clean, marketable genetics through our wholesale nursery, and commercial processing to offer the permitted cannabis community an easy to access solution to get their crops to market, SugarLeaf will encourage farmers to embrace the changes required to become compliant, knowing that their community is working with them. Additionally, we will be able to provide the County and State a consolidated data stream to accurately monitor production levels from a multitude of permitted farms, easing the burden of monitoring potentially thousands of cultivation operations in the deep back country of Humboldt County.

SugarLeaf is committed to developing the community and prosperity of Humboldt County. This is an unprecedented period of uncertainty felt by many who depend upon the cannabis industry for their livelihoods or supplemental income. Recognizing the importance of developing a strong local industry that will survive the transfer to the new regulated market, SugarLeaf is working with longtime community development leaders to shape this emerging industry in a manner that will benefit at the local level.

Humboldt county has one of the most unique natural environments in the world and is complemented by an equally unique community. SugarLeaf is born out of of this rare combination of factors in todays world and is dedicated to maintaining and cultivating the values and surroundings that gave it life. SugarLeaf respects and appreciates the responsibility it has to the land and community, and is committed to doing everything possible to conserve and maintain this exceptional natural environment for generations to come.

4. Environmental Protection Plan

A. Water Usage

SugarLeaf is dedicated to cultivating cannabis in a sustainable way that minimizes impact on the environment. The cooler weather conditions of the Metro Heights site location, and the use of agronomic watering techniques, will reduce the water consumption of cannabis plants significantly.

Per the North Coast Regional Water Quality Control Board (NCRWQCB) Order No. 2015-0023 requirements, SugarLeaf acknowledges responsibility for water resource and water quality impacts associated with the occupancy of and activities on the Metro Heights site.

Once all project approvals are in place, SugarLeaf will register with the North Coast Regional Water Quality Control Board's Cannabis Cultivation Regulatory Discharge Program, Order No. R1-2015-0023 (Order). The Metro Heights site falls within the Tier 2 characteristics for the NCRWQCB, meaning the site has some risk to water quality and discharge based on the scale of the operation. SugarLeaf will self-certify as a Tier 2 Discharger per NCRWQCB Order No. R1-2015- 0023 Appendix C, indicating that the site meets Tier 2 characteristics and standard conditions, and both submit and retain a copy of the registration and the Order on-site. SugarLeaf will facilitate any NCRWQCB inspections required to assess compliance with these conditions.

SugarLeaf will further maintain its Tier 2 Discharge responsibilities with the NCRWQCB with every effort being made to move into the NCRWQCB Tier 2* category in subsequent years, including re-certifying the Tier characteristics and standard conditions on an annual basis.

The Order requires a Water Resources Protection Plan (WRPP) that includes monitoring and reporting for the following activities associated with commercial medical cannabis production for which SugarLeaf will establish appropriate controls:

- Maintenance of developed areas and drainage features.
- Spoil storage and disposal.
- Water storage, and use.
- Irrigation runoff from cannabis cultivation and other similar growing operations.
- Fertilizer, soil amendments, petroleum products, biodiesel, and pesticide/herbicide/rodenticide

storage, use, and waste disposal.

- Waste handling and disposal, including empty soil/soil amendment/fertilizer/pesticide bags and containers, empty plant pots or containers, dead or harvested plant waste, spent growth medium, and other cultivation-associated wastes.
- Household refuse, human waste and domestic wastewater.

Per the NCRWQCB, SugarLeaf will file any appropriate Reports of Water Discharge. Overall, SugarLeaf's water plan will:

- Implement Best Management Practices to avoid sediment and other waste discharges, as provided in NCRWQCB Appendix B
- Implement and monitor for effectiveness the BMPs and document the results
- Conserve water and implement measures to ensure water uses do not unreasonably impact beneficial uses
- Establish ongoing education and outreach for all personnel on-site

SugarLeaf also commits to abide by any required enforcement response that may occur upon discovery of a water quality violation or impact. SugarLeaf will update the Environmental Protection Plan and any related standard operating procedures to ensure future compliance, and will fulfill any requirements requested.

1. Water Source

The primary water source for irrigation and domestic use is an existing permitted well located within the subject property which will provide sufficient production. Imported water from an approved water distributor will only be used in emergencies, as defined by the CMMLOU §55.4.11(m).

SugarLeaf will (in phase II) after the first year of cultivation operations will have accurate data to project water uses for the maximum potential of the site and may at that time develop an additional well(s) and/or develop a pond for rainwater catchment from final infrastructure improvements

All water used by SugarLeaf to produce cannabis will be used, stored, and conserved in a manner that is compliant with the California Water Code and all local Humboldt County regulations.

2. Water Storage

Per NCRWQCB, the size and scope of the water storage shall be such that the amount of water used shall not adversely impact water quality and/or beneficial uses.

Proposed water storage for phase I includes a 5000 gallon holding tank dedicated to agricultural use, a 2500 gallon tank dedicated to fire protection, and a 2500 gallon tank dedicated to domestic use and to supply the phase I commercial processing facility. Phase II water storage may include construction of a pond fed by rainwater catchment and/or development of additional water storage tanks.

SugarLeaf will apply for appropriate permitting for any on-site water storage from the Humboldt County Building Inspection Division if required.

3. Irrigation Plan

SugarLeaf is committed to responsible water use, including providing ample water storage and agronomic irrigation. SugarLeaf will use best practices for irrigation water conservation, which will include a

combination of the following practices:

- Drip irrigation: By delivering water directly to plant roots, SugarLeaf reduces evaporation and water loss relative to spray watering systems.
- Irrigation scheduling: SugarLeaf cultivation agents will monitor soil and plant moisture, and adapt the irrigation schedule to minimize overwatering.
- Capturing and storing water: Once final infrastructure is in place, SugarLeaf may utilize on-site rainwater catchment, diverted to a pond or other appropriate storage, designed to capture and store rainfall for use throughout the year. SugarLeaf will seek building permits for water storage as appropriate.
- Growing organically: Organic methods have been shown to help retain soil moisture, and even to recharge groundwater supplies.

At no time will water be applied faster than agronomic rates, which are defined as the rate that a plant needs to enhance its productivity and provide the forage growth with nutrients for optimum health and growth, without having excess water beyond the root zone.

The sites will utilize one water tank to supply water to the top feed irrigation lines. At each site fertigators will be utilized to inject nutrient solution into the water line for fertilization. Cultivation agents will follow best practices developed by SugarLeaf's *Lead Cultivator* for specific cannabis cultivars to determine the correct ratio of nutrients at each plant stage.

Drip irrigation supplemented by occasional hand watering will be utilized for all flowering plants, while hand watering will be primarily utilized for immature plants.

4. Projected Water Use

For phase I, the Metro Heights facility will include 10,000 sqft of mixed light cultivation. SugarLeaf estimates an average annual water usage of 100,000 gallons based on industry averages of 10 gallons per sqft per year. Variables such as costal transition zone climate and use of greenhouses will likely reduce irrigation needs. Continued analysis of water use records will provide data to augment the projected water use and will be updated as appropriate in the WRPP.

Phase II will incorporate construction of a 20,000 sqft processing/nursery facility, a 22,000 sqft nursery greenhouse and additional secured RRR transfers. SugarLeaf anticipates an additional 200,000 gallons of annual water usage per each additional 20,000 sqft RRR transfer and 200,000 gallons dedicated to nursery activities. At a current maximum potential cultivation production capacity of 182,952 sqft, SugarLeaf estimates an annual water usage of approximately 2,000,000 gallons. Additional water will be required for supporting other on-site requirements, such as drinking water, restrooms and hand washing stations.

All employees will be trained on the proper handling and storage of water with a focus on avoiding contamination. Water and nutrient solutions will not sit in the open environment for longer than four hours. If agitation and aeration pumps are used in holding containers it may sit in the open environment for no longer than 1 week.

Employees will check for signs of water quality changes or water leakage daily. All water equipment including nozzles and hoses will be sanitized regularly. Only trained employees will be responsible for irrigation. Irrigation equipment will be professionally maintained per the manufacturer's

recommendations. Any parts that may be a source of contamination or leakage will be cleaned and replaced as often as needed.

Plants will be grouped by cultivars for watering efficiency. All watering activities, including water source, water volume, which plants, and when will be documented daily.

B. Drainage, Runoff, and Erosion Control

Drainage, runoff and erosion control design and implementation measures will be designed to ensure minimal water quality impacts and long-term stability. Any grading and earthwork activities will be conducted by a licensed contractor in accordance with approved grading, drainage, and WRPP.

Maintenance and repair strategies for site development and road improvements will utilize best management practices to maintain site integrity. Cultivation sites will be developed in accordance with NCRWQCB's best management practices for site development to ensure erosion control measures are effective.

SugarLeaf's environmental consulting agency, Manhard Consulting, will develop a detailed drainage, runoff and erosion control plan. SugarLeaf has selected a site where erosion control requirements should be minimal as the parcel is relatively flat.

SugarLeaf will implement the above water conservation measures, as well as irrigating and applying fertilizers at agronomic rates, limiting chemical applications to label specifications, and maintaining stable soil and growth media. These practices should serve to minimize the amount of runoff as well as the concentration of chemicals in the water.

SugarLeaf will work with Manhard Consulting to establish measures to control/contain the runoff to minimize the pollutant loads in any irrigation discharge. No fertilizers, fine sediment, or other related materials, will be discharged to any watercourses.

Per the NCRWQCB, SugarLeaf will acquire appropriate permitting for any discharges of waste associated with the development of the Metro Heights site. This includes coverage under the General Permit for Discharges of Storm Water Associated with Construction Activity (Construction General Permit, 2009-0009-DWQ).

C. Watershed and Habitat Protection

Best management practices will be employed to protect watersheds and habitats. Cultivation facilities and spent soil stockpiles will meet all required setbacks from riparian and wetland areas. Watershed and habitat protection will adhere to WRPP requirements.

1. Power Consumption and Noise Compliance

SugarLeaf will be draw power from a generator only when power from the grid is unavailable to supply the necessities of operations. The generator will be housed in a 10' x 12' shed. When in operation, the generator(s) will not produce noise that is audible to humans from a neighboring residence and will at all times remain below 60 decibels at the property line. SugarLeaf will work with environmental consultants to evaluate the auditory disturbance and ensure compliance with guidance prepared by the United States Fish and Wildlife Service. See Attachment 1 for location of generator.

5. HAZARDOUS MATERIALS PLAN

As an agricultural operation, SugarLeaf will need to use some hazardous materials, including fertilizers, pesticides, and other regulated products.

SugarLeaf acknowledges that the Humboldt County Environmental Health Division, which administers the Hazardous Materials program as one of the Certified Unified Program Agencies (CUPA), regulates hazardous materials and wastes from agricultural businesses. SugarLeaf will follow all appropriate requirements under the Hazardous Materials program. This includes the application, inspection, enforcement, and reporting under the program requirements and standards set by the California Environmental Protection Agency (CalEPA).

When using pesticide products, SugarLeaf shall be in compliance with State pesticide laws, and regulations enforced by the County Agricultural Commissioner's Office and the California Department of Pesticide Regulation.

SugarLeaf's *Lead Cultivator* and/or *Lead Gardener* will hold Private Applicators Licenses and Operator Identification Numbers issued by the Humboldt County Agricultural Department. The *Lead Cultivator* and/or *Lead Gardener* will train all employees engaging in pesticide storing, handling, mixing, application, disposal, emergency spill containment, and clean up procedure.

A. Using Hazardous Materials

All nutrients, pesticides and fungicides will be used in accordance with manufactures instructions. In addition, at any place where pesticide/fungicide are to be stored, handled, mixed, applied or disposed, SugarLeaf will provide saline eye wash stations, emergency containment, and clean up kits as prescribed in the State of California Agricultural Department Pesticide Applicators License handbook

While ignitable or reactive waste is being handled, the owner or operator shall confine smoking and open flame to specially designated locations. "No Smoking" signs shall be conspicuously placed wherever there is a hazard from ignitable or reactive waste.

While transferring, treating, storing or disposing of ignitable or reactive waste or fuels, SugarLeaf employees shall take precautions to prevent reactions which:

- Generate extreme heat or pressure, fire or explosions, or violent reactions
- Produce uncontrolled toxic mists, fumes, dusts, or gases in sufficient quantities to threaten human health or the environment
- Produce uncontrolled flammable fumes or gases in sufficient quantities to pose a risk of fire or explosions
- Damage the structural integrity of the device or facility
- Through other similar means threaten human health or the environment

SugarLeaf shall document standard operating procedures for these materials and enforce compliance. This documentation may be based on references to published scientific or engineering literature, data from trial tests, and case note documentation.

1. Chemical Clean Up

Each employee involved in any chemical process will be specifically trained on handling practices, as well as required responses in the event of a spill or mishap. The *Lead Cultivator*, *Lead Gardener*, or *Processing Manager* will be responsible for ensuring any chemical cleanup follows protocol, and recording all steps taken. A log of any cleanup, scheduled or unscheduled, is kept at all times on record. The chemical cleanup procedure includes:

- Use of hazard grade Personal Protection Equipment according to the specific requirements of the hazardous material including:
    - Rubber gloves
    - Rubber boots
    - Glasses or eye protectant
    - Ear protectant
    - Apron or skin protector
    - Air filter face mask, chemical spill UL grade filter
    - Proper wash and storage are of PPE materials
- Disposal of all chemical and cleanup material will be conducted in compliance with materials safety data sheets and local and state regulations. Chemical bins and storage will be separate from all other material and handled accordingly.

B. Storing Hazardous Materials

All hazardous materials will be stored in locked storage areas designated solely for this. SugarLeaf shall maintain these areas so as to pose no threat of safety or quality to the facility, product, or employees.

All storage areas will be restricted to logged and identified products. A documented logging system will ensure all materials are accounted for and properly stored in designated areas. SugarLeaf will ensure periodic inspections, at least monthly, to ensure all materials are properly stored. All such inspections shall be documented. All records pertaining to hazardous materials shall be maintained for at least five years.

A designated area will hold any rejected hazardous materials to ensure there will be no cross contamination or misuse.

Fertilizers, potting soils, compost, and other soils and soil amendments shall be stored in locations and in a manner in which they cannot enter or be transported into surface waters and such that nutrients or other pollutants cannot be leached into groundwater.

Petroleum products and other liquid chemicals, including but not limited to diesel, biodiesel, gasoline, and oils shall be stored so as to prevent their spillage, discharge, or seepage into receiving waters. Storage tanks and containers must be of suitable material and construction to be compatible with the substance(s) stored and conditions of storage such as pressure and temperature.

All hazardous materials will incorporate secondary containment consisting of bins or trays underneath storage areas or storage of substances in totes.

Each storage room shall be maintained with the materials safety data sheets (MSDS) appropriate to the contents of the room. All employees shall be trained for competency on how to read and understand

these documents. Duplicate copies of the MSDS shall be maintained in a separate location on-site, along with records of the locations of volatile or restricted substances.

1. Segregating Ignitable or Reactive Materials

SugarLeaf shall take precautions to prevent accidental ignition or reaction of ignitable or reactive stored fuels or waste. This waste shall be separated and protected from sources of ignition or reaction.

6. Employment Plan

A. Latorre-Zenovich-Dunlap-Berman Agricultural Labor Relations Act Statement

SugarLeaf Holdings, LLC is an "agricultural employer" as defined in the Latorre-Zenovich-Dunlap-Berman Agricultural Labor Relations Act of 1975 (Part 3.5 (commencing with Section 1140) of Division 2 of the Labor Code), to the extent not prohibited by law.

B. California Agricultural Employer Compliance

SugarLeaf Holdings, LLC will comply with all applicable federal, state and local laws and regulations governing California Agricultural Employers.

C. Job Descriptions and Employee Summery

Below are descriptions of some of the different roles and responsibilities of on-site staff:

1. General

- *Agent in Charge*: Oversight and management of the entire facility. Responsibilities will include but not be limited to: personnel, records keeping, budget, and liaison with State and County inspectors as needed.
- *Ranch Manager*: Oversight and management of security and work flow for the entire facility. Will work directly with the *Agent in Charge*.

2. Cultivation

- *Lead Cultivator*: Oversight and management of the day to day cultivation of medical cannabis. This will include but not be limited to: irrigation, fertilization, pesticide management and harvest.
- *Assistant Cultivator*: This person will support the responsibilities of the *Lead Cultivator*. Mainly, the *Assistant Cultivator* will assist the *Lead Cultivator* in his/her day to day duties as well as take the Lead Role during times when the *Lead Cultivator* may be off site. During harvests, the *Assistant Cultivator* duties will switch to oversight and management of the harvest of medical cannabis.
- Seasonal Labor: This position is temporary and employee count will vary based on the needs of the farm during the cultivation and harvest seasons.

3. Commercial Processing

- *Processing Manager*: Oversight and management of the day to day processing of medical cannabis. This will include but not be limited to: drying/curing, trimming, and packaging.
- *Processing Technician*: This person will support the responsibilities of the *Processing Manager*. Mainly, the *Processing Technician* will assist the *Processing Manager* in his/her

day to day duties as well as take the Lead Role during times when the *Processing Manager* may be off site.

- Seasonal Labor: This position is temporary and employee count will vary based on the needs of the processing operations during the harvest season. Seasonal Labor will be responsible for the day to day tasks associated with the processing of medical cannabis.

4. **Wholesale Nursery**
   - *Lead Gardener*: Oversight and management of the day to day operation of the medical cannabis nursery.
   - *Assistant Gardener*: This person will support the responsibilities of the *Lead Gardener*. Mainly, the *Assistant Gardener* will assist the *Lead Gardener* in his/her day to day duties as well as take the Lead Role during times when the *Lead Gardener* may be off site.
   - Seasonal Labor: This position is temporary and employee count will vary based on the needs of the nursery operations during the cultivation season. This position is responsible for the day to day tasks associated with the nursery operation.

The *Agent in Charge* is a principal for Sugarleaf. In phase I, in addition to the *Agent in Charge, Ranch Manager* and the *Lead Cultivator*, SugarLeaf intends to employ 3 full time *Assistant Cultivators*, and up to 6 Seasonal Labor positions for an estimated total of approximately 12 employees maximum at the cultivation operation at any given time. A peak of 6 employees during cultivation periods and a peak of 12 employees during harvest periods are expected. Each 20,000 sqft of engaged RRR transfer as engaged is expected to require 1 additional *Assistant Cultivator* and 2 seasonal labor positions. For its phase I commercial processing operation SugarLeaf will employ a *Processing Manager*, 2 *Processing Technicians* and up to 6 Seasonal Labor positions during the harvest season for an estimated total of approximately 9 employees maximum at the commercial processing facility at any given time.

Upon phase II construction of the nursery/processing facility, SugarLeaf intends to employ for its nursery operation a *Lead Gardener*, 2 *Assistant Gardeners* and up to 6 Seasonal Labor positions during the cultivation season for an estimated total of approximately 9 employees maximum at the wholesale nursery facility at any given time. For its phase II commercial processing operation SugarLeaf will employ a *Processing Manager*, 2 *Processing Technicians* and up to 10 Seasonal Labor positions during the harvest season for an estimated total of approximately 13 employees maximum at the commercial processing facility at any given time.

In full production, precluding additional RRR cultivation sites engaged, SugarLeaf estimates a total peak of 15 employees during the cultivation season, and 30 employees during the harvest season.

All Sugarleaf employees will be required to wear a SugarLeaf-issued photo ID badge on a lanyard at all times while working at the site. They will be required to read the SugarLeaf Operating Manual along with the SugarLeaf Employee Handbook. They will also be required to sign and date a form acknowledging they have read and understand its contents (See Attachment 2).

The *Agent in Charge* will meet with the *Lead Cultivator, Processing Manager,* and *Lead Gardener* daily to discuss any pending internal issues relating to day to day operations as well as discuss any upcoming schedule needs. Each department will give a daily synopsis related to their particular tasks. This will include a daily plant count inventory, a daily fertilizer application summary, a daily pesticide application summary, a daily water use summary, a daily inventory of dried/cured and processed material, non-security related employee issues, and facility compliance needs. It is the intention of the *Agent in Charge*

to maintain a transparent communication at all times to ensure the uninterrupted flow of medical cannabis remains compliant and within the code of conduct.

D. Summery of Employee Safety Practices

SugarLeaf will foster a safety-conscious workplace to encourage employees to identify potential hazards and to prevent safety breaches. All of SugarLeaf's internal processes, equipment/facilities and standard operating procedure will be designed to eliminate serious hazards and follow all relevant safety and health standards published by the Occupational Safety & Health Administration (OSHA).

All employees will undertake a training program specific to their position prior to receiving authorization to work on-site at the facility. This training will include but not be limited to: proper techniques, use, maintenance, and cleaning of cultivation, harvesting, and trimming machines and tools, fire safety, use of rubber gloves and respirators, proper hand washing guidelines and an Emergency Procedures Plan in case of emergency. Contact information for the local fire department, CAL FIRE, Humboldt County Sheriff and Poison Control as well as the Agent in Charge will be posted in a conspicuous place. SugarLeaf will update this training program if required to meet state or local requirements. SugarLeaf will provide rubber gloves, and respirators or dust masks to all employees. SugarLeaf will provide Saline Eye Wash Stations at strategic places inside the processing and nursery facility, as well as any place hazardous materials are stored. In addition to training and periodic drills, SugarLeaf will also provide each employee with a written copy of emergency procedures and contact information (See Attachment 3). A copy of the Operations Plan will be kept onsite by the *Agent in Charge* and will contain all material safety data sheets (MSDS) (See Attachment 6).

At a minimum, SugarLeaf will train and drill all personnel on the following, which meets the requirements of Humboldt County 313-55.4.11 (t) (v):

- Emergency action response planning as necessary
- Employee accident reporting and investigation policies
- Fire prevention
- Hazard communication policies, including maintenance of material safety data sheets (MSDS)
- Materials handling policies per the Hazardous Materials Plan
- Job Hazard Analysis
- Personal protective equipment policies, including respiratory protection
- Security procedures, including prevention of crimes and diversion
- Safety procedures, including medical emergencies, fire response, chemical spills, threatening events including armed robberies and invasion, and raids
- Visitor protocols
- Secure electronic recordkeeping
- Inventory management system
- Cannabis laws and regulations (local, state, federal)
- On-site behavior (see below)

Preparedness means all staff members know how to assess emerging situations to determine the type and level of threat they may post; they know how to respond to different kinds of security threats; they know which types of situations warrant the activation of panic buttons; and they know how to proceed when a security alarm goes off or a panic button has been activated.

7. CULTIVATION PLAN

A. Overview

Humboldt County code currently sets a new cultivation limit of 10,000 sqft for zoning AE for this site that will be adhered to. Additionally, Humboldt County code currently allows for RRR transfers to suitable agricultural land for use of up to 20% of prime soils that will be adhered to until such time as County regulations are amended otherwise. SugarLeaf intends to engage the County RRR program and offer premises to qualified applicants in this and further rounds of permitting.

The Metro Heights site has not previously been used for commercial cannabis cultivation.

SugarLeaf, Metro Heights site cultivation overview:

- Mixed Light Cultivation: 10,000 sqft cultivation and ancillary propagation housed in 20,000 sqft of greenhouse
- RRR: Separate premises housing up to a combined total of 172,952 sqft of cultivation of mixed light, outdoor, or both

B. Cultivation Facilities

SugarLeaf's Metro Heights location will initially be home to 10,000 sqft of mixed light cultivation. Additionally, up to 172,950 sqft of cultivation in mixed light, outdoor, or both will be included as qualified RRR applicants are engaged. The types of these operations will be dependent upon the initial applications filled. This section will describe the features of the cultivation-specific areas: outdoor, mixed light, ancillary propagation and cannabis storage. Cannabis may be cultivated outdoors and/or in greenhouses. The existing barn will be used for storage purposes.

Regularly maintained portable toilets, hand washing stations, and safe drinking water will be provided for employees at the cultivation site.

1. Phase I Cultivation Facilities

In phase I, SugarLeaf plans to establish 10,000 sqft mixed light cultivation. The operation will be supported by an additional 10,000 sqft of ancillary propagation space for a total of 20,000 sqft of greenhouse. At no point will more than ten 10,000 sqft of cannabis be flowering at any given time. Phase I greenhouses will consist of agricultural exempt temporary PVC frames covered with a woven poly translucent opaque tarp with timber end walls and supports. Each PVC frame will be ventilated by intake and exhaust fans as well as roll up side panels. Light deprivation will be achieved with 100% light resistant specifically designed tarps drawn over the plant canopy. Depending on when the County permit is granted, initial cultivation may be enacted without the use of greenhouses and supplemental lighting. An agricultural exempt 2400 sqft metal building will also be constructed divided into two separate premises. One premises of approximately 1200 sqft will be utilized for dry/storage purposes in support of cultivation activities, and the remaining space will be utilized by the wholesale nursery for propagation of mothers and clones. Phase I cultivation may also include RRR transfers as engaged.

2. Phase II Cultivation Facilities

In phase II, SugarLeaf will construct commercial greenhouses for its cultivation operations. The exact type of commercial greenhouse to be constructed is still being determined. Greenhouses currently in

consideration include, Grow-Tech Sierra series and/or Next G3N tall ridged greenhouses, or equivalent, commercial grade, gutter connected greenhouses with automated interior light deprivation systems (See Attachment 1). The interior of the commercial greenhouse may be divided into multiple sealed rooms individually controlled to maintain optimum growing conditions. This climate control may include heating and cooling, CO2 supplementation, and intake and exhaust ventilation. Alternatively, active and/or passive ventilation may be exclusively utilized. SugarLeaf will use an integrated nutrient multi-feed irrigation system to deliver the optimal nutrient regime for the growing cannabis plants. The system will be controlled using a central control system.

SugarLeaf plans to transfer operations into the commercial greenhouses as they are constructed.

RRR transfers will continue to be accepted in phase II and beyond and may be started in similar conditions to Phase I and transferred as appropriate.

As cultivation operations ensue and data for water usage is collected, and as RRR transfers are engaged, it may become necessary to develop a secondary water supply. If needed, a pond fed by the existing well and/or rainwater catchment from final infrastructure development may be constructed. Alternatively, additional wells may be drilled.

C. Cultivation Cycle

1. Schedule of Activities by Month

All cultivation will occur outdoors or in specially designed greenhouses in separate premises for each permit on the subject parcel. Mixed light operations will be operated year round and will achieve up to 5-6 harvest cycles per year. Outdoor operations, if engaged as RRR's, will operate during the growing season from May through October and will achieve up to 3 harvest cycles per year.

In order to maximize harvest cycles per year and to allow for exploration and development of crop rotation methods, sites will be divided into two or more Zones, and cannabis will be cultivated in an alternating cycle. Cannabis will be initially planted in Zone I and put through the vegetative phase until ready for initiation of light deprivation. At this point Zone II will be planted and put through the vegetative phase. One week before Zone I is harvested, light deprivation will be initiated in Zone II to trigger the transitional phase. After Zone I is harvested, the greenhouses will be cleaned, reconditioned, and replanted and the vegetative phase again initiated. The vegetative phase will last until one week before harvest of Zone II, when the light deprivation will be initiated. This cycle will repeat through out the duration of the cultivation cycle. Each zone will follow a 3-5 month cycle, with 3-9 weeks of vegetation followed by 8-10 weeks of flowering, depending on cultivar characteristics and batch growth.

At no point will flowering cultivation space exceed the permitted cultivation size limit.

EXAMPLE OF MONTH BY MONTH OUTDOOR CULTIVATION SCHEDULE

Zone 1		**Zone 2**	
Vegetative Phase	May 1 - April 24		
Flowering Phase	April 25 - June 27	Vegetative Phase	April 25 - June 19
Harvest	June 27 - July 3	Flowering Phase	June 20 - August 22

Vegetative Phase	July 4 - August 14	**Harvest**	August 22 - August 28
Flowering Phase	August 15 - October 17	Repair & Recondition	August 29 - May 1
Harvest	October 17 - October 23		
Repair & Recondition	October 24 - May 1		

EXAMPLE OF MONTH BY MONTH MIXED LIGHT CULTIVATION SCHEDULE

Zone 1		**Zone 2**	
Vegetative Phase	February 28 - April 24		
Flowering Phase	April 25 - June 27	Vegetative Phase	April 25 - June 19
Harvest	June 27 - July 3	Flowering Phase	June 20 - August 22
Vegetative Phase	July 4 - August 14	**Harvest**	August 22 - August 28
Flowering Phase	August 15 - October 17	Vegetative Phase	August 29 - October 9
Harvest	October 17 - October 23	Flowering Phase	October 10 - December 5
Vegetative Phase	October 24 - November 27	**Harvest**	December 5 - December 11
Flowering Phase	November 28 - January 30	Vegetative Phase	December 12 - January 22
Harvest	January 30 - February 5	Flowering Phase	January 23 - March 27
Repair & Recondition	February 6 - February 27	**Harvest**	March 27 - April 2
		Repair & Recondition	April 3 - April 24

2. Cultivation Cycle Phases

The cultivation cycle can be broken down into five phases:

- Raising Nursery Stock, Transplant, and the Vegetative Phase
- Flowering Phase
- Harvest Phase
- Clean/Recondition Phase
- Repair, Upgrade, and Recondition Phase

All harvest and post-harvest procedures are covered separately in SugarLeaf's Commercial Processing Plan.

Wholesale Nursery activities are covered separately in SugarLeaf's Nursery Plan.

During all phases of cultivation, SugarLeaf will keep meticulous records using an inventory management system. SugarLeaf will thoroughly train all cultivation agents on SugarLeaf's selected inventory management system. Records will accurately identify and record the seeds or vegetative planting stock as to genus and species, and to subspecies, variety, cultivar, and/or hybrid if applicable. Records will also track plants individually as they progress through phases of cultivation.

SugarLeaf will designate a *Lead Cultivator* who will determine the mix of cultivars to be propagated and

cultivated. The following items will be considered when determining cultivar selection:

- The availability of the cultivar
- Medicinal benefits
- Other cultivars currently in production
- Average yield
- Length of cultivation cycle
- Market demand
- Amount of plant material and quality available for extraction
- Difficulty of processing

a. Raising Nursery Stock, Transplant, and Vegetative Phase

All plant samples used in SugarLeaf cultivation sites will be composed of clones or seeds sourced from ancillary propagation, or wholesale or retail nursery sites. The rooted clones will be planted directly into 3-4 inch containers. Due to container and plant size, utilizing a hand watering method is most effective. Once of appropriate size, the plants are then transplanted into 1-2 gallon containers.

When the *Lead Cultivator* has determined the plants have achieved desired height and plant growth density for final transplant, the plants are immediately transplanted into a 5-10 gallon container or raised beds and enter the vegetative phase. During this phase, for mixed light operations, low level supplemental lighting lighting or high intensity discharge (HID) fixtures may be utilized to adjust the number of hours of light (photoperiod) the plants receive to sixteen, this will maintain and support the plants vegetative cycle.

The approximate desired height and growth density would be 3-4 feet. Upon final transplant into final pots or raised beds, a drip irrigation/fertilization system will be implemented. Once this desired height and vegetative growth density has been achieved the Flowering Phase begins. The entire vegetative process will last 3-9 weeks depending on cultivation style, strain variation, and weather conditions.

b. Flowering Phase

Taking into account factors such as height, growth density and overall health of the plant, the *Lead Cultivator* will determine the exact date for the Flowering Phase to begin. Once that date is determined, 100% light resistant, specifically designed tarps will be utilized to initiate flowering if necessary. This process will reduce the photoperiod to twelve hours to induce flowering. During this phase, for mixed light operations, HID fixtures may be utilized to supplement low light conditions. During the first two weeks of Flowering, the plants will enter into a transitional phase. During this transitional phase plants will continue vegetative growth for approximately two weeks while transitioning into flowering. Once the plants enter the budding stage they will be fertilized using a proprietary blend of high phosphorus fertilizers as well as aerobic based supplements.

It is common for plants to obtain 25% of their entire height and vegetative growth density during the transitional phase. Once the plants enter in the final bloom or flowering phase, they will begin to expend energy into the production of flowers, therefore, ceasing vegetative growth and begin to flower. The entire flowering process, including the transitional and final bloom phases, will last fifty-five (55) to sixty-five (65) days depending on strain variation and weather conditions.

c. Harvest Phase

Once the Flower Phase has concluded and the *Lead Cultivator* has determined the plants are at their peak,

harvest procedures will be initiated (see Section 8: Commercial Processing Plan for harvesting procedure).

d. Clean/Recondition Phase

The pots will be removed and spent soil deposited in the spent soil repository to be amended and reconditioned for future use, or the raised beds will be tilled and amended for the next crop. All amendments used are in accordance with Humboldt County and State of California Department of Agriculture compliance. MSDS are recorded into the Lead Cultivators Handbook. The greenhouse will be cleaned and all equipment inspected. Any defective equipment will be repaired or replaced, as appropriate, and the greenhouse readied to receive the next crop.

e. Repair, Upgrade, and Recondition Phase

SugarLeaf will inspect all greenhouses and outdoor sites for wear and repair or replace as necessary. The irrigation system will be inspected and repaired or replaced, as appropriate. Cover crops will be planted if appropriate. Winter road and site maintenance will begin in line with best management practices, including rocking and armoring. The *Agent in Charge* and the *Lead Cultivator* will meet weekly to determine the best action plan for the upcoming season

3. Generator Use

SugarLeaf will draw power from a generator (WisperWatt 150, model DCA150USJ3CAN, or equivalent) as a backup only when power from the grid to run operations is unavailable and will follow all guidelines set up by Humboldt County and the State of California. When in operation, the generator(s) will not produce noise that is audible to humans from a neighboring residence and will at all times remain below 60 decibels at the property line. See Attachment 8 for Generator Specifications.

SugarLeaf will work with environmental consultants to evaluate the auditory disturbance and ensure compliance with guidance prepared by the United States Fish and Wildlife Service. See Section 5.B for details on the storage of generator fuel.

D. Cultivation Inputs

SugarLeaf strives to attain the highest standards of cultivation inputs. By following rigorous protocols and restrictions, SugarLeaf maintains the high quality of cannabis produced and mitigates the risk of wasted production.

SugarLeaf has established standards for:

- Nutrients
- Growing medium
- Pesticides
- Disease and pest management procedures

1. Nutrients

There are three main macronutrients that a plant needs: Nitrogen, Phosphorus, and Potassium. In addition to these nutrients there are also many micronutrients and vitamin supplements that can amend a growing medium or feed a plant to help with its growing processes. Nutrients break down through a natural bacterial enzyme process, which helps facilitate the uptake of nutrients into a plant's roots, thus feeding the plant. This process happens in nature with the decay of organic matter on the ground.

SugarLeaf will use primarily organic nutrient regimens with the highest quality nutrients available, from select manufacturers sourced locally.

SugarLeaf will maintain a list with each substance to be used as a production or handling input, indicating its composition, source, location(s) where it will be used, and documentation of commercial availability, as applicable. The *Lead Cultivator* will maintain this list electronically in the inventory management system.

Currently, SugarLeaf proposes to use the following nutrients and amendments stored in the following approximate amounts.

1. Botanicare Pure Blend Pro Grow: Approximately 55 gallons
2. Botanicare Pure Blend Pro Bloom: Approximately 55 gallons
3. Botanicare Pure Blend Tea: Approximately 55 gallons
4. Botanicare Cal-Mag Plus: Approximately 55 gallons
5. Dip'n'grow Rooting Solution: Approximately
6. Clonex Clone Solution: Approximately 5 gallons
7. Earth Juice High Brix Molasses: Approximately 5 gallons
8. Down to Earth Bio-Fish: Approximately 50 pounds
9. Dr Earth Premium Gold All Purpose Fertilizer: Approximately 25 pounds
10. Worm Castings: Approximately 25 pounds
11. Oyster Shell: Approximately 25 pounds
12. Gypsum: Approximately 25 pounds
13. Compost: Approximately 25 pounds

2. Growing Medium

SugarLeaf has a gardening policy of using and reusing of organic substances to create sustainable resources, reduce consumption of those resources, and prevent any type of harmful environmental impact. This includes the cannabis plant growing medium.

All cultivation will utilize an organic, nutrient rich proprietary soil formula in pots, or amendments to native soils for raised beds. All soil and amendments will be OMRI (or equivalent) certified and MSDS for each applicable amendment will be recorded in the *Lead Cultivators* Handbook.

Upon harvest, the spent soil from pots will be deposited in the spent soil repository to be amended and reconditioned for future use. Raised beds will be tilled and amended. All amendments used are in accordance with Humboldt County and State of California Department of Agriculture compliance. MSDS are recorded into the *Lead Cultivators* Handbook.

By reconditioning the spent soil, SugarLeaf will continually build soil fertility leading to increased production and pest resistance. This practice will also reduce or eliminate the need to import soils.

3. Pesticides

SugarLeaf will use only pesticides and herbicides for pests and/or diseases approved by the State of California. Pesticides include rodenticides, insecticides, bacteria/fungi (beneficial), herbicides, arachnicides, miticides, molluscicides, nematocides, growth regulators and others.

Currently, SugarLeaf proposes to use the following pesticides stored in the following approximate amounts.

1. Valent PyGanic 5.0 Insecticide: Approximately 5 gallons
2. Marrone Bio Inovations Grandevo Bioinsecticide: Approximately 5 pounds
3. BioStart TripleX Biofungicide: Approximately 1 gallon
4. Micronized Sulfur: Approximately 4 pounds
5. Elemental Sulfur Prills: Approximately 4 pounds

4. Disease and Pest Management Procedures

The *Lead Cultivator* will use resistant cultivars and maximize biological prevention of pests and diseases. This will be combined with an Integrated Pest Management System (IPM). The goal of IPM is to apply a combination of control methods to prevent, reduce, or maintain pest populations at non-damaging levels. The *Lead Cultivator* will implement and monitor IPM practices to predict potential levels of crop damage, mitigate risk, and control pests.

A variety of mechanical, physical, and biological controls will be implemented. The *Lead Cultivator* may implement the use of appropriate biological controls including predatory wasps and mites and nematodes, lacewings, ladybugs, pirate bugs, and others for preventative or mitigation purposes. The *Lead Cultivator* may implement any practice allowed by the USDA Organic Standards.

Regular IPM practices include, but are not limited to:

- Daily monitoring of pest populations
- Removal of pest habitat, food sources, and breeding areas
- Utilization of verified "pest-free" supplies
- Prevention of access to handling facilities
- Management of environmental factors, such as temperature, light, humidity, atmosphere, and air circulation, to prevent pest reproduction
- Disposition of infected crops
- Evaluation of the cost of prevention in relation to yield and quality improvements
- Use of organic pesticides as a last resort

Early identification of pest infections is crucial. Each cultivation employee will be trained on and responsible for plant inspection and identification. Should a pest infestation occur, SugarLeaf's *Lead Cultivator* will develop IPM programs on an as-needed basis for the Metro Heights facility, considering at a minimum:

- Current status of infestation
- Regulatory considerations
- Public perception
- Pest and crop life-cycle stages
- Location, size, density of infestation
- Potential to spread
- Environmental impacts
- Clean Green Certification
- Previous results of measures.

The *Lead Cultivator* will establish spraying protocols and will maintain records of any pesticide use in the cultivation records for at least 36 months. Records must include:

- Reason for application
- Method of application
- Frequency of application
- Next scheduled date of application
- Employee responsible for next application
- Status of lights, HVAC, and air circulation during application (i.e., lights on, HVAC off, and fans off
- PPE required for application (i.e., mask required, Tyvex suit optional)
- Restrictions preventing application (i.e., do not apply within four hours of any foliar application)
- Life Cycle Stage restrictions - (i.e., apply in vegetative state only or may be applied in all stages)
- Re-entry intervals
- Posting requirement
- Other precautions (i.e. cover medium)

The *Lead Cultivator* will determine acceptable methods of disease management. The scope for disease management will include, but is not limited to:

- Soil, media, and crop nutrient management practices
- Sanitation measures to remove disease vectors and habitat for pest organisms
- Cultural practices that enhance crop health, including selection of plant species and varieties with regard to suitability to site-specific conditions and resistance to prevalent pests, weeds, and diseases
- Practices which suppress the spread of disease organisms
- Application of biological, botanical, or mineral inputs

The *Lead Cultivator* will also oversee at least weekly surveillance or inspection of plant material, identifying:

- Changes in biological colonies
- Mold and mildew
- Leaf and tip burn, discoloration, and spotting
- Changes in appearance of the media
- Changes in stalk density and branch elasticity

All crops are to be inspected by two or more trained employees for all visible foreign matter and sub-standard material to be removed. These employees will also perform a visual microscopic and naked-eye inspection of each crop processed to determine:

- Organoleptic characteristics (color, texture and odor)
- Presentation of the material (raw, cut, crushed, compressed)
- The presence of admixtures, foreign matter (sand, glass particles, dirt), mold, or signs of decay
- The presence of insects
- The presence of foreign material originating from poor or degraded containers

The *Lead Cultivator* will schedule regular in-house testing based on current operational needs and recorded in the inventory management system. Tests that will be performed include:

- Soil pH
- Nutrient pH
- Total Dissolved Solids (TDS)
- Electro-Conductivity (EC)
- Soil EC/pH testing using a saturated media extraction (1 part soil to 2 parts filtered water)
- The leachate pour-through method

E. Cannabis Disposal and Waste Management

All waste, including waste composed of or containing medical cannabis products, will be stored, secured, and managed in accordance with applicable state and local laws and regulations. Additional waste disposal provisions include detailed plans for excess product disposal, liquid, and solid waste disposal based on guidelines from the Department of Environmental Conservation, composting practices, and the disposal of expired, contaminated, or otherwise unusable medical cannabis products.

1. Cannabis Disposal

In order to reduce the potential to misuse the disposal procedures for diversion, the cannabis waste disposal plan is a four-step system:

- Collect compostable waste cannabis.
- Record compostable waste cannabis.
- Verify compostable waste cannabis.
- Compost waste cannabis.

Before waste cannabis is composted, each plant will be logged in the inventory system. This will be sufficient to identify the source of the compost material, from the plant number of a clone that dies to the weight of wasted leaves or flower from a particular plant. The reason for the disposal/composting and the person disposing of the cannabis will also be noted.

All employees will be trained to handle the proper procedures for compost disposal, and to record all details of a composting disposal in the inventory management system.

The same person who records the compostable cannabis details will put the compostable waste into a container numbered according to the inventory management system disposal item, and set that container clearly designated for compost disposal and covered by a dedicated surveillance camera.

Cultivation-related wastes including, but not limited to, empty soil/soil amendment/ bags and containers, empty plant pots or containers, dead or damaged plant waste shall, for as long as they remain on the site, be stored at locations where they will not enter or be blown into surface waters, and in a manner that ensures that any organic contaminants within those materials do not migrate or leach into surface water or groundwater.

As part of a daily physical inventory, a supervisor will review and verify that all compostable waste materials are accounted for and correctly filed in the inventory management system. This review will be logged in the inventory management system.

These materials will either be composted immediately, or the supervisor will move the compostable waste cannabis to a clearly designated locked and secured compost container segregated from all usable cannabis within the cultivation area. Before the materials are composted, they will need to be re-verified and entered into the track and trace system by an authorized team member.

Cannabis flowers, undesirable buds, stems, leaves or unsanitary or spoiled product (such as that dropped on the floor) will be rendered unusable and unrecognizable by adding and mixing with other ground materials such as soil or other compostable material. These materials will be stored in a secured area only accessible by the authorized team members until it is time to transport the waste to SugarLeaf's composting bin or container.

2. Solid Waste Disposal

A trash enclosure with covered waste and recycling bins will be located adjacent to the proposed metal dry/storage building in phase I and adjacent to the proposed processing building in phase II.

An enclosed trailer will be utilized for transportation of waste. Refer to the site plan for the proposed location of the trailer.

Waste is removed from the property approximately every 7th day and is transported to a City transfer station. Spent soil will be stockpiled in a depressed stockpile area to prevent erosion and will be amended and re-used.

3. Liquid Waste Disposal

Onsite wastewater treatment will be achieved with an existing septic system for the existing residence and new septic system for the proposed nursery and processing building. The septic system for the proposed building will be designed to accommodate 30 employees which occurs during the processing season. During the rest of the year, there will be a peak of approximately 10 employees. The septic design will incorporate built-in capacity or plans for handling increased usage.

Restroom access will be available for all employees at the proposed processing building which is located within 1/4 mile from the proposed cultivation sites. A portable toilet and hand washing station will be located near the cultivation site until the proposed processing building is constructed and will be serviced once a week.

Any mixed solutions will be used in their entirety.

F. Cultivation Quality Assurance

Cultivation of safe and effective crops encompasses a wide variety of holistic management practices. The *Lead Cultivator* will implement and maintain SugarLeaf's Integrated Crop Management plan ensuring healthy crops and yields.

SugarLeaf will designate a Quality Assurance Officer (QAO). The QAO will be responsible for verifying the quality of the plants at each stage of cultivation. These include the propagation, vegetative, and flowering phases. During each quality verification stage, the QAO will record in the inventory management system steps taken and results found. When plants fail quality checks, the QAO will determine whether or not the plant must be disposed of immediately, or if it may be recoverable with procedures such as additional Integrated Pest Management protocols.

In all cases, when plants fail quality checks the QAO will review with the *Lead Cultivator* to determine if any standard operating procedures may be improved upon, or if the central control system needs adjusting. All such decisions will be documented.

G. Sample Selection Procedures

All sampling done for the purposes of quality assurance will follow standard operating procedures designed to ensure representative samples.

Consistent and appropriate sampling is a critical component of accurate lab testing. SugarLeaf recognizes that once MMRSA is implemented sampling may be under the control of distributors and will follow the appropriate regulations that are promulgated. By establishing scientifically appropriate sampling procedures now, SugarLeaf intends to preemptively achieve similar levels of quality assurance.

A batch of cannabis is considered a family of plants of a single cultivar, usually clones from a single cultivar that began growing at the same time. A lot of cannabis is a subset of a batch. Each lot must be sampled and tested. The purpose of the sample and lot size is to determine the smallest possible sample that could estimate characteristics of the whole. The size of a lot depends on the type of product and its likelihood of homogeneity. Cannabis plants are often relatively heterogeneous, meaning that different parts of the same plant and different plants of the same cultivar/clone will vary in potency, and different cultivars have different levels of heterogeneity. For example, THC is generally believed to vary by proximity to the light source, or from the top to the bottom of the plant.

With intact flowers, homogenizing the product is not practical, meaning that the sample sizes will need to be larger or lot sizes smaller. Flower lots will not be larger than five pounds.

H. Cultivation Monitoring and Recordkeeping

Cultivation records will at a minimum:

- Fully disclose all activities and transactions of the cultivation operation in sufficient detail as to be readily understood and audited, including but not limited to:
    - Planting and propagation
    - Material applications including formulas and quantities
    - Pruning
    - Pest monitoring and actions taken
    - Harvest records and yields
    - Crop destruction
    - Procedure variances
    - Storage and record transfers
    - Any unusual activities
- Be maintained for no less than five years
- Be sufficient to demonstrate compliance with applicable regulations; and be made available for inspection and copying during normal business hours by authorized representatives of the business, law enforcement, and any other officials with appropriate documentation or authorization
- Include the quantity of cannabis at the cultivation facility including the number of plants being cultivated on a daily basis
- Include the disposal method used for any cannabis that was cultivated but not sold, including

evidence of the disposal of the cannabis in accordance with waste disposal policies and procedures

- Document the date, location, and identity of all materials applied in the facility, and as appropriate per specific plant, during the past five years, including fertilizers, pest-management materials, and other media
- Record the date, equipment description, materials used, description of the cleaning or maintenance performed, and the responsible employee in the inventory management system
- Prior to MMRSA, records will be up-to-date at all times demonstrating that the inventory of approved medical cannabis products reflects the projected needs of certified patients The *Lead Cultivator* will assign data entry tasks to qualified and trained employees. Paper logs maintained by cultivation employees will be retained for five years.

I. Cultivation Training and Certification

All cultivation employees are responsible for management plant health care factors as directed by the *Lead Cultivator*, including but not limited to:

- Plant selection and genetic diversity
- Environmental control and air quality
- Pest management
- Water application and quality
- Sanitation and hygiene
- Equipment maintenance
- Cleaners or Chemical applications
- Nutritional balance

All cultivation employees will receive training on these topics, and all methods and products used in the operation. The *Lead Cultivator* will ensure that prior to beginning work in the cultivation facility, employees receive full training on:

- The methods of propagation, fertilization, and cultivation used in the SugarLeaf greenhouses and outdoor sites
- Methods for recognizing the signs of insect infestation, pathogens and disease in cannabis plants and the procedures for eradication and the safe disposal of plants so affected
- The nutritional requirements of cannabis plants at various growth stages, including but not limited to, proper mixing and dispersal of fertilizer, flushing procedures and procedures for postharvest trimming, drying and curing
- The safe handling of equipment including but not limited to, high-intensity lamps, electrical ballasts, pumps, fans, scissors and other equipment for cultivation
- Inventory control and security protocols designed to minimize or prevent diversion and track on-site cannabis

Employee training on advanced topics will be ongoing.

8. COMMERCIAL PROCESSING PLAN

A. Commercial Processing Facilities

For its commercial and onsite processing, SugarLeaf will develop its proposed commercial processing facilities in phases. The processing facilities are designed designed with safety, compliance, and work flow in mind. Adequate parking spaces will be developed as part of this project, including 1 ADA compliant parking facility. One loading space will be provided. Material delivered from off site will be driven into the loading zone by a licensed transporter, if required by state or local law. As the project develops, company owned or contracted refrigerated and conditioned trucks or shipping containers may be utilized in conjunction with a licensed transporter, if required by state or local law, to pick up harvests from contracted farms for delivery to the processing facility.

Until the proposed phase I or phase II processing facility is developed, processing will be preformed offsite at a permitted processing facility TBD. SugarLeaf will utilize a licensed transporter, if required by state and local law, to transport harvested crops to the selected processing facility.

1. Phase I Commercial Processing Facilities

Phase I will include construction of a 2400 sqft metal building on a concrete slab foundation.

2. Phase II Commercial Processing Facilities

Phase II will include construction of a 20,000 sqft metal building on a concrete foundation divided into three separate premises. Upon construction of the phase II building, the phase I processing building may be repurposed. One premises of approximately 4000 sqft will be occupied by the commercial nursery, approximately 2000 sqft will be dedicated to administrative/general use, and the remaining 14,000 sqft will house the processing facility. Additional parking will be developed as needed to accommodate additional employees for phase II operations.

B. Processing Plan

1. Receiving

Upon delivery of off site harvested materials, the cargo will be received and unloaded in the Loading Bay and checked against the transport manifest by either the *Agent in Charge* or *Processing Manager*. Upon verification that all goods are accounted for and appropriately logged in the transporters tracking system, the information will be recorded into the inventory management system. Each batch of incoming harvested material will be logged by its unique identification numbers. All incoming material will be inspected and any material deemed contaminated or unusable will be recorded and deposited in disposal bins for destruction. Freshly harvested material will be taken immediately to the Drying and Curing Chamber. Dried Material will be transferred to sterilized locking lid bins along with the original numbered tag(s) of the plant(s) and taken immediately to the secure storage room. At all times will separation be maintained between batches of received materials.

2. Preparation

Before processing or handling any raw plant material, all equipment—clippers, hand scissors, scales, bins, pans, trays, etc.—will be sterilized as per SugarLeaf's SOPs. All equipment will, additionally, be sterilized after each use. All hand processing (trimming) of cannabis will be performed in a well-ventilated and well-lit room separate from any other production areas. A "clean room" with lockers and personal storage will be built adjacent to the trim room, allowing employees to change into the approved protective clothing, gloves and hair covering. The trim room will have large tables with adequate room for each trim team

member. Trim room chairs will be ergonomically designed to allow trimmers best possible position allowing for increased productivity and longevity.

For more details regarding SugarLeaf's sanitation and quality control standards refer to Section 10: Quality Assurance Plan.

3. Harvesting

Harvesting will be done by hand. Each harvester will be issued an agricultural grade, spring loaded, hand held anvil style pruner. Each harvester will be trained by the *Lead Cultivator* on the use of the pruner and the methods by which each plant is to be harvested. In addition, SugarLeaf will provide all harvest workers with proper hand, eye, body and respiratory safety equipment.

Plants will be monitored continuously throughout the cultivation process. During the flowering stage of plant development, the *Lead Cultivator* will begin monitoring trichome development and maturity. Depending on the cultivar, the *Lead Cultivator* will determine—based on trichome maturity—the point at which a crop is ready to be harvested.

Mature plants that are ready to be harvested will be identified by the *Lead Cultivator* and logged into SugarLeaf's inventory management system, adhering to any seed-to-sale tracking regulations that have been promulgated by the state. All waterleaf around the flowers are manually pruned. The harvested plants are then transported to the onsite processing facility. Information will be tracked and entered into the inventory management system at each stage in the process.

4. Drying and Curing

The *Processing Manager* is responsible for implementing and maintaining drying and curing practices to protect crops from contamination and maintain the quality of all cannabis flower and cannabis by-products produced by the company.

The drying/curing room will utilize an independent climate control and HVAC to ensure that optimal and sanitary conditions are maintained at all times throughout the drying and curing process. Maintaining a biologically clean space is crucial to the overall production of pharmaceutical grade cannabis flower and cannabis concentrate. SugarLeaf takes seriously its commitment to current GMP, and will implement strict operating procedures to ensure that only pharmaceutical grade cannabis products are produced on site.

All drying/curing operations will be performed in limited access areas with full surveillance camera coverage in accordance with security policies and procedures. The drying/curing room will be maintained to ensure that there is sufficient ventilation for airborne moisture to escape providing adequate air circulation throughout the drying area and sufficient odor mitigation.

Prior to entering the drying/curing room, each individual plant will be examined, and the information entered into the inventory management system by the *Processing Manager*. At this stage the *Processing Manager* may also randomly select up to five (5) batch samples for in house or third party testing.

Harvested plants will be placed on racks and hung upside down in the drying/curing room. Each rack will contain the original numbered tag(s) of the plant(s). The exact date and time of day along with the identification numbers of each plant(s) will immediately be entered into the inventory management system.

The drying and curing process takes between five and fourteen days. The *Processing Manager* and the *Processing Technician* will check the facility five to six times per day to monitor the progress. Once the

Processing Manager has determined the drying and curing process meets SugarLeaf proprietary standards, the dried and cured branches will then be transferred to sterilized locking lid bins along with the original numbered tag(s) of the plant(s). At this stage the *Processing Manager* will again randomly select up to five batch samples for in house or third party testing. Once each bin is full the *Processing Technician* will seal, label, weigh and enter into the inventory management system the contents of each bin. Upon completion of the binning process, the *Processing Technician* will turn over all of the now binned material to the *Agent in Charge* or the *Processing Manager* and enter this action into the inventory management system. Only the *Agent in Charge* or the *Processing Manager* can accept and handle material in the binned state. Once in control of either the *Agent in Charge* or the *Processing Manager* the binned material is removed from the drying/curing room and moved to a secured and locked Ready to Process Holding Area within the processing facility. This area will be only accessible to either the *Agent in Charge* or the *Processing Manager*.

5. Processing

SugarLeaf's SOPs will outline sanitation requirements for employees, workstations, and clean rooms. These standards will be adhered to throughout all points of the processing process at SugarLeaf's facility. Processors will wear protective outerwear, gloves, and hair covering at all times during the processing procedure to prevent any potential contamination.

SugarLeaf takes seriously the health and wellbeing of its employees, and as such, will provide ergonomic seating, workstations, and hand equipment to all processing team members. Each processing team member will also receive the proper safety and operational training as pertaining to their job description. All processing operations will be performed in limited access areas with full surveillance camera coverage in accordance with security policies and procedures.

Once the bins containing the dried/cured branches have been transferred to the Ready to Process Holding Area, the *Processing Manager* will then instruct the *Processing Technician* to begin the processing procedures in the trim room. Processing consists of three (3) main components: *Bucking Down, Trimming and Packaging*.

Bucking Down is the process by which the actual flowers are removed from the stalks. This is achieved by using scissors to cut each individual flowers from the stalk into a sterilized, locking lid bin. During this procedure, flowers will be evaluated and divided by quality into three (3) grades, A Grade, B Grade, and C Grade. Once each bin is full the *Processing Technician* will seal, label, weigh and enter into the inventory management system the contents of each bin. At this stage, plant-level tracking will transition to batch-level tracking. SugarLeaf will establish standard operating procedures for determining batches. Flowers qualifying for A and B Grades will be put through the trimming process, while C Grade flowers will be turned over by the *Processing Technician* to the *Agent in Charge* or the *Processing Manager* and moved to a secured and locked Processed Material Holding Area within the processing facility for transport and delivery to an offsite, contracted, licensed Manufacturing Facility. This action will be entered into the inventory management system.

Trimming will be done via trimming machines and by hand via experienced seasonal labor. The finished trimmed flowers will be placed into sterilized locking lid bins. These bins will be weighed, labeled, sealed, and entered into the inventory management system.

The waste product from the machines and hand trimming, "trim", will be collected and placed into sterilized locking lid bins. These bins will then be weighed, labeled and sealed for transport and delivery to an offsite, contracted, licensed Manufacturing Facility. All weights will be entered into the inventory

management system.

Upon completion of the trimming process, the *Processing Technician* will turn over all of the now processed material to the *Agent in Charge* or the *Processing Manager* and enter this action into the inventory management system. Only the *Agent in Charge* or the *Processing Manager* can accept and handle material in the processed state. Once in control of either the *Agent in Charge* or the *Processing Manager* the final processed material is removed from the trim room and moved to a secured and locked Processed Material Holding Area within the processing facility. This area will be only accessible to either the *Agent in Charge* or the *Processing Manager*.

6. Packaging, Labeling, and Storing

Once securely in the Processed Material Holding Area, the *Agent in Charge*, the *Processing Manager,* and appropriately trained agents will begin to weigh, vacuum seal and label individual packages for distribution. Labeling and packaging will comply with all applicable laws and regulations. After weighing, labeling and packaging each unit will be will be entered into the inventory management system and placed inside of a lock box or safe inside the Processed Materials Holding Area. This procedure will be done always with both the *Agent in Charge* and the *Processing Manager* present. Storage areas will have full surveillance camera coverage in accordance with security policies and procedures.

7. Quality Assurance

SugarLeaf has standard operating procedure (SOPs) and policies to ensure that all cannabis passes quality control testing for consistency and dosage, and meets the appropriate standards of the Consumer Product Safety Division.

These SOPs are reviewed in more detail in Section 10: Quality Assurance Plan.

However, quality assurance is critical to safely processing cannabis. For this reason, it is important to note the following key objectives of the Quality Assurance Plan:

- Determine if appropriate sources of product and quality problems have been identified
- Confirm that data from these sources are analyzed to identify existing product and quality problems that may require corrective action
- Determine if unfavorable trends have been identified
- Confirm any data and analyze to identify potential product and quality problems that may require preventive action
- Verify that the data received by the CAPA system are complete, accurate and timely
- Verify that appropriate statistical methods are employed (where necessary) to detect recurring quality problems
- Determine if results of analyses are compared across different data sources to identify and develop the extent of product and quality problems
- Determine if failure investigation procedures are followed
- Determine the degree to which a quality problem or nonconforming product is investigated and whether this investigation is commensurate with the significance and risk of the nonconformity
- Determine if failure investigations are conducted to determine root cause (where possible)
- Verify that there is control for preventing distribution of nonconforming product
- Determine if appropriate actions have been taken for significant product and quality problems identified from data sources

- Verify that CAPA system procedure(s) have been defined and documented
- Determine if corrective and preventive actions were effective and verified or validated prior to implementation
- Confirm that corrective and preventive actions do not adversely affect the finished product
- Verify that corrective and preventive actions for product and quality problems were implemented and documented.
- Determine if information regarding nonconforming product and quality problems and corrective and preventive actions has been properly disseminated, including for management review

8. Description of Location Where Processing Will Occur

The SugarLeaf Cultivation facility is located on Metropolitan Heights Road in unincorporated Humboldt County, California, north of the City of Rio Dell. The facility rests on a plot of land that is partially hidden from street view due to slopes and vegetation. Fencing and/or vegetation will be strategically installed to remove all street view of cultivation facilities.

The processing facility will be located on this complex as shown in the Site Plan. SugarLeaf will work with Manhard Consulting and other licensed contractors and engineers to develop the proposed 20,000 sqft building and ensure it meets all applicable state and local laws, including the County Building Code.

a. Processing Rooms

The processing facility will include, but will not be limited to, the following rooms:

Loading Room: Freshly harvested cannabis will enter the facility via the Loading Room. Processed cannabis will exit the facility via the Loading Room.

Drying and Curing Chamber: The DCC will house all cannabis that has been harvested, manicured and that is ready to be dried and cured. The DCC will have its own climate control and HVAC in order to maintain optimal conditions and to prevent the generation of mold or mildew

Trim Room: All plant matter, whether it is to be used for the manufacturing of concentrates; or to be processed as dried flower, will be prepared in the trim room. The trim room will have its own independent, enclosed HVAC system to prevent cross- contamination from airborne particulates.

Clean Room: Employees will change, wash hands, and adhere to all sanitization- operating procedures inside the clean room before entering either the Trim Room or the Drying and Curing Chamber. Additionally, the cleanroom will have a restroom, and storage spaces for employees' personal belongings.

Secure Storage Room: This room will be a Limited Access Area and will house all dried cannabis materials when not actively being processed.

Storage rooms designated for materials relating to processing and coded as appropriate. If any such materials may be considered hazardous, they will be stored in appropriate spaces, as described in the Hazardous Materials Plan.

b. General Use

Restrooms: The processing facility will include the appropriate number of restrooms and changing room facilities. Fresh filtered water will be provided for sanitation and hand washing purposes, and will be

sourced from the well. Restrooms will also feature emergency eye washing stations.

Several non-operational rooms, including: Offices for administration, storage room for records, break room for employees, potentially including lockers and kitchen space.

9. Estimated Number of Employees

See Section 6: Employment Plan.

10. Summery of Employee Safety Practices

See Section 6: Employment Plan.

11. Descriptions of Toilet and Handwashing Facilities

SugarLeaf will work with local contractors to ensure that the construction of all employee toilet and hand-washing facilities is compliant with the appropriate local and state level regulations, including ADA requirements. SugarLeaf will at all times maintain an adequate amount of toilet and hand-washing facilities as pertaining to the number of individuals employed. All employees will be trained in SugarLeaf's standard operating procedures pertaining to the safe and sanitary handling of cannabis flower and cannabis concentrate.

12. Description of Plumbing and/or Septic System and Whether or Not the System is Capable of Handling Increased Usage

SugarLeaf will be working with Manhard Consulting or local engineers and contractors to develop and install new commercial-grade plumbing and septic systems at the Metro Heights site. Proposed systems will be sufficient to handle at least 30 onsite employees with built-in capacity or plans for handling increased usage.

SugarLeaf will consult Manhard Consulting or local engineers and contractors to ensure that all plumbing and septic systems installed on-site are capable of handling increased usage, and are built in compliance with the appropriate local and state level regulations.

13. Descriptions of Source of Drinking Water for Employees

SugarLeaf will provide safe, clean, purified drinking water via purified well tap water as well as an upright office style water cooler. Clean disposable paper cups will be made available to all employees.

14. Descriptions of Increased Road Use Resulting from Processing and a Plan to Minimize that Impact

SugarLeaf understands that the increased usage of roads that can result from the initial construction of the cultivation facility and subsequent increase in traffic due to employee numbers may lead to additional required maintenance. In order to not be a burden on the local community or ecosystem that may be affected, SugarLeaf will consult with local contractors and Manhard Consulting to develop plans to maintain the affected roads. SugarLeaf's goal is to minimize any disturbances or environmental concerns, and to maintain the roads.

SugarLeaf will conduct road maintenance inspections during any and all *major rain events.* SugarLeaf considerers a *major rain event* to be any rainfall above one half inch (1/2"). This inspection will include observing existing features for any minor or major issues, such as rolling dips, standing water in outlets, and the diversion of water running directly down and eroding the road surface.

SugarLeaf acknowledges that increased road usage will be an on-going and continual condition once operations commence at the Metro Heights facility and will implement procedures to reduce traffic on our roads. Transportation and deliveries of medical cannabis and associated supplies will be delivered in bulk to minimize road impacts. By employing the use of mechanical trimming and drying machines, SugarLeaf will mitigate the need for a large number of employees for processing, therefore, reducing the number of daily trips to the property. SugarLeaf will encourage ride sharing to and from the site by employees and is considering shuttle services to minimize traffic.

15. Descriptions of On Site Housing

A permitted (permit number 12-1292-A-3) 2800 sqft 5-bedroom residence exists for onsite housing of Ranch Manager and security purposes. No other residential structures are proposed.

9. Wholesale Nursery Plan

A. Wholesale Nursery Facilities

For its wholesale nursery operations, SugarLeaf will develop its proposed facilities in phases. Adequate parking spaces will be developed as part of this project, including 1 ADA compliant parking facility. One loading space will be provided.

1. Phase I Wholesale Nursery Facilities

Phase I wholesale nursery facilities will include construction of an agricultural exempt 2400 sqft metal building divided into two separate premises. One premises of approximately 1200 sqft will be utilized for dry/storage purposes in support of cultivation activities, and the remaining space will be utilized by the wholesale nursery for propagation of mothers and clones. Agricultural exempt temporary PVC and timber framed greenhouses in the same location as the proposed phase II nursery greenhouse will be constructed.

2. Phase II Wholesale Nursery Facilities

For phase II, SugarLeaf is proposing constriction of a 20,000 sqft metal building on a concrete foundation divided into three separate premises. Upon construction of the phase II building, the phase I nursery building premises may be repurposed. One premises of approximately 4000 sqft will be occupied by the commercial nursery, approximately 2000 sqft will be dedicated to administrative/general use, and the remaining 14,000 sqft will house the processing facility. The nursery facility will also include a 22,000 sqft greenhouse. Additional parking will be developed as needed to accommodate additional employees for phase II operations

B. Nursery Cycle

There are three main components to Nursery Activities:

- Developing strong genetics by breeding parents to generate seeds
- Germinating seeds and determining plant sex to grow new cloning mothers
- Replicating strong genetics through cuttings of a single cloning mother

The nursery facilities will utilize established and proven techniques shown to be effective for the breeding and cloning of medical cannabis species.

1. Breeding

In order to develop new cultivars to better service the needs of medical marijuana consumers, SugarLeaf

will establish a research and development breeding program. SugarLeaf will designate a *Lead Breeder* to operate all breeding procedures. SugarLeaf's master cultivators will provide direction as to the prospective breeding plants, but the *Lead Breeder* will be in charge of the operations and administration of the program. Each selected breed stock plant will be uniquely identified and coded both for breeding record keeping purposes, and to allow for the identification and removal of any plant with offspring that quality assurance shows as inferior.

To produce seeds, SugarLeaf will identify Male and Female cannabis plants with genetic qualities deemed to be superior or specific, called "Breeding Females" and "Breeding Males". Once determined to be of appropriate size, flowering will be initiated. All pollen-bearing plants will be strictly isolated with sterilization procedures and minimization of physical traffic deterring contamination potential. Using proprietary techniques, the male pollen will be collected and the female plant pollenated. The result is offspring in the form of Seeds that can be grown from a Baby plant into another Breeding Female, Breeding Male, or Mother.

2. Germination

Germination is a process that causes the Seed to sprout a root and so it is ready to be planted. The germination percentages and rates will be tested before growing into a cloning mother or selling as seed.

After germination, baby plants grow large enough to allow for cuttings. The *Lead Breeder* uses cuttings to determine sex by proxy through a vegetative process. Plants proven to be Male will be removed from the general population, evaluated as Breeding Males, and otherwise disposed of.

Female plants will be evaluated for desirable traits, such as potency, yield, or pest/disease immunities. In order to refine these desired traits, the Breeding Process must be performed multiple times using the same variety before it is "stable," the point at which traits are at their strongest points genetically.

Select Female plants will be identified as prospective Mothers. The first set of cuttings from these prospective Mothers will be flowered and evaluated for genetic, cannabinoid, and terpene profiles. If the desired characteristics are present, the Female will become a Mother.

3. Cloning

A typical cycle for production is a "Mother" plant grown with at least eighteen hours of light until it is ready for cutting, which can be a month or more. This takes place in the greenhouse and also under lights in the Vegetative Area within nursery facility. A mother is typically a cutting from a previous mother and on occasion it is grown from a seed.

"Clones" are cut from Mothers to be used for propagation. The process is to cut approximately four inch cuttings which are then trimmed of excess leaves and stems and placed in Oasis, or equivalent, root cube propagation trays after dipping in a root stimulator. Each cube will hold one clone.

"Propagation Trays" are placed under fluorescent lights for approximately two weeks until roots are clearly showing. The fluorescent lights are mounted to metal racks about six feet tall. Each rack typically has 4 levels of lights. After roots are showing the cuttings are ready for market.

"Soil" is used for cuttings not bought within a week or two of being ready for market. When planting a clone in soil, a clone is placed into a small pot or sleeve and placed under fluorescent lights. These "Clones in Soil" are housed in the propagation rooms utilizing the shelving system and within the greenhouse. Clones in soil are ready for market. Some clones in soil are retained to be used as mothers. Some clones

in soil will be transplanted to larger pots to be grown into "Teens" for sale and will be housed within the greenhouse.

When the Metro Heights facilities are fully operational, SugarLeaf team will have the capacity to perform tissue culture analysis and retain a large catalog of cultivars without maintaining energy-intensive mother stock. Tissue culture can also be effective in eradicating plant disease.

Nursery operations once fully implemented will operate year round.

C. Cultivation Inputs

SugarLeaf strives to attain the highest standards of cultivation inputs. By following rigorous protocols and restrictions, SugarLeaf maintains the high quality of cannabis clones and plants and mitigates the risk of wasted production.

SugarLeaf has established standards for:

- Nutrients
- Growing medium
- Pesticides
- Disease and pest management procedures

1. Nutrients

There are three main macronutrients that a plant needs: Nitrogen, Phosphorus, and Potassium. In addition to these nutrients there are also many micronutrients and vitamin supplements that can amend a growing medium or feed a plant to help with its growing processes. Nutrients break down through a natural bacterial enzyme process, which helps facilitate the uptake of nutrients into a plant's roots, thus feeding the plant. This process happens in nature with the decay of organic matter on the ground.

SugarLeaf will use primarily organic nutrient regimens with the highest quality nutrients available, from select manufacturers sourced locally.

SugarLeaf will maintain a list of each substance to be used as a production or handling input, indicating its composition, source, location(s) where it will be used, and documentation of commercial availability, as applicable. The *Lead Gardener* will maintain this list electronically in the inventory management system.

Currently, SugarLeaf proposes to use the following nutrients and amendments stored in the following approximate amounts.

1. Botanicare Pure Blend Pro Grow: Approximately 55 gallons
2. Botanicare Pure Blend Pro Bloom: Approximately 55 gallons
3. Botanicare Pure Blend Tea: Approximately 55 gallons
4. Botanicare Cal-Mag Plus: Approximately 55 gallons
5. Dip'n'grow Rooting Solution: Approximately 1 gallon
6. Clonex Clone Solution: Approximately 5 gallons
7. Earth Juice High Brix Molasses: Approximately 5 gallons
8. Down to Earth Bio-Fish: Approximately 50 pounds
9. Dr Earth Premium Gold All Purpose Fertilizer: Approximately 25 pounds
10. Worm Castings: Approximately 25 pounds

11. Oyster Shell: Approximately 25 pounds
12. Gypsum: Approximately 25 pounds
13. Compost: Approximately 25 pounds

2. Growing Medium

SugarLeaf has enforced a strict gardening policy of using and reusing of organic substances to create sustainable resources, reduce consumption of those resources, and prevent any type of harmful environmental impact. This includes the cannabis plant growing medium.

All Mothers, Breeding Plants, Potential Mothers will utilize an organic, nutrient rich proprietary soil formula. All soil and amendments will be OMRI (or equivalent) certified and MSDS for each applicable amendment will be recorded in the *Lead Gardener* Handbook.

When a Mother or Breeding Plant is determined to be no longer viable, the spent soil will be deposited in the spent soil repository to be amended and reconditioned for future use. All amendments used are in accordance with Humboldt County and State of California Department of Agriculture compliance. MSDS are recorded into the Lead Cultivators Handbook.

By reconditioning the spent soil, SugarLeaf will be continually building soil fertility leading to increased production and pest resistance. This practice will also reduce the need to import soils.

3. Pesticides

SugarLeaf will use only pesticides and herbicides for pests and/or diseases approved by the State of California. Pesticides include rodenticides, insecticides, bacteria/fungi (beneficial), herbicides, arachnicides, miticides, molluscicides, nematocides, growth regulators and others.

Currently, SugarLeaf proposes to use the following pesticides stored in the following approximate amounts.

1. Valent PyGanic 5.0 Insecticide: Approximately 5 gallons
2. Marrone Bio Inovations Grandevo Bioinsecticide: Approximately 5 pounds
3. BioStart TripleX Biofungicide: Approximately 1 gallon
4. Micronized Sulfur: Approximately 4 pounds
5. Elemental Sulfur Prills: Approximately 4 pounds

4. Disease and Pest Management Procedures

The *Lead Gardener* will use resistant cultivars and maximize biological prevention of pests and diseases. This will be combined with an Integrated Pest Management System (IPM). The goal of IPM is to apply a combination of control methods to prevent, reduce, or maintain pest populations at non-damaging levels. The *Lead Gardener* will implement and monitor IPM practices to predict potential levels of crop damage, mitigate risk, and control pests.

A variety of mechanical, physical, and biological controls will be implemented. The *Lead Gardener* may implement the use of appropriate biological controls including predatory wasps and mites and nematodes, lacewings, ladybugs, pirate bugs, and others for preventative or mitigation purposes. The use of biodynamics will be limited to recognized and effective applications. The *Lead Gardener* may implement

any practice allowed by the USDA Organic Standards.

Regular IPM practices include, but are not limited to:

- Daily monitoring of pest populations
- Removal of pest habitat, food sources, and breeding areas
- Utilization of verified "pest-free" supplies
- Prevention of access to handling facilities
- Management of environmental factors, such as temperature, light, humidity, atmosphere, and air circulation, to prevent pest reproduction
- Disposition of infected crops
- Evaluation of the cost or prevention in relation to yield and quality improvements
- Use of organic pesticides as a last resort

Early identification of pest infections is crucial. Each cultivation employee will be trained on and responsible for plant inspection and identification. Should a pest infestation occur, SugarLeaf's *Lead Gardener* will develop IPM programs on an as-needed basis for the Metro Heights facility, considering at a minimum:

- Current status of infestation
- Regulatory considerations
- Public perception
- Pest and crop life-cycle stages
- Location, size, density of infestation
- Potential to spread
- Environmental impacts
- Clean Green Certification
- Previous results of measures.

The *Lead Gardener* will establish spraying protocols and will maintain records of any pesticide use in the cultivation records for at least 36 months. Records must include:

- Reason for application
- Method of application
- Frequency of application
- Next scheduled date of application
- Employee responsible for next application
- Status of lights, HVAC, and air circulation during application (i.e., lights on, HVAC off, and fans off
- PPE required for application (i.e., mask required, Tyvex suit optional)
- Restrictions preventing application (i.e., do not apply within four hours of any foliar application)
- Life Cycle Stage restrictions - (i.e., apply in vegetative state only or may be applied in all stages)
- Re-entry intervals
- Posting requirement
- Other precautions (i.e. cover medium)

The *Lead Gardener* will determine acceptable methods of disease management. The scope for disease

management will include, but is not limited to:

- Soil, media, and crop nutrient management practices
- Sanitation measures to remove disease vectors and habitat for pest organisms
- Cultural practices that enhance crop health, including selection of plant species and varieties with regard to suitability to site-specific conditions and resistance to prevalent pests, weeds, and diseases
- Practices which suppress the spread of disease organisms
- Application of biological, botanical, or mineral inputs

The *Lead Gardener* will also oversee at least weekly surveillance or inspection of plant material, identifying:

- Changes in biological colonies
- Mold and mildew
- Leaf and tip burn, discoloration, and spotting
- Changes in appearance of the media
- Changes in stalk density and branch elasticity

All crops are to be inspected by two or more trained employees for all visible foreign matter and sub-standard material to be removed. These employees will also perform a visual microscopic and naked-eye inspection of each crop processed to determine:

- Organoleptic characteristics (color, texture and odor)
- Presentation of the material (raw, cut, crushed, compressed)
- The presence of admixtures, foreign matter (sand, glass particles, dirt), mold, or signs of decay
- The presence of insects
- The presence of foreign material originating from poor or degraded containers

The *Lead Gardener* will schedule regular in-house testing based on current operational needs and recorded in the inventory management system. Tests that will be performed include:

- Soil pH
- Nutrient pH
- Total Dissolved Solids (TDS)
- Electro-Conductivity (EC)
- Soil EC/pH testing using a saturated media extraction (1 part soil to 2 parts filtered water)
- The leachate pour-through method

D. Cannabis Disposal and Waste Management

All waste, including waste composed of or containing medical cannabis plants, will be stored, secured, and managed in accordance with applicable state and local laws and regulations. Additional waste disposal provisions include detailed plans for excess product disposal, liquid, and solid waste disposal based on guidelines from the Department of Environmental Conservation, composting practices, and the disposal of expired, contaminated, or otherwise unusable medical cannabis products.

In order to reduce the potential to misuse the disposal procedures for diversion, the cannabis waste disposal plan is a four-step system:

- Collect compostable waste cannabis.
- Record compostable waste cannabis.
- Verify compostable waste cannabis.
- Compost waste cannabis.

Before waste cannabis is composted, each plant will be logged in the inventory system. This will be sufficient to identify the source of the compost material. The reason for the disposal/composting and the person disposing of the cannabis will also be noted.

All employees will be trained to handle the proper procedures for compost disposal, and to record all details of a composting disposal in the inventory management system.

The same person who records the compostable cannabis details will put the compostable waste into a container numbered according to the inventory management system disposal item, and set that container clearly designated for compost disposal and covered by a dedicated surveillance camera.

Nursery-related wastes including, but not limited to, empty soil/soil amendment/ bags and containers, empty plant pots or containers, dead or damaged plant waste shall, for as long as they remain on the site, be stored at locations where they will not enter or be blown into surface waters, and in a manner that ensures that any organic contaminants within those materials do not migrate or leach into surface water or groundwater.

As part of a daily physical inventory, a supervisor will review and verify that all compostable waste materials are accounted for and correctly filed in the inventory management system. This review will be logged in the inventory management system and a separate tamper-proof hardcopy compost disposal log.

These materials will either be composted immediately, or the supervisor will move the compostable waste cannabis to a clearly designated locked and secured compost container segregated from all usable cannabis within the cultivation area. Before the materials are composted, they will need to be re-verified and entered into the track and trace system by an authorized team member.

Waste cannabis plant material will be rendered unusable and unrecognizable by adding and mixing with other ground materials such as soil or other compostable material. These materials will be stored in a secured area only accessible by the authorized team members until it is time to transport the waste to SugarLeaf's composting bin or container.

E. Cultivation Quality Assurance

Propagation of safe and effective crops encompasses a wide variety of holistic management practices. The *Lead Gardener* will implement and maintain SugarLeaf's Integrated Nursery Management plan ensuring healthy plants.

SugarLeaf will designate a Quality Assurance Officer (QAO). The QAO will be responsible for verifying the quality of the plants at each stage of propagation.

Note that plant handling and hygienic protocols are covered separately in Section 10: Quality Assurance Plan. Water and energy standards are covered in Section 4: Environmental Protection Plan.

During each quality verification stage, the QAO will record in the inventory management system steps taken and results found.

When plants fail quality checks, the QAO will determine whether or not the plant must be disposed of immediately, or if it may be recoverable with procedures such as additional Integrated Pest Management protocols.

In all cases, when plants fail quality checks the QAO will review with the *Lead Gardener* to determine if any standard operating procedures may be improved upon, or if the central control system needs adjusting. All such decisions will be documented.

F. Nursery Monitoring and Recordkeeping

As propagated clones become ready for market, they are input into the inventory system. Sales receipts are recorded via point of sale system for all transactions and inventory decreases automatically. Inventory of each strain is entered once propagation and quality control is complete. Varying percentages of clones do not propagate and those values and frequencies are accounted for in an internal document. Nursery records will at a minimum:

- Fully disclose all activities and transactions of the nursery operation in sufficient detail as to be readily understood and audited, including but not limited to:
    - Planting and propagation
    - Material applications including formulas and quantities
    - Pruning
    - Pest monitoring and actions taken
    - Procedure variances
    - Storage and record transfers
    - Any unusual activities
- Be maintained for no less than five years
- Be sufficient to demonstrate compliance with applicable regulations; and be made available for inspection and copying during normal business hours by authorized representatives of the business, law enforcement, and any other officials with appropriate documentation or authorization
- Include the quantity of cannabis breeding plants, mothers, clones, and teens at the nursery facility including the number of plants being cultivated on a daily basis
- Include the disposal method used for any cannabis clones or teens that were propagated but not sold, including evidence of the disposal of the cannabis in accordance with waste disposal policies and procedures
- Document the date, location, and identity of all materials applied in the facility, and as appropriate per specific plant, during the past five years, including fertilizers, pest-management materials, and other media
- Record the date, equipment description, materials used, description of the cleaning or maintenance performed, and the responsible employee in the inventory management system
- Prior to MMRSA, records will be up-to-date at all times demonstrating that the inventory of approved medical cannabis products reflects the projected needs of certified patients. The Director of Cultivation will assign data entry tasks to qualified and trained employees. Paper logs maintained by cultivation employees will be retained for five years.

G. Sales

Nursery sales will be received via phone, in person, or over the internet. All sales will be recorded per state and county guidelines in SugarLeaf's selected inventory management system. Until such time as a suitable inventory management system is selected, sales receipts will be created for each transaction. Paper receipts will be maintained for 5 years. No sales will be made to the public, only commercial farmers and wholesale or retail nurseries will be able to purchase products. Products sold will consist of seeds, clones, and teens of varying sizes. Products will be either picked up or delivered by licensed transporters, if required by state or local law.

H. Nursery Training and Certification

All nursery employees are responsible for management plant health care factors as directed by the *Lead Gardener*, including but not limited to:

- Plant selection and genetic diversity
- Environmental control and air quality
- Pest management
- Water application and quality
- Sanitation and hygiene
- Equipment maintenance
- Cleaners or Chemical applications
- Nutritional balance

All cultivation employees will receive training on these topics, and all methods and products used in the operation. The *Lead Gardener* will ensure that prior to beginning work in the nursery facility, employees receive full training on:

- The methods of propagation, vegetative maintenance, and fertilization
- Methods for recognizing the signs of insect infestation, pathogens and disease in cannabis plants and the procedures for eradication and the safe disposal of plants so affected
- The nutritional requirements of cannabis plants at various growth stages, including but not limited to, proper mixing and dispersal of fertilizer and flushing
- The safe handling of equipment including but not limited to, high-intensity lamps, electrical ballasts, pumps, fans, scissors and other equipment for cultivation
- Inventory control and security protocols designed to minimize or prevent diversion and track on-site cannabis

Employee training on advanced topics will be ongoing.

10. Quality Assurance Plan

A. Overview

SugarLeaf's QA Plan describes the standards, processes and procedures used to support the consistent creation of high-quality cannabis and cannabis products. The QA Plan builds on a Corrective and Preventive Action (CAPA) approach. The intent is first to establish standard operating procedures to

prevent problems from occurring, second to monitor and identify problems that do arise, and third to institute procedures to prevent problems from recurring.

SugarLeaf personnel will implement Quality Assurance and Quality Control protocols to ensure that all SugarLeaf cannabis and cannabis products meet the standards that have been outlined in Code of Federal Regulation 211-Good Manufacturing Practices (GMP). The Quality Assurance Plan is intended to be compliant with ISO 9001:2015, the requirements for quality management systems. Quality Assurance and Control Agents will receive job-specific training and will adhere to standard operating procedures that are current GMP compliant.

B. Standards of Cleanliness

1. Personal Hygiene

To maintain the integrity of all cannabis processed at the facility, SugarLeaf will provide sanitization and cleanroom preparation training to all processing agents. Standard operating procedures will be made available in digital and print forms, and will be included in SugarLeaf's employee handbook/training manual.

2. Sanitation and Handling Protocols

SugarLeaf will establish, maintain and follow standard cleaning procedures for all buildings and equipment used to store medical cannabis. The *Processing Manager* will ensure all employees involved are trained to properly clean assigned equipment and document the process. In compliance with FDA and GMP and GLP requirements, one or more trained supervisors will be assigned to supervise overall sanitation.

To ensure sanitary production equipment, SugarLeaf will maintain standard operating procedures addressing written procedures to be implemented for the cleaning of equipment, including utensils, used in the processing, packing or holding of all products. These written procedures, schedules, and logbooks will include:

- Assignment of responsibility for cleaning equipment
- Controlling airborne contamination
- Using sanitary handling procedures
- Using safe water in all operations
- Performing chemical, microbiological, or other testing, as necessary to prevent the use of contaminated ingredients in processing operations
- Storing packaging materials, in-process medical cannabis raw material, and medical cannabis finished products appropriately to prevent contamination and adulteration
- Preventing cross-contamination and mix-ups between contaminated or adulterated medical cannabis raw material or medical cannabis finished products and non-tainted medical cannabis
- Washing or cleaning containers and packaging components that contain contaminants
- Using effective measures to protect cannabis products against adulteration by other foreign materials when at risk due to processing equipment or instruments
- A description in sufficient detail of the methods and materials used for cleaning and the methods of disassembling and reassembling equipment to ensure proper cleaning
- Measures for the protection of clean equipment from contamination prior to use
- Required inspection of equipment for cleanliness immediately before use
- Based upon the individual equipment design, the following sequence of cleaning operations will be performed upon the completion of each batch of product:

- If applicable, a reduced disassemble and cleaning procedure may be utilized between sequential batches of the identical product brand, strength, and dosage form
- Upon the completion of a processing or packaging operation, equipment will be disassembled and all moveable parts removed so that the equipment can be properly cleaned
- All exterior surfaces will be sanitized and the interior cleaned with an approved detergent mixed with water and then rinsed thoroughly with tap water
- Finally, all surfaces that come in contact with components will be sanitized with denatured alcohol and allowed to air dry
- Upon completion, the employee will fill in the cleaning log and inform their immediate supervisor the equipment is ready for inspection

An audit or check will be performed on the equipment cleaning and its documentation on a random basis several times a week. These reviews will include an inspection of the actual equipment cleanliness and the accuracy of all cleaning documentation. All cleaning records required by this procedure will be retained for at least five (5) years after distribution of the last batch of product manufactured, processed or packaged utilizing that equipment. When developing the above protocols, the *Lead Cultivator*, *Lead Gardener*, and *Processing Manager* will also incorporate the following elements:

- Defining responsibility and frequency for cleaning and disinfecting each piece of equipment or item that comes in contact with medical cannabis
- Monitoring compliance
- Training employees to ensure they are able at all times to answer the question "How do you know that this item has been cleaned and/or disinfected?"
- Cleaned/disinfected items should be labeled (date/time)

All areas will maintain a general cleanliness and go through routine maintenance. The facility will be of food production quality at all times, with frequent inspections and internal audits to ensure safety in production. Sanitation units or wash stations should be utilized throughout the facility where they are placed. Employees are encouraged to wash frequently and always between handling products.

Restrooms and toilets will be located separately from all production and processing areas. Restrooms will have a self-closing door and be completely enclosed with proper, individual ventilation units. Wash hands signs will be placed above all sinks. Training on best practices will be given annually and documented. Restrooms will be cleaned daily and maintained in a clean manner.

3. Equipment Sanitation

In general, surfaces and equipment within the processing facility would be classified by the CDC guidelines under Spaulding's Classification as Non-Critical (i.e., items that might come in contact with intact skin, but not mucous membranes or non-intact skin) and in general most are environmental surfaces, which must be regularly disinfected to a low level. Cleaning protocols will include limits on how long reusable cleaning clothes and mop heads can be used before laundering, and on how frequently the water disinfectant mixture (using an appropriate and approved disinfectant, with preference for naturally-based options) is changed (at a minimum per every three rooms). The facility will have single-use disposable towels impregnated with a disinfectant (such as Clorox wipes) for spot cleaning as necessary during the day. All employees will be trained on these duties and procedures and cleaning procedures will be carefully

overseen at the beginning and end of each business day. In addition, for all surfaces, equipment, or materials that will touch medical cannabis or individually packaged containers of medical cannabis, the *Processing Manager* will develop and oversee the implementation of more rigorous cleaning protocols. These will be to the standard required by the CDC guidelines for Spaulding's Classification of Critical, because medical cannabis can come into contact with mucous membranes. These items require either sterilization or a cleaning process followed by high-level disinfection. Additional handling protocols will meet or exceed California requirements for safe and sanitary food handling and packaging.

C. Contamination Prevention

In order to maintain the medical cannabis free of contamination, SugarLeaf employees will be required to comply with SugarLeaf's standard operating procedures. All employees will be trained to ensure absolute sanitary conditions in areas that have been designated for packaging and handling, including all equipment, utensils, and accessories used during the packaging process. SugarLeaf's standard operating procedures have been designed to meet or exceed the high sanitary standards of the California state regulations pertaining to the handling of food-grade products:

- All processing agents involved with the handling and packaging of medical cannabis will wear proper protective clothing, latex gloves, and hairnets.
- Personnel will also be required to wash hands and exposed areas of the arm before beginning work, before and between glove use, and after using a toilet facility.
- Gloves will be replaced after each pound of medical cannabis has been packaged, or, when beginning to package a different variety or shipment of product (to prevent cross-contamination), and additionally every two-hours.
- Prior to entering the packaging room, employees must report to the shift supervisor any illness or personal health condition that might compromise the cleanliness or quality of the medical cannabis the Processing Agent might handle.
- Maintain a sanitation log with records retained for five years.

D. Quality Control Testing

Proper standard operating procedures are a critical prerequisite for GMP and Good Laboratory Practice (GLP) compliance. SugarLeaf takes its commitments to these standards seriously, and will provide the appropriate training to all personnel employed by SugarLeaf. By instituting GMP and GLP compliant SOPs and providing proper employee training, SugarLeaf will operationalize its commitment to produce only the highest quality, pharmaceutical grade cannabis flower and by products.

1. Standards for Purity, Integrity, and Potency

Processing agents that have received the proper training will be responsible for identifying all useable and non-usable plant parts and matter. Useable by-product plant matter created during the manicuring and trimming phase of processing will be inspected, logged—and if appropriate—shipped to a licensed and contracted Manufacturing Facility to be manufactured into cannabis concentrate. All unusable plant matter will be disposed of properly and in accordance with SugarLeaf's SOPs (Disposal procedures are described in the Cultivation Plan). Raw plant matter will be inspected via methods that include, but are not limited to, organoleptic, macroscopic and microscopic examination.

Processing agents will:

- Provide a qualitative description of each batch of raw plant matter or dried cannabis flower that

includes:
    - Name of the plant cultivar
    - Description of initial quality of plant matter
    - An organoleptic review
- Provide a quantitative description of each batch of raw plant matter or dried cannabis flower that includes:
    - Cannabinoid profile
    - Potency level
    - Batch size by weight

Each batch of cannabis flower produced onsite will be monitored throughout each stage of cultivation, dry/curing, and processing. Each batch of cannabis flower produced or received at the commercial processing facility will undergo an intensive analysis, identifying the cannabinoid profile of each product processed at the facility. This profile will then be cross-referenced against the appropriate cultivar profile monograph as provided by the American Herbal Pharmacopeia to ensure cultivar accuracy and consistency.

Combinations of the following compounds will be measured:

- CBD (Cannabidiol)
- CBDA (Cannabidiolic Acid)
- CBN (Cannabinol)
- Terpenes described in the current version of the cannabis inflorescence monograph published by the American Herbal Pharmacopeia (AHP)
- D9-THC (Delta-9 Tetrahydrocannabinol)
- D8-THC (Delta-8 Tetrahydrocannabinol)
- THCA (Tetrahydocannabivarin Acid)
- THCV (Tetrahydrocannabivarin)
- THCVA (Tetrahydrocannabivarin – Acid)
- CBC (Cannabichromene)
- CBDV (Cannabidivarin)
- CBDVA (Cannabidivarin - Acid)
- CBG (Cannabigerol)
- CBGA (Cannabigerol – Acid)
- CBGV (Cannabigerovarin)
- CBNV (Cannabinovarin)
- Any further compounds added by the AHP

Each batch of cannabis flower produced onsite or received at the commercial processing facility must additionally pass quality control tests for purity and integrity. Batches of flower that contain any substance that has been banned by the California Department of Food of Agriculture, or that has amounts of regulated chemicals, fertilizers, or pesticides that exceed the levels allowed by the Department of Food and Agriculture, will be segregated and addressed as required by law. All raw plant matter will be tested for mold and mildew.

2. Testing

All finished products will be sent to a licensed third-party laboratory to be tested and certified for purity,

potency and quality. Additionally, SugarLeaf will maintain its own in-house testing schedule to ensure that all cannabis produced to pharmaceutical standards, and that manufacturing protocol continues to adhere to current GMP and GLP. Independent lab testing will be used to certify that all raw materials and concentrates produced are well within acceptable ranges in regards to the presence of:

- Total aerobic microbial count
- Total yeast mold count
- P. Aeruginisa
- Aspergillus spp
- S. aureus
- Aflatoxin B1, B2, G1 and G2
- Ochratoxin A

E. Cannabis Recall Protocol

SugarLeaf is committed to patient and product safety, and will institute an exhaustive product recall plan into SugarLeaf's operational manual. Once a product has been labeled for recall, Processing Agents will immediately begin an in-house investigation into the batch and lot number of the products in question. This investigation will be conducted with the purposes of:

- Identifying the appropriate products, via batch and lot numbers, that will need to be recalled
- Identifying the distributors that have procured and transported the products in question
- Contacting the aforementioned parties, informing them of the product recall
- Identify and dispose of any remaining product in question in storage at the SugarLeaf facility
- Prevent the further distribution of any product in question

Any cannabis waste disposal will follow the protocols explained in the Cultivation Plan, Nursery Plan, and Processing Plan.

11. Security Plan

A. Overview

SugarLeaf intends to establish a safe and secure facility for its operations at Metro Height. The Metro Heights facility has two entrance points. Metroploitan Heights Road and Northwestern Avenue both are private roads to which the subject parcel has deeded access. An automatic locked gate is located at the parcel line off of Metropolitan Heights, and a locked gate at the parcel line off of Northwestern. An additional heavy duty locked security gate is located on Northwestern where it becomes a private road. *No Trespassing* signs are proposed near the gates. Cultivation sites will be completely enclosed by a 6' security fence that features a locked gate. Additional fencing is proposed at strategic points to deter unapproved entry, and a 6' wood fence is proposed at the south edge of the entrance road off of Metropolitan Heights to block visibility of activities from the highway. Proposed lighting outside of the nursery and processing facility consists of security lights that illuminate the entrances and parking areas. SugarLeaf is proposing to have security cameras at the entrances to the site, residence, and nursery and processing facility with data storage for up to thirty (30) days. Motion sensors will be installed at all cultivation sites. The nursery and processing facility and residence will have an alarm system monitored

by a licensed third party security company.

All potential employees will be subject to a criminal background check prior to employment. Employees will be issued a company issued ID badge and will be required to display the badge at all times while working at the subject property.

At all times there will be at least one personnel on site. One of the duties of the Ranch Manager living at the onsite residence will be to maintain awareness of the security of the facility. Protocols will be developed to ensure a proper response to any security concern and all employees will be trained on their use.

As the project develops, SugarLeaf will explore collaboration with neighboring permitted cannabis operations to employ a roving licensed security guard.

The standards and procedures established here provide a safe working environment while protecting against diversion, theft, and access by minors.

B. Updating and Annual Review

SugarLeaf recognizes that required security measures may change over time. As the project is developed, SugarLeaf owners and management may update the standards and procedures of the Security Plan.

SugarLeaf staff will review the entire Security Plan at least annually, and will present to the owners and management findings as to its sufficiency and appropriateness. Following any substantive updates, SugarLeaf will incorporate appropriate training.

C. Limited Access Areas

All Limited Access Areas (LAA) will feature heightened security measures including but not limited to reinforced entries and security camera surveillance. At least two people, along with commercial-grade surveillance equipment, will oversee all transactions and transportation arrangements.

D. Physical Copy of Security Plan and SOPs

SugarLeaf will maintain on-site at all times a physical copy of the most up-to-date version of the Security Plan and all related standard operating procedures.

E. Emergency Contacts

Per Humboldt County 313-55.4.11 (t) (vi), SugarLeaf will at all times maintain at all cultivation and processing locations, as well as at the onsite residence, emergency contact numbers for the following:

- SugarLeaf *Agent in Charge*
- SugarLeaf *Ranch Manager*
- Fire Department (both emergency and non-emergency)
- Police Department
- Department of Health contact
- 9-1-1
- Poison control center
- Alarm and surveillance companies

The *Agent in Charge* is responsible for ensuring the listed numbers are up to date and will ensure they are

reviewed and updated at a minimum on a quarterly basis.

F. Security Information Storage

All areas where business records, including employee files and surveillance footage, are stored shall be defined as Limited Access Areas. Records shall be stored as digital files on access-limited computers. Documents will also be printed and stored in locked filing cabinets within areas defined as LAA.

Records stored on-site include 60 days of surveillance footage and business and incident records dating back five years.

The *Agent in Charge* will at least weekly verify the integrity of the records, and review the logs to ensure there has been no unauthorized access. In the event of a records security breach, the *Agent in Charge* will work with the *Ranch Manager* and executive staff to review all recordkeeping and security policies to identify deficiencies, corrective measures, and to rectify any compromised information. The *Agent in Charge* will also report such incidents to law enforcement if appropriate.

G. Transportation and Distribution

Transportation will be handled via a third party, contracted, licensed transporter/distributer, if require by state and local law. All merchantable product will only be distributed through licensed medical cannabis dispensaries. Prior to moving packages from the on-site holding facility to another physical location, a transport manifest will be created by the distributer/transporter. This distribution document is required for each movement of packages and will be recorded in the Master Log.

The *Agent in Charge* and the *Processing Manager* are responsible for performing a physical inventory of all packages being transported, ensuring that the physical inventory reconciles with the transport manifest, as well as the packaging material is intact and the labeling is secure. The distribution document records the current location and status of the packages, such as "in- transit" or "received." The licensed distributer must also create detailed transport manifests for the package distribution. The manifest contains details such as:

- Time of departure
- Time of arrival
- Product and product weight
- Route to be travelled
- Origin and destination addresses

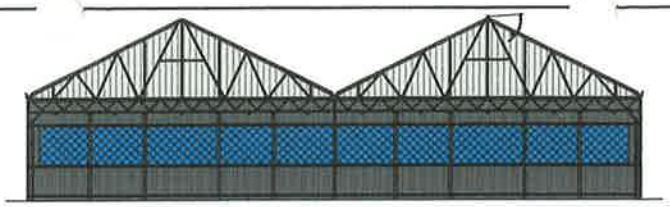
H. Diversion Prevention

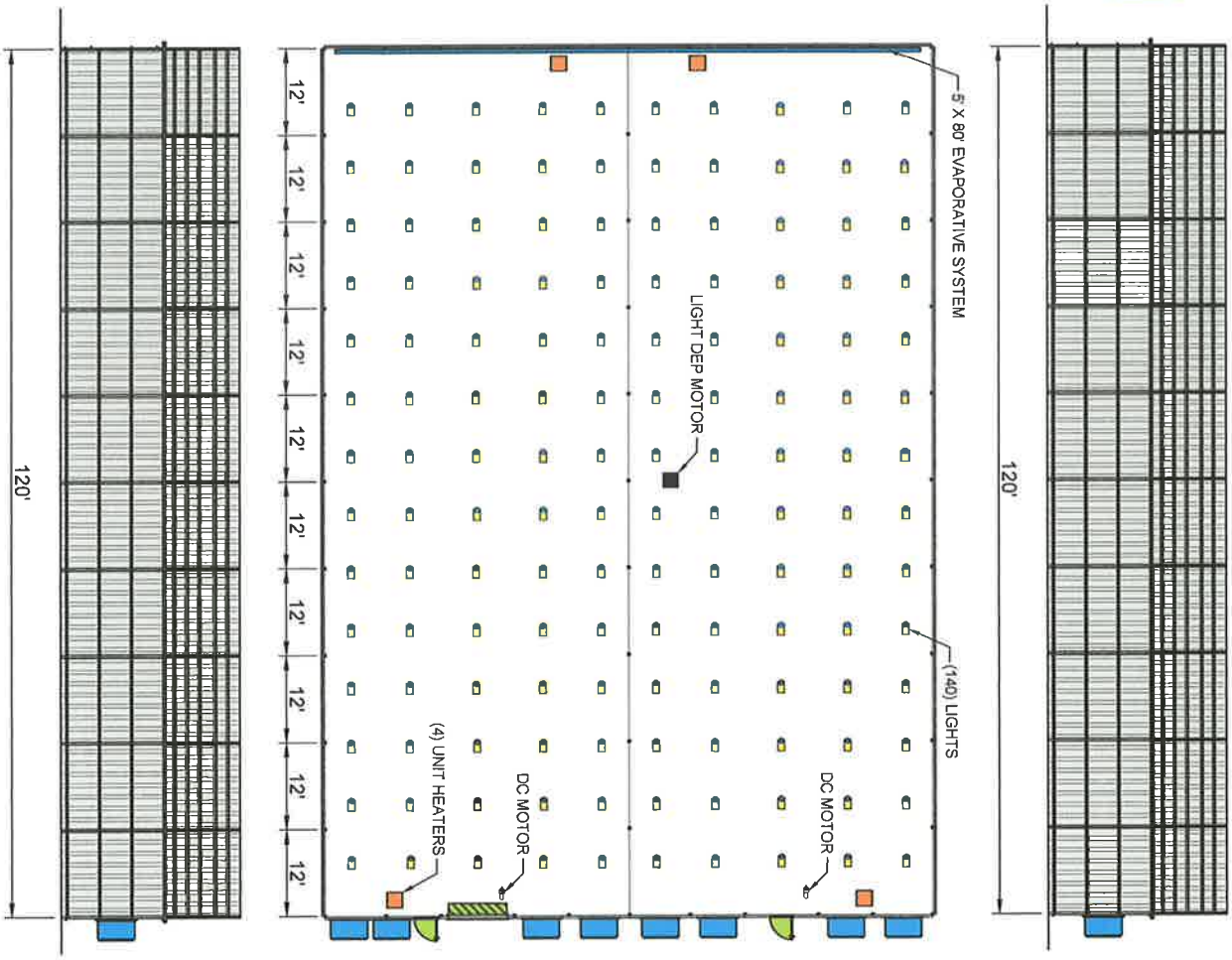
Any person that is part of or aware of any theft or diversion of cannabis will result in immediate termination and reporting the incident to the proper authorities. All personnel will sign documents agreeing to this clause before being permitted to enter the facility for the first time, and these documents will be stored with the employee's file.

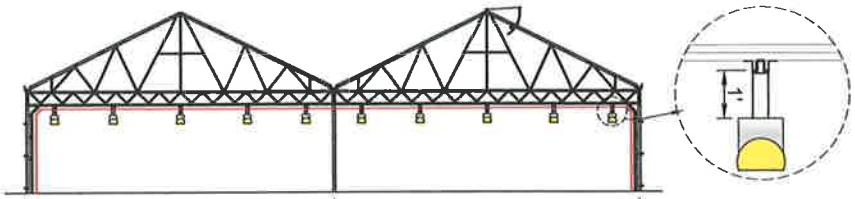
Individuals who are not authorized to be on the premises will not be permitted to enter. Visitors will be escorted at all times, and at no time will there be more than five visitors per single escort.

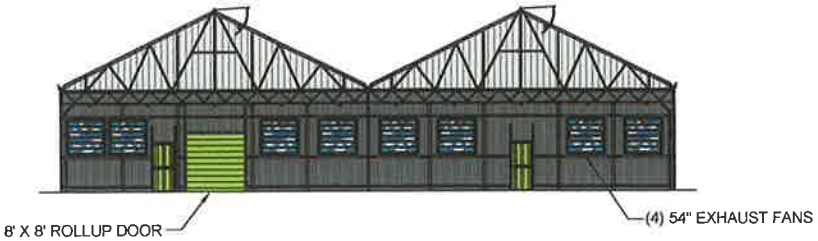
The selected inventory management system will be reviewed for discrepancies on a regular basis. All inventory discrepancies will be reported to the *Agent in Charge*, who will assign security staff to investigate and review relevant surveillance footage. The staff will report at least daily to the *Agent in*

Charge on the steps and findings of the investigation. All investigations shall be resolved within five business days with a written report.



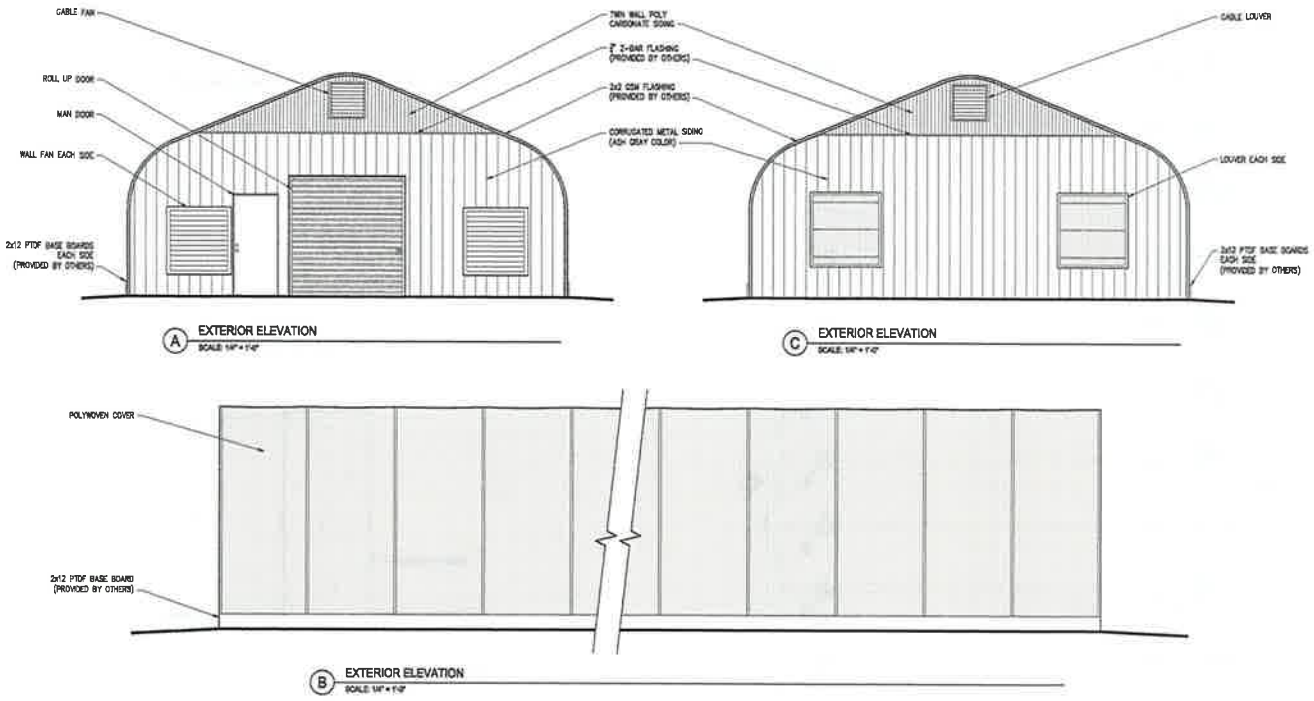






	QTY	DESCRIPTION
	2	SWING DOOR
	1	8' X 8' ROLLUP DOOR
	1	LIGHT DEPT MOTOR
	2	ROOF VENT DC 24v MOTOR
	8	54" EXHAUST FANS
	140	HIGH PRESSURE SODIUM LAMP 1000W

TITLE	ELEVATIONS
JOB NAME	(2) 41'-6" x 120'
DRAWING NO	CU4161229
DATE	04/26/17
SCALE	N.T.S.
JOB NO	
DRAWN BY	JC
APPROVED	



Gro-Tech SYSTEMS INC.

RECEIVED
JUN 30 2017
Humboldt County
Planning Division

CHRIS ANDREWS DRAFTING

STATUS
6/23/16

ENGINEER'S STAMP

SIERRA SERIES GREENHOUSE
30' x 96'

GRO-TECH SYSTEMS, INC.
17292 CATTLE DR. 95975
REDDING, CA
(530) 432-7012 | www.gro-techsystems.com

Gro-Tech SYSTEMS INC.

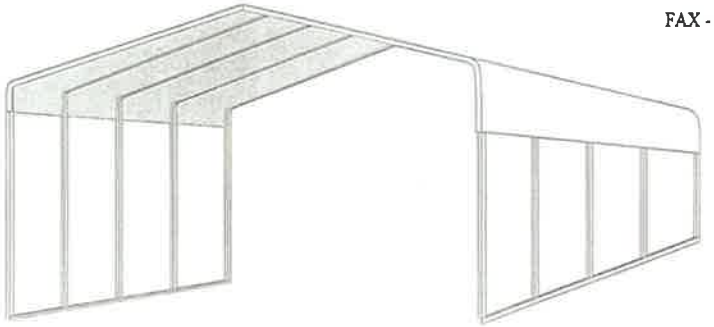
APN: ###-###-##

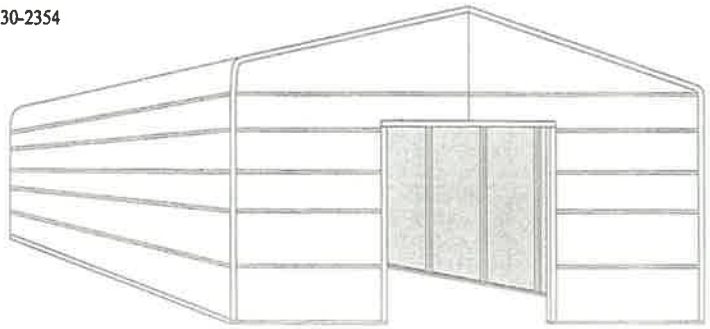
ELEVATIONS

GH1

AMERICAN CARPORTS INC.

457 N. BROADWAY
JOSHUA, TX 76058
MAIN - 1-866-730-9865
FAX - 1-866-730-2354





REGULAR / A-FRAME - VERTICAL / HORIZ.
30' CARPORT
(STATE OF CALIFORNIA)
AS PER DESIGN CRITERIA

DESIGN NOTES

1. ALL CONSTRUCTION SHALL BE PROVIDED IN ACCORDANCE WITH IBC 2006, OSHA, AISC, ASCE7-05, AWSD 1.1 CODES AND ALL APPLICABLE LOCAL REQUIREMENTS.
2. BASE CONNECTIONS SHALL BE PROVIDED AS SHOWN ON SHEET 9
3. ALL MATERIALS IDENTIFIED BY MANUFACTURER NAME MAY BE SUBSTITUTED WITH MATERIAL EQUAL OR EXCEEDING ORIGINAL.
4. ALL SHOP CONNECTIONS SHALL BE WELDED CONNECTIONS.
5. ALL FIELD CONNECTIONS SHALL BE TEKS #12 (1/4"X1").
6. STEEL SHEATHING SHALL BE 29GA. CORRUGATED GALV. OR PAINTED STEEL - MAIN RIB HT. 3/4" (FY=80KSI) OR EQ.
7. ALL STRUCTURAL LIGHT GAUGE TUBING AND CHANNELS SHALL BE GRADE 50 STEEL.
8. STRUCTURAL TUBE TS2 1/2"X2 1/2" - 14GA. IS EQUIVALANT TO TS2 1/4"X2 1/4" - 12GA. AND EITHER ONE CAN BE USED IN LIEU OF THE OTHER

DESIGN CRITERIA

PREVAILING CODE: CBC 2010
USE GROUP: U (CARPORTS, BARNS)
BASIC WIND VELOCITY: 90 TO 100 MPH (SEE SCHEDULE)
ROOF DEAD LOAD: 2.0 PSF
ROOF LIVE LOAD: AS PER GROUND SNOW MIN. 20 PSF / MAX.70 PSF

GROUND SNOW LOAD: 20 TO 80 PSF (SEE SCHEDULE)

IMPORTANCE FACTOR = SNOW 0.8
WIND 0.87
SEISMIC 1.0

SEISMIC DESIGN CATEGORY: D

LOAD COMBINATIONS:
DL+LL, 0.6DL+WL
DL+0.75LL+0.75WL

DRAWING INDEX

OWNER: AMERICAN CARPORTS
LOCATION: CALIFORNIA
DRAWING NO.: AMC-30
DATE: 4/6/2012
PROJECT NUMBER: 233-12-0308
DRAWN BY: JMS
CHECKED BY: OA

A & A ENGINEERING
CIVIL • STRUCTURAL
SINCE 1996
5911 Renaissance Pl., Suite B
Toledo, Ohio 43623
Tel: (419) 292-1983
Fax: (419) 292-0955

January 18, 2018

DRAWING TITLE: COVER

SHEET NO.: 1 OF 9

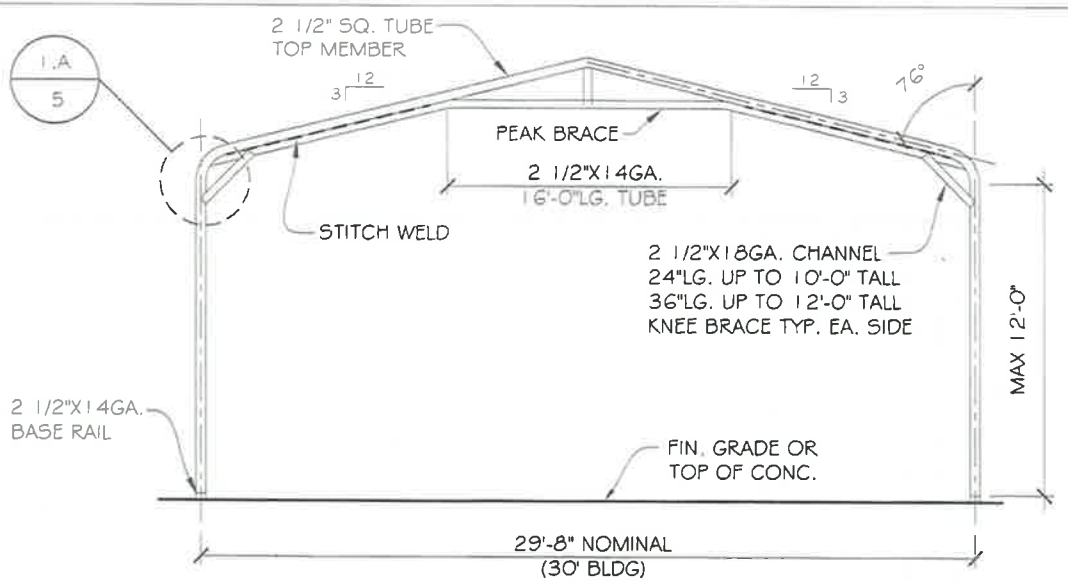
SEAL:

REGISTERED PROFESSIONAL ENGINEER
CIVIL
OMAR A. ABU-YASEIN
C73389
STATE OF CALIFORNIA

LICENSE EXPIRES: 12/31/2014

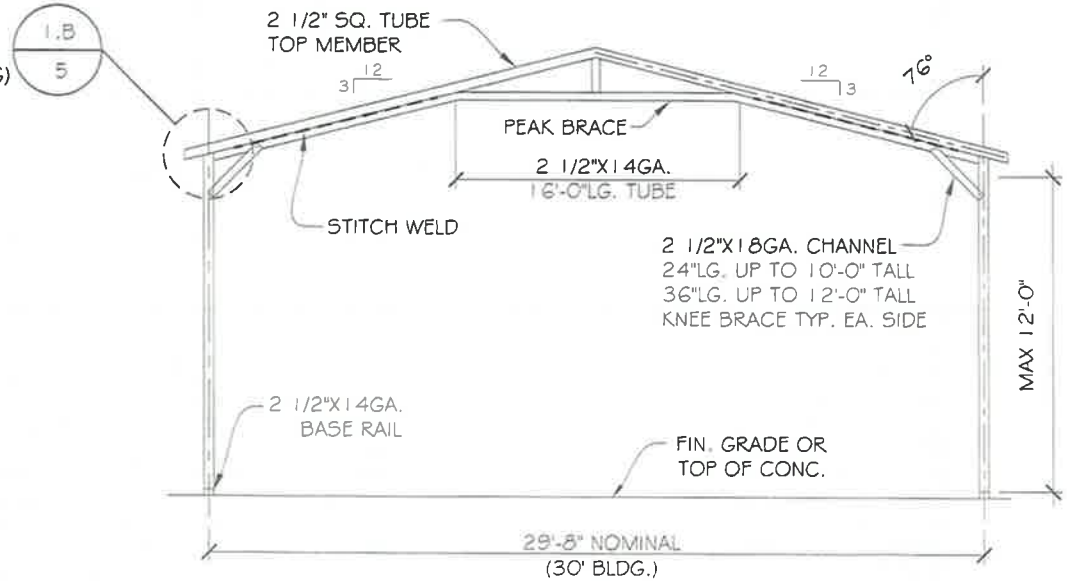
DATE SIGNED: 4/6/2012

SP 16-876 and SP 16-877 Sugarleaf Holdings 13371



REGULAR DOUBLE BOW BUILDING SECTION

(SCALE: NTS)



A-FRAME DOUBLE BOW BUILDING SECTION

(SCALE: NTS)

ALL STRUCTURAL TUBING SHALL BE 14GA. OR HIGHER

BOW SCHEDULE
(TOP & COLUMN MEMBERS GAUGE AND SPACING)

WIND			80 TO 100 (MPH)
GS/LL	POST HT.		BUILDING WIDTH 30' (DOUBLE BOW)
20/20	5'-0" TO 8'-0"	F	60"
		P	60"
	9'-0" TO 12'-0"	F	54" (60")
		P	54"
30/20	5'-0" TO 8'-0"	F	60"
		P	60"
	9'-0" TO 12'-0"	F	54" (60")
		P	54"
40/30	5'-0" TO 8'-0"	F	48" (54")
		P	48" (54")
	9'-0" TO 12'-0"	F	48"
		P	48"
50/40	5'-0" TO 8'-0"	F	42" (48")
		P	42" (48")
	9'-0" TO 12'-0"	F	42"
		P	42"
60/50	5'-0" TO 8'-0"	F	42"
		P	42"
	9'-0" TO 12'-0"	F	36"
		P	36"

* HIGHER VALUES WITHIN PARENTESES CAN BE USED FOR VERTICAL SHEATHING ONLY

F = FULLY ENCLOSED (CLOSED)
P = PARTIALLY ENCLOSED (OPEN)
G.S. = GROUND SNOW
L.L. = LIVE LOAD

RECEIVED
JUN 30 2017
Humboldt County
Planning Division

AMERICAN CARPORTS

OWNER: AMERICAN CARPORTS
LOCATION: CALIFORNIA
DRAWING NO.: AMC-30
DATE: 4/6/2012
PROJECT NUMBER: 233-12-0308
DRAWN BY: JMS
CHECKED BY: OA

A & A ENGINEERING
CIVIL • STRUCTURAL
SINCE 1996
5911 Renaissance PL, Suite B
Toledo, Ohio 43623
Tel: (419) 292-1983
Fax: (419) 292-0953

DRAWING TITLE: **TYP BLDG. SECTION**

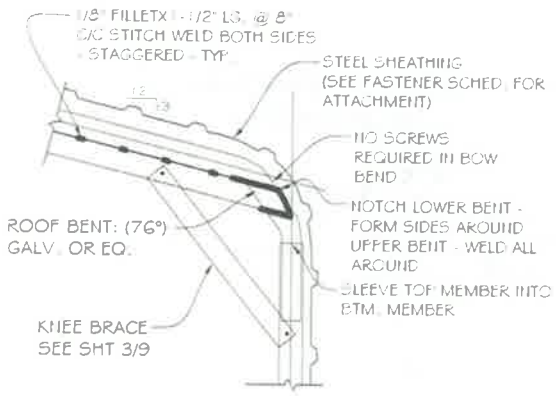
SHEET NO.: **3 OF 9**

SEAL:

REGISTERED PROFESSIONAL ENGINEER
CIVIL
QMAR A. ABU-YASEIN
C73389
STATE OF CALIFORNIA

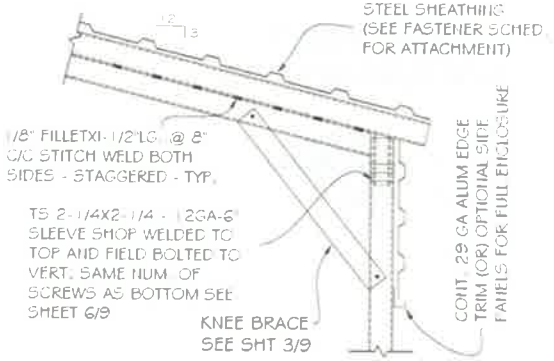
DATE SIGNED: **4/6/2012**

SP 16-876 and SP 16-877 Sugarleaf Holdings 13371 January 18, 2018



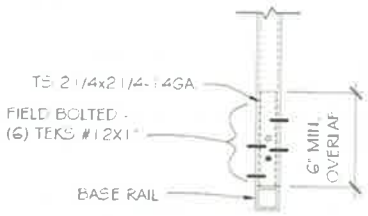
REGULAR SINGLE BOW SECTION DETAIL 1.A/3

(SCALE: NTS)



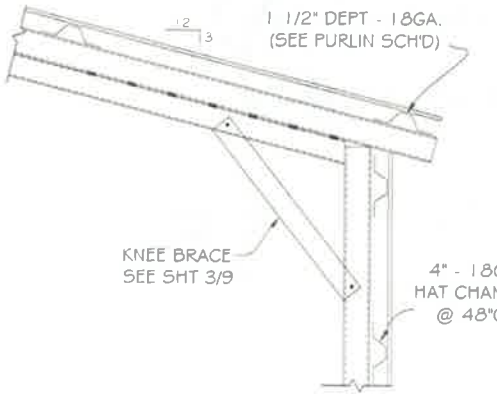
A-FRAME SINGLE BOW SECTION DETAIL 1.B/3

(SCALE: NTS)



COLUMN/ BASE RAIL DETAIL

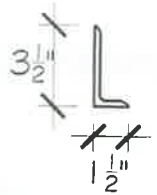
(SCALE: NTS)



TYPICAL A-FRAME VERTICAL SECTION DETAIL

(SCALE: NTS)

PURLIN SCHD.	
SNOW LOAD	HAT CHANNEL SPACING
20	48" C/C
30	42" C/C
40	36" C/C
50	36" C/C
60	30" C/C



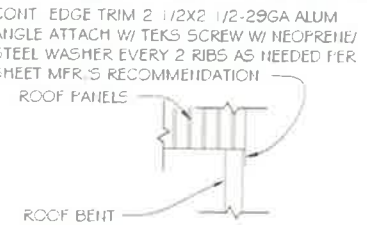
TRIM DETAIL

(SCALE: NTS)

FASTENER SCHED.:
TYPE: TEKS #12X1" SCREWS W/ NEOPRENE/STEEL WASHER @ 6"C/C OF CORNER PANEL AND 8"C/C ELSEWHERE.
MIN. ONE FAST. PER SPAN AT SIDE LAP PANELS
MIN. 4" C/C AT EDGE LAP PANELS W/ SILICON CAULK IN BETWEEN PANELS.

EDGE DETAIL 1/4

(SCALE: NTS)



EDGE DETAIL 2/4

(SCALE: NTS)

AMERICAN CARPORTS

OWNER: AMERICAN CARPORTS
LOCATION: CALIFORNIA
DRAWING NO.: AMC-30
DATE: 4/6/2012
PROJECT NUMBER: 233-12-0308
DRAWN BY: JMS
CHECKED BY: OA

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SINCE 1996
5911 Renaissance Pl., Suite B
Toledo, Ohio 43623
Tel: (419) 292-1933
Fax: (419) 292-0955

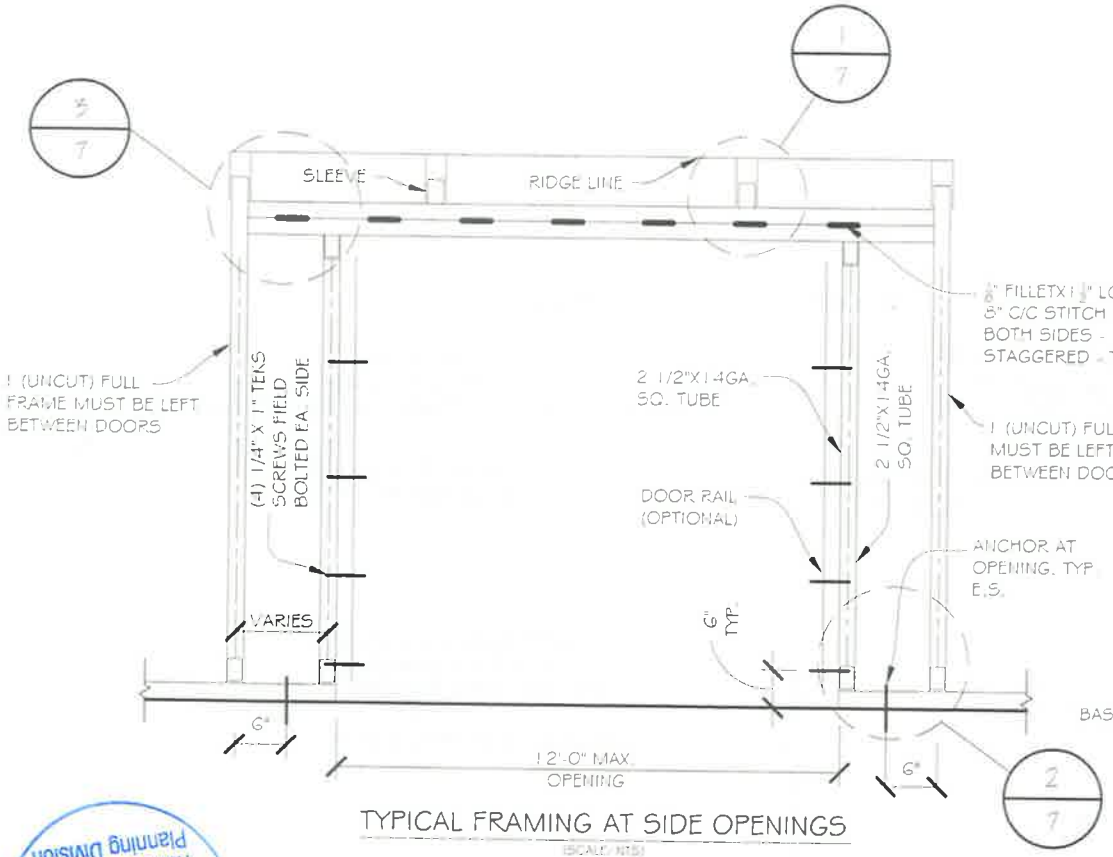
DRAWING TITLE: SECTION DETAILS
SHEET NO.: 5 OF 9

SEAL:

REGISTERED PROFESSIONAL ENGINEER
CIVIL
OMAR A. ABU-YASEIN
C73389
STATE OF CALIFORNIA

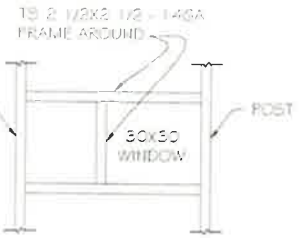
DATE SIGNED: 4/6/2012

SP 16-876 and SP 16-877 Sugarleaf Holdings 13371 January 18, 2018



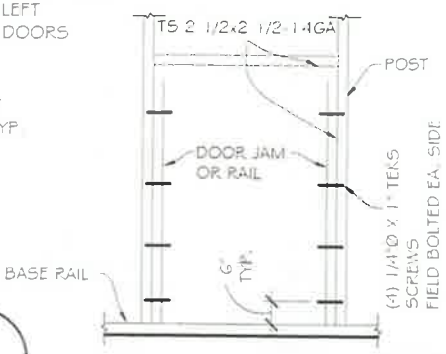
TYPICAL FRAMING AT SIDE OPENINGS

(SCALE: NTS)



TYPICAL 30X30 WINDOW FRAMING

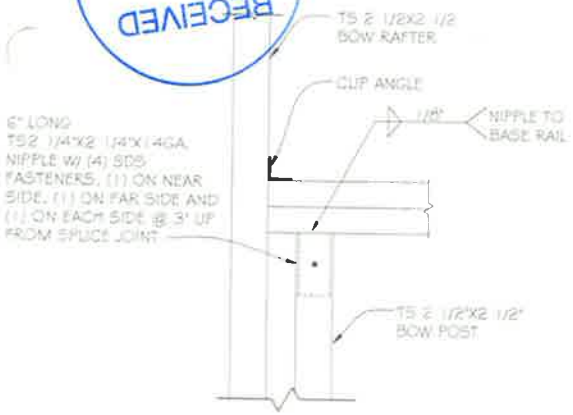
(SCALE: NTS)



TYPICAL 36"X72" DOOR FRAMING

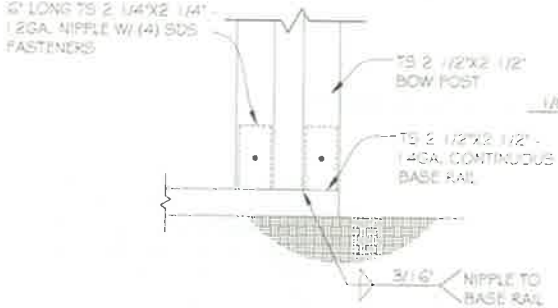
(SCALE: NTS)

DOOR & WINDOWS SIZES ARE PER CUSTOMERS ORDER



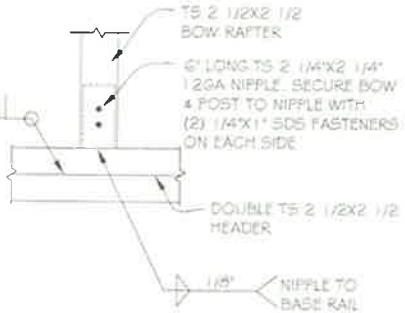
BOW/POST DETAIL 3/7

(SCALE: NTS)



BOW/BASE RAIL CONN. DETAIL 2/7

(SCALE: NTS)



BOW/HEADER DETAIL 1/7

(SCALE: NTS)

OWNER:	AMERICAN CARPORTS
LOCATION:	CALIFORNIA
DRAWING NO.:	AMC-30
DATE:	4/6/2012
PROJECT NUMBER:	233-12-0308
DRAWN BY:	JMS
CHECKED BY:	OA

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Fax: (419) 292-0955

DRAWING TITLE:
SIDE WALL OPENNING DETAILS

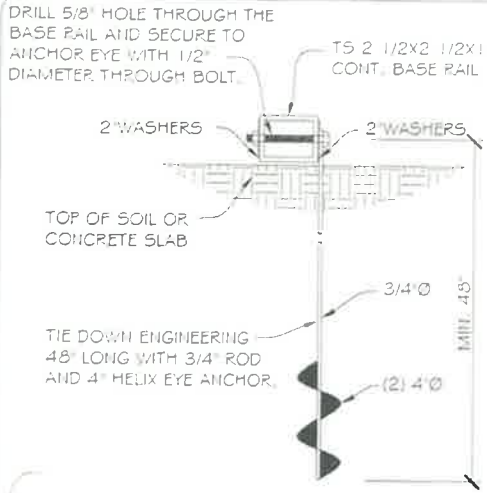
SHEET NO.: 7 OF 9

SEAL:

REGISTERED PROFESSIONAL ENGINEER
CIVIL
OMAR A. ABU-YASEIN
C73389
STATE OF CALIFORNIA

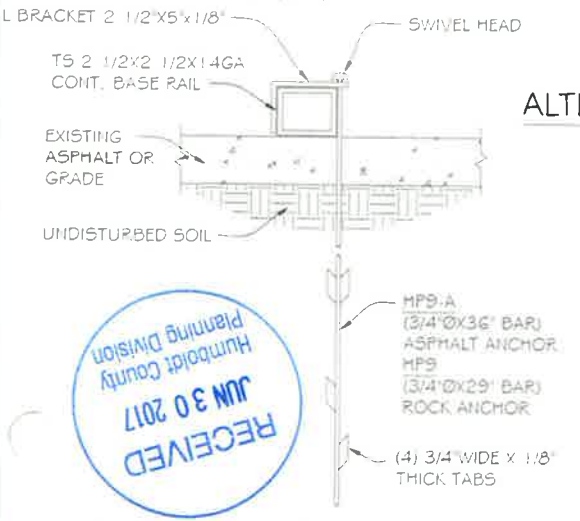
DATE SIGNED: 4/6/2012

SP 16-876 and SP 16-877 Sugarleaf Holdings 13371 January 18, 2018



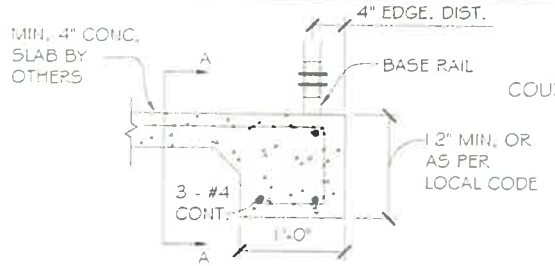
OPTIONAL MOBILE HOME ANCHOR FOR SAND/CLAY

(SCALE: NTS)



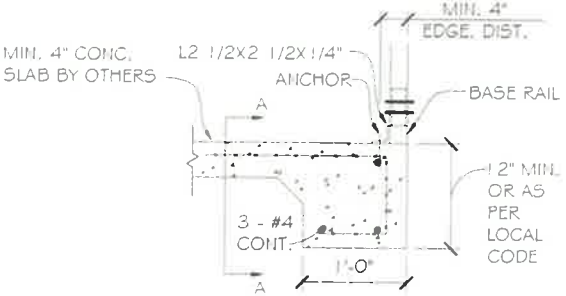
OPTIONAL ASPHALT/ ROCK ANCHOR DETAIL

(SCALE: NTS)



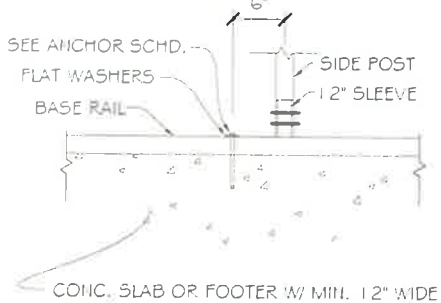
BASE OPTIONAL ANCHOR ON CONC. SLAB SECTION

(SCALE: NTS)



ALTERNATE, FRAME FLUSH W/ CONC.

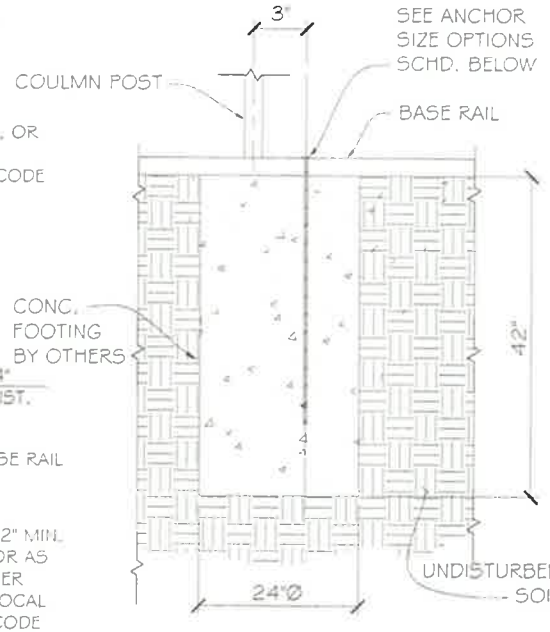
(SCALE: NTS)



CONC. SLAB OR FOOTER W/ MIN. 12" WIDE X DEPTH AS PER LOCAL CODE (12" DEEP MIN.) RAT WALL ALL AROUND (BY OTHERS)

SECTION A-A

(SCALE: NTS)



PIN ANCHOR DETAIL ON CONCTRETE PIER FOOTING

(SCALE: NTS)

NOTE:
ON LEVEL GRADE DIG A 18"/24"Ø HOLE 42" DEEP AT EACH ANCHOR POINT. REPOSITION BASE RAILS OVER HOLES AND DROP A GROUND ANCHOR THROUGH EACH HOLE IN BASE RAILS. FILL EACH HOLE WITH 2500 PSI CONCRETE

SOIL CLASSIFCATIONS: *

SOIL CLASS	SOIL DESCRIPTION
2	VERY DENSE S / OR CEMENTED SANDS, COURSE GRAVEL AND COBBLES, COLLCHE, PRELOADED SILTE AND CLAYS
3	MEDIUM DENSE COARSE SANDS, SANDY GRAVELS, VERY STIFF SILTS, AND CLAYS
4	LOOSE TO MEDIUM DENSE SANDS, FIRM TO STIFF CLAYS AND SILTS ALLUVIAL FILL AND VERY LOOSE TO MEDIUM DENSE SANDS, FIRM TO STIFF CLAYS AND SILTS, ALLUVIAL FILL.

HELICAL ANCHOR SHALL BE APPROVED FOR USE IN SOIL CLASSIFICATIONS 2,3, AND 4.

*TAKEN FROM HUD "STANDARD FOR INSTALLATION OF MOBILE HOMES"

NOTE:
1: SEE SHT. 2 AND 6 FOR ANCHOR REQUIREMENTS
2: ASSUMED SOIL BEARING CAPACITY IS 1500 PSF
3: CONCRETE STRENGTH TO BE 2500 PSI AT 28 DAYS

ANCHOR SIZE OPTION SCHEDULE

CARPORT WIDTH	ANCHOR SIZE	ANCHOR LENGTH		
	WIND (MPH)	BASE ANCHOR	ALTERNATE ANCHOR	TYPE
	90-100	20"	20"	THRD. ROD EMBED IN CONC
30'	5/8"Ø	7"	5"	INSERT W/ EPOXY IN CONC. EXPANSION BOLTS WEDGE ANCHORS IN CONC.

AMERICAN CARPORTS

Page 88

OWNER: AMERICAN CARPORTS
LOCATION: CALIFORNIA
DRAWING NO.: AMC-30
DATE: 4/6/2012
PROJECT NUMBER: 233-12-0308
DRAWN BY: JMS
CHECKED BY: OA

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January 18, 2018

DRAWING TITLE: ANCHOR OPTIONS

SHEET NO.: 9 OF 9

SCALE:

REGISTERED PROFESSIONAL ENGINEER
CIVIL
OMAR A. ABU-YASEIN
C73389
STATE OF CALIFORNIA

DATE SIGNED: 4/6/2012

SP 16-876 and SP 16-877 Sugarleaf Holdings 13371

ATTACHMENT 4

Referral Agency Comments and Recommendation

Referral Agency	Recommendation	Location
Building Inspection Division	Approval. Condition that all structures related to cannabis on the property must have building permit signoff.	On file with Planning
Land Use Division	Road Evaluation Report required.	On file with Planning
Division of Environmental Health	No response	
CAL-FIRE	Standard comments provided.	On file with Planning
Department of Fish & Wildlife	No response	
NWIC	Recommended Cultural Study. Recommended forwarding the completed study to local tribes.	On file with Planning
Bear River Band	Requested a copy of NWIC comments.	On file with Planning
Wiyot Tribe	No response	
RWQCB	No response	
Sheriff	Requested name(s) of applicants	On file with Planning
District Attorney	No response	
Fortuna High School District	No response	
State Water Resources Control Board-Division of Water Rights	No response	
Humboldt County Agriculture Commissioner	No response	

ATTACHMENT 5

Public Comments

SUPPLEMENTAL INFORMATION #1

For Planning Commission Agenda of: December 21, 2017

FILE COPY

[] Consent Agenda Item }
[] Continued Hearing Item }
[] Public Hearing Item }
[] Department Report }
[] Old Business }

Re: **SugarLeaf Holdings Special Permits and Zoning Clearance Certificate**
Application Number 13371
Case Numbers SP 16-876 and SP 16-877
Assessor's Parcel Number 205-161-022
67 Metropolitan Heights Road, Fortuna, CA 95540

- Letter from Sharen Hunt –Anderson received 12/18/2017, in opposition to the project.

(1)

December 15, 2017

To: Humboldt County Zoning Administration
Humboldt County Planning and Building Dept.
3015 H. Street
Eureka, Calif 95501

Regarding: Sugar Leaf Holdings L.L.C.
Case # SP-16-876/SP-16877
application # 13371
Assessors Parcel # 205 161 022

Hello;
For the record, my name Sheron Hunt Anderson.
I grew up on what has been known for decades as Hunt's Dairy. This property is located at 55931 Hwy 101 in the Metropolitan HTs area, and is a neighboring property to the Sugar Leaf Holdings L.L.C. property. The Hunt's Dairy property is still owned by my family and is currently an organic beef operation.

I learned just yesterday, that Sugar Leaf Holdings has applied for at least four permits having to do with growing Cannavas, and processing and packaging it on their property located within Metropolitan HTs. area.

(2.)

Please let the record show that I am opposed to the Board approving any permits to Sugar Leaf Holdings L.L.C. in which they have applied for at this time for the following reasons.

There simply is not enough time, especially when the meeting has been scheduled so close to Christmas, and during the Holiday Season, for me to fully understand how the activities of Sugar Leaf Holdings L.L.C. may effect our Ranch if any of these permits are granted at this time.

Our property includes two homes, located on our Ranch, and there are several homes in the Metropolitan Hts. neighborhood.

I have concerns about the odor the plants may produce in the field and during the processing process.

In the event that pesticides and rodenticides etc. were to be used, I would be concerned about our well water, and also the "drift" from these products reaching our organic

(3)

fields. It would appear to me that Sugar Leaf Holdings LLC. could become a full blown business with daily activities of employees coming and going, in what has been known for endless decades as a very quiet neighborhood.

Having had this opportunity to express my concerns on this topic, I respectfully ask that all decisions on granting any of these permits to Sugar Leaf Holdings LLC. be tabled at least until after the holidays at the next meeting.

Thank you for your consideration to my request.

Sharon Hunt Anderson

Sharon Hunt Anderson
(Partner)
Hunt Family Partnership
P.O. Box 251
Dayton, Nevada 89403

E mail Bigwheel375@gmail.com

Rec'd + Duplicate

Mr. and Mrs. Ken Houtby
55925 Highway 101
Fortuna, CA 95540

Mrs. Lois Hunt
55931 Highway 101
Fortuna, CA 95540

Hunt Family Partnership
2114 Brandi Lane
Fortuna, CA 95540

December 21, 2017

Humboldt County Zoning Administrator
3015 H. Street
Eureka, CA 95501

RE: Sugarleaf Holdings, LLC – Case # SP-16-876/SP-16-877, ZCC-16-786; Application # 13371 (filed 12/30/16) Assessor Parcel Number 205-161-022.

This communication is to document our objection to the above referenced proposed projects. The reasons for our objections are as follows:

1. **The proposed operation is still federally illegal.**
2. **We are very concerned with the size and scope of this operation.** There is a total of 209,752 sq. ft. of cannabis cultivation, cannabis nursery, cannabis processing, cannabis drying, cannabis storage, and cannabis propagation in the proposed operation. This is not a small operation.
3. **The planned operation is located in a residential neighborhood** – this is no place for this type of crop to be grown.
4. **Staff Report indicates there will be no adverse effects from this operation on neighboring properties**. Staff did not visit with us about this project. The first we heard about it was about a week ago when we received the Public Notice. What evidence do you have that there will be no adverse effect on neighbors? Would you want this operation in your back yard???
5. **Staff Report indicates NCRWQCB reported risk for this operation is Tier II and has the characteristics of "some risk" for water quality**. Yet they are not objecting to the size and scale of this operation??

6. **Timing of this Public Hearing**. The applicants evidently applied for this permit on 12/30/2016 – almost a year ago and you decide to hold this hearing 4 days before Christmas and only give neighbors a few days notice before the hearing?? For this size operation, we should have a lot more time to go through the 84 page Staff Report so we can fully understand the size, nature and effects of this operation on us and our property.
7. **As an adjacent neighbor to this parcel**, we are concerned with the following potential adverse effects to our property:
    - **Odor and stink from the cannabis plants** drifting onto our property and other neighbors' properties in the Metropolitan area, which could result in allergy and health issues, and prevent us from the enjoyment of the outdoors and our fresh air.
    - **Potential for water table decline.** Our domestic well is down the hill from this proposed operation and if they suck out as much water as is proposed from their well, it may cause us to have to drill deeper on our existing well. The existing well on that parcel has not historically be used for this size operation and for plants that use this much water. Who has figured out if this area's watershed can support this operation?? The Eel and Van Duzen rivers are already no more than a trickle in summer months already. Why hasn't an Environmental review of this operation not been done??
    - **Potential for water quality problems** with our domestic well due to run-off from this operation. Our domestic well is down the hill from this proposed operation.
    - **Strong potential for a decline in our property values.** Potential buyers of our traditional ranch property with two custom residences will not want to live next to a large commercial pot operation.
    - **Strong potential for increase in crime** in our area due to the nature of the proposed business. Our road that leads to our two residences and ranch barns is directly across from Metropolitan Road and many motorists, as well as Sheriff's deputies and Highway Patrol officers have mistaken our road for Metropolitan Heights Road over the years. We are **VERY CONCERNED** that trimmers, delivery trucks, and **CRIMINALS** will mistakenly think our road is the access for this grow operation. It is no secret that a large portion of the criminal activity in Humboldt County is related to Pot grows because of the value of the crop, cash transactions, and it has up until now been **ILLEGAL** (and still is from a Federal standpoint.)
    - **Strong potential for increase in traffic, accidents, and fatalities on Highway 101** due to a very unsafe access onto Metropolitan Heights Road off of Highway 101. Traffic has already increased over the years in this corridor and there have been many fatalities between the Van Duzen Bridge and Eel River Bridge. The increase in trucks and vehicles entering and exiting this property will only add to the congestion in this area. Has there been a study done with Cal Trans as to the effect of this on Highway 101? Also the Metropolitan Heights road leading to this property does not seem capable of handling delivery trucks, increase in vehicle traffic, etc.

We strongly object to these proposed operations and strongly urge you to deny these applications due to the above concerns noted. At the very least, this should go to the Planning Commission and Supervisors for review and allow us additional time to review the Staff Report. We have proudly owned and operated the adjacent ranch property (historically known as Hunt's Dairy) since the 1940's and have

never been presented with such a disturbing proposal for an operation in our neighborhood as this. We are very saddened with the state of Humboldt County at this time due to the Pot industry.

Thank you for your consideration of our concerns.

Sincerely,

Julie Houtby, Partner and adjacent property owner and resident
Ken Houtby, adjacent property owner and resident
Lois Hunt, Partner
Nancy Grainger, Partner
David Hunt, Partner
Kevin Hunt, Partner