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November 6, 2019

Amarok Ventures, LLC
1106 2nd Street
Encinitas, CO 92024

Dear Amarok Ventures, LLC:

Re: APN 221-021-023 / APP# 11021

The following is an evaluation of potential timberland conversion on a cannabis cultivation site and associated areas included in the Humboldt County Cannabis Permit Application (Apps #11021) for APN 221-021-023. Please accept this letter as the RPF's written report required by Humboldt County Code, Ordinance No. 2559 (Commercial Medical Marijuana Land Use), Section 55.4.10 (j), cited below.

"Alternately, for existing operations occupying sites created through prior unauthorized conversion of timberland, if the landowner has not completed a civil or criminal process and/or entered into a negotiated settlement with CALFIRE, the applicant shall secure the services of a registered professional forester (RPF) to evaluate site conditions and conversion history for the property and provide a written report to the Planning Division containing the RPF's recommendation as to remedial actions necessary to bring the conversion area into compliance with provisions of the Forest Practices Act. The Planning Division shall provide CAL-FIRE written Notice of Availability of the RPF's report. If CAL-FIRE takes no action within ten (10) days of the notice of availability, the report recommendations shall become final."

Timberland Resource Consultants (TRC) inspected and evaluated the cultivation site and associated areas contained within the application on November 4, 2019. The RPF and his designees have exercised due diligence in reviewing all sites and available resources to fully assess potential timberland conversion and consequential impacts. This report evaluates the cultivation site and associated areas for timber operations only. The scope of this report does not include: all other land alteration (such as grading, construction, and other permit-regulated activities), all property features and sites unrelated to cultivation activities, or any proposed, planned, or absent cultivation-related project sites. All findings are summarized in the report below.

Project Location

APN: 221-021-023

Acreage: 40.0 assessed lot acres; 34.87 GIS acres

Legal Description: NW ¼ of SE ¼ of Section 4;

Township 3 South, Range 2 East,

Humboldt Base & Meridian, Humboldt County

Located on USGS 7.5' Quadrangle: Ettersburg, 1991

Humboldt County Zoning: Unclassified

Site Address: None

Landowner/Timber Owner: Salmon Creek Realty LLC CO, 125 Revere Drive, Northbrook, IL 60062

Project Location (Cont.)

The parcel is located approximately 5.1 air miles southwest of Myers Flat, CA, and 6.6 air miles west-southwest of intersection of Highway 101 and Salmon Creek Road. To access the parcel from Highway 101, take the Salmon Creek Road exit; follow Salmon Creek Road; turn left on to Thomas Road; keep right to turn on to Upper Thomas Road; from the intersection of Thomas Road and Perry Meadow Road, drive 2.4 miles, then turn right on to a gated, private road (see Location Map).

Parcel Description & Timber Harvest History

Note: The property background has been summarized using personal accounts of the current landowner, digital orthographic quadrangle (DOQ) imagery, Humboldt County Web GIS, CAL FIRE Watershed Mapper v2, and Historic Aerials. To avoid speculation and maintain relevancy, the property background focuses mainly on the past 10-15 years.

The property consists of a single, 40.0-acre parcel known as APN 221-021-023. The parcel consists of three vegetation types: natural grassland, oak woodland (mostly California black oak and Oregon white oak), and Douglas-fir timberland with a minor component of hardwoods (including California black oak, Oregon white oak, Pacific madrone, and California bay laurel). The Douglas-fir stand is unevenaged and largely a result of conifer encroachment into natural oak woodlands as a result of fire suppression.

The parcel contains a man-made pond and segments of several Class II watercourses and Class III watercourses. These watercourses are tributary to Class I Salmon Creek to the north. The property contains a private, seasonal road system and footpaths.

Review of historic aerial imagery from 1968 to present shows no evidence of major logging events. However, field evidence reveals the presence of scattered old growth Douglas-fir stumps within the southeastern portion of the property. It does not appear that any documented commercial timber harvesting has occurred in the last 20 years (CALFIRE Watershed Mapper v2). Previous landowner Silver Salmon LLC sold the property and its timber to current landowner Salmon Creek Realty LLC in March 2018 (Parcel Quest).

Project Description

Three cultivation sites were inspected during the field assessment within APN 221-021-023. The following table lists the inspected site and its acreage; see detailed site descriptions below.

Cultivation Site/Associated Area	Total Acreage	Converted?	Converted Acreage
Cultivation Site 1	0.50	Yes	0.15
Cultivation Site 2	0.15	No	0
Cultivation Site 3	0.19	No	0
TOTAL	0.84		0.15

Cultivation Site 1

Cultivation Site 1 is an approximately 0.50-acre area located in the southwestern portion of the property. Review of aerial imagery reveals that the site was partially cleared of trees, stumps, and vegetation between 2005 and 2009. The site was expanded to its current size and configuration between 2014 and 2016. Based upon close review of past aerial imagery; it appears that the majority of the site (0.35 acres) was formerly oak woodland consisting of California black oak and Oregon white oak. See attached photographs and past aerial imagery. It appears that the southeastern portion of the site contained scattered Douglas-fir trees and perhaps encroaching conifer regeneration. The harvesting of oak woodlands is not considered a conversion of timberland. *Timberland*, pursuant to PRC § 4526, means:

"...land, other than land owned by the federal government and land designated by the board as experimental forest land, which is available for, and capable of, growing a crop of trees of a commercial species used to produce lumber and other forest products, including Christmas trees. Commercial species, on a district basis, is defined in 14 CCR § 895.1."

Project Description (Cont.)

Commercial Species per 14CCR 895.1 (For the Coast Forest District:) means:

".. those species found in group A and those in group B that are found on lands where the species in Group A are now growing naturally or have grown naturally in the recorded past."

The black oak and white oak trees harvested within approximately 0.35 acres of the site are part of oak woodlands and grassland savannas, and their removal at this particular site does not constitute a timberland conversion in my professional opinion.

However, the southeastern portion of this site did contain scattered Douglas-fir, which are clearly evident on past aerial imagery and from on-site inspection. Consequently, the cultivation activities observed impede the use of this particular portion of this site for current timber growth and harvesting; in this way, the previous landowner has effectively converted portions of this site from timber production to cannabis cultivation.

Cultivation Site 2

Cultivation Site 2 is an approximately 0.15-acre area located between two Class II watercourses in a grassy opening surrounded by oak woodland. It is unknown when the site was initially developed. Inspection of the site reveals black and white oak stumps located along the periphery of the site with no stump removal observed. The harvested oak trees, which appear to have been cut down within the last several years are stump-sprouting. The majority of the site is located in a natural grassland opening, and harvesting of oak woodlands is not considered a conversion of timberland. *Timberland*, pursuant to PRC § 4526, means:

"...land, other than land owned by the federal government and land designated by the board as experimental forest land, which is available for, and capable of, growing a crop of trees of a commercial species used to produce lumber and other forest products, including Christmas trees. Commercial species, on a district basis, is defined in 14 CCR § 895.1."

Commercial Species per 14CCR 895.1 (For the Coast Forest District:) means:

".. those species found in group A and those in group B that are found on lands where the species in Group A are now growing naturally or have grown naturally in the recorded past."

The black oak and white oak trees harvested at the site are part of oak woodlands and grassland savannas, and their removal at this particular site does not constitute a timberland conversion in my professional opinion. No timberland conversion has occurred at this site.

Cultivation Site 3

Cultivation Site 3 is an approximately 0.19-acre area located upslope/west of the pond in a grassy opening. No trees were harvested or removed to facilitate development of this site. No timberland conversion has occurred at this site.

Timberland Conversion Summary

In total, TRC observed approximately 0.15 acres of unauthorized timberland conversion for cultivation-related purposes at Cultivation Site 1 within APN 221-021-023. This total does not exceed the three-acre conversion exemption maximum.

Limitations and Considerations for Timberland Conversion Activities

Watercourses and Water Resources

14CCR 1104.1(a)(2)(F): "No timber operations are allowed within a watercourse and lake protection zone unless specifically approved by local permit (e.g., county, city)."

No conversion areas exist within a Watercourse and Lake Protection Zones (WLPZ). Oak woodlands appear to have been removed within the Class III ELZ at Cultivation Site 1 and harvested within the WLPZ at Cultivation Site 2, but their removal/harvest would not have been subject to the Forest Practice Rules.

Slash, Woody Debris, and Refuse Treatment

14 CCR 914.5(b): "Non-biodegradable refuse, litter, trash, and debris resulting from timber operations, and other activity in connection with the operations shall be disposed of concurrently with the conduct of timber operations."

14CCR 1104.1(a)(2)(D) – Treatment of Slash and Woody Debris

- 1) Unless otherwise required, slash greater than one inch in diameter and greater than two feet long, and woody debris, except pine, shall receive full treatment no later than April 1 of the year following its creation, or within one year from the date of acceptance of the conversion exemption by the Director, whichever comes first.
- 2) All pine slash three inches and greater in diameter and longer than four feet must receive initial treatment if it is still on the parcel, within 7 days of its creation.
- 3) All pine woody debris longer than four feet must receive an initial treatment prior to full treatment.
- 4) Initial treatment shall include limbing woody debris and cutting slash and woody debris into lengths of less than four feet, and leaving the pieces exposed to solar radiation to aid in rapid drying.
- 5) Full treatment of all pine slash and woody debris must be completed by March 1 of the year following its creation, or within one year from the date of acceptance of the conversion exemption by the Director, whichever comes first.
- 6) Full slash and woody debris treatment may include any of the following:
 - a) Burying;
 - b) Chipping and spreading;
 - c) Piling and burning; or
 - d) Removing slash and woody debris from the site for treatment in compliance with (a)-(b). Slash and woody debris may not be burned by open outdoor fires except under permit from the appropriate fire protection agency, if required, the local air pollution control district or air quality management district. The burning must occur on the property where the slash and woody debris originated.
- 7) Slash and woody debris, except for pine, which is cut up for firewood shall be cut to lengths 24 inches or less and set aside for drying by April 1 of the year following its creation. Pine slash and woody debris which is cut up for firewood shall be cut to lengths 24 inches or less and set aside for drying within seven days of its creation.
- 8) Any treatment which involves burning of slash or woody debris shall comply with all state and local fire and air quality rules.

No remnant slash piles were observed during the site visit.

Biological Resources and Forest Stand Health

14 CCR 1104.1 (2)(H): "No sites of rare, threatened or endangered plants or animals shall be disturbed, threatened or damaged and no timber operations shall occur within the buffer zone of a sensitive species as defined in 14 CCR 895.1"

A query of the California Natural Diversity Database (CNDDDB) on November 5, 2019 showed no observations of sensitive, rare, threatened, or endangered species or species of special concern within a 0.7-mile radius biological assessment area (BAA) surrounding the cultivation sites. See attached CNDDDB Map. No individuals of sensitive, rare, threatened, or endangered species or species of special concern were observed during the TRC field assessment of the project area, though potential habitat may exist on the property. It is unlikely that the past conversion significantly impacted these species or their habitat.

Limitations and Considerations for Timberland Conversion Activities

The query of the CNDDDB also revealed no known Northern Spotted Owl (NSO) Activity Centers within a 0.7-mile radius BAA surrounding the cultivation sites. No evidence of NSO habitat was observed during the TRC field assessment.

No major forest health issues were observed during the field assessment. Though the property is located within Humboldt County, a Zone of Infestation (ZOI) for Sudden Oak Death (SOD), no symptoms, signs, or evidence of oak mortality were observed (*Oak Mortality Disease Control*). According to UC Berkeley's Mobile SOD Map, no trees have been sampled for SOD infection within a one-mile radius of the cultivation site and associated area. No risk assessment was made at the property. The conversion activities do not appear to have impacted forest health.

The conversion areas did not include late successional stands, late seral stage forests, or old growth trees. The conversion area did not include any trees that existed before 1800 A.D. and are greater than sixty (60) inches in diameter at stump height for Sierra or Coastal Redwoods, and forty-eight (48) inches in diameter at stump height for all other tree species.

Cultural Resources

14 CCR 1104.1 (2)(l): *"No timber operations are allowed on significant historical or archeological sites."*

No archeological sites were observed during the TRC field assessment. The RPF conducted pre-field research for the project's geographic location and closely surveyed the converted sites and surrounding undisturbed areas for presence or evidence of prehistoric or historic sites. The archaeological survey was conducted by Brita Rustad, a certified archaeological surveyor with current CALFIRE Archeological Training (Archeological Training Course #161). The survey consisted of examining boot scrapes, rodent disturbances, natural and manmade areas of exposed soils, and road and cultivation site surface.

Per 14 CCR 1104.2(2)(l), all required Native American tribes and organizations have been notified of the project location and are encouraged to respond with any information regarding archaeological sites, cultural sites, and/or tribal cultural resources within or adjacent to the project area.

Recommendations

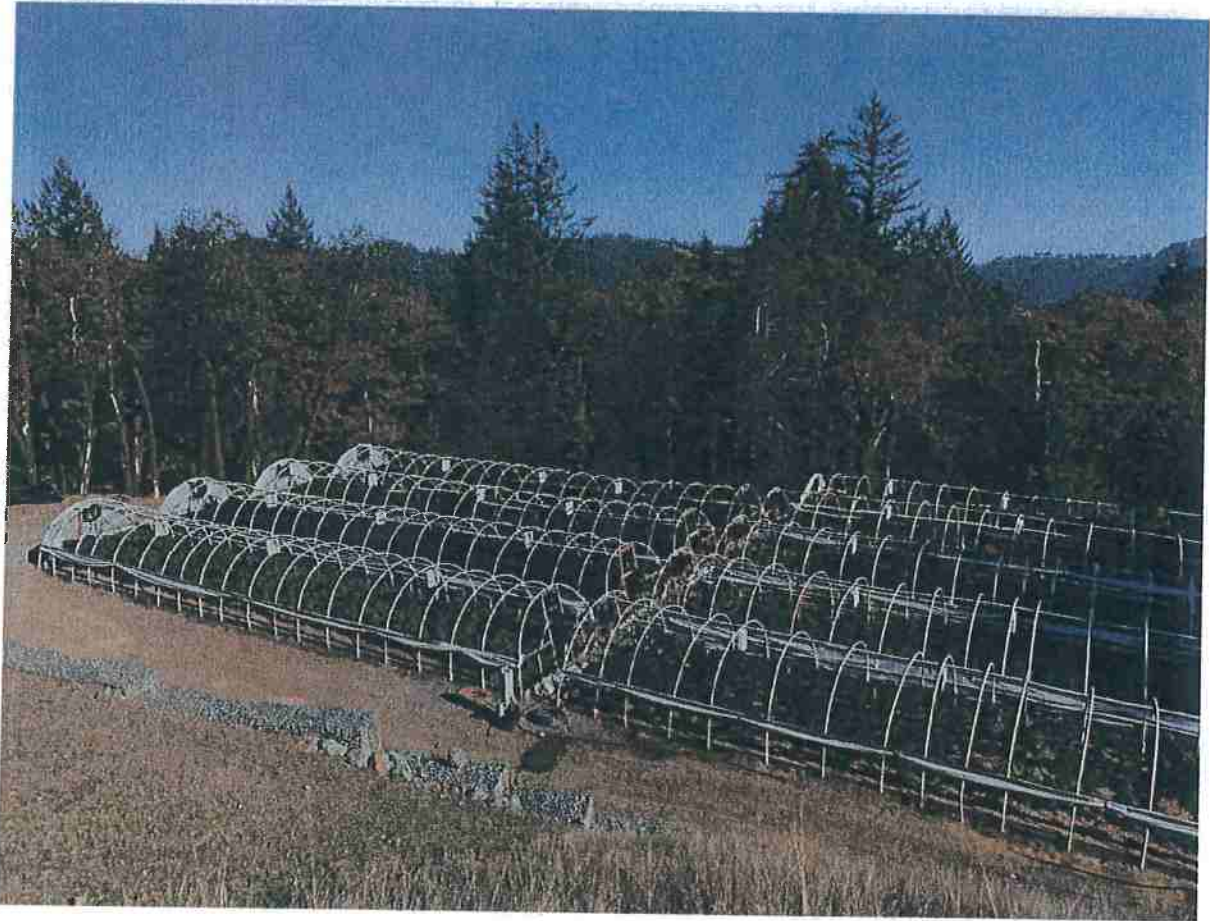
In summary, a total of 0.15 acres of unauthorized timberland conversion has occurred within APN 221-021-023. This total does not exceed the three-acre conversion exemption maximum. The conversion activities conducted on the property comply with the standards set forth in the California Forest Practice Act and the California Forest Practice Rules. The RPF has no recommendations.

Sincerely,



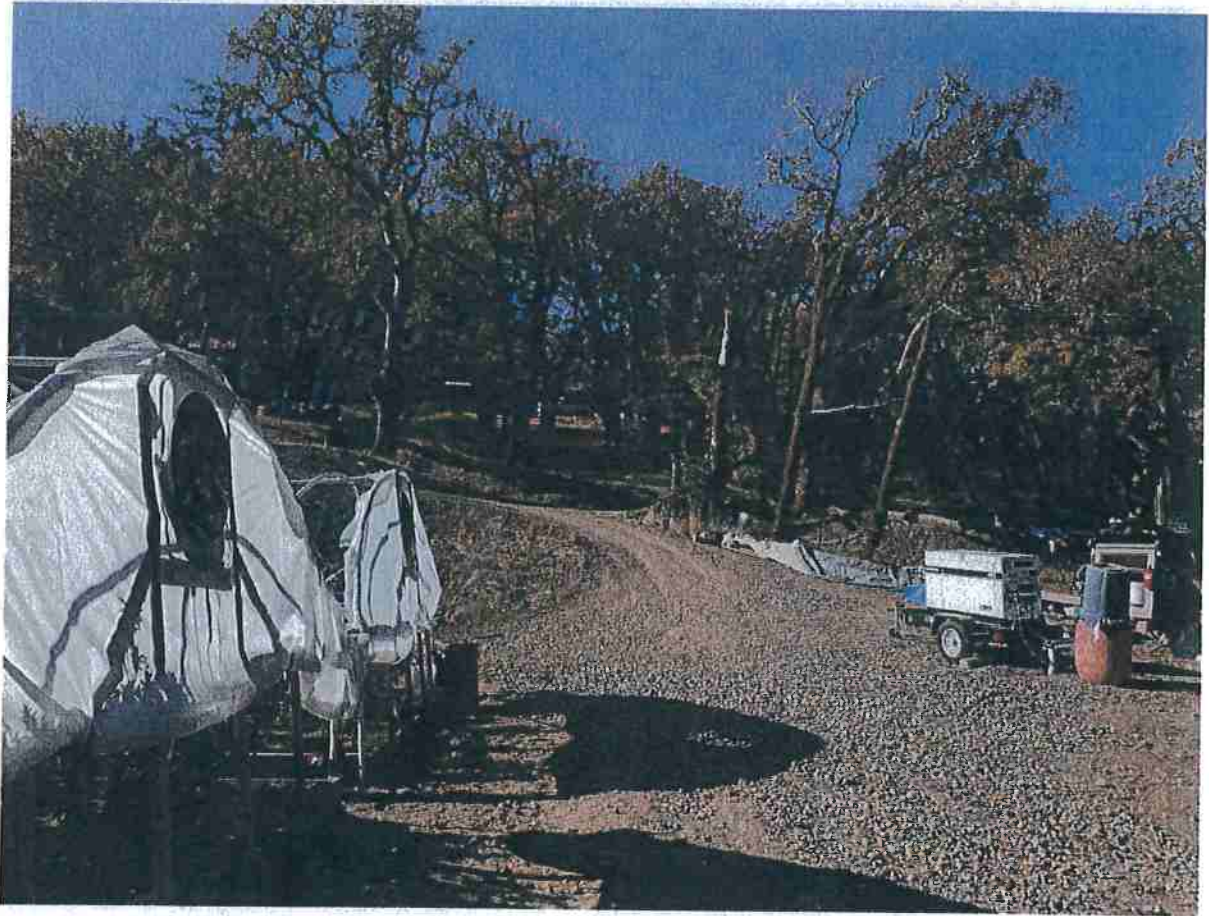
Chris Carroll, RPF #2628
Timberland Resource Consultants

Pictures



Picture 1: Cultivation Site 1. Photo date 11-4-2019.

Pictures



Picture 2: Cultivation Site 1 and pure oak woodland to the north and west. Photo date 11-4-2019.

Pictures



Picture 3a & 3b. Cultivation Site 1. Photo date 11-4-2019.

Pictures



Picture 4a & 4b. Cultivation Site 2. Photo date 11-4-2019.


Pictures



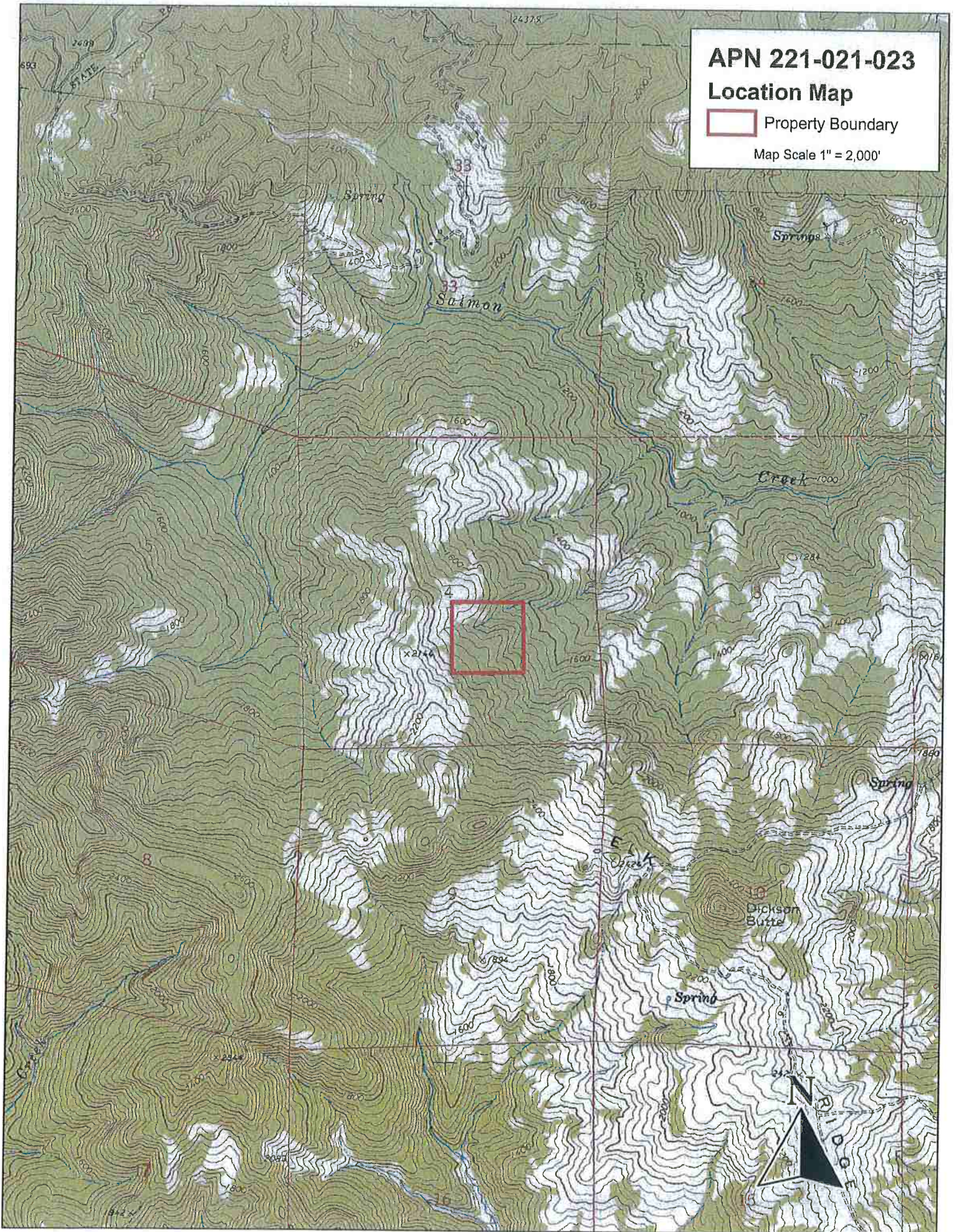
Picture 5a & 5b. Cultivation Site 3. Photo date 11-4-2019.

APN 221-021-023

Location Map

 Property Boundary

Map Scale 1" = 2,000'



APN 221-021-023

Conversion Evaluation Map



Property Boundary



Cultivation Site



Class II Watercourse



Class III Watercourse



Pond Overflow



Diverted Watercourse



Pond



Permanent Rocked Road



Seasonal Dirt Road



ATV Trail

Map Scale 1 inch = 200 feet

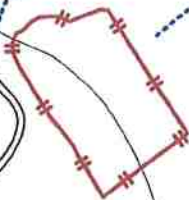
CS 3



CS 2



CS 1



NORTH

APN 221-021-023

Conversion Evaluation Map



Property Boundary



Cultivation Site



Class II Watercourse



Class III Watercourse



Pond Overflow



Diverted Watercourse



Pond



Permanent Rocked Road



Seasonal Dirt Road



ATV Trail

Map Scale 1 inch = 200 feet

CS 3

CS 2

CS 1

NORTH

2018 DOQ

APN 221-021-023

Conversion Evaluation Map

-  Property Boundary
-  Cultivation Site
-  Class II Watercourse
-  Class III Watercourse
-  Pond Overflow
-  Diverted Watercourse
-  Pond
-  Permanent Rocked Road
-  Seasonal Dirt Road
-  ATV Trail

Map Scale 1 Inch = 100 feet

CS 3

CS 2

CS 1



2010 DOQ

APN 221-021-023

Conversion Evaluation Map

-  Property Boundary
-  Cultivation Site
-  Class II Watercourse
-  Class III Watercourse
-  Pond Overflow
-  Diverted Watercourse
-  Pond
-  Permanent Rocked Road
-  Seasonal Dirt Road
-  ATV Trail

Map Scale 1 inch = 100 feet

CS 3

CS 2


CS 1

NORTH


1998 DOQ


APN 221-021-023


Conversion Evaluation Map

 Property Boundary

 Cultivation Site


 Class II Watercourse


 Class III Watercourse

 Pond Overflow

 Diverted Watercourse

 Pond

 Permanent Rocked Road

 Seasonal Dirt Road

 ATV Trail

Map Scale 1 inch = 100 feet

CS 3

CS 2

CS 1


NORTH

APN 221-021-023

CNDDDB Map

-  Property Boundary
-  0.7-Mile Biological Assessment Area
-  NSO Activity Center
-  CNDDDB Sensitive Species

Map Scale 1" = 1,500'

