

COUNTY OF LAKE MAJOR USE PERMIT, UP 22-14
INITIAL STUDY, IS 22-13
BLACKWELL CAPITAL MANAGEMENT, LLC
22004 MORGAN VALLEY ROAD

CONDITIONS OF APPROVAL
EXPIRES IF NOT USED BY APRIL 25, 2026
VALID UNTIL April 25, 2034

Pursuant to the approval of the Planning Commission on April 25, 2024, there is hereby granted to Blackwell Capital Management LLC a Major Use Permit, UP 22-14 with the following conditions of approval to allow the following Commercial Cannabis project: one A-Type 3 medium outdoor cultivation license, three A-Type 1C “Specialty Cottage” commercial cannabis licenses consisting of 51,060 square feet (sf) of outdoor canopy area, and one A-Type 13 Self-distribution, transport only State license. The cultivation site is located at 22004 Morgan Valley Road, Lower Lake (APN: 012-069-25). The project is subject to the following terms and conditions of approval:

- A. GENERAL
1. The use hereby permitted shall substantially conform to the Site Plans, Project Description, Hydrology Analysis, Property Management Plan and any conditions of approval imposed by the Major Use Permit and Review Authority for the outdoor cannabis cultivation sites described above. Approval of this project is based on:
 - a. Property Management Plan dated March 15, 2022
 - b. Site Plans, prepared by Realm Engineering dated August 10, 2021
 - c. Hydrology and Drought Management Plan, Realm Engineering, March 24, 2022
 2. This permit does not abridge or supersede the regulatory powers or permit requirements of any federal, state, local agency, special district or department which may retain a regulatory or advisory function as specified by statute or ordinance. The applicant shall obtain permits as may be required from each agency.
 3. Prior to cultivation activities, the applicant must ensure that all necessary building permits have been obtained for any new structures and for existing structures that do not have a record of permits.
 4. Prior to operation and construction, the applicant shall obtain permits from all necessary Federal, State, and local agencies for the construction/ development of any infrastructure.
 5. Prior to operation, the applicant shall provide adequate security on the premises. All fencing installed shall contain screening material such as chain links with slats, or solid wood or metal fencing; fabric screening material is not permitted due to poor durability. The fence shall be a minimum of six (6) feet in height and cannot exceed eight (8) feet in height. If the fencing exceeds seven (7) feet height, the applicant shall obtain all necessary building permits.
 6. If there is a change in the ownership or project manager, the new permit holder(s) shall submit notarized written documentation that they are formally taking over said permit to the Community Development Department for review and approval, including submitting the required application, proof of live-scan background check, and any applicable fees. The new applicant shall obtain written approval from all property owner(s), which authorize the tenant(s) or lessee(s) to cultivate cannabis at the project site(s). Said written verification, containing the property owner's signature, shall be notarized. A copy of the written approval shall be maintained by the tenant or lessee and made available for review upon request. Written approvals shall be renewed annually.
 7. Prior to operation, the applicant is responsible for ensuring that all project workers are informed of, understand, and agree to abide by the approved plans and project conditions.
 8. Prior to operation, all necessary permits shall be obtained from all applicable federal, state, and county agencies having jurisdiction over this project. Said permits shall be maintained for the life of the project.
 9. Prior to this use permit being valid, vested, or operative, all necessary permits shall be obtained from all applicable federal, state and county agencies having jurisdiction over this project including , but not limited to, the Department of Cannabis Control, Department of Food and Agriculture, Department of Pesticide Regulation, Department of Fish and Wildlife, The State Water Resources Control Board, Board of Forestry and Fire Protection, Central Valley or North Coast Regional

Water Quality Control Board, Department of Public Health, and Department of Consumer Affairs. Said permits shall be maintained for the life of the project:

- A copy of said permits shall be submitted to the Lake County Community Development Department for review and approval. If permits are not required, the applicant shall obtain written documentation from each agency and submit said documentation to the Community Development Department.
 - If there is a change in name of the permit operator(s), the new permit operator(s) shall be responsible for ensuring all applicable permits are up to date.
10. Prior to operation, the applicant shall be enrolled in and comply with the *State of California Track and Trace* program and all requirements, including having all cannabis plants properly tagged. Additionally, the applicant shall submit written verification to the Lake County Community Development Department for review and approval.
 11. The applicant shall not sell, transfer and/ or give cannabis or cannabis products, nor allow into the cultivation area, nor employ or retain any persons under the age of 21.
 12. An applicant shall keep accurate records of commercial cannabis activity. All records related to commercial cannabis activity as defined by the State Licensing Authorities shall be maintained for a minimum of seven (7) years. Said records shall be made available upon request at any given time.
 - The County may examine the books and records of an applicant and inspect the premises of a permittee, when the County deems necessary, to perform its duties under this division. All inspections shall be conducted during standard business hours of the permitted facility or at any other reasonable time.
 - Applicants shall keep records identified by the County on the premises of the location permitted and the County may make any examination of the records of any applicant. Applicants shall also provide and deliver copies of such documents to the County upon request.
 - An applicant, or its agent or employee, that refuses, impedes, obstructs, or interferes with an inspection of the premises or records of the applicant pursuant to this section, has engaged in a violation of this article.
 13. Prior to cultivation, all persons with access to cannabis plants on site shall undergo and pass a background check by the Lake County Sheriff Office.
 14. The applicant shall provide adequate security measures per Article 27 of the Lake County Zoning Ordinance. The Security Plan shall be reviewed and approved by the Lake County Sheriff's Office.
 15. Prior to the start of cultivation, all structure(s) used for commercial cultivation shall meet accessibility standards. Please contact the Lake County Community Development Department's Building Division for more information.
 16. Prior to the start of cultivation, all accessible compliant parking areas, routes of travel, building access, and/ or bathrooms shall meet all California Building Code Requirements.
 17. All handicap parking areas, routes of travel, building access, and bathrooms shall meet the Americans with Disabilities Act (ADA) requirements and be subject to review and approval of a Certified Accessibility Access Specialist (CAsp).
 18. The proper storage of equipment, removal of litter and waste, and cutting of weeds or grass shall not constitute an attractant, breeding place, or harborage for pests.
 19. This permit shall be null and void if not used by April 25, 2026, or if the use is abandoned for a period of two (2) years.
 20. The California Department of Fish & Wildlife filing fee shall be submitted as required by California Environmental Quality Act (CEQA) statute, Section 21089(b) and Fish and Game Code Section 711.4. The fee should be submitted to the Community Development Department within five days of approval of the Mitigated Negative Declaration.
 21. All food scraps, wrappers, food containers, cans, bottles, and other trash from the project area should be deposited in trash containers with an adequate lid or cover to contain trash. All food waste should be placed in a securely covered bin and removed from the site weekly to avoid attracting animals.
 22. The operation shall not rely on generator(s) as a primary source of power and shall only allow generator(s) for temporary use in the event of a power outage or emergency that is beyond the applicant's control. Diesel-powered generators are prohibited.
 23. The applicant shall adhere to all applicable requirements in the Lake County Zoning Ordinance and the Lake County Code.

24. The permit holder shall pay the cannabis cultivation tax to the Lake County Tax Collector in accordance with the cannabis billing cycle. The applicant shall submit proof of payment to the Community Development Department within thirty (30) days of receiving payment confirmation. Failure to pay said cultivation tax will result in the initiation of permit revocation proceedings. For further details on cultivation taxes, please contact the Lake County Tax Collectors Office at (707) 263-2234.

B. AESTHETICS

1. The cultivation area shall be screened from public view by a new 6' tall fence. Fencing material shall be of either chain link with screening slats, or solid wood or metal. Fabric-covered fencing is erodible and not durable, and therefore is not permitted. Regular yearly inspection and maintenance of fencing shall be required.
2. All outdoor lighting shall be directed downward onto the Project site and not onto adjacent properties. All lighting equipment shall comply with the recommendations of www.darksky.org.
3. Security lighting shall be motion activated and all outdoor lighting shall be shielded and downcast or otherwise positioned in a manner that will not shine light or allow light glare to exceed the boundaries of the lot of record upon which they are placed.

C. AIR QUALITY

1. Prior to obtaining the necessary permits and/or approvals for any phase, applicant shall contact the Lake County Air Quality Management District (LCAQMD) and obtain an Authority to Construct (A/C) permit for all operations and for any diesel-powered equipment and/or other equipment with potential for air emissions. *Mitigation Measure AQ-1*
2. All mobile diesel equipment used must be in compliance with State registration requirements. Portable and stationary diesel-powered equipment must meet the requirements of the State Air Toxic Control Measures for CI engines. Additionally, all applicants must notify LCAQMD prior to beginning construction activities and prior to engine use. *Mitigation Measure AQ-2*
3. The applicant shall maintain records of all hazardous or toxic materials used, including a Material Safety Data Sheet (MSDS) for all volatile organic compounds utilized, including cleaning materials. Said information shall be made available upon request and/or the ability to provide the Lake County Air Quality Management District such information in order to complete an updated Air Toxic emission Inventory. *Mitigation Measure AQ-3*
4. All vegetation during site development shall be chipped and spread for ground cover and/or erosion control. The burning of vegetation, construction debris, including waste material is prohibited. *Mitigation Measure AQ-4*
5. Prior to cultivation, the applicant shall have the primary access and parking areas surfaced with chip seal, asphalt or an equivalent all weather surfacing to reduce fugitive dust generation. The use of white rock as a road base or surface material for travel routes and/or parking areas is prohibited. *Mitigation Measure AQ-5*
6. All areas subject infrequent use of driveways, overflow parking, etc., shall be surfaced with gravel. Applicant shall regularly use and/or maintain graveled area to reduce fugitive dust generations. *Mitigation Measure AQ-6*

D. BIOLOGICAL RESOURCES

1. All work should incorporate erosion control measures consistent with the engineered Erosion and Sediment Control Plans submitted, Lake County Grading Regulations, and the State Water Resources Control Board's Cannabis General Order (Order No. WQ 2019-001-DWQ). *Mitigation Measure BIO-1*
2. Pesticides and fertilizer storage facilities will utilize proper best management practices and shall not be located within riparian setbacks or where they may pass into a lake or stream. *Mitigation Measure BIO-2*
3. The applicant shall maintain a minimum of a 150-foot setback from perennial watercourses, a 100-foot setback from intermittent watercourses, and a 50-foot setback from the top of bank of any watercourse, wetland, and/or vernal pool. *Mitigation Measure BIO-3*
4. Prior to commencement of activities within the bed or bank of a creek, a Streambed Alteration Agreement shall be obtained from the California Department of Fish and Wildlife. All the conditions of such permit shall be adhered to throughout the course of the project to reduce the impacts to a less than significant level. *Mitigation Measure BIO-4*
5. Prior to any ground disturbance and/or vegetation removal, the applicant shall have a pre-construction survey conducted by a qualified biologist for special-status plant and animal species to ensure that

special-status species are not present. If any listed species are detected, construction shall be delayed, and the appropriate resource agency (CDFW and/or USFWS) shall be consulted with and project impacts and mitigation reassessed. *Mitigation Measure BIO-5*

6. If construction activities occur during the nesting season (February 15-September 1), a pre-construction survey for the presence of special-status bird species or any nesting bird species should be conducted by a qualified biologist within seven days prior to the commencement of ground disturbing activities. If active nests are identified in these areas, CDFW and/or USFWS should be consulted to develop measures to avoid "take" of active nests prior to the initiation of any construction activities. Biologist measures may include establishment of a buffer zone using construction fencing or the postponement of vegetation removal until after the nesting season, or until after a qualified biologist has determined the young have fledged and are independent of the nest site. *Mitigation Measure BIO-6*

E. CULTURAL RESOURCES

1. All employees shall be trained in recognizing potentially significant archaeological, paleontological, or cultural materials that may be discovered during ground disturbance. Prior to ground disturbing activities, the Permittee shall submit a Cultural Resources Plan, identifying methods of sensitivity training for site workers, procedures in the event of an accidental discovery, and documentation and reporting procedures. Prior to ground disturbing activities, the Permittee shall submit verification that all site workers have reviewed the Cultural Resources Plan and received sensitivity training. *Mitigation Measure CUL-1*
2. Should any archaeological, paleontological, or cultural materials be discovered during site development, all activity shall be halted within 100 feet of the find(s). A professional archaeologist certified by the Registry of Professional Archeologists (RPA) shall be notified and shall evaluate the find(s) and recommend mitigation procedures, if necessary. The findings and mitigation measures shall be reviewed and approved by the Lake County Community Development Director prior to commencing work. *Mitigation Measure CUL-2*
3. Should any human remains be encountered, the applicant shall halt all work within 100 feet, notify the Sheriff's Department, the culturally affiliated Tribe(s), and a qualified archaeologist for proper internment and Tribal rituals per Public Resources Code Section 5097.98 and Health and Safety Code 7050.5 *Mitigation Measure CUL-3*

F. GEOLOGY AND SOIL

1. Excavation, filling, vegetation clearing, or other disturbance off the soil shall not occur between October 15 and April 15 unless authorized by the Community Development Department Director. The actual dates of the defined grading period may be adjusted according to weather and soil conditions at the discretion of the Community Development Director.
2. All erosion control and sedimentation prevention measures shall be monitored by the permit holder during the rainy seasons (October 15 to May 15), including during operation.
3. A Grading Permit may be required for road and culvert improvements. Culvert improvements shall not increase the flow velocity, rate, or volume and/or acquiring sufficient storm drain easements that accommodate an appropriately vegetated earthen drainage channel.

G. HAZARDS & HAZARDOUS MATERIALS

1. All equipment shall be maintained and operated to minimize spillage or leakage of hazardous materials. All equipment shall be refueled in locations more than 100 feet from surface water bodies. Servicing of equipment shall occur on an impermeable surface. In an event of a spill or leak, the contaminated soil shall be stored, transported, and disposed of consistent with applicable local, state, and federal regulations.
2. The storage of hazardous materials equal to or greater than fifty-five (55) gallons of a liquid, 500 pounds of a solid, or 200 cubic feet of compressed gas, then a Hazardous Materials Inventory Disclosure Statement/ Business Plan shall be submitted and maintained in compliance with requirements of Lake County Environmental Health Division. Industrial waste shall not be disposed of on site without review or permit from Lake County Environmental Health Division or the California Regional Water Quality Control Board. The permit holder shall comply with petroleum fuel storage tank regulations if fuel is stored on site.
3. Any spills of oils, fluids, fuel, concrete, or other hazardous construction material shall be immediately cleaned up. All equipment and materials shall be stored in the staging areas away from all known waterways.
4. The applicant shall maintain records of all hazardous or toxic materials used, including a Material Safety Data Sheet (MSDS) for all volatile organic compounds utilized, including cleaning

materials. Said information shall be made available upon request and/or the ability to provide the Lake County Air Quality Management District such information to complete an updated Air Toxic Emission Inventory.

5. The applicant shall obtain an Operator Identification Number from the California Department of Pesticide Regulation prior to using pesticides onsite for cannabis cultivation.

H. HYDROLOGY & WATER QUALITY

1. The project design shall incorporate appropriate BMPs consistent with County and State storm water drainage regulations to prevent or reduce discharge of all construction or post-construction pollutants and hazardous materials offsite or all surface water.
2. The production well shall have a meter to measure the amount of water pumped. The production wells shall have continuous water level monitors. The methodology of the monitoring program shall be described. A monitoring well of equal depth within the cone of influence of the production well may be substituted for the water level monitoring of the production well. The monitoring wells shall be constructed, and monitoring begun at least three months prior to the use of the supply well. An applicant shall maintain a record of all data collected and shall provide a report of the data collected to the County annually.
3. The illicit discharge of irrigation or storm water from the project parcel, as defined in Title 40 of the Code of Federal regulation, Section 122.26, which may result in degradation of water quality of any water body is prohibited.
4. The applicant shall maintain all necessary permits from the Central Valley Regional Water Quality Control Board and submit written verification to the Community Development Department. A copy of all permits shall be included in the Annual Performance Report.
5. The applicant shall maintain a legal water source on the premises, and shall obtain and maintain all necessary Federal, State, or local permits required to utilize the water source. If the permitted activity utilizes a shared source of water from another site, such source shall be a legal source, have all Federal, State, or local permits required to utilize the water source, and have a written agreement between the property owner of the site where the wells are located and the permitted activity agreeing to use the permitted water source and all terms and conditions of that use.
6. The use of water provided by a public water supply, unlawful water diversions, transported by a water hauler, bottled water, a water-vending machine, or a retail water facility is prohibited. The utilization of water that has been or is illegal diverted from any lake, springs, wetland, stream, creek, vernal pool and/or river is prohibited. The applicant shall not engage in unlawful or unpermitted drawing of surface water.
7. Prior to cultivation, the applicant shall install straw wattles around the cultivation sites in a manner that retains stormwater within the cultivation area.

I. NOISE

1. All construction activities including engine warm-up shall be limited Monday Through Friday, between the hours of 7:00 a.m. and 7:00 p.m., and Saturdays from 12:00 noon to 5:00 p.m. to minimize noise impacts on nearby residents. Back-up beepers shall be adjusted to the lowest allowable levels. This mitigation does not apply to night work. *Mitigation Measure NOI-1*
2. Maximum non-construction related sounds levels shall not exceed levels of 55 dBA between the hours of 7:00 a.m. to 10:00 p.m. and 45 dBA between the hours of 10:00 p.m. to 7:00 a.m. within residential areas as specified within Zoning Ordinance Section 21-41.11 (Table 11.1) at the property lines. *Mitigation Measure NOI-2*

J. TRANSPORTATION

1. Prior to cultivation, the applicant shall improve the interior driveway in a manner that complies with Public Resource Code sections PRC 4290 and 4291. This includes, but is not limited to, surface material, road slope, road width, turnouts, vertical clearance. The applicant shall contact the Lake County Building Department to schedule a 4290 and 4291 inspection prior to any cultivation activity occurring on the site. The Fire Marshal may waive this requirement with a finding that the use is an agricultural use and qualifies for an agricultural exemption to PRC road standards.
2. Prior to cultivation, the project shall have 100' of defensible space around each building on site.
3. Gates shall not be constructed across driveways or access roads that are used by neighboring properties or the general public. Gates constructed across public access easements are subject to removal per State Street and Highway Codes. A Knox box is required on all gated entrances.

4. Prior to final inspection, all Accessible Compliant Parking Areas, routes of travel, building access and/or bathrooms shall meet all California Building Code Requirements.
5. Prior to cultivation, the applicant shall designate at least 5,000 gallons of water in on-site tanks that can be connected to emergency response vehicle hoses.

K. TRIBAL CULTURAL RESOURCES

1. All on-site personnel of the project shall receive Tribal Cultural Resource sensitivity training prior to initiation of ground disturbance activities on the project. The training must be according to the standards of the NAHC or culturally affiliated tribe(s). Training will address the potential for exposing subsurface resources and procedures if a potential resource is identified. The training will also provide a process for notification of discoveries to culturally affiliated tribes, protection, treatment, care and handling of tribal cultural resources discovered or disturbed during ground disturbance activities of the Project. Tribal monitors will be required to participate in any necessary environmental and/or safety awareness training prior to engaging in any tribal monitoring activities for the project. *Mitigation Measure TRC -1*
2. If previously unidentified Tribal Cultural Resources are encountered during the project altering the materials and their stratigraphic context shall be avoided and work shall halt immediately. Project personnel shall not collect, move, or disturb cultural resources. A representative from a locally affiliated tribe(s) shall be contacted to evaluate the resource and prepare tribal cultural resources plan to allow for identification and further evaluation in determining the tribal cultural resource significance and appropriate treatment or disposition. *Mitigation Measures TRC-2*

L. WILDFIRE

1. Construction activities are prohibited during a red flag warning (as determined by the local fire department and/or national weather service) and wind, temperature and relative humidity will be monitored in order to minimize the risk of wildfire. Grading will not occur on windy days that could increase the risk of wildfire spread should the equipment create a spark. *Mitigation Measure WLD-1*
2. A water tender shall be present on-site during earthwork to reduce the risk of wildfire and dust. *Mitigation Measure WLD-2*
3. The applicant shall re-install the erosion and sediment control measures identified in the engineered Erosion and Sediment Control Plan for the project, as soon as possible following a wildfire emergency affecting the Project Parcel. *Mitigation Measure WLD-3*
4. The applicant shall install a 5,000- gallon water tank made of steel or fiberglass that is dedicated to fire suppression. The tank shall be equipped with connectors that will enable an emergency service provider to connect fire hoses to the water tank. *Mitigation Measure WLD-4*

M. TIMING & MITIGATION MONITORING

1. The permit holder shall permit the County of Lake or representative(s) or designee(s) to make periodic and/ or annual inspections at any reasonable time deemed necessary in order to assure that the activity being performed under authority of this permit is in accordance with the terms and conditions prescribed herein.
2. The applicant shall submit an *Annual Performance Review Report* their initial date of operation for review and approval by the Planning Commission. The Planning Commission may delegate review of the *Annual Performance Review Report* to the Community Development Director at the time of the initial hearing or at any time thereafter. The *Annual Performance Review Report* shall identify the effectiveness of the approved Major Use Permit, Operations Manual, Operating Standards, and Conditions of Approval, as well as the identification and implementation of additional procedures deemed necessary. In the event the Planning Commission identifies issues with the Annual Performance Review Report, it may lead to revocation of the approved use and/or the Planning Commission may require the submittal of more frequent Performance Review Reports. Additionally, the Performance Review Report shall include the following:
 - The project parcel shall be inspected by the Community Development Department on an Annual Basis and/or less frequently if approved by the Community Development Director. A copy of the results from said inspection shall be provided to the applicant for inclusion in their Performant Review Report.
 - A Compliance Monitoring Fee shall be paid by applicant and accompany the Performance Review Report. A Compliance Monitoring Inspection of the Cultivation Site shall be conducted annually during the growing season. The applicant shall contact the Community Development Department to schedule each inspection.
 - If there are no violation of the use permit and/or State License during the first five (5) years, the inspections may be reduced by the Community Development Director to not less than once every 5 years
 - Non-compliance by the applicant by not allowing the inspection by the Community

Development Department, or refusal to pay the required fees, or noncompliance in submitting the annual "Performance Review Report" for review by the Planning Commission shall be deemed grounds for a revocation of the development permit or use permit and subject the holder of the permit(s) to the penalties outlined in this Code.

3. The applicant(s) shall submit an application for renewal of the authorized use to the Community Development Department prior to November 25, 2033. Failure to submit an application for renewal at least six months prior to the expiration date of the permit may result in the expiration of the permit. Applicant(s) shall submit the required application, associated fees and the following additional information which may include but is not limited to:
- A copy of all licenses, permits, and conditions of such licenses or permits related to the project from state agencies as appropriate including, but not limited to the California Department of Food and Agriculture, Department of Pesticide Regulation, Department of Fish and Wildlife, The State Water Resources Control Board, Board of Forestry and Fire Protection, Central Valley or North Coast Regional Water Quality Control Board, and the Department of Public Health.
 - A copy of all reports provided the County and State agencies as determined by the Director.
 - Documentation that the applicant is still qualified to be an applicant.
 - Any proposed changes to the use permit or how the site will be operated.
 - Payment of all fees as established by resolution by the Board of Supervisors.
4. This permit may be revoked if the use for which the permit was granted is conducted as to be detrimental to the public health, safety, or welfare or as to be a nuisance. This permit shall be valid until it expires or is revoked pursuant to the terms of this permit and/or Chapter 21 of the Lake County Code.

Mireya G. Turner, Director
COMMUNITY DEVELOPMENT DEPARTMENT

Prepared by: TT

By: _____
Ruby Mitts, Office Administrator III

ACCEPTANCE

I have read and understand the foregoing Major Use Permit and agree to each and every term and condition thereof.

Date: _____

Applicant or Authorized Agent Signature

Printed Name of Authorized Agent