

HIGH GRADE SOLUTIONS **MANAGEMENT PLAN**

Project Location

11612 Clayton Creek Road
Lower Lake, CA 95457

Project Parcels

Lake County APN 049-300-15

Applicant:

Kushman and Bakefield Inc.

Project Manager:

Valerie Peng

September 25th, 2020

Project Description

High Grade Solutions is seeking a major use permit to obtain a Type 6 Non-Volatile Manufacturing license and a Type 11 Distributor License from the County of Lake Community Development Department to allow the processing, packaging, and distribution of cannabis at 11612 Clayton Creek Rd, APN 049-300-15. All manufacturing and distribution activities will be contained within an existing building, which will include 2,865 Sq. Ft. dedicated to processing, including storage and trimming, 2,085 Sq. Ft. for distribution, including loading/unloading area and storage, and 1,697 Sq. Ft. of offices and administrative support.

There will be no hazardous chemicals or materials stored on site or used for manufacturing activities, there will only be those found in common cleaners that will be used for disinfecting and cleaning work areas and bathrooms. All solid waste will be stored in bins with secure fitting lids until being disposed of at a Lake County Integrated Waste Management facility, at least once a week. The closest Lake County Integrated Waste Management facility to the proposed operation is the Eastlake Landfill.

At this time High Grade Solutions is currently being operated and managed by Kushman and Bakefield Inc. All future employees will undergo a background check by the Lake County Sheriff's Department before starting employment and be a United States citizen or eligible for employment within the US. The project's core business hours of operation will take place between 8am-6pm with deliveries and pickups restricted to 9am-7pm Monday through Saturday and Sunday from 12pm-5pm.

The Project Property is currently accessed by Clayton Creek Road, a county maintained road, off Spruce Grove Road adjacent to where it meets CA Highway 29. The project proposes 15 parking stalls (1 ADA) in the existing parking lot of the project site. The gate will be locked outside of core operating/business hours (8am to 6pm) and whenever High Grade Solutions personnel are not present. Only approved High Grade Solutions managerial staff and emergency service providers are able to unlock the gates on the Project Property.

Type N and P

1. A person or entity shall not engage in manufacturing of cannabis without first obtaining a Lake County minor or major use permit, a state cannabis license, and other applicable permits.

The submission of this application is to obtain a major use permit to use the property at 11620 Clayton Creek Rd (APN:049-300-15) for the non-volatile manufacturing of cannabis/cannabis products with accessory uses such as processing and storage, as well as for the distribution of cannabis/cannabis products. All required state and other applicable permits will be applied for and obtained. No manufacturing, accessory uses, or distribution activities will occur until all the necessary permits have been obtained.

2. The Department shall notify the Bureau of Cannabis Control or its successor agency upon revocation of any local license, permit, or authorization for a permittee to engage in commercial cannabis activity within the local jurisdiction.

The above statement is understood; if any of the permittee's local licenses or permits are revoked, the permittee accepts the consequences.

3. The parcel where the cannabis manufacturing facility is located shall front and have direct access to a paved State or County maintained road.

The parcel's access driveway is directly connected to Clayton Creek Rd. a county owned and maintained road.

4. Records

- i. An applicant shall keep accurate records of commercial cannabis activity.
- ii. All records related to commercial cannabis activity as defined by the state licensing authorities shall be maintained for a minimum of seven years.
- iii. 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.
- iv. Applicants shall keep records identified by the County on the premises of the location permitted. 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.
- v. 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.

The applicant will keep accurate records of all commercial cannabis activity that takes place on the premises as defined by this ordinance and the state licensing authorities. All records will be maintained for a minimum of seven years. The county will have access to all records and will be permitted to inspect the premises whenever the county deems it necessary. Copies of the records can be provided or delivered to the county at their request. It is understood that the permittee will be in violation if they or any of their agents or employees refuse, impede, obstruct, or interfere with an inspection of the premises or records pursuant to Section AU (4).

5. If the applicant is other than a natural person (including general partnerships of more than one individual natural person), the applicant must provide documentation regarding the nature of the

entity and the names of the individual natural persons who manage, own or control the entity. The most common entities are corporations, limited liability companies (LLCs), limited partnerships (LPs), or trusts. These entities can be multi-layered and/or interlocking, e.g. a corporation can be owned by another corporation. If that is the case, documents for those other related entities are needed until the individual natural persons who manage, own or control the entities can be identified.

- i. For Corporations: Articles of Incorporation – file stamped by the state agency where incorporated. If not a California Corporation, the registration filed to do business in California must be stamped by the CA Secretary of State. A list of the officers and directors of the corporation (this could be a single person). The agent for service of process and business office address in California. A list of the shareholders of the corporation (again, it could be a single person and the same as the officer/director). If it is a large, publicly held corporation with many shareholders, contact the Department for direction. If a non-profit mutual benefit corporation (common under pre-MMRSA practice for cannabis operations), a list of the members instead of the shareholders. A resolution of the board of directors authorizing the individual who will sign the application and other documents on behalf of the corporation to do so.
- ii. For Limited Liability Companies: Articles of Organization – file stamped by the state agency where formed. If not a California LLC, or the registration to do business in California file stamped by the CA Secretary of State. A list of the managing member or members of the company. The agent for service of process and business office address in California. A list of any other members of the company. The application and other documents submitted on behalf of the LLC must be signed by a managing member.
- iii. For Limited Partnerships: Certificate of Limited Partnership – file stamped by the state agency where filed. If not a California LP, the registration to do business in California file must be stamped by the CA Secretary of State. The identity of the General Partner or partners. The agent for service of process and business office address in California. A list of the limited partners of the LP. The application and other documents submitted on behalf of the LP must be signed by a general partner.
- iv. For Trusts: The Declaration of Trust or Statement of Trust – The name and address of the Trustee or trustees. A list of the names beneficiaries of the trust with a vested interest in the property held by the trust (check with County Counsel for explanation and details if needed). The application and other documents submitted on behalf of the trust must be signed by a Trustee.

The LLC information is attached with the submission.

6. Background Checks: All applicants and employees shall undergo a background check by the Lake County Sheriff Department. An individual may fail the background check if employee has

been convicted of an offense that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, except that if the sheriff determines that the applicant or permittee is otherwise suitable to be issued a license and granting the license would not compromise public safety, the sheriff shall conduct a thorough review of the nature of the crime, conviction, circumstances, and evidence of rehabilitation of the applicant, and shall evaluate the suitability of the applicant or permittee be issued a license based on the evidence found through the review. In determining which offenses are substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, the sheriff shall include, but not be limited to, the conditions described in Section 26057 of the California Business and Professions Code.

The applicant and all employees will have a background check completed through the Lake County Sheriff's Department.

7. Application for Background Clearance for County Permit: An applicant for cannabis distribution permit shall do all of the following:

- i. Require that each applicant and employee electronically submit to the Department of Justice fingerprint images and related information required by the Department of Justice for the purpose of obtaining information as to the existence and content of a record of state or federal convictions and arrests, and information as to the existence and content of a record of state or federal convictions and arrests for which the Department of Justice establishes that the person is free on bail or on his or her own recognizance, pending trial or appeal.
- ii. The Sheriff's Office shall request from the Department of Justice subsequent notification service, as provided pursuant to Section 11105.2 of the Penal Code, for applicants.
- iii. The applicant will be responsible to pay any fee the Department of Justice charges that is set by the Department of Justice and sufficient to cover the reasonable cost of processing the requests described in this paragraph.
- iv. Pay any fees of the Sheriff's office as established by the Board of Supervisors.

The applicant and all employees will electronically submit fingerprint images to the Department of Justice and pay all fees charged by the Department of Justice and the Sheriff's Office.

8. Qualifications for a Minor or Major Use Permit: The County may deny a minor or major use permit (Permit) or the renewal of a Permit if any of the following conditions apply:

- i. If the applicant(s) fails the background check.

- ii. Failure to comply with the provisions of this chapter or any rule or regulation adopted pursuant to this chapter, including but not limited to, any requirement imposed to protect natural resources, in-stream flow, water quality, and fish and wildlife.
- iii. The applicant has failed to provide information required by the Lake County Zoning Ordinance.

The applicant acknowledges that the initial permit or renewal of the permit can be denied by the county if they fail a background check, fail to comply with any rule or regulation in this chapter, or fail to provide any information as required by the Lake County Zoning Ordinance.

9. The applicant, owner, or permittee has been convicted of an offense that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, except that if the Lake County Sheriff finds that the applicant, owner, or permittee is otherwise suitable to be issued a permit, and granting the permit would not compromise public safety, the Lake County Sheriff shall conduct a thorough review of the nature of the crime, conviction, circumstances, and evidence of rehabilitation of the applicant or owner, and shall evaluate the suitability of the applicant, owner, or permittee to be issued a permit based on the evidence found through the review.

The applicant acknowledges that if they have been convicted of an offense, the Lake County Sheriff's Department can/will conduct a thorough review, which may affect the ability to be issued a permit.

10. Property Owner's Approval: If the property where the cannabis activity is to be located is not owned by the applicant, written approval shall be obtained from the property owner(s), containing the property owner(s) notarized signature that authorizes the tenant or lessee to conduct cannabis manufacturing or processor activities of cannabis at the site. A copy of the written approval shall be maintained by the tenant or lessee and made available for review by enforcement officials upon request. Written approvals shall be renewed annually.

The applicant is not the owner of the property (11620 Clayton Creek Rd, APN:049-300-15) where this permit is being applied. The applicant is currently engaged in a lease with the landowner and has the consent of the landowner to submit this application and if approved, to carry out the activities described in this plan. Consent has been given by signature of the owner on the major use permit application. The lease agreement has also been provided.

11. Sign Standards: In addition to the sign standards of the applicable area plan and this Chapter, the design shall comply with the following standards:

- i. Cannabis, cannabis-infused products, or associated products shall not be displayed or clearly visible to a person from the exterior of the cannabis manufacturing facility.

No products will be displayed for the public to see from the exterior. The building's existing windows will be screened to not allow visual into the facility. The manufacturing facility will not have walk-in customers as it is not applying for retail. All activities except storage and loading will be fully contained within the existing building.

- ii. The facility shall not display on the exterior of the facility advertisements for cannabis or any brand name and may only identify the building by the registered name.

No signs advertising cannabis or brand names are proposed. If a sign is added to the building it will only be of the business name "High Grade Solutions".

- iii. The facility shall not utilize graphics related to cannabis or paraphernalia on the exterior of the building in which the cannabis manufacturing facility is located.

No graphics depicting cannabis paraphernalia or anything related to cannabis will be placed on the exterior of the building or the property.

12. Design Standards: In addition to the design standards of the applicable area plan and this Chapter, the design shall comply with the following standards:

- i. Auxiliary structures such as trash enclosures and storage areas should be compatible with and integrated into the overall design.

The facility's auxiliary structures, such as trash enclosures and storage areas will be compatible with and integrated into the overall design of the facility.

- ii. Containers for the recycling of recyclable products shall be accommodated within trash storage areas.

The facility will have containers for the recycling of recyclable products within trash storage areas.

- iii. The height and mass of buildings shall consider the visual and physical relationship to adjacent uses. A structure that dominates its environment by its relative size is strongly discouraged.

The height and the mass of the existing facility is similar in size to facilities on adjacent properties. The facility's visual characteristics also closely match those on adjacent properties.

- iv. Facades with a high level of visual interest from both vehicular and pedestrian viewpoints are encouraged.

The existing building does not have any landmark architectural facades, however the facades do not detract from viewpoints as they match the look of other buildings in the general location.

- v. Long unbroken building facades should be broken up with architectural details. Facades with varied front setbacks are encouraged to provide visual interest.

The facades of the existing building are generic, however, due to the nature of the industrial/heavy commercial character of the area, and the fact that it is not an area with significant non-vehicular mobility, it is requested that the existing facades do not need to be updated for visual interest.

- vi. Rear and side wall elevations should provide building offsets and architectural details similar to the front facade.

Rear and side walls, while differing slightly, match the front facade/architectural details. Elevations and pictures of the building have been included with submittal.

- vii. Roof design shall allow solar panels to be integrated into the roof design, flush with the roof slope. Building orientation and shading design should minimize solar gain and maximize daylight harvesting.

Solar is not currently being proposed as the electricity source for this project. The primary electrical source is PG&E. The existing roof would allow the integration of solar in the future if needed.

- viii. Materials should be chosen to withstand abuse by vandals or accidental damage by machinery. False facades and other simulated materials and ornamentation are discouraged.

The existing metal building was built to serve industrial uses and can withstand abuse by vandals or accidental damage by machinery.

ix. Storage containers or accessory structures shall be architecturally treated on all four exterior sides of the structure.

No additional accessory structures or storage containers are being proposed for this project.

x. Storage containers or accessory structures should employ a variety of building forms, materials, colors and other architectural treatments to add visual interest.

No additional accessory structures or storage containers are being proposed for this project.

xi. The use of compatible colors in a single facade or composition is required. Compatible colors add interest and variety while reducing building scale and breaking up plain walls. Bright colors are prohibited.

The existing building is white with blue trim and a blue facades (not bright). Additional work is not needed to meet this requirement.

xii. Service and emergency generator should be enclosed within the building structure.

Any generators needed for the project will be enclosed within the building structure. However, currently no generators are being proposed.

13. Circulation, Parking, and Loading Standards: In addition to the circulation, parking, and loading standards of the applicable area plan and this Chapter, the design shall comply with the following standards:

i. Loading and service areas shall be concealed from public view and from adjoining properties by appropriately designed walls, fencing and landscaping and shall be located to the rear or sides of a building, away from the main building entrance, or related high visibility areas.

The existing facility has two separate loading platforms at the back door. One being a below grade ramp mostly over 6 ft deep, however upon the county's request can be fenced. The other being the surface parking lot pavement, which extends to the back door. The project site will have landscaping along the front and is proposing an 8 ft tall fence. Additional landscaping/fencing can be implemented if needed to screen the loading areas from public view.

ii. Loading areas shall be designed to accommodate backing and maneuvering onsite, not from a public street, and when occupied shall not prohibit onsite vehicular circulation.

The existing facility has a large surface parking lot and multiple directions to turn once on the premises, which will allow trucks to back into the loading area without having to utilize the public roadway.

- iii. Entrances, parking lots and pathways should be visible from streets or buildings for safety and surveillance purposes.

Entrances, parking lots, and pathways are visible from the appropriate places to implement a robust security system with quality viewsheds for surveillance purposes.

- iv. A cannabis manufacture facilities shall comply with the parking standards described in Article 46 of this chapter and specifically 21-46.5 (c) 2. Manufacturing.

The facility will have one (1) space per six hundred (600) square feet of floor area; or one (1) space for each employee on the shift having the largest number of employees, whichever is greater.

14. Landscape Standards: In addition to the landscape standards of the applicable area plan and this Chapter, the design shall comply with the following standards:

- i. Landscaping shall be in scale with adjacent buildings and be of an appropriate size at maturity to accomplish its intended purpose.

The project property has existing, appropriately sized, mature landscaping along the front setbacks that is in scale with the building.

- ii. Landscaping shall be used to define areas such as entrances to buildings and parking lots, provide transition between neighboring properties (buffering), and provide screening for outdoor storage, loading and equipment areas.

The existing landscaping along the front setback helps define the entrance to the facility and provides a break between the project property and the public roadway/neighboring properties. The rear property line does have a chain link fence separating this property from the neighboring property, which can be screened with landscaping or privacy screening if necessary.

iii. Landscaping strip 5 feet wide around the entire base of the building(s) to soften the edge between the parking lot and building is required. The landscape strip is not required at entrances to the building or at loading or service areas building access points.

The existing building has vegetation/landscaping on both unused sides of the building, while the other two fully encompass the two loading areas and the entrance to the building, therefore not requiring additional landscaping.

iv. Landscaping shall maintain adequate sight lines for visual safety, visibility and efficient security.

Existing landscaping is maintained at an appropriate level to not obstruct any visual safety, visibility, and efficient security. At this point no additional landscaping is proposed beyond the existing landscaping, unless additional landscaping becomes required.

15. Glare and Heat Standards: In addition to the glare and heat standards of the applicable area plan and this Chapter, the design shall comply with the following standards:

i. Lighting shall be designed to provide atmosphere, safety, and security without spillover or glare onto adjacent properties and light intensity should be of satisfactory quality to ensure visibility, safety, and security.

Security lighting and typical outdoor business lights exist pointed downward, however if more are implemented, it will be ensured that there is no spillover or glare onto adjacent properties. Lighting will be shielded and downward facing to meet darkskies. Light intensity will not be more than what is needed to provide security and safety.

16. Security: Prevention of access to the site by unauthorized personnel and protect the physical safety of employees. This includes, but is not limited to:

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

All entrances will have commercial grade locks, where not already existing. An 8 ft. tall fence is proposed around the full perimeter.

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

A security alarm system will be installed in the facility for security purposes. All incidents will be recorded. Motion sensors also being proposed.

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

All authorized personnel, suppliers, and visitors will sign in and sign out as a security procedure in whatever way is most fitting to each group.

- iv. Maintaining the premises such that visibility and security monitoring of the premises is possible; and

The premises, including landscaping will be well maintained to provide the necessary visibility to securely monitor the premises.

- v. Establishing procedures for the investigation of suspicious activities.

The business owners and security guards, in the case of an incident, will work together using security camera footage, login sheets, and other available resources to investigate any incidents or suspicious activities to the best of their abilities. Law enforcement will be involved when necessary.

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

- i. Establishing an inventory system to track cannabis material and the personnel responsible for processing it throughout the manufacturing process;

All operations at this facility will follow the track and trace system as mandated by the state. All personnel will have their own inventories for business purposes as well.

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

Only the necessary amount of employees will be working at any one time. All employees will work in the scheduled time-frames to complete job duties.

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

An authorized track and trace supervisor will monitor all loading and unloading activities. Security cameras will also be placed in all loading and unloading areas as additional monitoring.

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

An employee break area will be provided, including designated spots to secure personal items.

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

The 24/7 emergency contact for this facility is:

Valerie Peng

(707)-533-5039

vpeng@radiantrev.com

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

The permittee will maintain a record of all complaints and the resolution, as well as provide a tally and summary of issues in the annual Performance Review Report

20. A description of fences, location of access points, and how access is controlled.

High Grade Solutions is proposing to put up an 8 ft fence around the property perimeter. There will be a security gate at the entrance from Clayton Creek Road. A security officer will be on duty during employee work hours. Employees and visitors will be required to sign in and out.

21. Video Surveillance: At a minimum, permitted premises shall have a complete digital video surveillance system with a minimum camera resolution of 1080 pixel. The video surveillance

system shall be capable of recording all pre-determined surveillance areas in any lighting conditions.

- i. The video surveillance system shall be capable of supporting remote access by the permittee.
- ii. To the extent reasonably possible, all video surveillance cameras shall be installed in a manner that prevents intentional obstruction, tampering with, and/or disabling.
- iii. Areas that shall be recorded on the video surveillance system include, but are not limited to, the following: The perimeter of the cannabis manufacturing facility; Areas where cannabis or cannabis products are weighed, packed, stored, quarantined, loaded and/or unloaded for transportation, prepared, or moved within the premises; Areas where cannabis is destroyed; Limited-access areas; Security rooms; Areas containing surveillance-system storage devices, in which case, at least one camera shall record the access points to such an area; and The interior and exterior of all entrances and exits to the cannabis manufacturing facility including all buildings where cannabis or cannabis products are weighed, packed, stored, quarantined, loaded and/or unloaded for transportation, prepared, or moved within the premises.
- iv. The surveillance system shall operate continuously 24 hours per day and at a minimum of 30 frames per second.
- v. All exterior cameras shall be waterproof, I-66 minimum.
- vi. All interior cameras shall be moisture proof.
- vii. Cameras shall be color capable.
- viii. Video management software shall be capable of integrating cameras with door alarms.
- ix. Video recordings shall be digital.
- x. Thermal technology shall be use for perimeter fencing.
- xi. All cameras shall include motion sensors that activates the camera when motion is detected.
- xii. In areas with inadequate lighting for the cameras being used, sufficient lighting shall be provided to illuminate the camera's field of vision.
- xiii. All recording shall be located in secure rooms or areas of the premises in an access and environment-controlled environment which is separate from the room where the computer and monitoring equipment is located.
- xiv. All surveillance recordings shall be kept on the applicant's recording device or other approved location for a minimum of 30 days.
- xv. All video surveillance recordings are subject to inspection by the Department and shall be copied and sent, or otherwise provided, to the Department upon request.
- xvi. The video recordings shall display the current date and time of recorded events. Time is to be measured in accordance with the U.S. National Institute Standards and

Technology standards. The displayed date and time shall not significantly obstruct the view of recorded images.

The surveillance system, including all cameras and records will follow all standards (21.i-xvi) above.

22. Fences: Loading areas including backing and maneuvering area shall be enclosed by a fence. The fence shall be a minimum of 6 feet and a maximum of 8 feet high and shall include, at a minimum, the following: Posts set into the ground. The posts may be steel tubing, timber or concrete and may be driven into the ground or set in concrete. End, corner or gate posts, commonly referred to as "terminal posts", must be set in concrete footing or otherwise anchored to prevent leaning under the tension of a stretched fence. Posts set between the terminal posts shall be set at intervals not to exceed 10 feet. A top horizontal rail is required between all posts. The fence shall be attached to the posts and top horizontal rail.

- i. No barbed wire, razor wire or similar design shall be used.
- ii. The vehicle access gate shall remain closed and locked at all time except when a vehicle is entering or exiting.
- iii. A pedestrian gate may be included provided that such a gate is secured to prevent unauthorized access.

The existing facility has two separate loading platforms at the back door. One being a below grade ramp mostly over 6 ft deep, however upon the county's request can be fenced. The other being the surface parking lot pavement, which extends to the back door. The property itself will be fenced in by a proposed 8 ft tall fence without barbed/razor wire as well as a gate in the front entrance to Clayton Creek Road.

23. Operating Hours: Deliveries and pick-ups are restricted as follows: Monday through Saturday: 9:00 a.m. - 7:00 p.m. Sunday: 12:00 p.m. - 5:00 p.m.

The delivery and pick-up hours for the proposed project will be Monday through Saturday 9:00 a.m. - 7:00 p.m. and Sunday 12:00 p.m. - 5:00 p.m.

24. Protection of Minors: No permittee shall: Sell, transfer or give cannabis or cannabis products to persons under 21 years of age. Allow any person under 21 years of age on its premises or, where a cannabis manufacturing permit is associated with a cannabis manufacturing site, within cannabis manufacturing building or the fenced area around a processor facility. Employ or retain persons under 21 years of age.

The permittee will not sell, transfer, or give cannabis or cannabis products to persons under 21 years of age. The permittee will not allow any person under 21 years of age on its premises. The permittee will not employ or retain persons under 21 years of age.

25. No cannabis manufacturing shall be located within 1,000 feet of the following that is in existence at the time the permit is issued: Any public or private school, grades K through 12; a developed public park containing playground equipment; a drug or alcohol rehabilitation facility; or a licensed child care or daycare facility or nursery school, church or youth oriented facility catering to or providing services primarily intended for minors.

i. The distance specified in this section shall be the horizontal distance measured in a straight line from the parcel where the manufacturing facility is located to the parcel where a public or private school, grades K through 12; a developed public park containing playground equipment; a drug or alcohol rehabilitation facility; or a licensed child care or daycare facility or nursery school, church or youth-oriented facility catering to or providing services primarily intended for minor is located.

The project parcel is not within 1,000 feet of any public or private school, grades K through 12; a developed public park containing playground equipment; a drug and alcohol rehabilitation facility; or a licensed child care or daycare facility or nursery school, church or youth oriented facility catering to or providing services primarily intended for minors.

26. Permitting Process: The applicant shall schedule and pay the fee for a preapplication conference with the Department prior to the submittal of an application for a use permit. Questions regarding a specific application will only be addressed at a pre-application conference. No later than two weeks prior to the pre-application conference, the applicant shall provide the department:

- i. A map showing the lot of record showing where the cannabis manufacturing site is located and the Assessor's Parcel Number (APN) for the lot of record.
- ii. A diagram of the proposed cannabis manufacturing facility and the site where it is located including existing access, parking, and existing structures, if any.
- iii. Questions the applicant may have regarding the application form or process.
- iv. A statement as to which State license the applicant intends to submit an application.

A pre-app meeting with the county has already been conducted for the proposed project. A map was prepared and submitted to the county.

27. At the pre-application conference the Department will provide:

- i. A determination of the legal lot of record status or request additional information to make such determination. The lot of record where the cannabis manufacturing site is located is required to be a legal lot of record.
- ii. A determination of current compliance of the site with the Lake County Code. Compliance with the Lake County Code is required to submit a minor or major use permit application.
- iii. A response to the questions submitted with the pre-application conference application.
- iv. An outline of the information required for the minor or major use permit application.

A pre-app meeting with the county has already been conducted for the proposed project.

28. Permit application supplemental information: The minor or major use permit use permit application, in addition to the requirements of Article 55, shall include the following additional information:

- i. The legal business name of the applicant entity;

Kushman and Bakefield Inc.

- ii. A list of all the types, including the license numbers of valid licenses, from the department and other cannabis licensing authorities that the applicant already holds or has applied for;

Valerie Peng has applied with Lake County Community Development Department for multiple commercial cannabis cultivation licenses, UP 20-10, UP 19-21, and UP 19-29.

- iii. The physical address of the premises;

11620 Clayton Creek Rd, Lower Lake, CA 95457 (APN:049-300-15)

- iv. The mailing address of the applicant;

11620 Clayton Creek Rd, Lower Lake, CA 95457

- v. A designated responsible party, who shall also be an owner, with legal authority to bind the applicant entity, and the primary contact for the application. The following information shall be provided for the designated responsible party: full legal name, title, mailing address, primary contact phone number, email address, and a copy of the owner's government-issued identification. Acceptable forms of identification are a document issued by a federal, state, county, or municipal government, including, but not limited to,

a driver's license or passport, that contains the name, date of birth, physical description, and picture of the individual;

Full Legal Name - Andrew Guercio

Title - VP of Business Relations

Mailing Address - 1083 Vine St, Healdsburg, CA 95448

Home Address - 1083 Vine St, Healdsburg, CA 95448

Business Phone Number - 415.905.0194

Business Email Address - andy@hi-gradesolutions.com

Date Ownership Interest in Entity was Acquired - 8.1.2020

% of Ownership Interest in Entity - 4%

vi. An individual or entity serving as agent for service of process for the applicant. If applicable. The following information shall be provided for the agent for service of process: full legal name, mailing address, primary contact phone number, and email address;

Lake County Planning Consultants

507 Stonebridge Ct, Pleasant Hill, CA 94523

239-841-0311

lakecountyplanningconsultants@gmail.com

vii. A complete list of every owner of the applicant entity. Each individual owner shall submit the following information: Full legal name; Title within the applicant entity; Home address; Primary phone number; Email address; Date ownership interest in the applicant entity was acquired; Percentage of the ownership interest held in the applicant entity by the owner; A list of all the valid licenses, including license type(s) and license number(s), from the department and other cannabis licensing authorities that the owner is listed as either an owner or financial interest holder;

Full Legal Name - Louis Arturo Bolivar

Title - Co-President

Mailing Address - 125 South Main St #170, Sebastopol, CA 95472

Home Address - 125 South Main St #170, Sebastopol CA 95472

Business Phone Number - 718.570.5653

Business Email Address - lucho@hi-gradesolutions.com

Date Ownership Interest in Entity was Acquired - 8.1.2020

% of Ownership Interest in Entity - 50.4%

Full Legal Name - Valerie Peng

Title - Co-President

Mailing Address - 2668 Spring Valley Road Clearlake, CA 95423

Home Address - 2668 Spring Valley Road Clearlake, CA 95423

Business Phone Number - 707.533.5039

Business Email Address - valerie@hi-gradesolutions.com

Date Ownership Interest in Entity was Acquired - 8.1.2020

% of Ownership Interest in Entity - 23.2%

Other licenses held -

Spring Valley Organics, LLC / Cannabis Cultivation

Empire Valley Organics, LLC / Cannabis Cultivation

Radiant Revolution Ventures, LLC / Cannabis Cultivation

Full Legal Name - Annie Whittington Holbrook

Title - VP of Operations

Mailing Address - 9498 Argonne Way, Forestville, CA 95436

Home Address - 9498 Argonne Way, Forestville, CA 95436

Business Phone Number - 510.907.1703

Business Email Address - annie@hi-gradesolutions.com

Date Ownership Interest in Entity was Acquired - 8.1.2020

% of Ownership Interest in Entity - 4%

Full Legal Name - Andrew Guercio

Title - VP of Business Relations

Mailing Address - 1083 Vine St, Healdsburg, CA 95448

Home Address - 1083 Vine St, Healdsburg, CA 95448

Business Phone Number - 415.905.0194

Business Email Address - andy@hi-gradesolutions.com

Date Ownership Interest in Entity was Acquired - 8.1.2020

% of Ownership Interest in Entity - 4%

viii. A copy of their government-issued identification. Acceptable forms of identification are a document issued by a federal, state, county, or municipal government that includes the name, date of birth, physical description, and picture of the person, such as a driver's license or passport;

A copy of the license for all owners has been provided with this submittal.

ix. For applicants that are a cannabis cooperative as defined by Division 10, Chapter 22 (commencing with section 26220) of the Business and Professions Code, identification of all members;

The applicant is not a cannabis cooperative.

x. Evidence that the applicant entity has the legal right to occupy and use the proposed location;

A copy of the lease agreement has been included with submittal.

xi. Project description: The project description shall provide adequate information to evaluate the impacts of the proposed project and consists of three parts: a site plan, a written description section, and a property management section;

A project description was provided above within this management plan. Site and building plans were included with submittal.

xii. Written Description: A written section which shall support the graphic representations and shall, at a minimum, include: A project description; The present zoning; A list and description of all uses shown on the site plan; A development schedule indicating the approximate date when construction of the project can be expected to begin and be completed for each phase of the project; including the permit phase; A statement of the applicant's proposal for solid waste disposal. Quantitative data for the development including but not limited to: Gross and net acreage; the approximate dimensions and location of structures for each district or area; employee statistics; support services required; traffic generation data based on anticipated uses; parking and loading requirements; and outdoor storage requirements based on anticipated uses;

A written description was included with the project description above within this management plan.

xiii. An Operations Manual describing the operating procedures of the cannabis testing laboratory site to ensure compliance with the use permit, protect the public health, safety and welfare, as well as the natural environment of Lake County. This sub-section shall include: Authorization for the County, its agents, and employees, to seek verification of the information contained within minor use permit applications, the Operations Manual, and the Operating Standards at any time before or after use permits are issued; A description of the staff screening processes; The hours and days of the week when the

facility will be open; Description of measures taken to minimize or offset the carbon footprint from operational activities; and Description of chemicals stored, used and any effluent discharged as a result of operational activities. Any other information as may be requested by the Director and/or by the Planning Commission.

This project will not be or include a testing laboratory.

29. Duration of Permits: not to exceed ten (10) years.

The permittee understands, if approved, the permit can be active for up to ten years, and will need to be renewed to continue the approved use.

30. Weights and Measures: All permittees shall comply with the State of California Weights and Measures requirements found in the California Food and Agriculture Code, California Code of Regulations, and the California Business and Professions Code.

The permittee will comply with all State of California Weights and Measures requirements found in the California Food and Agriculture Code, the California Code of Regulations, and the California Business and Professions Code.

31. Prohibited Activities:

- i. Odor: Cannabis related permits shall not propagate objectionable odors which cause injury, detriment, nuisance, or annoyance to any considerable number of persons or to the public, or that endanger the comfort, repose, health, or safety of any of those persons or the public.
- ii. Electrical Generators: Manufactures shall not rely on a personal gasoline, diesel, propane, or similar fuels, powered generator as a primary source of power and shall only allow properly permitted (when applicable) generators for temporary use in the event of a power outage or emergency that is beyond the permittee's control.
- iii. Lights: 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.

The permittee will not engage in any prohibited activities. This project will not propagate objectionable odors that cause injury, detriment, nuisance, or annoyance to any considerable number of persons or to the public, or which endanger the comfort, repose, health, or safety of any of those persons or public. The primary electrical source will be PG&E and not an electrical generator. All security lighting will be motion activated. All outdoor lighting will be shielded and

downcast or otherwise positioned in a manner that will not shine light or allow light to glare to exceed the boundaries of the lot or record upon which they are placed.

32. Compliance monitoring: A compliance monitoring inspection of the cannabis manufacturing facility shall be conducted at least annually. The permittee shall pay a compliance monitoring fee established by resolution of the Board of Supervisors prior to the inspection. If there are no violations of the County permit or state license during the first five years, the inspection frequency may be reduced by the Director to not less than once every five years.

The permittee will allow the county to conduct any and all compliance monitoring inspections needed to be done to keep the permit active. The permittee will pay the compliance monitoring fee established by the Board of Supervisors.

33. Annual Reports: Performance Review

i. All cannabis permittees shall submit a “Performance Review Report” on an annual basis from 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 Director at the time of the initial hearing or at any time thereafter. This annual “Performance Review Report” is intended to identify the effectiveness of the approved minor use permit, Property Management Plan, and conditions of approval, as well as the identification and implementation of additional procedures as deemed necessary. In the event the Planning Commission identifies problems with specific Performance Review Report that could potentially lead to revocation of the associated minor use permit, the Planning Commission may require the submittal of more frequent “Performance Review Reports.”

ii. Pursuant to sub-section 6. i. above, the premises shall be inspected by the Department on an annual basis, or less frequently if approved by the Director. A copy of the results from this inspection shall be given to the permittee for inclusion in their “Performance Review Report” to the Department.

iii. Compliance monitoring fees pursuant to the County’s adopted master fee schedule shall be paid by permittee and accompany the “Performance Review Report” for costs associated the review of the report by County staff.

iv. Non-compliance by permittee in allowing the inspection by the 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.

The cannabis permittee will submit an annual "Performance Review Report" from their initial date of operation for review and approval by the Planning Commission, or the Director if delegated. All department inspections as required by the permit will be allowed. The permittee will pay all compliance monitoring fees. The permittee understands the consequences, they are in non-compliance with the above.

34. Renewals: The following is required for permit renewal:

- i. An application for renewal shall be submitted to the Department at least 180 days prior to the expiration date of the permit. Failure to submit an application for renewal by that date may result in the expiration of the permit.
- ii. Applications: Applicants shall complete an application form as prescribed by the Director and pay all fees as established by resolution by the Board of Supervisors.
- iii. The following documentation in electronic format is required for application for renewal: A copy of all licenses, permits, and conditions of such licenses or permits related to the project from state agencies as appropriate. A copy of all reports provided the County and State agencies as determined by the Director. A list of all employees on the premise during the past year and a copy of the background checks certification for each. 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.
- iv. The permit may be renewed if: Where there are no changes to the use permit or how the site will be operated: The original permit's approval findings, conditions, or environmental certification are still valid. There are no violations of the permit conditions or of state licenses or permits. The applicant is qualified to apply for such a permit.
- v. Where there are changes to the development or use permit or how the site will be operated: Such changes do not change the findings of the original permit's approval findings, conditions, or environmental certification. There are no violations of the permit conditions or of state licenses or permits. The applicant is qualified to apply for such a permit.

If the applicant wishes to renew their permit and avoid a lapse in being permitted, an application will be submitted at least 180 days prior to expiration of this permit, provided this permit is approved. The applicant will fill out the application form and pay all fees as established by the Lake County Board of Supervisors. An electronic copy of all licenses, permits, and conditions of such licenses or permits will be provided, as well as a list of all employees on the premises during the past year and a copy of background checks for all employees. Documentation that the applicant is still qualified to be an applicant will be provided. All proposed changes, if any, will be provided in an updated management plan. Copies of any reports provided to county or state agencies will be provided upon request, as determined by the Community Development Director.

Type 6

1. Shall meet all the Conditions of Section 27.3 (au).

This manufacturing and distribution permit meets all conditions of Section 27.3 (au) as described above.

2. The facility shall maintain a thirty (30) foot setback from all property lines.

The existing building is over 30 feet from the property line, approximately 34 feet.

3. The parcel where the cannabis manufacturing facility is located shall front and have direct access to a paved State or County maintained road.

The parcel's access driveway is directly connected to Clayton Creek Rd. a county owned and maintained road.

4. The cannabis manufacturing shall be conducted in accordance with state and local laws related to hazardous material disposal, land conversion, grading, electricity usage, water usage, and wastewater discharges. The manufacturing operation and facility shall be approved by the Lake County Building official and by the Chief of the Fire District where the manufacturing facility is located.

All appropriate state and local permits will be applied for. The manufacturing facility will be conducted in accordance with all state and local laws related to hazardous material disposal, land conversion, grading, electricity usage, water usage, and wastewater discharges. The manufacturing facility and any proposed hazardous materials seek approval from the Lake County Building Official and the Chief of the Fire District prior to use.

5. All manufacturing of cannabis products shall occur in an enclosed locked structure.

All manufacturing of cannabis products will be contained within the existing building, which will have commercial grade locks.

6. Cannabis manufacturing activities shall only occur in the areas depicted on the floor plan submitted by the applicant and shall not exceed the square footage authorized pursuant to the minor or major use permit.

The cannabis manufacturing permit will follow the layout as depicted on the floor plan. The square footage will not exceed what is authorized by an approved major use permit.

7. If hazardous materials, flammable gas, flammable liquefied gas, flammable and combustible liquids, or other flammable material, as those terms are defined in the 2016 California Fire Code (CFC) Section 202, are to be used in the processing of cannabis, then the provisions of CFC shall be applicable where hazardous materials subject to permits under CFC Chapter 50 (Hazardous Materials) are located on the premises or where required by the local fire district official or County Building official.

All CFC Chapter 50 and 2016 California Fire Code (CFC) Section 202 regulations will be followed if hazardous materials, flammable gas, flammable liquefied gas, flammable and combustible liquids, or other flammable material are used in this facility. Prior to use, all materials will be approved by the Local Fire District Official and the County Building Official. All necessary permits will be applied for and granted prior to use.

8. Storage, use and handling of compressed gases in compressed gas containers, cylinders, tanks, and systems, compressed gases classified as hazardous materials, and the prevention, control and mitigation of dangerous conditions related to storage, use, dispensing, mixing and handling of flammable and combustible liquids shall comply with California Fire Code and California Building Code. Partially full compressed gas containers, cylinders or tanks containing residual gases shall be considered as full for the purposes of the controls required.

All compressed gases will be appropriately stored, used, and handled. All California Fire Codes and Building Codes will be complied with in relation to the storage, use, dispensing, mixing, and handling of flammable liquids, combustible liquids, and compressed gases. All potential dangerous conditions will be avoided and mitigated to maintain the highest level of safety in the facility.

9. Cannabis Non-Volatile manufacturing sites are considered a Group F- 1 (Factory Industrial Moderate-Hazard) Occupancy under the California Building and Fire Codes. All new construction is required to be fire sprinkled per the California Building and Fire Codes. For cannabis manufacturing sites that will be sited in an existing structure, an automatic sprinkler system shall be provided throughout all buildings containing a Group F- 1 occupancy where one of the following conditions exists:

The existing building does not currently contain a fire sprinkler system. The existing building does not appear to be required to install automatic sprinklers as it would not be considered a Group F-1 Occupancy, due to none of the following conditions existing:

- i. A Group F- 1 fire area exceeds twelve thousand square feet.

The facility is approximately 11,000 Square Feet.

- ii. A Group F- 1 fire area is located more than three stories above grade plane.

The existing facility is one story, but in height approximately 2.5 stories tall

- iii. The combined area of all Group F- 1 fire areas on all floors, including any mezzanines, exceeds twenty- four thousand square feet.

The building is only approximately 11,000 square feet.

10. All facilities using Carbon Dioxide for manufacturing purposes shall comply with the same standards as required for Type 7 Plant Extraction License.

No Carbon Dioxide is proposed to be used in the manufacturing process.

11. In the “APZ,” “A,” “TPZ,” “RL,” and “RR” zoning districts Type 6 licenses are an accessory use to an active commercial cultivation site with a valid minor or major use cannabis cultivation permit. The cannabis manufacturing activities are limited to the compounding, blending, extraction, infusion or otherwise making or preparing a cannabis product from the cannabis cultivation under that cannabis cultivation use permit. The cannabis manufacturing shall occur on the same parcel where the cannabis cultivation is permitted. (Ord. No. 3084, 05/21/2019)

The property is zoned C3, therefore this would not apply.

Type 11 Distributor

- 1. Shall meet all the Conditions of Section 27.3 (au).

This manufacturing and distribution permit meets all conditions of Section 27.3 (au) as described above.

- 2. Uses Permitted:

- i. The procurement, sale, and transport of cannabis and cannabis goods between licensees.
- ii. Cannabis goods storage-only services to a licensed cultivator, manufacturer, microbusiness, nonprofit, or another cannabis distributor.
- iii. The storage of cannabis batches on their premises during testing.
- iv. Packaging, re-packaging, labeling, and re-labeling cannabis goods for retail sale.
- v. Transporting cannabis or cannabis goods between licensees.
- vi. Accessory uses related to the procurement, sale, transport, storage, labeling, and packaging of cannabis and cannabis products between licensees.
- vii. Accessory uses related to the procurement, sale, and transport of cannabis and cannabis goods between licensees.

All the potential uses listed above are being proposed as uses through this project proposal. High Grade Solutions will be procuring cannabis and cannabis products to process, manufacture, package, and distribute them. High Grade Solutions will also provide storage services.

3. Use Standards:

- i. The parcel where the cannabis distribution facility is located shall front and have direct access to a paved State or County maintained road.

The parcel's access driveway is directly connected to Clayton Creek Rd. a county owned and maintained road.

- ii. All non-transport related distribution activities shall occur within a locked structure.

All non-transport related distribution activities will occur within the locked existing building.

