

## PROJECT DESCRIPTION

Morgan Valley Ventures, Inc. (MVV) has received a Major Use Permit (UP 18-22) from the County of Lake, allowing for 91,000 ft<sup>2</sup> of commercial cannabis cultivation area with up to 83,000 ft<sup>2</sup> of outdoor canopy area at 22800 Morgan Valley Road in Lower Lake, California on Lake County APN 012-069-60. MVV is seeking a Major Use Permit from the County of Lake for an additional 437,736 ft<sup>2</sup> of outdoor cultivation/canopy area on Lake County APNs 012-069-59 and 60 (Project Parcels), composed of eleven A-Type 3 “Medium Outdoor” cultivation/canopy areas, and for A-Type 13 Cannabis Distributor Transport Only, Self-Distribution.

MMV is owned and operated by Bob Skalla and Chris Macleod. MVV leases the Project Property (Lake County APNs 012-010-82, 012-069-590 & 012-069-600) from CTM Venture Capital, LLC. CTM Venture Capital, LLC is owned and operated by Chris Macleod. The 279-acre Project Property currently contains a commercial cannabis cultivation operation composed of two A-Type 3 “Medium Outdoor” cultivation/canopy areas. The Project Parcels have been enrolled for coverage under the Central Valley Water Board’s General Order for Cannabis Cultivation Activities since January 31<sup>st</sup>, 2017 (WDID 5A17MJ00010 and Enrollee Number R5-2015-0113-0576). The Project Property was enrolled for coverage under the State Water Resources Control Board’s Cannabis General Order (Order No. 2017-0023-DWQ) on June 8<sup>th</sup>, 2018 as a Tier 2 Low Risk discharger.

The Project Parcels are located in the western portion of the Morgan Valley, within the Rocky Creek - Cache Creek Watershed (HUC 12), and approximately 8.5 miles southeast of Clearlake, CA. The Project Property is accessed via a private gravel access road off of Morgan Valley Road. Rocky Creek, a perennial Class I watercourse, flows along the eastern boundary of the Project Parcel and more than 150 feet from the existing/proposed cultivation operation. An intermittent Class II watercourse and multiple ephemeral Class III watercourses, begin on the Project Property and flow into Rocky Creek.

Current and past land uses of the Project Property are/were intensive and extensive agriculture (including cannabis cultivation). The Project Property has been improved with a pond/rain water catchment reservoir, two groundwater wells, a 1,020 ft<sup>2</sup> residence (wooden building), a ground mounted photovoltaic solar array, a 1,600 ft<sup>2</sup> shop (wooden building), a 3,000 ft<sup>2</sup> greenhouse, and a 5,000 ft<sup>2</sup> Cannabis Drying & Storage Facility (metal building). The growing medium of the existing and proposed cultivation area(s) is/will be composed of an amended native soil mixture at or below grade, in full sun. 6-foot tall wire fences have been/will be erected around the existing/proposed cultivation area(s), with privacy mesh where necessary to screen the

cultivation area(s) from public view. The existing/proposed cultivation operation utilizes/will utilize drip irrigation systems, to conserve water resources.

The proposed cultivation/canopy areas will be developed in three (3) phases. MVV is applying for an Early Activation of Use Permit for 129,936 ft<sup>2</sup> of outdoor cultivation/canopy area planned under the first phase of project/site development (2020 Cultivation Season). MVV then plans to add an additional 100,000 ft<sup>2</sup> of outdoor cultivation/canopy area in 2021 (Phase II), after a Use Permit has been issued for the proposed cultivation/canopy areas. MVV plans to add another five acres (217,800 ft<sup>2</sup>) of outdoor cultivation/canopy area in 2023, during the third phase of project/site development. Approximately five acres of burned oak woodland habitat will be removed to develop the five acres of outdoor cultivation/canopy area proposed under the third phase of project/site development. However, no living oak trees with a DBH of 6 inches or more currently exist within this area.

MVV is seeking to obtain a Type 13 Cannabis Distributor Transport Only, Self-Distribution license, so that they may transport cannabis from their cultivation operation to licensed cannabis processing, distribution, and manufacturing facilities throughout California. MVV will utilize a specialty, unmarked, registered and insured vehicle for the transportation of cannabis from their cultivation operation. MVV's distribution vehicle will only travel from their property to the premises of licensed cannabis manufacturing and distribution facilities, and back. MVV will adhere to the reporting requirements of the California Cannabis Track-and-Trace system at all times, to record and report all cannabis transfers and movements.

### Planting Timeline Schedule

If MVV is able to obtain an Early Activation of Use Permit for the 129,936 ft<sup>2</sup> outdoor cultivation/canopy area planned under Phase I prior to April 30<sup>th</sup>, 2020: then they will begin preparing for planting on June 1<sup>st</sup>, 2020.

If MVV is able to obtain a Use Permit for the proposed cultivation operation prior to April 1st, 2021: they will begin preparing the additional 100,000 ft<sup>2</sup> of outdoor cultivation/canopy area planned under Phase II (total of 229,936 ft<sup>2</sup>) for planting on May 1<sup>st</sup>, 2021.

MVV will not plant the five acres (217,800 ft<sup>2</sup>) of proposed outdoor cultivation/canopy area of the third phase of project/site development until May 1<sup>st</sup> of 2023.