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June 26, 2020

Mr. Dan Tudor
Agzone Services, LLC
P.O. Box 3202
Paso Robles, California 93446

Subject: Supplemental Biological Analysis for Proposed Cannabis Cultivation at Four Properties in the Carrizo Plain Area, San Luis Obispo County, California

Dear Mr. Tudor:

Kevin Merk Associates, LLC (KMA), at your request, conducted a focused biological analysis for proposed cannabis cultivation projects on four adjoining properties at 11520 Tule Elk Lane, 11330 Tule Elk Lane, 11525 Tule Elk Lane, and 8710 Carissa Highway, Santa Margarita, in an unincorporated area of San Luis Obispo County, California (project site). The purpose of the analysis was to supplement a Biological Resources Assessment (BRA) prepared for the projects by PAX Environmental in 2019. As we understand, the project footprints were revised to avoid impacts to ephemeral swale features that are subject to California Fish and Game Code. The repositioning of the cultivation areas resulted in the proposed project extending outside of the original PAX study area. This analysis supplements their report to characterize existing conditions where the revised project is outside of that original study area.

The properties are identified as Assessor's Parcel Numbers (APNs) 072-301-017, -009, -010, and 011 and are zoned Agriculture. The project site is located approximately one mile east-southeast of the intersection of Carissa Highway (Highway 58) with Bitterwater Road, in the Carrizo Plain area. It is on the U. S. Geological Survey (USGS) California Valley 7.5-minute topographic quadrangle (Sections 29 and 30, T 29 S, R 12 E; 35.36922° N, -120.074253° W). The site consists of agricultural fields (dryland grain crops), rural residences, and equestrian facilities. It is surrounded by agricultural fields, open grassland, rural residences, and the Topaz Solar Farm. Please refer to the maps included in the PAX report for further site location detail.

The proposed project entails four cannabis cultivation facilities, with one located on each of the four properties. The footprint of each facility is approximately 4 acres, consisting of three 1-acre plots for cannabis row crops. Access would be from existing roads and driveways to the extent possible, which would be improved, and involve the construction of 16-foot wide aggregate base roads to each facility. The water source would be from existing wells, which would be piped to each facility by constructing new lines to be laid underground.

An existing conditions map attached to this report as Figure 1 illustrates the changes from the originally proposed project to what is currently proposed to avoid impacts to the ephemeral swale features. The County of San Luis Obispo's consultant requested that the revised project areas falling outside the PAX study area be evaluated to ensure no new habitat types or special status species issues are present. This letter report provides that information and should be

used as a supplement to the PAX report since their figures and analysis are referenced herein.

Methods

Aerial imagery from Google Earth and the USGS California Valley topographic map were reviewed to determine the site setting, hydrology and historic land uses in the area. The biological resources assessment report and addendum maps prepared by PAX Environmental, Inc. (2019) showing the original project and alternative (revised) project footprint were reviewed. In addition, revisions shown in the site plans for the 8710 Carrisa Highway property, prepared by Civil Design Solutions (February 2, 2020), were also reviewed. The locations of the PAX study area, original cultivation areas, and the revised project footprint were plotted on ESRI (2020) aerial photography to identify the locations where the revised project extended beyond the original study area. The project impact areas associated with the revised site plan that were outside of the PAX study area were the focus of this investigation.

KMA Principal Biologist, Kevin Merk, and Senior Biologist Susan Christopher, Ph.D., reviewed the background information, including the biological report and associated maps labelled Waters Addendum Figures 060719 prepare by Pax. Following the background review and the plotting of the original project compared to the revised project (refer to Figure 1 attached), a site visit was conducted by Susan Christopher on June 9, 2020 between 0930 and 1130 hours. Weather conditions were clear with no clouds, calm winds and air temperature 72° Fahrenheit. All areas within the revised project footprint, plus a buffer of at least 350 feet within the boundaries of the properties, were visited. The revised impact areas that were within the original PAX study area were also visited and reviewed for consistency. Habitat types for the extent of revised project outside of the PAX study area were mapped in the field on an aerial photograph, and then digitized on aerial imagery in ArcGIS. Habitat types followed the categories or classification system described in the PAX report. Dominant plant species in each of the habitat types was recorded, and animal species observed during the survey were also noted in our field notes. Representative photographs were taken to document onsite conditions and a photo plate is provided as an attachment to this letter report.

Results

The field survey confirmed that all project impact areas within the revised project footprint would be located within existing agricultural areas, the developed areas of existing roadways and residences, and maintained (i.e., mowed and periodically disked) annual grassland habitat along the perimeter of an orchard. Dryland Grain Crop occupies the entire proposed cultivation area for the 11525 Tule Elk Lane project (see attached Figure 1 - Existing Conditions Map). The field had been planted in oats, and was being baled into oat hay at the time of the survey. Infrastructure such as the water line would be in a disturbed roadway.

The proposed cultivation facility at 8710 Carissa Highway would be located almost entirely within Deciduous Orchard, consisting of pistachio trees (see attached Existing Conditions Map and Photo Plate). A small sliver in the northwestern corner of the site was Annual Grassland, and is mowed regularly as part of maintenance for the orchard. Review of aerial imagery on Google Earth showed that this area appears to be disked periodically. The existing access road to Carissa Highway was a two-track dirt road with Annual Grassland along the margins, consisting of weedy, non-native vegetation along the sides and middle. The project would

improve this road and a new road section would be constructed across existing Deciduous Orchard. The waterline would be connected to an existing well that is within an Urban/Developed area for a rural residence, and be trenched in the ground of the existing unpaved driveway. It would be run along the edge and then cross through the existing orchard, which would remain in its current use after the line is installed. The cultivation area would be sited almost entirely within the pistachio orchard mapped as Deciduous Orchard. A small area of Annual Grassland that is mowed as part of the orchard would also fall within the cultivation area as well as part of the access road from Highway 58.

Conclusions

The project was revised to avoid impacts to ephemeral swale features on the four properties. The repositioning of the cultivation sites resulted in small portions falling outside of the PAX study area on two of the four properties, 11525 Tule Elk Lane and 8710 Carrisa Highway. The revised cultivation areas, access roads and waterlines for 11520 and 11330 Tule Elk Lane are within the original PAX study area, and the site visit conducted for this investigation confirmed that existing conditions were consistent with those findings reported in the PAX report (refer to PAX report and attached Photo Plate). The revised cultivation area for 11525 Tule Elk Lane was entirely within an active agricultural field, and the revised area for 8710 Carrisa Highway was within an active orchard with a small margin of disturbed annual grassland. Existing developed areas as mapped by PAX would also be used for the access road and waterline of the latter project.

The PAX BRA identified the low potential for project impacts on special-status plant species. Based on this investigation, no potential habitat for special-status plant species was identified within the revised project impact areas, as these areas consisted of actively farmed crops, an orchard, mowed areas around the perimeter of the orchard, and a residential area. The four properties have been actively farmed and managed for many years reducing the potential for special status plants to be present and affected by project activities.

The PAX BRA identified potential dens and potential habitat for the American badger (*Taxidea taxus*) and San Joaquin kit fox (*Vulpes macrotis mutica*). Additionally, potential project effects on the burrowing owl (*Athene cunicularia*) were identified. Although highly unlikely due to regular farming activities and human presence, there is a slight chance that these species could den/burrow or occur within the revised project areas on a periodic basis. Mitigation Measures BR-3 for preconstruction den surveys and BR-6 for burrowing owl burrows adequately cover the revised sites. The County Standard Mitigation for Impacts on San Joaquin kit fox habitat, as described in BR-7, and lighting requirements in BR-8 are also adequate and can be applied to the revised project.

Marginal habitat for northern California legless lizard (*Anniella pulchra*) may be present in the developed areas where the waterline would be run for the 8710 Carrisa Highway project, but no suitable habitat is present in the agricultural or grassland areas due to regular disturbance and lack of shrub cover. Surveys for legless lizards as described in Mitigation Measure BR-4 should include the waterline footprint.

At 8710 Carrisa Highway, protected bird species could use the ornamental trees along the proposed waterline or the existing pistachio trees in the orchard for nesting. Mitigation

Measure BR-5 for preconstruction nesting bird surveys should be applied to project impacts for these areas. The cultivation area for 11525 is not expected to provide habitat for nesting birds due to ongoing farming activities.

No new habitat types that could support special status species were identified during this supplemental analysis. No significant habitat resources exist in the revised sites and no additional impacts on biological resources were identified within the revised project cultivation areas beyond those described by PAX in their 2019 report. Mitigation measures identified in the PAX BRA were determined to be adequate for the revised project areas, as described above. With the incorporation of the measures previously prescribed, project effects are expected to be below the level of significance under the California Environmental Quality Act.

References

PAX Environmental, Inc. 2019 (April). Biological Resources Assessment for Four Project Sites in Santa Margarita, San Luis Obispo County, California. Prepared for Agzone Services, LLC, Paso Robles, California. Ojai, California.

PAX Environmental, Inc. 2019 (June 7). Waters Addendum Figures prepared for the projects showing ephemeral swales and potential wetland features.



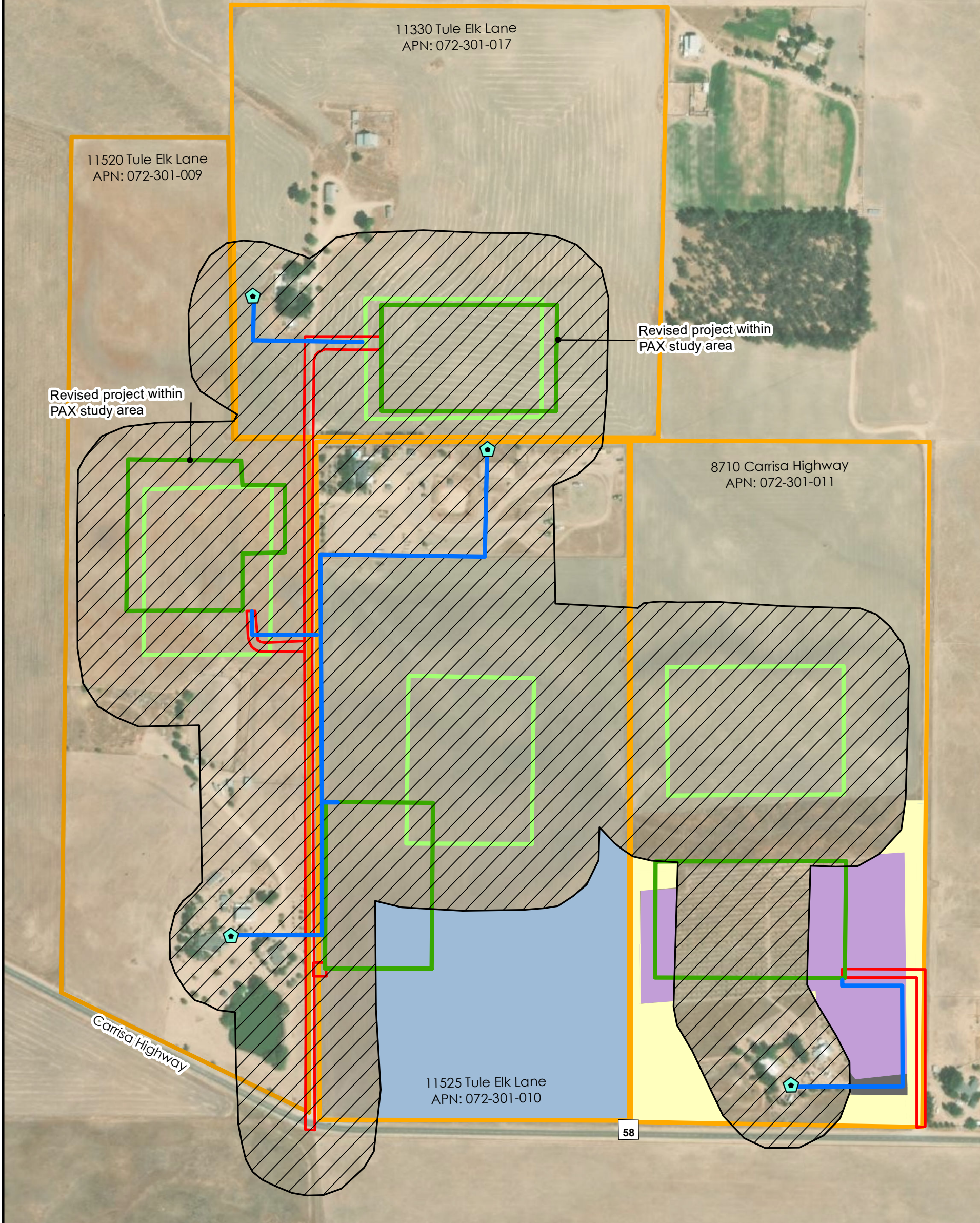
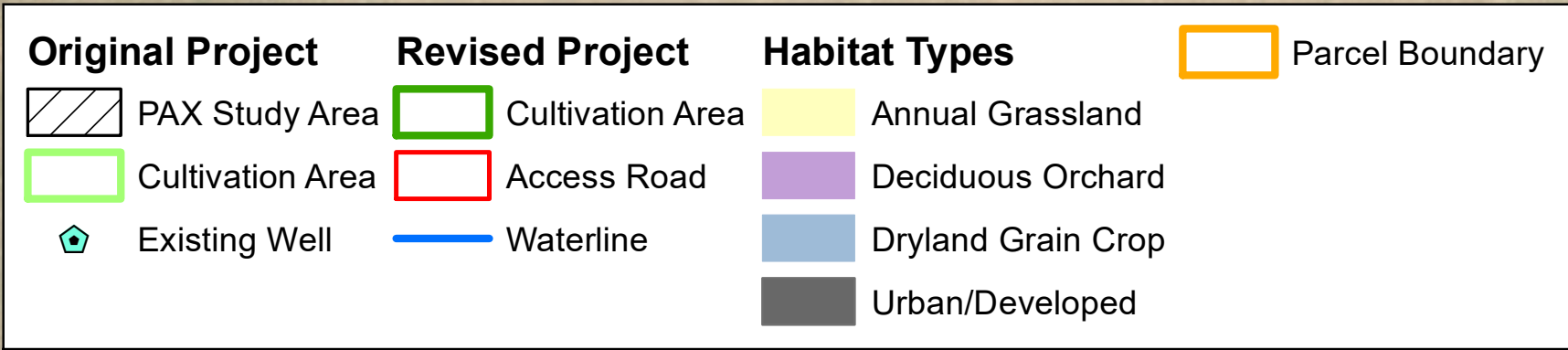
Thank you for the opportunity to provide environmental consulting services for this project. I trust the above information is sufficient at this time to support your reporting requirements for the proposed project. Please call or email me if you have any questions or need any additional information.

Sincerely,
Kevin Merk Associates, LLC

A handwritten signature in blue ink that reads "Kevin Merk".

Kevin Merk
Principal Biologist

*Attachments: Existing Conditions Map
Photo Plate*



Source: Esri 2020, PAX 2019



1 inch = 300 feet

4 Carrizo Cannabis Projects
 AGZONE Services

Figure 1
 Existing Conditions Map

Photo Plate

Photo 1. Easterly view across the proposed cultivation site on 11525 Tule Elk Lane. The Dryland Grain Crop habitat type was present across the project footprint, and consisted of oats.



Photo 2. Access to the three cultivation areas on Tule Elk Lane would be improved, as necessary. This part of the road, at the junction with Carissa Highway (58), may already meet the requirements for the planned 16-foot wide aggregate base access road.



Photo 3. View of the mid-portion of Tule Elk Lane, looking north. This portion of the road would be improved to provide access to 11520 and 11330 Tule Elk Lane and water lines run in a trench along the right side of the road in disturbed areas.



Photo 4. Westerly view across the proposed cultivation area at 11520 Tule Elk Lane. Dryland Grain Crops occupied the project footprint. The water line would come from Tule Elk Lane and cross this habitat type that has been disked and farmed for a number of years.



Photo 5. Northerly view of the access road that would be improved for the cultivation area on 11330 Tule Elk Lane. The water line would be run underground in front of the stand of trees, which are ornamental species surrounding a residence.



Photo 6. View across the proposed cultivation area on 11330 Tule Elk Lane. The trees and barns in the distance are outside of the project footprint. Farm operations were harvesting the grain field at the time the survey was conducted.



Photo 7. Northerly view across the proposed cultivation area on 8710 Carrisa Highway. The habitat type is Deciduous Orchard, consisting of pistachio trees. The impact area would be located almost entirely within the existing orchard, except for a small sliver in the northwest corner, which is mowed Annual Grassland.



Photo 8. Access road to the proposed cultivation area on 8710 Carrisa Highway that would be improved. The area on the left is Annual Grassland, dominated by non-native weedy species that are adapted to the regular cycle of disturbance from farming activities.



Photo 9. The waterline for the proposed cultivation area on 8710 Carrisa Highway would run down the middle of this driveway and connect to an existing well. This habitat type was considered Urban/Developed.



Photo 10. The waterline for the 8710 Carrisa Highway project would run along the edge and then cross through this existing orchard. The access road would cross over a small margin of mowed Annual Grassland, such as depicted here on the opposite side of the fence, and then cross Deciduous Orchard habitat.