



Oxnard Commercial Cannabis Application Phase 2 Evaluation Report

CCB 2021-49 - Sol Natural, Inc. dba Kindly Oxnard

Tracking Number - Applicant Name/DBA

141 South A Street, Oxnard, CA 93030

Proposed Location

Retail and Local Equity Applicant/Retail

License Type

SCORE SUMMARY

1,170 Points Received

1,200 Points Available

97.50% Score

Fail CBA & Local Equity Program

| Criteria | Scoring Basis | Points Available | Points Received | Evaluation |
|--|--|------------------|-----------------|--|
| 1 Business Plan (500 pts) | | 500 | 479 | |
| 1.1 A budget for construction, operation and maintenance, compensation of employees, equipment costs, utility cost, and other operation costs. | Percentage | 85 | 85 | Addressed criteria. |
| 1.2 Proof of capitalization in the form of documentation of cash or other liquid assets on hand, Letters of Credit or other equivalent assets. | Percentage | 90 | 84 | Proof of capital not current. A non-dated proof of funds letter was included. (PDF "SOL Natural Proof of Funding Letter") |
| 1.3 3-year pro forma for at least three years of operation. | Percentage | 85 | 85 | Addressed criteria. |
| 1.4 Fully describe hours of operation and opening and closing procedures. | All or none | 50 | 50 | Addressed criteria. |
| 1.5 Fully describe the day-to-day operations for each license type being sought. | Percentage | 90 | 75 | Description of day-to-day operations was limited to the criteria in 1.5.1a-1.5.1f. Applicants who received full points for this criteria described operations beyond the minimum requirements. *See 1.5.1f below. |
| 1.5.1 Additional criteria for RETAIL applications only: | | | | |
| a. Describe customer check-in procedures. | | | | |
| b. Identify location and procedures for receiving deliveries during business hours. | | | | |
| c. Identify number of Point-of-Sales location and estimated number of customers to be served per hour/day. | | | | |
| d. Describe the proposed product line and estimate the percentage of sales of flower and manufactured products. | | | | |
| e. Describe the product handling procedures. | | | | |
| f. If proposed, describe delivery service procedures, number of vehicles and product security during transportation. | | | | The number of delivery vehicles was not found in the application. |
| 1.6 Fully describe cash handling procedures. | All or none | 50 | 50 | Addressed criteria. |
| 1.7 Fully describe inventory control procedures including identification of point-of-sales and track and trace software. | All or none | 50 | 50 | Addressed criteria. |
| Summary | <p>The owners are Marisa Lopez-CEO (45%), Rachel Chavez-CFO (23%), Edward Chavez-COO (22%) and Jason Soto-Sec'y. (10%). Start-up budget is \$1.5M. Proof of valid and current capital was provided via bank statements dated 12/2020 amounting to \$387k along with a non-dated letter (Proof of Funding) for \$6M. Meadow will be their POS software METRC as their inventory tracking platform to meet regulations. Three (3) POS locations to serve 150-300 customers/day. They will do delivery using GPS equipped vehicles. Customers will not have direct access to products on the retail floor. The product handling procedures explained that customers will not be allowed to physically handle products to view or smell, except for sample products to meet regulations. The product line will consist of flower (46%), edibles (9.3%), pre-rolls (10%), cartridges (23%), extracts (5.7%), tinctures (3%), topicals (1%), and merch. (2%). Annual revenue projections start at approx. \$5.3M in Year 1 to \$19.8M in Year 3.</p> | | | |



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| 2 Labor and Employment Plan (300 pts) | | 300 | 300 | |
| 2.1 Describe compensation to and opportunities for continuing education and employee training. | Percentage | 105 | 105 | Addressed criteria. |
| 2.2 Describe the extent to which the CCB will be a locally managed enterprise whose owners and/or managers reside within the Ventura County area. | All or none | 45 | 45 | Addressed criteria. |
| 2.3 Describe the number of employees, title/position and their respective responsibilities. | Percentage | 105 | 105 | Addressed criteria. |
| 2.4 Thoroughly describe employee policies and procedures (complete manuals are not required to be submitted). | All or none | 45 | 45 | Addressed criteria. |

Summary They plan to hire 12 employees locally (75%) with compensations (living wage) starting at \$14.8/hr. to also include a benefits package for full-time employees. Managers will reside within Oxnard and Ventura County. Employees will be provided with adequate training consistent with state regulation and retail standard operating procedures. Consultants will conduct training for new hires and have refresher courses every 2 years. Management will implement workshops for employees to encourage improvement in staff knowledge. An Employee Handbook outlining policies and procedures will be provided upon hire to adhere to local and state laws. A Labor Peace Agreement has been entered with UFCW 770.

| Criteria | Scoring Basis | Points Available | Points Received | Evaluation |
|---|---------------|------------------|-----------------|--|
| 3 Safety Plan (200 pts) | | 200 | 196 | |
| 3.1 The Safety Plan shall be prepared by a professional fire prevention and suppression consultant. An assessment of the facility's fire safety plan by a qualified licensed fire prevention and suppression consultant. An appropriate plan will consider all possible fire, hazardous material, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation. Identify all gases and/or chemicals to be used and their storage locations (testing). | Percentage | 70 | 70 | Addressed criteria. |
| 3.2 Identify fire alarm and monitoring system including the name and contact information for the alarm company | All or none | 7 | 7 | Addressed criteria. |
| 3.3 Describe accident and incident reporting procedures | All or none | 8 | 8 | Addressed criteria. |
| 3.4 Describe evacuation routes | All or none | 8 | 8 | Addressed criteria. |
| 3.5 Location of fire extinguishers and other fire suppression equipment | All or none | 8 | 8 | Addressed criteria. |
| 3.6 Describe procedures and training for all fire and medical emergencies | All or none | 8 | 8 | Addressed criteria. |
| 3.7 Describe and identify the location of all gas monitoring equipment. A detailed diagram of the overall facility's safety features. | All or none | 7 | 7 | Addressed criteria. |
| 3.8 Written description of safety features, including but not limited to fire prevention, suppression, HVAC and alarm systems. | Percentage | 70 | 66 | Safety Plan identified more safety features than the minimum requirement (i.e. First Aid box, AED, Knox box, exit signs, fire hydrant, carbon monoxide, emergency lighting) but described fewer safety features in this criteria than applicants who received full points. |
| 3.9 Clarify if your building has sprinklers? | All or none | 7 | 7 | Addressed criteria. |
| 3.10 What date was the subject building constructed? | All or none | 7 | 7 | Addressed criteria. |

Summary The Safety Plan was prepared by fire/life safety consultants Craig Fry & Associates, LLC in line with state regulations. The building was constructed in 1961. Manual fire alarms will be installed and monitored by Bay Alarm. Automatic smoke/carbon monoxide detection system are throughout the facility. The building is not sprinklered and it is not required. Carbon filters and a UV light air purifying system will be integrated into the HVAC system to mitigate odors. Gas monitoring device systems were not explained or addressed but a diagram showing overall safety features was included.



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| 4 Security Plan (200 pts) | | 200 | 195 | |
| 4.1 The Security Plan shall be prepared by a professional security consultant. A thorough Security Plan should consider all access control, inventory control, cash handling procedures. Complete policy/procedures manuals are not required at this point of the application process. Please only provide a detailed description for each criteria. | <i>All or none</i> | 30 | 30 | Addressed criteria. |
| 4.2 Premises (Security) Diagram. In addition to diagrams submitted for other sections of the application, applicants are expected to submit a premises diagram (floor plan, detail) which, focuses on the proposed security measures and how they relate to the overall business. (Pursuant to CCR Title 16, Division 42, §5006. Premises Diagram). | <i>Percentage</i> | 70 | 65 | 4.2.5 - Cameras depicted on the security overlay diagram were not numbered. (pg. 82 of PDF File #3) |
| 4.2.1 The diagram shall be accurate, dimensioned and to scale (minimum scale 1/8"). The scale may be smaller if the proposed location exceeds more than a 1/2 acre parcel but must not be printed on larger than an 11" x 17" sheet of paper. (Blueprints and engineering site plans are not required at this point of the application process). | | | | |
| 4.2.2 The diagram must be drawn to scale and clearly identify property boundaries, entrances, exits, interior partitions, walls, rooms, windows and doorways. The activity in each room and the location of all cameras must be identified on the diagram. | | | | |
| 4.2.3 Description of cannabis activity that will be conducted in each area of the premise. Commercial cannabis activities that must be identified on the diagram/floor plan may include but are not limited to the following if applicable to the business operations; storage areas, batch sampling areas, loading/unloading of shipment areas, packaging and labeling, customer sales areas, training areas, employee break room areas, and testing areas. | | | | |
| 4.2.4 Limited-access areas, defined as areas in which cannabis goods are stored or held and only accessible to a licensee, its employee or contractors, and areas used for video surveillance monitoring and storage devices (Pursuant to CCR Title 16, Division 42, §5000 (m) Limited-Access Area and §5042. Limited-Access Area). | | | | |
| 4.2.5 Number and location of all video surveillance cameras. | | | | |
| 4.3 Identify intrusion alarm and monitoring system including the name and contact information for the monitoring company. | <i>All or none</i> | 30 | 30 | Addressed criteria. |
| 4.4 Discuss whether the CCB will utilize the services of on-site security guards. Include in the discussions: | <i>Percentage</i> | 70 | 70 | Addressed criteria. |
| 4.4.1 Number of guards | | | | |
| 4.4.2 Hours guards will be on-site | | | | |
| 4.4.3 Locations they will be positioned | | | | |
| 4.4.4 Their roles and responsibilities | | | | |
| Summary The Security Plan was prepared by Edgeline Security Services in line with state regulations. The business will be patrolled by at least 2 security guard during hours of operation. Forty-six (46) surveillance cameras will record 24-hours to monitor and safeguard the property. APS Security Systems, Inc. will be actively monitoring the security system. | | | | |



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| 5 Community Benefit Agreement and Local Equity Program (Pass/Fail) | | | | |
| 5.1 Executed Cannabis Community Benefit Agreement and Local Equity Program | Pass/Fail | Required | Fail | Applicant failed to provide the required form. |
| Summary A signed Cannabis Community Benefit Agreement and Local Equity Program form was not included. | | | | |