

Verts Grand Lake LLC Conditional Use Permit Application Narrative

With over a decade of experience in Colorado's regulated marijuana industry, Verts Grand Lake LLC, doing business as Verts Neighborhood Dispensary (Verts), is seeking to build on its reputation as a community resource, good neighbor and well-run business to not only become Grand Lake's first licensed marijuana store, but one that preserves Grand Lake's unique, rustic, small-town character.

Proposed to be located at 525 Grand Avenue, Verts intends to be a successful cannabis business, helping to foster a sustainable, year-round local economy. The store will blend in with the surrounding area and seeks to build community with neighboring residents and businesses. Preserving its existing neighborhood compatibility, the existing structure and signage will remain, with only needed electrical and plumbing upgrades, accessibility and tenant finishes added. The sign structure will remain; the only change will be swapping the existing graphics for Verts branding, in compliance with GLMC 6-5-5(e).

Verts has secured the right to the property from its prospective owner. JesseTheDog LLC has executed a purchase contract with the current property owners, Mountain Mongrels LLC, scheduled to close on April 4, 2024. Verts will lease the property from JesseTheDog LLC per a lease agreement between the two parties that has been executed and is set to take effect on April 10, 2024.

Because Verts has an established relationship with its prospective landlord, the store is in position to be a successful and stable business in its proposed location. Our intent is to grow the business, lead by example, and show that Grand Lake has a robust and thriving adult-use cannabis market, all while continuing to impact the community in only positive ways and maintaining our friendly persona.

We are a company that views our team members as family and treats them as such. We focus on compliance, working hard and finding solutions. Our core purpose is to cultivate better lives among our customers, staff and community.

Verts carries an extensive artisanal selection of cannabis products that meet our customers' needs and remain up-to-date with current market demand. We embody the friendly, neighborhood vibe. When people purchase cannabis from us, they receive a nostalgic experience and personal interaction rather than a cold or clinical transaction.

Hours of operation – In accordance with GLMC 6-5-5(h)(1), Verts will operate within the hours of 8am-10pm, seven days a week. We will be closed on Thanksgiving and Christmas.

Estimated number of customers – On average, Verts expects to serve approximately 10 customers per hour and at least 100 customers per day during the summer busy season.

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Outdoor lighting – Verts utilizes a series of lights around the facility’s exterior to provide safety and to support the store’s security and video surveillance system. Perimeter lighting covers the entire premises and all entrances/exits, and is sufficient for observers to see and cameras to record any activity within 20 feet of all entry points, per 1 CCR 212-3 § 3-225(C)(2). The parking area in front of the licensed premises is adequately lit for security purposes, per GLMC 12-2-28(C)(4)(b). Lighting is downward facing, so that bulbs are not directly visible from off of the property.

Trash removal – As a retail facility with minimal waste production, Verts will utilize the Town’s self-service Pay-As-You-Throw trash program.

Management – Verts was built to thrive in an emerging and fiercely competitive retail cannabis landscape, under a strict regulatory microscope, while focusing on providing a positive company culture. Verts’ management team includes three professionals with extensive business and cannabis industry experience. Verts’ leadership has deep experience in operating licensed cannabis establishments including retail, adhering to regulatory guidelines, and overseeing and managing employees while maintaining a positive company culture.

Verts CEO and co-owner Ashley Close was the first female cannabis owner and executive in Golden, and has helped blaze trails for other Colorado women looking for leadership roles in the cannabis industry.

The team looks forward to expanding operations in the Town of Grand Lake, and we possess the necessary expertise and skills to do so efficiently and effectively. Per the Staffing Plan in our Regulated Marijuana Business License Application, Verts will staff up to four full-time, year-round employees once retail sales commence and begin to scale. We expect to utilize additional, seasonal employees as needed. The core positions will include a General Manager, Assistant Manager and two Budtenders.

Core values – We are honest and forthcoming with our customers. We never make volume or sales figures the focus of an interaction, but rather focus on making sure our patrons feel taken care of. Our honesty ripples over into the integrity with which the community views us, and it is that integrity that makes them believe in us and return time and time again.

Verts’ niche is – and will continue to be in the Retail market – providing quality cannabis at a great price. As a vertically integrated company with a long history in Colorado’s legal cannabis market, we have the experience and expertise to thrive within our niche and to continue growing our business.

Customer service

We always make it right. At Verts, we take accountability for any mistake or shortcomings on our part as a business. If any of our employees are ever incapable of

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making something right for a customer, we bring it to the rest of the team's attention so we can get the resources in place to provide solutions.

We never lose sight of the customer experience. We wouldn't be anywhere without our customers, so continuing to maximize their experience is of paramount importance. When we are hiring new employees, we focus less on whether they have cannabis industry experience, but more so if they have hospitality and customer service experience.

Local hiring and career development

Whenever possible, Verts hires from within the community. We offer our team members the ability to move up in the company, a competitive pay rate and potential bonuses. Our employees receive a substantial discount on cannabis products, as well as paid time off and paid sick leave. We provide health, dental, vision, and life insurance, and focus on career development opportunities for our staff. Whenever there is a new position available, we always try to promote from within the company first.

Community benefits

Among the business practices that set Verts apart is our focus on taking care of the team members within the company as well as our customers throughout the community. We will give back to the Grand Lake and Grand County communities and support local charities and initiatives to make our home a better place to work and live.

Compliance

Additionally, we make compliance a core value and a focus of daily operations. Instead of looking at our sector as the "Cannabis Industry," we like to consider it the "Compliance Industry." Because only with total compliance comes the opportunity to sell cannabis; not the other way around. Regulations are constantly changing and we stay up to date and implement changes immediately.

Verts is Colorado born and raised. We look forward to continuing to grow in our home state and making a positive impact in the Grand Lake community.

COMMERCIAL LEASE AGREEMENT

This Lease is made on March 28, 2024, between JesseTheDog LLC, Landlord, of Grand Lake, Colorado, and Verts Grand Lake LLC, Tenant, of Grand Lake, Colorado.

This Lease is conditioned upon JesseTheDog LLC acquiring the property on April 4, 2024, per the attached Purchase Contract.

1. The Landlord agrees to rent to the Tenant and the Tenant agrees to rent from the Landlord the following property: 525 Grand Avenue, Grand Lake, CO 80447 consisting of approximately 2,008 rentable square feet.
2. The rental payments will be \$5,000 per month, including property taxes and property building insurance. Rent will be payable by the Tenant to the Landlord on the first day of each month, beginning on April 10, 2024 for a period of three years ending April 10, 2027. If any rental payment is not paid within five (5) days of its due date, the Tenant agrees to pay an additional late charge of 5% (five percent) of the rental payment due.
3. The term of this lease will begin on the first day of the month following receipt of the signed lease, security deposit, and first month's rent. If the Tenant remains as Tenant after expiration of this Lease with the consent of the Landlord but without signing a new lease, a month-to-month tenancy will be created with the same terms and conditions as this Lease, except that such new tenancy may be terminated by thirty (30) days written notice from the Tenant or the Landlord, and that the rent shall be \$9,000.
4. The Tenant will pay the Landlord a security deposit of \$5,000. This security deposit will be held as security for the repair of any damages to the property by the Tenant. This deposit will be returned to the Tenant within sixty (60) days of the termination of this Lease, minus any amounts needed to repair the property, but without interest.
5. The Tenant agrees to, and Landlord authorizes, use of the property only for the purpose of carrying on the following lawful business: Verts Grand Lake LLC, doing business as Verts Neighborhood Dispensary, a professional quality, licensed retail marijuana store.
6. The Landlord agrees that the Tenant may install the following equipment and fixtures for the purpose of operating Tenant's business. Such equipment and fixtures shall remain the property of Tenant:
 - a. Computers, tablets, TVs and monitors
 - b. POS infrastructure, hardware and software
 - c. Menu displays
 - d. Security cameras, DVR, access control, monitoring
 - e. Alarm hardware
 - f. Refrigerators
 - g. Furniture and décor
 - h. Storage and shelving

- i. Printers and office supplies
 - j. Interior signage
 - k. Any other equipment and fixtures necessary for the operation of a licensed retail marijuana store.
7. The Tenant has inspected the property and has found it satisfactory for its intended purposes. The Landlord shall be responsible for the repair and upkeep of the exterior of the property, including the roof, exterior walls, parking areas, landscaping, and building foundation. The Tenant shall be responsible for the repair and upkeep of the interior of the property, including all electrical, mechanical, plumbing, heating, cooling, and/or any other system or equipment on the property. Tenant agrees to maintain the interior of the property and the surrounding outside area in a clean, safe, and sanitary manner and not to make any alterations to the property without the Landlord's written consent. At the termination of this Lease, the Tenant agrees to leave the property in the same condition as when it was received, except for normal wear and tear. Tenant also agrees to comply with all rules, laws, regulations, and ordinances affecting the property or business activities of the Tenant.
8. The parties acknowledge that the utilities to the property are in the name of the Tenant. Tenant shall be responsible for paying such utilities for the property by their stated due dates.
9. The Tenant shall not sub-let property or assign this lease without the Landlord's written consent, which shall not be unreasonably withheld. Tenant agrees to allow the Landlord reasonable access to the property for inspection and repair in compliance with the rules, laws, regulations and ordinances affecting the property or business activities of Tenant. Landlord agrees to enter the property only after notifying the Tenant in advance, except in an emergency.
10. If the Tenant fails to pay the rent on time or violates any other terms of this Lease, the Landlord will provide written notice of the violation or default, allowing 5 days to correct the violation or default. If the violation or default is not completely corrected within the time prescribed, the Landlord will have the right to terminate this lease with 25 days' notice and in accordance with state law. Upon termination of this lease, the Tenant agrees to surrender possession of the property. The Landlord will also have the right to re-enter the property and take possession of it in accordance with state law, remove Tenant and any equipment or possessions of Tenant, and to take advantage of any other legal remedies available.
11. The Landlord agrees to carry fire and casualty insurance on the property, but shall have no liability for the operation of the Tenant's business. The Tenant agrees not to do anything that will increase the Landlord's insurance premiums and, further agrees to indemnify and hold the Landlord harmless from liability or damage, whether caused by Tenant's operations or otherwise. The Tenant agrees to carry and pay all premiums for casualty insurance on any equipment or fixtures that Tenant installs at the property. In addition, the Tenant agrees to carry business liability insurance, including bodily injury

and property damage coverage, covering all Tenants' business operations in the amount of \$1,000,000 with the Landlord named as a co-insured party. Tenant agrees to furnish Landlord copies of the insurance policies and to not cancel without notifying the Landlord in advance. Tenant agrees to provide Landlord with a Certificate of Insurance which indicates that Landlord is a co-insured party and that Landlord shall be provided with a minimum of ten (10) days written notice prior to cancellation or change of coverage.

12. This lease is subject to any mortgage or deed of trust currently on the property or which may be made against the property at any time in the future. The Tenant agrees to sign any documents necessary to subordinate this Lease or a mortgage or deed of trust for the Landlord.
13. In the event any legislation, administrative regulations, rules, ordinances, policy or other exercise of authority over Tenant's business by any governmental division or law enforcement agency shall make it illegal or impracticable for Tenant to carry on the business contemplated by this Lease, Tenant may only terminate this Lease on 30 days written notice. In the event of a violation of any terms or default of any payments or responsibilities due under this lease, the terms in Paragraph 11 of this Lease shall control.
14. Tenant agrees that if any legal action is necessary to recover the property, collect any amounts due under this Lease, or correct a violation of any term of this Lease, Tenant shall be responsible for all costs incurred by the Landlord in connection with such action, including any reasonable attorney's fees.
15. As required by law, the Landlord makes the following statement: "Radon gas is naturally occurring radioactive gas that, when accumulated in sufficient quantities in a building, may present health risks to persons exposed to it. Levels of radon gas that exceed federal and state guidelines have been found in buildings in this state. Additional information regarding radon gas and radon gas testing may be obtained from your health department."
16. The following are additional terms of this Lease:
 - Real estate taxes will be assessed and divided against the total number of square feet of rentable floor area IF PROPERTY TAXES GO UP MORE THAN 5% PER YEAR
 - Tenant shall comply with all applicable state and local laws, including but not limited to the state cannabis licensing and program rules
 - Since compliance with all federal laws is impossible, Tenant shall comply with all applicable federal laws to the extent they are not inconsistent with Tenant's use of the premises as a cannabis business
 - The use of marijuana substances including marijuana, edibles, cannabis tonics, extracts or other items with THC are strictly prohibited on the property
 - Tenant agrees to paint the ceiling and walls; and replace all ceiling tiles at the end of the lease

17. The parties agree that this Lease, including any attachments is the entire agreement between them and that no terms of this Lease may be changed, except by written agreement of both parties. This Lease is intended to comply with all applicable laws relating to Landlord and Tenant relationships in the state. This Lease binds and benefits both the Landlord and Tenant and any heirs, successors, representatives, or assigns. This Lease is governed by the laws of the State of Colorado, the Town of Grand Lake, and Grand County.

LANDLORD

JesseTheDog LLC

A Colorado limited liability company

By: 
Matthew Ingles, Member/Manager

TENANT

Verts Grand Lake LLC

A Colorado limited liability company

By: 
Ashley Close, Member