

Verts Neighborhood Dispensary

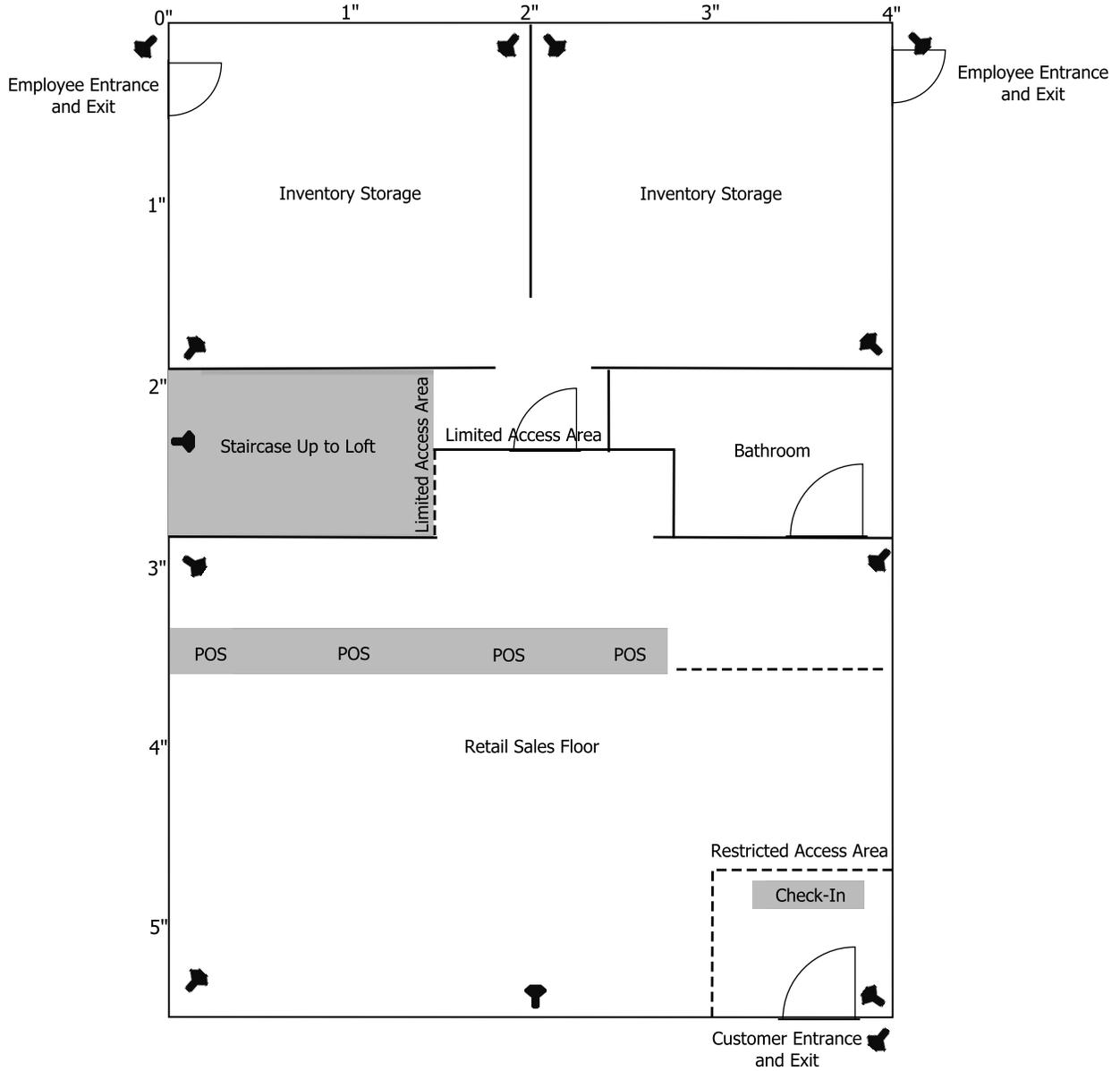
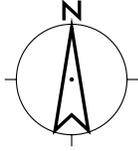
525 Grand Lake Ave, Grand Lake, CO

State License: TBD

City License: TBD

Cameras : 17

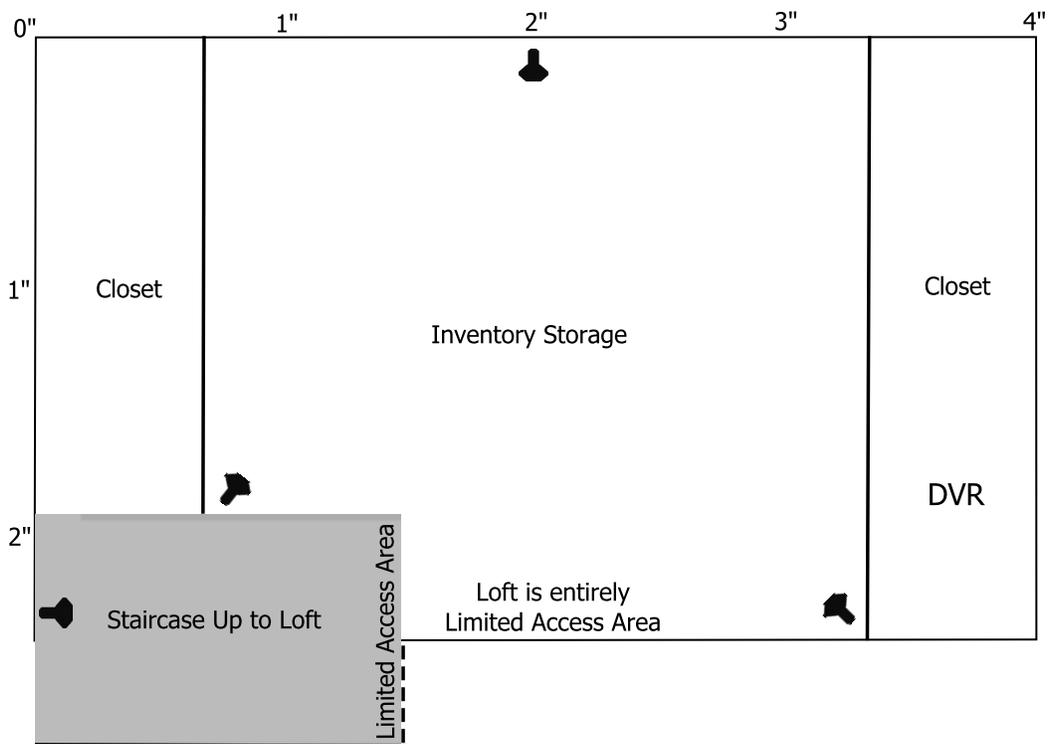
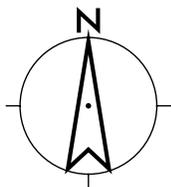
1 in ~ 6 ft



Main Floor

Verts Neighborhood Dispensary

1 in ~ 6 ft



COMMERCIAL LEASE AGREEMENT

This Lease is made on March 14, 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 March 28, 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 1, 2024 for a period of three years ending April 1, 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.

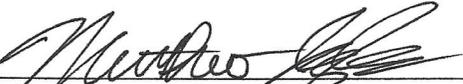
12. This lease is subject to any mortgage or deed of trust currently on the property or which may be made against the property at any time in the future. The Tenant agrees to sign any documents necessary to subordinate this Lease or a mortgage or deed of trust for the Landlord.
13. In the event any legislation, 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

Verts Grand Lake LLC Business Plan

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 become Grand Lake's first licensed marijuana store.

Proposed to be located at 525 Grand Avenue, Verts intends to be a successful cannabis business that blends in with the surrounding area and builds community with neighboring residents and businesses.

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 March 28, 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 1, 2024.

Because Verts has an established relationship with its prospective landlord, the store will be in position to remain 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 bringing 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.

Proposed product lines – Verts understands that careful product procurement and shelf selection will drive sales growth and better serve customers. The company focuses on the careful development of product selection by fostering excellent relationships with its existing vendors, and facilitating new vendor relationships and the procurement of quality cannabis and cannabis products from licensed Colorado producers. Verts projects that roughly 50 percent of sales will be cannabis flower and 45 percent will be manufactured (non-flower) cannabis products, with the remaining 5 percent of sales being non-cannabis products such as accessories and branded merchandise.

Cannabis flower

Cannabis flower is likely the most recognizable commercially available cannabis product sold by licensed retail marijuana stores. Dried cannabis flower comes in a variety of strains that fall under three broad categories, each of which will be available at Verts. Whether indica, sativa, or

Verts Grand Lake LLC Business Plan

a hybrid of the two, each cannabis strain has distinctive identifiers experienced through nuanced differences in taste, smell, and effect due to the varying levels of tetrahydrocannabinol (THC), cannabidiol (CBD), and other present cannabinoids and terpenoids. Indica-dominant strains tend to provide a more relaxed experience, affecting the whole body, while sativa-dominant strains generally produce an energizing effect. Hybrids can provide a bit of both effects. Different strains produce different experiences, so to best serve Verts customers, we believe it is important to have a diverse variety of cannabis flower to meet all customer needs.

Manufactured cannabis products

Cannabis products are created by processing cannabis flower and trim material through a wide variety of extraction methods. Depending on the extraction method, a range of different products can be produced, all with different potencies, textures and effects. Verts intends to provide a full range of manufactured cannabis products so consumers can make a responsible choice regarding their use.

Verts will offer the following manufactured cannabis products:

- Concentrated cannabis in smokable and/or vaporizable form
- Vaporizer pens and cartridges
- Oils in oral dosage syringe or capsule form
- Edibles and drinks
- Topicals
- Transdermal patches

With every concentrated form of cannabis that is sold, Verts will make available the Colorado Marijuana Enforcement Division (MED) warning statements and safety pamphlet for concentrate usage.

Verts strives to offer a diverse array of options for customers to make informed, responsible choices about their cannabis use. Carefully curated cannabis products will be offered at an affordable price point so access to the benefits of cannabis is based on preference and not the size of one's wallet.

Finally, if customers prefer that Verts carry a specific product or brand, the store will be happy to accept recommendations. And by utilizing analytics provided through the State inventory tracking system and Treez (our internal point-of-sale software system), Verts will identify the products most popular among customers. While the popularity of a product provides some weight when making purchasing decisions, Verts will also focus heavily on quality and agreements in place with trusted suppliers.

Proposed product handling procedures – In addition to the receiving deliveries and inventory control procedures outlined in our Operations Plan, Verts follows strict product handling procedures within its licensed premises.

Verts Grand Lake LLC Business Plan

Fulfillment of customer orders

Purchases may only be made in the Retail Sales Floor area. As described in the customer check-in procedures in our Operations Plan, only customers who have undergone age and identity verification are granted access to the Retail Area. As a Retail Marijuana Store, Verts will only sell Retail cannabis and cannabis products to individuals at least 21 years of age.

Customers will be able to browse secure product displays while on the Retail Sales Floor; Verts will not allow customers access to cannabis or cannabis products until they have completed a transaction. Government-issued identification will also be required to be shown at the point-of-sale (POS) at the time of purchase. All cannabis products are dispensed in child-proof, opaque packaging.

Budtenders will adhere to the following steps when fulfilling customer orders:

- After browsing and/or asking any questions, the customer will place an order with a Budtender.
- The Budtender will fulfill the customer order and will scan all ordered items into Treez. The Budtender will then apply all customer exit labels to all products as well as any discounts.
- The customer will tender payment. Verts accepts cash as well as debit card transactions.
- The Budtender will record the completed transaction in Treez.
- The Budtender will place products into a bag, if desired by the customer, and hand the bag to the customer.

After completing the transaction, all customers will be required to immediately exit the store.

Product returns

Verts will accept returns of defective, damaged, or products which fail to meet customer expectations with a receipt of purchase. In exchange, customers are given the option to purchase the same or similar product and are charged \$0.10, which is the lowest legal amount a customer can be charged. Verts will never resell cannabis goods returned by a customer. Defective cannabis products returned by customers to Verts will be destroyed on the day they are returned.

Secure product display

The Verts Retail Sales Floor has been designed to provide optimal viewing capabilities of products for customers, while limiting the opportunity for diversion.

Flower product samples are securely displayed in jars that allow customers to visually inspect the flower and smell it; however, the jars are locked and secured by a retractable steel cord within the fixed display.

Concentrates and cartridges are on display, but stored and secured within locked display cases. There is no handling of these products by consumers unless a purchase is made.

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Edibles and other pre-packaged cannabis products are displayed in “dummy packaging” with no product inside and/or using no-THC sample products. This allows customers to visually inspect the product packaging and information, but no THC-containing products are on display.

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 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.”

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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.

Verts Grand Lake LLC Operations Plan

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

Per GLMC 6-5-5(g), the store's licensed premises and the property associated with the license, its books, records and inventory, including any places of storage where regulated marijuana is stored, displayed or sold, and locked and/or secured area, shall be made available to inspection by Town personnel, or commissioned police officers of the Town, during all business hours and other times of apparent activity.

Opening and closing procedures – Verts will implement detailed opening and closing procedures to:

- Ensure regularity and consistency.
- Prevent theft or diversion of cannabis and cannabis products.
- Maintain confidentiality of customer information and records.
- Comply with all inventory control and reporting requirements throughout the chain of custody.

Opening

Upon arriving in the parking lot, the opening Manager will confirm the area surrounding the facility, all pathways of ingress and egress, windows, and other areas are cleared and safe for entry. Upon entry, the opening Manager will be responsible for the following daily opening tasks:

- Unlocking Employee Entrance 30 minutes before store opening time.
- Deactivating the interior alarm.
- Ensuring all sanitation protocols from previous shifts have been properly completed.
- Ensuring all interior signage as well as displayed permits and certificates are properly located in compliance with GLMC 6-5-12 and are readily visible to all customers and store personnel.
- Ensuring all security cameras are operational.
- Confirming odor control systems are functioning and filters are clean.
- Confirming all Treez, Metrc, and other point of sale (POS) equipment, computers, smartphones, tablets, chargers, and associated equipment are turned on and in good working order.
- Carrying out inventory reconciliation to ensure starting day's inventory matches closing inventory from the previous night. Daily inventory includes cannabis flower, cannabis concentrate, and cannabis-infused products that will be made available for display, as well as stocked inventory.
- Reconciling the cash safe to ensure that the beginning day's overall balance and each individual POS till is accounted for and accurate according to records from the previous day.

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- Transferring any products made available as display samples from Inventory Storage to their respective display cases.
- Confirming that sales plans for the day are displayed in relevant locations to maintain knowledge of current sales goals.

Additionally, the opening Manager ensures all electronic devices to be used by the team have been charged overnight and are in their respective areas prior to store opening. After these tasks are complete, the opening Manager will open the single, secure Customer Entrance to the store.

Opening activities are all monitored and recorded by the team daily as each task is completed. This allows our General Manager and leadership team to:

- Build standardized quality assessment templates.
- Create action plans and assign responsibilities to managers and budtenders.
- Reinforce training, processes and comprehension of employees.
- Maintain brand standards and verify loss minimization controls.
- Complete comparative analyses over time and across locations.
- Ensure accountability while reducing reporting errors.
- Ensure all tasks are adequately addressed and allow the team to work together to achieve shared goals by dividing and conquering to maximize cooperation and efficiency.

Finally, most mornings we typically have an all-staff meeting to go over any issues, discuss the day's promotions and goals, and address any questions.

Closing

Verts staff will adhere to the following closing procedures after the end of each day's operating hours:

- Determine that all customers have left the premises and inspect the premises to ensure that everyone has vacated. No persons other than Verts staff are permitted within the premises after closing time.
- Balance out cash drawers and prepare bank deposits.
- Inspect work areas to confirm that all valuables have been secured.
- Lock all cash drawers in the safe within the Office.
- Scan and remove all cannabis products from the display cases.
- Secure storage cabinets.
- Return all goods to Inventory Storage and scan all products once relocated there.

The closing Manager will oversee each closing procedure above, and will also be responsible for the following closing tasks:

- Ensuring the single, secure Customer Entrance is locked, as well as all other exterior doors.

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- Conducting cash reconciliation, balancing final till, creating starting balance for the following business day, and placing cash-positive gains in properly labeled envelopes in the safe.
- Running POS reports to accumulate all debit card transactions.
- Transferring any products made available as samples from their respective display cases back to their respective place in Inventory Storage.
- Locking safe and Inventory Storage areas.
- Removing all trash, recycling, and non-cannabis waste from their respective receptacles.
- Wiping down and sanitizing each POS station.
- Confirming security equipment is operational.
- Ensuring that all security cameras are functional.
- Ensuring proper connectivity for all components of the security system.
- Ensuring DVR has enough storage for continued video recording.
- Confirming all POS computers, smartphones, tablets, chargers, and associated equipment are in good working order and are accounted for.
- Confirming all lights are off, and informing maintenance of any lighting or equipment issues. All lighting will be regularly maintained to guarantee adequate premises and parking lot lighting.
- Floors are swept and mopped, shelves are dusted, and glass is cleaned. All technology is powered down. Any restocking that needs to occur prior to the morning shift is authorized by a Manager and completed.

Customer check-in procedures – Per state law and GLMC 6-5-5(h)(6), Verts will not allow entry to the Retail Sales Floor without first identifying an individual as 21 years of age or older with a valid ID. Verts follows a strict access control plan and the licensed premises is not shared with, nor does it permit access from, any other business.

All customers will enter the site through the Customer Entrance at the southeast corner of the site. All customers will be required to present valid identification for verification to the receptionist at the front desk Check-In area. IDs are scanned and verified via Intellicheck, a software that is downloaded onto an iPad or tablet. The employee puts the barcode up to the camera and the platform will run the ID through its database. The database is set up to go through three checkpoints. The first is that the customer is 21 or older. The second is that the ID is current and valid. The third checks for irregularities within the ID itself and indicators for fake IDs. It will check the barcode and how all of the information is set up on the ID. If any of the information is off, it will show that the ID is invalid and fake. The customer will be able to shop only if the ID passes all three checkpoints within Intellicheck. If Verts staff members believe the ID to be fraudulent, it will be kept and submitted to the Grand County Sheriff's Department.

Intellicheck keeps a record of all IDs that were scanned through Verts's account. It keeps the date, time, and ID scanned for tracking purposes. At the end every month a report is sent via

Verts Grand Lake LLC Operations Plan

email for these records and deleted from the Intellicheck database. This will allow the business to show that the ID was checked at the front desk and verified to be legitimate if there is ever a discrepancy for a customer and their ID with the state or local authorities.

IDs are further verified by a visual and physical scan of the ID, and a visual scan of the customer. Once the customer has been verified to be over 21 with a valid ID, the customer will then be entered into Treez, our internal POS software system that allows Verts to track the amount of cannabis sold according to state purchase limits. Only upon verification will customers be allowed to proceed past the Customer Entrance check-in area into the Retail Sales Floor.

Customers will not be allowed beyond the Retail Sales Floor into any limited access areas, which include all “back of house” operational areas such as the Inventory Storage area. Access beyond the sales floor and entry to all limited-access areas will have electronic access control requiring unique identity verification that records the movements of employees and contractors.

Before interacting with any customer, Verts employees are trained to determine the authenticity of customer identification and to properly understand and use the ID scanner and Treez verification systems in place. Employees are trained to know the physical feel and touch of IDs and reference indicators between real and fake IDs.

The process for every customer is:

1. Ask the customer for their ID
2. Ask them to verbally verify their date of birth
3. As the customer is answering this question, the employee is looking at the picture of the ID and looking at the face of the customer to make sure there are no discrepancies between the two.
4. After the physical and visual check, the employee will run the ID through Intellicheck. This platform runs all IDs through a database using the barcode that can detect any irregularities of the ID.
5. Once the customer is verified through Intellicheck, the employee will place the ID under a UV light to make sure all UV Indicators are in place.
6. If there are any discrepancies with the ID, there will be a copy of the Current ID and Passport book for the US at the front desk, which the employee will reference.
7. If there are still issues, the employee will get a second opinion from a Manager.
8. Once all of these items are verified to be correct and valid, then the customer will be allowed to enter the Retail Sales Floor. If the customer fails to pass the ID checkpoint verification process, they will be asked to leave immediately.

Once the customer has entered the Retail Sales Floor, the customer will again be required to show their ID card to the employee that is finishing the transaction. They will again be asked to verbally verify their date of birth and the employee will be doing the physical and visual checks for the ID and face of the customer.

Verts Grand Lake LLC

Operations Plan

Verts will also sign up with a local company for periodic stings. The company will have either an underage person or a person at least 21 attempt to shop at Verts. For the underage person, the employee will ask the underage customer to leave, which will result in a pass for Verts. For the customer who is at least 21 years old who works for the company, they will make sure that their ID is checked thoroughly at the front desk and then again at the point of sale when the transaction is being finished. If the employee does all of this, it will result in a pass for Verts.

Location and procedures for receiving deliveries – Verts will obtain all cannabis and cannabis products from State of Colorado-licensed cannabis facilities. Any deliveries will be made by the vendor themselves or from a third-party licensed transport company. If from a third-party licensed facility, Verts will check the validity of their local and state licenses. All drivers are verified to have a valid driver's license and a State-issued badge.

Purchase orders

Only the General Manager and Assistant Manager will be authorized to place orders for shipments of product. Upon placement of an order, the General Manager or Assistant Manager will communicate with the producer to determine their availability, confirm the delivery, and request an electronic copy of the invoice. Each morning, a member of the Inventory team will check Metrc (the State's inventory tracking system) for any incoming deliveries and will thus make all documents ready for receiving said delivery.

Policies for receiving shipments

To ensure that shipments of product are received safely, securely, and compliantly into our facility, Verts will implement the following policies:

- All shipments of cannabis goods will be received during predesignated business hours.
- At the beginning of each shift, the Inventory team will check Metrc to confirm all manifested deliveries scheduled for that day.
- Vendor employees will be required to be escorted by a Verts employee at all times while on our premises. All vendors will be badged by the Colorado Marijuana Enforcement Division (MED) accordingly and Verts staff will ensure to check the validity of the badge and that the vendor is wearing it at all times.
- All receiving activities will occur under video surveillance.
- Verts will maintain a log of all vendor employees, as well as any other type of individual other than our employees, who are granted access to the limited access areas of our facility. Verts will make these logs available for inspection.
- All vendor employees will be issued a visitor badge upon entering the facility. Visitor badges must be visibly displayed at all times while on the premises, and returned to Verts staff prior to leaving the site.

Process for receiving shipments

Shipments of cannabis are received into the facility pursuant to the following process:

- Upon arrival at the facility, the vendor employee will:

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- Park in the store parking lot.
- Proceed to the Customer Entrance at the southeast corner of the premises.
- A Verts employee will greet the vendor, check them in and provide a visitor badge. Upon check-in the the vendor employee will present the following items:
 - Government-issued identification showing he or she is 21 years of age or older and their MED-issued badge.
 - Metrc shipping manifest, showing vendor name, vendor employee name, badge number, vehicle make, model and license plate number, and driver's license number.
 - A copy of the licensed vendor's local and state licenses.
 - Invoice from vendor.
- The Verts employee will verify all documentation. After verification, the Verts employee will sign the vendor employee into our visitor log, and generate a visitor identification badge for the vendor employee, which he or she will be required to visibly display at all times while on the premises.
- Once checked in, the Verts General Manager or Assistant Manager will process the shipment.
- The Manager or will inspect the shipping manifest to ensure it matches the purchase order and contains the following:
 - The name, license number, and premises address of the originating licensee.
 - The name and license number of the third-party transporter of the cannabis and cannabis products, if applicable.
 - The name, license number, and premises address of the licensee receiving the cannabis or cannabis products into inventory or storage.
 - That all Metrc tags listed on the manifest are physically with the product.
 - The item name, item category and weight or count of cannabis or cannabis products associated with each package tag.
 - The estimated date and time of departure from the licensed premises.
 - The estimated date and time of arrival at each licensed premises.
 - The driver's license number of the personnel transporting the cannabis and cannabis products, and the make, model, and license plate number of the vehicle used for transport.
- After verifying that the shipping manifest contains all required information and matches the purchase order that Verts placed with the vendor, the Manager and vendor employee will unload the shipment in the limited-access Inventory Storage area. All product will be contained in opaque, unmarked boxes to ensure that no cannabis is visible from the store exterior during the receiving process in accordance with GLMC 6-5-5(f).
- All boxes containing the shipment will be kept in the nonpublic Inventory Storage area.

Verts Grand Lake LLC Operations Plan

Product inspection

Once in the Inventory Storage area, the Verts General Manager or Assistant Manager will inspect all cannabis, cannabis products, and documentation prior to acceptance. Verts will reject any cannabis or cannabis products that:

- Differ from those listed on the sales invoice and/or Metrc shipping manifest.
- Were damaged during transportation.
- Are improperly packaged or labeled.
- Are not contained in child-resistant packaging.
- Exceed the provided expiration or sell-by date.
- Have not undergone the required laboratory testing.

After inspection and acceptance of the shipment, a Verts employee will escort the vendor employee out of the store via the Vendor Exit, where he or she will return the visitor badge and sign out on our visitor log.

Recordkeeping

Treez automatically inputs the date and time of all inventory activity from the time it was entered into Treez until the time it is sold. Additionally, Verts will record the following information in Treez after accepting the shipment physically and within Metrc:

- The type of cannabis or cannabis products.
- The weight, volume, or count of the cannabis or cannabis products.
- The internal unique identification number (UID) assigned to the cannabis or cannabis products.
- The Metrc tag assigned to the product by the originating facility.

Verts will utilize Treez to record all subsequent movement of the inventory.

Point-of-sale infrastructure and number of points of sale – Verts will utilize Treez as our point-of-sale (POS) system. Treez is a state-of-the art, secure, and user-friendly POS and retail management system. Treez also provides streamlined software for customer check-in, analytics, inventory management and compliance.

Treez automatically integrates with Metrc, the State of Colorado's mandated track-and-trace system to ensure compliant reporting of all transactions.

When at full capacity, Verts will utilize four POS terminals, located toward the back of the Retail Sales Floor. In accordance with 1 CCR 212-3 § 3-225(C) all POS areas will be recorded by our video surveillance system, and camera placement will allow for the recording of the facial features of any person purchasing or selling cannabis goods, or any person in the Retail Sales Floor, with sufficient clarity to determine identity.

Verts Grand Lake LLC Operations Plan

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.

Inventory control procedures – In order to properly track and monitor cannabis inventory and to prevent diversion, Verts will implement the following procedures:

- Track and trace and point of sale
- Recordkeeping
- Product storage
- Product handling

Track and trace

Per State law, Verts will create and maintain an active and functional account within the State inventory tracking system, known as Metrc, prior to engaging in any commercial cannabis activity, including the purchase, sale, test, packaging, transfer, transport, return, destruction, or disposal, of any cannabis goods. Verts will be responsible for the accuracy and completeness of all data and information entered into Metrc and for all actions our owners or employees take while logged into or using Metrc or conducting Metrc activities.

System administrator and duties

Per 1 CCR 212-3 § 3-805(B)(1), Verts will designate its General Manager as its Inventory Tracking System Administrator. The System Administrator will authorize additional owners or employees as - Inventory Tracking System User, and will ensure each user receives Metrc training prior to access or use.

The System Administrator will:

- Complete new user system training provided by the Marijuana Enforcement Division and any subsequent continuing education (1 CCR 212-3 § 3-805(B)(2).
- Designate Metrc users, as needed, and require the system users to be trained in the proper and lawful use of Metrc before the users are permitted to access Metrc (1 CCR 212-3 § 3-805(B)(3).
- Maintain a complete, accurate, and up-to-date list of all full names and usernames of all Metrc users (1 CCR 212-3 § 3-805(E)(3)(a).
- Remove a user from the licensee's Metrc account when that individual is no longer authorized to represent the licensee (1 CCR 212-3 § 3-805(E)(3)(b).
- Correct any data entry errors within three calendar days of discovery of the error.
- Tag and enter all inventory in Metrc as required by 4 CCR §15049. 4 CCR §15048.1(a)(5);
- Monitor all system notifications and resolve all issues identified. The notification may not be dismissed by an account manager before resolution of the issue(s) identified in the notification. 4 CCR §15048.1(a)(6);

Verts Grand Lake LLC Operations Plan

- Keep and maintain comprehensive records detailing all inventory activities that were conducted during any loss of access to the Metrc system or Treez (1 CCR 212-3 § 3-805(F)(3).
- Reconcile the inventory of cannabis and cannabis products on the licensed premises with the Metrc database each day (1 CCR 212-3 § 3-805(E)(1).

Log on

The System Administrator and all other users will utilize a unique log-in, consisting of a username and password. The System Administrator and all other Metrc users will only be permitted to access Metrc under his or her assigned log-in. No System Administrator or user may share or transfer his or her log-in, username, or password, with any other individual for any reason (1 CCR 212-3 § 3-805(F)(2).

Track and trace reporting

Verts will report all commercial cannabis activity into Metrc within 24 hours of occurrence, including:

- Receipt of cannabis or cannabis products
- Rejection of transferred cannabis or cannabis products
- Destruction or disposal of cannabis or cannabis products
- Sale of cannabis or cannabis products

For each activity entered, Verts will record the following information:

- Type of cannabis or cannabis products.
- The weight, volume, or count of the cannabis or cannabis products.
- The date of activity.
- The unique identifier (“UID”) assigned to the cannabis or cannabis product.

If cannabis goods are being destroyed or disposed of, Verts will record the following additional information in Metrc:

- The name of the employee performing the destruction or disposal.
- The reason for destruction or disposal (1 CCR 212-3 § 3-805(I)(6).
- The method of disposal and what material it was mixed with.
- Amount of product destroyed.

If a package adjustment is used to adjust the quantity of cannabis or cannabis products in Metrc, Verts will include a description explaining the reason for adjustment (1 CCR 212-3 § 3-805(I)(6).

If Verts rejects a partial shipment of cannabis goods we will record the partial rejection in Metrc. When receiving deliveries, Verts will record acceptance or receipt, and acknowledgement of the cannabis or cannabis products in Metrc.

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Loss of connectivity

If at any point Verts loses access to Metrc for any reason, Verts will:

- Prepare and maintain comprehensive records detailing all commercial cannabis activities that were conducted during the loss of access (1 CCR 212-3 § 3-805(F)(3).
 - As detailed in Point of sale below, Treez allows Verts to maintain these required records.
- Once connectivity is restored:
 - Enter all commercial cannabis activity that occurred during the loss of access into Metrc.
 - Document the cause for loss of access, and the dates and times for when access to Metrc was lost and when it was restored.

Point of sale

Verts will utilize Treez as our point of sale (POS) and inventory tracking system to track and report on all aspects of the cannabis business including, but not limited to, such matters as cannabis tracking, inventory data, gross sales (by weight and by sale) and other information which may be deemed necessary by the Town. Verts will ensure that such information is compatible with the Town's record-keeping systems. Treez has the capability to produce historical transactional data for review. Treez provides POS data as well as audit trails for both product and sales. Treez automatically integrates with Metrc to ensure compliant reporting of all transactions.

Treez accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products on the premises.

Reconciliation

Verts will be able to account for all of our inventory at all times, and will maintain an accurate record of our inventory, including the following information, available to the Town upon request:

- A description of each item such that the cannabis goods can easily be identified.
- An accurate measurement of the quantity of the item.
- The date and time the cannabis goods were received by Verts.
- The sell-by or expiration date provided on the package of cannabis goods, if any.
- The name and license number of the licensed producer and transporter that transported the cannabis goods to Verts.
- The price Verts paid for the cannabis goods, delivery costs and any other costs.

In order to ensure our records of inventory are accurate, Verts will perform several different types of inventory reconciliations, including daily physical inventories and random physical inventory checks.

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Random physical inventory check

Verts will conduct random physical inventory checks twice annually, led by a Manager. Our General Manager also will lead periodic internal inspections.

Weekly complete physical inventory

Once every week, in order to monitor for any required maintenance, and to ensure there are no discrepancies or theft, Verts will perform a complete physical inventory, and log the following information into Treez:

- A summary of the complete physical inventory findings.
- The date of the audit and the name of the employee who conducted the inventory.

In accordance with 1 CCR 212-3 § 3-805(E)(1), Verts will reconcile all on-premises and in-transit cannabis inventories each day in Metrc at the close of business. We will also review Verts's authorized Metrc users and remove any users who are no longer authorized to enter information into Metrc.

If Verts finds a discrepancy between our on-hand inventory and the inventory recorded in Metrc, Verts will conduct an audit by:

- Conducting a full reconciliation of all inventory.
- Determining the cause of the discrepancy.
- In the case that the inventory discrepancy was due to theft, a Verts Manager will do the following:
 - Determining which individuals were present at Verts at the time of the incident leading to the discrepancy, and interviewing these individuals.
 - Reviewing all security footage.
 - As outlined below, contacting the relevant authorities.

If, through conducting our audit, Verts discovers any of the following, Verts will notify the Marijuana Enforcement Division of:

- Significant discrepancies identified during inventory.
- Diversion, theft, loss, or any criminal activity involving the cannabis business or any agent or employee of Verts.
- The loss or unauthorized alteration of records related to cannabis, customers or employees or agents of Verts.
- Any other breach of security.

After the audit is complete, Verts will:

- Review all inventory auditing practices.
- Utilize the result of the investigation, determine whether our auditing practices need to be revised to prevent a discrepancy from occurring in the future.
- Conduct an additional full, random physical inventory of all inventory on site.
- Draft a thorough investigation and incident report, including:

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- Date of the incident
- Description of the incident.
- Identification of known causes of the incident. If no cause was identified in the audit, identification of any suspected causes of the incident.
- Identification of all individuals present at Verts at the time of the incident.
- The content of all interviews with staff members conducted as part of the audit.
- A summary of all security footage reviewed as part of the audit.
- All planned and completed corrective actions.

Recordkeeping

Verts will retain the following records for the current year and three preceding calendar years per 1 CCR 212-3 § 3-905(2), available to the Town upon request:

- Financial records including, but not limited to, bank statements, sales invoices, receipts, tax records, and all records required by the Colorado Department of Revenue.
- Accurate books and records in an electronic format, detailing all of the revenues and expenses of the business, and all of its assets and liabilities.
- Personnel records, including each employee's full name, Social Security number or individual taxpayer identification number, date employment begins, and date of termination of employment, if applicable.
- A current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in the cannabis business, and separately of all the officers, managers, employees, agents, and volunteers currently employed or otherwise engaged by Verts.
- Training records including, but not limited to, the content of the training provided and the names of the employees who received the training.
- Contracts involving cannabis vendors.
- Permits, licenses, and other local authorizations to conduct Verts's retail and medical cannabis activity.
- All other documents prepared or executed by an owner or their employees or assignees in connection with Verts.
- Any other records required by the Town.

Retention format

Verts will maintain all required records in an electronic format which allows them to be made available to the Town upon request utilizing a secure, cloud-based system. We will also retain physical copies in a secured area in our Office.

Inventory control records

Treez allows Verts to accurately document the present location, amount, and description of all cannabis and cannabis products.

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Audits

Verts will be able to conduct a financial audit of our business operations upon request, and will cooperate with the Town on any and all regulatory compliance reviews and/or financial audits. Verts will cooperate with any inspection of our business as well as any recording and records required to be maintained under Town and State law pursuant to GLMC 6-5-5(g).

Verts will strictly prohibit any person having responsibility for our business from impeding, obstructing, interfering with, or otherwise not allowing the Town to conduct an inspection, review or copy records, recordings, or other documents required to be maintained by a cannabis business under Town or State law. Verts will also strictly prohibit any person from concealing, destroying, defacing, damaging, or falsifying any records, recordings, or other documents required to be maintained by a cannabis business under Town or State law.

Product storage

Verts will store most cannabis and cannabis products in cabinetry labeled and organized by product type, branding, and expiration date, located within the Inventory Storage areas within the limited-access areas of the store.

Per our product handling procedures outlined above, a small amount of product will be stored in secured display cases for showcasing purposes only. Cannabis will never be stored outdoors nor in a manner that is visible from the store exterior, per GLMC 6-5-5(f).

Product storage quality control

In addition to our procedures for receiving deliveries described in 13.a, Verts will utilize a first-in, first-out (FIFO) method of inventory control, which ensures that the first items placed in inventory are the first sold. The FIFO method reduces the number of products which expire prior to sale, and ensures that inventory is fresh at the time of sale.

Verts will store all product in the Inventory Storage areas, which utilize temperature controls and ventilation in accordance with GLMC 6-5-5(i). Verts' Inventory Storage areas will be equipped with a refrigerator and freezer, and all perishable products will be stored in the appropriate compartment.

Please reference the Business Plan (description of products sold) for additional information on our product handling procedures.

Building a diverse and inclusive workforce – Verts will implement a top-down approach to our diversity and inclusion plan to create a company culture that welcomes and respects everyone. In celebrating our differences, we foster a positive environment for all employees that,

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no matter what level they are in our hierarchy, is more conducive to collaboration, creativity, and engagement.

Diversity and inclusion

Often, diversity is typically and primarily associated with race. However, it is important to understand that the term refers to a broad spectrum of the human experience including age, gender, ethnicity, religion, sexual orientation, disability, education, national origin, as well as marital and socioeconomic status. Verts implements policies covering an expansive range of characteristics and experiences.

Building a diverse team does not automatically mean that everyone will also feel as though they truly belong. Inclusion requires more than simply opening the door; it speaks to an organization's ability to value such differences. Verts recognizes that inclusion means that a diverse group of individuals feel a sense of belonging because they are welcomed, accepted, and treated equally.

Verts implements diversity and inclusion initiatives at all steps of employment and operations, beginning as early as the first step in the hiring process, in order to build a diverse and inclusive team.

When drafting job positions, we will expand the scope of job requirements to include transferable skills from other industries, rather than focusing on educational degrees. Drafting inclusive requirements for our job positions requires taking a step back, thinking about the needs for each role, and reflecting on how other industries or job titles might develop similar desirable skills that would translate well for the role. Further, Verts will not use gender pronouns in job descriptions or recruiting statements to include applicants of all gender identities.

Revised employee handbook

Verts has revised its Employee Handbook and brand standards to omit singular, first-person pronouns such as He/She, His/Hers, etc., and replace them with They/Them.

Equity

Equity is more than merely providing all individuals with the exact same resources. Instead, in order to achieve equity, companies must focus on how they can provide resources based on the individual needs of varying demographics such as ethnicity, race, gender, disabilities, and more. Providing resources in accordance with varying needs ensures there is fairness and equality in the process, which grants everyone access to opportunities and advancement throughout the company.

Floating holidays

To ensure that Verts truly embraces the diverse cultures of our team members, we ensure that our policies embrace our staff's various religious and cultural differences. In addition to recognizing cultural and religious holidays that are recognized as federal and

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state holidays, Verts will also provide floating holidays that employees may use for their cultural and religious observances.

Whistleblower protection

Verts ensures protection for our employees who wish to report misconduct in-house. To encourage a company culture where employees feel comfortable reporting legitimate claims of illegal or dishonest activity committed by another employee or management, Verts will safeguard that employee from any acts of retaliation. By implementing a whistleblower protection policy, Verts will provide another avenue in which to foster a rich and diverse workforce, as the policy will help to root out more subtle discriminatory conduct that may not be visible to upper management staff.

Local recruitment plan

Verts will benefit the local economy through local hiring, with a goal of hiring 100 percent local Grand Lake or Grand County residents to staff our store. By hiring local residents, Verts will build a team that reflects the local market. Our experience has shown that local employees know the local market better than anyone and as a result, have a much stronger ability to relate to the community's diverse group of customers. A staff consisting of local residents provides powerful insight and connection to the community.

We are confident that our competitive compensation packages and inclusive culture will incentivize Grand County residents to seek employment with Verts. We understand that we must conduct community outreach and spread the word of our job openings to attract qualified applicants within the community. We will conduct strategic outreach to recruit local talent through the following efforts:

- **Partnerships with community organizations.** Verts will seek to partner with community organizations focused on workforce development and job placement that serve Grand Lake and Grand County residents, such as Work in Grand through the County's Economic Development office and the Colorado Workforce Center serving Grand County. Verts will leverage these relationships to spread the word about our open positions, and to reach community members seeking employment.
- **Website.** Verts will post about our open positions on our company website. Our posts will specify the location of our store, and provide directions for how to apply for our open positions.
- **Online job boards.** Verts will post on online job boards such as LinkedIn, Indeed and/or cannabis-specific recruiting platforms such as Vangst, and utilize these websites' location features to specify where our positions are located.

Interview and hiring process

The Verts General Manager will interview top applicants. The interview process will consist of a standard list of interview questions and vetting procedures to ensure the applicant is qualified for a position at our store.

Verts Grand Lake LLC Operations Plan

Benefits packages – Verts strives to offer competitive compensation, so our employees are happy, and able to live a comfortable lifestyle. We believe happy employees increase workplace morale, are more productive and motivated, and allow our business to run well as a whole. In addition to competitive pay, as described in staffing plan (14), Verts offers generous benefits packages to *all* employees.

Health benefits

Verts provides all full-time employees with health, dental, and vision insurance. The company covers employee premiums up to 75 percent for all three types of insurance. The remaining 25 percent is automatically withdrawn from the employee's paycheck.

Employees have four health insurance options to choose from, one dental and one vision. Full-time employees are eligible for health insurance once they have worked for the company for 90 days.

Financial incentives

- Verts offers and covers the entire premium for Basic life insurance coverage to all employees up to \$50,000.
- Verts offers all employees a discount on products purchased from our store, beginning at 40 percent off.
- Verts provides full-time employees with at least seven days of paid time off per year, which can be used for vacation, sick days and personal days. Managers earn 14 days of paid-time off per year.
- Verts also provides full-time employees with sick leave. Employees earn 8 hours of sick leave per quarter, which can be used only for sick days.
- Our store is open all days of the year except Thanksgiving and Christmas days. We close early on the day before Thanksgiving, Christmas Eve and New Year's Eve, and we open late on New Year's Day. Employees are allowed to use paid time off that has been accrued for any of those days. Verts intends to implement a holiday pay policy within three years.
- Verts offers employees all statutorily required benefits including overtime pay.

Family-friendly benefits

- In order to accommodate the responsibilities facing our team members that are balancing family and work responsibilities, Verts offers flexible, "family friendly" shifts to employees with school-aged children. Parents often need flexibility in their schedule to attend a parent-teacher conference, school play, weekday afternoon recital or other event. Verts values family unity and encourages parent participation, and therefore will make our best effort to grant reasonable requests for time off for staff for child-related events.
- Verts offers all statutorily required parental and family leave in accordance with local, state, and federal law.

Verts Grand Lake LLC Compliance Plan

Verts Grand Lake LLC, doing business as Verts Neighborhood Dispensary (Verts) makes compliance a core value and a focus of daily operations. State and local regulations are constantly changing, so we stay up to date and implement changes immediately. Per GLMC 6-5-5(h)(7), all Verts personnel will familiarize themselves with the Town Code to ensure full compliance with applicable provisions of the Code at all times.

Location – Verts' proposed location is 525 Grand Avenue, which has been verified by the Town to meet the location requirements of GLMC 6-5-5(b) and (c). Per GLMC 6-5-5(h)(3), Verts will not operate until all permits and licenses have been approved, including State and Town business and sales tax licenses.

Signage – Verts intends to utilize the existing signage infrastructure in front of the building. The signage will be clean and simple and will not depict cannabis consumption. Per GLMC 6-5-5(e), the sign will not use the words "marijuana," "cannabis," or any other word or phrase commonly understood to refer to marijuana and will only use the word "dispensary" once. The sign will comply with all other requirements of the Town Sign Code and any modifications will follow the Town's standard sign permitting process.

Additionally, Verts will post all interior and exterior compliant signage required by the Town, the State, and other government agencies: restricted access areas, limited access areas, hours of operation, state and local marijuana business licenses displayed, state and local sales tax licenses, owner and employee information, any OSHA required signage, local hospital information for emergencies, diagrams, all warning statements required by the Town and the State, whether doors are unlocked or not during business hours, among others.

Per GLMC 6-5-5(h)(9), Verts will post conspicuous signage at each point of sale, and post a sign no smaller than 8" by 11" at each customer point of egress from the licensed premises, all of which shall be printed in red, stating the following:

WARNING: FEDERAL LANDS
MARIJUANA USE AND POSSESSION
IS ILLEGAL ON ALL FEDERAL LANDS
INCLUDING IN ROCKY MOUNTAIN NATIONAL PARK

Indoor operations – Per GLMC 6-5-5(f), all store operations except transportation will be conducted inside of the building and will not be visible from the exterior of the building. We will use opaque window coverings.

Inspections and documentation – Per GLMC 6-5-5(g), the store's licensed premises and the property associated with the license, its books, records and inventory, including any places of

Verts Grand Lake LLC Compliance Plan

storage where regulated marijuana is stored, displayed or sold, and locked and/or secured area, shall be made available to inspection by Town personnel, or commissioned police officers of the Town, during all business hours and other times of apparent activity.

Verts will strictly prohibit any person having responsibility for our business from impeding, obstructing, interfering with, or otherwise not allowing the Town to conduct an inspection, review or copy records, recordings, or other documents required to be maintained by a regulated marijuana business under Town or State law. Verts will also strictly prohibit any person from concealing, destroying, defacing, damaging or falsifying any records, recordings or other documents required to be maintained by a regulated marijuana business under Town or State law.

Per GLMC 6-5-5(h)(8), Verts shall provide copies to the Town Clerk of any licensing, operational, investigative or incident documentation submitted to the Colorado Marijuana Enforcement Division or other governmental entities.

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

On-site consumption – In accordance with GLMC 6-5-5(h)(2), on-site consumption of cannabis will be prohibited on the licensed premises. Any Verts employee found to be consuming cannabis on-site will be terminated immediately. All employees are required to read and sign a document upon hiring explaining these terms. If an employee purchases any cannabis while on their shift, they are required to put it immediately in their personal belongings. All personal belongings are under video surveillance.

For customers and the general public, signs are posted at the store saying on-site consumption of cannabis is illegal. We will also post a warning poster saying that Town police will be contacted if there is any suspicious or illegal behavior on or near the licensed premises.

Once a customer is finished purchasing products, they are required to leave. Customers cannot go anywhere within the store with purchased product. Customers will be notified by signage that it is illegal to consume cannabis on or near the licensed premises. If any customer is ever caught, they will be notified that the company is calling the local police. They will receive a warning from us and if it happens again they cannot shop with us any longer, and police will be called again. Video footage will be pulled if necessary.

Additionally, in accordance with GLMC 6-5-5(h)(5), no alcohol sales or consumption shall be permitted on the licensed premises.

Verts Grand Lake LLC Compliance Plan

Customer check-in procedures – As noted in our Operations Plan, Verts will not allow entry to the Retail Sales Floor without first identifying an individual as 21 years of age or older with a valid ID, per state law and GLMC 6-5-5(h)(6). Verts follows a strict access control plan and the licensed premises is not shared with, nor does it permit access from, any other business.

All customers will be required to present valid identification for verification. IDs are scanned and verified via Intellicheck, a software that is downloaded onto an iPad or tablet. The employee puts the barcode up to the camera and the platform will run the ID through its database. IDs are further verified by a visual and physical scan of the ID, and a visual scan of the customer. Once the customer has been verified to be over 21 with a valid ID, the customer will then be entered into Treez, our internal point-of-sale software system that allows Verts to track the amount of cannabis sold according to state purchase limits. Only upon verification will customers be allowed into the Retail Sales Floor area of the store.

Proper ventilation – Per GMLC 6-5-5(i), Verts will ensure that the odor of marijuana cannot be detected by a person with a normal sense of smell at the exterior of the regulated marijuana store or at any adjoining property. Detailed protocols are spelled out in our Odor Mitigation & Ventilation Plan.

Finally, Verts has detailed procedures spelled out in our Community Engagement Plan that address noise, lighting, traffic and location management.

Verts Grand Lake LLC Security Plan

Surveillance – Verts Grand Lake LLC, doing business as Verts Neighborhood Dispensary (Verts), has a comprehensive security and video surveillance system to ensure the safety of our staff, customers and community. Video surveillance cameras are installed throughout the licensed premises to record every square inch of the facility, per 1 CCR 212-3 § 3-225(C)(1), including within 20 feet of all ingresses and egresses, per 1 CCR 212-3 § 3-225(C)(2), and from the interior and exterior of all said entry and exit points, per 1 CCR 212-3 § 3-225(C)(4).

All doors utilize commercial grade locks, per 1 CCR 212-3 § 3-220(B)(1).

All video surveillance equipment has battery backup for a minimum of four hours of recording in the event of a power outage, per 1 CCR 212-3 § 3-225(B)(2), and is equipped with a notification system that alerts management of any interruption or failure of the system, per 1 CCR 212-3 § 3-225(B)(4).

Per 1 CCR 212-3 § 3-225(E)(1), cameras record continuously (24 hours per day/seven days per week), in color, and have night vision. The digital video recording device (DVR) holds up to 40 days of camera footage, per 1 CCR 212-3 § 3-225(E)(2).

The DVR is stored securely in the locked Closet at our location and is accessible only to management, per 1 CCR 212-3 § 3-225(A)(2).

Please see the attached Diagram for a visual representation of the location of all security cameras.

Access control – As described by our customer check-in procedures in our Operations Plan, Verts will not allow entry to the Retail Sales Floor without first identifying an individual as 21 years of age or older with a valid ID. Once inside, customers will not be allowed beyond the Retail Sales Floor into any limited access areas, which include all “back of house” operational areas such as the Inventory Storage areas. Access beyond the Retail Sales Floor and entry to all limited-access areas will have electronic keyfob access controls that records the movements of employees and contractors.

Keyfobs will be collected and deactivated whenever an employee leaves the company. The General Manager is responsible for issuance and activation of all keycards and will notify all staff of any collection and/or deactivation of any keycards. Employees are advised that keycards are for their individual use only and any unauthorized use will result in immediate consequences, up to termination, depending on the severity. If there is ever an issue, camera footage will be checked to match the employee who entered the room at that time.

There are three doors within the licensed premises that lead into the limited access areas. The exterior employee entrances and exits are located on the northeast and northwest corners of the building, respectively, and remain locked at all times. Only Verts employees will have access

Verts Grand Lake LLC

Security Plan

through those doors. The third door leads from the Retail Sales Floor into the limited access Inventory Storage areas. Both of these rooms will act as the secured vault. This is where the majority of our inventory will be stored. Both of these rooms are limited access, accessible only to employees with keyfobs and pre-approved visitors or vendors that have been signed in.

The points of sale (POS) are located within the Retail Sales Floor area.

Theft and diversion prevention – Verts is diligent in its commitment to preventing diversion. In order to protect the community and to protect its business, Verts has created a comprehensive strategy for preventing diversion, covered by the many topics detailed below.

Reporting criminal activity

All Verts employees are required to notify the Colorado Marijuana Enforcement Division (MED) and Town police within one business day of discovery of any unauthorized entry or theft of cannabis or cannabis products, or any plan or other action of any person to:

- Steal cannabis, cannabis products, cannabis paraphernalia, equipment, or money that is the property of the establishment.
- Sell or otherwise provide cannabis, cannabis products, or cannabis paraphernalia that is the property of the establishment to unauthorized persons.
- Purchase or otherwise obtain cannabis, cannabis products, or cannabis paraphernalia from unauthorized persons.
- Falsify inventory records or transport manifests.
- Commit any other crime relating to the operation of the establishment.

Employee identification

All Verts employees are required to display their MED-issued badges whenever on the premises of the establishment or when transporting cannabis or cannabis products. When employees are terminated, all issued keys, fobs, and codes will be accounted for. If a key or fob is missing, it will be immediately deleted from the access control system. Non-managerial employees will not be permitted to take electronic access cards off premises.

Controlled access

The Verts licensed premises is not shared with nor does it permit access from any other business. All sales, storage and display of cannabis occur only within the restricted area of the licensed premises and is not visible from the exterior of the store, per GLMC 6-5-5(f). As described in our customer check-in procedures in our Operations Plan, Verts will not allow entry to the Retail Sales Floor without first identifying an individual as 21 years of age or older with a valid ID. Once inside, customers will not be allowed beyond the Retail Sales Floor into any limited access areas, which include all “back of house” operational areas such as the Inventory Storage areas.

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Additionally, only badged employees or escorted visitors or vendors who are signed in via the visitors log will be allowed into the limited access areas.

Employee monitoring

Employees are monitored continuously throughout the licensed premises via the store's video surveillance system. Additionally, employees and contractors are not permitted to bring personal belongings into the Retail Sales Floor. Employees have a dedicated space in the Inventory Storage area to store their bags and personal items during their shift.

Displays

The Verts Retail Sales Floor has been designed to provide optimal viewing capabilities of products for customers, while limiting the opportunity for diversion.

Flower product samples are securely displayed in jars that allow customers to visually inspect the flower and smell it; however, the jars are locked and secured by a retractable steel cord within the fixed display.

Concentrates and cartridges are on display, but stored and secured within locked display cases. There is no handling of these products by consumers unless a purchase is made.

Edibles and other pre-packaged cannabis products are displayed in "dummy packaging" with no product inside or using no-THC sample products. This allows customers to visually inspect the product packaging and information, but products containing THC are not on display.

For shelving located behind the POS stations, products are only handled by Verts staff. This area is constantly monitored and occupied by an employee. Customers are never allowed in this area.

Training

Verts will prevent diversion through its training program. Specifically, Verts employees will be trained to:

- Verify customer age and identification according to the Customer Check-In procedures in our Operations Plan.
- Utilize Treez (our internal POS and inventory tracking software system) to track the amount of cannabis sold and prevent purchases from going over individual limits.
- Upon first being hired, team members are required to take a Responsible Vendor class that is taught by a third-party licensed Colorado company, to ensure Verts maintains its state Responsible Vendor designation.

Inventory control

Finally, stringent inventory management will be crucial to preventing the diversion of cannabis. Verts will prevent diversion first by ensuring the secure storage and sale of all cannabis products, which will be kept in a manner as to prevent diversion, theft and loss.

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While the establishment is closed and unoccupied, all cannabis and cannabis products are stored within the limited access Inventory Storage areas of the store. These rooms together serve as the store's secured vault, which is accessible only to employees and escorted visitors or vendors, and is accessible only to employees via electronic keycards.

Verts will utilize Treez to accurately document the present location, amounts, and descriptions of all cannabis and cannabis products in compliance with State law and rule and Verts will maintain records that identify the source of all products, including company name, location, and license number.

Verts will use Metrc (the statewide inventory tracking system) to record the inventory and movement of cannabis and cannabis products throughout the supply chain. Per 1 CCR 212-3 § 3-805(B)(1), Verts will designate its General Manager as its Inventory Tracking System Administrator. The System Administrator will authorize additional owners or employees as an Inventory Tracking System User, and will ensure each user receives Metrc training prior to access or use.

Alarm system – Verts will have a security alarm system that covers the entire licensed premises, including all perimeter entry points and perimeter windows, per 1 CCR 212-3 § 3-220(A)(1). We will contract with ADT for our alarm system and continuous monitoring, per 1 CCR 212-3 § 3-220(A)(2).

There are glass-break sensors throughout the licensed facility as well as motion sensors to signal to the alarm company if there has been a break-in. ADT would then contact someone within the company to see if it is an actual issue. If no one is reached, the police are notified and will investigate further. If someone within the company does answer, the employee will either check the alarm system and/or DVR system to confirm whether there has been a break-in or not. The employee will let ADT know whether the police need to be called or not.

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 12-2-2(C)(4)(b).

Waste management – Cannabis waste could present a risk of diversion, if handled improperly. Verts has developed strict waste management procedures that are adhered to by all employees to secure cannabis products not sold (cannabis waste) and ensure that it is disposed of properly.

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Waste receptacles

Secured waste receptacles will be placed in the Inventory Storage areas within the limited access area; public access to these areas will be strictly prohibited. Only authorized employees may access the waste receptacles. The waste receptacles will be nonabsorbent, water-tight, vector resistant, durable, easily cleaned, galvanized metal or heavy plastic containers with tight fitting lids.

Waste receptacles will be emptied into the secured, on-site dumpster outside of the store prior to weekly collection. The dumpster is locked at all times and is only able to be unlocked by authorized employees for emptying the receptacles and by the waste collection company on collection days.

Types of cannabis waste

The only waste that may be deposited in the receptacles is cannabis waste and the material used to render products unrecognizable and unfit for consumption, per 1 CCR 212-3 § 3-230(D). Cannabis waste is any cannabis material that may be produced in the establishment from the stocking and inventory management of products that are delivered to the establishment from our suppliers' licensed cultivation facilities and product manufacturing facilities, such as cannabis flower or trim, cannabis seeds, cannabis products (including expired products that must be destroyed), or by-products containing cannabis that have been designated for destruction.

Receptacle signage

On or near each receptacle will be a sign with thorough examples of what is and is not acceptable to place inside the receptacle. Only cannabis waste and the material used to render products unrecognizable and unfit for consumption will be placed inside the receptacle.

Destruction of cannabis goods

Prior to disposing of a product as cannabis waste, employees must first render the product as unrecognizable and unfit for use by grinding and mixing the waste with at least 50 percent food waste such as coffee grounds or soil, per 1 CCR 212-3 § 3-230(E)(1). This includes, at a minimum, removing or separating the cannabis goods from any packaging or container which render it unrecognizable and unusable. Verts will keep adequate supplies of both coffee grounds and soil available for mixing. Mixing shall be based on a 1:1 mixture of coffee grounds or soil and cannabis waste.

Recording of waste

Prior to the disposal of any cannabis product from within the dispensary, the appropriate employee will log the cannabis product as destroyed and electronically log the disposal of the product in Treez and Metrc, per 1 CCR 212-3 § 3-230(I). Both the physical and electronic log will include the date, time, employee information of who is destroying the product, the type, the volume, and the batch number of the waste.

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Record-keeping policy

Verts requires waste records to be preserved according to the company's record-keeping policy and records will be maintained by the General Manager and/or Assistant Manager. All records will accurately account for, reconcile, and evidence all activity related to the generation and disposal of cannabis waste.

Cannabis waste is logged as destroyed in Treez and Metrc upon being deposited into the waste receptacles.

Selling of cannabis waste

Verts strictly prohibits the sale of any cannabis waste.

Removal of cannabis waste

All of Verts' non-recyclable waste, including cannabis waste, is deposited into the on-site, secured dumpster and collected on predetermined, regular waste pickup days. Cannabis waste will be removed from the Inventory Storage areas and deposited into the dumpster on pickup days, ensuring that cannabis waste is not in the dumpster for more than 24 hours. There is otherwise no outdoor storage of cannabis waste on or near the licensed premises.

Cannabis waste will be removed from the property on a weekly basis, at a minimum, and more frequently if necessary. At no time will the cannabis waste receptacles be filled beyond the capacity, preventing complete closure of the lids.

Video surveillance

Verts operates with video surveillance. The waste receptacles will be located in a position where all interaction with the receptacles is visible on camera at all times.

On-site consumption – In accordance with GLMC 6-5-5(h)(2), on-site consumption of cannabis will be prohibited on the licensed premises. Any Verts employee found to be consuming cannabis on-site will be terminated immediately. All employees are required to read and sign a document upon hiring explaining these terms. If an employee purchases any cannabis while on their shift, they are required to put it immediately in their personal belongings. All personal belongings are under video surveillance.

For customers and the general public, signs are posted at the store saying on-site consumption of cannabis is illegal. We will also post a warning poster saying that Town police will be contacted if there is any suspicious or illegal behavior on or near the licensed premises.

Once a customer is finished purchasing products, they are required to leave. Customers cannot go anywhere within the store with purchased product. Customers will be notified by signage that it is illegal to consume cannabis on or near the licensed premises. If any customer is ever caught, they will be notified that the company is calling the local police. They will receive a

Verts Grand Lake LLC Security Plan

warning from us and if it happens again they cannot shop with us any longer, and police will be called again. Video footage will be pulled if necessary.

Additionally, in accordance with GLMC 6-5-5(h)(5), no alcohol sales or consumption shall be permitted on the licensed premises.

Verts Grand Lake LLC Staffing Plan

Positions and responsibilities – Verts Grand Lake LLC, doing business as Verts Neighborhood Dispensary (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.

General Manager (1)

Responsible for every aspect of Verts retail operations. Plans, organizes, leads, and controls company resources in the accomplishment of organizational goals. Responsible for coordinating production, purchasing, sales, and compliance activities and developing team leaders while simultaneously developing their own leadership skills.

Duties and responsibilities:

- Works with the Verts team to accomplish organizational goals while ensuring that the company vision and culture is communicated throughout all levels of the organization.
- Supervises middle managers, assists them in their own professional development, and provides mentorship and support as necessary.
- Assures that Verts maintains a positive presence and reputation in our community.
- Assists social media coordinator with content, deals, and discounts.
- Responsible for managing Verts's brand image.
- Responsible for conducting market research and delivering reports on marketing activities to ownership.
- Periodically reviews and updates company marketing plan with respect to the 5P (price, promotion, product, people and place).
- Develops company policies and procedures to enhance efficiency and effectiveness in providing a safe, friendly environment for cannabis sales while resolving problems at the appropriate level of the organization.
- Works with vendors, service providers and contractors to ensure smooth supply chain operations; ensuring that store inventory stock is maintained at the best prices possible.
- Oversees all day-to-day Verts operations on an ongoing basis.
- Completes and renews as needed any required training per the State and local authorities as well as per company.
- Serves as Verts's community liaison, responsible for responding by phone or email within 24 hours of contact by a Town official. The liaison's duties also include fielding all concerns, suggestions or comments raised by the Town, local law enforcement, or community members.

Job requirements:

- Well-organized and detail oriented. Must be sociable, accountable and able to project a positive image for Verts in the community.
- Must be an effective manager, able to plan, operate, lead, and control complex group activities.
- Knowledgeable in every aspect of cannabis production, processing, and sales in Colorado. Ultimately responsible for all sales operations and compliance activities.

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- Proficient with the State Inventory Tracking System (known as Metrc), as well as with Treez (Verts' internal inventory tracking system), and must maintain an occupational badge issued by the Colorado Marijuana Enforcement Division (MED) in good standing.
- Able to serve the public with a positive attitude and adhere to any State and local public health guidelines.

Assistant Manager (1)

Responsible for the safe and smooth operation of the sales floor on a day-to-day basis. Responsible for training and policy enforcement on the sales floor. Resolves any customer-service issues that exceed the authority of a Budtender, but do not require the General Manager to adequately address.

Duties and responsibilities:

- Oversees the Budtenders during a daily work shift, assuring the proper application of company policies and procedures.
- Conduct training for Budtenders as necessary.
- Documents any non-routine activities that occur during their shift.
- Models Verts values and culture, working to always provide a positive customer experience.
- Support Budtenders as necessary, direct and assist daily opening and closing procedures, as well as support the rollout of new products when applicable.
- Completes and renews as needed any required training per the State and local authorities as well as per company.
- Serve as Verts's medical patient coordinator and perform those duties required by the MED.

Job requirements:

- Organized and courteous.
- Proficient with Google Workspace, Excel, Metrc and Treez, and must maintain an occupational badge issued by the MED in good standing.
- Responsible for communicating daily activities via email or spreadsheet.
- Familiar with Verts company policies and be able to apply them in a wide variety of interactions.
- Able to serve the public with a positive attitude and adhere to any State and local public health guidelines.

Responsible for maintaining Treez and Metrc databases, and maintaining physical inventory. Conducts daily cyclic physical inventories, applies necessary adjustments, and produces associated reports.

Duties and responsibilities:

- Responsibly to maintain Treez and Metrc databases for accuracy and compliance.
- Coordinating daily auditing shifts.

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- Supervises inventory team in the accomplishment of necessary tasks to support compliance efforts.
- Acts as liaison to Treez and compliance support staff.
- Conducts ongoing physical inventory, reconciles Metrc and Treez inventory databases, and produces reports detailing associated variance adjustments.
- Conducts regular staff training to assist Budtenders and inventory staff in efficiently using point-of-sale (POS) systems to accurately and efficiently manage inventory to minimize inventory loss and compliance risk.
- Completes and renews as needed any required training per the State and local authorities as well as per company.

Job requirements:

- Well-organized and detail oriented.
- Excellent communication skills and able to manage and train new inventory team members.
- Proficient with Treez, Metrc, Excel and Google Workspace software.
- Must be friendly and sociable, and comfortable providing instruction to both large and small groups.
- Must maintain an occupational badge issued by the MED in good standing.
- Able to serve the public with a positive attitude and adhere to any State and local public health guidelines.

Responsible for assisting the General Manager in maintaining Treez and Metrc, and physical inventory accuracy. Assists in daily auditing of inventories, as well as receiving new inventory, maintaining current stock, and making accurate database entries as necessary.

Duties and responsibilities:

- Conducts receiving and inventory restocking activities as necessary to maintain inventory of products held for sale.
- Organizes Inventory Storage areas and Retail Sales Floor to maintain organization of all products.
- Assures that all labeling is correct on all products.
- Maintains accuracy and security of backstock.
- Assists other team members and departments in achieving organizational goals.
- Participates in regular staff training in efficiently using POS systems to accurately and efficiently manage inventory to minimize inventory loss and compliance risk.
- Assists with daily opening and closing duties for the inventory team.
- Routinely reviews inventory for expired products.
- Completes and renews as needed any required training per the State and local authorities as well as per company.

Job requirements:

- Friendly and knowledgeable about cannabis and cannabis inventory workflows.

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- Organized, detail oriented and able to maintain a tidy work environment. Organization is a core skill for this position.
- Proficient with Treez, Metrc, Excel and Google Workspace software.
- Must maintain an occupational badge issued by the MED in good standing.
- Able to serve the public with a positive attitude and adhere to any State and local public health guidelines.

Budtender (2)

Responsible for conducting sales and first-level customer interactions while maintaining accountability for both inventory and cash. Responsible for ensuring a positive customer experience at all times.

Duties and responsibilities:

- Responsible for conducting sales quickly and accurately while maintaining accountability for cash and compliance at all times.
- Interacts with customers, represents Verts positively, and maintains a current knowledge of inventory to better enhance the customer experience.
- Notifies Inventory team when products are to be received and when products require restocking.
- Assists other team members and departments in achieving organizational goals.
- Participates in regular staff training in efficiently using POS systems to accurately and efficiently manage inventory to minimize inventory loss and compliance risk.
- Staffs the Check-In area, responsible for initial customer greetings, store check-in, initial identification verification, customer input and updates.
- Fulfills online orders quickly and accurately.
- Maintains accuracy and security of backstock.
- Assists with daily cleaning duties as necessary.
- Completes and renews as needed any required training per the State and local authorities as well as per company.

Job requirements:

- Friendly and knowledgeable about cannabis and cannabis inventory workflows.
- Proficient with Treez and Metrc, Excel and Google Workspace software.
- Must maintain an occupational badge issued by the MED in good standing.
- Proficient with Verts customer check-in procedures, including identification verification, and being personable while enforcing company policies.
- Able to serve the public with a positive attitude and adhere to any State and local public health guidelines.

Support the General Manager and Assistant Manager in all day-to-day office duties and managing company billing and bookkeeping, office supply procurement, and employee and company documentation.

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Duties and responsibilities:

- Oversight of employee hours and payroll.
- Managing billing such as utilities, insurance, alarm system, etc.
- Ensuring all required licenses, certifications and contracts are up to date and renewed as needed.
- Oversight of employee documentation for workers' compensation and MED occupational badging.
- Procurement and management of all office supplies and product packaging.
- Daily bookkeeping to ensure accurate cash, accounting and payroll logs.
- Quarterly regulatory review and adoption and implementation of any Town and State regulations as they are updated/revised.

Job requirements:

- Friendly and knowledgeable about cannabis and cannabis inventory workflows.
- Proficient with Treez and Metrc, Excel and Google Workspace software.
- Must maintain an occupational badge issued by the MED in good standing.
- Organized, detail oriented and able to maintain a tidy work environment. Organization is a core skill for this position.

Employee policies and procedures – Verts focuses on compliance first and foremost. We like to consider our work as a Compliance Industry rather than the Cannabis Industry. We believe that if you are compliant, then and only then, do you get to sell cannabis. With this in mind, we implement certain policies and procedures that all team members must follow. Right off the bat, employees are required to know and learn Medical and Retail sales limits and must be able to articulate such limits in terms that are understandable to customers and be able to think on the fly what would put a Medical patient or customer over their sales limit for that day.

When an employee is first hired, we have several documents that are distributed to them where they are required to read through and acknowledge:

- Budtender Bible
- Team Member Handbook
- Robbery SOP
- Tipping Policy
- Emergency Contact Information
- Welcome Letter, explaining who we are as a company
- Worker's Compensation Provider List for the area
- Caregiver and Medical Patient Card Rules
- No Medical Advice Given
- Medical and Retail Sales Limits.

Upon first being hired, team members are required to take a Responsible Vendor class that is taught by a third-party licensed Colorado company, to ensure Verts maintains its state

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Responsible Vendor designation. The team member is also required to take two courses through Easy Llama employee training and both classes are required to be finished within their first 30 days of employment:

- Diversity and Inclusion Essentials
- Harassment Prevention

We also focus heavily on customer service as we are in the customer service industry. We attempt to remain consistent with every team member and how they greet and treat each customer. We always try to exude a positive and uplifting attitude so the customer has a great experience. We also have training for our Budtenders in regard to certain products that we carry consistently and also new products that we bring in. We typically will have the vendor come into the store before we open and run a quick training class for all the team members.

Our Budtender Bible is required to be read during the first few days of being hired. This instructional document goes through all of the things that each employee is required to know about Verts as a business, compliance, sales, the MED, the Town of Grand Lake, and many other items. A few of the things we cover are Metrc, sales, packaging and labeling, hours of operation, sales limits, how to appropriately check someone's identification, waste disposal, cannabinoids, etc. Then our Team Member Handbook goes into detail for more of the legal side of things between employer and employee, the benefits we offer, timekeeping, harassment, etc. We also go into detail about our internal policies for calling our sick, no-call no-show, theft, and things of this sort.

In addition to this, we have a training binder and log for each employee. Many of the same items within the Budtender Bible are covered and explained in more detail.

Compensation – Our largest operating expense is employee payroll. As referenced above in positions and responsibilities, our initial payroll expense is expected to increase as operations scale and we ramp up to our full staffing plan.

Staff are compensated at no less than \$15 per hour and all positions are compensated in accordance with retail marijuana industry standards and local cost-of-living considerations. Our General Manager's salary will begin at \$55,000 per year and our Assistant Manager will start at \$45,000. Budtenders will start at \$15 per hour.

Payroll taxes are estimated to be 9 percent of wages. We allocate \$550 per employee per month to our benefits package.

Employee training and continuing education – The cannabis industry is relatively new, with a rapidly evolving regulatory environment, frequent scientific discoveries, and shifting public

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perception. As experienced operators, Verts understands the importance of keeping our staff trained and up-to-date.

Continuing education

In order to ensure our staff are well versed in cannabis, and that they stay abreast of industry developments, Verts offers a variety of continuing education opportunities to our employees.

In-house continuing education will cover topics such as:

- **Cannabis science and information.** As the point of contact for all customers, our staff must be extremely knowledgeable about cannabis generally, the products we carry, and industry developments. Employees must be able to fully and accurately answer customer questions, and provide more expansive cannabis information regarding the plant, the products we carry, use, and dosage information. In order to ensure our staff team is sufficiently knowledgeable and up-to-date on cannabis, Verts frequently conducts cannabis training sessions, both to refresh and expand on employee knowledge. In addition, as discussed below, Verts invites representatives from brands and vendors with whom we do business to educate our staff about these topics.
- **Regulatory requirements.** Cannabis is a highly-regulated industry, and compliance is a cornerstone of all aspects of cannabis retail operations. Verts ensures that our staff are well-informed on applicable regulatory requirements, including relevant changes in law.
- **Standard operating procedures.** Verts bases our SOPs on local and State regulations, industry best practices, and internal policies shaped by our industry experience. We ensure our SOPs are updated to reflect any changes to applicable regulations or industry developments, and train all staff on these updates to ensure total compliance.
- **Technology.** Verts integrates state-of-the-art cannabis-related technology into our operations, including but not limited to Treez, our point-of-sale system, discussed in greater detail in Business Plan sections 3.13.a and 3.13.b. As use of such systems are integral to our operations, Verts provides recurring training to all staff on cannabis-related technology, including advanced training in and any applicable changes to the systems utilized by Verts.
- **Safety and security.** Safety and security are of the utmost importance to Verts, and are prioritized in all our practices. In order to ensure our employees are well-versed on all safety and security policies and procedures, and are prepared for all possible emergency situations, Verts provides recurrent training, including informational sessions and drills.

Vendor and brand training

As described above, Verts employees must be knowledgeable about the products carried in our store. Verts regularly invites vendors, including brand representatives, to provide training to our staff. Vendor and brand training covers topics including but not limited to:

- Vendor, brand, and product overviews.
- Vendor or brand history, mission, and values.
- Uses for particular products.
- Dosage information.

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- Training on active listening to customers, and how to make recommendations based on customer needs, interests, and preferences.
- Scientific discoveries, developments, and other trends in the cannabis industry.

Educational seminars

Occasionally, Verts will host educational seminars, open to the public, designed to educate the community on a broad variety of cannabis-related topics. Some seminars will be led by expert guest lecturers, who will give in-depth presentations on scientific, medical, legal, or other cannabis related information in their area of expertise. Employees will be invited to attend these seminars.

Employee training

Verts will provide our staff with ample employee training, beginning at hire. New employees receive a training packet electronically, and must read through and acknowledge completion of each set of material, described above in employee policies and procedures.

New staffers are then required to shadow existing staffers during business hours to learn the day-to-day operations of their role. The senior staffer also goes over each of the employee policies and procedures with the new staffer.

Ongoing training

Training will not end at the new hire stage. Verts will provide ongoing training annually and in the event of any change in law, regulation or major scientific development. Verts encourages continuing education for its staff and provides access to training and career development resources.

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Community Engagement Plan

The Verts Grand Lake LLC, doing business as Verts Neighborhood Dispensary (Verts), Community Engagement Plan focuses on mitigating the effects of any foreseeable negative impacts, while emphasizing positive and enriching outcomes for the community and its residents.

In developing our Community Engagement Plan for Grand Lake, we conducted research of community initiatives and utilized our longstanding experience of operations in Colorado to consider how our plan can make the greatest impact.

History of community and neighborhood involvement – Verts and its ownership have a deep history of community and neighborhood involvement in the communities it serves.

The Grand Lake store will maintain an open-door policy for fielding community questions and concerns, and although we don't anticipate any complaints, we have detailed plans in place for addressing problems that may arise, as described below.

At its operation in Golden, Verts has always strived to be a good neighbor and positive influence in the community. We have spearheaded multiple community-service initiatives, including:

- A food donation drive to benefit Food Bank of the Rockies
- A cash donation drive to benefit the Foothills Animal Shelter, located just down the road from the store.
- A holiday toy drive to benefit underprivileged youth.

At Verts' Fort Collins location, operational since 2014, the company has spearheaded multiple community-service initiatives, including:

- Last Prisoner Project, a nonprofit team of cannabis industry leaders, criminal and social justice advocates, policy and education experts, and leaders in social justice and drug policy reform that are committed to freeing every last prisoner of the unjust war on drugs, starting with 40,000 people in prison for cannabis offenses.
 - Verts committed 14 percent of revenue from our highest sales day in November 2020, resulting in a donation of \$3,476 made in December 2020.
- Black Visions Collective, a black, trans, and queer-led organization that is committed to dismantling systems of oppression and violence and shifting the public narrative to create transformative, long-term change.
 - Verts committed 14 percent of revenue from Black Out Tuesday on June 2, 2020, resulting in a donation of \$2,733.
- Larimer County Food Bank
 - Donated 14 percent of revenue from April 24, 2020, totaling \$4,613 to the food bank.

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Community Engagement Plan

Determining and staying attuned to community needs – Verts intends to serve the community by supporting causes, events and programs that align the company's values with community initiatives. Verts believes it can most effectively support in the areas of:

- Active, outdoor lifestyles and environmental stewardship
- Safe, clean and quiet neighborhoods
- Family- and children-friendly events
- General friendliness and neighborliness
- Building a sense of community and belonging, and encouraging volunteerism

Proposed community engagement – In order to effectively address the community's values outlined above, Verts will support the Grand Lake community through volunteer services, donations and in-kind giving, and local hiring and sourcing.

Volunteer services

- Some organizations are in dire need of volunteers and are best assisted by contributions of volunteer hours. Verts encourages employees to give of themselves through volunteer work within the community and will provide all employees with 20 hours of paid volunteer time annually to be used in support of Grand Lake- and Grand County-based charitable organizations and/or events, such as Town Cleanup Day. Employees will submit requests to volunteer to their supervisor and will be paid by Verts while volunteering for local organizations.
- Verts will be a sponsor of hiking trail maintenance and will contribute additional volunteer hours on a monthly or seasonal basis. We will work with the Colorado Trail Foundation, Town of Grand Lake and Grand County to identify trails in and around Grand Lake that need help being kept clean, clear and safe. Eventually, Verts would like to adopt a trail in Grand Lake and provide monthly maintenance to it. Verts also intends to work with the CDT Gateway Community Program to better understand how it can support the trail.
- Verts will participate in Colorado's Adopt-A-Highway litter control program by adopting a road in Grand County. We will work to keep that stretch of grass and road clean from litter and other debris that might end up on the roadside. Pending what is available, Verts would like to keep the road strictly in the Town of Grand Lake or its immediate surrounding areas. Verts pledges to contribute additional volunteer hours on a yearly basis to keeping up on the maintenance of the highway we adopt.

Donations

- Verts will dedicate 20 percent of gross revenue from its highest grossing sales day to CASA of Grand County, a 501(c)(3) nonprofit organization that provides volunteer advocates for abused and neglected children. Each year, Verts will designate a month in which the highest grossing day will be selected for 20 percent of that day's proceeds to

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be dedicated to CASA. We will advertise the month well in advance and promote it with our customer base and in the community to ensure a robust sales month.

- Verts will leverage its history of animal shelter support and its new Grand Lake location in a former doggy daycare to continue its cash donation drive to benefit local wildlife, animals and pets. Verts has always been a pet-friendly store and we hope many customers will be excited to learn about and support Grand County Pet Pals. Additionally, we will promote Pet Pals services and volunteer opportunities in the store.

In-kind giving

- Verts will run a school-supplies drive to benefit Grand County elementary and middle school students. Verts will designate one month each summer to promote school supply donations in-store and encourage customers to support local schools.
- Verts will continue its toy donation drive to benefit local children in need. From Thanksgiving through mid-December, Verts will promote toy donations in-store to encourage customers to support the toy drive efforts of a local partner. Verts will review local toy donation programs and reach out to the Grand Lake Rotary Club and other local nonprofits to determine the best fit.
- Verts will run canned food drives to benefit the hunger relief programs of the Mountain Family Center of Grand County.

Local hiring and sourcing

- Verts will benefit the local economy through local hiring, with a goal of hiring 100 percent local Grand Lake or Grand County residents to staff our store. By hiring local residents, Verts will build a team that reflects the local market. Our experience has shown that local employees know the local market better than anyone and as a result, have a much stronger ability to relate to the community's diverse group of customers. A staff consisting of local residents provides powerful insight and connection to the community. Please reference the local recruitment plan in our Operations Plan.
- In addition to our charitable initiatives and local hiring, Verts will benefit the Grand Lake community through local sourcing. Whenever possible, Verts will utilize local contractors and suppliers for services, improvements and maintenance in our operations. By sourcing services and supplies locally, we benefit the local economy and fellow Grand Lake and Grand County businesses.

Verts Grand Lake LLC

Community Engagement Plan

While much of Verts' community engagement is centered around making a positive impact in the community through neighborhood involvement, volunteering and donations, we also have a keen sense of community engagement within the day-to-day operations of our business. At Verts we have taken great care to develop, implement and refine standard operating procedures for addressing community concerns should they arise in the future.

Complaint management – Verts is proactive in its approach to reduce the number of potential complaints that may come into the business. Measures are included in the store's standard operating procedures to address community concerns and complaints.

At its existing locations, Verts has always maintained an open-door policy for fielding community complaints. Although none have ever arisen in the past, Verts anticipates that, despite its efforts, some neighboring residents, businesses and organizations may still have concerns about its presence as a Retail marijuana store in Grand Lake. For instance, some may be worried about children being exposed to cannabis. Fortunately, Verts implements safeguards both in its operating procedures and facility design to protect underage persons from undue influence or exposure. Verts employs strict identification verification protocols and does not advertise or display any products with movie characters, children, cartoons, or other images that are appealing to children. All cannabis sold is sealed in child-resistant, opaque packaging. Should community concerns about underage use arise, Verts is prepared to work with the Town of Grand Lake on a detailed youth education and underaged use prevention plan to further deter underaged persons from engaging in cannabis related activities.

Additionally, neighboring businesses may also express concern about crime. Should concerns come to our attention, Verts will go above and beyond the requisite security protocols to prevent crime. A main component of this protocol involves developing strong relationships with neighbors who then help Verts understand the community needs and identify potential concerns. Historically, Verts has been a good neighbor and cannabis businesses in general tend to increase the overall sense of security and safety in their surrounding neighborhoods because of partnerships forged with local law enforcement and the installation of state-of-the-art security systems and proper lighting.

Moreover, by getting to know the clientele and developing real-time relationships with people, Verts will continue to create a sense of community pride and an environment where people look out for one another.

Community liaison

Verts will at all times have a designated community liaison to serve as the direct point of contact for public questions and concerns, whether they come from Grand Lake residents, visitors, Town staff, law enforcement or other interested parties.

The community liaison will be an owner or manager responsible for responding by phone or email within 24 hours of contact by a Town official. The liaison's duties also include fielding all

Verts Grand Lake LLC

Community Engagement Plan

concerns, suggestions or comments raised by the Town, local law enforcement, or community members. Verts' designated point of contact for public questions and concerns will be the company's CEO, Ashley Close (614-296-7531 / closeashley1@gmail.com).

Complaint response

1. If Verts receives an oral or written complaint, the person receiving the complaint will immediately forward it to the community liaison to be expediently addressed. If the complaint is filed in- person or live (including through telecommunications), the community liaison will interview the individual filing the complaint to get as much detail as possible.
2. The community liaison will evaluate the complaint and form a resolution strategy. Then, they will determine whether the complaint needs to be escalated to a higher level because it is impacting public health and safety, involves an alleged crime, or is a violation of Grand Lake's cannabis or general zoning regulations and rules. These higher-severity complaints will immediately be communicated to the Grand County Sheriff's Department.
3. If the complaint relates to something Verts is able to address and resolve, our management team will develop a resolution strategy to address the complaint. After a resolution strategy has been developed, the community liaison will reach out to any individuals that have submitted the complaint to discuss the issue, confirm the details received in the complaint form or by other correspondence, communicate Verts' plan of action to rectify the situation and alleviate any additional concerns the complaining party might have. If necessary, the community liaison will also reach out to the sheriff's department, Town Manager's office, or any other regulatory officials to communicate the complaint and the resolution and facilitate transparency between the business and the Town.
4. An internal Corrective Action Preventive Action (CAPA) investigation will be carried out to determine how the deviation from SOPs may have resulted in a complaint, what measures need to be taken to address the root cause of the complaint, and to evaluate how SOPs or other protocols may need to be altered to prevent a complaint of such nature from arising in the future. The CAPA investigation will allow Verts staff to pinpoint the source of the complaint exactly while facilitating a stronger operational framework through internal analysis, working to prevent this type of situation from occurring moving forward. The community liaison will lead the CAPA investigation and will solicit input from any other relevant owners, managers, directors or employees.
5. Going forward, the community liaison will monitor all areas of operation that have been altered as a result of the CAPA investigation. The community liaison will reach back out to the individual(s) who filed the complaint one week from the date of solution implementation to ensure that they are satisfied with Verts' response.

Verts Grand Lake LLC Community Engagement Plan

We feel confident that this five-step system will effectively address any complaints our business might receive. However, Verts has considered specific, proactive mitigation efforts and response plans related to odor, noise, light and traffic:

Odor control – Verts has comprehensive odor control protocols that can be referenced in our Odor Mitigation & Ventilation Plan.

Noise control – Verts will implement a strict noise control plan to reduce the likelihood of noise resulting from the operation of its medical cannabis dispensary. In the unlikely event that neighboring businesses or residents hear excessive noise associated with the dispensary, Verts will immediately discuss the complaint with the community member, identify the source of the noise, rectify the sound, and update the noise control plan accordingly.

Verts' goal is to provide customers with a cannabis shopping experience that is stress free and personal in nature. A noisy environment does not foster a stress-free atmosphere, nor give rise for a personal shopping experience. We take the following steps to prevent potential noise issues onsite before they arise:

- Staff monitor both the interior and exterior of the property. Should excessive noise be identified, staff will immediately discuss the complaint with the community member, identify the source of the noise, and remedy the situation.
- Loitering is never permitted.
- Inside the store, the customer-to-staff ratio is managed to ensure all customers are assisted quickly and with care, reducing their need to spend excessive amounts of time inside.
- If the sales floor becomes too crowded, all remaining consumers are asked to wait outside, and staff will monitor a small line on the outside of the building, when permitted by the Town. Noise levels on the exterior of the building are constantly monitored by staff and should they unexpectedly rise to the level of nuisance, customers will be asked to wait inside their vehicles or return at a different time of the day.

Lighting – Verts' interior, by design, includes ample overhead lighting. A well-lit sales floor removes the stigma of cannabis stores seeming dark and dour, and instead leaves customers feeling secure. Exterior lighting will match that of the neighboring businesses and comply with Town ordinances. To maintain proper security, exterior lighting will be installed near the location of all surveillance cameras, entrances and exits. Verts does not foresee complaints related to the tasteful lighting selected for this location due to the primarily commercial nature of the area and because no lighting will be installed without the approval of the Town. On the off chance that a complaint does arise, Verts will work with the Town to immediately rectify the situation and develop alternative lighting plans acceptable to all.

Verts Grand Lake LLC Community Engagement Plan

Vehicle/pedestrian traffic – Verts is located on Grand Avenue in central Grand Lake, in a commercial district where residents and visitors frequently access the Town’s amenities and services. Verts does not foresee a traffic issue caused by its customers and staff, as Grand Avenue is full of other commercial uses and supports regular traffic flows in both directions. Additionally, the building in which Verts is located has an off-street parking directly in front of the licensed premises.

The building in which Verts is located is most-often accessed by car and can be accessed by cyclists and pedestrians. There is ample room and good visibility along Grand Avenue in front of the store so that pedestrians accessing the store from the surrounding businesses or neighborhood will feel safe doing so.

Verts does not foresee complaints related to vehicle and pedestrian traffic due to the accommodating, commercial nature of the area described above. On the off chance that a complaint does arise, Verts will work with the Town to immediately rectify the situation and develop alternative traffic plans acceptable to all.

Location management – In addition to the measures described above, Verts strives to proactively reduce the possibility of nuisance and has procedures in place for mitigating any impacts to the neighborhood. The process includes heightened security, building relationships with local law enforcement and 24-hour contact with management. Specifically, Verts will enforce the following policies:

- On-site monitoring – Verts provides in-person surveillance of the dispensary. During operational hours, the CEO, Manager on duty and staff members monitor the inside and the exterior of the facility, keeping the property free and clear of nuisance.
- Video surveillance – A state-of-art surveillance system monitors the interior and exterior of premises. The surveillance footage is reviewed by the CEO or Manager on duty to identify any nuisance that may be in progress. Immediately upon becoming aware of any nuisance, management and staff will rectify the situation. Law enforcement will be immediately contacted if necessary.
- Community liaison -- Verts assigns a community liaison, whose contact information is readily available. Should a complaint arise due to nuisance, the community liaison will immediately reach out to the staff, and law enforcement if necessary, to address the situation.
- Public postings – Verts will ensure all displayed permits and certificates are properly located in a conspicuous location, in compliance with GLMC 6-5-12, and are readily visible to all customers and store personnel.
- Prohibition of loitering – At no times will management or staff allow individuals to loiter near on the property.

Securing the safety of its patrons and community is a high priority for Verts. As such, if the Town or community members have additional suggestions for meaningful changes, Verts remains open to hearing and incorporating viable suggestions.

Verts Grand Lake LLC Odor Mitigation & Ventilation Plan

Odor control – Verts Grand Lake LLC, doing business as Verts Neighborhood Dispensary (Verts), has designed an odor control plan to prevent any odor at our Grand Lake store through building design, use of air circulation equipment, and implementation of policies to prevent odor from outside of the unit. As part of our store buildout, Verts will install a sufficient odor absorbing ventilation and exhaust system so that any odor generated inside the store that is distinctive to its operation is not detected outside of the facility.

Per GMLC 6-5-5(i), Verts will ensure that the odor of marijuana cannot be detected by a person with a normal sense of smell at the exterior of the regulated marijuana store or at any adjoining property. Verts will incorporate the following odor control devices to ensure odors from cannabis are not detected:

Air filtration and scrubbing

Verts will install an exhaust air filtration system with odor control that prevents internal odors from being emitted externally at our Grand Lake facility. We will install a combination of high efficiency particulate air (HEPA)-carbon filter air scrubbing units and high-CFM (cubic feet per minute) inline exhaust fans that will be used to pull air through the carbon filters. HEPA-Carbon filters work through a method called adsorption, meaning when air passes through the filter, odor-causing particles stick to the inside of the activated carbon, without the carbon itself increasing in size.

All exhausted air which potentially contains cannabis odor must flow through the HEPA-Carbon filter, filtering out odor in this process. The HEPA-Carbon filter air scrubbing units are quiet, and will not cause a noise-related nuisance to staff or customers in our store.

Along with the filtration, Verts will utilize free-standing air scrubbers to filter out odors and pathogens that may pose a public health risk or be bothersome. This method is highly effective and can be used in combination with other technologies.

Additionally, no cannabis consumption will be allowed on or near the licensed premises. In the unlikely event that neighboring businesses find offensive odors associated with the dispensary, Verts will immediately discuss the complaint with the community member, identify the source of the odor, rectify the emission, and update the odor control plan accordingly.

Verts Grand Lake LLC Personnel Experience

Verts Grand Lake LLC, doing business as Verts Neighborhood Dispensary (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 developed its executive team by incorporating five 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.

Notably, 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.

Verts 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. Each team member's qualifications and experience are provided in detail below:

Ashley Close – Colorado CEO, co-owner and board member

Ashley has managed Verts' cannabis operations in Colorado since 2013, first in Fort Collins and then assuming leadership of the Golden location in 2016. She recently worked closely with local officials to achieve approval for retail marijuana sales to be licensed in the City of Golden after years of medical-only sales.

Overseeing all of Verts' day-to-day operations, Ashley is responsible for the company's:

- Personnel, including staffing, hiring, termination, disciplinary actions, training, compensation and benefits.
- Finances, including banking, accounting, budgeting, taxes, cash management, reconciliation, contracts and leases, and acquisitions.
- Inventory, including ordering, receiving, Metrc, transfers and audits.
- State and local regulatory compliance, including training and standard operating procedures, implementation of new and updated rules, inspections and audits, and labeling.

She also oversees all of the company's state and local license applications and renewals, artwork and advertising, vendor relations, store design and operational flows, security features and customer service.

As the CEO and co-founder of Verts Neighborhood Dispensary in Fort Collins since 2013, Ashley has led the co-located medical and retail marijuana sales operations of one of northern Colorado's most successful dispensaries. With her business partner Joe Feucht, Ashley purchased a pre-existing license that had never been open for sales. They completely redesigned the store, added a retail license and now maintain annual revenues of \$5-7 million.

Verts Grand Lake LLC Personnel Experience

On the cultivation side, Ashley and Joe have built out three different facilities, producing some of the industry's best flower at an affordable price. They have worked to develop state-of-the-art grow operations and to evolve with current requirements and regulations.

Consistently trying to keep up with this ever-changing industry, Ashley has remained adaptable and flexible. She focuses on compliance and team-member retention, with the goal of making her dispensaries among the best workplaces in the Colorado cannabis industry.

On the advocacy side, Ashley has worked with Dan Rowland to bring retail sales to Golden, and to lobby the City of Fort Collins to bring its cannabis regulations up-to-date with statewide industry standards. She has built a coalition of dispensaries to work together on common issues and has helped out with local and state campaigns on important election issues that affect the industry. Ashley is the Verts representative to the Marijuana Industry Group, which focuses on compliance, campaigns and regulatory issues, and keeping the industry current and evolving. She consistently volunteers her time and donates money and resources to support the cannabis industry within the state of Colorado.

Ashley is a graduate of the Ohio State University. She lives in Denver with her husband and their son.

Alexander Close – National CEO, co-owner and board member

Alex is the chief executive officer of Verts Neighborhood Dispensaries, the national chain of cannabis stores located in Colorado, Michigan and Missouri. He is also the chief investment officer of Sugar Factory Cannabis Company, which is a cannabis cultivation facility located in Owosso, Mich., and president of Midwest Wellness, a CBD store located in Columbus, Ohio. Lastly, he is the managing member of Precision Cannabis, a new dispensary in Chicago.

Alex began his career in cannabis in 2014 in Colorado and has since expanded the company to seven locations. He is a graduate of Ohio University in 2010 where he studied finance. Alex loves to travel, paint and draw, along with other outdoor activities in his free time. Alex is from Columbus, where he lives today.

Daniel Rowland – Advisor, co-owner and board member

Dan is a global cannabis policy and regulatory expert. He helps companies and governments understand the complexities, impacts and market opportunities associated with the legalization of cannabis and emerging markets. He has served as an advisor to the Verts businesses since 2020 and spearheaded the movement to transition Golden from medical-only to adult-use.

Dan's experience in the legal cannabis industry covers a wide range of projects, ensuring good compliance and the successful implementation of newly legal cannabis businesses and their marketplaces. In addition to his work with Verts, Dan provides market and regulatory analysis for

Verts Grand Lake LLC Personnel Experience

a multinational supplier of cannabinoid ingredients and cannabis production technologies. He also supports local government relations and licensing efforts for several U.S.-based operators, helped launch a Canadian operator of more than 30 retail stores, launched a U.K.-based CBD drinks brand, and advises multinational brands on regulatory compliance, new product development and expansion into emerging markets.

Prior to launching his consulting practice, Dan spent five years with the City and County of Denver, leading implementation efforts for the first major city in the world to develop a fully legal, commercial cannabis industry. He was Director of Public Affairs for Denver's Office of Marijuana Policy and Department of Excise & Licenses and the spokesman and public liaison for the City's business licensing efforts and first-in-the-world implementation of legalized marijuana regulations. In this role, he frequently consulted on the implementation of legalized cannabis for governments, companies and other stakeholders around the world.

Dan has a Master of Public Administration from the University of Colorado and a Bachelor of Journalism from Arizona State University. He lives in Lakewood, Colo., with his wife and their two sons.

Richard Kennedy, shareholder

Richard has been involved in Colorado dispensaries since 2011 and has been a Metrc administrator since March 2015. At Natural Alternatives in Fort Collins, he led the transition from medical sales into adult use sales and managed the store through the Covid pandemic. He started at Verts in Fort Collins in April 2022 and is currently the Director of Operations there.

Richard also has consulted with and operated a compliance business whose clients have included some of the largest grows and operations in Colorado. Since arriving at Verts, Richard has assisted the teams' medical-to-adult-use transition in Golden and Missouri, and with startup operations in Michigan. In Fort Collins he is helping with Verts' buildout of a new storefront space to modernize the operation and compete with the larger corporate and publicly traded companies that are consolidating the market.

Richard has been a resident of Fort Collins for 20 years and is a graduate of Front Range Community College. He also has a bachelor of hospitality management with a minor in business management from Colorado State University. He loves to ski and explore.

Nicholas Higbee, shareholder

Nicc is the Chief Marketing Officer of Verts Neighborhood Dispensaries and Vice President of Operations for Verts Missouri. He has worked with Verts and the Close family since 2021, and led the company's effort to commence and operate four medical marijuana dispensaries across Missouri.

Verts Grand Lake LLC Personnel Experience

Upon the legalization of adult-use cannabis, Nicc converted all four licenses to comprehensive (adult-use and medical) operations and oversaw the launch of the company's adult-use sales in February. He also assisted with Verts' launch in the Michigan market, helping with operational start-up on the group's first dispensary in Traverse City.

Nicc's hospitable approach to retail in the cannabis space stems from his more than a decade of experience in bar and nightclub management, where he always had a strong passion for team building and serving others. While the business was fun and fulfilling, the hours were not conducive to raising kids, so Nicc channeled his passion for his community into civil servant work for the City of Kansas City, Kan. His leadership skills blossomed there and he quickly became a project manager. As rewarding as the work was, he was drawn to Verts by the people and the opportunity to build teams and create experiences.

Nicc has an associate's degree in fire science. He lives in Kansas City with his wife and two daughters.

Joseph Feucht, shareholder

Joe is a Colorado cannabis industry veteran with deep experience in the development and management of cultivation and retail facilities. Joe co-founded Verts with Ashley Close and has been an integral member of the team.

Joe is also the owner and co-founder of Verts Neighborhood Dispensary in Fort Collins, where he has overseen all aspects of the development and operations of the company's cultivation facility. Joe has owned and operated Verts since 2013 and was instrumental in building the vertically integrated company.

Leading the Verts cultivation facility, Joe oversaw the buildout and staffing of the facility, and is responsible for all daily operations, including growing, cloning, vegging, flowering, up-potting, transferring and packaging. He is also involved in daily management of the company's finances, licenses, business acquisition strategy and advocacy efforts.

Joe is a graduate of the University of South Carolina. He lives in Larimer County with his wife and their two daughters.



COLORADO
Department of Revenue
Marijuana Enforcement Division

1697 Cole Blvd., Suite 200
Lakewood, CO 80401

November 8, 2023

Alexander Michael Close
354 Westview Avenue
Columbus, OH 43214

License Type: Owner- Individual
License # M157720

Dear Alexander Michael Close,

The purpose of this correspondence is to inform you that on November 8, 2023 you were found suitable as an Owner-Individual to be a Controlling Beneficial Owner in any business licensed by the Marijuana Enforcement Division (MED). You are now eligible to apply for an ownership interest or a position of control in a Colorado marijuana establishment.

To join the ownership of an existing Colorado Regulated Marijuana Business, the owner(s) of the existing establishment/business are required to submit this letter of suitability, a Regulated Marijuana Business License Change of Controlling Beneficial Owner application, supporting documents and applicable fees to the MED for approval. If you wish to open and operate a new Colorado Regulated Marijuana Business, you must submit a complete Regulated Marijuana Business License application, accompanied with all applicable fees and all supporting documents, along with this letter of suitability. To assume a position as an Executive officer or Member of a Board of Directors that control a Regulated Marijuana Business, the business must submit a Changes Exempt from a Change of Owner Application Disclosure accompanied with all applicable fees and supporting documents.

Pursuant to Rule 2-235 - Suitability (H), this Finding of Suitability is valid for one year. If more than 365 days passes from the issuance of this Finding of Suitability and you have not applied to become a Controlling Beneficial Owner (including as an Executive Officer or Board of Director member) of a Regulated Marijuana Business pursuant to (1) an initial business license application or (2) a change of owner application, this initial Finding of Suitability will automatically expire without notification.

Sincerely,

Dominique Mendiola
Senior Director



COLORADO
Department of Revenue
Marijuana Enforcement Division

October 5, 2022

Ashley Louise Close
1898 South Jasmine Street
Denver, CO 80224

License Type: Owner- Individual
License # M144191
Expiration Date: 04/05/2024

Dear Ashley Louise Close,

The purpose of this correspondence is to inform you that on Wednesday, October 5, 2022, your requested Owner-Individual application was approved by the Marijuana Enforcement Division (MED).

Please take note of the expiration date of your license, which is listed above. All Owner-Individual licenses will need to be renewed yearly, prior to the expiration date.

Remember, pursuant to Rule 3-205, you “are required to hold and properly display a current Identification Badge issued by the Division at all times. Proper display of the Identification Badge shall consist of wearing the badge in a plainly visible manner, at or above the waist, and with the photo of the Licensee visible.” You must adhere to this requirement when inside the facility in which you hold ownership, regardless of whether or not it contains a photo.

If your badge does not have a photo, it is because the MED did not have a photo to use in the creation of your physical Owner’s badge. If your badge does not contain a photo, you must also possess a valid, government issued identification on your person.

Sincerely,

Dominique Mendiola
Senior Director



COLORADO
Department of Revenue
Marijuana Enforcement Division
1697 Cole Blvd., Suite 200
Lakewood, CO 80401

OWNER LICENSE OE-000445

October 5, 2022

CORDILLERA ADVISORY MANAGEMENT INC

Mailing Address: 3915 West 25th Avenue
Denver, CO 80212
Email Address: drowland.am@gmail.com

Dear CORDILLERA ADVISORY MANAGEMENT INC

You are receiving this letter as part of the Division's Implementation of statutory requirements effective November 1, 2019, pursuant to House Bill 19-1090.

CORDILLERA ADVISORY MANAGEMENT INC
License Number: OE-000445
Expiration Date: 04/05/2024

This license is subject to annual renewal. Please keep this letter for your records.

Sincerely,

Dominique Mendiola
Senior Director



COLORADO
Department of Revenue
Marijuana Enforcement Division

October 5, 2022

Daniel Wood Rowland
3915 West 25th Avenue
Denver, CO 80212

License Type: Owner- Individual
License # M144029
Expiration Date: 04/05/2024

Dear Daniel Wood Rowland,

The purpose of this correspondence is to inform you that on Wednesday, October 5, 2022, your requested Owner-Individual application was approved by the Marijuana Enforcement Division (MED).

Please take note of the expiration date of your license, which is listed above. All Owner-Individual licenses will need to be renewed yearly, prior to the expiration date.

Remember, pursuant to Rule 3-205, you “are required to hold and properly display a current Identification Badge issued by the Division at all times. Proper display of the Identification Badge shall consist of wearing the badge in a plainly visible manner, at or above the waist, and with the photo of the Licensee visible.” You must adhere to this requirement when inside the facility in which you hold ownership, regardless of whether or not it contains a photo.

If your badge does not have a photo, it is because the MED did not have a photo to use in the creation of your physical Owner’s badge. If your badge does not contain a photo, you must also possess a valid, government issued identification on your person.

Sincerely,

Dominique Mendiola
Senior Director