



Massachusetts Cannabis Control Commission

Marijuana Courier

General Information:

License Number: D0100179
Original Issued Date: 08/10/2023
Issued Date: 08/10/2023
Expiration Date: 08/10/2024

MARIJUANA COURIER PRE-CERTIFICATION NUMBER

Marijuana Courier Pre-Certification Number:

ABOUT THE MARIJUANA COURIER LICENSEE

Business Legal Name: ON ROOT, LLC

Phone Number: 978-239-8497 Email Address: team@onroot.io

Business Address 1: 82 SANDERSON AVENUE Business Address 2: SUITE 122B

Business City: LYNN Business State: MA Business Zip Code: 01902

Mailing Address 1: 105 UNION STREET Mailing Address 2:

Mailing City: EVERETT Mailing State: MA Mailing Zip Code: 02149

CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

Certified Disadvantaged Business Enterprises (DBEs): Minority-Owned Business

PERSONS HAVING DIRECT OR INDIRECT CONTROL

Person with Direct or Indirect Authority 1

Percentage Of Ownership: 55

Percentage Of Control:

55

Role: Owner / Partner

Other Role:

First Name: PEDRO

Last Name: TAVAREZ Suffix:

Gender: Male

User Defined Gender:

What is this person's race or ethnicity?: Hispanic, Latino, or Spanish (Mexican or Mexican American, Puerto Rican, Cuban, Salvadoran, Dominican, Colombian)

Specify Race or Ethnicity: DOMINICAN

Person with Direct or Indirect Authority 2

Percentage Of Ownership: 15

Percentage Of Control:

15

Role: Owner / Partner

Other Role:

First Name: KIMBERLY

Last Name: CALAJ Suffix:

Gender: Female

User Defined Gender:

What is this person's race or ethnicity?: Hispanic, Latino, or Spanish (Mexican or Mexican American, Puerto Rican, Cuban, Salvadoran,

Dominican, Colombian)

Specify Race or Ethnicity: BRAZILIAN

Person with Direct or Indirect Authority 3

Percentage Of Ownership: 15

Percentage Of Control:
15

Role: Executive / Officer

Other Role:

First Name: JULIO

Last Name:
HERNANDEZ

Suffix:

Gender: Male

User Defined Gender:

What is this person's race or ethnicity?: Hispanic, Latino, or Spanish (Mexican or Mexican American, Puerto Rican, Cuban, Salvadoran, Dominican, Colombian)

Specify Race or Ethnicity: DOMINICAN

Person with Direct or Indirect Authority 4

Percentage Of Ownership: 15

Percentage Of Control: 15

Role: Executive / Officer

Other Role:

First Name: GABRIEL

Last Name: MATIAS DE
LEON

Suffix:

Gender: Male

User Defined Gender:

What is this person's race or ethnicity?: Hispanic, Latino, or Spanish (Mexican or Mexican American, Puerto Rican, Cuban, Salvadoran, Dominican, Colombian)

Specify Race or Ethnicity: DOMINICAN

ENTITIES HAVING DIRECT OR INDIRECT CONTROL

No records found

CAPITAL RESOURCES - INDIVIDUALS

Individual Contributing Capital 1

First Name: PEDRO

Last Name: TAVAREZ

Suffix:

Types of Capital: Monetary/Equity Other Type of Capital: Total Value of the Capital Provided: \$100000 Percentage of Initial Capital: 100

Capital Attestation: Yes

CAPITAL RESOURCES - ENTITIES

No records found

BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

No records found

DISCLOSURE OF INDIVIDUAL INTERESTS

Individual 1

First Name: PEDRO

Last Name: TAVAREZ

Suffix:

Marijuana Establishment Name: On Root, LLC

Business Type: Other

Marijuana Establishment City: Lynn

Marijuana Establishment State: MA

Individual 2

First Name: KIMBERLY

Last Name: CALAJ

Suffix:

Marijuana Establishment Name: On Root, LLC

Business Type: Other

Marijuana Establishment City: EVERETT

Marijuana Establishment State: MA

Individual 3

First Name: JULIO Last Name: HERNANDEZ Suffix:

Marijuana Establishment Name: On Root, LLC Business Type: Other

Marijuana Establishment City: LYNN Marijuana Establishment State: MA

Individual 4

First Name: GABRIEL Last Name: MATIAS DE LEON Suffix:

Marijuana Establishment Name: On Root, LLC Business Type: Other

Marijuana Establishment City: LYNN Marijuana Establishment State: MA

MARIJUANA COURIER LICENSEE PROPERTY DETAILS

Establishment Address 1: 82 Sanderson Avenue Establishment Address 2: Suite 122B

Establishment City: Lynn Establishment Zip Code: 01902

Approximate square footage of the establishment: 2162 How many abutters does this property have?: 65

Have all property abutters been notified of the intent to open a Marijuana Courier Licensee at this address?: Yes

HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Community Outreach Meeting Documentation	Attachment A (Community Outreach Publication).jpeg	jpeg	64366a588399390008a478c5	04/12/2023
Community Outreach Meeting Documentation	Attachment B (City Clerk Notice).pdf	pdf	64366a5c8399390008a478d9	04/12/2023
Community Outreach Meeting Documentation	Attachment C (Abutters Notice).docx.pdf	pdf	64366a5e2c9c310008bfbaff7	04/12/2023
Community Outreach Meeting Documentation	Community Outreach Meeting Attestation.pdf	pdf	64366a652c9c310008bfb00b	04/12/2023
Community Outreach Meeting Documentation	Community Outreach Presentation.pdf	pdf	64366b022c9c310008bfb031	04/12/2023
Certification of Host Community Agreement	On Root HCA Certification Form (signed).pdf	pdf	64366b052c9c310008bfb045	04/12/2023
Plan to Remain Compliant with Local Zoning	Plan to Remain Compliant with Local Zoning.pdf	pdf	64366b098399390008a47920	04/12/2023

Total amount of financial benefits accruing to the municipality as a result of the host community agreement. If the total amount is zero, please enter zero and provide documentation explaining this number.: \$

PLAN FOR POSITIVE IMPACT

Plan to Positively Impact Areas of Disproportionate Impact:

Document Category	Document Name	Type	ID	Upload Date
Plan for Positive Impact	Positive Impact Plan.pdf	pdf	646c36a39c23790008c550fc	05/22/2023
Donation Acceptance Letter	Letter from Aborn Elementary PTO.pdf	pdf	646c36b523b809000843cf36	05/22/2023

INDIVIDUAL BACKGROUND INFORMATION

Date generated: 09/05/2023

Individual Background Information 1

Role: Owner / Partner

Other Role:

First Name: PEDRO

Last Name: TAVAREZ Suffix:

RMD Association: Not associated with an RMD

Background Question: no

Individual Background Information 2

Role: Executive / Officer

Other Role:

First Name: JULIO

Last Name: HERNANDEZ Suffix:

RMD Association: Not associated with an RMD

Background Question: no

Individual Background Information 3

Role: Executive / Officer

Other Role:

First Name: KIMBERLY

Last Name: CALAJ Suffix:

RMD Association: Not associated with an RMD

Background Question: no

Individual Background Information 4

Role: Executive / Officer

Other Role:

First Name: GABRIEL

Last Name: MATIAS DE LEON Suffix:

RMD Association: Not associated with an RMD

Background Question: no

ENTITY BACKGROUND CHECK INFORMATION

No records found

MASSACHUSETTS BUSINESS REGISTRATION

Certificates of Good Standing:

Document Category	Document Name	Type	ID	Upload Date
Department of Revenue - Certificate of Good standing	Department of Revenue - Cert of GS.pdf	pdf	64366cf42c9c310008bfb12e	04/12/2023
No Employee/DUA Certification Attestation	Department of Unemployment Assistance - Attestation.pdf	pdf	64366db18399390008a47a8f	04/12/2023
Secretary of Commonwealth - Certificate of Good Standing	Secretary of State Certificate of Good Standing.pdf	pdf	646c374a9c23790008c55177	05/22/2023

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Articles of Organization	Certificate of Amendment.pdf	pdf	646c37689c23790008c5518b	05/22/2023
Bylaws	Operating Agreement.pdf	pdf	646c377c23b809000843cfa2	05/22/2023

Massachusetts Business Identification Number: 001546922

Doing-Business-As Name:

DBA Registration City:

BUSINESS PLAN

Date generated: 09/05/2023

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan for Liability Insurance	Plan for Obtaining Liability Insurance .pdf	pdf	623d3e33c91bef000949a37f	03/24/2022
Proposed Timeline	Proposed Timeline.pdf	pdf	646c387b9c23790008c55290	05/22/2023
Business Plan	Business Plan.pdf	pdf	646c388e9c23790008c552b1	05/22/2023
Business Plan	PDIC Attestation.pdf	pdf	646c3a599c23790008c55480	05/23/2023

OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Prevention of diversion	Diversion Plan.pdf	pdf	623d3fac53957f0008686b1f	03/25/2022
Transportation of marijuana	Transportation Plan.pdf	pdf	623d3fce53957f0008686b39	03/25/2022
Record-keeping procedures	Record-Keeping Plan.pdf	pdf	623d407753957f0008686b5f	03/25/2022
Maintenance of financial records	Maintenance of Financial Records Plan.pdf	pdf	623d40a4c91bef000949a3e9	03/25/2022
Storage of marijuana	Storage Plan.pdf	pdf	623d434bc91bef000949a480	03/25/2022
Security plan	Security Plan.pdf	pdf	623d436dc91bef000949a494	03/25/2022
Inventory procedures	Inventory Plan.pdf	pdf	623d43d353957f0008686be0	03/25/2022
Quality control and testing procedures	Quality Control Plan.pdf	pdf	623d443fc91bef000949a4c3	03/25/2022
Dispensing procedures;inactive	Dispensing Plan.pdf	pdf	623d455453957f0008686c18	03/25/2022
Energy Compliance Plan	Energy Compliance Plan.pdf	pdf	6249d49ac91bef0009541820	04/03/2022
Qualifications and training	Qualifications and Intended Trainings Plan.pdf	pdf	6249d4f053957f000872ddb3	04/03/2022
Personnel policies	Personnel Policies and Procedures.pdf	pdf	6249d538c91bef000954185a	04/03/2022
Delivery procedures (pursuant to 935 CMR 500.145)	Safe Delivery Procedures (Courier).pdf	pdf	6249d56f53957f000872ddd6	04/03/2022
Personnel policies	White Labeling Plan.pdf	pdf	646c391823b809000843d08d	05/22/2023
Personnel policies	Plan to Restrict Access to Persons Under the Age of 21.pdf	pdf	646c397223b809000843d0ad	05/22/2023
Diversity plan	Diversity Plan.pdf	pdf	646c39a89c23790008c552e3	05/22/2023

COMPLIANCE WITH POSITIVE IMPACT PLAN

No records found

COMPLIANCE WITH DIVERSITY PLAN

No records found

HOURS OF OPERATION

Monday From: 10:00 AM	Monday To: 8:00 AM
Tuesday From: 10:00 AM	Tuesday To: 8:00 PM
Wednesday From: 10:00 AM	Wednesday To: 8:00 PM
Thursday From: 10:00 AM	Thursday To: 8:00 PM

Friday From: 10:00 AM Friday To: 8:00 PM
Saturday From: 10:00 AM Saturday To: 8:00 PM
Sunday From: 10:00 AM Sunday To: 8:00 PM

ATTESTATIONS

I certify that no additional entities or individuals meeting the requirement set forth in 935 CMR 500.101(1)(b)(1) or 935 CMR 500.101(2)(c)(1) have been omitted by the applicant from any marijuana establishment application(s) for licensure submitted to the Cannabis Control Commission.: I Agree

I understand that the regulations stated above require an applicant for licensure to list all executives, managers, persons or entities having direct or indirect authority over the management, policies, security operations or cultivation operations of the Marijuana Establishment; close associates and members of the applicant, if any; and a list of all persons or entities contributing 10% or more of the initial capital to operate the Marijuana Establishment including capital that is in the form of land or buildings.: I Agree

I certify that any entities who are required to be listed by the regulations above do not include any omitted individuals, who by themselves, would be required to be listed individually in any marijuana establishment application(s) for licensure submitted to the Cannabis Control Commission.: I Agree

Notification:

I certify that any changes in ownership or control, location, or name will be made pursuant to a separate process, as required under 935 CMR 500.104(1), and none of those changes have occurred in this application.:

I certify that to the best knowledge of any of the individuals listed within this application, there are no background events that have arisen since the issuance of the establishment's final license that would raise suitability issues in accordance with 935 CMR 500.801.:

I certify that all information contained within this renewal application is complete and true.:

AGREEMENTS WITH MARIJUANA RETAILERS

No records found

MARIJUANA RETAILER AGREEMENT DOCUMENTATION

No documents uploaded

AGREEMENTS WITH THIRD-PARTY TECHNOLOGY PLATFORM PROVIDER

No records found

THIRD-PARTY TECHNOLOGY PLATFORM PROVIDER DOCUMENTATION

Supporting Document:

Document Category	Document Name	Type	ID	Upload Date
	Technology Partners.pdf	pdf	643668cc2c9c310008bfaf57	04/12/2023

NOTICE OF COMMUNITY OUTREACH MEETING

Notice is hereby given that On Root, LLC will hold a Community Outreach Meeting on October 13, 2022, at Christopher's Café, 2 Lewis Street, Lynn, MA 01902 at 6:00 PM, to discuss the proposed siting of a Cannabis Delivery Operator / Courier Provider at 82 Sanderson Avenue, Suite 122B, Lynn, Massachusetts 01902, in accordance with M.G.L. Ch. 94G and the Massachusetts Cannabis Control Commission's regulations at 935 CMR 500.000 et seq.

Topics to be discussed at the meeting will include, but are not limited to:

1. The type(s) of Cannabis Delivery Operator / Courier Provider to be located at the proposed address;
2. Plans for maintaining a secure facility;
3. Plans to prevent diversion to minors;
4. Plans to positively impact the community; and
5. Plans to ensure the establishment will not constitute a nuisance to the community.

RECEIVED
CITY OF LYNN
CLERKS OFFICE
2022 OCT 03 P 01:44

There will be an opportunity for the public to ask questions and receive answers from On Root, LLC representatives about the proposed facility and operations.

A copy of this notice was published in the Daily Item on Thursday, September 29 (14 calendar days before the meeting). This notice was also mailed to abutters within 300 feet of the property line of the petitioner as they appear on the most recent applicable tax list.

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- 2. Plans for maintaining a secure facility;**
- 3. Plans to prevent diversion to minors;**
- 4. Plans to positively impact the community; and**
- 5. Plans to ensure the establishment will not constitute a nuisance to the community.**

There will be an opportunity for the public to ask questions and receive answers from On Root, LLC, representatives about the proposed facility and operations.

A copy of this notice has been published in a local newspaper at least fourteen (14) calendar days prior to the meeting and filed with the appropriate City entities. This notice was also mailed at least fourteen (14) calendar days prior to the meeting to abutters within 300 feet of the property line of the petitioner as they appear on the most recent applicable tax list.

Additional Information available as follows:

<https://onrootnow.com>

Community Outreach Meeting Attestation Form

Instructions

Community Outreach Meeting(s) are a requirement of the application to become a Marijuana Establishment (ME) and Medical Marijuana Treatment Center (MTC). 935 CMR 500.101(1), 500.101(2), 501.101(1), and 501.101(2). The applicant must complete each section of this form and attach all required documents as a single PDF document before uploading it into the application. If your application is for a license that will be located at more than one (1) location, and in different municipalities, applicants must complete two (2) attestation forms – one for each municipality. Failure to complete a section will result in the application not being deemed complete. Please note that submission of information that is “misleading, incorrect, false, or fraudulent” is grounds for denial of an application for a license pursuant to 935 CMR 500.400(2) and 501.400(2).

Attestation

I, the below indicated authorized representative of that the applicant, attest that the applicant has complied with the Community Outreach Meeting requirements of 935 CMR 500.101 and/or 935 CMR 501.101 as outlined below:

1. The Community Outreach Meeting was held on the following date(s):
2. At least one (1) meeting was held within the municipality where the ME is proposed to be located.
3. At least one (1) meeting was held after normal business hours (this requirement can be satisfied along with requirement #2 if the meeting was held within the municipality and after normal business hours).



4. A copy of the community outreach notice containing the time, place, and subject matter of the meeting, including the proposed address of the ME or MTC was published in a newspaper of general circulation in the municipality at least 14 calendar days prior to the meeting. A copy of this publication notice is labeled and attached as "Attachment A."

a. Date of publication:

b. Name of publication:

5. A copy of the community outreach notice containing the time, place, and subject matter of the meeting, including the proposed address of the ME or MTC was filed with clerk of the municipality. A copy of this filed notice is labeled and attached as "Attachment B."

a. Date notice filed:

6. A copy of the community outreach notice containing the time, place, and subject matter of the meeting, including the proposed address of the ME or MTC was mailed at least seven (7) calendar days prior to the community outreach meeting to abutters of the proposed address, and residents within 300 feet of the property line of the applicant's proposed location as they appear on the most recent applicable tax list, notwithstanding that the land of the abutter or resident is located in another municipality. A copy of this mailed notice is labeled and attached as "Attachment C." Please redact the name of any abutter or resident in this notice.

a. Date notice(s) mailed:

7. The applicant presented information at the Community Outreach Meeting, which at a minimum included the following:
- The type(s) of ME or MTC to be located at the proposed address;
 - Information adequate to demonstrate that the location will be maintained securely;
 - Steps to be taken by the ME or MTC to prevent diversion to minors;
 - A plan by the ME or MTC to positively impact the community; and
 - Information adequate to demonstrate that the location will not constitute a nuisance as defined by law.
8. Community members were permitted to ask questions and receive answers from representatives of the ME or MTC.



Name of applicant:

Name of applicant's authorized representative:

Signature of applicant's authorized representative:



ON ROOT

A Cannatech
Company





AGENDA




01

INTRODUCTION

Vision
The Problem
The Solution
Meet the Team

03

PROPOSED SITE AND SECURITY



Proposed Site
Site Layout
Security Overview
Location

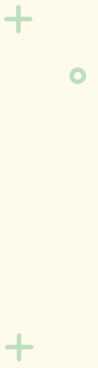
02

BUSINESS MODEL

Software
Delivery

04

ON ROOT AND THE COMMUNITY



Preventing Diversion to Minors
Plan to Avoid Nuisance
Community Impact

VISION

On Root will be the Grubhub of the Cannabis Industry.



THE PROBLEMS



Generic websites that use the same templates

Hard to navigate user interfaces

Slow and Limited delivery options

Dispensaries are reliant on local customers

Lack of diverse leadership in the cannabis industry

Lack of product information

THE SOLUTIONS

On Root is a minority owned business looking to destigmatize the cannabis shopping experience.

The On Root team will create an online cannabis marketplace that feels natural to shoppers. The website is being built with accessibility and the user experience in mind.

On Root will work with local establishments to increase their reach by fulfilling their deliveries and advertising their offerings on our platform.



MEET THE TEAM



PEDRO

CEO

Pedro is a Senior Software Engineer and a graduate of the University of Massachusetts, Lowell, holding a degree in Criminology and Justice Studies.

His current role involves tech leading a team for a Fortune 500 company. Before his tech leading role, he led several teams in various organizations, the most related being a manager for a delivery company called Dashed.

As a proud Lynn Public Schools graduate with family residing in the city, Pedro is passionate about giving back to the community. He wants to work closely with city officials to ensure On Root is making meaningful contributions.

MEET THE TEAM



JULIO

COO



KIM

CMO



EDWIN

CFO



GABRIEL

CTO



MEL

CD



02 BUSINESS MODEL

How will On Root create,
deliver, and capture value?





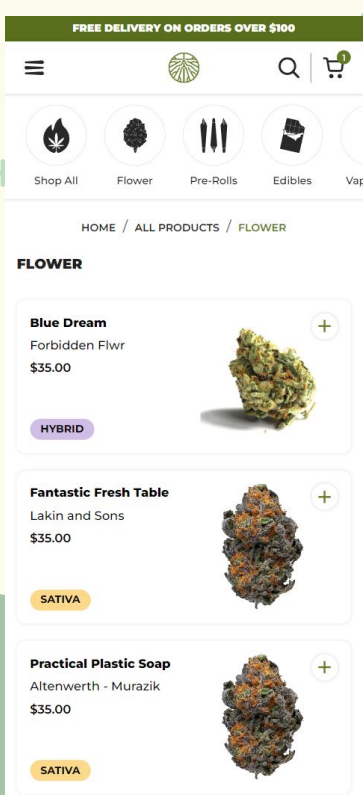
SOFTWARE

On Root engineers are currently building a storefront website where consumers will be able to order cannabis products on demand.



DELIVERY

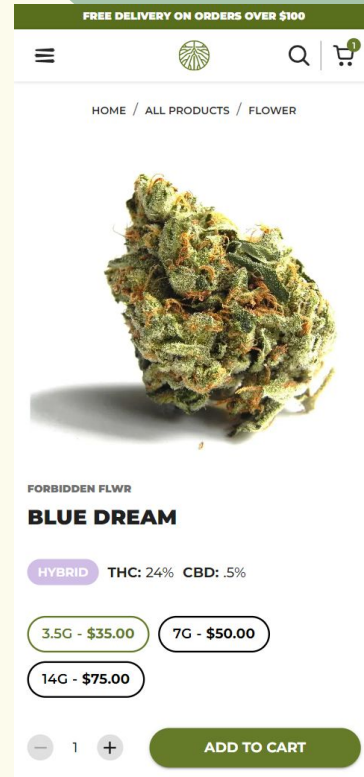
On Root is seeking two cannabis licenses: Delivery Courier and Delivery Operator.



SOFTWARE

On Root engineers are bringing custom designs to life. The team is currently building a storefront website where consumers will be able to order cannabis products on demand.

On Root will partner with dispensaries to add their catalog on our website.



DELIVERY

On Root is seeking two (2) cannabis establishment licenses:

- **Delivery Operator**
 - Will enable On Root to wholesale finished cannabis products from Cultivators and Product Manufacturers, white-label, or affix our name and/or logo, and sell those products directly to consumers.
- **Delivery Courier**
 - Will enable On Root to fulfill deliveries on behalf of dispensaries.

We are currently pre-certified for both of these license types by the state!



03

PROPOSED SITE AND SECURITY

Is this a safe business?

PROPOSED SITE

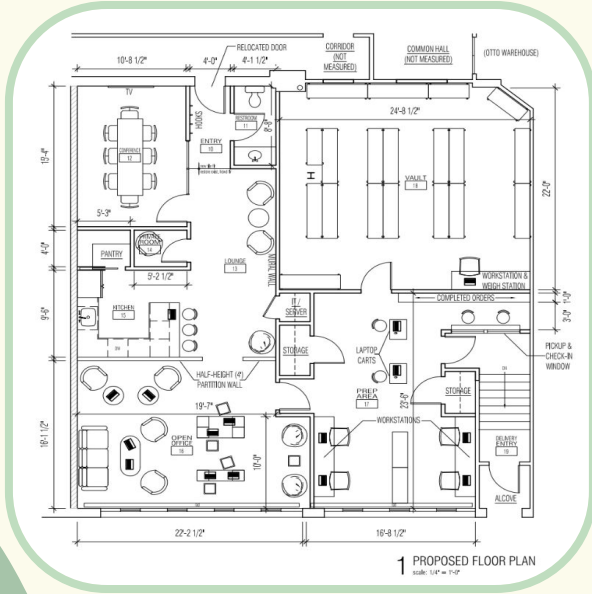
On Root is proposing to site a Cannabis Delivery Operator and Delivery Courier establishment at 82 Sanderson Avenue, Suite 122B, Lynn MA.

On Root's facility will be meticulously designed and constructed to be discrete and compliant with the strict operational requirements set forth in 935 CMR 500.000 and 501.00 *et seq.*

Located in the Light Industrial District zone, this site will store product and provide parking for our delivery vehicles. There will be no customer foot traffic at this site.



• SITE LAYOUT



SECURITY OVERVIEW

On Root will:

- Remain fully compliant and diligent with all regulations set forth by the City of Lynn, the State of Massachusetts, and the Cannabis Control Commission;
- Prioritize the safety of our employees, customers, and community;
- Provide a safe environment for employees and deter and prevent theft and diversion of product; and
- Continuously engage with the City of Lynn to ensure compliance.





SITE SECURITY

On Root will engage with a professional security and alarm company to design, implement and monitor a comprehensive security plan to ensure that the facility is a safe and secure environment for our employees and local community.

THE SECURITY SYSTEM WILL:

- Consist of duress, panic, and holdup alarms;
- Be connected to local enforcement for efficient notification and response;
- Include a failure notification system; and
- Include motion detectors.

OTHER HIGHLIGHTS INCLUDE:

- Redundant monitoring and power will be implemented;
- Interior and exterior HD video surveillance of all areas; and
- Limited Access areas will be controlled by an Access Control System.



VEHICLE SECURITY

VEHICLES

- Security system with an exterior alarm
- Secure, locked storage compartment for transporting cannabis products
- Secure communication between vehicles and dispatchers
- GPS Monitoring Device
- Video system that includes cameras in the storage area and driver area
- Discreet (no logos)

DRIVERS

- Two drivers per vehicle to ensure vehicle is never unoccupied
- Will have operational body camera on their person



04

ON ROOT AND THE COMMUNITY

How will On Root impact
the City of Lynn?



PREVENTING DIVERSION TO MINORS

On Root will ensure that only consumers with verified and valid, government-issued photo IDs will be permitted to make a purchase on our applications with ID verification software.

On Root's website will require all online visitors to verify they are age 21 or older prior to accessing the website.

In the event that On Root discovers any of its employees intentionally or negligently sold cannabis to an ineligible individual, the agent will be immediately terminated and the regulatory authorities will be promptly notified.

On Root will not engage in any marketing, advertising, or branding activities that are targeted to, deemed to appeal to, or portray minors.

Any marketing, advertising, and branding materials for public viewing will include a warning statement that the product is not intended for children or minors.

On Root will not hire any individuals who are under the age of 21 or who have been convicted of distribution of controlled substances to minors.



PLAN TO AVOID NUISANCE

On Root's extensive security systems offer the ability to control activities on and around the premises at all times. Public consumption of cannabis or other drugs, queuing, loitering, or other unlawful activities are identified immediately, stopped, and reported to law enforcement. As a result of heightened security around the site, crime should drop in the surrounding neighborhood.

On Root will comply with all special permit conditions required by the City of Lynn and will work diligently and in good faith to address any reasonable nuisance concerns brought to its attention by members of the community.

No cannabis or cannabis products will be clearly visible to a person from the exterior of On Root's facility or delivery vehicles.

On Root will not install any neon or illuminated signage that does not comply with local ordinances or is illuminated more than 30 minutes before sundown until closing.

No consumption of cannabis will occur on On Root's premises.



COMMUNITY IMPACT

On Root looks forward to working cooperatively with the City of Lynn to ensure that On Root continues to operate as a responsible, contributing member of the community. On Root anticipates establishing a mutually beneficial relationship with the City where the City stands to benefit in various ways, including but not limited to the following:

JOBS. A canna-tech company will add 20-30 full-time jobs. On Root will look to hire qualified residents, local contractors and vendors (with emphasis on diverse hiring).

MONETARY BENEFITS. A Host Community Agreement with significant monetary contributions will provide the City with additional financial benefits beyond local taxes.

TAXES. On Root will contribute to the City's revenue through the payment of property and local option taxes.

RESPONSIBILITY. On Root is comprised of experienced professionals and the entire team will be thoroughly background-checked and scrutinized by the CCC.

PHILANTHROPY. Beyond monetary benefits outlined in a Host Community Agreement, On Root will dedicate a portion of its revenues to community initiatives.

EDUCATION. On Root will conduct a series of educational seminars about the business of cannabis, hosted either after hours at a local business.

IN LOVING MEMORY



ANDRES

Our Guardian Angel

THANKS!

**Do you have any
questions?**

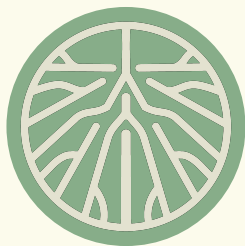
support@onrootnow.com

(781) 214-1095

www.onrootnow.com



@OnRootNow



Host Community Agreement Certification Form

Instructions

Certification of a host community agreement is a requirement of the application to become a Marijuana Establishment (ME) and Medical Marijuana Treatment Center (MTC). Applicants must complete items 1-3. The contracting authority for the municipality must complete items 4-8. Failure to complete a section will result in the application not being deemed complete. This form should be completed and uploaded into your application. Please note that submission of information that is "misleading, incorrect, false, or fraudulent" is grounds for denial of an application for a license pursuant to 935 CMR 500.400(2) and 501.400(2).

Certification

The parties listed below do certify that the applicant and municipality have executed a host community agreement on the specified date below pursuant to G.L. c. 94G § 3(d):

1. Name of applicant:

On Root, LLC

2. Name of applicant's authorized representative:

Pedro Tavaréz

3. Signature of applicant's authorized representative:



4. Name of municipality:

City of Lynn

5. Name of municipality's contracting authority or authorized representative:

James Lamanna



6. Signature of municipality's contracting authority or authorized representative:

Jane E. Gentry

7. Email address of contracting authority or authorized representative of the municipality (*this email address may be used to send municipal notices pursuant to 935 CMR 500.102(1) and 501.102(1).*):

jlamanna@lynnma.gov

8. Host community agreement execution date:

5-11-23

ON ROOT, LLC
HOST COMMUNITY AGREEMENT FOR THE SITING OF AN ADULT-USE
CANNABIS COURIER AND DELIVERY ESTABLISHMENT IN THE CITY OF LYNN

This Host Community Agreement (the "**Agreement**") is entered into this the 10th day of April, 2023 (the "**Effective Date**") by and between the City of Lynn, acting by and through its Mayor, with a principal address of Mayor's Office, 3 City Hall Square, Lynn, MA 01901 (hereinafter the "**City**") and On Root, LLC . with a principal office address of 82 Sanderson Avenue, Lynn, MA 01902 (hereinafter the "**Company**") (City and Company, collectively the "**Parties**").

RECITALS

WHEREAS, when permitted under Local and State Law, Company intends to locate a licensed, adult-use, Marijuana Courier License ("**MCL**") and a Marijuana Delivery Operator License ("**MDOL**") at the Facility at 82 Sanderson Avenue, Lynn, MA 01902 in accordance with State Law and Local Law;

WHEREAS, Company desires to provide community impact fee payments to the City pursuant to M.G.L. c. 94G, 3(d), and any successor statutes and regulations, in order to address any reasonable costs imposed upon the City by Company's operations in the City, and

WHEREAS, the City supports Company's intention to operate an MCL and MDOL for the couriering and delivery of recreational, adult-use cannabis in the City at the Facility.

WHEREAS, the Parties intend by this Agreement to satisfy the provisions of M.G.L. c. 94G, 53 (d), applicable to the operation of an MCL and MDOL in the City;

NOW THEREFORE, in consideration of the provisions of this Agreement, the Parties agree as follows:

AGREEMENT

1. **Community Impact.** In order to mitigate the possible financial impact upon the City and use of the City's resources, the Company agrees to make payments to the City, in the amounts and under the tams provided herein (the "Payments"). The purpose of this Agreement is to assist City in addressing Community Impacts directly proportional and reasonably related to the Company. "Community Impacts" means, collectively the following potential and actual impacts to the City directly relating to or resulting from the construction and operation of the MCL and MDOL such as (i) increased use of City services; (ii) increased use of City infrastructure; (iii) the need for additional City infrastructure, employees and equipment; (iv) increased traffic and traffic congestion; (v) increased air, noise, light and water pollution; (vi) issues relating to public safety and addictive behavior', (vii) loss of City revenue from displacement of current businesses; (viii) issues related to education and housing; (ix) quality of life; and (x) costs related to mitigating other impacts to the City and its residents.

2. **Host Community Payments.**

- a. ~~**Commencement Payment.** Within thirty (30) days after the Company commences operations in the City, the Company will make a payment to the City in the amount of \$50,000.00 (the "Commencement Payment"). The Commencement Payment will be a one-time payment and shall be credited toward any Payments which become due under sub-paragraph 2b and 2.e. hereunder. The Commencement Payment of \$50,000.00 shall be returned to the company in the event that the Cannabis Control Commission (CCC) or any other such state licensing or monitoring authority, as the case may be, does not provide final license to the Company or the Company fails to receive all required approvals from the City to operate a MCL and MDOL.~~
- b. **MCL Annual Payments.** In the event that Company obtains a license, or any other such license/or approval as may be required under State Law, for the operation of a MCL in the City from the CCC or any other such state licensing or monitoring authority, as the case may be, and receives all required approvals from the City to operate a MCL, then Company agrees to the following:
- i. The Company shall make quarterly payments to the City in an amount equal to three percent (3%) of the gross quarterly sales of recreational cannabis and recreational cannabis products (collectively "Recreational Cannabis") couriered from the Facility (the "**MCL Payment**"). This payment shall be in addition to any local option tax accepted by the City.
 - ii. The initial MCL Payment shall be paid on a quarterly basis and be due within 30 days of the end of the company's first full fiscal quarter following Commencement of Sales and Courier Services less the "Commencement Payment").
 - iii. Subsequent MCL Quarterly Payments shall be due within 30 days of the end of the company's preceding fiscal quarter throughout the term of the HCA.
 - iv. In the event of a relocation out of the City, an adjustment of the Payment due to the City hereunder shall be calculated based on the period of occupation of the Facility with the City, but in no event shall the City be responsible for the return of any Payment or portion thereof already provided to the City by the Company except as provided in sub-paragraph 2.a.
- c. **MDOL Annual Payment.** In the event that Company obtains a license, or any other such license/or approval as may be required under State Law, for the operation of a MDOL in the City from the CCC or any other such state licensing

or monitoring authority, as the case may be, and receives all required approvals from the City to operate a MDOL, then Company agrees to the following:

- i. The Company shall make quarterly payments to the City in an amount equal to three percent (3%) of the gross quarterly sales for delivery recreational and/or medical cannabis and recreational and/or medical cannabis products (collectively "**Delivery Cannabis**") delivered from a non City of Lynn approved and licensed Retail Cannabis Establishment located outside of the City of Lynn (the "**MDOL Payment**"). This payment shall be in addition to any local option tax accepted by the City.
- ii. The initial MDOL Payment shall be paid on a quarterly basis and be due within 30 days of the end of the company's first full fiscal quarter following Commencement of Delivery less the "**Commencement Payment**".
- iii. Subsequent MDOL Quarterly Payments shall be due within 30 days of the end of the company's preceding fiscal quarter throughout the term of the HCA.
- iv. In the event of a relocation out of the City, an adjustment of the Payment due to the City hereunder shall be calculated based on the period of occupation of the Facility with the City, but in no event shall the City be responsible for the return of any Payment or portion thereof already provided to the City by the Company except as provided in sub-paragraph 2.a.
- v. The City waives its right to collect up to 3% of the gross revenue of the operation of a Marijuana Delivery Operator License for all product delivered from an approved and licensed City of Lynn Retail Cannabis Establishment. Should the City determine that during the term of the impact fees (as set forth in Section 1, above) it has incurred community impact or impacts arising primarily from the Company's operation, the City reserves the right to collect from the Company the full cost of such impact or impacts, not to exceed 3% of the Company's annual gross revenues. Notice of imposition of community host fees shall be in the sole discretion of the City and shall be mailed in accordance with the provisions of this Agreement. Payment hereunder shall be due and payable 30 days from such notice. To the extent that the Company claims any fees imposed exceeds the 3% limit, it shall provide documentation proving such claim

3. **Notifications and Accounting.** Company shall notify the City when it commences sales, delivery and courier services in the City of Lynn and shall submit annual financial

statements to the City to prove the payment amounts at such time as it makes the payments described in Paragraph 2. The company shall submit annual financial statements to the City within 120 days of the end of the Company's fiscal year, which shall include certification of itemized gross sales for the previous calendar year, and all other information required to ascertain compliance with the terms of this Agreement, in addition to a copy of its annual filing as a non-profit, if any, to the Massachusetts Office of Attorney General. Upon request, the Company shall provide the City with the same access to its financial records (to be treated as confidential, to the extent allowed by law) as it is required by the Commonwealth to obtain and maintain a license for the Facility.

The Company shall maintain its books, financial records and any other data related to its finances and operations in accordance with standard accounting practices and any applicable regulations and guidelines promulgated by the Commonwealth of Massachusetts. All records shall be retained for a period of seven (7) years,

4. **Term and Termination.** The Term of this Agreement shall be five (5) years from the Effective Date (the "**Term**"). This Agreement shall automatically terminate at the end of the Term. In the event Company ceases all operations in the City, this Agreement shall become null and void, except that the Company shall make any payments owed to the City under Paragraph 2 above through the date of termination of the operation. In the event Company loses or has its license(s), approvals, and/or permits to operate in the City revoked by the relevant Licensing Authority(ies) or the City, this Agreement shall become null and void. The Parties shall agree to attempt to renegotiate or renew this Agreement prior to the end of the Term. The Company shall not be required to cease operations following the termination of this Agreement so long as renegotiations are actively ongoing. Any renegotiation of this Agreement or negotiation of a subsequent agreement shall include a review of positive and negative impacts upon Lynn, its residents, and businesses resulting from operation of the Company's operations, including, without limitation, community health, associated business growth, traffic, crime, use of Lynn's resources, proximate property value impacts, and other documented impacts.

5. **Annual Reporting and Recordkeeping:**

- a. Within thirty sixty (60) days following the one (1) year anniversary of the Opening Date and on each anniversary thereafter, the Company shall provide the City with Gross Sales records for the year in which payment is being made. Such Gross Sales records of the Company shall include certification from a Certified Public Accountant licensed by the Massachusetts Board of Public Accountancy and doing business in the Commonwealth of Massachusetts that the Gross Sales records are true and accurate and that the Company recordkeeping and Gross Sales records comply with Massachusetts Law, including CCC regulations or Legal Requirements and conform to established industry standards.

- b. The Company shall provide the City with the same access to its financial records (to be treated as confidential to the extent allowed by law) as it is required by the Commonwealth to obtain and maintain pursuant to its license for the from the CCC or such other state licensing or monitoring authority, as the case may be. To this end, upon request from the City the Company shall provide the City with duplicate copies of any document or report or other filing made to any state or federal regulatory authority as they relate to the Company's operation.
- c. The Company shall keep its books, financial records and other compilations of financial and other data in accordance with general accepted accounting standards and principals, CCC regulations or the Legal Requirements, and shall retain a complete copy of such records including those provided to the City for the period of time required by law, but in no event less than seven (7) years from the date the documents was created.

6. **Default and Termination**

- a. **Voluntary Termination for Discontinuance of Operations:** Except as to obligations which survive the termination this Agreement, the Parties' obligations set forth in this Agreement shall cease and this Agreement shall terminate fifteen (15) days after notice is provided by the Company that it has (1) ceased operation in the City and (2) notifies the other Party of same. Providing, however, that the Company may only terminate this Agreement pursuant to this provision if the Company is otherwise in complete compliance with its obligations under this Agreement.
- b. **Events of Default:** The Company shall be in default of this Agreement if any of the following occur:
 - i. The Company fails to make any payment required under this Agreement, and such payment failure is not cured within thirty (30) business days of the date such payment was due; or
 - ii. The Company breaches any other provision of this Agreement, and such failure is not cured within thirty (30) days of notification from the City of said breach; or iii. The Company shall be declared insolvent or adjudicated as bankrupt, or if the Company shall seek relief by the filing of a petition for an arrangement under Chapter XI, XII or any other Chapter of the Federal Bankruptcy Act, or if a receiver shall be appointed for its business or its assets, and the appointment of such receiver is not vacated within thirty (30) days after such appointment; or iv. The Company shall make an assignment for the benefit of creditors.
- c. Upon the occurrence of any of the forgoing defaults, the City shall have the right, at its sole option and without prejudice to its rights under this Agreement, at law

or equity, to terminate this Agreement. Further, in addition to any other remedy under this Agreement, upon the happening of any default and subject to any applicable grace and cure period, the City may, at its option, declare immediately due and payable, all monetary payments then due and owing or which may come due and owing under this Agreement and such amount shall constitute a debt provable in bankruptcy and receivership and shall become immediately due and payable upon notice to the Company subject to the Company's rights under federal bankruptcy and state receivership laws.

- d. In the event of default by the Company the Company shall pay the City's reasonable fees and costs, including reasonable attorney's fees paid or incurred by the City for enforcing the terms, provisions, covenants, conditions in this Agreement.
- e. **Additional Default Provisions.** The City may terminate this Agreement if the City reasonably determines that:
 - i. There is a substantial change in the Use or Site Plan of the Property without prior approval from the City.
 - ii. The Company is failing or has failed to diligently pursue all necessary permits following the Commencement Date and the Company has not cured same within sixty (60) days of notice from the City; or
 - iii. The Company loses Site Control and the Company has not cured same within sixty (60) days of notice from the City; or
 - iv. The Company ceases to operate in the City in the City and has not notified the City of its voluntary termination for discontinuance of operations as set forth above.

7. **Re-Opener/Review.** In the event that the Company or the City enters into a host community agreement after the date of this agreement for a MCL or MDOL with another municipality in the Commonwealth of Massachusetts or a Marijuana Establishment, as the case may be, that contains terms that are superior to what the Company agrees to provide the City pursuant to this Agreement, then the parties shall reopen this Agreement and negotiate an amendment resulting in benefits to the City equivalent or superior to those provided in the other municipality. However, in no event shall a renegotiated Agreement extend the Host Agreement beyond the Term of this Agreement as stated herein. Moreover, any amendments to the Host Agreement will reflect actual impacts experienced by the City of Lynn as required by law.

8. **Payments.** The Company shall make the Payments to the City as set forth in Sections 2 of this Agreement. While the purpose of this payment is to assist the City in addressing any public health, safety, and other effects or impacts the Facility may have on the City and on

municipal programs, services, personnel, and facilities, the City may expend the Payments at its sole and absolute discretion, provided that such expenditures do not exceed three percent (3%) of the gross annual sales from the Facility except for payments received pursuant to a local option tax. The City understands and acknowledges that, as required by M.G.L. c. 94G, §3(d), the Payments shall be reasonably related to the costs imposed upon the City by Company's operation of a MCL or MDOL in the City. Furthermore, the City understands and acknowledges that, pursuant to M.G.L. c. 94G, §3(d), any cost to the City imposed by Company's operation of a MCL or MDOL in the City shall be documented and considered a public record pursuant to MA Law.

9. **Operating Buffer.** The City agrees that during the Term of this Agreement it will not permit any MCL or MDOL, to operate within five hundred (500) feet of the Facility without the written consent of Company. Nothing shall permit the City from amending the operating buffer at the conclusion of the Term of this Agreement.

10. **Indemnification of the City by the Company**

- a. Beginning on the Commencement Date, the Company shall defend, indemnify, and hold harmless ("**Indemnify**") the City, its elected officials, officers, employees, special employees, board members, volunteers, agents, and the like (collectively "**Indemnified Parties**") against all claims, actions, demands, fines, penalties, costs, expenses, damages, losses, obligations, judgments, liabilities and suits involving the Indemnified Parties, of any kind or nature including reasonable attorney's fees, reasonable experts' fees, and associated court costs ("**Liabilities**") that arise from or relate in any way to the enforcement by the Federal government of the United States Controlled Substances Act or any other federal law governing medical marijuana and/or recreational marijuana. Provided however, that if a state or federal investigation of Lynn or the Company is based on the issue of whether this Agreement complies with M.G.L. c. 94G, §3(d), this indemnification provision does not obligate or apply to the Company with regard such investigation or subsequent enforcement action.
- b. the foregoing express obligation of Indemnification running to the City shall not be construed to negate or abridge any other obligation of indemnification, contribution or the like running from the Company to the City if any action or proceeding is brought against the City arising out of any occurrence described in this section.

11. **Acknowledgements.** The City understands and acknowledges that Payments (with the exception of the Commencement Payment) due pursuant to this Agreement are contingent upon the Company's receipt of all state and local approvals to operate an MCL or MDOL in the City.

12. **Local Taxes.** At all times during the Term of this Agreement, property, both real and personal, owned or operated by the Company shall be treated as taxable, and all applicable real estate and personal property taxes for that property shall be paid either directly by the Company

or by its landlord, and neither the Company nor its landlord shall object or otherwise challenge the taxability of such property and shall not seek a non-profit exemption from paying such taxes. Notwithstanding the foregoing, (i) if real or personal property owned, leased or operated by the Company is determined to be non-taxable or partially non-taxable, or (ii) if the value of such property is abated with the effect of reducing or eliminating the tax which would otherwise be paid if assessed at fair cash value as defined in GL, c. 59, §38, or (iii) if the Company is determined to be entitled or subject to exemption with the effect of reducing or eliminating the tax which would otherwise be due if not so exempted, then the Company shall pay to the City an amount which when added to the taxes, if any, paid on such property, shall be equal to the taxes which would have been payable on such property at fair cash value and at the otherwise applicable tax rate, if there had been no abatement or exemption; this payment shall be in addition to the payment made by the Company under Section 2 of this Agreement. Nothing in this section shall in any way limit or prevent the Company from challenging the evaluation of this property before the Board of Assessors or the Appellate Tax Board.

13. Other Payments. The Company anticipates that it will make purchases of water, and sewer from governmental entities. Company will pay and all fees associated with the local permitting of the facility. If the City receives other payments from the Company (other than additional voluntary payments made by the Company), or from the Department of Revenue or any other source, the funds will have been collected by assessment against the Company, including but not limited to taxes imposed by the legislature of the Commonwealth of Massachusetts, or mandate from the City for said payments, the amounts due from the Company to the City under the terms of this Agreement shall not be reduced by the amount of such other payments.

.14. Community Support and Additional Obligations.

- a. **Local Vendors**-- to the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, Company shall use good faith efforts in a legal and non-discriminatory manner to give priority to qualified local businesses and vendors in the provision of goods and services called for in the construction, maintenance, and continued operation of the Facility. The Company shall employ City of Lynn residents as drivers to the maximum extent possible.
- b. **Employment/Salaries** — except for senior management, and to the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, Company shall use good faith efforts in a legal and non-discriminatory manner to give priority to hire qualified residents of the City as employees of the Facility.
- c. The Company shall, at least annually, provide the City with copies of all reports submitted to the Licensing Authority(ies) regarding Company's operations at the Facility.

- d. The Company will work cooperatively with all necessary municipal departments, boards, commissions, and agencies ensure that Company's operations are compliant with all of the City's codes, rules, and regulations.
- e. The Company will maintain its premises in a neat and tidy condition and conduct its operations in a businesslike and professional manner, with due regard for the interests of this community.
- f. If contacted by a representative of the Municipality, the Company shall make best efforts to respond immediately and substantively, and shall always respond in a reasonable amount of time;
- g. The Company shall maintain its cannabis establishment license in good standing with the CCC and comply with all applicable CCC regulations;
- h. The Company shall comply with any and all conditions imposed by local zoning authorities;
- i. The Company shall take strong precaution to prevent of sales of cannabis to persons under the age of 21.
- j. The Company agrees to obtain a License from the City of Lynn License Board and pay any applicable fee for said license prior to commencing operations. The License Commission may not deny an initial License Application from an applicant that has received a Special Permit from the Lynn City Council.
- k. The Company shall submit a parking plan for its delivery/courier vehicles to the City of Lynn Site Plan Review committee for approval prior to the commencement of its operations.
- l. The Company shall utilize its best efforts to employee persons who meet the definition of social equity individuals as defined by the CCC.

15. Application Support. The City agrees to submit to the Cannabis Control Commission, or such other state licensing or monitoring authority, as the case may be, certification of compliance with applicable local bylaws relating to the Company's application for a Certificate to operate the Facility, where such compliance has been properly met, but makes no representation or promise that it will act on any other license or permit request, including, but not limited to any Special Permit or other zoning application submitted by the Company, in any particular way other than by the City's normal and regular course of conduct and in accordance with their rules and regulations and any statutory guidelines governing them. The City agrees to use reasonable efforts to work with Company, if approved, to help assist the Company on their community support and employee outreach programs.

This agreement does not affect, limit, or control the authority of City boards, commissions, and departments to carry out their respective powers and duties to decide upon and to issue, or deny, applicable permits and other approvals under the statutes and regulations of the Commonwealth, the General and Zoning Ordinances of the City, or applicable regulations of those boards, commissions, and departments, or to enforce said statutes, Ordinances, and regulations. The City, by entering into this Agreement, is not thereby required or obligated to issue such permits and approvals as may be necessary for the Facility to operate in the City, or to refrain from enforcement action against the Company and/or the Facility for violation of the terms of said permits and approvals or said statutes, Ordinance, and regulations.

16. Security. Company shall maintain security at the Facility in accordance with a security plan presented to the City and approved by the Licensing Authority(ies). In addition, Company shall at all times comply with State Law and Local Law regarding security of the Facility and all vehicles associated with the licenses. The Company further agrees:

- a. Company shall maintain security at the Facility and all vehicles associated with the licenses at least in accordance with the security plan presented to the City and approved by the Cannabis Control Commission, or such other state licensing or monitoring authority, as the case may be. In addition, the Company shall at all times comply with all applicable laws and regulations regarding the operations of the Facility and vehicles associated with licenses and the security thereof, Such compliance shall include but will not be limited to providing hours of operation; after-hours contact information and access to surveillance operations; and requiring dispensary agents to produce their Agent Registration Card to law enforcement upon request.
- b. To the extent requested by the City's Police Department, and subject to the security and architectural review requirements of the Cannabis Control Commission, or such other state licensing or monitoring authority, as the case may be, the Company shall work with the City's Police Department in determining the placement of exterior security cameras, so that at least two cameras are located to provide an unobstructed view in each direction of the public way(s) on which the Facility and/or vehicles associated with the licenses are located.
- c. Company agrees to cooperate with the City's Police Department, including but not limited to periodic meetings to review operational concerns, security, delivery schedule and procedures, cooperation in investigations, and communications with the Police Department of any suspicious activities at or in the immediate vicinity of the Facility and vehicles associated with the license, and with regard to any anti-diversion procedures.

- d. Company shall maintain a diversion plan at the Facility and vehicles associated with the licenses at least in accordance with the diversion plan presented to the City and approved by the Cannabis Control Commission, or such other state licensing or monitoring authority, as the case may be. In addition, the Company shall at all times comply with all applicable laws and regulations regarding the operations of the Facility and vehicles associated with the licenses and the implementation of the diversion plan thereof.
- e. Company shall promptly report the discovery of the following to the City's Police within twenty-four (24) hours of the Company becoming aware of such event: diversion of cannabis; unusual discrepancies identified during inventory; theft; loss and any criminal action; unusual discrepancy in weight or inventory during transportation; any vehicle accidents, diversions, losses, or other reportable incidents that occur during transport; any suspicious act involving the sale, cultivation, distribution, processing, or production of cannabis by any person; unauthorized destruction of cannabis; any loss or unauthorized alteration of records related to cannabis, or dispensary agents; an alarm activation or other event that requires response by public safety personnel; failure of any security alarm system due to a loss of electrical power or mechanical malfunction that is expected to last longer than eight hours; and any other breach of security.

17. **Governing Law.** This Agreement shall be governed and construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, without regard to the principals of conflicts of law thereof. The parties expressly waive any defense to enforcement based upon nonconformance with federal law regarding the illegality of cannabis.

18. **Amendments/Waiver.** Amendments or waivers of any term, condition, covenant, duty or obligation contained in this Agreement may be made only by written amendment executed by all Parties, prior to the effective date of the amendment.

19. **Severability.** If any term or condition of this Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by the court of competent jurisdiction, the validity, legality, and enforceability of the remaining terms and conditions of this Agreement shall not be deemed affected thereby unless one or both Parties would be substantially or materially prejudiced.

20. **Successors/Assigns.** This Agreement is binding upon the Parties hereto, their successors, assigns and legal representatives. The City shall not assign or transfer any interest or obligations in this Agreement without the prior written consent of the Company, which shall not be unreasonably delayed, conditioned, or withheld. The Company shall not assign or transfer any interest or obligation under this Agreement without the prior written consent of the City. The City may deny a request to transfer the licenses to a successor and/or an assign for any reason or no reason at all and always maintains complete discretion to approve such a transfer of the licenses.

21. **Entire Agreement.** This Agreement constitutes the entire integrated agreement between the Parties with respect to the matters described. This Agreement supersedes all prior agreements, negotiations and representations, either written or oral, and it shall not be modified or amended except by a written document executed by the Parties hereto.

22. **Council Acceptance Required.** The parties acknowledge that the terms of this Agreement are expressly conditioned upon the approval of the Lynn City Council of the form of the Host Agreement.

23. **Local Permitting.** The parties acknowledge that payments pursuant to the operation of the MCL or MDOL under this agreement are specifically contingent upon the Company obtaining a Special Permit for the MCL or MDOL from the Lynn City Council. The approval and execution of this Host Agreement does not guarantee that the Company will obtain a Special Permit from the Lynn City Council.

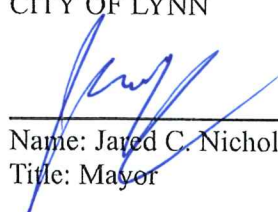
24. **Notices.** Except as otherwise provided herein, any notices under this Agreement shall be in writing and addressed as follows:

To the City:
Mayor's Office
Lynn City Hall
3 City Hall Square
Lynn, MA 01901
Attention: Jared C. Nicholson, Mayor

To the Company:
On Root, LLC
82 Sanderson Avenue
Lynn, MA 01902
Attention: Pedro Tavaréz

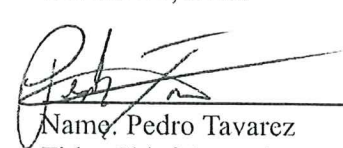
IN WITNESS WHEREOF, the Parties hereto have duly executed this Host Community Agreement on the date set forth above.

CITY OF LYNN



Name: Jared C. Nicholson
Title: Mayor

ON ROOT, LLC.



Name: Pedro Tavaréz
Title: Chief Operating Officer



ON ROOT

Plan to Remain Compliant with Local Zoning

October 2022

Our mission at On Root is to destigmatize the cannabis shopping experience by being the industry's most customer-centric company; Focusing on the user experience and environmental sustainability.

Proprietary and Confidential - Do Not Distribute

SUMMARY

On Root, LLC (“On Root”) will remain compliant at all times with the local zoning requirements outlined in the City of Lynn Zone Ordinance (“Zone Ordinance”). Per Zone Ordinance Section 22.4.5, On Root’s proposed site is located in the Light Industrial District, which permits Cannabis Delivery Establishments.

In compliance with 935 CMR 500.110(3)(b), the buffer zone distance of 500 feet may be reduced if a city adopts an ordinance that reduces the distance requirement. Per Zone Ordinance Section 22.4.1, On Root’s proposed site is not located within 200 feet of a pre-existing public or private school providing education in kindergarten or any grades 1 through 12 licensed by the Department of Education. The proposed site is also not within 500 feet of another Cannabis establishment in compliance with Zone Ordinance Section 22.4.2.

As required by the Zone Ordinance Section 22.4.7, On Root will apply for a Special Permit and Site Plan Approval, as applicable, from the local Special Permit Granting Authority. On Root will apply for any other local permits required to operate a Cannabis Delivery Establishment at the proposed site. On Root will comply with all conditions and standards outlined in any local permit required to operate a Cannabis Delivery Establishment at On Root’s proposed site.

On Root has already attended several meetings with various municipal officials and boards to discuss On Root’s plans for a proposed Cannabis Delivery Establishment and has executed a Host Community Agreement with the City of Lynn. On Root will continue to work cooperatively with various municipal departments, boards, and officials to ensure that On Root’s Cannabis Delivery Establishment remains compliant with all local laws, regulations, rules, and codes concerning design, construction, operation, and security.





ON ROOT

Positive Impact Plan

May 2023

Our mission at On Root is to destigmatize the cannabis shopping experience by being the industry's most customer-centric company; Focusing on the user experience and environmental sustainability.

Proprietary and Confidential - Do Not Distribute

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SUMMARY

Cannabis prohibition has disproportionately impacted specific communities in Massachusetts. As the Commonwealth embraces the adult-use cannabis industry in earnest, at On Root, LLC ("On Root"), we recognize our responsibility to contribute to the communities in which we do business. We will focus our time and resources on our host community, the City of Lynn, which has been identified by the Cannabis Control Commission ("CCC") as an area of disproportionate impact.

The purpose of this document is to summarize On Root's plan to ensure our business creates positive and lasting impacts within the communities in which it will be involved. We are committed to fostering positive relationships within the community and identifying ways to give back. We will seek ways to utilize our resources – including time, talent, and monies – to assist those who may be underserved and in need. We plan to achieve these goals through charitable giving, volunteer time, and community engagement.

GOALS

VOLUNTEERING FOR NON-PROFIT ORGANIZATIONS

On Root is dedicated to fostering strong connections with the communities we serve and supporting non-profit organizations that address the needs of these communities. As part of our commitment to making a positive impact, each employee will be encouraged to volunteer at a charitable organization.

PROVIDE BACK-TO-SCHOOL ESSENTIALS

On Root understands the importance of education and its role in shaping our community's future. Regardless of their socio-economic background, every student should have access to the basic tools needed for their academic success.

DONATE \$5,000 TO THE ABORN ELEMENTARY SCHOOL PTO

Recognizing the value of investing in local education and the future of our community, On Root is committed to making an annual charitable donation of \$5,000 to the Aborn Elementary School Parent-Teacher Organization located in Lynn, MA.



PROGRAMS

PAID VOLUNTEERING

As part of our commitment to making a positive impact, we will create a Paid Volunteering Program for our employees, enabling them to give back and help create meaningful change.

The Paid Volunteering Program will allow our employees to dedicate their time and skills to non-profit organizations that align with their values while still receiving compensation for their work. As part of this program, On Root will provide each employee with eight paid volunteer hours per year, ensuring that our team members can contribute to the community without compromising their financial well-being.

To participate in the program, employees must choose a charitable organization that meets the following criteria:

- Non-profit status
 - The organization must be registered as a non-profit entity, ensuring its primary focus is serving the community and addressing its needs.
- Willingness to accept volunteer hours
 - The organization must be open to accepting volunteer hours from On Root employees, allowing our team members to contribute their skills and expertise to support the organization's mission.
- Location
 - The organization must be located within one of the 30 communities that have been disproportionately impacted by past cannabis prohibition policies, as designated by the CCC. This criterion ensures that our volunteering efforts target communities that need our support the most.

To ensure the success of the Paid Volunteering Program, On Root will take the following steps:

- Employee Empowerment
 - Employees will be encouraged to identify and select non-profit organizations they are passionate about, fostering a sense of personal investment and commitment to the program.



- **Flexibility**
 - On Root will offer a flexible schedule for employees participating in the program, allowing them to balance their work at On Root with their volunteering efforts.
- **Tracking and Recognition**
 - We will monitor the volunteer hours contributed by our employees, celebrating their achievements and acknowledging their dedication to giving back to the community.
- **Support and Resources**
 - Employees will be provided with the necessary resources and support to facilitate their volunteering efforts, including information on non-profit organizations in the targeted communities, transportation assistance, and guidance on maximizing their impact.
- **Continuous Improvement**
 - We will regularly evaluate the effectiveness of the Paid Volunteering Program and solicit employee feedback to identify areas for improvement, ensuring that our efforts continue to have a meaningful and lasting impact on the communities we serve.

METRICS

1. **Number of volunteer hours completed:** We will track the total number of volunteer hours employees contribute annually to gauge the level of participation and commitment to the program.
2. **Percentage of employee participation:** Measuring the percentage of employees participating in the paid volunteering program will provide insight into overall employee engagement and willingness to contribute.
3. **Number of non-profit organizations supported:** We will count the number of non-profit organizations that employees have volunteered with, showcasing the reach and impact of the program across different community organizations.
4. **Employee satisfaction:** We will conduct regular surveys to gather feedback on the volunteering experience, evaluate employee satisfaction, and identify areas for improvement.
5. **Non-profit feedback:** Gathering feedback from non-profit organizations will help us evaluate the program's effectiveness and identify areas where employee contributions have been most impactful.



BACK TO SCHOOL WITH ROOTS

On Root will work closely with the Aborn Elementary School Parent-Teacher Organization (“PTO”) to identify students in need and provide them with essential school supplies. These supplies may include items such as notebooks, pencils, pens, crayons, rulers, folders, and backpacks. We aim to alleviate some of the financial stress families face during the back-to-school period, ensuring that their children are well-equipped for the school year.

The program will be initiated once a year, a month before the start of the new school year. On Root will coordinate with PTO to determine the required supplies and quantities based on the number of students in need.

On Root will procure the necessary supplies, package them in backpacks, and deliver them to the school. The PTO will then distribute these backpacks to the identified students.

METRICS

1. **Number of Students Assisted:** This is the most direct measure of the program's impact where we track the number of students who receive school supplies each year.
2. **Percentage of Supplies Distributed:** We will measure the percentage of procured supplies successfully distributed to students. The goal should be near 100%, indicating efficient procurement and distribution processes.
3. **Feedback from Beneficiaries:** Surveys or feedback forms can be filled out by the students or their parents to understand the direct impact of the received supplies on their education.
4. **Annual Increase in Aid:** Monitoring the growth of the program year over year could be measured by the increase in the number of students helped, the volume of supplies distributed, or the total monetary value of the aid provided.
5. **Community Impact:** We will assess the impact on the local community through feedback from school administrators or community leaders. This could include improved school attendance rates, increased student engagement, or enhanced community perception of On Root.



ANNUAL CHARITABLE DONATION

On Root is committed to making an annual charitable donation of \$5,000 to the Aborn Elementary School Parent-Teacher Organization ("PTO") of Lynn, MA.

The funds could be used to support various PTO initiatives such as:

- Supplementary educational programs,
- Extracurricular activities,
- School events,
- Teacher grants for classroom materials,
- Technology upgrades, and
- Other resources that directly benefit the students and teachers of Aborn Elementary School.

METRICS

1. **Donation Consistency:** We will track the regularity of the annual donation. The goal is to maintain a 100% consistency rate year over year.
2. **PTO Feedback:** We will collect annual feedback from the Aborn Elementary School PTO regarding the impact of the donation. This can be done through a simple survey or direct conversations.
3. **Use of Funds:** We will track the allocation of the donation funds. This will help determine if the funds are being utilized as intended (e.g., supplementary educational programs, school events, classroom materials, etc.)



DISCLAIMER

Please note that all programs and initiatives outlined in the *Positive Impact Plan* of On Root are intended to be implemented upon the commencement of operations. These commitments reflect our dedication to the community and are dependent on the successful launch and continued operation of our business.

In compliance with the Commission's regulations, all of our programs, specifically those aimed at individuals under the age of 21, will not involve cannabis-related knowledge or activities. On Root is firmly committed to promoting responsible and legal activities in our efforts to positively impact the community.

Nonetheless, On Root remains dedicated to fulfilling its commitments to the best of its abilities once operations begin.

ACKNOWLEDGEMENTS

- The applicant acknowledges and is aware, and will adhere to, the requirements outlined in 935 CMR 500.105(4) and 935 CMR 501.105(4), which provide the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every ME and MTC, respectively;
- Any actions taken, or programs instituted, will not violate the Commission's regulations concerning limitations on ownership or control or other applicable state laws.





ABORN ELEMENTARY PTO

409 Eastern Avenue Lynn MA 01902 · 781-477-7320

AbornElementaryPTO@gmail.com · facebook.com/AbornElementarySchoolPTO

To whom it may concern,

We, the Aborn Elementary School Parent Teacher Organization (PTO), are writing this letter to acknowledge and accept the proposed donation of \$5,000 from On Root, LLC. We are grateful for their commitment to support our school and its students.

Also, we are enthusiastic about On Root's proposed program to provide back-to-school essentials to students in need. We believe this initiative aligns well with our mission to enhance our students' educational experience and support families in need within our community.

Thank you for considering our organization. We believe that this collaboration will make a significant difference to our school and the wider community.

Sincerely,

Colleen Zaccagnini

PTO President

Aborn Elementary School PTO

Jacquelyn Murphy

PTO Treasurer



The Commonwealth of Massachusetts William Francis Galvin

Minimum Fee: \$100.00

Secretary of the Commonwealth, Corporations Division
One Ashburton Place, 17th floor
Boston, MA 02108-1512
Telephone: (617) 727-9640

Certificate of Amendment

(General Laws, Chapter)

Identification Number: 001546922The date of filing of the original certificate of organization: 12/1/20211.a. Exact name of the limited liability company: ON ROOT, LLC1.b. The exact name of the limited liability company *as amended*, is: ON ROOT, LLC

2a. Location of its principal office:

No. and Street: 82 SANDERSON AVENUE
City or Town: LYNN State: MA Zip: 01902 Country: USA

3. *As amended*, the general character of business, and if the limited liability company is organized to render professional service, the service to be rendered:

4. The latest date of dissolution, if specified:

5. Name and address of the Resident Agent:

Name: PEDRO TAVAREZ
No. and Street: 105 UNION STREET
City or Town: EVERETT State: MA Zip: 02149 Country: USA

6. The name and business address of each manager, if any:

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
MANAGER	GABRIEL MATIAS DE LEON	101 RANTOUL STREET, 504 BEVERLY, MA 01915 USA
MANAGER	PEDRO TAVAREZ	105 UNION STREET EVERETT, MA 02149 USA
MANAGER	KIMBERLY CALAJ	105 UNION STREET EVERETT, MA 02149 USA
MANAGER	JULIO HERNANDEZ	6 BELMONT STREET NORTH ANDOVER, MA 01845 USA

7. The name and business address of the person(s) in addition to the manager(s), authorized to execute documents to be filed with the Corporations Division, and at least one person shall be named if there are no managers.

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code

8. The name and business address of the person(s) authorized to execute, acknowledge, deliver and record any recordable instrument purporting to affect an interest in real property:

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
REAL PROPERTY	PEDRO TAVAREZ	105 UNION STREET EVERETT, MA 02149 USA

9. Additional matters:

10. State the amendments to the certificate:
REMOVE EDWIN NARANJO FROM THE LIST OF MANAGERS.

11. The amendment certificate shall be effective when filed unless a later effective date is specified:

SIGNED UNDER THE PENALTIES OF PERJURY, this 15 Day of March, 2023,
PEDRO TAVAREZ , Signature of Authorized Signatory.

THE COMMONWEALTH OF MASSACHUSETTS

I hereby certify that, upon examination of this document, duly submitted to me, it appears that the provisions of the General Laws relative to corporations have been complied with, and I hereby approve said articles; and the filing fee having been paid, said articles are deemed to have been filed with me on:

March 15, 2023 05:00 AM

A handwritten signature in black ink, reading "William Francis Galvin". The signature is written in a cursive style with a large, stylized initial 'W'.

WILLIAM FRANCIS GALVIN

Secretary of the Commonwealth



ON ROOT

Operating Agreement

May 2023

Our mission at On Root is to destigmatize the cannabis shopping experience by being the industry's most customer-centric company; Focusing on the user experience and environmental sustainability.

Proprietary and Confidential - Do Not Distribute

This Operating Agreement (the "Agreement") made and entered into this 6th day of April 2023 (the "Execution Date"),

AMONGST:

1. Pedro Tavarez of 105 Union St, Everett, Massachusetts, 02149
2. Kimberly Calaj of 105 Union St, Everett, Massachusetts, 02149
3. Gabriel Matias De Leon of 101 Rantoul St, 504, Beverly, Massachusetts, 01915
4. Julio Hernandez of 6 Belmont St, North Andover, Massachusetts, 01845

BACKGROUND:

- A. The Members wish to associate themselves as members of a Limited Liability Company.
- B. The terms and conditions of this Agreement will govern the Members within the Limited Liability Company.

IN CONSIDERATION OF and as a condition of the Members entering into this Agreement and other valuable consideration, the receipt and sufficiency of which is acknowledged, the Members agree as follows:

1. Formation
 - a. By this Agreement, the Members form a Limited Liability Company (the "Company") in accordance with the laws of the Commonwealth of Massachusetts. The rights and obligations of the Members will be as stated in the Massachusetts Limited Liability Company Act (the "Act") except as otherwise provided in this agreement.
2. Name
 - a. The name of the Company will be On Root, LLC.
3. Purpose
 - a. Cannabis Delivery.
4. Term
 - a. The Company will continue until terminated as provided in this Agreement or may dissolve under conditions provided in the Act.
5. Place of Business
 - a. The Principal Office of the Company will be located at 82 Sanderson Ave, Suite 122B, Lynn, Massachusetts, 01902, or such other place as the Members may from time to time designate.



6. Membership Classes

- a. Members will be divided into classes. Each class will have distinct rights and obligations as follows:

Member Class	Rights and Obligations
Original Member	Original Members shall have 100% of the voting rights proportionally. Original Members Shall be limited to: <ul style="list-style-type: none"> • Pedro Tavarez • Kimberly Calaj • Gabriel Matias De Leon • Julio Hernandez
Investor Class	Investor Class members shall have the right to equity but shall not have voting rights. All new members shall be Investor Class except otherwise provided herein.

- b. The following is a list of all Members and the membership class to which they belong:

Member	Member Class
Pedro Tavarez	Original Member Class
Kimberly Calaj	Original Member Class
Julio Hernandez	Original Member Class
Gabriel Matias De Leon	Original Member Class

7. Capital Contributions

- a. The following is a list of all Members and their Initial Contributions to the Company. Each of the Members agree to make their Initial Contributions to the Company in full, according to the following terms:



Member	Contribution Description	Value of Contribution
Pedro Tavaréz	Capital	\$100,000.00
Kimberly Calaj	Capital	\$20,000.00
Julio Hernandez	Capital	\$20,000.00
Gabriel Matias De Leon	Capital	\$20,000.00

8. Allocation of Profits/Losses

- a. Distributions to Members will be made in the same fixed proportions as the allocation of Net Profits or Losses described above.
- b. No Member will have priority over any other Member for the distribution of Net Profits or Losses.
- c. Subject to the other provisions of this Agreement, the Net Profits or Losses, for accounting purposes, will be allocated between the Members in the following manner:

Member	Profit/Loss Percentage
Pedro Tavaréz	55.00%
Kimberly Calaj	15.00%
Julio Hernandez	15.00%
Gabriel Matias De Leon	15.00%

9. Nature of Interest

- a. A Member's Interest in the Company will be considered personal property.



10. Withdrawal of Contribution

- a. No Member will withdraw any portion of their Capital Contribution without the unanimous consent of the other Members.

11. Liability for Contribution

- a. A Member's obligation to make their required Capital Contribution can only be compromised or released with the consent of all remaining Members or as otherwise provided in this Agreement. If a Member does not make the Capital Contribution when it is due, he is obligated at the option of any remaining Members to contribute cash equal to the agreed value of the Capital Contribution. This option is in addition to and not in lieu of any other rights, including the right to specific performance that the Company may have against the Member.

12. Additional Contributions

- a. Capital Contributions may be amended from time to time, according to the business needs of the Company. However, if additional capital is determined to be required and an individual Member is unwilling or unable to meet the additional contribution requirement within a reasonable period, the remaining Members may contribute in proportion to their existing Capital Contributions to resolve the amount in default. In such case, the allocation of Net Profits or Losses and the distribution of assets on dissociation or dissolution will be adjusted accordingly.
- b. Any advance of money to the Company by any Member in excess of the amounts provided for in this Agreement or subsequently agreed to, will be deemed a debt due from the Company rather than an increase in the Capital Contribution of the Member. This liability will be repaid with interest at such rates and times to be determined by a majority of the Voting Members. This liability will not entitle the lending Member to any increased share of the Company's profits nor to a greater voting power. Repayment of such debts will have priority over any other payments to Members.

13. Capital Accounts

- a. An individual capital account (the "Capital Account") will be maintained for each Member and their Initial Contributions will be credited to this account. Any Additional Contributions made by any Member will be credited to that Member's individual Capital Account.

14. Interest on Capital

- a. No borrowing charge or loan interest will be due or payable to any Member on their agreed Capital Contribution inclusive of any agreed Additional Contributions.



15. Management

- a. Management of this Company is vested in the Members.

16. Authority to Bind Company

- a. Only the following individuals, classes or groups have authority to bind the Company in contract: All Original Members.

17. Duty of Loyalty

- a. While a person is a Member of the Company, and for a period of at least two years after that person ceases to be a Member, that person will not carry on, or participate in, a similar business to the business of the Company within any market regions that were established or contemplated by the Company before or during that person's tenure as Member.

18. Duty to Devote Time

- a. Each Member will devote such time and attention to the business of the Company as the majority of the Voting Members will from time to time reasonably determine for the conduct of the Company's business.

19. Member Meetings

- a. A meeting may be called by any Member providing that reasonable notice has been given to the other Members.
- b. Regular meetings of the Members will be held quarterly.

20. Voting

- a. Each Member of the Original Member class will have single equal vote on any matter within the authority of that membership class, except that Pedro Tavaréz will have the power to veto any "significant event" as defined by the Massachusetts Cannabis Control Commission. No member of any other class shall have voting power unless agreed to by a majority decision of the other members of the Original Member class.

21. Admission of New Members

- a. A new Member may only be admitted to the Company with a unanimous vote of the existing Members and subject to the veto power possessed by Pedro Tavaréz.
- b. In addition to the required vote of existing Members to admit a new Member, the following conditions must be satisfied:
 - i. There must be unanimous consent of all remaining original members.
 - ii. The new member must be fit according to the standards of the Cannabis Control Commission.
- c. The new Member agrees to be bound by all the covenants, terms, and conditions of this Agreement, inclusive of all current and future amendments.



Further, a new Member will execute such documents as are needed to affect the admission of the new Member. Any new Member will receive such business interest in the Company as determined by a unanimous decision of the other Members.

22. Voluntary Withdrawal of a Member

- a. No Member may voluntarily withdraw from the Company for a period of one year from the execution date of this Agreement. Any such unauthorized withdrawal prior to the expiration of this period will be considered a wrongful dissociation and a breach of this Agreement. In the event of any such wrongful dissociation, the withdrawing Member will be liable to the remaining Members for any damages incurred by the remaining Members including but not limited to the loss of future earnings. After the expiration of this period, any Member will have the right to voluntarily withdraw from the Company. Written notice of intention to withdraw must be served upon the remaining Members at least six months prior to withdrawal.
- b. The voluntary withdrawal of a Member will have no effect upon the continuance of the Company.
- c. It remains incumbent on the withdrawing Member to exercise this dissociation in good faith and to minimize any present or future harm done to the remaining Members as a result of the withdrawal.

23. Involuntary Withdrawal of a Member

- a. Events leading to the involuntary withdrawal of a Member from the Company will include but not be limited to: death of a Member; Member mental incapacity; Member disability preventing reasonable participation in the Company; Member incompetence; breach of fiduciary duties by a Member; criminal conviction of a Member; Operation of Law against a Member or a legal judgment against a Member that can reasonably be expected to bring the business or societal reputation of the Company into disrepute. Expulsion of a Member can also occur on application by the Company or another Member, where it has been judicially determined that the Member: has engaged in wrongful conduct that adversely and materially affected the Company's business; has willfully or persistently committed a material breach of this Agreement or of a duty owed to the Company or to the other Members; or has engaged in conduct relating to the Company's business that makes it not reasonably practicable to carry on the business with the Member.
- b. The involuntary withdrawal of a Member will have no effect upon the continuance of the Company.
- c. In the event of either a voluntary or involuntary withdrawal of a Member, if the remaining Members elect to purchase the interest of the withdrawing Member,



the remaining Members will serve written notice of such election, including the purchase price and method and schedule of payment for the withdrawing Member's Interests, upon the withdrawing Member, their executor, administrator, trustee, committee or analogous fiduciary within a reasonable period after acquiring knowledge of the change in circumstance to the affected Member. The purchase amount of any buyout of a Member's Interests will be determined as set out in the Valuation of Interest section of this Agreement.

24. Dissociation of a Member

- a. The remaining Members retain the right to seek damages from a dissociated Member where the dissociation resulted from a malicious or criminal act by the dissociated Member or where the dissociated Member had breached their fiduciary duty to the Company or was in breach of this Agreement or had acted in a way that could reasonably be foreseen to bring harm or damage to the Company or to the reputation of the Company.
- b. A dissociated Member will only have liability for Company obligations that were incurred during their time as a Member. On dissociation of a Member, the Company will prepare, file, serve, and publish all notices required by law to protect the dissociated Member from liability for future Company obligations.
- c. Where the remaining Members have purchased the interest of a dissociated Member, the purchase amount will be paid in full, but without interest, within 90 days of the date of withdrawal. The Company will retain exclusive rights to use of the trade name and firm name and all related brand and model names of the Company.

25. Right of First Purchase

- a. In the event that a Member's Interest in the Company is or will be sold, due to any reason, the remaining Members will have a right of first purchase of that Member's Interest. The value of that interest in the Company will be the lower of the value set out in the Valuation of Interest section of this Agreement and any third party offer that the Member wishes to accept. This shall not apply in cases where shares are passed via testate or intestate to the heirs of a member of the Original Member Class.

26. Assignment of Interest

- a. Original Members shall have the right to pass their equity through testate documents. The family member shall have the same rights as the Original Member and be treated as an Original Member.
- b. Where a Member's financial interest in the Company is assigned to another party who is not an existing Member, that party will be treated as an Investor Member. An assignment of full membership status inclusive of all duties, obligations, and rights held by the previous Member will be governed by the



conditions described under the Admission of New Members section of this Agreement.

- c. In the event that a Member's interest in the company is transferred or assigned as the result of a court order or Operation of Law, the trustee in bankruptcy or other person acquiring that Member's Interests in the Company will only acquire that Member's economic rights and interests and will not acquire any other rights of that Member or be admitted as a Member of the Company or have the right to exercise any management or voting interests.

27. Valuation of Interest

- a. In the event of a dissociation or the dissolution of the Company, each Member's financial interest in the Company will be in proportion to the following schedule:

Member	Dissolution Distribution Percent
Pedro Tavaréz	55%
Kimberly Calaj	15%
Julio Hernandez	15%
Gabriel Matias De Leon	15%

- b. In the absence of a written agreement setting a value, the value of the Company will be based on the fair market value appraisal of all Company assets (less liabilities) determined in accordance with generally accepted accounting principles (GAAP). This appraisal will be conducted by an independent accounting firm agreed to by all Members. An appraiser will be appointed within a reasonable period of the date of withdrawal or dissolution. The results of the appraisal will be binding on all Members. The intent of this section is to ensure the survival of the Company despite the withdrawal of any individual Member.
- c. No allowance will be made for goodwill, trade name, patents or other intangible assets, except where those assets have been reflected on the Company books immediately prior to valuation.

28. Dissolution

- a. The Company may be dissolved by a unanimous vote of the Members. The Company will also be dissolved on the occurrence of events specified in the Act.



- b. Upon Dissolution of the Company and liquidation of Company property, and after payment of all selling costs and expenses, the liquidator will distribute the Company assets to the following groups according to the following order of priority:
- c. In satisfaction of liabilities to creditors except Company obligations to current Members;
- d. In satisfaction of Company debt obligations to current Members; and then
- e. To the Members based on Member financial interest, as set out in the Valuation of Interest section of this Agreement.

29. Records

- a. The Company will at all times maintain accurate records of the following:
 - i. Information regarding the status of the business and the financial condition of the Company.
 - ii. A copy of the Company federal, state, and local income taxes for each year, promptly after becoming available.
 - iii. Name and last known business, residential, or mailing address of each Member, as well as the date that person became a Member.
 - iv. A copy of this Agreement and any articles or certificate of formation, as well as all amendments, together with any executed copies of any written powers of attorney pursuant to which this Agreement, articles or certificate, and any amendments have been executed.
 - v. The cash, property, and services contributed to the Company by each Member, along with a description and value, and any contributions that have been agreed to be made in the future.
 - vi. Each Member has the right to demand, within a reasonable period of time, a copy of any of the above documents for any purpose reasonably related to their interest as a Member of the Company, at their expense.

30. Books of Account

- a. Accurate and complete books of account of the transactions of the Company will be kept in accordance with generally accepted accounting principles (GAAP) and at all reasonable times will be available and open to inspection and examination by any Member. The books and records of the Company will reflect all the Company's transactions and will be appropriate and adequate for the business conducted by the Company.

31. Banking and Company Funds

- a. The funds of the Company will be placed in such investments and banking accounts as will be designated by the Members. All withdrawals from these accounts will be made by the duly authorized agent or agents of the Company



as appointed by unanimous consent of the Members. Company funds will be held in the name of the Company and will not be commingled with those of any other person or entity.

32. Audit

- a. Any of the Members will have the right to request an audit of the Company books. The cost of the audit will be borne by the Company. The audit will be performed by an accounting firm acceptable to all the Members. Not more than one (1) audit will be required by any or all of the Members for any fiscal year.

33. Tax Treatment

- a. This Company is intended to be treated as a corporation, for the purposes of Federal and State Income Tax.

34. Annual Report

- a. As soon as practicable after the close of each fiscal year, the Company will furnish to each Member an annual report showing a full and complete account of the condition of the Company including all information as will be necessary for the preparation of each Member's income or other tax returns. This report will consist of at least:
 - i. A copy of the Company's federal income tax returns for that fiscal year.
 - ii. Income statement.
 - iii. Balance sheet.
 - iv. Cash flow statement.
 - v. A breakdown of the profit and loss attributable to each Member.

35. Goodwill

- a. The goodwill of the Company will be assessed at an amount to be determined by appraisal using generally accepted accounting principles (GAAP).

36. Governing Law

- a. The Members submit to the jurisdiction of the courts of the Commonwealth of Massachusetts for the enforcement of this Agreement or any arbitration award or decision arising from this Agreement.

37. Force Majeure

- a. A Member will be free of liability to the Company where the Member is prevented from executing their obligations under this Agreement in whole or in part due to force majeure, such as earthquake, typhoon, flood, fire, and war or any other unforeseen and uncontrollable event where the Member has communicated the circumstance of the event to any and all other Members and



where the Member has taken any and all appropriate action to satisfy his duties and obligations to the Company and to mitigate the effects of the event.

38. Forbidden Acts

- a. No Member may do any act in contravention of this Agreement.
- b. No Member may permit, intentionally or unintentionally, the assignment of express, implied, or apparent authority to a third party that is not a Member of the Company.
- c. No Member may do any act that would make it impossible to carry on the ordinary business of the Company.
- d. No Member will have the right or authority to bind or obligate the Company to any extent with regard to any matter outside the intended purpose of the Company.
- e. No Member may confess a judgment against the Company.
- f. Any violation of the above forbidden acts will be deemed an Involuntary Withdrawal and may be treated accordingly by the remaining Members.

39. Indemnification

- a. All Members will be indemnified and held harmless by the Company from and against any and all claims of any nature, whatsoever, arising out of a Member's participation in Company affairs. A Member will not be entitled to indemnification under this section for liability arising out of gross negligence or willful misconduct of the Member or the breach by the Member of any provisions of this Agreement.

40. Liability

- a. A Member or any employee will not be liable to the Company or to any other Member for any mistake or error in judgment or for any act or omission believed in good faith to be within the scope of authority conferred or implied by this Agreement or the Company. The Member or employee will be liable only for any and all acts and omissions involving intentional wrongdoing.

41. Liability Insurance

- a. The Company may acquire insurance on behalf of any Member, employee, agent, or other person engaged in the business interest of the Company against any liability asserted against them or incurred by them while acting in good faith on behalf of the Company.

42. Life Insurance

- a. The Company will have the right to acquire life insurance on the lives of any or all of the Members, whenever it is deemed necessary by the Company. Each Member will cooperate fully with the Company in obtaining any such policies of life insurance.



43. Actions Requiring Unanimous Consent

- a. The following actions will require the unanimous consent of all Members:
 - i. Incurring Company liabilities over \$100,000.00.
 - ii. Incurring a single transaction expense over \$100,000.00.
 - iii. Endangering the ownership or possession of Company property including selling, transferring or loaning any Company property or using any Company property as collateral for a loan.
 - iv. Releasing any Company claim except for payment in full.

44. Amendment of this Agreement

- a. No amendment or modification of this Agreement will be valid or effective unless in writing and signed by all Members.

45. Title to Company Property

- a. Title to all Company property will remain in the name of the Company. No Member or group of Members will have any ownership interest in Company property in whole or in part.

46. Miscellaneous

- a. Time is of the essence in this Agreement.
- b. This Agreement may be executed in counterparts.
- c. Headings are inserted for the convenience of the Members only and are not to be considered when interpreting this Agreement. Words in the singular mean and include the plural and vice versa. Words in the masculine gender include the feminine gender and vice versa. Words in a neutral gender include the masculine gender and the feminine gender and vice versa.
- d. If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, it is the Members' intent that such provision be reduced in scope by the court only to the extent deemed necessary by that court to render the provision reasonable and enforceable and the remainder of the provisions of this Agreement will in no way be affected, impaired or invalidated as a result.
- e. This Agreement contains the entire agreement between the Members. All negotiations and understandings have been included in this Agreement. Statements or representations that may have been made by any Member during the negotiation stages of this Agreement, may in some way be inconsistent with this final written Agreement. All such statements have no force or effect in respect to this Agreement. Only the written terms of this Agreement will bind the Members.



- f. This Agreement and the terms and conditions contained in this Agreement apply to and are binding upon each Member's successors, assigns, executors, administrators, beneficiaries, and representatives.
- g. Any notices or delivery required here will be deemed completed when hand-delivered, delivered by agent, or seven (7) days after being placed in the post, postage prepaid, to the Members at the addresses contained in this Agreement or as the Members may later designate in writing.
- h. All of the rights, remedies and benefits provided by this Agreement will be cumulative and will not be exclusive of any other such rights, remedies and benefits allowed by law.

47. Additional Clauses

- a. The interests of Original Members' excluding Investor Class Members, shall vest as follows:
 - i. 25% of each member's interest, respectively shall vest when the final Delivery Operator license from Massachusetts Cannabis Control Commission is granted.
Each quarter thereafter, 6.25% of each member's interest shall vest.
 - ii. The interests of Investor Class Members shall vest upon completion of their investment obligations.
- b. The interests of New Members, shall vest as follows:
 - i. 25% of each new member's interest, respectively shall vest when the new member completes their investment obligations. Each quarter thereafter, 6.25% of each new member's interest shall vest.
 - ii. No member shall be entitled to refuse to invest any contributions listed herein unless agreed by unanimous vote of the other members.
 - iii. If any Member is expelled, withdraws, dissociates or causes themselves to be considered "unsuitable" by the Cannabis Control Commission, their unvested shares shall be returned to the Company and to be retained or distributed at the discretion of the Company.

48. Definitions

- a. For the purpose of this Agreement, the following terms are defined as follows:
 - i. "Additional Contribution" means Capital Contributions, other than Initial Contributions, made by Members to the Company.
 - ii. "Capital Contribution" means the total amount of cash, property, or services contributed to the Company by any one Member.
 - iii. "Distributions" means a payment of Company profits to the Members.



- iv. "Initial Contribution" means the initial Capital Contributions made by any Member to acquire an interest in the Company.
- v. "Member's Interests" means the Member's collective rights, including but not limited to, the Member's right to share in profits, Member's right to a share of Company assets on dissolution of the Company, Member's voting rights, and Member's rights to participate in the management of the Company.
- vi. "Net Profits or Losses" means the net profits or losses of the Company as determined by generally accepted accounting principles (GAAP).
- vii. "Operation of Law" means rights or duties that are cast upon a party by the law, without any act or agreement on the part of the individual, including, but not limited to, an assignment for the benefit of creditors, a divorce, or a bankruptcy.
- viii. "Principal Office" means the office whether inside or outside the Commonwealth of Massachusetts where the executive or management of the Company maintain their primary office.
- ix. "Voting Members" means the Members who belong to a membership class that has voting power.



IN WITNESS WHEREOF the Members have duly affixed their signatures under hand and seal on this 7th day of May, 2023.

DocuSigned by:

Pedro Tavaraz

257820B961494D1...

Pedro Tavaraz (Member)

DocuSigned by:

kimberly Calaj

F238783EDFF8420...

Kimberly Calaj (Member)

DocuSigned by:

Julio Hernandez

74B4CA6GG9F0433...

Julio Hernandez (Member)

DocuSigned by:

Gabriel Matias De Leon

C8AE1BADC291427...

Gabriel Matias De Leon (Member)





ON ROOT

Plan for Obtaining Liability Insurance

January 2022

Our mission at On Root is to bridge the gap between consumers and cultivators. We will establish a robust, consumer-friendly e-commerce website that normalizes the cannabis shopping experience while providing safe, consistent, and reliable delivery communities.

SUMMARY

On Root, LLC ("On Root") will contract with an insurance provider to maintain general liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate annually and product liability coverage for no less than \$1,000,000 per occurrence & \$2,000,000 in aggregate annually. The policy deductible will be no higher than \$5,000 per occurrence. On Root will consider additional coverage based on availability and cost-benefit analysis.

If adequate coverage is unavailable at a reasonable rate, On Root will place in escrow at least \$250,000 to be expended for liabilities coverage (or such other amount approved by the Commission). Any withdrawal from such escrow will be replenished within ten business days of any expenditure. On Root will keep reports documenting compliance with 935 CMR 500.105(10) in a manner and form determined by the Commission pursuant to 935 CMR 500.000.





ON ROOT

Business Plan

May 2023

Our mission at On Root is to destigmatize the cannabis shopping experience by being the industry's most customer-centric company; Focusing on the user experience and environmental sustainability.

Proprietary and Confidential - Do Not Distribute

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EXECUTIVE SUMMARY

SUMMARY STATEMENT

On Root, LLC ("On Root") is an up-and-coming cannabis company ready to transform the way consumers order and receive their cannabis products.

Our goal is to provide customers with the best user experience by offering the lowest prices and a curated menu at the utmost convenience. We will establish a robust, consumer-friendly website that normalizes the cannabis online shopping experience while providing safe, consistent, and reliable delivery.

MISSION STATEMENT

Our mission is to destigmatize the cannabis shopping experience by being the industry's most customer-centric company; Focusing on the user experience and environmental sustainability.

THE ON ROOT TEAM

Pedro Tavaréz - Chief Executive Officer ("CEO")

Pedro is a Senior Software Engineer and a graduate of the University of Massachusetts, Lowell. His current role involves tech leading a team for a Fortune 500 company. Before his tech leading role, he led several teams in various organizations, the most related being a manager/dispatcher for a delivery company called Dashed.

Julio Hernandez - Chief Operation Officer ("COO")

Julio has over three years of experience as a Salesforce Developer and Administrator. He helped lead the adoption of Salesforce at the University of Massachusetts, Lowell while studying computer science. He also helped run a small decoration business, managing the social media presence, inventory, and operation. Currently, Julio is working as a Test Engineer.



Kimberly Calaj - Chief Marketing Officer ("CMO")

Kimberly is a young professional with experience in marketing and sales. Before graduating from Lasell College with a Marketing degree, she worked with a consulting company as a Marketing Assistant. Post-graduation, she took on the role of Office Administrator for a biotech company.

Gabriel Matias De Leon - Chief Technology Officer ("CTO")

Gabriel has over five years of experience in the software development field. He has helped scale products for startup companies leading to acquisitions. He has also worked with big corporations to help improve their offerings and take ownership of critical systems in their architecture. As an educator, Gabriel instructed aspiring software engineers in algorithms and hosted workshops for popular technologies.

OPERATING PLAN

OVERVIEW

On Root aims to be a cannabis company that offers the best experience for our customers and partners. We will provide an on-demand delivery service that will deliver cannabis products safely from our warehouse or one of our partner's dispensaries to our customer's home.

When shopping for wholesale flowers, quality will be at the top of mind to manufacture the highest quality products.

PRODUCTS AND SERVICES

DELIVERY OPERATOR

On Root will purchase cannabis at wholesale and warehouse finished products acquired from other cannabis establishments. These products will be delivered directly to consumers, who will place orders via our website.

Products selected and delivered will be according to guidelines in 935 CMR 500.145. Currently, we plan to offer:



- Flower
- Pre-rolls
- Vaporizer Cartridges
- Edibles
- Concentrates
- Apparel
- Tinctures
- Topicals
- Accessories

DELIVERY COURIER

On Root will work with local dispensaries to fulfill deliveries on their behalf. A page will be created on our website for each dispensary in which they will be able to manage and choose what products they would like to sell from our domain. Once a customer places an order for a particular dispensary, that dispensary will receive a notification to prepare the order for one of our drivers to fulfill the delivery.

PRODUCT MANUFACTURING

On Root will obtain, manufacture, process, and package cannabis products and transport them to other cannabis establishments.

We will manufacture three products:

- Pre-rolls
- 3.5g Jars
- Cannagars

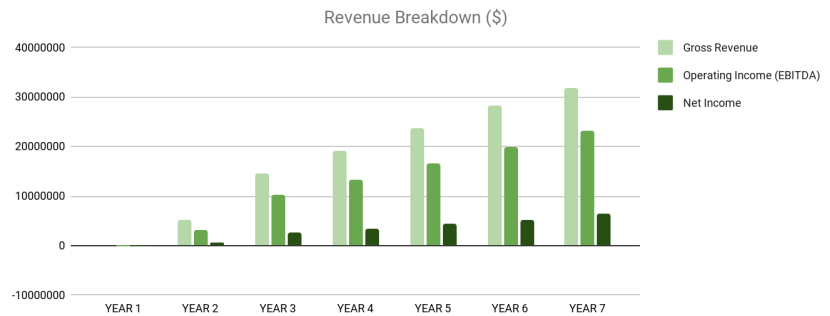
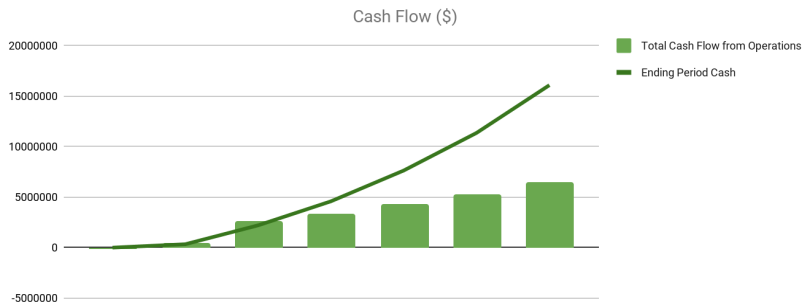
As On Root grows, the team plans to expand on product manufacturing by creating edibles, concentrates, and more.

FINANCIAL SUMMARY

On Root will fund its startup costs primarily through personal savings and private investments. From a total investment of \$250,000, On Root is expected to generate \$5,235,783 in gross profit with a net income of \$490,521 in its second year, completing one full year of operations.

After the first year of operations, On Root will trim expenses by addressing business inefficiencies and gaining operational experience and industry knowledge. While cutting costs, On Root will grow its fleet, seek more partnerships, and expand the product manufacturing catalog. The cash flow projections show that the business will have sufficient cash to support operations.





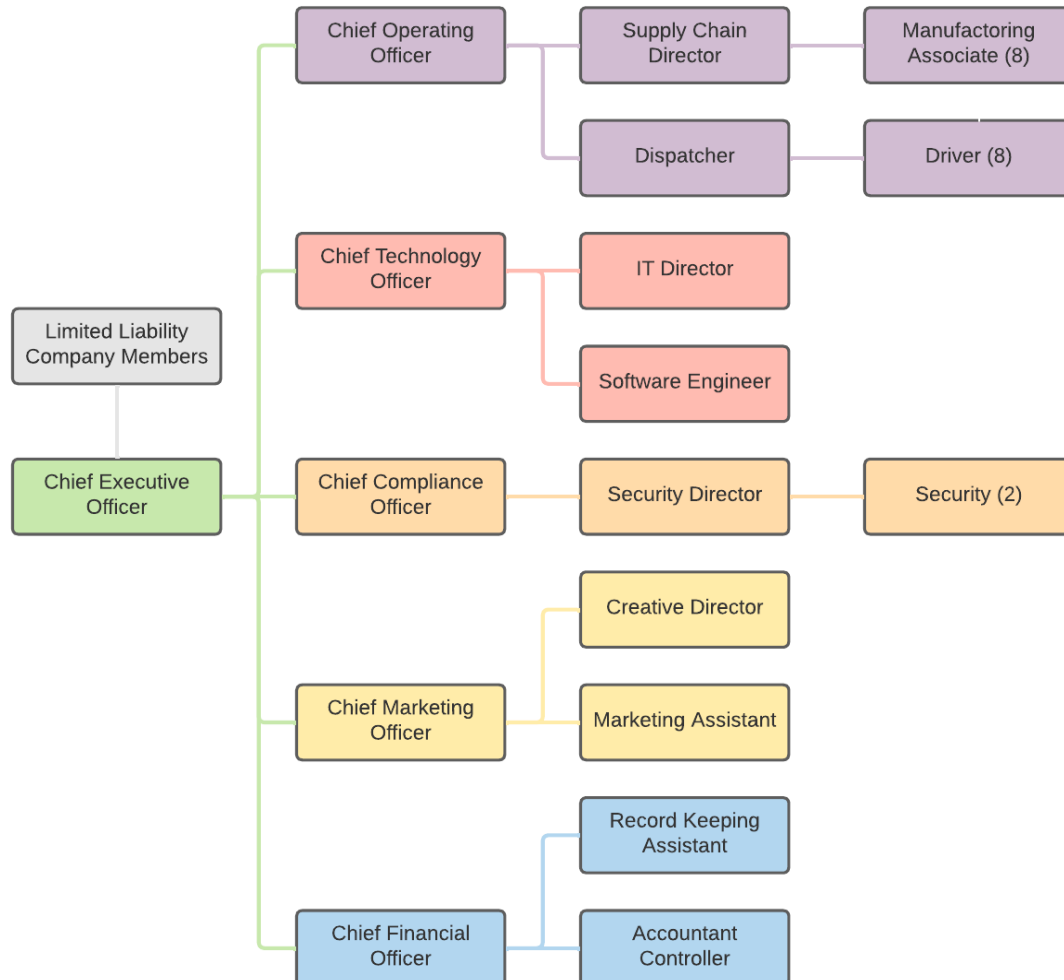
DIRECT AND INDIRECT SOCIAL IMPACTS

On Root will create more than 70 new jobs with over \$3,000,000 in salaries and benefits within the first four years of operation. On Root will target minorities, veterans, and underrepresented parties to employ and join the industry.



ORGANIZATIONAL STRUCTURE

On Root is committed to recruiting experienced and qualified employees as foundational staff.



SPECIFICATIONS

LOCATION

We are currently leasing 82 Sanderson Avenue in Lynn, Massachusetts, and we look forward to commencing operations there.

Lynn is the perfect home for our base of operations as it is cannabis-friendly, close to Boston, and has a significant population.

As per 935 CMR 500.146, our facility must incorporate a sally port or loading area adjacent to the warehouse to transfer products into vehicles. Our facility will also be secure and follow 935 CMR 500.110 guidelines.

FLOOR PLAN

TBD

LOCAL ZONING

TBD

SECURITY

Our security measures will adhere firmly to 935 CMR 500.110 with additional steps taken where we see fit:

- Security cameras will monitor all perimeter areas and interior work areas.
- Cameras will record 24 hours a day and store footage locally and in the cloud.
- Entry points, exit points, and exterior windows will be connected to an alarm system that will send notifications to staff with alerts.
- Secure areas such as storage will require badge access to log who is coming in and out of such rooms.
- All indoor areas will be adequately lit, ventilated, and temperature controlled.
- All outdoor spaces will be adequately lit and monitored by sensors and cameras.
- We shall also implement safe cash handling procedures and store them in a secure vault.
- We will rotate security staff during hours of operation to ensure our employees feel safe.
- All vehicles will be equipped with a camera system (internal and external), an alarm system, GPS, and other required equipment stated in 935 CMR 500.146.



- The Runner on delivery will be wearing body cams, and the delivery team will be in constant communication (at least 30 minutes) with the base while out on deliveries.

MARKET OVERVIEW

INDUSTRY ASSESSMENT AND ANALYSIS OVERVIEW

GLOBAL MARKET

The global legal cannabis market amounted to \$9.5 billion in 2017, growing by 37 percent on the year, according to the report *The Road Map to a \$57 Billion Worldwide Market*.

According to a report provided by *Research and Markets*, the global cannabis market is estimated to be valued at \$20.5 billion in 2020. It is projected to reach \$90.4 billion by 2026, recording a compound annual growth rate of 28 percent in terms of value.

US MARKET

Although the United States Federal Government still considers cannabis a criminal offense, Washington, D.C. lawmakers held a joint hearing on a pair of bills to authorize the legal sale of recreational cannabis and significantly expand the existing medical cannabis program in the nation's capital on November 19, 2021.

Eighteen states, two territories, and the District of Columbia have legalized small amounts of cannabis for adult recreational use. In late June, Connecticut became the latest state to legalize the recreational use of cannabis with the passage of SB 12012.

An estimated 321,000 Americans now work in the legal cannabis industry, outnumbering the country's dentists, paramedics, and electrical engineers.

With ten newly legalized markets expected to begin sales in 2021 or 2022, New Frontier Data projects total legal cannabis sales to grow at a compound annual growth rate ("CAGR") of 16%, reaching \$43 billion by 2025. The study further reveals that 2020 illicit national cannabis demand and consumption is estimated to be over \$65 billion.



MASSACHUSETTS MARKET

LICENSES AWARDED BY TYPE

License Type	Amount Awarded
Retailer	387
Cultivator	296
Product Manufacturer	225
Microbusiness	24
Independent Testing Laboratory	16
Transporter with Other Existing ME License	7
Third-Party Marijuana Transporter	4

CANNABIS TAXES

Under the new law, recreational cannabis is taxed 17 to 20 percent. The baseline tax is 17 percent, determined by a 6.25 percent sales tax and a 10.75 percent special excise tax on adult use. Cities and towns can choose to add a 3 percent tax on top of the 17 percent, tallying up to a 20 percent tax on retail cannabis.

RETAIL SALES OF CANNABIS TO DATE

On August 31, 2021, Cannabis Retailers and delivery businesses reached \$2,009,007,478 in gross sales. This is coming less than three years after the first two adult-use stores on the East Coast opened their doors on November 20, 2018, and less than one year since licensees surpassed the \$1 billion mark on November 3, 2020.

ESTABLISHMENTS WITHIN 10 MILES

TBD



MARKETING PLAN

SWOT ANALYSIS

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> - Same-day delivery - Custom e-commerce experience - Eco-friendly - Convenience - Recorded transactions for quality assurance - High barrier to entry - SEP applicant (Head start on certain services) - Excellent customer service and reliable services - Safety for both drivers and customer - Informative and transparent - Young and motivated team 	<ul style="list-style-type: none"> - Costly start-up fee - Delivery zone limited - No current brand recognition or SMP - Poorly optimized SEO - No current cultivator partnership - Reliance on online presence 	<ul style="list-style-type: none"> - Build and expand brand recognition - Expand into multiple locations - Increase fleet size - Monthly subscription options for customers - Loyalty programs - Expand product list and delivery zones for customers - On Root branded products - Discreet delivery options for customer 	<ul style="list-style-type: none"> - CCC opens delivery services to non-SEP businesses - Fluctuating price on inventory products - Poor location - No control over employee or customer behavior - Awareness of CCC changes to laws and regulations - Increase in competition - Highly regulated industry - Federally illegal

MARKET STRATEGY

PRODUCT

On Root will be a platform where you can find the latest cannabis products available in the market and have them delivered to your home on demand.

In addition to traditional cannabis flowers, On Root will offer our customers and partners a wide range of products. On Root will continually grow product offerings as



new products enter the cannabis market. We aspire to be a trendsetter in the cannabis industry regarding products and services.

On Root's website will be cutting edge and offer a UX unmatched by our competitors. We want to ensure a great customer experience. To do so, On Root will:

- Offer an intuitive ordering system;
- Offer delivery tracking and instant chat for customer support; and
- Deliver orders in a timely and presentable manner.

PRICE

On Root's pricing structure will vary based on market conditions. We plan to offer quality products at reasonable prices. Massachusetts cannabis product prices are high, but we would like to provide a better price for our customers. Manufacturing our products will allow us to price our products more competitively.

PROMOTION

On Root will engage in reasonable marketing, advertising, and branding practices. We will not jeopardize the general public's health, welfare, and safety. Any such marketing, advertising, and branding created for viewing by the public will include the statement "Please Consume Responsibly" and will consist of a minimum of two of the warnings located at 935 CMR 500.105(4)(a), in their entirety in a conspicuous manner on the face of the advertisement.

On Root will seek out events where 85% or more of the audience is reasonably expected to be 21 years of age or older, as determined by reliable and current audience composition data. At these events, On Root will market its products and services to reach many qualified consumers.

On Root will communicate with customers through:

1. Our website;
2. Conventions and industry events;
3. Popular cannabis discovery networks such as High Times, WeedMaps, and Leafly;
4. Popular social media platforms such as Instagram, Facebook, Twitter, and Snapchat; and
5. Opt-in direct communications like email subscription.



PHYSICAL EVIDENCE

On Root's cannabis products will be displayed on our web and mobile platform. Consumers will be able to access unbiased reviews of our products and services, so they can confidently decide to do business with us.

We will also ask our dispensary partners to advertise On Root with banners and pamphlets.

MARKETING CHANNELS

Throughout 2022, we will ramp up our use of the following channels for educating our customers, generating leads, and developing brand awareness:

- Pre-launch landing page
- Leafly
- Email campaigns
- Social media

COMPLIANCE & PROCEDURES

COMPLIANCE MANAGEMENT SYSTEM

A compliance management system is how an establishment:

- Learns about its compliance responsibilities;
- Ensures that employees understand these responsibilities;
- Ensures that requirements are incorporated into business processes;
- Reviews operations to ensure duties are carried out and requirements are met; and
- Takes corrective action and updates materials as necessary.

An effective compliance management system comprises three interdependent elements: board and management oversight, a compliance program, and a compliance audit.

When all elements are strong and working together, a company will successfully manage its compliance responsibilities and risks now and in the future.



Cannabis establishments are required to comply with Federal Consumer Protection Laws and Regulations. Non-compliance can result in monetary penalties, litigation, and formal enforcement actions. The responsibility for ensuring that a company is complying appropriately rests with the partners and management of the establishment.

Therefore, the Department of Business Regulations expects every cannabis establishment to have an effective compliance management system adapted to its unique business strategy.

Key steps that On Root will take to demonstrate our commitment to maintaining an effective compliance management system and a favorable climate for compliance include:

- Demonstrating clear and unequivocal expectations about compliance;
- Adopting clear policy statements;
- Appointing a compliance officer with authority and accountability;
- Conducting periodic compliance audits; and
- Providing periodic reports by the compliance officer to the board.

COMPLIANCE PROGRAM

On Root will establish a formal, written compliance program. In addition to being a planned and organized effort to guide On Root's compliance activities, a written program represents an essential source document that will serve as a training and reference tool for all employees. A well-planned, implemented, and maintained compliance program will prevent or reduce regulatory violations, provide cost efficiencies, and is a proper business step.

On Root's compliance program will include the following components:

- Policies and procedures;
- Training;
- Monitoring; and
- Consumer complaint response.

Compliance efforts require an ongoing commitment from all levels of management and will be a part of On Root's daily business operations.

CONSUMER EDUCATION

On Root's website will provide consumers with cannabis education when consuming different products. Our platform will treat the intake process with extreme sensitivity.



Each new consumer's background and questions are unique and must be treated carefully. We will create informative posts and use consumer data to help inform our new customers. Our driving staff will also be knowledgeable and help guide the consumer with any questions on the product they just received.

FREQUENTLY ASKED QUESTIONS

The On Root staff will track frequently asked questions ("FAQs") while politely answering all questions. FAQs will be uploaded to our website, which will be a growing page with relevant information on the consumption of cannabis that includes but is not limited to the following:

- A breakdown of the delivery process;
- An explanation of incentive programs and rewards offered;
- A description of different types of cannabis products (flower, extracts, tinctures, salves, and more);
- A breakdown of the differences between Sativa and Indica
- A clear breakdown of the dosing limits with instructions on how to access this information through our website "services" section;
- A chart of edible and concentrate dosing concerning one's boundary; and
- An introduction on the effects of cannabis on the body with an emphasis on the difference between THC and CBD.

While on the landing page of the On Root website, the FAQ page that answers questions frequently asked by consumers will be easily visible. If On Root receives news from the CCC that should be shared with the public or is requested by the Massachusetts CCC to publicize an item, On Root will advertise said information or item through the On Root website and via its email mailing list and texting platform.



FINANCIAL PLAN

FINANCIAL FORECAST

ASSUMPTIONS

The projections herein are based on the following assumptions:

1. The average retailer in Massachusetts currently has a gross revenue of approximately \$3,178,294.57;
2. The market will continue to grow annually;
3. On Root will obtain an equal share of the market;
4. Market prices will remain about the same for the four years projected;
5. As the number of retailers increases, On Root's market will remain the same;
6. The market will not be fully mature in less than five (5) years; and
7. On Root will lease a 6,000 sqft facility at \$20.00/sqft annually.

FACTORS NOT ASSUMED OR ACCOUNTED FOR

The projections herein do not include outside factors that may affect these projections.

Some of these factors include:

1. Federal legalization;
2. Federal prosecution;
3. State Legislation;
4. Cost fluctuation;
5. Unexpected losses of assets;
6. Unknown effects on the market from the COVID-19 Pandemic; and
7. The purchasing or leasing of property at a different rate.

FINANCIAL REQUIREMENTS

On Root has gained financial stability in having the funding necessary to move forward with this business plan. Startup costs of the property for On Root include those costs associated with equipment, insurance, security, labor, licensing, and operating expenses.



SOURCES OF EQUITY

Equity will be gathered in the form of capital, sweat equity, resources (such as application materials and operating plans), and the use of the general reputation of each member.

CAPITAL INVESTORS

Members will be the initial capital investors. Other capital investors may be required to provide funds to buy the initial product to begin operations. This is based on leasing a property, not purchasing a building outright. Once the initial inventory is obtained and the public is aware of the opening, the inventory should sell out entirely as there are not enough products on the market to meet the current demand.

DEBT

On Root plans on financing its vehicles. Aside from that, there should be no other debt as we plan on leasing our first building.

OPERATING CAPITAL

\$250,000.00 will be raised to fund this project. After the initial inventory is sold, there will be enough capital to purchase more products and increase our inventory.



DIRECT AND OPERATING EXPENSE BREAKDOWN

On Root intends to raise \$250,000 for 5 years with an average ROI of 140.7% and a profit share of 49%. The first repayment will start from the 12th month.

DIRECT COSTS

These are costs associated with buying products and delivering them to consumers. These costs do not include salaries or equipment.

\$	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Products Purchase						
Flowers	0	13,029,104	26,233,416	34,261,128	42,288,840	50,316,552
Concentrates	0	3,103,950	6,249,640	8,162,099	10,074,557	11,987,015
Beverages & Edibles	0	1,362,657	2,743,638	3,583,222	4,422,805	5,262,389
Topicals	0	51,828	104,354	136,287	168,221	200,154
Other	0	55,788	112,325	146,698	181,071	215,444
Delivery Costs						
Delivery costs	0	0	0	0	0	0
Fuel	0	16,415	33,050	43,163	53,277	63,391
GPS service	0	909	1,830	2,390	2,950	3,510
Other Direct Costs						
Other direct costs	0	0	0	0	0	0
Initial inventory	0	2,011,915	0	0	0	0
Other direct costs	0	300	604	789	974	1,158
Other direct costs	0	0	0	0	0	0
Taxes						
State/City/County Cannabis Business Tax	0	773,000	1,556,395	2,032,669	2,508,943	2,985,217
Total	0	20,405,866	37,035,253	48,368,445	59,701,637	71,034,830



OPERATING EXPENSES

These are costs of operating a business. These costs include equipment, location, staffing, and insurance.

\$	Year 1	Year 2	Year 3	Year 4	Year 5
G&A Expenses - Initial & General Costs					
Plans / Permits / Traffic study	17,000	0	0	0	0
Computers - Tablets and office	16,000	0	0	0	0
Misc. Office/ retail equip	15,000	0	0	0	0
Licensing renewal and other legal fees	0	11,615	11,730	11,845	11,960
Professional Services, Commercial Insurance	7,500	30,300	30,600	30,900	31,200
G&A Expenses - Warehouse					
Training	10,000	10,100	10,200	10,300	10,400
Building Renting	24,048	96,192	96,192	96,192	96,192
Building Maintenance, including utilities	5,468	22,089	22,307	22,526	22,745
Equipment Maintenance	300	1,212	1,224	1,236	1,248
Administrative expenses, including phone and internet	450	1,818	1,836	1,854	1,872
Inventory Control Systems, Security & Other Software Services	15,000	60,600	61,200	61,800	62,400
Vehicle Insurance	873	32,898	65,475	84,972	104,469
Misc. Office/ retail equip	0	0	0	0	0
Property Taxes	0	0	0	0	0
Community impact fee (% of gross receipts)	0	773,000	1,556,395	2,032,669	2,508,943
SG&A Expenses - Marketing & Sales Expenses					
Marketing Expenses, including PR, Branding, Online and Offline advertising	25,000	45,450	30,600	20,600	15,600
Vehicle Lease	1,000	129,100	225,000	292,000	359,000
Other Expenses	0	0	0	0	0
SG&A Expenses - Misc.	2,774	36,423	63,372	79,992	96,763
Salaries & Benefits	38	1,004,574	2,406,324	3,315,376	3,938,314
Total	140,451	2,255,372	4,582,455	6,062,262	7,261,106



PROFIT & LOSS FORECAST

Business revenue is projected to grow significantly for the first two years time frame.
The yearly projections are in the table below:

	\$	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7
Revenue		0	25,766,673	51,879,841	67,755,640	83,631,438	99,507,236	112,296,074
COGS - Cost of Goods Sold		0	20,530,890	37,269,572	48,610,398	59,945,940	71,281,481	80,413,346
Gross Profit		0	5,235,783	14,610,269	19,145,241	23,685,498	28,225,755	31,882,728
% of revenue		0%	20%	28%	28%	28%	28%	28%
SG&A Expenses								
G&A Expenses - Initial & General Costs		58,500	41,915	42,330	42,745	43,160	43,575	43,990
Plans / Permits / Traffic study		17000	0	0	0	0	0	0
Computers - Tablets and office		16000	0	0	0	0	0	0
Misc. Office/ retail equip		15000	0	0	0	0	0	0
Licensing renewal and other legal fees		0	11615	11730	11845	11960	12075	12190
Professional Services, Commercial Insurance		7500	30300	30600	30900	31200	31500	31800
G&A Expenses - Warehouse		58,977	1,009,263	1,826,184	2,322,904	2,819,623	3,316,343	3,715,798
SG&A Expenses - Marketing & Sales Expenses		26,038	726,982	1,524,680	2,222,132	2,877,500	3,549,073	3,678,640
Senior Management Salaries & Benefits		0	201,513	572,296	580,356	580,356	580,356	580,356
IT Salaries & Benefits		0	0	96,899	341,581	366,453	369,977	373,501
Other Salaries & Benefits		0	125,606	233,731	241,953	244,302	246,651	249,000
SG&A Expenses - Misc.		2,774	36,423	63,372	79,992	96,763	113,688	127,215
Total SG&A Expenses		146,289	2,141,702	4,359,491	5,831,663	7,028,158	8,219,663	8,768,500
Operating Income (EBITDA)		-146,289	3,094,081	10,250,778	13,313,578	16,657,340	20,006,093	23,114,229
% of revenue		0%	12%	20%	20%	20%	20%	21%
Depreciation and Amortization		7,556	11,333	11,333	11,300	11,233	10,933	10,333
Earnings Before Interest & Taxes (EBIT)		-153,845	3,082,748	10,239,445	13,302,278	16,646,107	19,995,159	23,103,895
Interest Expense		0	0	0	0	0	0	0
Earnings Before Taxes (EBT)		-153,845	3,082,748	10,239,445	13,302,278	16,646,107	19,995,159	23,103,895
Income Tax		0	2,592,227	7,584,813	9,919,484	12,304,038	14,689,479	16,680,753
Net Income		-153,845	490,521	2,654,632	3,382,794	4,342,069	5,305,680	6,423,142
% of revenue		0%	2%	5%	5%	5%	5%	6%



CASH FLOW STATEMENT

The cash flow projections show that the business will have sufficient cash to support the activity. The following table presents a view of the company's projected cash flow.

\$	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7
Net Income	-153,845	490,521	2,654,632	3,382,794	4,342,069	5,305,680	6,423,142
Cash Flow from Operations							
Depreciation	7,556	11,333	11,333	11,300	11,233	10,933	10,333
Change in Receivables	0	0	0	0	0	0	0
Change in Inventory	0	0	0	0	0	0	0
Change in Accounts Payable	0	0	0	0	0	0	0
Total Cash Flow from Operations	-146,289	501,854	2,665,965	3,394,094	4,353,303	5,316,613	6,433,475
Cash Flow from Investing							
Capital Expenditures (CAPX)	-154,800	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Total Cash Flow from Investing	-154,800	0	0	0	0	0	0
Cash Flow from Financing							
Revolver Issuance / (Repayment)	51,089	-51,089	0	0	0	0	0
Long-Term Debt Issuance / (Repayment)	0	0	0	0	0	0	0
Paid in Capital	250,000	0	0	0	0	0	220,000
Drawings (profit share)	0	-114,203	-796,390	-1,014,838	-1,302,621	-1,591,704	-1,926,943
Total Cash Flow from Financing	301,089	-165,293	-796,390	-1,014,838	-1,302,621	-1,591,704	-1,706,943
Total Change in Cash	0	336,562	1,869,576	2,379,256	3,050,682	3,724,909	4,726,533
Beginning Period Cash	0	0	336,562	2,206,137	4,585,393	7,636,075	11,360,985
Ending Period Cash	0	336,562	2,206,137	4,585,393	7,636,075	11,360,985	16,087,517



BALANCE SHEET

The balance sheet shows healthy growth of net worth and a solid financial position.

\$	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7
Assets							
Current Assets							
Cash	0	336,562	2,206,137	4,585,393	7,636,075	11,360,985	16,087,517
Receivables	0	0	0	0	0	0	0
Inventory	0	0	0	0	0	0	0
Total Current Assets	0	336,562	2,206,137	4,585,393	7,636,075	11,360,985	16,087,517
Long Term Assets							
Property Plant & Equipment (PPE), gross	154,800	154,800	154,800	154,800	154,800	154,800	154,800
Accumulated Depreciation of PPE	-7,556	-18,889	-30,222	-41,522	-52,756	-63,689	-74,022
PP&E, net	147,244	135,911	124,578	113,278	102,044	91,111	80,778
Total Assets	147,244	472,473	2,330,715	4,698,671	7,738,120	11,452,096	16,168,295
Liabilities							
Current Liabilities							
Accounts Payable	0	0	0	0	0	0	0
Total Current Liabilities	51,089	0	0	0	0	0	0
Long Term Liabilities	0	0	0	0	0	0	0
Total Liabilities	51,089	0	0	0	0	0	0
Equity							
Paid-in Capital/Drawings	250,000	135,797	-660,593	-1,675,431	-2,978,052	-4,569,756	-6,276,698
Retained Earnings	-153,845	336,676	2,991,308	6,374,102	10,716,171	16,021,851	22,444,993
Current Period Retained Earnings	96,155	472,473	2,330,715	4,698,671	7,738,120	11,452,096	16,168,295
Total Equity	96,155	472,473	2,330,715	4,698,671	7,738,120	11,452,096	16,168,295
Total Liabilities and Equity	147,244	472,473	2,330,715	4,698,671	7,738,120	11,452,096	16,168,295
check	0	0	0	0	0	0	0



MAIN RATIOS

The return on equity ratio ("ROE") measures how much the owner and investors earn for their investment in the company. The higher the ratio percentage, the better return is. Financial analysts generally consider the return on equity ratios in the 15-20% range to represent attractive investment quality levels. As we can see, ROE (DuPont) for our project is higher and draws up 56-114%.

Return on assets ("ROA") gives how efficient management uses its assets to generate earnings.

Profitability ratios are a class of financial metrics used to assess a business's ability to generate earnings compared to expenses and other relevant costs incurred during a specific period.

Ratio Analysis	Year 2	Year 3	Year 4	Year 5	Avg. (2-5 years)	Avg (3-5 years)
Return on Equity	172.5%	189.4%	96.2%	69.8%	132.0%	118.5%
Return on Assets	158.3%	189.4%	96.2%	69.8%	128.4%	118.5%
Financial Leverage	1.09	1.00	1.00	1.00	1.02	1.00
Correction Factor	1.00	1.00	1.00	1.00	1.00	1.00
Return on Assets						
Return on Sales	1.9%	5.1%	5.0%	5.2%	4.3%	5.1%
Asset turnover	83.16	37.01	19.28	13.45	38.22	23.25
Profitability						
Gross margin	20.3%	28.2%	28.3%	28.3%	26.3%	28.2%
SG&A as % of Sales	8.3%	8.4%	8.6%	8.4%	8.4%	8.5%
Operating Margin	12.0%	19.7%	19.6%	19.9%	17.8%	19.8%
Interest Expense as % of Sales	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Effective Tax Rate	84.1%	74.1%	74.6%	73.9%	76.7%	74.2%
Fixed Asset Turnover	182.0	398.3	569.7	776.8	481.7	581.6
Debt to Equity	0.00	0.00	0.00	0.00	0.0	0.0
Long-Term-Debt to Equity	0.00	0.00	0.00	0.00	0.0	0.0
Long-Term Debt to Tangible Assets	0.00	0.00	0.00	0.00	0.0	0.0
Other Information						
Sales Growth	0.0%	101.3%	30.6%	23.4%	38.8%	51.8%
Statutory Tax Rate	57.0%	57.0%	57.0%	57.0%	57.0%	57.0%
De-levered Net Income	490,521	2,654,632	3,382,794	4,342,069		
Purchases	20,530,890	37,269,572	48,610,398	59,945,940		
Weighted Avg Depreciation Rate	7.3%	7.3%	7.3%	7.3%	7.3%	7.3%
Weighted Avg Interest Rate	-	-	-	-	-	-
DuPont Analyses						
Net Profit Margin	2%	5%	5%	5%	4.3%	5.1%
Asset Turnover	54.54	22.26	14.42	10.81	2550.6%	1582.9%
Equity Multiplier	1.00	1.00	1.00	1.00	100.0%	100.0%
DuPont Return on Equity	104%	114%	72%	56%	86.5%	80.7%



FINANCIAL OVERSIGHT AND COMPLIANCE PLAN

Cannabis establishments operate in a dynamic environment influenced by industry consolidation, the convergence of financial services, emerging technology, market globalization, and isolation. To remain profitable in such an environment, cannabis establishments continuously assess and modify their product and service offerings and operations in the context of a business strategy. At the same time, new legislation may be enacted to address developments in the marketplace.

All these forces combine to create inherent risk. On Root will develop and maintain a sound compliance management system integrated into the company's overall risk management strategy to address this risk.



REFERENCE

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Persons Having Direct or Indirect Control Attestation

To Whom It May Concern,

This letter attests that Andres Castañeda, previously listed as "Chief Compliance Officer", Edwin Naranjo, previously listed as "Chief Financial Officer", and Melissa Medina, previously listed as "Creative Director", are not persons having direct or indirect control of On Root, LLC, with the business address at 82 Sanderson Avenue, Suite 122B, Lynn, MA 01902.

Unfortunately, Andres Castañeda has passed away and no longer has any control or equity over On Root, LLC.

Edwin Naranjo can no longer fulfill his role as Chief Financial Officer due to time constraints. As such, he no longer has any control or equity over On Root, LLC.

Melissa Medina can no longer fulfill her role as Creative Director due to time constraints. As such, she no longer has any control or equity over On Root, LLC.

Julio Palma and Julio Hernandez are the same person. Julio Hernandez updated his last name when he got married last year. He is still in the process of updating his documentation, so we will omit Julio Palma from the application in favor of Julio Hernandez.

We affirm that the information provided in this attestation is accurate and complete. We understand that any misrepresentation or omission of facts may result in denying our provisional license application or other penalties.

Sincerely,

Pedro Tavaréz
CEO
On Root, LLC
pedro@onroot.io
(978) 239-8497



ON ROOT

Record-Keeping Plan

January 2022

Our mission at On Root is to bridge the gap between consumers and cultivators. We will establish a robust, consumer-friendly e-commerce website that normalizes the cannabis shopping experience while providing safe, consistent, and reliable delivery communities.

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RECORD-KEEPING PLAN INTRODUCTION

This Record-Keeping Plan describes the policies, procedures, controls, and other measures that will be implemented by On Root, LLC ("On Root") to ensure all paper and electronic records are appropriately managed to comply with local and state requirements.

Company records will also be maintained to provide operational information to company managers, advisors, and owners for decision-making purposes and information in case of insurance, criminal, or regulating authority investigations.

A primary goal is to maintain information that will meet regulatory requirements and be transparent and admissible in court. State and local laws supersede any item in the Plan that does not meet regulatory requirements.

Within this plan marijuana is often referred to as "the product." When "employee" is referred to in this plan, it includes other individuals involved with On Root, including owners, officers, agents, and others representing the company.

Sensitive records include, but are not limited to:

- Personal identity information;
- Protected health information;
- Credit card data;
- Financial records;
- Intellectual property;
- Password records;
- Information related to a criminal investigation;
- Material covered by any non-disclosure agreements;
- Information identified by regulating authorities as restricted;
- Security and operating records for which the availability would make the company vulnerable to criminal activity; and
- Other information for which the degree of the adverse effect from unauthorized access or disclosure is high.

Several record-keeping policies overlap with other procedures. Some items are repeated in both the Record-Keeping Plan and the other plans, and in other cases, this plan refers to the other documents.



INSPECTION OF RECORDS

On Root will make electronic and hard copy (written) records available to the Cannabis Control Commission ("Commission") or its agents upon request. On Root shall maintain financial records in accordance with generally accepted accounting principles.

Written records that are required and are subject to inspection include, but are not limited to, to the following:

1. Written operating procedures as required by 935 CMR 500.105(1);
2. Inventory records as required by 935 CMR 500.105(8);
3. Seed-to-sale tracking records for all marijuana products as required by 935 CMR 500.105(8);
4. The following personnel records:
 - a. Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;
 - b. A personnel record for each On Root agent. Such records shall be maintained for at least 12 months after termination of the individual's affiliation with On Root and will include, at a minimum, the following:
 - i. All materials submitted to the Commission pursuant to 935 CMR 500.030(2);
 - ii. Documentation of verification of references;
 - iii. The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision
 - iv. Documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place they received said training and the topics discussed, including the name and title of presenters;
 - v. Documentation of periodic performance evaluations;
 - vi. A record of any disciplinary action taken; and
 - vii. Notice of completed responsible vendor and eight-hour related duty training.
 - c. A staffing plan that will demonstrate accessible business hours and safe storing conditions;
 - d. Personnel policies and procedures; and
 - e. All background check reports obtained in accordance with 935 CMR 500.030.
5. Business records, which shall include manual or computerized records of:
 - a. Assets and liabilities;
 - b. Monetary transactions;
 - c. Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
 - d. Sales records, including the quantity, form, and cost of marijuana products; and



- e. Salary and wages paid to each employee, stipend paid to each board member, and any executive compensation, bonus, benefit, or item of value paid to any individual affiliated with On Root.
6. Waste disposal records as required under 935 CMR 500.105(12); and
7. Following the closure of On Root, all documents must be kept for at least two years at the expense of On Root and in a form and location acceptable to the Commission.

GENERAL RECORD-KEEPING POLICIES

REGULATORY COMPLIANCE

All records associated with business conducted by On Root will be made available to local and state regulatory authorities upon request or regularly as specified by regulations. Records will be stored to make them easily accessible to comply with immediate requests for information by local and state authorities.

Records specified for retention under state regulations will be retained for a period and location specified in regulations. Personnel records will be maintained for at least twelve (12) months after termination of the individual's affiliation with On Root. Records not covered by regulatory standards will be retained for no less than six (6) years.

Anyone who knowingly alters, destroys, mutilates, conceals, covers up, falsifies, or makes a false entry in any electronic or paper record will face immediate termination and potential criminal prosecution. Any employee who becomes aware of another's intent, or action related to knowingly altering company records must report the information to a security officer or a senior manager.

Should On Root cease operations, the members of On Root will come to an agreement with local and state regulating authorities for the retention of and accessibility to required records for a specified period.

PAPER AND ELECTRONIC RECORDS

On Root will use a record management software to scan and index paper files and store electronic files to ensure rapid and accurate access to records.

Paper records will be scanned into electronic format for backup purposes periodically, no less than once per month. Once the electronic version of the paper record has been backed up, the paper version may be shredded (if sensitive) or discarded.



Paper records to be maintained for longer than one month will be filed within two months according to a system designated by the officer responsible for records management, in cabinets or boxes that are clearly labeled and in a secured location.

Electronic file organization will follow the National Institute of Standards and Technology recommendations. Electronic records scheduled for destruction will be managed according to Guidelines for Media Sanitation, NIST Special Publication 800-88, Revision 1. Records backup and archiving policy will be developed by senior managers using tools for managing electronic records recommended by the National Archives.

Sensitive business files will be maintained in a separately secured server location from files used daily by regular employees. Employees will only have access to records needed to carry out their responsibilities.

Records pertaining to transactions occurring within the last six (6) months will be stored on the registered premises. Records dating further back will be kept off the premises with DBR's approval.

Backup copies of sensitive archived material will be encrypted or password protected and stored in a secured cloud environment. If on removable media, off-site in a vault or safe where it is easy to access and easily reproducible.

All archived records to be kept for more than seven years will be converted into a standardized format such that changes in software and technology will not prevent access to the records.

The integrity and authenticity of stored data will be maintained to the level that they could be accepted as evidence in a court of law. On Root will develop a protocol for conducting business on paper in the event of an outage of any electronic system, including the transference of the paper data to the electronic system once the problem is corrected. All employees will be trained on the procedures.

PRIVACY

A minimum amount of information will be collected during financial transactions with customers to reduce the likelihood that personal information can be stolen. Only personal information on employees required by law will be collected and stored.

Employee records, particularly those related to work authorization, potential disciplinary investigations, or background checks, will be kept confidential and stored in a secure location.

Any medical information collected on employees or customers will be stored separately and under an extra level of security. These records will be kept in accordance with the Americans



with Disabilities Act (ADA), the Genetic Information Nondiscrimination Act (GINA), and the Health Insurance Portability and Accountability Act (HIPAA), as applicable.

EMPLOYEE INVOLVEMENT

On Root staff will be asked to review record-keeping procedures related to their specific tasks at least once per year and recommend improvements.

ROLES AND RESPONSIBILITIES

CHIEF COMPLIANCE OFFICER

1. The Chief Compliance Officer (CCO) will be responsible for ensuring that this Record-Keeping Plan is implemented correctly, including dissemination of this plan and the training of employees as to its application. The CCO may designate a Record-Keeping Manager to execute specific tasks outlined in this plan.
2. The CCO will define the structure of a record management system, including a document retrieval system, and maintain training for themselves and others in the various components of the system.
3. The CCO will develop and maintain an indexing/tagging system to efficiently categorize and retrieve needed data from the document retrieval system.
4. The CCO will write an instruction manual describing how to retrieve records from the system. Senior managers will be trained in pulling data from the document retrieval system to ensure that records and datasets can be retrieved immediately upon request from regulating authorities or law enforcement.
5. The CCO will regularly report to the Chief Executive Officer on the status and efficacy of the Record-Keeping Plan. The CCO will review the Plan annually and recommend changes or amendments to the Chief Executive Officer to improve procedures or processes.
6. The CCO shall stay up to date on records-related issues and trends by periodically reviewing the literature, becoming a member of one or more related organizations, participating in conferences, or other means of networking with and learning from other record-keeping experts.

RECORD-KEEPING MANAGER

The role and responsibilities of the record-keeping manager are not limited to:

1. Receiving and organizing documents from all departments;
2. Indexing documents in the document retrieval system; and
3. Recommend changes to the CCO related to the indexing/tagging system



RECORD TYPES

BUSINESS RECORDS

- Deeds, titles, rental agreements, property records;
- Most recent versions of operating plans;
- Tax records required by federal, state, and local authorities, including records of late payment penalties and unpaid tax obligations;
- Insurance documents;
- Permits and licenses;
- All correspondence with regulatory authorities;
- Up-to-date local and state regulations related to the cannabis license, waste management, environmental compliance, hazardous materials, etc.;
- Business documents filed with the Secretary of State;
- Business property inventories and related records;
- Employee forms, including:
 - IRS forms;
 - Background checks;
 - Documentation of proof of authorization to work;
 - Reference verifications;
 - Evaluations;
 - Records of investigations and disciplinary actions.

** Each employee's personal information will only be collected as required by law to reduce potential incidents of identity theft.**

- OSHA requirements and documentation related to workplace injury, OSHA Form 300, or Form 301 if injuries have occurred;
- Property diagrams;
- Collective or Cooperative Membership Agreement (if applicable);
- Records relating to physical modification of or upgrades to the premises;
- Manufacturer's documents pertaining to any generators to be used on the premises and permits or other compliance documentation from air quality regulators;
- Labor agreement;
- Staffing plans, organizational charts, and job descriptions;
- Accounting records include, but are not limited to:
 - Bank statements;
 - Monthly, quarterly, and annual financial reports;
 - Ledgers and journals;
 - Vouchers; and
 - All supporting documentation.
- Complete sales receipts/invoices containing all data required by regulating authorities;
- Purchasing receipts/invoices;



- Utility records, including documentation from electrical utility indicating greenhouse gas emission intensity per kilowatt-hour (if available);
- Payroll records;
- Records of stipends, bonuses, and non-monetary compensation to individuals or companies, including benefits. The records will include an estimated dollar value for non-monetary compensation;
- Records documenting community involvement;
- Updated emergency contact lists;
- Training records, including the type of training offered, date taken, and names of trained employees;
- Meeting minutes and memos;
- All contracts and purchase orders with compassion centers, including documentation of any canceled contracts or purchase orders and any contracts and purchase orders voided by replacement contracts;
- Invoices and supporting documentation of all cannabis purchases, acquisitions, sales, transfers, and payments;
- Contracts pertaining to the security alarm and security camera systems;
- Contracts with vendors, including any approved third-party testing providers.

PERSONNEL RECORDS

- An employment or engagement description detailing duties, responsibilities, authority, qualifications, and supervision;
- If applicable, a copy of any employment or engagement;
- A record of any disciplinary action taken;
- Documentation of all required training, including a signed statement from the individual indicating the date, time, and place they received said training, topics discussed, and the name and title of presenters.

DELIVERY RECORDS

- On Root will only utilize a point-of-sale system approved by the Commission in consultation with the DOR;
- On Root will utilize a sales recording module approved by the DOR;
- On Root will not use software or other methods to manipulate or alter sales data;
- On Root will conduct monthly analysis of its equipment and sales data to determine that no software has been installed that could be utilized to manipulate or alter sales data;
- On Root will maintain records that have performed the monthly analysis and produce it on request to the Commission;
- If On Root determines that software has been installed for manipulation or alteration of sales data or other methods have been utilized to manipulate or alter sales data:



- On Root will immediately disclose the information to the Commission and DOR;
- On Root will cooperate with the Commission in any investigation regarding manipulation or alteration of sales data; and
- On Root will take such other action directed by the Commission to comply with 935 CMR 500.105.
- On Root will comply with 830 CMR 62C.25.1: Record Retention and DOR Directive 16-1 regarding recordkeeping requirements;
- On Root will adopt separate accounting practices at the point of sale for marijuana and marijuana product sales and non-marijuana sales;
- On Root will call the Commission and the DOR to audit and examine the point-of-sale system used by On Root to ensure compliance with Massachusetts tax laws and 935 CMR 500.140(5).

SECURITY RECORDS

- Training records, including the type of training offered, date taken, and names of trained employees;
- Police reports resulting from any crime-related event on the property;
- Contracts with outside security providers;
- Security equipment manuals and maintenance and inspection logs;
- Surveillance video: See the Security Plan for details;
- Completed closing procedure checklists;
- Updated lists of employee access levels;
- Security access logs;
- Signed Key/Key Card User Agreements;
- Weekly electronic records show personnel's date, time, and name accessing secured areas;
- Completed existing employee checklists;
- Completed visitor logs;
- Product delivery logs maintained by security personnel;
- Records of non-conformance to procedures and reason for variance or steps taken to correct problems;
- Incident reports related to emergencies, chemical spills, accidents, external threats, workplace violence, harassment, and other unexpected events.

INVENTORY CONTROL RECORDS

- All information created within the inventory control and track-and-trace system selected by the regulating authority;
- All UIDs assigned to products in inventory and all unassigned UIDs;



- UIDs associated with products that have been retired from the track-and-trace system will be retained for six (6) months after the tags are withdrawn on-site and for at least six (6) years of the site with the approval of the DBR.
- All attributes associated with each product UID, including:
 - Name,
 - Type,
 - Batch,
 - Strain,
 - Weight,
 - Count,
 - Source, and
 - Transaction dates and times.
- Updated lists of employees with access to the inventory system;
- Training records, including the type of training offered, date taken, and names of trained employees;
- Logs of errors found within the inventory system and notes on steps taken to correct errors;
- All inventory results, including the date, time, names, signatures, and titles of inventory takers;
- Records regarding missing inventory and documentation of follow-up actions;
- Records of inventory discrepancies reported to law enforcement and regulating authorities;
- Documentation regarding notifications from the inventory system that cannot be resolved within the specified timeframe.

In addition to records required by regulations, electronic sortable reports related to the following will be producible for management purposes:

- Location of all products on the premises by room, cabinet, storage, and location;
- Reports of products removed from a storage location;
- Reports of transferred products by UID that can be compared electronically pre and post-transfer to identify discrepancies in inventory and reports of the resulting comparisons;
- Reports showing trends in sales patterns, demographics, product quality, or other attributes;
- Additional reports requested by senior managers or regulating authorities.

PRODUCT DATABASE

On Root will provide the Commission with information to populate the Product Database. Product Database information for finished marijuana products purchased at wholesale from Product Manufacturers that are not white labeled shall remain the responsibility of the Product Manufacturer under 935 CMR 500.130(6).



On Root will provide the following:

- A photograph of a finished marijuana product outside of but next to the marijuana product's packaging;
- A photo of the marijuana product inside packaging; and
- The name of the Product Manufacturer that produced the marijuana product.

Photographs submitted will be electronic files in a JPEG format with a minimum photo resolution of 640 x 480 and a print resolution of 300 DPI. Photographs shall be against a white background.

On Root will provide the information required under 935 CMR 500.146(7)(a) for each finished marijuana product it offers for sale and delivery prior to the product being made available for purchase and will update the information whenever a substantial change to packaging or label of the finished marijuana product occurs.

For purposes of 500.146(8)(c), a substantial change is a change to the physical attributes or content of the package or label.

VENDOR SAMPLES

In addition to the written operating policies required under 935 CMR 500.105(1), On Root will:

- Track, record, and document all Vendor Samples that On Root receives from a Marijuana Cultivator, a Marijuana Product Manufacturer, a Micro Business, or a Craft Marijuana Cooperative; and
- Track, record, and document all vendor samples that On Root will provide to employees.

COMPUTING SECURITY RECORDS

- Signed Network and Computing Resources User Agreements;
- Software contracts/licensing documentation;
- Electronic record retention policies;
- Documentation of unauthorized attempts to access the computer network;
- Records of the device, software, operating systems, and network security updates;
- Results of security audits;
- Certifications of electronic records destruction or disposal;
- Other records are selected by the Computing Security Manager for backup to the records management system.

TRANSPORTATION RECORDS

In addition to the records specified in the sections above, On Root will retain the following records related specifically to transportation activities:



- Transportation manifests showing all information required by regulating authorities;
- Records showing trip plans and the start and end times of each trip;
- Documentation of approved changes to trip plans;
- Transportation Event Logs of variances between expected and actual trip activities;
- Records of vehicle accidents;
- Records and police reports related to product losses occurring during transportation activities.

WASTE MANAGEMENT RECORDS

On Root will maintain accurate and comprehensive records regarding waste material that accounts for, reconciles, and evidences all waste activity related to the disposal of cannabis and cannabis products (including any waste material produced through the trimming or pruning of a cannabis plant prior to harvest). Records relating to the disposal of product waste, including:

- Product UID,
- Description,
- Date of disposal,
- Weight or count of product,
- Reason for disposal, and
- Method of disposal.

PACKAGING AND LABELING RECORDS

In addition to the records specified in the sections above, Bonsai will retain the following records related specifically to packaging and labeling activities: Training records, including the type of training offered, the date taken, and the names of trained employees.

FACILITY RECORDS

In addition to the records specified in the sections above, On Root will retain the following records related specifically to dispensary activities:

- Training records, including the type of training offered, date taken, and names of trained employees.
- Documentation of data utilized for setting prices and rationale for the selected price.
- Records of non-conformance to procedures and reason for variance or steps taken to correct problems.
- Odor Management Records



RELEVANT STATUTES

935 CMR 500.050(2)(d): Tier Relegation
935 CMR 500.101: Application Requirements
935 CMR 500.105(1) Written Operating Procedures
935 CMR 500.105(2) Marijuana Establishment Agent Training
935 CMR 500.105(8): Inventory
935 CMR 500.105(9): Record Keeping
935 CMR 500.105(12)(d): Waste Disposal
935 CMR 500.105(9): Record Keeping





ON ROOT

Maintenance of Financial Records Plan

January 2022

Our mission at On Root is to bridge the gap between consumers and cultivators. We will establish a robust, consumer-friendly e-commerce website that normalizes the cannabis shopping experience while providing safe, consistent, and reliable delivery communities.

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SUMMARY

On Root will guide the Chief Financial Officer in handling the company's finances. It will ensure sufficient internal controls are in place and will regularly review financial reports and records. Policies that On Root may consider are an accounting policy, investment policy, and audit policy. On Root may wish to establish committees to carry out this work, including a Finance Committee and an Audit Committee.

On Root managers will clarify the organization's mission, goals, structure, and programs. Adequate planning includes financial management, and the budget and chart of accounts should reflect organizational priorities. Budgeting is part of the organization's overall planning process. Regular reporting is part of the evaluation process that On Root is responsible for.

PLANNING

On Root managers will develop a reasonable strategic plan for the organization, including a financial plan. The organizational plan could span anywhere from one year to several years.

When developing a plan, On Root staff will consider:

- What is the current cost of our programs and management of the organization?
- What resources are available to continue our programs?
- Are our programs as efficient as possible, or could there be more effective ways of delivering our programs?
- What environmental changes could occur which might affect our funding

Managers will also review its current programs to ensure that they meet the guidelines and requirements of funders.

POLICIES AND PROCEDURES

On Root managers are responsible for developing and adopting appropriate policies for the organization and regularly reviewing these policies. These policies could include accounting (or financial) policies, audit policies, personnel policies, and others. A sound Financial Policy might contain:

- The Fiscal Year of the organization;
 - The Fiscal Year of the organization might be the calendar year, but you may wish to select another month to begin your fiscal year.
- The type of accounting system used to record transactions.

Transactions may be recorded using either a "cash" or an "accrual" basis. Cash accounting means that transactions are recorded as income when you receive a payment and as an



expense when you make a payment. Accrual accounting means you record income when you earn it and record expenses to incur obligations. If NRP has the State Auditors conduct your audit, they will convert your financial statements from cash to accrual.

A capitalization policy covers the acquisition of durable equipment, such as computers, copiers, vehicles, or buildings. A capitalization policy would provide a minimum dollar amount for the purchase of equipment, at which point it would be “capitalized” or listed as a fixed asset of the organization. The policy should also say that the equipment will be depreciated (for example, a computer generally lasts three years). The expense for that purchase would be divided out over the lifetime of the equipment instead of being recorded entirely when it was purchased.

REGULAR REVIEW AND EVALUATIONS

On Root managers will regularly review financial reports and other information. As noted above, the Members may want to consider setting aside time quarterly or semi-annually for a more thorough review of the organization’s financial reports. It should also regularly review organizational policies and procedures.

Managers should also review and approve required reports such as annual filings with State and Federal Agencies and the organization’s annual audit. These reports include:

- Massachusetts Annual Report
- Massachusetts Annual Registration
- Federal 990’s.

Managers should also regularly inquire into the status of legal obligations and receivables. Questions they should ask at least quarterly and that you may want to include in a narrative summary for the Members:

- Have payroll taxes been paid, and are they up to date?
- Have quarterly tax reports been filed (Federal 941, MW3)?
- Have salaries been paid and benefits maintained and recorded?
- Have payment requests been made in a timely fashion?
- What is the status of aging receivables?

EQUIPMENT AND SOFTWARE AUDITS

On Root shall adopt separate accounting practices at the point-of-sale for marijuana and non-marijuana sales with guidance from an accounting firm in accordance with 935 CMR 500.140(5). On Root will prohibit to 935 CMR 500.140(6).

On Root will conduct monthly analysis of equipment and sales data to ensure that no software has been installed that could be utilized to manipulate or alter sales data. On Root will also maintain all records performed during the monthly analysis period and produce such records to



the Cannabis Control Commission ("Commission") upon request. If On Root determines that software or other methods have been installed or utilized to manipulate or alter sales data, it will respond immediately by:

1. Disclosing the information to the Commission;
2. Cooperating in any investigation regarding manipulating or alteration of sales data; and
3. Take action directed by the Commission to ensure full compliance in accordance with 935 CMR 500.140(5).

CHIEF FINANCIAL OFFICER

The Chief Financial Officer (CFO) for On Root, LLC ("On Root") will be responsible for finances and accounting, as well as overseeing activities carried out by the Sales Manager.

Responsibilities include, but are not limited to:

- Perform the day-to-day, monthly and year-end operations of the Accounting/ Finance Department.
- Assist the CEO on all strategic and tactical matters related to budget management, cost-benefit analysis, forecasting needs, and securing new funding.
- Manage the company's sales operation through the supervision of a Sales Manager.
- Foster a spirit of cooperation, respect, and professionalism among employees and other executives.
- Create financial reports such as P&L, Balance Sheet, Cash Flow, and budget performance.
- Present and interpret financial data for the Executive Staff and the Board of Directors.
- Ensure compliance with applicable standards, rules, regulations, and internal control systems.
- Perform the processing and recording of accounts payable transactions.
- Ensure that all invoices and staff reimbursements are paid accurately and in accordance with standard practices.
- Manage the processing of cash receipts, recording of revenue and receivable.
- Ensure that revenues and receivables are correct and maintained.
- Prepare and record taxes for the company (Sales, Payroll, Local) and work with the CPA on Corporate taxes.
- Perform the processing of functional and benefits expense allocations, monthly accruals, amortization of prepaid expenses, fixed assets depreciation, and recording of adjusting and reclassification journal entries, if necessary.
- Perform general accounts analysis and reconciliations, including bank statements, fixed assets, employer's benefit costs, accruals, and prepaid expenses
- In cooperation with the CCO and the ICM, ensure that the Point-of-Sale System is fully integrated into the Inventory Control System and be responsible for its accuracy and maintenance.



ACCOUNTING

OUTSIDE ACCOUNTING

On Root will utilize an outside accounting team to be determined. Outsourcing an accounting team will lower overhead while providing an outside expert to maintain accurate records.

ACCOUNTING SOFTWARE

Point of Sale System: On Root plans to utilize Aeropay or one the commission approves.

Bookkeeping: QuickBooks Professional.

REPORTING

If On Root is ever co-located, On Root will maintain and provide to the Commission on a biannual basis accurate sales data during the six months immediately preceding this application to ensure an adequate supply of marijuana and marijuana products under 935 CMR 500.140(10). 935 CMR 500.140(6)

RECORDS

On Root will comply with 830 CMR 62C.25.1: Record Retention and DOR Directive 16-1 regarding recordkeeping requirements. 935 CMR 500.140(6)

The following business records will be maintained:

1. Assets and liabilities;
2. Monetary transactions;
3. Books of accounts;
4. Sales records; and
5. Salary and wages paid to each employee.

On Root will maintain records that it has performed the monthly analysis. 935 CMR 500.140(6)



RECORDING SALES

- On Root will only utilize a point-of-sale system approved by the Commission in consultation with the DOR.
- On Root will utilize a sales recording module approved by the DOR.
- On Root will not utilize software or other methods to manipulate or alter sales data.
- On Root will conduct monthly analysis of its equipment and sales data to determine that no software has been installed that could be utilized to manipulate or alter sales data and that no other methodology has been employed to manipulate or alter sales data.
- On Root will maintain records that have performed the monthly analysis and produce it on request to the Commission.
- If On Root will determine that software has been installed for manipulation or alteration of sales data or other methods have been utilized to manipulate or alter sales data:
 - On Root will immediately disclose the information to the Commission and DOR;
 - On Root will cooperate with the Commission in any investigation regarding manipulation or alteration of sales data; and
 - On Root will Take such other action directed by the Commission to comply with 935 CMR 500.105.
- On Root will comply with 830 CMR 62C.25.1: Record Retention and DOR Directive 16-1 regarding recordkeeping requirements.
- On Root will adopt separate accounting practices at the point of sale for Marijuana and Marijuana Product sales and non-Marijuana sales.
- On Root will call the Commission and the DOR to audit and examine the point-of-sale system used by On Root to ensure compliance with Massachusetts tax laws and 935 CMR 500.140(5).

TWO-PERSON MODEL

RECEIPTS

CEO:

- Open Mail
- Receive and log cash and checks

CFO:

- Prepare and make deposits

DISBURSEMENTS

CEO:

- Approve for payment:



- Invoices
- Check requests
- Employee timesheets
- Sign checks

CFO:

- Prepare invoices:
 - Write checks
 - Mail checks
 - Distribute petty cash
 - Distribute payroll

REPORTING / ACCOUNTING

CEO:

- Receive and review bank statements
- Reconcile petty cash

CFO:

- Prepare and distribute financial reports
- Reconcile bank statements

RECEIVING CASH AND CHECKS

- Log all incoming cash and checks:
 - Name of payer
 - Amount of payment
 - Date received
 - Contract number
- Restrictively endorse all incoming checks:
 - Stamp (or write) the organization's name on the back of the check.
 - Stamp (or write) "For Deposit Only" on the back of the check.
 - Write your bank account number on the back of the check.
- Bundle checks and cash for the deposit along with cover letters or any other backup information and put it in a secure place.
 - If you regularly receive large amounts of cash, log it and immediately store it in a locked strongbox.
- Don't spend incoming cash for other purposes. Deposit it intact.
- Make timely bank deposits:
 - At regular intervals; or
 - When funds accumulated for deposit reach a predetermined threshold amount.



PURCHASING / CHECK REQUESTS

- Establish a Members approved purchase authorization policy which includes:
 - Who can authorize purchases/check requests and the dollar ceiling that requires authorization; and
 - The number of signatures needed for purchases is above a specific dollar amount.
- Require three competitive bids or price quotations for purchases of \$500 or more.
- Develop a policy statement concerning conflicts of interest, including employee-vendor and Members member-vendor relationships.
- Require advance approval for all purchases. A purchase authorization order/check request form should include:
 - Name of person requesting the purchase;
 - Vendor name and address;
 - Description of goods/services;
 - The estimated cost of goods/services;
 - Brief description of organizational use for goods/services;
 - Budget category to which goods/services should be charged; and
 - Authorization signatures (it is best to have at least two signatures).
- Before approving a purchase/check request, review the request against the amount remaining in the appropriate budget category to ensure funds will not be spent more than the approved budget.
- Give copies of approved purchase authorizations to both the person who will pay the bills and the person who will receive incoming goods.
- Count and inspect all incoming items.
- Obtain a receipt, shipping slip, invoice, or other receiving documentation for all incoming items and services received. Note any changes or problems with the order on the documentation.
- Give receiving documentation with noted comments to the person who pays the bills.
- Before paying for purchases, make sure the purchase authorization/check request and receiving documents match.

PREPARING THE DEPOSIT

- Photocopy all checks and record on the copies key identifying information about payments.
 - Date received
 - Funding source or program
 - Contract number
- Prepare a detail of cash receipts with identifying information.
- Make copies of any cover letters or backup information received with payments.
- Prepare deposit by listing all checks and cash received on a deposit slip.



- Photocopy deposit slips and attach:
 - Check copies
 - Cash detail
 - Other backup information which accompanied payments
- Deposit at the bank and obtain a receipt showing the correct amount and date of deposit.
- Attach bank receipt to duplicate deposit slip and supporting documents.
- Determine if a transfer from checking to savings or other investment accounts is needed.
- File duplicate deposit slips and attached documents in the transaction file.





ON ROOT

Personnel Policies and Procedures

January 2022

Our mission at On Root is to bridge the gap between consumers and cultivators. We will establish a robust, consumer-friendly e-commerce website that normalizes the cannabis shopping experience while providing safe, consistent, and reliable delivery communities.

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GENERAL INFORMATION

This handbook summarizes the more essential company policies that an employee should know, but it is not intended to be an all-inclusive description of every company policy. On Root, LLC ("On Root") reserves the right to interpret, modify, suspend, or cancel policies at any time without prior notice. An employee's willful disregard of company policies may lead to disciplinary action, including termination.

This handbook incorporates by reference all On Root plans to include:

- Inventory Plan
- Security Plan
- Energy Compliance Plan
- Storage Plan
- Quality Control Plan
- Description of Qualifications and Intended Trainings Plan
- Transportation Plan
- Prevention of Diversion Plan
- Restrict Access to Individuals 21 or Older Plan
- Recordkeeping Procedures Plan
- Maintenance of Financial Records Plan
- Diversity Plan
- Positive Impact Plan
- Safe Delivery Procedures Plan
- Dispensing Procedures Plan
- White Labeling Plan

The above-listed Plans shall supersede any policies contained herein and are collectively referenced as "On Root's Procedural Plans."

A violation of the above-listed plans is a violation of this handbook.

COMPANY MISSION STATEMENT

On Root's core values are centralized around destigmatizing cannabis delivery by being the industry's most customer-centric company; Focusing on the user experience and environmental sustainability.



AT-WILL EMPLOYMENT RELATIONSHIP

On Root may end an employment relationship at any time for any (or no) reason without prior notice or without progressive disciplinary action: this is called At-Will Employment. On Root adheres to local, state, and federal employment laws, and employees should direct any questions regarding those laws to the Chief Executive Officer (CEO).

EQUAL OPPORTUNITY

On Root applies equal opportunity to all employees or applicants; our goal is to obtain individuals best qualified for positions through job-related standards of education, training, experience, and personal qualifications. The Chief Compliance Officer is responsible for policy enforcement.

DISCRIMINATION OR HARASSMENT

On Root prohibits discrimination or harassment related to age, sex, race, color, religion, national origin, disability, sexual orientation, or other reasons. Sexual harassment includes verbal, visual, or physical conduct of a sexual nature, unwelcome sexual advances, requests for sexual favors, and sexually degrading or suggestive communications.

An employee who is determined, after investigation, to have engaged in any discrimination or harassment will be subject to immediate disciplinary action up to and including termination.

Persons with disabilities will be notified of their rights under [The Americans with Disabilities Act Title I: Employment](#) or a comparable link, and includes provisions prohibiting discrimination and providing reasonable accommodations; 935 CMR 500.105(9)

SUGGESTIONS

On Root considers the exchange of ideas within the company an asset and strongly encourages it; employees should address suggestions to the CEO.

EMPLOYEE RECORD KEEPING

A personnel record for each Employee will be kept and such records shall be maintained for at least 12 months after termination and shall include, at a minimum, the following:

1. All materials submitted to the commission pursuant to 935 CMR 500.030(2);
2. Documentation of verification of references;



3. The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision 935 CMR 500.105(9);
4. Documentation of all training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed including the name and title of presenters; 935 CMR 500.105(9);
5. Documentation of periodic performance evaluations; and a record of any disciplinary action taken 935 CMR 500.105(9);
6. Notice of completed Responsible Vendor Training Program and in-house training for employees required under 935 CMR 500.105(2) and 935 CMR 500.105(9);
7. All background check reports obtained in accordance with M.G.L c. 6 § 172, 935 CMR 500.029, 935 CMR 500.030, and 803 CMR 2.00: Criminal Offender Record Information (CORI). 935 CMR 500.105(9)

CONFIDENTIAL INFORMATION

On Root will follow in accordance with 935 CMR 500.105(1); such confidential information will be maintained under a secure location. Confidential information stored online will be secured under these provisions:

1. On a device where confidential data is stored or transmitted will be stored on a full disk encryption (FDE).
2. Restrict confidential data to the office.
3. Will never transfer unencrypted data over the internet.
4. Delete sensitive data no longer needed.
5. Encrypt backups.
6. Store more than one copy
7. Secure archive and crypto container passwords.

STAFFING PLAN AND RECORDS

On Root will hire a third-party Human Resource service that will help build a staffing plan in accordance with 935 CMR 500.105(9) and 935 CMR 500.105(1).

These steps will be included in building a proper staff plan:

1. Evaluate On Root goals to achieve;
2. Identify influencers inside or outside of the organization;
3. Analyze the current state of the organization;
4. Realize envision needs of the organization;
5. Conduct a gap analysis of the organization;
6. And develop a solution plan.

On Root business hours are listed as Monday - Sunday, 7 am to 10 pm.



CODE OF CONDUCT

CODE OF ETHICS

Being a member of the On Root team comes with many good things and responsibility is one of them. Our culture, our reputation, and the vibe of our work environment are made up of how each and every one of us acts, talks, and behaves, every day. So we all answer to the other team members, our stakeholders, On Root users, and the general public. This is our Code of Ethics (the "Code"), it is based on our policies and our values (innovative, collaborative, sincere, passionate, playful). Mostly, it describes our three main rules and how to make sure we live up to them:

1. Do the right thing. Always act with honesty, integrity, and reliability. Keep morale and ethical standards sky-high.
2. Be nice. Treat people with dignity and respect, regardless of who they are and where they came from. Stay decent and courteous in all relationships.
3. Play fair. Don't cheat. Be careful to balance the interests of all groups (stakeholders, users, employees, and the general public) when you go about your business.

EMPLOYEE CONDUCT

Employees are expected to support On Root policies, philosophy, and established code of conduct. Actions considered contrary to this code include (but are not limited to) displaying a negative attitude or intentional deceit to customers or supervisors; insubordination; willful damage to On Root's reputation or property; engaging in company-competitive work on personal time; use, distribution, or sale of illegal drugs; intoxication; theft of company, employee or customer property; storing, carrying or using weapons on On Root property; unsafe or reckless operation of equipment, company vehicles, etc.

Employees will not use cannabis on-premises. This will immediately terminate the offending employee's employment at On Root.

COMPLAINTS AND GRIEVANCES

Complaints about policies or practices should be brought to the employee's immediate supervisor. If not satisfied with the response, employees will submit the grievance in writing to their supervisor, who will bring it to the CEO who will respond quickly.



CONFIDENTIAL INFORMATION AND EXTERNAL COMMUNICATIONS

On Root's public perception results directly from management and employees' external communication. External relations significantly impact business and must be consistent with On Root's philosophy and policies. Unauthorized disclosure of any On Root customer or employee information could create serious problems. All employees sign a Non-Disclosure agreement upon employment and may not discuss privileged information except as required for job performance. Any On Root customer or employee information received as part of your job is confidential; refer external inquiries regarding On Root business to the CEO.

DISCIPLINARY PRACTICE

Disregarding procedures or management decisions may cause productivity, time, and financial loss. Actions endangering personnel safety, On Root's reputation, productivity or finances, may result in immediate suspension or termination at first offense; otherwise, the usual disciplinary practice is as follows:

- 1st Offense: Employee receives verbal warning; Manager ensures employee understands the policy or guideline violated;
- 2nd Offense: Employee receives a written warning that is added to personnel file and considered during a performance review;
- 3rd Offense: Employee is suspended without pay for three workdays.

Continuing offenses of the same issue may result in termination.

WHISTLEBLOWER

A whistleblower as defined by this policy is an employee of On Root who reports an activity that they consider to be illegal or dishonest to one or more of the parties specified in this Policy. The whistleblower is not responsible for investigating the activity or for determining fault or corrective measures; appropriate management officials are charged with these responsibilities.

Examples of illegal or dishonest activities are:

- Violations of federal, state or local laws;
- Billing for services not performed or for goods not delivered; and
- Other fraudulent financial reporting.

If an employee has knowledge of or a concern of illegal or dishonest fraudulent activity, the employee is to contact their immediate supervisor or the Human Resources Director. The employee must exercise sound judgment to avoid baseless allegations. An employee who



intentionally files a false report of wrongdoing will be subject to discipline up to and including termination.

Whistleblower protections are provided in two important areas -- confidentiality and against retaliation. Insofar as possible, the confidentiality of the whistleblower will be maintained. However, identity may have to be disclosed to conduct a thorough investigation, to comply with the law, and to provide accused individuals their legal rights of defense. The Company will not retaliate against a whistleblower. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, compensation decreases, or poor work assignments, and threats of physical harm. Any whistleblower who believes he/she is being retaliated against must contact the Human Resources Director immediately. The right of a whistleblower for protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated.

Defend Trade Secrets Act (DTSA) Compliance:

Immunity from Liability for Confidential Disclosure of a Trade Secret to the Government or in a Court Filing:

1. Immunity—An individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that—(A) is made—(i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.
2. Use of Trade Secret Information in Anti-Retaliation Lawsuit—An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual—
 - a. Files any document containing the trade secret under seal; and
 - b. does not disclose the trade secret, except pursuant to court order.

All reports of illegal and dishonest activities will be promptly submitted to the Vice President of Human Resources who is responsible for investigating and coordinating corrective action. Employees with any questions regarding this policy should contact the Director of Human Resources.



THE JOB

There is a 30-day performance probation period for new hires and internal transfers. All employees are expected to maintain established job performance and behavior standards; the inability to support such measures may result in disciplinary action.

IMMEDIATE DISMISSAL

Employees will follow conduct with 935 CMR 500.105(1). There will be an immediate dismissal of any employee who:

- Has diverted marijuana;
- Engaged in unsafe practices; or
- Been convicted or entered a guilty plea for a felony charge of distribution of a drug to a minor.

ATTENDANCE

Employees should be prompt and regular in attendance; excessive tardiness or absence is noted in personnel records, considered during reviews, and may result in disciplinary action. If you cannot report to work on time, notify On Root at least one hour prior to your scheduled work (if circumstances allow). You may leave messages on the On Root answering machine before and after working hours.

When advanced notice is impossible, notify On Root as soon as possible (a member of your immediate family may fulfill this obligation, if necessary). A medical release may be required upon returning to work after an illness of 5 days or more. A conditional medical release must state the conditions and any job limitations. The absence of 3 consecutive workdays without contacting On Root may be considered a voluntary resignation.

ATTIRE AND APPEARANCE

All employees must wear appropriate, On Root identifiable attire. Employees are to wear company-supplied uniforms or their choice of On Root brand merchandise. Employees will wear company-approved attire for the length of their shift and ensure that the On Root logo is visible.

BILLABLE HOURS

Billable Hours are hours spent by direct labor on a job and must be recorded on the Job Folder; failure to accurately account for labor hours is grounds for disciplinary action.



CHANGE OF PERSONAL INFORMATION

Notify the Record-Keeping Manager of any change in personal information or insurance status. Changes in insurance plans (e.g., marriage, births, etc.) must be reported within 30 days of the event.

COMPANY CLOSINGS

On Root may close during specific holiday periods or coincide with customer shut-downs. Employees will be notified of these closings and may be allowed to use Personal Paid, Vacation, or Unpaid time.

EMPLOYEE COMMUNICATIONS

On Root routinely informs employees of policy changes and other issues using bulletin boards and employee mailboxes; you should check these areas frequently.

FOOD AND DRINK

Eating and drinking are prohibited in designated areas where cannabis is stored, handled, or packaged, to ensure worker safety and non-contamination.

MEDICAL CONDITIONS

Any person whose medical condition, as determined by medical examination or as observed by a supervisor, poses or reasonably appears to pose a risk of contamination of marijuana products will be excluded from cannabis operations until the condition is cleared. Medical conditions posing a risk of contamination include open lesions, including boils, sores, infected wounds, or any other abnormal source of microbial infection. Any incidents that pertain to an employee's health condition will be documented and retained in the employee's file and health log for at least five years in accordance with HIPAA regulations, the Record-Keeping Plan, and any other applicable federal laws.

PERSONAL PROPERTY

On Root is not responsible for loss or damage to personal property. If you damage (excepting negligence) a personal tool while working on a company job, it will be repaired or replaced at company expense.



PERSONAL VEHICLE FOR COMPANY BUSINESS

If a supervisor approves (in advance) the use of a personal vehicle for On Root business, mileage reimbursement is made at IRS mileage rates. An employee must submit a mileage voucher for approval.

PROMOTIONS

It is a practice promoting when qualified employees demonstrate the necessary job skills. There is a 30-day probation period for position transfers.

RESIGNATIONS

Employees should provide a 2-week written notice. Unless management determines extenuating circumstances, employees resigning without such notice are not eligible for re-employment. An employee ending employment must report to the Recordkeeping Manager for out-processing.

WORK HOURS

The morning shift is from 7:00 a.m. to 3:00 p.m. The night shift will be from 3:00 pm to 10:00 pm. These shifts include a 1/2-hour unpaid lunch (mandatory) and two 15-minute unpaid breaks (optional). The minimum direct labor hours per week are 37.50 hours (if an employee chooses to take the two unpaid breaks daily).

Hourly employees working weekends agree to work a minimum of 4 hours (in keeping with the power failure work payment policy); however, management may waive the minimum to meet company needs.

Managers may authorize different schedules when appropriate.

TRAINING

Documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters; 935 CMR 500.105(9).

Notice of completed Responsible Vendor Training Program and in-house training for Marijuana Establishment Agents required under 935 CMR 500.105(2). 935 CMR 500.105(9)



EMPLOYEE PAY

The payroll week is Sunday to Saturday, with payday the following Friday.

Hourly employees use the time clock to record work start, end, lunch, and break times; hourly employees should not use work time to change clothes or store/retrieve lunches, make phone calls, etc.

ADVANCED VACATION PAY

Employees must request advance vacation pay in writing at least two weeks prior to the pay period.

EARLY PAYCHECK RELEASE

An employee may receive an early paycheck released at the close of business Thursday if the employee is scheduled for a previously approved Friday absence.

OVERTIME PAY

Management will not pay unauthorized overtime. Hourly employees are paid at the regular pay rate for 40 hours and one-half for over 40 hours (including holidays). Paid absences are considered work time only for authorized overtime calculations.

PAID ABSENCES

Submit an Absence Request Form in advance for planned absences and no later than 9:00 a.m. on the Monday following an unexpected absence. You are responsible for reporting changes to or cancellations of previously submitted Absence Requests.

POWER FAILURES AND PAY

If On Root ends work due to a prolonged power failure after the workday begins, hourly employees are paid four hours minimum. Management may authorize certain employees to continue working during an outage, paid for actual time worked.

WAGE INCREASES

Merit raises may be given to employees demonstrating superior achievement, productivity, and attitude. Wage increases are not guaranteed and are based on performance assessment and company operating results.



UNPAID ABSENCES

Employees must use available Personal Paid or Vacation time before using unpaid time except in the case of a Company closure when employees may choose to use either available paid or unpaid time.

EMPLOYEE BENEFITS

Every employee is covered under Worker Compensation Insurance.

BEREAVEMENT TIME

Eligible employees receive one paid day off to attend the funeral of an immediate family member (spouse, child, parent, brother, or sister). Management may approve additional unpaid time.

DIRECT DEPOSIT

On Root offers direct deposit of paychecks.

EDUCATIONAL BENEFITS

Employees may be authorized to attend work-related courses or training sessions at On Root expense; however, all requests are considered individually.

HEALTH INSURANCE

Insurance with On Root co-payment is available to eligible employees. Qualifying event coverage changes must be reported within 30 days.

HOLIDAYS

Eligible employees are paid for six holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas.

A holiday is observed on the day it falls during the workweek. A holiday on Saturday is observed the preceding Friday; a holiday on Sunday is observed the following Monday.



PAID TIME OFF

Eligible employees receive 48 hours of Paid Time Off (PTO) on January 1st of each year. Employees may use PTO in increments of 15 minutes or more. Unused PTO is not carried over to the following year, nor is cash paid in lieu of PTO.

PURCHASING COMPANY MERCHANDISE

Employees may purchase items or materials inventoried by On Root on their online website or mobile application.

EMPLOYEE SAFETY

ACCIDENTS AND INJURIES

The facility is equipped with first aid kits in several areas; please be aware of these locations.

Employees are covered for medical, disability, and death benefits for injuries or accidents while working on company business. Employees should not downplay the possible seriousness of an injury. If the accident is severe, go to the nearest hospital or call an ambulance. Immediately after caring for an injury, the employee must report it to a supervisor and complete an accident report (whether or not they received medical attention). Failure to report an injury may jeopardize benefits under this coverage.

All accidents must be reported by any employee with any knowledge of the incident to the appropriate managers, who will then make all the necessary notifications and take all the required actions as per On Root's Procedural Plans. An employee who knows of an accident or injury and fails to report it may be subject to disciplinary action.

ALCOHOLIC BEVERAGES

Employees will follow in accordance with 935 CMR 500.105(1); consumption of alcoholic beverages on On Root property, or intoxication during working hours, is prohibited and is grounds for immediate termination.

On Root is prohibited from selling or delivering Finished Marijuana Products containing alcohol, if sales of such alcohol would require licensure pursuant to M.G.L. c. 138.

Any instance involving the consumption of alcoholic beverages on premises is to be reported immediately.



COMPANY VEHICLES

Employees operating On Root vehicles must have a valid license, wear a seatbelt, and drive safely, courteous manner conforming to all driving regulations. Employees should not operate a vehicle if prescriptions, illness, etc., impair their ability. If they use a company vehicle regularly, they should clearly maintain the interior/exterior (at On Root expense).

DAMAGE AND INCIDENT REPORTS

Employees must provide management with an Incident Report to report any damage to the company, employee, or customer property caused by them or someone under their supervision. Reports should be made to the appropriate Manager, Security Manager, and Recordkeeping Manager.

ELECTRICAL CONTROLS

Employees should not access any electrical machine control panels or electrical boxes; they should notify a manager if they believe an electrical problem exists.

EMERGENCY EVACUATION

Signs are posted at all doors showing all exits. If the alarm sounds off, employees should leave by the nearest exit and go to the designated gathering area (unless they have been informed of a test prior to an alarm). Employees should not stop to record time or retrieve personal items. They may re-enter the building when notified by management or safety officials.

ENVIRONMENTAL CONCERNS

On Root conforms to environmental regulations and will not knowingly use a product or procedure that risks safety or harms the environment. Materials used conform to established guidelines. Employees will follow all the guidelines in the data sheets provided for pesticides and hazardous chemicals.

FIREARMS AND OTHER WEAPONS

Employees may not carry, store or use firearms or other weapons on On Root property. Violation of this policy will result in immediate termination. Violations of this clause will be reported to the Security Manager, Record-Keeping Manager, Chief Compliance Officer, and CEO immediately.

ILLEGAL SUBSTANCES

Employees will follow in accordance with 935 CMR 500.105(1); use, possession, distribution, or sale of illegal substances is grounds for immediate termination.



INCLEMENT WEATHER TRAVEL

You may delay reporting to work or leave early (using Paid Personal or Vacation time) without detriment if weather creates hazardous commuting conditions; however, you are expected to follow the established absence notification procedures.

SMOKING

Employees will follow in accordance with 935 CMR 500.105(1); On Root is a no-smoking facility. Smoking is allowed outside the building but not in front of entrances. Employees who smoke should punch out for smoke breaks. Cannabis will not be ingested, absorbed, smoked, or used in any other manner while on the premises.

FACILITIES

You may not enter or remain on On Root premises except during scheduled work time, for a reasonable time before or after, or when working scheduled overtime.

LOAN OF COMPANY PROPERTY

On Root property includes tools, materials, books, software, equipment, supplies, etc. You must obtain manager permission to borrow On Root property. The manager will prepare a Company Property Loan Agreement form which will remain in effect until the item is returned and its condition verified. You are financially responsible for damage or loss of On Root property in your possession under a loan agreement.

FOOD ON THE MANUFACTURING FLOOR

Direct labor should use restraint regarding food and beverages on the floor: bottled beverages and quick snack foods are acceptable -- foods requiring utensils and uncovered liquids are not. This privilege may be eliminated if abused.

MAINTENANCE

Employees should help maintain facility cleanliness and maintenance. Dumpsters are for work purposes only and may not be used for personal trash disposal.

PARKING

Do not park in areas marked for On Root vehicles, visitors, reserved, fire lanes, or required access (e.g., dumpsters) areas. If you leave your vehicle at On Root during the off-site business, you must allow it to be moved for snow plowing or emergency reasons. You may leave a key



with an Admin or another employee (providing that information to Admin). If you are hosting visitors leaving their vehicles here, you must make the necessary arrangements with an Admin.

PHONES - COMPANY LINES

Company phones are for business use. If necessary, you may make local personal calls, but personal long-distance or chargeable 'information' calls should be made with a personal phone card or credit card. You should not have lengthy personal phone conversations on company time.

PHONES - PERSONAL

You should use discretion regarding personal cell phone use and not have lengthy phone calls while on company time for both safety and payroll issues. If you must make or receive a long call or make multiple calls for a legitimate purpose, you should punch out from work time. Also, employees should not be carrying on phone conversations or texting while operating machines or performing other company work for both job safety and accuracy purposes.

SOLICITATION AND DISTRIBUTION OF MATERIALS

You may not solicit or distribute materials on On Root property except to carry out your assigned duties. Only commercial salespeople calling on On Root may come onto the property to solicit business or distribute business-related material without prior permission of management.

SANITATION AND HYGIENE STANDARDS

REPORTING OF PERSONAL HEALTH CONDITIONS

On Root has developed standard operating procedures to address the prevention of communicable diseases to products produced by or at the On Root facility. We will implement our quality control policies and procedures for medical marijuana handling, including the following parameters for reporting health conditions that might compromise the cleanliness or quality of the medical marijuana products produced by the company. These parameters are as follows:

- If any employee displays signs or symptoms of a contagious disease, illness, and skin lesions or is aware of contracture of an infectious disease or illness, they will agree to notify their manager as part of their employment agreement. Their manager will require a doctor's note stating they are no longer contagious prior to returning to work.



- If any employee displays signs or symptoms of a contagious disease or illness but does not report their possible illness, management will make an immediate decision as to whether the employee will be sent home until the illness resolves.
- If an employee has a disease or illness that is not otherwise contagious but increases the likelihood of contamination of the marijuana, management will attempt to provide tasks that present little opportunity for contamination and personal protective equipment adequate to mitigate the risk of contamination.

USE OF PERSONAL PROTECTIVE EQUIPMENT

Use of PPE is required whenever an activity or usage of material presents a risk of injury. The Occupational Safety Health Administration (OSHA) issues guidelines for activities requiring PPE. Material manufacturers are required to issue Safety Data Sheets (SDS) for the use materials they sell. SDS are required to list required PPE for the safe use of a particular material.

We will maintain SDS for every material that meets OSHA's definition of hazardous and is known to be present in the workplace in such a manner that employees may be exposed under normal conditions of use or in a foreseeable emergency. Hazardous substances are segregated into health hazards and physical hazards under OSHA Standard 1910.1200.

Health Hazard: means a chemical for which there is statistically significant evidence based on at least one study conducted in accordance with established scientific principles that acute or chronic health effects may occur in exposed employees. The term "health hazard" includes chemicals which are carcinogens, toxic or highly toxic agents, reproductive toxins, irritants, corrosives, sensitizers, hepatotoxins, nephrotoxins, neurotoxins, agents which act on the hematopoietic system, and agents that damage the lungs, skin, eyes, or mucous membranes.

Physical Hazard: means a chemical for which there is scientifically valid evidence that it is a combustible liquid, a compressed gas, explosive, flammable, an organic peroxide, an oxidizer, pyrophoric, unstable (reactive), or water-reactive.

MAINTENANCE OF PERSONAL HYGIENE

All employees and agents are required to maintain continuous acceptable hygiene standards while on duty or in the facility.

1. Hands must be washed after every entrance into a lavatory regardless of whether the toilets were used. The water must be hot (not scalding), and soap must be used. Hands must be lathered for at least 20 seconds. Then hands shall be washed until the soap has been washed away. The hands must then be dried with a clean towel or air dryer.
2. Individuals working with medical marijuana or marijuana products must wear hats or hairnets, beard nets, and nitrile gloves if their hands come in contact with marijuana.
3. Employees working with marijuana or marijuana products will be issued company work clothing to be used while working with marijuana. Work clothes must be kept clean and in good condition.



SANITATION

Proper sanitation is essential and critical to ensuring the safety of our employees and end-product consumers. Anything less than the implementation of best practices is not acceptable. We will maintain a highly sanitary operation. This will be achieved through the implementation of our 'Sanitation – Standard Operating Procedures and in accordance with the regulations, as outlined below:

- We have a water heater that is more than sufficient to handle our sanitation and cleaning regiment;
- All operational areas and rooms in our facility will have sheet-rock or concrete walls and ceilings that have been properly sealed and painted with antifungal primer and an enamel paint top-coat that is washable. The floors in these areas are constructed of wood or concrete, and we will have added a high-density washable epoxy sealant;
- Our restrooms are handicap accessible and easily accessible to employees. They fully comply with the Massachusetts State Plumbing Code and have received approval from the building inspector as indicated by our certificate of occupancy; and
- Our facility is outfitted with a hand-washing sink in the restroom. Sinks accompany effective hand-cleaning and sanitization preparations, disposable towels, air dryers, and trash receptacles.

The entrance to our facility is located in the interior of a warehouse. Therefore, there are barriers prior to entrance to our primary entrance. These three layers of walls will act as a natural barrier to pests, contaminants, and insects. In addition, we will thoroughly seal the facility with spray foam, silicone caulking, and other materials to create relatively impenetrable warehousing and distribution area. In addition, our climate control equipment and practices will help establish a non-hospitable environment for molds and fungi. Solid-waste disposal receptacles will be kept away from production and storage areas. They will be emptied daily (or as needed) to ensure that waste does not become an attractant, harborage, or breeding place for pests. All non-hazardous and non-marijuana waste will be placed in contractor garbage bags with zip ties and in our designated dumpster on the facility's exterior.

Our facility will be cleaned daily or as-needed and with proper cleaning agents. A cleaning and sanitization log will be maintained at the facility, and a description of required cleaning protocols will be maintained for each room or zone.

All toxic cleaning compounds, sanitization, and other toxic chemicals will be identified, adequately held, stored, and disposed of in a manner that protects against the contamination of marijuana. This will be implemented in accordance with all applicable local, state, and federal laws, rules, regulations, or ordinances. To minimize risk, toxic chemicals will be kept at a specific "safe-shelf" that has been designed, located, and outfitted with signage. Proper SDS (MSDS) for every chemical in the facility will be maintained according to OSHA requirements and appropriate training. We will undergo yearly Massachusetts Department of Health OSHA site assessments to ensure we administer best practices regarding employee safety. We will



contract with a waste removal company(s) to remove all toxic substances in a compliant manner.

All employees working with marijuana or marijuana products will adhere to the best hygienic practices while in the facility. This will include mandatory handwashing, clean attire, hair/beard nets, and facemasks as needed.

We will not permit the entry of any animal species into the facility, except if permitted by DBR under the Americans with Disabilities Act.

COVID-19 PROCEDURES

Employees and customers alike are expected to adhere to all COVID-19 laws and regulations.





ON ROOT

White Labeling Plan

January 2022

Our mission at On Root is to bridge the gap between consumers and cultivators. We will establish a robust, consumer-friendly e-commerce website that normalizes the cannabis shopping experience while providing safe, consistent, and reliable delivery communities.

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INTRODUCTION

On Root, LLC ("On Root") will engage in the White Labeling of Finished marijuana products and will comply with the labeling and packaging requirements under 935 CMR 500.105(5) and (6) prior to delivery to consumers.

- A. The Wholesale Agreement between On Root and the Marijuana Establishment ("ME") from which On Root is wholesaling shall indicate whether On Root or the ME licensee from which the finished marijuana product(s) are being wholesaled will be responsible for white labeling on behalf of On Root.
- B. On Root will notify the Cannabis Control Commission ("Commission") within 21 days of any substantial modification to a Wholesale Agreement that alters which licensee has responsibility for white labeling on behalf of On Root. On Root will obtain the written authorization of the Commission prior to commencing white labeling.
- C. On Root will submit the label to be used for white labeling to the Commission in accordance with 935 CMR 500.105(7).

LABEL AFFIXATION

Label affixation will vary by wholesale agreement. On Root will have the equipment needed to affix their labels if the ME the company enters a wholesale agreement is unable to provide any.

WHOLESALE AGREEMENTS

To be determined.

LABELING OF MARIJUANA PRODUCTS

LABELING OF MARIJUANA NOT SOLD AS A MARIJUANA PRODUCT

Prior to marijuana being sold or transferred, On Root will ensure the placement of a legible, firmly affixed label on which the wording is no less than 1/16 inch in size on each package of marijuana that it makes available for retail sale containing at a minimum the following information:

1. The name and registration number, telephone number, and email address of the licensee that cultivated the marijuana, together with the cultivator's telephone number, email address, and website information, if any;



2. The date that the ME packaged the contents, and a statement of which licensee performed the packaging;
3. A batch number, sequential serial number, and bar code when used, to identify the batch associated with manufacturing and Processing;
4. Net weight or volume in U.S. customary and metric units, listed in that order;
5. The complete cannabinoid profile of the marijuana contained within the package, including THC and other cannabinoid levels;
6. A statement and a seal certifying that the product has been tested for contaminants, that there were no adverse findings, and the date of testing in accordance with M.G.L. nc.94G, § 15;
7. This statement, including capitalization:
"This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breastfeeding may pose potential harm. It is against the law to drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN.";

LABELING OF EDIBLES

Prior to edibles white-labeled by licensee being sold or transferred, On Root will place a legible, firmly affixed label on which the wording is no less than 1/16 inch in size on each Edible that it prepares for retail sale or wholesale, containing at a minimum the following information:

1. The name and registration number of the marijuana product manufacturer that produced the marijuana product, together with the marijuana product manufacturer's business telephone number, e-mail address, and website information, if any;
2. The name of the marijuana product;
3. Refrigeration of the product is required, as applicable;
4. Total net weight or volume in U.S. customary and metric units, listed in that order, of the marijuana product;
5. The number of servings within the marijuana product based on the limits provided in 935 CMR 500.150(3) and the specific weight in milligrams of a serving size;
6. The type of marijuana used to produce the product, including what processing technique or solvents were used;
7. A list of ingredients, including the complete cannabinoid profile of the marijuana contained within the marijuana product, including the amount of delta-nine-tetrahydrocannabinol and other Cannabinoids in the package and each serving of a marijuana product as expressed in absolute terms and as a percentage of volume;
8. The amount, in grams, of sodium, sugar, carbohydrates, and total fat per serving;



9. The date of creation and the recommended "use by" or expiration date which may not be altered or changed;
10. A batch number, sequential serial number, and barcodes when used, to identify the batch associated with manufacturing and Processing;
11. Directions for the use of the marijuana product;
12. A statement and a seal that the product has been tested for contaminants, that there were no adverse findings, and the date of testing in accordance with M.G.L. c. 94G, § 15;
13. A warning if nuts or other known allergens are contained in the product; and
14. This statement, including capitalization:

"The impairment effects of edible products may be delayed by two hours or more. This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breastfeeding may pose potential harm. It is against the law to drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN."

LABELING OF MARIJUANA CONCENTRATES AND EXTRACTS

Prior to marijuana concentrates or extracts white-labeledwhite-labeled by On Root being sold or transferred, On Root will place a legible, firmly affixed label on which the wording is no less than 1/16 inch in size on each marijuana concentrate container that it prepares for retail sale or wholesale, containing at a minimum the following information:

1. The name and registration number of the marijuana product manufacturer that produced the marijuana product, together with the marijuana product manufacturer's business telephone number, e-mail address, and website information, if any;
2. The name of the marijuana product;
3. Product identity including the word "concentrate" or "extract" as applicable;
4. Total net weight for volume expressed in U.S. customary units and metric units, listed in that order, of the marijuana product;
5. If applicable, the number of servings in the marijuana product based on the limits provided in 935 CMR 500.150(3) and the specific weight in milligrams of a serving size;
6. The type of marijuana used to produce the product, including what, if any, processing technique or solvents were used;
7. A list of ingredients including, but not limited to, the full cannabinoid profile of the marijuana contained within the marijuana product, including the amount of delta-nine-tetrahydrocannabinol and other Cannabinoids in the package and in each serving of a marijuana product as expressed in absolute terms and as a percentage of volume, and the amount of specific additives infused or incorporate during the manufacturing process, whether active or inactive including, but not limited to,



thickening agents, thinning agents, and specific terpenes, expressed in absolute terms and as a percentage of volume.

- a. For marijuana vaporizer devices, identification of specific additives shall include, but not be limited to, any additives identified on the FDA's Inactive Ingredient Database for "respiratory (inhalation)" or "oral" routes of administration and based on dosage form as an aerosol product or inhalant. If the FDA database or its equivalent is no longer available, licensees shall use the database identified by the Commission.
 - b. For marijuana vaporizer devices produced using only cannabis-derived terpenes, the following statement: "This product was produced using only cannabis-derived terpenes."
 - c. For marijuana vaporizer devices produced using terpenes other than cannabis-derived terpenes, the following statement: "This product was produced using terpenes derived from sources other than cannabis."
8. The date of creation and the recommended "use by" or expiration date;
 9. A batch number, sequential serial number, and bar code when used, to identify the batch associated with manufacturing and Processing;
 10. Directions for the use of the marijuana product;
 11. A statement and a seal that the product has been tested for contaminants, that there were no adverse findings, and the date of testing in accordance with M.G.L. c. 94G, § 15;
 12. A warning if nuts or other Known Allergens are contained in the product;
 13. This statement, including capitalization:
"This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breastfeeding may pose potential harm. It is against the law to drive or operate machinery when under the influence of this product. "KEEP THIS PRODUCT AWAY FROM CHILDREN."

LABELING OF MARIJUANA-INFUSED TINCTURES AND TOPICALS

Prior to marijuana-infused tinctures or topicals white labeled by licensee being sold or transferred, On Root will place a legible, firmly affixed label on which the wording is no less than 1/16 inch in size on each container of marijuana-infused Tincture or topical that it prepares for retail sale or wholesale, containing at a minimum the following information:

1. The name and registration number of the marijuana product manufacturer that produced the marijuana product, together with the marijuana product manufacturer's business telephone number, e-mail address, and website information, if any;
2. The marijuana product's identity;
3. The type of marijuana used to produce the product, including what, if any, processing technique or solvents were used;



4. A list of ingredients, including the full cannabinoid profile of the marijuana contained within the marijuana product, including the amount of delta-nine-tetrahydrocannabinol and other Cannabinoids in the package and in each serving of a marijuana product as expressed in absolute terms and as a percentage of volume;
5. Total net weight or volume as expressed in U.S. customary units and metric units, listed in that order, of the marijuana product;
6. If applicable, the number of servings in the marijuana product based on the limits provided in 935 CMR 500.150(3) and the specific weight in milligrams of a serving size;
7. The date of product creation;
8. A batch number, sequential serial number, and bar code when used, to identify the batch associated with manufacturing and Processing;
9. Directions for the use of the marijuana product;
10. A statement and a seal that the product has been tested for contaminants, that there were no adverse findings, and the date of testing in accordance with M.G.L. c. 94G, § 15;
11. A warning if nuts or other Known Allergens are contained in the product; and
12. This statement, including capitalization:

"This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breastfeeding may pose potential harm. It is against the law to drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN."



EASILY RECOGNIZABLE IMAGES

Warning images are necessary to keep consumers aware of any perilous content within their purchasing product.

IMAGE INDICATING PACKAGE CONTAINS MARIJUANA



IMAGE INDICATING THE PRODUCT IS UNSAFE FOR MINORS



IMAGE OF LOGO AND NAME





ON ROOT

Plan to Restrict Access to Persons Under the Age of 21

May 2023

Our mission at On Root is to destigmatize the cannabis shopping experience by being the industry's most customer-centric company; Focusing on the user experience and environmental sustainability.

Proprietary and Confidential - Do Not Distribute

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SUMMARY

Under 935 CMR 500.002, On Root, LLC (“On Root”) will only be accessible to visitors who are 21 years of age or older with a verified and valid government-issued photo ID. Furthermore, all employees and registered agents must be 21 years of age or older, pursuant to 935 CMR 500.030. Upon entry into the premises of the marijuana establishment by an individual, visitor, or agent, a On Root agent will immediately inspect the person’s proof of identification and determine the person’s age, following 935 CMR 500.140(2).

In the event On Root discovers any of its agents intentionally or negligently sold marijuana to an individual under the age of 21, the agent will be immediately terminated, and the Commission will be promptly notified, pursuant to 935 CMR 500.105(1)(m). On Root will not hire any individuals who are under the age of 21 or who have been convicted of distribution of controlled substances to minors in the Commonwealth or a like violation of the laws in other jurisdictions, pursuant to 935 CMR 500.030(1).

Pursuant to 935 CMR 500.105(4), On Root will not engage in any marketing, advertising, or branding practices that are targeted to, deemed to appeal to, or portray minors under the age of 21 years old. On Root will not engage in any advertising, marketing, and branding utilizing television, radio, internet, mobile applications, social media, or other electronic communication, billboard, or other outdoor advertising, including sponsorship of charitable, sporting, or similar events, unless at least 85% of the audience is reasonably expected to be 21 years of age or older as determined by reliable and current audience composition data. On Root will not manufacture or sell any edible products that resemble a realistic or fictional human, animal, or fruit, including artistic, caricature, or cartoon renderings, pursuant to 935 CMR 500.150(1)(b). Following 935 CMR 500.105(4)(a)(5), any marketing, advertising, and branding materials for public viewing will include a warning stating:

For use only by adults 21 years of age or older. Keep out of the reach of children.
Marijuana can impair concentration, coordination, and judgment. Do not operate a vehicle or machinery under the influence of marijuana. Please Consume Responsibly.

Pursuant to 935 CMR 500.105(6)(b), On Root packaging for any marijuana or marijuana products will not use bright colors, resemble existing branded products, feature cartoons or celebrities commonly used to market products to minors, feature images of minors or other words that refer to products commonly associated with minors or otherwise be attractive to minors. On Roots’ website will require all online visitors to verify they are 21 years of age or older prior to accessing the website, per 935 CMR 500.105(4)(b)(13).



CHECKING ID

On Root will ask customers to verify they are 21 years of age or older upon first entry of the website. On Root plans to use third-party software to verify the user's ID is valid and 21 or over before an order is placed. The delivery agent will verify their ID upon delivery of any cannabis product and confirm the person who placed the order is the same person receiving the product. Delivery agents can ask for a secondary ID if they are unsure.

QUESTIONING THE CUSTOMER TO VERIFY ID

If an agent is suspicious on an ID, they may ask the following questions:

- What is your address?
- What is your zip code?
- What is your middle name?
- What is your date of birth?
- How old are you now?
- Do you have a second piece of ID?

CONFISCATING A FAKE ID

On Root does not have a legal duty to confiscate an ID we believe is fake and will rarely do so.

If the agent decides to confiscate an ID, we will turn it over to local law enforcement as soon as possible.

We will include:

- The name and address of our business;
- The date and time of confiscation; and
- The reason the ID was taken.





ON ROOT

Diversity Plan

May 2023

Our mission at On Root is to destigmatize the cannabis shopping experience by being the industry's most customer-centric company; Focusing on the user experience and environmental sustainability.

Proprietary and Confidential - Do Not Distribute

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SUMMARY

On Root, LLC (“On Root”) is a minority-owned business. On Root will strive to be a diversity trailblazer in the Massachusetts cannabis industry by continuously maintaining our diversified leadership and promoting equity amongst our employees.

Our diversity plan will help us achieve our business and people goals. It provides a shared direction and commitment for the organization to respect and value our diverse workforce and build a more inclusive workplace. It comprises three key goals and identifies our priorities and actions over the coming years. It outlines the goals, programs, and progress and measures success.

GOALS

INCREASE DIVERSITY IN THE CANNABIS INDUSTRY

On Root recognizes the mental barriers placed on minorities to enter the cannabis industry. We are dedicated to changing this mindset and increasing diversity in the industry by providing opportunities, training, knowledge, materials, and real-life experience in operating and administering a cannabis business.

MAINTAIN A DIVERSE STAFF

Diversity within our organization is very important to the owners and managers of On Root. Our employment goal is to have staff be:

- 75% people of color, particularly Black, African American, Hispanic, Latinx, and Indigenous people;
- 40% Women;
- 25% Veterans;
- 10% persons with disabilities; and
- 20% individuals who identify as LGBTQ+.



WORK WITH OTHER DIVERSE BUSINESSES

On Root understands the challenges of running a diverse business. Supporting diverse businesses will be a priority of ours. Our relationships and contracts will be established with:

- 20% of all contracts with businesses that are majority-owned or managed by Women;
- 50% of all contracts with businesses that are majority-owned or managed by minorities;
- 20% of all contracts with businesses that are majority-owned or managed by veterans;
- 15% of all contracts with businesses that are majority-owned or managed by persons with disabilities; and
- 15% of all contracts with businesses that are majority-owned or managed by individuals who identify as LGBTQ+.

PROGRAMS

CANNABIS: YES YOU CAN SEMINAR

The On Root team realizes the importance of providing customized, comprehensive training programs to communities with historically high arrest, conviction, and incarceration rates related to cannabis crimes. With this in mind, we will host a once-a-year seminar to help those from diverse backgrounds. The goal is to have at least 25 people attend this seminar to learn, grow, and leave, believing that they, too, can make a difference in this industry.

We will advertise the event in the Lynn community's local newspaper (The Daily Item) and community center (Centerboard Inc). Our website and social media accounts (Facebook, Instagram, LinkedIn, Twitter) will also be a source of advertisements. The ad will target people of all backgrounds to create a diverse environment.

At each educational seminar, On Root will provide guidance on the SEP and Marijuana Establishment (ME) licensure application process. In addition to these seminars' skill development opportunities, On Root will facilitate future mentorships, networking, and peer support events.

This seminar will cover the following topics (not limited to):



- How to start a cannabis business;
- Steps to building an e-commerce platform;
- Policy advocacy; and
- Finding job opportunities in the cannabis industry.

METRICS

- **Number of Seminars Held:** This straightforward metric tracks the number of seminars conducted per year. This helps measure our commitment to providing educational resources for underrepresented communities.
- **Participant Demographics:** We will collect anonymous demographic information from seminar attendees, such as their racial/ethnic background, gender, and socio-economic status. This data helps us understand if we are effectively reaching diverse groups.
- **Attendee Numbers:** Tracking the total number of attendees as well as changes in attendance over time can provide insights into the seminar's popularity and the community's interest level.
- **Post-seminar Surveys:** Surveys can capture participant satisfaction, insights gained, and potential areas for improvement. We can use the survey results to refine future seminars.
- **Follow-up Success Stories:** Tracking the success of participants who later enter the cannabis industry can be a powerful testament to the seminar's effectiveness. This could be measured through periodic follow-up surveys or direct communication with attendees who opt in for this contact.
- **Community Engagement:** This can be measured through social media shares, mentions, comments, or other forms of engagement related to the seminar. High community engagement often suggests a successful and well-received event.

ON ROOT JOB FAIR

On Root will hold an annual job fair to give applicants and the On Root team a chance to meet one another, establish professional relationships, and discuss potential job opportunities.

We will advertise the event in the Lynn community's local newspaper (The Daily Item), and community center (Centerboard Inc). Our website and social media accounts (Facebook, Instagram, LinkedIn, Twitter) will also be a source of advertisements. The ad will target people of all backgrounds to create a diverse environment.



METRICS

- **Number of Job Fairs Held:** This is a simple metric to measure our commitment to promoting diversity in hiring. We aim to host these fairs regularly, and tracking the number held will demonstrate our consistency.
- **Participant Demographics:** Collecting anonymous demographic data from job fair attendees (with their consent) will help us determine if we're effectively attracting diverse talent. This might include data on race/ethnicity, gender, and socio-economic status, among others.
- **Number of Attendees:** Measuring the total number of participants and any changes in attendance over time can provide insights into the job fair's reach and effectiveness.
- **Number of Job Applications Received:** This metric is an indicator of how many attendees are actively seeking employment and can demonstrate the fair's success in encouraging job seekers to apply.
- **Number of Job Offers Made:** This measures how many attendees from the job fair were extended job offers, which directly ties to our goal of maintaining a diverse staff.
- **Retention Rates of Hires from the Job Fair:** Tracking how long employees sourced from the job fair stay with the company can help assess the quality of the matches made during the fair.
- **Attendee Feedback:** Post-event surveys can capture attendee satisfaction, perceived value, and areas of improvement for future job fairs.

DIVERSE PARTNERSHIPS

On Root's Diverse Partnerships Program will target and prioritize relationships with businesses from diverse backgrounds according to the CCC's guidelines. We will utilize the Massachusetts Supplier Diversity Office, CCC's public documents, referrals, and other resources to find and engage with qualified wholesale suppliers, vendors, and other contractors mostly owned or managed by diverse individuals.

METRICS

- **Partnerships Formed:** We will keep track of the number of partnerships we establish with Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs), and Veteran-Owned Small Businesses (VOSBs). Our goal is to continuously grow this number as a testament to our commitment to diversity.



- **Business Expenditure Towards Diverse Partnerships:** We aim to dedicate a significant portion of our business expenditure towards contracts with diverse businesses. By tracking and gradually increasing this percentage, we hope to make a substantial impact on these businesses.
- **Diversity Within Our Partner Organizations:** We will conduct regular evaluations of the diversity within the organizations we partner with. This includes aspects such as race/ethnicity, gender, and veteran status of their workforce, thereby ensuring we're fostering true diversity in our ecosystem.
- **Successful Outcomes from Partnerships:** We are committed to seeing our partners grow. We'll track key metrics like increased revenue, expanded customer base, and other signs of growth to ensure our partnerships are mutually beneficial.
- **Diversity Certifications of Our Partners:** We'll aim to partner with businesses that hold official diversity certifications. This helps validate their status and strengthens our commitment to diversity.
- **Partner Feedback:** To improve and keep our partnerships strong, we'll regularly solicit and review feedback from our partners. This will help us identify areas of improvement and ensure their satisfaction.



ACKNOWLEDGMENTS

- The applicant acknowledges and is aware and will adhere to the requirements outlined in 935 CMR 500.105(4) and 935 CMR 501.105(4), which provide the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every ME and MTC, respectively;
- Any actions taken, or programs instituted, will not violate the Commission's regulations concerning limitations on ownership or control or other applicable state laws.

