



# Massachusetts Cannabis Control Commission

## Public Record Request

### Marijuana Retailer

#### General Information:

License Number: MR282088  
Original Issued Date: 07/01/2020  
Issued Date: 07/01/2020  
Expiration Date: 07/01/2021  
Payment Received: \$10000      Payment Required: \$10000

### ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Royalty Group, LLC.  
Phone Number: 978-479-9772      Email Address: andrea.royaltygroup@gmail.com  
Business Address 1: 279 Tremont St.      Business Address 2:  
Business City: Boston      Business State: MA      Business Zip Code: 02116  
Mailing Address 1: 279 Tremont St.      Mailing Address 2:  
Mailing City: Boston      Mailing State: MA      Mailing Zip Code: 02116

### CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

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

### PRIORITY APPLICANT

Priority Applicant: no  
Priority Applicant Type: Not a Priority Applicant  
Economic Empowerment Applicant Certification Number:  
RMD Priority Certification Number:

### RMD INFORMATION

Name of RMD:  
Department of Public Health RMD Registration Number:  
Operational and Registration Status:  
To your knowledge, is the existing RMD certificate of registration in good standing?:  
If no, describe the circumstances below:

### PERSONS WITH DIRECT OR INDIRECT AUTHORITY

Date generated: 10/16/2020

#### Person with Direct or Indirect Authority 1

Percentage Of Ownership: 51      Percentage Of Control: 51

Role: Owner / Partner      Other Role:

First Name: Andrea      Last Name: Pearce      Suffix:

Gender: Female      User Defined Gender:

What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French)

Specify Race or Ethnicity:

#### Person with Direct or Indirect Authority 2

Percentage Of Ownership: 49      Percentage Of Control: 49

Role: Owner / Partner      Other Role:

First Name: Brandon      Last Name: Warren      Suffix:

Gender: Male      User Defined Gender:

What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French)

Specify Race or Ethnicity:

#### Person with Direct or Indirect Authority 3

Percentage Of Ownership:      Percentage Of Control:

Role: Manager      Other Role:

First Name: Eric      Last Name: Alpert      Suffix:

Gender: Male      User Defined Gender:

What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French)

Specify Race or Ethnicity:

#### Person with Direct or Indirect Authority 4

Percentage Of Ownership:      Percentage Of Control:

Role: Manager      Other Role:

First Name: Mark      Last Name: Taylor      Suffix:

Gender: Male      User Defined Gender:

What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French)

Specify Race or Ethnicity:

### ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

#### Entity with Direct or Indirect Authority 1

Percentage of Control: 100	Percentage of Ownership: 100	
Entity Legal Name: Royalty Group LLC	Entity DBA: Tree Star	DBA City: Boston
Entity Description: Self		
Foreign Subsidiary Narrative:		
Entity Phone: 978-479-9772	Entity Email: andrea.royaltygroup@gmail.com	Entity Website: www.royaltygroupllc.com
Entity Address 1: 279 Tremont St	Entity Address 2:	
Entity City: Boston	Entity State: MA	Entity Zip Code: 02116
Entity Mailing Address 1: 279 Tremont St	Entity Mailing Address 2:	

Entity Mailing City: Boston

Entity Mailing State: MA

Entity Mailing Zip Code:

02116

Relationship Description: Royalty Group LLC contributing to self for funding

#### CLOSE ASSOCIATES AND MEMBERS

No records found

#### CAPITAL RESOURCES - INDIVIDUALS

##### Individual Contributing Capital 1

First Name: Louis

Last Name: Delpidio

Suffix:

Types of Capital: Debt

Other Type of Capital:

Total Value of the Capital Provided: \$282021

Percentage of Initial Capital: 49

Capital Attestation: Yes

#### CAPITAL RESOURCES - ENTITIES

##### Entity Contributing Capital 1

Entity Legal Name: Royalty Group LLC

Entity DBA: Tree Star

Email: andrea.royaltygroup@gmail.com

Phone: 978-479-9772

Address 1: 279 Tremont St

Address 2:

City: Boston

State: MA

Zip Code: 02116

Types of Capital: Monetary/Equity

Other Type of Capital:

Total Value of Capital Provided: \$14192.45

Percentage of Initial Capital: 100

Capital Attestation: Yes

#### BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

No records found

#### DISCLOSURE OF INDIVIDUAL INTERESTS

No records found

#### MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Establishment Address 1: 425 Middlesex Rd.

Establishment Address 2:

Establishment City: Tyngsborough

Establishment Zip Code: 01879

Approximate square footage of the establishment: 4500

How many abutters does this property have?: 17

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

#### HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Certification of Host Community Agreement	Royalty Group LLC Tyngsborough Retail CCC Host Agreement Certification Form 2 4_2_19.pdf	pdf	5d0aa5b8622b7c1357f72999	06/19/2019
Community Outreach Meeting Documentation	Royalty Group LLC Tyngsborough Retail CCC Community Outreach Meeting Attestation Form 4_11_19.pdf	pdf	5d0aa6681dae681319ceb7f9	06/19/2019
Community Outreach Meeting Documentation	LEGAL ROYALTY GROUP APR 3 LOWELL SUN.pdf	pdf	5d0aa67b69291617ba8615d1	06/19/2019
Community Outreach	RG Lowell Sun Legal Notice for 4_11_19 outreach meeting	pdf	5d0aa697624ce5135e92769d	06/19/2019

Meeting Documentation	OrderConf - 2019-04-01T151739.671 4_1_19.pdf			
Community Outreach Meeting Documentation	Royalty Group LLC Tyngsborough Retail CCC Community Outreach Meeting Attestation Form Attachment A 4_11_19.pdf	pdf	5d0aa6b713edb917cc1fe77e	06/19/2019
Community Outreach Meeting Documentation	Royalty Group LLC Tyngsborough Retail CCC Community Outreach Meeting Attestation Form Attachment B 4_11_19.pdf	pdf	5d0aa712bbb965134133cf2f	06/19/2019
Community Outreach Meeting Documentation	Royalty Group LLC Tyngsborough Retail CCC Community Outreach Meeting Attestation Form Attachment C 4_11_19.pdf	pdf	5d0aa723622b7c1357f729a6	06/19/2019
Plan to Remain Compliant with Local Zoning	Royalty Group, LLC. Tyngsborough Retail Plan to Remain Compliant with Local Zoning.pdf	pdf	5d0aa91933099617d79464c5	06/19/2019
Community Outreach Meeting Documentation	Tyngsborough Marijuana Retailer Outreach Presentation 425 Middlesex.pdf	pdf	5d0aa9b933099617d79464cb	06/19/2019
Certification of Host Community Agreement	Royalty Group Town of Tyngsborough executed 425 Middlesex HCA Addenda 1 3_25_19.pdf	pdf	5d0aaa67fe6a8617e208fdbd	06/19/2019
Certification of Host Community Agreement	Royalty Group Town of Tyngsborough executed 425 Middlesex HCA 3_25_19.pdf	pdf	5d0aaaf6624ce5135e9276b5	06/19/2019

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
Other	Royalty Group LLC Boston Asian Youth Essential Service Donation Letter 10_23_19 .pdf	pdf	5e28c15bfe55e40432f6c8b1	01/22/2020
Other	RG CCC Donation Letter Boch Foundation 10.18.19.pdf	pdf	5e28c18769dc9d0456db4f14	01/22/2020
Plan for Positive Impact	Plan for Positive Impact - Royalty Group, LLC - January 2020.pdf	pdf	5e28c2ae69dc9d0456db4f1a	01/22/2020

#### ADDITIONAL INFORMATION NOTIFICATION

Notification: I understand

#### INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

Role: Owner / Partner	Other Role:
First Name: Andrea	Last Name: Pearce    Suffix:
RMD Association: Not associated with an RMD	
Background Question: no	

Individual Background Information 2

Role: Owner / Partner	Other Role:
First Name: Brandon	Last Name: Warren    Suffix:
RMD Association: Not associated with an RMD	



Background Question: yes

#### Individual Background Information 3

Role: Other (specify)

Other Role: CPA

First Name: Mark

Last Name: Taylor Suffix:

RMD Association: Not associated with an RMD

Background Question: no

#### Individual Background Information 4

Role: Manager

Other Role:

First Name: Eric

Last Name: Alpert Suffix:

RMD Association: RMD Manager

Background Question: no

#### Individual Background Information 5

Role: Other (specify)

Other Role: Initial Capital Contributor through Loan

First Name: Louis

Last Name: Delpidio Suffix:

RMD Association: Not associated with an RMD

Background Question: no

#### ENTITY BACKGROUND CHECK INFORMATION

No records found

#### MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Articles of Organization	Royalty Group, LLC Certificate of Organization.pdf	pdf	5c0b20b852a57c1797efdabe	12/07/2018
Secretary of Commonwealth - Certificate of Good Standing	Royalty Group LLC SOS MA Certificate of Good Standing 11_26_18.pdf	pdf	5c0b2119145bca17a1f4c353	12/07/2018
Department of Revenue - Certificate of Good standing	Royalty Group, LLC DOR Certificate of Good Standing.pdf	pdf	5c0b222ab8b5131765719f9c	12/07/2018
Bylaws	Royalty Group LLC Operating Agreement FINAL 12_19_18.pdf	pdf	5c1acab31c24a8722ab9b076	12/19/2018

No documents uploaded

Massachusetts Business Identification Number: 001147448

Doing-Business-As Name: Tree Star

DBA Registration City: Boston

#### BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Proposed Timeline	Royalty Group, LLC Tyngsborough Retail Proposed Timeline.pdf	pdf	5c0b32767579041fd5c680a5	12/07/2018
Business Plan	Royalty Group LLC Tyngsborough Retail Business Plan.pdf	pdf	5c12e2d77d12851fdf98d229	12/13/2018

Plan for Liability Insurance	Royalty Group LLC Plan to obtain liability insurance 9_2019.pdf	pdf	5d8e9c482e767115bf4370e6	09/27/2019
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## OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan for obtaining marijuana or marijuana products	RG_RA_001_PLAN FOR OBTAINING.pdf	pdf	5c1039255e6ec11ff38112f2	12/11/2018
Separating recreational from medical operations, if applicable	RG_RA_002_SEPARATING OPERATIONS.pdf	pdf	5c103957868cbd200705dd77	12/11/2018
Restricting Access to age 21 and older	RG_RA_003_RESTRICTING ACCESS.pdf	pdf	5c1039621fb80f201103cd42	12/11/2018
Prevention of diversion	RG_RA_005_PREVENTION OF DIVERSION.pdf	pdf	5c1039807579041fd5c684b7	12/11/2018
Storage of marijuana	RG_RA_006_STORAGE.pdf	pdf	5c1039977d12851fdf98cf4e	12/11/2018
Inventory procedures	RG_RA_008_INVENTORY.pdf	pdf	5c1039bd5e6ec11ff38112f6	12/11/2018
Personnel policies including background checks	RG_RA_011_PERSONNEL POLICY.pdf	pdf	5c1039fb1fb80f201103cd46	12/11/2018
Record Keeping procedures	RG_RA_012_RECORDKEEPING.pdf	pdf	5c103a0b5e6ec11ff38112fa	12/11/2018
Maintaining of financial records	RG_RA_013_MAINTAINING OF FINANCIAL RECORDS.pdf	pdf	5c103a1d3f3b1b178d9cfe7a	12/11/2018
Security plan	RG_RA_004_SECURITY PLAN.pdf	pdf	5d8e9642b107e415ca90f1fe	09/27/2019
Transportation of marijuana	RG_RA_007_TRANSPORTATION.pdf	pdf	5d8e96461b7a141b1db82f2c	09/27/2019
Quality control and testing	RG_RA_009_QC & TESTING.pdf	pdf	5d8e96484e842f1b123baa78	09/27/2019
Dispensing procedures	RG_RA_010_DISPENSING PROCEDURES.pdf	pdf	5d8e9649c1702815d521a0af	09/27/2019
Qualifications and training	RG_RA_015_QUALIFICATIONS & TRAINING.pdf	pdf	5d8e964c79b12e15e03d8be3	09/27/2019
Security plan	Royalty Group LLC Emergency Contact List as of Sept 2019.pdf	pdf	5dd86f32160e3b57a3dd3a74	11/22/2019
Diversity plan	RG_RA_014_DIVERSITY PLAN_1 - Feb 2020.pdf	pdf	5e45ce2f7b9883042b372503	02/13/2020

## MARIJUANA RETAILER SPECIFIC REQUIREMENTS

No documents uploaded

No documents uploaded

## 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 Understand

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.:

#### ADDITIONAL INFORMATION NOTIFICATION

Notification: I Understand

#### 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 PM
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: 6:00 PM



A MASSACHUSETTS ADULT-USE RECREATIONAL  
BEST-IN-CLASS CANNABIS COMPANY  
ESTABLISHED 2014

ROYALTY GROUP LLC  
279 TREMONT STREET  
BOSTON, MA  
(978) 479- 9772

**DISCLAIMER AND MASSACHUSETTS ADULT-USE REGULATIONS OVERVIEW**

ANY OFFERING OR SOLICITATION will be made only to qualified prospective investors pursuant to this confidential investor summary, which should be read in its entirety. All statements made herein are to the best knowledge of the Company's management. Some of the statements and projections contained herein are forward looking in nature and involve risks and uncertainties. These forward-looking statements include statements about the Company's plans, objectives, expectations, intentions and assumptions that are not statements of historical fact. The Company's actual results and the timing of events may differ significantly from expectations. You should not place undue reliance on any forward-looking statements.

With the development of a twenty-five-person advisory board, and a five-person commission, the Cannabis Control Commission began developing its regulations in full view of the public and after public comment successfully promulgated those regulations as 935 CMR 500. Building off of many of the hallmarks of the medical marijuana law, the adult use regulations in Massachusetts are some of the strictest in the nation, with security processes and requirements that far exceed many other states. These strict processes act to both prevent Federal intervention but protect both the public and the operator from unfortunate security events. Every aspect of operating a cannabis business must be incorporated into standard operating procedures that ensure compliance with all regulations. These clearly written regulations to follow makes compliance simple and clearly distinguishes legal from illegal activity in the eyes of law enforcement. With model regulations on everything from laboratory testing to marketing rules, Massachusetts body of adult-use cannabis regulations are some of the best in the nation.

The adult use cannabis industry in the Commonwealth is ripe for investment because Massachusetts has strict regulations and is affluent and densely populated with many consumers of cannabis. New Frontier Data has predicted that Massachusetts will be the 5th largest market in the United States by 2025. Being located in between many other densely populated states that are not set to legalize cannabis for adult use means that additional consumers will be purchasing cannabis in Massachusetts for some time. Cannabis data and investment firms ArcView Market Research and New Frontier have predicted the Commonwealth will be a bastion of "canna-tourism" in the Northeast. These same firms projected that revenues from the sale of adult use cannabis could be more than \$900 million in 2020 when combined with medical marijuana sales could exceed one billion dollars. Difficulty with the local zoning process and municipal bans on adult use cannabis will keep many areas of the state void of cannabis establishments for some time. This limited market access to entrepreneurs is another reason that investing in Massachusetts is a great idea. Challenges to finding locations because of municipal limits on marijuana establishments should ensure a robust market for those business that do get licensed and begin operations. With well-established cannabis advocacy groups and a population that is friendly towards cannabis use, the Commonwealth is one of the best states to invest in the adult use cannabis industry.

**OUR MISSION** - To better the lives of others through collaborations with the industry bests, calculated risk-taking, accountability, science and research, and creating a collective culture orientated business model, so all those involved in the organization can be proud to work for a company that contributes to the positive impact on industry, communities and the local societies we impact.

**OUR VISION** - To be the change we wish to see in business and in the cannabis industry space, through collaborating in cultivating and manufacturing the highest quality products with the best producers in the industry and providing a vast array of use and delivery methods, which will contribute to a strong bottom line for the company and a brand that consumers can relate to.

### **EXECUTIVE SUMMARY**

Founded in 2014, Royalty Group, LLC and its team have been hard at work for over four years, preparing to apply for licensure as a for profit cannabis establishment in the Commonwealth. Made up of local residents in New England, Royalty Group represents a new kind of cannabis establishment. The kind of cannabis establishment that is a community driven organization that seeks to better the municipalities in which we serve. Our operations will encompass goodwill agreements, educational opportunities and the creation of high paying jobs with benefits.



Royalty Group LLC is a woman owned business that was formed as a value-based, competent, and forward-thinking company focused on curating an organization that goes beyond industry standards in production, formulation, and consumer products, collaborating with the best in their fields. We hold the vision of creating a “best-in-class” company that seeks to grow and manufacture the highest quality cannabinoid-based products in collaboration with the industries best producers, utilizing the cleanest and most efficient technologies available in the global cannabis market. Through legalized use and in conjunction with developing adult-use products, we seek to further science, technology, and education surrounding cannabis-based products, therapies and applications, while contributing to a solution for the cancer and opioid epidemics that have come into our society today.



Our team is comprised of a multifaceted group of professionals whom are dedicated to providing the highest quality products, experience, and customer service to cannabis consumers, all while integrating our processes with the best in industry growers, producers and manufacturers. We strive to enhance the lives of our consumers, while shifting the perception of cannabis use as a viable and safe alternative for an array of uses and conditions, as well as provide quality products to adult-use recreational consumers for general consumption. Royalty Group’s focus is on creating an innovative cultivation facility specializing in high end cannabis strains for the everyday consumers and cannabis products of the highest quality, produced by a team of highly



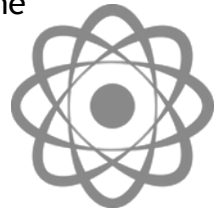
skilled industry professionals. We will be an organization who holds adult use and a medical cannabis license and we are building an organization that can combine all its best qualities and offer customers both medical and adult-use choices, allowing us unlimited opportunities in the cannabis industry. Royalty Group also plans to hire individuals with drug CORI records and individuals from communities of disproportionate impact as determined by the commission to ensure that we are having a positive impact on those harmed most by marijuana prohibition.

Royalty Group is a Massachusetts for profit corporation that will be a state-licensed cultivator and manufacturer of cannabis-containing products, to adult consumers over the age of 21, structured following the laws and guidelines governed by the state of Massachusetts. Our team vision is to build quality retail outlets that include hands on service and retail assistance and a high-speed brick & click retail model in the newly emerging industry of adult-use cannabis, for the consumer that knows what they want.

In order to effectively grow with the industry as it develops in Massachusetts, our company has implemented an effective action model for strategic planning, and a flexible business model that can be altered or changed depending on the direction of the company. Our team collectively believes that the adult-use high speed retail model in Massachusetts is the best pathway forward for our business. We anticipate and will be preparing for sales goals of over \$20 million a year over the next 5 years and will be part of the new industry for many years to come



As an emerging company in a new industry, we have the unique opportunity of changing the workplace culture and creating an organization that focuses on cannabis consumer needs, as well as the needs of the communities we operate in. We understand the value of people and the impact a business can have in their communities and in the world. We are creating environments where the company, the industry's best, the people, the community, and the customers can all thrive. Royalty Group LLC is innovative, conscious, authentic, and has a higher purpose as well as making significant profits.



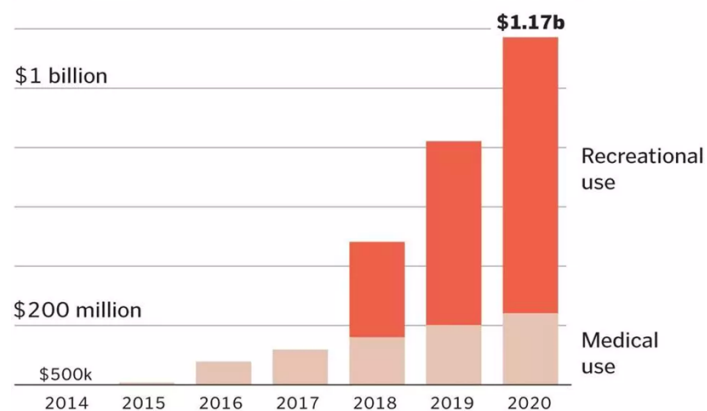
## **PORTFOLIO**

ROYALTY GROUP, LLC is pleased to present this extraordinary opportunity to invest in a portfolio of compelling cannabis retail, manufacturing, and cultivation assets that exist in the Massachusetts market which typically maintains a high barrier to entry for reasonable prices. Our portfolio consists of cannabis retail locations in Boston and Tyngsborough Massachusetts as well as a manufacturing and cultivation center in Tyngsborough, Massachusetts.

This portfolio consists of assets being acquired at attractive valuations based on excellent locations that show the potential for strong cash flows, even with the conservative assumptions used in underwriting. The portfolio includes two extremely high barriers to market entry, Tyngsborough and Boston Massachusetts. These high barrier to entry markets in Massachusetts (Tyngsborough, \$400k and Boston, \$500k) is higher than in the other markets around the state, but both offer attractive returns and high market value to the overall portfolio.

## **Marijuana market growth**

Projected value of marijuana sales in Massachusetts if legalized



SOURCE: ArcView Market Research and New Frontier

GLOBE STAFF

## **MARKET OVERVIEW**

Royalty Group will cater to the rapidly expanding population of Massachusetts adult consumers who wish to access regulated, safe, and consistent supplies of cannabis, edibles, oils, and related products. We will also cater to and grow our operations for the adult use market that is emerging. Tree Star Greens locations will be the retail outlets where consumers can acquire their products following regulations allowing for



compliant operations in both markets, following the guidelines set in place to protect patient supplies and making sure that each market is paid attention to as it grows.

### **KEY CUSTOMERS**

Customers include adult use consumers over the age of 21. Consumers will be made up of a wide variety of customers, some who are looking for an alternative choice for their wellbeing and those that wish to use cannabis in a responsible manner and consumer tested, clean, safe products.

### **CUSTOMER DEVELOPMENT PLAN**

As soon as Royalty Group and its affiliated facilities are established and opened within the community, rapid word-of-mouth marketing between consumers will occur. This will generate a prominent customer base for the sales of the adult use and allow us to set up the company for planning how to reach our customers. Our company will develop and establish a comprehensive a customer outreach program that will act both individually, and in conjunction with other dispensaries. We also have the opportunity to work with industry information specialists who work with dispensaries to be sure to include companies' profiles on their websites so customers know if each location.

**\$660K/5 year lease  
on retail parcel**

*lease paid in advance*

**\$11K/month on  
parking lot parcel**

Currently 4 parcels of land, will  
combine into 2 leased properties  
3 +/- acres total

Removal of home on property  
Build 2 story, 4500 sq.ft retail  
store for adult-use and medical  
sales

Lot adjacent to store to be leveled  
and paved providing estimated  
60+ parking spots to handle traffic

**First Floor:**

Open concept retail space,  
bathrooms, consult room for  
medical patients, registers, storage

**Second Floor:**

Offices, employee kitchen,  
meeting room

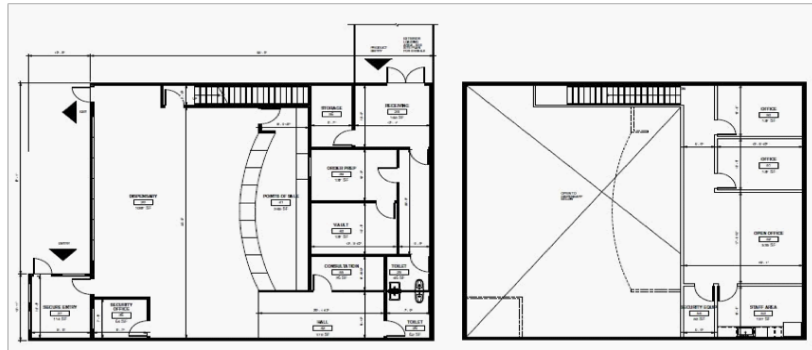
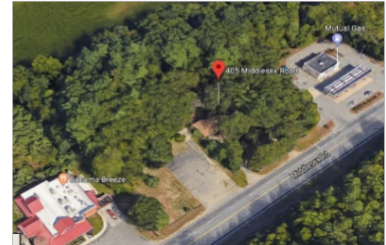
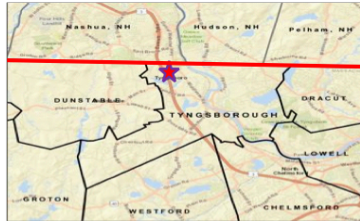
***Estimated \$15M/yr revenue***



**“TREE STAR”**

**TYNGSBOROUGH MA - NH BORDER**

**ADULT-USE REC & MEDICAL CANNABIS RETAIL  
STORE LOCATION**



**405-409 Middlesex Road, Tyngsborough, MA**

**Features Include:** 1500 feet from the NH border,  
land zoned for cannabis retail and viable for buildout  
of retail store. Large enough to provide ample  
parking to address high traffic issues. Located off  
first exit entering MA, off of hwy Route 3, which  
also connects to 495 and 95.

**Additional Information:** Zoning approved. Only 1  
of 2 retail stores located in the town. Royalty Group  
has received their Host Community Agreement for  
this location. Provisional license application with the  
State of MA has been submitted for this location.

*Please call to arrange a private viewing*

Andrea Pearce **978-479-9772**

andrea.royaltygroup@gmail.com

### **Tyngsborough Massachusetts Retail Location**

- Lease of 3 +/- acres for retail store and parking lot
- 25-year lease, (4) 5-year options, NNN
- Plans to demo existing house, build 2 story, 4500 sq. ft. retail location on land, level and expand existing parking lot parcel beside home and built drive in/ drive out parking lot with 60+ space parking lot
- Executed Host Community Agreement for location, provisional licensing submission December 10, 2018

### **Tyngsborough Retail Capital Requirements**

- Land lease retail parcel, upfront five years of rent \$660,000/ monthly parking lot rental \$11,000/month
- Land clearing and buildout (Estimated Total Expense \$1,500,000)
- First six months of operating expenses, including 6-months lease payments (Estimated Total Expense \$600,000)

**Tyngsborough Retail Estimated Total Capital Requirements: \$2,826,000**

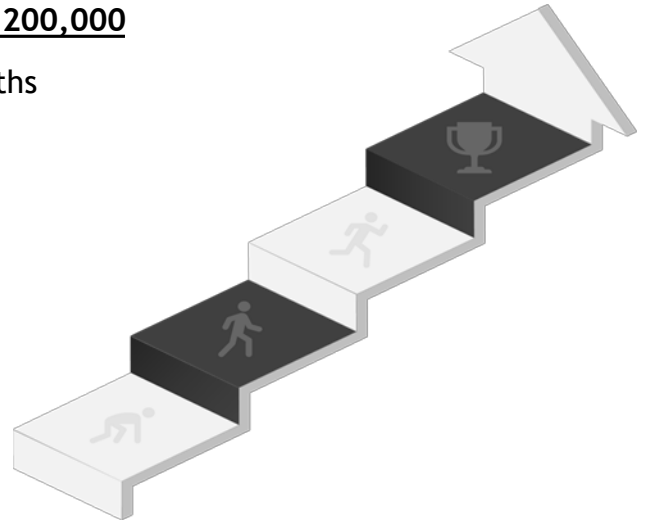


### **PROJECT GOALS & PHASES**

### **PHASE 1 - Estimated \$200,000**

Timeline: 4 Months

- FORMATION OF ENTITIES
- BUSINESS CONSULTANTS
- PRELIMINARY LOCAL APPROVALS
- LOCAL PERMITTING & AGREEMENTS
- COMMUNITY OUTREACH MEETINGS
- LICENSE APPLICATIONS FOR RETAIL, CULTIVATION AND MANUFACTURING
- SPECIAL PERMITS
- ENGINEERING FOR PRESENTATIONS
- ARCHITECTS FOR PRESENTATIONS



### **PHASE 2 - Estimated \$2,826,000**

Timeline: 10 Months

- TYNGSBOROUGH RETAIL BUILDOUT / \$2.826M

### **TREE STAR LIFESTYLE BRAND**

The Royalty Group team has successfully acquired, and achieved municipal support for three separate locations, including those in this portfolio. Royalty Group, was established in 2014 and already has earned a reputation as an interesting and innovative lifestyle brand to watch in the local Massachusetts cannabis industry. We are branding our Tree Star name in a holistic, positive energy lifestyle which will bring an added connection to the consumer to our products for which they will choose over other main stream products.

Royalty Group's approach to cannabis is designed to better meet the needs of customers and patients who seek a modern, clean, safe and professionally managed facility for obtaining quality products. General differentiators that appeal to adult consumer customers and patients will include the following:

- **HIGHER QUALITY & VARIETY OF PRODUCTS** The key to higher sales and business popularity lies within the quality and variety of products offered. Customer buying patterns have revealed that customers prefer have a wide variety of "base" and "exotic" strands to choose from. Our management team will focus on selecting, testing, and distributing safe, high-quality cannabis grown with organic processes. Cannabis will be rigorously tested for contaminants, to determine potency, and recreational properties.
- **SERVICE ORIENTATION** Aside from offering a wide variety of strains in different forms such as concentrates and edibles, we are offering top-notch customer

service is a highly effective way of combating competition. Our staff will be comprised of industry professionals who are well educated on best standards and practices and are capable of providing the highest quality of care. Our company is dedicated to service quality and providing a high degree of information to patients in both a consultative and group format.

- **FOCUS ON CUSTOMERS NEEDS** Royalty Group emphasizes on lifestyle branding for adult use consumers and health and healing for the medicinal consumers – not the drug culture. We are a member-focused community of business professionals whose mission is to give adult use consumers a variety of products with a choice in branding from Royalty Group's Tree Star brand and help our patients heal, obtain safe medicine, and achieve the highest possible quality of life with our innovative developed products.
- **RELIANCE ON INFORMATIVE MERCHANDISING** Royalty Group will take a personalized approach to serving customers so service is tailored and matched to individual needs and wants. This includes giving customers a variety of choices in neatly arranged cases, product display utilizing electronic applications for scanning for information or product purchasing, sales personnel to work with each individual on what we are offering and help them make their choices, packaging products in attractive and labeled informative containers, and allowing customers to see product up close while making a purchase decision.
- **USE OF CURRENT TECHNOLOGY** We will utilize point-of-sale software and bar/coding technology to help manage its transactions, accounts, security, and track inventory. This technology provides more information and personalized control to help us make informed decisions about how to better serve patients. All retail locations will have hands on sales personnel with tablets that contain all products, product information and ordering capabilities. A customer can order all their products with the sales representative on the tablet and then go to the cashier counter and have their products there waiting for them and all that is left to do is pay for the purchase.



## **PRODUCTS & PRODUCT LINES**

A brand is an ongoing experience and concept that customers associate with a company. Consumers demand a tangible, relatable and value-driven experience with cannabis companies and the products they provide. How our business will meet demand is a key factor in building the Tree Star Greens brand. Brand and product success require a great deal more work than most companies realize. Brand and product success require a dedication of the leadership and the staff to ensure the brand is consistent and aligned across all touch-points customers have with Royalty Group, Tree Star Greens. This includes:

- Packaging
- Social Media Channels
- Advertising
- Public Relations/Publicity
- Sales
- Marketing
- Customer Service
- Thought Leadership

## **ABOUT ROYALTY GROUP LLC**

### **A “BEST-IN-CLASS” CANNABIS BUSINESS**

Royalty Group was formed from the vision of creating an organization that is known as a “best-in class” cannabis company, based in the heart of the emerging cannabis industry including scientific research and development. Our vision, mission and purpose in the cannabis industry is to form an organization that will provide high quality, safe and specifically designed products for those looking for an alternative choice in adult use of cannabis or for a better quality of life if needing it for medicinal purposes.

Our cannabis facilities will be designed to be in compliance with FDA, ISO and OSHA regulations, so to be able to provide a safe, clean, non-toxic processing environment. The organization is a collaboration of people who share the core value of making a difference in people’s lives, creating medicine that will help the greater good of those who need a better quality of life and people who want a part in working for a cause that helps patients living with a disease or illness. The team and all the partners involved in the structure of the organization, have specific skill sets and are involved to maximize these skills and implement them in this industry towards innovative work. From scientists, to the cultivators, to geneticists, to the C-Suite, to the facilities personnel and employees, everyone has a specific role that will be the foundation of the organization and provide value to the industry and hold our place in it. We are creating an organization that has an energy and flow for all those involved

that share the same vision and the more successful we are, the more the greater good is served.

We are an honest, transparent, competent, inspiring and forward-thinking company on this venture.. The most important role of vision within our organizational lifetime will be to give focus to the greater good of human health, wellness and energy. The organization will be a business with a conscience and emotional intelligence that will be structured to significantly contribute to the science side of the industry and creating a new standard of operations for longevity in the years to come, as this new industry changes and grows. We are a community driven organization whose operations will encompass goodwill agreements, educational opportunities and the creation of jobs, giving us a chance to be one of the industry's leading companies.

### **MANAGEMENT SUMMARY**

Royalty Group is comprised of a multifaceted group of professionals whom are dedicated to creating a company that is fully emerged in the cannabis industry and all that it has to offer not only the company, but the consumers who are looking for high quality, safe products.

Current and acquiring members of the organization consist of C-Suite seats, Master Cultivators, scientists of different types, plant genetics specialist, doctors, security team, quality and compliance control specialists, heads of businesses and industry experts within their fields.

As an emerging company in a new industry, we have the opportunity of changing the workplace culture and creating an organization that focuses on cannabis consumer needs, as well as the needs of the communities we operate in. We understand the value of people and the impact a business can have in their communities and in the world. We are creating environments where the company, the industry's best, the people, the community, and the customers can all thrive. Royalty Group LLC is innovative, conscious, authentic, and has a higher purpose above making a profit. We aim to change the cannabis industry and greater world helping communities harmed most by the war on marijuana, one person at a time.

### **ANDREA PEARCE FOUNDER, TEAM LEADER & CEO**

Andrea Pearce started Royalty Group LLC as a leading woman entrepreneur in new business development for the adult-use cannabis industry, and now encompassing the adult use sector, within the state of MA and within national markets in the years ahead. In 2014, Ms. Pearce began her adult-use cannabis industry mission and started managing strategic planning for the organization, including development of the management company by structuring the core team members and positioning them for best clarification of objectives within their departments, coordinating the

management and planning teams, and continuing with achieving implementation of plans and licensing. Ms. Pearce directed the fundamental vision and goals to all those involved and created a company that wants to be a leader in the industry and take on the challenges it will be presented with and have an award-winning company for years to come. As the State of MA changed its medical program and implemented its adult use program, Ms. Pearce was able to switch gears for the company and focus on emerging into the industry as adult use incorporating medical once operational and able to apply for that designation.

With over 15 years' experience in corporate operations, and applying a strong expertise in organizational leadership, strategic planning and implementation, along with creating a vision for many in the new industry, Ms. Pearce will be a welcomed addition to the creation of a "Best-In-Class" cannabis business in the State of Massachusetts.

Prior to joining the cannabis industry, Ms. Pearce was a COO within the entertainment and real estate industry, overseeing multiple corporations under multiple ownerships. Positions included:

Office Management

Managing Director

Director of Operations

Trustee of Trust

Executive Assistant to CEO

Chief Operations Officer

Ms. Pearce was involved in leading Boston Ballroom Corporation's Organizational Development and Management teams, providing owners, shareholders and all executive partners, with superior leadership during critical transition phases, including acquisitions of real estate and businesses within locations, implementing budget reductions, overseeing buildouts and organizational overhauls and business changes, and creating a foundation for effective management of multiple locations and business entities. She is responsible for assisting in the financials of the CEO and his multi-fund budgets ranging from \$500 thousand to \$20 million. She has 10 years of progressively responsible experience directing as many as 500 employees in companies with revenues in excess of \$10 million annually. She has led these companies through start-up, survival, turnaround and growth modes along with industry changes and trials.

Ms. Pearce's key contributions and skill sets contributed to her operations over the years include:

Office management

Facilities management



Risk management	Human resources
Managing Director	Neighborhood Liaison
Property Management	Manage CEO financial accounts
Communication coordination	Project Management
Operations management	Business strategy implementation

While running all the company's needs, Ms. Pearce has built a great relationship with the City of Boston and was given the title of Neighborhood Liaison and on a regular basis has facilitated and coordinated with City officials, City Hall, Boston Transportation Dept., Public Works Dept., Boston ISD, Boston Fire Department and all neighboring businesses for city permits, licenses, special events and general business dealings and needs within her own companies or the corporation's in the business neighborhood.

Ms. Pearce holds an Associates in Computer Science and a Bachelors in Science for Business Administration with a concentration in Organizational Leadership. Other cannabis related education includes graduate of Northeastern Institute of Cannabis, attendee of NECANN annually, National Cannabis Business Summit, Cannabis Business Executive Conferences and attends many of the offered industry learning programs. Local organizations Ms. Pearce is involved with include, Cannabis Society, Northeastern Coalition of Cannabis and MPAA.

#### **BRANDON WARREN CHIEF OPERATING OFFICER & MASTER CULTIVATOR**

- Vice President/Master Cultivator, Comfort Farms, Grass Valley, CA
- Master Grower, California Cannabis Cultivator, Northern California
- Commercial Greenhouse and Outdoor Soil cultivation, 20,000 $ft$  + canopy Indoor Deep-water cultivation - hydro
- Co-Owner/Operator, Akamai Rain Gutters
- Owner of Akua Organic Landscape, Maui, HI
- Owner of Planet Organic, Austin, TX
- Management and Supervision of large crews, General skills in property management, maintenance and construction

#### **MARK TAYLOR FINANCIAL MANAGER (CONTRACTOR)**

Mark Taylor has been a Certified Public Accountant for over 20 years and will be managing Royalty Group's finances once operational.

**ERIC ALPERT, HEAD OF SECURITY (EMPLOYEE)**

- Massachusetts State Court Officer responsible for the security of personnel and the premises within the General Court
- Manages operation of court sessions, hearings, and criminal procedures, including searches of all persons entering the court for business
- Works with the Peabody Police Department as a Police Dispatcher and 911 operator
- Trained through the Massachusetts Criminal Justice Training Council and the North Reading Police Academy



279 Tremont Street, Boston MA 02116 – C: 978-479-9772

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September 27, 2019

Royalty Group, LLC writes this to satisfy 935 CMR 500.101(1) and (2). We have engaged HUB International in our insurance procurement needs. HUB is the 6th largest broker in the world with a National Cannabis specialty practice. Attached is some information regarding the types of products and services we will be utilizing. HUB has access to every carrier working in the Cannabis space that offers property, general liability, workers comp, auto liability, excess liability, etc. in Massachusetts.

Approximately 120 days prior to estimated applicable State approvals we will begin the process of securing a General Liability and Products Liability policy most likely through the NextWave (CannGen), CannaSure or Kinsale programs in amounts not less than \$1,000,000 Per Occurrence and \$2,000,000 Annual Aggregate with deductibles of no more than \$5,000.

Once the policies are secured, we will be able to produce a certificate to document compliance with 935 CMR 500.105 (10).

  
Andrea Pearce, CEO of Royalty Group, LLC.

TYNGSBOROUGH AND  
ROYALTY GROUP, LLC

**HOST COMMUNITY AGREEMENT**

THIS HOST COMMUNITY AGREEMENT ("AGREEMENT") is entered into this 25th day of March, 2019 by and between Royalty Group, LLC, a Massachusetts limited liability company, and any successor in interest, with a principal office address of 279 Tremont Street, Boston, MA 02116 ("the Company"), and the Town, a Massachusetts municipal corporation with a principal address of 25 Bryants Lane, Tyngsborough, MA 01879 ("the Town"), acting by and through its Board of Selectmen, in reliance upon all of the representations made herein.

WHEREAS, the Company wishes to locate a seven thousand (7,000) square foot Retail Marijuana Establishment for the retail sale of adult-use marijuana and marijuana products with approximately forty-five hundred (4,500) square feet of retail space and twenty-five hundred (2,500) square foot of office space, with at least sixty (60) dedicated parking spaces, at 425 Middlesex Road in Town (the "Establishment"), in accordance with and pursuant to applicable state laws and regulations, including, but not limited to 935 CMR 500.00 and such approvals as may be issued by the Town in accordance with its Zoning Bylaw and other applicable local regulations; and

WHEREAS, the Company intends to provide certain benefits to the Town in the event that it receives the requisite licenses from the Cannabis Control Commission (the "CCC") or such other state licensing or monitoring authority, as the case may be, to operate the Establishment and receives all required local permits and approvals from the Town; and

WHEREAS, the parties intend by this Agreement to satisfy the provisions of G.L. c.94G, Section 3(d), applicable to the operation of the Establishment, such activities to be only done in accordance with the applicable state and local laws and regulations in the Town.

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Town agree as follows:

**1. Recitals**

The Parties agree that the above Recitals are true and accurate and that they are incorporated herein and made a part hereof.

**2. Annual Payments**

In the event that the Company obtains the requisite licenses and/or approvals as may be required for the operation of a the Establishment, and receives any and all necessary and required permits and licenses of the Town, and at the expiration of any final appeal period related thereto, said matter not being appealed further, which permits and/or licenses allow the Company to locate,

occupy and operate the Establishment in the Town, then the Company agrees to provide the following Annual Payments:

A. Community Impact Fee

The Company anticipates that the Town will incur additional expenses and impacts on the Town's road and other infrastructure systems, law enforcement, fire protection services, inspectional services, and permitting and consulting services, as well as unforeseen impacts on the Town. Accordingly, in order to mitigate the financial impact on the Town and use of Town resources, the Company agrees to pay an Annual Community Impact Fee to the Town, in the amount and under the terms provided herein.

1. The Company shall pay an Annual Community Impact Fee in an amount equal to three percent (3%) of the gross sales from marijuana and marijuana product sales at the Establishment (the "Annual Community Impact Fee"). The term "gross sales" shall mean the total of all sales transactions of the Establishment without limitation, whether wholesale or retail, and shall include but not be limited to all sales occurring at the Establishment, including the sale of marijuana, marijuana infused products, paraphernalia, and any other products sold by the Establishment.
2. The Annual Community Impact Fee shall be made Quarterly within thirty (30) days following the end of each three (3) months of operation, commencing on the first day of the first full calendar quarter month after the certificate of occupancy is issued for any part of the Establishment, and shall continue for a period of five (5) years. At the conclusion of each of the respective five (5) year terms, the parties shall negotiate in good faith the terms of a new Annual Community Impact Fee as an Amendment to this Agreement; provided, however, that if the parties are unable to reach an agreement on a successor Community Impact Fee, the Annual Community Impact Fee specified in Paragraph 2.A.1 of this Agreement shall remain in effect and shall not be reduced below the amount set forth above until such time as the Parties negotiate a successor Community Impact Fee.
3. The Company agrees that in no event shall the total annual payments to the Town, calculated as the sum of (i) the Annual Community Impact Fee and (ii) the local excise reimbursed to the Town pursuant to G.L. c.64N, be less than \$300,000 annually (the "Annual Guaranteed Payment"). In the event that the annual amount collected by or payable to the Town pursuant to Paragraph 2.A.1 of this Agreement and the G.L. c.64N local excise is less than the Annual Guaranteed Payment, the Company agrees to pay the difference to the Town as an additional Community Benefit Payment in connection with its fourth quarter installment.
4. The Town shall use the above referenced payments in its sole discretion, but shall make a good faith effort to allocate said payments to offset costs related to road and other infrastructure systems, law enforcement, fire protection services,

inspectional services, public health and addiction services and permitting and consulting services, as well as unforeseen impacts upon the Town. The Company acknowledges and agrees that the Town is under no obligation to use the Community Impact Payments in any particular manner.

5. Annual Community Impact Fees Relative to Town Costs. Pursuant to M.G.L. c. 94G, §3(d), a "community impact fee shall be reasonably related to the costs imposed upon the municipality by the operation of the marijuana establishment..." ("Town Costs"). Notwithstanding the foregoing, the Parties acknowledge the difficulty in computing actual Town Costs and have agreed to utilize three percent (3%) of Gross Receipts in lieu of attempting to determine actual Town Costs incurred. The Company acknowledges that the impacts of its operation may be impracticable to ascertain and assess as impacts may result in budgetary increases though not separately identified, and consequently, the Company acknowledges that the payments due under this Agreement are reasonably related to Town Costs and waives an claims to the contrary.
6. Annual Community Impact Fees are expressly included as "other municipal charges" pursuant to M.G.L. c. 40, § 57. A Town licensing authority may deny, revoke or suspend any license or permit, including renewals and transfers, of the Company or agent thereof if the Company's name appears on a list furnished to the licensing authority from the Town Collector of individuals delinquent on their taxes and/or water bills. Written notice must be given to the Company by the Tax Collector, as required by applicable provision of law, and the Company must be given the opportunity for a hearing not earlier than 14 days after said notice.

#### B. Additional Costs, Payments and Reimbursements

1. Permit and Connection Fees: The Company hereby acknowledges and accepts, and waives all rights to challenge, contest or appeal, the Town's building permit fee and other permit application fees, sewer and water connection fees, and all other local charges and fees generally applicable to other commercial developments in the Town.
2. Establishment Consulting Fees and Costs: The Company shall reimburse the Town for any and all reasonable consulting costs and fees related to any land use applications concerning the Establishment, negotiation of this and any other related agreements, and any review concerning the Establishment, including planning, engineering, legal and/or environmental professional consultants and any related reasonable disbursements at standard rates charged by the above-referenced consultants in relation to the Establishment.
3. Police Officer Training: The Company shall reimburse the Town for the actual cost incurred for a local police officer to complete Advanced Roadside Impairment Driving Enforcement training program. Provided, however, that any upfront payment for such fees and costs shall be offset against the annual payment of 3% of gross sales.

4. Other Costs: The Company shall reimburse the Town for the actual costs incurred by the Town in connection with holding public meetings and forums substantially devoted to discussing the Establishment and/or reviewing the Establishment and for any and all reasonable consulting costs and fees related to the monitoring and enforcement of the terms of this Agreement, including, but not limited to independent financial auditors and legal fees. Provided, however, that any upfront payment for such fees and costs shall be offset against the annual payment of 3% of gross sales.
5. Late Payment Penalty: The Company acknowledges that time is of the essence with respect to their timely payment of all funds required under Section 2 of this Agreement. In the event that any such payments are not fully made with thirty (30) days of the date they are due, the Town shall provide the Company with written notice of such failure to make a timely payment. The Company shall have a ten (10) day period to cure such failure to make timely payment from the date of receipt of such notice. If the Company fails to make full payment within such cure period, the Company shall be required to pay the Town a late payment penalty of 5% on the outstanding funds subject to an interest rate of 1.5%, compounding monthly, on the total amount of the outstanding payment and penalty.

#### C. Annual Charitable/Non-Profit Contributions

The Company, in addition to any funds specified herein, shall annually contribute an amount not less than \$25,000 to local charities/non-profit organizations in the Town (the "Annual Charitable Non/Profit Contribution"), or which provide direct benefit citizens of the Town, said charities/non-profit organizations to be determined by the Company in its reasonable discretion. The Annual Charitable Non/Profit Contribution shall be made annually beginning on the first anniversary following the commencement of the operations, and shall continue for the term of this Agreement.

#### D. Annual Reporting for Host Community Impact Fees

The Company shall submit annual financial statements to the Town within thirty (30) days after the payment of its Annual Community Impact Fees with a certification of its annual sales. The Company shall maintain books, financial records, and other compilations of data pertaining to the requirements of this Agreement in accordance with standard accounting practices and any applicable regulations or guidelines of the CCC. All records shall be kept for a period of at least seven (7) years. Upon request by the Town, the Company shall provide the Town 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 CCC and Department of Revenue for purposes of obtaining and maintaining a license for the Establishment.

During the term of this Agreement and for three (3) years following the termination of this Agreement the Company shall agree, upon request of the Town (up to once annually) to have its financial records examined, copied and audited by an Independent Financial Auditor, the expense



of which shall be borne by the Company. The Independent Financial Auditor shall review the Company's financial records for purposes of determining that the Community Impact Fee are in compliance with the terms of this Agreement. Such examination shall be made not less than thirty (30) days following written notice from the Town and shall occur only during normal business hours and at such place where said books, financial records and accounts are maintained. The Independent Financial Audit shall include those parts of the Company's books and financial records which relate to the payment and shall include a certification of itemized gross sales for the previous calendar year, and all other information required to ascertain compliance with the terms of this Agreement. The independent audit of such records shall be conducted in such a manner as not to interfere with the Company's normal business activities.

### **3. Community Support**

- A. Local Vendors – To the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, the Company shall use its best efforts in a legal and non-discriminatory manner to give priority to local businesses, suppliers, contractors, builders and vendors in the provision of goods and services called for in the construction, maintenance and continued operation of the Establishment when such contractors and suppliers are properly qualified and price competitive.
- B. Employment – Except for senior management, or current employees, and to the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, the Company shall use its best efforts in a legal and non-discriminatory manner to hire Town residents.
- C. Best efforts shall include actively soliciting bids from Town vendors through local advertisements and direct contact, advertising any job expansion or hiring of new permanent full time employees first to Town residents before advertising through all typical regional employment advertising outlets. The Company also agrees to make reasonable efforts to utilize women-owned and minority-owned vendors within the Town.
- D. Approval of Manager – If requested by the Town, the Company shall provide to the Town, for review and approval, the name and relevant information, including but not limited to the information set forth in 935 CMR 500.030, or such other state regulations, as the case may be, of the person(s) proposed to act as on-site manager(s) of the Establishment. The submittal shall include authorization and all fees necessary to perform a criminal history (CORI) check or similar background check. The Town shall consider such request for approval within thirty days following submittal to determine, in consultation with the Police Chief, if the person proposed is of suitable character to act as on-site manager. Such approval shall not be unreasonably denied, conditioned or delayed. This approval process shall also apply to any change of on-site manager.
- E. Educational Programs – Company shall use best efforts to provide staff to participate in a reasonable number of Town-sponsored educational programs on public health and



drug abuse prevention, and to work cooperatively with other Town public safety departments not mentioned in the Agreement.

#### **4. 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 or agricultural exemption or reduction with respect to 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 G.L. 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 Town 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.

#### **5. Security**

- A. To the extent requested by the Town's Police Department, and subject to the security and architectural review requirements of the CCC, or such other state licensing or monitoring authority, as the case may be, the Company shall work with the Town's Police Department in determining the placement of exterior security cameras.
- B. The Company agrees to cooperate with the 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 Establishment, and with regard to any anti-diversion procedures.
- C. To the extent requested by the Town's Police Department, the Company shall work with the Police Department to implement a comprehensive diversion prevention plan to prevent diversion, such plan to be in place prior to the commencement of operations at the Establishment. Such plan shall include, but is not limited to, (i) training the Company employees to be aware of, observe, and report any unusual behavior in authorized visitors or other Company employees that may indicate the potential for diversion; and (ii) utilizing appropriate tracking software to closely track all inventory at the Establishment.
- D. The Company shall promptly report the discovery of the following to the Town's Police within twenty-four (24) hours of the Company becoming aware of such event: diversion of marijuana; 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 marijuana by any person; unauthorized destruction of marijuana; any loss or unauthorized alteration of records related to marijuana, consumers 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.

- A. In the event the Town's Police Department deems it necessary for the protection of public safety, the Company shall hire a police detail at its own expense to address any queuing of vehicles and/or customers at the Establishment that presents a danger to public health and safety.

#### **6. Community Impact Hearing Concerns**

The Company agrees to employ its best efforts to work collaboratively and cooperatively with its neighboring businesses and residents to establish written policies and procedures to address mitigation of any concerns or issues that may arise through its operation of the Establishment, including, but not limited to any and all concerns or issues raised at the Company's required Community Outreach Meeting relative to the operation of the Establishment; said written policies and procedures, as may be amended from time to time, shall be reviewed and approved by the Town and shall be incorporated herein by reference and made a part of this Agreement, the same as if each were fully set forth herein.

#### **7. Odor Control**

The Company agrees to contain all cannabis related odors onsite through use of odor control technologies, including but not limited to appropriate ventilation and air handling equipment and odor resistant packaging. Any complaints received by the Town concerning odors leaving the Establishment that are detectable at abutting properties must be addressed thoroughly and expediently by the Company.

#### **8. Improvements to the Establishment Site**

The Company shall make capital improvements to the site at which the Establishment is located such that the property will match the look and feel for the Establishment proposed by the Company in its presentations and applications to the Town, and be of construction standards at least at the quality of other nearby businesses. Company agrees to comply with all laws, rules, regulations and orders applicable to the Establishment, such provisions being incorporated herein by reference, and shall be responsible for obtaining all necessary licenses, permits, and approvals required for the performance of such work.

#### **9. On-site Consumption**

The Company agrees that, even if permitted by statute or regulation, it will prohibit on-site consumption of marijuana and marijuana-infused products at the Establishment unless and until the Town may provide its consent for such consumption, and subject to required local approvals. The delivery of adult use marijuana directly to consumers shall only be permitted in compliance with state law, subject to required local approvals and either an amendment of this Agreement or negotiation of a new Host Community Agreement to address such use.

#### **10. Additional Obligations**

The obligations of the Company and the Town recited herein are specifically contingent upon the Company obtaining a license for operation of Establishment in the Town, and the Company's receipt of any and all necessary local approvals to locate, occupy, and operate Establishment in the Town.

This agreement does not affect, limit, or control the authority of Town 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 Bylaws of the Town, or applicable regulations of those boards, commissions, and departments or to enforce said statutes, Bylaws, and regulations. The Town, by entering into this Agreement, is not thereby required or obligated to issue such permits and approvals as may be necessary for the Establishment to operate in the Town, or to refrain from enforcement action against the Company and/or its Establishment for violation of the terms of said permits and approvals or said statutes, Bylaws, and regulations.

#### **11. Re-Opener/Review**

The Company or any "controlling person" in the Company, as defined in 935 CMR 500.02, shall be required to provide to the Town notice and a copy of any other Host Community Agreement entered into for any establishment in which the Company, or any controlling person in the Company, has any interest and which is licensed by the CCC as the same type of establishment as the entity governed by this agreement.

In the event the Company or any controlling person enters into a Host Community Agreement for a Retail Marijuana Establishment with another municipality in the Commonwealth, of a similar population and within a 10 mile radius of the Establishment, that contains terms that are superior to what the Company agrees to provide the Town pursuant to this Agreement, then the parties shall reopen this Agreement and negotiate an amendment resulting in financial benefits to the Town equivalent or superior to those provided to the other municipality.

#### **12. Support**

The Town agrees to submit to the CCC, or such other state licensing or monitoring authority, as the case may be, the required certifications relating to the Company's application for a license to operate the Establishment 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 zoning application submitted for the Establishment, in any particular way other than by the Town normal and regular course of conduct and in accordance with its rules and regulations and any statutory guidelines governing them.

### **13. Term**

Except as expressly provided herein, this Agreement shall take effect on the date set forth above, and shall be applicable for as long as the Company operates the Establishment in Town with the exception of the Community Impact Fee, which shall be subject to the five (5) year statutory limitations of G.L. c.94G, §3(d).

In the event the Company has not secured a final license from the CCC and all necessary local permits from the Town and commenced operations at the Establishment within two (2) years from the date this Agreement takes effect, this Agreement shall expire and the Company shall be required to negotiate a new Host Community Agreement in order to operate the Establishment within the Town. The Board of Selectmen, in its discretion, may agree to an extension of the two (2) year expiration, for good cause, which shall include the time required to pursue or await the determination of an appeal of the special permit or other legal proceeding.

### **14. Successors/Assigns**

The Company shall not assign, sublet, or otherwise transfer its rights nor delegate its obligations under this Agreement, in whole or in part, without the prior written consent from the Town, and shall not assign or obligate any of the monies payable under this Agreement, except by and with the written consent of the Town. This Agreement is binding upon the parties hereto, their successors, assigns and legal representatives. Neither the Town nor the Company shall assign, sublet, or otherwise transfer any interest in the Agreement without the written consent of the other.

Events deemed an assignment include, without limitation: (i) Company's final and adjudicated bankruptcy whether voluntary or involuntary; (ii) the Company's takeover or merger by or with any other entity; (iii) the Company's outright sale of assets and equity, majority stock sale to another organization or entity for which the Company does not maintain a controlling equity interest; (iv) or any other material change in ownership or status of the Company; (v) any assignment for the benefit of creditors; and/or (vi) any other assignment not approved in advance in writing by the Town.

### **15. Notices**

Any and all notices, consents, demands, requests, approvals or other communications required or permitted under this Agreement, shall be in writing and delivered by hand or mailed postage prepaid, return receipt requested, by registered or certified mail or by other reputable delivery service, and shall be deemed given when so delivered by hand, if so mailed, when deposited with the U.S. Postal Service, or, if sent by private overnight or other delivery service, when deposited with such delivery service.

To Town:      Town Administrator

Town Hall  
25 Bryants Lane  
Tyngsborough, MA 01879

To Company: Andrea Pearce  
Royalty Group LLC  
279 Tremont Street  
Boston, MA 02116

with a copy to:

Jim Silva  
Matt Donahue  
Eno Martin Donahue  
21 George St #301  
Lowell, MA 01825

#### **16. Severability**

If any term or condition of this Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by a 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 the Town would be substantially or materially prejudiced. Further, the Company agrees that it will not challenge, in any jurisdiction, the enforceability of any provision included in this Agreement; and to the extent the validity of this Agreement is challenged by the Company in a court of competent jurisdiction, the Company shall pay for all reasonable fees and costs incurred by the Town in enforcing this Agreement. The Town and Company acknowledge that a dispute exists between several cities and towns and parties seeking a stricter interpretation of CCC guidelines, which dispute shall not constitute a challenge to the enforcement of this Agreement.

#### **17. Governing Law**

This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, and the Company submits to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this Agreement.

#### **18. Entire Agreement**

This Agreement, including all documents incorporated herein by reference, constitutes the entire integrated agreement between the Company and the Town with respect to the matters described herein. 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.

#### **19. 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 authorized representatives of both parties to the original Agreement, prior to the effective date of the amendment.

## **20. Headings**

The article, section, and/or paragraph headings in this Agreement are for convenience of reference only, and shall in no way affect, modify, define or be used in interpreting the text of this Agreement.

## **21. Counterparts**

This Agreement may be signed in any number of counterparts all of which taken together, each of which is an original, and all of which shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing one or more counterparts.

## **22. Signatures**

Facsimile signatures affixed to this Agreement shall have the same weight and authority as an original signature.

## **23. No Joint Venture**

The Parties hereto agree that nothing contained in this Agreement or any other documents executed in connection herewith is intended or shall be construed to establish the Town, or the Town and any other successor, affiliate or corporate entity as joint ventures or partners.

## **24. Nullity**

This Agreement shall be null and void in the event that the Company does not locate the Establishment in Town or relocates the Establishment out of Town. Further, in the case of any relocation out of the Town, the Company agrees that an adjustment of Community Impact Fee due to the Town hereunder shall be calculated based upon the period of occupation of the Establishment within the Town, but in no event shall the Town be responsible for the return of any funds provided to it by the Company.

## **25. Indemnification**

The Company shall indemnify, defend, and hold the Town harmless from and against any and all claims, demands, liabilities, actions, causes of actions, defenses, proceedings and/or costs and expenses, including attorney's fees, brought against the Town, their agents, departments, officials, employees, insurers and/or successors, by any third party arising from or relating to the development of the Property and/or Establishment (the "Indemnified Acts"). Such indemnification shall include, but shall not be limited to, all reasonable fees and reasonable costs of attorneys and other reasonable consultant fees and all fees and costs (including but not limited to attorneys and consultant fees and costs) shall be at charged at regular and customary municipal

rates, of the Town's choosing incurred in defending such claims, actions, proceedings or demands. The Company agrees, within thirty (30) days of written notice by the Town, to reimburse the Town for any and all costs and fees incurred in defending itself with respect to any such claim, action, proceeding or demand. Notwithstanding the above, the Company shall have no responsibility for the Indemnified Acts when such action is brought against the Town challenging the granting of the rights under this Agreement by a party also seeking the right to open a similar establishment to the one contemplated under this Agreement.

## **26. Third-Parties**

Nothing contained in this agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Town or the Company.

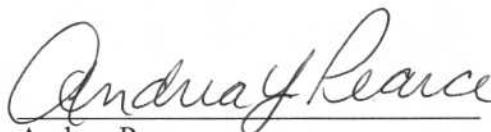
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first written above.

TOWN OF TYNGSBOROUGH,



Matthew J. Hanson  
Town Administrator,  
On behalf of the Board of Selectmen  
of the Town of Tyngsborough

ROYALTY GROUP, LLC,



Andrea Pearce  
Founder, Chief Executive Officer  
On behalf of Royalty Group, LLC

648979/TYNG/0001

## Host Community Agreement Certification Form

The applicant and contracting authority for the host community must complete each section of this form before uploading it to the application. Failure to complete a section will result in the application being deemed incomplete. Instructions to the applicant and/or municipality appear in italics. 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(1).

### Applicant

I, ANDREA PEARCE, (insert name) certify as an authorized representative of ROYALTY GROUP LLC (insert name of applicant) that the applicant has executed a host community agreement with TYNDSBOROUGH, MA (insert name of host community) pursuant to G.L.c. 94G § 3(d) on NOVEMBER 7, 2018 (insert date) AND REVISED HCA REFLECTING CHANGE OF ADDRESS OF APPROVED LOCATION ON MARCH 25, 2019.

Andrea Pearce

Signature of Authorized Representative of Applicant

### Host Community

I, MATTHEW J HANSON, (insert name) certify that I am the contracting authority or have been duly authorized by the contracting authority for TYNDSBOROUGH, MA (insert name of host community) to certify that the applicant and TYNDSBOROUGH, MA (insert name of host community) has executed a host community agreement pursuant to G.L.c. 94G § 3(d) on NOVEMBER 7, 2018 (insert date) AND REVISED HCA ON MARCH 25, 2019.

Matthew J. Hanson

Signature of Contracting Authority or  
Authorized Representative of Host Community



TYNGSBOROUGH AND  
ROYALTY GROUP, LLC

**HOST COMMUNITY AGREEMENT ADDENDA#1**

THIS ADDENDA TO HOST COMMUNITY AGREEMENT dated November 7<sup>th</sup>, 2018, is entered into this 16th day of April, 2019 by and between Royalty Group, LLC, a Massachusetts limited liability company, and any successor in interest, with a principal office address of 279 Tremont Street, Boston, MA 02116 ("the Company"), and the Town, a Massachusetts municipal corporation with a principal address of 25 Bryants Lane, Tyngsborough, MA 01879 ("the Town"), acting by and through its Board of Selectmen, in reliance upon all of the representations made herein.


At a publicly posted Board of Selectmen meeting on March 25<sup>th</sup>, 2019, the Board of Selectmen took action to approve a request from the Company to change the address of their Establishment from 409 Middlesex Road (prior location), to 425 Middlesex Road, Tyngsborough, MA 01879 (new location). 425 Middlesex Rd is an existing auto repair garage of approximately 4,220 sq. ft. of finished space which will be renovated by the Company into a Retail Marijusna Establishment

A new Host Agreement will be drafted to reflect this address change. The timeline in Provision 13, Term, of the original agreement dated November 7<sup>th</sup> 2018, which allows two years to secure a final license from the CCC and obtain all necessary local permits from the Town and commenced operations, shall remain in effect. Approvals must be obtained by November 7<sup>th</sup>, 2020. All other provisions of the original Host Community Agreement remain in full force.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first written above.

TOWN OF TYNGSBOROUGH,

ROYALTY GROUP, LLC,

  
Matthew J. Hanson  
Town Administrator,  
On behalf of the Board of Selectmen  
of the Town of Tyngsborough

  
Andrea Pearce  
Founder, Chief Executive Officer  
On behalf of Royalty Group, LLC

## Order Confirmation

**Ad Order Number**

0001590248

**Customer**

ROYALTY GROUP LLC

**Payor Customer**

ROYALTY GROUP LLC

**PO Number**

April 11, 2019

**Sales Rep.**

astamas

**Customer Account**

168037

**Payor Account**

168037

**Ordered By**

Andrea Pearce

**Order Taker**

astamas

**Customer Address**279 TREMONT ST.  
BOSTON MA 02116 USA**Payor Address**279 TREMONT ST.  
BOSTON MA 02116 USA**Customer Fax****Order Source****Customer Phone**

6503157106

**Payor Phone**

6503157106

**Customer EMail****Special Pricing****Tear Sheets**

0

**Proofs**

0

**Affidavits**

0

**Blind Box****Promo Type****Materials****Invoice Text****Ad Order Notes****Net Amount**

\$102.08

**Tax Amount**

\$0.00

**Total Amount**

\$102.08

**Payment Method**

Credit Card

**Payment Amount**

\$0.00

**Amount Due**

\$102.08

Ad Number

0001590248-01

Ad Type

CLS Liner

Production Method

AdBooker

Production Notes

External Ad Number

Ad Attributes

Ad Released

No

Pick Up

Ad Size

1 X 22 li

Color

**WYSIWYG Content**

LEGAL NOTICE  
Notice is hereby given by  
**Royalty Group, LLC.** that a  
**Community Outreach**  
**Meeting** for a proposed  
**Marijuana Establishment**  
is scheduled for Thursday,  
April 11, 2019 at 6:00pm  
at Old Town Hall located at  
10 Kendall Rd,  
Tyngsborough, MA 01879.  
The proposed Adult Use  
Retail Marijuana  
Establishment is  
anticipated to be located at  
425 Middlesex Rd.  
Tyngsborough, MA. There  
will be an opportunity for  
the public to ask  
questions.

April 3, 2019

<u>Run Date</u>	<u>Product</u>	<u>Placement</u>	<u>Rate</u>	<u>Sched Cst</u>	<u>Disc/Prem</u>	<u>Color</u>	<u>Pickup</u>	<u>Tax</u>	<u>Subtotal</u>
04/03/2019	The Sun	Legal	\$37.62 per Inch	\$91.96	\$0.00	\$0.00	\$0.00	\$0.00	\$91.96
04/03/2019	LS SunMedia	Legal	\$4.14 per Inch	\$10.12	\$0.00	\$0.00	\$0.00	\$0.00	\$10.12

## Community Outreach Meeting Attestation Form

The applicant must complete each section of this form and initial each page before uploading it to the application. Failure to complete a section will result in the application being deemed incomplete. Instructions to the applicant appear in italics. 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(1).

I, ANDREA PEARCE, (insert name) attest as an authorized representative of ROYALTY GROUP LLC (insert name of applicant) that the applicant has complied with the requirements of 935 CMR 500 and the guidance for licensed applicants on community outreach, as detailed below.

1. The Community Outreach Meeting was held on APRIL 11, 2019 (insert date).
2. A copy of a notice of the time, place, and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was published in a newspaper of general circulation in the city or town on APRIL 3, 2019 (insert date), which was at least seven calendar days prior to the meeting. A copy of the newspaper notice is attached as Attachment A (*please clearly label the newspaper notice in the upper right hand corner as Attachment A and upload it as part of this document*).
3. A copy of the meeting notice was also filed on APRIL 2, 2019 (insert date) with the city or town clerk, the planning board, the contracting authority for the municipality, and local licensing authority for the adult use of marijuana, if applicable. A copy of the municipal notice is attached as Attachment B (*please clearly label the municipal notice in the upper right-hand corner as Attachment B and upload it as part of this document*).
4. Notice of the time, place and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was mailed on APRIL 2, 2019 (insert date), which was at least seven calendar days prior to the community outreach meeting to abutters of the proposed address of the Marijuana Establishment, and residents within 300 feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such owner is located in another city or town. A copy of one of the notices sent to abutters and parties of interest as described in this section is attached as Attachment C (*please clearly label the municipal notice in the upper right hand corner as Attachment C and upload it as part of this document; please only include a copy of one notice and please black out the name and the address of the addressee*).

5. Information was presented at the community outreach meeting including:
  - a. The type(s) of Marijuana Establishment to be located at the proposed address;
  - b. Information adequate to demonstrate that the location will be maintained securely;
  - c. Steps to be taken by the Marijuana Establishment to prevent diversion to minors;
  - d. A plan by the Marijuana Establishment to positively impact the community; and
  - e. Information adequate to demonstrate that the location will not constitute a nuisance as defined by law.
6. Community members were permitted to ask questions and receive answers from representatives of the Marijuana Establishment.



ATTACHMENT  
"C"

April 1, 2019

Dear Tyngsborough Neighbors,

My name is Andrea Pearce, CEO of Royalty Group, LLC. As a local representative of the company, I'd like to inform you of our intent to locate an Adult Use Retail Marijuana Establishment in Tyngsborough. The proposed location is compliant with zoning that has been established by the Town of Tyngsborough and we want to hear from you about how we can use our business can work with the neighborhood and be the best neighbors we can be.

**Event Name:** Community Outreach Meeting for Royalty Group, LLC

**Event Date & Time:** Thursday, April 11, 2019 at 6:00pm

**Event Location:** Old Town Hall at 10 Kendall Rd, Tyngsborough, MA 01879

**Public Notice:** Notice is hereby given by Royalty Group, LLC. that a Community Outreach Meeting for a proposed Retail Marijuana Establishment is scheduled for Thursday, April 11, 2019 at 6:00pm at Old Town Hall located at 10 Kendall Rd, Tyngsborough, MA 01879. The proposed Adult Use Retail Marijuana Establishment is anticipated to be located at 425 Middlesex Rd. Tyngsborough, MA. There will be an opportunity for the public to ask questions.

The meeting will cover the type of adult-use marijuana establishment Royalty Group is planning to locate in Tyngsborough, our plans for maintaining a secure store location, plans to prevent diversion to minors, plans to positively impact the community, plans that ensure the establishment will not constitute a nuisance to the community, as well as other topics related to the beautification of the buildings. Royalty Group will also include a question and answer session as part of the discussion. Members of the community are encouraged to attend and participate as well as ask questions about our proposed facilities.

Sincerely,



Andrea Pearce

CEO of Royalty Group, LLC

ATTACHMENT  
"B"

April 1, 2019

Dear Tyngsborough Neighbors,

My name is Andrea Pearce, CEO of Royalty Group, LLC. As a local representative of the company, I'd like to inform you of our intent to locate an Adult Use Retail Marijuana Establishment in Tyngsborough. The proposed location is compliant with zoning that has been established by the Town of Tyngsborough and we want to hear from you about how we can use our business can work with the neighborhood and be the best neighbors we can be.

**Event Name:** Community Outreach Meeting for Royalty Group, LLC

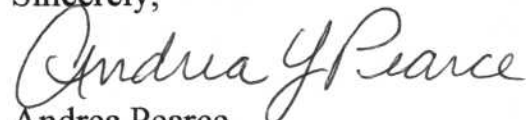
**Event Date & Time:** Thursday, April 11, 2019 at 6:00pm

**Event Location:** Old Town Hall at 10 Kendall Rd, Tyngsborough, MA 01879

**Public Notice:** Notice is hereby given by Royalty Group, LLC. that a Community Outreach Meeting for a proposed Retail Marijuana Establishment is scheduled for Thursday, April 11, 2019 at 6:00pm at Old Town Hall located at 10 Kendall Rd, Tyngsborough, MA 01879. The proposed Adult Use Retail Marijuana Establishment is anticipated to be located at 425 Middlesex Rd. Tyngsborough, MA. There will be an opportunity for the public to ask questions.

The meeting will cover the type of adult-use marijuana establishment Royalty Group is planning to locate in Tyngsborough, our plans for maintaining a secure store location, plans to prevent diversion to minors, plans to positively impact the community, plans that ensure the establishment will not constitute a nuisance to the community, as well as other topics related to the beautification of the buildings. Royalty Group will also include a question and answer session as part of the discussion. Members of the community are encouraged to attend and participate as well as ask questions about our proposed facilities.

Sincerely,



Andrea Pearce

CEO of Royalty Group, LLC

TYNGSBOROUGH BOS

APR 1'19 15:28:25



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13' C-Max SE Hybrid  
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11 Ford Fusion SE  
stk# 270281.....\$8,999

18 Ford Taurus LMT  
stk# 699971.....\$23,999

17 Ford Escape 4x4  
stk# 823601.....\$20,499

14' Fusion Energy Titanium  
roof, navigation  
stk# 69934-2.....\$11,999

07 Jeep Wrangler 4x4  
stk# 255833.....\$15,999

17 Volkswagen Tiguan  
stk# 823401.....\$18,999

18 VW Passat 2.0  
stk# 699682.....\$19,999

15 Ford Explorer LMT  
stk# 256301.....\$24,999

13' Chevy Avalanche 4WD  
stk# 26516.....\$24,999

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DRIVEGERVAIS.COM  
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(978)454-5696

12 Kia Soul  
manual, 124,916 miles,  
stk # V1886A.....\$4,999

10 Mazda 5- Hatchback  
auto, 17K miles,  
stk # K5631A.....\$6,894

09 Honda Civic Coupe  
auto, 79K miles,  
stk# K57838.....\$7,595

16' Acura RDX  
auto, 17K miles,  
stk# V2013A.....\$24,946

15 Kia Forte  
auto, 44K miles,  
stk# K5697A.....\$11,484

15' Kia Optima EX  
auto, 67K miles,  
stk# K5487.....\$11,869

16 Chevy Malibu  
auto, 32K miles,  
stk# 13780A.....\$15,555

05 Jeep Wrangler ULTD  
auto, 110K miles,  
stk# VP4016A.....\$12,999

11 Cadillac SRX  
auto, 106K miles,  
STK# 13766.....\$10,975

15 Toyota Prius  
auto, 19K miles,  
stk# VP3847.....\$13,239

08 Lincoln MKX,  
auto, 121,467 miles,  
stk# 13858B.....\$7,995

102 Autos for Sale

Woburn Toyota

WoburnToyota.com  
394 Washington St.  
(888)421-3458

05 Toyota Corolla LE  
4D Sedan, FWD  
STK# 5C504791P

06 Toyota Corolla S  
4D Sedan, FWD  
STK# 6C681710

05 Toyota Highlander  
4D SUV, AWD  
STK# 50100296

04 Toyota Highlander  
4D SUV, FWD  
STK# 40009106

2000 Toyota Land Cruiser  
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STK# Y0085101

07 Toyota Sienna LE  
4d Van, AWD  
STK# 7S002578

07Toyota Sienna XLE  
4D Van, AWD  
STK# 7S000334

09 Toyota Venza Base  
4D Crossover, AWD  
STK# 9U001566

11 Acura RDX w. Tech  
4D Sedan, AWD  
STK# BA006899

10 Acura TSX 24  
4D Sedan, FWD  
STK# AC043258

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#2279 .....\$5,995

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4 Doors & Runs New  
.....\$2,195

'06 Ford E250  
Hi-Top & 9 PSG w/  
Wheelchair Lift, 35k miles  
#2298 .....\$10,995

'04 Lexus GX 470 SUV  
Roof, Heated Seats, Clean  
Clean Carfax  
#2295 .....\$8,995

'10 Ford Encore Line  
E1250 12 Passenger  
# 2304.....\$11,995

'09 Nissan  
Altima SL  
Sunroof/Leather  
2303.....\$79,995

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All extras.....\$8,995

\*04 mustang Mach1 GT5  
speed like new  
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Pressure Machine \$25  
978-957-3669

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Public Notice

MORTGAGEE'S NOTICE OF SALE OF REAL ESTATE

By virtue and in execution of the Power of Sale contained in a certain Mortgage given by **Pedro Burato** to Mortgage Electronic Registration Systems, Inc., as nominee for IndyMac Bank, F.S.B., its successors and assigns, dated April 27, 2005 and recorded with the Middlesex County (Northern District) Registry of Deeds at Book 18714, Page 180, subsequently assigned to DEUTSCHE BANK NATIONAL TRUST COMPANY as Trustee for INDYMAC INDX MORTGAGE LOAN TRUST 2005-AR12, MORTGAGE PASS-THROUGH CERTIFICATES Series 2005-AR12 by Mortgage Electronic Registration Systems, Inc. (MERS), as designated nominee for IndyMac Bank, F.S.B., a federally chartered savings bank, beneficiary of the security instrument, its successors and assigns by assignment recorded in said Middlesex County (Northern District) Registry of Deeds at Book 28318, Page 227 for breach of the conditions of said Mortgage and for the purpose of foreclosing same will be sold at Public Auction at 12:00 PM on April 10, 2019 at 102 Wannalancit Street, Lowell, MA, all and singular the premises described in said Mortgage, to wit:  
The land in Lowell with the buildings thereon situated on the Easterly side of Wannalancit Street and bounded and described as follows: Beginning at the corner of Oliver Street and the easterly side of Wannalancit Street; thence running NORTHERLY along Wannalancit Street, seventy-six and 50/100 (76.50) to land of George F. Libbey, now or formerly; thence EASTERLY by said Libbey's land, one hundred eleven and 80/100 (111.80) feet to land of FS. Perkins, now or formerly; thence SOUTHERLY along said Perkins land, seventy-seven and 80/100 (77.80) feet to said Oliver Street; thence WESTERLY along said Oliver Street, one hundred five and 60/100 (105.60) feet to the point of the beginning. Containing eight thousand three hundred seventy-nine square feet more or less. For title see deed of James W. Newton and David C. Newton recorded herewith. A deed from David C. Newton and James W. Newton to Pedro Burato to be recorded. For title see Book 17034 P54 The premises are to be sold subject to and with the benefit of all easements, restrictions, encroachments, building and zoning laws, liens, unpaid taxes, tax titles, water bills, municipal liens and assessments, rights of tenants and parties in possession, and attorney's fees and costs.  
TERMS OF SALE:  
A deposit of FIVE THOUSAND DOLLARS AND 00 CENTS (\$5,000.00) in the form of a certified check, bank treasurer's check or money order will be required to be delivered at or before the time the bid is offered. The successful bidder will be required to execute a Foreclosure Sale Agreement immediately after the close of the bidding. The balance of the purchase price shall be paid within thirty (30) days from the sale date in the form of a certified check, bank treasurer's check or other check satisfactory to Mortgagee's attorney. The Mortgagee reserves the right to bid at the sale, to reject any and all bids, to continue the sale and to amend the terms of the sale by written or oral announcement made before or during the foreclosure sale. If the sale is set aside for any reason, the Purchaser at the sale shall be entitled only to a return of the deposit paid. The purchaser shall have no further recourse against the Mortgagor, the Mortgagee or the Mortgagee's attorney. The description of the premises contained in said mortgage shall control in the event of an error in this publication. TIME WILL BE OF THE ESSENCE.  
Other terms, if any, to be announced at the sale. DEUTSCHE BANK NATIONAL TRUST COMPANY as Trustee for INDYMAC INDX MORTGAGE LOAN TRUST 2005-AR12, MORTGAGE PASS-THROUGH CERTIFICATES Series 2005-AR12 Present Holder of said Mortgage, By Its Attorneys, ORLANDS PC PO Box 540540 Waltham, MA 02454 Phone: (781) 790-7800 18-003546  
March 20, 27, 2019 April 3, 2019

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auto, 53k miles  
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auto, 80k miles  
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auto, 79k miles,  
stk# H190602..\$6,998

14' Lexus ES 350  
auto, 3k miles  
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auto, 72k miles  
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09 Toyota Camry LE  
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STK# 9U076993

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4D Sedan, FWD  
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LEGAL NOTICE

Notice is hereby given by  
**Royalty Group, LLC.** that a  
**Community Outreach  
Meeting** for a proposed  
**Marijuana Establishment**  
is scheduled for Thursday,  
April 11, 2019 at 6:00pm  
at Old Town Hall located at  
10 Kendall Rd,  
Tyngsborough, MA 01879.  
The proposed Adult Use  
Retail Marijuana  
Establishment is  
anticipated to be located at  
425 Middlesex Rd.  
Tyngsborough, MA. There  
will be an opportunity for  
the public to ask  
questions.  
April 3, 2019  
**Commonwealth of  
Massachusetts  
The Trial Court**  
**Probate and Family Court**  
Middlesex Probate and  
Family Court  
208 Cambridge Street  
Cambridge, MA 02141  
(617)768-5800  
Docket No. **MI18P2261EA**  
**CITATION ON PETITION  
FOR ORDER OF  
COMPLETE SETTLEMENT**  
Estate of: **Sue  
Goodsoozian**  
Date of Death: 02/20/2018  
A Petition for Order of  
Complete Settlement has  
been filed by Robert F  
Siggins, III of Chelmsford,  
MA requesting that the  
court enter a formal  
Decree of Complete  
Settlement including the  
allowance of a final  
account and other such  
relief as may be requested  
in the Petition.  
**IMPORTANT NOTICE**  
You have the right to  
obtain a copy of the  
Petition from the Petitioner  
or the court. You have  
the right to object to this  
proceeding. To do so, you  
or your attorney must file a  
written appearance and  
objection at this court  
before: 10:00 a.m. on the  
return day of 05/01/2018.  
This is NOT a hearing date,  
but a deadline by which  
you must file a written  
appearance and objection  
if you object to this  
proceeding. If you fail to  
file a timely written  
appearance and objection  
followed by an affidavit of  
objections within thirty  
(30) days of the return  
day, action may be taken  
without further notice to  
you. **WITNESS, Hon.**  
**Edward F Donnelly, Jr.,**  
First Justice of this Court.  
Date: March 27, 2018.  
Tara E. DeCristofaro,  
Register of Probate  
April 3, 2019

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## PUBLIC NOTICES

[Home](#)**LEGAL NOTICE NOTICE IS HEREBY GIVEN BY ROYALTY GROUP, LLC**

LEGAL NOTICE Notice is hereby given by Royalty Group, LLC. that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for Thursday, April 11, 2019 at 6:00pm at Old Town Hall located at 10 Kendall Rd, Tyngsborough, MA 01879. The proposed Adult Use Retail Marijuana Establishment is anticipated to be located at 425 Middlesex Rd. Tyngsborough, MA. There will be an opportunity for the public to ask questions. April 3, 2019

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 April 3, 2019

Run Date	Product	Placement	Rate	Sched Cst	Disc/Prem	Color	Pickup	Tax	Subtotal
04/03/2019	The Sun	Legal	\$37.62 per Inch	\$91.96	\$0.00	\$0.00	\$0.00	\$0.00	\$91.96
04/03/2019	LS SunMedia	Legal	\$4.14 per Inch	\$10.12	\$0.00	\$0.00	\$0.00	\$0.00	\$10.12



# ROYALTY GROUP, LLC.

*Marijuana Retailer Community  
Outreach Meeting*

# ABOUT ROYALTY GROUP



*Best in Class  
Cannabis Company*



# ABOUT ROYALTY GROUP

**OUR MISSION** - To better the lives of consumers and patients through creating a best-in-class organization rooted in technological and product collaboration with innovation from multiple contributors within the industry. To create products specific to market demand that deliver superior ROI'S for investors through strong business intentions, strategic branding methods, producing next-level retail experiences and proving a holistic boutique lifestyle vibe.

**OUR VISION** - To be the change we want to see as a leader in the cannabis industry, through positive business practices and productization using cultivation, manufacturing, and branding to produce the highest quality products portfolio with multiple delivery and use methods. Solidifying the brand as a responsible operator will translate into strong profit margins while maintaining a conscious brand position to consumers while contributing to the communities in which we are established.



# OUR CEO ANDREA PEARCE

- Andrea Pearce co-founded Royalty Group LLC and is now a leading woman entrepreneur in the adult-use cannabis industry.
- Andrea grew up in Nashua, NH and has been coming to Tyngsborough her entire life.
- Prior to joining the cannabis industry, Ms. Pearce was a COO within the entertainment and real estate industry, overseeing multiple corporations under multiple ownerships.
- Ms. Pearce holds an Associates in Computer Science and a Bachelors in Science for Business Administration with a concentration in Organizational Leadership.

# ABOUT THE ROYALTY GROUP TEAM

- Co-founder Brandon Warren is COO with heavy experience in the cannabis industry as a master grower and product developer in California including being Vice President and Master Cultivator at Comfort Farms in Grass Valley California.
- Our Financial Manager is Mark Taylor who has been a Certified Public Accountant for over twenty years.
- Eric Alpert is our head of security with experience as a Massachusetts State Court Officer responsible for the security of personnel and the premises within the Massachusetts General Court.
- Scott Churchill will be consulting on science related issues and is also the co-founder of MCR Labs with over 12 years experience as a scientist 9 years experience as a process engineer.



# ABOUT THE ROYALTY GROUP TEAM CONTINUED

- Rick Granoff is our business development director with experience being Principal/Managing Partner of Premium Chef Edibles, Managing Partner of [smokininteriors.com](https://smokininteriors.com), and tremendous experience engineering and building Retail Marijuana stores.
- Julie Grace is our Director of Science and she is currently one of the lead scientists supporting the implementation of continuous processing technologies at Pall Life Sciences.
- Jay Kelly is our Director of Cultivation who has over 19 years of experience with commercial marijuana cultivation facilities.
- Ronald Lipof is our lead business consultant with over 25 years in finance and corporate structure.
- Robert Carp is our industry specific legal counsel, who is the pioneer constructing the fundamentals which are shaping our industry.



# OUR PROPOSED LOCATION

- 425 Middlesex Rd. in Tyngsborough
- Retail Marijuana Establishment Only
- This type of Retail Marijuana Establishment is allowed under current zoning bylaws/ordinances at this location.
- Location is a pre-existing building currently an auto body shop









*Early ideas for what the interior and exterior of the retail storefront may look like.  
Note: Windows would need to be opaque in order to comply with state regulations.*



# NEXT STEPS FOR ROYALTY GROUP, LLC

*Local Permitting & State Licensing*







# LOCAL PERMITTING

- The proposed location will need local approval through a special permitting process with the Tyngsborough Special Permit Granting Authority before being allowed to commence the building out of marijuana retailer.
- 425 Middlesex Rd. complies with Tyngsborough Zoning Bylaw 5.00.00 - 5.80.00 (Special Requirements for Licensed Marijuana Establishments)

# TYNGSBOROUGH LOCAL PERMITTING CONTINUED

- Before we can be granted a special permit to begin buildout and commence operations we must first provide the Tyngsborough Police Department, Tyngsborough Fire Department, Building Commissioner, Board of Health and the Special Permit Granting Authority with the names, telephone numbers and email addresses of all management staff and key holders, to whom one can provide notice if there are operating problems associated with the Licensed Marijuana Establishment.
- Prior to the issuance of a certificate of occupancy, Royalty Group, LLC. will file a security plan, operation and management plan and emergency plan to demonstrate there is limited undue burden on the Town public safety officials as a result of our proposal.
- Our hours of operation will be set by the Tyngsborough Special Permit Granting Authority.



**5.00.00 Special Requirements for Licensed Marijuana Establishments**

**5.10.00 Purpose**

**5.10.01** To provide for the establishment of Licensed Marijuana Establishments for adult use and medical marijuana, in appropriate places and under reasonable circumstances in accordance with the applicable state laws and regulations. Specifically, Chapter 94C of 2012 (An Act for the Humanitarian Medical Use of Marijuana), M.G.L. c. 94C (Regulation of Marijuana), 105 CMR 725.00 (Implementation of an Act for the Humanitarian Medical Use of Marijuana), M.G.L. c. 94G (Regulation of the Use and Distribution of Marijuana) and 935 CMR 500.00 (Adult-Use of Marijuana).

**Town of Tyngsborough- Zoning Bylaw**

**5.10.02** To minimize the adverse impacts of Licensed Marijuana Establishments on adjacent properties, residential neighborhoods, schools and other places where people congregate, and other land uses potentially incompatible with such Establishments.

**5.10.03** To regulate the siting, design, placement, security, safety, modification, and removal of Licensed Marijuana Establishments.

**5.20.00 Applicability**

**5.20.01** The indoor cultivation, production, processing, assembly, packaging, wholesale sale, trade, transportation, distribution or dispensing of marijuana is permitted as a Licensed Marijuana Establishment under this Section 5.00.00.

**5.20.02** No Licensed Marijuana Establishment shall be established except in accordance with the provisions of this Section 5.00.00.

**5.30.00 Definitions**

LOCAL PERMITTING  
CONTINUED

- This location complies with all of the 500 ft. buffer zone requirements around Tyngsborough including existing public or private school buildings (K-12) a licensed day-care center, church, library, playground, or indoor and outdoor active recreation area for children.
- Public officials including the Board of Health as well as local residents will have an opportunity to participate in the special permitting process to ensure compliance with all local regulations and that the proposed location will not constitute a nuisance to the community.



## CANNABIS CONTROL COMMISSION LICENSING

- Royalty Group will be updating its filing for its provisional license from the Cannabis Control Commission at 425 Middlesex Rd. following this community outreach meeting.
- We expect to wait at a minimum of 60 days before any requests for more information or a provisional licensing approval notice from the Cannabis Control Commission.
- Once provisionally licensed by the Commission, Royalty Group must still comply with all local special permit requirements and regulations before being issued a final license to operate by the Commission.

# ABOUT THE PROPOSED MARIJUANA RETAIL ESTABLISHMENT

*Building Details & Security*







# ABOUT THE BUILDING

- Royalty Group will be renovating and converting the existing building into a retail store, estimated size of 4,500 square feet including 1,500 square feet of office space, and all space required to comply with state security requirements.
- Royalty Group will be repaving and developing the parking lot to have 50+ parking spaces along with landscaping the outside.

# OVERVIEW OF SECURITY REQUIREMENTS IN 935 CMR 500

- Royalty Group must abide by all security requirements in 935 CMR 500.110 as well as address any local security concerns brought forth by Tyngsborough public safety officials or local residents before commencing operations.
- We must positively identify everyone entering our facility as being 21 years of age through government issued identification.
- We must establish limited access areas pursuant to 935 CMR 500.110(4), which shall be accessible only to specifically authorized personnel limited to include only the minimum number of employees essential for efficient operation.
- Royalty Group must ensure that the outside perimeter of the Marijuana Establishment is sufficiently lit to facilitate surveillance.
- We must have Duress Alarms, Panic Alarms, enclosed areas, and maintain all video records for a period of 90 days onsite at our facility.
- Royalty Group must share the Marijuana Establishment's security plan and procedures with local Tyngsborough law enforcement authorities and fire services and periodically update law enforcement authorities and fire services if the plans or procedures are modified in a material way.





## PREVENTING DIVERSION TO MINORS

- Only individuals at least 21 years of age will be allowed to enter our facility.
- License scanners will be used to ensure that every ID entering the facility is valid and that the individual in the photo matches the individual trying to enter the building.
- Security personnel will be stationed within the parking lot to deal with any situations that need attention.





# NOT BEING A NUISANCE

- No marijuana products will be visible from the street or even with binoculars.
- There will be no marijuana leaf signage or bright signage in any form.
- Natural barriers will be used to enhance security procedures and ensure visibility is minimized from the road.
- Product deliveries will be made at randomized times and will not happen during time periods of heavy traffic.
- Royalty Group plans to institute an online order ahead system on our Website and through our mobile application, will prevent traffic bottlenecks and ensure a speedy process for consumers purchasing products.



# PLAN OF POSITIVE IMPACT

*Host Community  
Agreement*



# HOST COMMUNITY AGREEMENT



- Tyngsborough has opted for a 3% local sales tax on marijuana products sold at marijuana retailers.
- Tyngsborough has opted for a Community Impact Fee no less than 3% of total gross sales. This impact fee can be no less than \$300,000 per year as defined by the host agreement.
- Royalty Group must also offset any municipal costs related to regulating the facility.

# HOST COMMUNITY AGREEMENT CONTINUED

- Charity: Royalty Group will also contribute a minimum of \$25,000 to a local charity or non-profit organization.
- Road Safety: Royalty Group must also reimburse Tyngsborough for the actual costs incurred for a local police officer to complete an Advanced Roadside Impairment Driving Enforcement program to detect driver impairment on marijuana.
- Covering all costs: Royalty Group must cover all costs that may burden Tyngsborough including any Establishment consulting fees and costs like land use applications or the negotiation of a host community agreement.
- Royalty Group must also make our best effort to work with local vendors and hire locally from the community of Tyngsborough.
- Royalty Group must work with Tyngsborough officials to sponsor education on public health and drug use prevention.





## HOST AGREEMENT CONTINUED

- Royalty Group has signed a host agreement with Tyngsborough for a period of two years.
- In addition to the host community agreement requirements, Royalty Group is mandated to develop training and educational programs for individuals residing in areas of disproportionate impact as determined by the Cannabis Control Commission. Royalty Group will be working on these programs in Lowell with individuals harmed by marijuana prohibition because Lowell is the closest community of disproportionate impact in relation to Tyngsborough.

“

Royalty Group is determined to have a positive impact on the community of Tyngsborough and we can't wait to work with local residents and officials to ensure it happens.

*-Andrea Pearce*



# ANY QUESTIONS?

PLEASE EMAIL ANDREA PEARCE WITH ANY QUESTIONS YOU  
DON'T ASK TODAY

ANDREA.ROYALTYGROUP@GMAIL.COM

## **Royalty Group, LLC.**

### *Plan to Remain Compliant with Local Zoning at 425 Middlesex Rd. in Tyngsborough, Massachusetts*

Royalty Group, LLC. will continue working with the Tyngsborough Town Manager, Building Commissioner, and the Tyngsborough Special Permit Granting Authority to ensure our planned buildings, parking lot, and changes to the property remain fully compliant with Tyngsborough Zoning Bylaw 5.00.00 - 5.80.00 as well as 935 CMR 500. All proposed changes to the property will need to go through the Special Permit Granting Authority before Tyngsborough allows us to buildout the facility.

In addition to working with the Tyngsborough Special Permit Granting Authority, Building Commissioner and the Town Manager, Royalty Group, LLC intends to work closely with the Tyngsborough Police Department, Tyngsborough Fire Department, and the Board of Health to ensure all stakeholders have input on the project.

#### **Proposed Action Plan to Remain Compliant with Local Zoning**

1. Meeting with the Tyngsborough Building Commissioner to discuss our initial plans and for the construction of the marijuana retailers at 425 Middlesex Rd. (August 2019)
2. Meeting with the Town Manager and Tyngsborough Special Permit Granting Authority to discuss the proposal for 425 Middlesex Rd. (August - September 2019)
3. Meeting with the Tyngsborough Police Department, Fire Department, and Board of Health. (August - September 2019)
4. Special Permit Hearing with the Special Permit Granting Authority in Tyngsborough for 425 Middlesex Rd. (August - September 2019)
5. We plan to have regular meetings with town officials throughout the buildout process once provisionally licensed and until opening day.
6. We plan to have meetings bi-annually with town officials once operational about the operations at the facility to ensure compliance with zoning codes as well as addressing any concerns brought by neighbors.



**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

**Restated Certificate of Organization**

(General Laws, Chapter )

**Identification Number:** 001147448

**The date of filing of the original certificate of organization:** 9/19/2014

**1. The exact name of the limited liability company is:** ROYALTY GROUP LLC  
**and if changed, the name under which it was originally organized:**

**2a. Location of its principal office:**

No. and Street: 279 TREMONT ST  
 City or Town: BOSTON State: MA Zip: 02116 Country: USA

**2b. Street address of the office in the Commonwealth at which the records will be maintained:**

No. and Street: 279 TREMONT ST.  
 City or Town: BOSTON State: MA Zip: 02116 Country: USA

**3. The general character of business, and if the limited liability company is organized to render professional service, the service to be rendered:**  
BUSINESS OPERATIONS AND MANAGEMENT

**4. The latest date of dissolution, if specified:**

**5. Name and address of the Resident Agent:**

Name: ANDREA PEARCE  
 No. and Street: 279 TREMONT ST.  
 City or Town: BOSTON State: MA Zip: 02116 Country: USA

**I, ANDREA PEARCE resident agent of the above limited liability company, consent to my appointment as the resident agent of the above limited liability company pursuant to G. L. Chapter 156C Section 12.**

**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	ANDREA PEARCE	279 TREMONT ST. BOSTON, MA 02116 USA
MANAGER	BRANDON WARREN	2036 NEVADA CITY HWY #142 GRASS VALLEY, CA 95945 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.**

<b>Title</b>	<b>Individual Name</b> First, Middle, Last, Suffix	<b>Address</b> (no PO Box) Address, City or Town, State, Zip Code
SOC SIGNATORY	ANDREA PEARCE	279 TREMONT ST. BOSTON, MA 02116 USA

**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:**

<b>Title</b>	<b>Individual Name</b> First, Middle, Last, Suffix	<b>Address</b> (no PO Box) Address, City or Town, State, Zip Code
REAL PROPERTY	ANDREA PEARCE	279 TREMONT ST. BOSTON, MA 02116 USA

**9. Additional matters:**

NONE

**10. Describe any amendments to be effected by the restated certificate, and if none, include a statement to that affect:**

NONE

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

**SIGNED UNDER THE PENALTIES OF PERJURY, this 12 Day of January, 2018,**  
**ANDREA PEARCE , Signature of Applicant.**

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:

January 12, 2018 04:23 PM

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

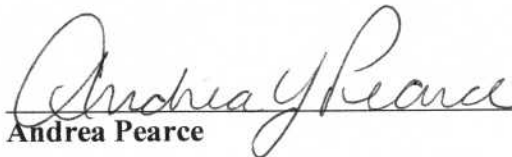
WILLIAM FRANCIS GALVIN

*Secretary of the Commonwealth*



SIGNATURES AND DATES

In witness of their acceptance of the above terms and conditions, the parties, in their capacities as members and as managers, by themselves or by their duly authorized representatives, have duly signed and dated this Agreement (Operating Agreement of Royalty Group LLC) as follows:

 12/19/18  
Andrea Pearce (date)

 12/19/18  
Brandon Warren (date)

Royalty Group LLC

By:  12/19/18  
Andrea Pearce (date)  
Managing Member

OPERATING AGREEMENT  
OF  
**Royalty Group LLC**

Dated as of: 12/3/2018

## SUMMARY OF CONTENTS

### BACKGROUND

### TERMS AND CONDITIONS

ARTICLE 1	PRELIMINARY MATTERS
ARTICLE 2	CLASSES OF MEMBERS; MEMBER CASH CONTRIBUTIONS, ETC.
ARTICLE 3	MEMBER VOTING AND AGENCY RIGHTS; CERTAIN OTHER NON-ECONOMIC RIGHTS OF MEMBERS
ARTICLE 4	ALLOCATIONS OF LLC PROFITS AND LOSSES TO MEMBERS; INTERIM DISTRIBUTIONS; GUARANTEED PAYMENTS, ETC.
ARTICLE 5	TRANSFERS AND PLEDGES OF MEMBERSHIP RIGHTS; ADMISSIONS OF ADDITIONAL MEMBERS
ARTICLE 6	MEMBER DISSOCIATIONS BY DEATH, RESIGNATION OR OTHERWISE; CONSEQUENCES OF DISSOCIATION
ARTICLE 7	MEMBERS' DUTY OF CARE, ETC.
ARTICLE 8	MEMBERS' DUTIES OF GOOD FAITH, LOYALTY, ETC.
ARTICLE 9	MEMBERS' DUTY OF CONFIDENTIALITY
ARTICLE 10	MEMBERS' REPRESENTATIONS AND WARRANTIES; DUTY TO UPDATE
ARTICLE 11	PROTECTION OF LIMITED LIABILITY
ARTICLE 12	MANAGER QUALIFICATIONS, DUTIES, ETC.
ARTICLE 13	LLC RECORDS, BOOKS OF ACCOUNTS, REPORTS TO MEMBERS, ETC.
ARTICLE 14	TAX PLANNING AND COMPLIANCE
ARTICLE 15	LLC DISSOLUTION, WINDING-UP AND LIQUIDATION; LIQUIDATION DISTRIBUTIONS
ARTICLE 16	TERM OF AGREEMENT; TERMINATION; SURVIVAL OF CERTAIN RIGHTS AND DUTIES, ETC.
ARTICLE 17	ARBITRATION OF LLC DISPUTES
ARTICLE 18	GENERAL PROVISIONS

### SIGNATURES AND DATES

### EXHIBITS

## DETAILED TABLE OF CONTENTS

BACKGROUND .....	2
TERMS AND CONDITIONS .....	2
ARTICLE 1            PRELIMINARY MATTERS.....	2
1.1 Effective date of Agreement; enforceability.	
1.2 Formation of LLC.	
1.3 LLC's name, purpose, etc.	
1.4 Members of LLC on date of LLC's formation.	
1.5 Principal place of business of LLC.	
1.6 Limited liability of members.	
1.7 Reservation of LLC management to a manager; appointment of initial manager.	
1.7A Board of Directors.	
1.8 Taxation of LLC and members.	
1.9 Annual accounting period of LLC.	
1.10 LLC method of accounting.	
1.11 Addition of LLC as party to Agreement.	
1.12 Effect of LLC Act.	
1.13 Relation of Agreement to Certificate.	
1.14 Amendment of Agreement and Certificate.	
1.15 Qualification in other jurisdictions.	
ARTICLE 2            CLASSES OF MEMBERS; MEMBER CASH CONTRIBUTIONS, ETC. 4	
2.1 Classes of members.	
2.2 Contributions of cash, etc., to be made by members in exchange for their memberships.	
2.3 Valuation of non-cash contributions.	
2.4 Promises to make contributions shall be in writing.	
2.5 Enforceability of promises to make contributions; enforcement of promises.	
2.6 Penalties for failure to contribute.	
2.7 No interest on contributions.	
2.8 No requirement of contributions except as in Exhibit B.	
2.9 Member loans to LLC.	
2.10 Member guarantees of LLC obligations.	
2.11 Member time commitments and responsibilities.	
ARTICLE 3            MEMBER VOTING AND AGENCY RIGHTS; CERTAIN OTHER NON-ECONOMIC RIGHTS OF MEMBERS .....	5
3.1 Matters on which members may vote.	
3.2 Number of votes that members may cast.	
3.3 Number of votes necessary to decide LLC matters.	
3.4 Procedural rules governing voting.	
3.5 Agency rights of members.	

- 3.6 Right of members to obtain information in LLC's possession or control.
- 3.7 Right of members to bring action against, in the name of or on behalf of the LLC or against other members

ARTICLE 4                    ALLOCATIONS OF LLC PROFITS AND LOSSES TO MEMBERS;  
INTERIM DISTRIBUTIONS; GUARANTEED PAYMENTS, ETC .....7

- 4.1 Allocations of LLC profits and losses.
- 4.2 Allocations of Interim Distributions.
- 4.3 Definition of Interim Distribution.
- 4.4 Definition of LLC interest.
- 4.5 Distributions in kind.
- 4.6 No LLC duty to make Interim Distributions.
- 4.7 Tax distributions.
- 4.8 Draws.
- 4.9 Liquidating distributions.
- 4.10 Unlawful Distributions.
- 4.11 Liability for authorizing or receiving Unlawful Distributions.
- 4.12 Guaranteed payments and other payments to members for services, loans, etc.
- 4.13 Reimbursement of expenses.

ARTICLE 5                    TRANSFERS AND PLEDGES OF MEMBERSHIP RIGHTS, ETC.....8

- 5.1 Restrictions on right of members to transfer and pledge their membership rights.
- 5.2 Definition of transfer.
- 5.3 Admissions of additional members by the LLC.
- 5.4 Right of LLC and other members to acquire certain members' LLC interests.
- 5.5 Right of certain dissenting members to require LLC or other members to purchase their LLC interests.
- 5.6 Definition of Buy-out Matter.
- 5.7 Election under Internal Revenue Code section 754.

ARTICLE 6                    MEMBER DISSOCIATIONS BY DEATH, RESIGNATION OR  
OTHERWISE; CONSEQUENCES OF DISSOCIATION.....10

- 6.1 Definition of member dissociation.
- 6.2 Events of dissociation.
- 6.3 Dissociated member's retention of certain membership rights after dissociation.
- 6.4 No distributions, etc., to dissociated members.
- 6.5 Definition of Total Disability.
- 6.6 Determination of Total Disability.
- 6.7 Definition and effective date of resignation.
- 6.8 Right of members to resign from LLC; notice of resignation.
- 6.9 Member expulsions.
- 6.10 Voting requirement for expelling a member.
- 6.11 Purchase of expelled member's LLC interest.

ARTICLE 7                    MEMBERS' DUTY OF CARE, ETC.....12



7.1	Duty of care.	
7.2	Personal liability of members for failure to use ordinary prudence.	
7.3	Duty to obtain information.	
7.4	Duty to act within authority.	
7.5	No member liability if a member relies on LLC information, on other LLC members, etc.	
7.6	No member liability for actions taken in good faith, etc.	
7.7	Who may claim breach of this Article; member vote necessary to make claim.	
7.8	Indemnification of members for claims of breach of their duty of care.	
7.9	Advancement of arbitration and litigation expenses.	
7.10	Liability insurance for members.	
ARTICLE 8	MEMBERS' DUTY OF LOYALTY, ETC.....	14
8.1	Duty of loyalty - general rule.	
8.2	Duty to transfer certain benefits to the LLC.	
8.3	No duty to not compete against the LLC.	
8.4	Duties in doing business with LLC.	
8.5	No duties with respect to LLC business opportunities.	
8.6	Duties of good faith and fair dealing.	
8.7	Duty to keep other members informed.	
8.8	Duty of majority members toward minority members.	
8.9	Who may claim breach of this Article; member vote necessary to make claim.	
8.10	Indemnification of members for claims of breach of Article 8.	
8.11	Advancement of litigation expenses.	
ARTICLE 9	MEMBERS' DUTY OF CONFIDENTIALITY .....	15
9.1	Members' duty to maintain confidentiality of LLC information.	
9.2	Definition of Confidential Information.	
9.3	Exceptions to duty of confidentiality.	
9.4	Binding effect; termination.	
ARTICLE 10	REPRESENTATIONS AND WARRANTIES BY MEMBERS; DUTY TO UPDATE.....	17
10.1	Representations and warranties.	
10.2	Duty to update.	
10.3	Representations, etc. by corporate member.	
ARTICLE 11	PROTECTION OF LIMITED LIABILITY .....	17
11.1	Use of "LLC" with LLC name.	
11.2	Separate books and accounts; no commingling.	
11.3	Adequate capitalization.	
11.4	Signing of agreements, etc.	
11.5	No misleading of third parties.	
ARTICLE 12	MANAGER QUALIFICATIONS, DUTIES, ETC. ....	18

ARTICLE 13 LLC RECORDS, BOOKS OF ACCOUNT, REPORTS TO MEMBERS, ETC ..	20
13.1 Records to be maintained by LLC.	
13.2 Books of account.	
13.3 Reports to members, etc.	
ARTICLE 14 TAX PLANNING AND COMPLIANCE .....	21
14.1 Importance to LLC of tax management and compliance.	
14.2 Appointment of LLC tax adviser.	
14.3 LLC tax returns.	
14.4 LLC provision of tax information to members.	
14.5 LLC computation and recording of members' contributions, capital accounts and adjusted tax bases.	
14.6 Planning of individual transactions.	
ARTICLE 15 LLC DISSOLUTION, WINDING-UP AND LIQUIDATION; LIQUIDATION DISTRIBUTIONS .....	22
15.1 Definition of LLC dissolution, etc.	
15.2 Events causing dissolution.	
15.3 Effective date of dissolution of LLC by vote of members.	
15.4 Determination of date for delivery of certificate of cancellation and for effective date of certificate.	
15.5 Cessation of LLC's legal existence.	
15.6 Dissolution by arbitrator.	
15.7 Exclusion of one or more members from participation in wind-up process, etc.	
15.8 Winding-up of LLC.	
15.9 Compliance with the laws of this State applicable to entity dissolutions and liquidations.	
15.10 Disposition of known and unknown claims against LLC.	
15.11 Distributions upon LLC liquidation.	
15.12 Duty to consult tax adviser in connection with LLC dissolution, etc.	
ARTICLE 16 TERM OF AGREEMENT; TERMINATION; SURVIVAL OF CERTAIN RIGHTS AND DUTIES, ETC.....	25
16.1 Term.	
ARTICLE 17 ARBITRATION OF LLC DISPUTES .....	25
17.1 Mandatory arbitration of certain disputed matters.	
17.2 Definition of Arbitrable Matter.	
17.3 Exclusions from definition.	
17.4 Rules governing arbitration.	
17.5 Notice of arbitration.	
17.6 Selection of arbitrator.	
17.7 No appeal, etc.	
17.8 Allocations of costs, fees, etc.	

17.9 Awarding of litigation costs to prevailing party.

ARTICLE 18 GENERAL PROVISIONS .....27

- 18.1 Entire agreement.
- 18.2 Amendments must be in writing.
- 18.3 Incorporation of exhibits.
- 18.4 Governing law.
- 18.5 Forum for resolution of disputes.
- 18.6 Notices.
- 18.7 Captions.
- 18.8 Freedom and enforceability of contract.
- 18.9 Severability.
- 18.10 Waivers.
- 18.11 Definition of "including", "person," etc.
- 18.12 Counterparts.
- 18.13 Annual Report.

SIGNATURES AND DATES .....29

EXHIBITS

## TABLE OF EXHIBITS

Exhibit A	RESTATED CERTIFICATE OF ORGANIZATION
Exhibit B	MEMBER CONTRIBUTIONS TO LLC
Exhibit C	MEMBER LOANS/LEASES TO LLC
Exhibit D	MEMBER GUARANTEES OF LLC OBLIGATIONS
Exhibit E	MEMBER/MANAGER COMMITMENTS OF TIME; MEMBER/MANAGER RESPONSIBILITIES
Exhibit F	DRAWS
Exhibit G	GUARANTEED PAYMENTS
Exhibit H	LLC TAX ADVISER
Exhibit I	MANAGER COMPENSATION

**OPERATING AGREEMENT  
OF  
Royalty Group LLC**

**PARTIES**

This Agreement, dated as of 12/3/2018, is among the following parties (the "Parties"):

1. **Andrea Pearce** ("Initial Member"), an individual, a resident of the State of New Hampshire, residing at 14 Curtis Drive, Nashua, NH 03062;
2. **Brandon Warren** ("Initial Member"), an individual, a resident of the State of California, residing at 2036 Nevada City Hwy #142, Grass Valley, CA 95945; and
3. **Royalty Group LLC** (the "LLC"), an LLC formed and existing under the laws of the Commonwealth of Massachusetts, with a principal place of business at 279 Tremont Street, Boston, MA 02116.

**BACKGROUND**

1. On or about September 19, 2014, the LLC was formed under the Limited Liability Company Act of the Commonwealth of MASSACHUSETTS (the "LLC Act"), M.G.L. Chapter 156C.
2. This Agreement sets forth the agreement among the parties as to the internal affairs of the LLC and the conduct of its business.

**TERMS AND CONDITIONS**

The parties, intending to be legally bound, agree as follows:

**ARTICLE 1** **PRELIMINARY MATTERS**

1.1 Effective date of Agreement; enforceability. The effective date of this Agreement (the "Effective Date") shall be the date on which the last of the Initial Members signing and dating it shall have done so.

On that date and thereafter until the parties amend the Agreement, all rights, duties and liabilities of the LLC and of the members as members and as managers (including members' personal liabilities for money damages and other relief for breaches of their duties) shall be valid and enforceable in accordance with the terms of the Agreement.



1.2 Formation of LLC. The Initial Members, on September 19, 2014, filed with the Secretary of State of Massachusetts a certificate of organization. On that date the LLC was formed. The certificate was amended over the years via annual reports to the current restated certificate of organization (the "Certificate") substantially identical in form and content to the Certificate attached to this Agreement as Exhibit A.

Upon its formation, the LLC became a legal entity separate and distinct from its members.

1.3 LLC's name, purpose, etc. The LLC's name, purpose, registered agent, registered office, duration and form of management shall be as set forth in the Certificate.

1.4 Members of LLC on date of LLC's formation. On the date of formation of the LLC, the Initial Members shall be the members of the LLC. Additional members shall be admitted to the LLC in accordance with Article 5.

1.5 Principal place of business of LLC. The LLC's principal place of business shall be 279 Tremont Street, Boston, MA 02116. The managers may change the LLC's principal place of business from time to time upon reasonable notice to the members.

1.6 Limited liability of members. No member shall be personally obligated to any third party for any debt, obligation or liability of the LLC solely by reason of being a member or acting as a manager. Members shall be liable for their conduct other than as members as provided by law.

1.7 Reservation of LLC management to a managers; appointment of initial managers. Except as otherwise expressly provided in this Agreement, the management of the business and internal affairs of the LLC shall be reserved to managers. The initial managers of the LLC shall be the Initial Members: **Andrea Pearce** and **Brandon Warren**.

1.7A Board of Directors. The members will appoint a board of directors. Such board will have the authority and responsibility for approving major decisions of the managers and members. The members determine the amount of directors, term and authority of the board of directors.

1.8 Taxation of LLC and members. Under federal tax law and to the maximum extent possible under the tax laws of each state and the District of Columbia, the LLC and its members shall be taxable as a partnership and as partners.

The provisions of this Agreement shall be construed and applied in such a manner as to ensure full compliance with the provisions of the Internal Revenue Code (the "Internal Revenue Code"), applicable to **partnerships** and with regulations there under.

1.9 Annual accounting period of LLC. The LLC's annual accounting period for financial and tax purposes shall be the calendar year.

1.10 LLC method of accounting. The LLC shall use the accrual method of accounting to compute its taxable income.

1.11 Addition of LLC as party to Agreement. A member shall sign this Agreement on behalf of the LLC, and the LLC shall become a party to the Agreement.

1.12 Effect of LLC Act. Except as otherwise provided in this Agreement or by law, the business and internal affairs of the LLC shall be governed by the LLC Act as in effect on the Effective Date.

1.13 Relation of Agreement to Certificate. If there is any conflict between the provisions of this Agreement and those of the Certificate, then, in any dispute among the members, the provisions of this Agreement shall prevail.

1.14 Amendment of Agreement and Certificate. No amendment of this Agreement or of the Certificate shall be valid except upon the affirmative vote of members holding a two thirds majority of member votes. Even dissociated members shall have the right to vote on amending the Agreement or the Certificate.

1.15 Qualification in other jurisdictions. Before conducting business in any jurisdiction other than Massachusetts, the LLC shall file all forms and shall do all other things required under the laws, including the tax laws, of that jurisdiction in order to conduct that business.

## ARTICLE 2            CLASSES OF MEMBERS; MEMBER CASH CONTRIBUTIONS, ETC.

2.1 Classes of members. The LLC shall have a single class of members.

2.2 Contributions of cash, etc., to be made by members in exchange for their memberships. The Initial Members, in exchange for their memberships, made contributions to the LLC of the cash, non-cash property and services and the promises of cash, non-cash property and services as provided in the attached Exhibit B.

Members admitted to the LLC after its formation shall make contributions in exchange for their memberships as set forth in amendments to that exhibit.

Exhibit B shall contain the dates when any contributions are due.

2.3 Valuation of non-cash contributions. Before any member makes a contribution or an additional contribution to the LLC in a form other than money, the members shall agree on the value of that contribution in dollars by affirmative vote of members holding a majority of member votes. In the absence of fraud, that agreement shall be conclusive as to that value.

2.4 Promises to make contributions shall be in writing. No promise by a member to make a contribution to the LLC shall be enforceable unless set forth in this Agreement or in another writing signed by the member.

2.5 Enforceability of promises to make contributions; enforcement of promises. Members or their representatives shall be obligated to perform written promises to make contributions to the LLC even if the members are unable to do so because of death, disability or otherwise. No such promise shall be compromised except by affirmative vote of all of the members.

2.6 Penalties for failure to contribute. If, by the date specified in Exhibit B, any member fails to make the contribution required in that exhibit, the other members by vote of members holding a majority of member votes (exclusive of the votes of the member failing to make the contribution) may impose upon the member any penalty that the other members agree is reasonable in the circumstances, including:

- a. Reduction or elimination of the member's proportionate interest in the LLC;
- b. Forfeiture of all or a portion of the member's membership rights; or
- c. Sale of all or a portion of the member's interest in the LLC.

2.7 No interest on contributions. The members shall earn no interest on their contributions under this Article 2.

2.8 No requirement of contributions except as in Exhibit B. No member shall have a duty to make a contribution to the LLC except as provided in Exhibit B (as this exhibit may be amended from time to time).

2.9 Member loans or leases to LLC. The Initial Members shall make loans or leases to the LLC as provided in the attached Exhibit C in accordance with the terms set forth in that exhibit and in any attachments to it. Members admitted to the LLC after its formation shall make loans to the LLC as provided in amendments to that exhibit.

2.10 Member guarantees of LLC obligations. The members shall guarantee the obligations of the LLC as provided in the attached Exhibit D under the terms set forth in that exhibit.

2.11 Member time commitments and responsibilities. Each member shall commit time to the LLC and shall have responsibility for LLC functions as set forth in the attached Exhibit E.

ARTICLE 3                    MEMBER VOTING AND AGENCY RIGHTS; CERTAIN OTHER  
NON-ECONOMIC RIGHTS OF MEMBERS

3.1 Matters on which members may vote. Members in their capacity as members have the right to vote on only the following types of matters ("Member Matter"):

- a. All matters on which this Agreement expressly provides them with a right to vote.

3.2 Number of votes that members may cast. On each Member Matter, each member shall have **one vote**.

3.3 Number of votes necessary to decide LLC matters. Except as otherwise expressly provided in this Agreement, each Member Matter shall be decided by the affirmative vote of members holding a majority of member votes.

3.4 Procedural rules governing voting. In the absence of fraud or bad faith, no vote by the members on any Member Matter shall be deemed to be invalid on any procedural or similar ground, including any ground relating to lack of notice, lack of meeting, lack of quorum, or failure to record votes. For purposes of this Article 3.4, the terms "procedural or similar ground" shall be construed broadly. Members may vote on Member Matters in person, by phone, by fax, by electronic mail or by any other reasonable means.

3.5 Members have no agency right. No member as a member shall have the right to bind the LLC in dealings with third parties.

3.6 Right of members to obtain information in LLC's possession or control. During normal business hours and after reasonable notice, each member shall be entitled for any purpose reasonably related to their membership:

- a. To obtain any information in the LLC's possession or control; and
- b. To inspect and, at the member's expense, to copy any document and other medium in the LLC's possession or control;

However, all information thus acquired by the member shall be subject to the provisions of Article 9 (relating to the confidentiality of certain LLC information).

3.7 Right of members to bring action against, in the name of or on behalf of the LLC or against other members. No member in the member's capacity as a member may bring a suit or action against the LLC or against any other member in the other member's capacity as a member in any court for any reason except to enforce an arbitration order under Article 17.

No member may bring a suit or action against any person in the name of or on behalf of the LLC except with the affirmative vote of other members holding a majority of member votes (exclusive of the votes of the member seeking to bring suit).

Any member may assert in arbitration under Article 17 any claim that could be asserted in any suit or action against, in the right of or in the name of the LLC.

ARTICLE 4                    ALLOCATIONS OF LLC PROFITS AND LOSSES TO MEMBERS;  
INTERIM DISTRIBUTIONS; GUARANTEED PAYMENTS, ETC.

4.1 Allocations of LLC profits and losses. The LLC shall allocate its profits and losses to the members in proportion to their respective percentage point amount of ownership as shown in Exhibit B;

However, the LLC shall allocate gain, deductions and other tax items to members in respect of contributed non-cash property in accordance with Internal Revenue Code section 704(c)(1)(A) and the regulations there under.

For purposes of this Article 4, contributions shall (except as otherwise expressly provided in this Agreement) include only the value of contributions which the LLC has actually received from the members and has not returned.

4.2 Allocations of Interim Distributions. The LLC shall allocate to the members Interim Distributions (as defined in Article 4.3) on the same basis on which it allocates its profits and losses.

4.3 Definition of Interim Distribution. For purposes of this Article 4, the term "Interim Distribution" shall mean any distribution by the LLC of its assets to any member as the member's share of LLC profits except:

- a. Distributions to members in connection with the liquidation of their LLC interests (as the term "LLC interest" is defined in Article 4.4); and
- b. Distributions to members in connection with the liquidation of the LLC.

4.4 Definition of LLC interest. For purposes of this Agreement, a member's LLC interest means the member's share of the LLC's profits and losses and the member's right to receive distributions of the LLC's assets.

4.5 Distributions in kind. If the LLC is required to make an Interim Distribution to any member, the member may not require the LLC to make this distribution except in the form of cash. Additionally, no member may be compelled to accept an Interim Distribution except in the form of cash.

4.6 No LLC duty to make Interim Distributions. The LLC shall have no duty to make Interim Distributions except as expressly provided in this Agreement or as determined from time to time by the affirmative vote of members having a majority of member votes.



4.7 Tax distributions. The LLC shall have no duty to make Interim Distributions to the members to enable them to pay taxes on allocations to them of LLC profits except as expressly determined by the affirmative vote of members having a majority of member votes.

4.8 Draws. During any fiscal year of the LLC, members and managers shall be entitled to draw on their shares of projected LLC profits for that year in accordance with the attached Exhibit F.

4.9 Liquidating distributions. The LLC shall make distributions to members in connection with the liquidation of their LLC interests in accordance with Article 5. The LLC shall make distributions to members in connection with the liquidation of the LLC in accordance with Article 15.

4.10 Unlawful Distributions. The LLC shall make no Unlawful Distribution of its assets to any member. For purposes of this Article 4.10, a distribution is an Unlawful Distribution:

- a. If, immediately after the distribution, the aggregate value of the LLC's liabilities would exceed the aggregate value of its assets; or
- b. If, as a result of the distribution, the LLC would be unable to pay its reasonably foreseeable obligations as they become due; or
- c. If the distribution is unlawful under the LLC Act as in effect from time to time.

4.11 Liability for authorizing or receiving Unlawful Distributions. Members who vote to authorize Unlawful Distributions or who receive these distributions shall be liable as provided in the LLC Act.

4.12 Guaranteed payments and other payments to members for services, loans, etc. Each member shall receive from the LLC guaranteed payments and other payments for services, for loans and for other benefits provided by the member to the LLC in accordance with the attached Exhibit G. No such payment shall affect the right of the member to allocations of LLC profits and losses or to allocations or distributions of LLC Interim Distributions.

4.13 Reimbursement of expenses. If any member or manager incurs a reasonable expense on behalf of the LLC and reasonably documents this expense to the LLC, the LLC shall reimburse the member for this expense as promptly as reasonably possible after receiving this documentation.

## ARTICLE 5                      TRANSFERS AND PLEDGES OF MEMBERSHIP RIGHTS, ETC.

5.1 Restrictions on right of members to transfer and pledge their membership rights. No member shall transfer or pledge to any person all or any part of the member's rights as a member (whether economic right or non-economic rights) except upon the affirmative two thirds vote of other members holding a majority of member votes (exclusive of member votes held by the member wishing to make the transfer or pledge in question).

5.2 Definition of transfer. For purposes of this Article 5, "transfer" includes, without limitation:

- a. Transfers by sale or gift;
- b. Transfers (whether by will, trust or otherwise) taking effect on the death of the transferor; and
- c. Involuntary transfers, including transfers by operation of law and pursuant to divorce decrees.

Transfers and pledges in breach of the terms of this Article 5 shall be void and of no effect.

5.3 Admissions of additional members by the LLC. The LLC shall admit no person as a member of the LLC after the LLC's formation except upon the affirmative two thirds vote of members holding a majority of member votes.

5.4 Right of LLC and other members to acquire certain members' LLC interests. The LLC may require a member to promptly sell all or any part of the member's LLC interest to the LLC or to the other members for its fair value and upon other reasonable purchase terms if:

- a. The member is dissociated from the LLC for any reason;
- b. The member becomes a party to a divorce proceeding and the other members determine reasonably and in good faith that it is likely that as a result of that proceeding, all or any of the member's membership rights will be awarded to the member's spouse; or
- c. An arbitrator orders such a sale under Article 17 on the ground that it is fair and reasonable in the circumstances.

5.5 Right of certain dissenting members to require LLC or other members to purchase their LLC interests. If a member dissents to the affirmative vote of other members holding a majority of member votes on a Buy-out Matter (as defined in Article 5.6) and the member resigns from the LLC because of this dissent, the LLC or the other members must purchase the member's LLC interest for its fair value and on other reasonable purchase terms.

5.6 Definition of Buy-out Matter. For purposes of Article 5.5, Buy-out Matter means:

- a. Whether the LLC shall sell more than 50% of its assets (by current fair market value) in a single transaction or in a series of related transactions;
- b. Whether the LLC shall participate in a conversion or merger.

5.7 Election under Internal Revenue Code section 754. Before any member transfers any of the member's rights as a member to any person, the members shall negotiate in good faith and shall agree whether to file an election under Internal Revenue Code section 754 to adjust the basis of LLC property in connection with that transfer.

## ARTICLE 6 MEMBER DISSOCIATIONS BY DEATH, RESIGNATION OR OTHERWISE; CONSEQUENCES OF DISSOCIATION

6.1 Definition of dissociation of a member. The dissociation of a member means the termination of the member's right to participate in the LLC's business and internal affairs by voting on all LLC matters (including Member Matters), by acting as an agent for the LLC or otherwise. The only exception is Article 1.14.

6.2 Events of dissociation. A member shall be dissociated only upon the occurrence of one of the following events:

- a. The member dies (or, if the member is an entity, it incurs a dissolution or equivalent event);
- b. The member incurs a Total Disability (as defined in Article 6.5);
- c. The member becomes bankrupt;
- d. The member resigns in accordance with Article 6.7;
- e. The member transfers the member's entire LLC interest to another person;
- f. The member is expelled from membership in the LLC in accordance with Article 6.9.

6.3 Dissociated member's retention of certain membership rights after dissociation. Except as otherwise provided in this Agreement, the dissociation of a member shall not affect any right of the member (or, in the event of the member's death or disability, of the member's personal representative):

- a. To share in the profits and losses of the LLC; or
- b. To receive distributions of the LLC's profits and other assets.

6.4 No distributions, etc., to dissociated members. Except as otherwise provided in this Agreement, a member's dissociation shall not entitle the member to receive any distribution of LLC profits or other assets or to receive any payment for the member's LLC interest.

6.5 Definition of Total Disability. A member shall be deemed to have incurred a Total Disability within the meaning of Article 6.2(b) if, by reason of any physical or mental disability, the member is unable to participate significantly in the business and internal affairs of the LLC for 180 consecutive days.

6.6 Determination of Total Disability. Whether a member has incurred a Total Disability and the date on which the member has incurred a Total Disability shall be determined by the affirmative two-thirds vote of members holding a majority of member votes (except those of the member about whose disability they are voting). All such determinations shall be subject to review in arbitration under Article 17.

6.7 Definition and effective date of resignation. For purposes of this Article 6, the resignation of a member means the member's voluntary renunciation of the member's right to participate in the business and internal affairs of the LLC. A member shall be deemed to have resigned from the LLC within the meaning of this Article 6 on the effective date of the notice of resignation described in Article 6.8.

6.8 Right of members to resign from LLC; notice of resignation. A member may without liability resign as a member of the LLC by giving written notice of resignation to the other members. The resignation shall be effective 60 days after all of the other members have received the notice.

6.9 Member expulsions. A member may be expelled from the LLC:

- a. If the member materially breaches this Agreement and fails to cure the breach within a 30 days time after receiving notice of it;
- b. If the member is convicted of a felony; or
- c. If the member engages in fraudulent or illegal actions relating to the business or internal affairs of the LLC.

6.10 Voting requirement for expelling a member. The voting requirement for expelling a member shall be as follows:

- a. LLC has at least three members. If the LLC has at least three members and one or more members wish to expel a member, the member may be expelled by the unanimous vote of the members (excluding the votes of the member sought to be removed).

- b. LLC has two members. If the LLC has only two members, either member may petition an arbitrator to order the expulsion of the other.

6.11 Purchase of expelled member's LLC interest. If the LLC or the other members exercise their right under Article 5 to purchase the LLC interest of an expelled member and if the LLC and the other members cannot agree with the expelled member on the purchase price or on the other terms of this purchase, these matters shall be decided by arbitration under Article 17.

In deciding any such arbitration, the arbitrator shall consider all relevant factors, including the conduct of the expelled member resulting in the expulsion.

## ARTICLE 7

### MEMBERS' DUTY OF CARE, ETC.

7.1 Duty of care. In participating in any matter (an "LLC matter") relating to the business and internal affairs of the LLC, members in their capacity as members and as managers shall use their reasonable best efforts to further the interests of the LLC;

However, members shall be liable for violations of their duty of care as members and as managers only as provided in Article 7.2.

7.2 Personal liability of members for failure to use ordinary prudence. Members shall be personally liable to the LLC for money damages and other relief if, in participating in any LLC matter as a member or manager:

- a. They fail to exercise the care that an ordinarily prudent person would exercise under similar circumstances; and
- b. They are unable to rely on the defenses to liability set forth in Articles 7.5 and 7.6.

7.3 Duty to obtain information. Before making any decision or taking any action in an LLC matter, members in their capacity as members and as managers shall use their reasonable best efforts to obtain all relevant information.

7.4 Duty to act within authority, etc. No member shall act as an agent for the LLC in any matter except as authorized by this Agreement.

7.5 No member liability if a member relies on LLC information, on other LLC members, etc. No member in the member's capacity as a member or as a manager shall be personally liable to the LLC or to other members for any claim of violation of the member's duties under this Article 7 to the extent that, with respect to the matter in question, the member has acted in reasonable reliance on:

- a. LLC records;



- b. Other LLC members, employees or officers or other persons whom, at the time of the action, the members reasonably believed to be competent in the matters in question; or
- c. Any provision of this Agreement.

7.6 No member liability for actions taken in good faith, etc. No member in the member's capacity as a member or as a manager shall be personally liable for a breach of any duty of the member under this Article 7 if, with respect to the matter in question, the member has acted:

- a. In good faith;
- b. In the reasonable belief that the action was in the best interest of the LLC; and
- c. On the basis of reasonably adequate information.

7.7 Who may claim breach of this Article; member vote necessary to make claim. Only the LLC may make a claim against a member for a breach of a duty of the member under this Article 7. The LLC shall make no such claim except upon the affirmative vote of members holding a majority of member votes (exclusive of the votes of the member subject to the claim).

7.8 Indemnification of members for claims of breach of their duty of care. If any person makes a claim against a member for a violation of a duty of the member under this Article 7, the LLC shall indemnify the member for reasonable expenses and for damages or settlement amounts reasonably incurred by the member in respect of the claim if disinterested members holding a majority of member votes (exclusive of the votes of the member who is the subject of the claim) determine that in respect of the matter in question:

- a. The member has exercised the care that an ordinarily prudent person would exercise under similar circumstances; or
- b. The member is protected from liability under Articles 7.5 or 7.6.

7.9 Advancement of arbitration and litigation expenses. The LLC shall advance arbitration and litigation expenses to a member for the defense of claims against the member for breaches of the member's duty under this Article 7:

- a. If disinterested members holding a majority of member votes (excluding the votes of the member who is the subject of the claim) determine that in respect of the relevant matter, it is probable that the member has exercised the care that an ordinarily prudent person would exercise under similar circumstances or that the member is protected from liability under Articles 7.5 or 7.6; and

- b. If the member promises to return all such advances to the LLC if the court, arbitrator or other tribunal deciding the claim finds otherwise.

7.10 Liability insurance for members. Whether the LLC shall maintain an insurance policy to cover member liabilities arising under this Article 7 shall be determined by the affirmative vote of members holding a majority of member votes.

## ARTICLE 8 MEMBERS' DUTY OF LOYALTY, ETC.

8.1 Duty of loyalty - general rule. In matters relating to the business and affairs of the LLC, members shall act solely for the benefit of the LLC and not for their personal benefit.

8.2 Duty to transfer certain benefits to the LLC. Any member, whether acting as a member or as a manager, who directly or indirectly receives from any person a monetarily significant benefit, including cash, in connection with the member's participation in LLC matters shall transfer this benefit or its monetary equivalent to the LLC;

However, the member may retain the benefit if authorized to do so:

- a. By this Agreement; or
- b. By the advance consent of disinterested members holding a majority of member votes (exclusive of the votes of the member in question).

8.3 No duty to not compete against the LLC. There is no duty to not compete against the LLC by a member.

8.4 Duties in doing business with LLC. Members may engage directly or indirectly in business with the LLC on their own behalf or on behalf of third parties only with the advance consent of disinterested members holding a majority of member votes (exclusive of the votes of the member wishing to engage in business with the LLC). The terms of any business engagement permitted under this Article 8.4 shall be arm's-length terms and in writing.

8.5 No duties with respect to LLC business opportunities. If a member learns (whether in the course of LLC business or otherwise) of a business opportunity potentially valuable to the LLC, the member has no duty at all to disclose the opportunity to the LLC.

8.6 Duties of good faith and fair dealing. In all LLC matters, members in their capacity as members and as managers shall act in good faith and shall deal fairly with the LLC and with the other members.

8.7 Duty to keep other members informed. Each member shall use reasonable efforts to keep the other members currently informed concerning the LLC's business and internal issues.

8.8 Duty of majority members toward minority members. Members who, alone or in combination with other members, take action on any LLC matter as a majority shall act fairly and in good faith toward minority members. Minority members shall act likewise towards the majority members.

8.9 Who may claim breach of this Article; member vote necessary to make claim. Only the LLC may make a claim against a member for a breach of the member's duty under this Article 8. The LLC shall make no such claim except upon the affirmative vote of members holding a majority of member votes (exclusive of the votes of the member subject to the claim).

8.10 Indemnification of members for claims of breach of Article 8. No member shall be entitled to indemnification for expenses or damages incurred by the member as a result of the member's breach of any provision of this Article 8.

8.11 Advancement of litigation expenses. The LLC shall advance litigation expenses to a member for the defense of a claim against the member for breach of the member's duties under this Article 8 if disinterested members holding a majority of member votes (excluding the votes of the member who is the subject of the claim) determine that in the matter in question, it is probable that the member has complied with these duties.

## ARTICLE 9

### MEMBERS' DUTY OF CONFIDENTIALITY

9.1 Members' duty to maintain confidentiality of LLC information. Each member, whether acting as a member or as a manager:

- a. Shall maintain the confidentiality of Confidential Information (as defined in Article 9.2);
- b. Except as required in conducting the business and internal affairs of the LLC, shall not disclose Confidential Information to any third party without the affirmative vote of members holding a majority of member votes (exclusive of the member votes of the member desiring to make the disclosure);
- c. Shall make copies of documents and other media containing Confidential Information only for the benefit of the LLC or for any purpose reasonably related to their membership;
- d. Shall use Confidential Information only for the benefit of the LLC; and

- e. Promptly after ceasing to be a member, shall return to the LLC all documents and other media containing Confidential Information.

9.2 Definition of Confidential Information. For purposes of this Agreement, Confidential Information means:

- a. The terms of this Agreement; however, a member may disclose these terms on a confidential basis to his or her spouse and professional advisers;
- b. Information that the LLC maintains in confidence and that has actual or potential economic value to the LLC because it is not generally known to others and is not readily ascertainable by them, which information shall include:
  - (1) financial information relating to the LLC and to the members;
  - (2) information relating to LLC marketing and business plans and strategies;
  - (3) information concerning the design and manufacture of LLC products and concerning the method of providing LLC services;
  - (4) information in LLC personnel files and similar files relating to LLC members and employees;
- c. Information entrusted to the LLC in confidence by third parties;
- d. Information reasonably designated by the members as Confidential Information; and
- e. Information disclosed by a member under Article 10.

9.3 Exceptions to duty of confidentiality. Article 9.1 shall not apply to information:

- a. Which enters the public domain through no fault of a member;
- b. The disclosure of which is required by final order of a court of competent jurisdiction;
- c. The disclosure of which is made on a confidential basis to an arbitrator in an arbitration under Article 17.

9.4 Binding effect; termination. This Article 9 shall bind each member even after the member ceases to be a member. For five years after ceasing to be a member, a former member

shall be bound by this Article 9. Subject to any contrary arrangement with a third party, this Article 9 shall terminate upon the termination of the legal existence of the LLC.

ARTICLE 10            REPRESENTATIONS AND WARRANTIES BY MEMBERS; DUTY TO UPDATE

10.1 Representations and warranties. Each member in the member's capacity as a member and as a manager represents and warrants as follows:

- a.    Freedom of member to enter into agreement, etc. The member:
  - (1)    Is legally free to enter into this Agreement and to perform the member's obligations under the Agreement in accordance with its terms; and
  - (2)    Is not prevented from doing so by order of any court or other governmental authority, by any agreement with a third party (including an employment agreement, noncompetition agreement or nondisclosure agreement) or by any other cause.
- b.    Good faith, disclosure, etc., in negotiating terms of Agreement. In negotiating and entering into this Agreement, the member has acted fairly and in good faith and has disclosed to the other members all information reasonably likely to be relevant to them in determining whether to enter into the Agreement.
- c.    Access to legal advice. Before signing this Agreement and accepting its terms, the member has had every reasonable opportunity to consider these terms and to review them with the member's attorney.
- d.    Free acceptance of terms, etc. The member has accepted the terms of this Agreement knowingly and freely.

10.2 Duty to update. If, after a member signs this Agreement, the member discovers that any of the above representations were erroneous when made or have become erroneous, the member shall immediately so advise the other members.

ARTICLE 11            PROTECTION OF LIMITED LIABILITY

Each member shall take all reasonable measures to protect the limited liability of the members in their capacity as members and managers. These measures shall include the following:



11.1 Use of "LLC" with LLC name. The members shall use their reasonable best efforts to ensure that the abbreviation "LLC" appears after the name of the LLC in all LLC stationery, checks, business cards, invoices, advertisements and other media containing the name of the LLC and likely to be read or heard by third parties.

11.2 Separate books and accounts; no commingling. The LLC shall have its own books and accounts, which shall be maintained separately from those of any member. The members shall use their reasonable best efforts to prevent any commingling of the assets of the LLC with those of any member. No member shall borrow money or other assets from the LLC or lend money or other assets to it except on the basis of reasonable documentation and arm's-length terms.

11.3 Adequate capitalization. The members shall use their reasonable best efforts to ensure that the LLC's cash and other assets, cash flow, insurance and other resources are sufficient to enable it to meet its reasonably foreseeable liabilities when due.

11.4 Signing of agreements, etc. In signing any agreement or other document on behalf of the LLC, the members shall expressly identify themselves as members. In dealings with third parties on behalf of the LLC, the members shall to the maximum reasonable extent identify the LLC as the party on whose behalf they act and themselves as members of the LLC.

11.5 No misleading of third parties. The members shall use their best efforts to ensure that no third party reasonably believes that any member is personally liable for LLC obligations.

## ARTICLE 12            MANAGER QUALIFICATIONS, DUTIES, ETC.

12.1 Manager qualifications. The manager shall be a natural person and shall be a member of the LLC. The manager shall have such other qualifications as are determined from time to time by the affirmative vote of members holding a majority of member votes.

12.2 Manager duties of care, loyalty, confidentiality, etc. Except as otherwise expressly provided in this Agreement, each manager shall be subject to the provisions of Article 7 (duty of care, etc.), Article 8 (duty of loyalty, etc.), Article 9 (confidentiality) and Article 10 (representations and warranties).

12.3 Manager's title. In performing management functions for the LLC, a manager may use the title "Managing Member" or such other title or titles (including, without limitation, the title "President" or "Chief Executive Officer") as the members may determine from time to time by affirmative vote of members holding a majority of member votes.

12.4 Manager functions. The manager shall have general responsibility for managing the business and internal affairs of the LLC. The manager shall have any additional functions which are set forth in this Agreement or which the members may determine from time to time by affirmative vote of members holding a majority of member votes.

12.5 Method of appointing managers after Initial Manager. All managers after the Initial Manager shall be appointed by the affirmative vote of members holding a majority of member votes.

12.6 Manager's term. The term of the Initial Manager and of each subsequent manager shall be indefinite, but shall terminate upon the earliest of the date of the manager's (a) death, (b) resignation, (c) disability (as determined by vote of members holding a majority of votes) or (d) dismissal as manager.

12.7 Manager resignations. The manager may resign as manager upon giving 60 days' written notice to each member. Except as otherwise provided in this Agreement, the manager shall have no liability to the LLC or to the other members for any such resignation;

However, the resignation shall not absolve the manager from any liabilities arising before the resignation.

12.8 Manager dismissals. The members may, without liability, dismiss the manager at any time with or without cause by the affirmative vote of other members holding a majority of member votes (excluding the votes of the managing member sought to be removed).

12.9 No manager liability for claims against LLC by third party. No manager as such shall have personal liability for a claim against the LLC by any third party.

12.10 Manager exclusive right to bind LLC and to decide LLC matters. The manager shall have the following exclusive rights:

- a. Contracts and Sale of Assets. The manager shall have the exclusive right to bind the LLC in dealings with third parties;

However, except with the advance approval of members holding a majority of member votes, the manager shall not bind the LLC under any contract or related series of contracts involving an aggregate financial exposure to the LLC exceeding \$10,000.

- b. Business decisions. The manager shall have the exclusive right to decide all LLC matters relating to the business of the LLC except those which this Agreement expressly reserves to the members.

12.11 Duty of manager to inform members. The manager shall use reasonable efforts to inform the members on a current basis concerning the internal affairs of the LLC and the condition of its business.

12.12 Duty of manager to protect limited liability of members and manager. Managers shall use their reasonable best efforts to protect the limited liability of the members and managers in their capacity as members and managers. These measures shall include all the measures mentioned in Article 11.

12.13 Manager compensation. The manager shall be compensated for the manager's services as manager in accordance with Exhibit I.

12.14 Manager indemnification. The manager shall be entitled to indemnification, advancement of litigation expenses and liability insurance as provided in Article 7.

ARTICLE 13            LLC RECORDS, BOOKS OF ACCOUNT, REPORTS TO MEMBERS, ETC.

13.1 Records to be maintained by LLC. The LLC shall maintain at its principal place of business:

- a. A copy of its Certificate and operating agreement and all amendments of these documents;
- b. Copies of all of its federal and state tax returns and of any financial statements of the limited liability company;
- c. A current list of the name and last known business, residence or mailing address of each of its members;
- d. True and complete information concerning:
  - (1) The amount of cash and a description and statement of the value of any other property or services which each member has contributed to the LLC or which any member has agreed to contribute to it;
  - (2) Any return by the LLC to a member of cash or other property contributed by the member;
  - (3) The times or events on which any additional contributions agreed to be made by each member are to be made;
  - (4) Any right of a member to receive or of a manager to make distributions to a member; and

(5) Any events upon which the limited liability company is to be dissolved and its affairs wound up.

- e. A record stating the date on which each member became a member (unless this date is evident from the content of the Agreement).

13.2 Books of account. The LLC shall maintain on a current basis accurate books of account. It shall maintain these books of account in a manner that complies with financial standards normally applicable to business organizations generally similar to the LLC in size and business activities.

13.3 Reports to members, etc. Through the provision of written financial reports or other appropriate measures, the LLC shall advise the members on a regular basis concerning the financial and business condition of the LLC.

#### ARTICLE 14      TAX PLANNING AND COMPLIANCE

14.1 Importance to LLC of tax management and compliance. The parties acknowledge the importance to the LLC and the members of:

- a. Competent tax planning for the LLC and for the members as members;  
and
- b. Full compliance by the LLC and by the members with federal and state tax requirements.

14.2 Appointment of LLC tax adviser. In connection with its formation and on a continuing basis thereafter, the members hereby appoint as the LLC's tax adviser the individual or firm identified in the attached Exhibit H. This individual or firm shall have expertise in all areas of tax practice relevant to the needs of the LLC and its members, but especially in the field of federal partnership taxation.

The parties shall cooperate with the LLC's tax adviser to the maximum reasonable extent to ensure adequate LLC tax planning and compliance.

The members may change the LLC's tax adviser from time to time.

14.3 LLC tax returns. On a timely basis each year, the LLC shall accurately complete and file its federal tax return and all applicable state returns.

14.4 LLC provision of tax information to members. As soon as reasonably possible after the close of each of its taxable years, the LLC shall provide each member with completed federal

and state tax forms and with all other documents and information relevant to the federal and state tax liabilities of the member as a member of the LLC;

However, each member shall have sole responsibility for preparing and timely filing the member's federal and state tax returns and for paying the member's taxes, and the LLC shall have no responsibility or liability with respect to these matters.

14.5 LLC computation and recording of members' contributions, capital accounts and adjusted tax bases. The LLC shall compute on a current basis and in accordance with applicable U.S. Treasury department regulations the contributions and capital accounts of the members and their adjusted tax bases in their LLC interests.

The LLC shall maintain current and accurate records concerning members' contributions, capital accounts and adjusted tax bases and, promptly after the request of any member, shall make these records available to the member.

14.6 Planning of individual transactions. Before undertaking any major transaction involving the LLC or any member in the member's capacity as a member:

- a. The LLC and each affected member shall consult with one or more partnership tax experts concerning the tax implications of the transaction; and
- b. The LLC and affected members shall make any tax elections and shall take any other actions necessary or appropriate in the circumstances to ensure tax compliance and maximum lawful tax avoidance.

The issue of the fairness of the transaction to the LLC and to the members shall be subject to arbitration under Article 17.

## ARTICLE 15            LLC DISSOLUTION, WINDING-UP AND LIQUIDATION; LIQUIDATION DISTRIBUTIONS

15.1 Definition of LLC dissolution, etc. For purposes of this Agreement, the following terms shall have the following meanings:

- a. Dissolution. The dissolution of the LLC shall mean the cessation of its normal business activities and the beginning of the process of winding up its business and internal affairs and of liquidating it.
- b. Winding-up. The winding-up of the LLC shall mean the process of concluding its existing business activities and preparing for its liquidation.



- c. Liquidation. The liquidation of the LLC shall mean the sale or other disposition of its assets and the distribution of its assets (or the distribution of the proceeds of the sale or other disposition of its assets) to its creditors and to the members.

15.2 Events causing dissolution. The LLC shall be dissolved:

- a. Upon the affirmative vote of members holding a majority of member votes;
- b. Upon the issuance of an order of dissolution by a court or by the Secretary of the Commonwealth of Massachusetts; or
- c. Upon the issuance of an order of dissolution by an arbitrator under Article 17.

15.3 Effective date of dissolution of LLC by vote of members. The dissolution of an LLC by vote of the members shall be effective on the date specified in that vote or, if the members do not specify a date, then on the date of completion of the vote.

15.4 Determination of date for delivery of certificate of cancellation and for effective date of certificate. The date on which the LLC shall deliver a certificate of cancellation to the Secretary of the Commonwealth of Massachusetts for filing and the effective date of this certificate shall be determined by the affirmative vote of members holding a majority of member votes.

15.5 Cessation of LLC's legal existence. Unless a court or administrative authority duly and finally determines otherwise, the LLC shall cease to exist as a legal entity on the effective date set forth in the certificate of cancellation.

15.6 Dissolution by arbitrator. Upon petition by any member, an arbitrator under Article 17 may issue an order dissolving the LLC on one or more of the following grounds:

- a. The LLC has obtained its certificate of organization formation through fraud;
- b. The LLC has exceeded or abused the authority conferred upon it by law;
- c. The LLC has conducted its business in a persistently fraudulent or illegal manner;
- d. The LLC has abused its power contrary to the public policy of this Commonwealth;

- e. There is a deadlock in LLC management which the members are unable to resolve and which is causing or which threatens to cause irreparable injury to the LLC or which prevents it from conducting its business or affairs to its advantage;

15.7 Exclusion of one or more members from participation in wind-up process, etc. Any member may petition an arbitrator under Article 15 to exclude one or more other members from participating in the process of winding up and liquidating the LLC on the ground that, because of past wrongful conduct by the relevant member or members, their participation would be likely to affect that process adversely.

15.8 Winding-up of LLC. After the LLC is dissolved, the person or persons responsible for winding it up shall as expeditiously as reasonably possible:

- a. Wind up its business and internal affairs; and
- b. Cause its liquidation.

During the wind-up period, the LLC shall accept no new business except to the extent necessary to dispose of existing inventory.

15.9 Compliance with the laws of this Commonwealth applicable to entity dissolutions and liquidations. The LLC shall make no distribution to members or others in connection with its liquidation until it has complied with all applicable laws and regulations of Massachusetts (including tax laws and regulations) relating to its dissolution and liquidation.

15.10 Disposition of known and unknown claims against LLC. Promptly after the dissolution of the LLC, the LLC shall take all reasonable measures under the laws of Massachusetts to dispose of (and, to the extent reasonable, to bar) known and unknown claims against the LLC.

15.11 Distributions upon LLC liquidation. Upon completion of the LLC's winding-up but, if reasonably possible, on or before the date of termination of the LLC's legal existence, the LLC shall (subject to any applicable provisions of section 704(b) of the Internal Revenue Code and other applicable federal and state law) distribute its assets as follows:

- a. First, the LLC shall pay (or make adequate provision to pay) its creditors, including members or managers who are creditors.
- b. Second, the LLC shall distribute its assets to members in satisfaction of its liabilities for distributions to them under Article 4.
- c. Third, the LLC shall distribute its assets to members for the return of their contributions.

- d. Fourth, the LLC shall distribute its assets to members in accordance with their right to share in distributions of its assets under Article 4.

15.12 Duty to consult tax adviser in connection with LLC dissolution, etc. Before the members begin the wind-up and liquidation of the LLC, the LLC and the members shall consult with their respective tax advisers and shall structure and implement the liquidation in a manner that is as fair as possible to each member from a tax viewpoint.

ARTICLE 16            TERM OF AGREEMENT; TERMINATION; SURVIVAL OF CERTAIN RIGHTS AND DUTIES, ETC.

16.1 Term. The term of this Agreement shall begin on the Effective Date (as defined in Article 1.1) and, unless earlier terminated by the parties, shall terminate:

- a. If the LLC is terminated by vote of the members: on the effective date of the certificate of cancellation of the LLC's certificate of organization;
- b. If the LLC is terminated by decree of a duly authorized judicial or administrative authority: on the date of termination of the LLC's existence as determined by that authority; or,
- c. If no clear date is established under Articles 16.1(a) or (b) and if the members can agree on no such date: by determination of an arbitrator under Article 17.

ARTICLE 17            ARBITRATION OF LLC DISPUTES

17.1 Mandatory arbitration of certain disputed matters. Any dispute between or among the parties relating to Arbitrable Matters (as defined in Article 17.2) shall be exclusively and finally resolved by arbitration by a single arbitrator (the "Arbitrator").

17.2 Definition of Arbitrable Matter. Arbitrable Matters shall include only the following types of matters:

- a. How to construe and enforce the provisions of this Article 17 (including any issue concerning the scope of these provisions);
- b. Whether the purchase price or the other terms of purchase of a member's LLC interest pursuant to the terms of this Agreement is fair to the LLC and to the members;
- c. Any claim by a member in the member's capacity as a member against any other member in that other member's capacity as a member;

- d. Whether any action by the LLC or by the members is (a) contrary to this Agreement or (b) seriously unfair to any member;
- e. Whether the expulsion of a member under Article 6.9 is fair;
- f. Whether a vote by majority members concerning the LLC's dissolution is fair to minority members; and

17.3 Exclusions from definition. Arbitrable Matters shall not include:

- a. Routine business matters of the LLC;
- b. Matters requiring urgent judicial relief; and
- c. Matters involving the enforcement of orders under this Article 17.

17.4 Rules governing arbitration. Except as otherwise provided in this Article 17, any arbitration (an "Arbitration") under this article shall be governed by the Rules of Commercial Arbitration of the American Arbitration Association ("AAA").

17.5 Notice of arbitration. Any member may initiate an arbitration of any Arbitrable Matter. The initiating member shall do so by providing written notice of the Arbitration to the other members. The notice shall bear a current date, shall state the name of the initiating member and shall briefly state the matter to be arbitrated.

17.6 Selection of arbitrator. If, within 15 business days after all the parties entitled to notice of an Arbitration have received that notice, the members have not agreed among themselves as to the identity of the Arbitrator or the site of the Arbitration, the LLC shall immediately refer these matters for resolution by the AAA office located in the city of Boston, Massachusetts. That office may resolve these matters without liability and in its sole discretion.

17.7 No appeal, etc. No member shall appeal to any court an order of an Arbitrator under this Article 17. The LLC or any member may enter any such order in any court of competent jurisdiction.

17.8 Allocations of costs, fees, etc. The Arbitrator may allocate among the members the costs, fees and other expenses relating to an Arbitration in any manner that the Arbitrator shall determine to be appropriate in his or her absolute discretion;

However, if the Arbitrator determines that a party has initiated an Arbitration without a reasonable basis for doing so, the Arbitrator shall assess against that party the costs of the other parties relating to the Arbitration, including the reasonable attorneys' fees of these parties.

17.9 Awarding of litigation costs to prevailing party. If, in a suit in law or equity, any party seeks judicial review of any issue arising in an arbitration under this Article 17, an Arbitrator under this Article may allocate to the losing party in that suit all costs reasonably incurred by the prevailing party.

## ARTICLE 18            GENERAL PROVISIONS

18.1 Entire agreement. This Agreement contains the entire agreement among the members concerning its subject matter, and it replaces all earlier agreements among them, whether written or oral, concerning its subject matter.

18.2 Amendments must be in writing. No amendment of this Agreement shall be valid unless in writing signed by the parties that are part of the affirmative majority vote required to amend this Agreement.

18.3 Incorporation of exhibits. All documents identified in this Agreement as exhibits to the Agreement are incorporated in the Agreement and made an integral part of it.

18.4 Governing law. This Agreement shall be governed exclusively by the laws of the Commonwealth of Massachusetts (exclusive of its laws governing conflicts of law).

18.5 Forum for resolution of disputes. Except to the extent that a member or the LLC seeks (i) the enforcement of an Arbitrator's ruling under Article 17 or (ii) emergency judicial relief, all disputes among the members relating to the Agreement shall be exclusively and finally resolved by arbitration under Article 17.

18.6 Notices. All notices under this Agreement shall be in writing. They shall be sent by fax or by certified U.S. mail, return receipt requested, to the members at their respective addresses as stated on the first page of this Agreement. A written notice may also be sent by delivery in person to the recipient or by email where the recipient acknowledges receipt. A member may change the member's address for purposes of this Article 18.5 at any time upon reasonable notice to the managing member(s). Notices under this Article 18.5 shall be deemed to have been received when actually received.

18.7 Captions. Captions in this Agreement are for convenience only and shall be deemed irrelevant in construing the provisions of the Agreement.

18.8 Freedom and enforceability of contract. The parties intend and desire that, in construing and enforcing the provisions of the Agreement, arbitrators and judges shall give maximum effect to the principles of contractual freedom and contractual enforceability.

18.9 Severability. If any arbitrator or court finds any provision of this Agreement to be invalid or unenforceable:



- a. The arbitrator or court shall enforce the provision to the maximum lawful extent; and
- b. The arbitrator's or court's finding of invalidity or unenforceability shall not affect the validity or enforceability of any other provision of this Agreement.

18.10 Waivers. No express or implied waiver by any party of any right of the party under this Agreement in any specific circumstance shall be considered to waive any right of the party in any other circumstance.

18.11 Definition of "including", "person," etc. The terms "including" and "includes" shall mean a partial definition. The term "person" shall mean a natural person and any kind of entity.

18.12 Counterparts. This Agreement may be signed in one or more counterparts, each of which shall be deemed to be an original copy of this Agreement and all of which shall be deemed to constitute one and the same agreement.

18.13 Annual Report. The LLC shall, once a year in accordance with the LLC Act, file an Annual Report with the Secretary of the Commonwealth of Massachusetts so as to remain in good standing with the Commonwealth.

[Rest of page is left intentionally blank]

SIGNATURES AND DATES

In witness of their acceptance of the above terms and conditions, the parties, in their capacities as members and as managers, by themselves or by their duly authorized representatives, have duly signed and dated this Agreement (Operating Agreement of Royalty Group LLC) as follows:

 12/19/18  
Andrea Pearce (date)

 12/19/18  
Brandon Warren (date)

Royalty Group LLC

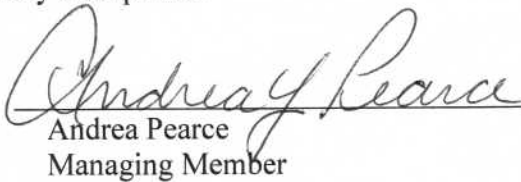

By:  12/19/18  
Andrea Pearce (date)  
Managing Member

EXHIBIT A

**CERTIFICATE OF ORGANIZATION**

	<b>The Commonwealth of Massachusetts</b> <b>William Francis Galvin</b>	Minimum Fee: \$100.00
	Secretary of the Commonwealth, Corporations Division One Ashburton Place, 17th floor Boston, MA 02108-1512 Telephone: (617) 727-9640	
<b>Restated Certificate of Organization</b> (General Laws, Chapter )		
Identification Number: <u>001147448</u>		
The date of filing of the original certificate of organization: <u>9/19/2014</u>		
1. The exact name of the limited liability company is: <u>ROYALTY GROUP LLC</u> and if changed, the name under which it was originally organized:		
2a. Location of its principal office: No. and Street: <u>279 TREMONT ST</u> City or Town: <u>BOSTON</u> State: <u>MA</u> Zip: <u>02116</u> Country: <u>USA</u>		
2b. Street address of the office in the Commonwealth at which the records will be maintained: No. and Street: <u>279 TREMONT ST.</u> City or Town: <u>BOSTON</u> State: <u>MA</u> Zip: <u>02116</u> Country: <u>USA</u>		
3. The general character of business, and if the limited liability company is organized to render professional service, the service to be rendered: <u>BUSINESS OPERATIONS AND MANAGEMENT</u>		
4. The latest date of dissolution, if specified:		
5. Name and address of the Resident Agent: Name: <u>ANDREA PEARCE</u> No. and Street: <u>279 TREMONT ST.</u> City or Town: <u>BOSTON</u> State: <u>MA</u> Zip: <u>02116</u> Country: <u>USA</u>		
I, <u>ANDREA PEARCE</u> resident agent of the above limited liability company, consent to my appointment as the resident agent of the above limited liability company pursuant to G. L. Chapter 156C Section 12.		

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

<b>Title</b>	<b>Individual Name</b> First, Middle, Last, Suffix	<b>Address (no PO Box)</b> Address, City or Town, State, Zip Code
MANAGER	ANDREA PEARCE	279 TREMONT ST. BOSTON, MA 02116 USA
MANAGER	BRANDON WARREN	2036 NEVADA CITY HWY #142 GRASS VALLEY, CA 95945 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.**

<b>Title</b>	<b>Individual Name</b> First, Middle, Last, Suffix	<b>Address (no PO Box)</b> Address, City or Town, State, Zip Code
SOC SIGNATORY	ANDREA PEARCE	279 TREMONT ST. BOSTON, MA 02116 USA

**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:**

<b>Title</b>	<b>Individual Name</b> First, Middle, Last, Suffix	<b>Address (no PO Box)</b> Address, City or Town, State, Zip Code
REAL PROPERTY	ANDREA PEARCE	279 TREMONT ST. BOSTON, MA 02116 USA

**9. Additional matters:**

NONE

**10. Describe any amendments to be effected by the restated certificate, and if none, include a statement to that affect:**

NONE

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

**SIGNED UNDER THE PENALTIES OF PERJURY, this 12 Day of January, 2018,**  
ANDREA PEARCE , Signature of Applicant.

EXHIBIT B

**MEMBER CONTRIBUTIONS TO LLC**

<u>Member</u>	<u>Contribution</u>	<u>% Ownership</u>
<b>Andrea Pearce</b>	<b><u>\$260</u></b>	<b>51%</b>
<b>Brandon Warren</b>	<b><u>\$260</u></b>	<b>49%</b>

EXHIBIT C

**MEMBER LOANS/LEASES TO LLC**

N/A



EXHIBIT D

**MEMBER GUARANTEES OF LLC OBLIGATIONS**

N/A

## EXHIBIT E

### **MEMBER/MANAGER COMMITMENTS OF TIME; MEMBER/MANAGER RESPONSIBILITIES**

In their roles as members and managers, the Initial Members shall have the following member and manager responsibilities:

#### Andrea Pearce -CEO

Provide day-to-day leadership and management to a service organization that mirrors the adopted mission and core values of the company.

Motivate and lead a high-performance management team; attract, recruit and retain required members of the executive team not currently in place; provide mentoring as a cornerstone to the management career development program.

Leading the development and execution of long-term strategies, with the goal of increasing owner value.

Involvement in hiring of staff.

Oversee all high-level corporate strategy and major company decisions.

Communicating, on behalf of the company, with owners, government entities, and the public.

Leading the development of the company's short- and long-term strategy.

Responsible for driving the company to achieve and surpass sales, profitability, cash flow and business goals and objectives.

Creating and implementing the company or organization's vision and mission.

Evaluating the work of other executive leaders within the company, including managers, vice presidents, and presidents and other officers.

Maintaining awareness of the competitive market landscape, expansion opportunities, industry developments, etc.

Ensuring that the company maintains high social responsibility wherever it does business.

Assessing risks to the company and ensuring they are monitored and minimized.

Setting strategic goals and making sure they are measurable and describable.

## Brandon Warren – COO

Designing and implementing business operations in manufacturing and processing.

Establishing policies that promote company culture and vision.

Overseeing operations of the company and the work of executives.

Design and implement business strategies, plans and procedures.

Set comprehensive goals for performance and growth.

Oversee daily operations of the company and the work of executives (IT, Marketing, Sales, Finance etc.).

Lead employees to encourage maximum performance and dedication.

Evaluate performance by analyzing and interpreting data and metrics.

Write and submit reports to the CEO in all matters of importance.

Assist CEO in fundraising ventures.

Participate in expansion activities (investments, acquisitions, corporate alliances etc.).

Manage relationships with partners/vendors. Represent the firm with clients, investors, and business partners.

Responsible for driving the company to achieve and surpass business goals and objectives.

Responsible for the measurement and effectiveness of all processes internal and external.

Provides timely, accurate and complete reports on the operating condition of the company.

Spearhead the development, communication and implementation of effective growth strategies and processes.

Collaborate with the management team to develop and implement plans for the operational infrastructure of systems, processes, and personnel designed to accommodate the rapid growth objectives of our organization.

Assist, as required, in raising additional capital at appropriate valuations to enable the Company to meet sales, growth, and market share objectives.

Foster a success-oriented, accountable environment within the company.

EXHIBIT F

**DRAWS**

N/A

EXHIBIT G

**GUARANTEED PAYMENTS**

N/A

EXHIBIT H

**LLC TAX ADVISER**

Mark D Taylor, CPA  
49 Bunkerhill Lane  
Quincy MA 02169



EXHIBIT I

**MANAGER COMPENSATION**

There is no manager compensation at this time.



Commonwealth of Massachusetts  
Department of Revenue  
Christopher C. Harding, Commissioner

mass.gov/dor

Letter ID: L1608193664  
Notice Date: November 29, 2018  
Case ID: 0-000-670-283



## CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



ROYALTY GROUP, LLC.  
279 TREMONT ST  
BOSTON MA 02116-5611

### ***Why did I receive this notice?***

The Commissioner of Revenue certifies that, as of the date of this certificate, ROYALTY GROUP, LLC. is in compliance with its tax obligations under Chapter 62C of the Massachusetts General Laws.

This certificate doesn't certify that the taxpayer is compliant in taxes such as unemployment insurance administered by agencies other than the Department of Revenue, or taxes under any other provisions of law.

**This is not a waiver of lien issued under Chapter 62C, section 52 of the Massachusetts General Laws.**

### ***What if I have questions?***

If you have questions, call us at (617) 887-6367 or toll-free in Massachusetts at (800) 392-6089, Monday through Friday, 8:30 a.m. to 4:30 p.m..

### ***Visit us online!***

Visit [mass.gov/dor](http://mass.gov/dor) to learn more about Massachusetts tax laws and DOR policies and procedures, including your Taxpayer Bill of Rights, and MassTaxConnect for easy access to your account:

- Review or update your account
- Contact us using e-message
- Sign up for e-billing to save paper
- Make payments or set up autopay

Edward W. Coyle, Jr., Chief  
Collections Bureau



William Francis Galvin  
Secretary of the  
Commonwealth

*The Commonwealth of Massachusetts*  
*Secretary of the Commonwealth*  
*State House, Boston, Massachusetts 02133*

November 26, 2018

TO WHOM IT MAY CONCERN:

I hereby certify that a certificate of organization of a Limited Liability Company was filed in this office by

**ROYALTY GROUP LLC**

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **September 19, 2014.**

I further certify that said Limited Liability Company has filed all annual reports due and paid all fees with respect to such reports; that said Limited Liability Company has not filed a certificate of cancellation or withdrawal; and that said Limited Liability Company is in good standing with this office.

I also certify that the names of all managers listed in the most recent filing are: **ANDREA PEARCE, BRANDON WARREN**

I further certify, the names of all persons authorized to execute documents filed with this office and listed in the most recent filing are: **ANDREA PEARCE, BRANDON WARREN**

The names of all persons authorized to act with respect to real property listed in the most recent filing are: **ANDREA PEARCE**



In testimony of which,

I have hereunto affixed the

Great Seal of the Commonwealth

on the date first above written.

*William Francis Galvin*

Secretary of the Commonwealth



ROYALTY GROUP	ROYALTY GROUP STANDARD OPERATING PROCEDURES FOR RETAIL CHAPTER 14: DIVERSITY PLAN	SOP #	14
		Revision #	3
		Implementation Date	11/01/2018
Pages	1 of 3	Last Reviewed/Update Date	2/13/2020
SOP Owner	BIORELIEF LLC D/B/A MJCO W/ CONSENT TO ROYALTY GROUP, LLC.	Approval	ML

#### 1.0. NAME OF SOP

CHAPTER XIV: DIVERSITY PLAN

#### 2. OBJECTIVE

- A. The purpose of this Diversity Plan is to describe the policies in place for implementing and maintaining diversity at the facility.

#### 3.0 SCOPE & APPLICABILITY

1. This SOP applies to all diversity plans.

#### 4.0 ADDITIONAL INFORMATION- APPLICABLE REGULATIONS

- 935 CMR- CANNABIS CONTROL COMMISSION
  - Section 500.100: Application for Licensing of Marijuana Establishments
  - Section 500.105: General Operational Requirements for Marijuana Establishments

#### 5.0 DIVERSITY PLAN GENERAL OVERVIEW

ROYALTY GROUP has at the core of its mission to promote equity among minorities, women, veterans, people with disabilities, and LGBTQ+ persons. Our plan will incorporate diversity into every tier of management and ensure every employee regularly participates in surveys and other initiatives that measure accountability and ensure a safe environment for individuals with diverse backgrounds and perspectives. Our diversity plan will adhere to the requirements set forth in 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of Marijuana Establishments. We acknowledge that the progress and success of our diversity plan must be documented upon renewal of our license and each year hereafter. Our diversity plan will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.

#### 6.0 GOALS FOR ORGANIZATION DIVERSITY

**6.1 Our Diversity Goal:** Royalty Group, LLC will hire **at least 50%** of its staff that are minorities, women, persons with disabilities, or veterans. Since we plan to hire 20 employees total, that means we will hire at least 10 individuals who qualify as minorities, women, veterans, and persons with disabilities. We plan to hire at least 3 employees per quarter who qualify under our diversity plan every quarter to meet our goals.

We will accomplish this through posting jobs online regularly. Every six months Human Resources will conduct a needs assessment and cultural audit among staff, board members and constituents, when appropriate, of the organization, or at least among a representative sample. Findings of these audits will be communicated throughout the organization. These audits will include organizational demographics, systems, policies and procedures.

1. We shall post all our jobs online stating that our establishment is looking to hire minorities, women, veterans, and persons with disabilities.
2. We shall post all over our available jobs at least once per quarter on [indeed.com](https://www.indeed.com), [careerbuilder.com](https://www.careerbuilder.com), and [marijuanajobscannabiscareers.com](https://www.marijuanajobscannabiscareers.com).
3. We will hold at least four job fairs a year, and one a quarter.

**6.2** Ensuring that everyone in our organization can feel comfortable discussing diversity issues, we will organize regular monthly events on diversity topics that provide real opportunities to improve intercultural competence through curricular and co-curricular learning opportunities with diverse courses, individuals, and communities. We plan to offer a full array of courses, programs, and delivery methods designed to reflect employees' goals and the region's educational needs. These intercultural engagement opportunities organized by our internal Diversity Committee will incorporate fireside chats with industry notables, panels, and classroom style events with one on one training. The Diversity Committee will also maintain and strategically develop a robust set of course delivery times, sites, and methods responsive to employees' needs.

## 7.0 TALENT OUTREACH PROGRAM

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The Human Resources department will be tasked with developing a talent outreach program based on our mission and goals to incorporate hiring practices that meet our requirements under this diversity plan.

## 8.0 QUARTERLY INTERNAL CENSUS ON DIVERSITY AND INCLUSION

---

Our Human Resources department will be tasked with conducting an internal census once a quarter of all employees to measure our progress towards our goal of hiring at least 50% of our employees that qualify as minorities, women, veterans, and persons with disabilities. The census will include race, gender, disability, sexual orientation, age, and nationality as well as education level, years of experience, family status, and languages spoken. Once a census is completed we will do the following:

1. We will count every quarter the number of individuals hired who are minorities, women, veterans, and persons with disabilities and how it measures up against our diversity plan goals for the year.
2. We will assess the total number of individuals hired who are hired in a given quarter to ensure that our 50% goals are being met.
3. We will assess whether our job outreach on indeed, careerbuilder, and marijuanajobscannabiscareers needs to be improved or changed to increase diverse hires.
4. We will assess whether our job fairs needs to be held more frequently than once a quarter in order to make diverse hires.
5. We will hire at least 3 employees that qualify under our diversity plan in a given quarter to measure and ensure our goals to hire a minimum of 10 employees are met by the end of the 12 month period.

**Additionally we will ask the following:**

- Is management overrepresented by one demographic?
- Do certain departments have trouble hiring certain demographics?
- Have we met our goal to employ 50% of our employees who are minorities, women, veterans, or persons with disabilities?

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**9.0 EMPLOYEE DIVERSITY SURVEY PROGRAM**

Through the year beyond the quarterly census, the Human Resources department will be pushed to strive for continual improvement with anonymous surveys from employees and management. These surveys will be voluntary but will be anonymous and collect information on the overall culture of the business and how safe the work environment is to share unique perspectives and cultures. Surveys may cover a wide range of issues including pertinent issues of the day and how they relate to inclusion.

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**10.0 DIVERSITY PARTICIPATION & ACCOUNTABILITY**

We will be incorporating a wide range of tools and policies to ensure that any news on the diversity program will be communicated to all employees and management alike so that they can participate in the process and provide input when warranted. Accountability is a key part of our diversity initiative where real data and survey results will be used to make decisions and guide changes to the overall program.

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**11.0 RECORD RETENTION**

All records required by this Standard Operating Procedure will be retained on the premises of ROYALTY GROUP'S facility for a period of at least 10 years.





ROYALTY GROUP	ROYALTY GROUP STANDARD OPERATING PROCEDURES FOR RETAIL CHAPTER 13: MAINTAINING OF FINANCIAL RECORDS	SOP #	13
		Revision #	1
		Implementation Date	12/01/2018
Pages	1 of 11	Last Reviewed/Update Date	12/01/2018
SOP Owner	BIORELIEF LLC D/B/A MJCO W/ CONSENT TO ROYALTY GROUP, LLC.	Approval	JP

#### 1.0. NAME OF SOP

CHAPTER XIII: MAINTAINING OF FINANCIAL RECORDS

#### 2.0 OBJECTIVE

- A. The purpose of Standard Operating Procedures (SOP's) for Financial Records is to describe the standard procedures, including the specific methods of procedures (MOP's) to be followed to ensure accurate accounting and transaction reports of financial records.
- B. The key to a well-functioning, compliant, and secure marijuana business is standardization within all mechanisms of the dispensing facility.
- C. The following financial recordkeeping methods and procedures will ensure the safety, efficacy, proper handling and accounting of all marijuana and marijuana-containing products.

#### 3.0 SCOPE & APPLICABILITY

1. This SOP applies to all Financial Recordkeeping protocols and procedures carried out by ROYALTY GROUP.

#### 4.0 ADDITIONAL INFORMATION- APPLICABLE REGULATIONS

- 935 CMR- CANNABIS CONTROL COMMISSION
  - Section 500.100: Application for Licensing of Marijuana Establishments
  - Section 500.105: General Operational Requirements for Marijuana Establishments
  - Section 500.110: Security Requirements for Marijuana Establishments
  - Section 500.140: Additional Operational Requirements for Retail Sale

#### 5.0 DEFINITIONS

1. Raw Material: Cannabis flowers, water hash, flower rosin, and/or kief.
2. Final Products: For the purpose of this Standard Operating Procedure the word Products can refer to the final Cannabis Products sold by ROYALTY GROUP.

3. Cash – currency and coins; bank check, cashier's check, certified check, debit and credit card payment, money order, electronic funds transfer, wire transfer, interactive voice response telephone payment, or on-line payment.
4. Cash Drawer – a fixed amount of currency and coins maintained for processing daily transactions, which is authorized by the Dispensary Manager.
5. Cash Receipting – payment acceptance and recordation; balancing cash drawers at the end of the day to verify cash matches records.
6. Compliance: Adherence to all quality assurance requirements and the applicable regulatory requirements set forth by the State of Massachusetts Cannabis Control Commission.
7. Good Clinical Practice (GCP): A standard for the design, conduct, performance, monitoring, auditing, recording, analyses, and reporting of quality assurance measures that provides assurance that the data and reported results are credible and accurate.
8. Quality Assurance (QA): All those planned and systematic actions that are established to ensure that quality control procedures are executed, documented (recorded), and reported in compliance with applicable regulatory requirement(s) as delineated by the Cannabis Control Commission of Massachusetts.
9. Quality Control (QC): The operational techniques and activities undertaken within the quality assurance system to verify that the requirements for quality of testing activities (Whether rudimentary visual inspections or third party laboratory analysis) have been fulfilled.
10. Standard Operating Procedures (SOPs): Detailed, written instructions to achieve uniformity of the performance of a specific function.
11. Real-time Inventory or Seed-to-sale Tracking: an electronic system that provides the electronic tracking of an individual cannabis or marijuana plant, including its cultivation, growth, harvest and preparation of cannabis or marijuana products, if any, and final sale. This system shall utilize a unique-plant identification and unique-batch identification. It will also be able to track agents' and licensees' involvement with the marijuana product.

## **6.0 ACRONYMS**

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1. QA: Quality Assurance
2. GPP: Good Production Practices
3. SOP: Standard Operating Procedures
4. RPIC: Responsible Person in Charge

## **7.0 RESPONSIBILITY**

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- Information Technology (IT) Manager
- Bookkeeper
- Operations Manager
- Inventory Manager
- Quality Assurance Officer
- Dispensary Facility Manager

### **Information Technology (IT) Manager**

The Information Technology (IT) Manager will be responsible for the strategic design and operation of digital accounting systems and computerized Point of Sale Systems. The IT manager directs hardware and software selection, implementation and staff training regarding use of these systems.

IT Manager(s) are also held responsible for the integrity of the information and security of the system, including physical and electronic security. This includes, but is not limited to firewall policies, user access privileges and login rights, password protection, and accounting and invoice matrixes.

**Bookkeeper**

The Bookkeeper is responsible for accounting processes and procedures as well as recordkeeping regarding ROYALTY GROUP dispensary facility transactions and sales tracking. The Bookkeeper will cooperate with ROYALTY GROUP'S outside accounting firm to complete regular audits of the system.

**Operations Manager**

Operations Manager provides oversight and supervision of day-to-day operations of dispensing and dispensary facilities, task delegation and accountability, and most importantly transportation and distribution. Operations managers oversee security managers and dispensary facility staff and consultants to ensure that Standard Operating Procedures related to all components of facility operations are followed according to their method of procedure.

**Inventory Manager**

The Inventory manager supervises the safe buying, retail packaging, acquisition, and inventory of supplies of marijuana. Inventory managers are responsible for the oversight and record keeping of active plant and product inventories at all locations where these items can be found. Inventory managers are stationed at the retail facility and are an integral part of inventory management, preventative measures against diversion, implementing new standards and processes, and ensuring adherence to Standard Operating Procedures.

**Quality Assurance Officer**

To ensure that Quality Assurance Methods of Procedure are effectively executed, a Quality Assurance Officer who has documented training and experience in quality control procedures shall be appointed. This individual shall exercise oversight over ROYALTY GROUP'S practices and procedures from seed to sale. The Quality Assurance Officer ensures that all documents relating to quality control and assurance are assessed, stored, and distributed to the proper persons and authorities. It is also the responsibility of the Quality Assurance Officer to train, oversee, and hold accountable employees for QA MOPs applicable to their duties.

**Dispensary Facility Manager**

ROYALTY GROUP will employ a Dispensary Manager at our proposed location(s).

The dispensary facility manager will be responsible for ensuring that:

- Dispensary technicians are registered and properly trained;
- All record-retention requirements set forth in state regulations are met;
- All requirements for the physical security of marijuana are met.
- Organize and supervise day-to-day operations.

**8.0 SUPPLIES**

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- N/A

**9.0 RECORD-KEEPING REQUIREMENTS PER ACCORDINANCE WITH STATE REGULATIONS**

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9.1 Records of ROYALTY GROUP must be available by ROYALTY GROUP for inspection by the Commission, upon request.

9.2 The records of a Marijuana Establishment shall be maintained in accordance with generally accepted accounting principles.

9.3 Written records that are required and are subject to inspection include, but are not necessarily limited to, all records required in any section of 935 CMR 500.000, in addition to the following:

- a) Written operating procedures as required by 935 CMR 500.105(1);
- b) Inventory records as required by 935 CMR 500.105(8);
- c) Seed-to-sale tracking records for all marijuana products as required by 935 CMR 500.105(8)(e);
- d) Written operating procedures as required by 935 CMR 500.105(1); Inventory records as required by 935 CMR 500.105(8);
- e) Seed-to-sale tracking records for all marijuana products as required by 935 CMR
- f) The following personnel records:
  - 1. Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;
  - 2. A personnel record for each marijuana establishment agent. Such records shall be maintained for at least 12 months after termination of the individual's affiliation with the Marijuana Establishment and shall include, at a minimum, the following:
    - o all materials submitted to the Commission pursuant to 935 CMR 500.030(2);
    - o documentation of verification of references;
    - o the job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision.
    - o 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;
    - o documentation of periodic performance evaluations; a record of any disciplinary action taken; and
    - o notice of completed responsible vendor and eight-hour related duty training.
  - 3. A staffing plan that will demonstrate accessible business hours and safe cultivation conditions;

9.4 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 a Marijuana Establishment, including members of the nonprofit corporation, if any.
- f) Waste disposal records as required under 935 CMR 500.105(12); and
- g) Following the closure of a marijuana establishment, all records must be kept for at least two years at the expense of the marijuana establishment and in a form and location acceptable to the Commission.

## **10.0 RECORDS OVERVIEW**

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### **Computerized Accounting and Transactions**

Information Technology will include an integrated accounting, point of sale and inventory control software system. Based on robust client server architecture, computer systems will track transactions, inventory, and expenses in real time.

The accounting system is fully integrated and compatible with our accounting firm's computer system and software. This allows seamless electronic transfer of data directly to our CPA. Encrypted transmissions are used to ensure privacy.

Redundant hardware and robust backup will assure the integrity of our information. State of the art electronic security will be implemented to ensure customer privacy. Firewalls, intrusion detection and spyware filtering software will all be implemented. Both network level access control and system level restricted access will prevent unauthorized use of the system. Our computer system is fully HIPPA privacy protection compliant. The server room is physically secured by a locked steel security door.

## 11.0 CASH/ CREDIT CARD HANDLING PROCUEDURES

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- All Dispensary facility staff entrusted with cash- handling functions must be trained in cash handling best practices prior to job commencement.
- The Operations and Dispensary Manager will provide training to individuals prior to assumption of duties.
- ROYALTY GROUP must maintain staff cash handling training records.

STEP	PROCEDURE
11.1 Cash Security	<ul style="list-style-type: none"><li>A. Cash received in product transactions must be immediately stored in a secure location which may be accessed only by authorized staff.</li><li>B. Currency may only be received in United States currency, and any bill over \$20 must be inspected for counterfeiting.</li><li>C. In any place that cash is handled, a cash register and a safe must be present. handling sites should have a cash register and a safe.</li><li>D. Cash areas must maintain 24 hour video surveillance with clear site paths for the CCTV cameras.</li><li>E. Keys and safe combinations must be changed immediately upon termination of employment of authorized staff.</li><li>F. If an employee loses a key, it should be reported to management and the risk of loss assessed.</li><li>G. Keys must be taken from departing staff as a part of the termination procedure.</li><li>H. Safe combinations should be comprised of random numbers and should be changed once a month.</li></ul>

11.2 Physical barriers	<p>A. Effective physical barriers must be provided wherever possible between the employees handling cash and the public. This includes, but is not limited to: high counters, computer work stations facing away from the public area, locking access doors and security glass enclosures.</p>
11.3 Cash Balancing	<p>A. Dispensary staff handling cash outside of the register, i.e. accounting and balancing purposes, should be working within a controlled access area, so that members of the public or other unauthorized personnel may not enter.</p> <p>B. 24 hour CCTV cameras must be places at all angles in order to adequately cover the cash accounting space.</p> <p>C. Doors must be kept locked at all times and a sign stating that requirement should be mounted on the interior of the door.</p>
11.4 Cash Drawers	<p>A. Floor staff must request cash drawer establishments to the Dispensary and Operations Manager in the Finance means of a written request which sets out the amount requested, the purpose of the cash drawer, the account string to charge the transaction to, and the timing needed.</p> <p>B. Dispensary manager must set cash drawer amounts based upon business need. The cash drawer amounts will be reviewed at least annually for continued need.</p> <p>C. Cash drawers should not exceed \$1,500 currency at any time. If the drawer exceeds \$1,500, the cashier must count and bundle a portion of the currency and secure it in the</p>



	<p>safe or a locking drawer until the drawer is balanced at the end of shift.</p> <p>D. Changes in the amount or location of cash drawers in the departments must be approved by the Revenue Manager.</p> <p>E. A record of all transactions must be created immediately upon receipt.</p>
11.5 Cash Drawer Chain of Custody	<p>A. A clear and unbroken chain of custody over cash must be maintained.</p> <p>B. Cash drawers for a <i>cash</i> register should be counted and verified on camera to authorized beginning balance at the start of each shift.</p> <p>C. Each cashier must have a unique identifying code with which to log into the cash register or a unique cash drawer for the individuals sole use.</p> <p>D. When not working the counter, the cashier must secure their cash drawer in the location's safe or a locked drawer with access limited to authorized staff.</p> <p>E. At a shift change or for coverage during short absences, cashiers must log in using their unique identifier or insert their own <i>cash drawer</i>.</p>
11.6 Credit and Debit Cards	<p>A. Credit and/or debit cards used for payment must be inspected for agreement with government-issued photo identification including matching the signatures.</p> <p>B. In the event that the card is unsigned ,and the cardholder refuses the facility's request that the card be signed then the transaction will be refused.</p>
11.7 Computer Stored Credit and Debit Card Data	<p>A. Computer-stored credit and/or debit card information must be securely deleted such that data cannot be retrieved.</p>

	<ul style="list-style-type: none"> <li>B. Sensitive authentication <i>data</i> obtained by swiping the card may not be retained under any circumstances.</li> <li>C. Computer -stored customer debit/credit card data, with the exception of sensitive authentication data may not be retained after the transaction is complete unless for an official business purpose approved by the Dispensary or Operations Manager.</li> <li>D. Credit and/or debit card data other than sensitive authentication data must be secured at all times in a locked drawer or safe within a controlled access area or if stored on a computer, must be encrypted.</li> <li>E. The Information Technology manager will be available to provide assistance in meeting these requirements.</li> </ul>
11.8 Cash Balancing and Reconciliation	<ul style="list-style-type: none"> <li>A. At the close of business day, the dispensary floor staff will close out the cash register and balance daily activity, starting with beginning balance plus receipts, and compare to ending balance, prior to leaving for the day.</li> <li>B. After cash balancing, the cash drawer must be returned to its original beginning balance for the next day's business.</li> <li>C. Overages and/or shorts must be documented. Staff must use appropriate reporting forms.</li> <li>D. The facility manager must maintain a log of overages and shortages for identifying trends and evaluating dispensary floor staff performance.</li> <li>E. All voids must be processed by written documentation, which the Dispensary Manager must sign to approve, or which bear an electronic signature.</li> </ul>

11.9 Deposits	<p>A. Deposits must be prepared and deposited daily. Cash must be placed immediately in a bank bag and secured in the safe until the armored car service pick up.</p> <p>B. The bookkeeper must reconcile receipt records (receipts, mail log, and cash register) to cash collected to create the Daily Deposit Count and the bank deposit slip.</p> <ul style="list-style-type: none"> <li>• The <b>Daily Deposit Count</b> and the deposit slip must be verified by video surveillance. Each reconciler/preparer should sign and date to evidence that they performed the process and verification.</li> <li>• Once receipts are reconciled to records, and the deposit slip and the <b>Daily Deposit Count</b> are prepared, the deposit must be placed in a secure bank bag and placed in the safe until armored car service pick up. The bag may not be opened under any circumstances.</li> <li>• Staff entering the daily deposit information into ROYALTY GROUP's financial system may not participate in any cash receipting.</li> </ul>
11.10 Removing Cash from the Facility	<p>A. No employee may remove cash from secure sites for any reason except for off-site deposit drops to the organization's banking institution.</p> <p>B. Management or employees who are found to have failed to follow this policy, especially where a situation arises with mismanagement of funds, are subject to disciplinary action that includes immediate dismissal.</p>

## 12.0 RECORDING SALES

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12.1 ROYALTY GROUP shall only utilize a point-of-sale (POS) system approved by the Commission, in consultation with the DOR. ROYALTY GROUP will utilize the MTRIC Massachusetts Tracking and POS Systems.

12.2 ROYALTY GROUP may utilize a sales recording module approved by the DOR.

12.3 ROYALTY GROUP is prohibited from utilizing software or other methods to manipulate or alter sales data.

12.4 ROYALTY GROUP will conduct a monthly analysis of our 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. ROYALTY GROUP will maintain records that it has performed the monthly analysis and produce it upon request to the Commission. If ROYALTY GROUP determines that software has been installed for the purpose of manipulation or alteration of sales data or other methods have been utilized to manipulate or alter sales data:

- it shall immediately disclose the information to the Commission;
- it shall cooperate with the Commission in any investigation regarding manipulation or alteration of sales data; and
- take such other action directed by the Commission to comply with 935 CMR 500.105.
- 

12.5 ROYALTY GROUP shall comply with 830 CMR 62C.25.1: Record Retention and DOR Directive 16-1 regarding recordkeeping requirements.

12.6 ROYALTY GROUP shall adopt separate accounting practices at the point-of-sale for marijuana and marijuana product sales, and non-marijuana sales.

12.7 The Commission and the DOR may audit and examine the point-of-sale system used by a retailer in order to ensure compliance with Massachusetts tax laws and 935 CMR 500.000; (h) A retailer that is co-located with a medical marijuana treatment center shall maintain and provide to the Commission on a biannual basis accurate sales data collected by the licensee during the six months immediately preceding this application for the purpose of ensuring an adequate supply of marijuana and marijuana products under 935 CMR 500.140(10).

## 13. REPORTING

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ROYALTY GROUP will provide the Commission with accurate reports of operational and/or financial information in the form and manner requested, whether reoccurring or on demand.

4. Dispensary staff handling cash outside of the register, i.e. accounting and balancing purposes, should be working within a controlled access area, so that members of the public or other unauthorized personnel may not enter.
5. Doors must be kept locked at all times and a sign stating that requirement should be mounted on the interior of the door.
  - a. Effective physical barriers must be provided wherever possible between the employees handling cash and the public. This includes, but is not limited to: high counters, computer work stations facing away from the public area, locking access doors and security glass enclosures.

#### **14.0 RECORD RETENTION**

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All records required by this Standard Operating Procedure will be retained on the premises of ROYALTY GROUP'S facility for a period of at least 10 years.



ROYALTY GROUP	ROYALTY GROUP STANDARD OPERATING PROCEDURES FOR RETAIL CHAPTER 11: PERSONNEL POLICIES	SOP #	11
		Revision #	1
		Implementation Date	12/01/2018
Pages	1 of 20	Last Reviewed/Update Date	12/01/2018
SOP Owner	BIORELIEF LLC D/B/A MJCO W/ CONSENT TO ROYALTY GROUP, LLC.	Approval	JP

### 1.0. NAME OF SOP

CHAPTER XI: PERSONNEL POLICIES

### 2.0 OBJECTIVE

- A. The purpose of Standard Operating Procedures (SOP's) for Personnel Policies is to describe the policies in place for dispensary personnel.
- B. The key to a well-functioning, compliant, and secure marijuana business is standardization within all mechanisms of the dispensing facility.

### 3.0 SCOPE & APPLICABILITY

1. This SOP applies to all personnel policies.

### 4.0 ADDITIONAL INFORMATION- APPLICABLE REGULATIONS

- 935 CMR- CANNABIS CONTROL COMMISSION
  - Section 500.100: Application for Licensing of Marijuana Establishments
  - Section 500.105: General Operational Requirements for Marijuana Establishments

### 5.0 DEFINITIONS

1. Raw Material: Cannabis flowers, water hash, flower rosin, and/or kief,
2. Final Products: For the purpose of this Standard Operating Procedure the word Products can refer to the final Cannabis Products.
3. Test Date: The date when samples of the drug substance were tested for potency, mold, pesticides, moisture, and contamination.
4. Expiry Date: The date placed on the container/labels designating the time during which a batch of product is expected to remain within the approved shelf life specification if stored under defined conditions, and after which it must not be used.
5. Compliance: Adherence to all the trial-related requirements, good clinical practice (GCP) requirements, and the applicable regulatory requirements.



6. Quality Assurance (QA): All those planned and systematic actions that are established to ensure that the trial is performed, and the data are generated, documented (recorded), and reported in compliance with applicable regulatory requirements.
7. Standard Operating Procedures (SOPs): Detailed, written instructions to achieve uniformity of the performance of a specific function.

## 6.0 ACRONYMS

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1. QA: Quality Assurance
2. GPP: Good Production Practices
3. SOP: Standard Operating Procedures
4. RPIC: Responsible Person in ChaRGe

## 7.0 RESPONSIBILITY

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- Operations Manager
- Inventory Manager
- Quality Assurance Officer
- Dispensary Facility Manager

### Operations Manager

Operations Manager provides oversight and supervision of day-to-day operations of dispensing and dispensary facilities, task delegation and accountability, and most importantly transportation and distribution. Operations managers oversee security managers and dispensary facility staff and consultants to ensure that Standard Operating Procedures related to all components of facility operations are followed according to their method of procedure.

### Inventory Manager

The Inventory manager supervises the safe buying, retail packaging, acquisition, and inventory of supplies of marijuana. Inventory managers are responsible for the oversight and record keeping of active plant and product inventories at all locations where these items can be found. Inventory managers are stationed at the retail facility and are an integral part of inventory management, preventative measures against diversion, implementing new standards and processes, and ensuring adherence to Standard Operating Procedures.

### Quality Assurance Officer

To ensure that Quality Assurance Methods of Procedure are effectively executed, a Quality Assurance Officer who has documented training and experience in quality control procedures shall be appointed. This individual shall exercise oversight over ROYALTY GROUP'S practices and procedures from seed to sale. The Quality Assurance Officer ensures that all documents relating to quality control and assurance are assessed, stored, and distributed to the proper persons and authorities. It is also the responsibility of the Quality Assurance Officer to train, oversee, and hold accountable employees for QA MOPs applicable to their duties.

### Dispensary Facility Manager

ROYALTY GROUP will employ a Dispensary Manager at our proposed location(s).

The dispensary facility manager will be responsible for ensuring that:

- Dispensary technicians are registered and properly trained;
- All record-retention requirements set forth in state regulations are met;
- All requirements for the physical security of marijuana are met.

### Human Resources Director

The Human Resources Director deals with the hiring, administration, and training of personnel. The human resources director focuses on activities relating to employees, including but not limited to: recruiting and hiring of new employees, orientation and training of current employees, employee compliance, employee benefits and retention.

## 8.0 SUPPLIES

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- N/A

## 9.0 SET OF STANDARDS

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We understand the responsibility entrusted upon us to both our employees, and the community as a registered marijuana facility. We believe in creating a safe, welcoming, and equal-opportunity environment for our team and the environment in which we serve. Below is a description of key points covered within the Employee Handbook which will be given and signed by every new employee ROYALTY GROUP hires.

We Believe in:

- **Highest Quality Products**-we will provide safe, high quality products subject to careful processing and testing by an independent laboratory.
- **Education and Compassion**-serving our customers professionally with sensitivity to their needs, in a clean environment where they feel safe and secure.
- **Responsiveness**-in our dealings with our customers, employees, lenders and the community.
- **Transparency**-our financial data will be regularly audited by an independent accounting firm and made available to the commission upon request.
- **Community Service**-conducting varied and ongoing outreach activities to serve the needs of customers and other stakeholders within our community.

### Ethical Standards and Practices

It is the policy of ROYALTY GROUP to publish and promote the highest set of ethical standards. Our company will provide employee training in regard to the State of Massachusetts legal awareness and compliance issues. Theft lies and/or other unethical behavior will be all grounds for dismissal.

### Ethnic and Linguistic Diversity

It is a priority of ROYALTY GROUP to hire staff that reflects the rich ethnic and linguistic diversity of The State of Massachusetts. ROYALTY GROUP is an Equal Opportunity Employer.

### Occupational Health and Safety Standards, OHSA

Our company will meet or exceed all OHSA standards for safety in the work place. ROYALTY GROUP will offer a clean, safe and comfortable environment for its employees and customers.

## 10. MISSION & VALUES

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### Company Overview

RG is a cannabis company dedicated to its community, staff, and patients. Our goal is to provide safe, efficacious medical grade cannabis products while setting the industry standard in professionalism, operations, and patient care.

### Staffing Mission

To provide a safe, dignified, and sanitary working environment for all RG employees and staff members.

Our values include:

**Focus**

Due to our patient-oriented mission, we will maintain an unflinching focus on the healthy outcomes of both our employees and the diverse communities we serve. To fulfill this mission, RG will maintain positive employee relationships and environments within a framework of full regulatory compliance.

**Care**

Our patient and customer services, products, brand and communications reflect the highest degree of care for both our staff and our patients alike.

**Responsiveness**

We pledge to be responsive in our dealings with our patients, customers, employees, and the community in which we serve.

**Innovation**

We pledge to actively engender opportunities to make positive and transformative contributions to science, medicine, and individual access to medicine.

**Responsibility and Transparency**

We recognize the unique opportunity that has been entrusted to us, and strive to fulfill its value through responsible, ethical, and transparent practices.

## 11. EMPLOYMENT

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**A. Temporary Employees**

Periodically, it becomes necessary for us to hire individuals to perform a job or to work on a project that has a limited duration. Typically, this happens in the event of a special project, special time of year, abnormal workload, or emeRGency.

Individuals whom we hire for such work are temporary employees. They are not eligible to participate in any of our company benefit programs, vacation or paid time off. Of course, we will provide to temporary employees any and all benefits mandated by law.

Temporary employees cannot change from temporary status to any other employment status by such informal means as remaining in our employ for a long period of time or through oral promises made to them by co-workers, members of management, or supervisors. The only way a temporary employee's status can change is through a written notification signed by authorized management personnel.

Like all employees who work for this company, temporary employees work on an at-will basis. This means that both they and this company are free to terminate their employment at any time for any reason that is not illegal—even if they have not completed the temporary project for which they have been hired.

**B. Part-Time and Full-Time Employees**

Depending on the number of hours per week you are regularly scheduled to work, you are either a part-time or a full-time employee. It is necessary that you understand which of these classifications you fit into, because it will be important in determining whether you are entitled to benefits and leave. (See Benefits Section of FINAL employee Handbook, of which will be completed post-licensing).

Part-time employees: Employees who are regularly scheduled to work fewer than 32 hours per week are part-time employees. Full-time employees: Employees who are regularly scheduled to work at least 33 hours per week are full-time employees.

### **C. Exempt and Non-exempt Employees**

Your entitlement to earn overtime pay depends on whether you are classified as an exempt or a nonexempt employee.

Exempt employees are those who do not earn overtime because they are exempt from the overtime provisions of the federal Fair Labor Standards Act and applicable state laws.

Non-exempt employees are those who meet the criteria for being covered by the overtime provisions of the federal Fair Labor Standards Act and applicable state laws.

If you are uncertain about which category you fall into, speak to your supervisor.

### **D. Employment is at Will**

RG sincerely hopes that your employment here will be a positive and rewarding experience. However, we cannot make any guarantees about your continued employment at RG. Your employment here is at will. This means that you are free to quit at any time, for any reason, just as we are free to terminate your employment at any time, for any reason with or without notice, with or without cause.

Neither this handbook nor any other company document confers any contractual right, either expressed or implied, to remain RG's employee. Nor does it guarantee any fixed terms and conditions of your employment. No supervisor or other representative of RG has the authority to enter into any agreement for employment for any specified period of time or to make any agreement contrary to the above.

## **11. ETHICS & COMPLIANCE**

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### **A. Equal Employment Opportunity**

RG is an equal opportunity employer and makes employment decisions on the basis of merit. We want to have the best available persons in every job. Company policy prohibits unlawful discrimination based on race, color, creed, sex, religion, marital status, age, national origin or ancestry, physical or mental disability medical condition including genetic characteristics, sexual orientation, or any other consideration made unlawful by federal, state or local laws. All such discrimination is unlawful.

RG is committed to complying with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in the operations of ROYALTY GROUP and prohibits unlawful discrimination by any employee of ROYALTY GROUP, including supervisors and co-workers.

Any applicant or employee who requires an accommodation in order to perform the essential functions of the job should contact a Company representative with day-to-day personnel responsibilities and request such an accommodation. The individual with the disability should specify what accommodation he or she needs to perform the job. ROYALTY GROUP then will conduct an investigation to identify the barriers that make it difficult for the applicant or employee to have an equal opportunity to perform his or her job. ROYALTY GROUP will identify possible accommodations, if any, that will help eliminate the limitation. If the accommodation is reasonable and will not impose an undue hardship, ROYALTY GROUP will make the accommodation.

If you believe you have been subjected to any form of unlawful discrimination, provide a written complaint to your supervisor or the individual with day-to-day personnel responsibilities. Your

complaint should be specific and should include the names of the individuals involved and the names of any witnesses. RG will immediately undertake an effective, thorough and objective investigation and will attempt to resolve the situation. If ROYALTY GROUP determines that unlawful discrimination has occurred, effective remedial action will be taken commensurate with the issue at hand. Appropriate action also will be taken to deter any future discrimination. RG will not retaliate against you for filing a complaint and will not knowingly permit retaliation by management employees or your co-workers.

**B. The American with Disabilities Act (ADA) and the Americans with Disabilities Act Amendment Act (ADAAA)**

It is the policy of RG to comply with all federal and state laws concerning the employment of persons with disabilities and to act in accordance with regulations. It is our company's policy not to discriminate against qualified persons with disabilities in regard to application procedures, hiring, advancement, termination, training, or other conditions of employment.

RG will reasonably accommodate qualified individuals with a disability so they can perform the essential functions of a job unless doing so causes an undue hardship to RG. All reports of discrimination are taken very seriously. RG will ensure an investigation is conducted and appropriate actions are taken.

**C. Corporate Compliance**

RG mandates participation in a corporate compliance training program course for all employees focused on combatting waste, fraud and abuse. Corporate Compliance programs reduce the likelihood that employees will violate laws or regulations, intentionally or unintentionally. Our standards for employee conduct, written policies, monitoring, auditing, training, and feedback are all designed to detect potential violations of laws, regulations, policies, and procedures. It is RG's responsibility to ensure that the standards are clear to employees and that those standards are enforced fairly and without favoritism or bias. RG will ensure there are mechanisms for reporting breaches that are straightforward and confidential.

The policies and procedures of RG as well as all information regarding its products, processes, and plans are strictly confidential and shall not be discussed, directly or indirectly, by an employee in any manner or form to any person or entity other than RG under any circumstance unless directed expressly by their immediate supervisor.

**Policies and procedures regarding confidential and proprietary information, intellectual property, and any of the operational procedures utilized within RG are confidential, and any individuals found in violation of this policy will be immediately terminated.**

Additionally:

- Employees may not discuss, comment, or share any confidential information, directly or indirectly, in any form, to any person or entity about RG, and/or it's board members, officers, managers, owners, partners, principle stakeholders, or members;
- Employees shall not assist any person/entity in violating any commitments to the sections of this handbook;
- Employees may not discuss or identify clients and/ or names or any other personally identifying information; Any disclosure is a violation of this section and shall be deemed a material breach of an employee's responsibilities to RG and a potential safety hazard for patients, co- workers, and product. VIOLATION OF CONFIDENTIALITY REQUIREMENTS IS GROUNDS FOR DISCIPLINE UP TO AND INCLUDING TERMINATION.

**D. Right to Inventions**

RG wishes to protect its proprietary rights and interests in all inventions to the maximum extent permitted by law. Consistent with this goal, employees must offer to assign and, upon request, must assign any and all rights in an invention to ROYALTY GROUP if the invention is developed

on ROYALTY GROUP's time or uses ROYALTY GROUP's equipment, supplies, facilities, or trade secret information, unless an exception to this assignment obligation exists.

The obligation of employees to offer to assign and assign inventions does not apply to an invention developed by the employee entirely on his or her own time without using ROYALTY GROUP's equipment, supplies, facilities, or trade secret information, except for those inventions that either (1) relate, at the time of their conception or reduction to practice, to ROYALTY GROUP's business or its actual or demonstrably anticipated research or development, or (2) result from any work performed by the employee for ROYALTY GROUP. It is ROYALTY GROUP's intention to administer this policy in accordance with the requirements of all applicable laws.

#### **D. Trade Secret and Confidentiality**

ROYALTY GROUP insists on the undivided loyalty of all employees, including management and non-management staff. Employees must not engage in any conduct that would create an actual or potential conflict of interest or create the appearance of such a conflict.

The protection of confidential, sensitive, and proprietary information is of critical importance to ROYALTY GROUP, its work-force, and its clients. It is therefore essential that all employees take steps to safeguard such information. Employees must not use any confidential, sensitive, or proprietary information of ROYALTY GROUP in any manner that is unauthorized or detrimental to the best interests of ROYALTY GROUP.

### **12. HIPAA/ HITECH**

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The Health Insurance Portability and Accountability Act and its accompanying Privacy Rule (HIPAA) protect the confidentiality of individually identifiable health information. Patients have a myriad of rights and protections under the Privacy Rule, and the rules indicate under what circumstances use or disclosure of Protected Health Information ("PHI") is needed for patient care. Part of the system requirements of TO will be to keep PHI secure and backed-up at all times.

Employees of RG are forbidden to disclose PHI, unless they are expressly authorized by RG to do so. In any such event, use or disclosure must be made in conformity with all state and federal regulations. HIPAA Privacy and Security Rule requirements will be covered extensively during onboarding.

The Health Information Technology for Economic and Clinical Health (HITECH) Act was enacted as part of the American Recovery and Reinvestment Act of 2009 to promote meaningful use of health information technology. It was also intended to widen the scope of privacy protections available under HIPAA and increase potential liability for non-compliance.

### **13. ETHICS**

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RG employees are responsible to uphold the integrity and reputation of ROYALTY GROUP through ethical practices and conduct on and off the job. Avoid any conduct that will directly or indirectly result in, or give the appearance that you are using your employment or relationship with RG for personal gain.

As an employee, you must engage in honest conduct, avoid conflicts of interest, provide timely and accurate disclosure of reports of infractions, comply with applicable state and local laws and regulations, provide prompt internal reporting of violations or hazards, treat patients in a fair and honest manner, maintain proper standards of work performance, maintain professional conduct during work hours and at work-related events, adhere to all written and verbal policies and

instructions, and help maintain RG's physical environment to the best of your ability. Please contact your immediate supervisor if you have any concerns or questions.

## **14. EMPLOYEE RIGHTS & RESPONSIBILITIES**

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### **A. Employee Onboarding & Orientation**

At RG our employees are a valued resource. Our onboarding program starts on the first day of employment. We believe by providing you with accurate and complete information about our commitment to patient health, safety, and the importance of good customer service, you will understand our company's mission and our expectations of you in your role.

During your RG onboarding program you will receive information about state and federal regulations regarding our company's operations in Massachusetts. Policies and procedures included in this Employee Handbook will be covered and you will be responsible for signing the acknowledgement and understanding of the information covered.

You will receive your RG employee identification card on the first day of your orientation and it is to be visibly worn at all times during your workday. You will not be allowed to enter RG premises without your identification.

It is our expectation that all employees of RG maintain a safe workplace and adhere to all local, state and federal law. Specifically, employees must adhere to RG's policies for all levels of security of the product and the building, and the documentation storage of patient health information.

### **B. Standards of Conduct**

RG has adopted Standards of Conduct to operate efficiently, safely and with the needs of patients and employees paramount at all times. Employees are expected to abide by these standards, support a healthy work environment, and promote the highest possible standard of professionalism.

It is not possible to provide employees a complete list of every possible type of disciplinary offense. However, in order to provide employees some guidance concerning unacceptable behavior, the following are some examples of types of conduct that are considered impermissible. Employees who engage in any misconduct or whose performance is unsatisfactory may be subject to disciplinary action, up to and possibly including immediate termination. The list below is intended to simply provide some examples of disciplinary offenses.

1. Falsification of or making a material omission on forms, records, or reports, including time cards or application materials.
2. Unauthorized possession or removal of company or employee property, records, or other materials.
3. Actual or threatened physical violence towards other employees.
4. Punching or recording time on another employee's time card, or requesting another employee to punch or record one's time card.
5. Possessing or bringing illegal drugs, weapons, firearms, or chemicals on to company property.
6. Destroying or damaging company or employee property, records or other materials.
7. Insubordination, refusing to follow a supervisor's directions, or other disrespectful conduct towards a supervisor.



8. Sexual harassment or other unlawful harassment, whether verbal, physical or visual.
9. Release of confidential information about ROYALTY GROUP or its customers.
10. Absence for one or more consecutive workdays without notice to your supervisor or department head, unless a reasonable excuse is offered and accepted by ROYALTY GROUP.
11. Fighting on company property.
12. Unsatisfactory performance.
13. Violating state and/or local cannabis regulations.
14. Aiding and abetting another employee or third party's violation(s) of state and/or local cannabis regulations.
15. Bringing on company property dangerous or unauthorized materials such as firearms, explosives or similar items.
16. Violating safety or health rules or practices or engaging in conduct that creates a safety or health hazard.
17. Violating any provisions set forth in this or any other version of the Employee Handbook.
18. Disclosing trade secrets or confidential information.
19. Leaving one's department or company property without approval prior to the end of a scheduled work shift.

It should be remembered that employment is for an unspecified term and is at the mutual consent of the employee and ROYALTY GROUP. Consequently, the employment relationship can be terminated at will, at any time, either by the employee or ROYALTY GROUP, with or without cause or advance notice.

### **C. Discrimination and Harassment**

RG is committed to providing a work environment that is free of discrimination. In keeping with this commitment, the employer maintains a strict policy prohibiting unlawful harassment, discrimination, and retaliation, including sexual harassment, and harassment based upon race, color, religion, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, military or veteran status, or any other characteristic protected by the state or federal employment discrimination laws. This policy applies to all agents and employees of ROYALTY GROUP, including supervisors, managers, co-workers, and non-supervisory employees, and to nonemployees and third parties with whom an employee comes into contact, who engages in unlawful harassment in the workplace. It also extends to harassment of or by vendors, independent contractors and others doing business with ROYALTY GROUP. Furthermore, it prohibits unlawful harassment in any form, including verbal, physical and visual harassment, and prohibits retaliation of any kind against individuals who file complaints in good faith or who assist in an employer investigation.

Sexual harassment includes, but is not limited to, making unwanted sexual advances and requests for sexual favors where either (1) submission to such conduct is made an explicit or implicit term or condition of employment; (2) submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting such individual; or (3) such conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment. Employees who violate this policy are subject to discipline up to and including the possibility of immediate discharge.

Prohibited unlawful harassment includes, but is not limited to, the following behavior:

- a. Verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations or comments;
- b. Visual conduct such as derogatory and/or sexually-oriented posters, photography, cartoons, drawings or gestures;

- c. Physical conduct such as assault, unwanted touching, blocking normal movements or interfering with work because of sex, race or any other protected basis;
- d. Threats and demands to submit to sexual requests as a condition of condition of continued employment, or to avoid some other loss, and offers of employment benefits in return for sexual favors; and
- e. Retaliation for having reported or threatened to report harassment.

Any employee or other person who believes she or he has been harassed by a co-worker, supervisor, manager, agent of ROYALTY GROUP or nonemployee should promptly report the facts of the incident or incidents and the names of the individuals involved to his or her supervisor or, in the alternative, to the Human Resources Department. It is the responsibility of each employee, independent contractor and other person immediately to report any violation or suspected violation of this policy to one or more individuals identified above. The U.S. Equal Employment Opportunity Commission and the Massachusetts Commission Against Discrimination also accept complaints.

Supervisors should immediately report any alleged incidents of harassment to the Human Resources Department. The Human Resources Department will promptly investigate all such claims and take appropriate corrective action, including appropriate options for remedial actions and resolutions, such as possible disciplinary action, when it is warranted. A complaint will be designated as confidential, to the extent possible, but cannot be kept completely confidential. It will lead to a fair, impartial, thorough and timely investigation by qualified individuals, documentation and tracking for reasonable progress and timely closure based on the evidence collected.

Employees should feel free to report claims and participate in any investigation without fear of retaliation of any kind. Employees will not be subject to retaliation for registering a complaint of unlawful harassment, retaliation or discrimination.

If any employee has any questions concerning this policy, please feel free to contact the Director of Human Resources.

#### **D. Whistleblower Protection & Retaliation**

In accordance with Massachusetts State Law, RG will not tolerate harassing behavior, retaliatory behavior, or any form of discrimination against employees who make good faith complaints regarding suspected violations, make good faith complaints regarding financial misrepresentations, provide data to assist in investigating violations of Massachusetts law, and file or testify in proceedings related to violations of Massachusetts law. Employees who report suspected violations in good faith are protected from demotions, terminations, or other adverse actions.

#### **E. Reporting Requirements**

RG will comply with all applicable reporting requirements in cases of real or suspected policy violations, including diversion of funds or products, fraud, or misuse of RG property and equipment.

Employee reporting requirements will vary in nature depending on your role with RG. During onboarding, each employee will be educated on reporting requirements specific to the nature of their work. Regardless of scope, every employee is responsible for reporting violations of RG policies and procedures. Fraudulent documentation and violations of any section of this handbook should be reported to your supervisor, Human Resources, or the Corporate Compliance Officer. Other Reportable Events: The following events must be reported to your supervisor immediately. Reports of any incidents to the Department of Health or other regulatory agency will be made, or directed to be made, by the Supervisor.

- Accidents: Injuries, illness, and non-injury accidents that require assistance above first-aid must be reported to your supervisor immediately.
- Product Reporting: Any theft, loss, inaccuracies in inventory, or diversions must be reported immediately to your supervisor.
- Hazardous Materials: All employees are encouraged to exercise common sense and report unsafe conditions of any kind to their immediate supervisor.
- Adverse Events: Any fire, power outage, damage to equipment or any other event that could result in injury, product damage and/or building damage must be reported to your supervisor immediately. When in doubt, please consult your supervisor in the event of any incidents or conditions that are of concern to you. It is our primary objective to ensure that the work environment is safe for patients, employees, and the community.

#### **F. Hiring Practices**

In accordance with Massachusetts law, RG requires employees in contact with or handling product to show proof they have reached the age of twenty- one (21) years of age or older and, have not been convicted of a felony involving sale or possession of controlled substances (unless the felony is based upon a marijuana-related crime).

#### **G. Employee Identification**

All RG staff, including contractors, must wear an employee identification badge at all times with their photo, name, date of issuance/expiration, and a unique identification number specific to them. RG employees will not be allowed to enter the building under any circumstance without their proper identification card. This identification card must be visible at all times while on RG property. Employees must remove their identification cards once they leave RG property at the end of their workday or when off premises.

#### **H. Company Communication**

Consistent and open communication between staff is essential to the safety and success of our business. RG will utilize a virtual private network (VPN) system for employee communication within and between sites. Your use of the VPN will be covered during your onboarding session. Employee use of the VPN will be monitored by Security. Please be aware that all communications made to or from an RG computer or fax machine are the property of ROYALTY GROUP. Misuses of internal communication will be subject to employee discipline up to termination.

#### **I. Employee Suggestions and Complaints**

RG strives to maintain an open door policy with all employees. Suggestions or complaints should be filled out and placed into the suggestion box located at the front door of the facility.

### **15. GENERAL FACILITY PRACTICES AND WORKPLACE SAFETY**

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#### **A. Visitors**

RG is committed to the safety and security of all employees and products. Therefore unauthorized visitors are not permitted in the workplace. Authorized visitors must be scheduled ahead of time with the supervisor and manager.

#### **B. Food & Beverage**

Food and beverages are only allowed in authorized areas of RG. Break rooms and other designated areas will be the only place that it is appropriate to eat or drink in the workplace. The front entryway and lobby area are not an appropriate area to consume food or beverages. Employees and all personnel will need to dispose of food and beverages in a waste receptacle before they enter the building.

In accordance with Occupational Safety and Health Administration (OSHA) requirements all beverages consumed in the designated break room must be in a non-breakable container and employees must make all efforts to prevent accidental spills on Company property. All employees must clean up after themselves in all areas. Any questions should be directed to supervisory staff.

#### **C. Personal Device Use**

Use and possession of cell phones, smart phones, cameras, and any audio/video recording or playback device by any employee is strictly prohibited during work hours on RG. Cell phones may only be used if listening to music and set on airplane mode. Cell phones may also be used during designated break and lunch times. Cell phones must remain in approved areas or in a car during work hours.

Taking or sending photos and/or video recordings of the worksite is expressly prohibited, as this is a potential security breach. Any employee found violating the cell phone/personal device policy will be subject to disciplinary action.

#### **D. Personal Property**

To prevent potential theft, please exercise caution when bringing personal property into the workplace. Personal belongings may be brought to the workplace at the employees' discretion. RG assumes no responsibility for lost, stolen, or damaged items.

Do not display offensive items in personal workspaces on the RG premises. Questions regarding this policy may be referred to your supervisor or Human Resources.

#### **E. Computer Systems Policy**

Technology at RG is used to augment productivity and enhance communications in the workplace. Tools used in the workplace such as VPN system, intranet and data storage are the property of RG. Technology provided is not for personal use and will be monitored by Security.

Electronic mail between RG staff is allowed through the VPN system and will be monitored by Security staff. It is expected you will comply with the RG policy and practices for intranet use and join RG in our commitment to creating a secure and quality environment.

#### **F. Smoking**

No smoking will be allowed inside any RG building at any time. Employees or personnel may smoke only in an RG-designated smoking area outside of the facility. Employees who fail to follow the RG policy on smoking shall be subject to discipline.

#### **G. Accident Reporting**

RG is strongly committed to maintaining a safe environment for the protection of our employees. All workplace exposure and accidents must be reported to your supervisor immediately at the time of the incident.

Every incident will be documented on the RG Incident Report Form. This form can be found in each work area or can be obtained from your supervisor. All accidents will be reviewed and reported to the RG Safety and Quality Officers. Failure to report an accident will be grounds for disciplinary actions.

#### **H. Personal Hygiene & Appearance**

- **Standards of Appearance**

Employees of RG must present a professional image when reporting to work, including if required, wearing a uniform or scrubs. When representing RG, employees are expected to dress in a manner which establishes confidence in and respect for the business and its employees. Standards of personal hygiene must be high. Attire will be tailored to the specific nature of the employee's work, and production staff will have a separate set of expectations given their job function.

Employees will be given the dress requirements for their position during their onboarding session. If uniforms or specialized attire are required to be worn, they will be furnished to employees by RG.

- **Personal Hygiene**

Employees must report to RG clean and wearing appropriate work attire based on their position. RG strives for a comfortable environment for patients, thus so employees will avoid:

- The use of perfume, cologne, or strong lotions and sprays that could negatively impact the comfort of other employees and;
- Artificial or excessively lengthy nails; nails must be clean, trimmed, and free of dirt or debris.
- Violation or disregard of these policies is grounds for appropriate disciplinary action.

## **I. Sanitation**

All employees are expected to keep the facility as clean as possible by discarding personal waste items in appropriate containers and correctly cleaning and storing equipment per directions as indicated in policies and procedures and equipment manufacturer instructions. We ask all employees to clean and sanitize their counters before starting work and again at the end of your shift. Please make sure to correctly dispose of debris at the end of each day.

The floors throughout the building must be maintained in a dry condition to avoid unnecessary falls. The hallways and doorways must be free of obstacles blocking hallways and exits to allow quick and safe passage in an emergency. Employees should notify the appropriate supervisor when there is an unsanitary condition such as a food and/or large water spill or obstacles in the hallway. Consuming food and beverages and applying cosmetics is only allowed in authorized areas of RG.

## **J. Time Reporting & Company Hours**

The workweek spans five days beginning each Monday and ending each Friday. The typical workweek will be 40 hours. Employees are expected to arrive to the facility no later than 10 a.m.

## **K. Punctuality & Attendance**

You are important to the effective operation of this business. When you are not here at expected times or on expected days, someone else must do your job or delay doing his or her own job while waiting for you to arrive. If you work with customers or vendors, they may grow frustrated if they can't reach you during your scheduled work times. As a result, we expect you to keep regular attendance and to be on time and ready to work at the beginning of each scheduled workday. Of course, things will sometimes happen that will prevent you from showing up to work on time. For example, you may be delayed by weather, a sick child, or car trouble. If you are going to be more than 15 minutes late, please call your supervisor.

If you cannot reach this person, please contact a manager. Please give this notice as far in advance as possible.

If you must miss a full day of work for reasons other than vacation, sick leave, or other approved leave (such as leave to serve on a jury or for a death in a family), you must notify your supervisor as far in advance as possible. If you cannot reach this person, contact a manager.

If you are late for work or fail to appear without calling in as required by this policy or by other policies in this Handbook, you will face disciplinary action, up to and including termination.

## **L. Driving Records**

Individuals who seek or hold positions that involve driving responsibilities for the employer work in occupations for which the employer may have direct or indirect legal responsibility. ROYALTY

GROUP is committed to making certain that employees who have driving responsibilities do not place ROYALTY GROUP, employees, or members of the general public at risk.

In keeping with this policy, ROYALTY GROUP requires that the employees with driving responsibilities maintain safe driving records as a condition of employment and continued employment. Individuals who fail to maintain such driving records may become unsuitable for their positions. In such cases, ROYALTY GROUP reserves the right to discipline or terminate employees with driving responsibilities whose driving records become unsatisfactory, in the sole discretion of ROYALTY GROUP.

In order to verify an individual's driving status, the employer may require the employees or job applicants to furnish all or portions of their driving record from the Department of Motor Vehicles or may them to sign any necessary authorizations that are required or appropriate to request records directly from the Department of Motor Vehicles. Subject to any limitations imposed by state and federal law, individuals must cooperate fully with any request for records or request for authorizations to seek such records from an appropriate agency or entity.

#### **M. Social Media & Networking Policy**

Access to or use of social media is not allowed during work hours at RG. Internet social media sites such as Facebook, Twitter, LinkedIn, YouTube, Periscope, Meerkat, and Tumblr may be accessed by employees from non- RG smartphones or similar devices outside of work hours, but their use may not be "business-related" or contain information about RG.

Employees who access social and/or other media sites may participate in blogging, but only in accordance with the restrictions described in this paragraph. Publication or other dissemination of Confidential Information is **STRICTLY PROHIBITED**. Any indication of employment at RG on any social media site or blog must be approved in advance by your supervisor. Example: Approval for disclosure of employment on LinkedIn.

Please review your confidentiality agreements with RG and the Confidentiality and Intellectual Property provisions of this Employee Handbook. Ask your supervisor for clarification if you have a question. RG Security will monitor social media sites. Violation of these policies may result in disciplinary action up to termination.

### **16. EMPLOYEE PRIVACY**

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#### **A. Company and Personal Property Are Subject to Search**

Employees do not have a right to privacy in their workspaces, any other Company property, or any personal property they bring to the workplace. ROYALTY GROUP reserves the right to search Company premises at any time, without warning, to ensure compliance with our policies, including those that cover employee safety, workplace violence, harassment, theft, drug and alcohol use, and possession of prohibited items. ROYALTY GROUP may search Company property, including but not limited to lockers, desks, file cabinets, storage areas, and workspaces. ROYALTY GROUP may also search personal property brought onto Company premises, including but not limited to toolboxes, briefcases, backpacks, purses, and bags.

#### **B. Telephone Monitoring**

ROYALTY GROUP reserves the right to monitor calls made from or received on Company telephones. Therefore, no employee should expect that conversations made on Company telephones will be private.

#### **C. Personal Blogs and Online Posts**

Our Company recognizes that some of our employees may choose to express themselves by posting personal information on the Internet through personal websites, social media, blogs, or chat rooms, by uploading content, or by making comments at other websites or blogs. We value

our employees' creativity and honor your interest in engaging in these forms of personal expression on your own time, should you choose to do so. However, problems can arise when a personal posting identifies or appears to be associated with our Company, or when a personal posting is used in ways that violate ROYALTY GROUP's rights or the rights of other employees.

#### **D. No Posting Using Company Resources**

You may not use Company resources to create or maintain a personal blog, personal website, or personal page on a social networking site, or to upload content or make personal postings online, nor may you do so on Company time.

#### **E. Guidelines for Online Posting**

You are legally responsible for content you post to the Internet, in a blog, social media site, or otherwise. You can be held personally liable for defaming others, revealing trade secrets or proprietary information, and copyright infringement, among other things. All of our Company policies apply to anything you write in a personal blog, post to the Internet, or upload to the Internet. This means, for example, that you may not use personal postings to harass or threaten other employees or reveal Company trade secrets or confidential information. Embarrassing or unkind comments about other Company employees, customers, clients, or competitors are also inappropriate.

### **17. SECURITY PROTOCOLS AND PROCEDURES**

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#### **A. Inventory Control**

RG maintains a computerized inventory management system in order to integrate key functions of the inventory management program into one single coordinated system. The inventory management system tracks where the product is within the RG system, including how much product is in transit, in order to ensure there is an accurate account of all products at any given time.

Massachusetts state law mandates that RG adhere to strict inventory control practices. All product delivered to each facility site will be labeled and documented in an electronic tracking system. At the end of each business day, all product inventories will be reviewed and validated to ensure accuracy and accountability. All cases of product inventory inaccuracies and possible cases of diversion will be immediately reported to the Chief Compliance Officer who will, if appropriate, inform State and local authorities.

#### **B. Emergency Procedures**

RG employees will receive emergency preparedness education during their onboarding program and then on an annual basis. Periodic drills, exercises and/or training evaluations will be done onsite at RG to demonstrate each individual's ability to respond.

RG maintains an emergency preparedness plan to emergencies which addresses the following areas:

- Personnel roles, lines of authority, training, and communication.
- Emergency recognition and prevention.
- Site security and control. Evacuation routes and procedures.
- Decontamination procedures.
- Emergency alerting and response Use of Personal Protective Equipment (PPE) and emergency equipment.
- Further education regarding emergency response procedures will be reviewed and explained during your first onboarding session.

#### **C. Workplace Safety and Security**



Workplace hazards come in many forms. These include unsafe work practices, hazardous conditions, exposure to harmful chemicals or physical agents, and from acts committed by others. RG is committed to each employee's right to a safe working environment.

The Occupational Safety and Health Act (OSHA) of 1970 was enacted to protect workers from serious injury while at work. This law requires employers to provide their employees with working conditions that are free of known dangers. The application of OSHA safety standards at the RG workplace will be covered in your employee onboarding session.

Each employee will be responsible to know and implement safe work practices and follow local, state and federal codes and regulations. When in doubt or when you are presented with an unanticipated health or safety situation, request direction from your supervisor.

It is ROYALTY GROUP 's expectation that by using clear and appropriate communications, adhering to ROYALTY GROUP's health and safety policies and procedures, and implementing best practices, we can keep our patients, employees, facility, and product protected from unsafe, hazardous, and harmful conditions.

#### *1. Hazardous Materials*

Employees may be exposed to many safety and health hazards while on the job including chemical hazards. Hazardous materials are considered any substance or compound that has a capability of producing adverse effects on the health and safety of humans.

ROYALTY GROUP will include education on the hazardous chemicals in their work area before initial assignment during your onboarding session, annually thereafter and whenever new policies or hazards are introduced. Education on hazardous materials and waste will include the proper use of Personal Protective Equipment (PPE).

#### *2. Hazardous Waste*

All waste products at the ROYALTY GROUP facility will be evaluated to determine whether they should be considered hazardous. Hazardous waste will be stored and disposed of according to local, state and federal regulations and ROYALTY GROUP policies that supplement hazardous waste disposal laws and regulations.

#### *3. Disposal Methods*

All chemicals and other hazardous materials must be handled, stored, and disposed of according to local, state and federal codes and requirements as defined in the ROYALTY GROUP policy. The safety and health of employees, patients and caregivers is dependent on each employee maintaining a safe environment. ROYALTY GROUP expects employees to adhere strictly to procedures for the correct labeling and disposal of hazardous waste as a preventive measure.

#### *4. Material Safety Data Sheets*

Material Safety Data Sheets (MSDS) are the source of detailed information on a particular hazardous chemical prepared by the manufacturer. ROYALTY GROUP will obtain copies of MSDSs for all hazardous chemicals present in the workplace. A binder containing the MSDSs will be located in an area that is readily accessible to employees. Training on how to use the MSDS will be provided to employees during their onboarding session, annually and when new hazards are introduced into the work area.

#### *5. Workplace Violence*

Workplace violence scenarios can include an employee's refusal to follow company policy, aggressive behavior toward others, threatening comments to a co-worker or a threat directed toward a manager or executive. Employees of ROYALTY GROUP will not engage in any behavior that may be dangerous, perceived to be dangerous or threatening to others. Intimidating, threatening, or coercing patients, employees, vendors, business associates, or other involved parties will not be tolerated at ROYALTY GROUP.

Direct or indirect threats, or any other inappropriate behaviors must be reported immediately to a supervisor, Security, Human Resources, or on the corporate anonymous tip-line telephone number. Please document any incidents in the workplace that are suspicious or uncomfortable. Employees should not try to interrupt a violent event in the workplace.

If an employee has a restraining order, ROYALTY GROUP should be listed as a protected area and Human Resources should be informed. Employees are encouraged to report concerns to Human Resources. ROYALTY GROUP is committed to assisting those self-reporting with appropriate assistance to ensure a safe work environment.

ROYALTY GROUP will thoroughly investigate all reports of suspicious activities, behavior, or violence. ROYALTY GROUP has the right to temporarily suspend an employee suspected of violent or threatening behavior, with or without pay, until an investigation is completed. If any employee at ROYALTY GROUP is found to be engaging in violent or threatening conduct they will be subject to prompt disciplinary action up to and including termination.

Please bring disputes or employee concerns to Human Resources as soon as a perceived conflict is identified in order to deescalate the situation as quickly as possible and provide for less formal resolution in the workplace. There will be no disciplinary action pursued for any report in good faith.

## **18. BENEFITS & COMPENSATION**

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### **A. Probation, Performance & Salary Reviews**

All employees will begin their employment with ROYALTY GROUP with a probationary period of three to 12 months, depending on position and level of responsibility at the Company. Monthly performance reviews will be completed for each probationary employee. A copy of each review will be given to the employee and placed in their personnel file in Human Resources.

Unsatisfactory performance reviews of probationary employees may result in termination.

Performance reviews will be completed 12 months following the end of the probationary period and then annually thereafter. Changes in compensation may be made between annual reviews or annually based on your position and performance at ROYALTY GROUP.

Changes in position within ROYALTY GROUP may require a new probationary period.

### **B. Pay Policy**

**1. Paychecks:** Paychecks are distributed bimonthly. Deductions will be made for Social Security, federal and state withholding taxes, and any other voluntary deductions authorized by the employee. If an employee's marital status changes or the number of exemptions previously claimed increases or decreases, a new Form W-4 must be submitted to the Human Resource department.

**2. Payday:** Employees are paid bimonthly. You will receive your paycheck around the 15th or 30th of each month. If a payday falls on a holiday, you will receive your paycheck on the last workday immediately before that payday.

**3. Expense Reimbursement:** From time to time, employees may incur expenses on behalf of ROYALTY GROUP. We will reimburse you for the actual work-related expenses you incur, as long as those expenses are reasonable. You must follow these procedures to get reimbursed:

- Get permission from your supervisor before incurring an expense.
- Spend ROYALTY GROUP's 's money wisely--make an effort to save money and use approved vendors if possible.
- Keep a receipt or some other proof of payment for every expense.
- Submit your receipts, along with a Reimbursement Form, to your supervisor for approval within 30 days of incurring an expense.

- Your supervisor is responsible for submitting your expense report to accounting. If your report is approved, you will receive your reimbursement in your next paycheck.
- Remember that you are spending ROYALTY GROUP's money when you pay for business-related expenses. We expect you to save money wherever possible. Your supervisor can assist you in deciding whether an expense is appropriate.

**4. Timeclock:** ROYALTY GROUP uses a digital time clock to track hours worked. The system allows employees to clock-in and out of their shifts and during their allotted break times. Time sheets are printed out and reviewed prior to submitting to the accounting department. If an employee encounters a problem with the time clock, they are to immediately notify a manager to assist in resolving the problem. Only after an employee has notified a manager shall they make note on the Time Clock Log any changes to the time of work. Continual problems with the time clock by an employee may result in disciplinary action.

**5. Pay Deductions:** Your paycheck reflects your total earnings for the pay period, as well as any mandatory or voluntary deductions from your paycheck. Mandatory deductions are deductions that we are legally required to take such as federal income tax, Social Security tax (FICA), and any applicable state taxes. Voluntary deductions are deductions that you have authorized. If you have any questions about your deductions, or wish to change your federal withholding form (Form W-4), contact your supervisor.

**6. Pay Docking:** ROYALTY GROUP is legally required to pay exempt employees -- those who are not entitled to earn overtime -- on a salary basis. This means, among other things, that exempt employees must receive the same pay for each week in which they perform work, regardless of the quantity or quality of work performed, and regardless of how many hours they actually work, unless an exception applies. (For information on which employees are exempt, see the Employee Classification Section of this Handbook.) Company policy prohibits docking the pay of an exempt employee -- that is, paying the employee less than his or her full regular salary -- except in the following circumstances:

- The employee serves an unpaid disciplinary suspension of at least one full day, imposed in good faith for violating a workplace conduct rule.
- The employee takes time off to serve on a jury, as a witness, or in the military; the employee receives money for jury fees, witness fees, or military pay; and the docked pay is an offset of the money received only.
- The employee starts or ends employment with ROYALTY GROUP midweek (that is, the employee does not start work first thing Monday morning, or finish employment at the end of the workday on Friday).

If you are an exempt employee and you believe that your pay has been improperly deducted from your salary in violation of these rules, please report it immediately using ROYALTY GROUP's complaint policy. Your complaint will be investigated and, if we find that your pay was improperly docked, you will be reimbursed for any amounts that should not have been withheld.

**7. Overtime Pay:** Overtime must be authorized by a supervisor or manager prior to overtime work being commenced. For non-exempt employees, ROYALTY GROUP pays well above minimum wage, in recognition of the fact that our employees have specialized knowledge and perform difficult work. Exempt employees will not be paid for working beyond their regular scheduled hours.

Non-exempt employees are entitled to payment for overtime, according to the rules set forth below. (For information on which employees are exempt and which are nonexempt, see the Employee Classification Section of this Handbook.)

All hours worked in excess of 40 hours in any work week or 8 hours in any work day are paid at 1.5 times each employee's hourly rate. Hours worked means time actually spent on the job. It

does not include hours away from work due to vacation, sickness, or holiday even where these days are compensated.

All overtime work must be approved by a supervisor. Working overtime without permission violates company policy and may result in disciplinary action.

For purposes of calculating how many hours an employee has worked in a day or week, our work week begins at 12:01 a.m. on Saturday and ends at midnight on Friday. Our workday begins at 12:01 a.m. and ends at midnight each day.

**C. Meal and Rest Break Periods:** Non-exempt employees who work more than six hours in a shift must take a meal period of at least 30 minutes during which they are relieved of all duties. Meal periods must begin by the end of the employee's fifth hour of work. Non-exempt employees who work no more than six hours in a day may voluntarily agree to waive their meal period for that day if their supervisor agrees to allow such a waiver. Non-exempt employees who work more than six hours in a shift may not waive their meal period.

**D. Employee Tardiness** The Company counts on your cooperation, expects regular attendance during all scheduled hours of work, and requires that you report for work on time and continue to work until the end of the work day or work period. Unsatisfactory attendance, including reporting late or quitting early, may be cause for disciplinary action up to and including discharge.

If for any reason you are going to report to work after your scheduled starting time, telephone your supervisor as far in advance as possible. If the Company knows you will be late, we can plan for it. But if we don't know and we are expecting you on time, your tardiness can create a problem. Any employee who is absent for three or more consecutive days may be asked to provide a written explanation that can be verified by phone or other means.

Excused Absences – Absences not counted against the employee's attendance record are listed below, provided, before and during the absence, the employee conforms to company notification policy.

1. Jury duty, military leave, or bereavement.
2. Absences due to occupational injuries properly reported to the company (workers compensation).
3. Approved leave of absence.
4. Long-term disability (only after review by Company management).

All other absences and tardiness will be counted against the attendance record.

#### **E. Employee Reimbursement**

Employees traveling at the request of ROYALTY GROUP for work-related activities will have their reasonable and necessary expenses reimbursed. Employees must submit receipts for reimbursement; this includes auto and other travel expenses, lodging, and meals for the purpose of work-related travel. Travel to and from work will not be reimbursed.

#### **F. Medical and/or Dental Insurance**

ROYALTY GROUP will offer health and dental benefits based on your position and hours of work per week. All benefits will be covered and discussed during your onboarding session with the Director of Human Resources.

#### **G. Paid Time Off (PTO)**

Instead of offering separate vacation and personal days or floating holidays, our company offers a paid time off ("PTO") program that combines all of these benefits. We believe this program will give employees the flexibility to manage their time off as they see fit. Employees may use PTO for vacation, to attend a child's school activities, to care for elderly or ill family members, to take care of personal errands or business, or simply to take a day off work.

You are eligible to participate in the PTO program if you are a full-time employee. (See the Employee Classifications Section of this Handbook.) PTO accrues at a rate of 0.04 hours of PTO per hour worked.

Employees must schedule time off in advance with their supervisors. We will try to grant every employee's PTO request for the days off they choose. However, we must have enough workers to meet our day-to-day needs -- which means we might not be able to grant every PTO request, especially during holiday periods.

If circumstances, such as a medical or family emergency, prevent advance scheduling, you must inform your supervisor as soon as possible that you are taking paid time off. Because PTO encompasses vacation and personal leave, employees must manage their PTO responsibly to ensure that they have time available for emergencies, such as personal or family illness. An employee who needs time off but has no accrued PTO may be eligible to take unpaid leave. The company will decide these requests on a case-by-case basis.

Employees may not accrue more than 15 days of PTO. Once an employee's PTO balance reaches this limit, an employee may accrue more PTO only by taking some PTO to bring the employee's balance back below the limit.

#### **H. Direct Deposit**

Employees of ROYALTY GROUP will be paid through direct deposit of funds to either a savings or checking account at the financial institution of their choice.

#### **I. Paid Sick Leave**

The Company provides eligible employees paid sick leave that may be used for any reason specified by Massachusetts law, such as illness, injury, preventative care, or the care or treatment of the employee or a qualified family member. Employees can use their paid sick leave in increments of two hours or more beginning on their 90<sup>th</sup> day of employment.

### **19.0 RECORD RETENTION**

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All records required by this Standard Operating Procedure will be retained on the premises of ROYALTY GROUP'S facility for a period of at least 10 years.



ROYALTY GROUP	ROYALTY GROUP STANDARD OPERATING PROCEDURES FOR RETAIL CHAPTER 15: QUALIFICATIONS & TRAINING	SOP #	15
		Revision #	1
		Implementation Date	12/01/2018
Pages	1 of 10	Last Reviewed/Update Date	12/01/2018
SOP Owner	BIORELIEF LLC D/B/A MJCO W/ CONSENT TO ROYALTY GROUP, LLC.	Approval	JP

#### 1.0. NAME OF SOP

CHAPTER XV: **QUALIFICATIONS & TRAINING**

#### 2.0 OBJECTIVE

- A. The purpose of Standard Operating Procedures (SOP's) for Employee Qualifications and Training is to describe the qualifications and training an individual must complete to be able to work in a regulated dispensary environment.
- B. The key to a well-functioning, compliant, and secure marijuana business is standardization within all mechanisms of the dispensing facility.

#### 3.0 SCOPE & APPLICABILITY

1. This SOP applies to all employee training and qualification standards.

#### 4.0 ADDITIONAL INFORMATION- APPLICABLE REGULATIONS

- 935 CMR- CANNABIS CONTROL COMMISSION
  - Section 500.100: Application for Licensing of Marijuana Establishments
  - Section 500.105: General Operational Requirements for Marijuana Establishments

1. 500.030: Registration of Marijuana Establishment Agents #1- 8

A Marijuana Establishment shall apply for registration for all of its board members, directors, employees, executives, managers, and volunteers who are associated with that Marijuana Establishment. The Commission shall issue a registration card to each individual determined to be suitable for registration. All such individuals shall:

- a. be 21 years of age or older;
- b. not been convicted of an offense in the Commonwealth involving the distribution of controlled substances to minors, or a like violation of the laws of another state, the United

- States or foreign jurisdiction, or a military, territorial, or Native American tribal authority;  
and
- c. be determined suitable for registration consistent with the provisions of 935 CMR 500.800 and 500.802.

## **5.0 DEFINITIONS**

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1. Raw Material: Cannabis flowers, water hash, flower rosin, and/or kief,
2. Final Products: For the purpose of this Standard Operating Procedure the word Products can refer to the final Medical Cannabis Products.
3. Test Date: The date when samples of the drug substance were tested for potency, mold, pesticides, moisture, and contamination.
4. Expiry Date: The date placed on the container/labels designating the time during which a batch of product is expected to remain within the approved shelf life specification if stored under defined conditions, and after which it must not be used.
5. Compliance: Adherence to all the trial-related requirements, good clinical practice (GCP) requirements, and the applicable regulatory requirements.
6. Quality Assurance (QA): All those planned and systematic actions that are established to ensure that the trial is performed and the data are generated, documented (recorded), and reported in compliance with applicable regulatory requirements.
7. Standard Operating Procedures (SOPs): Detailed, written instructions to achieve uniformity of the performance of a specific function.

## **6.0 ACRONYMS**

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1. QA: Quality Assurance
2. GPP: Good Production Practices
3. SOP: Standard Operating Procedures
4. RPIC: Responsible Person in Charge

## **7.0 RESPONSIBILITY**

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- Operations Manager
- Quality Assurance Officer
- Dispensary Facility Manager

### **Operations Manager**

Operations Manager provides oversight and supervision of day-to-day operations of dispensing and dispensary facilities, task delegation and accountability, and most importantly transportation and distribution. Operations managers oversee security managers and dispensary facility staff and consultants to ensure that Standard Operating Procedures related to all components of facility operations are followed according to their method of procedure.

### **Quality Assurance Officer**

To ensure that Quality Assurance Methods of Procedure are effectively executed, a Quality Assurance Officer who has documented training and experience in quality control procedures shall be appointed. This individual shall exercise oversight over ROYALTY GROUP'S practices and procedures from seed to sale. The Quality Assurance Officer ensures that all documents relating to quality control and assurance are assessed, stored, and distributed to the proper persons and authorities. It is also the responsibility of the Quality Assurance Officer to train, oversee, and hold accountable employees for QA MOPs applicable to their duties.

### **Dispensary Facility Manager**



ROYALTY GROUP will employ a Dispensary Manager at our proposed location(s).

The dispensary facility manager will be responsible for ensuring that:

- Dispensary technicians are registered and properly trained;
- All record-retention requirements set forth in state regulations are met;
- All requirements for the physical security of marijuana are met.
- That our facility has appropriate pharmaceutical reference materials to ensure that marijuana can be properly dispensed;

#### **Human Resources Director**

The Human Resources Director deals with the hiring, administration, and training of personnel. The human resources director focuses on activities relating to employees, including but not limited to: recruiting and hiring of new employees, orientation and training of current employees, employee compliance, employee benefits and retention.

### **8.0 SUPPLIES**

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- N/A

### **9.0 MARIJUANA ESTABLISHMENT AGENT REGULATIONS**

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#### **9.1 500.030: Registration of Marijuana Establishment Agents #1- 8**

A Marijuana Establishment shall apply for registration for all of its board members, directors, employees, executives, managers, and volunteers who are associated with that Marijuana Establishment. The Commission shall issue a registration card to each individual determined to be suitable for registration. All such individuals shall:

- be 21 years of age or older;
- not been convicted of an offense in the Commonwealth involving the distribution of controlled substances to minors, or a like violation of the laws of another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority; and
- be determined suitable for registration consistent with the provisions of 935 CMR 500.800 and 500.802.

### **10.0 EMPLOYEE HIRING**

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#### **10.1 General Philosophy**

Due to our customer-focused mission, ROYALTY GROUP will maintain a high staff-to-customers ratio in order to provide a consistent level of quality service. As adult use numbers increase, our company will adjust staffing to maintain this capability. Our staff will be highly trained and supervised to ensure the highest quality of customer services.

ROYALTY GROUP has adopted a comprehensive staffing plan to guide recruitment, hiring, training and managing its employees. Highlights of the plan feature:

- Precise definition of responsibilities
- Clearly understood chains of authority
- Well paid, well qualified, well trained personnel

- High customers/staff ratio
- Professional recruiting practices
- Thorough training of new hires

### **10.2 Recruitment**

ROYALTY GROUP'S recruiting efforts will be primarily directed at candidates with the following qualifications:

- Health-related educational/professional backgrounds Interest and aptitude for the healing arts and/or the marijuana industry.
- Spotless criminal records with the exception of individuals whom possess DRUG CORI'S.
- Experience in restricted access retail venues.
- Experience within the marijuana industry

Qualified candidates will be employed for a one-year probationary period. During the initial probationary period, new hires will be evaluated for suitability in a restricted-access medical environment.

Employees will also undergo a robust training, testing, and evaluation process, including a comprehensive plan of lectures, and hands-on training and study in regards to our policies and practices.

New Employees will receive training in the following modules:

- Standards, Ethics & Practices Training
- Customer care and safe handling
- Security and Fire Procedures
- Resale abatement.
- Safe packaging and display presentation
- Computer system access and use

### **11.0 EMPLOYEE TRAINING:**

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11.1 All hired dispensary facility agents will receive employee handbooks containing the following highlights:

Employee Handbook Training (Important Highlights)

- Rules and regulations
- Equal opportunities,
- Compensation,
- Fire Safety,
- Duties,
- Drug & alcohol free policy,
- Leaves of absence, etc.
- The Use and benefits of Cannabis,
- Medical emergencies and CPR.
- Discipline policy

Security Training

- Admission/verification protocols,
- inventory control and loss prevention,
- emergency management,
- conflict resolution
- safety of facility and services

11.2 All staff members will undergo Dispensary Training and preparedness training. This includes, but is not limited to:

1. Legal- Legal training will cover all State of Massachusetts and Federal laws relating to marijuana. Legal obligations of licensed cannabis dispensaries will be emphasized. Other topics will include the rules and regulations of the dispensary, sexual harassment training, effective interaction with law enforcement personnel, and the rights and responsibilities of both medical marijuana patients and recreational consumers. Legal training will include at least one two-hour session with an attorney who is a practicing member of the state bar.
2. Medical- Medical training will include disabled rights and sensitivity, how to identify and interact with a customer having a medical emergency, the proper uses and benefits of cannabis as medicine (if the customer is a patient), and an introduction to the other medical treatments offered by various other alternative health professionals.
3. Sales- Staff will be trained in customer care in conjunction with retail sales. The primary focus will be on assisting customers in making appropriate decisions about how to choose the type of medicine that is right for them. Staff will be provided with ongoing training in product information as well as general service philosophy.
4. Safety- In addition to its focus on safety, security training will include acceptable currency identification and counterfeit detection, warning signs of possible diversion to the illegal market, lock and alarm procedures, perimeter and entrance control, robbery response techniques, conflict resolution techniques and diversion detection techniques.
5. Working With Customers Effectively- Our company may serve those who suffer from debilitating illnesses or disease. We will train our staff extensively in customers care to deal with customers who have illnesses and ailments, both physical and mental. We will train our staff in these leading industry- specific customers care techniques:  
Things to consider when helping customers:
  - A. How might those physical symptoms affect this person mentally?
  - B. How might this illness be affecting this person physically?
  - C. How might their condition affect them socially?
  - D. How can I be respectful of this?

Dispensing marijuana is a key social and health service and should be customers focused. Employees at our dispensary will be trained to keep in mind the following "Customers Rights":

1. Treated with dignity and respect
2. Privacy through confidentiality
3. Participate as a partner
4. Culturally sensitive environment
5. Equitable share of social resources
6. View challenges from their own perspective
7. Negotiate the distribution of roles with caregivers and dispensary workers
8. Collaborate in dispensary process
9. Help understand time frames and know costs involved

Positive customer interaction and rapport building are essential components to a pleasant experience for our patrons. We will train our staff members to keep in mind the following points while interacting with customers:

- First things an individual says are often most significant
- Start where the customer is in terms of product knowledge
- Don't reveal too much about yourself and your personal experiences
- Purpose of the interaction is to hear the customer's story in their own words
- Don't judge their experiences against your own

- Skills needed to form genuine partnerships with your customers:
- Genuineness: Be real with your patrons
- Acceptance and Respect: Have a positive view of human kind Names and Respect: What would your customer liked to be called?
- Trustworthiness: Show that you can be trusted with sensitive information
- Empathy: Showing the customer you understand what they are saying and feeling
- Cultural Sensitivity: Discuss cultural differences instead of ignoring them

11.3 As a company we will strive to create and maintain positive interactions with our patrons. In comprehensively training our staff and employees on a frequent basis, we can better serve our customers and a growing network of health and community professionals. Please see our employee handbook as part of these SOP's in order to review our hiring and training policies more in-depth.

#### 11.4 Additional Training Information

- Establishments must ensure that employees are trained on job specific duties prior to performing job functions. *935 CMR 500.105(2)*
- Establishments must ensure that employees receive a minimum of eight (8) hours of ongoing training annually. *935 CMR 500.105(2)*

#### 11.5 Responsible Vendor Program

- All current owners, managers, and employees shall complete the Responsible Vendor Program after July 1, 2019 or when available. *935 CMR 500.105(2)*
- All new employees shall complete the Responsible Vendor Program within 90 days of being hired. *935 CMR 500.105(2)*
- Responsible Vendor Program documentation must be retained for four (4) years. *935 CMR 500.105(2)*

## 12. PERSONELL DESCRIPTIONS

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12.1 Management positions include the following:

- Operations Manager
- Security Manager
- Inventory Manager
- Quality Assurance Officer
- Dispensary Facility Manager
- Dispensary Sales Staff
- Human Resources Director

Other Personnel needed to efficiently run the facility include:

- Information Technology (IT) Manager
- Bookkeeper

#### 12.2 Dispensary Facility Manager

ROYALTY GROUP will employ a Dispensary Manager at our proposed location(s).

The dispensary facility manager will be responsible for ensuring that:

- Dispensary technicians are registered and properly trained;
- All record-retention requirements set forth in state regulations are met;
- All requirements for the physical security of marijuana are met.
- Organize and supervise day-to-day operations.

### **12.3 Information Technology (IT) Manager**

The Information Technology (IT) Manager will be responsible for the strategic design and operation of digital accounting systems and computerized Point of Sale Systems. The IT manager directs hardware and software selection, implementation and staff training regarding use of these systems.

IT Manager(s) are also held responsible for the integrity of the information and security of the system, including physical and electronic security. This includes, but is not limited to firewall policies, user access privileges and login rights, password protection, and accounting and invoice matrixes.

### **12.4 Bookkeeper**

The Bookkeeper is responsible for accounting processes and procedures as well as recordkeeping regarding ROYALTY GROUP dispensary facility transactions and sales tracking. The Bookkeeper will cooperate with ROYALTY GROUP'S outside accounting firm to complete regular audits of the system.

### **12.5 Operations Manager**

The Operations Manager provides oversight and supervision of day-to-day operations of dispensing and dispensary facilities, task delegation and accountability, and most importantly transportation and distribution. Operations managers oversee security managers and dispensary facility staff and consultants to ensure that Standard Operating Procedures related to all components of facility operations are followed according to their method of procedure.

### **12.6 Inventory Manager**

The Inventory manager supervises the safe buying, retail packaging, acquisition, and inventory of supplies of marijuana. Inventory managers are responsible for the oversight and record keeping of active plant and product inventories at all locations where these items can be found. Inventory managers are stationed at the retail facility and are an integral part of inventory management, preventative measures against diversion, implementing new standards and processes, and ensuring adherence to Standard Operating Procedures.

### **12.7 Quality Assurance Officer**

To ensure that Quality Assurance Methods of Procedure are effectively executed, a Quality Assurance Officer who has documented training and experience in quality control procedures shall be appointed. This individual shall exercise oversight over ROYALTY GROUP'S practices and procedures from seed to sale. The Quality Assurance Officer ensures that all documents relating to quality control and assurance are assessed, stored, and distributed to the proper persons and authorities. It is also the responsibility of the Quality Assurance Officer to train, oversee, and hold accountable employees for QA MOPs applicable to their duties.

### **12.8 Dispensary Facility Manager**

ROYALTY GROUP will employ a Dispensary Manager at our proposed location(s).

The dispensary facility manager will be responsible for ensuring that:

- Dispensary technicians are registered and properly trained;
- All record-retention requirements set forth in state regulations are met;
- All requirements for the physical security of marijuana are met.

### **12.9 Security Manager**

The role of Security Manager is to maintain the safety of the customers, employees, and inventory. Each dispensing and production facility will maintain at least one security manager on staff. The Security Manager is responsible for all security components of the facility, inventory and its perimeter. Security managers must keep in constant contact with transportation and distribution team members, and must dispatch and track GPS devices for transportation vehicles carrying inventory between facilities.

SM maintains strict vigilance for diversion and deviation of medicine, most importantly by overseeing transportation and distribution operations from point A to point B.

### **12.10 Human Resources Director**

The Human Resources Director deals with the hiring, administration, and training of personnel. The human resources director focuses on activities relating to employees, including but not limited to: recruiting and hiring of new employees, orientation and training of current employees, employee compliance, employee benefits and retention.

## **13. PERSONNEL QUALIFICATIONS**

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### **13.1 Operations Manager**

- Must be 21+ and possess no criminal background, with the exception of a Drug CORI.
- Minimum Bachelor's degree in a business-related field, preferably with a focus in operation management, supply chain management, or economics.
- Must maintain the compliance capacity ensure that commission regulations are followed.
- Must maintain proficiency in project management, team leadership, task allocation, and corporate decision making.
- Maintains experience in a highly-regulated and secure environment.
- Individual possess strong leadership skills, micro and macro organizational skills, and the ability to delineate tasks and roles to facility staff.
- Ability to perform a wide array of duties within the facility.
- Ability to plan, manage, and schedule large groups of people.
- Able to manage the growth and market changes of the Dispensary.
- Must maintain proficiency in handling complex situations and environments, and able to handle pressure.

### **13.2 Security Manager**

- Must be 21+ with no criminal background, with the exception of a Drug CORI.
- Maintains experience in a highly-regulated and secure environment.
- Must maintain the compliance capacity to ensure that commission regulations are followed.
- Must maintain proficiency in physical and IT surveillance skills, information analytics, and reporting skills.
- Must be proficient in corporate decision making.

### **13.3 Inventory Manager**

- Must be 21+ and possess no criminal background, with the exception of a Drug CORI.
- Maintains experience in a highly-regulated and secure environment.
- Must possess the capacity to manage inventory and stock control and maintain the capacity to continuously check stock against inventory to ensure that records are accurate.

- Must maintain the compliance capacity to ensure that commission regulations are followed.
- Must possess the capacity to organize, plan, and implement inventory activity.
- Responsible for purchasing and budgeting.
- Must maintain proficiency in project management, team leadership and task allocation, and corporate decision making.

#### **13.4 Quality Assurance Officer**

- Must be 21+ and possess no criminal background, with the exception of a Drug CORI.
- Maintains experience in a highly-regulated and secure environment.
- Must maintain the compliance capacity to ensure that commission regulations are followed.
- Must maintain proficiency in project management, team leadership, task allocation, and corporate decision making.

#### **13.5 Dispensary Facility Manager**

- Must be 21+ and possess no criminal background, with the exception of a Drug CORI.
- Must maintain a Bachelor's Degree, preferably in
- Maintains experience in a highly-regulated and secure environment.
- Must maintain the compliance capacity to ensure that commission regulations are followed.
- Must maintain proficiency in project management, team leadership, task allocation, and corporate decision making.
- Will be held responsible for the production, procurement, and planning of daily operations.
- Must maintain proficiency in handling complex situations and environments, and able to handle pressure.
- Plans, schedules, and reviews facility flow and manpower to make sure targets are being met on a cost-effective basis.

#### **13.6 Dispensary Sales Staff**

- Must be 21+ and possess no criminal background, with the exception of a Drug CORI.
- Minimum high school diploma/ GED required.
- Maintains experience in a highly-regulated and secure environment.
- Must maintain the compliance capacity to ensure that commission regulations are followed.
- Must maintain proficiency in managerial finance.

#### **13.7 Information Technology (IT) Manager**

- Must be 21+ and possess no criminal background, with the exception of a Drug CORI.
- Minimum Bachelors Degree in IT
- Must maintain the compliance capacity to ensure that commission regulations are followed.
- Must maintain proficiency in project management, team leadership, task allocation, and corporate decision making.
- Must have experience in IT strategy, IT development, and/or IT design.
- Must maintain experience in database and network management.



- Must maintain the capacity to oversee the financial aspects of the IT department.

### **13.8 Bookkeeper**

- Must be 21+ and possess no criminal background, with the exception of a Drug CORI.
- Must have a minimum Associates Degree.
- Maintains experience in a highly-regulated and secure environment.
- Must maintain the compliance capacity to ensure that commission regulations are followed.
- Required experience in any level of managerial finance.
- Must maintain proficiency in communication, multi-tasking, reporting, payroll, account balancing, and tracking of funds.

### **13.9 Human Resources Director**

- Must be 21+ and possess no criminal background, with the exception of a Drug CORI.
- Minimum Bachelors Degree in in Human Management or Business Administration.
- Must maintain the compliance capacity to ensure that commission regulations are followed.
- 5 years HR experience in similar compliance environment.
- Must maintain HR certification
- Management experience

## **14.0 RECORD RETENTION**

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All records required by this Standard Operating Procedure will be retained on the premises of ROYALTY GROUP'S facility for a period of at least 10 years.



ROYALTY GROUP	ROYALTY GROUP STANDARD OPERATING PROCEDURES FOR RETAIL CHAPTER 9: QUALITY CONTROL & TESTING	SOP #	09
		Revision #	1
		Implementation Date	12/01/2018
Pages	1 of 4	Last Reviewed/Update Date	12/01/2018
SOP Owner	BIORELIEF LLC D/B/A MJCO W/ CONSENT TO ROYALTY GROUP, LLC.	Approval	JP

#### 1.0. NAME OF SOP

CHAPTER IX: **QUALITY CONTROL & TESTING**

#### 2.0 OBJECTIVE

- The purpose of this Standard Operating Procedure (SOP's) is to describe the standard procedures, including the specific methods of procedures (MOP's) to be followed to ensure uniformity and consistency across all facility operations.
- The key to a well-functioning, compliant, and secure marijuana business is standardization within all mechanisms of the dispensing facility.
- The following quality assurance procedures will ensure the safety, efficacy, and proper handling of all marijuana products. Through a combination of risk-reducing preventative steps, inspection and accounting waypoints, and rigorous third-party laboratory testing, ROYALTY GROUP will adhere to stringent Quality Assurance standards as outlined below.

#### 3.0 SCOPE & APPLICABILITY

- This SOP is to be followed step-by-step in order to adhere to quality control and quality assurance measures.
- This SOP applies to all Quality Assurance (QA) plans and procedures (Methods Of Procedures) carried out by ROYALTY GROUP.
- Quality Assurance MOPs include plans to detect, identify and prevent errors in dispensing, distribution, and/or any other activity by a registered facility.

#### 4.0 ADDITIONAL INFORMATION- APPLICABLE REGULATIONS

- 935 CMR- CANNABIS CONTROL COMMISSION
  - Section 500.105: Marijuana Establishments
  - Section 500.100: Application for Licensing of Marijuana Establishments
  - Section 500.105: General Operational Requirements for Marijuana Establishments

#### 5.0 DEFINITIONS

1. Raw Material: Cannabis flowers, water hash, flower rosin, and/or kief.
2. Final Products: For the purpose of this Standard Operating Procedure the word Products can refer to the final Cannabis Products.
3. Test Date: The date when samples of the drug substance were tested for potency, mold, pesticides, moisture, and contamination.
4. Compliance: Adherence to all the trial-related requirements, good clinical practice (GCP) requirements, and the applicable regulatory requirements.
5. Good Clinical Practice (GCP): A standard for the design, conduct, performance, monitoring, auditing, recording, analyses, and reporting of quality assurance measures that provides assurance that the data and reported results are credible and accurate.
6. Quality Assurance (QA): All those planned and systematic actions that are established to ensure that the trial is performed and the data are generated, documented (recorded), and reported in compliance with applicable regulatory requirement(s) as delineated by the State of New York Department of Health.
7. Quality Control (QC): The operational techniques and activities undertaken within the quality assurance system to verify that the requirements for quality of the trial-related activities have been fulfilled.
8. Standard Operating Procedures (SOPs): Detailed, written instructions to achieve uniformity of the performance of a specific function.
9. Independent Testing Laboratory means a laboratory that is licensed by the Commission and is:
  - o accredited to the International Organization for Standardization 17025 (ISO/IEC 17025: 2017) by a third-party accrediting body that is a signatory to the International Laboratory Accreditation Accrediting Cooperation mutual recognition arrangement or that is otherwise approved by the Commission;
  - o independent financially from any Medical Marijuana Treatment Center (RMD), Marijuana Establishment or licensee for which it conducts a test; and
  - o qualified to test cannabis or marijuana in compliance with 935 CMR 500.160 and M.G.L. c. 94C, § 34.

## 6.0 ACRONYMS

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1. QA: Quality Assurance
2. GPP: Good Production Practices
3. SOP: Standard Operating Procedures
4. RPIC: Responsible Person in Charge

## 7.0 RESPONSIBILITY

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- Responsible Person in Charge
- Operations Manager
- Inventory Manager
- Quality Assurance Officer
- Dispensary Facility Manager

### Operations Manager

Operations Manager provides oversight and supervision of day-to-day operations of dispensing and dispensary facilities, task delegation and accountability, and most importantly transportation and distribution. Operations managers oversee security managers and dispensary facility staff

and consultants to ensure that Standard Operating Procedures related to all components of facility operations are followed according to their method of procedure.

#### **Inventory Manager**

The Inventory manager supervises the safe buying, retail packaging, acquisition, and inventory of supplies of marijuana. Inventory managers are responsible for the oversight and record keeping of active plant and product inventories at all locations where these items can be found. Inventory managers are stationed at the retail facility and are an integral part of inventory management, preventative measures against diversion, implementing new standards and processes, and ensuring adherence to Standard Operating Procedures.

#### **Quality Assurance Officer**

To ensure that Quality Assurance Methods of Procedure are effectively executed, a Quality Assurance Officer who has documented training and experience in quality control procedures shall be appointed. This individual shall exercise oversight over ROYALTY GROUP'S practices and procedures from seed to sale. The Quality Assurance Officer ensures that all documents relating to quality control and assurance are assessed, stored, and distributed to the proper persons and authorities. It is also the responsibility of the Quality Assurance Officer to train, oversee, and hold accountable employees for QA MOPs applicable to their duties.

#### **Dispensary Facility Manager**

ROYALTY GROUP will employ a Dispensary Manager at our proposed location(s).

The dispensary facility manager will be responsible for ensuring that:

- Dispensary technicians are registered and properly trained;
- All record-retention requirements set forth in state regulations are met;
- All requirements for the physical security of marijuana are met.
- That our facility has appropriate pharmaceutical reference materials to ensure that marijuana can be properly dispensed;

#### **Quality Assurance Officer**

To ensure that Quality Assurance Methods of Procedure are effectively executed, a Quality Assurance Officer who has documented training and experience in quality control procedures shall be appointed. This individual shall exercise oversight over ROYALTY GROUP'S practices and procedures from seed to sale. The Quality Assurance Officer ensures that all documents relating to quality control and assurance are assessed, stored, and distributed to the proper persons and authorities. It is also the responsibility of the Quality Assurance Officer to train, oversee, and hold accountable employees for QA MOPs applicable to their duties.

#### **RPIC**

It is the responsibility of the RIPC to store raw materials that have been approved by Quality Assurance with proper MITS Tags.

It is the responsibility of the RIPC to retain records for all storage of raw, processed, and final products produced within the designated "Processing or MIP" area.

It is the responsibility of the RIPC to store raw materials that have been approved by Quality Assurance in an environmentally controlled area with a average temperature range of (40 F - 75 F), and relative humidity of (15% - 35%).

It is the responsibility of the RIPC to store processed materials and/or infused processed oils that have been approved by Quality Assurance under refrigeration for storage of all Prana Bio Nutrient Medicinals products. All Prana products that are "non-activated" i.e. (Sublingual & Capsule Form) must be refrigerated at all times prior to distribution / sales to a patient.

## 8.0 SUPPLIES

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- N/A

## 9.0 PROCEDURE

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☐ Ensuring that only the leaves and flowers of the female marijuana plant are processed accordingly in a safe and sanitary manner as prescribed below:

- Well cured and generally free of seeds and stems;
- Free of dirt, sand, debris, and other foreign matter;
- Free of contamination by mold, rot, other fungus, and bacterial diseases;
- Prepared and handled on food-grade stainless steel tables; and
- Packaged in a secure area. *935 CMR 500.105(3) (required for cultivators, product manufacturers, microbusiness, and craft marijuana cooperatives)*

☐ All agents whose job includes contact with marijuana is subject to the requirements for food handlers specified in 105 CMR 300.000.

☐ Litter and waste shall be properly removed so as to minimize the development of odor and the potential for the waste attracting and harboring pests. t to 935 CMR 500.105(12). *935 CMR 500.105(3)*

☐ Floors, walls, and ceilings shall be constructed in such a manner that they may be adequately kept clean and in good repair. *935 CMR 500.105(3)*

☐ All toxic items shall be identified, held, and stored in a manner that protects against contamination of marijuana. *935 CMR 500.105(3)*

☐ Water supply shall be sufficient for necessary operations. *935 CMR 500.105(3)*

☐ Plumbing shall be of adequate size and design and maintained to carry sufficient quantities of

water to required locations throughout the establishment. *935 CMR 500.105(3)*

☐ The establishment shall provide its employees with adequate, readily accessible toilet facilities. *935 CMR 500.105(3)*

☐ Storage and transportation of finished products shall be under conditions that will protect them against physical, chemical, and microbial contamination. *935 CMR 500.105(3)*

☐ The establishment shall notify the Commission within 72 hours of any laboratory testing results indicating contamination if contamination cannot be remediated and disposal of the production batch is necessary. *935 CMR 500.160(2)*

## 10.0 RECORD RETENTION

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All records required by this Standard Operating Procedure will be retained on the premises of ROYALTY GROUP'S facility for a period of at least 10 years.



ROYALTY GROUP	ROYALTY GROUP STANDARD OPERATING PROCEDURES FOR RETAIL CHAPTER 12: RECORDKEEPING PROCEDURES	SOP #	12
		Revision #	1
		Implementation Date	12/01/2018
Pages	1 of 11	Last Reviewed/Update Date	12/01/2018
SOP Owner	BIORELIEF LLC D/B/A MJCO W/ CONSENT TO ROYALTY GROUP, LLC.	Approval	JP

#### 1.0. NAME OF SOP

CHAPTER XII: RECORDKEEPING PROCEDURES

#### 2.0 OBJECTIVE

- A. The purpose of Standard Operating Procedures (SOP's) for recordkeeping is to describe the standard procedures, including the specific methods of procedures (MOP's) to be followed to ensure accurate accounting and transaction reports of dispensing activities.
- B. The key to a well-functioning, compliant, and secure marijuana business is standardization within all mechanisms of the dispensing facility.
- C. The following recordkeeping methods and procedures will ensure the safety, efficacy, proper handling and accounting of all marijuana and marijuana-containing products.

#### 3.0 SCOPE & APPLICABILITY

1. This SOP applies to all Recordkeeping protocols and procedures carried out by ROYALTY GROUP.

#### 4.0 ADDITIONAL INFORMATION- APPLICABLE REGULATIONS

- 935 CMR- CANNABIS CONTROL COMMISSION
  - Section 500.100: Application for Licensing of Marijuana Establishments
  - Section 500.105: General Operational Requirements for Marijuana Establishments
  - Section 500.110: Security Requirements for Marijuana Establishments

#### 5.0 DEFINITIONS

1. Raw Material: Cannabis flowers, water hash, flower rosin, and/or kief.
2. Final Products: For the purpose of this Standard Operating Procedure the word Products can refer to the final Cannabis Products sold by ROYALTY GROUP/

3. Test Date: The date when samples of the drug substance were tested for potency, mold, pesticides, moisture, and contamination.
4. Expiry Date: The date placed on the container/labels designating the time during which a batch of product is expected to remain within the approved shelf life specification if stored under defined conditions, and after which it must not be used.
5. Compliance: Adherence to all quality assurance requirements and the applicable regulatory requirements set forth by the State of Massachusetts Cannabis Control Commission.
6. Good Clinical Practice (GCP): A standard for the design, conduct, performance, monitoring, auditing, recording, analyses, and reporting of quality assurance measures that provides assurance that the data and reported results are credible and accurate.
7. Quality Assurance (QA): All those planned and systematic actions that are established to ensure that quality control procedures are executed, documented (recorded), and reported in compliance with applicable regulatory requirement(s) as delineated by the Cannabis Control Commission of Massachusetts.
8. Quality Control (QC): The operational techniques and activities undertaken within the quality assurance system to verify that the requirements for quality of testing activities (Whether rudimentary visual inspections or third party laboratory analysis) have been fulfilled.
9. Standard Operating Procedures (SOPs): Detailed, written instructions to achieve uniformity of the performance of a specific function.
10. Real-time Inventory or Seed-to-sale Tracking: an electronic system that provides the electronic tracking of an individual cannabis or marijuana plant, including its cultivation, growth, harvest and preparation of cannabis or marijuana products, if any, and final sale. This system shall utilize a unique-plant identification and unique-batch identification. It will also be able to track agents' and licensees' involvement with the marijuana product.

## 6.0 ACRONYMS

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1. QA: Quality Assurance
2. GPP: Good Production Practices
3. SOP: Standard Operating Procedures
4. RPIC: Responsible Person in Charge

## 7.0 RESPONSIBILITY

---

- Information Technology (IT) Manager
- Bookkeeper
- Operations Manager
- Inventory Manager
- Quality Assurance Officer
- Dispensary Facility Manager

### Information Technology (IT) Manager

The Information Technology (IT) Manager will be responsible for the strategic design and operation of digital accounting systems and computerized Point of Sale Systems. The IT manager directs hardware and software selection, implementation and staff training regarding use of these systems.

IT Manager(s) are also held responsible for the integrity of the information and security of the system, including physical and electronic security. This includes, but is not limited to firewall



policies, user access privileges and login rights, password protection, and accounting and invoice matrixes.

#### **Bookkeeper**

The Bookkeeper is responsible for accounting processes and procedures as well as recordkeeping regarding ROYALTY GROUP dispensary facility transactions and sales tracking. The Bookkeeper will cooperate with ROYALTY GROUP'S outside accounting firm to complete regular audits of the system.

#### **Operations Manager**

Operations Manager provides oversight and supervision of day-to-day operations of dispensing and dispensary facilities, task delegation and accountability, and most importantly transportation and distribution. Operations managers oversee security managers and dispensary facility staff and consultants to ensure that Standard Operating Procedures related to all components of facility operations are followed according to their method of procedure.

#### **Inventory Manager**

The Inventory manager supervises the safe buying, retail packaging, acquisition, and inventory of supplies of marijuana. Inventory managers are responsible for the oversight and record keeping of active plant and product inventories at all locations where these items can be found. Inventory managers are stationed at the retail facility and are an integral part of inventory management, preventative measures against diversion, implementing new standards and processes, and ensuring adherence to Standard Operating Procedures.

#### **Quality Assurance Officer**

To ensure that Quality Assurance Methods of Procedure are effectively executed, a Quality Assurance Officer who has documented training and experience in quality control procedures shall be appointed. This individual shall exercise oversight over ROYALTY GROUP'S practices and procedures from seed to sale. The Quality Assurance Officer ensures that all documents relating to quality control and assurance are assessed, stored, and distributed to the proper persons and authorities. It is also the responsibility of the Quality Assurance Officer to train, oversee, and hold accountable employees for QA MOPs applicable to their duties.

#### **Dispensary Facility Manager**

ROYALTY GROUP will employ a Dispensary Manager at our proposed location(s).

The dispensary facility manager will be responsible for ensuring that:

- Dispensary technicians are registered and properly trained;
- All record-retention requirements set forth in state regulations are met;
- All requirements for the physical security of marijuana are met.
- That our facility has appropriate pharmaceutical reference materials to ensure that marijuana can be properly dispensed.

#### **Human Resources Director**

The Human Resources Director deals with the hiring, administration, and training of personnel. The human resources director focuses on activities relating to employees, including but not limited to: recruiting and hiring of new employees, orientation and training of current employees, employee compliance, employee benefits and retention.

### **8.0 SUPPLIES**

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- Recordkeeping Software
- Recordkeeping and Inventory Tracking Systems-MTRIC
- Honeywell 1900 2D Barcode Scanner

- Polypro Waterproof Labels
- Zebra GX420t Thermal Transfer/ Direct Thermal printer

## 9.0 RECORD-KEEPING REQUIREMENTS PER ACCORDINANCE WITH STATE REGULATIONS

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9.1 Records of ROYALTY GROUP must be available by ROYALTY GROUP for inspection by the Commission, upon request.

9.2 The records of a Marijuana Establishment shall be maintained in accordance with generally accepted accounting principles.

9.3 Written records that are required and are subject to inspection include, but are not necessarily limited to, all records required in any section of 935 CMR 500.000, in addition to the following:

- Written operating procedures as required by 935 CMR 500.105(1);
- Inventory records as required by 935 CMR 500.105(8);
- Seed-to-sale tracking records for all marijuana products as required by 935 CMR 500.105(8)(e);
- Written operating procedures as required by 935 CMR 500.105(1); Inventory records as required by 935 CMR 500.105(8);
- Seed-to-sale tracking records for all marijuana products as required by 935 CMR
- The following personnel records:
  - Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;
  - A personnel record for each marijuana establishment agent. Such records shall be maintained for at least 12 months after termination of the individual's affiliation with the Marijuana Establishment and shall include, at a minimum, the following:
    - all materials submitted to the Commission pursuant to 935 CMR 500.030(2);
    - documentation of verification of references;
    - the job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision.
    - 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;
    - documentation of periodic performance evaluations; a record of any disciplinary action taken; and
    - notice of completed responsible vendor and eight-hour related duty training.
  - A staffing plan that will demonstrate accessible business hours and safe cultivation conditions;

9.4 Business records, which shall include manual or computerized records of:

- Assets and liabilities;
- Monetary transactions;
- Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
- Sales records including the quantity, form, and cost of marijuana products; and
- 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 a Marijuana Establishment, including members of the nonprofit corporation, if any.
- Waste disposal records as required under 935 CMR 500.105(12); and

- g) Following the closure of a marijuana establishment, all records must be kept for at least two years at the expense of the marijuana establishment and in a form and location acceptable to the Commission.

## **10.0 ELECTRONIC RECORDKEEPING**

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All electronic systems used for the storage and retrieval of customer files, accounting data, inventory reports, or other marijuana records will:

- Guarantee the confidentiality of the information contained within the system.
- Comport to all Privacy Protection Compliance Standards
- Maintain redundant hardware and robust backup that will assure the integrity and security of our information.
- Possess the capability to store data for a minimum of 5 years.
- State of the art electronic security measures will be implemented to ensure privacy. Firewalls, intrusion detection and spyware filtering software will be mandatory on all terminals with access to ROYALTY GROUP'S records and databases, or used for ROYALTY GROUP related activities.
- Electronic systems will maintain the capabilities of providing safeguards against erasures and unauthorized changes in data after the information has been entered and verified by the dispensary facility. Data restoration points will be generated daily by automatic processes on all terminals storing ROYALTY GROUP information.
- Maintain the capability to be reconstructed in the event of a computer malfunction or accident resulting in the destruction of the data bank.
- Incorporate secure data transmission and receiving capabilities

## **11. METRC (MARIJUANA ENFORCEMENT TRACKING REPORTING COMPLIANCE) COMPLIANCE SYSTEM**



### **A. ABOUT**

The METRC Compliance system has become the system of record for the protection of both the public, and support of the governing bodies in charge of this rapidly growing industry. The system was designed through the belief that only through the harvest and use of quality data can municipalities and the public at large feel confident to take the next steps on the road to complete and fair regulation industry wide.

Metrc has both an industry side and regulatory side. The industry side is used to report the required events and information while the regulatory side is used for enforcement and compliance monitoring. Metrc is among the primary tools for fighting against diversion and illegal use and purchase of cannabis.

### **B. REGULATORY FEATURES**

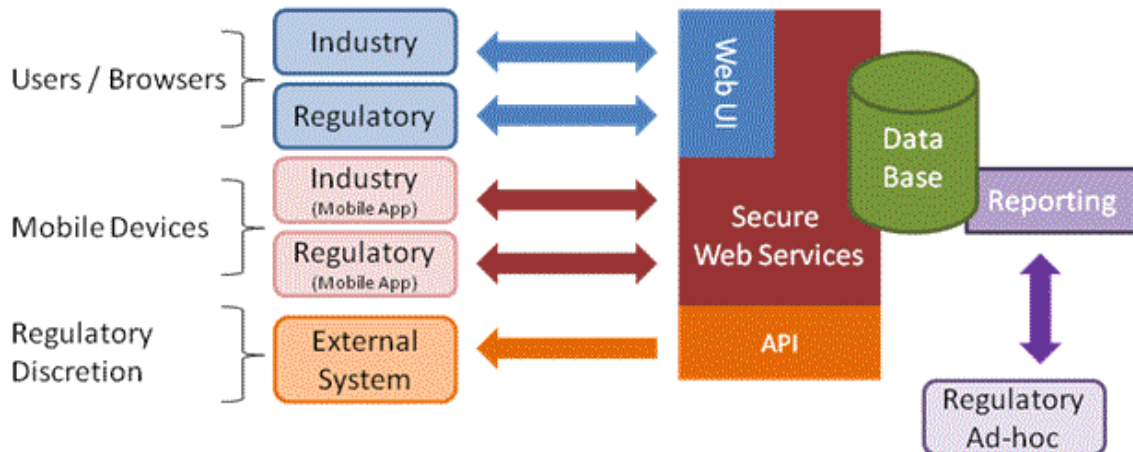
- Supports marijuana "regulations" with technology to prevent and monitor drug diversions
- Promotes public safety and patient product safety with traceability
- Addresses marijuana "diversion" from a "state mandated" position
- Creates a vertically integrated "closed-loop" marijuana regulatory scheme which stems, in part, from the landmark 2005 California case, Gonzales vs. Raich (If you can demonstrate a

closed loop, in which no marijuana crosses state borders, it strengthens against federal intervention)

- By the use of RFID (Radio Frequency Identification) technology combined with serialized item tracking, the system creates an "end to end" surveillance system where the municipality has real-time visibility at any given time into the "inventory" at all the locations (does not rely on audits for tracking)
- Central control of security through RFID secure tag ID
- Captures perpetual inventory quantities for each entity
- Provides an inspection process with the tools necessary to complete onsite validation of inventory with audit capability and anti-piracy safeguards
- Supports the auditing process from a series of exception reports
- Provides the industry with the means to report required inventories with minimal cost and investment - can remain cost neutral to the regulatory body.
- The system maintains a secure reporting environment for each industry participant. Each participant can access their own data but no other participants' data. The regulator has access to all industry participants data
- The system provides for a real time digital transport manifest giving access to law enforcement enabling them to quickly discover illegal activity during transportation
- Tracks transfers between licensed premises
- Allows regulatory users to view all licensee activities captured in the system
- Creates audit trails and tools for assessing risk and channeling resources more efficiently (e.g. system notifications and reporting)
- Creates a industry database of analytical information to establish trends and benchmarks for marijuana production
- Allows criminal investigators to streamline field enforcement and compliance activities associated with licensees
- Provides aggregate data regarding cultivation, production, transportation and sales of marijuana within the regulated model
- Secure web hosted solution scaling to thousands of credentialed users

### **C. METRC IT COMPONENTS AND PARTS**

Metrc is a web-based solution made up of a browser interface and a mobile application for both the industry and regulatory users. The backend is a series of secure Web Services, Database and an API. Each regulatory body can decide whether to allow external systems the use of an API to pull data on a secure validated connection. Finally, the regulatory body can use the reporting engine to build adhoc reports based on their individual needs.



## 12. RECORDING SALES

- A. A Marijuana Retailer shall only utilize a point-of-sale (POS) system approved by the Commission, in consultation with the DOR.
- B. A retailer may utilize a sales recording module approved by the DOR.
- C. A retailer is prohibited from utilizing software or other methods to manipulate or alter sales data.
- D. A retailer shall conduct a 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. A Marijuana Retailer shall maintain records that it has performed the monthly analysis and produce it upon request to the Commission. If a retailer determines that software has been installed for the purpose of manipulation or alteration of sales data or other methods have been utilized to manipulate or alter sales data:
  1. it shall immediately disclose the information to the Commission;
  2. it shall cooperate with the Commission in any investigation regarding manipulation or alteration of sales data;
  3. and take such other action directed by the Commission to comply with 935 CMR 500.105.
- E. A retailer shall comply with 830 CMR 62C.25.1: Record Retention and DOR Directive 16-1 regarding recordkeeping requirements.
- F. A retailer shall adopt separate accounting practices at the point-of-sale for marijuana and marijuana product sales, and non-marijuana sales.
- G. The Commission and the DOR may audit and examine the point-of-sale system used by a retailer in order to ensure compliance with Massachusetts tax laws and 935 CMR 500.000; (h) A retailer that is colocated with a medical marijuana treatment center shall maintain and provide to the Commission on a biannual basis accurate sales data collected by the licensee during the six months immediately preceding this application for the purpose of ensuring an adequate supply of marijuana and marijuana products under 935 CMR 500.140(10).
- H. Limitation on Sales. In accordance with M.G.L. c. 94G, § 7, a Marijuana Retailer may not sell more than one ounce of marijuana or five grams of marijuana concentrate to a consumer per transaction.

### 13.0 MEMBERSHIP DATABASE

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- Customer/ membership records, registry, and data will be stored within a custom database.
- Access will be via Local Area Network (LAN), with appropriate password access and related security protocols. Remote access will also be available for dispensary personnel with the proper security clearance.
- Patient and Dispensed medicine files will be electronically transmitted to ROYALTY GROUP'S Centralized Data Server and the Cannabis Control Commission at the end of each business day.
- A record of all approved marijuana products that have been dispensed shall be filed electronically with the MA Cannabis Control Commission and ROYALTY GROUP'S Centralized Data Server, utilizing a transmission format acceptable to the department, not later than 24 hours after the marijuana was dispensed to the certified patient or designated caregiver.
- Records for each dispensation/sale of approved marijuana products shall include:
  - Which employee rang up the sale
  - a serial number that will be generated by the dispensing facility for each approved marijuana product dispensed to the customer.
  - an identification number which shall be populated by a number provided by the Commission, to identify the registered organization's dispensing facility
  - the date the approved marijuana product was filled by the dispensing facility
  - the metric quantity for the approved marijuana product
  - the marijuana product code number, which shall be populated by a number provided by the commission, to represent the approved marijuana brand that was dispensed to the customer.
  - the payment method.
  - When applicable, a facility shall file a zero report with the Commission, in a format acceptable to the department. For the purposes of this section, a zero report shall mean a report that no approved marijuana product was dispensed by a facility during the relevant period of time. A zero report shall be submitted no later than 14 days following the most recent previously reported dispensing of an approved marijuana product or the submission of a prior zero report.

### 14.0 DISPENSARY COMPUTERIZED ACCOUNTING AND TRANSACTIONS

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- ROYALTY GROUP will utilize basic point of sale systems integrated with Excel or Quickbooks.
- Based on robust client server architecture, computer systems will track transactions, inventory, and expenses in real time.
- Information Technology will include an integrated accounting, point of sale and inventory control software system designed by MJ Freeway, such as Gram Tracker.
- Utilizing a combination of MTRIC and Quickbooks or Excel will allow the exporting of info into a format such as excel that will allow users to mold information into whatever data users wish to track and record.
- Accounting systems are fully integrated and compatible with our accounting firm's computer system and software. Compatibility allows seamless electronic transfer of data directly to our CPA. Encrypted transmissions are used to ensure privacy.
- Both network level access control and system level restricted access will prevent unauthorized use of the system.
- Dispensary facility computer systems are fully HIPPA privacy protection compliant.

## 15.0 OPERATIONS DATABASE

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ROYALTY GROUP will maintain detailed inventory reports on the quantity, location, and other data for all seeds, active plants, flower awaiting processing, oil inventories, active products, quarantined and destroyed items, etc.

- Dispensing Records will be kept, detailing inputs, outputs, stock levels, dates and times of all major manufacturing procedures such as oil extraction from flower and oil processing into finished medicinal forms
- Transfer and Delivery of any type of active product, plant, or other regulated marijuana substance is to be well documented, with manifest forms transmitted to State regulatory agencies prior to shipping, and kept in ROYALTY GROUP databases.
- All plants and products containing active cannabinoids will be tagged or labeled with barcodes linked to that item's records.
- Testing Data on Cannabinoid Content, Quality Control, and other tests will be kept and easily linked to product batches.
- Resource Scheduling and Task Management will be centralized through ROYALTY GROUP'S computer systems, including:
  - Structural Facilities
  - Staffing Schedules
  - Task Delegation and Accountability
  - QA Logs

## 16.0 SECURITY AND SURVEILLANCE RECORDS

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All of ROYALTY GROUP'S proposed facilities shall be extensively monitored to prevent diversion, theft, and/or loss through the use of commercial grade security equipment including:

- A Perimeter Alarm
- Motion detectors
- Video cameras in all areas that may contain marijuana and at all points of entry and exit, which shall be appropriate for the normal lighting conditions of the area under surveillance. The dispensing facility shall direct cameras at all approved safes, approved vaults, dispensing areas, marijuana sales areas and any other area where marijuana is being produced, harvested, manufactured, stored, handled or dispensed. At entry and exit points, the manufacturing facility or dispensing facility shall angle cameras so as to allow for the capture of clear and certain identification of any person entering or exiting the facility
- Twenty-four hour recordings from all video cameras, which the manufacturing facility or dispensing facility shall make available for immediate viewing by the department or the department's authorized representative upon request and shall be retained for at least 90 days. ROYALTY GROUP shall provide the department with an unaltered copy of such recording upon request. If ROYALTY GROUP is aware of a pending criminal, civil or administrative investigation or legal proceeding for which a recording may contain relevant information, ROYALTY GROUP shall retain an unaltered copy of the recording until the investigation or proceeding is closed or the entity conducting the investigation or proceeding notifies the organization that it is not necessary to retain the recordings.
- A duress alarm: A silent security alarm system signal generated by the entry of a designated code into an arming station in order to signal that the alarm user is being forced to turn off the system.
- A panic alarm: An audible security alarm system signal generated by the manual activation of a device intended to signal a life threatening or emergency situation requiring a law enforcement response.



- A holdup alarm: A silent alarm signal generated by the manual activation of a device intended to signal a robbery in progress
- Automatic voice dialer: Any electrical, electronic, mechanical, or other device capable of being programmed to send a prerecorded voice message, when activated, over a telephone line, radio or other communication system, to a law enforcement, public safety or emergency services agency requesting dispatch
- A Failure Notification system that provides an audible, text or visual notification of any failure in the surveillance system. The failure notification system shall provide an alert to the manufacturing facility or dispensing facility within five minutes of the failure, either by telephone, email, or text message.
- The ability to immediately produce a clear color still photo that is a minimum of 9600 dpi from any camera image (live or recorded)
- A date and time stamp embedded on all recordings. The date and time shall be synchronized and set correctly and shall not significantly obscure the picture.
- The ability to remain operational during a power outage.
- All security systems shall be tested once per month, with records of the tests documented, filed, and stored for 5 years
- Security Equipment Recordings: Equipment, recordings, and records regarding security systems shall be kept in a specially designed, ultra-secure server room intended solely for this purpose.

## 17.0 SERVER ROOM SECURITY

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SERVER ROOM SPECS	
•	Server rooms are physically secured by a locked steel security door
•	Access to server rooms require passing biometric security systems installed on the door.
•	Access to server rooms is restricted to a minimum number of authorized and necessary personnel. Non-Good Leaf employees, and employees without Server Room clearance, that require access for some special circumstance are to be accompanied by an employee that does have Server Room clearance.
•	Servers are tested for security a minimum of once per year

## 18.0 RECORD RETENTIONS

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### 1. DOCUMENT & RECORD AVAILABILITY

- All documents issued as part of this SOP are available on the network drive, which is accessible to the entire facility through networked computers.
- All documents are stored as hard copies within the Quality Assurance Office under lock and key.
- ROYALTY GROUP will perform a back up of records by scanning and storing them on the network drive, or printing them for archive purposes. Furthermore, external documents will be marked with a 'received' stamp to indicate that the records were produced externally. Records will include a date and name of receiver, which will be scanned and kept on the network drive, and then handed to the relevant employee, folder, or area for use.

### 2. DOCUMENT ARCHIVING

- Obsolete documents are archived electronically on the network drive and are not available for inadvertent use. Hardcopy obsolete documents are replaced and discarded by the Quality and Compliance Managers.

### **3. RECORD STORAGE**

- E-mailed electronic records will be stored on the network drive, and printed and stored within the client or employee's folder.
- Records that are to be retained for a period of 5 years and shall be stored by an external document storage company.
- Records (electronic and hard copy) will be stored in locations that provide an environment that is conducive to their preservation to prevent damage, deterioration, loss, unauthorized access and to be readily retrievable. The storage system will indicate the last date of retention after which the record may be appropriately destroyed.
- Control of our administrative and operational records is managed on the network drive, when electronic, and with an external document management company when hard copy.

### **4. RECORD ALTERATIONS**

- Alterations to records will be documented as a correction to the record. There must be traceability to the date, time, and the identity of the person making the change, and the original record must be kept.

## **19.0 DISPENSARY FACILITY EMPLOYEE TRAINING AND RECORDS**

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Prior to an employee commencing work at ROYALTY GROUP'S dispensing facility, our organization shall provide training in the following:

1. The proper use of security measures and controls that have been adopted for the prevention of diversion, theft or loss of marijuana;
2. Procedures and instructions for responding to an emergency; and
3. State and federal statutes and regulations regarding patient confidentiality.

Each dispensary facility shall maintain and make available a training record for each dispensary facility employee. Such record shall include, at a minimum, documentation of all required training, including:

- The name of the person receiving the training;
- The dates of the training;
- A general description of the topics covered;
- The name of the person supervising the training; and
- The signatures of the person receiving the training and the dispensary facility manager.

## **20.0 RECORD RETENTION**

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All records required by this Standard Operating Procedure will be retained on the premises of ROYALTY GROUP'S facility for a period of at least 10 years.



ROYALTY GROUP	ROYALTY GROUP STANDARD OPERATING PROCEDURES FOR RETAIL CHAPTER 3: RESTRICTING ACCESS TO 21 & OLDER	SOP #	03
		Revision #	1
		Implementation Date	12/01/2018
Pages	1 of 3	Last Reviewed/Update Date	12/01/2018
SOP Owner	BIORELIEF LLC D/B/A MJCO W/ CONSENT TO ROYALTY GROUP, LLC.	Approval	JP

#### 1.0. NAME OF SOP

CHAPTER III: RESTRICTING ACCESS TO 21 & OLDER

#### 2.0 OBJECTIVE

- A. This Standard Operating Procedure is to be followed step-by-step in order to restrict access to the facility to individuals who are under the age of 21, while mitigating the risks associated with underage access to the facility.
- B. The key to a well-functioning, compliant, and secure marijuana business is standardization within all mechanisms of the dispensing facility.

#### 3.0 SCOPE & APPLICABILITY

1. This Standard Operating Procedure applies to all procedures relating to restricting access to the facility.

#### 4.0 ADDITIONAL INFORMATION-APPLICABLE REGULATIONS

- 935 CMR- CANNABIS CONTROL COMMISSION
  - Section 500.100: Application for Licensing of Marijuana Establishments
  - Section 500.105: General Operational Requirements for Marijuana Establishments
  - Section 500.110: Security Requirements for Marijuana Establishments

#### 5.0 DEFINITIONS

1. Raw Material: Cannabis flowers, water hash, flower rosin, and/or kief.
2. Final Products: For the purpose of this Standard Operating Procedure the word Products can refer to the final Cannabis Products sold by THE COMPANY.
3. Test Date: The date when samples of the drug substance were tested for potency, mold, pesticides, moisture, and contamination.

4. Expiry Date: The date placed on the container/labels designating the time during which a batch of product is expected to remain within the approved shelf life specification if stored under defined conditions, and after which it must not be used.
5. Compliance: Adherence to all quality assurance requirements and the applicable regulatory requirements set forth by the State of Massachusetts Cannabis Control Commission.
6. Access Control: Access control involves restricting entrance to buildings, rooms, property, or information. Physical access control involves who, where, and when and can be attained through mechanical security controls such locks, keycard access, and biometric recognition systems that allow individuals to enter or exit, where they're allowed to do so, and at what time.
7. Authorization: Permission to access an area, information, or resource.
8. Good Clinical Practice (GCP): A standard for the design, conduct, performance, monitoring, auditing, recording, analyses, and reporting of quality assurance measures that provides assurance that the data and reported results are credible and accurate.
9. Quality Assurance (QA): All those planned and systematic actions that are established to ensure that quality control procedures are executed, documented (recorded), and reported in compliance with applicable regulatory requirement(s) as delineated by the Cannabis Control Commission of Massachusetts.
10. Quality Control (QC): The operational techniques and activities undertaken within the quality assurance system to verify that the requirements for quality of testing activities (Whether rudimentary visual inspections or third party laboratory analysis) have been fulfilled.
11. Standard Operating Procedures (SOPs): Detailed, written instructions to achieve uniformity of the performance of a specific function.
12. Expiry Date: The date placed on the container/labels designating the time during which a batch of product is expected to remain within the approved shelf life specification if stored under defined conditions, and after which it must not be used.

## 6.0 ACRONYMS

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1. QA: Quality Assurance
2. GPP: Good Production Practices
3. SOP: Standard Operating Procedures
4. RPIC: Responsible Person in Charge

## 7.0 RESPONSIBILITY

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- Operations Manager
- Dispensary Facility Manager

### Operations Manager

Operations Manager provides oversight and supervision of day-to-day operations of dispensing and dispensary facilities, task delegation and accountability, and most importantly transportation and distribution. Operations managers oversee security managers and dispensary facility staff and consultants to ensure that Standard Operating Procedures related to all components of facility operations are followed according to their method of procedure.

### Dispensary Facility Manager

THE COMPANY will employ a Dispensary Manager at our proposed location(s).

The dispensary facility manager will be responsible for ensuring that:

- Dispensary technicians are registered and properly trained;
- All record-retention requirements set forth in state regulations are met;
- All requirements for the physical security of marijuana are met.
- That our facility has appropriate reference materials to ensure that marijuana can be properly dispensed;

## **8.0 SUPPLIES**

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- N/A

## **9.0 FACILITY PROCEDURES TO RESTRICT ACCESS TO INDIVIDUALS 21 AND OLDER**

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9.1 In order to prevent minors under 21 years of age from entering our facility, THE CPOMPANY will employ a variety of security measures and protocols.

9.2 Signs will be clearly posted outside the facility that entrance is restricted to adults that are 21 years of age and have proof through a government issue ID.

9.3 Once a consumer has reached the intake door to the vestibule they will need to present their government issued ID to a security officer at the door proving that they are 21 years of age or older.

9.4 Once inside the vestibule, the consumer will give their ID to another security officer who will proceed to scan the ID to validate that it is indeed a real ID.

9.5 If the ID passes the scan, the consumer can proceed from the vestibule into the main sales area of the retailer. If the ID fails the scan, another security staff member will have the task of further questioning the individual as to why their ID failed and make a judgment as to whether they should be allowed inside or not.

9.6 Once through the line in the sales area, the consumer must once again present their ID to the customer service agent who will help them with their purchase.

9.7 When the purchase completes, the consumer is free to leave the facility through a secure exit monitored by cameras.

9.8 These cameras are a security deterrent from any adult consumers leaving the facility and re-selling the products purchased to minors.

9.9 Registered agents will upon showing up to work need to go through the same security procedure but with their agent ID card instead of their government issued ID.

## **10.0 RECORD RETENTION**

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All records required by this Standard Operating Procedure will be retained on the premises of ROYALTY GROUP'S facility for a period of at least 10 years.



ROYALTY GROUP	ROYALTY GROUP STANDARD OPERATING PROCEDURES FOR RETAIL CHAPTER 2: SEPARATING RECREATIONAL FROM MEDICAL OPERATIONS	SOP #	02
		Revision #	1
		Implementation Date	12/01/2018
Pages	1 of 8	Last Reviewed/Update Date	12/01/2018
SOP Owner	BIORELIEF LLC D/B/A MJCO W/ CONSENT TO ROYALTY GROUP, LLC.	Approval	JP

### 1.0. NAME OF SOP

CHAPTER II: SEPARATING RECREATIONAL FROM MEDICAL OPERATIONS

### 2.0 OBJECTIVE

- A. The purpose of Standard Operating Procedures (SOP's) for Separating Recreational from Medical cannabis is to describe the policies and protocols in place for separation.
- B. The key to a well-functioning, compliant, and secure marijuana business is standardization within all mechanisms of the dispensing facility.

### 3.0 SCOPE & APPLICABILITY

1. This SOP applies to all protocols related to separating adult-use recreational from medical operations and/or special services.

### 4.0 ADDITIONAL INFORMATION- APPLICABLE REGULATIONS

- 935 CMR- CANNABIS CONTROL COMMISSION
  - Section 500.100: Application for Licensing of Marijuana Establishments
  - Section 500.105: General Operational Requirements for Marijuana Establishments
  - Section 500.140: Physical Separation of Marijuana and Marijuana Products for Medical or Adult Use

### 5.0 DEFINITIONS

1. Compliance: Adherence to all the trial-related requirements, good clinical practice (GCP) requirements, and the applicable regulatory requirements.
2. Standard Operating Procedures (SOPs): Detailed, written instructions to achieve uniformity of the performance of a specific function.

### 6.0 ACRONYMS

1. QA: Quality Assurance
2. GPP: Good Production Practices
3. SOP: Standard Operating Procedures
4. RPIC: Responsible Person in Charge

## **7.0 RESPONSIBILITY**

---

- Operations Manager
- Inventory Manager
- Quality Assurance Officer
- Dispensary Facility Manager

### **Operations Manager**

Operations Manager provides oversight and supervision of day-to-day operations of dispensing and dispensary facilities, task delegation and accountability, and most importantly transportation and distribution. Operations managers oversee security managers and dispensary facility staff and consultants to ensure that Standard Operating Procedures related to all components of facility operations are followed according to their method of procedure.

### **Inventory Manager**

The Inventory manager supervises the safe buying, retail packaging, acquisition, and inventory of supplies of marijuana. Inventory managers are responsible for the oversight and record keeping of active plant and product inventories at all locations where these items can be found. Inventory managers are stationed at the retail facility and are an integral part of inventory management, preventative measures against diversion, implementing new standards and processes, and ensuring adherence to Standard Operating Procedures.

### **Quality Assurance Officer**

To ensure that Quality Assurance Methods of Procedure are effectively executed, a Quality Assurance Officer who has documented training and experience in quality control procedures shall be appointed. This individual shall exercise oversight over RG'S practices and procedures from seed to sale. The Quality Assurance Officer ensures that all documents relating to quality control and assurance are assessed, stored, and distributed to the proper persons and authorities. It is also the responsibility of the Quality Assurance Officer to train, oversee, and hold accountable employees for QA MOPs applicable to their duties.

### **Dispensary Facility Manager**

ROYALTY GROUP will employ a Dispensary Manager at our proposed location(s).

The dispensary facility manager will be responsible for ensuring that:

- Dispensary technicians are registered and properly trained;
- All record-retention requirements set forth in state regulations are met;
- All requirements for the physical security of marijuana are met.
- Oversight of day-to-day operations.

## **8.0 SUPPLIES**

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- N/A

## **9.0 STATE GUIDELINES REGARDING THE SEPARATION OF MARIJUANA**

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9.1 935 CMR 500.140 (7) Physical Separation of Marijuana and Marijuana Products for Medical or Adult Use



- a) *A Marijuana Retailer that is co-located with a RMD shall provide for physical separation between medical and adult-use sales areas. Separation may be provided by a temporary or semi-permanent physical barrier, such as a stanchion, that, in the opinion of the Commission, adequately separates sales areas of marijuana products for medical use from sales areas of marijuana products for adult use.*
- b) *A retailer shall provide for separate lines for sales of marijuana products for medical use from marijuana products for adult use within the sales area, provided, however, that the holder of a medical registration card may use either line and shall not be limited only to the medical use line. A retailer shall additionally provide an area that is separate from the sales floor to allow for confidential consultation.*

9.2 935 CMR 500.105 (8) (g) Inventory

- a) *A Marijuana Establishment that is cultivating, processing or selling marijuana products for medical use as well as marijuana products for adult use must create virtual separation of the products. At the point of sale, a Marijuana Retailer that is also a RMD must designate whether marijuana products are intended for sale for adult use or medical use through tracking methodology approved by the Commission under 935 CMR 500.000*

9.3 935 CMR 500.140 (10) Patient Supply

- a) *A Marijuana Retailer that is co-located with a RMD shall ensure access to a sufficient quantity and variety of marijuana products, including marijuana, for patients registered under 105 CMR 725.000: Implementation of an Act for the Humanitarian Medical Use of Marijuana. 1. Where the Marijuana Retailer has been open and dispensing for a period of six months or longer, the licensee shall maintain a quantity and variety of marijuana products for patients registered under 105 CMR 725.000, that is sufficient to meet the demand indicated by an analysis of sales data collected by the licensee during the preceding six months in accordance with 935 CMR 500.140(6). 2. Where the Marijuana Retailer has been open and dispensing for a period of less than six months, the licensee shall reserve 35% of the RMD's marijuana products. 935 CMR: CANNABIS CONTROL COMMISSION 500.140:*
- b) *Marijuana products reserved for patient supply shall, unless unreasonably impracticable, reflect the actual types and strains of marijuana products documented during the previous six months. In the event that a substitution must be made, the substitution shall reflect the type and strain no longer available at the Marijuana Retailer as closely as possible.*
- c) *On a quarterly basis, the Marijuana Retailer shall submit to the Commission an inventory plan to reserve a sufficient quantity and variety of marijuana products for registered patients, based on reasonably anticipated patient needs as documented by sales records over the preceding six months. On each occasion that the supply of any product within the reserved patient supply is exhausted and a reasonable substitution cannot be made, the Marijuana Retailer shall submit a report to the Commission in a form determined by the Commission*
- d) *Marijuana products reserved by the Marijuana Retailer for patient supply shall be either maintained on site at the retailer or easily accessible at another location operated by the licensee and transferable to the retailer location within 48 hours of notification that the onsite supply has been exhausted. Marijuana Retailers shall perform audits of patient supply available at the Marijuana Retailer on a weekly basis and retain those records for a period of six months.*

- e) *The Commission shall, consistent with 935 CMR. 500.300, inspect and audit co-located Marijuana Retailers to ensure compliance with this section. The Commission may, in addition to the issuance of a deficiency statement under 935 CMR 500.310 and a plan of correction under 935 CMR 500.320, demand that the Marijuana Establishment take immediate steps to replenish its reserved patient supply to reflect the amounts required under 935 CMR 500.140(10)(a). Failure to adequately address a deficiency statement or follow a plan of correction shall result in administrative action by the Commission pursuant to 935 CMR 500.450 and 500.500.*
- f) *A Marijuana Retailer may transfer marijuana products reserved for medical use to adult use within a reasonable period of time prior to the date of expiration provided that the product does not pose a risk to health or safety.*

## 10.0 GENERAL OVERVIEW

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10.1 ROYALTY GROUP strongly believes in the role of Cannabis as Medicine, and the vital importance of maintaining important continuing medical separations to patients while serving the adult-use consumer base. To accommodate both customer populations, ROYALTY GROUP pledges to take specific and multifaceted measures to ensure that there is a separation of both products and special considerations for patients. This includes the following:

- Physical Separation of Facility
- Physical Separation of Medical Marijuana Products
- Patient Supply
- Employee Training in Medical Marijuana

## 11. PHYSICAL FACILITY SEPARATION

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METHOD	PURPOSE
11.1 Parking Spaces	A. ROYALTY GROUP recognizes that many Massachusetts Medical Marijuana Patients possess unique handicaps that are both visible and invisible. In addition to the required handicapped spaces required by law, ROYALTY GROUP will also reserve two parking spaces closest to the entrance for registered patients to ensure easier physical entry into the building.
11.2 Entryway Stanchions	A. ROYALTY GROUP plans to incorporate a system of stanchions that are comprised of velvet ropes both inside and outside the retail establishment. This will ensure medical marijuana patients can gain quick and easy access to the establishment without

	waiting in line with adult consumers if they choose.
11.3 Entryway Signs	A. Clear signage explaining that patients can enter both the patient line or the adult use line will ensure that registered patients are allowed an extra layer of accommodation upon arrival.
11.4 Check In	<p>A. Once an individual is confirmed as holding a valid state issued driver's license and/or a medical marijuana patient card, they will be allowed into the lobby of the facility where they will be checked in by an agent into the Virtual Gateway.</p> <p>B. Once they have been verified as customers and/or patients through the Virtual Gateway, the patient will then be able access to the sales area floor.</p>
11.5 Sales Floor Signage and Stanchions	<p>A. The sales floor area will be clearly marked by signs and separated by velvet rope stanchions.</p> <p>B. Adult consumers will be directed to one side of the sales floor area while signage will make clear that registered patients will be able to choose either side.</p>

## **12. PATIENT MEDICAL SUPPLY**

<b>STEP</b>	<b>PROCEDURE</b>
12.1 Preliminary Measures and Ongoing Inventory Auditing	<p>A. ROYALTY GROUP will ensure access to a sufficient quantity and variety of marijuana products including marijuana to registered qualifying patients by tracking sales data versus available inventory over the preceding six months.</p> <p>B. Until sufficient data has been collected over a period of six months of operations, ROYALTY GROUP will save 35% of all products and product types including marijuana for registered patients.</p>
12.2 Ensuring ongoing sufficient Medical Product through tracking & auditing	C. ROYALTY GROUP will ensure access to a sufficient quantity and variety of marijuana products including marijuana

	<p>to registered qualifying patients by tracking sales data versus available inventory over the preceding six months.</p> <p>D. In order to ensure full compliance with the Patient Supply provisions of 935 CMR 500, ROYALTY GROUP will track the sales rates versus the amount of supply available to ensure a proper ratio of product is available for registered patients. This will ensure a continuance of care can be maintained.</p> <p>E. On a weekly basis, ROYALTY GROUP will perform an audit of their product supplies versus demand and retain that data for a period of six months.</p>
12.3 Medical Product Substitution	<p>A. In the event that a substitution must be made for a specific product no longer available, the substitution will reflect as close to the type of strain or product no longer available.</p>
12.4 Medical Product Reserves	<p>A. ROYALTY GROUP intends to maintain a product reserve onsite inside the retailer, as well as offsite nearby in their cultivation center in cases where they have exhausted their existing supplies.</p> <p>B. In the case of low supplies, ROYALTY GROUP will ensure products are replenished within 48 hours.</p> <p>C. The transfer of products reserved for medical use to adult use will only ever occur in cases where it is warranted due to impending product expiration that will not pose a risk to the health or safety of adult consumers.</p>

### 13. INVENTORY SEPARATION

STEP	PURPOSE
13.1 Virtual Medical Product Separation	<p>A. ROYALTY GROUP will utilize sales data and data gathered from their seed to sale tracking system on their product intake and development to ensure that marijuana products intended for medical use, such as high potency edibles do not end up being sold to adult consumers.</p>
13.2 Physical Medical Product Separation	<p>A. Additional to the seed to sale tracking system ensuring virtual separation,</p>

	products that are high potency edible products and/or other medical products will be physically separated inside the retailer and clearly marked so that facility agents do not make the mistake of mixing up products.
13.3 Ensuring Recreational Products do not get Sold to Medical Patients	<p>B. ROYALTY GROUP This same methodology will also be used to stop sales of specific strains or products in the retailer when they reach the critical threshold mandated in 935 CMR 500.140 (10) Patient Supply.</p> <p>C. All products offered in the retailer will be tied to this threshold and when reached will only be allowed to be sold to registered qualifying patients.</p>
13.4 Entryway Signs	<p>B. Clear signage explaining that patients can enter both the patient line or the adult use line will ensure that registered patients are allowed an extra layer of accommodation upon arrival.</p>

#### 14.0 EMPLOYEE TRAINING IN MEDICAL AND RECREATIONAL MARIJUANA

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14.1 All hired dispensary facility agents will receive employee handbooks containing the following highlights:

##### Employee Handbook Training (Important Highlights)

- Equal opportunities,
- Compensation,
- Fire Safety,
- Duties,
- Drug & alcohol free policy,
- Leaves of absence, etc.
- Medical Training and Patient Care
- Medicinal use and benefits of Cannabis,
- Medical emergencies and CPR.
- Discipline policy

##### Security Training

- Admission/verification protocols,
- inventory control and loss prevention,
- emergency management,
- conflict resolution
- safety of facility and services

14.2 All staff members will undergo Dispensary Training and preparedness training. This includes, but is not limited to:

1. Legal- Legal training will cover all State of Massachusetts and Federal laws relating to marijuana. Legal obligations of licensed cannabis dispensaries will be emphasized. Other topics will include the rules and regulations of the dispensary, sexual harassment training, effective interaction with law enforcement personnel, and the rights and responsibilities of medical cannabis patients. Legal training will include at least one two-hour session with an attorney who is a practicing member of the state bar.
2. Medical- Medical training will include disabled rights and sensitivity, how to identify and interact with a customer having a medical emergency, the proper uses and benefits of cannabis as medicine (if the customer is a patient), and an introduction to the other medical treatments offered by various other alternative health professionals.
3. Sales- Staff will be trained in customer care in conjunction with retail sales. The primary focus will be on assisting patients in making appropriate decisions about how to choose the type of medicine that is right for them. Staff will be provided with ongoing training in product information as well as general service philosophy.
4. Safety- In addition to its focus on safety, security training will include acceptable currency identification and counterfeit detection, warning signs of possible diversion to the illegal market, lock and alarm procedures, perimeter and entrance control, robbery response techniques, conflict resolution techniques and diversion detection techniques.
5. Working With Customers Effectively- Our company may serve those who suffer from debilitating illnesses or disease. We will train our staff extensively in-patient care to deal with patients who have illnesses and ailments, both physical and mental. We will train our staff in these leading industry- specific patient care techniques:  
Things to consider when helping patients:
  - A. How might those physical symptoms affect this person mentally?
  - B. How might this illness be affecting this person physically?
  - C. How might their condition affect them socially?
  - D. How can I be respectful of this?

14.3 Dispensing marijuana is a key social and health service and should be patient focused. Employees at our dispensary will be trained to keep in mind the following "Customers Rights":

1. Treated with dignity and respect
2. Privacy through confidentiality
3. Participate as a partner
4. Culturally sensitive environment
5. Equitable share of social resources
6. View challenges from their own perspective
7. Negotiate the distribution of roles with caregivers and dispensary workers
8. Collaborate in dispensary process
9. Help understand time frames and know costs involved

## **15.0 RECORD RETENTION**

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All records required by this Standard Operating Procedure will be retained on the premises of ROYALTY GROUP'S facility for a period of at least 10 years.

# **Royalty Group, LLC.**

## **Plan for Positive Impact Executive Summary**

Understanding the importance of social equity and encouraging full participation in the marijuana industry by people from communities that have been disproportionately harmed by marijuana prohibition, Royalty Group, LLC plans to give back to communities most impacted by marijuana prohibition through monetary and time donations, hiring practices, as well as partnerships with local non-profit organizations in areas determined to have suffered disproportionate impact. Our Plan for Positive Impact will adhere to the requirements set forth in 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of Marijuana Establishments. Additionally, any actions taken, or programs instituted, by the Royalty Group, LLC will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws. We also acknowledge that the progress or success of this plan must be documented upon renewal in order for us to obtain or maintain licensure.

### **Our Goals**

Royalty Group's primary goal with our plan for positive impact is to give back to the communities determined to have suffered the most harm from marijuana prohibition and ensure members of these communities have a sound financial future. In our case we will be focusing on employee hiring from areas of disproportionate impact at a rate of a minimum of 25%. We will give preference for career opportunities in our retail facility from qualifying neighborhoods in Boston, Lowell, and Haverhill to ensure we help create financial stability for individuals that live in these communities. Additionally we intend to help these designated neighborhoods in Boston recover from the harms of marijuana prohibition by donating money to non-profits including the Boston Asian Youth Essential Service and Boch Center Future Fund.

#### **Goal 1: Hire at least 25% of our 20 employees from impacted communities in Boston, Lowell, and Haverhill through our Employment Outreach Program**

The goal of our Employment Outreach Program will be to institute hiring practices that prioritize the hiring of individuals from disproportionately impacted areas of Boston, Lowell and Haverhill. Our goal is to hire at least 25% of employees from these impacted communities in Boston, Lowell, and Haverhill within twelve months of beginning operations.

- **Four Outreach Job Fairs** - Royalty Group plans to host a minimum of four job fair events in qualifying neighborhoods in Boston, Lowell as well as Haverhill at least once per quarter and as qualifying positions become available. We may also hold additional job fairs based on the findings of the Royalty Group Committee on Positive Impact and our internal

diversity goals. We plan to hire twenty employees and therefore would be hiring at a minimum five employees from areas of disproportionate impact.

## **Goal 2: Donate at least \$25,000 to non-profits in Boston helping neighborhoods in Boston disproportionately harmed by the war on drugs**

The goal of our Non-Profit Donation Program will be to give back in monetary form to both the Boston Asian Youth Essential Service and the Boch Center Future Fund. Our efforts here will be focused on Boston and particular neighborhoods in Boston determined by the Commission to have been disproportionately impacted.

- **Boston Asian Youth Essential Service** - Royalty Group plans to give back in monetary form a minimum of \$10,000 to the Boston Asian Youth Essential Service organization once a year. The Boston Asian Youth Essential Service is located in what is often referred to as the “Combat Zone” of Boston for where the war on drugs continues to be a major problem. Their programs empower local youth in communities of disproportionate impact to make positive choices to help their community.
- **Boch Center Future Fund** - Royalty Group plans to donate a minimum of \$15,000 to the Boch Center Future Fund operating in Boston once a year. The money we contribute will be directed by the Boch Center Future Fund to help inner city families in communities of Boston disproportionately impacted by the war on drugs. The Boch Center program provides crucial career development skills for urban teens and low income families including children from under-resourced neighborhoods harmed most by the war on drugs.

## **Our Measurements**

Royalty Group plans to take great care to account and measure the success of their plan of positive impact with metrics and through the development of an in-house committee that will meet regularly to discuss incoming metrics and improvements that may be needed to ensure our goals are reached.

### **Measurements For Goal One**

1. We will hold at a minimum four job fairs during a twelve month period in areas of disproportionate impact in Boston, Lowell, and Haverhill.
2. We will hold at least one job fair during each quarter of the year.
3. We will also hold at least one of those four job fairs in disproportionately impacted communities in Boston, Lowell, and Haverhill.
4. We will hire at a minimum 5 of our 20 employees (25%) to operate our Tyngsborough marijuana retailer location.



5. We will post all our jobs available at least once per quarter.
6. We will post all twenty of our available jobs online through [indeed.com](https://www.indeed.com), [MarijuanaJobsCannabisCareers.com](https://www.MarijuanaJobsCannabisCareers.com), and [CareerBuilder.com](https://www.CareerBuilder.com).

### **Measurements For Goal Two**

1. We will donate a minimum of \$10,000 to the Boston Asian Youth Essential Service organization to help neighborhoods in Boston disproportionately impacted by the war on drugs. (See attached acceptance letter)
2. We will donate at a minimum of \$15,000 to the Boch Center Future Fund to help neighborhoods in Boston disproportionately impacted by the war on drugs. (See attached acceptance letter)

### **Our Metrics**

#### **Metrics for Accountability of Goal One**

1. How many job fairs were hosted? (Goal of 4)
2. Was one job fair hosted at least one per quarter? (Goal of 1)
3. How many employees were hired from communities of disproportionate impact Boston, Lowell, and Haverhill? (Goal of 25% or five out of 20 positions available)
4. How many jobs were posted online? (Goal of at least 20 positions posted online)
5. How many Websites were the jobs posted online? (Goal of 3 listed above)
6. Were job fairs hosted at least once in disproportionately impacted neighborhoods in Lowell, Boston, and Haverhill during a twelve month period?

#### **Metrics for Accountability of Goal Two**

1. Was \$10,000 donated to the Boston Asian Youth Essential Service and accepted at least once a year?
2. Was \$15,000 donated to the Boch Center Future Fund and accepted at least once a year?