



# Massachusetts Cannabis Control Commission

## Public Record Request

### Marijuana Retailer

#### General Information:

License Number: MR281778

Original Issued Date: 04/05/2019

Issued Date: 03/05/2020

Expiration Date: 04/05/2021

Payment Received: \$5000      Payment Required: \$10000

### ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Canna Provisions Inc

Phone Number: 303-981-2453      Email Address: meg@cannaprovisionsgroup.com

Business Address 1: 380 Dwight Street

Business Address 2:

Business City: Holyoke

Business State: MA

Business Zip Code: 01040

Mailing Address 1: 380 Dwight Street

Mailing Address 2:

Mailing City: Holyoke

Mailing State: MA

Mailing Zip Code: 01040

### CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

Certified Disadvantaged Business Enterprises (DBEs): Not a DBE

### 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

### Person with Direct or Indirect Authority 1

Percentage Of Ownership: 24.07      Percentage Of Control: 10

Role: Owner / Partner      Other Role:

First Name: Eugene      Last Name: McCain      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 2

Percentage Of Ownership: 10.13      Percentage Of Control: 45

Role: Manager      Other Role:

First Name: Erik      Last Name: Williams      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: 10.13      Percentage Of Control: 45

Role: Manager      Other Role:

First Name: Megan      Last Name: Sanders      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:

## ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

### Entity with Direct or Indirect Authority 1

Percentage of Control: 100      Percentage of Ownership: 100

Entity Legal Name: Better Provisions, LLC      Entity DBA:      DBA City:

Entity Description: Parent Company

Foreign Subsidiary Narrative:

Entity Phone: 303-981-2453      Entity Email: meg@cannaprovisionsgroup.com      Entity Website: cannaprovisionsgroup.com

Entity Address 1: 220 Housatonic Street      Entity Address 2:

Entity City: Lee      Entity State: MA      Entity Zip Code: 01238

Entity Mailing Address 1:      Entity Mailing Address 2:

Entity Mailing City:      Entity Mailing State:      Entity Mailing Zip Code:

Relationship Description: 100% Owner and Parent Company of the licensee.

## CLOSE ASSOCIATES AND MEMBERS

No records found

## CAPITAL RESOURCES - INDIVIDUALS

### Individual Contributing Capital 1

First Name: Eugene      Last Name: McCain      Suffix:

Types of Capital: Monetary/Equity      Other Type of Capital:      Total Value of the Capital Provided: \$104000      Percentage of Initial Capital: 100

Capital Attestation: Yes

#### CAPITAL RESOURCES - ENTITIES

No records found

#### BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

##### Business Interest in Other State 1

Business Interest of an Owner or the Marijuana Establishment: Business Interest of an Owner

Owner First Name: Megan      Owner Last Name: Sanders      Owner Suffix:

Entity Legal Name: Winkanda, LLC.      Entity DBA: Mindful

Entity Description: Winkanda is the parent company that holds 15 Cannabis Licenses across the country in Colorado and Illinois

Entity Phone: 720-364-6158      Entity Email: Jennifer.kealy@bemindful.today      Entity Website: <https://bemindful.today/>

Entity Address 1: 3880 Holly Street      Entity Address 2:

Entity City: Denver      Entity State: CO      Entity Zip Code: 80207      Entity Country: United States

Entity Mailing Address 1: 3880 Holly Street      Entity Mailing Address 2:

Entity Mailing City: Denver      Entity Mailing State: CO      Entity Mailing Zip Code: 80207      Entity Mailing Country: United States

##### Business Interest in Other State 2

Business Interest of an Owner or the Marijuana Establishment: Business Interest of an Owner

Owner First Name: Erik      Owner Last Name: Williams      Owner Suffix:

Entity Legal Name: Winkanda, LLC      Entity DBA: Mindful

Entity Description: Winkanda is the parent company that holds 15 Cannabis Licenses across the country in Colorado and Illinois

Entity Phone: 720-364-6158      Entity Email: Jennifer.kealy@bemindful.today      Entity Website: <https://bemindful.today/>

Entity Address 1: 3880 Holly Street      Entity Address 2:

Entity City: Denver      Entity State: CO      Entity Zip Code: 80207      Entity Country: United States

Entity Mailing Address 1: 3880 Holly Street      Entity Mailing Address 2:

Entity Mailing City: Denver      Entity Mailing State: CO      Entity Mailing Zip Code: 80207      Entity Mailing Country: United States

##### Business Interest in Other State 3

Business Interest of an Owner or the Marijuana Establishment: Business Interest of an Owner

Owner First Name: Megan      Owner Last Name: Sanders      Owner Suffix:

Entity Legal Name: Calidutch, Inc.      Entity DBA:

Entity Description: Cannabis Cultivation Applicant in California

Entity Phone: 760-613-2561      Entity Email: johnhamala@msn.com      Entity Website:

Entity Address 1: 2801 Atadero Ct.      Entity Address 2:

Entity City: Carlsbad      Entity State: CA      Entity Zip Code: 92009      Entity Country: United States

Entity Mailing Address 1: 2801 Atadero Ct.      Entity Mailing Address 2:

Entity Mailing City: Carlsbad      Entity Mailing State: CA      Entity Mailing Zip Code: 92009      Entity Mailing Country: United States

##### Business Interest in Other State 4

Business Interest of an Owner or the Marijuana Establishment: Business Interest of an Owner

Owner First Name: Erik      Owner Last Name: Williams      Owner Suffix:

Entity Legal Name: Calidutch, Inc.      Entity DBA:

Entity Description: Cannabis Cultivation Applicant in California

Entity Phone: 760-613-2561      Entity Email: johnhamala@msn.com      Entity Website:

Entity Address 1: 2801 Atadero Ct.      Entity Address 2:

Entity City: Carlsbad      Entity State: CA      Entity Zip Code: 92009      Entity Country: United States

Entity Mailing Address 1: 2801 Atadero Ct.      Entity Mailing Address 2:

Entity Mailing City: Carlsbad      Entity Mailing State: CA      Entity Mailing Zip Code: 92009      Entity Mailing Country: United States

#### DISCLOSURE OF INDIVIDUAL INTERESTS

##### Individual 1

First Name: Eugene      Last Name: McCain      Suffix:

Marijuana Establishment Name: The Verb is Herb      Business Type: Marijuana Retailer

Marijuana Establishment City: Easthampton      Marijuana Establishment State: MA

##### Individual 2

First Name: Erik      Last Name: Williams      Suffix:

Marijuana Establishment Name: The Verb is Herb      Business Type: Marijuana Retailer

Marijuana Establishment City: Easthampton      Marijuana Establishment State: MA

##### Individual 3

First Name: Megan      Last Name: Sanders      Suffix:

Marijuana Establishment Name: The Verb is Herb      Business Type: Marijuana Retailer

Marijuana Establishment City: Easthampton      Marijuana Establishment State: MA

#### MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Establishment Address 1: 380 Dwight Street

Establishment Address 2:

Establishment City: Holyoke      Establishment Zip Code: 01040

Approximate square footage of the establishment: 3600      How many abutters does this property have?: 12

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  | Holyoke HCA Certification Form.pdf               | pdf  | 5b6f266203a477392d0a249e | 08/11/2018  |
| Community Outreach Meeting Documentation   | Holyoke COM Certification and Attachments.pdf    | pdf  | 5b6f2d52da72283955c60058 | 08/11/2018  |
| Plan to Remain Compliant with Local Zoning | Holyoke Plan to Remain Compliant with Zoning.pdf | pdf  | 5b6f32d603a477392d0a24cc | 08/11/2018  |

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.: \$-1

#### PLAN FOR POSITIVE IMPACT

Plan to Positively Impact Areas of Disproportionate Impact:

| Document Category        | Document Name                   | Type | ID                       | Upload Date |
|--------------------------|---------------------------------|------|--------------------------|-------------|
| Plan for Positive Impact | CP Plan for Positive Impact.pdf | pdf  | 5b6f33c3da72283955c6006a | 08/11/2018  |

#### ADDITIONAL INFORMATION NOTIFICATION

Notification: I understand

#### INDIVIDUAL BACKGROUND INFORMATION

##### Individual Background Information 1

Role:

Other Role:

First Name: Eugene

Last Name: McCain Suffix:

RMD Association: Not associated with an RMD

Background Question: yes

##### Individual Background Information 2

Role:

Other Role:

First Name: Erik

Last Name: Williams Suffix:

RMD Association: Not associated with an RMD

Background Question: yes

##### Individual Background Information 3

Role:

Other Role:

First Name: Megan

Last Name: Sanders Suffix:

RMD Association: Not associated with an RMD

Background Question: yes

#### ENTITY BACKGROUND CHECK INFORMATION

No records found

#### MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

| Document Category  | Document Name                                  | Type | ID                       | Upload Date |
|--|--|------|--------------------------|-------------|
| Secretary of Commonwealth - Certificate of Good Standing | COGS SOC.pdf                                   | pdf  | 5b66390ada72283955c5fab4 | 08/04/2018  |
| Bylaws   | Canna Provisions Inc. - Bylaws Clean (002).pdf | pdf  | 5b707223aa953e3937b59548 | 08/12/2018  |
| Articles of Organization                                 | CP Articles of Incorporation.pdf               | pdf  | 5b70723737742339413935d2 | 08/12/2018  |
| Department of Revenue - Certificate of Good standing     | COGS Mass DOR.pdf                              | pdf  | 5b7b688b03a477392d0a2ddc | 08/20/2018  |

Certificates of Good Standing:

| Document Category  | Document Name                 | Type | ID                       | Upload Date |
|--|-------------------------------|------|--------------------------|-------------|
| Department of Unemployment Assistance - Certificate of Good standing | COGS DUA.pdf                  | pdf  | 5e3c9ed881ae16046bec7edc | 02/06/2020  |
| Secretary of Commonwealth - Certificate of Good Standing             | COGS SOS.pdf                  | pdf  | 5e3c9eff1c3b1d04a32b1481 | 02/06/2020  |
| Department of Revenue - Certificate of Good standing                 | DOR Cert of Good Standing.pdf | pdf  | 5e3c9f1f5b05c304785e6aa9 | 02/06/2020  |

Massachusetts Business Identification Number: 001325268

Doing-Business-As Name:

DBA Registration City:

#### BUSINESS PLAN

Business Plan Documentation:

| Document Category            | Document Name             | Type | ID                       | Upload Date |
|------------------------------|---------------------------|------|--------------------------|-------------|
| Plan for Liability Insurance | Insurance Plan.pdf        | pdf  | 5e3c9f5a5a2369047f224aaa | 02/06/2020  |
| Proposed Timeline            | Holyoke Timeline.pdf      | pdf  | 5e3ca13b1c3b1d04a32b1489 | 02/06/2020  |
| Business Plan                | Updated Business Plan.pdf | pdf  | 5e3cb42369dc9d0456db7c91 | 02/06/2020  |

#### OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

| Document Category  | Document Name   | Type | ID                       | Upload Date |
|--|---|------|--------------------------|-------------|
| Plan for obtaining marijuana or marijuana products             | CP Plan to Obtain marijuana or marijuana products.pdf             | pdf  | 5b6f825503a477392d0a2518 | 08/11/2018  |
| Separating recreational from medical operations, if applicable | CP Policy for Separating Recreational from Medical Operations.pdf | pdf  | 5b6f82f403a477392d0a251c | 08/11/2018  |
| Quality control and testing                                    | CP Policy for Quality Control and Product Testing.pdf             | pdf  | 5b6fa10d185bb22d7106557e | 08/11/2018  |
| Personnel policies including background checks                 | CP Personnel Policies including Background Checks.pdf             | pdf  | 5b6fa5830d95792d85f42034 | 08/11/2018  |
| Restricting Access to age 21 and older                         | LEE_under 21 SOP.pdf  | pdf  | 5e3ca1a81c3b1d04a32b148d | 02/06/2020  |
| Security plan  | Securty Plan and SOP.pdf  | pdf  | 5e3ca1c481ae16046bec7ee6 | 02/06/2020  |
| Prevention of diversion  | Prevention of Diversion.pdf                                       | pdf  | 5e3ca1d34fa2b004756a0ac5 | 02/06/2020  |
| Storage of marijuana   | CP Storage SOP.pdf  | pdf  | 5e3ca1dd7225f00469657d5c | 02/06/2020  |
| Transportation of marijuana                                    | Transportation of cannabis product 5.1.pdf                        | pdf  | 5e3ca2217b9883042b37107b | 02/06/2020  |
| Inventory procedures   | Inventory SOP 5.3 Final (3).pdf                                   | pdf  | 5e3ca22c81ae16046bec7eea | 02/06/2020  |
| Dispensing procedures  | Dispensing Procedure 5.1.pdf                                      | pdf  | 5e3ca24c5b05c304785e6ab3 | 02/06/2020  |
| Record Keeping procedures                                      | Record Keeping 6.0.pdf  | pdf  | 5e3ca2b55a2369047f224ab1 | 02/06/2020  |
| Maintaining of financial records                               | CP Maintenance of Financial Records Policy and Procedure .pdf     | pdf  | 5e3ca2f202a6e7045352bb28 | 02/06/2020  |

|                             |   |     |                          |            |
|-----------------------------|---|-----|--------------------------|------------|
| Diversity plan              | CP Diversity Plan_2.0.pdf                               | pdf | 5e3ca3174dd5bb0494105648 | 02/06/2020 |
| Qualifications and training | CP Qualifications and Training Policy and Procedure.pdf | pdf | 5e3ca33781ae16046bec7ef0 | 02/06/2020 |

#### 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 Agree

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 Agree

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

#### ADDITIONAL INFORMATION NOTIFICATION

Notification: I Understand

#### COMPLIANCE WITH POSITIVE IMPACT PLAN

Progress or Success Goal 1

**Description of Progress or Success:** \*Note- Canna Provisions Has updated our Plan for Positive Impact since our original Submission. This updated plan outlines more specific goals with measurements that will help us measure our success in a more quantitative manner. Our Updated Plan for Positive Impact is attached below. GOAL 1- Employment- Hire 50% of our Employees from Areas of Disproportionate Impact, specifically Holyoke and Pittsfield. Currently we have 22 (32%) employees who reside in Holyoke and Pittsfield. We expect this number to grow once our Retail Marijuana Establishment is operational in Holyoke (Spring 2020)

Progress or Success Goal 2

**Description of Progress or Success:** \*Note- Canna Provisions Has updated our Plan for Positive Impact since our original Submission. This updated plan outlines more specific goals with measurements that will help us measure our success in a more quantitative manner. Our Updated Plan for Positive Impact is attached below. GOAL 2- To positively impact areas of disproportionate impact by making direct donations. In our first year, Canna Provisions has donated \$32,000 to Non-profit organizations that serve Areas of Disproportionate Impact. We expect that these number will grow considerably this year.

#### COMPLIANCE WITH DIVERSITY PLAN

Diversity Progress or Success 1

**Description of Progress or Success:** \*Note- Canna Provisions Has updated our Diversity since our original submission. This updated plan outlines more specific goals with measurements that will help us measure our success in a more quantitative manner. Our Updated Diversity Plan is attached below. GOAL

1- Make Canna Provisions workplace and management team as diverse as possible to include attracting and retaining qualified employees with no regard to race, national origin, gender, age, disability, religion, sexual orientation, or any other non-merit factor. Our Current employee demographics are 30% Women, 27% Minorities, Veterans, Persons with Disabilities or Persons who identify as LGBTQ+. We have updated our goals for year two of operation to have our employee makeup 50% women and 35% Minorities, Veterans, Persons with Disabilities or Persons who identify as LGBTQ+. We expect to attain these numbers once our Retail Marijuana Establishment is operational in Holyoke (Spring of 2020)

#### Diversity Progress or Success 2

**Description of Progress or Success:** \*Note- Canna Provisions Has updated our Diversity since our original submission. This updated plan outlines more specific goals with measurements that will help us measure our success in a more quantitative manner. Our Updated Diversity Plan is attached below. GOAL 2- Make Canna Provisions workplace environment a safe, accepting, respectful, welcoming, comfortable and supportive place to work. During Orientation, all employees are trained on inclusion in the workplace and on a Non-Discrimination, Harassment and Retaliation Policy. While our original Diversity Plan did not identify specific measurement metrics, we have not received negative feedback from employees as to our workplace environment. In our updated Diversity Plan we do have a metric for measurement for this goal in the form of employee surveys to measure our workplace environment as it relates to Canna Provisions being a safe, accepting, respectful, welcoming, comfortable and supportive place to work.

#### Diversity Progress or Success 3

**Description of Progress or Success:** Description of Progress or Success: \*Note- Canna Provisions Has updated our Diversity since our original submission. This updated plan outlines more specific goals with measurements that will help us measure our success in a more quantitative manner. Our Updated Diversity Plan is attached below. GOAL 3- Include as our suppliers and contractors, businesses owned by minorities, women, veterans, people who identify as LGBTQ+, and by persons with disabilities. In addition, our goal is to also include as our wholesale partners Marijuana Establishments that are owned by minorities, women, veterans, people who identify as LGBTQ+, and persons with disabilities. Four of our current vendors are Woman owned companies one vendor is a Veteran owned company whose employees are majority female. We were unable to identify any Marijuana Establishments that are owned by minorities, women, veterans, people who identify as LGBTQ+, and persons with disabilities. We expect this to change as more marijuana establishments become operational. We did however source products from a veteran led business, Bask, Inc. and from Sira Naturals, Inc. Incubator Program.

#### HOURS OF OPERATION

|                         |                       |
|-------------------------|-----------------------|
| Monday From: 8:00 AM    | Monday To: 9:00 PM    |
| Tuesday From: 8:00 AM   | Tuesday To: 9:00 PM   |
| Wednesday From: 8:00 AM | Wednesday To: 9:00 PM |
| Thursday From: 8:00 AM  | Thursday To: 9:00 PM  |
| Friday From: 8:00 AM    | Friday To: 9:00 PM    |
| Saturday From: 8:00 AM  | Saturday To: 9:00 PM  |
| Sunday From: 8:00 AM    | Sunday To: 6:00 PM    |

# **CANNA PROVISIONS, INC.**

## **BUSINESS PLAN**

Canna Provisions, Inc. ("CP") is a Massachusetts corporation formed for the purpose of obtaining State and municipal licensing for recreational marijuana sales and for a cultivation facility and a connected manufacturing/extraction facility.

While not currently seeking medical marijuana licensing, CP recognizes the important role of cannabis as a medicine and intends on providing information and products that meet the needs of those seeking medical benefits.

### **Licensing Process**

CP has leases on a building in Holyoke and another in Lee. CP plans to open retail stores in both locations to sell marijuana for adult recreational use.

Canna Provisions on August 7<sup>th</sup>, 2018 was just granted two Special Use Permits from two town governments, in Holyoke and Lee, for the opening of Retail Marijuana Establishments.

This application to the CCC is for the Holyoke Retail location and for the retail location in Lee. Another application will be filed shortly for a cultivation and manufacturing facility in Lee, once the Host Community Agreement and Outreach meetings have been completed for those facilities.

CP will start construction in 2018 and expect to begin growing in its own cultivation facility in 2019. CP has a Purchase and Sale Agreement contingent on licensing for the cultivation property.

Next year, CP plans to develop one more retail store in the Boston Metro West market.

### **Lee Retail Store Location**

CP has leased a 1.8-acre site with building on Housatonic Street in Lee, MA. Lee is the gateway to the Berkshires. A small town of almost 6,000 residents, it is noted for being a tourist destination for shopping, music, theater, art, hiking, biking, river sports as well as winter sports like snowmobiling and cross-country skiing. This four-season destination is quintessential New England.

Lee is the first exit off the Mass Pike from New York state. It sits along the banks of the Housatonic River and has two main streets- Housatonic Street and Main Street. The CP 2,500 sf Marijuana Establishment will replace the current pre-owned car business. The site has plenty of parking, +25 spots, as well as easy entry and exit from Housatonic

Street. The building is split level. The main floor of the building will be the dispensary and the upper level, with ADA access, will be offices and conference room.

### **Holyoke Retail Store Location**

Holyoke is a former mill town of 40,000 residents. The City is surrounded by several more affluent towns and several dozen colleges with over 70,000 students within 25 minutes of the dispensary

Holyoke lies at the intersection of two major New England interstate Highways; US 91 which runs north/south and US 90 which runs east west connecting Boston to Albany, NY. Both US 91 and US 90 have exits near the Holyoke dispensary, only 5 minutes away from the Dwight Street site. This property is located in downtown Holyoke, on Dwight Street. Adequate parking is available.

The CP lease of the 3600sf dispensary is for 15 years starting at \$3500 per month with an option to acquire the property for \$400,000 (price increases depending on when option is exercised). The ground floor will be developed as the dispensary and the second floor will be used for offices and supply storage.

### **Cultivation Facility in Lee**

CP has an 8-acre site under contract in Lee, MA. This site is permitted for marijuana cultivation under the new Town of Lee marijuana ordinance. An application for building permit is being submitted. Phase one of the cultivation facility is a pre-fabricated 10,000 sf indoor, climate controlled, multi-bay hybrid greenhouse. Annual harvest of 3000 to 3200 pounds of flower product are expected from this facility. The greenhouse structure will be supported by a solid wall building that is currently in design-phase and will include space for genetics, trim/dry/cure spaces, packaging and other ancillary areas. The facility will also include an extraction facility for oils, tinctures and other concentrates. Phase 2 will include an easy expansion by adding additional pre-fabricated 3,000sf bays each. The facility will also include an extraction facility for oils, tinctures and other concentrates.

### **Supply**

Until our cultivation facility in Lee is licensed and built and is producing marijuana, CP plans to source product from existing third party cultivation operations within the State. CP has an LOI with one craft supplier and is negotiating with several other cultivators with existing grow facilities. CP has also developed strong relationships with current and future suppliers and are confident in our ability to procure enough product to sustain operations until our own supply comes online. There are risks of supply shortages but CP views these potential shortages as temporary as existing growers are expanding their current facilities to meet demand, new entrants are likely to emerge and CP has

the right to build its own cultivation facility. Currently there are ample supplies of oils and concentrates available for vape pens and cartridges and other forms of concentrates and edibles.

## **Retail Sales Financial Forecasts**

Based on historical sales of medical marijuana over the past two years in Massachusetts and legal medical and recreational sales in other States over 3 to 12 years, CP's advisors have been able to project expected sales. The key assumptions underlying the forecast is that at least 10% of the population will become recreational retail customers.

In addition to the local market within each store's surroundings there will be substantial out of state consumers, depending on the ease of access of the local dispensary to this out of state population.

Colorado has made the transition from Medical-only sales to recreational sales and its historical data indicates a 3-fold increase in gross sales within the first three years of recreational sales. With Massachusetts having a much more nascent medical marijuana patient base, the expansion into recreational adult sales with most likely result in about a 5 to 8-fold increase over medical marijuana sales to date. About 50% of Colorado's recreational marijuana sales are from out of state buyers and this is expected to be the same in Massachusetts.

For the Holyoke Retail Sales forecasts, it is assumed that in the first year an average of 200-275 customers will visit each store each day. They are expected to average \$110 per visit.

## **Financing**

CP has to date been funded directly by the majority owner, Eugene McCain and will continue to be similarly funded until licensing occurs. To date, Mr. McCain has invested over \$200,000 in leasing fees, property studies, phase one reports, cannabis industry consulting, architectural works, legal works. Funds were raised thru family and friends.

Our minimum financing needs for the build out of our first store in Lee, is \$650,000.

CP has over \$100,000 in cash on hand for continuing soft costs. Our investors are on standby to inject additional funding to build out our facilities.

For the full build-out of all our planned facilities, the CapEx and OpEx needs, until self-sustainability and profitability, are \$5,844,000. CP is currently in negotiations with several investors as non-equity financing in the form of buy/leaseback real estate transactions. These will be implemented upon receipt of the State licenses.

Any and all investors and financing options will be rightfully submitted to the Cannabis Control Commission for approval. Until such times as they are submitted and approved, the ownership and financing of the company will remain as currently stated.

## **Plans to Grow the Business**

CP plans to expand its retail business from its two recreational retail stores in Lee and Holyoke to a recreational retail store in Metro West Boston. For cultivation, the size of the phase 2 expansion of the facility will be based on retail sales experience in Lee and Holyoke and the anticipated inventory needs.

## **Management Team**

CP has been fortunate to have Meg Sanders and Erik Williams, of Will and Way Consulting, join them for the management of Canna Provisions, Inc. Initially they are working under a consulting contract with CP and will be transitioning into a full employment agreement.

Meg and Erik have over 17 years of combined experience in the legal cannabis cultivation, manufacturing and retailing industry. Meg is co-founder and former CEO of Mindful, Inc. in Denver, Colorado, and Meg and Erik set it on a positive path of growth. It now has 5 retail medical and recreational retail stores, a 44,000sf cultivation facility, and a 25,000sf extraction and product manufacturing facility. Two years ago, Meg and Erik moved back east to participate in Massachusetts' roll out of its own legal marijuana business development.

Meg and Erik are joined by Eugene McCain, who spent most of his adult life in the real estate industry in California, Hawaii, Japan and Thailand. Eugene has developed several residential communities and several hotel/resorts. He brings his general business and real estate experience to Canna Provisions. Eugene will assist Meg and Erik as they complete the licensing and permitting process and the build out and development of the properties and facilities. Meg and Erik will be the managers of the operations, once started.

## **Compliance**

The CP team includes a team of experts as it relates to this highly regulated industry CP has engaged with AC3, LLC. an expert in regulatory compliance in the legal marijuana industry. Led by a former Massachusetts Department of Public Health regulator AC3 will consult and advise CP on licensing and compliance issues.

In addition to AC3, Meg Sanders, one of our senior executives, has been in the marijuana industry in Colorado since 2010 as Director of Operations and Compliance, and largely as the Chief Executive Officer of Mindful. Meg oversaw daily cultivation, processing, and manufacturing procedures, as well as all regulatory local, state, and applicable federal compliance procedures. Currently, Meg Sanders helps other



companies implement business development and strategies for compliant and effective operations.

## **Security**

The CP team has extensive direct, indirect and third-party analytical experience with securing diverse cannabis properties across the United States. CP will fully comply with all State and local security requirements for Marijuana Establishments. CP has submitted, along with American Alarm Company, detailed security plans to the Police Chief of the City of Holyoke and the Police Chief in Lee. Both of the Police Chiefs have formally approved the CP Security Plans in writing to the City Council and the Town Select Board, respectively.

## **Marketing:**

Canna Provisions believes that the best marketing we can possibly do is provide a professional, thoughtful experience in our stores. We are committed to extensive training of all of our employees to ensure the highest quality experience for all of our customers. Our staff will have thorough and proven understanding of all of our products so that they can communicate effectively to customers in our store. In addition to customer service and product training, we will be advertising in local newspapers and magazines, utilizing social media and will have a customer loyalty program allowing customers to opt-in to our newsletters and text blasts. We will follow all state and local laws with regards to marketing and advertising and include all required warning statements. In addition to our training, marketing and advertising- our retail environment will be thoughtful to the local look and feel of our surroundings with an emphasis on local products, local employees and a commitment to our community.

## **Team Members**

Canna Provisions believes there is no greater asset than our team members. We are committed to extensive and on-going training of all team members. Our goal is to hire locally and we will work with local agencies as well as host job fairs to ensure our community has an opportunity to apply for work. Our responsible and accountable team members will undergo State background checks, have quarterly reviews, and will receive fair compensation, paid time off, benefits, education reimbursement and payment for hours spent volunteering in our local community.

## **Corporate Responsibility**

Canna Provisions' commitment to corporate responsibility is embedded in our Company Values Statement, which drives our commitment to the local community and the Commonwealth. It drives our employee culture, charitable giving, sustainable choices, and all we do :

Respect All Humans

Customers, Employees, Neighbors, Detractors, Regulators

Commit to Excellence

Products, Employees, Service, Facilities, Experience

Promote Best Practices

Compliance, Security, Innovation, Transparency, Education

Honor our Place

Community, Neighborhood, Environment, Industry, Government

**THIS SPACE INTENTIONALLY LEFT BLANK**

| Best Market Projections - cash basis              | Total                 | Total                  | Total                  | Total                  |
|---|-----------------------|------------------------|------------------------|------------------------|
|   | FY 2018               | Y/E 2019               | Y/E 2020               | Y/E 2021               |
| <b>Revenue</b>                                    |                       |                        |                        |                        |
| Cannabis Flower Production (lbs)                  | 195                   | 2405                   | 3000                   | 3000                   |
| Price Per Pound                                   | n/a                   | n/a                    | n/a                    | n/a                    |
| Flower Sales Disp 1                               | \$1,365,000.00        | \$8,117,500.00         | \$9,000,000.00         | \$9,600,000.00         |
| Flower Sales Disp 2                               | \$0.00                | \$8,117,500.00         | \$9,000,000.00         | \$9,600,000.00         |
| Concentrates & MIPs TOTAL                         | \$148,730.40          | \$3,057,690.00         | \$2,458,410.00         | \$4,331,160.00         |
| Wholesale Concentrates/MIP total                  | \$1,350,000.00        | \$4,010,000.00         | \$4,800,000.00         | \$4,800,000.00         |
| Paraphernalia                                     | \$28,637.30           | \$233,842.90           | \$253,304.10           | \$284,079.60           |
| Delivery Fees                                     | \$0.00                | \$0.00                 | \$0.00                 | \$0.00                 |
| Discount  | -\$78,125.63          | -\$823,509.54          | -\$872,669.93          | -\$1,003,465.80        |
| <b>Total Revenue</b>                              | <b>\$2,814,242.08</b> | <b>\$22,713,023.36</b> | <b>\$24,639,044.18</b> | <b>\$27,611,773.80</b> |
| <b>Cost of Goods Sold</b>                         | \$0.00                |                        |                        |                        |
| <b>Raw Materials</b>                              | \$0.00                |                        |                        |                        |
| Wholesale Costs (Flower)                          | \$1,460,000.00        | \$1,821,000.00         |                        |                        |
| Wholesale Cost (Infused/Concentrates)             | \$1,000,000.00        | \$1,025,000.00         | \$480,000.00           | \$480,000.00           |
| <b>Total Cost of Goods Sold</b>                   | <b>\$2,460,000.00</b> | <b>\$3,062,600.00</b>  | <b>\$657,600.00</b>    | <b>\$480,000.00</b>    |
|   | \$0.00                |                        |                        |                        |
| <b>Gross Profit</b>                               | <b>\$204,234.38</b>   | <b>\$19,650,423.36</b> | <b>\$23,981,444.18</b> | <b>\$27,131,773.80</b> |
| <b>Cultivation Expenses</b>                       | \$0.00                |                        |                        |                        |
| <b>Total Cultivation Expenses</b>                 | <b>\$26,642.34</b>    | <b>\$1,222,855.17</b>  | <b>\$1,319,156.21</b>  | <b>\$1,380,588.69</b>  |
| <b>Dispensary Expenses</b>                        |                       |                        |                        |                        |
| <b>Total Dispensary Expenses</b>                  | <b>\$27,900.00</b>    | <b>\$147,600.00</b>    | <b>\$147,600.00</b>    | <b>\$0.00</b>          |
| <b>Other Expenses (Including Payroll)</b>         | \$0.00                |                        |                        |                        |
| <b>Other Operating Expenses Inc P/R</b>           | <b>\$949,323.72</b>   | <b>\$4,199,633.63</b>  | <b>\$4,511,328.76</b>  | <b>\$0.00</b>          |
| <b>TOTAL PROJECTED EXPENSES Inc COGS</b>          | <b>\$3,463,866.07</b> | <b>\$8,632,688.80</b>  | <b>\$6,635,684.97</b>  | <b>\$1,860,588.69</b>  |
|   |                       |                        |                        |                        |
| <b>EBITDA</b>                                     | -\$715,204.43         | \$14,080,334.56        | \$18,003,359.21        | \$25,751,185.11        |
| <b>Federal Income Tax (21%)</b>                   |                       | -\$4,928,117.10        | -\$6,301,175.72        | -\$9,012,914.79        |
| <b>State Income Tax (15%)</b>                     |                       | -\$2,112,050.18        | -\$2,700,503.88        | -\$3,862,677.77        |
|   | \$0.00                |                        |                        |                        |
|   |                       |                        |                        |                        |
| <b>Net Profits</b>                                | <b>-\$715,204.43</b>  | <b>\$7,040,167.28</b>  | <b>\$9,001,679.60</b>  | <b>\$12,875,592.56</b> |
|   |                       |                        |                        |                        |
| Total Revenues                                    | \$2,814,242.08        | \$22,713,023.36        | \$24,639,044.18        | \$27,611,773.80        |
| Total Expenses                                    | \$3,463,866.07        | \$8,632,688.80         | \$6,635,684.97         | \$1,860,588.69         |
| Operating Loss/Net Profits                        | -\$649,623.99         | \$14,080,334.56        | \$18,003,359.21        | \$25,751,185.11        |
| Capital Expenses                                  | \$0.00                | \$0.00                 | \$0.00                 | \$0.00                 |
| Cash Flow pre-tax                                 | -\$649,623.99         | \$14,080,334.56        | \$18,003,359.21        | \$25,751,185.11        |
|   |                       |                        |                        |                        |
| <b>CAPEX FUNDS NEEDED</b>                         | <b>Total 2018</b>     |                        |                        |                        |
| Lee Building Purchase                             | \$800,000             |                        |                        |                        |
| Lee Dispensary Buildout                           | \$600,000             |                        |                        |                        |
| Holyoke Buildout                                  | \$600,000             |                        |                        |                        |
| Lee Cultivation Site Purchase                     | \$250,000             |                        |                        |                        |
| Cultivation Buildout Architect/engineering/review | \$150,000             |                        |                        |                        |
| Cultivation Buildout Solid Building               | \$1,150,000           |                        |                        |                        |
| Cultivation Buildout Greenhouse                   | \$1,200,000           |                        |                        |                        |
| Wholesale Purchase                                | \$984,000             |                        |                        |                        |
| OpEx  | \$259,415.00          |                        |                        |                        |
|   | \$5,993,415           |                        |                        |                        |
|   |                       |                        |                        |                        |



## **Plan for Obtaining Liability Insurance**

Canna Provisions is currently operating a Retail Marijuana Establishment in Lee, Massachusetts and maintains the insurance requirements outlined in 935 CMR 500.105(10)

### **I. Purpose**

The purpose of this plan is to outline how Canna Provisions has and will maintain the required General Liability and Product Liability insurance coverage as required pursuant to 935 CMR 500.105(10), or otherwise comply with this requirement.

### **II. Plan**

1. Canna Provisions has and will maintain an insurance policy in place that satisfies the requirement under 935 CMR 500.105(10).
  - a. Canna Provisions has obtained and will maintain general liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, and product liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually.
  - b. The deductible for each policy is not higher than \$5,000 per occurrence.
2. Canna Provisions will maintain reports documenting compliance with 935 CMR 500.105(10) in a manner and form determined by the Commission and make these reports available to the Commission up request.

MESA UNDERWRITERS SPECIALTY  
INSURANCE COMPANY

MESA UNDERWRITERS SPECIALTY INSURANCE COMPANY  
P.O. BOX 4030  
SCOTTSDALE, ARIZONA 85261-4030  
COMMERCIAL INSURANCE POLICY

MUSIC and its General Agent AmWINS Access Insurance Services, LLC - Hopedale, MA  
are pleased to have issued Policy MP0020005001627 to  
Canna Provisions, Inc

In witness whereof, Mesa Underwriters Speciality Insurance Company has caused this policy to be signed by its President and countersigned on the Declaration page by a duly Authorized Representative of the Company.

  
Corporate Secretary

  
President & CEO

MUSIC

# COMMON POLICY DECLARATIONS

MESA UNDERWRITERS SPECIALTY  
INSURANCE COMPANY A Stock Company  
40 Wantage Avenue, Branchville, NJ 07890

Policy Number: MP0020005001627

Previous Policy Number: \_\_\_\_\_

No Flat Cancellation

☒ New ☐ Renewal ☐ Rewrite

Policy Period: From 02/14/2019 To 02/14/2020 at **12:01 A.M.** Standard Time at your mailing address shown below.

**Named Insured:**

Canna Provisions, Inc

**DBA:**

**Mailing Address:**

214 Adams Ave

West Newton

MA 02465

**Agent and Mailing Address:**

**Agent Number:** 20005

AmWINS Access Insurance Services, LLC - Hopedale, MA

2 Rosenfeld Drive, Unit A

Hopedale

MA 01747

**Tax State:** MA

**State Control Number (NJ & PA):**

**Surplus Lines Broker Name:**

AmWINS Access Ins Services, LLC

**Surplus Lines Broker Number:**

1927919

**Form of Business**

☐ Individual ☐ Joint Venture ☐ Partnership ☐ Limited Liability Company ☒ Corporation

☐ Organization (other): \_\_\_\_\_

**Business Description:**

Vacant Buildings

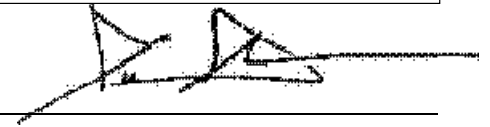
**Select Coverage Part (for which insurance is being afforded)**

|  |          |                    |
|--|----------|--------------------|
| <input checked="" type="checkbox"/> Commercial General Liability | \$       | 3,032.00           |
| <input type="checkbox"/> Liquor Liability                        | \$       |                    |
| <input type="checkbox"/> Owners & Contractors Protective         | \$       |                    |
| <input type="checkbox"/> Commercial Property                     | \$       |                    |
| <input type="checkbox"/> Commercial Inland Marine                | \$       |                    |
| <input type="checkbox"/> Commercial Crime                        | \$       |                    |
| <input type="checkbox"/> Farm & Ranch                            | \$       |                    |
| <input type="checkbox"/> Garage                                  | \$       |                    |
| <input type="checkbox"/> Other (Describe)                        | \$       |                    |
| <input type="checkbox"/> TRIA                                    | \$       |                    |
| <b>Policy Taxes and Fees</b>                                     |          |                    |
| Surplus Lines Tax  | \$124.28 |                    |
| Policy Fee   | \$75.00  |                    |
| AmWINS Inspection Fee  | \$70.00  |                    |
| <b>Total Advance Premium</b>                                     |          | <b>\$ 3,032.00</b> |
| <b>Total Other Charges</b>                                       |          | <b>\$ 269.28</b>   |
| <b>Total</b>   |          | <b>\$ 3,301.28</b> |

Premiums Shown are payable at inception or as indicated on the individual Coverage Declarations.

Form(s) and Endorsement(s), including edition dates, made a part of this policy at the time of issue: See Schedule of Forms

02/27/2019  
Date

By:   
Authorized Agent

## SCHEDULE OF FORMS AND ENDORSEMENTS

MESA UNDERWRITERS SPECIALTY  
INSURANCE COMPANY

Named Insured Canna Provisions, Inc

Policy Number MP0020005001627

Effective Date: 02/14/2019

### Forms Applicable - COMMON POLICY FORMS

MUS 01 01 10001 0817 POLICY JACKET  
MUS 01 01 10002 1116 COMMON POLICY DECLARATION  
MUS 01 01 10003 1013 SCHEDULE OF FORMS & ENDORSEMENTS  
MUS 01 01 10007 1013 MINIMUM EARNED PREMIUM ENDORSEMENT  
MUS 01 01 10043 1013 PRIVACY NOTICE  
IL 00 17 11 98 COMMON POLICY CONDITIONS  
MUS 01 01 10029 1013 MA SERVICE OF SUIT  
ILN 001 09 03 FRAUD STATEMENT

### Forms Applicable - GENERAL LIABILITY

MUS 01 01 20001 0417 GENERAL LIABILITY COVERAGE PART DECLARATIONS  
MUS 01 01 20004 0916 LIABILITY DEDUCTIBLE  
MUS 01 01 20023 1013 SPECIAL CONDITIONS - SUBCONTRACTORS  
MUS 01 01 20043 1013 EXCLUSION - CLASSIFICATION LIMITATION  
MUS 01 01 20055 1013 EXCL - ASSAULT OR BATTERY  
MUS 01 01 20058 0816 EXCL - LEAD CONTAMINATION  
MUS 01 01 20063 0816 EXCL - PUNITIVE DAMAGES  
MUS 01 01 20068 1013 EXCL - REAL ESTATE DEVELOPMENT PROPERTY  
MUS 01 01 20080 0816 EXCL - EARTH MOVEMENT  
MUS 01 01 20082 0816 EXCL - ASBESTOS  
MUS 01 01 20084 0816 NON-STACKING OF LIMITS ENDORSEMENT  
MUS 01 01 20094 0718 AMENDMENT OF CONDITIONS-PREMIUM AUDIT  
MUS 01 01 20112 1013 EXCL - OCCUPATIONAL DISEASE  
MUS 01 01 20125 0915 EXCL - INJURY TO EMPLOYEES, "TEMPORARY WORKERS" AND CONTRACTORS  
MUS 01 01 20139 0617 EXCL - INFRINGEMENT OF INTELLECTUAL PROPERTY  
CG 00 01 04 13 COMMERCIAL GENERAL LIABILITY COVG FORM  
CG 21 04 11 85 EXCL - PRODUCTS-COMPLETED OPERATIONS HAZARD  
CG 21 34 01 87 EXCL - DESIGNATED WORK  
CG 21 38 11 85 EXCL - PERSONAL & ADVERTISING INJURY  
CG 21 44 04 17 LIMITATION OF COVG TO DESIGNATED PREMISES OR PROJECT  
CG 21 47 12 07 EMPLOYMENT-RELATED PRACTICES EXCLUSION  
CG 21 53 01 96 EXCL - DESIGNATED ONGOING OPERATIONS  
CG 21 55 09 99 EXCL - TOTAL POLLUTION EXCLUSION WITH A HOSTILE FIRE EXCEPTION  
CG 21 67 12 04 EXCL - FUNGI OR BACTERIA  
CG 21 96 03 05 EXCL - SILICA OR SILICA-RELATED DUST  
CG 24 26 04 13 AMENDMENT OF INSURED CONTRACT DEFINITION  
IL 00 21 09 08 NUCLEAR ENERGY LIABILITY EXCL ENDT  
CG 21 73 01 15 EXCL OF CERTIFIED ACTS OF TERRORISM

## SCHEDULE OF FORMS AND ENDORSEMENTS

MESA UNDERWRITERS SPECIALTY  
INSURANCE COMPANY

|                 |                              |
|-----------------|------------------------------|
| Named Insured   | <u>Canna Provisions, Inc</u> |
| Policy Number   | <u>MP0020005001627</u>       |
| Effective Date: | <u>02/14/2019</u>            |

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MESA UNDERWRITERS SPECIALTY  
INSURANCE COMPANY

Policy Number: **MP0020005001627**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**MINIMUM EARNED PREMIUM ENDORSEMENT**

This endorsement modifies insurance provided under the following:

THIS ENDORSEMENT APPLIES TO ALL COVERAGE PARTS

If this insurance is cancelled at your request, there will be a minimum earned premium retained by Mesa Underwriters Specialty Insurance Company of \$                      or 25 % of the premium for this insurance, whichever is greater.

Cancellation of this insurance for nonpayment of premium is considered a request by the first Named Insured for cancellation of this insurance.

The provisions of this amendment apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the minimum earned premium.

All other terms and conditions of this policy remain unchanged.

**MESA UNDERWRITERS SPECIALTY  
INSURANCE COMPANY**

**PRIVACY POLICY  
For  
MESA UNDERWRITERS SPECIALTY INSURANCE COMPANY**

Mesa Underwriters Specialty Insurance Company understands the importance placed by our customers on the privacy and safeguarding of their personal information. The Company intends and is obligated to protect all nonpublic personal information provided to the Company by our customers. Whether a consumer is already a policyholder or is applying for insurance or is a claimant, the Company will maintain the confidentiality and security of all individual's personal information as required by law.

In order to meet our customers' insurance needs and to comply with business, regulatory and legal obligations we are required to collect and at times, use personal information. The Company does not disclose personal information about customers, potential or former, for marketing purposes to nonaffiliated third parties. The Company may gather information from a variety of sources including but not limited to the Company's affiliates, consumer reporting agencies such as credit bureaus, property inspection services and other non-affiliated third party organizations. We do not disclose any personal information about our customers, except as follows:

- 1) with consumer/customer consent,
- 2) as required by law,
- 3) as permitted by law
- 4) as necessary or appropriate to underwrite, administer, service, effect, process or enforce an insurance policy that we have issued ( or are considering issuing), or
- 5) as necessary to otherwise service a customer's policy or effect a customer

When necessary, the Company may disclose nonpublic personal information to a nonaffiliated organization that is performing services relative to the policy or our operation, we require that such third parties use and disclose the information only as necessary relating to the service or function that they are performing on our behalf. It is important that the Companies' employees be aware of and abide by this Privacy Policy and the applicable laws governing the use, handling and disclosure of nonpublic personal information. Our employees may not access nonpublic personal information maintained by the Company on a general basis. Company employees will have access to personal nonpublic information of applicants, policyholders or claimants if this information relates to their job performance for the Company. The Company will maintain adequate safeguards to protect the confidentiality and security of the nonpublic personal information that we obtain. Employees may not disclose or use nonpublic personal information except as authorized by the Company or as permitted or required by law. If an employee fails to comply with these requirements this may lead to appropriate disciplinary action by the Company up to, and including, dismissal.

This Privacy Policy applies to individuals who are applicants, policyholders, or claimants under insurance products or services obtained from the Company primarily for personal, family or household purposes; it does not apply to products or services obtained for business, commercial or agricultural purposes.

The Company will provide notice of its privacy policy to its customers not less than annually, while the policyholder maintains a relationship with us.

# COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

## A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

## B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

## C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

## D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or

- b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

## E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

## F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

MESA UNDERWRITERS SPECIALTY  
INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SERVICE OF SUIT MASSACHUSETTS**

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS

Service of legal process against us upon any cause of action arising in Massachusetts under this policy may be made upon Corporation Service Company, 84 State Street, Boston, MA 02109.

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

Authorized Representative

# FRAUD STATEMENT

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**GENERAL LIABILITY Coverage Part Declarations**

MESA UNDERWRITERS SPECIALTY  
INSURANCE COMPANY A Stock Company  
40 Wantage Avenue, Branchville, NJ 07890

**Policy Number:** MP0020005001627**Named Insured:** Canna Provisions, Inc**DBA:****Effective Date:** 02/14/2019**LIMITS OF INSURANCE**

|  |              |
|--|--------------|
| General Aggregate Limit (Other Than Products / Completed Operations) | \$ 2,000,000 |
| Products / Completed Operations Aggregate Limit                      | \$ EXCLUDED  |
| Personal and Advertising Injury Limit                                | \$ EXCLUDED  |
| Each Occurrence Limit  | \$ 1,000,000 |
| Damage To Premises Rented to You Limit (Any 1 Premises)              | \$ 100,000   |
| Medical Expense Limit (Any 1 Person)                                 | \$ 5,000     |

**Location(s) Of All Premises you Own, Rent or Occupy, Classification & Premium Provided**

| Code No. | Classification Description | Premium Basis / Exposure* | Rate                  |                     | Advanced Premium      |                    |
|----------|----------------------------|---------------------------|-----------------------|---------------------|-----------------------|--------------------|
|          |                            |                           | Premises / Operations | Products / Comp Ops | Premises / Operations | Products / CompOps |

|          |  |                |              |       |       |
|----------|--|----------------|--------------|-------|-------|
| Loc. No. | Street Address   | Street Address | City         | State | Zip   |
| 001)     | 214 ADAMS AVE  |                | WEST NEWTON  | MA    | 02465 |
| 68606    | Vacant Buildings - Not factories - Other than not-for-profit | a 100          | 56.9600 INCL | 6     | INCL  |

|       |  |         |              |     |       |
|-------|--|---------|--------------|-----|-------|
| 002)  | 380 R DWIGHT STREET "B"                                      |         | HOLYOKE      | MA  | 01040 |
| 68606 | Vacant Buildings - Not factories - Other than not-for-profit | a 3,500 | 75.5400 INCL | 264 | INCL  |

|       |  |          |              |       |       |
|-------|--|----------|--------------|-------|-------|
| 003)  | 380 DWIGHT ST CONNECTOR                                      |          | HOLYOKE      | MA    | 01040 |
| 68606 | Vacant Buildings - Not factories - Other than not-for-profit | a 25,000 | 75.5400 INCL | 1,889 | INCL  |

|       |  |         |              |     |       |
|-------|--|---------|--------------|-----|-------|
| 004)  | 220 HOUSATONIC STREET  |         | LEE          | MA  | 01238 |
| 68606 | Vacant Buildings - Not factories - Other than not-for-profit | a 2,000 | 64.2300 INCL | 128 | INCL  |

|       |   |      |             |     |       |
|-------|---|------|-------------|-----|-------|
| 005)  | 180 QUARRY ROAD                         |      | LEE         | MA  | 01238 |
| 49451 | Vacant Land - Other than not-for-profit | t 75 | 3.7700 INCL | 283 | INCL  |

## GENERAL LIABILITY Coverage Part Declarations

MESA UNDERWRITERS SPECIALTY  
INSURANCE COMPANY A Stock Company  
40 Wantage Avenue, Branchville, NJ 07890

|       |  |   |       |         |           |     |          |
|-------|--|---|-------|---------|-----------|-----|----------|
| 006)  | 1884 NORTH MAIN STREET                                       |   |       |         | SHEFFIELD |     | MA 01257 |
| 68606 | Vacant Buildings - Not factories - Other than not-for-profit | a | 7,200 | 64.2300 | INCL      | 462 | INCL     |

- ☐ Abuse and Molestation Limited Coverage
- ☐ Assault and Battery Limited Coverage
- ☐ Additional Insured(s)
- ☐ Employee Benefit Liability Coverage
- ☐ Other:

- ☐ Increased Limits
- ☐ Hired Automobile
- ☐ Non-Owner Automobile
- ☐ Stop Gap

\*Premium Basis Types: **a - Area** (per 1,000 Square feet of area) **c - Cost** (per \$1,000 Total Cost) **m - Admissions** (per 1,000 Admissions)  
**p - Payroll** (per \$1,000 of Payroll) **s - Sales** (per \$1,000 Gross Sales) **t - Total** (per each) **u - Units** (per Unit)

|                               |  |       |
|-------------------------------|--|-------|
| Total Annual Premium: \$      |  | 3,032 |
| Forms/Endorsements Applicable | See Schedule of Forms and Endorsements |       |

This Coverage Part consists of this Declarations Form, the Common Policy Conditions, the Commercial General Liability Conditions, the Coverage Form(s), and the Coverage Endorsement(s) indicated as applicable.

Policy Number: MP0020005001627

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LIABILITY DEDUCTIBLE**  
(Including Costs and Expenses)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM  
FARM LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM

| Coverage                  | SCHEDULE                       |                   |
|---------------------------|--------------------------------|-------------------|
|                           | Amount and Basis of Deductible |                   |
|                           | PER CLAIM                      | or PER OCCURRENCE |
| Bodily Injury Liability   | \$ 500                         | \$                |
| Property Damage Liability | \$ 500                         | \$                |

- A. The Company's obligations under the coverage afforded by this policy to pay damages on behalf of the Insured apply only to the amount of damages in excess of the deductible amount stated above.
- B. The deductible amount applies to all damages sustained by one person or organization as the result of any one claim.
- C. The deductible amount stated will also apply towards investigation, adjustment and legal expenses incurred in the handling and investigation of each claim, whether or not payment is made to claimant, compromise settlement is reached or claim is denied.
- D. The terms of the policy, including those with respect to the Company's rights and duties with respect to the defense of suits and the Insured's duties in the event of an occurrence apply irrespective of the application of the deductible amount.
- E. The Company, at its sole election and option, may either:
1. Pay any part of or all of the deductible amount to effect settlement of any claim or suit, and upon notification of the action taken, the Named Insured shall promptly reimburse the Company for such part of the deductible amount as has been paid by the Company; or
  2. Simultaneously upon receipt of notice of any claim or at any time thereafter, call upon the Insured and request said Insured to pay over and deposit with the Company all or part of the deductible amount, to be held and applied by the Company as herein provided.

All other terms and conditions of this policy remain unchanged.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **SPECIAL CONDITIONS - SUBCONTRACTORS**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

The following condition is added to SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITION's section of the policy:

#### **SPECIAL CONDITIONS – SUBCONTRACTORS**

You will obtain Certificates of Insurance with Limits of Insurance equal to or greater than those provided by this Policy from all subcontractors or independent contractors prior to commencement of any work performed.

Failure to comply with this Special Condition does not alter the coverage provided by this Policy. However, should you fail to comply; a premium charge will be made. The premium charge will be computed by multiplying the "total cost" of all work sublet that fails to meet the above condition, by the rate per \$1,000 of payroll for the applicable classification of the work performed.

If the policy does not contain the applicable classification and rate, we will multiply our usual and customary rate per \$1,000 payroll for that classification, by the net modification factor, if any, applied to the policy rates.

"Total cost" means the cost of all labor, materials, and equipment furnished, used or delivered for use in the execution of the work, and all fees, bonuses or commissions paid.

All other terms and conditions of this policy remain unchanged.

MESA UNDERWRITERS SPECIALTY  
INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – CLASSIFICATION LIMITATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

The following exclusion is added to COVERAGES A and B (Section I):

This insurance does not apply to "bodily injury", "property damage", "advertising injury" or "personal injury" for operations which are not classified or shown on the Commercial General Liability Coverage Declarations, its endorsements or supplements.

All other terms and conditions of this policy remain unchanged.

MESA UNDERWRITERS SPECIALTY  
INSURANCE COMPANY

Policy Number: MP0020005001627

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ASSAULT OR BATTERY EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

### Assault or Battery Exclusion – Excluded Location Schedule

*If no locations are specified below, the Assault or Battery Exclusion applies to ALL locations*

| Loc. # | Address |
|--------|---------|
|        |         |
|        |         |
|        |         |

- I. This insurance does not apply to locations specified in the above Schedule for “bodily injury”, “property damage”, “personal and advertising injury”, or medical payments under Coverage C, caused by, arising out of, resulting from, or in any way related to an “assault” or “battery” when that “assault” or “battery” is caused by, arising out of, or results from, in whole or in part from:
- A. The direct or indirect instigation, instruction or direction, by you, your employees, patrons or any other persons, or
  - B. The failure to provide a safe environment including but not limited to the failure to provide adequate security, or to warn of the dangers of the environment, or
  - C. The negligent employment, investigation, supervision, hiring, training or retention of any person, or
  - D. Negligent, reckless, or wanton conduct by you, your employees, patrons or any other persons, or
  - E. The use of force, whether excessive or not, to protect persons or property whether or not the “bodily injury”, “property damage”, or “personal and advertising injury” was intended from the standpoint of the insured or committed by or at the direction of any insured; or
  - F. The failure to render or secure medical treatment or care necessitated by any “assault” or “battery”.

This exclusion applies to all locations if the above Excluded Location Schedule is left blank. Further, this exclusion also applies to all locations specified in the Limited Assault or Battery Coverage endorsement if also attached to the policy.

- II. For the purpose of this endorsement only, Exclusion a. **Expected Or Intended Injury**, part of **SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, is deleted and replaced by:

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured.

**III. For the purpose of this endorsement only, the following definitions are added to **SECTION V – DEFINITIONS****

- A. “Assault” means any intentional act, or attempted act or threat to inflict injury to another including any conduct that would reasonably place another in apprehension of injury, including but not limited to physical injury, sexual abuse or harassment, intimidation, verbal abuse, and any threatened harmful or offensive contact between two or more persons.
- B. “Battery” means the intentional or reckless use of force including a physical altercation or dispute between persons, or offensive touching or sexual molestation against another, resulting in injury whether or not the actual injury inflicted is intended or expected. The use of force includes, but is not limited to the use of a weapon.

All other terms and conditions of this policy remain unchanged.

MESA UNDERWRITERS SPECIALTY  
INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LEAD CONTAMINATION EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
COMMERCIAL PROFESSIONAL LIABILITY COVERAGE FORM  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM  
GARAGE COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM

In consideration of the premium charged it is hereby understood and agreed that this policy will not provide coverage, meaning indemnification or defense costs, arising out of:

"Bodily injury", "property damage", "personal injury", "advertising injury", "medical payments", or any other damages because of liability, alleged liability, or occurrence resulting from, caused by, arising out of, or in any way connected with:

The existence of lead, the removal of lead, the testing for lead, or exposure to lead in any form which is or has at any time been present in, on, or near:

1. the insured's premises; or
2. at any location at which the insured is working or has worked in connection with such existence, removal, or testing

Whether or not:

1. caused by, at the instigation of, or with the direct or indirect involvement of the insured, the insured's employees or other persons on the insured's premises or work site; or,
2. whether or not caused by or arising out of the insured's failure to properly supervise or keep the work site in a safe condition.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **PUNITIVE DAMAGES EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM  
COMMERCIAL PROFESSIONAL LIABILITY COVERAGE FORM  
GARAGE COVERAGE FORM  
TRUCKERS PHYSICAL DAMAGE COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM

This insurance does not apply to any fines, penalties, punitive damages, exemplary damages, treble damages or the multiplication of compensatory damages.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION – REAL ESTATE DEVELOPMENT PROPERTY**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

This insurance does not apply to “bodily injury”, “property damage”, “personal and advertising injury” or “medical expense” arising out of, caused by, or in any way connected with:

Real Estate Development Property, meaning land in any stage of active development which includes site preparation as well as actual construction activities.

All other terms and conditions of this policy remain unchanged.

MESA UNDERWRITERS SPECIALTY  
INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EARTH MOVEMENT EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM  
COMMERCIAL PROFESSIONAL LIABILITY COVERAGE FORM  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM  
GARAGE COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM

In consideration of the premium charged, it is understood and agreed that this policy specifically excludes and does not extend to, or provide coverage or indemnity for, any claim of liability for bodily injury or property damage caused by, resulting from, attributable or contributed to or aggravated by the subsidence of land as a result of landslide, mudflow, earth sinking or shifting, resulting from any operations of the Named Insured or on behalf of any Named Insured or any subcontractor of the Named Insured.

All other terms and conditions of this policy remain unchanged.



MESA UNDERWRITERS SPECIALTY  
INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - ASBESTOS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
COMMERCIAL PROFESSIONAL LIABILITY COVERAGE FORM  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM  
GARAGE COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM

In consideration of the premium charged, it is understood and agreed that this policy will not provide coverage, meaning indemnification or defense costs arising out of:

1. Asbestos or any asbestos related "bodily injury", or "property damage" or
2. Any alleged act, error, omission, or duty involving asbestos, its use, exposure, presence, existence, detection, removal, elimination, transportation, disposal or avoidance or
3. The use, exposure, presence, existence, detection, removal, elimination, or avoidance of asbestos in any environment, building or structure.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**NON-STACKING OF LIMITS ENDORSEMENT  
TWO OR MORE COVERAGE FORMS, COVERAGE  
PARTS, OR POLICIES ISSUED BY US**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
COMMERCIAL PROFESSIONAL LIABILITY COVERAGE FORM  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
FARM LIABILITY COVERAGE FORM  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM  
GARAGE COVERAGE FORM  
TRUCKERS PHYSICAL DAMAGE COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM

If any coverage form or coverage part or policy issued to you by us or any company affiliated with us apply to the same claim for damages, the maximum limit of insurance for liability coverage under all of the coverage forms, coverage parts, or policies shall not exceed the highest applicable limit of insurance available under any one coverage form, coverage part or policy.

This endorsement does not apply to any coverage form, coverage part or policy issued by us or an affiliated company specifically to apply as excess insurance over this policy.

All other terms and conditions of this policy remain unchanged.

MESA UNDERWRITERS SPECIALTY  
INSURANCE COMPANY

Policy Number: **MP0020005001627**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDMENT OF CONDITIONS – PREMIUM AUDIT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

The Premium Audit Condition under **Section IV – Conditions** is **replaced** by the following:

**Premium Audit**

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates. Premium shown in this Coverage Part as advance premium is a minimum and deposit premium.

The rates for each classification shown in the Declarations are multiplied by the estimated premium basis of that classification for the term to determine the advance premium.

We may conduct an audit of your books to determine the actual premium basis developed during the policy period. To calculate the actual premium developed during the policy period we will use one, or a combination, of the follow premium basis: payroll, admissions, gross sales, total cost, area, each exposure unit, units or total operating expenditures.

b. **Premium Basis.**

The premium basis are defined in accordance with our rules and the following definitions:

**(1) Payroll** (premium basis symbol **p**): Remuneration paid to “employees”, including but not limited to:

- (a) Money or substitutes for money; commissions; bonuses; overtime; payments to statutory insurance or pension plans; profit sharing or incentive plans; pay for holidays, vacation or sickness; and fees paid to employment agencies for temporary personnel provided to you.
- (b) If your operations consist of a number of separate operations classified individually in the Declarations, the payroll will be allocated to each classification where you have maintained records for each separate operation. Any such operation for which separate records are **not** maintained by you will be assigned to the highest rated classification.
- (c) For premium computation purposes, the payroll of executive officers, individual insureds and co-partners is subject to a minimum annual payroll per person of:

\$

(If no entry is made, the minimum payroll as established by our rating rules will apply.)

The rates apply per \$1,000 of Payroll.

- (2) **Admissions** (premium basis symbol **m**): The total number of persons, other than your “employees”, admitted to the insured event or to events conducted on the premises whether on paid admissions, tickets, complimentary tickets or passes.

The rates apply per 1,000 Admissions.

- (3) **Gross Sales** (premium basis symbol **s**): The gross amount charged by you, your concessionaries or by others trading under your name for:

- (a) All goods or products, sold or distributed;
- (b) Operations performed during the policy period; and
- (c) Rentals; or
- (d) Dues or fees.

The rates apply per \$1,000 of Gross Sales.

- (4) **“Total Cost”** (premium basis symbol **c**) means the total cost of all work let or sublet in connection with each specific project including:

- (a) The cost of all labor, materials and equipment furnished, used or delivered for use in the execution of the work excluding the cost of finished equipment installed whether or not furnished by the contractor, or subcontractor, or by you; and
- (b) All fees, bonuses or commissions made, paid or due.

The rates apply per \$1,000 of Total Cost.

- (5) **Area** (premium basis symbol **a**): The total number of square feet of floor space at the insured premises. The rates apply per 1,000 square feet of Area.

- (6) **Each** (premium basis symbol **t**): The basis of premium involves units of exposure, and the quantity compromising each unit of exposure is indicated in the Declarations, such as “per person”.

- (7) **Units** (premium basis symbol **u**): A single room or group or group of rooms intended for occupancy as separate living quarters by a family, by a group of unrelated persons living together, or by a person living alone. The rates apply per Unit.

- (8) **Total Operating Expenditures** (premium basis symbol **o**): Total expenditures (including grants, entitlements and shared revenue) without regard to source of revenue during the policy period including accounts payable.

The rates apply per \$1,000 of Total Operating Expenditures.

- c. The first Named Insured must keep records of the information we need for premium computation and send us copies at such times as we may request. Failure to supply such records upon request will be deemed a breach of condition and subject this policy, and may subject any in force policy of yours, to cancellation for breach of conditions.
- d. We reserve the right to examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

- e. Premium shown in this Coverage Part as advance premium is a minimum and deposit premium. Advance premium includes any payments identified as premium paid prior to policy expiration. At the close of each audit period, we will compute the earned premium for that period. Audit premium is due and payable upon notice to the first Named Insured. Failure to pay the audit premium due will be deemed a breach of contract and subject this policy, and may subject any in force policy of yours, to cancellation for non-payment of premium.
- (1) If the actual earned premium generated as a result of an audit for the policy period is less than the advance premium, such advance premium is the minimum premium for the policy period indicated and is not subject to this adjustment.
- (2) If the actual earned premium generated as a result of an audit for policy period is greater than the advance premium, then a final premium adjustment endorsement will be issued. The additional premium amount shown on the final premium adjustment endorsement is due and payable to us upon notice to the first Named Insured.
- f. Non-cooperation with Audits

If after three documented attempts, we are unable to complete an audit, your policy may be cancelled or non-renewed

All other terms and conditions of this policy remain unchanged.

MESA UNDERWRITERS SPECIALTY  
INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – OCCUPATIONAL DISEASE**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

- I. The following exclusion is added to **2. Exclusions COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY, and COVERAGE C MEDICAL PAYMENTS**, part of **SECTION I – COVERAGES**:

This insurance does not apply to “bodily injury”, “property damage”, “personal and advertising injury” or medical payments arising out of “occupational diseases”.

“Occupational diseases” means any injury, including death, sickness, disease or disability, defined as occupational disease under any workers compensation or disability benefits laws, statutes or regulations of any jurisdiction in which the “occurrence” took place or the “occupational disease” arose.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **Exclusion – Injury to Employees, “Temporary Workers” and Contractors**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

- A. Exclusion **e.** under Paragraph **2. Exclusions** of **SECTION I – COVERAGES – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY** deleted and replaced as follows:

**e. Employees, “Temporary Workers” and Contractors**

"Bodily injury" to:

- (1) An "employee" arising out of and in the course of:
  - (a) Employment by any insured; or
  - (b) Performing duties related to the conduct of any insured's business; or
- (2) A “temporary worker” arising out of and in the course of performing duties related to the conduct of any insured's business; or
- (3) A contractor and any persons working for or on its behalf arising out of and in the course of performing work related to the conduct of any insured's business; or
- (4) The spouse, child, parent, brother or sister of such person as a consequence of Paragraphs (1), (2) or (3), above

This exclusion applies whether any insured may be liable as an employer or in any other capacity; and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion applies to liability assumed by any insured under an “insured contract”.

- B. Exclusion **a.** under Paragraph **2. Exclusions** of **SECTION I – COVERAGES – COVERAGE C – MEDICAL PAYMENTS** is deleted and replaced as follows:

**a. Any Insured**

To any Insured.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – INFRINGEMENT OF INTELLECTUAL PROPERTY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

### SECTION I – COVERAGES - COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY 2. -

Exclusions i. - Infringement of Copyright, Patent, Trademark or Trade Secret is replaced with the following:

#### i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

### SECTION V – DEFINITIONS – 14. is replaced with the following:

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
- a. False arrest, detention or imprisonment;
  - b. Malicious prosecution;
  - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
  - e. Oral or written publication, in any manner, of material that violates a person's right of privacy.

All other terms and conditions of this policy remain unchanged.



# COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

## SECTION I – COVERAGES

### COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

## 2. Exclusions

This insurance does not apply to:

### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

### b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

### c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

### d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

### e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

## **f. Pollution**

**(1)** "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

**(a)** At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

**(i)** "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

**(ii)** "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

**(iii)** "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

**(b)** At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

**(c)** Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

**(i)** Any insured; or

**(ii)** Any person or organization for whom you may be legally responsible; or

**(d)** At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

**(i)** "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

**(ii)** "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

**(iii)** "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

**(e)** At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

#### **g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
- (b) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

#### **h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

#### **i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

#### **j. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;

- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

#### **k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

#### **l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

#### **m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

#### **n. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

#### **o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

#### **p. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

#### **q. Recording And Distribution Of Material Or Information In Violation Of Law**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or

- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions **c.** through **n.** do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section **III** – Limits Of Insurance.

## **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**

### **1. Insuring Agreement**

- a.** We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section **III** – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages **A** and **B**.

- b.** This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

### **2. Exclusions**

This insurance does not apply to:

#### **a. Knowing Violation Of Rights Of Another**

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

#### **b. Material Published With Knowledge Of Falsity**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

#### **c. Material Published Prior To Policy Period**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

#### **d. Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

#### **e. Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

#### **f. Breach Of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

#### **g. Quality Or Performance Of Goods – Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

#### **h. Wrong Description Of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

**i. Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

**j. Insureds In Media And Internet Type Businesses**

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

**k. Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

**l. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-related**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**o. War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**p. Recording And Distribution Of Material Or Information In Violation Of Law**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

## COVERAGE C – MEDICAL PAYMENTS

### 1. Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;
- provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

### 2. Exclusions

We will not pay expenses for "bodily injury":

#### a. Any Insured

To any insured, except "volunteer workers".

#### b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

#### c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

### d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

### e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

### f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

### g. Coverage A Exclusions

Excluded under Coverage A.

## SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.



- g.** All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

- 2.** If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
  - a.** The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
  - b.** This insurance applies to such liability assumed by the insured;
  - c.** The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
  - d.** The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
  - e.** The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
  - f.** The indemnitee:
    - (1)** Agrees in writing to:
      - (a)** Cooperate with us in the investigation, settlement or defense of the "suit";
      - (b)** Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
      - (c)** Notify any other insurer whose coverage is available to the indemnitee; and
      - (d)** Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
    - (2)** Provides us with written authorization to:
      - (a)** Obtain records and other information related to the "suit"; and
      - (b)** Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2)** of Section **I – Coverage A – Bodily Injury And Property Damage Liability**, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

## **SECTION II – WHO IS AN INSURED**

- 1.** If you are designated in the Declarations as:
  - a.** An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - b.** A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - c.** A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d.** An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - e.** A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

**2. Each of the following is also an insured:**

- a.** Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

**(1) "Bodily injury" or "personal and advertising injury":**

- (a)** To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b)** To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1)(a)** above;
- (c)** For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph **(1)(a)** or **(b)** above; or
- (d)** Arising out of his or her providing or failing to provide professional health care services.

**(2) "Property damage" to property:**

- (a)** Owned, occupied or used by;
- (b)** Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by; you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- b.** Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

- c.** Any person or organization having proper temporary custody of your property if you die, but only:

- (1)** With respect to liability arising out of the maintenance or use of that property; and
- (2)** Until your legal representative has been appointed.

- d.** Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

**3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:**

- a.** Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b.** Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c.** Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

**SECTION III – LIMITS OF INSURANCE**

**1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:**

- a.** Insureds;
- b.** Claims made or "suits" brought; or
- c.** Persons or organizations making claims or bringing "suits".

**2. The General Aggregate Limit is the most we will pay for the sum of:**

- a.** Medical expenses under Coverage **C**;
- b.** Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
- c.** Damages under Coverage **B**.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph **2.** above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph **2.** or **3.** above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage **A**; and
  - b. Medical expenses under Coverage **C**
 because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph **5.** above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph **5.** above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

## **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**

### **1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

### **2. Duties In The Event Of Occurrence, Offense, Claim Or Suit**

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and

- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
  - (1) Immediately record the specifics of the claim or "suit" and the date received; and
  - (2) Notify us as soon as practicable.
 You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
  - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

### **3. Legal Action Against Us**

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

#### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

##### a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

##### b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
  - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
  - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
  - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
  - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability.
- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

##### c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

#### 5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

#### 6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;

- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

## **7. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

## **8. Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

## **9. When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

## **SECTION V – DEFINITIONS**

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
  - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
  - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph **a.** above; or
  - c. All other parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in Paragraph **a.** above;
    - (2) The activities of a person whose home is in the territory described in Paragraph **a.** above, but is away for a short time on your business; or
    - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph **a.** above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

**9. "Insured contract" means:**

- a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b.** A sidetrack agreement;
- c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e.** An elevator maintenance agreement;
- f.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1)** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3)** Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

**10.** "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

**11.** "Loading or unloading" means the handling of property:

- a.** After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b.** While it is in or on an aircraft, watercraft or "auto"; or
- c.** While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

**12.** "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b.** Vehicles maintained for use solely on or next to premises you own or rent;
- c.** Vehicles that travel on crawler treads;
- d.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1)** Power cranes, shovels, loaders, diggers or drills; or
  - (2)** Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e.** Vehicles not described in Paragraph **a., b., c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2)** Cherry pickers and similar devices used to raise or lower workers;
- f.** Vehicles not described in Paragraph **a., b., c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1)** Equipment designed primarily for:
  - (a)** Snow removal;
  - (b)** Road maintenance, but not construction or resurfacing; or
  - (c)** Street cleaning;
- (2)** Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

**13.** "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

**14.** "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a.** False arrest, detention or imprisonment;
- b.** Malicious prosecution;
- c.** The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d.** Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e.** Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f.** The use of another's advertising idea in your "advertisement"; or
- g.** Infringing upon another's copyright, trade dress or slogan in your "advertisement".

**15.** "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**16.** "Products-completed operations hazard":

- a.** Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1)** Products that are still in your physical possession; or
- (2)** Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
  - (a)** When all of the work called for in your contract has been completed.
  - (b)** When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
  - (c)** When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b.** Does not include "bodily injury" or "property damage" arising out of:

- (1)** The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2)** The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3)** Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

**17.** "Property damage" means:

- a.** Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b.** Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**18.** "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

**19.** "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

**20.** "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

**21.** "Your product":

**a.** Means:

- (1)** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - (a)** You;
  - (b)** Others trading under your name; or
  - (c)** A person or organization whose business or assets you have acquired; and
- (2)** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

**b.** Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2)** The providing of or failure to provide warnings or instructions.

**c.** Does not include vending machines or other property rented to or located for the use of others but not sold.

**22.** "Your work":

**a.** Means:

- (1)** Work or operations performed by you or on your behalf; and
- (2)** Materials, parts or equipment furnished in connection with such work or operations.

**b.** Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2)** The providing of or failure to provide warnings or instructions.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – PRODUCTS-COMPLETED OPERATIONS HAZARD**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to "bodily injury" or "property damage" included within the "products-completed operations hazard".

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – DESIGNATED WORK**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

### **SCHEDULE**

**Description of your work:**

Construction operations

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

This insurance does not apply to "bodily injury" or "property damage" included in the "products-completed operations hazard" and arising out of "your work" shown in the Schedule.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – PERSONAL AND ADVERTISING INJURY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

COVERAGE B (Section I) does not apply and none of the references to it in the Coverage Part apply.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **LIMITATION OF COVERAGE TO DESIGNATED PREMISES, PROJECT OR OPERATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

|                              |
|------------------------------|
| <b>Premises:</b>             |
| <b>Project or Operation:</b> |

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A.** If this endorsement is attached to Commercial General Liability Coverage Form **CG 00 01**, the provisions under this Paragraph **A.** apply:

**1.** Paragraph **1.b.** under **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

**b.** This insurance applies to "bodily injury" and "property damage" caused by an "occurrence" that takes place in the "coverage territory" only if:

**(1)** The "bodily injury" or "property damage":

**(a)** Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or

**(b)** Arises out of the project or operation shown in the Schedule;

**(2)** The "bodily injury" or "property damage" occurs during the policy period; and

**(3)** Prior to the policy period, no insured listed under Paragraph **1.** of Section **II – Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

**2.** Paragraph **1.b.** under **Section I – Coverage B – Personal And Advertising Injury Liability** is replaced by the following:

**b.** This insurance applies to "personal and advertising injury" caused by an offense committed in the "coverage territory" but only if:

**(1)** The offense arises out of your business:

**(a)** Performed on the premises shown in the Schedule; or

(b) In connection with the project or operation shown in the Schedule; and

(2) The offense was committed during the policy period.

However, with respect to Paragraph **1.b.(1)(a)** of this Insuring Agreement, if the "personal and advertising injury" is caused by:

- (1) False arrest, detention or imprisonment; or
- (2) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;

then such offense must arise out of your business performed on the premises shown in the Schedule and the offense must have been committed on the premises shown in the Schedule or the grounds and structures appurtenant to those premises.

3. Paragraph **1.a.** under **Section I – Coverage C – Medical Payments** is replaced by the following:

a. We will pay medical expenses as described below for "bodily injury" caused by an accident that takes place in the "coverage territory" if the "bodily injury":

- (1) Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or
- (2) Arises out of the project or operation shown in the Schedule;

provided that:

- (a) The accident takes place during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

B. If this endorsement is attached to Commercial General Liability Coverage Form **CG 00 02**, the provisions under this Paragraph **B.** apply:

1. Paragraph **1.b.** under **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

b. This insurance applies to "bodily injury" and "property damage" caused by an "occurrence" that takes place in the "coverage territory" only if:

(1) The "bodily injury" or "property damage":

- (a) Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or
- (b) Arises out of the project or operation shown in the Schedule;

(2) The "bodily injury" or "property damage" did not occur before the Retroactive Date, if any, shown in the Declarations or after the end of the policy period; and

(3) A claim for damages because of the "bodily injury" or "property damage" is first made against any insured, in accordance with Paragraph **1.c.** of this Insuring Agreement, during the policy period or any Extended Reporting Period we provide under Section **V – Extended Reporting Periods**.

2. Paragraph **1.b.** under **Section I – Coverage B – Personal And Advertising Injury Liability** is replaced by the following:

b. This insurance applies to "personal and advertising injury" caused by an offense committed in the "coverage territory" but only if:

(1) The offense arises out of your business:

- (a) Performed on the premises shown in the Schedule; or
- (b) In connection with the project or operation shown in the Schedule;

(2) The offense was not committed before the Retroactive Date, if any, shown in the Declarations or after the end of the policy period; and

- (3) A claim for damages because of the "personal and advertising injury" is first made against any insured, in accordance with Paragraph 1.c. of this Insuring Agreement, during the policy period or any Extended Reporting Period we provide under Section V – Extended Reporting Periods.

However, with respect to Paragraph 1.b.(1)(a) of this Insuring Agreement, if the "personal and advertising injury" is caused by:

- (1) False arrest, detention or imprisonment; or
- (2) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;

then such offense must arise out of your business performed on the premises shown in the Schedule and the offense must have been committed on the premises shown in the Schedule or the grounds and structures appurtenant to those premises.

3. Paragraph 1.a. under **Section I – Coverage C – Medical Payments** is replaced by the following:

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident that takes place in the "coverage territory" if the "bodily injury":

- (1) Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or
- (2) Arises out of the project or operation shown in the Schedule;

provided that:

- (a) The accident takes place during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYMENT-RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

"Bodily injury" to:

- (1)** A person arising out of any:
  - (a)** Refusal to employ that person;
  - (b)** Termination of that person's employment; or
  - (c)** Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2)** The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs **(a)**, **(b)**, or **(c)** above is directed.

This exclusion applies:

- (1)** Whether the injury-causing event described in Paragraphs **(a)**, **(b)** or **(c)** above occurs before employment, during employment or after employment of that person;
- (2)** Whether the insured may be liable as an employer or in any other capacity; and
- (3)** To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to:

"Personal and advertising injury" to:

- (1)** A person arising out of any:
  - (a)** Refusal to employ that person;
  - (b)** Termination of that person's employment; or
  - (c)** Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2)** The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs **(a)**, **(b)**, or **(c)** above is directed.

This exclusion applies:

- (1)** Whether the injury-causing event described in Paragraphs **(a)**, **(b)** or **(c)** above occurs before employment, during employment or after employment of that person;
- (2)** Whether the insured may be liable as an employer or in any other capacity; and
- (3)** To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – DESIGNATED ONGOING OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

**Description of Designated Ongoing Operation(s):**

Construction operations

**Specified Location (If Applicable):**

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of the ongoing operations described in the Schedule of this endorsement, regardless of whether such operations are conducted by you or on your behalf or whether the operations are conducted for yourself or for others.

Unless a "location" is specified in the Schedule, this exclusion applies regardless of where such operations are conducted by you or on your behalf. If a specific "location" is designated in the Schedule of this endorsement, this exclusion applies only to the described ongoing operations conducted at that "location".

For the purpose of this endorsement, "location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **TOTAL POLLUTION EXCLUSION WITH A HOSTILE FIRE EXCEPTION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion **f.** under Paragraph **2.**, **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

This insurance does not apply to:

#### **f. Pollution**

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

This exclusion does not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire" unless that "hostile fire" occurred or originated:

- (a) At any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste; or

- (b) At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of, "pollutants".

- (2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or

- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **FUNGI OR BACTERIA EXCLUSION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**Fungi Or Bacteria**

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

**B. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Fungi Or Bacteria**

- a. "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

**C. The following definition is added to the Definitions Section:**

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SILICA OR SILICA-RELATED DUST EXCLUSION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**Silica Or Silica-Related Dust**

- a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
- b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Silica Or Silica-Related Dust**

- a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
  - b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.
- C. The following definitions are added to the Definitions Section:**
1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
  2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **AMENDMENT OF INSURED CONTRACT DEFINITION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The definition of "insured contract" in the **Definitions** section is replaced by the following:

"Insured contract" means:

- a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b.** A sidetrack agreement;
- c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e.** An elevator maintenance agreement;
- f.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. However, such part of a contract or agreement shall only be considered an "insured contract" to the extent your assumption of the tort liability is permitted by law. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1)** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3)** Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**NUCLEAR ENERGY LIABILITY EXCLUSION**  
**ENDORSEMENT**

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 FARM COVERAGE PART  
 LIQUOR LIABILITY COVERAGE PART  
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
 POLLUTION LIABILITY COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
 RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
 UNDERGROUND STORAGE TANK POLICY

**1. The insurance does not apply:**

**A. Under any Liability Coverage, to "bodily injury" or "property damage":**

- (1)** With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2)** Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

**B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.**

**C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:**

- (1)** The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
- (2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3)** The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

**2. As used in this endorsement:**

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

**(c)** Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

**(d)** Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**A. The following exclusion is added:**

This insurance does not apply to:

**TERRORISM**

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism".

**B. The following definitions are added:**

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part.
2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
  - a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

- b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

# COMMON POLICY DECLARATIONS

POLICY NUMBER: CTX-0001112-00

|   |  |
|---|--|
| <p><i>Coverage Provided By:</i><br/><b>Topa Insurance Company</b></p>   | <p><i>Responsible Agent of Record:</i><br/><b>CIS Insurance Services, LLC</b><br/><b>1468 W 9th Street Suite 805</b><br/><b>Cleveland, Ohio 44113</b><br/><b>800-420-5757</b><br/><b>cannasure.com</b></p> |
| <p>NAMED INSURED: <u>CANNA PROVISIONS INC</u></p>   |  |
| <p>MAILING ADDRESS: <u>220 HOUSATONIC STREET</u><br/><u>Lee, MA 01238</u></p>   |  |
| <p>POLICY PERIOD: FROM <u>05/21/2019</u> TO <u>05/21/2020</u> AT 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE</p> |  |

|                 |  |
|-----------------|--|
| BUSINESS ENTITY | <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input checked="" type="checkbox"/> Limited Liability Company<br><input type="checkbox"/> Joint Venture <input type="checkbox"/> Trust <input type="checkbox"/> Other: |
|-----------------|--|

|                      |                                |
|----------------------|--------------------------------|
| BUSINESS DESCRIPTION | Retail Operations-Recreational |
|----------------------|--------------------------------|

**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.**

| THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.  |                   |
|--|-------------------|
|  | <b>PREMIUM</b>    |
| COMMERCIAL PROPERTY COVERAGE PART  | <u>N/A</u>        |
| COMMERCIAL GENERAL LIABILITY COVERAGE PART   | <u>N/A</u>        |
| COMMERCIAL EXCESS LIABILITY  | <u>\$5,000.00</u> |
| COMMERCIAL INLAND MARINE COVERAGE PART   | <u>N/A</u>        |
| PRODUCTS LIABILITY COVERAGE  | <u>N/A</u>        |
| TERRORISM  | <u>REJECTED</u>   |
| ADMIN FEE  | <u>\$250.00</u>   |
| SURPLUS LINES TAX  | <u>\$200.00</u>   |
| <b>TOTAL:</b>  | <u>\$5,450.00</u> |
| <p><b>This policy is insured by a company which is not admitted to transact insurance in the commonwealth, is not supervised by the commissioner of insurance and, in the event of an insolvency of such company, a loss shall not be paid by the Massachusetts Insurers Insolvency Fund under chapter 175D.</b></p> |                   |



**SCHEDULE OF NAMED INSURED:**

CANNA PROVISIONS INC

**FORMS APPLICABLE TO ALL COVERAGE PARTS (SHOW NUMBERS):**

SEE SCHEDULE OF FORMS

**Countersigned:**

06/02/2019

**(Date)****By:****(Authorized Representative)**

## SCHEDULE OF FORMS

Named Insured: CANNA PROVISIONS INC

Policy Number: CTX-0001112-00

### COMMON POLICY

|                 |         |   |
|-----------------|---------|---|
| CISDECT 01      | (01 18) | EXCESS COMMON DEC   |
| CIS ASF         | (04 19) | TWO OR MORE COVERAGE FORMS OR POLICIES<br>ISSUED BY US  |
| CIS MP 004      | (10 17) | 25% MINIMUM EARNED PREMIUM ENDORSEMENT  |
| CIS SUIT T N006 | (10 17) | SERVICE OF SUIT CLAUSE  |
| IL N 001        | (09 03) | FRAUD STATEMENT   |
| CX 21 35        | (01 15) | EXCLUSION OF CERTIFIED ACTS OF TERRORISM AND<br>EXCLUSION OF OTHER ACTS OF TERRORISM<br>COMMITTED OUTSIDE THE UNITED STATES |

### COMMERCIAL GENERAL LIABILITY

|               |         |  |
|---------------|---------|--|
| CIS CX DEC 01 | (01 18) | COMMERCIAL EXCESS LIABILITY DECLARATIONS             |
| CX 00 01      | (04 13) | COMMERCIAL EXCESS LIABILITY COVERAGE FORM            |
| CX 21 06      | (04 13) | EXCLUSIONS - PRODUCTS-COMPLETED OPERATIONS<br>HAZARD |
| CX 21 01      | (09 08) | NUCLEAR ENERGY LIABILITY EXCLUSION<br>ENDORSEMENT    |

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**TWO OR MORE COVERAGE FORMS OR POLICIES ISSUED BY US**

This endorsement modifies insurance provided under the following:

**COMMON POLICY CONDITIONS**

The following is added to Common Policy Conditions:

If any Coverage Form attached to this policy and any other Coverage Form or policy issued by us or any company affiliated with us provide coverage to anyone who qualifies as an insured under the policies and apply to the same accident, claim, damage, loss, "occurrence", offense, or "suit", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over the Coverage Form.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **25% MINIMUM EARNED PREMIUM ENDORSEMENT**

In the event the policy is cancelled by the Named Insured, the policy premium is subject to a Minimum Earned Premium of 25% of the total policy premium.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED**

## SERVICE OF SUIT CLAUSE

IT IS AGREED THAT IN THE EVENT OF THE FAILURE OF THE COMPANY TO PAY ANY AMOUNT CLAIMED TO BE DUE HEREUNDER, THE COMPANY, AT THE REQUEST OF THE INSURED, WILL SUBMIT TO THE JURISDICTION OF ANY COURT OF COMPETENT JURISDICTION WITHIN THE UNITED STATES AND WILL COMPLY WITH ALL REQUIREMENTS NECESSARY TO GIVE SUCH COURT JURISDICTION AND ALL MATTERS ARISING HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH THE LAW AND PRACTICE OF SUCH COURT.

IT IS FURTHER AGREED THAT, PURSUANT TO ANY STATUTE OF ANY STATE, TERRITORY OR DISTRICT OF THE UNITED STATES WHICH MAKE PROVISION THEREFOR, THE COMPANY HEREBY DESIGNATES THE SUPERINTENDENT, COMMISSIONER OR DIRECTOR OF INSURANCE OR OTHER OFFICER SPECIFIED FOR THAT PURPOSE IN THE STATUTE, OR HIS SUCCESSOR OR SUCCESSORS IN OFFICE, AS ITS TRUE AND LAWFUL ATTORNEY UPON WHOM MAY BE SERVED ANY LAWFUL PROCESS IN ANY ACTION, SUIT OR PROCEEDING INSTITUTED BY OR ON BEHALF OF THE INSURED OR ANY BENEFICIARY HEREUNDER ARISING OUT OF THIS POLICY OF INSURANCE, AND HEREBY DESIGNATES

John Donahue  
President & CEO  
Topa Insurance Company LTD  
24025 Park Sorrento Suite 300  
Calabasas, CA 91302

AS THE PERSON TO WHOM THE SAID OFFICER IS AUTHORIZED TO MAIL SUCH PROCESS OR TRUE COPY THEREOF.

## **FRAUD STATEMENT**

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**COMMERCIAL EXCESS LIABILITY DECLARATIONS**NAMED INSURED: CANNA PROVISIONS INCPOLICY PERIOD: 05/21/2019 - 05/21/2020**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.**

| Excess Policy – Limits Of Insurance |             |
|-------------------------------------|-------------|
| <b>Each Occurrence Limit:</b>       | \$2,000,000 |
| <b>Aggregate Limit:</b>             | \$2,000,000 |
| <b>Other:</b>                       |             |

| Excess Policy – Premium                    |            |
|--|------------|
| <b>Premium:</b>                            | \$5,000.00 |
| Endorsements Attached To The Excess Policy |            |
| SEE FORM SCHEDULE                          |            |

| General Liability | Schedule Of Controlling Underlying Insurance |                        |
|-------------------|--|------------------------|
|                   | <b>Company:</b>                              | Topa Insurance Company |
|                   | <b>Policy Number:</b>                        | CTK-0004139-00         |
|                   | <b>Policy Period:</b>                        | 5/21/2019-5/21/2020    |
|                   | <b>Limits Of Insurance:</b>                  |                        |
|                   | Each Occurrence                              | 1,000,000              |
|                   | Personal And Advertising Injury              | 1,000,000              |
|                   | Products-completed Operations                | N/A                    |
|                   | Aggregate                                    |                        |
|                   | General Aggregate                            | 2,000,000              |

# COMMERCIAL EXCESS LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance. The word "insured" means any person or organization qualifying as such under the "controlling underlying insurance".

Other words and phrases that appear in quotation marks in this Coverage Part have special meaning. Refer to Section IV – Definitions. Other words and phrases that are not defined under this Coverage Part but defined in the "controlling underlying insurance" will have the meaning described in the policy of "controlling underlying insurance".

The insurance provided under this Coverage Part will follow the same provisions, exclusions and limitations that are contained in the applicable "controlling underlying insurance", unless otherwise directed by this insurance. To the extent such provisions differ or conflict, the provisions of this Coverage Part will apply. However, the coverage provided under this Coverage Part will not be broader than that provided by the applicable "controlling underlying insurance".

There may be more than one "controlling underlying insurance" listed in the Declarations and provisions in those policies conflict, and which are not superseded by the provisions of this Coverage Part. In such a case, the provisions, exclusions and limitations of the "controlling underlying insurance" applicable to the particular "event" for which a claim is made or suit is brought will apply.

## SECTION I – COVERAGES

### 1. Insuring Agreement

- a. We will pay on behalf of the insured the "ultimate net loss" in excess of the "retained limit" because of "injury or damage" to which insurance provided under this Coverage Part applies.

We will have the right and duty to defend the insured against any suit seeking damages for such "injury or damage" when the applicable limits of "controlling underlying insurance" have been exhausted in accordance with the provisions of such "controlling underlying insurance".

When we have no duty to defend, we will have the right to defend, or to participate in the defense of, the insured against any other suit seeking damages for "injury or damage".

However, we will have no duty to defend the insured against any suit seeking damages for which insurance under this policy does not apply.

At our discretion, we may investigate any "event" that may involve this insurance and settle any resultant claim or suit, for which we have the duty to defend.

But:

- (1) The amount we will pay for "ultimate net loss" is limited as described in Section II – Limits Of Insurance; and
  - (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under this Coverage Part. However, if the policy of "controlling underlying insurance" specifies that limits are reduced by defense expenses, our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of defense expenses, judgments or settlements under this Coverage Part.
- b. This insurance applies to "injury or damage" that is subject to an applicable "retained limit". If any other limit, such as, a sublimit, is specified in the "controlling underlying insurance", this insurance does not apply to "injury or damage" arising out of that exposure unless that limit is specified in the Declarations under the Schedule of "controlling underlying insurance".
  - c. If the "controlling underlying insurance" requires, for a particular claim, that the "injury or damage" occur during its policy period in order for that coverage to apply, then this insurance will only apply to that "injury or damage" if it occurs during the policy period of this Coverage Part. If the "controlling underlying insurance" requires that the "event" causing the particular "injury or damage" takes place during its policy period in order for that coverage to apply, then this insurance will apply to the claim only if the "event" causing that "injury or damage" takes place during the policy period of this Coverage Part.



- d. Any additional insured under any policy of "controlling underlying insurance" will automatically be an additional insured under this insurance. If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance required by the contract, less any amounts payable by any "controlling underlying insurance".

Additional insured coverage provided by this insurance will not be broader than coverage provided by the "controlling underlying insurance".

## 2. Exclusions

The following exclusions, and any other exclusions added by endorsement, apply to this Coverage Part. In addition, the exclusions applicable to any "controlling underlying insurance" apply to this insurance unless superseded by the following exclusions, or superseded by any other exclusions added by endorsement to this Coverage Part.

Insurance provided under this Coverage Part does not apply to:

### a. Medical Payments

Medical payments coverage or expenses that are provided without regard to fault, whether or not provided by the applicable "controlling underlying insurance".

### b. Auto

Any loss, cost or expense payable under or resulting from any of the following auto coverages:

- (1) First-party physical damage coverage;
- (2) No-fault coverage;
- (3) Personal injury protection or auto medical payments coverage; or
- (4) Uninsured or underinsured motorists coverage.

### c. Pollution

- (1) "Injury or damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.
- (2) Any loss, cost or expense arising out of any:
  - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants; or

- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, pollutants.

This exclusion does not apply to the extent that valid "controlling underlying insurance" for the pollution liability risks described above exists or would have existed but for the exhaustion of underlying limits for "injury or damage".

### d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

## SECTION II – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations, and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or suits brought, or number of vehicles involved;
  - c. Persons or organizations making claims or bringing suits; or
  - d. Limits available under any "controlling underlying insurance".
2. The Limits of Insurance of this Coverage Part will apply as follows:
  - a. This insurance only applies in excess of the "retained limit".
  - b. The Aggregate Limit is the most we will pay for the sum of all "ultimate net loss", for all "injury or damage" covered under this Coverage Part.

However, this Aggregate Limit only applies to "injury or damage" that is subject to an aggregate limit of insurance under the "controlling underlying insurance".
  - c. Subject to Paragraph 2.b. above, the Each Occurrence Limit is the most we will pay for the sum of all "ultimate net loss" under this insurance because of all "injury or damage" arising out of any one "event".
  - d. If the Limits of Insurance of the "controlling underlying insurance" are reduced by defense expenses by the terms of that policy, any payments for defense expenses we make will reduce our applicable Limits of Insurance in the same manner.

3. If any "controlling underlying insurance" has a policy period that is different from the policy period of this Coverage Part then, for the purposes of this insurance, the "retained limit" will only be reduced or exhausted by payments made for "injury or damage" covered under this insurance.

The Aggregate Limit of this Coverage Part applies separately to each consecutive annual period of this Coverage Part and to any remaining period of this Coverage Part of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

### **SECTION III – CONDITIONS**

The following conditions apply. In addition, the conditions applicable to any "controlling underlying insurance" are also applicable to the coverage provided under this insurance unless superseded by the following conditions.

#### **1. Appeals**

If the "controlling underlying insurer" or insured elects not to appeal a judgment in excess of the amount of the "retained limit", we may do so at our own expense. We will also pay for taxable court costs, pre- and postjudgment interest and disbursements associated with such appeal. In no event will this provision increase our liability beyond the applicable Limits of Insurance described in Section II – Limits Of Insurance.

#### **2. Bankruptcy**

##### **a. Bankruptcy Of Insured**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

##### **b. Bankruptcy Of Controlling Underlying Insurer**

Bankruptcy or insolvency of the "controlling underlying insurer" will not relieve us of our obligations under this Coverage Part.

However, insurance provided under this Coverage Part will not replace any "controlling underlying insurance" in the event of bankruptcy or insolvency of the "controlling underlying insurer". The insurance provided under this Coverage Part will apply as if the "controlling underlying insurance" were in full effect and recoverable.

#### **3. Duties In The Event Of An Event, Claim Or Suit**

- a. You must see to it that we are notified as soon as practicable of an "event", regardless of the amount, which may result in a claim under this insurance. To the extent possible, notice should include:

- (1) How, when and where the "event" took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any "injury or damage" arising out of the "event".

- b. If a claim is made or suit is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or suit and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or suit as soon as practicable.

- c. You and any other insured involved must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit;
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the suit; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of "injury or damage" to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

#### **4. First Named Insured Duties**

The first Named Insured is the person or organization first named in the Declarations and is responsible for the payment of all premiums. The first Named Insured will act on behalf of all other Named Insureds for giving and receiving of notice of cancellation or the receipt of any return premium that may become payable.

At our request, the first Named Insured will furnish us, as soon as practicable, with a complete copy of any "controlling underlying insurance" and any subsequently issued endorsements or policies which may in any way affect the insurance provided under this Coverage Part.

## **5. Cancellation**

- a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- c. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- e. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- f. If notice is mailed, proof of mailing will be sufficient proof of notice.

## **6. Changes**

This Coverage Part contains all the agreements between you and us concerning the insurance afforded. The first Named Insured is authorized by all other insureds to make changes in the terms of this Coverage Part with our consent. This Coverage Part's terms can be amended or waived only by endorsement.

## **7. Maintenance Of/Changes To Controlling Underlying Insurance**

Any "controlling underlying insurance" must be maintained in full effect without reduction of coverage or limits except for the reduction of aggregate limits in accordance with the provisions of such "controlling underlying insurance" that results from "injury or damage" to which this insurance applies.

Such exhaustion or reduction is not a failure to maintain "controlling underlying insurance". Failure to maintain "controlling underlying insurance" will not invalidate insurance provided under this Coverage Part, but insurance provided under this Coverage Part will apply as if the "controlling underlying insurance" were in full effect.

The first Named Insured must notify us in writing, as soon as practicable, if any "controlling underlying insurance" is cancelled, not renewed, replaced or otherwise terminated, or if the limits or scope of coverage of any "controlling underlying insurance" is changed.

## **8. Other Insurance**

- a. This insurance is excess over, and shall not contribute with any of the other insurance, whether primary, excess, contingent or on any other basis. This condition will not apply to insurance specifically written as excess over this Coverage Part.

When this insurance is excess, if no other insurer defends, we may undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

- b. When this insurance is excess over other insurance, we will pay only our share of the "ultimate net loss" that exceeds the sum of:
  - (1) The total amount that all such other insurance would pay for the loss in the absence of the insurance provided under this Coverage Part; and
  - (2) The total of all deductible and self-insured amounts under all that other insurance.

## **9. Premium Audit**

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. If this policy is auditable, the premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period, we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit premium is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

## 10. Loss Payable

Liability under this Coverage Part does not apply to a given claim unless and until:

- a. The insured or insured's "controlling underlying insurer" has become obligated to pay the "retained limit"; and
- b. The obligation of the insured to pay the "ultimate net loss" in excess of the "retained limit" has been determined by a final settlement or judgment or written agreement among the insured, claimant, "controlling underlying insurer" (or a representative of one or more of these) and us.

## 11. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a suit asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured, "controlling underlying insurer" and the claimant or the claimant's legal representative.

## 12. Transfer Of Defense

### a. Defense Transferred To Us

When the limits of "controlling underlying insurance" have been exhausted, in accordance with the provisions of "controlling underlying insurance", we may elect to have the defense transferred to us. We will cooperate in the transfer of control to us of any outstanding claims or suits seeking damages to which this insurance applies and which would have been covered by the "controlling underlying insurance" had the applicable limit not been exhausted.

### b. Defense Transferred By Us

When our limits of insurance have been exhausted our duty to provide a defense will cease.

We will cooperate in the transfer of control of defense to any insurer specifically written as excess over this Coverage Part of any outstanding claims or suits seeking damages to which this insurance applies and which would have been covered by the "controlling underlying insurance" had the applicable limit not been exhausted.

In the event that there is no insurance written as excess over this Coverage Part, we will cooperate in the transfer of control to the insured and its designated representative.

## 13. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

## SECTION IV – DEFINITIONS

The definitions applicable to any "controlling underlying insurance" also apply to this insurance. In addition, the following definitions apply.

1. "Controlling underlying insurance" means any policy of insurance or self-insurance listed in the Declarations under the Schedule of "controlling underlying insurance".
2. "Controlling underlying insurer" means any insurer who provides any policy of insurance listed in the Declarations under the Schedule of "controlling underlying insurance".
3. "Event" means an occurrence, offense, accident, act, or other event, to which the applicable "controlling underlying insurance" applies.
4. "Injury or damage" means any injury or damage, covered in the applicable "controlling underlying insurance" arising from an "event".
5. "Retained limit" means the available limits of "controlling underlying insurance" applicable to the claim.
6. "Ultimate net loss" means the total sum, after reduction for recoveries, or salvages collectible, that the insured becomes legally obligated to pay as damages by reason of:
  - a. Settlements, judgments, binding arbitration; or
  - b. Other binding alternate dispute resolution proceeding entered into with our consent.

"Ultimate net loss" includes defense expenses if the "controlling underlying insurance" specifies that limits are reduced by defense expenses.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – PRODUCTS-COMPLETED OPERATIONS HAZARD**

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2.  
**Exclusions of Section I – Coverages:**

### **2. Exclusions**

Insurance provided under this Coverage Part does not apply to "injury or damage" included in the products-completed operations hazard.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD FORM)**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL EXCESS LIABILITY COVERAGE PART**

The following exclusion is added to Paragraph 2.,  
**Exclusions:**

#### **2. Exclusions**

##### **NUCLEAR ENERGY LIABILITY**

a. Under any Liability Coverage, to "injury or damage":

- (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

b. Under any Liability Coverage, to "injury or damage" resulting from "hazardous properties" of "nuclear material", if:

- (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an insured or (b) has been discharged or dispersed therefrom;
- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an insured; or

- (3) The "injury or damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion (3) applies only to property damage to such "nuclear facility" and any property thereat.

c. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";

- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Injury or damage" includes all forms of radioactive contamination of property.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF CERTIFIED ACTS OF TERRORISM AND EXCLUSION OF OTHER ACTS OF TERRORISM COMMITTED OUTSIDE THE UNITED STATES**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL EXCESS LIABILITY COVERAGE PART**

Any endorsement addressing acts of terrorism (however defined) in any "controlling underlying insurance" does not apply to this excess insurance. The following provisions addressing acts of terrorism apply with respect to this excess insurance:

**A. The following exclusion is added:**

This insurance does not apply to:

**TERRORISM**

"Injury or damage" arising, directly or indirectly, out of a "certified act of terrorism", or out of an "other act of terrorism" that is committed outside of the United States (including its territories and possessions and Puerto Rico), but within the coverage territory. However, with respect to an "other act of terrorism", this exclusion applies only when one or more of the following are attributed to such act:

1. The total of insured damage to all types of property exceeds \$25,000,000 (valued in US dollars). In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
  - a. Physical injury that involves a substantial risk of death; or
  - b. Protracted and obvious physical disfigurement; or
  - c. Protracted loss of or impairment of the function of a bodily member or organ; or

3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, Paragraphs 1. and 2. describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

**B. The following definitions are added:**

1. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
  - a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act;
  - b. The act resulted in damage:
    - (1) Within the United States (including its territories and possessions and Puerto Rico); or



- (2) Outside of the United States in the case of:
- (a) An air carrier (as defined in Section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or
  - (b) The premises of any United States mission; and
- c. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
2. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not a "certified act of terrorism".
- Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.
- C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for "injury or damage" that is otherwise excluded under this Coverage Part.

# COMMON POLICY DECLARATIONS

POLICY NUMBER: CTL-0002129-00

Coverage Provided By:  
**Topa Insurance Company**

*Responsible Agent of Record:*  
**CIS Insurance Services, LLC**  
**1468 W 9th Street Suite 805**  
**Cleveland, Ohio 44113**  
**800-420-5757**  
**cannasure.com**

NAMED INSURED: CANNA PROVISIONS INC

MAILING ADDRESS: 220 HOUSATONIC STREET

Lee, MA 01238

POLICY PERIOD: FROM 05/21/2019 TO 05/21/2020 AT 12:01 A.M. STANDARD  
TIME AT YOUR MAILING ADDRESS SHOWN ABOVE

BUSINESS ENTITY ☐ Individual ☐ Partnership ☐ Corporation ☒ Limited Liability Company  
☐ Joint Venture ☐ Trust ☐ Other:

BUSINESS DESCRIPTION Retail Operations-Recreational

**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS  
POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.**

**THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS  
INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.**

|  | PREMIUM            |
|--|--------------------|
| COMMERCIAL PROPERTY COVERAGE PART          | N/A                |
| COMMERCIAL GENERAL LIABILITY COVERAGE PART | N/A                |
| COMMERCIAL EXCESS LIABILITY                | N/A                |
| COMMERCIAL INLAND MARINE COVERAGE PART     | N/A                |
| PRODUCTS LIABILITY COVERAGE                | \$30,230.00        |
| TERRORISM                                  | REJECTED           |
| ADMIN FEE                                  | \$1,000.00         |
| SURPLUS LINES TAX                          | \$1,209.20         |
| <b>TOTAL:</b>                              | <b>\$32,439.20</b> |

**This policy is insured by a company which is not admitted to  
transact insurance in the commonwealth, is not supervised  
by the commissioner of insurance and, in the event of an  
insolvency of such company, a loss shall not be paid by the  
Massachusetts Insurers Insolvency Fund under chapter 175D.**

**SCHEDULE OF NAMED INSURED:**

CANNA PROVISIONS INC

**FORMS APPLICABLE TO ALL COVERAGE PARTS (SHOW NUMBERS):**SEE SCHEDULE OF FORMS**Countersigned:**

06/02/2019

**(Date)****By:****(Authorized Representative)**

## SCHEDULE OF FORMS

Named Insured: CANNA PROVISIONS INC

Policy Number: CTL-0002129-00

### COMMON POLICY

|                     |         |  |
|---------------------|---------|--|
| CISDEC T 01         | (10 17) | PRODUCT COMMON POLICY DECLARATIONS                     |
| CIS ASF             | (04 19) | TWO OR MORE COVERAGE FORMS OR POLICIES<br>ISSUED BY US |
| CIS MP 004          | (10 17) | 25% MINIMUM EARNED PREMIUM ENDORSEMENT                 |
| CIS SUIT T N006     | (10 17) | SERVICE OF SUIT CLAUSE                                 |
| IL 00 17            | (11 98) | COMMON POLICY CONDITIONS                               |
| CIS DISCLOSURE TRIA | (12 17) | DISCLOSURE PURSUANT TO TERRORISM RISK<br>INSURANCE ACT |
| IL 00 21            | (09 08) | NUCLEAR ENERGY LIABILITY EXCLUSION<br>ENDORSEMENT      |
| IL N 001            | (09 03) | FRAUD STATEMENT  |

### COMMERCIAL GENERAL LIABILITY

|                      |         |  |
|----------------------|---------|--|
| CG 21 73             | (01 15) | EXCLUSION OF CERTIFIED ACTS OF TERRORISM                           |
| CIS PROD DEC 01      | (11 17) | PRODUCTS/COMPLETED OPERATIONS LIABILITY<br>DECLARATIONS            |
| CG 00 38             | (04 13) | PRODUCTS/COMPLETED OPERATIONS LIABILITY<br>COVERAGE FORM           |
| CIS PROF 01          | (11 17) | PROFESSIONAL LIABILITY SUBLIMIT                                    |
| CIS PROD DWL 01      | (12 17) | AMENDMENT-DEFENSE WITHIN LIMITS                                    |
| CIS PROD WD 01       | (11 17) | LIMITED PRODUCT WITHDRAWAL EXPENSE<br>ENDORSEMENT                  |
| CIS PROD PEST        | (11 17) | LIMITED PESTICIDE COVERAGE   |
| CIS PROD EX 001      | (11 17) | EXCLUSION-SPECIFIED PRODUCTS OR SUBSTANCES                         |
| CIS PROD EX 002      | (11 17) | EXCLUSION-SPECIFIED NUTRACEUTICAL SUBSTANCES                       |
| CIS PROD EX 003      | (11 17) | EXCLUSION-NEW ENTITIES   |
| CIS PROD EX 004      | (11 17) | FUNGI OR BACTERIA EXCLUSION  |
| CIS PROD EX 005      | (11 17) | EXCLUSION-CARCINOGENS  |
| CIS PROD EX 006      | (11 17) | EXCLUSION-CROSS SUITS  |
| CIS PROD EX 007      | (11 17) | EXCLUSION-ADDITIONAL DAMAGES, TAXES, FINES<br>OR PENALTIES         |
| CIS PROD EX 008      | (11 17) | ILLEGAL FERTILIZER EXCLUSION                                       |
| CIS AUDIT PRODUCT 02 | (10 17) | AUDIT PREMIUMS-AMENDATORY ENDORSEMENT                              |
| CG 03 00             | (01 96) | DEDUCTIBLE LIABILITY INSURANCE                                     |
| CG 21 98             | (12 07) | TOTAL POLLUTION EXCLUSION ENDORSEMENT                              |
| CG 24 10             | (07 98) | EXCESS PROVISION-VENDORS   |
| CG 33 59             | (05 14) | EXCLUSION-ACCESS OR DISCLOSURE OF<br>CONFIDENTIAL OR PERSONAL INFO |
| CG 33 70             | (03 05) | SILICA OR SILICA-RELATED DUST EXCLUSION                            |
| CG 33 76             | (05 09) | COMMUNICABLE DISEASE EXCLUSION                                     |

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**TWO OR MORE COVERAGE FORMS OR POLICIES ISSUED BY US**

This endorsement modifies insurance provided under the following:

**COMMON POLICY CONDITIONS**

The following is added to Common Policy Conditions:

If any Coverage Form attached to this policy and any other Coverage Form or policy issued by us or any company affiliated with us provide coverage to anyone who qualifies as an insured under the policies and apply to the same accident, claim, damage, loss, "occurrence", offense, or "suit", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over the Coverage Form.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **25% MINIMUM EARNED PREMIUM ENDORSEMENT**

In the event the policy is cancelled by the Named Insured, the policy premium is subject to a Minimum Earned Premium of 25% of the total policy premium.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED**

## SERVICE OF SUIT CLAUSE

IT IS AGREED THAT IN THE EVENT OF THE FAILURE OF THE COMPANY TO PAY ANY AMOUNT CLAIMED TO BE DUE HEREUNDER, THE COMPANY, AT THE REQUEST OF THE INSURED, WILL SUBMIT TO THE JURISDICTION OF ANY COURT OF COMPETENT JURISDICTION WITHIN THE UNITED STATES AND WILL COMPLY WITH ALL REQUIREMENTS NECESSARY TO GIVE SUCH COURT JURISDICTION AND ALL MATTERS ARISING HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH THE LAW AND PRACTICE OF SUCH COURT.

IT IS FURTHER AGREED THAT, PURSUANT TO ANY STATUTE OF ANY STATE, TERRITORY OR DISTRICT OF THE UNITED STATES WHICH MAKE PROVISION THEREFOR, THE COMPANY HEREBY DESIGNATES THE SUPERINTENDENT, COMMISSIONER OR DIRECTOR OF INSURANCE OR OTHER OFFICER SPECIFIED FOR THAT PURPOSE IN THE STATUTE, OR HIS SUCCESSOR OR SUCCESSORS IN OFFICE, AS ITS TRUE AND LAWFUL ATTORNEY UPON WHOM MAY BE SERVED ANY LAWFUL PROCESS IN ANY ACTION, SUIT OR PROCEEDING INSTITUTED BY OR ON BEHALF OF THE INSURED OR ANY BENEFICIARY HEREUNDER ARISING OUT OF THIS POLICY OF INSURANCE, AND HEREBY DESIGNATES

John Donahue  
President & CEO  
Topa Insurance Company LTD  
24025 Park Sorrento Suite 300  
Calabasas, CA 91302

AS THE PERSON TO WHOM THE SAID OFFICER IS AUTHORIZED TO MAIL SUCH PROCESS OR TRUE COPY THEREOF.

## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and
- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.



**THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.**

## **DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT**

### **SCHEDULE**

|   |
|---|
| <b>PART I</b>   |
| <b>Terrorism Premium (Certified Acts)      \$                      \$756.00</b>   |
| <b>This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(ies): ALL COVERAGE PARTS ASSOCIATED WITH THIS POLICY</b> |
| <b>Additional information, if any, concerning the terrorism premium: NOT APPLICABLE</b>   |
| <b>PART II</b>  |
| <b>Federal share of terrorism losses (Refer to Paragraph B. in this endorsement.)</b>   |
| <b>83% Year 2017</b>  |
| <b>82% Year 2018</b>  |
| <b>81% Year 2019</b>  |
| <b>80% Year 2020</b>  |
| Information required to complete this Schedule, if not shown above, will be shown in the Declarations.  |

#### **A. Disclosure Of Premium**

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

#### **B. Disclosure Of Federal Participation In Payment Of Terrorism Losses**

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement or in the policy Declarations) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

#### **C. Cap On Insurer Participation In Payment Of Terrorism Losses**

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT**

**(Broad Form)**

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**1. The insurance does not apply:**

**A. Under any Liability Coverage, to "bodily injury" or "property damage":**

- (1)** With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2)** Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

**B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.**

**C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:**

- (1)** The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
- (2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3)** The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

**2. As used in this endorsement:**

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

**(c)** Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

**(d)** Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

## **FRAUD STATEMENT**

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**A. The following exclusion is added:**

This insurance does not apply to:

**TERRORISM**

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism".

**B. The following definitions are added:**

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part.

2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

c. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

## PRODUCTS/COMPLETED OPERATIONS LIABILITY DECLARATIONS

NAMED INSURED: CANNA PROVISIONS INCPOLICY PERIOD: 05/21/2019 - 05/21/2020

**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.**

| LIMITS OF INSURANCE   |                    |
|-----------------------|--------------------|
| Each Occurrence Limit | <u>\$1,000,000</u> |
| Aggregate Limit       | <u>\$2,000,000</u> |

| RETROACTIVE DATE   |
|--|
| THIS INSURANCE DOES NOT APPLY TO "BODILY INJURY" OR "PROPERTY DAMAGE" WHICH OCCURS BEFORE THE RETROACTIVE DATE, IF ANY, SHOWN BELOW.<br>RETROACTIVE DATE: <u>05/21/2019</u><br>(ENTER DATE OR "NONE" IF NO RETROACTIVE DATE APPLIES) |

| LIMITED PRODUCT WITHDRAWAL EXPENSE ENDORSEMENT (CIS PROD WD 01) |
|---|
| Aggregate Limit \$250,000                                       |
| Deductible Amount Per Product Withdrawal \$25,000               |
| Participation Percentage Per Product Withdrawal N/A %           |
| Cut-off Date N/A  |

| PROFESSIONAL LIABILITY SUBLIMIT (CIS PROF 01) |
|---|
| Annual Aggregate Limit \$50,000               |

| CLASSIFICATION AND PREMIUM  |          |                |       |                  |
|---|----------|----------------|-------|------------------|
| CLASSIFICATION  | CODE NO. | PREMIUM BASE   | RATE  | *ADVANCE PREMIUM |
| il Operations-Recreati  | 18437    | 12,000,000 (s) | 2.365 | \$30,230         |
| AUDIT PERIOD (IF APPLICABLE) <input checked="" type="checkbox"/> ANNUALLY <input type="checkbox"/> SEMI- ANNUALLY <input type="checkbox"/> QUARTERLY <input type="checkbox"/> MONTHLY |          |                |       |                  |

\*Advance Premium may include other charges not subject to audit and/or may reflect minimum premium

# PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM

**THIS INSURANCE PROVIDES CLAIMS-MADE COVERAGE.  
PLEASE READ THE ENTIRE FORM CAREFULLY.**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section VI – Definitions.

## SECTION I – COVERAGES

### PRODUCTS/COMPLETED OPERATIONS BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" included within the "products-completed operations hazard" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "bodily injury" or "property damage" did not occur before the Retroactive Date, if any, shown in the Declarations or after the end of the policy period; and
- (3) A claim for damages because of the "bodily injury" or "property damage" is first made against any insured, in accordance with Paragraph c. below, during the policy period or any Extended Reporting Period we provide under Section V – Extended Reporting Periods.

- c. A claim by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:

- (1) When notice of such claim is received and recorded by any insured or by us, whichever comes first; or
- (2) When we make settlement in accordance with Paragraph a. above.

All claims for damages because of "bodily injury" to the same person, including damages claimed by any person or organization for care, loss of services, or death resulting at any time from the "bodily injury", will be deemed to have been made at the time the first of those claims is made against any insured.

All claims for damages because of "property damage" causing loss to the same person or organization will be deemed to have been made at the time the first of those claims is made against any insured.

#### 2. Exclusions

This insurance does not apply to:

##### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

## **b. Contractual Liability**

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

## **c. Liquor Liability**

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

## **d. Workers' Compensation And Similar Laws**

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

## **e. Employer's Liability**

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

## **f. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.



**g. Damage To Property**

"Property damage" to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you; or
- (4) Personal property in the care, custody or control of the insured.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3) and (4) of this exclusion do not apply to liability assumed under a sidetrack agreement.

**h. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**i. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**j. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**k. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**l. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**SUPPLEMENTARY PAYMENTS**

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
  - a. All expenses we incur.
  - b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
  - c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
  - d. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.

- e. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- f. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

- 2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
  - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
  - b. This insurance applies to such liability assumed by the insured;
  - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
  - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
  - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
  - f. The indemnitee:
    - (1) Agrees in writing to:
      - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
      - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
      - (c) Notify any other insurer whose coverage is available to the indemnitee; and
      - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

- (2) Provides us with written authorization to:

- (a) Obtain records and other information related to the "suit"; and
- (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverages – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements; or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

## SECTION II – WHO IS AN INSURED

- 1. If you are designated in the Declarations as:
  - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

2. Each of the following is also an insured:

- a. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" is an insured for:

(1) "Bodily injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph (a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

- (a) Owned, occupied or used by;
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;  
you, any of your "employees", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- b. Any person (other than your "employee") or any organization while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only:
  - (1) With respect to liability arising out of the maintenance or use of that property; and
  - (2) Until your legal representative has been appointed.
- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and
- b. Coverage does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### SECTION III – LIMITS OF INSURANCE

- 1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
- 2. The Aggregate Limit is the most we will pay for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
- 3. Subject to Paragraph 2. above, the Each Occurrence Limit is the most we will pay for damages because of all "bodily injury" and "property damage" arising out of any one "occurrence".

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

### SECTION IV – PRODUCTS/COMPLETED OPERATIONS LIABILITY CONDITIONS

#### 1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

## **2. Duties In The Event Of Occurrence, Claim Or Suit**

- a. You must see to it that we are notified as soon as practicable of an "occurrence" which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence".

Notice of an "occurrence" is not notice of a claim.

- b. If a claim is received by any insured, you must:

- (1) Immediately record the specifics of the claim and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

## **3. Legal Action Against Us**

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

## **4. Other Insurance**

If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are limited as follows:

### **a. Primary Insurance**

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

### **b. Excess Insurance**

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Declarations of this insurance and applies to "bodily injury" or "property damage" included within the "products-completed operations hazard" on other than a claims-made basis, if:

- (1) No Retroactive Date is shown in the Declarations of this insurance; or
- (2) The other insurance has a policy period which continues after the Retroactive Date shown in the Declarations of this insurance.

When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

- (b) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

**c. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

**5. Premium Audit**

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

**6. Representations**

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

**7. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

**8. Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

**9. When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

**10. Your Right To Claim And Occurrence Information**

We will provide the first Named Insured shown in the Declarations the following information relating to this and any preceding products/completed operations liability claims-made Coverage Part we have issued to you during the previous three years:

- a. A list or other record of each "occurrence", not previously reported to any other insurer, of which we were notified in accordance with Paragraph 2.a. of the Section IV – Duties In The Event Of Occurrence, Claim Or Suit Condition. We will include the date and brief description of the "occurrence" if that information was in the notice we received.
- b. A summary by policy year, of payments made and amounts reserved, stated separately, under the Aggregate Limit.

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

You must not disclose this information to any claimant or any claimant's representative without our consent.

If we cancel or elect not to renew this Coverage Part, we will provide such information no later than 30 days before the date of policy termination. In other circumstances, we will provide this information only if we receive a written request from the first Named Insured within 60 days after the end of the policy period. In this case, we will provide this information within 45 days of receipt of the request.

We compile claim and "occurrence" information for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named Insured, we make no representations or warranties to insureds, insurers, or others to whom this information is furnished by or on behalf of any insured. Cancellation or nonrenewal will be effective even if we inadvertently provide inaccurate information.

## **SECTION V – EXTENDED REPORTING PERIODS**

1. We will provide one or more Extended Reporting Periods, as described below, if:
  - a. This Coverage Part is cancelled or not renewed; or
  - b. We renew or replace this Coverage Part with insurance that:
    - (1) Has a Retroactive Date later than the date shown in the Declarations of this Coverage Part; or
    - (2) Does not apply to "bodily injury" or "property damage" on a claims-made basis.
2. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to claims for "bodily injury" or "property damage" that occurs before the end of the policy period but not before the Retroactive Date, if any, shown in the Declarations.

Once in effect, Extended Reporting Periods may not be cancelled.
3. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for:
  - a. Five years with respect to claims because of "bodily injury" and "property damage" arising out of an "occurrence" reported to us, not later than 60 days after the end of the policy period, in accordance with Paragraph 2.a. of the Section IV – Duties In The Event Of Occurrence, Claim Or Suit Condition; and
  - b. Sixty days with respect to claims arising from "occurrences" not previously reported to us.

The Basic Extended Reporting Period does not apply to claims that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such claims.

4. The Basic Extended Reporting Period does not reinstate or increase the Limits of Insurance.
5. A Supplemental Extended Reporting Period of unlimited duration is available, but only by an endorsement and for an extra charge. This supplemental period starts when the Basic Extended Reporting Period, set forth in Paragraph 3. above, ends.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- a. The exposures insured;
- b. Previous types and amounts of insurance;
- c. Limits of Insurance available under this Coverage Part for future payment of damages; and
- d. Other related factors.

The additional premium will not exceed 200% of the annual premium for this Coverage Part.

This endorsement shall set forth the terms, not inconsistent with this section, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the insurance afforded for claims first received during such period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period starts.

6. If the Supplemental Extended Reporting Period is in effect, we will provide a supplemental aggregate limit of insurance described below, but only for claims first received and recorded during the Supplemental Extended Reporting Period.

The supplemental aggregate limit of insurance will be equal to the dollar amount shown in the Declarations in effect at the end of the policy period for the Aggregate Limit.

Paragraph 2. of Section III – Limits Of Insurance will be amended accordingly. The Each Occurrence Limit shown in the Declarations will then continue to apply, as set forth in Paragraph 3. of that section.

## SECTION VI – DEFINITIONS

1. "Auto" means:

- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

2. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

3. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
- c. All other parts of the world if the injury or damage arises out of goods or products made or sold by you in the territory described in Paragraph a. above;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.

4. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

5. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.

6. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

7. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in Paragraph (2) above and supervisory, inspection, architectural or engineering activities.

8. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

9. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

10. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

- (1) Power cranes, shovels, loaders, diggers or drills; or
- (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
- (2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in Paragraph a., b., c. or d. maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) Equipment designed primarily for:

- (a) Snow removal;
- (b) Road maintenance, but not construction or resurfacing; or
- (c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

11. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

12. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

- (a) When all of the work called for in your contract has been completed.
- (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.



- (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products/completed operations are included.

**13. "Property damage" means:**

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from, computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**14. "Suit" means a civil proceeding in which damages because of "bodily injury" or "property damage" to which this insurance applies are alleged. "Suit" includes:**

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

**15. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.**

**16. "Your product":**

- a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - (a) You;
  - (b) Others trading under your name; or
  - (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

- b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
  - (2) The providing of or failure to provide warnings or instructions.
- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

**17. "Your work":**

- a. Means:

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

- b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## PROFESSIONAL LIABILITY SUBLIMIT

This endorsement modifies insurance provided under the following:

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM

### SCHEDULE

**Professional Liability Annual Aggregate Limit \$ 50,000**

**A. The following is added to Paragraph 1. of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

"Bodily injury" or "property damage" arising out of the rendering of or failure to render professional health care services shall be deemed to be caused by an "occurrence".

**B. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to "bodily injury" or "property damage":

- a. Caused by the willful violation of a penal statute or ordinance relating to the sale of "Medical Marijuana" by or with the knowledge or consent of any insured.
- b. Arising out of any insured's consulting, diagnostic, referral, or similar service, including performing blood tests, prescribing or administering of any drugs and managing drug therapy, whether or not service is required or permitted under any applicable statutes.
- c. Arising out of any goods or products prescribed by any insured as permitted by any applicable statute.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved that which is described in Paragraph a., b. or c.

**C. Paragraph 2.a.(1)(d) under Section II – Who Is An Insured is replaced by the following:**

- (d) Arising out of his or her providing of or failure to provide professional health care services. However, this exclusion does not apply to professional health care services performed in his or her capacity as a dispenser of "Medical Marijuana" and not excluded in Paragraph B. of this endorsement.

**D. For the purpose of determining the limits of insurance for the coverage provided by this endorsement, any act or omission together with all related acts or omissions in the furnishing of these services to any one person will be considered one "occurrence".**

**E. The following are added to Section III - Limits Of Insurance:**

**4. Subject to Paragraph 2. of Section III - Limits Of Insurance, the Professional Liability Annual Aggregate Limit shown in the Schedule of this endorsement is the most we will pay for all "bodily injury" or "property damage" arising out of the rendering of or failure to render professional health care services.**

**5. Subject to 4. above, the Each Occurrence Limit as noted in Paragraph 2. continues to apply to "bodily injury" or "property damage" arising out of the rendering of or failure to render professional health care services but only if, and to the extent that, limits are available under the Professional Liability Annual Aggregate Limit.**

**F. The following is added to SECTION VI – DEFINITIONS:**

"Medical Marijuana" means cannabis or marijuana, including constituents of cannabis, THC and other cannabinoids, as a physician- recommended form of medicine or herbal therapy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **AMENDMENT – DEFENSE WITHIN LIMITS**

This endorsement modifies insurance provided under the following:

### **PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

- A. Paragraph 1. of SECTION I – COVERAGES PRODUCTS/COMPLETED OPERATIONS BODILY INJURY AND PROPERTY DAMAGE** is replaced by the following:

#### **1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" included within the "products-completed operations hazard" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:
- (1) The amount we will pay for damages and "claim expenses" is limited as described in Section III – Limits Of Insurance; and
  - (2) Our right and duty to defend end when we have used up the applicable Limits of Insurance in the payment of judgments or settlements including "claim expenses". "Claim expenses" are payable within, and not in addition to, the Limits of Insurance. When the applicable limit has been exhausted, the Named Insured shall, upon notice from us, promptly take over control of the defense.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- B. SUPPLEMENTARY PAYMENTS of SECTION I – COVERAGES** is replaced by the following:

#### **SUPPLEMENTARY PAYMENTS**

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
- a. All expenses we incur, excluding "claim expenses".
  - b. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
  - c. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
  - d. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.
  - e. All "claim expenses".
  - f. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
  - g. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.

Payments noted in **a.**, **b.**, **c.**, and **d.** above will not reduce the limits of insurance.

Payments noted in **e.**, **f.**, and **g.** above will reduce limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
  - b. This insurance applies to such liability assumed by the insured;
  - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
  - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
  - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
  - f. The indemnitee:
    - (1) Agrees in writing to:
      - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
      - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
      - (c) Notify any other insurer whose coverage is available to the indemnitee; and
      - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
    - (2) Provides us with written authorization to:
      - (a) Obtain records and other information related to the "suit"; and
      - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverages – Bodily Injury And Property Damage Liability, such payments will be deemed to be "claim expenses" and will not be deemed to be damages for "bodily injury" and "property damage".

These payments will reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements, including "claim expenses"; or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

**C. Section III – Limits Of Insurance** is replaced by the following:

**Section III – Limits Of Insurance**

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
2. The Aggregate Limit is the most we will pay for damages, including "claim expenses", because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
3. Subject to Paragraph 2. above, the Each Occurrence Limit is the most we will pay for damages, including "claim expenses", because of all "bodily injury" and "property damage" arising out of any one "occurrence".

The Limits of Insurance of this Policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the "policy period" shown in the Declarations, unless the "policy period" is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

**D. The following paragraph is added to **Section VI – Definitions**:**

"Claim expenses" means payments allocated to a specific claim we investigate, settle or defend, for its investigation, settlement or defense, including:

1. Fees and salaries of attorneys and paralegals we retain.
2. All other litigation or administrative hearing expenses, including fees or expenses incurred in connection with an appeal or expert witnesses hired either by us or by the defense attorney retained by an "insured".
3. Costs taxed against the insured in the "suit".
4. Costs of subpoenas.

"Claim expenses" does not include salaries and expenses of our "employees".

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **LIMITED PRODUCT WITHDRAWAL EXPENSE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**THIS ENDORSEMENT ONLY PROVIDES REIMBURSEMENT TO YOU FOR EXPENSES INCURRED BECAUSE OF A COVERED "PRODUCT WITHDRAWAL". THIS ENDORSEMENT DOES NOT PROVIDE ANY LIABILITY COVERAGE OR COVERAGE FOR THE COST OR EXPENSE OF DEFENDING ANY CLAIM OR SUIT.**

**A. The following is added to Section I – Coverages:**

**Section I – Limited Product Withdrawal Expense Coverage**

**1. Insuring Agreement**

- a. We will reimburse you for "product withdrawal expenses" incurred by you because of a "product withdrawal" to which this insurance applies.  
The amount of such reimbursement is limited as described in Section III – Limits Of Insurance. No other obligation or liability to pay sums or perform acts or services is covered.
- b. This insurance applies to a "product withdrawal" only if the "product withdrawal" is initiated in the "coverage territory" during the policy period because:
  - (1) You determine that the "product withdrawal" is necessary; or
  - (2) An authorized government entity has ordered you to conduct a "product withdrawal".
- c. We will reimburse "product withdrawal expenses" only if:
  - (1) The expenses are incurred within one year of the date the "product withdrawal" was initiated;
  - (2) The expenses are reported to us within one year of the date the expenses were incurred; and
  - (3) The product that is the subject of the "product withdrawal" was produced after the Cut-off Date designated in the Declarations.
- d. The initiation of a "product withdrawal" will be deemed to have been made only at the

earliest of the following times:

- (1) When you first announced, in any manner, to the general public, your vendors or to your employees (other than those employees directly involved in making the determination) your decision to conduct or participate in a "product withdrawal". This applies regardless of whether the determination to conduct a "product withdrawal" is made by you or is requested by a third party; or
  - (2) When you first received, either orally or in writing, notification of an order from an authorized government entity to conduct a "product withdrawal".
- e. "Product withdrawal expenses" incurred to withdraw "your products" which contain the same or substantially similar "defects" will be deemed to have arisen out of the same "product withdrawal".

**2. Exclusions**

This insurance does not apply to "product withdrawal expenses" arising out of:

**a. Breach Of Warranty And Failure To Conform To Intended Purpose**

Any "product withdrawal" initiated due to the failure of "your product" to accomplish its intended purpose, including any breach of warranty of fitness, whether written or implied. This exclusion does not apply if such failure has caused or is reasonably expected to cause "bodily injury" or physical damage to tangible property other than "your product".

**b. Infringement Of Copyright, Patent, Trade Secret, Trade Dress Or Trademark**

Any "product withdrawal" initiated due to copyright, patent, trade secret, trade dress or trademark infringements.

**c. Deterioration, Decomposition Or Chemical Transformation**

Any "product withdrawal" initiated due to transformation of a chemical nature, deterioration or decomposition of "your product". This exclusion does not apply if it is caused by:

- (1) An error in manufacturing, design, or processing;
- (2) Transportation of "your product"; or
- (3) "Product tampering".

**d. Goodwill, Market Share, Revenue, Profit Or Redesign**

The costs of regaining goodwill, market share, revenue or "profit" or the costs of redesigning "your product".

**e. Expiration Of Shelf Life**

Any "product withdrawal" initiated due to expiration of the designated shelf life of "your product".

**f. Known Defect**

A "product withdrawal", initiated because of a "defect" in "your product" known to exist by the Named Insured or the Named Insured's "executive officers", prior to the date when this Coverage Part was first issued to you or prior to the time "your product" leaves your control or possession.

**g. Otherwise Excluded Products**

A recall of any specific products for which "bodily injury" or "property damage" is excluded under Coverage A – Bodily Injury And Property Damage Liability by endorsement.

**h. Governmental Ban**

A recall when "your product" or a component contained within "your product" has been:

- (1) Banned from the market by an authorized government entity prior to the policy period; or
- (2) Distributed or sold by you subsequent to any governmental ban.

**i. Defense Of Claim**

The defense of a claim or "suit" against you for liability arising out of a "product withdrawal".

**j. Third-party Damages, Fines And Penalties**

Any compensatory damages, fines,

penalties, punitive or exemplary or other noncompensatory damages imposed upon the insured.

**k. Pollution-related Expenses**

Any loss, cost or expense due to any:

- (1) Request, demand, order, statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**B. For the purposes of this endorsement, Section III – Limits Of Insurance is replaced by the following:**

**Section III – Limits Of Insurance**

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. "Product withdrawals" initiated; or
- c. Number of "your products" withdrawn.

2. The Aggregate Limit is the most we will reimburse you for the sum of all "product withdrawal expenses" incurred for all "product withdrawals" initiated during the policy period.

**3. Deductible And Participation Percentage Provisions**

**a. Deductible**

We will only pay for the amount of "product withdrawal expenses" which are in excess of the deductible amount, if any, shown in the Declarations. The deductible applies separately to each "product withdrawal". The limits of insurance will not be reduced by the amount of this deductible.

We may, or will if required by law, pay all or any part of any deductible amount, if applicable. Upon notice of our payment of a deductible amount, you shall promptly reimburse us for the part of the deductible amount we paid.

**b. Participation Percentage**

If a Participation Percentage is indicated in the Declarations, the following provision applies:

You agree to participate in the payment of "product withdrawal expenses" which are in excess of the Deductible, to the extent of the Participation Percentage indicated in the Declarations. The Participation Percentage will apply separately to each "product withdrawal".

You also agree that the cost of your participation in each "product withdrawal" will be borne entirely by you when due and you will not obtain insurance to cover it.

The Limits of Insurance of Product Withdrawal Expense Coverage apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

**C. For the purposes of this endorsement, the Duties In The Event Of Occurrence, Claim Or Suit Condition under Section IV – Conditions is replaced by the following:**

**2. Duties In The Event Of A "Defect" Or A "Product Withdrawal"**

- a. You must see to it that we are notified as soon as practicable of any actual, suspected or threatened "defect" in "your product", or any governmental investigation, that may result in a "product withdrawal". To the extent possible, notice should include:
  - (1) How, when and where the "defect" was discovered;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature, location and circumstances of any injury or damage arising out of use or consumption of "your product".
- b. If a "product withdrawal" is initiated, you must:
  - (1) Immediately record the specifics of the "product withdrawal" and the date it was initiated; and
  - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the "product withdrawal" as soon as practicable.
- c. You must promptly take all reasonable steps to mitigate the expenses associated with a "product withdrawal". Any "profit" that you receive from mitigating the expenses will be deducted from the amount of reimbursement that you will receive for "product withdrawal expenses".

d. You and any other involved insured must:

- (1) Immediately send us copies of pertinent correspondence received in connection with the "product withdrawal";
- (2) Authorize us to obtain records and other information; and
- (3) Cooperate with us in our investigation of the "product withdrawal".

**D. For the purposes of this endorsement, the following condition is added to Section IV – Conditions:**

**Concealment Or Fraud**

We will not provide coverage under Section I of this endorsement to you, or any other insured, who at any time:

1. Engaged in fraudulent conduct; or
2. Intentionally concealed or misrepresented a material fact concerning a "product withdrawal" or "product withdrawal expenses" incurred by you under Section I of this endorsement.

**E. The following definitions are added to the Definitions section:**

1. "Defect" means a defect, deficiency or inadequacy that creates a dangerous condition.
2. "Product tampering" is an act of intentional alteration of "your product" which has caused or is reasonably expected to cause "bodily injury" or physical injury to tangible property other than "your product".

When "product tampering" is known, suspected or threatened, a "product withdrawal" will be limited to those batches of "your product" which are known or suspected to have been tampered with.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD- ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

3. "Product withdrawal" means the recall or withdrawal:
  - a. From the market; or
  - b. From use by any other person or organization;of "your products", or products which contain



"your products", because of known or suspected "defects" in "your product", or known or suspected "product tampering", which has caused or is reasonably expected to cause "bodily injury" or physical injury to tangible property other than "your product".

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

4. "Product withdrawal expenses" means those reasonable and necessary extra expenses, listed below, paid and directly related to a "product withdrawal":
  - a. Costs of notification;
  - b. Costs of stationery, envelopes, production of announcements and postage or facsimiles;
  - c. Costs of overtime paid to your regular nonsalaried employees and costs incurred by your employees, including costs of transportation and accommodations;
  - d. Costs of computer time;
  - e. Costs of hiring independent contractors and other temporary employees;
  - f. Costs of transportation, shipping or packaging;
  - g. Costs of warehouse or storage space; or
  - h. Costs of proper disposal of "your products", or products that contain "your products", that cannot be reused, not exceeding your purchase price or your cost to produce the products.
5. "Profit" means the positive gain from business operation after subtracting for all expenses.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **LIMITED PESTICIDE COVERAGE**

This endorsement modifies insurance provided under the following:

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**A.** The following exclusion is added to Paragraph **2. Exclusions** of **Section I - Coverages – Products/Completed Operations Bodily Injury And Property Damage Liability**:

**2. Exclusions**

This insurance does not apply to:

**a. Pesticides**

"Bodily injury" or "property damage" arising out of the use of a pesticide. This exclusion does not apply to an "Approved Pesticide".

**B.** The following definition is added to the **Definitions** Section:

"Approved Pesticide" means a pesticide that is approved for use by a governmental authority in the cultivation of marijuana in the state or territory where such cultivation takes place.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – SPECIFIED PRODUCTS OR SUBSTANCES**

This endorsement modifies insurance provided under the following:

### **PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM**

This insurance does not apply to any claim or "suit" arising out of the products or substances listed below, whether ingested or not, regardless of the amount or concentration of the product or substance as a separate ingredient or any derivative or extract thereof:

1. Accutane
2. DES (diethylstilbestrol, dienestrol or stilbene derivative)
3. Ephedra
4. Fenfluramine, Phentermine or Dexfenfluramine
5. Isotretinoin
6. Latex
7. Oxycodone
8. Phenylpropanolamine (PPA)
9. Silicone
10. Steroids or anabolic hormones
11. Swine Flu vaccine including any and all strain or strains
12. Thalidomide
13. Dimethylamylamine, DMAA, 1,3-dimethylamylamine, methylhexanamine, 4- methylhexan-2-Amine HCL, geranamine, geranium extract, or geranium oil.
14. Dendrobium, Dendrobe Noble, Dendrobium Extract, Dendrobium nobile, Dendrobium officinale, Extrait de Dendrobium, Jin Chai Shi Hu (D. nobile), Nobile Dendrobium (D. nobile), Orchid Stem, Stem-Orchid, Tie Pi Shi (D. officinale), Vinterdendrobium (D. nobile).
15. 1,3-Dimethylbutylamine, 2-Amino-4-methylpentane Citrate, 4-Amino-2-Methylpentane Citrate, 4-Amino Methylpentane Citrate, Amperall, AMP, AMP Citrate, 4-AMP Citrate, 4- Methyl-2-Pentanamine
16. BMPEA, BmePEA, R-beta-methylphenethylamine, Beta-methylphenethylamine, or Acacia Rigidula extract
17. Picamilon, pikatropin, pikamilon, nicotinyl-gamma-aminobutyric acid, nicotinoyl-GABA, and 4-(Pyridine-3-carbonylamino)butanoic acid.
18. Methylsynephrine, oxilofrine and p-hydroxyephedrine
19. Kratom; mitrgynine; 7-hydroxymitragynine
20. DMHA; 2-amino-6-methylheptane; 2-amino-5-methylheptane; 2-Aminoisoheptane; Octodrine; 6-methylheptan-2-amine; 1,5-Dimethylhexylamine
21. Eria Jarensis; N-phenethyl dimethylamine, N-methyl-PEA; N,N-dimethyl- phenethylamine; N,N-dimethyl-PEA; dimethylphenethylamine; N,N-dimethyl-2- phenylethylamine; N,N-DMPEA
22. diacetyl, acetoin, and 2,3-pentanedione

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – SPECIFIED NUTRACEUTICAL SUBSTANCES**

This endorsement modifies insurance provided under the following:

### **PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM**

This insurance does not apply to any claim or "suit" arising out of the products or substances listed below, whether ingested or not, regardless of the amount or concentration of the product or substance as a separate ingredient or any derivative or extract thereof:

1. Aristolochia spp., Aristolochia, Aristolochia acids, Aristolochia fangchi, Akebia spp., Asarum spp., Bragantia spp., Clematis spp., Coccus spp., Diploclisia spp., Fang Chi, Guang fang ji, Kan- Mokutsu, Menispermum spp., Mokutsu, Mu Tong, Fang ji, Sinomenium spp. and any adulterated botanicals, botanical derivatives or other products that contain aristolochic acid, aristolochic acid derivatives or aristolochic acid extracts
2. Androstenedione and any derivatives and all steroid precursors
3. Aristocholic Acid (Aristolochia)
4. Bitter Orange
5. Chapparral (Larrea divaricata)
6. Colloidal Silver
7. Comfrey (symphyum officinale)
8. DES (diethylstilbestrol, dienestrol or stilbene derivative)
9. Ephedrine alkaloids including ephedra, ephedrine, Ma Huang, Bishops Tea, Chi Powder, Methylephedrine, Norephedrine, Pseudoephedrine, Norpseudoephedrine
10. Gamma Hydroxy Butyrate (GHB), Gamma Butyrate (GBL), Butanediol (BD)
11. Germander (Teucrium chamaedrys)
12. Germanium
13. Glyburide, unlabeled glyburide, Liqiang 4, Liqiang Xiao Ke Ling (Liqiang Thirst Quenching Efficacious)
14. Hormone Replacement of any kind
15. Jin bu huan
16. Kava (Piper methysticum)
17. Lobelia (Lobelia inflata)
18. Organ/glandular extracts
19. Pennyroyal oil (hedeoma pulegoides)
20. Pyrrolizidine alkaloids
21. Sildenafil, Tadalafil and Vardenafil
22. Skullcap (scutellaria lateriflora)
23. Stephania and Magnolia
24. Steroids or anabolic hormones
25. THG (tetrahydrogestinone)
26. Willow Bark
27. Yohimbe (Pausinystalia yohimbe)

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION - NEW ENTITIES**

This endorsement modifies insurance provided under the following:

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

Paragraph **3.** of **Section II - Who Is An Insured** does not apply.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **FUNGI OR BACTERIA EXCLUSION**

This endorsement modifies insurance provided under the following:

### **PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

- A.** The following exclusion is added to Paragraph 2.  
**Exclusions of Section I - Coverages - Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**Fungi Or Bacteria**

- a.** "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

- b.** Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

- B.** The following definition is added to the **Definitions** Section:

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – CARCINOGENS**

This endorsement modifies insurance provided under the following:

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" that is caused by, arises out of, results from, or is in any way related to any actual, alleged or threatened exposure to a "Carcinogen".

A "Carcinogen" is any substance that promotes carcinogenesis, the formation of cancer.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – CROSS SUITS**

This endorsement modifies insurance provided under the following:

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

This insurance does not apply to any claim or “suit” for damages because of "bodily injury", "property damage" or “personal and advertising injury” if such claim or “suit” was brought by any Named Insured against another Named Insured.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED**



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION – ADDITIONAL DAMAGES,  
TAXES, FINES OR PENALTIES**

This endorsement modifies insurance provided under the following:

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

This insurance does not apply to:

1. Taxes, fines or penalties; and
2. Any additional damages including but not limited to punitive, exemplary, enhanced, double or treble damages;

Whether or not awarded or imposed as a penalty or compensation against any insured.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ILLEGAL FERTILIZER EXCLUSION**

This endorsement modifies insurance provided under the following:

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

- A.** The following exclusion is added to Paragraph **2. Exclusions** of **Section I - Coverages – Products/Completed Operations Bodily Injury And Property Damage Liability**:

**2. Exclusions**

This insurance does not apply to:

**a. Fertilizers**

“Bodily injury” or “property damage”:

- (1) Arising out of the use of an “Illegal Fertilizer”.
- (2) Arising out of inappropriate use of fertilizers, including use that is not in adherence to labeling requirements.

- B.** The following definition is added to the **Definitions** Section:

“Illegal Fertilizer” means a fertilizer that is unregistered with a governmental authority including fertilizers that are not approved for use by a governmental authority in the cultivation of marijuana in the state or territory where such cultivation takes place.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **AUDIT PREMIUMS – AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**SECTION IV – PRODUCTS/COMPLETED OPERATIONS LIABILITY CONDITIONS** is amended as follows:

Paragraph **5.b. Premium Audit** is replaced by the following:

Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send a notice to the first named insured. The due date for the audit and retrospective premiums is the date shown as the due date on the bill.

The following is added **5. Premium Audit**:

- d. The advance premium shown on the PRODUCTS/COMPLETED OPERATIONS LIABILITY DECLARATIONS shall be the minimum premium for the policy period and is non-refundable.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## DEDUCTIBLE LIABILITY INSURANCE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

| Coverage   | SCHEDULE | Amount and Basis of Deductible |                   |
|--|----------|--------------------------------|-------------------|
|  |          | PER CLAIM                      | or PER OCCURRENCE |
| Bodily Injury Liability  |          | \$                             | \$                |
| OR   |          |                                |                   |
| Property Damage Liability  |          | \$                             | \$                |
| OR   |          |                                |                   |
| Bodily Injury Liability and/or<br>Property Damage Liability Combined |          | \$ 2,500                       | \$                |

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

**APPLICATION OF ENDORSEMENT** (Enter below any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to damages for all "bodily injury" and "property damage", however caused):

- A.** Our obligation under the Bodily Injury Liability and Property Damage Liability Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the Schedule above as applicable to such coverages.
- B.** You may select a deductible amount on either a per claim or a per "occurrence" basis. Your selected deductible applies to the coverage option and to the basis of the deductible indicated by the placement of the deductible amount in the Schedule above. The deductible amount stated in the Schedule above applies as follows:
- 1. PER CLAIM BASIS.** If the deductible amount indicated in the Schedule above is on a per claim basis, that deductible applies as follows:
    - a.** Under Bodily Injury Liability Coverage, to all damages sustained by any one person because of "bodily injury";
    - b.** Under Property Damage Liability Coverage, to all damages sustained by any one person because of "property damage"; or
    - c.** Under Bodily Injury Liability and/or Property Damage Liability Coverage Combined, to all damages sustained by any one person because of:
      - (1)** "Bodily injury";
      - (2)** "Property damage"; or
      - (3)** "Bodily injury" and "property damage" combined

as the result of any one "occurrence".

If damages are claimed for care, loss of services or death resulting at any time from "bodily injury", a separate deductible amount will be applied to each person making a claim for such damages.

With respect to "property damage", person includes an organization.

**2. PER OCCURRENCE BASIS.** If the deductible amount indicated in the Schedule above is on a "per occurrence" basis, that deductible amount applies as follows:

- a. Under Bodily Injury Liability Coverage, to all damages because of "bodily injury";
- b. Under Property Damage Liability Coverage, to all damages because of "property damage"; or
- c. Under Bodily Injury Liability and/or Property Damage Liability Coverage Combined, to all damages because of:
  - (1) "Bodily injury";
  - (2) "Property damage"; or
  - (3) "Bodily injury" and "property damage" combined

as the result of any one "occurrence", regardless of the number of persons or organizations who sustain damages because of that "occurrence".

**C.** The terms of this insurance, including those with respect to:

- 1. Our right and duty to defend the insured against any "suits" seeking those damages; and
- 2. Your duties in the event of an "occurrence", claim, or "suit"

apply irrespective of the application of the deductible amount.

**D.** We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **TOTAL POLLUTION EXCLUSION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### **PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

The following exclusion is added to Paragraph 2., **Exclusions** of Section I – **Coverages – Bodily Injury And Property Damage Liability**

#### **2. Exclusions**

This insurance does not apply to:

##### **Pollution**

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.
- (2) Any loss, cost or expense arising out of any:
  - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or

- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

The following definition is added to the Definitions Section:

"Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCESS PROVISION – VENDORS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

When you are added to a manufacturer's or distributor's policy as an additional insured because you are a vendor for such manufacturer's or distributor's products, Paragraph 4., **Other Insurance of Conditions (Section IV)** is amended by the addition of the following:

The coverage afforded the insured under this Coverage Part will be excess over any valid and collectible insurance available to the insured as an additional insured under a policy issued to a manufacturer or distributor for products manufactured, sold, handled or distributed.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION – ACCESS OR DISCLOSURE OF  
CONFIDENTIAL OR PERSONAL INFORMATION AND  
DATA-RELATED LIABILITY – LIMITED BODILY INJURY  
EXCEPTION NOT INCLUDED**

This endorsement modifies insurance provided under the following:

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

Exclusion 2.I. of **Section I – Coverages – Bodily Injury And Property Damage Liability** is replaced by the following:

**2. Exclusions**

This insurance does not apply to:

**I. Access Or Disclosure Of Confidential Or  
Personal Information And Data-related  
Liability**

Damages arising out of:

- (1)** Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2)** The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph **(1)** or **(2)** above.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SILICA OR SILICA-RELATED DUST EXCLUSION**

This endorsement modifies insurance provided under the following:

### **PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

- A.** The following exclusion is added to Paragraph 2., **Exclusions of Section I – Coverages Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**SILICA OR SILICA-RELATED DUST**

- a.** "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
- b.** "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".

- c.** Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

- B.** The following definitions are added to the **Definitions** Section:

- 1.** "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
- 2.** "Silica-related dust" means a mixture or combination of silica and other dust or particles.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **COMMUNICABLE DISEASE EXCLUSION**

This endorsement modifies insurance provided under the following:

### **PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

- A.** The following exclusion is added to Paragraph 2.  
**Exclusions of Section I – Coverages – Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**Communicable Disease**

"Bodily injury" or "property damage" arising out of the actual or alleged transmission of a communicable disease.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the:

- a.** Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;

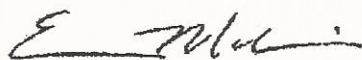
- b.** Testing for a communicable disease;  
**c.** Failure to prevent the spread of the disease; or  
**d.** Failure to report the disease to authorities.

## 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, Eugene McCain, (insert name) certify as an authorized representative of CANNABIS PROMISLAND, SLUC (insert name of applicant) that the applicant has executed a host community agreement with City of Holyoke (insert name of host community) pursuant to G.L.c. 94G § 3(d) on May 9, 2018 (insert date).



Signature of Authorized Representative of Applicant

### Host Community

I, Alex Morse, (insert name) certify that I am the contracting authority or have been duly authorized by the contracting authority for City of Holyoke (insert name of host community) to certify that the applicant and City of Holyoke (insert name of host community) has executed a host community agreement pursuant to G.L.c. 94G § 3(d) on May 10, 2018 (insert date).



Signature of Contracting Authority or  
Authorized Representative of Host Community

## 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, Eugene McCain, (insert name) attest as an authorized representative of CANNA PROVISIONS, 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 May 30, 2018 (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 May 15, 2018 (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 May 9, 2018 (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 May 9, 2018 (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.

Publication Name:

**Republican, The**

Publication URL:

[www.masslive.com/](http://www.masslive.com/)

Publication City and State:

**Springfield, MA**

Publication County:

**Hampden**

---

Notice Popular Keyword Category:

Notice Keywords:

**380r dwight**

Notice Authentication Number:

**201808111324153977508**

**1239071861**

Notice URL:

[Back](#)

Notice Publish Date:

Tuesday, May 15, 2018

**Notice Content**

NOTICE Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for May 30, 2018 at 5:00-6:00p.m. at Gateway City Arts, 92 Race Street, Holyoke, MA. The proposed Marijuana Retailer is anticipated to be located at 380R Dwight Street, Holyoke, MA. There will be an opportunity for the public to ask questions. (May 15)

[Back](#)

FERRITER & FERRITER  
LLC  
ATTORNEYS AT LAW

1669 NORTHAMPTON STREET • HOLYOKE, MA 01040  
TEL 413.535.4200 FAX 413.535.4201

City Depts

May 9, 2018

*Via Hand Delivery*

Alex Morse, Mayor  
City of Holyoke  
536 Dwight Street  
Holyoke, MA 01040

COPY

RE: Notice of Community Outreach Meeting  
Canna Provisions, Inc. – 380R Dwight Street

Dear Mayor Morse:

Please accept this letter, and the attached Notice of Community Outreach Meeting, as notice that Canna Provisions, Inc. is holding a community outreach meeting on Wednesday, May 30<sup>th</sup>, 2018 at 5:00-6:00 p.m. at Gateway City Arts, 92 Race Street, Holyoke, MA relative to a proposed Marijuana Retailer Establishment to be located at 380R Dwight Street in Holyoke.

Should you have any questions or concerns, please do not hesitate to contact me.

Very truly yours,

FERRITER & FERRITER LLC by

John J. Ferriter, Esquire

JJF:DAB:P:\JF\McCain, Gene\Letters to City Officials 5-9-18.docx

Enclosure

Received  
Office of  
May 9-6-2018  
Mayor's

## NOTICE

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for May 30, 2018 at 5:00-6:00 p.m. at Gateway City Arts, 92 Race Street, Holyoke, MA. The proposed Marijuana Retailer is anticipated to be located at 380R Dwight Street, Holyoke, MA. There will be an opportunity for the public to ask questions.



**FERRITER & FERRITER**  
LLC  
ATTORNEYS AT LAW

1669 NORTHAMPTON STREET • HOLYOKE, MA 01040  
TEL 413.535.4200 FAX 413.535.4201

May 9, 2018

*Via Hand Delivery*

Brenna McGee, City Clerk  
City of Holyoke  
536 Dwight Street  
Holyoke, MA 01040

COPY

RE: Notice of Community Outreach Meeting  
Canna Provisions, Inc. – 380R Dwight Street

Dear City Clerk McGee:

Please accept this letter, and the attached Notice of Community Outreach Meeting, as notice that Canna Provisions, Inc. is holding a community outreach meeting on Wednesday, May 30<sup>th</sup>, 2018 at 5:00-6:00 p.m. at Gateway City Arts, 92 Race Street, Holyoke, MA relative to a proposed Marijuana Retailer Establishment to be located at 380R Dwight Street in Holyoke.

Should you have any questions or concerns, please do not hesitate to contact me.

Very truly yours,

FERRITER & FERRITER LLC by

John J. Ferriter, Esquire

JJF:DAB:P:JJFM\McCain, Gene\Letters to City Officials 5-9-18.docx

Enclosure

RECEIVED  
2018 MAY -9 P 3:11  
CITY OF HOLYOKE  
CITY CLERK'S OFFICE

## **NOTICE**

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**FERRITER & FERRITER**  
LLC  
ATTORNEYS AT LAW

1669 NORTHAMPTON STREET • HOLYOKE, MA 01040  
TEL 413.535.4200 FAX 413.535.4201

May 9, 2018

*Via Hand Delivery*

Ryan Allen  
Holyoke City Council  
536 Dwight Street  
Holyoke, MA 01040

COPY

RE: Notice of Community Outreach Meeting  
Canna Provisions, Inc. – 380R Dwight Street

Dear Mr. Allen:

Please accept this letter, and the attached Notice of Community Outreach Meeting, as notice that Canna Provisions, Inc. is holding a community outreach meeting on Wednesday, May 30<sup>th</sup>, 2018 at 5:00-6:00 p.m. at Gateway City Arts, 92 Race Street, Holyoke, MA relative to a proposed Marijuana Retailer Establishment to be located at 380R Dwight Street in Holyoke.

Should you have any questions or concerns, please do not hesitate to contact me.

Very truly yours,

FERRITER & FERRITER LLC by

John J. Ferriter, Esquire

JJF:DAB:P:\JF\M\McCain, Gene\Letters to City Officials 5-9-18.docx

Enclosure

RECEIVED  
2018 MAY -9 P 3:12  
CITY OF HOLYOKE  
CITY CLERK'S OFFICE

Received  
5/9/18  
BR

## **NOTICE**

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**FERRITER & FERRITER**  
LLC  
ATTORNEYS AT LAW

1669 NORTHAMPTON STREET • HOLYOKE, MA 01040  
TEL 413.535.4200 FAX 413.535.4201

May 9, 2018

*Via Hand Delivery*

Marcos A. Marrero, Director  
Office of Planning & Economic Development  
20 Korean Veterans Plaza, Room 406  
Holyoke, MA 01040

COPY

RE: Notice of Community Outreach Meeting  
Canna Provisions, Inc. – 380R Dwight Street

Dear Mr. Marrero:

Please accept this letter, and the attached Notice of Community Outreach Meeting, as notice that Canna Provisions, Inc. is holding a community outreach meeting on Wednesday, May 30<sup>th</sup>, 2018 at 5:00-6:00 p.m. at Gateway City Arts, 92 Race Street, Holyoke, MA relative to a proposed Marijuana Retailer Establishment to be located at 380R Dwight Street in Holyoke.

Should you have any questions or concerns, please do not hesitate to contact me.

Very truly yours,

FERRITER & FERRITER LLC by

John J. Ferriter, Esquire

JJF:DAB:P\JJFM\McCain, Gene\Letters to City Officials 5-9-18.docx

Enclosure

RECEIVED

MAY 09 2018

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**FERRITER & FERRITER**  
LLC  
ATTORNEYS AT LAW

1669 NORTHAMPTON STREET • HOLYOKE, MA 01040  
TEL 413.535.4200 FAX 413.535.4201

May 9, 2018

*Via Hand Delivery*

Marcos A. Marrero, Director  
Holyoke Zoning Board of Appeals  
20 Korean Veterans Plaza, Room 406  
Holyoke, MA 01040

COPY

RE: Notice of Community Outreach Meeting  
Canna Provisions, Inc. – 380R Dwight Street

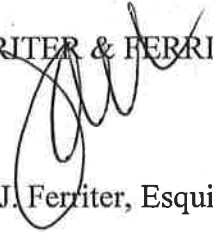
Dear Mr.  Marrero:

Please accept this letter, and the attached Notice of Community Outreach Meeting, as notice that Canna Provisions, Inc. is holding a community outreach meeting on Wednesday, May 30<sup>th</sup>, 2018 at 5:00-6:00 p.m. at Gateway City Arts, 92 Race Street, Holyoke, MA relative to a proposed Marijuana Retailer Establishment to be located at 380R Dwight Street in Holyoke.

Should you have any questions or concerns, please do not hesitate to contact me.

Very truly yours,

FERRITER & FERRITER LLC by

  
John J. Ferriter, Esquire

JJF:DAB:P:\JFMMcCain, Gene\Letters to City Officials 5-9-18.docx

Enclosure

RECEIVED

MAY 09 2018

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ATTACHMENT C  
5.10.18  
COPY  
11892

FERRITER & FERRITER  
LLC  
ATTORNEYS AT LAW  
1669 NORTHAMPTON STREET • HOLYOKE, MA 01040  
TEL 413.535.4200 FAX 413.535.4201

May 9, 2018

Abutters

[REDACTED]  
[REDACTED]  
Holyoke, MA 01040

RE: Notice of Community Outreach Meeting  
Canna Provisions, Inc. – 380R Dwight Street

Dear Sir/Madam:

Please accept this letter, and the attached Notice of Community Outreach Meeting, as notice that Canna Provisions, Inc. is holding a community outreach meeting on Wednesday, May 30<sup>th</sup>, 2018 at 5:00-6:00 p.m. at Gateway City Arts, 92 Race Street, Holyoke, MA relative to a proposed Marijuana Retailer Establishment to be located at 380R Dwight Street in Holyoke.

Should you have any questions or concerns, please do not hesitate to contact me.

Very truly yours,

FERRITER & FERRITER LLC by

*John J. Ferriter*

John J. Ferriter, Esquire

JJF:DAB:P:\JFM\McCain, Gene\Letters to Abutters 5-9-18.docx  
Enclosure

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

The purpose of this plan is to outline how Canna Provisions, Inc. will remain in compliance with local codes, ordinances, and bylaws for the physical address of our Marijuana Establishment at 380R Dwight Street in Holyoke, which shall include, but not be limited to, the identification of any local licensing requirements for the adult use of marijuana

### **Background**

The City of Holyoke has an approved zoning ordinance regulating the time place and manner of Marijuana Establishments. This ordinance, Section 7-10 (Attached) allows Recreational marijuana retail establishment ("RMRE") a Cannabis Retailers in the ("IG") General Industrial zoning district. 380R Dwight Street is located in the IG district and is compliant with all physical siting requirements outlined in the Ordinance. A Special Permit from the Holyoke City Council is also required. Canna Provisions has applied for and is awaiting receipt of our Special Permit from the City Council.

Canna Provisions, Inc. and its attorneys and consultants have reviewed this ordinance in its entirety and have developed plans and strategies on compliance with all of the requirements and special permit conditions.

### **Ongoing Compliance**

Canna Provisions is committed to remaining in compliance with all with local codes, ordinances, and bylaws. Our local attorney and compliance consultant will make periodic assessments of our operation for compliance with all applicable local, state and federal laws and regulations, including zoning and special permit compliance.

Our Team is in regular contact with and will remain in contact with the Holyoke Mayor and other applicable municipal officials to ensure that there is an open line of communications. We will remain up to date with all zoning ordinance changes and requirements to ensure that Canna Provisions, Inc. remains in compliance.



**The Commonwealth of Massachusetts**  
**William Francis Galvin**

Minimum Fee: \$250.00

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

## Articles of Organization

(General Laws, Chapter 156D, Section 2.02; 950 CMR 113.16)

**Identification Number:** 001325268

### ARTICLE I

The exact name of the corporation is:

CANNA PROVISIONS, INC

### ARTICLE II

Unless the articles of organization otherwise provide, all corporations formed pursuant to G.L. C156D have the purpose of engaging in any lawful business. Please specify if you want a more limited purpose:

### ARTICLE III

State the total number of shares and par value, if any, of each class of stock that the corporation is authorized to issue. All corporations must authorize stock. If only one class or series is authorized, it is not necessary to specify any particular designation.

| Class of Stock | Par Value Per Share<br>Enter 0 if no Par | Total Authorized by Articles<br>of Organization or Amendments |                        | Total Issued<br>and Outstanding<br><i>Num of Shares</i> |
|----------------|--|---|------------------------|---|
|                |  | <i>Num of Shares</i>  | <i>Total Par Value</i> |   |
| CWP            | \$0.00100                                | 200,000   | \$200.00               | 200,000   |

G.L. C156D eliminates the concept of par value, however a corporation may specify par value in Article III. See G.L. C156D Section 6.21 and the comments thereto.

### ARTICLE IV

If more than one class of stock is authorized, state a distinguishing designation for each class. Prior to the issuance of any shares of a class, if shares of another class are outstanding, the Business Entity must provide a description of the preferences, voting powers, qualifications, and special or relative rights or privileges of that class and of each other class of which shares are outstanding and of each series then established within any class.

### ARTICLE V

The restrictions, if any, imposed by the Articles of Organization upon the transfer of shares of stock of any class are:

### ARTICLE VI

Other lawful provisions, and if there are no provisions, this article may be left blank.

**Note: The preceding six (6) articles are considered to be permanent and may be changed only by filing appropriate articles of amendment.**

#### ARTICLE VII

The effective date of organization and time the articles were received for filing if the articles are not rejected within the time prescribed by law. If a *later* effective date is desired, specify such date, which may not be later than the *90th day* after the articles are received for filing.

**Later Effective Date: Time:**

#### ARTICLE VIII

The information contained in Article VIII is not a permanent part of the Articles of Organization.

**a.b. The street address of the initial registered office of the corporation in the commonwealth and the name of the initial registered agent at the registered office:**

Name: EUGENE MCCAIN  
No. and Street: 214 ADAMS AVENUE  
City or Town: WEST NEWTON State: MA Zip: 02465 Country: USA

**c. The names and street addresses of the individuals who will serve as the initial directors, president, treasurer and secretary of the corporation (an address need not be specified if the business address of the officer or director is the same as the principal office location):**

| Title     | Individual Name<br>First, Middle, Last, Suffix | Address (no PO Box)<br>Address, City or Town, State, Zip Code |
|-----------|--|---|
| PRESIDENT | EUGENE MCCAIN                                  | 214 ADAMS AVENUE<br>WEST NEWTON, MA 02465 USA                 |
| TREASURER | ARTHUR BECKER                                  | 214 ADAMS AVENUE<br>WEST NEWTON, MA 02465 USA                 |
| SECRETARY | EUGENE MCCAIN                                  | 214 ADAMS AVENUE<br>WEST NEWTON, MA 02465 USA                 |
| DIRECTOR  | EUGENE MCCAIN                                  | 214 ADAMS AVENUE<br>WEST NEWTON, MA 02465 USA                 |
| DIRECTOR  | ARTHUR BECKER                                  | 214 ADAMS AVENUE<br>WEST NEWTON, MA 02465 USA                 |

**d. The fiscal year end (i.e., tax year) of the corporation:**

January

**e. A brief description of the type of business in which the corporation intends to engage:**

RETAIL SUPPLY STORES

**f. The street address (post office boxes are not acceptable) of the principal office of the corporation:**

No. and Street: 214 ADAMS AVENUE  
City or Town: WEST NEWTON State: MA Zip: 02465 Country: USA

**g. Street address where the records of the corporation required to be kept in the Commonwealth are located (post office boxes are not acceptable):**

No. and Street: 214 ADAMS AVENUE

City or Town: WEST NEWTON

State: MA

Zip: 02465

Country: USA

**which is**

☒ its principal office

☐ an office of its transfer agent

☐ an office of its secretary/assistant secretary

☐ its registered office

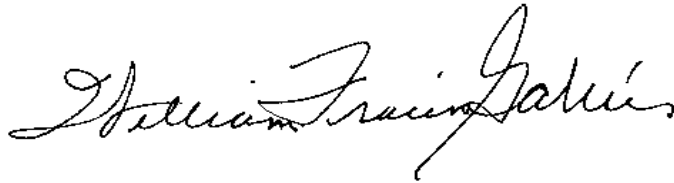
**Signed this 30 Day of April, 2018 at 1:11:24 PM by the incorporator(s).** *(If an existing corporation is acting as incorporator, type in the exact name of the business entity, the state or other jurisdiction where it was incorporated, the name of the person signing on behalf of said business entity and the title he/she holds or other authority by which such action is taken.)*

EUGENE MCCAIN

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:

April 30, 2018 01:11 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*



**The Commonwealth of Massachusetts**  
**William Francis Galvin**

No Fee

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

**Statement of Change of Supplemental Information**

(General Laws, Chapter 156D, Section 2.02 AND Section 8.45; 950 CMR 113.17)

**1. Exact name of the corporation:** CANNA PROVISIONS, INC

**2. Current registered office address:**

Name: EUGENE MCCAIN

No. and Street: 214 ADAMS AVENUE

City or Town: WEST NEWTON State: MA Zip: 02465 Country: USA

**3. The following supplemental information has changed:**

Names and street addresses of the directors, president, treasurer, secretary

| Title     | Individual Name<br>First, Middle, Last, Suffix | Address (no PO Box)<br>Address, City or Town, State, Zip Code |
|-----------|--|---|
| PRESIDENT | EUGENE MCCAIN                                  | 214 ADAMS AVENUE<br>WEST NEWTON, MA 02465 USA                 |
| TREASURER | ERIK WILLIAMS                                  | 12 BOSTON TURNPIKE<br>COVENTRY, CT 06238 USA                  |
| SECRETARY | MEG SANDERS                                    | 12 BOSTON TURNPIKE<br>COVENTRY, CT 06238 USA                  |
| DIRECTOR  | ERIK WILLIAMS                                  | 12 BOSTON TURNPIKE<br>COVENTRY, CT 06238 USA                  |
| DIRECTOR  | EUGENE MCCAIN                                  | 214 ADAMS AVENUE<br>WEST NEWTON, MA 02465 USA                 |

**\_\_\_ Fiscal year end:**

January

**\_\_\_ Type of business in which the corporation intends to engage:**

RETAIL SUPPLY STORES

**\_\_\_ Principal office address:**

No. and Street: 214 ADAMS AVENUE

City or Town: WEST NEWTON State: MA Zip: 02465 Country: USA

**\_\_\_ g. Street address where the records of the corporation required to be kept in the Commonwealth are located (post office boxes are not acceptable):**

No. and Street: 214 ADAMS AVENUE

City or Town: WEST NEWTON State: MA Zip: 02465 Country: USA

**which is**

☒ its principal office

☐ an office of its transfer agent

☐ an office of its secretary/assistant secretary

☐ its registered office

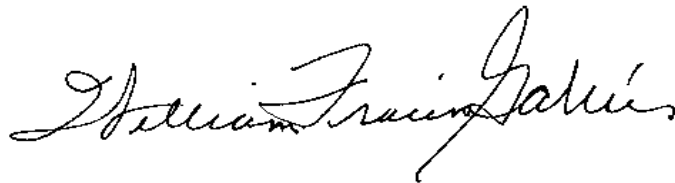
Signed by EUGENE MCCAIN , its PRESIDENT  
on this 9 Day of August, 2018



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:

August 09, 2018 03:08 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*

CORPORATE BYLAWS OF  
CANNA PROVISIONS, INC.  
INCORPORATED IN THE STATE OF MASSACHUSETTS

**ARTICLE I – CORPORATE AUTHORITY**

Section 1. *Incorporation:* Canna Provisions, Inc., (the “Corporation”) is a duly organized corporation authorized to do business in the State of Massachusetts by the filing of Articles of Incorporation on April 30, 2018.

Section 2. *State law:* The Corporation is organized under **Corporations Code Section 200-213 of the State of Massachusetts** (“Statutes”) and except as otherwise provided herein, the Statutes shall apply to the governance of the Corporation

**ARTICLE II - OFFICES**

Section 1. *Registered Office and Registered Agent:* The registered office of the Corporation in the State of Massachusetts, shall be 214 Adams Avenue, West Newton, MA 02465. The registered agent of the Corporation shall be Eugene McCain.

Section 2. *Other Offices:* The Corporation may also have offices at such other places, both within and without the State of Massachusetts, as the Board of Directors may from time to time determine or the business of the Corporation may require.

**ARTICLE III – MEETINGS OF SHAREHOLDERS**

Section 1. *Place of Meetings:* Meetings of shareholders shall be held at the principal office of the Corporation or at such place as may be determined from time to time by the Board of Directors of the Corporation.

Section 2. *Annual Meetings:* Each year, the Corporation shall hold an annual meeting of shareholders on such date and at such time as shall be determined from time to time by the Board of Directors, at which meeting shareholders shall elect a Board of Directors and transact any other business as may properly be brought before the meeting.

Section 3. *Special Meetings*: Special meetings of the shareholders, for any purpose or purposes, may be called at any time by the President of the Corporation, or the Board of Directors, or shareholders holding at least ten percent (10%) of the issued and outstanding voting stock of the Corporation. Business transacted at any special meeting shall be confined to the purpose or purposes set forth in the notice of the special meeting.

Section 4. *Notice of Meetings*: Whenever shareholders are required to be permitted to take any action at a meeting, a written notice of the meeting shall be provided to each shareholder of record entitled to vote at or entitled to notice of the meeting, which shall state the place, date, and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, written notice of any meeting shall be given not less than ten nor more than sixty days before the date of the meeting to each shareholder entitled to vote at such meeting.

Section 5. *Quorum at Meetings*: Shareholders may take action on a matter at a meeting only if a quorum exists with respect to that matter. Except as otherwise provided by law, a majority of the outstanding shares of the Corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. Once a share is represented for an purpose at a meeting (other than solely to object to the holding of the meeting), it is deemed present for quorum purposes for the remainder of the meeting and the shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of sufficient shareholders to leave less than a quorum. The holders of a majority of the outstanding shares represented at a meeting, whether or not a quorum is present, may adjourn the meeting from time to time.

Section 6. *Proxies*: Each shareholder entitled to vote at a meeting of shareholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to vote for him or her by proxy, but no such proxy shall be voted or acted upon after one year from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. Except as otherwise provided herein or by law, every proxy is revocable at the pleasure of the shareholder executing it by communicating such revocation, in writing, to the Secretary of the Corporation.

Section 7. *Voting at Meetings*: If a quorum exists, action on a matter (other than the election of directors) is approved if the votes cast favoring the action exceed the votes cast opposing the action. Directors shall be elected by a plurality of the votes cast by the shares entitled to vote in the election (provided a quorum exists). Unless otherwise provided by law or in the Corporation's Articles of Incorporation, and subject to other provisions of these Bylaws, each shareholder

shall be entitled to one vote on each matter, in person or by proxy, for each share of the Corporation's capital stock that has voting power and that is held by such shareholder. Voting need not be by written ballot.

Section 8. *List of Shareholders:* The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before any meeting of shareholders, a complete list of the shareholders entitled to vote at the meeting, arranged alphabetically, and showing the address of each shareholder and the number of shares held by each shareholder. The list shall be open to the examination of any shareholder for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days before the meeting, either at a place in the city where the meeting is to be held, which place must be specified in the notice of the meeting, or at the place where the meeting is to be held. The list shall also be produced and kept available at the time and place of the meeting, for the entire duration of the meeting, and may be inspected by any shareholder present at the meeting.

Section 9. *Consent in Lieu of Meetings:* Any action required to be taken or which may be taken at any meeting of shareholders, whether annual or special, may be taken without a meeting, without prior notice, and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to take such action at a meeting at which all shareholders entitled to vote were present and voted. The action must be evidenced by one or more written consents, describing the action taken, signed and dated by the shareholders entitled to take action without a meeting, and delivered to the Corporation at its registered office or to the officer having charge of the Corporation's minute book.

No consent shall be effective to take the corporate action referred to in the consent unless the number of consents required to take action are delivered to the Corporation or to the officer having charge of its minute book within sixty days of the delivery of the earliest-dated consent.

Prompt notice of the taking of the corporate action without a meeting by less than unanimous vote shall be given to those shareholders who have not consented in writing.

Section 10. *Conference Call:* One or more shareholders may participate in a meeting of shareholders by means of conference telephone, videoconferencing, or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in this manner shall constitute presence in person at such meeting.

Section 11. *Annual Statement*: The President and the Board of Directors shall present at each annual meeting a full and complete statement of the business and affairs of the corporation for the preceding year.

## **ARTICLE IV – DIRECTORS**

Section 1. *Powers of Directors*: The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors, which may exercise all such powers of the Corporation and do all lawful acts and things, subject to any limitations set forth in these Bylaws or the Articles of Incorporation for the corporation

Section 2. *Number, Qualification and Election*: The number of directors shall be initially set at two and then increased to 5, by vote of the majority of shareholders. The initial Directors are Eugene McCain and Erik Williams. Each director shall be at least 18 years of age. The directors need not be residents of the state of incorporation. The directors shall be elected by the shareholders at the annual meeting of shareholders by the vote of shareholders holding of record in the aggregate at least a plurality of the shares of stock of the Corporation present in person or by proxy and entitled to vote at the annual meeting of shareholders. Each director shall be elected for a term of 3 year(s), and until his or her successor shall be elected and shall qualify or until his or her earlier resignation or removal.

Section 3. *Nomination of Directors*: The Board of Directors shall nominate candidates to stand for election as directors; and other candidates may also be nominated by any shareholder of the Corporation, provided such nomination is submitted in writing to the Corporation's Secretary no later than 30 days prior to the meeting of shareholders at which such directors are to be elected, together with the identity of the nominator and the number of shares of the stock of the Corporation owned by the nominator.

Section 4. *Vacancies*: Except as otherwise provided by law, any vacancy in the Board of Directors occurring by reason of an increase in the authorized number of directors or by reason of the death, withdrawal, removal, disqualification, inability to act, or resignation of a director shall be filled by the majority of directors then in office. The successor shall serve the unexpired portion of the term of his or her predecessor. Any director may resign at any time by giving written notice to the Board or the Secretary.

Section 5. *Meetings*:

- a. Regular Meetings: Regular meetings of the Board of Directors shall be held at least 2 times per year without notice and at such time and place as determined by the Board.

- b. Special Meetings: Special meetings of the Board may be called by the Chairperson or the President on two days' notice to each director, either personally or by telephone, express delivery service, email, or facsimile transmission, and on four days' notice by mail (effective upon deposit of such notice in the mail). The notice need not specify the purpose of a special meeting.

Section 6. *Quorum and Voting at Meetings*: A majority of the total number of authorized directors shall constitute a quorum for transaction of business. The act of a majority of directors present at any meeting at which a quorum is present shall be the act of the Board of Directors, except as provided by law, the Articles of Incorporation, or these Bylaws. Each director present shall have one vote, irrespective of the number of shares of stock, if any, he or she may hold.

Section 7. *Committees of Directors*. The Board of Directors, by resolution, may create one or more committees, each consisting of one or more Directors. Each such committee shall serve at the pleasure of the Board. All provisions under the Statutes and these Bylaws relating to meetings, action without meetings, notice, and waiver of notice, quorum, and voting requirements of the Board of Directors shall apply to such committees and their members.

Section 8. *Consent in Lieu of Meetings*: Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof, may be taken without a meeting of all members of the Board or committee, as the case may be, consent thereto in writing, such writing or writings to be filed with the minutes or proceedings of the Board or committee.

Section 9. *Conference Call*: One or more directors may participate in meetings of the Board or a committee of the Board by any communication, including videoconference, by means of which all participating directors can simultaneously hear each other during the meeting. Participation in this manner shall constitute presence in person at such meeting.

Section 10. *Compensation*: The Board of Directors shall have the authority to fix the compensation of Directors. A fixed sum and expenses of attendance may be allowed for attendance at each regular or special meeting of the Board. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 11. *Removal of Directors*: Any director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors.

## **ARTICLE V -- OFFICERS**

Section 1. *Positions:* The officers of the Corporation shall be a Chairperson, a President, a Secretary, and a Treasurer, and such other officers as the Board may from time to time appoint, including one or more Vice Presidents and such other officers as it deems advisable. Each such officer shall exercise such powers and perform such duties as shall be set forth herein and such other powers and duties as may be specified from time to time by the Board of Directors. The officers of the Corporation shall be elected by the Board of Directors. Each of the Chairperson, President, and/or any Vice Presidents may execute bonds, mortgages, and other documents under the seal of the Corporation, except where required or permitted by law to be otherwise executed and except where execution thereof shall be expressly delegated by the Board to some other officer or agent of the Corporation. Some of these positions may be held by the same person.

Section 2. *Chairperson:* Eugene McCain. The Chairperson shall have overall responsibility and authority for management and operations of the Corporation, shall preside at all meetings of the Board of Directors and shareholders, and shall ensure that all orders and resolutions of the Board of Directors and shareholders are implemented.

Section 3. *President:* Erik Williams. The President shall be the chief operating officer of the Corporation and shall have full responsibility and authority for management of the day-to-day operations of the Corporation. The President shall be an ex-officio member of all committees and shall have the general powers and duties of management and supervision usually vested in the office of president of a corporation.

Section 4. *Secretary:* Meg Sanders. The Secretary shall attend all meetings of the Board and all meetings of the shareholders and shall act as clerk thereof, and record all the votes of the Corporation and the minutes of all its transactions in a book to be kept for that purpose, and shall perform like duties for all committees of the Board of Directors when required. The Secretary shall give, or cause to be given, notice of all meetings of the shareholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, and under whose supervision the Secretary shall be. The Secretary shall maintain the records, minutes, and seal of the Corporation and may attest any instruments signed by any other officer of the Corporation.

Section 5. *Treasurer:* Meg Sanders. The Treasurer shall be the chief financial officer of the Corporation, shall have responsibility for the custody of the corporate funds and securities, shall keep full and accurate records and accounts of receipts and disbursements in books belonging to the Corporation, and shall keep the monies of the Corporation in a separate account in the name of the Corporation. The Treasurer shall provide to the President and directors, at the

regular meetings of the Board, or whenever requested by the Board, an account of all financial transactions and of the financial condition of the Corporation.

Section 6. *Term of Office*: The officers of the Corporation shall hold office until their successors are chosen and have qualified or until their earlier resignation or removal. Any officer or agent elected or appointed by the Board may be removed at any time, with or without cause, by the affirmative vote of a majority of the Board of Directors. Any vacancy occurring in any office as a result of death, resignation, removal, or otherwise, shall be filled for the unexpired portion of the term by a majority vote of the Board of Directors.

Section 7. *Compensation*: The compensation of officers of the Corporation shall be fixed by the Board of Directors.

## **ARTICLE VI – CAPITAL STOCK**

Section 1. *Stock Certificates*: The shares of the Corporation shall be represented by certificates, provided that the Board of Directors may provide by resolution that some or all of any or all classes or series of the stock of the Corporation shall be uncertificated shares. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of stock represented by certificates and, upon request, every holder of uncertificated shares, shall be entitled to have a certificate signed in the name of the Corporation, by the Chairperson, president or any Vice President, and by the Treasurer or Secretary. Any or all of the signatures on the certificate may be by facsimile. The stock certificates of the Corporation shall be numbered and registered in the share ledger and transfer books of the Corporation as they are issued and shall bear the corporate seal.

Section 2. *Lost Certificates*: The Corporation may issue a new certificate of stock in place of any certificate theretofor issued and alleged to have been lost, stolen, or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or his or her legal representative, to make an affidavit of that fact, and the Corporation may require indemnity against any claim that may be made against the Corporation on account of the alleged loss, theft, or destruction of any such certificate or the issuance of such new certificate.

Section 3. *Transfers*: Transfers of shares shall be made on the books of the Corporation upon surrender and cancellation of the certificates therefore, endorsed by the person named in the certificate or by his or her legal representative. No transfer shall be made which is inconsistent with any provision of law, the Articles of Incorporation for the Corporation, or these Bylaws. All transfers require the written consent of the Board of Directors and are subject to rights of first refusal and other terms and conditions of the Canna Provisions, Inc. Shareholders Agreement.



Section 4. *Record Date*: In order that the Corporation may determine the shareholders entitled to notice of or to vote at any meeting of shareholders, or any adjournment thereof, or to take action without a meeting, or to receive payment of any dividend or other distribution, or to exercise any rights in respect of any change, conversion, or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and shall not be less than ten nor more than fifty days before the meeting or action requiring a determination of shareholders.

If no record date is fixed by the Board of Directors:

- a. for determining shareholders entitled to notice of or to vote at a meeting, the record date shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held or other action taken;
- b. For determining shareholders entitled to consent to corporate action without a meeting, the record date shall be the day on which the first written consent is delivered to the Corporation in accordance with these Bylaws; and
- c. For determining shareholders for any other purpose, the record date shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 5. *Shareholder's Agreement*: Each Shareholder is required to sign a Shareholder's Agreement that provides for protections of minority shareholders' interests and provides protocols for transfers, sales, dilution and additional funding.

## **ARTICLE VII -- DIVIDENDS**

Section 1. *Dividends*: The Board of Directors may declare and pay dividends upon the outstanding shares of the Corporation, from time to time and to such extent as the Board deems advisable, in the manner and upon the terms and conditions provided by law and the Articles of Incorporation of the Corporation.

Section 2. *Reserves*: The Board of Directors may set apart, out of the funds of the Corporation available for dividends, said sum as the directors, from time to time, in their absolute discretion, think proper as a reserve fund for any proper purpose. The Board of Directors may abolish any such reserve in the manner it was created.

## **ARTICLE VIII – GENERAL PROVISIONS**

Section 1. *Insurance and Indemnity:* The Corporation may purchase and maintain insurance in a reasonable amount on behalf of any person who is or was a director, officer, agent, or employee of the Corporation against liability asserted against or incurred by such person in such capacity or arising from such person's status as such.

Subject to applicable statute, any person made or threatened to be made a party to any action, suit, or proceeding, by reason of the fact that he or she, his or her testator or intestate representative, is or was a director, officer, agent, or employee of the Corporation, shall be indemnified by the Corporation against the reasonable expenses, including attorney's fees, actually and necessarily incurred by him or her in connection with such an action, suit, or proceeding.

Notwithstanding the foregoing, no indemnification shall be made by the Corporation of judgment or other final determination establishes that the potential indemnitee's acts were committed in bad faith or were the result of active or deliberate fraud or dishonesty or clear and gross negligence.

Section 2. *Corporate Records:* Any shareholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the Corporation's stock ledger, a list of its shareholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to such person's interest as a shareholder. In every instance in which an attorney or other agent shall be the person seeking the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing authorizing the attorney or other agent to so act on behalf of the shareholder.

The demand under oath shall be directed to the Corporation at its registered office or its principal place of business.

Section 3. *Fiscal Year:* The fiscal year of the Corporation shall be the calendar year.

Section 4. *Seal:* The corporate seal shall be in such form as the Board of Directors shall approve. The seal may be used by causing it or a facsimile thereof to be impressed, affixed, or otherwise reproduced.

Section 5. *Execution of Instruments:* All contracts, checks, drafts, or demands for money and notes and other instruments or rights of any nature of the Corporation shall be signed by such officer or officers as the Board of Directors may from time to time designate.

Section 6. *Notice:* Whenever written notice is required to be given to any person, it may be given to such person, either personally or by sending a copy thereof through the United States mail, or by email, or facsimile, charges prepaid, to his or her address appearing in the books of the Corporation, or supplied by him or

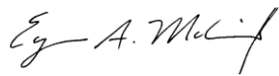
her to the Corporation for the purpose of notice. If the notice is sent by mail it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail. If the notice is sent by facsimile, it shall be deemed to have been given at the date and time shown on a written confirmation of the transmission of such facsimile communication. If such notice is related to a meeting, the notice shall specify the place, day, and hour of the meeting, and, in the case of a special meeting of shareholders, the purpose of and general nature of the business to be transacted at such special meeting.

Section 7. *Waiver of Notice:* Whenever any written notice is required by law, or by the Articles of Incorporation or by these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Except in the case of a special meeting of shareholders, neither the business to be conducted at nor the purpose of the meeting need be specified in the waiver of notice of the meeting. Attendance of a person either in person or by proxy, at any meeting, shall constitute a waiver of notice of such meeting, except where a person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully convened or called.

Section 8. *Amendments:* The Board of Directors shall have the power to make, adopt, alter, amend, and repeal from time to time the Bylaws of the Corporation except that the adoption, amendment, or repeal of any Bylaw regulating the election of directors shall be subject to the vote of shareholders entitled to cast at least a majority of the votes which all shareholders are entitled to cast at any regular or special meeting of the shareholders, duly convened after notice to the shareholders of that purpose.

The foregoing Bylaws were adopted by the Board of Directors on May 15, 2018.

**Chairman of the Board: SIGNATURE**



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Chairman of the Board (PRINT)  
Eugene McCain

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**SHAREHOLDER'S NAME**

**NUMBER (#) OF SHARES**

Eugene McCain  
Erik Williams  
Meg Sanders

80% (80,000 shares)  
5% (5,000 shares)  
5% (5,000 shares)



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

mass.gov/dor

Letter ID: L0374879360  
Notice Date: August 10, 2018  
Case ID: 0-000-646-224



## CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



CANNA PROVISIONS, INC.  
214 ADAMS AVE  
WEST NEWTON MA 02465-1503

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

The Commissioner of Revenue certifies that, as of the date of this certificate, CANNA PROVISIONS, INC. 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



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

William Francis Galvin  
Secretary of the  
Commonwealth

Date: June 20, 2018

To Whom It May Concern :

I hereby certify that according to the records of this office,  
**CANNA PROVISIONS, INC**

is a domestic corporation organized on **April 30, 2018** , under the General Laws of the Commonwealth of Massachusetts. I further certify that there are no proceedings presently pending under the Massachusetts General Laws Chapter 156D section 14.21 for said corporation's dissolution; that articles of dissolution have not been filed by said corporation; that, said corporation has filed all annual reports, and paid all fees with respect to such reports, and so far as appears of record said corporation has legal existence and is in good standing with this office.



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

Certificate Number: 18060428670

Verify this Certificate at: <http://corp.sec.state.ma.us/CorpWeb/Certificates/Verify.aspx>

Processed by:



## Canna Provisions, Inc. Diversity Plan

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It is the policy of Canna Provisions to foster equitable opportunity for all employees and to promote principles of diversity management that will enhance the level of effectiveness and efficiency of its programs. The concept of diversity management is a strategic business objective that seeks to increase organizational capacity in a workplace where the contributions of all employees are recognized and valued. Our goal is to build a high-performing, diverse workforce based on mutual acceptance and trust. It is also our policy to select the best qualified applicant for the job, regardless of race, national origin, gender, age, disability, religion, sexual orientation, or any other non-merit factor.

Canna Provisions is a diverse and inclusive company that promotes a discrimination-free work environment and provides opportunities for all employees to use their diverse talents to support the company's mission.

Canna Provisions, Inc. is a three-manager operated business with Meg Sanders being one of the managers. Meg has been in the legal cannabis industry for 9 years and is a nationally recognized leader in promoting women in cannabis, speaking at events, supporting women-focused organizations and has been recognized year after year for her groundbreaking female leadership in the industry.

Canna Provisions will comply with the requirements of 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every Marijuana Establishment.

Any actions taken, or programs instituted, by Canna Provisions will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.

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### **GOALS:**

Canna Provisions is committed to achieving the following goals through this plan and our vision includes;

1. Make Canna Provisions workplace and management team as diverse as possible to include attracting and retaining qualified employees with no regard to race, national origin, gender, age, disability, religion, sexual orientation, or any other non-merit factor.

**GOAL- Canna Provisions workforce will be 50% Woman and 35% will be Minorities, Veterans, Persons with disabilities and Persons who are LGBTQ or identify as a non-normative sexual identity.**

2. Make Canna Provisions workplace environment a safe, accepting, respectful, welcoming, comfortable and supportive place to work.

**GOAL- On a scale of 1-10, 85% of all Canna Provisions employees rate Canna Provisions 8 or higher when it comes to our workplace environment being safe, accepting, respectful, welcoming and inclusive environment for all employees.**

3. Include as our suppliers and contractors, businesses owned by or employ a majority of Minorities, Women, Veterans, Persons with disabilities and Persons who are LBGTQ or identify as a non-normative sexual identity.

**GOAL- 40% of our suppliers and contractors will be owned by or employ a majority of Minorities, Women, Veterans, Persons with disabilities and Persons who are LBGTQ or identify as a non-normative sexual identity.**

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## **PROGRAMS FOR ACHEIVING GOALS:**

### **Recruitment and Hiring Program**

Canna Provisions looks to recruit and hire diverse employees and plans to promote equity among minorities, women, veterans, people with disabilities, and people of all gender identities and sexual orientations in the operation of our company. To promote diversity and equality Canna Provisions will;

1. Give preference in hiring to Minorities, Women, Veterans, Persons with disabilities and Persons who are LBGTQ or identify as a non-normative sexual identity.
2. Institute a “blind hiring” policy that anonymizes or “blinds” demographic-related information about a candidate from the recruiter or hiring manager that can lead to bias about the candidate.
3. Use job descriptions that are catered to and appeal to diverse candidates.
4. Human Resource training for Hiring Mangers that address unconscious bias and cultural sensitivity.
  - a. This training will occur within 60 days of hire or promotion for these individuals.
5. Promote our Diversity Hiring policy on recruitment websites, our social media presence (Canna Provisions website, LinkedIn and Facebook.) and traditional hiring platforms (Indeed.com, Zip Recruiter). We will engage communities such as Pittsfield, Holyoke, and Springfield that have higher populations of people of color, with the goal of attracting and retaining a qualified diverse workforce.
  - a. We will post all job posing with the following organizations;
    - i. MassHire Holyoke Career Center, BerkshireWorks Career Center and MassHire Holyoke Career Center.
    - ii. Greater Holyoke Chamber of Commerce, Greater Pittsfield Chamber of Commerce, the Berkshire Chamber of Commerce, Centennial Foundation, and Holyoke Job Link.All job postings will clearly state the Canna Provisions preference for hiring Minorities, Women, Veterans, Persons with disabilities and Persons who are LBGTQ or identify as a non-normative sexual identity and encourage individuals who meet this criteria to apply.
  - a. We will work directly with the Lee and Holyoke Veterans Agent to notify them of our positions and Veterans preference and of any and all hiring fairs and open positions.
6. Hold at least 2 job fairs annually, the first job fair will be held within 60 days of our receipt of Provisional License and the second one within 6 months of the first.

All aspects of the Recruitment and Hiring Program will begin within 60 days of receipt of our Provisional License from the Commission.

### **Inclusion/Retention Program**

Canna Provisions is determined to provide a work environment that is a diverse and inclusive workplace where employees and stakeholders form long term relationships and tenure. We encourage a broad range of opinions, ideas and perspectives that drives creativity, innovation and excellence. Our goal, which must be met, is to ensure that every employee, contractor and visitor feels safe, respected, welcome, comfortable, supported and accepted. To ensure inclusion in our workplace Canna Provisions will;

1. Provide training to all employees regarding inclusion in the workplace and provide advanced training to managers in their roles in fostering an inclusive workplace environment.
  - a. This training will occur during employee onboarding and annually thereafter
2. Draft and implement a Non-Discrimination, Harassment and Retaliation Policy. This policy will include provisions for responding to complaints, discipline for non-compliance and evaluation of the circumstances to see if this plan needs improvements.
3. Periodically evaluate the workplace climate through observations, employee meetings and individual conversations with employees to ensure our workplace is inclusive.
4. On an annual basis we will conduct a survey of all employees. This survey will ask questions regarding the Canna Provisions workplace as it relates to inclusion, safety and the Canna Provisions work climate as it relates to respect, comfort, support and acceptance. This survey will also be given to employees who leave the company during their exit interview.

#### **Supplier Diversity Program**

Canna Provisions is committed and will give preference to utilizing, to the extent possible, suppliers and contractors owned by or who employ a majority of Minorities, Women, Veterans, Persons with disabilities and Persons who are LGBTQ or identify as a non-normative sexual identity. Canna Provisions recognizes that sourcing products and services from previously under-represented suppliers helps to sustain and progressively transform a company's supply chain, thus quantitatively reflecting the demographics of the community in which it operates by recording transactions with diverse suppliers.

1. Canna Provisions will compile data on all suppliers and contractors as to the demographics of the ownership and employees.
2. When sourcing services with suppliers and contractors we will clearly promote the preference outlined above.
3. All suppliers and contractors will be asked to provide the demographics of the ownership and workforce.

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#### **MEASUREMENT AND ACCOUNTABILITY:**

Canna Provisions realizes that any plan needs to be evaluated once it is implemented. Quarterly, the executive management team along with the Human Resources Director will meet and review the progress of this plan and to make adjustments and changes if necessary.

60 days prior to our license renewal date, and annually thereafter Canna Provisions will produce a comprehensive report that will be made available to the Commission for review during the renewal process.

This report will include the following metrics that will be used to measure the progress or success of the Plan. At a minimum this data will include:

1. The number of job postings, where they were posted and hires that resulted from these postings;
2. The number, location, attendance and hires that resulted from job fairs held;



3. All attempts to hire;
4. Actual hires;
5. The number and percentage of hires that meet the plans criteria;
6. Demographics of all employees and applicants;
7. Employee training, pay, benefits and advancement;
8. Data compiled from the annual employee survey and from exit interviews;
9. Employee retention rate;
10. Training records for employees, managers and hiring managers;
11. The number and percentage of suppliers, contractors and other partners that meet the criteria on the Supplier Diversity Program; and
12. Conclusions and recommendations.

This report will be made available to the Commonwealth of Massachusetts, the Town of Lee and the City of Holyoke. Canna Provisions Managers and appropriate community stakeholders will meet to discuss the report and make any necessary adjustments.



# Maintenance of Financial Records Policy and Procedure

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## **Intent**

Canna Provisions is committed to being compliant with all regulations outlined in 935 CMR 500.000 et. seq. ("the Regulations") and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission ("CNB" or "the Commission") or any other regulatory agency.

To provide clear and concise instructions for Canna Provisions employees regarding the Maintenance of Financial Records that are in compliance with the Regulations

## **Purpose**

The purpose of this policy is to outline the responsibilities of the Company, the Company's management team and Agents to ensure specific, methodical, and consistent compliance of the Regulations and to ensure that our financial records are maintained in a compliant manner in compliance with all regulations and laws.

## **Policy**

Canna Provisions financial records will be kept and maintained according to generally accepted accounting principles. The CFO is responsible for all accounting responsibilities and will engage the services of external Accountants and Tax Professionals to ensure proper accounting compliance. Once operational Canna Provisions will hire or engage as a contractor a bookkeeper with experience in business accounting to assist in the maintaining of these records.

All Canna Provisions financial/business records will be available for inspection to the Commission upon request.

Canna Provisions will maintain all business records in Manual and electronic (computerized) form. These records include, but are not limited to;

1. Assets and liabilities;
2. Monetary transactions;
3. Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
4. Sales records including the quantity, form, and cost of marijuana products; and

5. Salary and wages paid to each employee, or stipend, executive compensation, bonus, benefit, or item of value paid to any persons having direct or indirect control over the marijuana establishment.

In relation to the maintenance of financial records Canna Provisions will incorporate the following into our business operations;

1. Canna Provisions will engage the services of a professional payroll and human resources company to assist in Human resources management and payroll services for our employees
2. Canna Provisions will engage, to the extent possible, a banking relationship in Massachusetts to provide banking services for our company.
3. Canna Provisions will use up to date financial software programs for all financial transactions.
4. Canna Provisions does not plan to make cash transactions with other Marijuana Establishments. All transactions will be done through traditional banking transactions including checks, wire transfers or credit cards.
5. On an annual basis Canna Provisions will engage the services of an independent certified public accountant who is preferably experienced in the legal marijuana industry, to conduct a financial audit of Canna Provisions finances (books).
6. Canna Provisions will engage the services of an industry experienced tax professional for the filing of all required state and federal tax documents.
7. At the end of each business day a reconciliation audit will be done on each POS station by the Facility Manager or designee.
8. Comprehensive financial audits will be done at the end of every day by the CFO or designee. At the discretion of the CFO the frequency of these audits may be changed to weekly and then monthly
9. At a minimum, a comprehensive audit by the CFO or designee of all sales transactions will be completed every month.
10. For the first year of operation the CFO will conduct a comprehensive audit of all of the facilities financial records every 3 months and report their findings to the CEO and COO.

#### **Access to the Commission**

Canna Provisions electronic and hard copy (written) records will be available to the Commission upon request pursuant to 935 CMR 500.105(9). The records will be maintained in accordance with generally accepted accounting principles. All written records required in any section of 935 CMR 500.000 are subject to inspection.

#### **Access to the Massachusetts Department of Revenue ("DOR")**

Canna Provisions books, records, papers and other data will be made available upon request by the DOR. Accounting records and information in electronic format will be provided in a searchable electronic format if requested by the Commission of the DOR. Any additional reports and schedules relating to the preparation of tax returns will be maintained and made available upon request. Inventory system data as well as any additional purchase reports, schedules or documentation that

reconcile to other books and records, such as purchase journals or a general ledger, will also be maintained and made available upon request.

These records will be kept so long as their contents are material in the administration of Massachusetts tax laws. At a minimum, unless the DOR Commissioner consents in writing to an earlier destruction, the records will be preserved until the statute of limitations for making additional assessments for the period for which the return was due has expired. The DOR may require a longer retention period, such as when the records are the subject of an audit, court case, or other proceeding.

Additionally, Canna Provisions will comply with all records retention requirements outlined in the DOR Regulations including but limited to 830 CMR 62C.25.1: Record Retention.

**Point of Sale (POS) Systems (Retail Only)**

Canna Provisions will utilize a POS system that complies with the requirements in G.L. c. 62C, § 25; 830 CMR 62C.25.1 (the Records Retention Regulation); and the Massachusetts Department of Revenue ("DOR") Directive 16-1 *"Recordkeeping Requirements for Sales and Use Tax Vendors Utilizing Point of Sale (POS) Systems"*

1. Our POS system will record all transactions in a manner that will allow the DOR to verify what was sold and whether the appropriate amount of tax was collected. Along with the data in the POS system, Canna Provisions will maintain the following records:
  - a. A journal or its equivalent, which records daily all non-cash transactions affecting accounts payable;
  - b. A cash journal or its equivalent, which records daily all cash receipts and cash disbursements, including any check transactions;
  - c. A sales slip, invoice, cash register tape, or other document evidencing the original transaction, which substantiates each entry in the journal or cash journal;
  - d. Memorandum accounts, records or lists concerning inventories, fixed assets or prepaid items, except in cases where the accounting system clearly records such information; and
  - e. A ledger to which totals from the journal, cash journal and other records have been periodically posted. The ledger must clearly classify the individual accounts receivable and payable and the capital account.
2. Each POS transaction record will provide enough detail to independently determine the taxability of each sale and the amount of tax due and collected. Information on each sales transaction will include, but is not limited to the:
  - a. individual item(s) sold,
  - b. selling price,
  - c. tax due,
  - d. invoice number,
  - e. date of sale,

- f. method of payment, and
  - g. POS terminal number and POS transaction number.
- 3. Canna Provisions will maintain auditable internal controls to ensure the accuracy and completeness of the transactions recorded in the POS system. The audit trail details include, but are not limited to:
  - a. Internal sequential transaction numbers;
  - b. Records of all POS terminal activity; and
  - c. Procedures to account for voids, cancellations, or other discrepancies in sequential numbering.
  - d. The POS audit trail or logging functionality must be activated and operational at all times, and it must record:
  - e. Any and all activity related to other operating modes available in the system, such as a training mode; and
  - f. Any and all changes in the setup of the system.
- 4. Canna Provisions will comply with the provisions of 935 CMR 500.140(6): Recording Sales.
  - a. Canna Provisions will only utilize a point-of-sale (POS) system approved by the Commission, in consultation with the DOR.
  - b. Canna Provisions may utilize a sales recording module approved by the DOR.
  - c. Canna Provisions will not utilize software or other methods to manipulate or alter sales data.
  - d. Canna Provisions 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. Canna Provisions will maintain records that it has performed the monthly analysis and produce it upon request to the Commission. If Canna Provisions 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:
    - i. We will immediately disclose the information to the Commission;
    - ii. We will cooperate with the Commission in any investigation regarding manipulation or alteration of sales data; and
    - iii. We will take such other action directed by the Commission to comply with 935 CMR 500.105.
  - e. Canna Provisions will comply with 830 CMR 62C.25.1: Record Retention and DOR Directive 16-1 regarding recordkeeping requirements.
  - f. Canna Provisions will adopt separate accounting practices at the point-of-sale for marijuana and marijuana product sales, and non-marijuana sales.

- g. Canna Provisions will allow the Commission and the DOR may audit and examine our point-of-sale system in order to ensure compliance with Massachusetts tax laws and 935 CMR 500.000.

#### **Cash Handling and Transportation**

Pursuant to 935 CMR 500.110(7) 6 bricks with a contract to deposit funds with a financial institution that conducts any transaction in cash shall establish and implement adequate security measures and procedures for safe cash handling and cash transportation to financial institutions or DOR facilities to prevent theft and loss, and to mitigate associated risks to the safety of employees, customers and the general public. These security measures include:

1. An on-site secure locked vault maintained in an area separate from retail sales areas used exclusively for the purpose of securing cash;
2. Video cameras will be directed to provide images of areas where cash is kept, handled and packaged for transport to financial institutions or DOR facilities, these cameras may be motion-sensor activated cameras and provided, further, that all cameras be able to produce a clear, still image whether live or recorded;
3. Canna Provisions will have a written process for securing cash and ensuring transfers of deposits to the Marijuana Establishment's financial institutions and DOR facilities on an incremental basis consistent with the requirements for deposit by the financial institution or DOR facilities; and
4. We will utilize an armored transport provider that is licensed pursuant to M.G.L. c. 147, § 25 (watch, guard or patrol agency) and has been approved by the financial institution or DOR facility.

# Canna Provisions, Inc. Personnel and Background Check Policy Summary

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## **Intent**

Canna Provisions is committed to being compliant with all regulations outlined in 935 CMR 500.000 et. seq. ("the Regulations") and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission ("CNB" or "the Commission") or any other regulatory agency.

To provide clear and concise instructions for Canna Provisions employees regarding Personnel Policies that are in compliance with the Regulations

## **Purpose**

The purpose of this policy is to outline the responsibilities of the Company, the Company's management team and Agents to ensure specific, methodical, and consistent compliance of the Regulations and to ensure that our personnel policies are compliant with all regulations and laws.

## **Personnel Records**

Canna Provisions will Maintain 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 Canna Provisions agent. Such records shall be maintained for at least 12 months after termination of the individual's affiliation with Canna Provisions and shall include, at a minimum, the following:
  - a. All materials submitted to the Commission pursuant to 935 CMR 500.030(2);
  - b. Documentation of verification of references;
  - c. The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision;
  - d. 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;
  - e. Documentation of periodic performance evaluations;
  - f. A record of any disciplinary action taken; and
  - g. Notice of completed responsible vendor and eight-hour related duty training.
3. A staffing plan that will demonstrate accessible business hours and safe manufacturing & processing conditions;
4. Personnel policies and procedures; and
5. All background check reports obtained in accordance with 935 CMR 500.030.

These Personnel Records will be held electronically and in hard copy. The electronic records will be stored in a secure server with encryption software that protects against unauthorized access to the files.

Access to the electronic records will only be allowed to Canna Provisions Management agents who require access. as part of their job duties. Hard Copy (written records) will be stored in a secure, locked cabinet in a locked room accessible to only Canna Provisions Management agents who require access. These records will be made available for inspection by the Commission upon request.

### **Canna Provisions Agents**

All Canna Provisions board members, directors, employees, executives, managers and volunteers will register with the Commission as a Canna Provisions Marijuana Establishment Agent (“Canna Provisions Agent”). For clarity an employee means, any consultant or contractor who provides on-site services to a Marijuana Establishment related to the cultivation, harvesting, preparation, packaging, storage, testing, or dispensing of marijuana.

All Canna Provisions Agents shall:

1. Be 21 years of age or older;
2. 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
3. Be determined suitable for registration consistent with the provisions of 935 CMR 500.800 and 500.802.

Canna Provisions will submit to the Commission an application for every Canna Provisions Agent, this application will include;

1. The full name, date of birth, and address of the individual;
2. All aliases used previously or currently in use by the individual, including maiden name, if any;
3. A copy of the applicant’s driver’s license, government-issued identification card, liquor purchase identification card issued pursuant to M.G.L. c. 138, § 34B, or other verifiable identity document acceptable to the Commission;
4. An attestation that the individual will not engage in the diversion of marijuana products;
5. Written acknowledgment by the applicant of any limitations on his or her authorization to cultivate, harvest, prepare, package, possess, transport, and dispense marijuana in the Commonwealth;
6. Background information, including, as applicable:
  - a. A description and the relevant dates of any criminal action under the laws of the Commonwealth, or another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority, whether for a felony or misdemeanor and which resulted in conviction, or guilty plea, or plea of nolo contendere, or admission of sufficient facts;
  - b. A description and the relevant dates of any civil or administrative action under the laws of the Commonwealth, another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority relating to any professional or occupational or fraudulent practices;
  - c. A description and relevant dates of any past or pending denial, suspension, or revocation of a license or registration, or the denial of a renewal of a license or registration, for any type of business or profession, by any federal, state, or local government, or any foreign jurisdiction;



- d. A description and relevant dates of any past discipline by, or a pending disciplinary action or unresolved complaint by, the Commonwealth, or a like action or complaint by another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority with regard to any professional license or registration held by the applicant; and
7. A nonrefundable application fee paid by the Marijuana Establishment with which the marijuana establishment agent will be associated; and
8. Any other information required by the Commission.

Canna Provisions CEO will register with the Department of Criminal Justice Information Systems pursuant to 803 CMR 2.04: iCORI Registration and will submit to the Commission a Criminal Offender Record Information (CORI) report and any other background check information required by the Commission for each individual for whom Canna Provisions seeks a marijuana establishment agent registration which was obtained within 30 days prior to submission.

Canna Provisions will notify the Commission no more than one business day after a Canna Provisions agent ceases to be associated with the establishment. The registration shall be immediately void when the agent is no longer associated with the establishment.

The Agent registration card is valid for one year from the date of issue, Canna Provisions will renew each Canna Provisions Agent Registration Card on an annual basis upon a determination by the Commission that the applicant for renewal continues to be suitable for registration.

After obtaining a registration card for a Canna Provisions Agent registration card, Canna Provisions will notify the Commission, in a form and manner determined by the Commission, as soon as possible, but in any event, within five business days of any changes to the information that the establishment was previously required to submit to the Commission or after discovery that a registration card has been lost or stolen.

All Agents will carry the registration card at all times while in possession of marijuana products, including at all times while at the establishment or while transporting marijuana products.

### **Background Checks**

Canna Provisions will comply with all Background Check requirements in the Regulations and any other sub-regulatory guidance issued by the Commission.

1. **Application Process-** During the application process Canna Provisions will complete the Background Check Packet as outlined in 935 CMR 500.101(1)(b) which includes;
  - a. The list of individuals and entities in 935 CMR 500.101(1)(a)1. (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);
  - b. Information for each individual identified in 935 CMR 500.101(1)(a)1., which shall include:

- i. The individual's full legal name and any aliases;
  - ii. The individual's address;
  - iii. The individual's date of birth;
  - iv. A photocopy of the individual's driver's license or other government-issued identification card;
  - v. A CORI Acknowledgment Form, pursuant to 803 CMR 2.09: Requirements for Requestors to Request CORI, provided by the Commission, signed by the individual and notarized;
  - vi. Authorization to obtain a full set of fingerprints, in accordance with M.G.L. c. 94G, § 21, submitted in a form and manner as determined by the Commission;
- c. Relevant Background Check Information. Applicants for licensure will also be required to provide information detailing involvement in any criminal or civil or administrative matters:
  - i. A description and the relevant dates of any criminal action under the laws of the Commonwealth, or another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority, whether for a felony or misdemeanor including, but not limited to, action against any health care facility or facility for providing marijuana for medical or recreational purposes, in which those individuals either owned shares of stock or served as board member, executive, officer, director or member, and which resulted in conviction, or guilty plea, or plea of nolo contendere, or admission of sufficient facts;
  - ii. A description and the relevant dates of any civil action under the laws of the Commonwealth, another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority, including, but not limited to a complaint relating to any professional or occupational or fraudulent practices;
  - iii. A description and relevant dates of any past or pending legal or enforcement actions in any other state against any board member, executive, officer, director or member, or against any entity owned or controlled in whole or in part by them, related to the cultivation, processing, distribution, or sale of marijuana for medical or recreational purposes;
  - iv. A description and the relevant dates of any administrative action, including any complaint, order or disciplinary action, by the Commonwealth, or like action by another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority, including, but not limited to any complaint or issuance of an order relating to the denial, suspension, or revocation of a license, registration, or certification;
  - v. A description and relevant dates of any administrative action, including any complaint, order or disciplinary action, by the Commonwealth, or a like action by another state, the United States or foreign jurisdiction, or a military, territorial, Native American tribal authority or foreign jurisdiction, with regard to any professional license, registration, or certification, held by any board member, executive, officer, director, or member that is part of the applicant's application, if any;

- vi. A description and relevant dates of actions against a license to prescribe or distribute controlled substances or legend drugs held by any board member, executive, officer, director or member that is part of the applicant's application, if any; and
- vii. Any other information required by the Commission.

Canna Provisions will not present any individual in our application whose background check will result in a Mandatory Disqualification or Presumptive Negative Suitability Determination as outlined in Table A of 935 CMR 500.801.

2. **Background Checks not included in the Application Process-** For all Marijuana Establishment Agent Registrations not included in the application process Canna Provisions will submit Marijuana Establishment Agent applications for all required individuals. Canna Provisions will perform its own due diligence in the hiring of employees and contractors and will not knowingly submit an employee or contractors' application if the background check would result in a Mandatory Disqualification or Presumptive Negative Suitability Determination as outlined in Table B: Retail and Transporter Marijuana Establishment Agents, under 935 CMR 500.802.

### **Equal Employment Policy**

It is the policy of Canna Provisions to provide equal employment opportunities to all employees and employment applicants without regard to unlawful considerations of race, religion, creed, color, national origin, sex, pregnancy, sexual orientation, gender identity, age, ancestry, physical or mental disability, genetic information, marital status or any other classification protected by applicable local, state or federal laws. This policy prohibits unlawful discrimination based on the perception that anyone has any of those characteristics or is associated with a person who has or is perceived as having any of those characteristics. This policy applies to all aspects of employment, including, but not limited to, hiring, job assignment, working conditions, compensation, promotion, benefits, scheduling, training, discipline and termination.

Canna Provisions expects all employees to support our equal employment opportunity policy, and to take all steps necessary to maintain a workplace free from unlawful discrimination and harassment and to accommodate others in line with this policy to the fullest extent required by law. For example, Canna Provisions will make reasonable accommodations for employees' observance of religious holidays and practices unless the accommodation would cause an undue hardship on Canna Provisions operations. If an employee desires a religious accommodation, they are required to make the request in writing to their manager as far in advance as possible. Employees requesting accommodations are expected to attempt to find co-workers who can assist in the accommodation (e.g. trade shifts) and cooperate with Canna Provisions in seeking and evaluating alternatives.

Moreover, in compliance with the Americans with Disabilities Act (ADA), Canna Provisions provides reasonable accommodations to qualified individuals with disabilities to the fullest extent required by law. Canna Provisions may require medical certification of both the disability and the need for accommodation. Keep in mind that Canna Provisions can only seek to accommodate the known physical or mental limitations of an otherwise qualified individual. Therefore, it is the employees' responsibility to come forward if they are in need of an accommodation. Canna Provisions will engage in an interactive

process with the employee to identify possible accommodations, if any will help the applicant or employee perform the job.

### **Anti-Harassment and Sexual Harassment Policy**

Canna Provisions seeks to promote a workplace that is free from discrimination and harassment, whether based on race, color, gender, age, religion, creed, national origin, ancestry, sexual orientation, marital status or disability. Inappropriate interference with the ability of Canna Provisions employees to perform their expected job duties is not tolerated.

It is illegal and against Canna Provisions policy for any employee, male or female, to harass another employee. Examples of such harassment include making sexual advances or favors or other verbal or physical conduct of a sexual nature a condition of any employee's employment; using an employee's submission to or rejection of such conduct as the basis for, or as a factor in, any employment decision affecting the individual; or otherwise creating an intimidating, hostile, or offensive working environment by such conduct.

The creation of an intimidating, hostile, or offensive working environment may include but is not limited to such actions as persistent comments on an employee's sexual preferences, the display of obscene or sexually oriented photographs or drawings, or the telling of sexual jokes. Conduct or actions that arise out of a personal or social relationship and that are not intended to have a discriminatory employment effect may not be viewed as harassment. Canna Provisions will determine whether such conduct constitutes sexual harassment, based on a review of the facts and circumstances of each situation.

Canna Provisions will not condone any sexual harassment of its employees. All employees, including supervisors and managers, will be subject to severe discipline, up to and including discharge, for any act of sexual harassment they commit.

Canna Provisions will not condone sexual harassment of its employees by non-employees, and instances of such harassment should be reported as indicated below for harassment by employees.

If you feel victimized by sexual harassment you should report the harassment to your manager immediately. If your immediate manager is the source of the alleged harassment, you should report the problem to the Human Resources Department.

Managers who receive a sexual harassment complaint should carefully investigate the matter, questioning all employees who may have knowledge of either the incident in question or similar problems. The complaint, the investigative steps and findings, and disciplinary actions (if any) should be documented as thoroughly as possible.

Any employee who makes a complaint, or who cooperates in any way in the investigation of same, will not be subjected to any retaliation or discipline of any kind.

In addition to the above, if you believe you have been subjected to sexual harassment, you may file a formal complaint with either or both of the government agencies set forth below. Using our complaint process does not prohibit you from filing a complaint with these agencies. Each of the agencies has a short time period for filing a claim (EEOC - 300 days; MCAD - 300 days).

**The United States Equal Employment Opportunity Commission ("EEOC")** One Congress Street, 10th Floor Boston, MA 02114, (617) 565-3200.

**The Massachusetts Commission Against Discrimination ("MCAD")** One Ashburton Place, Rm. 601, Boston, MA 02108, (617) 994-6000.

### **Americans with Disability Act**

Canna Provisions strongly supports the policies of the Americans with Disabilities Act and is completely committed to treating all applicants and employees with disabilities in accordance with the requirements of that act. Canna Provisions judge's individuals by their abilities, not their disabilities, and seeks to give full and equal employment opportunities to all persons capable of performing successfully in the company's positions. Canna Provisions will provide reasonable accommodations to any persons with disabilities who require them, who advise Canna Provisions of their particular needs. Information concerning individuals' disabilities and their need for accommodation will of course be handled with the utmost discretion.

### **Drug Free Workplace**

Canna Provisions is committed to providing its employees with a safe and productive work environment. In keeping with this commitment, it maintains a strict policy against the use of alcohol and the unlawful use of drugs in the workplace. Consequently, no employee may consume or possess alcohol, or use, possess, sell, purchase or transfer illegal drugs at any time while on Canna Provisions premises or while using Canna Provisions vehicles or equipment, or at any location during work time.

No employee may report to work with illegal drugs (or their metabolites) or alcohol in his or her bodily system. The only exception to this rule is that employees may engage in moderate consumption of alcohol that may be served and/or consumed as part of an authorized Company social or business event. "Illegal drug" means any drug that is not legally obtainable or that is legally obtainable but has not been legally obtained. It includes prescription drugs not being used for prescribed purposes or by the person to whom it is prescribed or in prescribed amounts. It also includes any substance a person holds out to another as an illegal drug.

Any violation of this policy will result in disciplinary action, up to and including termination.

Any employee who feels he or she has developed an addiction to, dependence upon, or problem with alcohol or drugs, legal or illegal, is strongly encouraged to seek assistance before a violation of this policy occurs. Any employee who requests time off to participate in a rehabilitation program will be reasonably accommodated. However, employees may not avoid disciplinary action, up to and including termination, by entering a rehabilitation program after a violation of this policy is suspected or discovered.

### **Smoke Free Workplace**

Smoking is prohibited throughout the workplace. This policy applies equally to all employees, clients, partners, and visitors.

### **Employee Assistance Policy**

To help employees in circumstances where counseling services would be helpful, Canna Provisions will make an Employee Assistance Program (EAP) counseling service available to employees, when needed, at no personal cost.

### **Employee Diversion of Marijuana**

If a Canna Provisions Agent is found to have diverted marijuana, that agent will immediately be dismissed and have their Marijuana Establishment Registration Card confiscated. The CEO will immediately be notified. The CEO will make a detailed report of the event and report it to local law enforcement and the Commission within 24 hours.

### **Employee Handbook**

Canna Provisions will provide a comprehensive employee handbook to all employees that will outline all the information pertinent to their employment with Canna Provisions. These subjects will include, but not be limited to;

1. Canna Provisions Mission and Vision
2. Organizational Structure
3. General Employment Policies
4. Employee Categories
5. Conflicts of Interest
6. Access to Personnel Files
7. Performance Evaluations
8. Hours of Work
9. Compensation
10. Benefits
11. Code of Conduct
12. Discipline
13. Training



# Qualifications and Training Policy and Procedure

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## **Intent**

Canna Provisions is committed to being compliant with all regulations outlined in 935 CMR 500.000 et. seq. ("the Regulations") and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission ("CNB" or "the Commission") or any other regulatory

To provide clear and concise instructions for Canna Provisions employees regarding the qualifications for employment and agent training that are in compliance with the Regulations

## **Purpose**

The purpose of this policy is to outline the responsibilities of the Company, the Company's management team and Agents to ensure specific, methodical, and consistent compliance of the Regulations and to ensure that we only hire qualified Marijuana Establishment Agents and that our training process and curriculum are in compliance with all regulations and laws.

## **Qualifications for a Canna Provisions Marijuana Establishment Agent**

The minimum requirements to become a Canna Provisions Marijuana Establishment Agent ("Agent") are outlined below. All Canna Provisions board members, directors, employees, executives, managers or volunteers will register with the Commission as an Agent. For clarity an employee means, any consultant or contractor who provides on-site services to a Marijuana Establishment related to the cultivation, harvesting, preparation, packaging, storage, testing, or dispensing of marijuana.

All Canna Provisions Agents must;

1. Be 21 years of age or older;
2. 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
3. Be determined suitable for registration consistent with the provisions of 935 CMR 500.800 and 500.802.

Canna Provisions will develop a job description for all positions with the company. While all Agents must meet the qualifications listed above, several of our positions will require additional qualifications depending on the required duties.

## **Required Training for Canna Provisions Agents**

Pursuant to 935 CMR 500.105(2)(a) Canna Provisions will ensure all Canna Provisions Agents complete training prior to performing job functions. Training will be tailored to the role and responsibilities of the job function.

1. Our initial training begins during employee orientation where all new employees will be issued their employee handbook. Classroom or online training on this day will include, but not be limited to;
  - a. Code of Conduct;
  - b. Verifying Identifications;
  - c. Marijuana Regulations;
  - d. Security and Safety;
  - e. Emergency Procedures/Disaster Plan;
  - f. Diversion of Marijuana;
  - g. Terminatable Offences;
  - h. Confidential Information;
  - i. Employee Policies (all employee policies from the handbook will be covered) including but not limited to;
    - i. Alcohol, smoke and drug-free workplace;
    - ii. Equal Employment Policy;
    - iii. Anti-Harassment and Sexual Harassment Policy;
    - iv. Americans with Disability Act;
    - v. Employee Assistance Policy; and
    - vi. Diversity Plan
2. After the initial training is complete agents will be trained on job specific areas depending on their duties. This training can be done in a classroom setting, online or computerized, on the job training ("OJT") or through external training platforms.
3. All Canna Provisions Agents will receive a minimum of 8 hours of training annually.
4. Canna Provisions will record, maintain and store 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. These records will be stored in the Agents Personnel File. Training records will be retained by Canna Provisions for at least one year after agents' termination.
5. Within 90 days of hire, Canna Provisions will require all of its Agents to attend and complete a Responsible Vendor Training Program to become designated as a "responsible vendor."
  - a. After the responsible vendor designation is applied each Canna Provisions owner, manager, and employee involved in the handling and sale of marijuana for adult use will



successfully complete the program once every year thereafter to maintain designation as a “responsible vendor.”

- b. Canna Provisions will maintain records of responsible vendor training program compliance for four years and make them available to inspection by the Commission and any other applicable licensing authority upon request during normal business hours.
6. All Canna Provisions Agents responsible for tracking and entering product into the Seed-to-sale SOR (Metrc) will receive training in a form and manner determined by the Commission.

#### **Additional Training**

Canna Provisions will provide training and training opportunities to its employees. In addition to required training, Canna Provisions will require advanced training to our employees in the areas of Safety and Security, Marijuana Science or other areas then enhance the Company’s, our Agents and our customers safety. These training will include:

1. All Agents who handle marijuana or marijuana products will be trained on basic food safety prior to or during the first day of employment.
  - a. Include basic food safety training as part of new employee orientation.
  - b. The sanitation requirements in 105 CMR 500.000: Good Manufacturing Practices for Food;
  - c. The sanitation requirements in 105 CMR 590.000: Minimum Sanitation Standards for Food Establishments; and
  - d. The requirements for food handlers specified in 105 CMR 300.000: Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements
2. All employees engaging in the processing or packaging of Marijuana will be trained and certified in;
  - a. SERVSAFE Massachusetts Allergen Training Program
  - b. SERVSAFE Food Handler Program
3. Cultivation staff will receive bi-annual in-service training on food safety, including food allergy awareness and HACCP.
4. All Managers in cultivation, processing and packaging will be trained as a Certified Food Protection Manager (CFPM) by completing a SERVSAFE or similar nationally accredited food safety certification course.
5. File documentation in HACCP records.

# Canna Provisions, Inc. Policy for Quality Control and Testing of Marijuana and Marijuana Products

## Summary

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### **Intent**

Canna Provisions is committed to being compliant with all regulations outlined in 935 CMR 500.000 et. seq. (“the Regulations”) and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission (“CNB” or “the Commission”) or any other regulatory agency.

To provide clear and concise instructions for Canna Provisions employees on Quality Control and Testing that are in compliance with the Regulations

Superb quality control and the testing of marijuana products are essential for the operation of Canna Provisions Retail Marijuana Facility. Canna Provisions uses best industry practices when it comes to quality control and product testing, furthermore Canna Provisions will not sell any marijuana product that is a potentially hazardous food (PHF) or time/temperature control for safety food (TCS food).

### **General Requirements**

Quality Control will be maintained through the strict adherence to Good Manufacturing Practices and compliance with 935 CMR 500.000 et. seq, 105 CMR 590.000: *Minimum Sanitation Standards for Food Establishments*, the sanitation requirement in 105 CMR 500.000: *Good Manufacturing Practices for Food*, and with the requirements for food handlers specified in 105 CMR 300.000: *Reportable Diseases, Surveillance, and Isolation and Quarantine*.

In the case of acquiring wholesale products, Canna Provisions will only source marijuana products from Marijuana Establishments where the product has been tested in accordance with the Regulations. Prior to accepting any marijuana or marijuana product from a source Marijuana Establishment Canna Provisions will view and confirm that the source products have been tested in accordance with the Regulations and will store and maintain the testing records.

No marijuana product, including marijuana, may be sold or otherwise marketed for adult use that is not capable of being tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000.

Any testing results indicating noncompliance with M.G.L. c.132B and the regulations at 333 CMR 2.00 through 333 CMR 14.00 will be immediately reported to the Commission, who may refer any such result to the Massachusetts Department of Agricultural Resources.

Canna Provisions will not prepare, sell or otherwise transfer an edible marijuana product with potency levels exceeding the following, as tested by an independent marijuana testing facility licensed in accordance with M.G.L. c. 94G, § 15:

1. For a single serving of an edible marijuana product, five milligrams of active tetrahydrocannabinol (THC); and
2. In a single package of multiple edible marijuana product to be eaten, swallowed, or otherwise ingested, not more than 20 servings or 100 milligrams of active THC.
3. The THC content must be homogenous, or evenly distributed throughout the edible marijuana product.

Canna Provisions will satisfy minimum energy efficiency and equipment standards established by the Commission and meet all applicable environmental laws, regulations, permits and other applicable approvals, including those related to water quality and solid waste disposal, and to use additional best management practices as determined by the Commission in consultation with the working group established under St. 2017, c. 55, § 78(b) to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts. If minimum standards or best management practices are not established by the time of an application for initial licensure, a Canna Provisions will satisfy such standards or best management practices as a condition of license renewal, in addition to any the terms and conditions of any environmental permit regulating the licensed activity.

### **Sanitation**

Canna Provisions Retail Marijuana facility's ("the facility or facilities") will be designed and constructed with sanitation in mind.

All product contact surfaces will be smooth, durable and easily cleanable.

1. The walls, ceiling and floors of all storage and packaging areas will be constructed of materials that are smooth, durable and can be adequately kept clean and in good repair.
  - a. There will be coving at base junctures that is compatible with both wall and floor coverings. The coving should provide at least 1/4-inch radius and 4" in height.
  - b. The COO will prepare a cleaning and sanitation checklist for oversee that the cleaning and sanitation is performed to a satisfactory manner.
2. The facility will provide sufficient space for the placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations and the sale of safe marijuana products.
3. Lighting and Light Fittings - Shatter-proof or safety-type light bulbs, fixtures, or other glass is used where lighting is suspended over retail or storage areas or otherwise protect against marijuana product contamination in case of glass breakage.
  - a. Suspended lighting is constructed from non- corrodible and cleanable assemblies.
  - b. All light bulbs used in the production, processing and storage areas are shatterproof and/or protected with plastic covers.
  - c. Adequate safety lighting in all areas.
4. Buildings, fixtures, and other physical facilities will be constructed in such a manner that allow them to be maintained in a sanitary condition
5. Product Preparation Surfaces (stainless steel tables, scale surfaces and utensils) will be cleaned and sanitized as frequently as necessary to protect against contamination, using a sanitizing agent registered by the US Environmental Protection Agency (EPA), in accordance with labeled instructions.

- a. Pre-scrape surface to remove gross soils.
  - b. Wash surface with recommended strength solution of pot & pan detergent.
  - c. Rinse with water and wipe dry.
  - d. Using trigger sprayer bottle and a different wiping cloth, apply sanitizing solution of sanitizer.
  - e. Per label directions, use appropriate test papers to determine correct concentration of the sanitizer solution. Surfaces must remain wet for 60 seconds
  - f. Allow to air dry.
6. Hand-washing facilities will be adequate and convenient and shall be furnished with running water at a suitable temperature.
  - a. Located in the packaging area and where good sanitary practices require employees to wash and sanitize their hands
  - b. Provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices.
7. Each of the facilities water supply comes from the municipal water supply and is sufficient for necessary operations.
8. The facilities plumbing will be of adequate size and design, and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the facility.
  - a. Plumbing shall properly convey sewage and liquid disposable waste from the facility.
  - b. There will be no cross-connections between the potable and wastewater lines;
9. The facility will provide its employees with adequate, readily accessible toilet facilities that will be maintained in a sanitary condition and in good repair.
10. All storage areas will be constructed in a manner that will protect its contents against physical, chemical, and microbial contamination as well as against deterioration of marijuana products or their containers.

### **Contamination Control**

1. Training
  - a. All employees will be trained on pest prevention, pest management, pest detection, and pest treatments.
2. Traps for monitoring
  - a. Small sticky traps for monitoring of flying or airborne pest shall be posted, mapped and levels of any pest monitored/documented.
3. Handling and storage of marijuana product or marijuana plant waste
  - a. All marijuana plant waste will be placed in the hermetically sealed "Marijuana Waste" container.
    - i. This container must impervious and covered
  - b. All marijuana waste will be stored in the waste room in sealed containers until disposal
4. Handling and storage of non-marijuana waste.
  - a. All non-marijuana waste will be placed into the appropriate impervious covered waste receptacles
    - i. Recyclable
    - ii. Organic
    - iii. Solid waste

- b. At the end of every day these containers will be emptied, and the contents removed from the building and placed in the appropriate containers to await pickup
- 5. All toxic materials including cleaning compounds, sanitizers, etc. will be stored in an area away from marijuana storage areas.

## **Personnel**

- 1. Any employee or contractor who, by medical examination or supervisory observation, is shown to have, or appears to have, any disease transmissible through food, an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination shall be excluded from any operations which may be expected to result in contamination of the facility or others until the condition is corrected. Personnel shall be instructed to report such health conditions to their supervisors.
  - a. Any manager, when he or she knows or has reason to believe that an employee has contracted any disease transmissible through food or has become a carrier of such disease, or any disease listed in 105 CMR 300.200(A) will report the same immediately by email to the Local Board of Health.
  - b. Canna Provisions will voluntarily comply with any and all isolation and/or quarantine orders issued by the Local Board of Health or the Department of Public Health.
  - c. Canna Provisions Agents must report any flu-like symptoms, diarrhea, and/or vomiting to their supervisor. Employees with these symptoms will be sent home with the exception of symptoms from a noninfectious condition
- 2. All Canna Provisions Agents shall conform to sanitary practices while on duty, including
  - a. Maintain adequate personal cleanliness:

### **Grooming:**

- i. Arrive at work clean – clean hair, teeth brushed, bathed and used deodorant daily.
  - ii. Maintain short, clean, and polish-free fingernails. No artificial nails are permitted in the food/product production or processing area.
    - a. Fingernails should be trimmed, filed, and maintained so edges and surfaces are cleanable and not rough.
  - iii. Wash hands (including under fingernails vigorously and thoroughly with soap and warm water for a period of 20 seconds:
    - When entering the facility before work begins.
    - In the restroom after toilet use and when you return to your work station.
    - After touching face, nose, hair, or any other body part, and after sneezing or coughing.
    - After cleaning duties.
    - After eating or drinking.
    - Any other time an unsanitary task has been performed – i.e. taking out garbage, handling cleaning chemicals, wiping tables, picking up a dropped item, etc.
    - Wash hands only in hand sinks designated for that purpose.

- Dry hands with single use towels. Turn off faucets using a paper towel, in order to prevent recontamination of clean hands.

Proper Attire:

- Wear appropriate clothing – clean uniform with sleeves and clean non-skid close-toed work shoes (or tennis shoes) that are comfortable for standing and working on floors that can be slippery.

Cuts, Abrasions, and Burns:

- Bandage any cut, abrasion, or burn that has broken the skin.
- Cover bandages on hands with gloves and finger cots and change as appropriate.
- Inform supervisor of all wounds.

Smoking, eating, and gum chewing:

- Canna Provisions facility is a smoke free facility. No smoking or chewing tobacco shall occur on the premises.
- Eat and drink in designated areas only.
- Refrain from chewing gum or eating candy during work.

## **HACCP- Hazard Analysis and Critical Control Point**

Canna Provisions will implement a HACCP plan in accordance with *the HACCP Principles & Application Guidelines* issued by the FDA. This HACCP plan will address packaging of all marijuana products that will take place in the facility. Once operational Canna Provisions will:

1. Assemble the HACCP team (CEO, Facility Manger, and outside consultants)
2. Describe the product and its distribution
3. Describe the intended use and consumers of the product
4. Develop a flow diagram which describes each process
5. Verify the flow diagram
6. Conduct a hazard analysis for each product (Principle 1)
7. Determine critical control points (CCPs) for each product (Principle 2)
8. Establish critical limits (Principle 3)
9. Establish monitoring procedures (Principle 4)
10. Establish corrective actions (Principle 5)
11. Establish verification procedures (Principle 6)
12. Establish record-keeping and documentation procedures (Principle 7)

## **Training**

Canna Provisions will provide training and training opportunities to all of its employees. In addition to required training, Canna Provisions will encourage advanced training to packaging agents in the areas of Good Manufacturing Practices and HACCP.

1. All employees will be trained on Good Manufacturing Practices (“GMP”) and Sanitation prior to or during the first day of employment.
  - a. Include basic product safety training as part of new employee orientation.
  - b. The sanitation requirements in 105 CMR 500.000: Good Manufacturing Practices for Food;
  - c. The sanitation requirements in 105 CMR 590.000: Minimum Sanitation Standards for Food Establishments; and
  - d. The requirements for food handlers specified in 105 CMR 300.000: Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements
2. Employees engaging in the packaging will be trained and certified in;
  - a. A nationally accredited Food Handler Program (i.e. ServSafe)
3. Provide staff with at least bi-annual training on Good Manufacturing Practices and HACCP.
4. Monthly in-service training.
5. At least 1 Manager must be a Certified Food Protection Managers (CFPM) by completing a ServSafe or similar nationally accredited food safety certification course.
6. Use outside resources, such as Extension specialists, vendors, health department inspectors, or qualified trainers to provide GMP, Sanitation and HACCP training.
7. Observe staff to ensure they demonstrate plant safety knowledge each day in the workplace.
8. Document the content of all training sessions and attendance.

File documentation in HACCP records.

### **Testing of Marijuana and Marijuana Products**

The Canna Provisions Retail Marijuana Establishments will only have marijuana and marijuana products that have passed the required testing at a Licensed Testing Lab.

Canna Provisions will only source marijuana products from Marijuana Establishments where the product has been tested in accordance with the Regulations. Prior to accepting any marijuana or marijuana product from a source Marijuana Establishment Canna Provisions will view and confirm that the source products have been tested in accordance with the testing requirements outlined in 935 CMR 725.160 and the *“Protocol for sampling and analysis of finished medical marijuana products and marijuana-infused products for Massachusetts Registered Medical Marijuana Dispensaries”* published by DPH. These testing records will be stored and maintained pursuant to our Records Retention Policy and Procedure

We will contract with a Licensed Independent Testing Laboratory for the purposes of “Quality Control Testing.” Our quality control testing will be used to ensure that the products we are receiving from our wholesale partners are consistent with the testing records that have been reported to us. These quality control tests will help us to ensure that our products are contaminant-free and the correct dosage and potency. We plan to use CDX Analytics which is Accredited to International Organization for Standardization (ISO) 17025 by Perry Johnson Laboratory Accreditation, Inc. (PJLA), 755 W. Big Beaver, Suite 1325 Troy, Michigan 48084, a third-party accrediting body that is a signatory to the International Laboratory Accreditation Cooperation (ILAC) Mutual Recognition Arrangement. CDX Analytics will be Licensed by the Commission prior to Canna Provisions contracting them for testing services.

1. This testing lab will pick up and transport our testing samples to and from their lab.

2. Canna Provisions will ensure that the storage of all marijuana products at the laboratory complies with 935 CMR 500.105(11).
3. Any and all excess Canna Provisions marijuana product samples used in testing will be disposed of in compliance with 935 CMR 500.105(12), either by the Independent Testing Laboratory returning excess marijuana to Canna Provisions Facility for disposal or by the Independent Testing Laboratory disposing of it directly.

Canna Provisions will not sell or otherwise market for adult use any Marijuana Product that is not capable of being tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000. The product must be deemed to comply with the standards required under 935 CMR 500.160

Required testing includes:

1. Cannabinoid Profile
2. Contaminants as specified by the Department including, but not limited to:
  - a. Mold
  - b. Mildew
  - c. Heavy metals
  - d. Plant-Growth Regulators and Pesticides that are compliant with M.G.L. c. 132B and the regulations promulgated at 333 CMR 2.00 through 333 CMR 14.00.
  - e. Bacteria
  - f. Fungi
  - g. Mycotoxins.

Canna Provisions will maintain the results of all testing for no less than one year.

If a marijuana product fails the laboratory testing, it will be quarantined and stored away from other product and the Department and the Source Marijuana establishment will be notified immediately. Canna Provisions will submit to the Department upon their request, any information regarding contamination. The entire batch of the product will be quarantined and not sold to customers. If through a re-test of the product, it is determined that there is no contamination, the product may be removed from quarantine status and sold. Product that is confirmed to be contaminated, or if the testing results are inconsistent with the labels on the product, will be returned to the Source Marijuana Establishment.







## I. OBJECTIVE

- I.i. It shall be the Policy of Canna Provisions, Inc. to provide employees, clients, vendors, customers and visitors a safe and secure environment in which to work or visit. To accomplish this objective, Canna Provisions, Inc. will promulgate, review and refine existing Policy, Procedure and Post Orders.
- I.ii. Through this Policy and Procedure manual, Canna Provisions, Inc. has developed Policies and Procedures for the safety and benefit of employees, clients, vendors and visitors so they may consider themselves safe and secure to the industry standard. Policy goals will be defined through the implementation of specific actions and tasks to achieve that standard.
- I.iii. Procedures shall detail how Policy will be implemented throughout Canna Provisions, Inc. facilities. Procedures may be further implemented through the use of Post-Orders.
- I.iv. Post-Orders will clearly define the tasks to be undertaken and completed at a specific Canna Provisions, Inc. security post during a specific duty to be undertaken that may be location and time specific.

## II. RESPONSIBILITY

- II.i. Store Managers - Nick Chechile  
Head of Operations - Kimberly Reynolds  
Financial Controller - Danielle Dessereau

## III. APPROVAL AUTHORITY

CEO - Meg Sanders  
COO - Erik Williams  
Store Manager - Nick Chechile

## IV. DEFINITIONS

- IV.i. **Department of Revenue:** Federal and state agency responsible for handling revenue generated from the taxation of citizens and businesses.
- IV.ii. **Memorandum:** A written message in business or diplomacy



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## V. ACCESS TO THE

### COMMISSION

- V.i. Canna Provisions electronic and hard copy (written) records will be available to the Commission upon request pursuant to 935 CMR 500.105(9). The records will be maintained in accordance with generally accepted accounting principles. All written records required in any section of 935 CMR 500.000 are subject to inspection.

## VI. Access to the Massachusetts Department of Revenue

- VI.i. Canna Provisions books, records, papers and other data will be made available upon request by the DOR Accounting records and information in electronic format will be provided in a searchable electronic format if requested by the Commission of the DOR. Any additional reports and schedules relating to the preparation of tax returns will be maintained and made available upon request. Inventory system data as well as any additional purchase reports, schedules or documentation that reconcile to other books and records, such as purchase journals or a general ledger, will also be maintained and made available upon request.
- VI.ii. These records will be kept so long as their contents are material in the administration of Massachusetts tax laws. At a minimum, unless the DOR Commissioner consents in writing to an earlier destruction, the records will be preserved until the statute of limitations for making additional assessments for the period for which the return was due has expired. The DOR may require a longer retention period, such as when the records are the subject of an audit, court case, or other proceeding.
- VI.iii. Additionally, Canna Provisions will comply with all records retention requirements outlined in the DOR Regulations including but limited to 830 CMR 62C.25.1: Record Retention.

## VII. Point of Sale (POS) Systems

- VII.i. Canna Provisions will utilize a POS system that complies with the requirements in G.L. c. 62C, § 25; 830 CMR 62C.25.1 (the Records Retention Regulation); and the Massachusetts Department of Revenue ("DOR") Directive 16-1 "Recordkeeping Requirements for Sales and Use Tax Vendors Utilizing Point of Sale (POS) Systems"
- VII.ii. Our POS system will record all transactions in a manner that will allow the DOR to verify what was sold and whether the appropriate amount of tax was collected. Along with the data in the POS system, Canna Provisions will maintain the following records:
- VII.ii.I. A journal or its equivalent, which records daily all non-cash transactions affecting accounts payable;
- VII.ii.II. A cash journal or its equivalent, which records daily all cash receipts and cash disbursements, including any check transactions;
- VII.ii.III. A sales slip, invoice, cash register tape, or other document evidencing the original



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- transaction, which substantiates each entry in the journal or cash journal;
- VII.ii.IV. Memorandum accounts, records or lists concerning inventories, fixed assets or prepaid items, except in cases where the accounting system clearly records such information
  - VII.ii.V. A ledger to which totals from the journal, cash journal and other records have been periodically posted. The ledger must clearly classify the individual accounts receivable and payable and the capital account.
- VII.iii. Each POS transaction record will provide enough detail to independently determine the taxability of each sale and the amount of tax due and collected. Information on each sales transaction will include, but is not limited to the:
- VII.iii.I. Individual item(s) sold
  - VII.iii.II. Selling price
  - VII.iii.III. tax due
  - VII.iii.IV. invoice number
  - VII.iii.V. date of sale,
  - VII.iii.VI. method of payment
  - VII.iii.VII. POS terminal number and POS transaction number
- VII.iv. Canna Provisions will maintain auditable internal controls to ensure the accuracy and completeness of the transactions recorded in the POS system. The audit trail details include, but are not limited to:
- VII.iv.I. Internal sequential transaction numbers;
  - VII.iv.II. Records of all POS terminal activity; and
  - VII.iv.III. Procedures to account for voids, cancellations, or other discrepancies in sequential numbering.
  - VII.iv.IV. The POS audit trail or logging functionality must be activated and operational at all times, and it must record:
    - VII.iv.V. Any and all activity related to other operating modes available in the system, such as a training mode; and
    - VII.iv.VI. Any and all changes in the setup of the system.

## VIII. Record Types

- VIII.i. The following records will be maintained and stored by Canna Provisions and available to the Commission upon request:
  - VIII.i.I. Security measures in compliance with 935 CMR 500.110;
  - VIII.i.II. Employee security policies, including personal safety and crime prevention techniques;
  - VIII.i.III. A description of the Marijuana Establishment's hours of operation and after-hours contact information, which shall be provided to the Commission, made available to law enforcement officials upon request, and updated pursuant to 935 CMR 500.000.



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- VIII.i.IV. Storage of marijuana in compliance with 935 CMR 500.105(11);
- VIII.i.V. Description of the various strains of marijuana to be cultivated, processed or sold, as applicable, and the form(s) in which marijuana will be sold;
- VIII.i.VI. Procedures to ensure accurate recordkeeping, including inventory protocols in compliance with 935 CMR 500.105(8) and (9);
- VIII.i.VII. Plans for quality control, including product testing for contaminants in compliance with 935 CMR 500.160;
- VIII.i.VIII. A staffing plan and staffing records in compliance with 935 CMR 500.105(9);
- VIII.i.IX. Emergency procedures, including a disaster plan with procedures to be followed in case of fire or other emergencies;
- VIII.i.X. Alcohol, smoke, and drug-free workplace policies;
- VIII.i.XI. A plan describing how confidential information will be maintained;
- VIII.i.XII. A policy for the immediate dismissal of any marijuana establishment agent who has:
- VIII.i.XII.i. Diverted marijuana, which shall be reported to law enforcement officials and to the Commission
  - VIII.i.XII.ii. Engaged in unsafe practices with regard to the operation of the Marijuana Establishment, which shall be reported to the Commission
  - VIII.i.XII.iii. Been convicted or entered a guilty plea, pleas of nolo contendere, or admission to sufficient facts of a felony drug offense involving distribution to a minor in the Commonwealth, or a like violation of the laws of another state, the United States or a foreign jurisdiction, or a military, territorial, or Native American tribal authority.
  - VIII.i.XII.iv. A list of all board members and executives of a Marijuana Establishment, and members, if any, of the licensee must be made available upon request by any individual. 935 CMR This requirement may be fulfilled by placing this information on the Marijuana Establishment's website.
  - VIII.i.XII.v. Policies and procedures for the handling of cash on Marijuana Establishment premises including but not limited to storage, collection frequency, and transport to financial institution(s).
  - VIII.i.XII.vi. Policies and procedures to prevent the diversion of marijuana to individuals younger than 21 years old.
  - VIII.i.XII.vii. Policies and procedures for energy efficiency and conservation that shall include:
    - VIII.i.XII.vii.I. Identification of potential energy reduction opportunities, including but not limited to natural lighting, heat recovery ventilation and energy efficiency measures, and a plan for implementation of such opportunities;
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- VIII.i.XII.vii.II. Consideration of opportunities for renewable energy generation, including, where applicable, submission of building plans showing where energy generators could be placed on the site, and an explanation of why the identified opportunities were not pursued, if applicable
      - VIII.i.XII.vii.III. Strategies to reduce electric demand (such as lighting schedules, active load management and energy storage)
      - VIII.i.XII.vii.IV. Engagement with energy efficiency programs offered pursuant to M.G.L.C. 25, § 21, or through municipal lighting plants.
  - VIII.ii. Operating procedures as required by 935 CMR 500.130(5)
    - VIII.ii.I. Methods for identifying, recording, and reporting diversion, theft, or loss, and for correcting all errors and inaccuracies in inventories. The policies and procedures, at a minimum, must be in compliance with 935 CMR 500.105(8);
    - VIII.ii.II. Policies and procedures for handling voluntary and mandatory recalls of marijuana products. Such procedures shall be adequate to deal with recalls due to any action initiated at the request or order of the Commission, and any voluntary action by a Marijuana Establishment to remove defective or potentially defective marijuana products from the market, as well as any action undertaken to promote public health and safety
    - VIII.ii.III. Policies and procedures for ensuring that any outdated, damaged, deteriorated, mislabeled, or contaminated marijuana products is segregated from other product and destroyed. Such procedures shall provide for written documentation of the disposition of the marijuana products. The policies and procedures, at a minimum, must be in compliance with 935 CMR 500.105(12);
    - VIII.ii.IV. Policies and procedures for transportation. The policies and procedures, at a minimum, must be in compliance with 935 CMR 500.105(13);
    - VIII.ii.V. Policies and procedures to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts. The policies and
    - VIII.ii.VI. procedures, at a minimum, must be in compliance with 935 CMR 500.105(15); and
    - VIII.ii.VII. Policies and procedures for the transfer, acquisition, or sale of marijuana products between establishments.
  - VIII.iii. Inventory records as required by 935 CMR 500.105(8);
  - VIII.iv. Seed-to-sale tracking records for all marijuana products are required by 935 CMR 500.105(8)(e).
  - VIII.v. Personnel records required by 935 CMR 500.105(9)(d), including but not limited to;
    - VIII.v.I. Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;
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- VIII.v.II. 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:
    - VIII.v.II.i. All materials submitted to the Commission pursuant to 935 CMR 500.030(2)
    - VIII.v.II.ii. Documentation of verification of references
    - VIII.v.II.iii. The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision.
    - VIII.v.II.iv. Documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said.
    - VIII.v.II.v. training and the topics discussed, including the name and title of presenters
    - VIII.v.II.vi. Documentation of periodic performance evaluations; G. A record of any disciplinary action taken
    - VIII.v.II.vii. Notice of completed responsible vendor and eight-hour related duty training.
  - VIII.vi. A staffing plan that will demonstrate accessible business hours and safe cultivation conditions;
  - VIII.vii. Personnel policies and procedures; and
  - VIII.viii. All background check reports obtained in accordance with 935 CMR 500.030
  - VIII.ix. Business records, which shall include manual or computerized records of:
    - VIII.ix.I. Assets and liabilities;
    - VIII.ix.II. Monetary transactions;
    - VIII.ix.III. Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
    - VIII.ix.IV. Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
    - VIII.ix.V. Sales records including the quantity, form, and cost of marijuana products; and
    - VIII.ix.VI. Salary and wages paid to each employee, stipend paid to each board member, and an 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.
  - VIII.x. Waste disposal records as required under 935 CMR 500.105(12); and
  - VIII.xi. Following 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.
  - VIII.xii. Responsible vendor training program compliance records.
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VIII.xiii. Vehicle registration,

inspection and insurance records. (If Applicable)

## IX. ASSOCIATED DOCUMENTS

## X. ADDENDUMS

## XI. REVISION HISTORY

| Version | Date       | Comment                                  |
|---------|------------|--|
| 0.0     | March 2019 | Created /skandt                          |
| 1.0     | 04/15/2019 | Reformatted to new style template/skandt |
| 2.0     | 04/29/2019 | Edited/Nothe                             |
| 3.0     | 05/02/2019 | Edited/Vuillemot                         |
| 4.0     | 06/07/2019 | Edited/Vuillemot                         |
| 5.0     | 06/07/2019 | Edited/Perilli                           |
| 6.0     | 11/30/19   | Edited/Perilli                           |





## I. OBJECTIVE

- I.i. It shall be the Policy of Canna Provisions, Inc. to provide employees, clients, vendors, customers and visitors a safe and secure environment in which to work or visit. To accomplish this objective, Canna Provisions, Inc. will promulgate, review and refine existing Policy, Procedure and Post Orders.
- I.ii. Through this Policy and Procedure manual, Canna Provisions, Inc. has developed Policies and Procedures for the safety and benefit of employees, clients, vendors and visitors so they may consider themselves safe and secure to the industry standard. Policy goals will be defined through the implementation of specific actions and tasks to achieve that standard.

## II. RESPONSIBILITY

- II.i. Head of Security - Kimberly Reynolds
- II.ii. Store Manager - Nick Chechile  
Brian Lizzotte

## III. APPROVAL AUTHORITY

- III.i. CEO - Meg Sanders  
COO - Erik Williams  
Store Manager - Nick Chechile  
Brian Lizotte

## IV. DEFINITIONS

- IV.i. **Underage:** Person(s) under the age of 21.
- IV.ii. **Man-trap:** a screening area, just after the main entrance into the facility.



## V. Under 21 purchase prevention SOP

The purchase of cannabis by any person(s) under the age of 21 is illegal in the state of Massachusetts. This is a crime that Canna Provisions is liable for. It is vital that this never happen.

To ensure this does not happen Canna Provisions will ensure safe guards to control customer entry/ exit access and check the authenticity of each ID multiple times throughout the sales process.

- V.i. The first ID check occurs while customers are waiting in line prior to entering the facility with the portable ID Scanner. This will be conducted by Canna Provisions Line Engagement team or Canna Provisions Security staff.
- V.ii. Only one new customer/ group of customers will be allowed to enter the mantrap at a time.
- V.iii. After the customer enters the mantrap, they will approach the reception area and present their ID to the receptionist for inspection.
- V.iv. The Canna Provisions Receptionist will then hand the customers ID to the Canna Provisions Guide who will inspect the ID searching for the veracity of the ID. The Canna Provisions Guide will maintain positive accountability of the customers ID throughout the sales process. When the order goes to fulfillment, the Canna Provisions Guide will then give the ID to the fulfillment personnel for final inspection. At the conclusion of the sale, the fulfillment Guide will return the ID to the customer upon exiting the sales floor.

## VI. If a person(s) under the age of 21 are found

- VI.i. Any **person(s) under the age of 21** will be respectfully asked to leave and return when they are of legal age.
  - VI.i.i. Security and Management must be informed of such an incident.
    - VI.i.i.i. An **incident report** will be filled out.
- VI.ii. For **person(s)** refusing to leave the property, please see **LEE\_Security Policy and Procedure 1.0**

## VII. MISSING, OR FALSE IDENTIFICATION

- VII.i. In the event a customer does not have a valid ID they cannot be allowed to enter, and will be respectfully asked to leave and return with a valid form of identification.
- VII.ii. In the event a false identification is discovered, the incident must be reported to security and management immediately.

## VIII. ASSOCIATED DOCUMENTS

- VIII.i. LEE\_Security Policy and Procedure 1.0



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**IX. ADDENDUMS**

**X. REVISION HISTORY**

| Version | Date       | Comment                                  |
|---------|------------|--|
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# Policy for Separating Recreational from Medical Operations

**Not Applicable**

Canna Provisions, Inc. is not a Medical Marijuana Treatment Center or Existing RMD Applicant

# Plan to Positively Impact Areas of Disproportionate Impact

Canna Provisions, Inc. is committed to do our part in positively impacting areas of disproportionate impact. Our plan focuses on employment, donations, Social Justice Leader Status and the use of suppliers, contractors and partners.

Holyoke has been designated as “Areas of Disproportionate Impact” and Lee is within a 20-minute drive to Pittsfield, another “Area of Disproportionate Impact” It is our plan to engage employees, suppliers, contractors and other partners from these communities when possible.

Canna Provisions, Inc. will be a three-manager run business with Meg Sanders being one of the managers. Meg has been in the legal cannabis industry for 9 years and is a nationally recognized leader in promoting women in cannabis, speaking at events, supporting women-focused organizations and has been recognized year after year for her groundbreaking female leadership in the industry.

## EMPLOYMENT-

GOAL: Positively impact areas of disproportionate impact by providing good-paying jobs with benefits, including paid time for local volunteerism, and to develop long-term career opportunities.

## PROGRAMS FOR ACHEIVING GOALS:

Canna Provisions is required, as part of our Host Community Agreements (“HCA”), to hire locally when possible. We are committed to compliance with this requirement and will make every effort to hire ~50% of our employees from the Cities of Holyoke and Pittsfield.

1. We will engage with CareerPoint, which as a Massachusetts One Stop Career center. CareerPoint serves the City of Holyoke. Canna Provisions will post all job posing through CareerPoint and will engage in job fairs and other services that CareerPoint offers.
2. We will engage with BerkshireWorks Career Center, which as a Massachusetts One Stop Career center. BerkshireWorks serves the City of Pittsfield. Canna Provisions will post all job posing through BerkshireWorks and will engage in job fairs and other services that BerkshireWorks offers.
3. We will engage with Greater Holyoke Chamber of Commerce, Greater Pittsfield Chamber of Commerce, the Berkshire Chamber of Commerce, Centennial Foundation, and Holyoke Job Link. We will post all job posing through this job site.
4. Candidates from these communities will be given preference for open positions at our RME.
5. We will make every effort to provide meaningful participation of communities disproportionately affected by cannabis prohibition and enforcement, including Minority Business Enterprises, Women Business Enterprises, and Veteran Business Enterprises in all of our hiring practices. We have begun vetting and hiring key employees and, thus far, everyone is an existing small farmer, woman, person of color, and/or veteran.
6. We will work directly with local veteran organizations to notify their members of any and all hiring fairs and open positions and will actively recruit veterans.

#### MEASUREMENT AND ACCOUNTABILITY:

Canna Provisions, Inc. will produce a full report annually on all attempts to hire, actual hires, from where they came, their training, pay, benefits, and advancement. This report will be made available to the Commonwealth of Massachusetts, the City of Holyoke and the Town of Lee. The report's conglomeration of data will also be used as an evolving tool for Canna Provisions to determine the best hiring practices to reach our stated goals above. Canna Provisions Managers and leaders from all employment partners organizations will meet to discuss the report and make any necessary adjustments. We also intend to present this report publicly to the Lee Board of Selectmen, the Mayor of Holyoke and the Holyoke City Council.

#### **DONATIONS-**

GOAL: To positively impact areas of disproportionate impact by making direct donations and encouraging employee volunteerism through paid volunteer days.

#### PROGRAMS FOR ACHIEVING GOALS:

Canna Provisions will make monetary donations to the following organizations on an ongoing basis. The amounts of these donations have not been determined. Once the company is stable in its finances and fiscal projections are more solid, these donations will increase.

1. Social Equity Training and Technical Assistance Fund
2. CareerPoint
3. BerkshireWorks
4. Brien Center
5. Goodwill Industries of the Berkshires, Pittsfield Regional Office & Training Center
6. Girls, Inc. of Holyoke

Canna Provisions has entered into a Memorandum of Understanding with the South Holyoke Neighborhood Association's Verde Fund to make annual minimum contributions of at least \$5000. MOU is attached and lays out the basis for the Verde Fund making grants and otherwise providing assistance locally.

#### MEASUREMENT AND ACCOUNTABILITY:

Canna Provisions, Inc. will produce a full report annually on all charitable donations. This report will be made available to the Commonwealth of Massachusetts, the City of Holyoke and the Town of Lee. Canna Provisions Managers and appropriate community leaders will meet to discuss the report and make any necessary adjustments. We also intend to present this report publicly to the Lee Board of Selectmen, the Mayor of Holyoke and the Holyoke City Council.

#### **SOCIAL JUSTICE LEADER-**

GOAL: TO positively impact areas of disproportionate impact by becoming a Social Justice Leader.

#### PROGRAMS FOR ACHIEVING GOALS:

Canna Provisions is committed to attaining Social Justice Leader status pursuant to 935 CMR 500.040(3)(a). While we may not be able to attain this status in year 1, it is our plan to make every effort to attain this leadership rating in year 2 of operation.

1. Once our fiscal projections are solid and we feel that the one percent of gross revenue required for this rating will not destabilize the company fiscally, we will make this required donation.
2. We plan to engage with Holyoke Community College, other educational institutions and other organizations for the purposes holding educational seminars in Marijuana Retailing and Marijuana Business Training.

#### MEASUREMENT AND ACCOUNTABILITY:

Canna Provisions, Inc. will produce a comprehensive report annually on all actions taken to achieve Social Justice Leader status. This report will be made available to the Commonwealth of Massachusetts, the City of Holyoke and the Town of Lee. Canna Provisions Managers and appropriate community leaders will meet to discuss the report and make any necessary adjustments. We also intend to present this report publicly to the Lee Board of Selectmen, the Mayor of Holyoke and the Holyoke City Council.

#### **SUPPLIERS, CONTRACTORS and PARTNERS-**

GOAL: To positively impact areas of disproportionate impact by partnering with existing businesses.

#### PROGRAMS FOR ACHIEVING GOALS:

Canna Provisions plans to utilize suppliers, contractors and other partners who are from areas of disproportionate impact and are people of color, women, veterans, farmers, and people with drug convictions.

1. It is our goal that ~50% of our vendors, contractors and builders will be sourced locally from Holyoke and/or Pittsfield.
2. As for our wholesale suppliers and partners, we will first engage with Marijuana Establishments that have attained Social Justice Leader rating from the Commission to fulfill our product needs. Suppliers for non-marijuana will be sourced from Holyoke, Pittsfield or other areas designated as an area of disproportionate impact.

#### MEASUREMENT AND ACCOUNTABILITY:

Canna Provisions, Inc. will produce an ongoing comprehensive ledger on all expenses that includes whether or not the expense is a qualifying one under this program's goals. This ledger will be part of a report to be made available to the Commonwealth of Massachusetts, the City of Holyoke and the Town of Lee. Canna Provisions Managers and appropriate community leaders will meet to discuss the report and make any necessary adjustments. We also intend to present this report publicly to the Lee Board of Selectmen, the Mayor of Holyoke and the Holyoke City Council.

#### **INCUBATOR AND ACCELERATOR PROGRAMS**

GOAL: To positively impact areas of disproportionate impact by helping small businesses effectively and efficiently start marijuana and marijuana support businesses.

#### PROGRAMS FOR ACHIEVING GOALS:

Managers Meg Sander and Erik Williams have a combined 17 years of legal cannabis business experience and will develop Canna Provisions' plans and programs for business incubators and business technical assistance. As consultants, Meg and Erik regularly provide pro bono work for those who are seeking to be a part of the Massachusetts marijuana industry and would continue that work as Managers with Canna Provisions. As these businesses and individuals are in the early stages along with the Massachusetts marijuana industry, we will develop the specific programs as long terms needs become more apparent.

These programs are expected to include:

1. Regular roundtable discussions and networking events for those seeking to enter the industry.
2. Hold regular working sessions on making applications to municipalities, writing business plans, developing financial projections, and addressing other technical issues they may be facing and/or may face.
3. Continuing to mentor all of the individuals currently being mentored.
4. Making un- or underused space available to small businesses as allowed by law.
5. Making commitments to purchase products and/or services from small businesses and those disproportionately impacted, including providing payment for such products and services in advance of delivery, providing much-needed cash flow.

Additionally, Canna Provisions is currently pursuing a plan to develop a "condominium-style" incubator space in property controlled by Canna Provisions, abutting our proposed Holyoke retail site. In addition to providing all of the benefits as described above to those 'tenants,' we would provide shared services at cost, and within all applicable laws. Those would include, but not be limited to, shared security equipment and professional monitoring, shared systems management, shared tracking and computer systems, shared temporary workforces, shared advertising, marketing, branding and distribution services, and encourage bulk-purchasing to how down costs.

#### MEASUREMENT AND ACCOUNTABILITY:

Canna Provisions, Inc. will produce look-book detailing the actions taken, the 'tenants' in our facilities, the finances of this program and will include forward-looking goals and statements. It is your intention that this presentation be publicly available and used as a blueprint for other companies to create similar incubator programs. Canna Provisions will form a group of affected persons to present to Managers any ways we can make the program work better. We also intend to present this publicly to the Lee Board of Selectmen, the Mayor of Holyoke and the Holyoke City Council.