



Massachusetts Cannabis Control Commission

Marijuana Retailer

General Information:

License Number: MR284097
Original Issued Date: 10/15/2021
Issued Date: 10/13/2022
Expiration Date: 10/15/2023

ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Massachusetts Citizens for Social Equity LLC

Phone Number: 734-323-1822 Email Address: ankur@c3industries.com

Business Address 1: 3995-3997 Washington Street Business Address 2:

Business City: Boston Business State: MA Business Zip Code: 02131

Mailing Address 1: 4420 Varsity Drive Mailing Address 2:

Mailing City: Ann Arbor Mailing State: MI Mailing Zip Code: 48108

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: Percentage Of Control: 51

Role: Executive / Officer Other Role:

First Name: Brian Last Name: Chavez Suffix:

Entity Description: Holding Company

Foreign Subsidiary Narrative:

Entity Phone:

Entity Email:

Entity Website:

Entity Address 1:

Entity Address 2:

Entity City:

Entity State:

Entity Zip Code:

Entity Mailing Address 1:

Entity Mailing Address 2:

Entity Mailing City:

Entity Mailing State:

Entity Mailing Zip Code:

Relationship Description: Chavez Retail Holdings LLC is the holding company for Massachusetts Citizens for Social Equity LLC ("MCSE"). Chavez Retail Holdings LLC owns 51% of MCSE.

CLOSE ASSOCIATES AND MEMBERS

No records found

CAPITAL RESOURCES - INDIVIDUALS

No records found

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: C3

Owner Last Name:

Owner Suffix:

Industries Inc.

Entity Legal Name: QPS Holdings LLC

Entity DBA:

Entity Description: Oregon Cannabis businesses (cultivation, manufacturing, retail etc.)

Entity Phone: 734-323-1822

Entity Email:

Entity Website:

ankur@c3industries.com

Entity Address 1: 10160 North Lombard St

Entity Address 2:

Entity City: Portland

Entity State: OR

Entity Zip Code: 97203

Entity Country: United States

Entity Mailing Address 1: 4420 Varsity Drive

Entity Mailing Address 2:

Entity Mailing City: Ann Arbor

Entity Mailing State: MI

Entity Mailing Zip Code:

48108

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: C3

Owner Last Name:

Owner Suffix:

Industries Inc.

Entity Legal Name: QPS Michigan Holdings LLC

Entity DBA:

Entity Description: Michigan Cannabis businesses (cultivation, manufacturing, retail etc.)

Entity Phone: 734-323-1822

Entity Email:

Entity Website:

ankur@c3industries.com

Entity Address 1: 4420 Varsity Drive

Entity Address 2:

Entity City: Ann Arbor

Entity State: MI

Entity Zip Code: 48108

Entity Country: United States

Entity Mailing Address 1: 4420 Varsity Drive

Entity Mailing Address 2:

Entity Mailing City: Ann Arbor

Entity Mailing State: MI

Entity Mailing Zip Code:

Entity Mailing Country: United States

48108

States

Business Interest in Other State 3

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

Owner First Name: C3 Owner Last Name: Owner Suffix:
Industries

Entity Legal Name: QPS Missouri Holdings LLC Entity DBA:

Entity Description: Missouri Cannabis businesses (cultivation, manufacturing, retail etc.)

Entity Phone: 734-323-1822 Entity Email: Entity Website:
ankur@c3industries.com

Entity Address 1: 122 East High Street, Floor 3 Entity Address 2:

Entity City: Jefferson City Entity State: MO Entity Zip Code: 65101 Entity Country: United States

Entity Mailing Address 1: 4420 Varsity Drive Entity Mailing Address 2:

Entity Mailing City: Ann Arbor Entity Mailing State: MI Entity Mailing Zip Code: 48108 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: C3 Owner Last Name: Owner Suffix:
Industries Inc.

Entity Legal Name: QPS 20327 Groesbeck LLC Entity DBA:

Entity Description: Michigan medical marijuana provisioning center

Entity Phone: 734-323-1822 Entity Email: Entity Website:
Ankur@c3industries.com

Entity Address 1: 20327 Groesbeck Hwy Entity Address 2:

Entity City: Detroit Entity State: MI Entity Zip Code: 48205 Entity Country: United States

Entity Mailing Address 1: 4420 Varsity Drive Entity Mailing Address 2:

Entity Mailing City: Ann Arbor Entity Mailing State: MI Entity Mailing Zip Code: 48108 Entity Mailing Country: United States

DISCLOSURE OF INDIVIDUAL INTERESTS

Individual 1

First Name: Brian Last Name: Chavez Suffix:

Marijuana Establishment Name: Massachusetts Citizens for Social Equity LLC Business Type: Marijuana Retailer

Marijuana Establishment City: Boston Marijuana Establishment State: MA

Individual 2

First Name: Brian Last Name: Chavez Suffix:

Marijuana Establishment Name: Erba C3 Dorchester LLC Business Type: Marijuana Retailer

Marijuana Establishment City: Boston Marijuana Establishment State: MA

Individual 3

First Name: Ankur Last Name: Rungta Suffix:

Marijuana Establishment Name: QPS Massachusetts Holdings, LLC Business Type: Marijuana Cultivator

Marijuana Establishment City: Franklin Marijuana Establishment State: MA

Individual 4

First Name: Ankur Last Name: Rungta Suffix:

Marijuana Establishment Name: QPS Massachusetts Holdings, LLC **Business Type:** Marijuana Product Manufacture

Marijuana Establishment City: Franklin

Marijuana Establishment State: MA

Individual 5

First Name: Ankur

Last Name: Rungta

Suffix:

Marijuana Establishment Name: Erba C3 Dorchester LLC **Business Type:** Marijuana Retailer

Marijuana Establishment City: Dorchester

Marijuana Establishment State: MA

Individual 6

First Name: Vishal

Last Name: Rungta

Suffix:

Marijuana Establishment Name: QPS Massachusetts Holdings, LLC **Business Type:** Marijuana Cultivator

Marijuana Establishment City: Franklin

Marijuana Establishment State: MA

Individual 7

First Name: Vishal

Last Name: Rungta

Suffix:

Marijuana Establishment Name: QPS Massachusetts Holdings, LLC **Business Type:** Marijuana Product Manufacture

Marijuana Establishment City: Franklin

Marijuana Establishment State: MA

Individual 8

First Name: Vishal

Last Name: Rungta

Suffix:

Marijuana Establishment Name: Erba C3 Dorchester LLC **Business Type:** Marijuana Retailer

Marijuana Establishment City: Dorchester

Marijuana Establishment State: MA

Individual 9

First Name: Joel

Last Name: Ruggiero

Suffix:

Marijuana Establishment Name: QPS Massachusetts Holdings, LLC **Business Type:** Marijuana Cultivator

Marijuana Establishment City: Franklin

Marijuana Establishment State: MA

Individual 10

First Name: Joel

Last Name: Ruggiero

Suffix:

Marijuana Establishment Name: QPS Massachusetts Holdings, LLC **Business Type:** Marijuana Product Manufacture

Marijuana Establishment City: Franklin

Marijuana Establishment State: MA

Individual 11

First Name: Joel

Last Name: Ruggiero

Suffix:

Marijuana Establishment Name: Erba C3 Dorchester LLC **Business Type:** Marijuana Retailer

Marijuana Establishment City: Dorchester

Marijuana Establishment State: MA

MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Establishment Address 1: 3995-3997 Washington Street

Establishment Address 2:

Establishment City: Boston

Establishment Zip Code: 02131

Approximate square footage of the establishment: 1320

How many abutters does this property have?: 2

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	MCSE - HCA Cert. Form.pdf	pdf	602b2d50eabb336a11f7f5a	02/15/2021
Plan to Remain Compliant with Local Zoning	Plan to Remain Compliant with Local Zoning (Updated).pdf	pdf	603d9d2fb3603835a49f2c72	03/01/2021
Community Outreach Meeting Documentation	MCSE Roslindale- Community Outreach Meeting Attestation (Final).pdf	pdf	6066319b4c3a6c079db402e1	04/01/2021

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

PLAN FOR POSITIVE IMPACT

Plan to Positively Impact Areas of Disproportionate Impact:

Document Category	Document Name	Type	ID	Upload Date
Plan for Positive Impact	Plan for Positive Impact (Updated).pdf	pdf	603d9d3ae15067356d20a194	03/01/2021

ADDITIONAL INFORMATION NOTIFICATION

Notification:

INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

Role:	Other Role:
First Name: Brian	Last Name: Chavez Suffix:
RMD Association: Not associated with an RMD	
Background Question: yes	

Individual Background Information 2

Role:	Other Role:
First Name: Ankur	Last Name: Rungta Suffix:
RMD Association: Not associated with an RMD	
Background Question: no	

Individual Background Information 3

Role:	Other Role:
First Name: Vishal	Last Name: Rungta Suffix:
RMD Association: Not associated with an RMD	
Background Question: no	

Individual Background Information 4

Role:	Other Role:
First Name: Joel	Last Name: Ruggerio Suffix:
RMD Association: Not associated with an RMD	
Background Question: no	

ENTITY BACKGROUND CHECK INFORMATION

Entity Background Check Information 1

Role: Parent Company **Other Role:**
Entity Legal Name: C3 Industries Inc. **Entity DBA:**
Entity Description: Holding Company
Phone: 734-323-1822 **Email:** ankur@c3industries.com
Primary Business Address 1: 4420 Varsity Drive **Primary Business Address 2:**
Primary Business City: Ann Arbor **Primary Business State:** MI **Principal Business Zip Code:** 48108
Additional Information:

Entity Background Check Information 2

Role: Parent Company **Other Role:**
Entity Legal Name: Chavez Retail Holdings LLC **Entity DBA:**
Entity Description: Holding Company
Phone: 617-817-5615 **Email:** donchavez@gmail.com
Primary Business Address 1: 561 Dudley Street **Primary Business Address 2:**
Primary Business City: Roxbury **Primary Business State:** MA **Principal Business Zip Code:** 02119
Additional Information:

MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Articles of Organization	MCSE - Cert. of Organization.pdf	pdf	602b34f372b5633675944aa0	02/15/2021
Secretary of Commonwealth - Certificate of Good Standing	Cert of Good Standing Unemployment Office MCSE.pdf	pdf	602b35091681d1368fdb59bf	02/15/2021
Secretary of Commonwealth - Certificate of Good Standing	Good Standing Cert MCSE Sec of State.pdf	pdf	602b350f65c0d035fcc4e264	02/15/2021
Department of Revenue - Certificate of Good standing	DOR Cert. Good Standing.pdf	pdf	602b3543238c3036b0f86a3e	02/15/2021
Bylaws	Massachusetts Citizens for Social Equity LLC - Operating Agreement (Final Fully Executed).pdf	pdf	606631ed5100e00770db1b4c	04/01/2021

Certificates of Good Standing:

Document Category	Document Name	Type	ID	Upload Date
Department of Revenue - Certificate of Good standing	MCSE Cert of Good Standing_DOR_July 13, 2022.pdf	pdf	62f9a1bd1e960b0009ff3b04	08/14/2022
Secretary of Commonwealth - Certificate of Good Standing	MCSE Cert_ good_standing_SecofState_2022.pdf	pdf	62f9a1bf7deb3b000904a341	08/14/2022
Department of Unemployment Assistance - Certificate of Good standing	Dept of unemployment Assistance_MCSE_Cert of Compliance_July 6, 2022.pdf	pdf	62f9a1c11e960b0009ff3b18	08/14/2022

Massachusetts Business Identification Number: 001362087

Doing-Business-As Name: High Profile X Budega

DBA Registration City: Boston

BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Business Plan	Business Plan.pdf	pdf	602b355e604cbb3616710370	02/15/2021
Plan for Liability Insurance	INSURANCE_Operating Policy - 3995 Washington - MCSE.pdf	pdf	62f9a21d7deb3b000904a3b2	08/14/2022
Proposed Timeline	12_MCSE Renewal_Timeline Update_3995 Washington_FINAL.pdf	pdf	62fae1fe1e960b00090112ad	08/15/2022

OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan for obtaining marijuana or marijuana products	Plan to Obtain Products.pdf	pdf	602b35901681d1368fdb59c7	02/15/2021
Separating recreational from medical operations, if applicable	Separating Med. from Rec..pdf	pdf	602b3595238c3036b0f86a42	02/15/2021
Restricting Access to age 21 and older	Restricting Access to Age 21+.pdf	pdf	602b35974dba6f360b680444	02/15/2021
Transportation of marijuana	Transportation Policy.pdf	pdf	602b35e272b5633675944aa7	02/15/2021
Maintaining of financial records	Financial Record Maintenance.pdf	pdf	602b37b34e95aa35cfc24208	02/15/2021
Diversity plan	Diversity Plan (2).pdf	pdf	606632123e0ae507c9313241	04/01/2021
Personnel policies including background checks	C_I_MCSE_SOP_Staffing Plan_COMPLETE.pdf	pdf	62f9a44e7deb3b000904a426	08/14/2022
Storage of marijuana	D_MCSE_SOP_Storage of Marijuana_COMPLETE.pdf	pdf	62f9a4501e960b0009ff3bb8	08/14/2022
Inventory procedures	G_2_MCSE_SOP_Inventory Protocols_COMPLETE.pdf	pdf	62f9a4517deb3b000904a43a	08/14/2022
Dispensing procedures	1_MCSE_SOP_Retail Sales Policy_COMPLETE.pdf	pdf	62f9a4531e960b0009ff3bcc	08/14/2022
Security plan	A_MCSE_SOP_Security Plan_002_COMPLETE.pdf	pdf	62f9a4547deb3b000904a44e	08/14/2022
Prevention of diversion	P_MCSE_SOP_Diversion Prevention_COMPLETE.pdf	pdf	62f9a4f21e960b0009ff3c1a	08/14/2022
Energy Compliance Plan	Q_12_MCSE PPLI_Energy Efficiency SOP_COMPLETE.pdf	pdf	62f9a4f37deb3b000904a4b0	08/14/2022
Record Keeping procedures	G_MCSE_SOP_Recordkeeping_COMPLETE.pdf	pdf	62f9a4f51e960b0009ff3c2e	08/14/2022
Quality control and testing	H_MCSE_SOP_Quality Control_COMPLETE.pdf	pdf	62f9a4f67deb3b000904a4c4	08/14/2022
Qualifications and training	MCSE_Qualifications & Training with Manual_3995 Washington.pdf	pdf	62f9a4fa1e960b0009ff3c42	08/14/2022

MARIJUANA RETAILER SPECIFIC REQUIREMENTS

Adequate Patient Supply Documentation:

Document Category	Document Name	Type	ID	Upload Date
	14a_MCSE Renewal_Retail Specific Requirements Letter_3995 Washington.pdf.pdf	pdf	62fae2be6b64fa00075b05b2	08/15/2022

Reasonable Substitutions of Marijuana Types and Strains Documentation:

Document Category	Document Name	Type	ID	Upload Date
	14b_MR284097 MCSE Renewal_Retail Specific Requirements Letter_3995 Washington.pdf	pdf	62f9a78c7deb3b000904a561	08/14/2022

ATTESTATIONS

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

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

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

Notification:

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

COMPLIANCE WITH POSITIVE IMPACT PLAN

Progress or Success Goal 1

Description of Progress or Success: The Company has not commenced the operation of its Marijuana Retailer at 3995-3997 Washington Street in the City of Boston, Massachusetts. As such, the Company has not commenced its hiring efforts to staff the facility. As a result, it has not been required to commence its hiring efforts aimed at improving the employment within the areas of disproportionate impact that were identified by the Company.

Notwithstanding the foregoing, the Company has satisfied its obligation to provide its annual financial contribution, in the amount of \$5,000.00, to its community partner, Archdale Community Center Council, Inc. A copy of the cheque to evidence the donation is included with this renewal application.

In addition, despite the Company not yet commencing the operation of its facility, it has developed policies and procedures that it will immediately implement to ensure it satisfies its obligations. A copy of the Company's positive impact policy is also included with this renewal application.

The Company plans to move closer towards its operational status within the coming months. As such, it will begin hiring in compliance with its obligations set out in its positive impact plan. The Company will ensure it satisfies its obligations and will provide any information requested by the Commission in a timely manner upon request.

COMPLIANCE WITH DIVERSITY PLAN
Diversity Progress or Success 1

Description of Progress or Success: The Company has not commenced the operation of its Marijuana Retailer at 3995-3997 Washington Street in the City of Boston, Massachusetts. As such, the Company has not commenced its hiring efforts to staff the facility. As a result, many of the Company's diversity commitments remain inapplicable until it moves closer to operational status.

Notwithstanding the foregoing, the Company has developed operational policies and procedures that will be immediately implemented to ensure it satisfies its diversity obligation. A copy of the Company's diversity policy is included with this renewal application.

The Company intends to host a virtual job fair within the coming months. It will ensure it satisfies its obligations and will provide any information requested by the Commission in a timely manner upon request.

HOURS OF OPERATION

Monday From: 10:00 AM	Monday To: 9:00 PM
Tuesday From: 10:00 AM	Tuesday To: 9:00 PM
Wednesday From: 10:00 AM	Wednesday To: 9:00 PM
Thursday From: 10:00 AM	Thursday To: 9:00 PM
Friday From: 10:00 AM	Friday To: 9:00 PM
Saturday From: 10:00 AM	Saturday To: 9:00 PM
Sunday From: 10:00 AM	Sunday To: 9:00 PM

Host Community Agreement Certification Form

Instructions

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

Certification

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

1. Name of applicant:

2. Name of applicant’s authorized representative:

3. Signature of applicant’s authorized representative:

4. Name of municipality:

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



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



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



8. Host community agreement execution date:







Plan to Remain Compliant with Local Zoning

The City of Boston (the “**City**”) amended its zoning code at a on April 13, 2018, to allow the dispensing of marijuana for adult-use in the various neighborhoods and subdistricts throughout the City of Boston.

Massachusetts Citizens for Social Equity LLC (the “**Company**”), is proposing to develop and operate a Marijuana Establishment at 3995-3997 Washington Street, Roslindale, MA 02131 (the “**Property**”). This site is located in the Roslindale Neighborhood Zoning District and the Local Convenience (LC) Zoning Subdistrict. Pursuant to Article 67, Section 11 of the Zoning code for the City of Boston (the “**Ordinance**”), the use of the Property for a Marijuana Establishment is permitted, subject to the receipt of a license from the Boston Cannabis Board (the “**Board**”), the granting of a Conditional Use Permit by the City of Boston Zoning Board of Appeals (the “**Zoning Board**”), and the execution of a Host Community Agreement with the City. Please see the attached zoning bylaws and zoning map for reference.

The Company has discussed its marijuana retail facility with City officials including, but not limited to the, Mayor’s Office, City Council, Inspectional Services Department and Police Department. The Company has also executed a Host Community Agreement with the City, and received a license from the Board and its approval from the Zoning Board. Please see a copy of the zoning decision and licensing board approval attached hereto and incorporated herewith.

The Company plans to continue to work with officials from the City to ensure the operations will have a positive impact on the community and will work diligently to obtain all necessary approvals and permitting.

The Company hereby submits that it will continue to comply with all local and state requirements and Brian Chavez, Owner and CEO, will be responsible for ongoing compliance with local and state rules and regulations.



City of Boston
Mayor Martin J. Walsh
Board of Appeal

**NOTICE OF DECISION
CASE NO. BOA953866
PERMIT #ALT923102
APPEAL SUSTAINED
WITH PROVISOS**

In reference to appeal of

Massachusetts Citizens for Social Equity, LLC

Concerning premises

3995-3997 Washington Street, Ward 19

to vary the application of the Zoning Act, Ch. 665, Acts of 1956, as amended, in this specific case, I beg to advise that the petition has been granted.

Decision has been filed in the office of the Commissioner of the Inspectional Services Department, 1010 Massachusetts Avenue, fifth floor, Boston, MA 02118, and is open for public inspection. Date of entry of this decision in the Inspectional Services Department was February 17, 2021.

Please be advised, due to the ongoing COVID-19 public health emergency, this decision of the Board has been reviewed and signed electronically by the signing Board Members. The addition of the certification of the Executive Secretary to the signature page attests that each Board Member who has signed this decision electronically has had an opportunity to review the written decision and has given his or her express written permission to the Executive Secretary to sign this decision electronically.

FOR THE BOARD OF APPEAL

*/s/*Kevin P. O'Connor, Jr.

Kevin P. O'Connor, Jr.
Principal Administrative Assistant



City of Boston
Mayor Martin J. Walsh
Board of Appeal

DECISION OF THE BOARD ON THE APPEAL OF

December 1, 2020

DATE

Massachusetts Citizens for Social Equity, LLC

to vary the terms of the Boston Zoning Code, under Statute 1956, Chapter 665, as amended, Section 8, at premises:

3995 – 3997 Washington Street, Ward - 19

For the terms of the Boston Zoning Code (see Acts of 1956, c. 665) in the following respect: Conditional Use

Article(s): Article 67 Section 11 Use Regulations Cannabis establishment is a conditional is a conditional use in a LC
Sub-district

Purpose: Change occupancy to cannabis dispensary retail.

In his formal appeal, the Appellant states briefly in writing the grounds of and the reasons for his appeal from the refusal of the Building Commissioner, as set forth in papers on file numbered BOA 953866 and made a part of this record.

In conformity with the law, the Board mailed reasonable notice of the public hearing to the petitioner and to the owners of all property deemed by the Board to be affected thereby, as they appeared on the then most recent local tax lists, which notice of public hearing was duly advertised in a daily newspaper published in the City of Boston, namely:

THE BOSTON HERALD on Tuesday, November 10, 2020

The Board took a view of the petitioner's land, examined its location, layout and other characteristics.

The Boston Redevelopment Authority was sent notice of the appeal by the Building Department and the legal required period of time was allotted to enable the BRA to render a recommendation to the Board, as prescribed in the Code.

After hearing all the facts and evidence presented at the public hearing held on Tuesday, December 1, 2020 in accordance with notice and advertisement aforementioned, the Board finds as follows:

The Appellant appeals to be relieved of complying with the aforementioned section of the Boston Zoning Code, all as per Application for Permit# ALT923102 and February 13, 2019 plans submitted to the Board at its hearing and now on file in the Building Department.



DECISION OF THE BOARD ON THE APPEAL OF 3995-3997 Washington Street (Ward 19)
BOA-953866
Date of Hearing: December 1, 2020
Permit # ALT923102
Page # 2

In this appeal, the Petitioner seeks a Conditional Use Permit pursuant to the Boston Zoning Code Article 67, § 67-11 and Article 6, § 6-3 to operate a Cannabis Establishment at the building located at 3995-3997 Washington Street, Ward 19, within the Roslindale Neighborhood Zoning District and the Local Convenience Subdistrict (“the Premises”).

BACKGROUND

The Petitioner received a zoning code refusal from Plans Examiner James M. Kennedy, on behalf of the Commissioner, on or about May 8, 2019. It appealed said refusal on or about May 16, 2019 and was given a public hearing date of December 1, 2020.

At the public hearing the Petitioner presented facts and materials, as to how it satisfied the criteria for a conditional use permit, as set forth in the Boston Zoning Code and public testimony was taken. A representative of the Mayor’s Office of Neighborhood Services, and residents of the neighborhood spoke in support of the Cannabis Establishment. No one spoke in opposition. Many community meetings were held, including the state required and properly noticed Community Meeting on September 9, 2019. Hundreds of letters of support were filed in support of the project.

DOCUMENTS FILED WITH THE CITY AND/OR THE BOARD

The Petitioner filed the following documents:

- Appeal and Filing Fee;
- Plans prepared by Alfaro Mendoza & Company Architects dated January 29, 2019;
- A Host Community Agreement executed by the Petitioner and the City of Boston on October 1, 2020; and
- Correspondence of the Boston Cannabis Board demonstrating its vote of support on September 16, 2020.



DECISION OF THE BOARD ON THE APPEAL OF 3995-3997 Washington Street (Ward 19)
BOA-953866
Date of Hearing: December 1, 2020
Permit # ALT923102
Page # 3

FINDINGS

Based on the evidence before it, and pursuant to Article 6, § 6-3, the Board makes the following findings:

a) The specific site is an appropriate location for such use;

The Cannabis Establishment is a contemplated use in the Local Convenience Subdistrict of the Roslindale Neighborhood Zoning District. The location of the Cannabis Establishment is an appropriate location. The Cannabis Establishment has on-site parking and is centrally located and easily accessible via public or private means of transportation.

b) The use will not adversely affect the neighborhood;

The Cannabis Establishment will not adversely affect the neighborhood, or alter the essential character of the neighborhood, or produce an undesirable change in the character of the neighborhood. Pursuant to state and local regulations, the Cannabis Establishment is specifically designed to minimize and mitigate any impact on the neighborhood. It will be equipped with state-of-the-art security features including video surveillance and private security. The Petitioner stated that it will enhance the safety and security of the neighborhood by providing improved lighting, and investing substantial capital to improve and build-out the space.

c) There will be no serious hazard to vehicles or pedestrians from the use;

The Cannabis Establishment will not disturb the existing right of way, pedestrian access, and will not cause a serious hazard to vehicle or pedestrian traffic.

d) No nuisance will be created by the use; and

The Cannabis Establishment will not produce any unusual noise or odors, fumes or waste nor will it cause any serious hazard to pedestrians or create a nuisance. The Petitioner stated that it is, and will continue to be, subject to rigorous requirements set for by the CCC to ensure the proper operation of the Cannabis Establishment.



DECISION OF THE BOARD ON THE APPEAL OF 3995-3997 Washington Street (Ward 19)
BOA-953866
Date of Hearing: December 1, 2020
Permit # ALT923102
Page # 4

e) Adequate and appropriate facilities will be provided for the proper operation of the use.

The Cannabis Establishment will be fitted with high-end equipment, providing adequate and appropriate facilities to enhance its operation. The Petitioner further stated that it has designed the Cannabis Establishment in a manner that will be in keeping with the neighborhood, while preserving its ability to provide vital services. The Cannabis Establishment will benefit the City and promote the health and welfare of its residents by providing quality service to its customers and/or patients, and will operate in a professional manner.

Based on the foregoing Findings, the Board finds that the requested relief may be granted in harmony with the general purpose and intent of the Code and will not be injurious to the neighborhood or otherwise detrimental to the public welfare. The Cannabis Establishment will provide necessary access to customers and/or patients. It will serve as a benefit to the City by fulfilling the state mandate that Cannabis Establishments need to be allowed to open and operate, while ensuring the safety of the public.

CONCLUSION

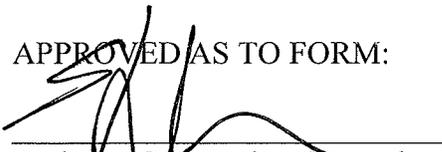
Based on the evidence, the Board finds that all conditions required for the granting of a Conditional Use Permit under Article 6 § 6-3 of the Zoning Code have been met.



DECISION OF THE BOARD ON THE APPEAL OF 3995-3997 Washington Street (Ward 19)
BOA-953866
Date of Hearing: December 1, 2020
Permit # ALT923102
Page # 5

Therefore, acting under its discretionary power, the Board (the members and/or substitute members sitting on this appeal) voted to grant the requested Conditional Use Permit as described above, which annuls the refusal of the Building Commissioner and orders him to grant a Conditional Use Permit with the provisos provided below.

APPROVED AS TO FORM:


Assistant Corporation Counsel

PROVISO:

- 1. Relief to this applicant only; and
- 2. BPDA Design review.

Signed, February 5, 2021

/s/ Christine Araujo

Christine Araujo – Chair (Voted In Favor)

/s/ Mark Fortune

Mark Fortune – Secretary (Voted In Favor)

/s/ Mark Erlich

Mark Erlich (Voted In Favor)

/s/ Joseph Ruggiero

Joseph Ruggiero (Voted In Favor)

/s/ Kosta Ligris

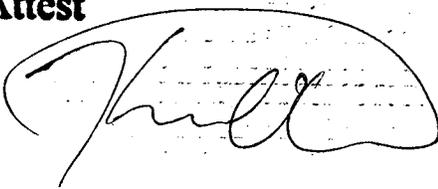
Kosta Ligris (Voted In Opposed)

/s/ Edward Deveau

Edward Deveau (Alternate) (Voted In Favor)

/s/ Jeanne Pinado

Jeanne Pinado (Alternate) (Voted In Favor)

**A True Copy,
Attest**

KEVIN O'CONNOR
Esq. Assistant Corporation Counsel



City of Boston
Mayor Martin J. Walsh
Boston Cannabis Board

Commissioners:
Kathleen M. Joyce, Chairman
Lisa Holmes
Darlene Lombos
John Smith
Alejandra St. Guillen
Executive Secretary:
Lesley Delaney Hawkins

VOTING HEARING AGENDA BOSTON CANNABIS BOARD

The Boston Cannabis Board (the “BCB”) held its voting hearing on Wednesday, September 16, 2020 at 1:00pm.

AGENDA

1. HVV Massachusetts, Inc., the holder of a non-operational Medical Cannabis Dispensary License, has applied for a Recreational Cannabis Retail Dispensary License to be co-located at 220 McClellan Highway in East Boston. The applicant is a non-equity applicant.
Applicant contact: Sira Grant & Jeffrey Drago
GRANTED with the condition that Licensee update the BCB annually regarding its diversity and inclusion plan.
2. EVG Farms Group LLC has applied for a Recreational Cannabis Retail Dispensary License to be exercised at 883 Hyde Park Avenue in Hyde Park. The applicant is an equity applicant.
Applicant contact: Daniel Toscano
GRANTED with the condition the Licensee provide the BCB an executed copy of its lease agreement and continue working with the neighbors regarding quality of life issues.
3. New England Cannabis Corporation has applied for a Recreational Cannabis Retail Dispensary License to be exercised at 204 North Beacon Street in Allston/Brighton. The applicant is a non-equity applicant.
Applicant contact: Kenneth Stevens & Ron Lipoff
GRANTED with the condition the Licensee have dedicated security personnel during peak hours.
4. Massachusetts Citizens for Social Equity LLC has applied for a Recreational Cannabis Retail Dispensary License to be exercised at 3997 Washington Street in Roslindale. The applicant is an equity applicant.
Applicant contact: Michael Ross
GRANTED.
5. Beacon Compassion Inc. has applied for a Medical Cannabis Dispensary License to be exercised at 1524 VFW Parkway in West Roxbury. The applicant is a non-equity applicant.
Applicant contact: Stephen Angelo & Peter D’Agostino
GRANTED with the condition that Licensee update the BCB annually regarding its diversity and inclusion plan.
6. New Dia LLC has applied for a Recreational Cannabis Retail Dispensary License to be exercised at 48-62 Brookline Avenue in the Fenway. The applicant is an equity applicant.
Applicant contact: Dennis Quilty & Ross Bradshaw
DEFERRED until the October voting hearing.

7. Suns Mass, Inc. has applied for a co-located Recreational Cannabis Retail Dispensary, Medical Dispensary, and Manufacturing License to be exercised at 931 Hyde Park Avenue in Hyde Park. The applicant is a non-equity applicant.
Applicant contact: Michael Ross
REJECTED without prejudice four to one (Chairwoman Joyce voted to defer).
8. LowKey LLC has applied for a Recreational Cannabis Retail Dispensary License to be exercised at 571 Washington Street in Dorchester. The applicant is an equity applicant.
Applicant contact: Jeff Similien
GRANTED
9. Dragon Vapors, LLC has applied for a Recreational Cannabis Retail Dispensary License to be exercised at 354-358 Chestnut Hill Avenue in Allston/Brighton. The applicant is a non-equity applicant.
Applicant contact: Christopher Ray
REJECTED without prejudice.

OLD AND NEW BUSINESS

1. Deferred application: Patriot Care Corp., the holder of an operational Medical Cannabis Dispensary License, has applied for a Recreational Cannabis Retail License to be co-located at 21 Milk Street in Downtown Boston. The applicant is a non-equity applicant.
Applicant contact: Larry DiCara
GRANTED with the following conditions (applicable to recreational not medical):
 1. Licensee will operate adult-use by appointment-only until six (6) months from opening for adult-use. Should lines form after the lifting of the appointment only restriction the appointment only restriction will be reinstated at the discretion of the BCB.
 2. Licensee will not sell pre-rolled cannabis products.
 3. Licensee will require a minimum purchase amount of \$35.00.
 4. Licensee will insert an educational card with each purchase.
 5. Licensee will maintain a triple-check system for IDs.
 6. Licensee will operate daily during the hours of 9:00 a.m. to 7:00 pm.
 7. Licensee will notify the BID as to the name and contact information for the dispensary manager and will update this information should the management staff change.
2. Motion to request the Executive Secretary draft an amendment for consideration and discussion to the BCB's Rules and Regulations regarding transferability of licenses and changes of beneficial interest.
GRANTED.

TEXT AMENDMENT NO. 432

THE COMMONWEALTH OF MASSACHUSETTS

CITY OF BOSTON

IN ZONING COMMISSION

The Zoning Commission of the City of Boston, acting under Chapter 665 of the Acts of 1956, as amended, after due report, notice and hearing does hereby amend the text of the Boston Zoning Code, as established under Chapter 665 of the Acts of 1956, as amended, as follows:

1. By striking the definition “Medical Marijuana Treatment Center” from **Articles 2 and 2A** of the Code, and inserting in place thereof the following:

“Cannabis Establishment,” an entity, licensed and registered with the Commonwealth of Massachusetts that acquires, cultivates, possesses (including development of related products as edible marijuana infused products (MIP), tinctures, aerosols, oils, or ointments), transfers, transports, sells, distributes, dispenses, or administers cannabis, products containing cannabis, including, but not limited to an adult use cannabis establishment, a medical use cannabis establishment, a marijuana retailer, a marijuana product manufacturer or a marijuana cultivator. Cannabis Establishments shall include any Marijuana Establishment or Medical Marijuana Treatment Center licensed pursuant to 935 CMR 500, 105 CMR 725.100, or any successor regulation.

2. By amending **Article 8 (Regulation of Uses)** as follows:

- a. In **Section 8-7, Table A, Use Regulations**, delete existing Use Item #39B “Medical Marijuana Treatment Center” and insert the following use item:

	<u>S R H L B M I W MER</u>
39B Cannabis Establishment	F* F* F* C* C* C* C* C* C* C*

* Cannabis Establishment-provided that any cannabis establishment shall be sited at least one half mile or 2,640 feet from another existing cannabis establishment and at least 500 feet from a pre-existing public or private school providing education in kindergarten or any of grades 1 through 12. Distances shall be determined from the nearest lot line of the proposed establishment to the nearest lot line of an existing establishment or school. Use approval shall be applicable to the applicant only..

3. In the following articles:

- Article 38 (Midtown Cultural District)
- Article 39 (North Station Economic Development Area)
- Article 40 (South Station Economic Development Area)
- Article 41 (Huntington Avenue/Prudential Center District)
- Article 43 (Chinatown District)
- Article 44 (Leather District)
- Article 45 (Government Center/Markets District)
- Article 46 (Bulfinch Triangle District)
- Article 47 (Cambridge Street-North District)
- Article 50 (Roxbury Neighborhood District)
- Article 51 (Allston-Brighton Neighborhood District)
- Article 52 (Dorchester Avenue Neighborhood District)
- Article 53 (East Boston Neighborhood District)
- Article 54 (North End Neighborhood District)
- Article 55 (Jamaica Plain Neighborhood District)
- Article 56 (West Roxbury Neighborhood District)
- Article 57 (Saint Vincent Neighborhood District)
- Article 58 (City Square Neighborhood District)
- Article 59 (Mission Hill Neighborhood District)
- Article 60 (Greater Mattapan Neighborhood District)
- Article 61 (Audubon Circle Neighborhood District)
- Article 62 (Charlestown Neighborhood District)
- Article 63 (Bay Village Neighborhood District)
- Article 64 (South End Neighborhood District)
- Article 65 (Dorchester Neighborhood District)
- Article 66 (Fenway Neighborhood District)
- Article 67 (Roslindale Neighborhood District)
- Article 68 (South Boston Neighborhood District)
- Article 69 (Hyde Park Neighborhood District)
- Article 70 (Beth Israel Hospital Institutional District)
- Article 71 (Massachusetts College of Pharmacy Institutional District)

Article 72 (New England Deaconess Hospital Institutional District)
Article 73 (Dana-Farber Cancer Institute Institutional District)
Article 90 (New Market Industrial-Commercial Neighborhood District)

- a. In Articles 38-41 and 44-47, in the sections on Use Regulations, delete the Conditional Use item, "Medical Marijuana Treatment Center".
- b. In Articles 38-41 and 44-47, in the sections on Use Regulations, subsection on Conditional Uses, insert the following:

"Cannabis Establishment-provided that any cannabis establishment shall be sited at least one half mile or 2,640 feet from another existing cannabis establishment and at least 500 feet from a pre-existing public or private school providing education in kindergarten or any of grades 1 through 12. Distances shall be determined from the nearest lot line of the proposed establishment to the nearest lot line of an existing establishment or school. Use approval shall be applicable to the applicant only."

- c. For Articles 43, 50-73 and 90, in each table of uses, delete the use "Medical Marijuana Treatment Center" and its associated footnote from the subcategory heading "Health Care Uses" or in the case of Article 43, the relevant Appendices.
- d. In each table of uses, under the subcategory heading "Retail Uses," or in the case of Article 43, the relevant Appendices, insert the following:

"Cannabis Establishment"

as a Forbidden Use in all Residential Districts and as a Conditional Use in all other Districts.

- e. In each table of uses, under the subcategory heading "Retail Uses," or in the case of Article 43, the relevant Appendices, next to the use "Cannabis Establishment:"

Insert the next, appropriate numerical footnote notation.

- f. At the end of the "Footnotes" section of each use table, insert, in appropriate numerical order with the appropriate footnote number, the following text:

* Cannabis Establishment-provided that any cannabis establishment shall be sited at least one half mile or 2,640 feet from another existing cannabis establishment and at least 500 feet from a pre-existing public or private

school providing education in kindergarten or any of grades 1 through 12. Distances shall be determined from the nearest lot line of the proposed establishment to the nearest lot line of an existing establishment or school. Use approval shall be applicable to the applicant only.

Text Amendment Application No. 479

Text Amendment No. 432

[Signature]

 Chairman

[Signature]

 Vice Chairman

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

In Zoning Commission

Adopted: April 11, 2018

Attest: *[Signature]*

 Executive Secretary

Text Amendment Application No. 479

Text Amendment No. 432



Mayor, City of Boston

Date: 4-13-18

The foregoing amendment was presented to the Mayor on April 12, 2018, and was signed by him on April 13, 2018, whereupon it became effective on April 13, 2018 in accordance with Section 3 of Chapter 665 of the Acts of 1956, as amended.

Attest:



Executive Secretary
Boston Zoning Commission

Zoning Districts City of Boston
 Map 10B
 Roslindale Neighborhood District

Adopted by the
 Zoning Commission of the City of Boston
 in meeting on June 25, 2008

Chairman
 Effective: June 25, 2008
 Date of public notice June 4, 2008
 (See St. 1956, c. 665, s.5)

*Jamaica Plain
 Maps 9A, 9B, 9C*

*Greater Mattapan
 Maps 8A, 8B, 8C*

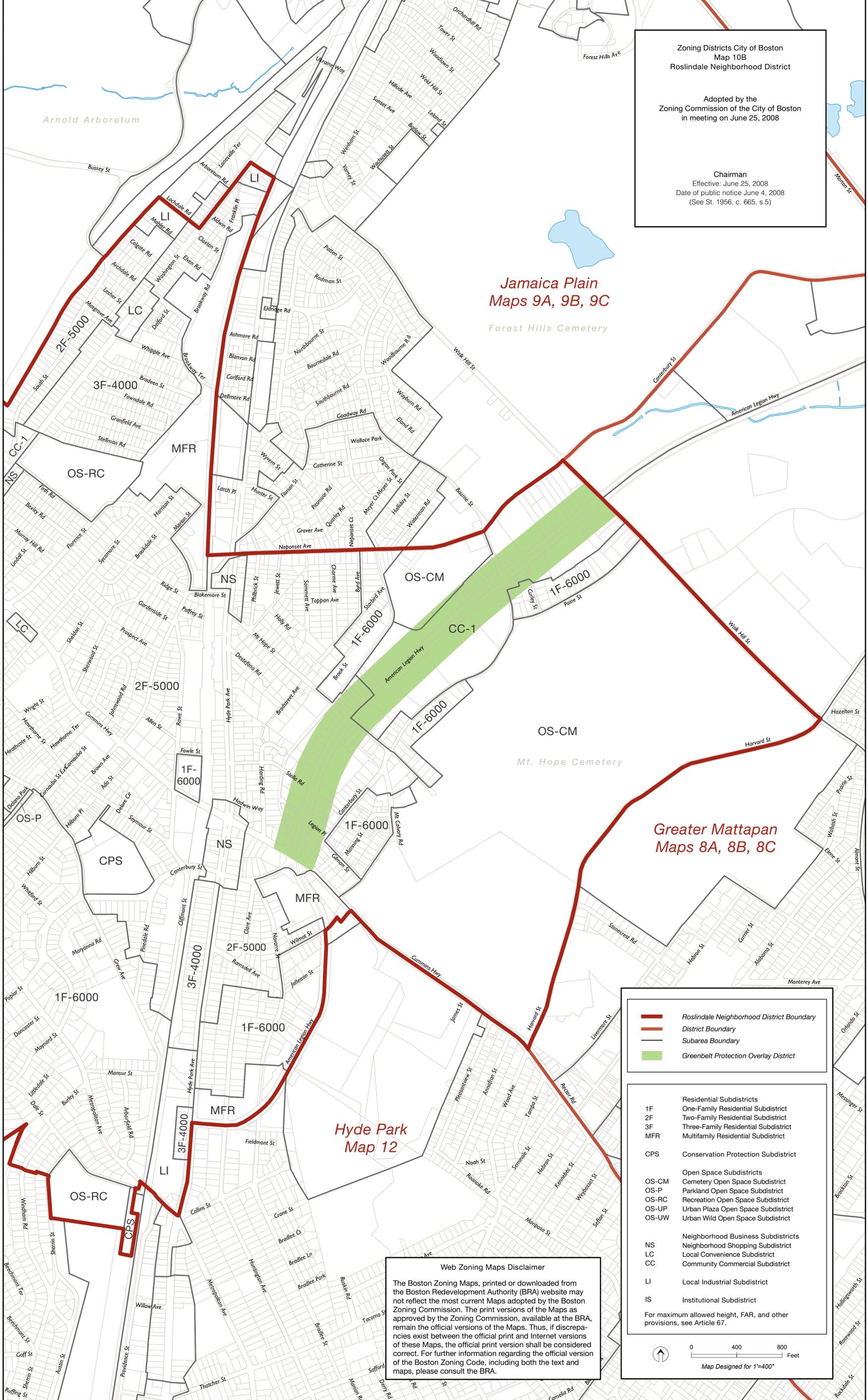
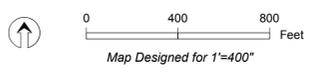
*Hyde Park
 Map 12*

-  Roslindale Neighborhood District Boundary
-  District Boundary
-  Subarea Boundary
-  Greenbelt Protection Overlay District

- 1F Residential Subdistricts
 - One-Family Residential Subdistrict
 - Two-Family Residential Subdistrict
 - Three-Family Residential Subdistrict
 - Multifamily Residential Subdistrict
 - CPS Conservation Protection Subdistrict
 - Open Space Subdistricts
 - Cemetery Open Space Subdistrict
 - Parkland Open Space Subdistrict
 - Recreation Open Space Subdistrict
 - Urban Plaza Open Space Subdistrict
 - Urban Wild Open Space Subdistrict
 - Neighborhood Business Subdistricts
 - Neighborhood Shopping Subdistrict
 - Local Convenience Subdistrict
 - Community Commercial Subdistrict
 - LI Local Industrial Subdistrict
 - IS Institutional Subdistrict
- For maximum allowed height, FAR, and other provisions, see Article 67.

Web Zoning Maps Disclaimer

The Boston Zoning Maps, printed or downloaded from the Boston Redevelopment Authority (BRA) website may not reflect the most current Maps adopted by the Boston Zoning Commission. The print versions of the Maps as approved by the Zoning Commission, available at the BRA, remain the official versions of the Maps. Thus, if discrepancies exist between the official print and Internet versions of these Maps, the official print version shall be considered correct. For further information regarding the official version of the Boston Zoning Code, including both the text and maps, please consult the BRA.



Adopted Map 10A

Community Outreach Meeting Attestation Form

Instructions

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

Attestation

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

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



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

a. Date of publication: 12/11/20

b. Name of publication: Boston Herald

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

a. Date notice filed: 12/11/20, 12/14/20, 12/15/20

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

a. Date notice(s) mailed: 12/12/20

7. The applicant presented information at the Community Outreach Meeting, which at a minimum included the following:

- a. The type(s) of ME or MTC 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 ME or MTC to prevent diversion to minors;
- d. A plan by the ME or MTC to positively impact the community; and
- e. Information adequate to demonstrate that the location will not constitute a nuisance as defined by law.

8. Community members were permitted to ask questions and receive answers from representatives of the ME or MTC.



Name of applicant:

Massachusetts Citizens for Social Equity LLC

Name of applicant's authorized representative:

Brian Chavez

Signature of applicant's authorized representative:



Attachment A

Newspaper Publication

LEGAL NOTICES

LEGAL NOTICE OF COMMUNITY OUTREACH MEETING REGARDING A MARIJUANA ESTABLISHMENT PROPOSED BY MASSACHUSETTS CITIZENS FOR SOCIAL EQUITY LLC

Notice is hereby given that a virtual community outreach meeting for Massachusetts Citizens for Social Equity LLC ("MCSE")'s proposed Marijuana Establishment is scheduled for December 29, 2020, at 6:00 p.m. online at https://princetonobel.zoom.us/j/92013846777 or by telephone by calling +13017158592. Webinar ID: 920 1384 6777. The proposed Marijuana Retailer (the "Facility") is anticipated to be located at 561 Dudley Street, Roxbury, MA 02125 (the "Property"). Closed captioning will be provided. Community members and members of the public are encouraged to ask questions and receive answers from representatives of MCSE.

Questions may be submitted in advance to donchavez@gmail.com. All materials for the meeting will be available more than 24 hours before the virtual community outreach meeting on www.princetonobel.com.

This Virtual Community Outreach Meeting will be held in accordance with the Massachusetts Cannabis Control Commission's Administrative Order Allowing Virtual Web-Based Community Outreach Meetings and the applicable requirements set forth in M.G.L. ch.94G and 935 CMR 500.000 et seq.

A copy of this notice is on file with the City Clerk's office, the Boston Planning and Development Agency, the Mayor's office, and the Boston Cannabis Board, at Boston City Hall, 1 City Hall Square, Boston, Massachusetts 02201. A copy of this notice was published in a newspaper of general circulation at least fourteen (14) calendar days prior to the virtual community outreach meeting and mailed at least seven (7) calendar days prior to the virtual community outreach meeting to abutters of the Property, owners of land directly opposite the Property on any public or private street or way, and abutters to the abutters within three hundred (300) feet of the property line of the Property 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.

Dec 11

LEGAL NOTICE OF COMMUNITY OUTREACH MEETING REGARDING A MARIJUANA ESTABLISHMENT PROPOSED BY MASSACHUSETTS CITIZENS FOR SOCIAL EQUITY LLC

Notice is hereby given that a virtual community outreach meeting for Massachusetts Citizens for Social Equity LLC ("MCSE")'s proposed Marijuana Establishment is scheduled for December 29, 2020, at 6:00 p.m. online at https://princetonobel.zoom.us/j/92013846777 or by telephone by calling +13017158592. Webinar ID: 920 1384 6777. The proposed Marijuana Retailer (the "Facility") is anticipated to be located at 3995-3997 Washington Street, Roslindale, MA 02131 (the "Property"). Closed captioning will be provided. Community members and members of the public are encouraged to ask questions and receive answers from representatives of MCSE.

Questions may be submitted in advance to donchavez@gmail.com. All materials for the meeting will be available more than 24 hours before the virtual community outreach meeting on www.princetonobel.com.

This Virtual Community Outreach Meeting will be held in accordance with the Massachusetts Cannabis Control Commission's Administrative Order Allowing Virtual Web-Based Community Outreach Meetings and the applicable requirements set forth in M.G.L. ch. 94G and 935 CMR 500.000 et seq.

A copy of this notice is on file with the City Clerk's office, the Boston Planning and Development Agency, the Mayor's office, and the Boston Cannabis Board, at Boston City Hall, 1 City Hall Square, Boston, Massachusetts 02201. A copy of this notice was published in a newspaper of general circulation at least fourteen (14) calendar days prior to the virtual community outreach meeting and mailed at least seven (7) calendar days prior to the virtual community outreach meeting to abutters of the Property, owners of land directly opposite the Property on any public or private street or way, and abutters to the abutters within three hundred (300) feet of the property line of the Property 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.

Dec 11

NOTICE OF PUBLIC HEARING

Notice is hereby given pursuant to M.G.L. c. 30A, §2, that the Department of Public Health will hold a public hearing on emergency amendments to the following regulation: 105 CMR 700.000 - Implementation of M.G.L. c. 94C, the Controlling Substances Act. The emergency amendments update the regulation which implements the emergency amendments expand access to vaccines for vaccine-preventable diseases, including COVID-19. They were duly filed with the Secretary of the Commonwealth on November 19, 2020 and are currently in effect.

The public hearing will be held on Monday, January 4, 2021, at 3:00 p.m. Due to the State of Emergency declared by Governor Charles D. Baker on March 10, 2020, and subsequent emergency orders limiting public gatherings, the hearing will be conducted on a moderated conference call. The information for the moderated conference call is: Dial-in Telephone Number: 877-917-4913

Participant Passcode: 9919056

A copy of the proposed amendments to 105 CMR 700.000 may be viewed on the Department's website at https://www.mass.gov/service-details/proposed-regulations-and-amendments-department-of-public-health or requested from the Office of the General Counsel by calling 617-624-5220.

Speakers who testify at the public hearing are requested to provide a copy of their oral comments. The Department encourages all interested parties to submit comments electronically to Reg1testimony@mass.gov or by mail to William Anderson, Office of the General Counsel, Department of Public Health, 250 Washington Street, Boston, MA 02108. All submissions must include the sender's full name and address.

When electronically submitting comments, type "DCP Regulations" in the subject line and attach a Word document with your comments or type your comments in the body of your email.

The Department will post all testimony that complies with these instructions on its website. All comments must be submitted by 5:00 p.m. on Wednesday, January 6, 2021. All comments received by the Department may be released in response to a request for public records.

If you are deaf or hard of hearing, or are a person with a disability who requires accommodation, please contact Alex Gomez at least 5 business days before the hearing at Tel# 617-624-5075, fax # 617-624-5075, email Alex.Gomez@mass.gov, or TTY # 617-624-6001.

33

www.bostonherald.com

PUBLIC NOTICE

The Boston Redevelopment Authority ("BRA") d/b/a the Boston Planning & Development Agency ("BPDA") hereby gives notice pursuant to Article 80 of the Boston Zoning Code ("Code") that a Project Notification Form ("PNF") for Large Project review was filed by 440 Atlantic Avenue, LLC (the "Proponent") on December 11, 2020 for the redevelopment of the Hook Wharf site (the "Proposed Project") located at 15-17 Northern Avenue in the Downtown Waterfront District of Boston. The 0.46-acre site is bounded by Northern Avenue to the north, Atlantic Avenue to the west, and Seaport Boulevard to the south.

The Proposed Project will include approximately 275,000 square feet of hotel and ground-floor retail/restaurant uses, in a single building with no on-site parking, as well as a new Harborwalk segment, public realm improvements, and in-water docking facilities. The site is currently improved by temporary trailers hosting the James Hook Lobster Company as well as associated in-water facilities.

The Proponent is seeking the issuance of a Scoping Determination by the BPDA pursuant to Section 80B-5. The BPDA in the Scoping Determination for such PNF may waive further review pursuant to Section 80B-5.3(d), if, after reviewing public comments, the BPDA finds that such PNF adequately describes the Proposed Project's impacts.

The PNF may be obtained from the BPDA website- www.bostonplans.org or may be reviewed in the Office of the Secretary of the BPDA, Room 910, Boston City Hall, 9th Floor, Boston MA 02201 between 9:00 AM and 5:00 PM, Monday through Friday, except legal holidays. Public comments on the PNF, including the comments of public agencies, should be submitted in writing to Ebony DaRosa at the address stated above or via email at Ebony.DaRosa@Boston.gov on or before January 11, 2021.

BOSTON REDEVELOPMENT AUTHORITY d/b/a BOSTON PLANNING & DEVELOPMENT AGENCY Teresa Polhemus Executive Director/Secretary December 11, 2020

Dec 11

Notice of Regulatory Action and Public Comment Period

Notice is hereby given pursuant to M.G.L. c. 30A, § 3 that the Massachusetts Department of Transportation (MassDOT) will accept public comment concerning the following regulatory actions:

- 1. Repeal of 701 CMR 3.00 Privacy and Confidentiality. The proposed regulatory action will repeal an older, now duplicative regulation promulgated by the former Executive Office of Transportation and Construction. The proposed regulatory action will not substantially alter those matters subject to regulation, but will serve to remove obsolete and redundant regulations.

Written comments presenting data, views, or arguments concerning the proposed regulatory action will be accepted until 5:00 p.m. on January 1, 2021. Written comments must be submitted by email or postal mail to the following address:

Email: rferch@mbta.com Postal Mail: Massachusetts Department of Transportation

Office of the General Counsel 10 Park Plaza, Room 3510 Boston, MA 02116

A copy of proposed 701 CMR 3.00 may be obtained by contacting Ryan Ferch at MassDOT/MBTA Office of the General Counsel, 10 Park Plaza, Room 3510, Boston, MA 02116, or by email at rferch@mbta.com.

Dec 11

FRIDAY, DECEMBER 11, 2020 BOSTON HERALD

HOME DELIVERY Call 1-800-882-1211 to sign up today! BOSTON Herald www.bostonherald.com

Attachment B

Notice Filed with Municipality

**LEGAL NOTICE OF COMMUNITY OUTREACH MEETING
REGARDING A MARIJUANA ESTABLISHMENT PROPOSED BY MASSACHUSETTS
CITIZENS FOR SOCIAL EQUITY LLC**

Notice is hereby given that a virtual community outreach meeting for **Massachusetts Citizens for Social Equity LLC (“MCSE”)**’s **proposed Marijuana Establishment** is scheduled for **December 29, 2020, at 6:00 p.m.**, online at <https://princelobel.zoom.us/j/92013846777> or by telephone by calling +13017158592, Webinar ID: 920 1384 6777. The proposed Marijuana Retailer (the “**Facility**”) is anticipated to be located at **3995-3997 Washington Street, Roslindale, MA 02131** (the “**Property**”). Closed captioning will be provided. Community members and members of the public are encouraged to ask questions and receive answers from representatives of MCSE.

Questions may be submitted in advance to donchavez@gmail.com. All materials for the meeting will be available more than 24 hours before the virtual community outreach meeting on www.princelobel.com.

This Virtual Community Outreach Meeting will be held in accordance with the Massachusetts Cannabis Control Commission’s Administrative Order Allowing Virtual Web-Based Community Outreach Meetings and the applicable requirements set forth in M.G.L. ch. 94G and 935 CMR 500.000 et seq.

A copy of this notice is on file with the City Clerk’s office, the Boston Planning and Development Agency, the Mayor’s office, and the Boston Cannabis Board, at Boston City Hall, 1 City Hall Square, Boston, Massachusetts 02201. A copy of this notice was published in a newspaper of general circulation at least fourteen (14) calendar days prior to the virtual community outreach meeting and mailed at least seven (7) calendar days prior to the virtual community outreach meeting to abutters of the Property, owners of land directly opposite the Property on any public or private street or way, and abutters to the abutters within three hundred (300) feet of the property line of the Property 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.

RECEIVED
CITY CLERK’S OFFICE
2020 DEC 11 A 11:02
BOSTON, MA

Tan, Ashley

From: Jeffrey Hampton <jeffrey.hampton@boston.gov>
Sent: Tuesday, December 15, 2020 3:10 PM
To: Tan, Ashley
Subject: Re: FW: 2 notices to file with BPDA

Follow Up Flag: Follow up
Flag Status: Flagged

Received

On Tue, Dec 15, 2020 at 2:53 PM Tan, Ashley <atan@princelobel.com> wrote:

Hi Jeffrey:

I received your email address from Kate at reception. I have two notices to give to the BPDA, both attached in this email. One for a proposed marijuana establishment at 3995-3997 Washington Street and one for a proposed marijuana establishment at 561 Dudley Street.

Can you email me back confirming receipt?

Thank you so much,

Ashley

From: Tan, Ashley
Sent: Tuesday, December 15, 2020 11:31 AM
To: 'katelyn.sullivan@boston.gov' <katelyn.sullivan@boston.gov>
Subject: FW: 2 notices to file with BPDA

Hi Kate:

I have two notices to file with the BPDA. One for a proposed marijuana establishment at 3995-3997 Washington Street and one for a proposed marijuana establishment at 561 Dudley Street.

Tan, Ashley

From: Lesley Hawkins <lesley.hawkins@boston.gov>
Sent: Monday, December 14, 2020 12:37 PM
To: Ross, Michael P.; Patrick Fandel; Faiza Sharif; Edward McGuire
Cc: Cannabis Board; Jessica Thomas; Joseph Coppinger; Tan, Ashley; Glissman, Daniel
Subject: Re: Notice of Community Meeting

Mike,

This correspondence serves as confirmation that you may host this meeting virtually. The BCB and ONS do not handle the posting of the independently hosted meeting. However, ONS can provide the contact in the City Clerk's office to ensure the meeting is posted.

Thank you,

Lesley

NEW: SIGN UP FOR PERIODIC UPDATES FROM THE BOSTON CANNABIS BOARD [HERE](#)

Lesley Delaney Hawkins, Esq.

Executive Secretary, Licensing Board for the City of Boston

Executive Secretary, Boston Cannabis Board

(o) 617.635.4170 | (f) 617.635.4742

SIGN UP FOR PERIODIC UPDATES FROM THE LICENSING BOARD. [Licensees](#). [Attorneys and Practitioners](#).

CITY of BOSTON

On Mon, Dec 14, 2020 at 12:24 PM Ross, Michael P. <mross@princelobel.com> wrote:

Dear Boston Cannabis Board (BCB) and Office of Neighborhood Services (ONS):

Attached please find our notice of a second Community Outreach Meeting for both Roxbury and Roslindale locations for our client Massachusetts Citizens for Social Equity. Pursuant to CCC requirements I hereby request that BCB and ONS post notice of this meeting. Lesley, if you are able, if you could please respond to confirm that said meeting can be conducted virtually. Please feel free to reach out with any questions. Thank you for your attention to this matter.

Best,

Mike Ross

617-699-2839

Michael P. Ross



Prince Lobel Tye LLP

One International Place, Suite 3700
Boston, Massachusetts 02110

617 456 8149 Direct

mross@princelobel.com



This email is intended for the confidential use of the addressees only. Because the information is subject to the attorney-client privilege and may be attorney work product, you should not file copies of this email with publicly accessible records. If you are not an addressee on this email or an addressee's authorized agent, you have received this email in error; please notify us immediately at 617 456 8000 and do not further review, disseminate or copy this email. Thank you.

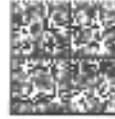
IRS Circular 230 Disclosure: Any federal tax advice or information included in this message or any attachment is not intended to be, and may not be, used to avoid tax penalties or to promote, market, or recommend any transaction, matter, entity, or investment plan discussed herein. Prince Lobel Tye LLP does not otherwise by this disclaimer limit you from disclosing the tax structure of any transaction addressed herein.

Attachment C

Examples of Abutter Notices

PRINCE LOBEL

Prince Lobel Tyerup
One International Place, Suite 3700, Boston, MA 02110



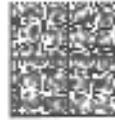
FP® **US POSTAGE**
\$000.50⁰

First-Class
ZIP 02110
130150000
0344 0081800855

8 ARCHDALE RD
ROSLINDALE, MA 02131

PRINCE LOBEL

Prince Lobel Tyerup
One International Place, Suite 3700, Boston, MA 02110



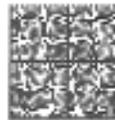
FP® **US POSTAGE**
\$000.50⁰

First-Class
ZIP 02110
130150000
0344 0081800855

25 COLGATE RD #305
ROSLINDALE, MA 02131

PRINCE LOBEL

Prince Lobel Tyerup
One International Place, Suite 3700, Boston, MA 02110



FP® **US POSTAGE**
\$000.50⁰

First-Class
ZIP 02110
130150000
0344 0081800855

40 NOUVELLE WAY #N1044
NATICK, MA 01760

**LEGAL NOTICE OF COMMUNITY OUTREACH MEETING
REGARDING A MARIJUANA ESTABLISHMENT PROPOSED BY MASSACHUSETTS
CITIZENS FOR SOCIAL EQUITY LLC**

Notice is hereby given that a virtual community outreach meeting for **Massachusetts Citizens for Social Equity LLC (“MCSE”)**’s **proposed Marijuana Establishment** is scheduled for **December 29, 2020, at 6:00 p.m.**, online at <https://princelobel.zoom.us/j/92013846777> or by telephone by calling +13017158592, Webinar ID: 920 1384 6777. The proposed Marijuana Retailer (the “**Facility**”) is anticipated to be located at **3995-3997 Washington Street, Roslindale, MA 02131** (the “**Property**”). Closed captioning will be provided. Community members and members of the public are encouraged to ask questions and receive answers from representatives of MCSE.

Questions may be submitted in advance to donchavez@gmail.com. All materials for the meeting will be available more than 24 hours before the virtual community outreach meeting on www.princelobel.com.

This Virtual Community Outreach Meeting will be held in accordance with the Massachusetts Cannabis Control Commission’s Administrative Order Allowing Virtual Web-Based Community Outreach Meetings and the applicable requirements set forth in M.G.L. ch. 94G and 935 CMR 500.000 et seq.

A copy of this notice is on file with the City Clerk’s office, the Boston Planning and Development Agency, the Mayor’s office, and the Boston Cannabis Board, at Boston City Hall, 1 City Hall Square, Boston, Massachusetts 02201. A copy of this notice was published in a newspaper of general circulation at least fourteen (14) calendar days prior to the virtual community outreach meeting and mailed at least seven (7) calendar days prior to the virtual community outreach meeting to abutters of the Property, owners of land directly opposite the Property on any public or private street or way, and abutters to the abutters within three hundred (300) feet of the property line of the Property 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.

Attachment D

Link to Recorded Virtual Meeting

ATTACHMENT D

Link to recording of virtual community outreach meeting:

https://princelobel.zoom.us/rec/share/HF5_ZcuoSVD0KLXnnVCQW0z2FJhRtfdKaOeAH1spviLKudvAzTofmCx1HAxe1foa.6xZJoHpwpO30FCDP

Passcode: MCSE2020!

Attachment E

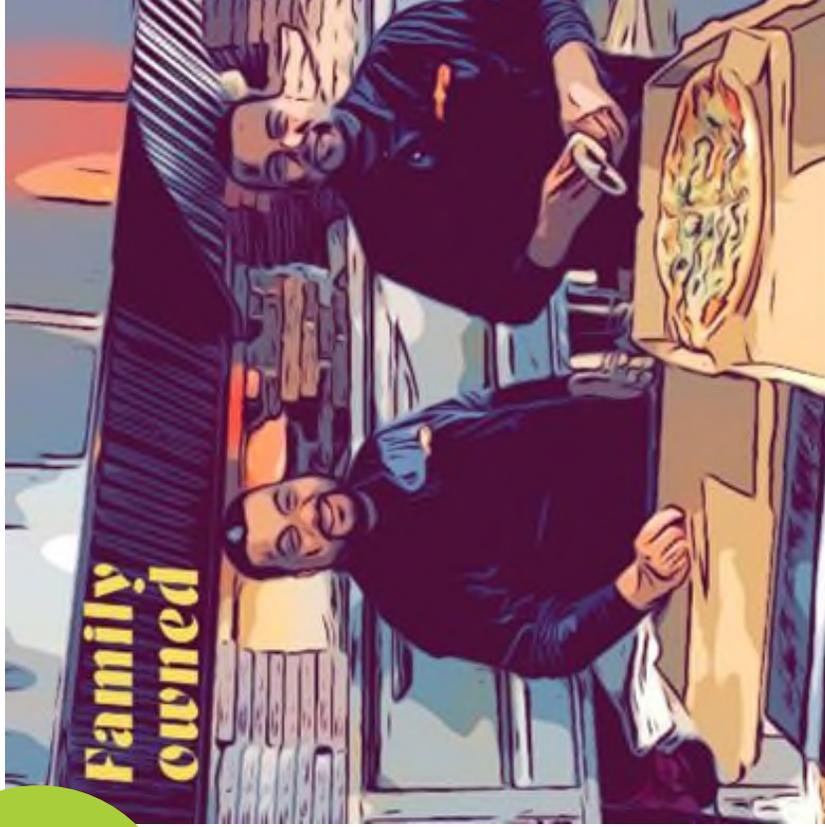
Virtual Meeting Presentation Handouts

MCSE
MASSACHUSETTS CITIZENS
FOR SOCIAL EQUITY



Community Outreach Meeting Presentation
3995-3997 Washington Street
Roslindale, MA 02131





The Operators

We are a minority and family run business, and have lived in Boston for our entire lives. We are from the community and for the community. We are Boston Equity Applicants.

Our mission is to provide a wide variety of locally sourced quality products, while ensuring that each customer has a safe and rewarding experience. We pride ourselves on the local roots we bring to this cannabis establishment in order to ensure that our team exceeds expectations by providing a beneficial service to our customers and the community.

Leadership



Brian Chavez , President and CEO

A lifelong resident of Boston, Brian and his brother Jaison own and operate their family run restaurant, Antonio's HiFi Pizzeria in Dorchester – the Fields Corner Business of the Year in 2016. Brian has a degree in economics from UMASS Boston. **Brian is the 100 percent owner of MCSE and a Boston Equity Applicant.**



Jaison Chavez, Cannabis Consultant

A resident of Dorchester, Jaison went to live in California to familiarize himself with the emerging cannabis industry. While there, he attended classes and later worked at Oaksterdam University, America's first cannabis college.

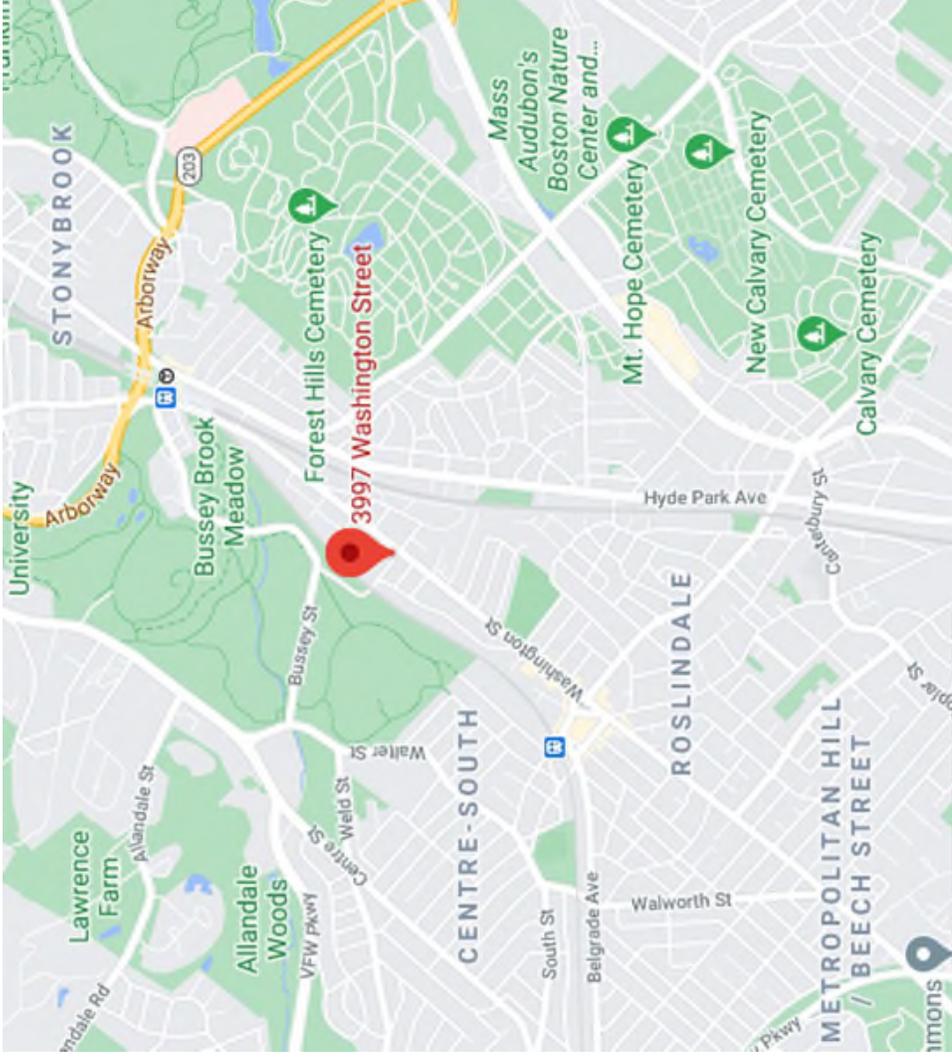


Desiree Franjul, Community Outreach Director

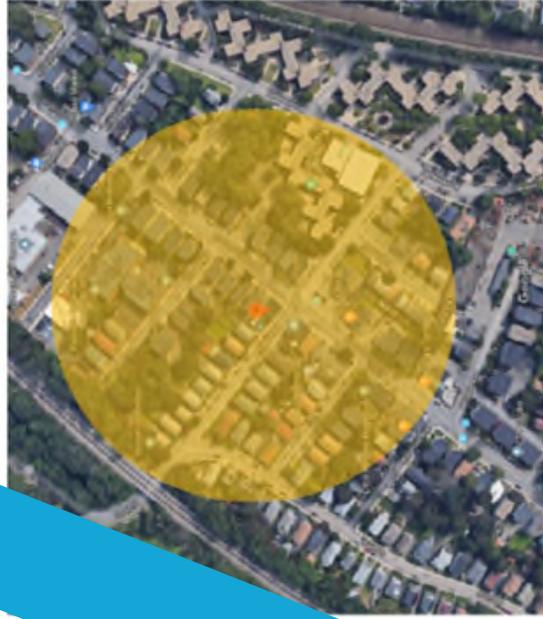
A lifelong resident of Boston, Desiree has worked in a number of community outreach positions for various Boston based non-profits and organizations.

Proposed Facility

- Retail Cannabis Establishment
- 3995- 3997 Washington Street, Roslindale, MA
- Approximately 1,320 square feet of retail space
- Accessible via multiple MBTA bus lines from Forest Hills Station
- Proposed Hours 9:00am – 8:00pm Mon – Sun
- 15-20 employees, locally hired
- Available parking (6 spaces + 1 ADA)
- On-site loading (small van with randomized delivery)



Zoning Study – 3995 Washington Street Roslindale MA



Map Scale: 1" = 100'
Siting:
 Any cannabis establishment shall be sited at least 500 feet from a pre-existing public or private school providing education in kindergarten or any of grades 1 through 12.



Map Scale: 1" = 500'
Siting:
 Any cannabis establishment shall be sited at least one-half mile or 2,640 feet from another existing cannabis establishment.

Assessing Parcel ID:
 1902919000
Address:
 3995 3997 WASHINGTON ST, 02131
Owner:
 KEHAYIAS CHERYL TS
More info:
[Assessor's Report](#)
See Also:
[Property Viewer](#)
Zoning:
 Roslindale Neighborhood
Zoning District:
 Roslindale Neighborhood
Zoning Subdistrict:
 LC
Subdistrict Type:
 Local Convenience Commercial/retail/shopping serving the immediate area
Overlays:
 Neighborhood Design Review Neighborhood Design Review may apply.
 Please contact [Boston Redevelopment Authority](#).

Map No.:
[10A-10B](#)
Article:
[67 \(Table; Appendix\)](#)

USE REGULATION: "C"
 Cannabis Establishment is Conditional under Article 67 Table B Retail Uses / Local Convenience Subdistrict.

TABLE B - Roslindale Neighborhood District - Neighborhood Business Subdistrict, Local Industrial Subdistricts, and Institutional Subdistricts - Use Regulations

Key: A = Allowed, C = Conditional, F = Forbidden
 For definition of use categories and certain specific uses, see [Article 2A](#).

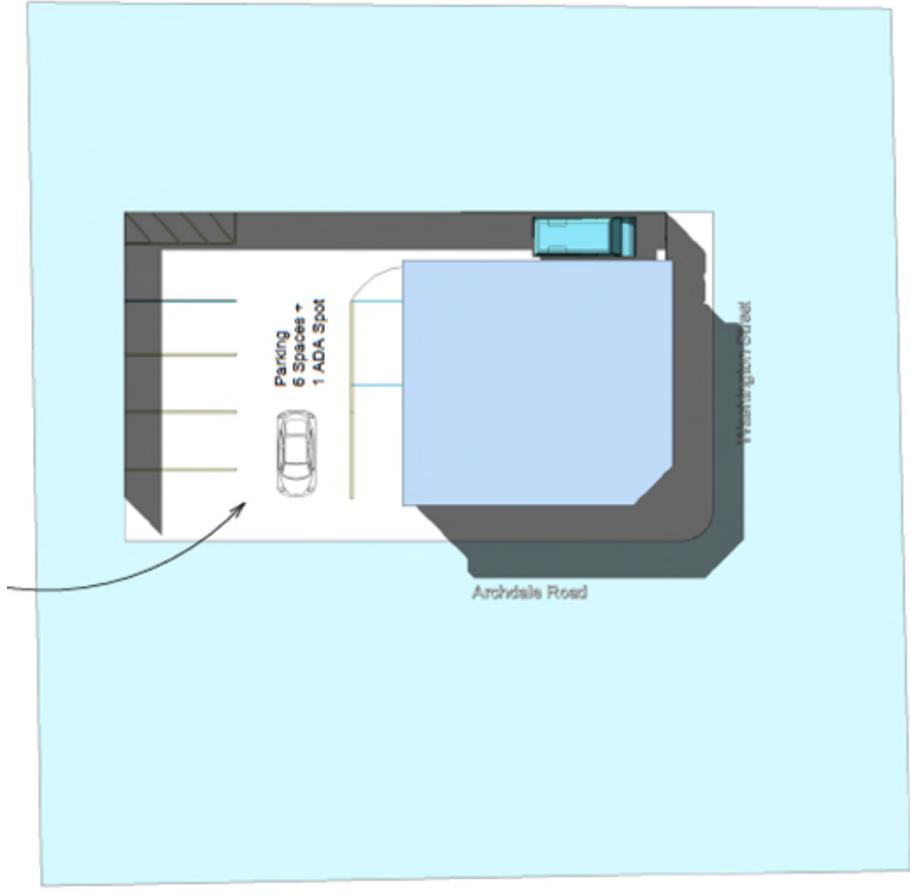
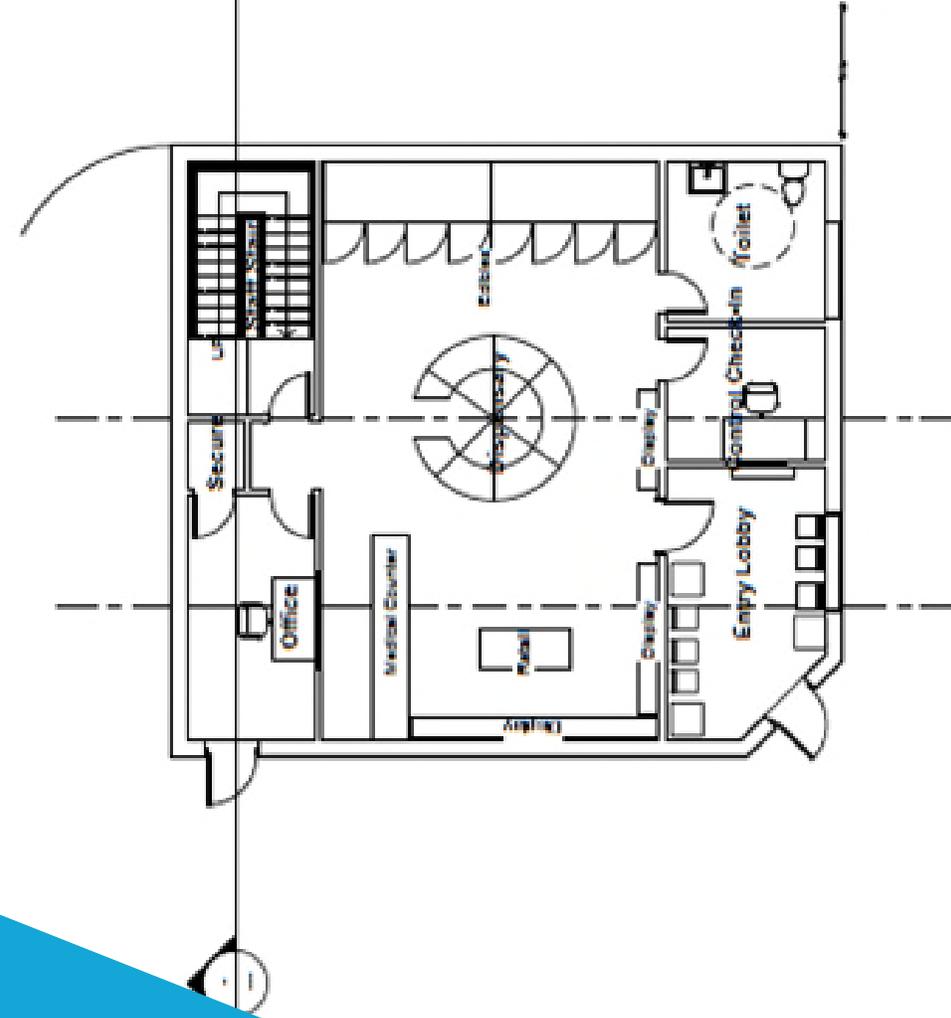
Section 6-1. - Permit for Conditional Uses.
 As provided for in [Section 10](#) of Chapter 665 of the Acts of 1956, as now in force or hereafter amended, and in [Section 8.3](#) of this code, and subject to the provisions of Sections [6-2](#), [6-3](#), [6-3A](#) and [6-4](#), the Board of Appeal may, in a specific case after public notice and hearing, grant permission for a use specified in Table A of [Section 6-7](#) or other provision of this code as a conditional use; provided, however, that such permission shall lapse and become null and void unless such conditional use is commenced within two years after the record of said Board's proceedings pertaining thereto is filed in the office of the Building Commissioner pursuant to [Section 8](#) of said Chapter 665.

Existing Site



3995-3997 Washington Street, Roslindale, MA 02131

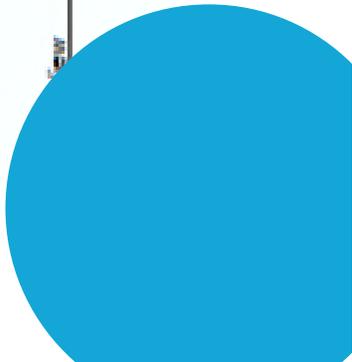
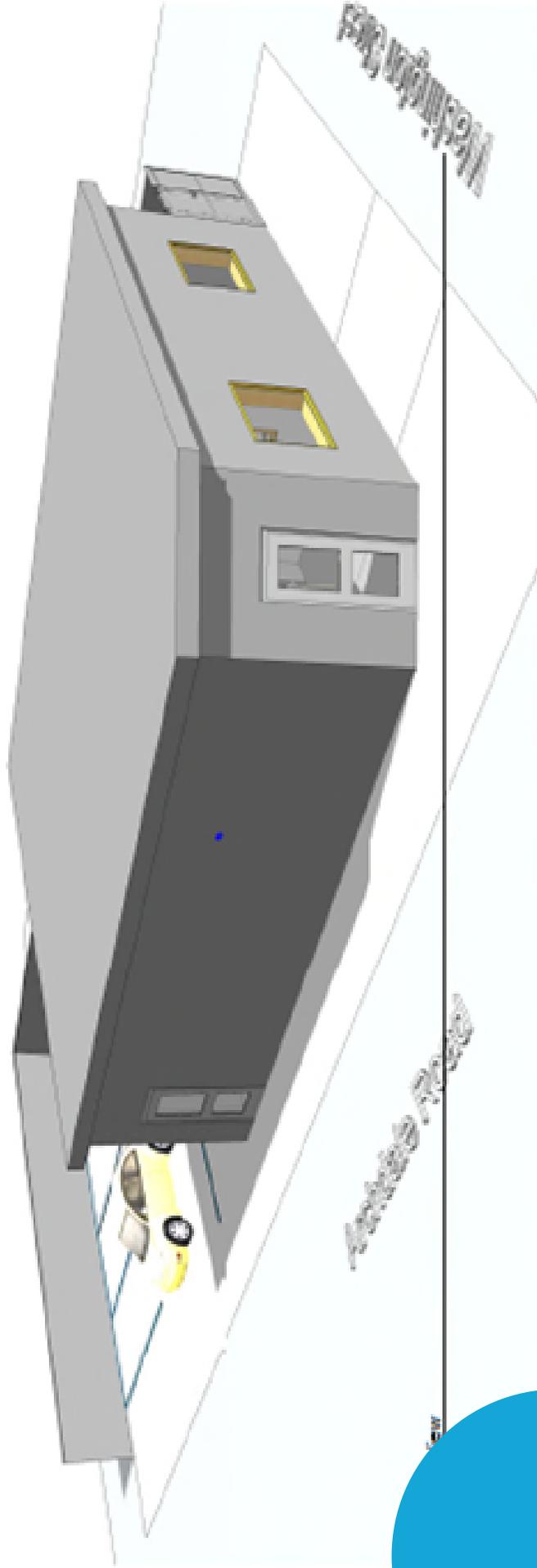
Proposed Floor Plan and Site Plan



4) Site
1" = 20'-0"



Proposed Facility



Nuisance Abatement

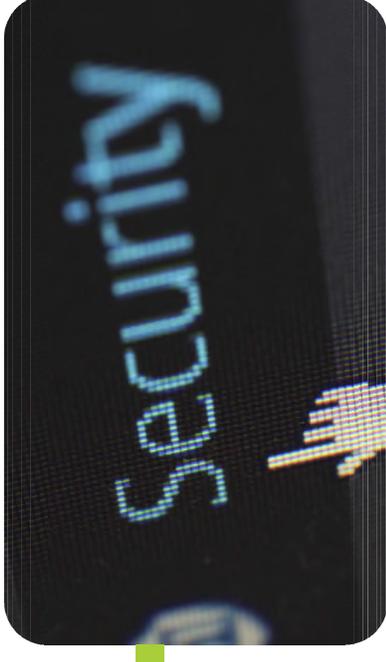
- Prepare and follow a detailed set of written operating procedures approved by the State.
- Handle and process marijuana in a safe and sanitary manner.
- Properly remove litter and waste so as to minimize the development of odor and minimize the potential for waste attracting and harboring pests.

Diversion Prevention

- Use of state approved seed to sale tracking system.
- Development of chain of custody policies and procedures approved by the state.
- Daily product delivery using unmarked vehicles and randomized routes.
- Anti-diversion training for employees.
- Right to deny sales to any individual.
- Utilization of appropriate packaging and labeling.
- Storage of Marijuana in compliance with 935 CMR 500.105(11).

Security

- Customers must be above 21 years of age.
- Employees are required to pass a series of state and national background checks all of which is regularly reviewed by state agency.
- Law enforcement and state officials are allowed access.
- Two-door entry way to ensure only approved persons may enter the facility.
- A description of the Marijuana Establishment's hours of operation and after-hours contact information shall be provided to the Cannabis Control Commission and made available to law enforcement officials upon request.



Limited Access

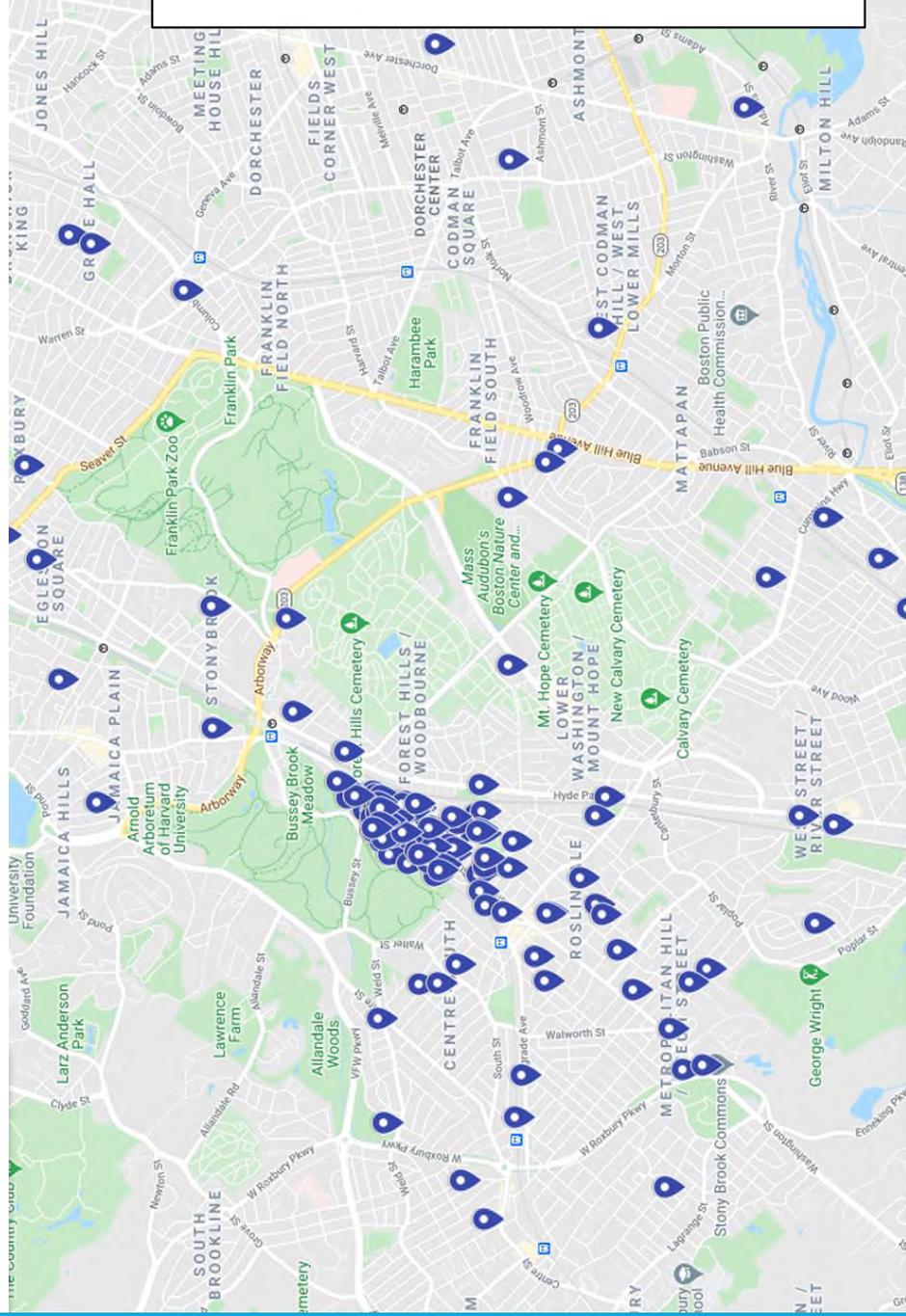
Security

- Employing a live security guard during dispensary hours.
- Granting access to video access feeds to state and local police departments.
- Architectural and Operational Security measures address items such as perimeter barriers, lighting, critical building services, spatial adjacencies, control barriers, as well as staff and public access.
- Electronic Security measures address items such as access control and alarm monitoring, video surveillance, and security communications.
- Developing security protocols and systems that exceed the requirements set forth by the Commonwealth of Massachusetts.
- Implementing and patrolling state of the art interior and exterior video surveillance systems, alarms, and duress systems.
- Utilizing redundant systems that operate even in the instance of a power outage.



Secure Facility Design and Systems

Community Feedback / Public Support



Zoning Board of Appeal
1010 Massachusetts Avenue
Boston, MA 02118

RE: Proposed Cannabis Establishment at 3997 Washington Street, Roslindale

To whom it may concern:

With case reasons location for

As. The case locate their

new



OFFICE OF
RICARDO ARROYO
BOSTON CITY COUNCILOR
DISTRICT 5

Kathleen Joyce
Chair, Boston Cannabis Board
1 City Hall Square, 6th floor
Boston, MA 02201

June 30, 2020

Dear Chair Joyce,

I am writing to you to express my enthusiastic support for Mass Citizens for Social Equity's (MCSE) application to operate a retail cannabis establishment at 3995,3997 Washington Street. MCSE is a minority-owned business and social equity applicant. The addition of this retail cannabis establishment in the neighborhood of Roslindale will allow for the creation of new jobs, community investment, and engagement in local initiatives.

I urge you to approve this applicant as they will be a strong addition to our local businesses. If you have any questions please do not hesitate to contact my office at 617-635-4210.

Thank you for your time and consideration.

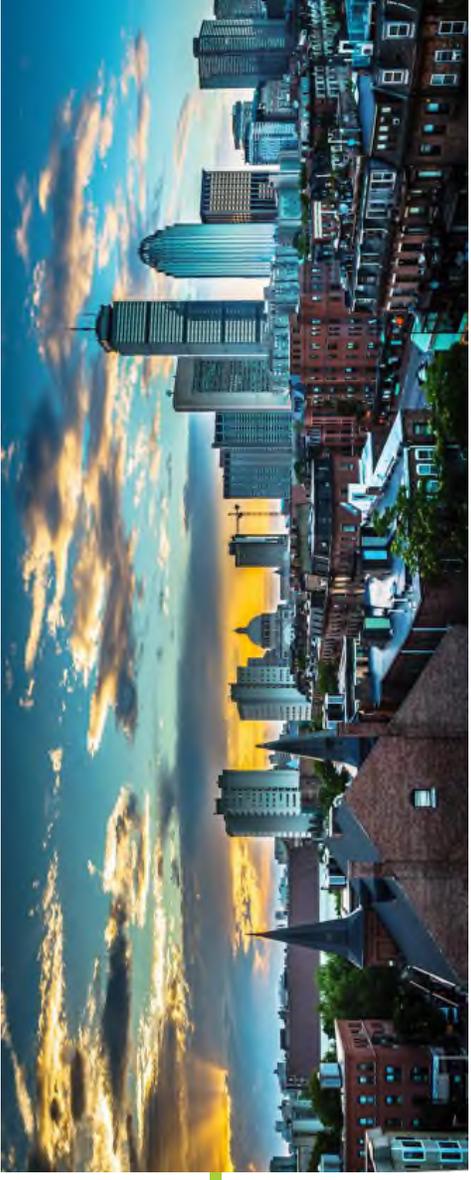
Sincerely,

Ricardo Arroyo
Ricardo Arroyo
Boston City Councilor
District 5

CC: Brian Chavez, MCSE; Michael Ross, Prince Lobel Tye LLP; Alexis Trachuk Director, Office of Emerging Industries; Boston Cannabis Board

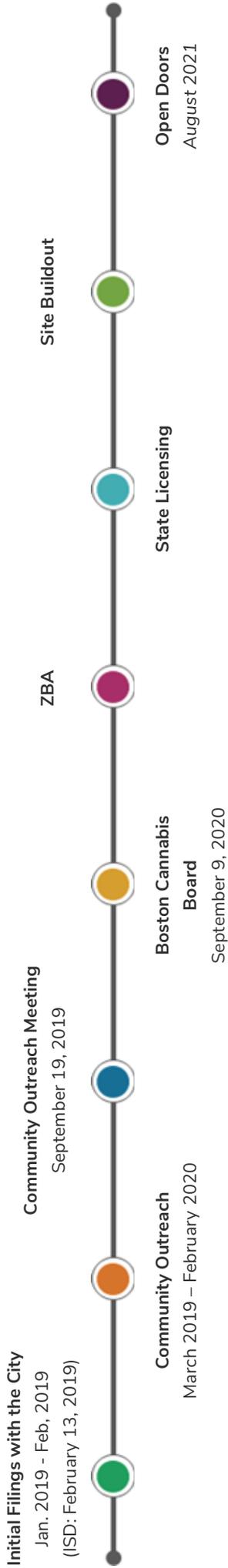


Community Benefits



- Empowering local and diverse ownership
- Job creation (15 – 20 positions)
- Enhanced security in and outside the facility
- Community engagement and support for local initiatives
- Host Community Agreement with City of Boston and increased tax revenue
- Charitable Contributions
- Educational Seminars

Timeline





Questions?

August 30, 2022

Cannabis Control Commission
Department of Planning and Development
2 Washington Square
Worcester, MA 01604

Attention: TO WHOM IT MAY CONCERN

Re: Renewal Application – MR284097

Massachusetts Citizens for Social Equity LLC (the “**Company**”) currently holds a license to operate a Marijuana Retailer at 3995-3997 Washington Street, Boston, MA 02131 (the “**Property**”).

The Company has not yet commenced the operation of its Marijuana Retailer. As a result, the City of Boston has not begun to incur any costs related to the Company’s business and operation of the Marijuana Retailer.

Notwithstanding the foregoing, enclosed, please find a letter to the City of Boston's Mayor, Michelle Wu, requesting any documentation it has regarding the costs borne by the City of Boston as a result of the Company’s Marijuana Retailer. The Company issued the enclosed letter to Mayor Michelle Wu by certified mail on August 30, 2022.

This letter serves as the undersigned party’s attestation that the Company has not yet received a response from the City in that regard. The Company will keep the Commission informed of the City’s response, and will provide same to the Commission promptly upon receipt.

We hope this letter will suffice for the time being. Should you have any questions, please feel free to reach out to me directly by phone at 734-323-1822 or by email at ankur@c3industries.com.

Sincerely,

Ankur Rungta



August 30, 2022

Michelle Wu
1 City Hall Square
Boston, MA 02201

Re: Request for Records of Costs Related to Massachusetts Citizens for Social Equity LLC's Boston Operations

Dear Michelle:

Please be advised that as a requirement of Massachusetts Citizens for Social Equity LLC (“**MCSE**”) license renewal application for its marijuana establishment located at 3995-3997 Washington Street, in the City of Boston (“**Boston**” or “**City**”), the Cannabis Control Commission (the “**Commission**”) is requiring MCSE to submit (1) documentation that it requested from its Host Community the records of any cost to the City, whether anticipated or actual, resulting from the licensee’s operation within its borders, and (2) any response received from the Host Community in connection with such request, and if no response is received, an attestation to that effect.

Accordingly, please accept this correspondence as MCSE’s formal request to the City to produce the records of any cost, whether anticipated or actual, resulting from MCSE’s operation within the City. Please note that a copy of this correspondence along with any response received from the City, or barring receipt of any response, an attestation to that effect, shall be submitted by MCSE to the Commission. As the City is aware, in accordance with M.G.L. c. 94G, § 3(d), any cost to the City imposed by the operation of a Marijuana Establishment shall be documented and considered a public record as defined by M.G.L. c. 4, § 7, cl. 26.

Should you have any questions, please feel free to reach out to me directly by phone at 734-323-1822 or by email at ankur@c3industries.com.

Sincerely,

Ankur Rungta

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
 Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

Worcester, MA 01604
OFFICIAL USE

Certified Mail Fee \$4.00

Extra Services & Fees (check box, add fee \$pp/pt/pt rate) \$3.25

- Return Receipt (hardcopy) \$0.00
- Return Receipt (electronic) \$0.00
- Certified Mail Restricted Delivery \$0.00
- Adult Signature Required \$0.00
- Adult Signature Restricted Delivery \$0.00

Postage

\$0.60

Total Postage and Fees \$7.85

Sent To

Cambridge Central Comm.

Street and Apt. No. or PO Box No.

333 Planning & Development

City, State ZIP+4®

Worcester, MA 01604

08/30/2022

30 2022

Postmark Here

0843 48843

6588 1741 1000 0621 0202

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
 Domestic Mail Only

For delivery information, visit our website at www.usps.com®

Boston, MA 02201
HOWELL USE

Certified Mail Fee **\$4.00**

Extra Services & Fees (check box, add fee as appropriate) **\$3.25**

Return Receipt (hardcopy) \$ **\$0.00**

Return Receipt (electronic) \$ **\$0.00**

Certified Mail Restricted Delivery \$ **\$0.00**

Adult Signature Required \$ **\$0.00**

Adult Signature Restricted Delivery \$ **\$0.00**

Postage **\$0.60**

Total Postage and Fees **\$7.85**

Sent To **Michelle WOB**

Street and Apt. No., or PO Box No. **257 Hawth St**

City, State, ZIP+4® **Boston, MA 02201**

08/30/2022

0843
AUG 30 2022
 Postmark Here

2488 1747 1000 0001 1290 0621 2020



August 30, 2022

Michelle Wu
1 City Hall Square
Boston, MA 02201

Re: Request for Records of Costs Related to Massachusetts Citizens for Social Equity LLC's Boston Operations

Dear Michelle:

Please be advised that as a requirement of Massachusetts Citizens for Social Equity LLC (“**MCSE**”) license renewal application for its marijuana establishment located at 3995-3997 Washington Street, in the City of Boston (“**Boston**” or “**City**”), the Cannabis Control Commission (the “**Commission**”) is requiring MCSE to submit (1) documentation that it requested from its Host Community the records of any cost to the City, whether anticipated or actual, resulting from the licensee’s operation within its borders, and (2) any response received from the Host Community in connection with such request, and if no response is received, an attestation to that effect.

Accordingly, please accept this correspondence as MCSE’s formal request to the City to produce the records of any cost, whether anticipated or actual, resulting from MCSE’s operation within the City. Please note that a copy of this correspondence along with any response received from the City, or barring receipt of any response, an attestation to that effect, shall be submitted by MCSE to the Commission. As the City is aware, in accordance with M.G.L. c. 94G, § 3(d), any cost to the City imposed by the operation of a Marijuana Establishment shall be documented and considered a public record as defined by M.G.L. c. 4, § 7, cl. 26.

Should you have any questions, please feel free to reach out to me directly by phone at 734-323-1822 or by email at ankur@c3industries.com.

Sincerely,

Ankur Rungta



Plan for Positive Impact

Massachusetts Citizens for Social Equity LLC (the “**Company**”) is proposing to site a Marijuana Establishment in the City of Boston, an area that has been identified by the Commission as an area of disproportionate impact (the “**Target Areas**”). Accordingly, the Company intends to focus its efforts in the Target Areas and on Massachusetts Residents who have, or have parents or spouses who have, past drug convictions.

The Company is currently one hundred percent (100%) owned by Brian Chavez. Brian is a victim of the war on drugs, a certified Boston Equity Applicant and eligible for the Commission’s Social Equity Program. Notwithstanding its goals to provide a positive impact to the Commonwealth as set forth herein, the establishment and success of the Company is consistent with the Commission’s goals and initiatives to foster equity in the cannabis industry.

During its first year of operations, the Company will implement the following goals, programs and measurements pursuant to this Plan for Positive Impact (the “**Positive Impact Plan**”).

Goals:

The Company’s goals for this Positive Impact Plan are as follows:

1. Hire, in a legal and non-discriminatory manner, **at least 25% of its employees** from Target Areas, and/or Massachusetts residents who have, or have parents or spouses who have, past drug convictions;
2. Contribute **Five Thousand and 00/100 Dollars (\$5,000.00)** annually to the **Archdale Community Center Council Inc.** which serves the Target Areas and/or Massachusetts residents who have, or have parents or spouses who have, past drug convictions;
3. Provide educational programs and informational sessions geared towards individuals from the Target Areas and/or Massachusetts Residents who have, or have parents or spouses who have, past drug convictions that are interested in the cannabis industry, with specific focuses on marijuana retailers and entrepreneurship, at least **twice** a year. Such educational events will specifically include, but not be limited to, information on **licensing workshops (i.e., guidance on filing applications with the Commission), preparation of standard operating policies and procedures, Massachusetts cannabis market overview and METRC best practices.**

Programs:

In an effort to reach the abovementioned goals, the Company shall implement the following practices and programs:

1. In an effort to ensure that the Company has the opportunity to interview, and hire, individuals from the Target Areas or Massachusetts residents who have past drug



convictions it shall post monthly notices for at least three (3) months during the hiring process at the municipal offices of the Target Areas and in newspapers of general circulation in the Target Areas, including but not limited to, the Boston Herald, these notices will state, among other things, that the Company is specifically looking for Massachusetts residents who are 21 years or older and either (i) live in a Target Area or another area of disproportionate impact as defined by the Commission; or (ii) have past drug convictions, for employment.

Such residency, or prior drug conviction status, will be a positive factor in hiring decisions, but this does not prevent the Company from hiring the most qualified candidates and complying with all employment laws and other legal requirements.

2. In an effort to ensure that it will meet its contribution goals, the Company has met with representatives from the Archdale Community Center Council, Inc. and confirmed their willingness to work with the Company. Please see the attached letter confirming the same.
3. In an effort to ensure that the Company provides opportunities for individuals from the Target Areas and/or Massachusetts residents who have past drug convictions to attend its educational events the Company shall post weekly notices at least two (2) weeks prior to hosting said educational programs or informational sessions in newspapers of general circulation in the Target Areas including but not limited to, the Boston Herald, and these notices will state, among other things, that the Company is specifically looking for Massachusetts residents who are 21 years or older and either (i) live in a Target Area or another area of disproportionate impact as defined by the Commission; or (ii) have past drug convictions to attend these events.

The Company respectfully submits that it will comply with the advertising, branding, marketing and sponsorship practices as outlined in 935 CMR 500.105(4). The abovementioned notices will not include any Company advertisements, marketing materials or branding. To the extent the Commission deems necessary, notices and event programming materials will be made available to the Commission for review and inspection prior to publishing.

Annual Review:

Each year, the Company will review the following criteria in an effort to measure the success of its Positive Impact Plan.

1. Identify the number of individuals hired who (i) came from Target Areas, or other areas of disproportionate impact as defined by the Commission; or (ii) have past drug convictions;
2. Identify the amount of charitable donations the Company has made during the positive impact plan year, and to which organizations those donations went (documentation from said charities about whether or not they serve the Target Areas or other areas of disproportionate impact, or residents with previous drug convictions, will be available for inspection by the Commission upon request); and



3. Identify the number of educational events or informational sessions it holds and attendance at the same.

The Company affirmatively states that it: (1) has confirmed that all of the abovementioned charities will accept donations from the Company; (2) acknowledges and is aware, and will adhere to, the requirements set forth in 935 CMR 500.105(4), which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every Marijuana Establishment; (3) any actions taken, or programs instituted, will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws; and (4) the Company will be required to document progress or success of this plan, in its entirety, annually upon renewal of its provisional license.

1



Archdale Community Center Council Inc.
BCYF Thomas M. Menino Community Center
125 Brookway Road, Roslindale MA 02131
617.635.5256 P 617.635.5258 F
MeninoCC@cityofboston.gov

Archdale Community Center Council, Inc.
125 Brookway Road, Roslindale 02131

February 25, 2021

To the Massachusetts Citizens for Social Equity;

The Archdale Community Center Council Inc. located at 125 Brookway Road, Roslindale, would be honored to accept the donation of \$5,000 a year from the Massachusetts Citizens for Social Equity on behalf of the Members of the Thomas M. Menino Community Center.

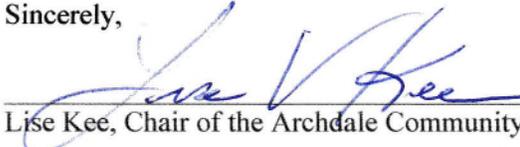
It is our non-profit organizations' duties to serve those in low-income families who are living in this neighborhood and has been disproportionate within these neighborhoods. We strive to make their lives better going into the future.

It is the Archdale Community Center Council Inc. who has the obligation and responsibility to insure these families have a voice and are heard, no longer being unequal to those who are more fortunate.

Members:

Lise Kee – Chairperson
Mertha Nee – Treasure
Billy Owens – Member
Maretta Johnson – Secretary
Shera Rivera – Member
Ashely Rose Solomon – Member
Kerline Desir – Member

Sincerely,


Lise Kee, Chair of the Archdale Community Center Council, Inc. 2/25/21


Billy Owens, Member of the Board



The Commonwealth of Massachusetts
William Francis Galvin

Minimum Fee: \$500.00

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

Certificate of Organization

(General Laws, Chapter)

Identification Number: 001362087

1. The exact name of the limited liability company is: MASSACHUSETTS CITIZENS FOR SOCIAL EQUITY LLC

2a. Location of its principal office:

No. and Street: 1508 DORCHESTER AVE
 City or Town: DORCHESTER State: MA Zip: 02122 Country: USA

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

No. and Street: 1508 DORCHESTER AVE
 City or Town: DORCHESTER State: MA Zip: 02122 Country: USA

3. The general character of business, and if the limited liability company is organized to render professional service, the service to be rendered:
TO APPLY FOR LICENSE FOR MARIJUANA RETAIL AND CULTIVATION.

4. The latest date of dissolution, if specified:

5. Name and address of the Resident Agent:

Name: BRIAN CHAVEZ
 No. and Street: 1508 DORCHESTER AVE
 City or Town: DORCHESTER State: MA Zip: 02122 Country: USA

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

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

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
MANAGER	BRIAN CHAVEZ	1508 DORCHESTER AVE DORCHESTER, MA 02122 USA

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

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

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

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

9. Additional matters:

SIGNED UNDER THE PENALTIES OF PERJURY, this 4 Day of January, 2019,
BRIAN CHAVEZ
(The certificate must be signed by the person forming the LLC.)

THE COMMONWEALTH OF MASSACHUSETTS

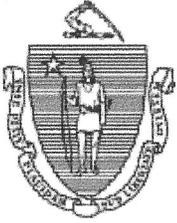
I hereby certify that, upon examination of this document, duly submitted to me, it appears that the provisions of the General Laws relative to corporations have been complied with, and I hereby approve said articles; and the filing fee having been paid, said articles are deemed to have been filed with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

January 04, 2019 02:36 PM

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

WILLIAM FRANCIS GALVIN

Secretary of the Commonwealth



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT
DEPARTMENT OF UNEMPLOYMENT ASSISTANCE

Charles D. Baker
GOVERNOR

Karyn E. Polito
LT. GOVERNOR



300862706

Rosalin Acosta
SECRETARY

Richard A. Jeffers
DIRECTOR

Massachusetts Citizens for Social Equity
1508 DORCHESTER AVE
DORCHESTER, MA 02122-1327

EAN: 22182060
December 28, 2020

Certificate Id:43823

The Department of Unemployment Assistance certifies that as of 12/28/2020 ,Massachusetts Citizens for Social Equity is current in all its obligations relating to contributions, payments in lieu of contributions, and the employer medical assistance contribution established in G.L.c.149,§189.

This certificate expires in 30 days from the date of issuance.

Richard A. Jeffers, Director

Department of Unemployment Assistance



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

William Francis Galvin
Secretary of the
Commonwealth

December 30, 2020

TO WHOM IT MAY CONCERN:

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

MASSACHUSETTS CITIZENS FOR SOCIAL EQUITY LLC

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **January 4, 2019.**

I further certify that said Limited Liability Company has filed all annual reports due and paid all fees with respect to such reports; that said Limited Liability Company has not filed a certificate of cancellation; that there are no proceedings presently pending under the Massachusetts General Laws Chapter 156C, § 70 for said Limited Liability Company's dissolution; and that said Limited Liability Company is in good standing with this office.

I also certify that the names of all managers listed in the most recent filing are: **BRIAN CHAVEZ**

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

The names of all persons authorized to act with respect to real property listed in the most recent filing are: **NONE**



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



Commonwealth of Massachusetts
Department of Revenue
Geoffrey E. Snyder, Commissioner

mass.gov/dor

Letter ID: L0314349888
Notice Date: January 5, 2021
Case ID: 0-000-801-502



CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



MASSACHUSETTS CITIZENS FOR SOCIAL
1508 DORCHESTER AVE
DORCHESTER MA 02122-1327

890000

Why did I receive this notice?

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

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

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

What if I have questions?

If you have questions, call us at (617) 887-6400 or toll-free in Massachusetts at (800) 392-6089, Monday through Friday, 9:00 a.m. to 4:00 p.m..

Visit us online!

Visit 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

Massachusetts Citizens for Social Equity LLC

OPERATING AGREEMENT

A Massachusetts Limited Liability Company

THIS OPERATING AGREEMENT of Massachusetts Citizens for Social Equity LLC (the “**Company**”) is made effective as of the 4th day of January, 2019 by and between Brian Chavez as the initial Manager of the Company (the “**Manager**”), and Brian Chavez as the sole member of the Company (the “**Member**”).

NOW, THEREFORE, the Member, the Manager, and the Company agree as follows:

ARTICLE 1 - DEFINED TERMS

Section 1.1 **Definitions.** In addition to the terms defined elsewhere in this Agreement, the terms defined in this Article shall, for the purposes of this Agreement, have the meanings herein specified.

(a) “**Act**” means the Massachusetts Limited Liability Company Act, as the same may be amended from time to time (M.G.L. c. 156C).

(b) “**Certificate**” means the Certificate of Organization of the Company and any and all amendments thereto and restatements thereof filed on behalf of the Company pursuant to the Act.

(c) “**Code**” means the United States Internal Revenue Code of 1986, as amended from time to time, or any corresponding Federal tax statute enacted after the date of this Agreement.

(d) “**Person**” includes any individual, corporation, association, partnership (general or limited), joint venture, trust, estate, limited liability company, or other legal entity or organization.

(e) “**Profits**” or “**Losses**” means, for each fiscal year, an amount equal to the Company’s taxable income or loss for such fiscal year, determined in accordance with Section 703, 704, and 705 of the Code (but including in taxable income or loss, for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code), with such adjustments as are required by the Code or are deemed necessary or desirable by the Manager.

(f) “**Regulations**” means the income tax regulations, including temporary regulations, promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

ARTICLE 2 - FORMATION AND TERM

Section 2.1 **Formation.** The Member has formed the Company as a limited liability company pursuant to the provisions of the Act, and agree that the rights, duties, and liabilities of the Member shall be as provided in the Act, except as otherwise provided herein. The Manager shall execute, deliver, and file the Certificate and any and all amendments thereto and restatements thereof.

Section 2.2 **Term.** The term of the Company shall commence on the date the Certificate was filed with the Massachusetts Secretary of State’s Office, and shall continue until the Company is dissolved in accordance with the provisions of this Agreement and the Act.

Section 2.3 **Registered Agent and Office.** The Company’s registered agent and office shall be Brian Chavez, 1508 Dorchester Avenue, Dorchester, MA 02122. At any time, the Manager may designate another registered agent and/or registered office.

Section 2.4 Principal Place of Business. The principal place of business of the Company shall be located at 1508 Dorchester Avenue, Dorchester, MA 02122. At any time, the Manager may change the location of the Company's principal place of business.

Section 2.5 Purpose. The general character of the business of the Company shall be to engage in the cultivation, production, transportation and distribution of cannabis, and to engage in any all business in which a Massachusetts limited liability company is authorized to engage.

ARTICLE 3 - MEMBER

Section 3.1 Powers of Member. The Member shall have no power with regard to the management of the Company except pursuant to the express terms of this Agreement.

Section 3.2 Distributions. Distributions to the Member shall be made as, if and when the Manager determines that such distributions are appropriate in his sole discretion.

ARTICLE 4 - CAPITAL ACCOUNTS, CONTRIBUTIONS AND ALLOCATIONS

Section 4.1 Capital Accounts. A Capital Account shall be established and maintained for the Member. The Capital Account of the Member shall be maintained in accordance with Code Section 704(b) and the regulations issued thereunder. The Member has made a Capital Contribution to the Company and shall have initial Capital Account balances equal to the amount of his Capital Contribution.

Section 4.2 Profits and Losses. Profits and losses shall be allocated in a manner complying with the requirements of Code Sections 704, 705, and 706 and the Treasury Regulations thereunder.

Section 4.3 Member's Interest. The Member has no interest in specific Company property, unless and until distributed to such Member.

Section 4.4 Status of Capital Contributions. The Member shall not be required to lend any funds or make Capital Contributions to the Company or to make any additional Capital Contributions to the Company.

ARTICLE 5 - MANAGEMENT

Section 5.1 Management of the Company. The Company shall be managed exclusively by the Manager. The Manager shall have full, sole and exclusive and complete discretion, right, power, and authority to manage, control and make all decisions affecting the business and affairs of the Company and to do or cause to be done any and all acts, at the expense of the Company on the terms provided herein, deemed by the Manager to be necessary or appropriate to effectuate the business, purposes and objectives of the Company as set forth in this Agreement. The Manager, with the consent of the Member, may amend this Agreement. A Manager may resign by giving at least five (5) days written notice to all of the Members. A Manager may be removed by the Member by an instrument in writing.

Section 5.2. Limitation of Liability. Except to the extent that the Massachusetts General Laws prohibits the elimination or limitation of liability of Manager for breaches of fiduciary duty, no Manager shall be personally liable to the Company or its Member for monetary damages for any breach of fiduciary duty as a Manager, officer, or agent of the Company, notwithstanding any provision of law imposing such liability. No amendment to or repeal of this provision shall apply to or have any effect on the liability or alleged liability of any Manager for or with respect to any acts or omissions occurring prior to such amendment.

Section 5.3 Indemnification. The Company shall, to the fullest extent permitted by law, indemnify any Manager made, or threatened to be made, a party to an action or proceeding, whether criminal, civil, administrative or investigative, by reason of being a Manager, officer or agent of the Company or any predecessor entity, provided, however, that the Company shall indemnify any such director or officer

in connection with a proceeding initiated by such Manager, officer or agent only if such proceeding was authorized by the Members of the Company.

(a) The indemnification provided for in this Section 5.3 shall: (i) not be deemed exclusive of any other rights to which those indemnified may be entitled under this Agreement or any other agreement or vote of members or disinterested managers or otherwise, both as to action in their official capacities and as to action in another capacity while holding such office, (ii) continue as to a person who has ceased to be a Manager, officer, or agent of the Company, and (iii) inure to the benefit of the heirs, executors and administrators of a person who has ceased to be a Manager, officer or agent of the Company. The Company's obligation to provide indemnification under this Section 5.3 shall be offset to the extent of any other source of indemnification or any otherwise applicable insurance coverage under a policy maintained by the Company or any other person.

(b) Expenses incurred by a Manager, officer or agent of the Company in defending a civil or criminal action, suit, or proceeding by reason of the fact that he or she is or was a Manager, officer, or agent of the Company shall be paid by the Company in advance of the final disposition of such action, suit, or proceeding upon receipt of an undertaking by or on behalf of such Manager, officer or agent of the Company to repay such amount if it shall ultimately be determined that applicable law requires that he or she not be indemnified by the Company. Notwithstanding the foregoing, the Company shall not be required to advance such expenses to a Manager, officer or agent of the Company who is a party to an action, suit or proceeding brought by the Company that alleges willful misappropriation of corporate assets, disclosure of confidential information or any other willful and deliberate breach by such Manager, officer or agent of the Company of his or her duty to the Company or its members.

(c) The foregoing provisions of this Section 5.3 shall be deemed to be a contract between the Company and each Manager, officer or agent who serves in such capacity at any time while this Agreement is in effect, and any repeal or modification thereof shall not affect any rights or obligations then existing with respect to any state of facts then or theretofore existing or any action, suit or proceeding theretofore or thereafter brought based in whole or in part upon any such state of facts.

Section 5.4 Reliance by Third Parties, Apparently Authority. Any person dealing with the Company may rely on a certificate signed by the Manager as to any of the following: (i) the identity of the Members and Manager hereunder; (ii) the existence or nonexistence of any fact or facts which constitute conditions precedent to acts by the Manager or the Members or are in any other manner germane to the affairs of this Company; (iii) whether a specified Person is authorized to execute and deliver any instrument or document of the Company; (iv) the authenticity of any copy of this Agreement and amendments thereto; or (v) any act or failure to act by the Company or as to any other matter whatsoever involving the Company or any Member or Manager.

ARTICLE 6 - BOOKS AND RECORDS

Section 6.1 Books and Records. At all times during the continuance of the Company, the Company shall maintain at its registered office and principal place of business all records and materials the Company is required to maintain at such location under the Act.

ARTICLE 7 - DISSOLUTION, LIQUIDATION AND TERMINATION

Section 7.1 Events Causing Dissolution. The Company shall be dissolved and its affairs shall be wound up upon the occurrence of any of the following events: (a) upon the election of the Member; (b) the entry of a decree of judicial dissolution under the Act; or (d) the sale or disposition of all or substantially all of the property of the Company.

Section 7.2 Liquidation. Upon dissolution of the Company, the Manager shall carry out the

winding up of the Company and shall immediately commence to wind up the Company's affairs; provided, however, that a reasonable time shall be allowed for the orderly liquidation of the assets of the Company and the satisfaction of liabilities to creditors so as to enable the Members to minimize the normal losses attendant upon a liquidation. The Company shall terminate when all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, have been distributed to the Members in the manner provided for in this Article and the Certificate has been cancelled in the manner required by the Act.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the date first above written.

MANAGER:



Brian Chavez, individually

MEMBER:



Brian Chavez, individually



Business Plan

OVERVIEW

Massachusetts Citizens for Social Equity, LLC (“MCSE”), is a Massachusetts domestic limited liability company, organized January 4, 2019, to develop and operate three licensed retail cannabis stores in the City of Boston. MCSE is a locally-owned family operation.

The founders have deep roots in the community and their family has operated numerous long-standing small businesses. While pursuing licensing by the Boston Cannabis Board, the Mayor’s Office initially opposed a 2nd license to be issued to MCSE, on the grounds that they wanted licenses to go out to different applicants. Community support for MCSE was so strong, that the Mayor’s office retracted their objection to multiple licenses being issued to MCSE. MCSE’s founders intend to build upon their community roots to develop locally-owned stores where the community will have a high degree of trust and affinity due to personal relationships developed with the various family-owned businesses over the years. This connection is expected to help draw customers to MCSE stores.

Once operating, our retail cannabis shops will offer consumers a broad product selection wide variety of cannabis product. We will dispense and showcase cannabis products from a modern, clean and urban space that will be reflective of the communities we serve. Our goal is to welcome all cannabis consumers while maintaining a tight knit relationship with neighbors, community members and nearby organizations/businesses already providing services to the area.

To demonstrate our commitment to the community, we will offer expungement clinics, cannabis career training and education, and participation in community efforts to ensure economic development and promote equity in the communities that we serve. Our commitment to the community is to be engaged neighbor, and actualize significant and meaningful participation in cannabis industry for communities that were affected by cannabis prohibition.

OBJECTIVES

1. Hire and properly train local employees.
2. Maintain community relationships with residents, businesses and organization.
3. Generate \$950,000 by the end of the first operating year.
4. Help maintain quality of life in our communities by adhering to community commitments.
5. Offer customers a broad selection of exotic and high potency cannabis products.
6. Use our social equity status to bring economic growth into the communities.

MISSION

To consistently rise above dispensary standards nationwide. MCSE objectives include economic and social development to the communities that we operate in, by bringing more foot traffic to neighboring businesses to offering training and employment to locals who were incarcerated or arrested in the past for drug violations.



VISION

To use the cultivation expertise within our employment team to offer an exclusive array of high quality cannabis flower and products. To create a unique and exotic brand that will stand out from the rest through our core values on customer service and education, honesty integrity, community outreach, equity and the highest quality of standard.

CORE VALUES

We are dedicated to serving our customers and community. By investing in our employees personal growth through training and cannabis education within and out of our establishment. By offering our community equity, sustainability and resilience through community engagement, education and workshops.

We intend to hire local people, pay a livable wage, and provide benefits that will create an environment where staff wants to stay long-term. The environment will stress a level of camaraderie such that staff wants to come to work and enjoy their time at the store. The experience should be rewarding for everyone who comes through our door, whether customers, staff, or even city officials.

We believe the front line customer personnel are critical to providing the warm and welcoming customer experience. To achieve that level of service, we strive to take good care of our staff so they will want to take good care of our customers.

To keep staff engaged we plan to create a constant learning environment. We plan to do this by creating and implementing staff development plans, rotating staff through different positions, and in our mind, stipulating that each person could become a store manager and so we need to keep them engaged and trained accordingly.

One measure of our success will be that competitors are constantly attempting to poach our staff but that the staff is treated well enough, and feels part of the team such that they don't care to leave.

MANAGEMENT

Brian Chavez - (Owner/CEO) grew up in Dorchester, and understands the culture of Boston. Mr. Chavez is well known in the community as a business owner, and has experience in the food industry with product development, food safety, and adhering to city and state regulations for operating in a regulated retail industry. Mr. Chavez has established a reputation for community engagement and entrepreneurship in his community of Fields Corner in Dorchester with his current two businesses, Antonio's HiFi and Bosburger. He maintains his commitment to the neighborhood and nearby organizations through his participation in community events and donations to local organizations.



The Roots Insurance
2769 Coolidge Hwy
Berkley, MI 48072
(248) 671-4676 Office
www.therootsins.com
www.therootscannabis.com

June 21, 2022

Massachusetts Citizens for Social Equity
3995-3997 Washington St.
Roslindale, MA 02131

Dear Ian Gross,

Enclosed please find the insurance policy for Massachusetts Citizens for Social Equity written with Conifer.

It is important that you take the time to read this policy to ensure your understanding of the limits and coverages. If there are any questions or you wish to make any changes to this policy, please contact our agency promptly.

The limits of insurance have been selected by you and we can't guarantee that the limits selected will be sufficient in the event of a major loss. Higher limits may be available upon your request.

Thank you for your confidence in our agency. We greatly appreciate your business.

Amanda Kugler

Amanda Kugler
The Roots Insurance



**Conifer
Insurance
Company**

Policy Number
CICP027482

COMMERCIAL LINES POLICY COMMON POLICY DECLARATIONS

Named Insured and Mailing Address:
Massachusetts Citizens for Social Equity, LLC

4420 Varsity Dr
Ann Arbor, MI 48108

THIS INSURANCE IS ISSUED PURSUANT TO THE MASSACHUSETTS SURPLUS LINES LAW. PERSONS INSURED BY SURPLUS LINES CARRIERS DO NOT HAVE THE PROTECTION OF THE MASSACHUSETTS INSURANCE GUARANTY ACT TO THE EXTENT OF ANY RIGHT OF RECOVERY FOR THE OBLIGATION OF AN INSOLVENT UNLICENSED INSURER. SURPLUS LINES INSURERS' POLICY RATES AND FORMS ARE NOT APPROVED BY ANY MASSACHUSETTS REGULATORY AGENCY.	
POLICY PERIOD: From 9/1/2022 to 1/1/2023 12:01 Standard Time at your mailing address above.	
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.	
INSURED TYPE: LLC	
THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.	
COVERAGE PARTS	PREMIUM
Commercial Property Coverage Part	\$3,162.00
Commercial General Liability Coverage Part	\$1,242.00
Commercial Liquor Liability Coverage Part	Not Applicable
Commercial Medical Malpractice Coverage Part	Not Applicable
Commercial Auto Coverage Part	Not Applicable
Commercial Inland Marine Coverage Part	Not Applicable
Director and Officers Liability Coverage Part	Not Applicable
Commercial Product Liability Coverage Part	\$2,340.00
Glass	\$33.00
Management Protection Liability Coverage Part	Not Applicable
Surplus Lines Tax	\$271.08

Servicing Agent:

The Roots Insurance Agency, Inc.
(0004180S)
2769 Coolidge Hwy.
Berkley, MI 48072
(248) 671-4676

Responsible Agent of Record:

The Roots Insurance Agency, Inc.
Sycamore Insurance Agency, Inc. (000418)
2769 Coolidge Hwy.
Berkley, MI 48072
(248) 671-4676



Conifer
Insurance
Company

Surplus Lines Fee	\$0.00
Policy Fee	\$250.00
TOTAL POLICY PREMIUM	\$7,298.08

TAXES AND FEES

FEE NAME	CHARGE
Policy Fee	\$250.00
MA Surplus Tax	\$271.08
TOTAL	\$521.08



Conifer
Insurance
Company

Forms and Endorsements made part of this policy at time of issue:

Premium

- CICS0S (06-14) Service of Suit
- CIIL00 (04-22) On Site Consumption Exclusion
- CICPRIV01 (10-15) Privacy Policy
- IL0003 (07-02) Calculation of Premium
- IL0017 (11-98) Common Policy Conditions
- Marijuana Risk Warranty

This policy is exempt from the filing requirements of section 2236 of the insurance code of 1956, 1956 PA 218, MCL 500.2236.

This insurance has been placed with an insurer that is not licensed by the state of Massachusetts. In case of insolvency, payment of claims may not be guaranteed.

A. The surplus lines insurer with whom the insurance was placed is not licensed in Massachusetts and is not subject to Massachusetts regulations; and B. In the event of the insolvency of the surplus lines insurer, losses will not be paid by the state insurance guaranty fund.

COUNTERSIGNED: 9/1/2022
DATE

BY: 
AUTHORIZED REPRESENTATIVE

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.


Secretary


President

THESE DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS COVERAGE PART DECLARATIONS, COVERAGE PART COVERAGE FORM(S) AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement effective 9/1/2022 at 12:01 a.m. standard time, forms a part of Policy Number CICP027482 issued to Massachusett by Conifer Insurance Company. This endorsement applies to all coverage parts:

SERVICE OF SUIT

Pursuant to any statute of any state, territory, or district of the United States which makes provision therefore, the Company hereby designates the Commissioner, Superintendent or Director of Insurance or other officer specified for that purpose in the statute, and 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 in any Court of competent jurisdiction by or on behalf of the Insured or any beneficiary hereunder arising out of this contract of insurance, and hereby designates the person listed below as the person to whom said officer is authorized to mail such process or a true copy thereof:

**Nicholas J. Petcoff, President
Conifer Insurance Company
550 West Merrill Street, Suite 200
Birmingham, Michigan 48009**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ON SITE CONSUMPTION EXCLUSION

There is no coverage for on premises or on site consumption of cannabis products.

Conifer Holdings, Inc. and its subsidiaries Privacy Policy

This is our “**privacy notice**” to you. You have probably received similar notices from other insurance companies, banks and credit card companies. You receive these sorts of notices because Federal and state laws require your financial institutions to explain to you how they handle your “nonpublic personal information.”

“Nonpublic personal information” is personal information about you or your finances that you provide to us or we obtain when we do business with you. This information is generally private and unavailable to the general public.

When we refer to “we” or “us” we mean Conifer Holdings, Inc. and its parent, subsidiaries.

Conifer does not sell your information to anyone, we do not share your information with anyone but our own Affiliates and the persons who provide services to us when we work for you and within our Company, we communicate the need to protect your information to those who may have access to it, and we’ve established physical, electronic, and procedural safeguards to protect your information. We even protect your information after you are no longer our customer.

We may share information about you that is not publicly available. We may share this information now or in the future. We do this for several reasons: to serve you, to identify you as our customer or our former customer, to process your policy and requests quickly, to pay your claim and to develop products we believe you will want and use. The information about you that we collect and where it comes from varies depending on how we are serving you.

Information from you – when submitting your application or requesting an insurance quote, you may give us information such as your name, address, telephone number, birth date, driver’s license number, and social security number.

Information about your transactions – we may keep information about our transactions with us, such as the products you purchase from us, the amount you paid for insurance, your account balances, or payment history.

From other outside sources – we may also collect other information. This may include information from consumer reporting agencies such as your credit history, credit scores, driving record, employment, or we may ask a doctor for more information about our medical history.

We share your information with service providers who help us to help you

Sometimes we may share your information with a company or business that is not officially connected to us but who may do work on our behalf. These service providers need access to your information to provide these operational or other support services. Examples of the sorts of services that these companies may do are printing payment coupons, preparing or mailing account statements, processing customer transactions or software programming, claims adjusting or helping us market our own products. To make sure that your information stays confidential and secure, these service providers must agree to safeguard your information the same way we do.

We also share your information for other legal and routine business reasons

The privacy laws permit us to disclose information we have about you in other situations. We can disclose your information: If you say we can or tell us to, to protect against insurance fraud or unauthorized transactions, to control the risk of our insurance transactions, to resolve a dispute between us or answer your questions, to persons who hold some legal or beneficial interest relating to you, to persons who are acting in a fiduciary or representative on your behalf, to industry and professional organizations that ask us for customer information in order to conduct research studies that never identify individuals, to State guaranty funds or agencies, and our examiners, attorneys, accountants, and auditors, to a consumer reporting agency, or from a consumer report from a consumer reporting agency, to an actual or potential buyer or investor in some or all of this company, to comply with federal, state, or local laws, rules, and other applicable legal requirements, to comply with a civil, criminal, or regulatory investigation, subpoena, or summons by a governmental authority, to respond to a subpoena or to our regulators and/or if otherwise required by law.

Finally, if we do provide your information to any party outside our company we require them to abide by the same privacy standards as indicated here.

We do not share your information with anyone else

The insurance companies, banks and credit card companies with which you deal sometimes share your information with other banks, motor vehicle manufacturers or dealers, health clubs, travel agencies, car rental agencies, hotels, airlines, or publishers, so they can offer you their own financial or non-financial products and services.

We do not share your information with any such outside companies.

If you have any questions concerning this notice, please contact the Conifer Holdings, Inc., Conifer Insurance Company, White Pine Insurance Company, American Colonial Insurance Company, Red Cedar Insurance Company, Sycamore Insurance Company, Inc., American Colonial Insurance Services, at 550 West Merrill Street, Suite 200, Birmingham, MI 48009 or visit our website at www.coniferinsurance.com.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

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.

Marijuana Risk Warranty

In consideration of the premium charged, it is hereby agreed and understood that the following warranties apply to this policy.

- A. No coverage will be afforded by this policy for theft unless the following items are strictly adhered to:
1. Store all **finished stock** in a secure, locked safe or vault and in such a manner as to prevent diversion, theft and loss;
 2. During non-business hours, all **finished stock** must be kept in a locked, 1 / 2 ton or greater safe which is bolted to the floor or in a locked TL-15 rated or greater safe which is bolted to the floor or in a locked one ton or greater safe. This includes perishable items such as kif, butane hash, cookies and any other preparation of medical marijuana.
 3. An operating and functional central station burglar alarm must be installed at the premises which have contacts on all windows and doors that open to the outside. The alarm must have contacts on all windows and doors adjacent to common stairways and/or hallways. Furthermore, the alarm must have motion detectors which cover the room in which the safe is kept. This burglar alarm must be turned on and fully operational during non-business hours.
- B. No coverage will be afforded by this policy for fire and/or smoke damage or any other peril which arises out of a loss by fire unless:
1. The premises have been inspected by a licensed electrician who has determined that the electrical architecture, power supply and number of circuits is adequate for the nature of your operations.

Signed by the First Named Insured

Date

COMMERCIAL PROPERTY DECLARATION

Conifer Insurance 550 W. Merrill Street Suite 200 Birmingham, MI 48009 Phone 248-559-0840 / Fax 248-559-0870 underwriting@coniferinsurance.com	Sycamore Insurance Agency, Inc. 550 W Merrill St. Suite 200 Birmingham, MI 48009 (248) 559-0840
Named Insured:	Massachusetts Citizens for Social Equity, LLC
DBA:	
Mailing Address:	4420 Varsity Dr Ann Arbor, MI 48108
Policy Period:	9/1/2022 to 1/1/2023 at 12:01 A.M. Standard Time at your mailing address above. <input type="checkbox"/> Checked If Supplemental Declarations Is Attached

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.

DESCRIPTION OF PREMISES

Prem. No.	Bldg. No.	Location	Construction	Occupancy
1	1	3995-3997 Washington Street Roslindale, MA 02131	Masonry	0567 - Mercantile Sole Occupancy Only - Not Otherwise Classified - Moderate Susceptibility

COVERAGES PROVIDED

Insurance At The Described Premises Applies Only For Coverages For Which A Limit Of Insurance is Shown

Prem. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes Of Loss	Coinsurance*	Premium	Deductible
1	1	Personal Property	\$500,000	Special Form	0%	\$0	\$2,500
		Business Income	\$250,000	Special Form	0%	Included	
		Finished Stock	\$250,000			\$1,253	\$2,500
		Crop Coverage	Excluded			Excluded	Excluded

Windstorm or Hail Percentage Deductible applies - see form CP 03 21 06 95

***If Extra Expense Coverage, Limits On Loss Payment**

OPTIONAL COVERAGES	Applicable Only When Entries Are Made In The Schedule Below
---------------------------	--

Prem. No.	Bldg. No.	Exp. Date	Agreed Value		Replacement Cost (X)		
			Cov.	Amount	Building	Pers. Prop.	Incl. "Stock"
1	1	01/01/2023	Finished Stock	\$250,000.00			

Inflation Guard (%) **Monthly Limit Of Maximum Period **Extended Period
Bldg. Pers. Prop. Indemnity (Fraction) Of Indemnity (X) Of Indemnity (Days)

Prem. No.	Bldg. No.	Exp. Date	Agreed Value		Replacement Cost (X)		
			Cov.	Amount	Building	Pers. Prop.	Incl. "Stock"
1	1					X	X

Inflation Guard (%) **Monthly Limit Of Maximum Period **Extended Period
Bldg. Pers. Prop. Indemnity (Fraction) Of Indemnity (X) Of Indemnity (Days)
 N/A

Prem. No.	Bldg. No.	Exp. Date	Agreed Value		Replacement Cost (X)		
			Cov.	Amount	Building	Pers. Prop.	Incl. "Stock"

Inflation Guard (%) **Monthly Limit Of Maximum Period **Extended Period
Bldg. Pers. Prop. Indemnity (Fraction) Of Indemnity (X) Of Indemnity (Days)

****Applies to Business Income Only**

MORTGAGEHOLDERS

Prem. No.	Bldg. No.	Mortgageholder Name And Mailing Address
------------------	------------------	--

FORMS APPLICABLE

Forms and Endorsements made part of this policy at time of issue:

<u>Description</u>	<u>Premium</u>
CP0010 (06-07) Building and Personal Property Coverage Form	
CP0090 (07-88) Commercial Property Conditions	
CP0140 (07-06) Exclusion of Loss due to Virus or Bacteria	
CP1032 (08-08) Water Exclusion Endorsement	
IL0031 (01-06) Exclusion of Terrorism Involving Nuclear, Biological or Chemical Terrorism	
IL0935 (07-02) Exclusion of Certain Computer Related Losses	
IL0953 (01-15) Exclusion of Certified Acts of Terrorism	
CICP02 (03-16) Evergreen Property Extension Plus	\$42
CICP07 (05-16) Non-Structural Hail Loss Limitation Endorsement	
CIHC04 (08-15) Finished Stock Coverage Form	
CP0030 (06-07) Business Income Including Extra Expense Coverage Form	
CP0321 (06-95) Windstorm or Hail Percentage Deductible	
CP1030 (06-07) Causes of Loss - Special Form	
CP1211 (10-00) Burglary and Robbery Protective Systems	
CP1470 (10-12) Building Glass - Tenant's Policy	\$33
IL0415 (04-98) Protective Safeguards Endorsement	

THESE DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS AND COVERAGE FORM(S) AND ANY ENDORSEMENT(S), COMPLETE THE ABOVE NUMBERED POLICY.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION OF TERRORISM INVOLVING NUCLEAR,
BIOLOGICAL OR CHEMICAL TERRORISM**

This endorsement modifies insurance provided under the following:

- BOILER AND MACHINERY COVERAGE PART
- COMMERCIAL CRIME COVERAGE FORM
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- EQUIPMENT BREAKDOWN PROTECTION COVERAGE FORM
- FARM COVERAGE PART
- GOVERNMENT CRIME COVERAGE FORM
- STANDARD PROPERTY POLICY

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph C) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

State(s)	Coverage Form, Coverage Part or Policy
	Commercial Property Coverage Part
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

- A.** The following definition is added and applies under this endorsement wherever the term terrorism is enclosed in quotation marks.
"Terrorism" means activities against persons, organizations or property of any nature:
 - 1.** That involve the following or preparation for the following:
 - a.** Use or threat of force or violence; or
 - b.** Commission or threat of a dangerous act; or
 - c.** Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
 - 2.** When one or both of the following applies:
 - a.** The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - b.** It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

B. The following exclusion is added:

Exclusion Of Terrorism

We will not pay for loss or damage caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials.

C. Exception Covering Certain Fire Losses

The following exception to the Exclusion Of Terrorism applies only if indicated and as indicated in the Schedule of this endorsement.

If "terrorism" results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements that apply to those coverage forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

D. Application Of Other Exclusions

1. When the Exclusion Of Terrorism applies in accordance with the terms of **B.1.** or **B.2.**, such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Form, Coverage Part or Policy.
2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss or damage which would otherwise be excluded under this Coverage Form, Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

BUILDING AND PERSONAL PROPERTY 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. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **H.**, Definitions.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, **A.1.**, and limited in **A.2.**, Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

a. Building, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery and
 - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire-extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the building or structure;

(b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. Your Business Personal Property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property – Separation Of Coverage form:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

c. Personal Property Of Others that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns;
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;

- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, n., does not apply to your "stock" of prepackaged software;

- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - (1) Are licensed for use on public roads; or
 - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (c) Rowboats or canoes out of water at the described premises; or
- (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers;

- q. The following property while outside of buildings:
 - (1) Grain, hay, straw or other crops;
 - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

See applicable Causes Of Loss Form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs (3) and (4), we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
 - (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
 - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.
- (4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
- (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$10,000.

(5) Examples

The following examples assume that there is no Coinsurance penalty.

EXAMPLE #1

Limit of Insurance:	\$90,000
Amount of Deductible:	\$500
Amount of Loss:	\$50,000
Amount of Loss Payable:	\$49,500
	(\$50,000 – \$500)
Debris Removal Expense:	\$10,000
Debris Removal Expense Payable:	\$10,000
	(\$10,000 is 20% of \$50,000.)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

EXAMPLE #2

Limit of Insurance:	\$90,000
Amount of Deductible:	\$500
Amount of Loss:	\$80,000
Amount of Loss Payable:	\$79,500
	(\$80,000 – \$500)
Debris Removal Expense:	\$30,000
Debris Removal Expense Payable	
	Basic Amount: \$10,500
	Additional Amount: \$10,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: $\$80,000 (\$79,500 + \$500) \times .25 = \$20,000$; capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense ($\$79,500 + \$30,000 = \$109,500$) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$10,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal expense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

b. Preservation Of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000, unless a higher limit is shown in the Declarations, for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

d. Pollutant Clean-up And Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

e. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e.(3) through e.(9) of this Additional Coverage.
- (3) The ordinance or law referred to in e.(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.

(4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:

- (a) You were required to comply with before the loss, even when the building was undamaged; and
- (b) You failed to comply with.

(5) Under this Additional Coverage, we will not pay for:

- (a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
- (b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

(6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of: \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

(7) With respect to this Additional Coverage:

- (a) We will not pay for the Increased Cost of Construction:
 - (i) Until the property is actually repaired or replaced, at the same or another premises; and

- (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the same premises.

- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the new premises.

(8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.

(9) The costs addressed in the Loss Payment and Valuation Conditions, and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in e.(6) of this Additional Coverage, is not subject to such limitation.

f. Electronic Data

(1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data.

(2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.

- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:
- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
 - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
 - (c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.
 - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired Or Constructed Property

(1) Buildings

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

(2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
 - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
 - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
 - (iii) Business personal property that you newly acquire, located at the described premises.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

- (b) This Extension does not apply to:
 - (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
 - (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period Of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

b. Personal Effects And Property Of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

c. Valuable Papers And Records (Other Than Electronic Data)

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
- (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

d. Property Off-premises

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
 - (a) Temporarily at a location you do not own, lease or operate;
 - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c) At any fair, trade show or exhibition.

- (2) This Extension does not apply to property:
 - (a) In or on a vehicle; or
 - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

f. Non-owned Detached Trailers

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
 - (a) The trailer is used in your business;
 - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
 - (c) You have a contractual responsibility to pay for loss or damage to the trailer.

- (2) We will not pay for any loss or damage that occurs:
 - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
 - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

B. Exclusions And Limitations

See applicable Causes Of Loss Form as shown in the Declarations.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage:

- 1. Fire Department Service Charge;
- 2. Pollutant Clean-up And Removal;
- 3. Increased Cost Of Construction; and
- 4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

EXAMPLE #1

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$250
Limit of Insurance – Building #1:	\$60,000
Limit of Insurance – Building #2:	\$80,000
Loss to Building #1:	\$60,100
Loss to Building #2:	\$90,000

The amount of loss to Building #1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building #1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building #1:

\$ 60,100
<u>– 250</u>
\$ 59,850 Loss Payable – Building #1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building #2. Loss payable for Building #2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:
\$59,850 + \$80,000 = \$139,850

EXAMPLE #2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example #1.

Loss to Building #1:	\$70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building #2:	\$90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable – Building #1:	\$60,000
(Limit of Insurance)	
Loss Payable – Building #2:	\$80,000
(Limit of Insurance)	
Total amount of loss payable:	\$140,000

E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:
- (1) Notify the police if a law may have been broken.
 - (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
 - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
 - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
 - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
 - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
 - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
 - (8) Cooperate with us in the investigation or settlement of the claim.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
- (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.
- We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.
- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:
- (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.

h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

6. Vacancy

a. Description Of Terms

- (1)** As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in **(1)(a)** and **(1)(b)** below:
 - (a)** When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

- (b)** When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

- (i)** Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
- (ii)** Used by the building owner to conduct customary operations.

- (2)** Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1)** We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
 - (a)** Vandalism;
 - (b)** Sprinkler leakage, unless you have protected the system against freezing;
 - (c)** Building glass breakage;
 - (d)** Water damage;
 - (e)** Theft; or
 - (f)** Attempted theft.
- (2)** With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

- a.** At actual cash value as of the time of loss or damage, except as provided in **b.**, **c.**, **d.** and **e.** below.
- b.** If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value even when attached to the building:

- (1) Awnings or floor coverings;
 - (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
 - (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety-glazing material if required by law.
- e. Tenants' Improvements and Betterments at:
- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
 - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.
- If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
- (3) Nothing if others pay for repairs or replacement.

F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

EXAMPLE #1 (UNDERINSURANCE)

When:	The value of the property is:	\$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$ 100,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

Step (1): $\$250,000 \times 80\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$100,000 \div \$200,000 = .50$

Step (3): $\$40,000 \times .50 = \$20,000$

Step (4): $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

EXAMPLE #2 (ADEQUATE INSURANCE)

When:	The value of the property is:	\$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$ 200,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 (\$250,000 x 80%). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

EXAMPLE #3

When:	The value of the property is:	
	Building at Location #1:	\$ 75,000
	Building at Location #2:	\$ 100,000
	Personal Property at Location #2:	\$ 75,000
		<hr/>
		\$ 250,000
	The Coinsurance percentage for it is:	90%
	The Limit of Insurance for Buildings and Personal Property at Locations #1 and #2 is:	\$ 180,000
	The Deductible is:	\$ 1,000
	The amount of loss is:	
	Building at Location #2:	\$ 30,000
	Personal Property at Location #2:	\$ 20,000
		<hr/>
		\$ 50,000

Step (1): $\$250,000 \times 90\% = \$225,000$
(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2): $\$180,000 \div \$225,000 = .80$

Step (3): $\$50,000 \times .80 = \$40,000$

Step (4): $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

2. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

- (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:
 - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.

- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
 - (1) On or after the effective date of this Optional Coverage; and
 - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applied will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
 - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
 - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
 - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

EXAMPLE

If: The applicable Limit of Insurance is: \$100,000
 The annual percentage increase is: 8%
 The number of days since the beginning of the policy year (or last policy change) is: 146
 The amount of increase is:
 $\$100,000 \times .08 \times 146 \div 365 =$ \$3,200

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.
- b. This Optional Coverage does not apply to:
 - (1) Personal property of others;
 - (2) Contents of a residence;
 - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
 - (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
 - (1) Until the lost or damaged property is actually repaired or replaced; and
 - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in **d.(1)** and **d.(2)** above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
 - (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of **(1)**, **(2)** or **(3)**, subject to **f.** below:
- (1) The Limit of Insurance applicable to the lost or damaged property;
 - (2) The cost to replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
 - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in **e.(2)** above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

4. Extension Of Replacement Cost To Personal Property Of Others

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph **3.b.(1)** of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

- b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

H. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Pollutants" means 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.
3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

F. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance;
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you; or
 - c. Your tenant.

This will not restrict your insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.
However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supercedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
 - 1.** Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
 - 2.** Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

A. The exclusion in Paragraph **B.** replaces the **Water Exclusion** in this Coverage Part or Policy.

B. Water

1. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
2. Mudslide or mudflow;
3. Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
4. Water under the ground surface pressing on, or flowing or seeping through:
 - a. Foundations, walls, floors or paved surfaces;
 - b. Basements, whether paved or not; or
 - c. Doors, windows or other openings; or
5. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph **1.**, **3.** or **4.**, or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs **1.** through **5.**, is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs **1.** through **5.**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
 - a.** Any of the following, whether belonging to any insured or to others:
 - (1)** Computer hardware, including microprocessors;
 - (2)** Computer application software;
 - (3)** Computer operating systems and related software;
 - (4)** Computer networks;
 - (5)** Microprocessors (computer chips) not part of any computer system; or
 - (6)** Any other computerized or electronic equipment or components; or
 - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
 - 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
 - 2.** Under the Commercial Property Coverage Part:
 - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss – Special Form; or
 - b.** In a Covered Cause of Loss under the Causes Of Loss – Basic Form or the Causes Of Loss – Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

- BOILER AND MACHINERY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- CRIME AND FIDELITY COVERAGE PART
- EQUIPMENT BREAKDOWN COVERAGE PART
- FARM COVERAGE PART
- STANDARD PROPERTY POLICY

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph **C**) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

State(s)	Coverage Form, Coverage Part Or Policy
	Commerical Property Coverage Part
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. The following definition is added with respect to the provisions of this endorsement:

"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:

1. 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
2. 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.

B. The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

C. Exception Covering Certain Fire Losses

The following exception to the exclusion in Paragraph **B.** applies only if indicated and as indicated in the Schedule of this endorsement.

If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements which apply to those forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

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.

D. Application Of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUILDING GLASS – TENANT'S POLICY

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
STANDARD PROPERTY POLICY

SCHEDULE

Location Of Building: 3995-3997 Washington Street Roslindale, MA 02131
Description Of Building Glass:
Causes Of Loss Form (And Related Endorsements, If Any): SpecialFormTheft
Deductible (If Any): \$ 1,000
Limit Of Insurance: \$ 10,000
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A.** Under this endorsement, building glass means the building glass described in the Schedule.
- B.** We will pay for direct physical loss of or damage to building glass at the building shown in the Schedule caused by or resulting from a Covered Cause of Loss shown in the Schedule, provided that:
 - 1.** You are a tenant of the building shown in the Schedule; and
 - 2.** You have a contractual responsibility to insure the building glass, or a contractual responsibility to pay for loss or damage to that property.
- C.** The value of property covered under this endorsement will be determined in accordance with the Valuation Condition applicable under this Coverage Form or Policy, or at the amount for which you are liable under contract, whichever is less. If required by law, glass is covered at the cost of replacement with safety glazing material. However, the most we will pay for the coverage provided under this endorsement is the Limit Of Insurance shown in the Schedule.

FINISHED STOCK COVERAGE FORM

There are provisions of this policy that restrict coverage. You must read the entire policy carefully to determine your rights and duties and what is and is not covered.

In this policy, the words “**you**” and “**your**” refer to the **Named Insured** as identified in the Declarations. The words “**we**”, “**us**”, and “**our**” refer to the company providing this insurance. All words that appear in bold type in this policy shall be interpreted according to the definitions of those terms set forth in this policy.

I. COVERAGES

We will pay for direct physical loss or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

A. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section I.A., and limited in I.B., Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

1. **Finished stock** while located within a building described and scheduled in the Declarations.

B. Property Not Covered

Covered Property does not include:

1. Land, including land on which the **living plant material** is situated.
2. Growing medium, including growing medium in which the **living plant material** is situated.
3. Fertilizer or gases
4. Water
5. The following property while outside of building described and scheduled in the Declarations:
 - a. **Finished stock**

C. Covered Causes of Loss

1. Fire
2. Lightning

3. Explosion, including the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass. This cause of loss does not include loss or damage by:
 - a. Rupture, bursting or operation of pressure-relief devices; or
 - b. Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water.

4. Windstorm or Hail, but not including:
 - a. Frost or cold weather
 - b. Ice (other than hail), snow or sleet, whether driven by wind or not; or
 - c. Loss or damage to **Finished Stock**, caused by rain, snow, sand or dust, whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sand or dust enters.

5. Smoke causing sudden and accidental loss or damage. This cause of loss does not include smoke from agricultural smudging or industrial operations.

6. Aircraft or Vehicles, meaning only physical contact of an aircraft, a spacecraft, a self-propelled missile, a vehicle or an object thrown up by a vehicle with the described property or with the building or structure containing the described property. This cause of loss includes loss or damage by objects falling from aircraft.

We will not pay for loss or damage caused by or resulting from vehicles you own or which are operated in the course of your business.

7. Riot or Civil Commotion, including:
 - a. Acts of striking employees while occupying the described premises; and
 - b. Looting occurring at the time and place of a riot or civil commotion.

8. Vandalism, meaning willful and malicious damage to, or destruction of, the described property.

9. Sprinkler Leakage, meaning leakage or discharge of any substance from an Automatic Sprinkler System, including collapse of a tank that is part of the system.
Automatic Sprinkler System means:
 - a. Any automatic, fire-protective or extinguishing system, including connected:
 - i. Sprinklers and discharge nozzles;
 - ii. Ducts, pipes, valves and fittings;
 - iii. Tanks, their component parts and supports, and
 - iv. Pumps and private fire protection mains.
 - b. When supplied from an automatic fire-protection system:
 - i. Non-automatic fire-protective systems; and
 - ii. Hydrants, standpipes and outlets.

10. Sinkhole Collapse, meaning loss or damage caused by the sudden sinking or collapse of land into underground empty spaces created by the action of water. This cause of loss does not include:
 - a. The cost of filling sinkholes; or
 - b. Sinking or collapse of land into man-made underground cavities.
11. Volcanic Action, meaning direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:
 - a. Airborne volcanic blast or airborne shock waves;
 - b. Ash, dust or particulate matter; or
 - c. Lava flow

All volcanic eruption that occurs within any 168-hour period will constitute a single occurrence. This cause of loss does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

12. Falling Objects

But we will not pay for loss or damage to:

- a. Covered property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

13. Water Damage

- a. Water Damage, meaning accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance, that is located on the described premises and contains water or steam. However water damage does not include:
 - i. Discharge of leakage from:
 1. An Automatic Sprinkler System;
 2. A sump or related equipment and parts, including overflow due to sump pump failure or excessive volume of water; or
 3. Roof drains, gutters, downspouts or similar fixtures or equipment.
 - b. The cost to repair any defect that caused the loss or damage;
 - c. Loss or damage caused by or resulting from continuous or repeated seepage or leakage of water that occurs over a period of 14 days or more;
 - d. Loss or damage caused by or resulting from the presence or condensation of humidity, moisture or vapor;
 - e. Loss or damage caused by or resulting from freezing, or

14. Theft of **finished stock** subject to all warranties attached to this policy.

II. Exclusions

A. We will not pay for any loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

1. Ordinance or Law:

The enforcement of any ordinance or law:

- a. Regulating the construction, use or repair of any property; or
- b. Requiring the tearing down of any property including the cost of removing the debris.

The exclusion, Ordinance or Law, applies whether the loss results from:

- a. An ordinance or law that is enforced even if the property has not been damaged; or
- b. The increased costs incurred to comply with an ordinance or law in the course or construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

2. Earth Movement:

- a. Earthquake, including any earth movement related to such event;
- b. Landslide, including any earth movement related to such event;
- c. Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- d. Earth movement arising from soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, and improperly compacted soil.

But if Earth Movement, as described in 2. (a) through (d) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- e. Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

3. Government Action;

Seizure or destruction of property by order of any governmental authority.

4. Nuclear Hazard;

Nuclear reaction or radiation, or radioactive contamination, however caused. But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

5. Utility Services:

The failure of power, communication, water or other utility services supplied to the described premises, however caused.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

6. War and Military Action:

- a. War, including undeclared or civil war;
- b. 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
- c. Insurrection, rebellion, revolution, usurped power, or action taken by government authority in hindering or defending against any of these.

7. Water;

- a. Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not.
- b. Mudslide or mudflow;
- c. Water that backs up or overflows from a sewer, drain or sump; or
- d. Water under the ground surface pressing on, or flowing or seeping through:
 - i. Foundations, walls, floors or paved surfaces;
 - ii. Basements, whether paved or not; or
 - iii. Doors, windows or other openings.

But if Water, so described in 7 (d) above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

8. **Fungus**, Wet Rot, Dry Rot and Bacteria

Presence, growth, proliferation, spread or any activity of **fungus**, wet or dry rot, or bacteria.

But if **fungus**, wet or dry rot or bacteria results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

- a. When **fungus**, wet or dry rot or bacteria results from fire or lightning.

9. Lack of water, sunlight, or soil;
10. Over fertilization or other chemical damage;
11. Disease, insect and vermin infestation and rot;
12. Animal damage included but not limited to chewing, fouling, scratching or tearing;
13. Failure of seeds to germinate.

Exclusions II.A.1 through II.A.13 apply whether or not the loss event results in widespread damage or affects a substantial area.

B We will not pay for any loss or damage caused by or resulting from:

1. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
 - a. Electrical or electronic wire, device, appliance, system, or network, or:
 - b. Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- a. Electrical current, including arching;
- b. Electrical charge produced or conducted by a magnetic or electromagnetic field;
- c. Pulse of electromagnetic energy; or
- d. Electromagnetic waves or microwaves

But if fire results, we will pay for the loss or damages caused by that fire.

2. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control.

But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion.

3. Mechanical breakdown, including rupture or bursting caused by centrifugal force.

But if mechanical breakdown results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

4. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

III. Additional Coverage – Collapse

The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse as described and limited in III. A. through III.D.

- A. For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied of its intended purpose.
- B. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:
 1. Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage, meaning accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam; all only as insured against in this Coverage Part;
 2. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse.
 3. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
 4. Weight of people or personal property;
 5. Weight of rain that collects on a roof;
6. Use of defective material or methods in construction, remodeling, or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation. However, if such collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in B.1. Through B.5. we will pay for the loss of damage even if use of defective material or methods, in construction, remodeling or renovation, contributes to the collapse.

This Additional Coverage – Collapse does not limit the coverage otherwise provided under this Cause of Loss Form for the causes of loss listed in B.1.

C. This Additional Coverage – Collapse does not apply to:

1. A building or any part of a building that is in danger of falling down or caving in;
2. A part of the building that is standing, even if it has separated from another part of the building; or
3. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

D. This Additional Coverage – Collapse will not increase the Limits of Insurance provided in this Coverage Part

E. This term Coverage Cause of Loss includes the Additional Coverages - Collapse as described and limited in III.A through III.D

IV. Loss Settlement

The covered property must die or be so severely damaged it would not be suitable for sale. Damaged covered property that can be pruned, replanted or repotted and returned to health within thirty days do not qualify as a loss.

V. Valuation

The covered property is valued at **replacement cost** without deduction for depreciation, subject to the following:

A. We will pay for the cost to repair or replace, after application of deductible, but not more than the least of the following amounts:

1. The limit of liability under this policy that applies to the covered property described and scheduled on the Declarations within the following categories:

- a. **Finished stock**

2. The **replacement cost** of the property damaged for the like kind on the same premises or;

B. Partial losses will be adjusted by an appointed adjuster with a professional arborist assisting when needed.

VI Loss Payment

We will adjust all losses with you. We will pay you unless some other person is named in the Policy or is legally entitled to receive payment. Loss will be payable 30 days after we receive your proof of loss, and:

- A. We reach an agreement with you, or
- B. There is an entry of a final judgement

VII Definitions

Fungus means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or release by fungi.

Finished Stock means mature marijuana plant material no longer in the growing medium which has been completely processed and is ready for sale.

Replacement cost means the insurer's wholesale price list described and scheduled on the Declarations for each marijuana crop category.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**EVERGREEN PROPERTY EXTENSION PLUS ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 CAUSES OF LOSS – SPECIAL FORM
 CAUSES OF LOSS – BROAD FORM

The following is a summary of increased limits of insurance and additional coverages provided by this endorsement. This endorsement is subject to the provisions of your policy, which means that it is subject to all limitations and conditions applicable to this Coverage Part, Coverage Form or Causes of Loss Form, unless specifically deleted, replaced, or modified herein. This endorsement is applicable only to those premises described in the Declarations. Coverage for loss of Business Income or Extra Expense, whether provided by this endorsement or elsewhere, does not apply if a loss is covered only as a result of this endorsement.

<u>Coverage Description</u>	<u>Limit of Insurance</u>
Broadened Premises	Included
Real Property of Others Required by Contract	\$ 5,000.00
Electronic Data	\$ 5,000.00
Debris Removal	\$ 10,000.00
Fire Department Service Charge	\$ 5,000.00
Pollutant Clean up and Removal	\$ 10,000.00
Personal Effects and Property of Others	\$ 10,000.00
Valuable Papers and Records (Other Than Electronic Data)	\$ 10,000.00
Property Off-Premises (Including while in Transit)	\$ 10,000.00
Outdoor Property	\$ 10,000.00
Accounts Receivable	\$ 10,000.00
Arson Reward	\$ 10,000.00
Back-up of Sewers or Drains	\$ 10,000.00
Fine Arts	\$ 10,000.00
Fire Protective Devices	\$ 10,000.00
Loss of Refrigeration	\$ 10,000.00
Computer Equipment	\$ 10,000.00
Laptop/Portable Computers	\$ 5,000.00
Lock Replacement	\$ 1,000.00
Money and Securities	
Inside the Premises	\$ 5,000.00
Outside the Premises	\$ 5,000.00
Off-Premises Services Interruption	\$ 10,000.00
Consequential Loss	\$ 10,000.00
Signs	\$ 10,000.00
Special Deductible Provision	Included
Manufacturers Selling Price	Included
Waiver of Coinsurance on losses \$10,000 or less	Included
Ordinance or Law	10% of the Building Limit Subject to \$50,000 maximum

A. The following changes apply to Section **A. COVERAGE** of the BUILDING AND PERSONAL PROPERTY COVERAGEFORM:

1. Broadened Premises

The **within 100 feet of the described premises** description stated in Paragraph **A.1.a.(5)(b), Building**, Paragraph **A.1.b., Your Business Personal Property**, Paragraph **A.1.c.(2), Personal Property of Others** and Paragraph **A.5., Coverage Extensions** is deleted and replaced by **within 1,000 feet of the described premises.**

2. Real Property of Others Required by Contract

The following is added to item **b. Your Business Personal Property** of Paragraph **1. Covered Property**:

(8) Real Property coverage including but not limited to building, doors and windows you are responsible for due to contract or lease agreement.

The most we will pay for loss or damage to covered property is \$5,000

3. Electronic Data

Item **f.(4) Electronic Data** of Paragraph **4. Additional Coverages** is deleted and replaced by the following:

(4) The most we will pay under this Additional Coverage – Electronic Data is \$5,000 for all loss of damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount; then the balance is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

Item **g.** is deleted in its entirety from Paragraph **2., Property Not Covered.**

4. Debris Removal

Paragraph **A.4.a.(4)** is deleted and replaced by the following:

(4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

(a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.

(b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if **(4)(a)** and/or **(4)(b)** apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

5. Fire Department Service Charge

Item **c. Fire Department Service Charge** of Paragraph **4. Additional Coverages** is deleted and replaced by the following:

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$5,000 for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

6. Pollutant Clean Up and Removal

Item **d. Pollutant Clean Up and Removal** of Paragraph **4. Additional Coverages** is amended as follows:

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of covered Causes of Loss occurring during each separate 12 month period of this policy.

7. Personal Effects and Property of Others

Item **b. Personal Effects and Property of Others** of Paragraph **5. Coverages Extensions** is amended as follows:

The most we will pay for loss or damage under this Extension is \$10,000 at each described premises. Our payment for loss of or damage to personal property of others (including property of others held by you on consignment) will only be for the account of the owner of the property.

8. Valuable Papers and Records (Other Than Electronic Data)

Item **c. (4) Valuable Papers and Records (Other Than Electronic Data)** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$10,000 at each described premises. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on your Business Personal Property and therefore coverage of such costs is not additional insurance.

9. Property Off-Premises

Item **d. Property Off-Premises** of Paragraph **5. Coverage Extensions** is deleted and replaced by:

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises if it is:
 - (a) Temporarily at a location you do not own, lease or operate;
 - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c) At any fair, trade show or exhibition

This Extension applies only if loss or damage is caused by a Covered Cause of Loss.

- (2) You may extend the insurance provided by this Coverage Form to apply to your personal property in transit more than 1,000 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory. Loss or damage must be caused by or result from one of the following causes of loss:
- (a) Fire, lightning, explosion, windstorm or hail riot or civil commotion, or vandalism.
 - (b) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. Collision does not mean the vehicle's contact with the roadbed.
 - (c) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible signs of forced entry.
- (3) The most we will pay for loss or damage under this Extension is \$10,000

10. Outdoor Property

Item e. **Outdoor Property** of Paragraph 5. **Coverage Extensions** is deleted and replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, lighting, lighting standards, radio and television antennas, satellite dish, signs (other than signs attached to buildings), playground equipment, scoreboards, trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the Covered Causes of Loss.

The most we will pay for loss or damage under this Extension is \$10,000 , but not more than \$500 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or numbers of items lost or damaged in that occurrence.

11. The following are added to Paragraph 5. Coverage Extensions:

g. Accounts Receivable

We will pay:

- (1) All amounts due from your customers that you are unable to collect;
- (2) Interest charges on any loans required to offset amounts you are unable to collect pending our payment of these amounts;
- (3) Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and
- (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable;

that result from a Covered Cause of Loss to your records of accounts receivable.

The most we will pay for loss under this Extension is \$10,000

h. Arson Reward

We will pay on behalf of the insured up to \$10,000 for information which leads to an arson conviction in connection with a fire loss covered under this Coverage Form. Regardless of the number of persons involved in providing information, our liability under this Coverage Extension will not be increased.

i. Back-Up of Sewers or Drains

We cover direct physical loss or damage caused by water:

- (1) Which backs up through sewers it drains; or
- (2) Which enters into and overflows from within a sump pump, sump pump well or other type of system designed to remove subsurface water which is drained from the foundation area.

This coverage does not apply if the loss or damage is caused by your negligence.

The most we will pay for loss or damage under this Coverage Extension is \$10,000

j. Fine Arts

You may extend the insurance that applies to Your Business Personal Property to apply to your fine arts and fine arts owned by others that are in your care, custody or control.

This Extension does not apply to loss or damage caused by resulting from:

- (1) While fine arts are at any fair or on exhibition;
- (2) Any repairing, restoration or retouching process;
- (3) Insects, birds, rodents or other animals;
- (4) Wear and tear;
- (5) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in the property that causes it to damage or destroy itself;
- (6) Breakage of art glass windows, statuary, marbles, glassware, bric-a-brac, porcelains and similar fragile articles. But we will pay for loss or damage caused directly by fire, lightning, aircraft, theft or attempted theft, cyclone, tornado, windstorm, explosion, vandalism, or by accident to the vehicle carrying the property.

The most we will pay for loss or damage under this Extension is \$10,000

k. Fire Protective Devices

You may extend the insurance provided by this Coverage Form to apply to recharging or refilling of your fire protective devices that are permanently installed in buildings at the described premises when such devices have been discharged by accident or after being used in fighting a fire. This Extension does not apply to periodic recharge or refilling.

The most we will pay under this Extension is \$10,000 for each separate 12-month period of this policy.

l. Loss of Refrigeration

You may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage to property owned by you and used in your business or owned by others and in your care, custody or control, contained in any refrigeration or cooling apparatus or equipment resulting from:

- (1) The fluctuation or total interruption of electrical power, either on or off the described premises, due to conditions beyond your control; or

(2) Mechanical failure of any refrigeration or cooling apparatus or equipment (on premises).

The most we will pay for loss or damage under this Extension is \$10,000

m. Computer Equipment

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage to “computer equipment” owned by you or similar property of others in your care, custody or control for which you are legally liable, caused by a Covered Cause of Loss.

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage to “laptop/portable computers” owned by you and in your care, custody or control or in the care, custody or control of your employee.

(1) Property Not Covered

We will not cover the following kinds of property under this Extension:

- (a) Property which you rent or lease to others;
- (b) Software or other electronic data;
- (c) Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts, program documentation or other documents;
- (d) “Computer equipment” held for sale by you;
- (e) “Computer equipment” of others on which you are performing repairs or work;
- (f) “Computer equipment” that is part of any;
 - (i) Production or processing equipment (such as CAD, CAM or CNC machines);
 - (ii) Equipment used to maintain or service your building (such as heating, ventilating, cooling or alarm systems); or
 - (iii) Communication equipment (such as telephone systems).
- (g) Property that is covered under another coverage form of this or any policy in which such property is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance.

(2) Property In Transit

We will pay for loss due to damage to your “computer equipment”, or “laptop/portable computer” while in transit.

- (3) Section **B. Exclusions, 1.b. Earth Movement** of the **CAUSES OF LOSS – SPECIAL FORM**, as respects **A.5.n. Computer Equipment**, is deleted in its entirety.
- (4) Section **B. Exclusions, 1.e. Utility Services** of the **CAUSES OF LOSS – SPECIAL FORM**, as respects **A.5.n. Computer Equipment**, is deleted in its entirety.
- (5) Section **B. Exclusions, 1.g. Water** of the **CAUSES OF LOSS – SPECIAL FORM**, as respects **A.5.n. Computer Equipment**, is deleted in its entirety.

(6) The artificially generated electrical current exclusion, Item **B.2.a** of the **CAUSES OF LOSS – SPECIAL FORM**, as respects **A.5.n. Computer Equipment**, is deleted in its entirety.

(7) The mechanical breakdown exclusion, Item **B.2.d.(6)** of the **CAUSES OF LOSS – SPECIAL FORM**, as respects **A.5.n. Computer Equipment**, is deleted and replaced by the following:

(6) Mechanical breakdown, failure or derangement, except:

(a) This exclusion does not apply for the accidental loss or damage caused by a resulting fire or explosion.

(b) This exclusion does not apply if any of the above is sudden and accidental and manifests itself by physical damage to “computer equipment” which requires repair or replacement.

(8) Loss Payment will be determined as follows;

“Computer equipment” or “laptop/portable computers”

We will pay the least of the following amounts:

(i) The cost of reasonably restoring that property to its condition immediately before the loss or damage; or

(ii) The cost of replacing that property with identical property of comparable material and quality and used for the same purpose.

However, when repair or replacement with identical property is not possible, we will pay the cost to replace that property with similar property capable of performing the same functions.

If not repaired or replaced, the property will be valued at its actual cash value.

“Computer Equipment” means a network of electronic machine components capable of accepting information, processing it according to instructions and producing the results in a desired form.

“Laptop/Portable Computers” means “computer equipments” and accessories that are designed to function with it, that can easily be carried and its designed to be used at more than one location.

The most we will pay for loss due to damage to your “computer equipment” under this Extension is \$10,000

The most we will pay under this Extension for loss due to damage to your “laptop/portable computers” while away from the described premises is \$5,000

n. Lock Replacement

You may extend the insurance provided by this Coverage Form to apply to replacement of locks necessitated by theft of Covered Property or theft of keys from the described premises.

The most we will pay for loss under this Coverage Extension is \$1,000 in any one occurrence.

o. Money and Securities

(1) You may extend the insurance that applies to Business Personal Property to apply loss of “money” and “securities” used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee having use and custody of the

property, at the described premises, or in transit between any of these places, resulting directly from:

- (a) Theft, meaning any act of stealing;
 - (b) Destruction.
- (2) In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:
- (a) Resulting from accounting or arithmetical errors or omissions;
 - (b) Due to the giving or surrendering of property in any exchange or purchase; or
 - (c) Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- (3) The most we will pay for loss in any one occurrence is:
- (a) \$5,000 for Inside the Premises for "money" and "securities" while:
 - (i) In or on the described premises; or
 - (ii) Within a bank or savings institution; and
 - (b) \$5,000 for Outside the Premises for "money" and "securities" while anywhere else.
- (4) All loss:
- (a) Caused by one or more persons; or
 - (b) Involving a single act or series of related acts;
- is considered one occurrence.
- (5) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
- (6) "**Money**" means:
- (a) Currency, coins and bank notes in current use and having a face value; and
 - (b) Travelers checks, register checks and money orders held for sale to the public.
- (7) "**Securities**" means negotiable and non-negotiable instruments or contract representing either "money" or other property and includes:
- (a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - (b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
- but does not include "money".

p. Off-Premises Services Interruption

You may extend the insurance provided by this Coverage Form to apply to loss of or damage to Covered Property caused by interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:

(1) **Water Supply Services**, meaning the following types of property supplying water to the described premises:

- (a) Pumping stations; and
- (b) Water mains.

(2) **Communication Supply Services**, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

- (a) Communication transmission lines, including optic fiber transmission lines;
- (b) Coaxial cables; and
- (c) Microwave radio relays except satellites.

It does not include above ground communication lines.

(3) **Power Supply Services**, meaning the following types of property supplying electricity, steam or gas to the described premises:

- (a) Utility generating plants;
- (b) Switching stations;
- (c) Substations;
- (d) Transformers; and
- (e) Transmission lines.

It does not include above ground transmission or distribution lines.

The most we will pay under this Extension is \$10,000

q. Consequential Loss

We will pay up to \$10,000 for the consequential loss of undamaged business personal property.

Consequential Loss, as applicable to this Coverage Extension is the loss of value of an undamaged part or parts of a product which becomes unmarketable. It must be unmarketable due to a physical loss or damage to another part or parts of the product caused by a Covered Cause of Loss.

B. The second paragraph of Section **C. LIMITS OF INSURANCE** of the BUILDING AND PROPERTY COVERAGE FORM is deleted and replaced by the following:

Signs

The most we will pay for loss or damage to outdoor signs is \$10,000 per sign in any one occurrence.

- C. The following is added to Section **D. DEDUCTIBLE** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM:

Special Deductible Provision

We will deduct any loss or damage under the Coverage Extensions in any one occurrence the Deductible shown in the Declarations or \$500, whichever is less.

This deductible applies to all Coverage Extensions, except for:

- e. Outdoor Property

- D. The following change is applicable to Section **E. LOSS CONDITIONS** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM:

Manufacturers Selling Price

The following is added to Paragraph **7. Valuation** Loss Condition:

We will determine the value of finished "stock" you manufacture, in the event of loss or damage, at:

- (1) The selling price, as if no loss or damage occurred;
- (2) Less discounts and expenses you otherwise would have had.

E. Coinsurance

Section **F. ADDITIONAL CONDITIONS**, Paragraph **1. Coinsurance** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM applies only when the total loss or damage to all Covered Property in any one occurrence is greater than \$10,000

F. Ordinance or Law

1. If a Covered Cause of Loss occurs to covered Building property, we will pay:

- (4) For loss in value of the undamaged portion of the building as a consequence of enforcement of any ordinance or law that:
 - (i) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss
 - (ii) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at a described premises; and
 - (iii) Is in force at the time of loss
- (5) The cost to demolish and clear the site of undamaged parts of the property caused by the enforcement of building, zoning or land use ordinance or law.

The COINSURANCE Additional condition does not apply to this demolition cost coverage.

- (6) The increased cost to:
 - (i) Repair or reconstruct damaged portions of that Building property; and/or

- (ii) Reconstruct or remodel undamaged portions of that Building property, whether or not demolition is required;

When the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law.

However:

- (i) The coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance law.
- (ii) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The COINSURANCE Additional Condition does not apply to this increased cost of construction coverage.

2. We will not pay the increased costs of construction under this coverage:
 - (4) Until the property is actually repaired or replaced, at the same or another premises; and
 - (5) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
3. We will not pay under this coverage for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
4. The most we will pay under this coverage at each described premises is the lesser of:
 - a. 10% of the Limit of Insurance shown in the Declarations for Building Coverage; or
 - b. \$50,000.
5. We will not pay for loss due to any ordinance or law that:
 - (4) You were required to comply with before the loss, even if the building was undamaged, and
 - (5) You failed to comply with.

NON-STRUCTURAL HAIL LOSS LIMITATION ENDORSEMENT

THIS ENDORSEMENT CHANGES THE COMMERCIAL PROPERTY POLICY, BUILDING AND PERSONAL PROPERTY COVERAGE FORM. PLEASE READ IT CAREFULLY.

Under – E. LOSS CONDITIONS

4. Loss Payment

The following paragraphs are added:

Non-Structural Hail Loss to Building (Excluding Roofing System)

h. When damage from Hail consists of dents, scratches, impressions, indentations, marks, or nicks on the exterior surface of the **Building(s)** that do not compromise the structural integrity of your **Building(s)** we will pay the lowest of the following amounts:

- (1) The cost of repairing or replacing the damaged portion of the property; or
- (2) 2% of the amount of insurance provided under Coverage A (**Building**).

Non-Structural Hail Loss to Roofing System

i. We do not provide coverage for dents, scratches, impressions, indentations, marks, nicks, or granule loss to the **Roofing System** of the **Building(s)** caused by Hail unless the Hail compromises the structural integrity of the **Roofing System(s)** and results in “immediate roofing system failure”.

Endorsement Definitions

For purposes of this endorsement, **Roofing System** is defined as the exterior surface and its supporting structures on the top of a building. **Roofing System** also includes the following:

1. Chimney flashing and flue liners;
2. Roof vents;
3. Heating, Ventilation, and Air Conditioning units;
4. Fascia;
5. Eaves;
6. Gutters, gutter screens, and downspouts

For purposes of this endorsement, “immediate **Roofing System** failure” is defined as an immediate reduction in the **Roofing Systems**’ water shedding capacity due to the peril of Hail that allows water to enter the interior of the building or other structure through an opening in the roofing system.

Hail Loss Payment Conditions

We do not provide coverage for Hail damage as described herein unless all of the following conditions precedent are met:

- a. The Hail damage occurs within the applicable policy period;
- b. We are provided the opportunity to inspect the hail damage before any repairs to the **Building** or **Roofing System** are effectuated;
- c. Upon our request, you submit proof of hail damage. Specifically, we would require documentation supported by a certified roofing engineer licensed in the state of the loss location.

BUSINESS INCOME (AND EXTRA EXPENSE) 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. The words "we", "us" and "our" refer to the Company providing this insurance.

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

A. Coverage

1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit of Insurance is shown in the Declarations:

- (1) Business Income Including "Rental Value".
- (2) Business Income Other Than "Rental Value".
- (3) "Rental Value".

If option (1) above is selected, the term Business Income will include "Rental Value". If option (3) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (a) The portion of the building which you rent, lease or occupy; and
- (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

2. Extra Expense

- a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.
- b. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
- (2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

3. Covered Causes Of Loss, Exclusions And Limitations

See applicable Causes Of Loss Form as shown in the Declarations.

4. Additional Limitation – Interruption Of Computer Operations

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage – Interruption Of Computer Operations.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage – Interruption Of Computer Operations.
- c. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

5. Additional Coverages

a. Civil Authority

In this Additional Coverage – Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
 - (2) When your Civil Authority Coverage for Business Income ends;
- whichever is later.

b. Alterations And New Buildings

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and

- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
- (a) Used in the construction, alterations or additions; or
 - (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

c. Extended Business Income

(1) Business Income Other Than "Rental Value"

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
 - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 30 consecutive days after the date determined in (1)(a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

(2) "Rental Value"

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
 - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 30 consecutive days after the date determined in (2)(a) above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

d. Interruption Of Computer Operations

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation – Interruption Of Computer Operations.
- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.

- (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage – Interruption Of Computer Operations is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
 - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage – Interruption Of Computer Operations includes Collapse as set forth in that form.
 - (c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage – Interruption Of Computer Operations.
 - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage – Interruption of Computer Operations is \$2,500 for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (5) This Additional Coverage – Interruption in Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.

6. Coverage Extension

If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

NEWLY ACQUIRED LOCATIONS

- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location.

c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

- (1) This policy expires;
- (2) 30 days expire after you acquire or begin to construct the property; or
- (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

The Additional Condition, Coinsurance, does not apply to this Extension.

B. Limits Of Insurance

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

Payments under the following coverages will not increase the applicable Limit of Insurance:

1. Alterations And New Buildings;
2. Civil Authority;
3. Extra Expense; or
4. Extended Business Income.

The amounts of insurance stated in the Interruption Of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage.

C. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

2. Duties In The Event Of Loss

a. You must see that the following are done in the event of loss:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when, and where the direct physical loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
 - (7) Cooperate with us in the investigation or settlement of the claim.
 - (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

3. Loss Determination

- a. The amount of Business Income loss will be determined based on:
- (1) The Net Income of the business before the direct physical loss or damage occurred;
 - (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
 - (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
 - (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.
- b. The amount of Extra Expense will be determined based on:
- (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
 - (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

c. Resumption Of Operations

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
 - (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

D. Additional Condition

COINSURANCE

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

1. The Coinsurance percentage shown for Business Income in the Declarations; times
2. The sum of:
 - a. The Net Income (Net Profit or Loss before income taxes), and
 - b. Operating expenses, including payroll expenses,that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

Instead, we will determine the most we will pay using the following steps:

- Step (1): Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
- Step (2): Divide the Limit of Insurance for the described premises by the figure determined in Step (1); and
- Step (3): Multiply the total amount of loss by the figure determined in Step (2).

We will pay the amount determined in Step (3) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

- (1) Prepaid freight – outgoing;
- (2) Returns and allowances;
- (3) Discounts;
- (4) Bad debts;
- (5) Collection expenses;
- (6) Cost of raw stock and factory supplies consumed (including transportation charges);
- (7) Cost of merchandise sold (including transportation charges);
- (8) Cost of other supplies consumed (including transportation charges);
- (9) Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- (10) Power, heat and refrigeration expenses that do not continue under contract (if Form CP 15 11 is attached);
- (11) All ordinary payroll expenses or the amount of payroll expense excluded (if Form CP 15 10 is attached); and
- (12) Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion – not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

EXAMPLE #1 (UNDERINSURANCE)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000
The Coinsurance percentage is: 50%
The Limit of Insurance is: \$ 150,000
The amount of loss is: \$ 80,000

Step (1): $\$400,000 \times 50\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$150,000 \div \$200,000 = .75$

Step (3): $\$80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

EXAMPLE #2 (ADEQUATE INSURANCE)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000
The Coinsurance percentage is: 50%
The Limit of Insurance is: \$ 200,000
The amount of loss is: \$ 80,000

The minimum amount of insurance to meet your Co-insurance requirement is \$200,000 ($\$400,000 \times 50\%$). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to Extra Expense Coverage.

E. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. Maximum Period Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.

- b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:
 - (1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or
 - (2) The Limit of Insurance shown in the Declarations.

2. Monthly Limit Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
 - (1) The Limit of Insurance, multiplied by
 - (2) The fraction shown in the Declarations for this Optional Coverage.

EXAMPLE

When: The Limit of Insurance is:	\$ 120,000
The fraction shown in the Declarations for this Optional Coverage is:	1/4
The most we will pay for loss in each period of 30 consecutive days is:	\$ 30,000
(\$120,000 x 1/4 = \$30,000)	
If, in this example, the actual amount of loss is:	
Days 1–30:	\$ 40,000
Days 31–60:	\$ 20,000
Days 61–90:	\$ 30,000
	\$ 90,000
We will pay:	
Days 1–30:	\$ 30,000
Days 31–60:	\$ 20,000
Days 61–90:	\$ 30,000
	\$ 80,000

The remaining \$10,000 is not covered.

3. Business Income Agreed Value

- a. To activate this Optional Coverage:
 - (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
 - (a) During the 12 months prior to the date of the Work Sheet; and
 - (b) Estimated for the 12 months immediately following the inception of this Optional Coverage.
 - (2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:
 - (a) The Coinsurance percentage shown in the Declarations; multiplied by
 - (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.
- b. The Additional Condition, Coinsurance, is suspended until:
 - (1) 12 months after the effective date of this Optional Coverage; or
 - (2) The expiration date of this policy; whichever occurs first.
- c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:
 - (1) Within 12 months of the effective date of this Optional Coverage; or
 - (2) When you request a change in your Business Income Limit of Insurance.
- d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:
 - (1) The Business Income Limit of Insurance; divided by
 - (2) The Agreed Value.

EXAMPLE

When: The Limit of Insurance is: \$ 100,000
The Agreed Value is: \$ 200,000
The amount of loss is: \$ 80,000

Step (1): $\$100,000 \div \$200,000 = .50$

Step (2): $.50 \times \$80,000 = \$40,000$

We will pay \$40,000. The remaining \$40,000 is not covered.

4. Extended Period Of Indemnity

Under Paragraph **A.5.c., Extended Business Income**, the number 30 in Subparagraphs **(1)(b)** and **(2)(b)** is replaced by the number shown in the Declarations for this Optional Coverage.

F. Definitions

1. "Finished stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. "Operations" means:
 - a. Your business activities occurring at the described premises; and
 - b. The tenantability of the described premises, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.
3. "Period of restoration" means the period of time that:
 - a. Begins:
 - (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
 - (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;
caused by or resulting from any Covered Cause of Loss at the described premises; and
 - b. Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down, of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

4. "Pollutants" means 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.
5. "Rental Value" means Business Income that consists of:
 - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
 - b. Continuing normal operating expenses incurred in connection with that premises, including:
 - (1) Payroll; and
 - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
6. "Suspension" means:
 - a. The slowdown or cessation of your business activities; or
 - b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE

This endorsement modifies insurance provided under the following:

- BUILDING AND PERSONAL PROPERTY COVERAGE FORM
- BUILDERS RISK COVERAGE FORM
- CONDOMINIUM ASSOCIATION COVERAGE FORM
- CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
- STANDARD PROPERTY POLICY
- TOBACCO SALES WAREHOUSES COVERAGE FORM

SCHEDULE*

Premises No.	Bldg. No.	Windstorm or Hail Deductible Percentage (enter 1%, 2% or 5%)
1	1	2%

The Windstorm or Hail Deductible, as shown in the Schedule, applies to loss or damage to Covered Property caused directly or indirectly by Windstorm or Hail, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage. If loss or damage from a covered weather condition other than Windstorm or Hail occurs, and that loss or damage would not have occurred but for the Windstorm or Hail, such loss or damage shall be considered to be caused by Windstorm or Hail and therefore part of the Windstorm or Hail occurrence.

With respect to Covered Property at a location identified in the Schedule, no other deductible applies to Windstorm or Hail.

The Windstorm or Hail Deductible applies whenever there is an occurrence of Windstorm or Hail.

As used in this endorsement, the terms "specific insurance" and "blanket insurance" have the following meanings: Specific insurance covers each item of insurance (for example, each building or personal property in a building) under a separate Limit of Insurance. Blanket insurance covers two or more items of insurance (for example, a building and personal property in that building, or two buildings) under a single Limit of Insurance. Items of insurance and corresponding Limit(s) of Insurance are shown in the Declarations.

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

WINDSTORM OR HAIL DEDUCTIBLE CLAUSE

A. All Policies

1. A Deductible is calculated separately for, and applies separately to:
 - a. Each building, if two or more buildings sustain loss or damage;
 - b. The building and to personal property in that building, if both sustain loss or damage;
 - c. Personal property at each building, if personal property at two or more buildings sustains loss or damage;
 - d. Personal property in the open.
2. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance, after any reduction required by any of the following: Coinsurance Condition, Agreed Value Optional Coverage, Additional Condition – Need for Adequate Insurance or Additional Condition – Need for Full Reports.

3. When property is covered under the Coverage Extension for Newly Acquired or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage of the value(s) of the property at time of loss. The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown in the Schedule for any described premises.
- B. Calculation of the Deductible – Specific Insurance Other than Builders Risk**
1. Property Not Subject to Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the Limit(s) of Insurance applicable to the property that has sustained loss or damage.
 2. Property Subject to Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are the latest value(s) shown in the most recent Report of Values on file with us.

However:

 - a. If the most recent Report of Values shows less than the full value(s) of the property on the report dates, we will determine the deductible amount as a percentage of the full value(s) as of the report dates.
 - b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the applicable Limit(s) of Insurance.
- C. Calculation of the Deductible – Blanket Insurance Other than Builders Risk**
1. Property Not Subject to Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are those shown in the most recent Statement of Values on file with us.
2. Property Subject to Value Reporting Forms

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of that property as of the time of loss or damage.
- D. Calculation of the Deductible – Builders Risk Insurance**
1. Builders Risk Other than Reporting Form

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the actual cash value(s) of that property as of the time of loss or damage.
 2. Builders Risk Reporting Form

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are the actual cash value(s) shown in the most recent Report of Values on file with us.

However:

 - a. If the most recent Report of Values shows less than the actual cash value(s) of the property on the report date, we will determine the deductible amount as a percentage of the actual cash value(s) as of the report date.
 - b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the actual cash value(s) of the property as of the time of loss or damage.

EXAMPLES – APPLICATION OF DEDUCTIBLE:

Example #1 – Specific Insurance (B.1.)

The amount of loss to the damaged building is \$60,000.

The value of the damaged building at time of loss is \$100,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the coinsurance requirement is \$80,000 (80% of \$100,000).

The **actual** Limit of Insurance on the damaged building is \$70,000.

The Deductible is 1%.

Step (1) : $\$70,000 \div \$80,000 = .875$

Step (2) : $\$60,000 \times .875 = \$52,500$

Step (3) : $\$70,000 \times 1\% = \700

Step (4) : $\$52,500 - \$700 = \$51,800$

The most we will pay is \$51,800. The remainder of the loss, \$8,200, is not covered due to the Coinsurance penalty for inadequate insurance (steps (1) and (2)) and the application of the Deductible (steps (3) and (4)).

Example #2 – Specific Insurance (B.1.)

The amounts of loss to the damaged property are \$60,000 (building) and \$40,000 (business personal property in building).

The value of the damaged building at time of loss is \$100,000. The value of the business personal property in that building is \$80,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the coinsurance requirement are \$80,000 (80% of \$100,000) for the building and \$64,000 (80% of \$80,000) for the business personal property.

The **actual** Limits of Insurance on the damaged property are \$80,000 on the building and \$64,000 on the business personal property (therefore no Coinsurance penalty).

The Deductible is 2%.

Building

Step (1) : $\$80,000 \times 2\% = \$1,600$

Step (2) : $\$60,000 - \$1,600 = \$58,400$

Business Personal Property

Step (1) : $\$64,000 \times 2\% = \$1,280$

Step (2) : $\$40,000 - \$1,280 = \$38,720$

The most we will pay is \$97,120. That portion of the total loss not covered due to application of the Deductible is \$2,880.

Example #3 – Blanket Insurance (C.1.)

The sum of the values of Building #1 (\$500,000), Building #2 (\$500,000) and Building #3 (\$1,000,000), as shown in the most recent Statement of Values on file with us, is \$2,000,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is \$1,800,000 (90% of \$2,000,000).

The **actual** Blanket Limit of Insurance covering Buildings #1, #2, and #3, shown in the Declarations, is \$1,800,000 (therefore no Coinsurance penalty).

Buildings #1 and #2 have sustained damage; the amounts of loss to these buildings are \$40,000 (Building #1) and \$20,000 (Building #2).

The Deductible is 2%.

Building #1

Step (1) : $\$500,000 \times 2\% = \$10,000$

Step (2) : $\$40,000 - \$10,000 = \$30,000$

Building #2

Step (1) : $\$500,000 \times 2\% = \$10,000$

Step (2) : $\$20,000 - \$10,000 = \$10,000$

The most we will pay is \$40,000. That portion of the total loss not covered due to application of the Deductible is \$20,000.

Example #4 – Blanket Insurance (C.1.)

The sum of the values of Building #1 (\$500,000), Building #2 (\$500,000), Business Personal Property at Building #1 (\$250,000) and Business Personal Property at Building #2 (\$250,000), as shown in the most recent Statement of Values on file with us, is \$1,500,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is \$1,350,000 (90% of \$1,500,000).

The **actual** Blanket Limit of Insurance covering Buildings #1 and #2 and Business Personal Property at Buildings #1 and #2, shown in the Declarations, is \$1,350,000. Therefore there is no Coinsurance penalty.

Building #1 and Business Personal Property at Building #1 have sustained damage; the amounts of loss are \$95,000 (Building) and \$5,000 (Business Personal Property).

The Deductible is 5%.

Building

Step (1) : $\$500,000 \times 5\% = \$25,000$

Step (2) : $\$95,000 - \$25,000 = \$70,000$

Business Personal Property

Step (1) : $\$250,000 \times 5\% = \$12,500$

The loss, \$5,000, does not exceed the deductible.

The most we will pay is \$70,000. The remainder of the building loss, \$25,000, is not covered due to application of the Deductible. There is no loss payment for the business personal property.

CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section **G.**, Definitions.

A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means Risks Of Direct Physical Loss unless the loss is:

1. Excluded in Section **B.**, Exclusions; or
2. Limited in Section **C.**, Limitations; that follow.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance Or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in **b.(1)** through **(4)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

e. Utility Services

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

f. War And Military Action

- (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. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.

But if Water, as described in **g.(1)** through **g.(4)** above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

h. "Fungus", Wet Rot, Dry Rot And Bacteria

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

- 1. When "fungus", wet or dry rot or bacteria results from fire or lightning; or
- 2. To the extent that coverage is provided in the Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions **B.1.a.** through **B.1.h.** apply whether or not the loss event results in widespread damage or affects a substantial area.

- 2. We will not pay for loss or damage caused by or resulting from any of the following:
 - a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
 - (1) Electrical or electronic wire, device, appliance, system or network; or
 - (2) Device, appliance, system or network utilizing cellular or satellite technology.



For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by that fire.

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d. (1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.
- (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.

But if an excluded cause of loss that is listed in 2.d.(1) through (7) results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - (1) You do your best to maintain heat in the building or structure; or
 - (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
 - (1) Acting alone or in collusion with others; or
 - (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.
- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.

k. Collapse, including any of the following conditions of property or any part of the property:

- (1) An abrupt falling down or caving in;
- (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion, k., does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage – Collapse; or
- (b) To collapse caused by one or more of the following:
 - (i) The "specified causes of loss";
 - (ii) Breakage of building glass;
 - (iii) Weight of rain that collects on a roof; or
 - (iv) Weight of people or personal property.

l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.

m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.

b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;

of part or all of any property on or off the described premises.

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form

We will not pay for:

- (1) Any loss caused by or resulting from:
 - (a) Damage or destruction of "finished stock"; or
 - (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

(2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.

(3) Any increase of loss caused by or resulting from:

- (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

(b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.

(4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

(5) Any other consequential loss.

b. Leasehold Interest Coverage Form

(1) Paragraph **B.1.a.**, Ordinance Or Law, does not apply to insurance under this Coverage Form.

(2) We will not pay for any loss caused by:

- (a) Your cancelling the lease;
- (b) The suspension, lapse or cancellation of any license; or
- (c) Any other consequential loss.

c. Legal Liability Coverage Form

(1) The following exclusions do not apply to insurance under this Coverage Form:

- (a) Paragraph **B.1.a.**, Ordinance Or Law;
- (b) Paragraph **B.1.c.**, Governmental Action;
- (c) Paragraph **B.1.d.**, Nuclear Hazard;
- (d) Paragraph **B.1.e.**, Utility Services; and
- (e) Paragraph **B.1.f.**, War And Military Action.

(2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

(i) Your assumption of liability was executed prior to the accident; and

(ii) The building is Covered Property under this Coverage Form.

(b) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

5. Additional Exclusion

The following provisions apply only to the specified property.

LOSS OR DAMAGE TO PRODUCTS

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated.

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
 - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
 - c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
 - d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

 - (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
 - (2) Business Income Coverage or Extra Expense Coverage.
 - e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
 - f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
 - a. Animals, and then only if they are killed or their destruction is made necessary.
 - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
 - (1) Glass; or
 - (2) Containers of property held for sale.
 - c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

 - (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
 - (2) To Business Income Coverage or to Extra Expense Coverage.
3. The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:
 - a. \$2,500 for furs, fur garments and garments trimmed with fur.
 - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - c. \$2,500 for patterns, dies, molds and forms.
 - d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.**, does not apply to Business Income Coverage or to Extra Expense Coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:

- a. Results in discharge of any substance from an automatic fire protection system; or
- b. Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

D. Additional Coverage – Collapse

The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

1. For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:

- a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
- d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
 - (1) A cause of loss listed in **2.a.** or **2.b.**;
 - (2) One or more of the "specified causes of loss";
 - (3) Breakage of building glass;
 - (4) Weight of people or personal property; or
 - (5) Weight of rain that collects on a roof.

3. This **Additional Coverage –Collapse** does not apply to:

- a. A building or any part of a building that is in danger of falling down or caving in;
- b. A part of a building that is standing, even if it has separated from another part of the building; or
- c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

4. With respect to the following property:

- a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
- b. Awnings, gutters and downspouts;
- c. Yard fixtures;
- d. Outdoor swimming pools;
- e. Fences;
- f. Piers, wharves and docks;
- g. Beach or diving platforms or appurtenances;
- h. Retaining walls; and
- i. Walks, roadways and other paved surfaces;

if an abrupt collapse is caused by a cause of loss listed in **2.a.** through **2.d.**, we will pay for loss or damage to that property only if:

- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
- (2) The property is Covered Property under this Coverage Form.

5. If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:

- a. The collapse of personal property was caused by a cause of loss listed in **2.a.** through **2.d.**;
- b. The personal property which collapses is inside a building; and
- c. The property which collapses is not of a kind listed in **4.**, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **5.** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

6. This Additional Coverage – Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
7. This Additional Coverage – Collapse will not increase the Limits of Insurance provided in this Coverage Part.
8. The term Covered Cause of Loss includes the Additional Coverage – Collapse as described and limited in **D.1.** through **D.7.**

E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria

1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
 - a. A "specified cause of loss" other than fire or lightning; or
 - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.
2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
 - a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
 - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
 - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.

3. The coverage described under **E.2.** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.
4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.
5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss Form or under the Additional Coverage – Collapse.
6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form.



- a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
- b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

F. Additional Coverage Extensions

1. Property In Transit

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
 - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
 - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension, **F.3.**, does not increase the Limit of Insurance.

G. Definitions

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.

- b. Falling objects does not include loss or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BURGLARY AND ROBBERY PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

SCHEDULE*

Premises No.	Building No.	Protective Safeguards Symbols Applicable
1	1	BR-1
Describe any "BR-4":		
*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.		

A. The following is added to the **Commercial Property** Conditions:

BURGLARY AND ROBBERY PROTECTIVE SAFEGUARDS

1. As a condition of this insurance, you are required to maintain the protective devices and/or services listed in the Schedule above.
2. The protective safeguard(s) to which this endorsement applies are identified by the following symbols:
 - a. "BR-1" Automatic Burglary Alarm, protecting the entire building, that signals to:
 - (1) An outside central station; or
 - (2) A police station.
 - b. "BR-2" Automatic Burglary Alarm, protecting the entire building, that has a loud sounding gong or siren on the outside of the building.

- c. "BR-3" Security Service, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

- d. "BR-4" The protective safeguard described in the Schedule.

B. The following is added to the **Exclusions** section of the Causes Of Loss – Special Form:

BURGLARY AND ROBBERY PROTECTIVE SAFEGUARDS

We will not pay for loss or damage caused by or resulting from theft if, prior to the theft, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART

SCHEDULE*

Prem. No.	Bldg. No.	Protective Safeguards Symbols Applicable
1	1	P-9
<p>Describe any "P-9": Premises #1 : Fire Extinguishers</p>		
<p>* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.</p>		

A. The following is added to the:

- Commercial Property Conditions
- General Conditions in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions
- General Conditions in the Mobile Agricultural Machinery and Equipment Coverage Form
- General Conditions in the Livestock Coverage Form

PROTECTIVE SAFEGUARDS

1. As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
2. The protective safeguards to which this endorsement applies are identified by the following symbols:

"P-1" Automatic Sprinkler System, including related supervisory services.

Automatic Sprinkler System means:

- a. Any automatic fire protective or extinguishing system, including connected:
 - (1) Sprinklers and discharge nozzles;
 - (2) Ducts, pipes, valves and fittings;

(3) Tanks, their component parts and supports; and

(4) Pumps and private fire protection mains.

b. When supplied from an automatic fire protective system:

(1) Non-automatic fire protective systems; and

(2) Hydrants, standpipes and outlets.

"P-2" Automatic Fire Alarm, protecting the entire building, that is:

- a. Connected to a central station; or
- b. Reporting to a public or private fire alarm station.

"P-3" Security Service, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

"P-4" Service Contract with a privately owned fire department providing fire protection service to the described premises.

"P-9" The protective system described in the Schedule.



B. The following is added to the EXCLUSIONS section of:

CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM
MORTGAGE HOLDERS ERRORS AND
OMISSIONS COVERAGE FORM
STANDARD PROPERTY POLICY
CAUSES OF LOSS FORM – FARM
PROPERTY
MOBILE AGRICULTURAL MACHINERY AND
EQUIPMENT COVERAGE FORM
LIVESTOCK COVERAGE FORM

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

COMMERCIAL GENERAL LIABILITY DECLARATION

Conifer Insurance 550 W. Merrill Street Suite 200 Birmingham, MI 48009 Phone 248-559-0840 / Fax 248-559-0870 underwriting@coniferinsurance.com	Sycamore Insurance Agency, Inc. 550 W Merrill St. Suite 200 Birmingham, MI 48009 (248) 559-0840
Named Insured:	Massachusetts Citizens for Social Equity, LLC
DBA:	
Mailing Address:	4420 Varsity Dr Ann Arbor, MI 48108
Policy Period:	9/1/2022 to 1/1/2023 at 12:01 A.M. Standard Time at your mailing address above.

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 \$1,000,000
 General Aggregate Limit \$2,000,000
 Personal & Advertising Injury Limit \$1,000,000 Any one person or organization
 Damage to Premises \$100,000 Any one premises
 Products/Completed Operations Aggregate Limit Excluded
 Medical Expense Limit \$1,000 Any one person
 Hired and Non-Owned Auto Liability Limit \$1,000,000

DESCRIPTION OF BUSINESS

FORM OF BUSINESS:

Individual Partnership Corporation LLC Joint Venture Other

ALL PREMISES YOU OWN, RENT OR OCCUPY

Loc #	DBA	Address
1		3995-3997 Washington Street Roslindale, MA 02131

CLASSIFICATION AND PREMIUM

Loc #	Item #	Class Code	Premium
1	1	13720 - Health or Natural Food Stores	Included

ENDORSEMENTS

Forms and Endorsements made part of this policy at time of issue:

<u>Description</u>	<u>Premium</u>
CG0001 (04-13) Commercial General Liability Form	
CG0068 (05-09) Recording and Distribution of Material or Information In Violation of Law Exclusion	
CG2101 (11-85) Exclusion - Athletics or Sports Participants	
CG2106 (05-14) Exclusion - Access or Disclosure of Confidential or Personal Information and Data - Related Liability - with Limited Bodily Injury Exception	
CG2109 (06-15) Exclusion - Unmanned Aircraft	
CG2132 (05-09) Communicable Disease Exclusion	
CG2139 (10-93) Contractual Liability Limitation	
CG2146 (07-98) Abuse or Molestation Exclusion	
CG2147 (12-07) Employment-Related Practices Exclusion	
CG2149 (09-99) Total Pollution Exclusion	
CG2166 (06-15) Exclusion - Volunteer Workers	
CG2167 (12-04) Fungi and Bacteria Exclusion	
CG2173 (01-15) Exclusion of Certified Acts of Terrorism	
CG2175 (01-15) Exclusion of Certified Acts of Terrorism and Exclusion Of Other Acts of Terrorism Committed Outside The United States	
CG2176 (01-15) Exclusion of Punitive Damages as a Result of Certified Acts of Terrorism	
CG2186 (12-04) Exclusion - Exterior Insulation and Finish Systems	
CG2191 (01-06) Exclusion of Terrorism Involving Nuclear, Biological, or Chemical Terrorism	
CG2196 (03-05) Silica or Silica-Related Dust Exclusion	
CIGL 84 Hired Auto and Non-Owned Auto Liability	\$150
CIGL01 (04-10) Exclusion - Lead Paint	
CIGL02 (04-10) Exclusion - Asbestos	
CIGL05 (05-17) Animals Exclusion	
CIGL21 (04-19) Cross Suits Exclusion	
CIGL32 (01-14) Minimum Earned Premium Endorsement	
CIGL34 (08-14) Firearms Exclusion	
CIHC01 (10-15) Biological or Chemical Materials Exclusion	
CIHC02 (08-15) Seepage And/Or Pollution And/Or Contamination Exclusion	
IL0021 (09-08) Nuclear Energy Liability Exclusion Endorsement	
CG2011 (04-13) Additional Insured - Managers or Lessors	\$50
CG2104 (11-85) Products/Completed Operations Hazard Exclusion	
CG2116 (07-98) Exclusion-Designated Professional Services	

CG2144 (07-98) Limitation of Coverage to Designated Premises

CIGL03 (09-10) Exclusion - Assault & Battery

THESE DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS AND COVERAGE FORM(S) AND ANY ENDORSEMENT(S), COMPLETE THE ABOVE NUMBERED POLICY.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HIRED AUTO AND NON-OWNED AUTO LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Coverage	Additional Premium
A. Hired Auto Liability	\$ 102
B. Non-owned Auto Liability	\$ 48
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Insurance is provided only for those coverages for which a specific premium charge is shown in the Declarations or in the Schedule above.

1. Hired Auto Liability

The insurance provided under Coverage A Bodily Injury and Property Damage Liability applies to "bodily injury" or "property damage" arising out of the maintenance or use of a "hired auto" by you or your "employees" in the course of your business.

2. Non-owned Auto Liability

The insurance provided under Coverage A Bodily Injury and Property Damage Liability applies to "bodily injury" or "property damage" arising out of the use of any "non-owned auto" in your business by any person.

B. For insurance provided by this endorsement only:

1. The exclusions under Coverage A, other than Exclusions **a., b., c., d., e., f., i. and j.** and the **Nuclear Energy Liability Exclusion**, are deleted and replaced by the following:

a. "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.

(3) This insurance does not apply to "bodily injury" or "property damage" arising out of the maintenance or use of a "hired auto" or "non-owned auto" while being used as a public or livery conveyance for passengers or while being used as a conveyance for the delivery of any food or beverage product or the performance of any delivery services.

This exclusion applies:

- (1)** Whether the insured may be liable as an employer or in any other capacity; and
- (2)** To any obligation to share damages with or repay someone else who must pay damages because of injury.

This exclusion does not apply to:

- (1)** Liability assumed by the insured under an "insured contract"; or
- (2)** "Bodily injury" arising out of and in the course of domestic employment by the insured unless benefits for such injury are in whole or in part either payable or required to be provided under any worker compensation law.

b. "Property damage" to:

- (1)** Property owned or being transported by, or rented or loaned to the insured; or
- (2)** Property in the care, custody or control of the insured.

COMMERCIAL GENERAL LIABILITY

2. For the purposes of this endorsement only, Section II **Who Is An Insured** is replaced by the following:

1. Each of the following is an insured under this endorsement to the extent set forth below:

- a. You;
- b. Any other person using a "hired auto" with your permission;
- c. For a "non-owned auto":
 - (1) Any partner or "executive officer" of yours; or
 - (2) Any "employee" of yours; but only while such "non-owned auto" is being used in your business; and
- d. Any other person or organization, but only for their liability because of acts or omissions of an insured under a., b. or c. above.

2. None of the following is an insured:

- a. Any person engaged in the business of his or her employer for "bodily injury" to any co-"employee" of such person injured in the course of employment, or to the spouse, child, parent, brother or sister of that co-"employee" as a consequence of such "bodily injury", or for any obligation to share damages with or repay someone else who must pay damages because of the injury;
- b. Any partner or "executive officer" for any "auto" owned by such partner or officer or a member of his or her household;
- c. Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;
- d. The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner of a "non-owned auto" or any agent or "employee" of any such owner or lessee; or
- e. Any person or organization for the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

C. Limit of Insurance

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages resulting from any one "occurrence" is the Limit of Insurance shown in the Declarations.

D. For the purposes of this endorsement only, item #4. **Other Insurance** in **Section IV – Commercial General Liability Conditions** is replaced by the following:

This insurance is excess over any primary insurance covering the "hired auto" or "non-owned auto".

E. The following additional definitions apply:

- 1. "Auto business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".
- 2. "Hired auto" means any "auto" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees", your partners or your "executive officers" or members of their households.
- 3. "Non-owned auto" means any "auto" you do not own, lease, hire, rent or borrow which is used in connection with your business. This includes "autos" owned by your "employees", your partners or your "executive officers", or members of their households, but only while used in your business or your personal affairs.

ANIMALS EXCLUSION

This endorsement changes the policy. Please read it carefully.

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE FORM

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below: (The following needs to be completed only when this endorsement is issued subsequent to inception of the policy.)

Name Insured: Massachusetts Citizens for Social Equity, LLC		
Endorsement Effective: 9/1/2022	Policy Number: CICP027482	Countersigned By: (Authorized representative)

The following exclusion is added to paragraph 2. Exclusions of SECTION I – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY and paragraph 2. Exclusions of SECTION I – COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY:

ANIMALS

This insurance does not apply to “bodily injury” or “property damage” arising out of the ownership, existence, maintenance, presence, training or use of any animal for which you or your tenant may be legally responsible.

This exclusion does not apply to “service animals” as defined under the Americans with Disabilities Act (“ADA”).

All other terms, conditions and exclusions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CROSS SUITS EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

CG 00 01 04 13, SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions, and SECTION I – COVERAGES, COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY, 2. Exclusions, are amended and the following Exclusion is added:

CROSS SUITS EXCLUSION

This Policy does not apply to a claim, demand or “suit” for damages otherwise covered under this policy, which is initiated, alleged, or brought about by a Named Insured under this Policy and made against any other Named Insured.

It is the intent of this endorsement to exclude from this insurance all claims, demands or “suits” as above described. There shall, therefore, be no duty or obligation on our part under this insurance to defend, respond to, investigate or indemnify anyone, including but not limited to you, your agents, servants or employees, or any third parties for any such claim, demand or “suit” as herein described.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMUNICABLE DISEASE 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:

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.

- 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:

Communicable Disease

"Personal and advertising injury" 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.

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.

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 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", 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. 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;
 - 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.
3. "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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT 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 PUNITIVE DAMAGES

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

B. The following definition is added:

"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:

1. 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

2. 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.

Biological or Chemical Materials Exclusion Endorsement

This endorsement modifies Section V. Exclusions by adding the following:

This insurance does not apply to any "claim" alleging, based upon, arising out of or attributable to:

V. Biological or Chemical Materials

Loss, damages, costs or expenses of whatever nature directly or indirectly caused by, resulting from, arising out of or in connection with the actual or threatened malicious or intentional use and / or contamination pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrent with or in any other sequence.

SEEPAGE AND/OR POLLUTION AND/OR CONTAMINATION EXCLUSION

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure:

- a) any loss, damage, cost of expense, or
- b) any increase in insured loss, damage, cost or expense, or
- c) any loss, damage, cost, expense, fine or penalty, which is incurred, sustained or imposed by order, direction, instruction or request of, or by an agreement with, any court, government agency or any public, civil or military authority, or threat thereof (and whether or not as a result of public or private litigation).

which arises from any kind of seepage or any kind of pollution and/or contamination, or threat thereof, whether or not caused by or resulting from a peril insured, or from steps or measures taken in connection with the avoidance, prevention, abatement, mitigation, remediation, cleanup or removal of such seepage or pollution and/or contamination or threat thereof.

The term "any kind of seepage or any kind of pollution and/or contamination" as used in this Endorsement includes (but is not limited to):

- a) seepage of, or pollution and/or contamination by, anything, including but not limited to any material designated as a "hazardous material" by the United States Department of Transportation, or defined as a "toxic substance" by the Canadian Environmental Protection Act for the purposes of Part II of that Act, or any substance designated or defined as toxic, dangerous, hazardous or deleterious to persons or the environment under any other Federal, State, Provincial, Municipal, or other law, ordinance or regulation, and
- b) the presence, existence, or release of anything which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

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.

RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION IN VIOLATION OF LAW EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

2. Exclusions

This insurance does not apply to:

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 Transaction 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.

B. Exclusion **p.** of Paragraph 2. **Exclusions** of Section **I – Coverage B – Personal And Advertising Injury Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

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 Transaction 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – ATHLETIC OR SPORTS PARTICIPANTS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDULE

Description of Operations:

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

With respect to any operations shown in the Schedule, this insurance does not apply to "bodily injury" to any person while practicing for or participating in any sports or athletic contest or exhibition that you sponsor.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – ACCESS OR DISCLOSURE OF
CONFIDENTIAL OR PERSONAL INFORMATION AND
DATA-RELATED LIABILITY – WITH
LIMITED BODILY INJURY EXCEPTION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Exclusion 2.p. of Section I – Coverage A – Bodily Injury And Property Damage Liability is replaced by the following:

2. Exclusions

This insurance does not apply to:

p. 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.

However, unless Paragraph (1) above applies, this exclusion does not apply to 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.

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

2. Exclusions

This insurance does not apply to:

Access Or Disclosure Of Confidential Or Personal Information

"Personal and advertising injury" arising out of 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.

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 any access to or disclosure of any person's or organization's confidential or personal information.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – UNMANNED AIRCRAFT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion 2.g. Aircraft, Auto Or Watercraft** under **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

g. Aircraft, Auto Or Watercraft

(1) Unmanned Aircraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This Paragraph **g.(1)** 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 that is an "unmanned aircraft".

(2) Aircraft (Other Than Unmanned Aircraft), Auto Or Watercraft

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

This Paragraph **g.(2)** 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 (other than "unmanned aircraft"), "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This Paragraph **g.(2)** does not apply to:

- (a)** A watercraft while ashore on premises you own or rent;
- (b)** A watercraft you do not own that is:
 - (i)** Less than 26 feet long; and
 - (ii)** Not being used to carry persons or property for a charge;
- (c)** 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;
- (d)** Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

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

(i) 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

(ii) The operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

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

2. Exclusions

This insurance does not apply to:

Unmanned Aircraft

"Personal and advertising injury" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". 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 offense which caused the "personal and advertising injury" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

This exclusion does not apply to:

a. The use of another's advertising idea in your "advertisement"; or

b. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

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

"Unmanned aircraft" means an aircraft that is not:

1. Designed;

2. Manufactured; or

3. Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABUSE OR MOLESTATION EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

1. The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured, or
2. The negligent:
 - a. Employment;
 - b. Investigation;
 - c. Supervision;
 - d. Reporting to the proper authorities, or failure to so report; or
 - e. Retention;of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by Paragraph 1. above.

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.

TOTAL POLLUTION EXCLUSION ENDORSEMENT

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.
- (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.

EXCLUSION – VOLUNTEER WORKERS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A.** If Endorsement **CG 21 09, CG 21 10, CG 24 50** or **CG 24 51** is attached to the Policy, the following exclusion is added to Paragraph **2. Exclusions** under **Section I – Coverage A – Bodily Injury And Property Damage Liability**:

This insurance does not apply to:

Volunteer Workers

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft operated by any "volunteer worker" in the course of his or her employment by the insured or while performing duties related to the conduct of the insured's business. 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 (other than "unmanned aircraft"), "auto" or watercraft that is operated by any "volunteer worker".

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, the insured, any of your "volunteer workers" or any "volunteer worker" of 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".

- B.** If Paragraph **A.** does not apply, **Exclusion 2.g. Aircraft, Auto Or Watercraft** under **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

This insurance does not apply to:

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:

- (1)** Owned or operated by or rented or loaned to any insured; or
- (2)** Operated by any "volunteer worker" in the course of his or her employment by the insured or while performing duties related to the conduct of the insured's business.

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 or operated by any "volunteer worker".

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, the insured, any of your "volunteer workers" or any "volunteer workers" of 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".

C. Paragraph 2.a. of Section I – Coverage C – Medical Payments is replaced by the following:

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured.

D. Paragraphs 2.a. and 2.b. of Section II – Who Is An Insured are replaced by the following:

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" 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), or to a co-"employee" or 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 (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", 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.

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.

EXCLUSION – EXTERIOR INSULATION AND FINISH SYSTEMS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A.** This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of, caused by, or attributable to, whether in whole or in part, the following:
1. The design, manufacture, construction, fabrication, preparation, distribution and sale, installation, application, maintenance or repair, including remodeling, service, correction or replacement, of any "exterior insulation and finish system" or any part thereof, or any substantially similar system or any part thereof, including the application or use of conditioners, primers, accessories, flashings, coatings, caulking or sealants in connection with such a system; or
 2. "Your product" or "your work" with respect to any exterior component, fixture or feature of any structure if an "exterior insulation and finish system", or any substantially similar system, is used on the part of that structure containing that component, fixture or feature.
- B.** The following definition is added to the **Definitions** Section:
- "Exterior insulation and finish system" means a non-load bearing exterior cladding or finish system, and all component parts therein, used on any part of any structure, and consisting of:
1. A rigid or semi-rigid insulation board made of expanded polystyrene and other materials;
 2. The adhesive and/or mechanical fasteners used to attach the insulation board to the substrate;
 3. A reinforced or unreinforced base coat;
 4. A finish coat providing surface texture to which color may be added; and
 5. Any flashing, caulking or sealant used with the system for any purpose.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF TERRORISM INVOLVING NUCLEAR, BIOLOGICAL OR CHEMICAL 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 definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury or damage, are enclosed in quotation marks:

1. "Terrorism" means activities against persons, organizations or property of any nature:

a. That involve the following or preparation for the following:

- (1) Use or threat of force or violence; or
- (2) Commission or threat of a dangerous act; or
- (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

b. When one or both of the following applies:

- (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
- (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

2. "Any injury or damage" means any injury or damage covered under any Coverage Part or Policy 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 or Policy.

B. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for "any injury or damage" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". "Any injury or damage" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials.

In the event of any incident of "terrorism" that is not subject to this Exclusion, coverage does not apply to "any injury or damage" that is otherwise excluded under this Coverage Part or Policy.

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.

EXCLUSION – LEAD PAINT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to “bodily injury”, “property damage”, or “personal injury” arising out of the actual or alleged manufacture, distribution, sale, resale, rebranding, installation, repair, removal, encapsulation, abatement, replacement or handling of, or exposure to, lead paint or products containing lead whether or not the lead is or was at any time airborne as a particle, contained in a product ingested, inhaled, transmitted in any fashion or found in any form whatsoever.

This endorsement does not apply in Massachusetts.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – ASBESTOS

This endorsement modifies coverage provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

- A.** This insurance does not apply to bodily injury, property damage, advertising injury or personal injury arising out of the actual, alleged or threatened contaminative, pathogenic, toxic or other hazardous properties of asbestos.
- B.** This insurance does not apply to any loss, cost or expense arising out of any:
 - 1.** request, demand, order or regulatory or statutory 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 asbestos; or
 - 2.** claim or proceeding by or on behalf of a governmental authority or others 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 asbestos.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM EARNED PREMIUM ENDORSEMENT

The following additional policy Conditions supersede any other policy conditions and the Named Insured hereby agrees that the total policy premium and minimum earned premium(s) due for this policy shall be calculated in accordance with the following:

Total Policy Premium

This policy is subject to a Total Policy Premium which means the premium that is calculated as follows:

1. The deposit premium as shown in the policy Declarations, plus
2. Any premium adjustment by endorsement, plus
3. Any additional premium developed by audit.

The premium entered on the Declarations page of this policy as DEPOSIT PREMIUM is a provisional premium only and is subject to adjustment in accordance with our rules, rates and the Premium Audit of this policy.

A. Audits and Minimum Earned Premium

With regard to audits the Minimum Annual Premium is \$ 1,824.00 of the DEPOSIT PREMIUM as stated in the policy Declarations. Premium adjustments affected as a result of premium audits may be done while the policy is in effect or after the policy is no longer in effect. The due date for audit premiums is the date shown as the due date on the bill.

With regard to audits the DEPOSIT PREMIUM as stated in the Policy Declaration cannot be reduced due to an audit. Premium adjustments affected as a result of premium audits may be done the policy is in effect or after the policy is no longer in effect. The due date for audit premiums is the date shown as the due date on the bill.

B. Cancellation and Minimum Earned Premium

1. If you cancel this policy, the return premium will be the lesser of:
 - a. 90% of the pro rata unearned premium or
 - b. 75% of the Deposit Premium.
2. If the Named Insured fails to remit premium payment when due, such failure shall be considered a request by the Named Insured to cancel this policy and the return premium will be determined in accordance with B. 1."
3. If we cancel the policy for any reason, other than for non-payment of premium, the "minimum earned premium" shall not apply We will return to you the pro rata amount of the unearned premium.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

(The following information is required only when this endorsement is issued subsequent to preparation of the Policy.)

Endorsement effective: 9/1/2022 Policy No. CICIP027482 Endorsement No.

Named Insured: Massachusetts Citizens for Social Equity, LLC

Countersigned by: _____

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FIREARMS EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions and COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY, 2. Exclusions are amended and the following added:

This insurance does not apply to claims, "suits," loss, damages, or costs or expenses, including but not limited to costs of defense, based on or directly or indirectly arising out of any use, existence, or threatened use or existence, of firearms of any kind by any insured, or any agent, representative, contractor or subcontractor, or any other person acting on behalf of any insured.

It is the intent of this endorsement to exclude from this insurance any claim, demand or "suit" as described above. Therefore, there shall be no duty or obligation on the part of the Company under this insurance to respond to, investigate or defend anyone, including but not limited to any insured, its agents, servants or "employees" or any third parties for any such claim, demand or "suit."

This exclusion applies whether or not such firearms has any function in your business, operations, premises, site or location.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

(The following information is required only when this endorsement is issued subsequent to preparation of the Policy.)

Endorsement effective

Policy No.

Endorsement No.

Named Insured

Countersigned by _____

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTRACTUAL LIABILITY LIMITATION

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.

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 – ASSAULT & BATTERY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

The following exclusion is added to SECTION I – COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. Exclusions:

This insurance does not apply to:

r. **“Assault”** and **“Battery”**

- (1) **“Claims”** or **“suits”** to recover damages for **“bodily injury”** or **“property damage”** based upon, related to, arising out of, directly or indirectly resulting from, in consequence of, in any way connected to, or in the sequence of events involving any actual or alleged **“assault”** and/or **“battery”**, as those terms are defined herein, and **“claims”** or **“suits”** for false arrest, false detention or false imprisonment, where such false arrest, false detention or false imprisonment is based upon, relates to, arises out of, directly or indirectly results from, is in consequence of, is in any way connected to, or is in the sequence of events involving any actual or alleged **“assault”** and/or **“battery”**. Pursuant to this exclusion, the Company is under NO duty to defend or indemnify any insured regardless of the degree of culpability or intent and without regard to:
 - a. Whether the acts are alleged to be by or at the instruction or at the direction of any insured, its/her/his officers, employees, agents or servants; or by any other person lawfully or otherwise on, at or near premises owned or occupied by any insured; or by any other person;
 - b. Whether the acts are alleged to be the legal or proximate or but for cause of **“bodily injury”** or **“property damage”** or to have concurrently caused or independently caused said **“bodily injury”** or **“property damage”**;
 - c. The actual or alleged failure or fault of any insured, or its/her/his officers, employees, agents or servants, in the hiring, supervision, retention or control of any person, whether or not an officer, employee, agent or servant of any insured;
 - d. The actual or alleged failure or fault of any insured, or its/her/his officers, employees, agents or servants, to attempt to suppress, prevent, bar, manage or halt any such acts which may constitute an **“assault”** and/or **“battery”**;

- e. The actual or alleged failure or fault of any insured, or its/her/his officers, employees, agents, or servants, to maintain a safe or secure environment or place of business;
- f. Any act, error or omission by any insured, or its/her/his officers, employees, agents, or servants, in rendering or failing to render aid or assistance to any person; or
- g. The theory of or basis for liability, recovery or relief, or the manner in which such theory of or basis for liability, recovery or relief is alleged, asserted or pleaded (including, but not limited to, **"claims"** or **"suits"** which allege, assert or plead negligence in whole or in part), where the operative acts and/or underlying events constitute an **"assault"** and/or **"battery"**. If such determination is disputed, the Company shall have the right, in addition to all other rights and remedies at law and/or in equity, to file and prosecute an action for declaratory relief at any time in a court having appropriate jurisdiction.

(2) Additionally, this exclusion applies to any **"claim"** or **"suit"** by any person, firm, or organization, asserting rights derived from, or contingent upon, any person having or asserting a **"claim"** or **"suit"** that is excluded under paragraph 1. Above. This exclusion also excludes from coverage **"claims"** or **"suits"** for:

- h. Emotional distress, or for loss of society, services, consortium and/or income;
- i. Reimbursement for expenses (including, but not limited to medical expenses, hospital expenses and wages) paid or incurred by such other person, firm or organization; or
- j. Any obligation to share damages with or repay someone who must pay damages because of **"bodily injury"** or **"property damage"**

where such **"claims"** or **"suits"** are based upon, relate to, arise out of, directly or indirectly result from, are in consequence of, are in any way connected to, or are in the sequence of events involving any actual or alleged **"assault"** and/or **"battery"**.

The following exclusion is added to SECTION I – COVERAGES, COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY, Paragraph 2, Exclusions:

This insurance does not apply to:

q. **"Assault"** and **"Battery"**

- (1) **"Claims"** or **"suits"** to recover damages for **"personal injury"** or **"advertising injury"** based upon, related to, arising out of, directly or indirectly resulting from, in consequence of, in any way connected to, or in the sequence of events involving any actual or alleged **"assault"** and/or **"battery"**. Pursuant to this exclusion, the Company is under NO duty to defend or indemnify any insured regardless of the degree of culpability or intent and without regard to:
 - a. Whether the acts are alleged to be by or at the instruction or at the direction of any insured, its/her/his officers, employees, agents or servants; or by any other person lawfully or otherwise on, at or near premises owned or occupied by any insured; or by any other person;

- b. Whether the acts are alleged to be the legal or proximate or but for cause of “**personal injury**” or “**advertising injury**” or to have concurrently caused or independently caused said “**personal injury**” or “**advertising injury**”;
- c. The actual or alleged failure or fault of any insured, or its/her/his officers, employees, agents or servants, in the hiring, supervision, retention or control of any person, whether or not an officer, employee, agent or servant of any insured;
- d. The actual or alleged failure or fault of any insured, or its/her/his officers, employees, agents or servants, to attempt to suppress, prevent, bar, manage or halt any such acts which may constitute an “**assault**” and/or “**battery**”;
- e. The actual or alleged failure or fault of any insured, or its/her/his officers, employees, agents, or servants, to maintain a safe or secure environment or place of business;
- f. Any act, error or omission by any insured, or its/her/his officers, employees, agents, or servants, in rendering or failing to render aid or assistance to any person; or
- g. The theory of or basis for liability, recovery or relief or the manner in which such theory of or basis for liability, recovery or relief is alleged, asserted or pleaded (including, but not limited to, “**claims**” or “**suits**” which allege, assert or plead negligence in whole or in part), where the operative acts and/or underlying events constitute an “**assault**” and/or “**battery**”. If such determination is disputed, the Company shall have the right, in addition to all other rights and remedies at law and/or in equity, to file and prosecute an action for declaratory relief at any time in a court having appropriate jurisdiction.

(2) Additionally, this exclusion applies to any “**claim**” or “**suit**” by any person, firm or organization, asserting rights derived from, or contingent upon, any person having or asserting a “**claim**” or “**suit**” that is excluded under paragraph 1. Above. This exclusion also excludes from coverage “**claims**” or “**suits**” for:

- h. Emotional distress or for loss of society, services, consortium and/or income;
- i. Reimbursement for expenses (including, but not limited to medical expenses, hospital expenses and wages) paid or incurred by such other person, firm or organization; or
- j. Any obligation to share damages with or repay someone who must pay damages because of “**personal injury**” or “**advertising injury**”;

where such “**claims**” or “**suits**” are based upon, relate to, arise out of, directly or indirectly result from, are in consequence of, are in any way connected to, or are in the sequence of events involving any actual or alleged “**assault**” and/or “**battery**”.

The following definitions are added to SECTION V – DEFINITIONS:

- 23. “**Assault**” means the apprehension of harmful or offensive contact by a person or thing, or the apprehension of harmful or offensive contact between or among two or more persons, by threat through words or deeds.
- 24. “**Battery**” means a harmful or offensive contact by a person or thing, or a harmful or offensive contact between or among two or more persons.

THIS ENDORSEMENT SUPERSEDES AND REPLACES ANY OTHER PROVISION(S) OF THE POLICY THAT ARE INCONSISTENT WITH THE TERMS OF THIS ENDORSEMENT.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Designation Of Premises (Part Leased To You): 3995-3997 Washington Street Roslindale, MA 02131
Name Of Person(s) Or Organization(s) (Additional Insured): 3995 Washington St, LLC 4420 Varsity Dr Ann Arbor, Mi 48108
Additional Premium: \$ 50
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to be a tenant in that premises.
2. Structural alterations, new construction or demolition operations performed by or on behalf of the person(s) or organization(s) shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and

2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of 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:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

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 PROFESSIONAL SERVICES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description Of Professional Services:
1. Medical or Health
2.
3.

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

With respect to any professional services shown in the Schedule, the following exclusion is added to Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph 2., **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability**:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" due to the rendering of or failure to render any professional service.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LIMITATION OF COVERAGE TO DESIGNATED
PREMISES OR PROJECT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Premises:
Project:

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

This insurance applies only to "bodily injury", "property damage", "personal and advertising injury" and medical expenses arising out of:

1. The ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises; or
2. The project shown in the Schedule.

COMMERCIAL PRODUCT LIABILITY DECLARATION

Conifer Insurance 550 W. Merrill Street Suite 200 Birmingham, MI 48009 Phone 248-559-0840 / Fax 248-559-0870 underwriting@coniferinsurance.com	Sycamore Insurance Agency, Inc. 550 W Merrill St. Suite 200 Birmingham, MI 48009 (248) 559-0840
---	---

Named Insured: Massachusetts Citizens for Social Equity, LLC

DBA:

Mailing Address: 4420 Varsity Dr
Ann Arbor, MI 48108

Policy Period: 9/1/2022 to 1/1/2023 at 12:01 A.M. Standard Time at your mailing address above.

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 STATED IN THIS POLICY.

LIMITS OF INSURANCE

Each Occurrence Limit \$1,000,000
 General Aggregate Limit \$2,000,000

DESCRIPTION OF BUSINESS

FORM OF BUSINESS:

- Individual
 Partnership
 Corporation
 LLC
 Joint Venture
 Other

ALL PREMISES YOU OWN, RENT OR OCCUPY

Loc #	DBA	Address	Occurrence Limit	Aggregate Limit
1		3995-3997 Washington Street Roslindale, MA 02131		

COMMERCIAL PRODUCT LIABILITY DECLARATION

ENDORSEMENTS

Forms and Endorsements made part of this policy at time of issue:

<u>Description</u>	<u>Premium</u>
CIHC05 (05-22) Massachusetts Cannabis/CBD/HEMP Operations Products-Completed Operations Liability Policy Claims-Made and Reported Coverage	\$2,340

Massachusetts CANNABIS/CBD/HEMP Operations Products- Completed Operations Liability Policy Claims-Made and Reported Coverage

NOTICE: THIS POLICY IS WRITTEN ON A CLAIMS-MADE AND REPORTED BASIS AND PROVIDES COVERAGE ONLY FOR THOSE CLAIMS WHICH ARE FIRST MADE AND REPORTED TO US IN WRITING DURING THE POLICY PERIOD.

PLEASE READ THIS POLICY IN ITS ENTIRETY. SOME OF THE PROVISIONS CONTAINED IN THIS POLICY RESTRICT COVERAGE, SPECIFY WHAT IS AND IS NOT COVERED AND DESIGNATE RIGHTS AND DUTIES. DEFENSE COSTS ARE SUBJECT TO AND WILL REDUCE THE LIMITS OF INSURANCE.

THIS POLICY FORM ENDORSEMENT PROVIDES FOR PRODUCTS-COMPLETED OPERATIONS HAZARD AS SET FORTH HEREIN UP TO THE MAXIMUM AMOUNT SHOWN IN THE DECLARATION

Words and phrases that appear in quotation marks have special meanings. Refer to Section IV, Definitions.

To the extent any term, exclusion, limitation or condition of this policy conflicts with any requirement of an applicable State law, statute or regulation, that conflicting term shall not be enforceable as to and up to any mandatory minimum policy limit. For amounts above the State mandatory minimum policy limit, all terms, exclusions, limitations and conditions shall be enforced as written.

Each license has an individual Limit of Liability and many not be combined with any other license. License limits are non-stackable regardless of the number of licenses on the policy or held by the insured.

In consideration of the payment of the Premium and in reliance upon the information and statements provided in the Application and "submission materials", which are made a part of, deemed attached to, and incorporated into this Policy, and subject to all of the terms and conditions of this Policy, including without limitation, the Limits of Insurance and Exclusions, "we" agree to provide "you" with the insurance coverage described herein.

I. INSURING AGREEMENT

A) We will pay on behalf of the "insured" those sums that the "insured" becomes legally obligated to pay as "damages" because of "bodily injury" included within the "products-completed operations hazard" for:

"Bodily Injury" that arises out of ingestion or consumption of "Adulterated Marihuana".

B) This insurance applies to “bodily injury” only if:

1. The “bodily injury” did not occur before the Retroactive Date shown in the Declarations or after the end of the Policy Period;
2. A “claim” for “damages” because of the “bodily injury” is first:
 - a) made against any “insured” during the Policy Period; and
 - b) reported to “us” in writing during the Policy Period, or within 15 days thereafter in the event of renewal with “us” or any Extended Reporting Period provided under Section VII, Extended Reporting Periods.

C) A “claim” by a person or organization seeking “damages” will be deemed to have been made when notice of such “claim” is received by any “insured” or by “us”, whichever comes first.

All “claims” 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 “bodily injury”, will be deemed to have been made at the time written notice of the first of those “claims” is received by any “insured” or by “us”.

D) Defense and Settlement

“We” will have the right and duty to defend any “suit” seeking “damages” to which this insurance applies. “We” will pay “defense costs” incurred whenever “we” defend those “suits”. However, “we” will have no duty to defend the “insured” against any “suit” seeking “damages” for “bodily injury” to which this insurance does not apply. “We” may also at “our” discretion investigate any “claim” and settle any “claim” or “suit” that may result. The amount “we” will pay for the sum of “damages” and “defense costs” is limited as described in Section III, Limits of Insurance. “Our” right and duty to defend ends after the applicable limit of insurance has been exhausted by the payment of judgments, settlements and/or “defense costs”.

II. WHO IS AN INSURED**A. If “you” are designated in the Declarations or in an endorsement to this Policy as:**

1. 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.
2. A partnership or joint venture, “you” are an “insured”. “Your” partners or members are also “insureds”, but only with respect to the conduct of “your” business.
3. 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.

4. An organization other than a partnership, joint venture or limited liability company, “you” are an “insured”. “Your” officers and directors are “insured’s”, but only with respect to their duties as “your” officers and directors. “Your” stockholders are “insureds”, but only with respect to their liability as “your” stockholders.

B. Each of the following is also an “insured”:

1. “Your” “employees”, other than either “your” 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, the insurance afforded to such “employee” does not apply to:
 - a) “Bodily injury” to:
 - 1) A co-“employee” of the “insured” arising out of or in the course of his or her employment or performing duties related to the conduct of “your” business; or
 - 2) To “you”, “your” partners or members (if “you” are a partnership or joint venture) or to members (if “you” are a limited liability company).
2. “Your” “volunteer workers” and “leased workers”, but solely while performing duties or services on “your” behalf and within the scope of duties to “you”;
3. Any natural person or entity who is a vendor of “your” “cannabis products” if “you” are required, pursuant to a written contract or agreement to provide such person or entity with such coverage, but only to the extent of such vendor’s liability for “damages” resulting from the distribution or sale of “your” “products” in the ordinary course of such vendor’s business; provided however, no such natural person or organization is an “insured” with respect to the following activities:
 - a. Such vendor’s rendering or failure to render professional services or “medical professional services”;
 - b. Failure to make such inspections, adjustments, tests or servicing that the vendor has agreed to make or normally undertakes to make in the usual and ordinary course of its business operations in connection with the distribution or sale of “your” “cannabis products”;
 - c. Any physical or chemical change in “your” “product” made intentionally by the vendor;

- d. Any repackaging of “your” “ product”, unless unpacked solely for the purpose of inspection, demonstration, or testing, or the substitution of parts under the instruction of the manufacturer and then repackaged in the original container;
- e. Any assumption of liability by the vendor in any contract or agreement, provided however, this provision shall not apply to any liability for “damages” that such vendor would have in the absence of such contract or agreement;
- f. Any warranty made by the vendor without “your” authorization
- g. “Products” which, after distribution or sale by “you”, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
- h. A “claim” which is the result of the vendor’s, its employee’s or any one acting on its behalf’s sole negligence.

However, no coverage is provided hereunder for any person or organization from whom “you” have acquired “your” “ products” or any ingredient, part or container entering into, accompanying or containing “your” “products”.

- 5. If there is no other insurance available, any “subsidiary” that the “first listed named insured (s)” newly acquires or forms during the Policy Period will qualify as a “named insured”, however, coverage for such “subsidiary”:
 - a) Is only afforded until the 90th day after the “first listed named insured (s)” acquires or forms the “subsidiary” or the end of the Policy Period, whichever is earlier; and
 - b) Does not apply to “bodily injury” that occurred, in whole or in part, before the “first listed named insured (s)” acquired or formed the “subsidiary”.

In order for coverage for such “subsidiary” to continue beyond the 90 day period, “we” must agree in writing to add such “subsidiary” as a “named insured” which will be evidenced by an endorsement to this policy setting forth the terms and conditions for coverage.

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 a “named insured” under this Policy.

III. LIMITS OF INSURANCE

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

1. "Insureds";
 2. "Claims" made or "suits" brought; or
 3. Persons or organizations making "claims" or bringing "suits".
- B.** The Limit of Insurance specified in the Declarations as the Aggregate Limit of Insurance is the most "we" will pay for the sum of all "damages" and "defense costs" because of "bodily injury" included within the "products-completed operations hazard".
- C.** The Limits of Insurance apply separately to the Policy Period shown in the Declarations, unless the Policy Period is extended by us in writing. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the limit of insurance.

IV. DEFINITIONS

- A.** "Adulterated Marijuana" means a product sold as marijuana or marijuana infused product that contains any unintended substance or chemical or biological matter other than marijuana that causes adverse reaction after ingestion or consumption.
- B.** "Claim" means a "suit" or other written demand for "damages" because of alleged "bodily injury" to which this insurance applies.
- C.** "Damages" means any compensatory amount which the "insured" becomes legally obligated to pay on account of a "claim", including judgments, awards, settlements and any award of prejudgment and post judgment interest on that part of any judgment paid under the Policy. "Damages" shall not include:
1. any amounts for which the "insured" is not financially liable or legally obligated to pay;
 2. taxes, fines, sanctions, forfeitures or penalties;
 3. matters uninsurable under the law pursuant to which this Policy is construed;
 4. disgorgement of profits by an "insured";

5. costs of an “insured’s” corrections; fees, commissions, expense or costs paid to or charged by an “insured”; or
 6. the multiplied portion of any multiple damage award; or
 7. the costs to comply with any injunctive or other non-monetary or declaratory relief, including specific performance, or any agreement to provide such relief.
 8. Punitive or exemplary damages.
- D.** “Defense costs” means all expenses incurred in the investigation, negotiation, arbitration or defense of any “suit” whether paid by “us” or by “you” with “our” written consent and subject to the limitations stated in Section I, Insuring Agreement, D, Defense and Settlement, including:
1. Legal fees, investigative fees and costs incurred by “us” in the defense of a “suit” or in the investigation of a “claim”, all costs taxed against “you” in any “suit” “we” defend and all interest on that portion of any judgment for which “we” are liable that accrues after the entry of the judgment and before “we” have paid or tendered or deposited in court that part of the judgment that does not exceed “our” Limits of Insurance. “Defense costs”, however, shall not include salaries or any other form of compensation paid to officers or other persons “we” employ;
 2. Premiums on appeal bonds required in any such “suit” or premiums on bonds to release attachments in any such “suit” for an amount not in excess of the applicable Limits of Insurance of this Policy, but “we” will have no obligation to apply for or furnish any such bonds; and
 3. All reasonable expenses, other than loss of earnings, incurred by “you” at “our” request, excluding salaries or other forms of compensation paid to partners, directors or officers or other persons “you” employ.
- All “defense costs” are included within, and not in addition to, the Limits of Insurance.
- E.** “Employee” means any person who receives remuneration directly from “you” and whose work is controlled and directed by “you”.
- A.** “First named insured” means the Named Insured first listed as such in the Declarations and shall not include any named insured added as such by endorsement.

- F. "Insured" means any "named insured" and any individual or organization qualifying as an "insured" under Section II, Who Is An Insured.
- G. "Insured contract" means that part of any written and signed contract or agreement pertaining to "your" business 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 liability that would be imposed by law in the absence of any contract or agreement.
- H. "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.
- I. "Pollutants" means solids, liquids, gaseous or thermal irritants, contaminants, smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- J. "Products-completed operations hazard":
- a. Includes all "bodily injury" occurring away from premises "you" own or rent and arising out of "your" "cannabis products" except:
 - i. "cannabis products" that are still in "your" physical possession; or
 - ii. Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - 1. When all of the work called for in "your" contract has been completed;
 - 2. 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; or
 - 3. When that part of the work done at a job site has been put to its intended use by any other 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" arising out of:

i. The transportation of property.

K. "Property damage" means:

Physical injury to tangible property including loss of use of property.

L. "Submission materials" means any materials provided by "you" or on "your" or any other "insureds" behalf at our request in connection with the application process for this insurance.

M. "Subsidiary" means any entity that is not formed as a joint venture or partnership, in which the "first named insured":

a. own interests representing more than 50% of the voting, appointment or designation power for the selection of a majority of the board of directors if such entity is a corporation or the members of the management board if such entity is a limited liability company; or

b. have the right, pursuant to written contract or the "first named insured's" by-laws, charter, operating agreement or similar documents to elect, appoint or designate a majority of the board of directors if such entity is a corporation or the members of the management board if such entity is a limited liability company,

either directly or indirectly, in any combination, by one or more other "subsidiaries".

N. "Suit" means a civil proceeding in which "damages" because of "bodily 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" prior written consent; or

b. Any other alternative dispute resolution proceeding in which such "damages" are claimed and to which the "insured" submits with "our" prior written consent.

O. "Volunteer worker" means a person who is not "your" "employee", 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 by "you".

P. "You", "Your" or the "Named insured" means the "first named insured" and any other person or organization added as a named insured by endorsement to this Policy.

Q. "We", "Us" and "Our" mean the Company providing this insurance.

R. EXCLUSIONS

This insurance does not apply to any “claim” alleging, based upon, arising out of or attributable to:

A. Abuse or Molestation

Actual, alleged attempted, proposed or threatened sexual, physical or psychological abuse or molestation, including assault and battery, whether or not intended or expected from the standpoint of any “insured”, any perpetrator of the abuse or molestation or any other person or organization.

This exclusion applies, but is not limited to, any “claim” alleging that the abuse or molestation was contributed by the “insured’s” negligent or intentional:

1. Employment of;
2. Investigation of or failure to investigate;
3. Supervision of;
4. Reporting or failing to report, to the proper authorities;
5. Retention of; or

Any other failure to prevent abuse or molestation by; any person or organization whose conduct is alleged to have caused or contributed to the abuse or molestation.

B. Anti-trust

Any actual or alleged:

1. Antitrust law violation;
2. Unfair competition of any kind;
3. Price fixing; or
4. Agreement or conspiracy to restrain trade.

C. Asbestos

Manufacturing, mining, use, sale, installation, removal, distribution, testing of or exposure to asbestos, materials or products containing asbestos or asbestos fibers or dust.

D. Contractual Liability

“Bodily injury” for which “you” are 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. Assumed in a contract or agreement that is an “insured contract” provided the “bodily injury” or “property damage” occurs subsequent to the signing of the contract or agreement; or
2. That “you” would have in the absence of the contract or agreement.

E. Criminal Acts

Any actual or alleged act, by the “insured” or with the “insured's” consent, in violation of any state law or regulation imposing criminal penalties or liability.

F. Cross Claims

Any "claim" brought or maintained by or on behalf of any current or former "insured" in any capacity against another current or former "insured".

G. Damage to Your Cannabis Product

“Property damage” to your “cannabis product” arising out of your “cannabis product” or any part of it.

H. Discrimination

Discrimination, humiliation or harassment of an individual on any basis, including but not limited to, race, creed, color, age, gender, national origin, religion, disability, marital status, sexual identification, sexual orientation or any other similar classification protected by law; or alleging, based upon, arising out of or attributable to any failure to comply with the Americans With Disabilities Act or any similar law.

I. Employer’s Liability

1. “Bodily Injury” to:
 - a. An “employee” arising out of and in the course of:
 - 1) Employment by ”you”; or
 - 2) Performing duties related to the conduct of “your” business; or
 - b. The spouse, child, parent, brother or sister of that “employee” as a consequence of paragraph (A) above.
2. This exclusion applies:

- a. Whether “you” may be liable as an employer or any other capacity; and
- b. 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 “you” under an “insured contract”.

J. Expected or Intended Injury

“Bodily injury” expected or intended from the standpoint of the “insured”.

K. Infringement

Infringement of copyright, patent, trademark, trade secret or other intellectual property rights, including infringement of trade dress or slogan; and any “claim” alleging, based upon, arising out of or attributable to false or misleading advertising.

L. Normal, Expected or Intended Effect of smoking, ingestion or consumption.

This policy does not provide any coverage for and we will not pay for “bodily injury” arising out of or resulting from the normal, expected or intended effect of smoking, ingestion, or consumption of cannabis, marihuana, or cannabis-infused or marihuana-infused products.

M. Long term adverse effect of smoking, ingestion or consumption.

This policy does not provide any coverage for and we will not pay for “bodily injury” arising out of or resulting from repeated or long term effect of smoking, ingestion or consumption of cannabis, marihuana, or cannabis-infused or marihuana-infused product.

N. Motor Vehicle, Aircraft or Watercraft

“Bodily injury” arising out of the ownership, maintenance, use or entrustment of any motor vehicle, aircraft or watercraft.

O. Pollution

1. “Bodily injury” which arises from any kind of seepage or any kind of pollution and/or contamination, or threat thereof, whether or not caused by or resulting from a peril insured against. The term “any kind of seepage or any kind of pollution and/or contamination” as used in this section includes but is not limited to seepage of, or pollution and/or contamination by, anything, including but not limited to any material designated as a “hazardous material” by the United States Department of Transportation, or defined as a “toxic substance” by the Canadian Environmental Protection Act for the purposes of Part II of that Act, or any substance designated or defined as toxic or dangerous or hazardous or deleterious to persons or the environment under any other Federal, State, Provincial, Municipal, or other law, ordinance or

regulation; and the presence, existence, or release of anything which endangers or threatens to endanger the health, safety or welfare of persons or the environment ; or

2. Or constituting any loss, cost or expense based upon, arising out of or attributable to any:
 - a. Request, demand or order that an “insured” or others test for, monitor, clean up, remove, contain, treat, detoxify, 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, neutralizing or in any way responding to or assessing the effects of “pollutants”.

This exclusion N shall not apply to “bodily injury” to lawful users arising out of or resulting from ingestion or consumption of “Adulterated Marijuana” or adulterated marijuana infused product.

P. Prior or Pending Litigation

Any prior or pending litigation or administrative or regulatory action or proceeding for the same or substantially the same “claim”, fact, circumstance or situation underlying or alleged therein, which was filed on or before the effective date of this Policy or an similar policy which was issued to the “first named insured” by “us” or any of our “affiliates” and continuously renewed and maintained.

Q. Prior Notice

Any event, claim or suit that has been the subject of any written notice given to a prior insurer on or before the Effective Date of this Policy.

R. Products

Manufacturing, handling, distribution, advertising, labeling, sale, application, ingestion, absorption, consumption, testing, exposure to or any use of any product or substance known as, made of or containing any one or more of the following products:

3. All weight management drugs including, but not limited to: Fenfluramine, Phentermine, Sibutramine, or Dexfenfluramine;
4. Diethylstilbestrol, DES or any other product or substance which has the same chemical formulary, is a stilbene derivative or has similar formulation, structure or function by whatever name manufactured, grown or marketed;
5. Phenylpropanolamine (PPA); or
6. Ephedra, Ma huang, Ephedra sinica, Chinese Ephedra, ephedrine, pseudoephedrine,

norpseudoephedrine or any other product or substance having similar formulation, structure or function by whatever name manufactured, grown or marketed.

7. "Cannabis products" intentionally altered with any chemical, contaminate or pathogenic or poisonous biological or chemical materials that enhances or alters the effect of naturally produced "cannabis products" or is otherwise harmful to humans by way of any kind of ingestion, absorption or consumption or exposure.

S. Property Damage

T. Recall of Products, Work or Impaired Property

Loss of use, withdrawal, inspection, repair, replacement, recall, adjustment, removal or disposal of:

8. Your "marijuana and/or cannabis product";
9. "Your work"; or
10. "Impaired property"

if such products, work or property are withdrawn or recalled from the market or from use because of any known or suspected defect, deficiency, inadequacy or dangerous conditions therein.

U. War

11. War, including undeclared or civil war; or
12. 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
13. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

V. Willful and Intentional Non-Compliance

Any "insured's" willful and intentional act of non-compliance with any rule or regulation promulgated by the State of (insert State) or by any other corresponding regulatory body.

W. Workers Compensation and Similar Laws

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

X. Unlicensed Activities

Any unlicensed manufacturing, handling, distribution, advertising, sale, or testing of “cannabis products”.

VI. CONDITIONS

A. Annual Rating

If this Policy is issued for a period in excess of one year, the Premium may be revised on each annual anniversary in accordance with “our” rates and rules at the time.

B. Bankruptcy

Bankruptcy or insolvency of the “insured” or of the “insured’s” estate will not relieve “us” of “our” obligations under this Policy.

C. Cancellation

1. The “first named insured” may cancel this Policy by mailing or delivering to “us” written notice stating when the cancellation will be effective.
2. “We” may cancel this Policy by mailing or delivering to the “first named insured”, at its last known address, written notice of cancellation at least:
 - a. 10 days thereafter, if “we” cancel for nonpayment of any unpaid portion of Premium; or
 - b. 90 days thereafter, if “we” cancel for any other reason.

The effective date and hour of cancellation stated in the notice will be the end of the Policy Period. If notice is mailed, proof of mailing will be sufficient proof of notice.

3. If “we” cancel, earned Premium will be computed pro-rata. If the “first named insured” cancels, any refund due may be less than pro-rata. Premium adjustment may be made at the time cancellation becomes effective. “Our” check or the check of “our” representative mailed to the “first named insured” will be sufficient proof of any refund of Premium due.

D. Changes

This Policy’s terms and conditions may be changed only by endorsement issued by “us” to form a part of this Policy.

E. Duties In An Event, Claim Or Suit

1. If “you” are aware of an event that may give rise to a claim or an actual claim or suit is received by “you” or “your” “employee(s)”, “you” must immediately:

- a. Notify “us” in writing;
 - b. Record the specifics of the “claim” and the date received; and
 - c. Immediately send “us” copies of any demands, notices, summonses or legal papers received in connection with the “claim” or “suit”.
2. You must also:
- a. Authorize “us” to obtain records and other information;
 - b. Cooperate with “us” in the investigation, defense or settlement of any event, “claim” or “suit” and
 - c. 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.
3. No “insured” will, except at that “insured’s” own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid, without “our” prior written consent.
4. All notices to “us”, including without limitation the reporting of “claims”, are to be sent to “us” in accordance with the instructions in and at the address shown in the Declarations.

F. Examination Of The Insured’s Books And Records

“We” may examine and audit the “insured’s” books and records as they relate to this Policy at any time during the Policy Period, or any extensions, and up to three years afterward.

G. Inspections and Surveys

1. “You” will permit “us” 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 of these inspections, surveys, reports or recommendations and “our” right to do so does not constitute any undertaking on behalf of, or for the benefit of any “insured” or others, to determine that “your” property or operations are safe.

H. Legal Action Against Us

No person or organization has a right under this Policy:

1. To join “us” as party or otherwise bring “us” into a “suit” against any “insured”; or
2. To sue “us” in connection with this insurance unless all of the Policy terms have been fully complied with.

A person or organization may sue “us” to recover after an agreed settlement or on a final judgment against an “insured”. However, “we” will not be liable for “damages” that are not payable under the terms of this Policy 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.

I. Other Insurance

If any “damages” or “defense costs” covered under this Policy are covered under any other valid and collectible insurance, then this Policy shall cover such “damages” or “defense costs”, subject to this Policy’s terms and conditions, only to the extent the amount of such “damages” and “defense costs” are in excess of the amount of such other insurance, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the Limits of Liability provided by this Policy. If any “damages” or “defense costs” covered under this Policy are covered under any other valid and collectible insurance available to a vendor, then in that event, the limits of insurance available to the vendor shall be deducted by amounts available to the vendor under such other coverage. (must state that coverage under the policy will share proportionately with other similar coverages the insured may have.)

J. Premium Audit

1. “We” will compute all Premiums for this Policy in accordance with “our” rules and rates.
2. If the Premium in the Declarations is shown as flat, the Premium for this Policy may be subject to adjustment.
3. If the Premium is shown in the Declarations as an advance Premium, then at the close of each audit period “we” will compute the earned Premium for that period. Audit Premiums are due and payable on notice to the “first named insured”.
4. The “first named insured” must keep records of the information “we” need for Premium computation and send “us” copies at such times as “we” request.

K. Representations

By accepting this Policy, “you” agree that:

1. The statements in the Declarations, Application and “submission materials” for this Policy are accurate and complete;
2. Those statements are based upon representations “you” made to the “us”; and
3. This Policy has been issued in reliance upon “your” representations.

L. Subrogation

In the event of any payment under this Policy, “we” shall be subrogated to the extent of such payment to all the “insureds” rights of recovery. The “insureds” shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable “us” effectively to bring suit or otherwise pursue subrogation rights in the name of the “insureds”. The “insureds” shall do nothing to prejudice “our” subrogation rights.

M. Transfer Of Your Rights And Duties Under This Policy

Neither “you” nor any other “insured” under this Policy can assign or transfer any interest in the Policy or any of the rights and duties thereunder without “our” prior written consent. This includes any “claim” or cause of action against “us”, whether in contract, tort or otherwise, that relates to or arises in connection with this Policy, including any “claim” or cause of action for bad faith.

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.

N. When We Do Not Renew

If “we” decide not to renew this Policy, “we” will mail or deliver to the “first named insured” written notice of the non-renewal not less than 30 days before the expiration date of this Policy.

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

O. Sole Agent

By accepting this Policy, all “insureds”:

1. Authorize the “first named insured” to act on its own behalf and that of all other “named insureds” with respect to:
 - a. The giving and receipt of notice of cancellation or non-renewal; and
 - b. The receipt of any return Premium that may become payable under this Policy;

2. Authorize “us” to accept payment of any Premium, at “our” discretion, only from the “first named insured”; and
3. Agree that:
 - a. All “named insureds” are jointly and severally responsible for the payment of all Premium; and
 - b. “Our” acceptance of payment of Premium only from the “first named insured” does not relieve any other “named insured” from responsibility for any payment of Premium the “first named insured” fails to make.

P. Trade or Economic Sanctions

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit “us” from providing insurance, including, but not limited to, the payment of “claims”.

Q. Conformance to Statute

To the extent that this Policy conflicts with any applicable law, statute or regulation, this policy shall conform to the minimum requirements of that law, statute or regulation.

VII. To the extent the company incurs any costs or losses, or sustains any damages resulting from violations of the conditions of this policy, the insured shall reimburse the company for any such costs, losses and damages including any legal fees incurred to seek reimbursement.

VIII. EXTENDED REPORTING PERIODS

A. “We” may provide one or more Extended Reporting Periods, as described below, if:

1. This Policy is cancelled or not renewed; or
2. “We” renew or replace this Policy with insurance that:
 - a. Has a Retroactive Date later than the date shown in the Declarations of this Policy; or
 - b. Does not apply to “bodily injury” included in the “products-completed operations hazard” on a claims-made basis.

B. Extended Reporting Periods do not extend the Policy Period or change the scope of

coverage provided. Extended Reporting Periods will not reinstate or increase the Limits of Insurance specified in the Declarations. They apply only to "claims" for "bodily injury" 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.

- C. An Automatic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the Policy Period and lasts for 60 days. The Automatic 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".
- D. A Supplemental Extended Reporting Period of up to five years may be available, but only by an endorsement and for an extra charge. This supplemental period starts at the end of the 60 day Automatic Extended Reporting Period described in paragraph C above and applies solely to "claims" first made during the Supplemental Extended Reporting Period.

The "first named insured" must give "us" a written request for the endorsement within 60 days after the end of the Policy Period. If the "first named insured" does not provide such notice within the sixty day period, the Supplemental Extended Reporting Period may not be purchased after such sixty day period. The Supplemental Extended Reporting Period will not go into effect unless the "first named insured" pays the additional premium promptly when due. Once in effect, the Supplemental Extended Reporting Period may not be cancelled and the premium shall be fully earned.

"We" will determine the additional premium in accordance with "our" rules and rates. In doing so, "we" may take into account the following:

1. The exposures insured;
2. Previous types and amounts of insurance;
3. Limits of Insurance available under this Policy for future payment of "damages"; and
4. Other related factors.

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.



Separating Recreational from Medical Operations

This policy is not applicable. Currently, Massachusetts Citizens for Social Equity LLC (the “**Company**”) is only applying for a Marijuana Retailer license at this location.

This policy may also be referred to by the Company as the “**Policy for Separating Recreational from Medical Operations**”.



Restricting Access to Age 21 and Older

Massachusetts Citizens for Social Equity LLC (the “**Company**”) shall require that all Marijuana Establishment Agents, Visitors and Consumers of marijuana for adult use (each as defined in 935 CMR 500.002) are 21 years of age or older. The Company will positively identify individuals seeking access to the premises of the Marijuana Establishment, or to whom marijuana or marijuana products are being transported pursuant to 935 CMR 500.105(14) (if applicable) to limit access solely to individuals 21 years of age or older.

Pursuant to 935 CMR 500.140, the Company shall immediately inspect an individual’s proof of identification and determine that the individual is 21 years of age or older upon entry to the Marijuana Establishment. The Company shall also inspect an individual’s proof of identification at the point of sale and determine that the individual is 21 years of age or older.

The identification shall contain a name, photograph, and date of birth, and shall be limited to one of the following:

1. A driver’s license;
2. A government issued-identification card;
3. A military identification card; or
4. A passport.

This policy may also be referred to by the Company as the “**Policy to Restrict Access to Persons Age 21 and Older**”.



Maintaining of Financial Records

Massachusetts Citizens for Social Equity LLC (the “**Company**”) shall keep and maintain records of the Marijuana Establishment in accordance with generally accepted accounting principles. Such records shall be available for inspection by the Commission, upon request and shall include, but not be limited to, all financial records required in any section of 935 CMR 500.000: *Adult Use of Marijuana*, and business records, in accordance with 935 CMR 500.105(e), which shall include manual or computerized records of:

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, if any.

Furthermore, consistent with the Company’s *Dispensing Policy*, the Company shall implement the following policies for Recording Sales

- (a) The Company shall utilize a point-of-sale (“**POS**”) system approved by the Commission, in consultation with the Massachusetts Department of Revenue (“**DOR**”).
- (b) The Company may also utilize a sales recording module approved by the DOR.
- (c) The Company shall not utilize any software or other methods to manipulate or alter sales data at any time or under any circumstances.
- (d) The Company shall conduct a monthly analysis of its equipment and sales data to determine that no software has been installed that could be utilized to manipulate or alter sales data and that no other methodology has been employed to manipulate or alter sales data. The Company shall maintain records that it has performed the monthly analysis and produce it upon request to the Commission. If the Company 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. it shall immediately disclose the information to the Commission;



- ii. it shall cooperate with the Commission in any investigation regarding manipulation or alteration of sales data; and
 - iii. take such other action directed by the Commission to comply with 935 CMR 500.105.
- (e) The Company shall comply with 830 CMR 62C.25.1: Record Retention and DOR Directive 16-1 regarding recordkeeping requirements.
- (f) The Company shall adopt separate accounting practices at the POS for marijuana and marijuana product sales, and non-marijuana sales.
- (g) The Company shall allow the Commission and the DOR audit and examine the POS system used by a retailer in order to ensure compliance with Massachusetts tax laws and 935 CMR 500.000: *Adult Use of Marijuana*;

Following closure of a Marijuana Establishment, the Company shall keep all records for at least two years at the Company's expense and in a form and location acceptable to the Commission.

This policy may also be referred to by the Company as the “**Financial Record Maintenance and Retention Policy**”.



Diversity Plan

Massachusetts Citizens for Social Equity LLC (the “**Company**”) understands and appreciates the importance of diversity and as such is committed to actively working to ensure a diverse work place is created in the Company.

The Company is currently **one hundred percent (100%) minority owned**.

It is a policy of the Company to promote equity among people of color, particularly Black, African American, Hispanic, Latinx, and Indigenous people, women, veterans, persons with disabilities, and L.G.B.T.Q. + in the operation of the Marijuana Establishment. To the extent permissible by law, the Company will make jobs available to people of color, particularly Black, African American, Hispanic, Latinx, and Indigenous people, women, veterans, persons with disabilities, and L.G.B.T.Q. +, but this does not prevent the Company from hiring the most qualified candidates and complying with all employment laws and other legal requirements.

To this end, the Company will deploy a plan for enhancing diversity and equity within the organization through a number of various outreach efforts. Specifically, as it relates to its own internal practices, the Company will implement the following policies in connection with its diversity plan:

Goals:

- (1) The Company endeavors to provide job opportunities to people of color, particularly Black, African American, Hispanic, Latinx, and Indigenous people, women, veterans, persons with disabilities, and L.G.B.T.Q. +. The Company shall seek parity in its work force based on the American Community Survey (ACS) 2010 U.S. Census. **Workforce availability statistics for the Total Civilian Labor Force in Massachusetts is as follows: Women 48.8%, Minorities 20.7%, Persons with Disabilities 12% and Veterans 3.5%¹ and 10% L.G.B.T.O. +.**
- (2) It shall be a goal of the Company to ensure that **one hundred percent (100%)** of its employees receive **training on diversity and sensitivity**.

Programs:

To the extent reasonably practicable, the Company shall Implement the following programs:

- In an effort to ensure it has the opportunity to interview, and hire a diverse staff, the Company will post **monthly notices** for **three (3) months** during the hiring process in newspapers of general circulation such as the **Boston Herald** and post a notice at the municipal offices in **the City of Boston** for **three (3) months** during the hiring process. The aforementioned notices

¹ <https://www.mass.gov/files/2017-08/census-2010-workforce-availability.pdf>



will state that the Company is specifically looking for people of color, particularly Black, African American, Hispanic, Latinx, and Indigenous people, women, veterans, persons with disabilities, or L.G.B.T.Q. +, to work for the Company.

- As described above, it is a goal of the Company to seek parity in its workforce. Accordingly, the Company shall form a diversity and equity committee to monitor the Company's progress towards meeting those goals. This committee will meet quarterly to review and assess the Company's hires and hiring practices. Meeting Minutes will be provided to the Commission on request and for the Company's annual license renewal application.
- The Company shall require that one hundred percent (100%) of its employees receive education on diversity, implicit biases and sensitivity within the first ninety (90) days of employment and once annually thereafter. The Company's educational programs on diversity, implicit biases and sensitivity shall include, but not be limited to: (1) Harassment, Diversity & Sensitivity Training; (2) Sexual Harassment Prevention & Awareness Training; (3) Discrimination Free Workplace; (4) Violence in the Workplace; (5) Harassment in the Workplace (for Management); (6) Diversity and Sensitivity in the Workplace (for Management); (7) Unconscious Bias Training; (8) Ethics; and (9) Drug and Alcohol-Free Workplace.

To the extent reasonably practicable and as allowed by law, the Company shall implement the following measurements:

- a. Pursuant to 935 CMR 500.103(4)(a) the Company's diversity and equality committee shall prepare an annual report identifying the Company's efforts to encourage diversity in the work place, in compliance with 935 CMR 500.101(1)(c)(8)(k) and this *Diversity Policy*. Specifically, said report shall identify the demographics of its employee population including but not limited to identifying the gender, race, sexual orientation and disabled status of its employees without identifying the employee specifically and to the extent each employee is willing to share such information.

Additionally, this report will include the following metrics:

- i. Number of individuals from the target demographic groups who were hired and retained after the issuance of a license;
- ii. Number of promotions for people falling into the target demographics since initial licensure and number of promotions offered;
- iii. Number of jobs created since initial licensure;
- iv. Number of job postings in publications with supporting documentation; and



- v. Number and subject matter of internal trainings held on diversity, implicit biases and sensitivity and the number of employees in attendance.

The Company affirmatively states that: (1) it acknowledges and is aware, and will adhere to, the requirements set forth in 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every Marijuana Establishment; (2) any actions taken, or programs instituted, will not violate the Commission’s regulations with respect to limitations on ownership or control or other applicable state laws and (3) the Company will be required to document progress or success of this plan, in its entirety, annually upon renewal of its provisional license.

This policy may also be referred to by the Company as the “**Diversity Plan**”.

Standard Operating Procedures Compliance Department		
Date (mm/dd/yyyy)	SOP	
07/01/2022	Staffing Plan and Personnel Policies	
Revision Number	Revision Date	Page
001	07/01/2022	1

Massachusetts Citizens for Social Equity LLC (the “**Company**”) has developed its standard operating procedures to ensure compliance with all state and local rules and regulations, as amended from time-to-time (the “**Applicable Laws**”), including the rules set forth by the Massachusetts Cannabis Control Commission (the “**Commission**”).

Hiring Process and Procedures

Personnel requisitions

Personnel requisitions must be completed to fill vacant positions. Requisitions must be initiated by the Store Manager and approved by the corporate human resource department.

Personnel requisitions should indicate, at a minimum, the following:

- (i) Position title;
- (ii) Position hours/shifts;
- (iii) Essential job functions and qualifications (or a current job description may be attached); and
- (iv) Any special recruitment advertising instructions.

Job postings

HR will create job postings that briefly describe the job opening and communicate the Company brand. All job openings will be posted internally and externally with sources appropriate for the position being filled. Jobs will remain posted until the position is filled.

The Store Manager, concurrently with the HR department, will be responsible for tracking all applicants and retaining applications and resumes as required. The Company shall screen prospective employees against the requirements listed in all Applicable Laws.

Internal applicants

Current employees with a satisfactory employment status may apply for internal job openings. All applicants for a posted vacancy will be considered based on their qualifications and ability to perform the job successfully.

Interview process

The Store Manager and the HR department will screen applications and resumes prior to scheduling interviews. Initial interviews are generally conducted by the Store Manager and the HR department using behavior-based interview questions and a structured interview process.

Reference checks

The HR department will conduct professional reference checks and employment verification on the top candidates.

Standard Operating Procedures Compliance Department		
Date (mm/dd/yyyy)	SOP	
07/01/2022	Staffing Plan and Personnel Policies	
Revision Number	Revision Date	Page
001	07/01/2022	2

Job offers

After a decision has been made to hire a candidate, an offer will be made contingent on the satisfactory completion of required background checks and testing. Background checks will vary depending on the position and may include criminal history, credit history, driving record, drug testing or any other relevant information for the job. The Company shall record confirmation of criminal history background checks within the employee’s personnel records and provide same to the Commission.

Internal applicants must complete required background checks, including the CORI forms. Once the HR department receives satisfactory results from all required background checks and tests, candidates will be provided with a final job offer. The Company shall have a policy in place that requires employees to report any new or pending charges or convictions.

The Company will ensure all employees apply for a Registration Card to be authorized as a Marijuana Establishment Agent. All employees will be required to renew their respective Registration Cards on an annual basis in accordance with 935 CMR 500.030(5). Employees are required to always carry their Registration Card while performing any job duties at the Center.

Employee Dismissal

The Company shall immediately dismiss any employee who has diverted marijuana, engaged in unsafe practices in respect of the operation of the Center, or who has been convicted or entered a guilty plea for a felony charge of distribution to a minor.

In the event an employee is found to have:

- (i) diverted marijuana, the Company shall promptly notify local law enforcement and the Commission; or
- (ii) engaged in any unsafe practices, the Company shall promptly notify the Commission.

If an employee is no longer employed by the Company, then the Company shall remove access and permissions to the Center and the statewide monitoring system. The Company will notify the Commission no more than one business day after an employee, registered as a Marijuana Establishment Agent, ceases to be associated with the Company.

Staffing

The Company intends to maintain sufficient employment levels to operate in a lean manner, yet employ enough individuals to maintain safety, security and customer service. An example of the Company’s Center staffing plan is as follows:

1. **Store Manager:** The Store Manager is primarily responsible for the day-to-day operations of the Center. The Store Manager shall oversee the Company’s employees

Standard Operating Procedures Compliance Department		
Date (mm/dd/yyyy)	SOP	
07/01/2022	Staffing Plan and Personnel Policies	
Revision Number	Revision Date	Page
001	07/01/2022	3

working at the Center and all dispensing of marijuana. Specifically, the Store Manager will:

- a. Lead recruiting, training and supervision of Center staff;
 - b. Interact with customers and ensure customer satisfaction;
 - c. Manage inventory receipts and compliance with Applicable Laws;
 - d. Oversee selling process and compliance with Applicable Laws;
 - e. Lead health and safety efforts for employees and customers;
 - f. Manage the Center’s operating budget with the direction of corporate team; and
 - g. Oversee administrative items and compliance with the direction of corporate team.
2. **Assistant Manager:** The Assistant Manager will work directly with the Store Manager to lead day-to-day operations of the Center. The Assistant Manager will be capable of completing the Store Manager’s tasks in their absence. Specifically, the Assistant Manager will:
- a. Work directly with Budtenders to promote superior customer service;
 - b. Provide exceptional training to Budtenders on the Company’s point-of-sale system;
 - c. Be the first line of communication with Budtenders and customers to resolve issues;
 - d. Lead opening and/or closing procedures for the Center;
 - e. Oversee “cash drops”, i.e. the process of transferring currency from the register to the limited-access vault; and
 - f. Assist the Store Manager to ensure compliance with Applicable Laws.
3. **Sales Associate:** The Sales Associate interacts directly with customers to provide an exceptional customer experience while complying with all Applicable Laws.
- a. Cheerfully interact with customers from greeting to final sale;
 - b. Demonstrate excellent knowledge of Company product offerings and make knowledgeable recommendations to customers based on experience and knowledge of products;
 - c. Ability to explain the effects and differences of indica, sativa or a hybrid strain and recommend strains;
 - d. Ability to distinguish the different types of marijuana and the different therapeutic effects caused by consumption;
 - e. Ensure selling procedures are carried out safely and sanitary;
 - f. Upsell customers via current coupons and/or promotions;
 - g. Assist other Budtenders as needed; and
 - h. Carry out sales transactions on Company point-of-sale software.
4. **Receptionist:** The Receptionist supports all Center staff through clerical management.
- a. Greet customers and communicate Company and regulatory policies;
 - b. Gather required customer documentation;

Standard Operating Procedures Compliance Department		
Date (mm/dd/yyyy)	SOP	
07/01/2022	Staffing Plan and Personnel Policies	
Revision Number	Revision Date	Page
001	07/01/2022	4

- c. Manage inbound and outbound phone calls;
 - d. Support data entry and point-of-sale system management as needed; and
 - e. Other tasks as assigned by the Assistant Manager or Store Manager.
5. **Shift Leads:** Responsible for performing management functions when no other Managers are on duty while also guiding the patients through the process of understanding, selecting and acquiring cannabis products that fit their needs.
 6. **Inventory Specialist:** Responsible for intaking and labeling new product, monitoring the store's inventory, and packaging and labeling orders to ensure operational efficiencies and compliance with all Applicable Laws.
 7. **Security:** Responsible for safe-guarding all entries to the Center, as well as handling emergency security situations. Security employees report directly to the Store Manager.

Please refer to Exhibit "A" to review the job description the Company will use during the hiring process for the above noted employment positions.

Training

The Company will originally hire all employees on a probationary basis. During this probationary period, candidates will complete a comprehensive training program and will be evaluated for suitability in a restricted-access environment. Training will be highly customized based on the role of each employee and the employee's level of experience and training.

Responsible Vendor Training

The Director of Human Resources is responsible for ensuring that all individuals at Company that are involved in the handling or sale of marijuana for adult use, either at the time of licensure or at renewal, have attended and successfully completed a Responsible Vendor Training Program.

The Director of Human Resources must ensure employees complete:

1. Responsible Vendor Basic Core Curriculum.
2. Responsible Vendor Advanced Core Curriculum, once Basic Core Curriculum is complete.

The Director of Human Resources may choose to exempt administrative employees who do not handle or sell marijuana from mandatory Responsible Vendor Training.

The Director of Human Resources must ensure that new employees complete Responsible Vendor Training within ninety (90) days of hire.

The Company will maintain all records of compliance with all training requirements required by law ("Training Records" for a period of not less than four (4) years. The Training Records will be available for inspection upon request.

Standard Operating Procedures Compliance Department		
Date (mm/dd/yyyy)	SOP	
07/01/2022	Staffing Plan and Personnel Policies	
Revision Number	Revision Date	Page
001	07/01/2022	5

Employee Training Modules

In addition to Responsible Vendor Training, the Director of Human Resources, with the assistance of the Store Manager, must ensure that all employees are well prepared for their employment duties. Prior to being granted access to any secure areas, handling any marijuana products, or engaging in any customer transactions, the Director of Human Resources must ensure employees receive the following training:

1. Overview of the Company’s Employee Handbook, including the Company’s employment policies and procedures.
2. Security procedures and responsibilities.
3. Confidentiality and privacy policies.
4. Recordkeeping and inventory management requirements.
5. Compliance and regulatory review.
6. Anti-diversion protocols.
7. Workplace safety and emergency protocols.
8. Customized training for the individual’s specific job function, by the employee’s supervisor or manager. This must include a review of all Company written operating policies and procedures.
9. For those employees responsible for entering product into Metrc, seed-to-sale tracking training in a form and manner determined by the Commission.

Estimated Staffing Levels

During our hours of operation (which are subject to change), the Company’s employees will be available for customers to assist with any questions they may have, provide information that is relevant to the patient’s condition, and complete sales transactions using a POS system.

The number of employees on-site will vary depending on operational needs. Agents will be dedicated to filling orders and ensuring products are properly labeled pursuant to the Company’s SOP requirements prior to dispensing.

Employee Records

The Company maintain its records in accordance with all Applicable Laws, which records will be available for inspection by the Commission upon request.

The Company’s records will contain the following personnel records:

Standard Operating Procedures Compliance Department		
Date (mm/dd/yyyy)	SOP	
07/01/2022	Staffing Plan and Personnel Policies	
Revision Number	Revision Date	Page
001	07/01/2022	6

1. Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;
2. A personnel record for each marijuana establishment agent, which same shall be maintained for a period of at least twelve (12) months after termination of the individual's affiliation with the Company and shall include, at a minimum, the following:
 - a. All materials submitted to the commission pursuant to 935 CMR 500.030(2), including, but not limited to:
 - i. full name, date of birth and address of the individual;
 - ii. all aliases used previously or currently in use by the individual, including maiden name, if any;
 - iii. a copy of the individual'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;
 - iv. an attestation that the individual will not engage in the diversion of marijuana;
 - v. a written acknowledgment by the individual of any limitation on his or her authorization to dispense marijuana;
 - vi. all background information required under the Applicable Laws, including criminal convictions, civil or administrative actions, professional licensing, and business licensing;
3. Documentation of verification of references;
4. The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision;
5. 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;
6. Documentation of periodic performance evaluations;
7. A record of any disciplinary action taken;
8. Notice of completed responsible vendor and eight-hour related duty training; and
9. A staffing plan that demonstrates accessible business hours;

Hours of Operation and After-Hours Contact

The Company will maintain and publish its after-hours contact information and hours of operation in accordance with 935 CMR 500.000.

The following hours of operation and after-hours contact information will be provided to the Commission and made available to law enforcement officials upon request:

Standard Operating Procedures Compliance Department		
Date (mm/dd/yyyy)	SOP	
07/01/2022	Staffing Plan and Personnel Policies	
Revision Number	Revision Date	Page
001	07/01/2022	7

Hours of Operation

Monday – Sunday: 10:00 a.m. – 9:00 p.m.

After-Hours Contact Information

Ankur Rungta
734-323-1822
ankur@c3industries.com

The Company will update the after-hours contact information and business hours in accordance with 935 CMR 500.000.

External Agencies / Departments Contact

Massachusetts Cannabis Control Commission:	617-701-8400
Massachusetts State Police:	508-820-2300
Boston Fire Department:	617-343-3415
Department of Public Health:	617-624-6000
Boston Police Department HQ:	617-343-4633

Revision History			
Rev.	Revision Date	Modified By	Reason for Modification

Standard Operating Procedures Compliance Department		
Date (mm/dd/yyyy)	SOP	
07/01/2022	Staffing Plan and Personnel Policies	
Revision Number	Revision Date	Page
001	07/01/2022	8

Exhibit "A"
Job Descriptions

See attached.

Massachusetts Citizens for Social Equity LLC

Job Description

JOB TITLE Assistant Store Manager	REPORTS TO Store Manager	WORK LOCATION Massachusetts
DEPARTMENT High Profile x Bodega	JOB TYPE Full Time	FLSA STATUS Exempt

JOB SUMMARY:

The Assistant Store Manager is to support the manager in the daily operations of the store, including supervising employees, working with customers, and to effectively drive sales through exceptional customer service.

JOB DUTIES:

Core duties and responsibilities include the following. Other duties may be assigned.

- Assist Store Manager in planning and implementing strategies to attract and retain repeat customers.
- Serve as a role model for store employees in sales generation and customer service by making the customer experience the priority; regularly work sales floor and register.
- Track the progress of weekly, monthly, quarterly, and annual goals.
- Monitor and maintain inventory levels and communicate discrepancies to upper Management.
- Contribute in management and store meetings, offering suggestions for employee development, sales opportunities, and organizational improvements.
- Maintain visual standards, including merchandise presentation, signage, lighting and general maintenance.
- Assisting Store Manager with developing store schedule to ensure proper store coverage during peak hours.
- Handle and mitigate customer complaints in a professional manner to ensure their overall satisfaction.
- Educate and coach store employees on product knowledge, loss prevention procedures, and safety protocol.
- Comply with company cash handling policies and perform daily cash management responsibilities and compliance reporting per company policy.
- Split tips, within company guidelines, amongst team members at the end of the business day when Store Manager is not present.
- Create reports, analyze and interpret data, such as store sales, units per sale, and sales per hour.
- Assist Store Manager with hiring, training and development new and current employees.
- Ensure all employees adhere to companies' policies and guidelines, and act as store representative when Store Manager is not present.

SUPERVISORY RESPONSIBILITIES:

Directly supervises Shift Leads, Sales Associates and Receptionists when Store Manager is not present, within given retail store.

JOB REQUIREMENTS:

- 1-3 years retail management experience or equivalent.
- Proven ability to motivate and influence others through personal actions and examples.
- Experience with POS and inventory management systems.
- Ability to open and close the store independently.
- Proven ability to establish strong credibility and build relationships and operate in an environment of ambiguity.
- Strong results-orientation and commitment to quality, performance and deliverables.
- Effective multi-tasker with demonstrated ability to prioritize.
- Demonstrate strong oral and written communication skills; ability to correspond in a professional, businesslike manner.

PHYSICAL REQUIREMENTS, WORKING CONDITIONS & UNIFORM REQUIREMENTS:

- Employee is occasionally required to sit, climb or balance, stoop, kneel, crouch, or crawl; the employee is frequently required to stand, walk, talk or hear; the employee is regularly required to use hands or fingers to, handle or feel, reach with hands and arms.
- Employee is occasionally required to lift up to 50 pounds; the employee is frequently required to lift up to 25 pounds.
- The Employee uniform would consist of either a sponsored High Profile or Cloud Cover Cannabis top. Until the employee receives their High Profile or Cloud Cover Cannabis apparel, the employee can wear all black clothing.

Employee signature below constitutes employee’s understanding of the requirements, essential functions and duties of the position as listed above.

Name: _____

Signature: _____

Date: _____

Massachusetts Citizens for Social Equity LLC Job Description

JOB TITLE Sales Associate	REPORTS TO Store Manager	WORK LOCATION Massachusetts
DEPARTMENT High Profile x Budega	JOB TYPE Full Time/ Part Time	FLAS STATUS Non- Exempt

JOB SUMMARY:

The Sales Associate is responsible for guiding the patients through the process of understanding, selecting and acquiring cannabis products that fit their needs, while providing world class customer service.

JOB DUTIES:

Core duties and responsibilities include the following. Other duties may be assigned.

- Provide the highest level of customer service to patients by making the patient’s experience the priority.
- Assist patients to better understand product offerings and benefit.
- Educate patients on cannabis properties and selection of proper genetics according to their desired effect, relief for patients’ ailments or per request.
- Handle customer complaints in a professional manner; escalate to management when needed.
- Maintain product knowledge and keep up on current cannabis trends.
- Accurately use and maintain Point of Sale (POS) system.
- Comply with company cash handling policies and perform daily cash management responsibilities and compliance reporting per company policy.
- Ensure sales floor is properly stocked and the presence of the store is well maintained during down time.
- Assist with store operations including opening and closing of the store, intake of product and inventory counts.
- Work closely with management team to increase sales and foot traffic.
- Daily compliance with dispensary policies, including but not limited to the following: state/local regulation compliance, security protocols, access protocols, inventory tracking, dress code, and work schedules.
- Maintain compliance with local and state regulations, company policies and SOPs.

SUPERVISORY RESPONSIBILITIES:

None

JOB REQUIREMENTS:

- 1+ years’ customer service experience, High school diploma or General Education Diploma (GED)
- Experience with POS systems, and cash handling practices.
- Commitment to reaching Key Performance Indicators on a regular basis.
- Effective multi-tasker with demonstrated ability to prioritize tasks.
- Ability to work independently with little or no direct supervision.
- Demonstrate strong oral and written communication skills; ability to correspond in a professional and businesslike manner.

- Knowledge of state and local regulations preferred.
- Ability to pass a background check and is 21 years of age.

PHYSICAL REQUIREMENTS, WORKING CONDITIONS & UNIFORM REQUIREMENTS :

- Employee is occasionally required to sit, climb or balance, stoop, kneel, crouch, or crawl; the employee is frequently required to stand, walk, talk or hear; the employee is regularly required to use hands or fingers to, handle or feel, reach with hands and arms.
- Employee is occasionally required to lift up to 50 pounds; the employee is frequently required to lift up to 25 pounds.
- The Employee uniform would consist of either a sponsored High Profile or Cloud Cover Cannabis top. Until the employee receives their High Profile or Cloud Cover Cannabis apparel, the employee can wear all black clothing.

Employee signature below constitutes employee's understanding of the requirements, essential functions and duties of the position as listed above.

Name: _____

Signature: _____

Date: _____

Massachusetts Citizens for Social Equity LLC Job Description

JOB TITLE Inventory Specialist	REPORTS TO Store Manager	WORK LOCATION Massachusetts
DEPARTMENT High Profile x Bodega	JOB TYPE Full Time	FLAS STATUS Non - Exempt

JOB SUMMARY:

The Inventory Specialist will be responsible for intaking and labeling new product, monitoring the store’s inventory, and packaging and labeling orders to ensure operational efficiencies and compliance with state and local laws.

JOB DUTIES:

Core duties and responsibilities include the following. Other duties may be assigned.

- Assist with intaking product received to the store into current inventory tracking software in a timely manner; train applicable employees on store SOP’s for intake, packaging, labeling and inventory tracking.
- Ensure product matches manifest description; escalate to management to ensure corrective action is taken when needed.
- Label and package incoming customer orders in a timely manner, in accordance with state compliance.
- Maintain a database with SKU/UPC numbers; ensure all reconciliation is regularly completed including matching physical inventory to METRC inventory.
- Perform cycle counts daily, weekly and monthly as needed.
- Create and maintain inventory reports for all products on hand in the store; implement corrective actions to resolve discrepancies.
- Ensure all product is labeled accurately and in a timely manner under company SOP’s.
- Maintain active knowledge of incoming inventory and inventory levels on hand.
- Record and monitor all items with shelf-life daily and notify Management when material has expired or is damaged.
- Organize and maintain backroom inventory areas for efficient material storage and handling.
- Provide hands-on training of inventory tracking system and inventory procedures for new and current employees.
- Maintain compliance with local and state regulations, company policies and SOPs.
- Assist in other day to day functions of the store.

SUPERVISORY RESPONSIBILITIES:

None.

JOB REQUIREMENTS:

- 1+ years’ experience in inventory management, High school diploma or General Education Diploma (GED)
- Experience with POS systems, inventory tracking systems, required; METRC experience preferred.
- Excellent organization skills, with a high attention to detail.

- Effective multi-tasker with demonstrated ability to prioritize tasks.
- Ability to work independently with little or no direct supervision.
- Demonstrate strong oral and written communication skills; ability to correspond in a professional and businesslike manner.
- Knowledge of state and local regulations preferred.
- Ability to pass a background check and is 21 years of age.

PHYSICAL REQUIREMENTS WORKING CONDITIONS & UNIFORM REQUIREMENTS:

- Employee is occasionally required to sit, climb or balance, stoop, kneel, crouch, or crawl; the employee is frequently required to stand, walk, talk or hear; the employee is regularly required to use hands or fingers to, handle or feel, reach with hands and arms.
- Employee is occasionally required to lift up to 50 pounds; the employee is frequently required to lift up to 25 pounds.
- Specific vision abilities required by this job include close vision and the ability to adjust focus.
- The Employee uniform would consist of either a sponsored High Profile or Cloud Cover Cannabis top. Until the employee receives their High Profile or Cloud Cover Cannabis apparel, the employee can wear all black clothing.

Employee signature below constitutes employee’s understanding of the requirements, essential functions and duties of the position as listed above.

Name: _____

Signature: _____

Date: _____

Massachusetts Citizens for Social Equity LLC Job Description

JOB TITLE Shift Lead	REPORTS TO Store Manager	WORK LOCATION Massachusetts
DEPARTMENT High Profile x Budega	JOB TYPE Full Time	FLAS STATUS Non- Exempt

JOB SUMMARY:

The Shift Lead is responsible for performing management functions when no other Managers are on duty while also guiding the patients through the process of understanding, selecting and acquiring cannabis products that fit their needs.

JOB DUTIES:

Core duties and responsibilities include the following. Other duties may be assigned.

- Provide the highest level of customer service by making the patient’s experience the priority.
- Assist patients to better understand product offerings and benefit.
- Educate patients on cannabis properties and selection of proper genetics according to their desired effect, relief for patients’ ailments or per request.
- Serve as a role model for store employees in sales generation and customer service by making the customer experience the priority.
- Handle customer complaints in a professional manner; handle escalated manners when Store Manager or Assistant Manager are not present.
- Maintain product knowledge and keep up on current cannabis trends.
- Accurately use and maintain Point of Sale (POS) system; assist in training employees on an as needed basis.
- Comply with company cash handling policies and perform daily cash management responsibilities and compliance reporting per company policy.
- Utilize down time productively to ensure sales floor is properly stocked for team members and next shift; Delegate and confirm team members are completing shift duties.
- Open and close the store, assist with intake of product, inventory counts, and daily cash balancing
- Split tips, within company guidelines, amongst team members at the end of the business day when Store Manager is not present.
- Contribute in management and store meetings, offering suggestions for employee development, sales opportunities, and organizational improvements.
- Ensure daily compliance with dispensary policies, including but not limited to the following: state/local regulation compliance, security protocols, access protocols, inventory tracking, dress code, and work schedules.
- Ensure all employees adhere to companies’ policies and guidelines, and act as store representative when Store Manager or Assistant Store Manager are not present.

SUPERVISORY RESPONSIBILITIES:

Directly supervises stores Sales Associates and Receptionists when Store Manager and Assistant Store Manager are not present.

JOB REQUIREMENTS:

- 3+ years' customer service experience, High school diploma or General Education Diploma (GED)
- Experience opening and closing a retail store or restaurant preferred.
- Experience with POS systems, and cash handling practices.
- Commitment to reaching Key Performance Indicators on a regular basis.
- Effective multi-tasker with demonstrated ability to prioritize tasks.
- Ability to work independently with little or no direct supervision.
- Demonstrate strong oral and written communication skills; ability to correspond in a professional and businesslike manner.
- Knowledge of state and local regulations preferred.
- Ability to pass a background check and is 21 years of age.

PHYSICAL REQUIREMENTS, WORKING CONDITIONS & UNIFORM REQUIREMENTS:

- Employee is occasionally required to sit, climb or balance, stoop, kneel, crouch, or crawl; the employee is frequently required to stand, walk, talk or hear; the employee is regularly required to use hands or fingers to, handle or feel, reach with hands and arms.
- Employee is occasionally required to lift up to 50 pounds; the employee is frequently required to lift up to 25 pounds.
- The Employee uniform would consist of either a sponsored High Profile or Cloud Cover Cannabis top. Until the employee receives their High Profile or Cloud Cover Cannabis apparel, the employee can wear all black clothing.

Employee signature below constitutes employee's understanding of the requirements, essential functions and duties of the position as listed above.

Name: _____

Signature: _____

Date: _____

Massachusetts Citizens for Social Equity LLC

Job Description

JOB TITLE Store Manager	REPORTS TO Regional Manager	WORK LOCATION Massachusetts
DEPARTMENT High Profile x Bodega	JOB TYPE Full Time	FLAS STATUS Exempt

JOB SUMMARY:

The Store Manager will oversee day to day operations of the store, including supervising employees, inventory management, working with customers, and effectively driving sales through exceptional customer service.

JOB DUTIES:

Core duties and responsibilities include the following. Other duties may be assigned.

- Oversee and drive all aspects of store performance, ensuring efficient and sound operations, maximum profit and a best in class store experience.
- Ensure Key Performance Indicators (KPI) are being tracked and achieved on a weekly, monthly and yearly basis.
- Create sales reports, analyze and report data, such as store sales, units per sale, and sales per hour.
- Handle and mitigate customer complaints in a professional manner to ensure their overall satisfaction, train team on best practices.
- Collaborate and lead Assistant Store Managers in planning and implementing strategies to attract and retain repeat customers.
- Serve as a role model for store employees in sales generation and customer service by making the customer experience the priority.
- Work closely with Regional Manager to establish and promote Customer Loyalty Programs.
- Ensure best in class customer experience exists by staying connected to customer needs, anticipating changes, and preparing teams to meet consumer challenges.
- Ensure employee training of POS systems, METRC, and other inventory control systems.
- Monitor and maintain inventory levels and communicate discrepancies to Management.
- Run internal store meetings, provide feedback for employee development, sales opportunities, and organizational improvements.
- Maintain visual standards, including merchandise presentation, signage, lighting and general maintenance.
- Develop store’s schedule to ensure proper sales floor coverage during peak selling hours; approve employees time off requests to ensure proper store coverage.
- Educate and coach store employees on product knowledge, shrink protocol, and safety protocol.
- Comply with company cash handling policies and perform daily cash management responsibilities and compliance reporting per company policy.
- Split tips, within company guidelines, amongst team members at the end of the business day.
- Work closely with the Human Resource Department with hiring new employees, training and development new and current employees.

- Partner with cross functional leaders to ensure adequate inventory levels, proper merchandising and other operational aspects to optimize store performance.
- Ensure implementation and adherence to all local and state laws and inspection requirements.

SUPERVISORY RESPONSIBILITIES:

Directly supervises Assistant Store Managers, Shift Leads, Sales Associates and Receptionists.

JOB REQUIREMENTS:

- Bachelor’s degree and 3-5 years retail management experience preferred, or equivalent.
- Comprehensive knowledge of retail operations, merchandising, and sales.
- Proficient in Microsoft Office applications, POS systems; experience with METRC preferred.
- Proven ability to motivate and influence others through personal actions and examples.
- Ability to drive proven improvements across all areas managed
- Proven ability to establish strong credibility and build relationships and operate in an environment of ambiguity.
- Ability to build and lead a best in class retail team.
- Strong results-orientation and commitment to quality, performance and deliverables.
- Effective multi-tasker with demonstrated ability to prioritize.
- Demonstrate strong oral and written communication skills; ability to correspond in a professional, businesslike manner.

PHYSICAL REQUIREMENTS, WORKING CONDITIONS & UNIFORM REQUIREMENTS:

- Employee is occasionally required to sit, climb or balance, stoop, kneel, crouch, or crawl; the employee is frequently required to stand, walk, talk or hear; the employee is regularly required to use hands or fingers to, handle or feel, reach with hands and arms.
- Employee is occasionally required to lift up to 50 pounds; the employee is frequently required to lift up to 25 pounds.
- Specific vision abilities required by this job include close vision and the ability to adjust focus.
- The Employee uniform would consist of either a sponsored High Profile or Cloud Cover Cannabis top. Until the employee receives their High Profile or Cloud Cover Cannabis apparel, the employee can wear all black clothing.

Employee signature below constitutes employee’s understanding of the requirements, essential functions and duties of the position as listed above.

Name: _____

Signature: _____

Date: _____

Standard Operating Procedures Compliance Department		
Date (mm/dd/yyyy)	SOP	
07/01/2022	Energy Efficiency Policy	
Revision Number	Revision Date	Page
001	07/01/2022	1

Massachusetts Citizens for Social Equity LLC (the “**Company**”) has developed its standard operating procedures to ensure compliance with all state and local rules and regulations, as amended from time-to-time (the “**Applicable Laws**”), including the rules set forth by the Massachusetts Cannabis Control Commission (the “**Commission**”).

Overview

The Company will demonstrate consideration of the following factors:

1. Identification of potential energy use reduction opportunities (such as natural lighting and energy efficiency measures), and a plan for implementation of such opportunities;
2. 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;
3. Strategies to reduce electric demand (such as lighting schedules, active load management, and energy storage); and
4. Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants.

To the extent updates are required to the information provided for initial licensure, the Company will submit an updated energy compliance standard operating procedure. The Company will 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.

Identification of potential energy use reduction opportunities (such as natural lighting and energy efficiency measures), and a plan for implementation of such opportunities.

The Company has extensive experience designing and building out licensed cannabis facilities, including both production facilities and retail stores. The Company has an in-house Director of Design, as well as a long-time third-party architectural and engineering team that leads the design of all of its facilities. Our electrical and mechanical engineers have extensive experience evaluating LED lighting options as well as energy-efficient HVAC equipment and controls and will go through that process for this project.

In our design process for the facility, we evaluated a number of different technologies (including for lighting and HVAC) in order to be as energy-efficient as possible within our operational and budgetary parameters. Our electrical and mechanical engineers have extensive experience evaluating LED lighting options as well as energy-efficient HVAC equipment and controls and will go through that process for this project.

Standard Operating Procedures Compliance Department		
Date (mm/dd/yyyy)	SOP	
07/01/2022	Energy Efficiency Policy	
Revision Number	Revision Date	Page
001	07/01/2022	2

In the event of any facility upgrade, renovation or expansion, or in the event of equipment replacement, we will utilize the same team described above and the same process to select a path that is as energy-efficient as possible within the Company’s operational and budgetary parameters. We plan to apply and qualify for an energy efficiency incentive with Eversource.

Consideration of opportunities for renewable energy generation, including, where available, 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.

As part of our electrical engineering design process, we explored renewable energy generation to see if it was feasible for this project.

It was not possible in this case for several reasons:

- We are leasing our unit
- Our budget for an interior retail buildout could not support the extensive capital needed for this equipment
- The small energy usage of our retail store would likely not support a third-party financing of a generator for our unit

In the event of any other facility upgrades, renovations or expansions, or in the event of equipment replacement, we will utilize the same team described above and the same process to select a path that is as energy-efficient as possible within the Company’s operational and budgetary parameters.

Strategies to reduce electric demand (such as lighting schedules, active load management, and energy storage).

The project features new HVAC and lighting equipment and controls and has been designed with energy efficiency in mind. The Company will regularly monitor the energy demand of the facility and make adjustments to operations based on the data it collects.

The facility will have procedures in place to minimize energy usage during off hours including turning off lights, adjustment of temperature setpoints etc. The Manager will be responsible for managing utility costs and pursuing energy saving opportunities.

Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants.

As mentioned above, we plan to apply and qualify for an energy efficiency incentive with Eversource. Now that the construction work is nearing completion we will submit the final paperwork and receive the incentive.

Standard Operating Procedures Compliance Department		
Date (mm/dd/yyyy)	SOP	
07/01/2022	Energy Efficiency Policy	
Revision Number	Revision Date	Page
001	07/01/2022	3

In the event of any other facility upgrades, renovations or expansions, or in the event of equipment replacement, we will again work with Eversource to select a path that is as energy-efficient as possible within the Company’s operational and budgetary parameters and to apply for any available incentives.

Revision History			
Rev.	Revision Date	Modified By	Reason for Modification

Standard Operating Procedures Compliance Department		
Date (mm/dd/yyyy)	SOP	
07/01/2022	Recordkeeping Policy	
Revision Number	Revision Date	Page
001	07/01/2022	1

Massachusetts Citizens for Social Equity LLC (the “**Company**”) has developed its standard operating procedures to ensure compliance with all state and local rules and regulations, as amended from time-to-time (the “**Applicable Laws**”), including the rules set forth by the Massachusetts Cannabis Control Commission (the “**Commission**”).

The Company has established policies regarding recordkeeping and record-retention in order to ensure the maintenance, safe keeping, and accessibility of critical documents. Records will be stored in a locked room designated for record retention. All written records will be available for inspection by the Commission upon request. The Company records are only accessible to the authorized employees as necessary as well as Commission staff.

The Company will ensure it is maintaining all records as noted in this policy, reviewing corporate records, business records, and personnel records to ensure completeness, accuracy, and timeliness of such documents. In addition, the Company’s operating procedures will be updated on an ongoing basis as needed.

Corporate Records

Those records that require, at a minimum, annual reviews, updates, and renewals, including:

- Insurance Policies
- Third-Party Laboratory Contracts
- Commission Requirements:
 - Annual Agent Registration
 - Annual Marijuana Establishment Registration
- Local Compliance:
 - Certificate of Occupancy
 - Special Permits
 - Variances
 - Site Plan Approvals
 - As-Built Drawings
- Corporate Governance:
 - Annual Report
 - Secretary of State Filings
 - Board of Directors Meetings
 - Minutes from Board of Directors Meetings

Business Records

Records that require ongoing maintenance and updates. These records can be electronic or hard copy (preferably electronic) and at minimum include:

- Assets and liabilities;

Standard Operating Procedures Compliance Department		
Date (mm/dd/yyyy)	SOP	
07/01/2022	Recordkeeping Policy	
Revision Number	Revision Date	Page
001	07/01/2022	2

- Monetary transactions;
- Books of accounts, which will include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
- Sales records including the quantity, form, and cost of marijuana products;
- Salary and wages paid to each agent, or stipend, and any executive compensation, bonus, benefit, or item of value paid to any individual having direct or indirect control over the Company;
- List of all executives of the Company, and members, if any, which must be made available upon request by any individual.

Personnel Records

At a minimum will include:

- Job descriptions for each agent and volunteer position, as well as organizational charts consistent with the job descriptions;
- A personnel record for each Company agent. Such records will be maintained for at least 12 months after termination of the agent's affiliation with the Company and will include, at a minimum, the following:
 - All materials submitted to the Commission pursuant to 935 CMR 500.030(2);
 - Documentation of verification of references;
 - The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision;
 - Documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters;
 - Documentation of periodic performance evaluations; and
 - A record of any disciplinary action taken.
 - Notice of completed responsible vendor and eight-hour related duty training.
- A staffing plan that will demonstrate accessible business hours;
- Personnel policies and procedures; and
- All background check reports obtained in accordance with 935 CMR 500.030.

Inventory Records

The record of each inventory will include, at a minimum, the date of the inventory, a summary of the inventory findings, and the names, signatures, and titles of the agents who conducted the inventory. As further detailed in our protocols regarding inventory, audits will be conducted at minimum, monthly with a comprehensive inventory conducted annually.

Seed-to-Sale Tracking Records

Standard Operating Procedures Compliance Department		
Date (mm/dd/yyyy)	SOP	
07/01/2022	Recordkeeping Policy	
Revision Number	Revision Date	Page
001	07/01/2022	3

The Company will use Metrc to maintain real-time inventory. Metrc inventory reporting will meet the requirements specified by the Commission, including, at a minimum, an inventory of marijuana products; and all damaged, defective, expired, or contaminated marijuana and marijuana products awaiting disposal.

The Company's Point of Sale System, Leaf Logix, will integrate with the Metrc system and update records in real-time.

Incident Reporting Records

Within ten (10) calendar days, the Company will provide written notice to the Commission of any incident by submitting an incident report, detailing the incident, the investigation, the findings, resolution (if any), confirmation that the local law enforcement and Commission were notified within twenty-four (24) hours of discovering the breach, and any other relevant information.

Reports and supporting documents, including photos and surveillance video related to a reportable incident, will be maintained by the Company for no less than one year or the duration of an open investigation, whichever is longer, and made available to the Commission and law enforcement authorities upon request.

Visitor Records

A visitor sign-in and sign-out record will be maintained at the security office. The record will include the visitor's name, address, organization or firm, date, time in and out, and the name of the authorized agent who will be escorting the visitor.

Waste Disposal Records

When marijuana or marijuana products are disposed or handled, the Company will create and maintain an electric record of the date, the type and quantity disposed of or handled, the manner of disposal or other handling, the location of disposal or other handling, and the names of the two Company agents present during the disposal or handling, with their signatures. The Company will keep disposal records for at least 3 years. This period will automatically be extended for the duration of any enforcement action and may be extended by an order of the Commission.

Security Records

Twenty-four (24) hour recordings from all video cameras that are available for immediate viewing by the Commission upon request and that are retained for at least ninety (90) calendar days or the duration of a request to preserve the recordings for a specified period of time made by the Commission, whichever is longer. A current list of authorized agents and service personnel that have access to the surveillance room will be available to the Commission upon request.

Transportation Records

Standard Operating Procedures Compliance Department		
Date (mm/dd/yyyy)	SOP	
07/01/2022	Recordkeeping Policy	
Revision Number	Revision Date	Page
001	07/01/2022	4

The Company will retain all shipping manifests for a minimum of one (1) year and make them available to the Commission upon request.

Agent Training Records

Documentation of all required training, including training regarding privacy and confidentiality requirements, Responsible Vendor Training and a signed statement of the individual indicating the date, time, and place he or she received the training, the topics discussed and the name and title of the presenter(s).

Vendor Sample Records

Upon the Company providing vendor samples to our employee's, the Company will record:

- The reduction in quantity of the total weight or item count under the unique alphanumeric identifier associated with the Vendor Sample;
- The date and time the Vendor Sample was provided to the employee;
- The agent registration number of the employee receiving the Vendor Sample; and
- The name of the employee as it appears on their agent registration card.

Closure

In the event the Company closes, all records will be kept for at least 2 years at the Company's expense in a form (electronic, hard copies, etc.) and location acceptable to the Commission. In addition, the Company will communicate with the Commission during the closure process and accommodate any additional requests the Commission or other agencies may have.

Written Operating Policies and Procedures

Policies and Procedures related to the Company's operations will be updated on an ongoing basis as needed and undergo a review by the executive management team on an annual basis. Policies and Procedures will include the following:

- Security measures in compliance with 935 CMR 500.110;
- Employee security policies, including personal safety and crime prevention techniques;
- 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 Authorities on request, and updated pursuant to 935 CMR 500.000;
- Storage and waste disposal of Marijuana in compliance with 935 CMR 500.105(11);
- Description of the various strains of Marijuana to be sold, as applicable, and the form(s) in which Marijuana will be sold;
- Procedures to ensure accurate recordkeeping, including inventory protocols for Transfer and inventory in compliance with 935 CMR 500.105(8) and (9);
- Plans for quality control, including product testing for contaminants in compliance with 935 CMR 500.160;

Standard Operating Procedures Compliance Department		
Date (mm/dd/yyyy)	SOP	
07/01/2022	Recordkeeping Policy	
Revision Number	Revision Date	Page
001	07/01/2022	5

- A staffing plan and staffing records in compliance with 935 CMR 500.105(9)(d);
- Emergency procedures, including a disaster plan with procedures to be followed in case of fire or other emergencies;
- Alcohol, smoke, and drug-free workplace policies;
- A plan describing how Confidential Information and other records required to be maintained confidentially will be maintained;
- A policy for the immediate dismissal of any Marijuana Establishment Agent who has:
 - Diverted Marijuana, which shall be reported to Law Enforcement Authorities and to the Commission;
 - Engaged in unsafe practices with regard to operation of the Marijuana Establishment, which shall be reported to the Commission; or
 - Been convicted or entered a guilty plea, plea 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 any Other Jurisdiction
- A list of all board of directors, members and Executives of a Marijuana Establishment, and Members, if any, of the Licensee must be made available on request by any individual. This requirement may be fulfilled by placing this required information on the Marijuana Establishment's website;
- Policies and procedure for the handling of cash on Marijuana Establishment Premises including, but not limited to, storage, collection frequency, and transport to financial institution(s), to be available on inspection.
- Policies and procedures to prevent the diversion of Marijuana to individuals younger than 21 years old;
- Policies and procedures for energy efficiency and conservation that shall include:
 - Identification of potential energy use reduction opportunities (including, but not limited to, natural lighting, heat recovery ventilation and energy efficiency measures), and a plan for implementation of such opportunities;
 - 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;
 - Strategies to reduce electric demand (such as lighting schedules, active load management and energy storage); and
 - Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants.
- Policies and procedures to promote workplace safety consistent with applicable standards set by the Occupational Safety and Health Administration, including plans to identify and address any biological, chemical or physical hazards. Such policies and procedures shall include, at a minimum, a hazard communication plan, personal protective equipment assessment, a fire protection plan, and an emergency action plan.

Standard Operating Procedures Compliance Department		
Date (mm/dd/yyyy)	SOP	
07/01/2022	Recordkeeping Policy	
Revision Number	Revision Date	Page
001	07/01/2022	6

Record-Retention

The Company will meet Commission recordkeeping requirements and retain a copy of all records for two (2) years, unless otherwise specified in the regulations.

Revision History			
Rev.	Revision Date	Modified By	Reason for Modification

Standard Operating Procedures Compliance Department		
Date (mm/dd/yyyy)	SOP	
07/01/2022	Quality Control, Sanitation & Testing Policy	
Revision Number	Revision Date	Page
001	07/01/2022	1

Massachusetts Citizens for Social Equity LLC (the “**Company**”) has developed its standard operating procedures to ensure compliance with all state and local rules and regulations, as amended from time-to-time (the “**Applicable Laws**”), including the rules set forth by the Massachusetts Cannabis Control Commission (the “**Commission**”).

Quality Control & Sanitation

The Company will comply with the following sanitary requirements:

1. Any Company agent whose job includes contact with marijuana or nonedible marijuana products, including cultivation, production, or packaging, is subject to the requirements for food handlers specified in 105 CMR 300.000, and all edible marijuana products will be prepared, handled, and stored in compliance with the sanitation requirements in 105 CMR 500.000, and with the requirements for food handlers specified in 105 CMR 300.000.
2. Any Company agent working in direct contact with preparation of marijuana or nonedible marijuana products will conform to sanitary practices while on duty, including:
 - a. Maintaining adequate personal cleanliness; and
 - b. Washing hands thoroughly in an adequate hand-washing area before starting work, and at any other time when hands may have become soiled or contaminated.
3. The Company’s hand-washing facilities will be adequate and convenient and will be furnished with running water at a suitable temperature. Hand-washing facilities will be located in Company’s working areas and where good sanitary practices require employees to wash and sanitize their hands, and will provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices;
4. The Company’s facility will have sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations;
5. The Company will ensure that litter and waste is properly removed and disposed of so as to minimize the development of odor and minimize the potential for the waste attracting and harboring pests. The operating systems for waste disposal will be maintained in an adequate manner pursuant to 935 CMR 500.105(12);
6. The Company’s floors, walls, and ceilings will be constructed in such a manner that they may be adequately kept clean and in good repair;
7. The Company’s facility will have adequate safety lighting in all processing and storage areas, as well as areas where equipment or utensils are cleaned;
8. The Company’s buildings, fixtures, and other physical facilities will be maintained in a sanitary condition;
9. The Company will ensure that all contact surfaces, including utensils and equipment, will be maintained in a clean and sanitary condition. Such surfaces 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

Standard Operating Procedures Compliance Department		
Date (mm/dd/yyyy)	SOP	
07/01/2022	Quality Control, Sanitation & Testing Policy	
Revision Number	Revision Date	Page
001	07/01/2022	2

- labeled instructions. Equipment and utensils will be so designed and of such material and workmanship as to be adequately cleanable;
10. All toxic items will be identified, held, and stored in a manner that protects against contamination of marijuana products;
 11. The Company will ensure that its water supply is sufficient for necessary operations, and that such water supply is safe and potable;
 12. The Company's plumbing will be of adequate size and design, and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the marijuana establishment. Plumbing will properly convey sewage and liquid disposable waste from the marijuana establishment. There will be no cross-connections between the potable and waste water lines;
 13. The Company will provide its employees with adequate, readily accessible toilet facilities that are maintained in a sanitary condition and in good repair;
 14. The Company will hold all products that can support the rapid growth of undesirable microorganisms in a manner that prevents the growth of these microorganisms; and
 15. The Company will store and transport finished products under conditions that will protect them against physical, chemical, and microbial contamination, as well as against deterioration of finished products or their containers.

The Company will ensure that the Center is always maintained in a sanitary fashion and will comply with all applicable sanitary requirements.

Any inventory that becomes outdated, spoiled, damaged, deteriorated, mislabeled, or contaminated will be disposed of in accordance with the provisions of 935 CMR 500.105(12), and any such waste will be stored, secured, and managed in accordance with applicable state and local statutes, ordinances, and regulations.

Product Recalls

The Company will follow established policies and procedures for handling voluntary and mandatory recalls of marijuana products. Such procedures are sufficient to deal with recalls due to any action initiated at the request or order of the Commission, and any voluntary action by the Company to remove defective or potentially defective marijuana products from the market, as well as any action undertaken to promote public health and safety.

Upon notification of a received complaint, the Company will begin its investigation process. Initially the Company will gather information about the nature of the product complaint. The Company will determine whether the product in question must be withdrawn or recalled. The Company will comply with any public notices, issued by the Commission, regarding product recalls.

Standard Operating Procedures Compliance Department		
Date (mm/dd/yyyy)	SOP	
07/01/2022	Quality Control, Sanitation & Testing Policy	
Revision Number	Revision Date	Page
001	07/01/2022	3

Upon a determination that a product recall will occur, the facility shall:

1. Gather all information collected in the tracking process;
2. Detain and segregate products to be recalled that are in the facility's control and post a DO NOT DISTRIBUTE sign;
3. Complete the Withdrawal and Recall Log;
4. Send a Notification of Recall or Withdrawal to the affected customers that purchased said product;
5. Ensure the following information is accurately provided:
 - a. Name and Product Code of the recalled product(s);
 - b. Production date(s) of the withdrawn or recalled product(s);
 - c. Reason for the withdrawal or recall;
 - d. Quantity of recalled product(s) distributed;
 - e. Quantity of recalled product(s) in inventory (for internal use only);
 - f. Area(s) of distribution and customers affected (for internal use only); and
6. Coordinate and monitor the recovery of all affected product(s) in the Company's possession.

Testing

1. The Company will not sell or otherwise market marijuana or marijuana products that are not capable of being tested by Independent Testing Laboratories, except as otherwise allowed.
2. Test results for products pending wholesale transfer to the Company's facility will be reviewed by the Retail Manager and compared against the packaging and labeling information prior to accepting the shipment.
3. Marijuana will be tested for the Cannabinoid Profile and for contaminants as specified by the Commission including, but not limited to, mold, mildew, heavy metals, plant growth regulators, and the presence of pesticides.
4. In addition to these contaminant tests, final ready-to-sell Marijuana Vaporizer Products must be screened for heavy metals and Vitamin E Acetate (VEA) in accordance with the relevant provisions of the Protocol for Sampling and Analysis of Finished Marijuana and Marijuana Products for Marijuana Establishments, Medical Marijuana Treatment Centers and Co-located Marijuana Operations.
5. In compliance with the Protocol, testing for all production batches of finished plant material will include pesticides and plant growth regulators and production batches to be dispensed as finished Product will be tested for Metals, Bacteria, fungi, mycotoxins, and Cannabinoid profile.
6. All Products sold as resin or concentrates will be tested for Solvents (if used) and Metals with only production batches to be dispensed as finished product tested for

Standard Operating Procedures Compliance Department		
Date (mm/dd/yyyy)	SOP	
07/01/2022	Quality Control, Sanitation & Testing Policy	
Revision Number	Revision Date	Page
001	07/01/2022	4

bacteria, fungi, mycotoxins and Cannabinoid profile. Edibles, tinctures and topicals will be tested for bacteria, fungi, mycotoxins and Cannabinoid profile.

7. All Products will be tested in accordance with Commission guidance and orders in place at the time of testing.
8. Single-servings of marijuana products tested for potency will be subject to a potency variance of no greater than plus/minus ten percent (+/- 10%).

Revision History			
Rev.	Revision Date	Modified By	Reason for Modification

Qualifications and Training

Marijuana Retailer Application

3995-3997 Washington Street, Boston, MA 02131
Massachusetts Citizens for Social Equity LLC

Introduction

Massachusetts Citizens for Social Equity LLC (the “**Company**”) is seeking to operate a retail Marijuana Establishment (the “**Center**”) at 3995-3997 Washington Street, Boston, MA 02131 (the “**Property**”). The Company is a subsidiary of a large multi-state operator that holds cannabis licenses for cultivation, production and retail facilities in several states, including Massachusetts, Missouri, Oregon and Michigan. The Company has extensive operational experience and policies and procedures in place to provide extensive training and education to all employees.

Training

The Company will originally hire all employees on a probationary basis. During this probationary period, candidates will complete a comprehensive training program and will be evaluated for suitability in a restricted-access environment. Training will be highly customized based on the role of each employee and the employee’s level of experience and training. In accordance with 935 CMR 500.105(2)(a), the Company will ensure that all hired staff will complete training prior to performing job functions.

The Company will fully train staff members of the Center on all aspects of the business before operations are commenced. Training and education will be all-encompassing, covering:

1. General Training;
2. Responsible Vendor Training;
3. Health and Sanitation;
4. Legal Compliance, including privacy and confidentiality;
5. Safety and Security;
6. Inventory Monitoring and Reporting/Recordkeeping;
7. Marijuana Product Education; and
8. Job Specific Roles.

General Training

The Company’s general training will include, but is not limited to the following topics:

1. Recordkeeping – The Company will train its employees on its stringent recordkeeping protocols that ensure data acquired by all logging and tracking systems is responsibly and accurately maintained.
2. Inventory Monitoring and Reporting – The Company will ensure all employees are proficient in the Center’s inventory protocols with respect to tracking, monitoring and reporting all marijuana products sold at the Center.
3. Acceptable Forms of Identification – The Company will ensure all employees are familiar with inspecting identification, including how to spot false identification, policies regarding

confiscation of fraudulent identification and best practices regarding common mistakes made during the identification process.

4. Cash Handling – The Company will ensure all incoming employees are properly trained and informed of their cash handling responsibilities.
 - a. Employees will also be trained to recognize counterfeit currency and will receive general fraud protection training.
5. Center Information – The Company will provide all requisite information to ensure all staff members are fully informed on the important Center specific information, such as understanding what the limited access areas are and the Center’s hours of operations.

For certainty, the Company will ensure its general training seminars in respect of inventory and recordkeeping protocols address all statutory requirements set out in the Applicable Laws, including, but not limited to 935 CMR 500.105(8) and 935 CMR 500.105(9), respectively.

Responsible Vendor Training

The Company will have its Center designated as a “responsible vendor” by ensuring all current owners, manager, and employees attend and successfully complete a responsible vendor program, as required by 935 CMR 500.105(2)(b). Pursuant to 935 CMR 500.105(2)(b)(2), all new employees of the Company will also participate in a responsible vendor training program within their first ninety (90) days of service. Once an agent has completed a responsible vendor training program, they must, in accordance with 935 CMR 105(2)(b)(3), complete the program annually to ensure the Company maintains status as a responsible vendor. Pursuant to 935 CMR 500.105(2)(b)(5), the Company will maintain records of responsible vendor training compliance for at least four (4) years. Administrative employees who do not handle or sell marijuana may take the responsible vendor program voluntarily.

Health and Sanitation Training

The Company will provide thorough training to all employees to mitigate potential sanitation or safety risks. An emphasis will be placed on the regular cleaning and sanitation of all areas where products may be present.

Health and sanitation training will focus primarily on contamination prevention and employees will learn best practices for preventing contamination of marijuana products from biological contaminants (e.g. parasites, mold, bacteria), physical contaminants (e.g. dirt, dust, glass) and chemical contaminants (e.g. cleaning compounds, sanitizing agents, solvents). The Company’s health and sanitation training will primarily focus on the following topics:

1. Inventory inspections – Procedure for inspecting marijuana products for signs of damage (e.g. water damage), pests and expiration dates.
2. Cleaning and sanitizing – Procedures for:
 - a) regular cleaning of equipment, utensils and surfaces to protect against contamination; and
 - b) cleaning and sanitization of display cabinets, countertops and other service areas at the beginning and end of each shift, and throughout the day as needed.
3. Storage of chemicals – Procedures for identifying and storing chemicals, including cleaning compounds, sanitizing agents and solvents.

4. Handling of marijuana products – Protocol for proper sanitation and personal hygiene prior to handling any marijuana product.

Health and sanitation training will also include the protocol for handling, storing and disposing of marijuana waste. The operating systems for waste disposal shall be maintained in an adequate manner pursuant to 935 CMR 500.105(12). These policies and training programs are aimed at ensuring all employees are informed on how to safely handle and dispense marijuana products in a sanitary manner.

Legal Compliance Training

Legal compliance training will educate employees on all Applicable Laws that the Company and the Center may be subject to. The legal compliance training will focus particularly on the Applicable Laws that inform the day-to-day operations of the Center. Legal compliance training will include, but is not limited to, the following topics:

1. Inventory tracking compliance;
2. Required labeling and packaging of marijuana products;
3. Recordkeeping, privacy and confidentiality;
4. Prevention of illegal diversion of marijuana; and
5. Disposal of marijuana waste.

Employees will complete initial legal compliance training at new employee orientation and will receive additional training from time-to-time as necessary to track any relevant changes to any Applicable Laws.

Safety and Security Training

Each successful employee applicant shall undergo safety and security training before beginning their work at the Company. As a part of the employee orientation process, all employees will be provided with a copy of the final security plan of the Center, as well as security and safety training. Security and safety training shall consist of examination and discussion of the security plan, premises orientation, emergency training, and situational training.

Initial employee safety and security training shall include, but is not limited to, the following topics:

1. Building orientation and access authority, which shall include:
 - a) The proper use and display of employee's identification and access badge for entry into the Center and main building entrance;
 - b) The proper use and display of employee's identification and access badge for entry into employee's authorized access areas;
 - c) The Center's standard business hours and protocol for entry and exit outside standard business hours;
 - d) Employee's authorized entry and exit points;
 - e) Employee's locker; and
 - f) Restroom and sink facilities.
2. Measures and controls for the prevention of diversion, theft or loss of marijuana products, which shall include:

- a) Necessity of keeping all limited access areas locked and secure at all times;
 - b) Prohibited activities such as entrance into unauthorized access areas;
 - c) Awareness of video monitoring; and
 - d) Requirement to report any unusual activity, security concern, or loitering.
3. Emergency procedures, including a disaster plan with procedures to be followed in case of fire or other emergencies, including, but not limited to:
- a) Accident prevention training;
 - b) How to respond to an emergency;
 - c) Emergency service provider location;
 - d) Emergency service contact information;
 - e) Emergency first aid kit locations; and
 - f) Emergency exits and panic button locations.

Recordkeeping & Inventory Management Training

The Company's inventory and recordkeeping training will also ensure employees are proficient in the operation and data entry procedures to utilize the point-of-sale system used at the Center and the statewide seed-to-sale tracking system.

The Company's recordkeeping training will notify employees of each type of records that must be well documented and maintained, including:

- (i) Inventory records required by 935 CMR 500.105(8);
- (ii) Seed-to-sale tracking records for all marijuana products, as required by 935 CMR 500.105(8)(e);
- (iii) All written operating policies and procedures implemented by the Company, as required by 935 CMR 500.105(1);
- (iv) All personnel records listed in 935 CMR 500.105(9)(d);
- (v) The staffing plan implemented by the Company;
- (vi) All personnel policies and procedures applicable to the Company;
- (vii) All background check reports obtained in accordance with Applicable Laws;
- (viii) All business records listed in 935 CMR 500.105(9)(e); and
- (ix) All waste disposal records, if applicable, as required under 935 CMR 500.105(12).

The Company's training program and standard operating procedures will guide its employees to ensure all appropriate steps are taken to properly document the above noted records.

The Company will ensure its inventory is maintained in said seed-to-sale tracking system in real-time by implementing proper inventory controls and procedures, as well comprehensive inventory review protocols. The Company will utilize best practices and standard operating procedures it has already successfully implemented within its existing retail dispensaries.

Marijuana Product Education Training

The Company will provide comprehensive training of employees regarding various aspects the marijuana products to be sold at the Center. Such training will aim to provide all employees with a thorough understanding of the following topics:

1. The various marijuana strains, and the benefits and drawbacks of each;
2. The various marijuana products and consumption methods, and the benefits and drawbacks of each;
3. The various cannabinoids (including THC and CBD) found in marijuana products and the benefits and drawbacks of each;
4. Dosage information, cannabinoid content and serving size for different marijuana products; and
5. Warnings of the potential differing effects of various strains of marijuana products.

Marijuana product education training sessions will be held periodically to keep employees informed on new marijuana products and information on marijuana strains that will be acquired and sold by the Company at the Center.

Annual Training

Pursuant to 935 CMR 500.105(2)(a), the Company will ensure all of its employees receive at least eight (8) hours of on-going training annually. This training could cover a variety of topics ranging from updated laws and regulations to cannabis education. The Store Manager is ultimately responsible for the topics covered in annual on-going training. The Company will utilize both internal and external experts and professionals in fostering on-going training. On-going training will be recorded and stored with the individual's personnel records in accordance with 935 CMR 500.105(9)(d).

High Profile × *BUDEGA*

Cannabis Shop

Massachusetts Citizens for Social Equity LLC Employee Handbook

**Massachusetts Citizens for Social Equity LLC
Last Updated on July 1, 2022**

Table of Contents

Table of Contents	2
Welcome	5
Introduction	6
General Employment Policies and Practices	7
Equal Employment Opportunity	7
Commitment to Diversity	7
Employment at Will	7
Recruitment and Hiring	7
Employee Referral Program	8
Employment of Relatives and Romantic Relationships	8
Employment Classifications	9
Exempt Employees	9
Non-Exempt Employees	9
Full-Time Employees	9
Part-Time Employees	10
Temporary Employees	10
Seasonal Employees	10
Conflicts of Interest	10
Standards of Conduct	11
Outside Employment	11
Confidential Information	11
Diversion	12
Black Market	12
Pending Charges or Convictions	12
Agent Registration	12
Orientation and Training	12
Immigration Law Applicable to All Employees	13
Work Week and Hours of Work	13
Meal and Rest Breaks	13
Time Records	13
Overtime Hours	14
Attendance and Punctuality	14
Absence	14
Tardiness and Early Departures	15
Communication	15
Job Abandonment	15
Disciplinary Action	15
Emergency Closings	15
Dress and Grooming	15
Workspace	16
Personnel Records	16

Access to Personnel Records.....	16
Performance Management and Salary Reviews.....	17
90 Day Review	17
Ongoing Performance Reviews	17
Separation from Employment	17
Bulletin Boards	17
Solicitation.....	18
Computers, Internet, Email and Other Resources.....	18
Social Media Acceptable Use	19
Employee Privacy	21
Company Communication Platforms and Personal Phone Usage.....	22
Smoke-Free Workplace	22
Drug-Free Workplace	23
Safety and Accident Rules	23
Security.....	23
Workplace Violence Prevention	23
Anti-Discrimination & Harassment.....	25
Discrimination is Prohibited	25
Americans with Disabilities Act	25
Disabled Defined	25
Reasonable Accommodation.....	26
Lactation Accommodation	26
Workplace Harassment	26
Sexual Harassment	27
Supervisors' Responsibilities	28
Procedures for Reporting and Investigating Harassment.....	28
Penalties for Violation of Anti-Harassment Policy.....	29
Compensation	30
Payroll Practices	30
Deductions from Pay/Safe Harbor.....	30
Direct Deposit.....	30
Benefits	31
General.....	31
Medical Insurance	31
Dental Insurance	31
Vision Insurance	31
Short Term and Long Term Disability	31
Life Insurance	31
Employee Contributions.....	31
Continuation of Health Coverage	32
401(k)	32
Eligibility	32
Contributions.....	32
Plan Termination	32

Workers' Compensation Insurance	32
Employee Discounts, Purchases, and Returns.....	33
Discount Eligibility	33
Discount by Merchandise & Employee Classification.....	33
Discount Transaction Policies and Procedures.....	33
Employee Returns	33
Purchase Tracking Policies and Procedures	34
Violations.....	34
Holidays, Vacation and Other Leave.....	35
Holidays	35
Paid Time Off (PTO)	36
Requesting Time Off	36
Bereavement Leave.....	36
Military Service Leave.....	37
Personal Leave of Absence.....	37
Procedures	37
Massachusetts Paid Family Leave Act	38
Time Off for Voting.....	41
Jury Duty/Court Appearances	41

Welcome

Massachusetts Citizens for Social Equity LLC (“MCSE” or the “Company”)! We are delighted that you have chosen to join our organization and hope that you will enjoy a long and successful career with us. As you become familiar with our culture and mission, we hope you will take advantage of opportunities to enhance your career and further the Company’s goals.

Massachusetts Citizens for Social Equity LLC was founded in 2019 with goal of becoming a leading cannabis retailer, with a focus on superior quality for the discerning cannabis consumer. Together, our leadership has over 5 decades of experience in various disciplines. Our team and talent are our biggest asset, and we look to continuously improve our capabilities and bring in new people when and where appropriate. Our employees use their creativity and skills to create the highest quality cannabis products. With your hard work, creativity, and talent, MCSE will continue to achieve its goals. We sincerely hope you will take pride in being an important part of the Company's success.

Please take time to review the policies contained in this handbook. If you have questions, feel free to ask your supervisor or to contact the Human Resources Department.

Introduction

This Employee Handbook (“Handbook”) is a compilation of personnel policies, practices and procedures currently in effect at Massachusetts Citizens for Social Equity LLC (“MCSE” or the “Company”).

The Handbook is designed to introduce you to our Company, familiarize you with Company policies, provide general guidelines on work rules, benefits and other issues related to your employment, and help answer many of the questions that may arise in connection with your employment.

This Employee Handbook is not a contract of employment and does not create a contract of employment. Like most US companies, Massachusetts Citizens for Social Equity LLC generally does not offer individual employees formal employment contracts with the Company. This Handbook does not create a contract, express or implied, guaranteeing you any specific term of employment, nor does it obligate you to continue your employment for a specific period of time. The purpose of the Handbook is simply to provide you with a convenient explanation of present policies and practices at the Company. This Handbook is an overview or a guideline. It cannot cover every matter that might arise in the workplace. For this reason, specific questions regarding the applicability of a particular policy or practice should be addressed to the Human Resources Department.

The Company reserves the right to modify any of our policies and procedures, including those covered in this Handbook, at any time. We will seek to notify you of such changes by email and other appropriate means. However, such a notice is not required for changes to be effective.

General Employment Policies and Practices

Equal Employment Opportunity

The Company provides equal employment opportunities to all employees and applicants for employment without regard to race, color, ancestry, national origin, gender, sexual orientation, marital status, religion, age, disability, gender identity, results of genetic testing, or service in the military. Equal employment opportunity applies to all terms and conditions of employment, including hiring, placement, promotion, termination, layoff, recall, transfer, leave of absence, compensation, and training.

MCSE expressly prohibits any form of unlawful employee harassment or discrimination based on any of the characteristics mentioned above. Improper interference with the ability of other employees to perform their expected job duties is absolutely not tolerated.

Commitment to Diversity

The Company is committed to creating and maintaining a workplace in which all employees have an opportunity to participate and contribute to the success of the business and are valued for their skills, experience, and unique perspectives. This commitment is embodied in company policy and the way we do business at MCSE and is an important principle of sound business management.

Employment at Will

Employment at MCSE is on an at-will basis unless otherwise stated in a written individual employment agreement signed by an executive of the Company.

This means that either the employee or the Company may terminate the employment relationship at any time, for any reason, with or without notice.

Nothing in this employee handbook is intended to or creates an employment agreement, express or implied. Nothing contained in this or any other document provided to the employee is intended to be, nor should it be, construed as a contract that employment or any benefit will be continued for any period of time.

Any salary figures provided to an employee in annual or monthly terms are stated for the sake of convenience or to facilitate comparisons and are not intended and do not create an employment contract for any specific period of time.

Nothing in this statement is intended to interfere with, restrain, or prevent concerted activity as protected by the National Labor Relations Act. Such activity includes employee communications regarding wages, hours, or other terms or conditions of employment. Company employees have the right to engage in or refrain from such activities.

Recruitment and Hiring

The Company's primary goal when recruiting new employees is to fill vacancies with persons who have the best available skills, abilities, or experience needed to perform the work. Decisions regarding the recruitment, selection, and placement of employees are made on the basis of job-related criteria.

When positions become available, qualified current employees are encouraged and are welcome to apply for the position. As openings occur, notices relating general information about the position are posted. For information on how to apply, please reach out to Human Resources.

We encourage current employees to recruit new talent for our Company.

Employee Referral Program

Recommending a Potential Employee. MCSE employees may refer potential candidates by emailing Talent Acquisition the following information:

- Candidate name
- Phone Number
- Email Address
- Current Resume

Employees may still refer potential candidates regardless of whether an opening exists. The candidate's information will be added to our Applicant Tracking System and their account will be flagged for future opportunities.

The Hiring Process. All candidates, referred or not, will go through the same hiring process established by Talent Acquisition.

The Referral Rebate. If a referred candidate is hired, a referral bonus, less applicable payroll taxes, will be paid to the employee following a 90-day waiting period. The Talent Acquisition Team will be responsible for tracking this time frame and the referral bonus will be paid during the first payroll following the referred employee's 90th day.

The standard Referral Rebates that are listed below will be distributed unless otherwise noted. Rebate amounts are subject to change at any time.

- Hourly/Entry Level: \$100
- Salaried/Professional/Supervisor: \$250
- Manager Level: \$500
- Executive & Director Level: \$750

The Talent Acquisition Team may increase the referral bonus for a specific requisition based on factors such as the current job market, the position, the location, time of year and various other factors. Those values will be announced once a specific requisition is opened.

Exclusions. Directors and Managers are not eligible for referral rebates in situations where the new hire is a member of their own team.

Employment of Relatives and Romantic Relationships

Relatives and employees engaged in any kind of romantic relationship may be hired by the company if approved by a Company executive. For the purposes of this policy, "relatives" are defined as spouses, children, siblings, parents, or grandparents. A "romantic relationship" is generally defined as a committed relationship between two individuals this can include, but is not limited to dating, a confirmed relationship status, or a domestic partnership.

Current employees that are relatives or those who marry each other or become involved in a romantic relationship will be permitted to continue employment with the company provided they don't work in a direct supervisory relationship with each other or otherwise pose difficulties as mentioned above. If relatives or employees who are engaged in a romantic relationship do work in a direct supervisory relationship with each other, the company will attempt to reassign one of the employees to another position for which he or she is qualified if such a position is available. If no such position is available, one of the employees may be required to leave the company.

Individuals in supervisory or managerial roles and those with authority over others' terms and conditions of employment are subject to more stringent requirements under this policy due to their status as role models, their access to sensitive information, and their ability to affect the employment of individuals in subordinate positions. In the event a manager, supervisor, or any other company official enters any type of romantic relationship with another employee, that must be disclosed immediately to a member in HR. In the event the relationship constitutes a conflict of interest or there is potential risk identified, the Company will work to resolve the conflict of interest. Resolving the conflict can range from job reassignment to requiring an individual to leave the company dependent on the nature of the relationship.

This policy does not preclude or interfere with the rights of employees protected under the National Labor Relations Act or any other applicable statute concerning the employment relationship.

Employment Classifications

In order to determine eligibility for benefits and overtime status and to ensure compliance with federal and state laws and regulations, MCSE classifies its employees as shown below. The Company may review or change employee classifications at any time.

Exempt Employees

Exempt employees are not subject to the overtime pay provisions of the federal Fair Labor Standards Act (FLSA). An exempt employee is one whose specific job duties and salary meet all of the requirements of the U.S. Department of Labor's regulations.

Non-Exempt Employees

Nonexempt employees are eligible to receive overtime pay for overtime hours worked per the guidelines outlined in the federal Fair Labor Standards Act (FLSA). Nonexempt employees are generally paid on an hourly basis.

Full-Time Employees

Full-time employees are those who are regularly scheduled to work at least 40 hours per week that are not hired on a temporary basis.

Part-Time Employees

Part-time employees are those who are regularly scheduled to work fewer than 40 hours per week that are not hired on a temporary basis. Part-time employees are not eligible for Company-paid benefits, except as required by law.

Temporary Employees

Temporary employees are hired for an interim period of time, usually to fill in for vacations, leaves of absence, or projects of a limited duration. Temporary employees are not eligible for Company-paid benefits, except as required by law.

Seasonal Employees

Seasonal employees are those hired into a position for which the customary annual employment is 6 months or less. Seasonal employees are generally not eligible for benefits.

If your status changes from temporary or seasonal to part-time or full-time, you are considered hired on the date you become a full-time or part-time employee for purposes of calculating eligibility for benefits that require a minimum term of employment.

Conflicts of Interest

MCSE expects all employees to conduct themselves and company business in a manner that reflects the highest standards of ethical conduct, and in accordance with all federal, state, and local laws and regulations. This includes avoiding real and potential conflicts of interests.

Exactly what constitutes a conflict of interest or an unethical business practice is both a moral and a legal question. MCSE recognizes and respects the individual employee's right to engage in activities outside of employment which are private in nature and do not in any way conflict with or reflect poorly on the company.

It is not possible to define all the circumstances and relationships that might create a conflict of interest. If a situation arises where there is a potential conflict of interest, the employee should discuss this with a manager for advice and guidance on how to proceed. The list below suggests some of the types of activity that indicate improper behavior, unacceptable personal integrity, or unacceptable ethics:

1. Simultaneous employment by another firm that is a competitor of or supplier to MCSE.
2. Carrying on company business with a firm in which the employee, or a close relative of the employee, has a substantial ownership or interest.
3. Holding a substantial interest in, or participating in the management of, a firm to which the company makes sales or from which it makes purchases.
4. Borrowing money from customers or firms, other than recognized loan institutions, from which our company buys services, materials, equipment, or supplies.
5. Accepting substantial gifts or excessive entertainment from an outside organization or agency.
6. Speculating or dealing in materials, equipment, supplies, services, or property purchased by the company.

7. Participating in civic or professional organization activities in a manner that divulges confidential company information.
8. Misusing privileged information or revealing confidential data to outsiders.
9. Using one's position in the company or knowledge of its affairs for personal gains.
10. Engaging in practices or procedures that violate antitrust laws, commercial bribery laws, copyright laws, discrimination laws, campaign contribution laws, or other laws regulating the conduct of company business.

Standards of Conduct

MCSE expects its employees to conduct themselves in a professional and polite manner and to comply with all company policies and procedures. Conduct that interferes with the orderly and efficient business operation is unacceptable. Examples of unacceptable behavior include but is not restricted to violation of the company's policies and safety rules; insubordination; unauthorized or illegal possession, use or sale of alcohol and/or controlled substances on work premises or during working hours while engaged in company activities; use or sale of weapons, firearms or explosives on work premises; theft or dishonesty; physical or sexual harassment; disrespect toward fellow employees, visitors or other members of the public; performance of outside work while on company time; unauthorized use of company property, equipment or facilities; poor attendance or poor performance.

Any individual displaying unacceptable behavior will be subject to disciplinary action which may include a verbal warning, written warning, suspension, or termination of employment. The company does not guarantee that one form of action will necessarily precede another. Nothing in this policy is designed to modify our employment-at-will policy.

Outside Employment

Employees are permitted to work a second job as long as it does not interfere with their job performance with MCSE. Employees with a second job are expected to work their assigned schedules. A second job will not be considered an excuse for poor job performance, absenteeism, tardiness, leaving early, refusal to travel, or refusal to work overtime or different hours.

If outside work activity causes or contributes to job-related problems, it must be discontinued, or the employee may be subject to disciplinary action, up to and including termination.

Confidential Information

The protection of confidential business information and trade secrets is vital to the interests and success of MCSE. Confidential information is any and all information disclosed to or known by you because of employment with the company that is not generally known to people outside the company about its business. Company techniques, processes, floorplans, equipment and general design are considered confidential; therefore, photos and recordings of facility interiors are prohibited.

An employee who improperly uses or discloses trade secrets or confidential business information will be subject to disciplinary action up to and including termination of employment and legal action, even if he or she does not actually benefit from the disclosed information.

All inquiries from the media must be referred to a Company executive.

This provision is not intended to, and should not be interpreted to, prohibit employees from discussing wages and other terms and conditions of employment if they so choose.

Diversions

Diversions is the unwanted movement and sale of legal marijuana into an illegal market, locally or over Massachusetts state lines. MCSE prohibits employees from participation in diversions and will make all efforts to eliminate diversions from the Company's business. MCSE has a zero-tolerance policy regarding diversions and, as such, any employee found to engage in diversions will be dismissed immediately. For questions about diversions, please ask your manager or HR representative.

Black Market

Like diversions, the Company views participation in the black market as any illegally produced marijuana or marijuana product sold into an illegal market, locally or over Massachusetts state lines. MCSE prohibits employees from participation in the black market. Any employee found to engage in black market activities will be dismissed immediately. For questions about black market activity, please ask your manager or HR representative.

Pending Charges or Convictions

Employees are required to report any new or pending charges or convictions to the MCSE Human Resources Department immediately. This Cannabis Control Commission must be notified in writing within 10 days of an arrest, summons and/or disposition on the merits of the underlying charge.

Failure to report pending charges or convictions in a timely manner will result in disciplinary action, up to and including termination.

Agent Registration

All employees are required to obtain and retain a valid Agent Registration from the Massachusetts Cannabis Control Commission (MCCC). Once an offer of employment has been accepted; the process for the Agent Registration will begin.

Agent Registrations are valid for one year for the first year and then 3 years afterwards. Agent Registrations must be renewed for continued employment. Employees must pass background check and Criminal Offender Record Information (CORI) report in order to obtain a valid Agent Registration. The cardholder must have their Agent Registration Card accessible to them at all times while performing work.

Orientation and Training

To help you become familiar with the Company and our way of doing things, the Company will provide an orientation and onboarding support. Some of the content of the session will depend in large part on the nature of your responsibilities, while other parts will be applicable to all employees.

The Company may periodically offer additional training or educational programs. Some programs may be voluntary, while others will be required.

At a minimum, all employees are required to participate in a total of eight hours of training annually. Of those eight hours, a minimum of four hours of training shall be from Responsible Vendor Training Program courses.

Immigration Law Applicable to All Employees

The Company complies with the Immigration Reform and Control Act of 1986 by employing only U.S. citizens and non-citizens who are authorized to work in the United States. All employees are asked on their first day of work to provide original documents verifying the right to work in the United States and to sign a verification form required by federal law (Form I-9). If you cannot verify your right to work in the United States within three (3) days of hire, the Company is required by law to terminate your employment.

Work Week and Hours of Work

The standard workweek is from Sunday 12:00 a.m. until Saturday 11:59 p.m. Work hours will be determined by the appropriate supervisor and will vary based on department and location. Individual work schedules vary depending on the needs of each department.

Meal and Rest Breaks

Massachusetts Facility

Facility employees are required to take a 30-minute unpaid meal break each day. If a nonexempt employee is required to work through a meal break, they will be paid for the 30-minute period. Employees are also entitled to two 10-minute paid rest periods or one 20-minute paid rest period each day. Meal and rest breaks will be scheduled by the department supervisor or manager. Employees who fail to return on time from rest or meal breaks will be subject to disciplinary action.

Massachusetts Retail

Retail employees working a shift of more than three hours, but less than six hours are entitled to one 10-minute paid rest period. Employees working a shift of six or seven hours are entitled to one 30-minute unpaid meal break and one 10-minute paid rest period. Employees working a shift of eight hours or more are entitled to one 30-minute unpaid meal break and two 10-minute paid rest periods. If a nonexempt employee is required to work through a meal break, they will be paid for the time worked during that 30-minute period. Meal and rest breaks will be scheduled by the department supervisor or manager. Employees who fail to return on time from rest or meal breaks will be subject to disciplinary action.

Time Records

All asset level and/or non-exempt employees are required to complete accurate weekly time reports within Zenefits that show all time actually worked. These records are required by governmental regulations and are used to calculate regular and overtime pay. The Company will provide a platform for recording hours to each employee. Hours worked must be approved by a

supervisor each week. Employees are responsible for ensuring time reports are accurate. Discrepancies should be addressed with a supervisor as soon as possible.

Overtime Hours

When required due to the needs of the business, you may be asked to work overtime. Overtime is actual hours worked in excess of 40 in a workweek. Non-exempt employees will be paid time and one half their regular rate of pay for all hours actually worked in a workweek. Paid leave, such as holiday, PTO, bereavement time, and jury duty does not apply toward work time. All overtime work must be approved in advance by a supervisor or manager.

Attendance and Punctuality

Punctual and regular attendance is an essential responsibility of each employee at MCSE. Employees are expected to report to work as scheduled, on time and prepared to start working. Employees also are expected to remain at work for their entire work schedule. Late arrival, early departure or other absences from scheduled hours are disruptive and must be avoided.

This policy does not apply to absences covered by the Family and Medical Leave Act (FMLA), leave provided as a reasonable accommodation under the Americans with Disabilities Act (ADA) or time off that is protected under any other state or federal laws. These exceptions are described in separate policies.

Absence

“Absence” is defined as the failure of an employee to report for work when he or she is scheduled to work. The two types of absences are defined below:

- *Excused absence* occurs when the following conditions are met:
 - The employee provides to his or her supervisor sufficient notice and the absence request is approved in advance by the employee’s supervisor.
OR
 - The employee calls out due to covered sickness/illness as defined by state law or the employee calls out due to an unforeseen personal emergency.
AND
 - The employee has been with the company for at least 90 days and has accrued enough paid time off (PTO) to cover the absence.

- *Unexcused absence* occurs when the above conditions are not met.
 - Any absence that is deemed unexcused is unpaid, even if the employee has paid time off available.

An unexcused absence counts as one occurrence for the purposes of discipline under this policy.

Employees with three or more consecutive days of excused absences because of illness or injury must give MCSE proof of physician’s care and a fitness for duty release prior to returning to work.

Employees must take earned PTO for every absence unless otherwise allowed by company policy (e.g., leave of absence, bereavement, jury duty).

Tardiness and Early Departures

Employees are expected to report to work and return from scheduled breaks on time. If employees cannot report to work as scheduled, they must notify their supervisor no later than their regular starting time. This notification does not excuse the tardiness but simply notifies the supervisor that a schedule change may be necessary.

Employees who must leave work before the end of their scheduled shift must notify a supervisor immediately.

Tardiness and early departures are each one-half an occurrence for the purpose of discipline under this policy.

Communication

If unable to arrive at work on time, or if an employee will be absent for an entire day, the employee must contact the supervisor via phone call or text message as soon as possible and at least one hour before the start of their shift. E-mail messages are not acceptable except in certain emergency circumstances.

Job Abandonment

Failure to show up or call in for a scheduled shift without prior approval may result in termination. If an employee fails to report to work or call in to inform the supervisor of the absence for two (2) consecutive days or more, the employee will be considered to have voluntarily resigned employment.

Disciplinary Action

Excessive absenteeism is defined as one (1) or more occurrence(s) of unexcused absence in a 30-day period and may result in disciplinary action. Multiple occurrences of unexcused absence in a 12-month period are considered grounds for termination.

Emergency Closings

MCSE will always make every attempt to be open for business. In situations in which some employees are concerned about their safety, management may advise supervisors to notify their departments that the office is not officially closed, but anyone may choose to leave the office if he or she feels uncomfortable.

If the office is officially closed during the course of the day to permit employees to leave early, nonexempt employees who are working on-site as of the time of the closing will be paid for a full day. If you leave earlier than the official closing time, you will be paid only for actual hours worked, or you can take PTO time. Exempt employees will be paid for a normal full day but are expected to complete their work at another time.

Dress and Grooming

The Company provides a casual yet professional work environment for its employees. Specific dress code for each employee will be based on their department and function and will be set by their supervisor. The Company believes that it is important to always project a professional image

to our customers, visitors, and coworkers. All employees are expected to dress in a manner consistent with good hygiene, safety, and good taste. Please use common sense.

Retail employees must appear casual, yet polished and wear clothing that reflects the professional image of The Company. Clothing worn in a retail environment must be Company branded with the most current branding and the outer most layer being Company Branded. No other company logo's should be visible. Employee's working in retail must wear dark bottoms such as jeans, or blue or black pants. Skirts worn in the retail space must be below the knee or floor length. Shoes must be closed toed, have limited wear, and allow for easy movement for job requirements. Hats and beanies with Company Branding are encouraged to be worn.

Retail employees should be fragrant free. Perfume, cologne, body spray, and other strong fragrances deter from the customer experience.

Managers and/or supervisors are expected to inform employees when they are violating the dress and grooming policy. Retail Employees that arrive to work wearing apparel that is not reflective of the Company brand will be found in violation of this policy. Employees in violation are expected to immediately correct the issue. This may include having to leave work to change clothes.

Any questions or complaints regarding the appropriateness of attire should be directed to the Human Resources department.

Workspace

Employees are responsible for maintaining the workspace assigned to them. A clean, orderly workspace provides an environment conducive to working efficiently. Employees should keep in mind that their workspace is part of a professional environment that portrays the Company's overall dedication to providing quality service to its clients. Therefore, your workspace should be clean, organized and free of items that are not required to perform your job.

Personnel Records

It is important that the Company maintain accurate personnel records at all times. You are responsible for updating any change in name, home address, telephone number, immigration status, or any other pertinent information inside of the Human Resource Information System. By promptly updating the system with such changes, you will avoid compromise of your benefit eligibility, the return of W-2 forms, or similar inconvenience.

Access to Personnel Records

Employee files are maintained by the Human Resources department and are considered confidential. Managers and supervisors may only have access to personnel file information on a need-to-know basis. Personnel file access by current employees and former employees upon request will generally be permitted within 10 days of the request unless otherwise required under state law. Personnel files are to be reviewed in the Human Resources department. Employee files may not be taken outside the department. Representatives of government or law enforcement agencies, in the course of their duties, may be allowed access to file information. The Company will furnish copies of personnel files upon request.

Performance Management and Salary Reviews

90 Day Review

M C S E utilizes a 90-day review process to ensure that new employees or employees that are new to a role are given formal feedback on how they are settling in. This is an opportunity for both the employee as well as the manager to provide each other candid feedback.

HR will engage with and coordinate this process with the applicable manager.

Ongoing Performance Reviews

The performance appraisal process provides a means for discussing, planning and reviewing the performance of each employee.

Performance appraisals influence salaries, promotions and transfers, and it is critical that managers are objective in conducting performance reviews and in assigning overall performance ratings.

All full-time and part-time employees are provided performance review(s) and are considered for merit pay increases at the end of each calendar year or as warranted. Employees must have completed all required training to be eligible for merit increases.

HR will establish the format and timing of all review processes. The completed evaluations will be retained in the employee's personnel file.

Separation from Employment

In all cases of voluntary resignation (one initiated by the employee), employees are asked to provide a written notice to their supervisors at least 10 working days in advance of the last day of work. The 10 days must be actual working days. Holidays and paid time off (PTO) will not be counted toward the 10-day notice. Employees who provide the requested amount of notice will be considered to have resigned in good standing and generally will be eligible for rehire.

In most cases, Human Resources will conduct an exit meeting on or before the last day of employment to collect all company property, and to discuss final pay. If applicable, information regarding benefits continuation through the Consolidated Omnibus Budget Reconciliation Act (COBRA) will be sent to the employee's home address.

Should it become necessary because of business conditions to reduce the number of employees or work hours, this will be done at the discretion of the company.

Bulletin Boards

All required governmental postings are posted on the boards located in the break room. These boards may also contain general announcements.

Employees are able to submit notices of general interest, such as for-sale notices; recreational-type announcements and/or club functions (e-mail should not be used for the aforementioned); postcards; expressions of gratitude or sympathy; and notices looking for/offering carpools, tickets, roommates, or pets.

The company reserves the absolute right to refuse permission to post or to take down any announcement. Items deemed inappropriate will be removed. All notices posted by employees will be removed after 2 weeks unless otherwise stipulated.

Solicitation

Employees should be able to work in an environment that is free from unnecessary annoyances and interference with their work. In order to protect our employees and visitors, solicitation by employees is strictly prohibited while either the employee being solicited or the employee doing the soliciting is on “working time.” “Working time” is defined as time during which an employee is not at a meal, on break, or on the premises immediately before or after his or her shift.

Employees are also prohibited from distributing written materials, handbills, or any other type of literature on working time and, at all times, in “working areas,” which includes all office areas. “Working areas” do not include break rooms, parking lots, or common areas shared by employees during nonworking time.

Nonemployees may not trespass or solicit or distribute materials anywhere on company property at any time.

Computers, Internet, Email and Other Resources

The company provides a wide variety of communication tools and resources to employees for use in running day-to-day business activities. Whether it is the telephone, voice mail, scanner, Internet, intranet, e-mail, text messaging, or any other company-provided technology, use should be reserved for business-related matters during working hours. All communication using these tools should be handled in a professional and respectful manner.

Employees should not have any expectation of privacy in their use of company computer, phone, or other communication tools. All communications made using company-provided equipment or services including email and internet activity, are subject to inspection by the company. Employees should keep in mind that even if they delete an email, voicemail or other communication, a copy may be archived on the company’s systems.

E-mails that are not job-related have the potential to drain, rather than enhance, productivity and system performance. You should also be aware that information transmitted through e-email is not completely secure, and information you transmit and receive could damage the reputation and/or competitiveness of the company.

The company encourages employees to use this tool only to communicate with fellow employees, suppliers, customers, or potential customers regarding company business. Internal and external e-mails are considered business records and may be subject to discovery in the event of litigation. Be aware of this possibility when sending e-mails within and outside the company.

Refrain from using e-mail in a manner that violates any of our company guidelines/policies, including but not limited to the Equal Opportunity and Harassment policies, the Conflict of Interest Policy, etc. Delete any e-mail messages prior to opening that are received from unknown senders and advertisers.

It is the company's goal to respect the dignity of employees at all times. Because e-mail, telephone and voice mail, and internet communication equipment are provided for company business purposes and are critical to the company's success, your communications may be accessed without further notice by Information Technology department administrators and company management to ensure compliance with this guideline.

The electronic communication systems are not secure and may allow inadvertent disclosure, accidental transmission to third parties, etc. Sensitive information should not be sent via unsecured electronic means.

Office telephones are for business purposes. While the company recognizes that some personal calls are necessary, these should be kept as brief as possible and to a minimum. Personal use of the company's cell phones, long-distance account, or toll-free numbers is strictly prohibited. Abuse of these privileges is subject to corrective action up to and including termination.

The company reserves the right to monitor customer calls to ensure employees abide by company quality guidelines and provide appropriate levels of customer service. Employees working in sales and customer service will be subject to telephone monitoring. Should an employee need to make or receive a personal call during work hours, a telephone designated for that purpose should be used. Should the subject matter of the conversation become personal while monitoring is taking place, monitoring of the call will immediately be discontinued.

It is also against company policy to turn off antivirus protection software or make unauthorized changes to system configurations installed on company computers. Violations of this policy may result in disciplinary action up to and including termination.

Social Media Acceptable Use

The company encourages employees to share information with co-workers and with those outside the company for the purposes of gathering information, generating new ideas, and learning from the work of others. Social media provide inexpensive, informal, and timely ways to participate in an exchange of ideas and information. However, information posted on a website is available to the public and, therefore, the company has established the following guidelines for employee participation in social media.

Note: As used in this policy, "social media" refers to blogs, forums, and social networking sites, such as Twitter, Facebook, LinkedIn, YouTube, Instagram, and Snapchat, among others.

Off-duty use of social media. Employees may maintain personal websites or web logs on their own time using their own facilities. Employees must ensure that social media activity does not interfere with their work. In general, the company considers social media activities to be personal endeavors, and employees may use them to express their thoughts or promote their ideas.

On-duty use of social media. Employees may only engage in social media activity during work time provided it is directly related to their work, approved by their manager, and does not identify or reference company clients, customers, or vendors without express permission. The company monitors employee use of company computers and the Internet, including employee blogging and social networking activity. Personal smart phones, tablets and computers will not be used to update Company social media accounts or used to post about the company, directly or indirectly.

Respect. Demonstrate respect for the dignity of the company, its owners, its customers, its vendors, and its employees. A social media site is a public place, and employees should avoid inappropriate comments. For example, do not use ethnic slurs, personal insults, or obscenity, or use language that may be considered inflammatory. Even if a message is posted anonymously, it may be possible to trace it back to the sender.

Post disclaimers. If an employee identifies himself or herself as a company employee or discusses matters related to the company on a social media site, the site must include a disclaimer on the front page stating that it does not express the views of the company and that the employee is expressing only his or her personal views. For example: “The views expressed on this website/Web log are mine alone and do not necessarily reflect the views of my employer.” Place the disclaimer in a prominent position and repeat it for each posting expressing an opinion related to the company or the company’s business. Employees must keep in mind that if they post information on a social media site that is in violation of company policy and/or federal, state, or local law, the disclaimer will not shield them from disciplinary action.

Competition. Employees should not use a social media to criticize the company’s competition and should not use it to compete with the company.

Confidentiality. Do not identify or reference company clients, customers, or vendors without express permission. Employees may write about their jobs in general but may not disclose any confidential or proprietary information. For examples of confidential information, please refer to the confidentiality policy. When in doubt, ask before publishing.

Products and facilities. Employees are prohibited from posting pictures and/or videos of company products or facilities on their personal social media accounts without express written permission.

New ideas. Please remember that new ideas related to work or the company’s business belong to the company. Do not post them on a social media site without the company’s permission.

Links. Employees may provide a link from a social media site to the company’s website during employment (subject to discontinuance at the company’s sole discretion). Employees should contact the Web design group to obtain the graphic for links to the company’s site and to register the site with the company.

Trademarks and copyrights. Do not use the company’s or others’ trademarks on a social media site or reproduce the company’s or others’ material without first obtaining permission.

Avoid statements about the company’s future. Writing about projected growth, sales and profits, future products or services, marketing plans violates Company policy.

Legal. Employees are expected to comply with all applicable laws, including but not limited to, Federal Trade Commission (FTC) guidelines, copyright, trademark, and harassment laws.

Discipline. Violations of this policy may result in discipline up to and including immediate termination of employment.

Note: Nothing in this policy is meant to, nor should it be interpreted to, in any way limit your rights under any applicable federal, state, or local laws, including your rights under the National Labor Relations Act to engage in protected concerted activities with other employees to improve terms and conditions of employment, such as wages and benefits.

Employee Privacy

In this age of the Internet where privacy has become an increasing concern, we take your privacy very seriously. The privacy and security of your personal data (“Personal Information”) which we collect from you is important to us. It is equally important that you understand how we handle this data. The Company will not knowingly collect or use Personal Information in any manner not consistent with this policy, as it may be amended from time to time, and applicable laws.

Collection of Information. In the course of conducting our business and complying with federal, state, and local government regulations governing such matters as employment, tax, insurance, etc., we must collect Personal Information from you. The nature of the information collected varies somewhat for each employee, depending on your employment responsibilities, the location of the facility where you work, and other factors. We collect Personal Information from you solely for business purposes, including those related directly to your employment with the Company, and those required by governmental agencies.

Use of the Information Collected. The primary purposes for collection, storage and/or use of your Personal Information include, but are not limited to:

Human Resources Management. We collect, store, analyze, and share (internally) Personal Information in order to attract, retain, and motivate a highly qualified workforce. This includes recruiting, compensation planning, succession planning, reorganization needs, performance assessment, training, employee benefit administration, compliance with applicable legal requirements, and communication with employees and/or their representatives.

Business Processes and Management. Personal Information is used to run our business operations including, for example, scheduling work assignments, managing Company assets, reporting and/or releasing public data (e.g., annual reports, etc.); and populating employee directories. Information may also be used to comply with government regulation.

Safety and Security Management. We use such Personal Information as appropriate to ensure the safety and protection of employees, assets, resources, and communities.

Communication and Identification. We use your Personal Information to identify you and to communicate with you.

Limited Disclosure. The Company acts to protect your Personal Information and ensure that unauthorized individuals do not have access to such information by using security measures to protect Personal Information. We will not knowingly disclose, sell, or otherwise distribute your Personal Information to any third party without your knowledge and, where appropriate, your express written permission, except where disclosure is reasonably necessary to comply with the law.

Security of Personal Information. We employ reasonable security measures and technologies, such as password protection, encryption, physical locks, etc., to protect the confidentiality of your Personal Information. Only authorized employees have access to Personal Information. If you are an employee with such authorization it is imperative that you take the appropriate safeguards to protect such information. Paper and other hard copy containing Personal Information (or any other confidential information) should be secured in a locked location when not in use. Computers and other access points should be secured when not in use by logging out or locking. Passwords

and user IDs should be guarded and not shared. When no longer necessary for business purposes, paper and hard copies should be immediately destroyed using paper shredders or similar devices. Do not leave copies in unsecured locations waiting to be shredded or otherwise destroyed. Do not make or distribute unauthorized copies of documents or other tangible medium containing Personal Information. Electronic files containing Personal Information should only be stored on secure computers and not copied or otherwise shared with unauthorized individuals within or outside of the Company.

The Company will make reasonable efforts to secure Personal Information stored or transmitted electronically from hackers or other persons who are not authorized to access such information.

Any violation or potential violation of this policy should be reported to your immediate supervisor, designated manager, or Human Resources Department. The failure by any employee to follow these privacy policies may result in discipline up to and including discharge of the employee. Any questions or suggestions regarding this policy may also be directed to your immediate supervisor, designated manager, or Human Resources Department.

Company Communication Platforms and Personal Phone Usage

Access to the Company Communication platforms, including but not limited to Teams and Zoom, is given principally for work-related activities or approved educational/training activities. Incidental and occasional personal use is permitted. This privilege should not be abused and must not affect the employee's performance of employment-related activities. Usage should be based upon cost-effective practices that support the Company's mission and should comply with applicable rules and regulations.

The Companies Communication Platforms are at all times the property of the Company. By accessing the provided systems, you acknowledge that the Company has the right to monitor usage to ensure that employees are using the system for its intended purposes.

You should use common sense and your best judgment when making or receiving personal cellular phone calls at work. Personal cell phone calls are allowed during breaks and/or lunch times. The use of cameras on cell phones during work hours is prohibited to protect the privacy of the Company as well as of fellow employees. However, this restriction will not apply to any recordings made in the exercise of any rights granted to an employee by federal law.

The Company prohibits the use of hand-held cellular devices while driving. Employees are strongly encouraged to use a hands-free cellular device while driving, should the use become a necessity in the course of employment. Sending and/or receiving text messages is expressly prohibited while operating any vehicle.

Smoke-Free Workplace

Smoking is not allowed in company buildings or work areas at any time. "Smoking" includes the use of any tobacco products, electronic smoking devices, and e-cigarettes containing nicotine cartridges.

Smoking is only permitted during break times in designated outdoor areas. Employees using these areas are expected to dispose of any smoking debris safely and properly.

Drug-Free Workplace

It is the policy of MCSE to maintain a drug- and alcohol-free work environment that is safe and productive for employees and others having business with the company.

The unlawful use, possession, purchase, sale, distribution, or being under the influence of any illegal drug and/or the misuse of legal drugs while on company or client premises or while performing services for the company is prohibited. The State of Massachusetts prohibits the consumption and unauthorized distribution of marijuana and marijuana infused products in licensed facilities. MCSE employees are prohibited from any consumption or unauthorized distribution of marijuana on site.

Compliance with this policy is a condition of employment. Notwithstanding any provision herein, this policy will be enforced at all times in accordance with applicable state and local law.

Any employee violating this policy is subject to discipline, up to and including termination, for the first offense.

Safety and Accident Rules

Safety is a joint venture at the Company. We strive to provide a clean, hazard-free, healthy, safe environment in which to work, and we make every effort to comply with all relevant federal, state and local occupational health and safety laws, including the federal Occupational Safety and Health Act. As an employee, you have a duty to comply with the safety rules of the Company, and you are expected to take an active part in maintaining this hazard-free environment. You must observe all posted safety rules, adhere to all safety instructions provided by your supervisor, and use safety equipment where required. Your workspace should be kept neat, clean and orderly. You are required to report any accidents or injuries – including any breaches of safety – and to promptly report any unsafe equipment, working condition, process or procedure to a supervisor. In addition, if you become ill or get injured while at work, you must notify your manager immediately. Failure to do so may result in a loss of benefits under the state workers' compensation law.

Failure to abide by the Company's safety and accident rules may result in disciplinary action, up to and including termination.

Security

Due to the nature of the business, employees are asked to treat personal and company security as a top priority. For safety purposes and to remain compliant with the Massachusetts Cannabis Control Commission, all company office space, retail locations, and production facilities are under 24/7 video surveillance. The Company's security procedures are outlined in its standard operating procedures and all employees will receive security training covering such procedures.

Workplace Violence Prevention

MCSE is committed to providing a safe, violence-free workplace for our employees. Due to this commitment, we discourage employees from engaging in any physical confrontation with a violent or potentially violent individual or from behaving in a threatening or violent manner. Threats, threatening language, or any other acts of aggression or violence made toward or by any employee

will not be tolerated. A threat may include any verbal or physical harassment or abuse, attempts to intimidate others, menacing gestures, stalking, or any other hostile, aggressive, and/or destructive actions taken for the purposes of intimidation. This policy covers any violent or potentially violent behavior that occurs in the workplace or at company-sponsored functions.

All MCSE employees bear the responsibility of keeping our work environment free from violence or potential violence. Any employee who witnesses or is the recipient of violent behavior should promptly inform their supervisor, manager, or the Human Resources Department. All threats will be promptly investigated. No employee will be subject to retaliation, intimidation, or discipline as a result of reporting a threat in good faith under this guideline.

Any individual engaging in violence against the company, its employees, or its property will be prosecuted to the full extent of the law. All acts will be investigated, and the appropriate action will be taken. Any such act or threatening behavior may result in disciplinary action up to and including termination.

The Company prohibits the possession of weapons on its property at all times, including our parking lots or company vehicles. Additionally, while on duty, employees may not carry a weapon of any type. Weapons include, but are not limited to, handguns, rifles, automatic weapons, and knives that can be used as weapons (excluding pocketknives, utility knives, and other instruments that are used to open packages, cut string, and for other miscellaneous tasks), martial arts paraphernalia, stun guns, and tear gas. Any employee violating this policy is subject to discipline up to and including dismissal for the first offense.

The company reserves the right to inspect all belongings of employees on its premises, including briefcases, purses and handbags, gym bags, and personal vehicles on company property.

Anti-Discrimination & Harassment

Discrimination is Prohibited

The Company is an equal opportunity employer and makes all employment decisions without regard to race, religion, color, sex (including pregnancy, childbirth, medical condition related to pregnancy or childbirth, sexual orientation, and gender identity), national origin, disability, age, genetic information, height, weight, marital status, or any other status protected under applicable federal, state, or local laws. This policy applies to all terms and conditions of employment, including but not limited to, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, benefits, compensation, and training. We seek to comply with all applicable federal, state and local laws related to discrimination, and will not tolerate the interference with the ability of any of the Company's employees to perform their job duties.

The Company makes decisions concerning employment based strictly on an individual's qualifications and ability to perform the job under consideration, the comparative qualifications and abilities of other applicants or employees, and the individual's past performance within the organization.

If you believe that an employment decision has been made that does not conform with management's commitment to equal opportunity, you should promptly bring the matter to the attention of your immediate supervisor, designated manager, or Human Resources Department. Your complaint will be promptly, thoroughly and impartially investigated. There will be no retaliation against any employee who files a complaint in good faith, even if the result of the investigation produces insufficient evidence to support the complaint.

Americans with Disabilities Act

The federal Americans with Disabilities Act (ADA) prohibits discrimination against qualified individuals with disabilities in job application procedures, hiring, firing, advancement, compensation, fringe benefits, job training, and other terms, conditions and privileges of employment. The ADA does not alter the Company's right to hire the best-qualified applicant, but it does prohibit discrimination against a qualified applicant or employee because of his or her disability, or because of a perceived disability. As a matter of Company policy, the Company prohibits discrimination of any kind against people with disabilities.

Disabled Defined

An applicant or employee is considered disabled if he or she (1) has a physical or mental impairment that substantially limits one or more major life activities; (2) has a record or past history of such an impairment; or (3) is regarded or perceived (correctly or incorrectly) as having such impairment.

A qualified employee or applicant with a disability is an individual who satisfies the requisite skill, experience, education and other job-related requirements of the position held or desired, and who, with or without reasonable accommodation, can perform the essential functions of that position.

Reasonable Accommodation

A reasonable accommodation is any change in the work environment (or in the way things are usually done) to help a person with a disability apply for a job, perform the duties of a job, or enjoy the benefits and privileges of employment.

Qualified applicants or employees who are disabled should request reasonable accommodation from the Company in order to allow them to perform a particular job. If you are disabled and you desire such reasonable accommodation, contact your immediate supervisor, designated manager, or Human Resources Department. On receipt of your request we will meet with you to discuss your disability. We may ask for information from your health care provider(s) regarding the nature of your disability and the nature of your limitations or take other steps necessary to help us determine viable options for reasonable accommodation. We will then work with you to determine whether your disability can be reasonably accommodated, and if it can be accommodated, we will explore alternatives with you and endeavor to implement a mutually agreeable accommodation.

Reasonable accommodation may take many forms and it will vary from one employee to another. Please note that according to the ADA and Massachusetts law, the Company does not have to provide the exact accommodation you want, and if more than one accommodation works, we may choose which one to provide. Furthermore, the Company does not have to provide an accommodation if doing so would cause undue hardship to the Company.

Lactation Accommodation

The company will provide a reasonable amount of break time to accommodate an employee's need to express breast milk for the employee's infant child. The company will make a reasonable effort to provide the employee with the use of a room or other location in close proximity to the employee's work area for the employee to express milk in private that meets lactation accommodation requirements.

An employee may request an accommodation for lactation breaks by notifying their supervisor or a member of the HR Department. Upon notification, HR will meet directly with the employee to discuss the lactation accommodation.

The requested break time should, if possible, be taken concurrently with other scheduled break periods. Non-exempt employees must clock out for any lactation breaks that do not run concurrently with normally scheduled rest periods. Any such breaks will be unpaid.

Workplace Harassment

The Company is committed to providing a work environment that provides employees equality, respect, and dignity. In keeping with this commitment, the Company has adopted a policy of “zero tolerance” with regard to employee harassment. Harassment is defined under federal law as unwelcome conduct that is based on race, color, religion, sex (including pregnancy, sexual orientation and gender identity), national origin, age (40 or older), disability, or genetic information. Harassment becomes unlawful where: (1) enduring the offensive conduct becomes a condition of continued employment; or (2) the conduct is severe or pervasive enough to create a work environment that a reasonable person would consider intimidating, hostile, or abusive.

This policy applies to all aspects of your employment. Harassment of any other person, including, without limitation, fellow employees, contractors, visitors, clients, or customers, whether at work or outside of work, is grounds for immediate termination. The Company will make every reasonable effort to ensure that its entire community is familiar with this policy and that all employees are aware that every complaint received will be promptly, thoroughly, and impartially investigated, and resolved appropriately. The Company will not tolerate retaliation against anyone who complains of harassment or who participates in an investigation.

Sexual Harassment

It is the goal of the Company to promote a workplace that is free of sexual harassment. Sexual harassment of employees occurring in the workplace or in other settings in which employees may find themselves in connection with their employment is unlawful and will not be tolerated by the Company. Further, any retaliation against an individual who has complained about sexual harassment or retaliation against individuals for cooperating with an investigation of a sexual harassment complaint is similarly unlawful and will not be tolerated. To achieve our goal of providing a workplace free from sexual harassment, the conduct that is described in this policy will not be tolerated and we have provided a procedure by which inappropriate conduct will be dealt with, if encountered by employees.

Because the Company takes allegations of sexual harassment seriously, we will respond promptly to complaints of sexual harassment. Where it is determined that such inappropriate conduct has occurred, we will act promptly to eliminate the conduct and impose such corrective action as is necessary, including disciplinary action where appropriate.

Please note that while this policy sets forth our goals of promoting a workplace that is free of sexual harassment, the policy is not designed or intended to limit our authority to discipline or take remedial action for workplace conduct which we deem unacceptable, regardless of whether that conduct satisfies the definition of sexual harassment.

Definition of Sexual Harassment

In Massachusetts, the legal definition for sexual harassment is this: “sexual harassment” means sexual advances, requests for sexual favors, and verbal or physical conduct of a sexual nature when:

- submission to or rejection of such advances, requests, or conduct is made either explicitly or implicitly a term or condition of employment or as a basis for employment decisions; or
- such advances, requests, or conduct have the purpose or effect of unreasonably interfering with an individual’s work performance by creating an intimidating, hostile, humiliating, or sexually offensive work environment.

Under these definitions, direct or implied requests by a supervisor for sexual favors in exchange for actual or promised job benefits such as favorable reviews, salary increases, promotions, increased benefits, or continued employment constitutes sexual harassment.

The legal definition of sexual harassment is broad and in addition to the above examples, other sexually oriented conduct, whether it is intended or not, that is unwelcome and has the effect of creating a work place environment that is hostile, offensive, intimidating, or humiliating to male or female workers may also constitute sexual harassment.

While it is not possible to list all those additional circumstances that may constitute sexual harassment, the following are some examples of conduct, which, if unwelcome, may constitute sexual harassment depending upon the totality of the circumstances including the severity of the conduct and its pervasiveness:

- Unwelcome sexual advances – whether they involve physical touching or not
- Sexual epithets, jokes, written or oral references to sexual conduct, gossip regarding one's sex life; comment on an individual's body, comment about an individual's sexual activity, deficiencies, or prowess
- Displaying sexually suggestive objects, pictures, or cartoons
- Unwelcome leering, whistling, brushing against the body, sexual gestures, suggestive or insulting comments
- Inquiries into one's sexual experiences, and
- Discussion of one's sexual activities

All employees should take special note that, as stated above, retaliation against an individual who has complained about sexual harassment, and retaliation against individuals for cooperating with an investigation of a sexual harassment complaint is unlawful and will not be tolerated by this organization. The Company encourages reporting of all perceived incidents of sexual harassment, regardless of who the offender may be. Every employee is encouraged to raise any questions or concerns with his or her immediate supervisor, designated manager, or the Human Resources Department. Additionally, the appropriate state and federal employment discrimination enforcement agencies, and directions as to how to contact such agencies, can be found on the Labor Law Posters.

Supervisors' Responsibilities

All managers are expected to ensure that the work environment is free from sexual and other harassment. They are responsible for the application and communication of this policy within their work areas. Managers should:

- Encourage employees to report any violations of this policy before the harassment becomes severe or pervasive.
- Make sure Human Resources Department is made aware of any inappropriate behavior in the workplace.
- Create a work environment where sexual and other harassment is not permitted.

Procedures for Reporting and Investigating Harassment

Employees should report incidents of inappropriate behavior or sexual harassment as soon as possible after the occurrence. Employees who believe they have been harassed, regardless of whether the offensive act was committed by a manager, co-worker, vendor, visitor, or client,

should promptly notify their immediate supervisor, designated manager, or Human Resources Department. If the employee's immediate supervisor is involved in the incident, the employee should report the incident to Human Resources. The Company takes claims of harassment seriously, no matter how trivial a claim may appear. All complaints of harassment, sexual harassment, or other inappropriate sexual conduct will be promptly and thoroughly investigated by the Company.

The Company prohibits retaliation against any employee who files or pursues a harassment claim. To the extent possible, all complaints and related information will remain confidential, except to those individuals who need the information to investigate, educate, or take action in response to the complaint.

All employees are expected to cooperate fully with any ongoing investigation regarding a harassment incident. Employees who believe they have been unjustly charged with harassment can defend themselves verbally or in writing at any stage of the investigation.

To protect the privacy of persons involved, confidentiality will be maintained throughout the investigatory process to the extent practicable and appropriate under the circumstances. Investigations may include interviews with the parties involved, and, where necessary, individuals who may have observed the alleged conduct or who may have relevant knowledge.

At the conclusion of a harassment investigation, the complainant and the alleged "harasser" will be informed of the determination.

Penalties for Violation of Anti-Harassment Policy

If it is determined that inappropriate conduct has occurred, the Company will act promptly to eliminate the offending conduct, and take such action as is appropriate under the circumstances. Such action may range from counseling to termination of employment and may include such other forms of disciplinary action (such as, for example, suspension), as the Company deems appropriate under the circumstances and in accordance with applicable law.

Compensation

Payroll Practices

The Company's pay date for all employees is biweekly on Friday. If pay day falls on a federal holiday, employees will receive their paycheck on the preceding workday.

Deductions from Pay/Safe Harbor

The Company does not make improper deductions from the salaries of exempt employees and complies with the salary basis requirements of the Fair Labor Standards Act (FLSA). Employees classified as exempt from the overtime pay requirements of the FLSA will be notified of this classification at the time of hire or change in position.

Permitted deductions. The FLSA limits the types of deductions that may be made from the pay of an exempt employee. Deductions that are permitted include:

- Deductions that are required by law, e.g., income taxes;
- Deductions for employee benefits when authorized by the employee;
- Absence from work for one or more full days for personal reasons other than sickness or disability;
- Absence from work for one or more full days due to sickness or disability if the deduction is made in accordance with a bona fide plan, policy or practice of providing compensation for salary lost due to illness;
- Offset for amounts received as witness or jury fees, or for military pay; or
- Unpaid disciplinary suspensions of one or more full days imposed in good faith for workplace conduct rule infractions.

During the week an exempt employee begins work for the company or during the last week of employment, the employee will only be paid for actual hours worked. In addition, an employee may be paid only for hours worked during a period when the employee is using unpaid leave under the Family and Medical Leave Act (FMLA).

Improper deductions. If an employee classified as exempt believes that an improper deduction has been taken from his or her pay, the employee should immediately report the deduction to the Human Resources Department. The report will be promptly investigated and if it is found that an improper deduction has been made, the company will reimburse the employee for the improper deduction.

Direct Deposit

Paychecks may be directly deposited into your checking and/or savings accounts. For employees that participate in direct deposit, digital paycheck stubs can be acquired by accessing MCSE's payroll system. Please contact your HR representative for details regarding online access.

Benefits

General

This section describes the benefits currently provided by the Company. Details regarding each benefit plan will be provided to you by the Human Resources Department. Benefit plans governed by the federal Employee Retirement Income Security Act (ERISA) may be further described in formal Summary Plan Descriptions or other legal documents, which are available for your review.

Employees meeting the eligibility criteria for particular benefits may participate in the various insurance programs offered by the Company. Periodically there will be an Open Enrollment period. If you decline to participate in these programs on your initial eligibility date, you may request entry into the plan during Open Enrollment or Special Enrollment.

Medical Insurance

The Company offers medical insurance to all eligible employees. Details of the plan(s) may be found in the HRIS portal. This Handbook does not constitute such a legal document. The Company offers medical coverage for eligible employees and their eligible dependents. Your Summary Plan Description (SPD) contains more details. In the event of any conflict between the information contained in this Handbook and in the Company's SPDs, the SPDs shall govern. The plan(s) is subject to change at the Company's discretion.

Dental Insurance

The Company offers a dental plan for eligible employees. Please refer to the dental Summary Plan Description for an explanation of the plan benefits and limitations.

Vision Insurance

The Company offers a vision plan for eligible employees. Please refer to the vision Summary Plan Description for an explanation of the plan benefits and limitations.

Short Term and Long Term Disability

The Company offers a Short Term and Long Term Disability plan for eligible employees. Please refer to the STD and/or LTD Summary Plan Description for an explanation of the plan benefits and limitations.

Life Insurance

The Company offers a Life Insurance plan for eligible employees. Please refer to the Life Insurance Summary Plan Description for an explanation of the plan benefits and limitations.

Employee Contributions

The Company's benefit package is contributory; that is, you are responsible for a portion of the premium for your benefits. A portion of the premium, up to a maximum per month, is contributed by the Company. Your contributory cost is deducted from your paycheck.

Continuation of Health Coverage

Federal law generally requires employers with 20 or more employees to give employees, spouses, and dependent children the right to continue group health benefits for limited periods of time under certain circumstances, such as voluntary or some types of involuntary job loss, reduction in hours worked, death, divorce and other life events. Employees ordinarily may continue their health coverage for up to 18 months when their employment is terminated.

401(k)

MCSE provides a 401(k) Retirement Savings Plan (the Plan) to help employees accumulate financial resources for retirement.

Eligibility

To be eligible to join the 401(k) Plan, an employee must complete 12 months of service and have worked a minimum of 1,000 hours.

Contributions

Subject to statutory limits on tax deductibility, the Plan allows employees to elect how much of their salary they want to contribute to the Plan and to direct the investment of their funds into professionally managed investment funds. An employee is fully vested in his or her own contributions and entitled to those contributions upon termination of employment regardless of the length of employment.

Plan Termination

The company reserves the right to terminate the Plan at any time.

Workers' Compensation Insurance

Workers' compensation is a "no-fault" system that provides compensation for medical expenses and wage losses to employees who are injured or who become ill because of employment.

MCSE pays the entire cost of workers' compensation insurance. The insurance provides coverage for related medical and rehabilitation expenses and a portion of lost wages to employees who sustain an injury on the job.

The company abides by all applicable state workers' compensation laws and regulations.

If an employee sustains a job-related injury or illness, it is important to notify the supervisor and Human Resources immediately. The supervisor will complete an injury report with input from the employee and return the form to the Human Resources department. Human Resources will file the claim with the insurance company. In cases of true medical emergencies, report to the nearest emergency room.

Workers' compensation benefits (paid or unpaid) will run concurrently with FMLA leave, if applicable, where permitted by state and federal law.

Employee Discounts, Purchases, and Returns

Discount Eligibility

All current MCSE employees, pursuant to any applicable state laws, are allowed to make discounted online purchases on Cloud Cover and High Profile webstores and in person at any High Profile dispensary. Discounts are applied to the full retail value of the product and no other discounts may be applied with the use of an employee discount. In-store purchases made using an employee discount may not exceed a retail value of \$500.00 per month per employee, regardless of which High Profile location is visited in any given instance.

In order to receive a discount, eligible employees must:

- Have their current employment status verified by the applicable store manager
- Present a valid photo ID as well as any additional documentation required by state law
- Be present at the time of purchase
- Pay for their own purchases. Purchases may not be made with someone else's check, debit or credit card
- Complete purchases with the appropriate level of discount (see Discount Percentages by Classification)

Discount by Merchandise & Employee Classification

Discounts vary by state, employee classification and product line and are subject to change based on market and availability. Current employee discounts can be confirmed at High Profile locations.

Discount Transaction Policies and Procedures

Only members of the store management team (Store Manager, Assistant Manager, Shift Lead) may ring employee purchases and the highest-ranking manager in the store at the time must perform the transaction. Managers and shift leads are prohibited from ringing their own sale. For manager purchases, any other member of management may ring the transaction. All purchases must be made before or after a shift, or on an employee's day off. Purchases cannot be made during a break. Non-exempt employees purchasing items must be clocked out prior to making a purchase.

The employee discount is not applicable with any other deals or discounts, however, the employee may opt to utilize the in-store promotion in lieu of their employee discount on a given purchase. Discounts may be limited on certain products, based on overall product availability.

Employee Returns

Defective items outlined below may be returned within 7 days with a receipt.

- Leaking cartridges
- Expired products (if purchased within the 7-day return window policy)

Returns on flower, extracts, concentrates, tinctures, topicals, patches and/or edibles are not permitted. Returns on any products are at the discretion of the Store Manager.

Purchase Tracking Policies and Procedures

Store Managers are responsible for tracking and reporting on all employee purchases made in their stores. Reports detailing the following are to be submitted to the Accounting Department no later than the 10th of the month for the preceding month:

- Employee Name
- Transaction Date
- Total Value of Product Sold
- Order ID
- Notes, if applicable

The MCSE Accounting Department will review and reconcile manager employee purchase reports on a monthly basis and will report on/escalate any issues or discrepancies.

Employees are responsible for ensuring they do not exceed their monthly purchase limit and are encouraged to track each purchase. Employees should also connect with the Manager of the High Profile location they frequent or the Accounting Department for current purchase information.

Violations

Violations of this policy include, but are not limited to:

- Trading discounts
- Accepting reimbursement for purchased items, other than from a family member
- Providing discounts greater than allowed in this policy
- Exceeding your monthly purchase limit
- Reselling product in any capacity
- Purchases by store employees made for the purpose of meeting that store's sales goal

Exceeding the monthly purchase limit will result in:

- First Offense – Warning
- Second Offense – Warning and employee discount eligibility revoked for 3 months
- Third Offense – Employee discount eligibility revoked

Any violation or abuse of this Employee Discount Policy may result in disciplinary action up to and including termination of employment. Such a violation or abuse must be reported to an immediate supervisor or the HR department immediately.

Holidays, Vacation and Other Leave

Holidays

Our company normally observes the following holidays during the year:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving
- Christmas

For employees that work a Monday through Friday work week schedule: Holidays falling on a Saturday will be observed on the preceding Friday. Holidays falling on Sunday will be observed on the following Monday. Each year in January the company will issue a listing of the specific dates on which each holiday will be observed for that year.

For employees that work a regular work schedule that is NOT Monday through Friday: Holidays that fall on a day the employee is not regularly scheduled to work will be observed on the next closest regularly scheduled workday. Employees that work an alternate will be provided a holiday observation schedule by their direct supervisor.

Additionally, all full-time corporate and facility employees as well as full-time salaried retail employees will be provided the ability to schedule two (2) floating holidays per calendar year. Dates are subject to supervisor approval and employees are eligible to use floating holidays after completing their first 90 days of employment. Employees who provide advance written notice of their resignation may not use floating holidays during their notice period. Floating holidays do not roll over from year to year and will expire at the end of the calendar year. Floating Holidays must be requested in advance and may only be used in 8-hour increments.

Holiday Pay. Full-time employees receive holiday pay immediately upon joining the company, part-time employees and hourly retail employees are not eligible for holiday pay.

From time to time employees may be required to work on an observed holiday. Retail employees required to work on an observed holiday will be paid time and a half on that day. Salaried facility employees required to work on an observed holiday will receive an additional floating holiday and hourly facility employees will receive holiday pay plus pay for any hours worked on an observed holiday. Floating Holidays must be requested in advance and may only be used in 8-hour increments.

Employees are required to work their scheduled workday before and after the holiday in order to be paid for the holiday, unless they are absent with prior permission from their supervisor.

Employees on an approved Leave of Absence will not be paid for Holidays that occur during the leave.

Paid Time Off (PTO)

MCSE employees are eligible for paid time off (PTO). PTO can be used as vacation time, sick time, or time to take care of personal matters and may be taken for one or more hours at a time. Employees are eligible to use PTO after completing their first 90 days of employment.

PTO is earned on a pro-rata basis throughout the year depending on employment status, position and seniority. For example, an employee provided with 2 weeks of PTO, or 80 hours, per year will earn 3.076 hours per pay period. Individuals who are on an approved Leave of Absence do not accrue PTO while out on leave.

We feel it is extremely important for employees to take time away from work. To facilitate this goal only 80 hours, or 10 days, of unused, earned PTO may be carried over from employment year to employment year by each employee. Hours in excess of 80 at the end of the pay period in which the employee's anniversary date occurs will be forfeited. Because MCSE's HR system provides current readily available PTO balance information, each employee is responsible for monitoring their unused PTO.

Upon termination, employees who provide at least two weeks' advance written notice of their resignation, or who are terminated by the company other than for cause, will be paid for accrued but unused PTO up to a maximum of 40 hours. All other terminating employees will not be paid for accrued but unused PTO. Hourly (full and part time) retail employees will not be paid for unused PTO at the time of termination. Employees who provide advance written notice of their resignation may not use PTO during their notice period. If an employee does not work all scheduled hours during their notice period, they will not receive a PTO payout.

Requesting Time Off

Requests for time off should be submitted to your manager as early as possible. For planned vacations or personal business, time off requests should be made no later than two weeks prior to the time requested. Requests for time off are granted whenever possible, but the Company reserves the right to ask employees to change their request in order to meet business needs.

Regarding time off requests that are protected under Massachusetts's Family Leave Act; employees are asked to provide notice for foreseeable circumstances (e.g., a planned medical treatment) whenever possible. However, if the need for sick time off is not foreseeable, employees are asked to notify their supervisor as soon as is practical. Please note, if an employee misses three (3) or more consecutive days because of illness, MCSE may require the employee to provide a physician's written permission to return to work.

Bereavement Leave

Employees with more than 3 months' service may take up to 3 days of paid bereavement leave upon the death of a member of their immediate family. "Immediate family members" are defined as an employee's spouse, domestic partner, parents, stepparents, siblings, children, stepchildren.

The company may require verification of the need for the leave. The employee's supervisor and Human Resources will consider this time off on a case-by-case basis.

Payment for bereavement leave is computed at the regular hourly rate to a maximum of 8 hours for 1 day. Time off granted in accordance with this policy shall not be credited as time worked for the purpose of computing overtime.

Military Service Leave

MCSE supports the military obligations of all employees and grants leaves for uniformed service in accordance with applicable federal and state laws. Any employee who needs time off for uniformed service should immediately notify the Human Resources department and his or her supervisor, who will provide details regarding the leave. If an employee is unable to provide notice before leaving for uniformed service, a family member should notify the supervisor as soon as possible.

Upon return from military leave, employees will be granted the same seniority, pay, and benefits as if they had worked continuously. Failure to report for work within the prescribed time after completion of military service will be considered a voluntary termination.

All employees who enter military service may accumulate a total absence of 5 years and still retain employment rights.

Personal Leave of Absence

In an effort to recognize the need of employees who require time off in addition to other types of leave, MCSE may consider an unpaid personal leave of absence without pay for up to a maximum of 30 days. PTO will not accrue while out on an approved personal leave. Additionally, Holidays that occur during the approved leave will not be paid.

Eligibility. All regular employees employed by MCSE for a minimum of 90 days are eligible to apply for an unpaid personal leave of absence. Job performance, absenteeism and departmental requirements all will be taken into consideration before a request is approved. Approvals of the immediate supervisor, department director and human resources are required. Requests for unpaid personal leave may be denied or granted by the company for any reason or no reason and are within the sole discretion of the company. MCSE reserves the right to terminate employment for any reason or no reason during the leave of absence.

Procedures

Employee. An eligible employee should submit a request in writing to his or her immediate supervisor. The requesting employee will be asked to acknowledge in writing his or her understanding that all requests for personal leaves are not guaranteed.

Supervisor. The immediate supervisor will:

- Review the request taking workload scheduling and departmental requirements into consideration
- Make a recommendation to and obtain a decision from the department director/manager
- Submit the department-level decision to human resources for final approval
- Return a decision to the employee as soon as feasible after receipt of the written request

If the request is approved, the supervisor will notify human resources as soon as possible. Once the employee returns, the supervisor will immediately notify human resources that the employee has returned to active status.

Human Resources. HR is responsible for ensuring that any employee on an approved personal leave of absence is not paid.

Return to work/extension of leave. An employee is required to return from the unpaid personal leave on the originally scheduled return date. If the employee is unable to return, he or she must request an extension of the leave in writing. If MCSE declines to extend the leave, the employee must then return to work on the originally scheduled return date or be considered to have voluntarily resigned from his or her employment. Extensions of leave will be considered on a case-by-case basis. In the event the approved leave was due to a medical purpose, MCSE retains the right to require a note from a physician that returns them back to work with or without restrictions.

Massachusetts Paid Family Leave Act

Under state law, you are eligible for paid family and medical leave (PFML) if you meet Massachusetts' requirements for unemployment benefits.

You may take up to 12 weeks of paid family leave in a benefit year, which is defined as a period of 52 consecutive weeks beginning on the Sunday immediately preceding the first day that job-protected leave begins, for any of the following reasons:

- The birth of a son or daughter and in order to care for that son or daughter (leave to be completed within 12 months of the child's birth).
- The placement of a son or daughter with you for adoption or foster care and in order to care for the newly placed son or daughter (leave to be completed within 12 months of the child's placement).
- To care for a family member with a serious health condition.
- A qualifying exigency of a family member who is a military member on covered active duty or called to covered active duty status (or has been notified of an impending call or order to covered active duty).

You may take up to 26 weeks of paid family leave in a benefit year to care for a family member who is a covered service member and who has a serious injury or illness related to active duty service.

You may take up to 20 weeks of medical leave in a benefit year to care for your own serious health condition, which renders you unable to perform any of the essential functions of your position.

PFML leave is limited to a combined maximum of 26 weeks per benefit year.

PFML taken under this policy runs concurrent with FMLA leave and leave taken under the Massachusetts Parental Leave Act. PFML taken under this policy will run concurrently with all other applicable time off policies provided by MCSE.

PMFL can be used intermittently. Your employee health benefits will be maintained while you are on leave and you will be restored to your prior (or similar) position upon your return.

State law also requires that you provide the Company with appropriate notice. If you know in advance that you will need PFML, you must notify the Human Resources Department at least 30 days in advance. When a 30-day advance notice is not possible, you must notify the Human Resources Department as soon as practicable.

Family and Medical Leave

MCSE complies with the federal Family and Medical Leave Act (FMLA), which requires employers to grant unpaid leaves of absence to qualified workers for certain medical and family-related reasons. The company abides by any state regulated leave laws. The more generous of the two laws will apply to the employee if the employee is eligible under both federal and state laws. Where applicable state and federal leaves will run concurrently.

Please note there are many requirements, qualifications, and exceptions under these laws, and each employee's situation is different. Contact the Human Resources department to discuss options for leave.

General Provisions. MCSE will grant up to 12 weeks of leave during a 12-month period to eligible employees (or up to 26 weeks of military caregiver leave to care for a covered servicemember with a serious injury or illness).

Eligibility. Employees are eligible for FMLA if they have worked for the company for at least 12 months, at least 1,250 hours over the past 12 months, and work at a location where the company employs 50 or more employees within 75 miles. Whether an employee has worked the minimum 1,250 hours of service is determined according to FLSA principles for determining compensable hours or work.

Calculation. MCSE will utilize the rolling 12-month period calculation method for determining the available amount of FMLA leave. Using this method, the company will look back over the last 12 months from the date of the request, add all FMLA time the employee has used during the previous 12 months and subtract that total from the employee's 12-week leave allotment.

Reasons for Taking Leave. Under federal law, unpaid leave may be requested for a serious health condition, pregnancy and prenatal care; preplacement activities, birth, adoption, or foster placement of a child; or the serious health condition of a child, spouse, parent, domestic partner, or the employee. State law may have additional reasons defined.

Certification. The company reserves the right to require a medical certification to be completed by a health care provider that supports the need for leave either for a serious health condition of the employee or the employee's immediate family member. The company will allow an employee

at least 15 calendar days to obtain the medical certification. Failure to provide a fully completed Medical Certificate may result in delay or denial of leave. The company reserves the right to seek a second or third opinion if deemed necessary.

Military Family Leave Entitlements. Under federal law, unpaid leave may also be requested by eligible employees who have any qualifying exigency arising out of the fact that the spouse or a son, daughter, parent, domestic partner, or next of kin of the employee is on covered active duty (or has been notified of an impending call or order to covered active duty) in the armed forces and may use their 12-week entitlement to address certain qualifying circumstances. Qualifying circumstances may include deploying on short notice, attending certain military events, arranging for alternative childcare and school activities, addressing certain financial and legal arrangements, attending certain counseling sessions, engaging in rest and recuperation, and attending post deployment reintegration briefings.

The federal FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered service member during a single 12-month period. This leave applies if the employee is the spouse, son, daughter, parent, domestic partner, or next of kin caring for a covered military service member or veteran recovering from an injury or illness suffered while on active duty in the armed forces or that existed before the beginning of the member's active duty and was aggravated by service or that manifested itself before or after the member became a veteran.

Leave Designation. If an employee does not expressly request FMLA leave, the company reserves the right to designate a qualifying absence as FMLA leave and will give notice of the FMLA designation to the employee. If an absence is a qualifying event under FMLA, the leave will run concurrent with short-term disability, long-term disability, PTO, workers' compensation, and/or any other leave where permitted by state and federal law.

Benefits. Under federal law, employers must continue healthcare benefits during FMLA leave as though the employees were still at work and must pay the employer's part of the premium. The employee will continue to be responsible for the employee's portion of the premium as well. While on unpaid leave, the employee must continue to make this payment, either in person or by mail. The payment must be received by the HR department no later than the first day of each month. If the payment is more than 30 days late, the employee's health care coverage may be dropped for the duration of the leave. The company will provide 15 days' notification prior to the employee's loss of coverage.

Interaction with Accrued Paid Time Off. FMLA leave and paid time off will run concurrently as provided under company policy except where prohibited by state law. Employees on an approved Leave of Absence under FMLA will be in a "leave status" and will not accrue PTO while out on approved leave. Additionally, employees will not be paid for holidays that occur during the leave.

Job Protection. An employee's job, or an equivalent job, is protected while the employee is on leave. Both federal and applicable state laws require that employees be returned to their positions or to another job of like pay and status at the end of FMLA leave.

Note: If an employee is unable to return to work after the expiration of federal or state FMLA, an extension may be granted if the condition constitutes a disability under the Americans with Disabilities Act (ADA) or in certain workers' compensation cases.

Return-to-Work Policy. When such work is available, the company will attempt to provide an employee with a temporary modified or light-duty assignment in accordance with documented medical restrictions. On a basis that does not discriminate against employees on FMLA leave, the company may require an employee on FMLA leave to report periodically on the employee's status and intent to return to work.

Time Off for Voting

The Company encourages all employees to vote. Most polling facilities for elections for public office have hours that are scheduled to accommodate working voters. The Company, therefore, requests that employees schedule their voting for before or after their work shifts. An employee who expects a conflict, however, should notify his or her supervisor, in advance, so that schedules can be adjusted if necessary.

Jury Duty/Court Appearances

The company supports employees in their civic duty to serve on a jury. Employees must present any summons to jury duty to their supervisor as soon as possible after receiving the notice to allow advance planning for an employee's absence.

Employees will be paid for up to 2 weeks of jury duty service at their regular rate of pay minus any compensation received from the court for the period of service. Employees may use any accrued time off if required to serve more than 2 weeks on a jury.

If an employee is released from jury duty after 4 hours or less of service, he or she must report to work for the remainder of that workday.

Time for appearance in court for personal business will be the individual employee's responsibility. Normally, personal days or vacation days will be used for this purpose.