



Massachusetts Cannabis Control Commission

Marijuana Cultivator

General Information:

License Number: MC281557
Original Issued Date: 11/30/2018
Issued Date: 11/19/2020
Expiration Date: 11/30/2021

ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Good Chemistry of Massachusetts, Inc.

Phone Number: 303-810-1554 **Email Address:** joe.s@goodchem.org

Business Address 1: 20 William Way

Business Address 2:

Business City: Bellingham

Business State: MA

Business Zip Code: 02019

Mailing Address 1: 1550 Larimer Street

Mailing Address 2: #296

Mailing City: Denver

Mailing State: CO

Mailing Zip Code: 80202

CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

Certified Disadvantaged Business Enterprises (DBEs): Not a DBE

PRIORITY APPLICANT

Priority Applicant: yes

Priority Applicant Type: RMD Priority

Economic Empowerment Applicant Certification Number:

RMD Priority Certification Number: RPA201817

RMD INFORMATION

Name of RMD: Good Chemistry of Massachusetts, Inc.

Department of Public Health RMD Registration Number: A23846

Operational and Registration Status: Obtained Final Certificate of Registration, but is not open for business in Massachusetts

To your knowledge, is the existing RMD certificate of registration in good standing?: yes

If no, describe the circumstances below:

PERSONS WITH DIRECT OR INDIRECT AUTHORITY

Person with Direct or Indirect Authority 1

Percentage Of Ownership: 100

Percentage Of Control: 100

Role: Board Member

Other Role:

First Name: Matthew

Last Name: Huron

Suffix:

Gender: Male

User Defined Gender:

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

Specify Race or Ethnicity:

Person with Direct or Indirect Authority 2

Percentage Of Ownership:

Percentage Of Control:

Role: Executive / Officer

Other Role:

First Name: Keith

Last Name: Nuber

Suffix:

Gender: Male

User Defined Gender:

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

Specify Race or Ethnicity:

Person with Direct or Indirect Authority 3

Percentage Of Ownership:

Percentage Of Control:

Role: Executive / Officer

Other Role:

First Name: Stephen

Last Name: Spinosa

Suffix:

Gender: Male

User Defined Gender:

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

Specify Race or Ethnicity:

Person with Direct or Indirect Authority 4

Percentage Of Ownership:

Percentage Of Control:

Role: Executive / Officer

Other Role:

First Name: Duncan

Last Name: Cameron

Suffix:

Gender: Male

User Defined Gender:

What is this person's race or ethnicity?: Black or African American (of African Descent, African American, Nigerian, Jamaican, Ethiopian, Haitian, Somali)

Specify Race or Ethnicity:

ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

No records found

CLOSE ASSOCIATES AND MEMBERS

No records found

CAPITAL RESOURCES - INDIVIDUALS

Individual Contributing Capital 1

First Name: Matthew

Last Name: Huron

Suffix:

Types of Capital: Monetary/Equity

Other Type of Capital:

Total Value of the Capital Provided: \$100

Percentage of Initial Capital: 100

Capital Attestation: Yes

CAPITAL RESOURCES - ENTITIES

No records found

BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

Business Interest in Other State 1

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

Owner First Name: Matthew

Owner Last Name: Huron

Owner Suffix:

Date generated: 12/03/2020

Page: 2 of 9

Entity Legal Name: Good Chemistry Nevada, LLC **Entity DBA:**
Entity Description: Cultivation and production of medical and recreational marijuana and marijuana products.
Entity Phone: 415-254-6616 **Entity Email:** matt@goodchem.org **Entity Website:**
Entity Address 1: 1550 Larimer Street **Entity Address 2:** #296
Entity City: Denver **Entity State:** CO **Entity Zip Code:** 80202 **Entity Country:** USA
Entity Mailing Address 1: 1550 Larimer Street **Entity Mailing Address 2:** #296
Entity Mailing City: Denver **Entity Mailing State:** CO **Entity Mailing Zip Code:** 80202 **Entity Mailing Country:** USA

Business Interest in Other State 2

Business Interest of an Owner or the Marijuana Establishment: Business Interest of an Owner
Owner First Name: Matthew **Owner Last Name:** Huron **Owner Suffix:**
Entity Legal Name: Sweetwater Partners, LLC **Entity DBA:**
Entity Description: Cultivation and sales of medical and recreational marijuana and marijuana products
Entity Phone: 514-254-6616 **Entity Email:** matt@goodchem.org **Entity Website:**
Entity Address 1: 1550 Larimer Street **Entity Address 2:** #296
Entity City: Denver **Entity State:** CO **Entity Zip Code:** 80202 **Entity Country:** USA
Entity Mailing Address 1: 1550 Larimer Street **Entity Mailing Address 2:** #296
Entity Mailing City: Denver **Entity Mailing State:** CO **Entity Mailing Zip Code:** 80202 **Entity Mailing Country:** USA

Business Interest in Other State 3

Business Interest of an Owner or the Marijuana Establishment: Business Interest of an Owner
Owner First Name: Matthew **Owner Last Name:** Huron **Owner Suffix:**
Entity Legal Name: Buddy Real Estate, LLC **Entity DBA:**
Entity Description: Real estate holding company
Entity Phone: 415-254-6616 **Entity Email:** matt@goodchem.org **Entity Website:**
Entity Address 1: 1550 Larimer Street **Entity Address 2:** #296
Entity City: Denver **Entity State:** CO **Entity Zip Code:** 80202 **Entity Country:** USA
Entity Mailing Address 1: 1550 Larimer Street **Entity Mailing Address 2:** #296
Entity Mailing City: Denver **Entity Mailing State:** CO **Entity Mailing Zip Code:** 80202 **Entity Mailing Country:** USA

Business Interest in Other State 4

Business Interest of an Owner or the Marijuana Establishment: Business Interest of an Owner
Owner First Name: Matthew **Owner Last Name:** Huron **Owner Suffix:**
Entity Legal Name: Dylan Consulting Company **Entity DBA:**
Entity Description: Consulting services and business development company providing management consulting, market and real estate research, and brand communication services
Entity Phone: 415-254-6616 **Entity Email:** matt@goodchem.org **Entity Website:**
Entity Address 1: 1550 Larimer Street **Entity Address 2:** #296
Entity City: Denver **Entity State:** CO **Entity Zip Code:** 80202 **Entity Country:** USA
Entity Mailing Address 1: 1550 Larimer Street **Entity Mailing Address 2:** #296

Entity Mailing City: Denver Entity Mailing State: CO Entity Mailing Zip Code: 80202 Entity Mailing Country: USA

Business Interest in Other State 5

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

Owner First Name: Matthew Owner Last Name: Huron Owner Suffix:
Entity Legal Name: MJH Nevada, LLC Entity DBA:
Entity Description: Holding company
Entity Phone: 415-254-6616 Entity Email: matt@goodchem.org Entity Website:
Entity Address 1: 1550 Larimer Street Entity Address 2: #296
Entity City: Denver Entity State: CO Entity Zip Code: 80202 Entity Country: USA
Entity Mailing Address 1: 1550 Larimer Street Entity Mailing Address 2: #296
Entity Mailing City: Denver Entity Mailing State: CO Entity Mailing Zip Code: 80202 Entity Mailing Country: USA

DISCLOSURE OF INDIVIDUAL INTERESTS

Individual 1

First Name: Matthew Last Name: Huron Suffix:
Marijuana Establishment Name: Good Chemistry, Inc. Business Type: Marijuana Product Manufacture
Marijuana Establishment City: Bellingham Marijuana Establishment State: MA

Individual 2

First Name: Keith Last Name: Nuber Suffix:
Marijuana Establishment Name: Good Chemistry of Massachusetts, Inc. Business Type: Marijuana Product Manufacture
Marijuana Establishment City: Bellingham Marijuana Establishment State: MA

Individual 3

First Name: Duncan Last Name: Cameron Suffix:
Marijuana Establishment Name: Good Chemistry of Massachusetts, Inc. Business Type: Marijuana Product Manufacture
Marijuana Establishment City: Bellingham Marijuana Establishment State: MA

Individual 4

First Name: Stephen Last Name: Spinosa Suffix:
Marijuana Establishment Name: Good Chemistry of Massachusetts, Inc. Business Type: Marijuana Product Manufacture
Marijuana Establishment City: Bellingham Marijuana Establishment State: MA

Individual 5

First Name: Matthew Last Name: Huron Suffix:
Marijuana Establishment Name: Good Chemistry of Massachusetts, Inc. Business Type: Marijuana Retailer
Marijuana Establishment City: Worcester Marijuana Establishment State: MA

Individual 6

First Name: Matthew Last Name: Huron Suffix:
Marijuana Establishment Name: Good Chemistry of Massachusetts, Inc. Business Type: Marijuana Retailer
Marijuana Establishment City: Lynn Marijuana Establishment State: MA

Individual 7

First Name: Keith Last Name: Nuber Suffix:
Marijuana Establishment Name: Good Chemistry of Massachusetts, Inc. Business Type: Marijuana Retailer

Marijuana Establishment City: Worcester Marijuana Establishment State: MA

Individual 8

First Name: Keith Last Name: Nuber Suffix:

Marijuana Establishment Name: Good Chemistry of Massachusetts, Inc. Business Type: Marijuana Retailer

Marijuana Establishment City: Lynn Marijuana Establishment State: MA

Individual 9

First Name: Duncan Last Name: Cameron Suffix:

Marijuana Establishment Name: Good Chemistry of Massachusetts, Inc. Business Type: Marijuana Retailer

Marijuana Establishment City: Worcester Marijuana Establishment State: MA

Individual 10

First Name: Duncan Last Name: Cameron Suffix:

Marijuana Establishment Name: Good Chemistry of Massachusetts, Inc. Business Type: Marijuana Retailer

Marijuana Establishment City: Lynn Marijuana Establishment State: MA

Individual 11

First Name: Stephen Last Name: Spinosa Suffix:

Marijuana Establishment Name: Good Chemistry of Massachusetts, Inc. Business Type: Marijuana Retailer

Marijuana Establishment City: Worcester Marijuana Establishment State: MA

Individual 12

First Name: Stephen Last Name: Spinosa Suffix:

Marijuana Establishment Name: Good Chemistry of Massachusetts, Inc. Business Type: Marijuana Retailer

Marijuana Establishment City: Lynn Marijuana Establishment State: MA

Individual 13

First Name: Matthew Last Name: Huron Suffix:

Marijuana Establishment Name: Good Chemistry Nurseries of Massachusetts, LLC Business Type: Marijuana Cultivator

Marijuana Establishment City: Holliston Marijuana Establishment State: MA

Individual 14

First Name: Matthew Last Name: Huron Suffix:

Marijuana Establishment Name: Good Chemistry Nurseries of Massachusetts, LLC Business Type: Marijuana Product Manufacture

Marijuana Establishment City: Holliston Marijuana Establishment State: MA

Individual 15

First Name: Keith Last Name: Nuber Suffix:

Marijuana Establishment Name: Good Chemistry Nurseries of Massachusetts, LLC Business Type: Marijuana Cultivator

Marijuana Establishment City: Holliston Marijuana Establishment State: MA

Individual 16

First Name: Keith Last Name: Nuber Suffix:

Marijuana Establishment Name: Good Chemistry Nurseries of Massachusetts, LLC Business Type: Marijuana Product Manufacture

Marijuana Establishment City: Holliston Marijuana Establishment State: MA

Individual 17

First Name: Duncan Last Name: Cameron Suffix:

Marijuana Establishment Name: Good Chemistry Nurseries of Massachusetts, LLC Business Type: Marijuana Cultivator

Marijuana Establishment City: Holliston

Marijuana Establishment State: MA

Individual 18

First Name: Duncan

Last Name: Cameron

Suffix:

Marijuana Establishment Name: Good Chemistry Nurseries of Massachusetts, LLC Business Type: Marijuana Product Manufacture

Marijuana Establishment City: Holliston

Marijuana Establishment State: MA

Individual 19

First Name: Stephen

Last Name: Spinosa

Suffix:

Marijuana Establishment Name: Good Chemistry Nurseries of Massachusetts, LLC Business Type: Marijuana Cultivator

Marijuana Establishment City: Holliston

Marijuana Establishment State: MA

Individual 20

First Name: Stephen

Last Name: Spinosa

Suffix:

Marijuana Establishment Name: Good Chemistry Nurseries of Massachusetts, LLC Business Type: Marijuana Product Manufacture

Marijuana Establishment City: Holliston

Marijuana Establishment State: MA

MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Establishment Address 1: 20 William Way

Establishment Address 2:

Establishment City: Bellingham

Establishment Zip Code: 02019

Approximate square footage of the Establishment: 9000

How many abutters does this property have?: 9

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

Cultivation Tier: Tier 02: 5,001 to 10,000 sq. ft.

Cultivation Environment:

Indoor

FEE QUESTIONS

Cultivation Tier: Tier 02: 5,001 to 10,000 sq. ft. Cultivation Environment: Indoor

HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Certification of Host Community Agreement	Good Chem Bellingham HCA Certification.pdf	pdf	5b282586cb211e5050f0fd62	06/18/2018
Plan to Remain Compliant with Local Zoning	Good Chem Plan to Remain Compliant with Local Zoning.pdf	pdf	5b297191719dca50462946e0	06/19/2018
Community Outreach Meeting Documentation	Good Chem Community Outreach Bellingham.pdf	pdf	5b2ace65cb211e5050f0ff99	06/20/2018

Total amount of financial benefits accruing to the municipality as a result of the host community agreement. If the total amount is zero, please enter zero and provide documentation explaining this number.: \$50000

PLAN FOR POSITIVE IMPACT

Plan to Positively Impact Areas of Disproportionate Impact:

Document Category	Document Name	Type	ID	Upload Date
Plan for Positive Impact	GCM Plan for Positive Impact.pdf	pdf	5b5f5edd4ddf463465017273	07/30/2018

ADDITIONAL INFORMATION NOTIFICATION

Notification: I Understand

INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

Role: Other Role:
First Name: Matthew Last Name: Huron Suffix:
RMD Association: RMD Owner
Background Question: no

Individual Background Information 2

Role: Other Role:
First Name: Duncan Last Name: Cameron Suffix:
RMD Association: RMD Manager
Background Question: no

Individual Background Information 3

Role: Other Role:
First Name: Keith Last Name: Nuber Suffix:
RMD Association: RMD Manager
Background Question: no

Individual Background Information 4

Role: Other Role:
First Name: Stephen Last Name: Spinosa Suffix:
RMD Association: RMD Manager
Background Question: no

ENTITY BACKGROUND CHECK INFORMATION

No records found

MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Secretary of Commonwealth - Certificate of Good Standing	Good Chemistry Certificate of Good Standing.pdf	pdf	5b292533480890506ed9b36a	06/19/2018
Articles of Organization	Good Chemistry Articles of Organization.pdf	pdf	5b292615e0abb143d35460dd	06/19/2018
Bylaws	Good Chem Bylaws.pdf	pdf	5b292690a6220743bfd9d361	06/19/2018
Department of Revenue - Certificate of Good standing	GCM DOR Cert of Good Standing.pdf	pdf	5b5f42d71bbb432857baa5f1	07/30/2018

Certificates of Good Standing:

Document Category	Document Name	Type	ID	Upload Date
Secretary of Commonwealth - Certificate of Good Standing	GCM Cert of Good Standing SOS 2020.pdf	pdf	5f625e258dc8ce197183cf38	09/16/2020

Department of Revenue - Certificate of Good standing	GC MA - Cert of Good Standing - DOR 01SEP2020.pdf	pdf	5f6a2288be635707e886b480	09/22/2020
Department of Unemployment Assistance - Certificate of Good standing	GC MA - Cert of Good Standing - DUA 02SEP2020.pdf	pdf	5f6a2298e4c06f07e61d0548	09/22/2020

Massachusetts Business Identification Number: 001315096

Doing-Business-As Name:

DBA Registration City:

BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Business Plan	GC MA_Summary Business Plan_2018.pdf	pdf	5b5f42f58a93fd282f3e3759	07/30/2018
Proposed Timeline	GCM Updated Timeline.pdf	pdf	5b5f43e412ba8f281ff5263f	07/30/2018
Plan for Liability Insurance	GC Mass - GL Policy - EXP 5_23_2020.pdf	pdf	5d8d4fec79b12e15e03d8941	09/26/2019

OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Dispensing procedures	Good Chem Dispensing Procedures_Cultivation.pdf	pdf	5b292a195246fb5032ddeb9	06/19/2018
Separating recreational from medical operations, if applicable	Good Chem Plan to Separate Medical From Recreational_Cultivation.docx.pdf	pdf	5b292a6453361a503c1d5585	06/19/2018
Restricting Access to age 21 and older	Good Chem Plan to Restrict Access_Cultivation.docx.pdf	pdf	5b292a79719dca5046294641	06/19/2018
Security plan	Good Chem Security Plan_Cultivation.pdf	pdf	5b292a8ddb987f505ab29d39	06/19/2018
Prevention of diversion	Good Chem Prevention of Diversion Plan_Cultivation.docx.pdf	pdf	5b292aa2480890506ed9b37a	06/19/2018
Storage of marijuana	Good Chem Storage of Marijuana Plan_Cultivation.pdf	pdf	5b292aba5246fb5032ddebfd	06/19/2018
Transportation of marijuana	Good Chem Transportation Plan_Cultivation.pdf	pdf	5b292ad0719dca5046294645	06/19/2018
Inventory procedures	Good Chem Inventory Procedures_Cultivation.docx.pdf	pdf	5b292ae007462b506437a00b	06/19/2018
Quality control and testing	Good Chem Quality Control and Testing Procedures_Cultivation.pdf	pdf	5b292af0480890506ed9b37e	06/19/2018
Personnel policies including background checks	Good Chem Personnel Policies Including Background Checks_Cultivation.docx.pdf	pdf	5b292b0e63f5ba502c344098	06/19/2018
Record Keeping procedures	Good Chem Recordkeeping Procedures_Cultivation.docx (1).pdf	pdf	5b292b225246fb5032ddec01	06/19/2018
Maintaining of financial records	Good Chem Maintaining of Financial Records Procedure _Cultivation .docx.pdf	pdf	5b292b3b53361a503c1d558b	06/19/2018
Qualifications and training	Good Chem Qualifications and Training	pdf	5b292b61cb211e5050f0fe27	06/19/2018

	Plan_Cultivation.docx.pdf			
Policies and Procedures for cultivating.	Good Chem Policies and Plan for Cultivating_Cultivation.pdf	pdf	5b2ad50d5617f143c98bb314	06/20/2018
Diversity plan	GCM Updated Diversity Plan 2019-2020.pdf	pdf	5d8e672e8d8d0715f667387d	09/27/2019
Energy Compliance Plan	GCM Energy Compliance Plan.pdf	pdf	5f73835fd4713f079b924f93	09/29/2020

ATTESTATIONS

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

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

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

Notification: I Understand

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

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

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

ADDITIONAL INFORMATION NOTIFICATION

Notification: I Understand

COMPLIANCE WITH POSITIVE IMPACT PLAN

Progress or Success Goal 1

Description of Progress or Success: Please see attached document.

COMPLIANCE WITH DIVERSITY PLAN

Diversity Progress or Success 1

Description of Progress or Success: Please see attached document.

HOURS OF OPERATION

Monday From: 6:00 AM Monday To: 11:00 PM
 Tuesday From: 6:00 AM Tuesday To: 11:00 PM
 Wednesday From: 6:00 AM Wednesday To: 11:00 PM
 Thursday From: 6:00 AM Thursday To: 11:00 PM
 Friday From: 6:00 AM Friday To: 11:00 PM
 Saturday From: 7:00 AM Saturday To: 3:00 PM
 Sunday From: 7:00 AM Sunday To: 3:00 PM

Host Community Agreement Certification Form

The applicant and contracting authority for the host community must complete each section of this form before uploading it to the application. Failure to complete a section will result in the application being deemed incomplete. Instructions to the applicant and/or municipality appear in italics. Please note that submission of information that is “misleading, incorrect, false, or fraudulent” is grounds for denial of an application for a license pursuant to 935 CMR 500.400(1).

Applicant

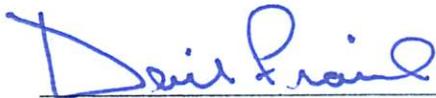
I, Matthew Huron, (*insert name*) certify as an authorized representative of Good Chemistry of Massachusetts, Inc. (*insert name of applicant*) that the applicant has executed a host community agreement with Town of Bellingham (*insert name of host community*) pursuant to G.L.c. 94G § 3(d) on September 26, 2017 (*insert date*).



Signature of Authorized Representative of Applicant

Host Community

I, Denis Faraine, (*insert name*) certify that I am the contracting authority or have been duly authorized by the contracting authority for Town of Bellingham (*insert name of host community*) to certify that the applicant and Town of Bellingham (*insert name of host community*) has executed a host community agreement pursuant to G.L.c. 94G § 3(d) on September 26, 2017 (*insert date*).



Signature of Contracting Authority or
Authorized Representative of Host Community

Plan to Remain Compliant with Local Zoning

Purpose

The purpose of this plan is to outline how **Good Chemistry of Massachusetts, Inc.** is and will remain in compliance with local codes, ordinances, and bylaws for the physical address of our Marijuana Establishment at **20 Williams Way, Bellingham, MA**, which shall include, but not be limited to, the identification of any local licensing requirements for the adult use of marijuana.

Background

On **March 28, 2018** the **Town of Bellingham** voted at a Town Meeting to allow Adult-Use Marijuana cultivation establishments by amending Section 240-31 (Use Regulation Schedule) of the Bellingham Zoning By-law allowing Marijuana Cultivators in the (i) Industrial Zoning District. (See the Attached Town Meeting Article)

20 Williams Way is located in the (I) Industrial Zoning District and properly zoned pursuant to the amended By-law. There are no other codes, ordinances, or bylaws relative to our facility. Bellingham does not have any local licensing requirement.

In addition to Good Chemistry of Massachusetts remaining compliant with existing Zoning By-Laws; the CEO and General Council will continually engage with the Town of Bellingham officials to remain up to date with local zoning ordinances and by-laws, to remain fully compliant.

Bellingham

TOWN MEETING ARTICLE

To see if the town will vote to amend its Zoning Bylaw as follows:

Amend Section 240-31, Use Regulations Schedule, by adding the following:

	District				
	A	S,R	M	B-1, B-2	I
COMMERCIAL USES					
Marijuana Cultivator	No	No	No	No	PB
Marijuana Establishment	No	No	No	No	No

Amend Article VI, Definitions, Section 240-32 by adding the following definitions:

Marijuana Cultivator: An entity licensed to cultivate, process and package marijuana, to deliver marijuana to Marijuana Establishments and/or Medical Marijuana Treatment Centers and to transfer marijuana to other Marijuana Establishments and/or Medical Marijuana Treatment Centers, but not to consumers.

Marijuana Establishments: A marijuana retailer, marijuana independent testing laboratory, marijuana product manufacturer, or marijuana retailer, all as defined in General Laws chapter 94G, §1, but not including Marijuana Cultivators.

Or act to do anything in relation thereto.

TOWN MEETING ARTICLE

To see if the town will vote to amend its Zoning Bylaw as follows:

Amend Section 240-31, Use Regulations Schedule, by adding the following:

	District				
	A	S,R	M	B-1, B-2	I
COMMERCIAL USES					
Medical Marijuana Treatment Center	No	No	No	No	No

Amend Article VI, Definitions, Section 240-32 by adding the following definition:

Medical Marijuana Treatment Center: A not-for-profit entity, as defined by Massachusetts law only, registered under Chapter 369 of the Acts of 2012, that acquires, processes (including development of related products such as food, tinctures, aerosols, oils, or ointments), transfers, transports, sells, distributes, dispenses, or administers marijuana, products containing marijuana, related supplies, or educational materials to qualifying patients or their personal caregivers, but not including Marijuana Cultivators.

Or act to do anything in relation thereto.

Community Outreach Meeting Attestation Form

The applicant must complete each section of this form and initial each page before uploading it to the application. Failure to complete a section will result in the application being deemed incomplete. Instructions to the applicant appear in italics. Please note that submission of information that is “misleading, incorrect, false, or fraudulent” is grounds for denial of an application for a license pursuant to 935 CMR 500.400(1).

I, Matthew Huron, (*insert name*) attest as an authorized representative of Good Chemistry of Massachusetts, Inc. (*insert name of applicant*) that the applicant has complied with the requirements of 935 CMR 500 and the guidance for licensed applicants on community outreach, as detailed below.

1. The Community Outreach Meeting was held on June 19, 2018 (*insert date*).
2. A copy of a notice of the time, place, and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was published in a newspaper of general circulation in the city or town on June 8, 2018 (*insert date*), which was at least seven calendar days prior to the meeting. A copy of the newspaper notice is attached as Attachment A (*please clearly label the newspaper notice in the upper right hand corner as Attachment A and upload it as part of this document*).
3. A copy of the meeting notice was also filed on June 8, 2018 (*insert date*) with the city or town clerk, the planning board, the contracting authority for the municipality, and local licensing authority for the adult use of marijuana, if applicable. A copy of the municipal notice is attached as Attachment B (*please clearly label the municipal notice in the upper right-hand corner as Attachment B and upload it as part of this document*).
4. Notice of the time, place and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was mailed on June 8, 2018 (*insert date*), which was at least seven calendar days prior to the community outreach meeting to abutters of the proposed address of the Marijuana Establishment, and residents within 300 feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such owner is located in another city or town. A copy of one of the notices sent to abutters and parties of interest as described in this section is attached as Attachment C (*please clearly label the municipal notice in the upper right hand corner as Attachment C and upload it as part of this document; please only include a copy of one notice and please black out the name and the address of the addressee*).

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

6. Community members were permitted to ask questions and receive answers from representatives of the Marijuana Establishment.

STATE

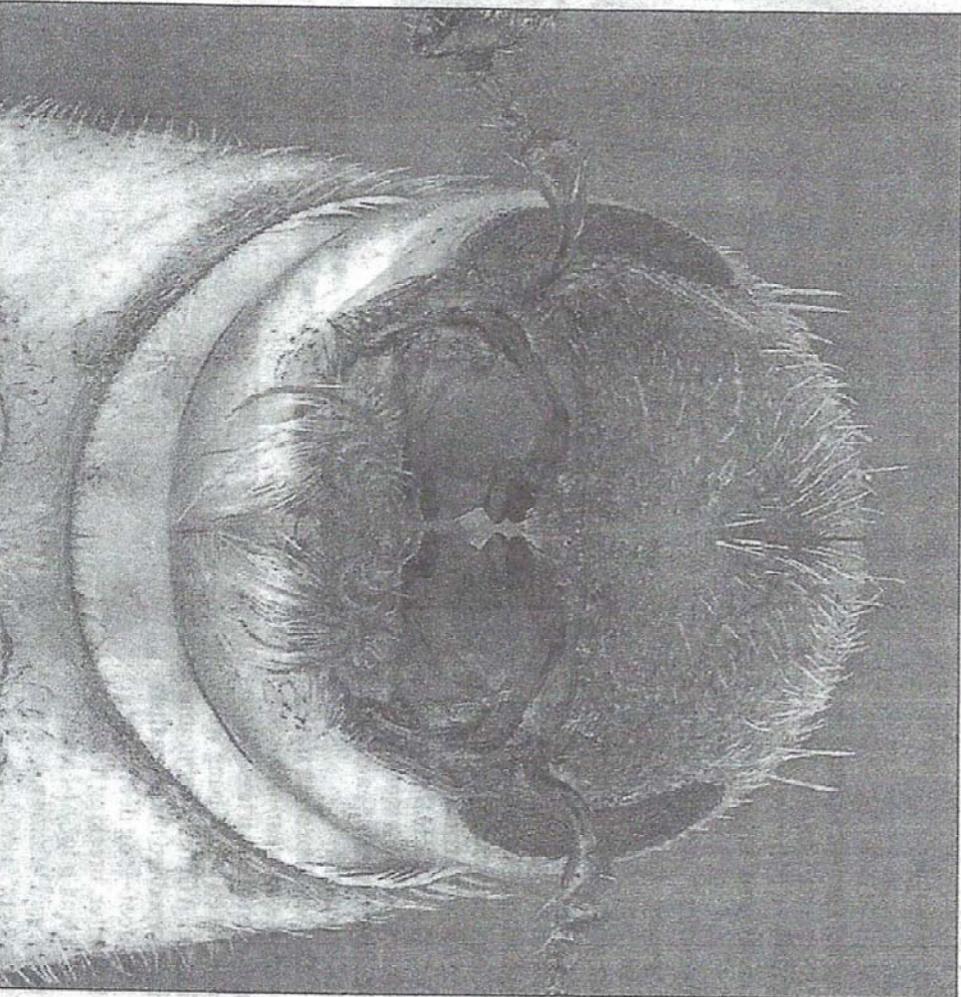
Pine-killing southern beetle may be more deadly in North

By Mary Esch
The Associated Press

ALBANY, N.Y. — A beetle that has killed millions of acres of pines in southern forests is munching its way north, and new research suggests its tree-killing prowess could be magnified in cooler climes.

Once unheard-of north of Delaware, southern pine beetles have been steadily expanding their range as the climate warms. Efforts are under way to quell a large outbreak in Long Island's pine barrens and monitor whether traps have caught beetles earlier north as New England. The insect could reach New Scotia by 2020 and cover forests from the upper Mid-west to Maine by 2080, according to a Columbia University study published in the journal Nature Climate Change in August.

Now there's more bad news in a new study from Dartmouth College: Cooler fall and winter temperatures



Legal Notices

OUTREACH MEETING
LEGAL NOTICE
NOTICE OF COMMUNITY OUTREACH MEETING

REGARDING PROPOSAL OF GOOD CHEMISTRY OF MASSACHUSETTS, INC.

TO INCLUDE ADULT-USE MARIJUANA CULTIVATION AT ITS CURRENT MEDICAL USE OF MARIJUANA CULTIVATION AT

20 WILLIAMS WAY, BELLINGHAM, MASSACHUSETTS 02019

Good Chemistry of Massachusetts, Inc. ("Good Chemistry") will be hosting a Community Outreach Meeting ("the Meeting") on June 19, 2018 from 6:00-8:00pm at the Bellingham Public Library Central Library Community Room, 100 Blackstone St, Bellingham, MA 02019. Members of the public are encouraged to attend the Meeting, at which Good Chemistry, which currently operates a Medical Use of Marijuana Cultivation and Manufacturing Facility at 20 Williams Way, Bellingham, MA 02019 (the "Property"), will outline its proposal to apply for Adult-Use Marijuana Cultivation and Manufacturing licenses at the Property pursuant to M.G.L. Chapter 94G and Chapter 55 of the Acts of 2017, and other applicable laws and regulations promulgated thereunder, including those promulgated by the Massachusetts Cannabis Control Commission.

Members of the Bellingham community will be encouraged to ask questions and to engage in dis-

MURPHY ESTATE
LEGAL NOTICE
Commonwealth of Massachusetts
The Trial Court
Probate and Family Court
Worcester Probate and Family Court

225 Main Street
Worcester, MA 01608
(508) 831-2200
Docket No. WC018P-1757EA

INFORMAL PROBATE PUBLICATION NOTICE

Estate of: Peter C Murphy

Date of Death: March 13, 2018

To all persons interested in the above captioned estate, by Petition of Petitioner Mark D Murphy of Newington CT a Will has been admitted to Informal probate.

Mark D Murphy of Newington CT has been informally appointed as the Personal Representative of the estate to serve without surety on the bond.

The estate is being administered under Informal procedure by the Personal Representative under the Massachusetts Uniform Probate Code without supervision by the Court. Inventory and accounts are not required to be filed with the Court, but interested parties are entitled to notice regarding the administration from the Personal Representative and can petition the Court in any matter relating to the estate, including distribution of assets and expenses of administration. Interested parties are entitled to petition the Court to institute formal proceedings and to obtain orders termi-

Attachment B

NOTICE OF COMMUNITY OUTREACH MEETING

REGARDING PROPOSAL OF GOOD CHEMISTRY OF MASSACHUSETTS, INC.

TO INCLUDE ADULT-USE MARIJUANA CULTIVATION AT ITS
CURRENT MEDICAL USE OF MARIJUANA CULTIVATION AT

20 WILLIAMS WAY, BELLINGHAM, MASSACHUSETTS

Good Chemistry of Massachusetts, Inc. ("Good Chemistry") will be hosting a Community Outreach Meeting ("the Meeting") on June 19, 2018 from 6:00-8:00pm at the Bellingham Public Library Central Library Community Room, 100 Blackstone St, Bellingham, MA 02019. Members of the public are encouraged to attend the Meeting, at which Good Chemistry, which currently operates a Medical Use of Marijuana Cultivation and Manufacturing Facility at 20 Williams Way, Bellingham, MA 02019 (the "Property"), will outline its proposal to apply for Adult-Use Marijuana Cultivation and Manufacturing licenses at the Property pursuant to M.G.L. Chapter 94G and Chapter 55 of the Acts of 2017, and other applicable laws and regulations promulgated thereunder, including those promulgated by the Massachusetts Cannabis Control Commission.

Members of the Bellingham community will be encouraged to ask questions and to engage in discussions with representatives of Good Chemistry.

A copy of this notice is on file with the office of the Town Clerk and with the office of the Board of Selectmen, Bellingham Municipal Center, 10 Mechanic Street, Bellingham, Massachusetts. A copy of this notice was mailed at least seven (7) calendar days prior to the Community Outreach Meeting to abutters of the Property, and abutters within three hundred feet of the Property, and the owners of land directly opposite the Property on any public or private street or way, all 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 C

NOTICE OF COMMUNITY OUTREACH MEETING

REGARDING PROPOSAL OF GOOD CHEMISTRY OF MASSACHUSETTS, INC.

**TO INCLUDE ADULT-USE MARIJUANA CULTIVATION AT ITS
CURRENT MEDICAL USE OF MARIJUANA CULTIVATION AT**

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Smith, Costello & Crawford

Public Policy Law Group.

September 15, 2020

SENT VIA EMAIL

Denis Fraine, Town Administrator
Bellingham Town Hall
Municipal Center
10 Mechanic Street
Bellingham, MA 02019

RE: Good Chemistry of Massachusetts, Inc. Cultivation and Product Manufacturing Marijuana Establishments

Dear Mr. Fraine,

As you know, Good Chemistry of Massachusetts, Inc. (“GCM”) currently holds a Cultivation Marijuana Establishment License and Product Manufacturing Marijuana Establishment License located at 20 Williams Way in Bellingham. Pursuant to 935 CMR 500.103(4), GCM must submit an application for the annual renewal of its license to operate in Bellingham to the Cannabis Control Commission (“CCC”). As a condition of that renewal, the CCC has required that we request from Bellingham, our host community, the records of any cost to the city anticipated or actual, resulting from the operation of our Cultivation Marijuana Establishment and Product Manufacturing Marijuana Establishment.

In order to comply with this condition of our renewal, we are submitting to your office our formal request for records of any cost incurred by the Town of Bellingham over the past year as a result of our operations. Please send any documentation to by mail or e-mail to:

Good Chemistry of Massachusetts, Inc.
c/o Jennifer K. Crawford
Smith, Costello & Crawford
One State Street, 15th Floor
Boston, MA 02109
jcrawford@publicpolicylaw.com

We thank you for your attention to this matter. Please do not hesitate to reach out should you have any questions.

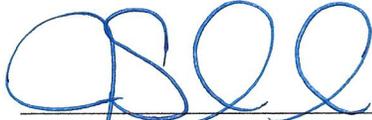
Sincerely,



Jennifer K. Crawford, Esq.

Affidavit of No Response to Municipal Cost Letter

I, Joe Sandoval, as Compliance Director of Good Chemistry of Massachusetts, Inc. hereby certify that on September 15, 2020, Good Chemistry of Massachusetts, Inc. sent formal notice to the Town of Bellingham requesting from our host community records of any cost to the city or town reasonably related to the operation of the establishment. As of September 29, 2020, Good Chemistry of Massachusetts, Inc. has not received a response from the Town of Bellingham related to this request.



Joe Sandoval, Compliance Director

9/29/2020

Date

STATE OF Colorado

COUNTY OF Denver

On this 29 day of September, 2020, before me, the undersigned notary public, personally appeared Joe Sandoval satisfactory evidence of identification, which was a Colorado Drivers License, to be the person whose name is signed on the preceding or attached document and acknowledged to me that he signed it voluntarily for its stated purpose.

Jill Kassel (official signature and seal of notary)

My commission expires: MAY 19th 2024

JILL A KASELL NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20204017498 MY COMMISSION EXPIRES MAY 19, 2024
--

Plan for Positive Impact

I. Intent

- Cannabis prohibition has had a disproportionate impact on various communities. As the industry begins in earnest in Massachusetts, it is fully recognized that Good Chemistry of Massachusetts, Inc. (“Good Chemistry”) has a responsibility and commitment to ensure it is contributing to its community and those who have been disproportionately impacted by marijuana prohibition.
- Good Chemistry’s retail location at 9 Harrison St, Worcester, MA 01604 is located adjacent to numerous designated areas of disproportionate impacts, including but not limited to Census Tract 7323.02, Census Tract 7324, Census Tract 7327, Census Tract 7313, and Census Tract 7314.
- Good Chemistry and its management team is fully committed to making recurring, positive contributions to its community and related stakeholders.

II. Purpose

- Intent of this document is to summarize Good Chemistry’s plan to ensure it creates positive and lasting impacts on the Town of Bellingham community and areas of disproportionate impact such as within the City of Worcester and just outside the Town of Bellingham.

III. Goals

- Good Chemistry is committed to ensuring that it fosters positive relationships with our host community.
- Good Chemistry endeavors to find innovative and creative ways to give back to its host community.
- Good Chemistry is committed to serving communities and people in areas of disproportionate impact.

IV. Proposed Initiatives

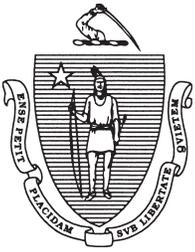
- Good Chemistry plans to achieve its goals by implementing the following activities or programs.
 - Using best efforts to ensure that hiring preferences will be given to Town residents with a goal of hiring 10 % minority, 5% women, and 15% lower income individuals.
 - Good Chemistry will work with workforce development organizations such as the City of Worcester - Division of Workforce Development, the Central Massachusetts Workforce Investment Board, and local groups in areas of disproportionate impact such as the Oak Hill Community Development Corporation in an effort to achieve this goal.
 - Good Chemistry will also work with local groups in areas of disproportionate impact that are not far from the Town of Bellingham, such as Mansfield or Taunton, or the City of Worcester.
 - Good Chemistry will strive to hire local vendors and suppliers and will prioritize initiating proposals from Bellingham-area suppliers and vendors or suppliers and

- vendors from areas of disproportionate impact in the City of Worcester and will use best efforts to give vendor proposals from areas of disproportionate impact preference in our selection process.
- Good Chemistry will host education workshops annually in Bellingham and / or areas of disproportionate impact in the City of Worcester.
 - These workshops will strive to impart best practices regarding accounting and sales forecasting, compliance, business planning and operational development, and marijuana industry best practices, and will feature experts in each of these fields.
 - Once a year, Good Chemistry will host leadership seminars in areas of disproportionate impact in the City of Worcester and / or in areas of disproportionate impact near the Town of Bellingham
 - These seminars will strive to empower and inspire local leaders in the African-American, Latino, Women, and LGBTQ communities.
 - Good Chemistry will use best efforts to use senior leadership in these workshops who represent the African-American, Latino, Women, and LGBTQ communities.
 - Once a year, Good Chemistry will host a diversity job fair in areas of disproportionate impact near Bellingham and / or areas of disproportionate impact within the City of Worcester
 - Good Chemistry will partner with local organizations and groups such as the Minority Cannabis Business Association (MCBA) to target communities of disproportionate impact.
 - Neighborhood and community beautification
 - Once yearly Good Chemistry will organize and sponsor teams of volunteers to help beautify and clean up the neighborhoods in areas of disproportionate impact including such activities as graffiti removal, trash clean-up, and planting gardens.
 - Good Chemistry will make annual financial contributions to local service-based philanthropic organizations who serve adjacent areas of disproportionate impact in the City of Worcester

V. Evaluation

- Annual reporting measuring the effectiveness of these plans will be conducted. Reports will be kept on hand at all times at 20 William Way, Bellingham, MA 02019
 - Reports will be metric based and will attempt to document how many individuals have been directly impacted by Good Chemistry of Massachusetts outreach efforts.
 - Reports will detail attendance and participation at each event
 - Reports will document the amount of Company resources being deployed at each event

- Good Chemistry will evaluate the success of its positive impact plan through the following measures
 - Survey of participants of each activity for effectiveness or feedback of ways to enhance programs aimed at those individuals who live in areas of disproportionate impact
 - Internal evaluation of each activity to determine effectiveness and attendance by individuals from areas of disproportionate impact
 - Evaluation of each activity with outside stakeholders for feedback for improvement of programs to better serve areas of disproportionate impact
 - Internal evaluation of self-attested demographic data by employees of Good Chemistry



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

William Francis Galvin
Secretary of the
Commonwealth

Date: March 01, 2018

To Whom It May Concern :

I hereby certify that according to the records of this office,

GOOD CHEMISTRY OF MASSACHUSETTS, INC.

is a domestic corporation organized on **February 26, 2018** , under the General Laws of the Commonwealth of Massachusetts. I further certify that there are no proceedings presently pending under the Massachusetts General Laws Chapter 156D section 14.21 for said corporation's dissolution; that articles of dissolution have not been filed by said corporation; that, said corporation has filed all annual reports, and paid all fees with respect to such reports, and so far as appears of record said corporation has legal existence and is in good standing with this office.



In testimony of which,

I have hereunto affixed the

Great Seal of the Commonwealth

on the date first above written.

William Francis Galvin

Secretary of the Commonwealth

Certificate Number: 18030012560

Verify this Certificate at: <http://corp.sec.state.ma.us/CorpWeb/Certificates/Verify.aspx>

Processed by:

D

The Commonwealth of Massachusetts

William Francis Galvin

Secretary of the Commonwealth

One Ashburton Place, Boston, Massachusetts 02108-1512

FORM MUST BE TYPED

Articles of Entity Conversion of a Domestic Non-Profit with a Pending Provisional or Final Certification to Dispense Medical Use Marijuana to a Domestic Business Corporation

FORM N

(General Laws Chapter 156D, Section 9.53; 950 CMR 113.30)

4 63379588

Good Chemistry, Inc. is a registrant
with the Department of Public Health
in accordance with 105 CMR 725.100(C)
as of February 26, 2018.

Bryan Harter
Bryan Harter
Director

Medical Use of Marijuana Program
Bureau of Healthcare Safety and Quality
Massachusetts Department of Public Health

(1) Exact name of the non-profit: Good Chemistry of Massachusetts, Inc.

(2) A corporate name that satisfies the requirements of G.L. Chapter 156D, Section 4.01:

Good Chemistry of Massachusetts, Inc.

(3) The plan of entity conversion was duly approved in accordance with the law.

(4) The following information is required to be included in the articles of organization pursuant to G.L. Chapter 156D, Section 2.02(a) or permitted to be included in the articles pursuant to G.L. Chapter 156D, Section 2.02(b):

ARTICLE I

The exact name of the corporation upon conversion is:

Good Chemistry of Massachusetts, Inc.

ARTICLE II

Unless the articles of organization otherwise provide, all corporations formed pursuant to G.L. Chapter 156D have the purpose of engaging in any lawful business. Please specify if you want a more limited purpose:*

To engage in the cultivation, production, dispensing and sale of marijuana and marijuana products in Massachusetts, as permitted by Massachusetts law, and to engage in all activities that are related or incidental thereto and all other activities that are permitted by Domestic Business Corporations in Massachusetts.

6

ARTICLE III

State the total number of shares and par value, * if any, of each class of stock that the corporation is authorized to issue. All corporations must authorize stock. If only one class or series is authorized, it is not necessary to specify any particular designation.

WITHOUT PAR VALUE		WITH PAR VALUE		
TYPE	NUMBER OF SHARES	TYPE	NUMBER OF SHARES	PAR VALUE
Common	275,000			

ARTICLE IV

Prior to the issuance of shares of any class or series, the articles of organization must set forth the preferences, limitations and relative rights of that class or series. The articles may also limit the type or specify the minimum amount of consideration for which shares of any class or series may be issued. Please set forth the preferences, limitations and relative rights of each class or series and, if desired, the required type and minimum amount of consideration to be received.

N/A

ARTICLE V

The restrictions, if any, imposed by the articles or organization upon the transfer of shares of any class or series of stock are:

N/A

ARTICLE VI

Other lawful provisions, and if there are no such provisions, this article may be left blank.

See Attachment Pages 6A

Note: The preceding six (6) articles are considered to be permanent and may be changed only by filing appropriate articles of amendment.

ATTACHMENT PAGES 6A TO THE ARTICLES OF ENTITY CONVERSION OF GOOD
CHEMISTRY OF MASSACHUSETTS, INC.,
FROM A DOMESTIC NON-PROFIT TO A DOMESTIC BUSINESS CORPORATION

1. Minimum Number of Directors. The Board of Directors may consist of one or more individuals, notwithstanding the number of shareholders.
2. Personal Liability of Directors to Corporation. No Director shall have personal liability to the Corporation for monetary damages for breach of his or her fiduciary duty as a Director notwithstanding any provision of law imposing such a liability, provided that this provision shall not eliminate or limit the liability of the Director (a) for any breach of the Director's duty of loyalty to the Corporation or its shareholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (c) for improper distributions under Section 6.40 of Chapter 156D of the General Laws of Massachusetts, or (d) for any transaction from which the Director derived an improper personal benefit.
3. Shareholder Vote Required to Approve Matters Acted on by Shareholders. With respect to any matter as to which the affirmative vote of more than a majority of the shares in any voting group shall be required by the provisions of Chapter 156D of the General Laws of Massachusetts for the approval of the matter, the affirmative vote of a majority of all the shares in any such voting group eligible to vote on the matter shall be sufficient for the approval of the matter, notwithstanding that such greater vote on the matter would be otherwise required.
4. Shareholder Action Without a Meeting by Less Than Unanimous Consent. Action required or permitted by Chapter 156D of the General Laws of Massachusetts to be taken at a shareholders' meeting may be taken without a meeting by shareholders having not less than the minimum number of votes otherwise necessary to take the action at a meeting at which all shareholders entitled to vote on the action would be present and voting.
5. Authorization of Directors to Make, Amend or Repeal Bylaws. The Board of Directors may make, amend, and repeal the bylaws of the Corporation, in whole or in part, except with respect to any provision thereof which, by virtue of an express provision in Chapter 156D of the General Laws of Massachusetts, these Articles of Organization or the bylaws, requires action directly and exclusively by the shareholders.
6. Authority of Directors to Create New Classes and Series of Shares. The Board of Directors, acting without the shareholders, may (a) reclassify any unissued shares of any authorized class or series into one or more existing or new classes or series, and (b) create

one or more new classes or series of shares, specifying the number of shares to be included therein, the distinguishing designation thereof, and the preferences, limitations and relative rights applicable thereto, provided that the Board of Directors may not approve an aggregate number of authorized shares of all classes and series which exceeds the total number of authorized shares specified in these Articles of Organization.

7. Meetings of Shareholders. All meetings of shareholders may be held within the Commonwealth of Massachusetts or elsewhere within the United States. Such meetings may be held by telephone, webinar or other electronic means.
8. Partnership Authority. The Corporation may be a partner, general or limited, in any business enterprise which it would have the authority to conduct by itself.
9. Shareholder Examination of Corporation Records. Except as otherwise provided by law, no shareholder shall have any right to examine any property or any books, accounts or other writings of the Corporation if there is reasonable ground for belief that such examination will, for any reason, be adverse to the interests of the Corporation. A vote of the Board of Directors refusing permission to make such examination shall be prima facie evidence that such examination would be adverse to the interests of the Corporation. Every such examination shall be subject to reasonable regulations as Board of Directors may establish in regard thereto.

ARTICLE VII

The effective date of organization of the corporation is the date and time the articles were received for filing if the articles are not rejected within the time prescribed by law. If a later effective date is desired, specify such date, which may not be later than the 90th day after the articles are received for filing:

ARTICLE VIII

The information contained in this article is not a permanent part of the articles of organization.

- a. The street address of the initial registered office of the corporation in the commonwealth:
c/o Smith, Costello & Crawford, 50 Congress Street, Suite 420, Boston, MA 02109
- b. The name of its initial registered agent at its registered office:
Jennifer K. Crawford, Esq.
- c. The names and addresses of the individuals who will serve as the initial directors, president, treasurer and secretary of the corporation (an address need not be specified if the business address of the officer or director is the same as the principal office location):

President: **Matthew J. Huron, 1550 Larimer Street, #296, Denver, CO 80202**

Treasurer: **Keith T. Nuber, 1550 Larimer Street, #296, Denver, CO 80202**

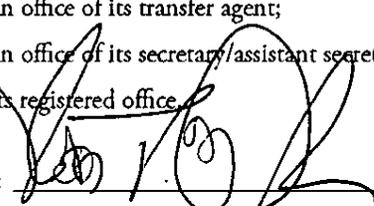
Secretary: **Keith T. Nuber, 1550 Larimer Street, #296, Denver, CO 80202**

Director(s): **Matthew J. Huron, 1550 Larimer Street, #296, Denver, CO 80202**

- d. The fiscal year end of the corporation:
December 31
- e. A brief description of the type of business in which the corporation intends to engage:
Marijuana establishments pursuant to Massachusetts law
- f. The street address of the principal office of the corporation:
50 Congress Street, Suite 420, Boston, MA 02109
- g. The street address where the records of the corporation required to be kept in the commonwealth are located is:

50 Congress Street, Suite 420, Boston, MA 02109, which is
(number, street, city or town, state, zip code)

- its principal office;
- an office of its transfer agent;
- an office of its secretary/assistant secretary;
- its registered office.

Signed by:  _____
(signature of authorized individual)

- Chairman of the board of directors,
- President,
- Other officer,
- Court-appointed fiduciary,

on this 16th day of February, 2018

COMMONWEALTH OF MASSACHUSETTS

SECRETARY OF THE COMMONWEALTH

William Francis Galvin
Secretary of the Commonwealth
One Ashburton Place, Boston, Massachusetts 02108-1512

2018 FEB 26 PM 3:24

CORPORATIONS DIVISION

Articles of Entity Conversion of a Domestic Non-Profit with a Pending Provisional or Final Certification to Dispense Medical Use Marijuana to a Domestic Business Corporation (General Laws Chapter 156D, Section 9.53; 950 CMR 113.30)

I hereby certify that upon examination of these articles of conversion, duly submitted to me, it appears that the provisions of the General Laws relative thereto have been complied with, and I hereby approve said articles; and the filing fee in the amount of \$475 having been paid, said articles are deemed to have been filed with me this 26 day of February, 2018, at 3:24 a.m. (p.m) time

Effective date: _____

(must be within 90 days of date submitted)

[Handwritten signature of William Francis Galvin]

WILLIAM FRANCIS GALVIN
Secretary of the Commonwealth

SB

Examiner

DB

Name approval

C

M

Filing fee: Minimum \$250

2277

TO BE FILLED IN BY CORPORATION
Contact Information:

Jennifer K. Crawford, Esq.

Smith, Costello & Crawford, 50 Congress Street, Ste 420

Boston, MA 02109

Telephone: (617) 523-0600

Email: jcrawford@publicpolicylaw.com

Upon filing, a copy of this filing will be available at www.sec.state.ma.us/cor. If the document is rejected, a copy of the rejection sheet and rejected document will be available in the rejected queue.

1306182

BYLAWS
OF
GOOD CHEMISTRY OF MASSACHUSETTS, INC.

BYLAWS

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ARTICLE I

SHAREHOLDERS

1.1. Annual Meeting. The Corporation shall hold an annual meeting of shareholders at a time to be fixed by the Board of Directors, the Chief Executive Officer or the President and stated in the notice of the meeting. The purposes for which the annual meeting is to be held, in addition to those prescribed by the Articles of Organization, shall be for electing Directors and for such other purposes as shall be specified in the notice for the meeting, and only business within such purposes may be conducted at the meeting. In the event an annual meeting is not held at the time fixed in accordance with these Bylaws or the time for an annual meeting is not fixed in accordance with these Bylaws to be held within 13 months after the last annual meeting, the Corporation may designate a special meeting as a special meeting in lieu of the annual meeting, and such meeting shall have all of the effect of an annual meeting.

1.2. Special Meetings. Special meetings of the shareholders may be called by the Board of Directors, the Chief Executive Officer or the President, and shall be called by the Secretary, or in case of the death, absence, incapacity or refusal of the Secretary, by another officer, if the holders of at least 10 per cent, or such lesser percentage as the Articles of Organization permit, of all the votes entitled to be cast on any issue to be considered at the proposed special meeting sign, date and deliver to the Secretary one or more written demands for the meeting describing the purpose for which it is to be held. Only business within the purpose or purposes described in the meeting notice may be conducted at a special shareholders' meeting.

1.3. Place of Meetings. All meetings of shareholders shall be held at the principal office of the Corporation unless a different place is fixed by the Board of Directors, the Chief Executive Officer or the President and specified in the notice of the meeting, or the meeting is held solely by means of remote communication in accordance with Section 1.12 of these Bylaws.

1.4. Requirement of Notice. A written notice of the date, time and place of each annual and special shareholders' meeting describing the purposes of the meeting shall be given to shareholders entitled to vote at the meeting (and, to the extent required by law or the Articles of Organization, to shareholders not entitled to vote at the meeting) no fewer than seven nor more than 60 days before the meeting date. If an annual or special meeting of shareholders is adjourned to a different date, time or place, notice need not be given of the new date, time or place if the new date, time or place is announced at the meeting before adjournment. If a new record date for the adjourned meeting is fixed, however, notice of the adjourned meeting shall be given under this Section 1.4 to persons who are shareholders as of the new record date. All notices to shareholders shall conform to the requirements of Article III of these Bylaws.

1.5. Waiver of Notice. A shareholder may waive any notice required by law, the Articles of Organization or these Bylaws before or after the date and time stated in the notice. The waiver shall be in writing, be signed by the shareholder entitled to the notice, and be delivered to the Corporation for inclusion with the records of the meeting. A shareholder's attendance at a meeting: (a) waives objection to lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting; and (b) waives objection to consideration of a particular

matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

1.6. Quorum.

(a) Unless otherwise provided by law, or in the Articles of Organization, these Bylaws or, to the extent authorized by law, a resolution of the Board of Directors requiring satisfaction of a greater quorum requirement for any voting group, a majority of the votes entitled to be cast on the matter by a voting group constitutes a quorum of that voting group for action on that matter, provided always that less than such a quorum shall have the power to adjourn a meeting of shareholders from time to time. As used in these Bylaws, a voting group includes all shares of one or more classes or series that, under the Articles of Organization or the Massachusetts Business Corporation Act, as in effect from time to time (the "MBCA"), are entitled to vote and to be counted together collectively on a matter at a meeting of shareholders.

(b) A share once represented for any purpose at a meeting is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless (1) the shareholder attends solely to object to lack of notice, defective notice or the conduct of the meeting on other grounds and does not vote the shares or otherwise consent that they are to be deemed present, or (2) in the case of an adjournment, a new record date is or shall be set for that adjourned meeting.

1.7. Voting and Proxies.

(a) Except as provided in this Section 1.7(a) or unless the Articles of Organization provide otherwise, each outstanding share, regardless of class, is entitled to one vote on each matter voted on at a shareholders' meeting. Only shares are entitled to vote, and each fractional share, if any, is entitled to a proportional vote. Absent special circumstances, the shares of the Corporation are not entitled to vote if they are owned, directly or indirectly, by another entity of which the Corporation owns, directly or indirectly, a majority of the voting interests; provided, however, that nothing in these Bylaws shall limit the power of the Corporation to vote any shares held by it, directly or indirectly, in a fiduciary capacity. Unless the Articles of Organization provide otherwise, redeemable shares are not entitled to vote after notice of redemption is given to the holders and a sum sufficient to redeem the shares has been deposited with a bank, trust company or other financial institution under an irrevocable obligation to pay the holders the redemption price upon surrender of the shares.

(b) A shareholder may vote his or her shares in person or may appoint a proxy to vote or otherwise act for him or her by signing an appointment form, either personally or by his or her attorney-in-fact. An appointment of a proxy is effective when received by the Secretary or other officer or agent authorized to tabulate votes. Unless otherwise provided in the appointment form, an appointment is valid for a period of 11 months from the date the shareholder signed the form or, if it is undated, from the date of its receipt by the officer or agent. An appointment of a proxy is revocable by the shareholder unless the appointment form conspicuously states that it is irrevocable and the appointment is coupled with an interest, as defined in the MBCA. An appointment made irrevocable is revoked when the interest with which it is coupled is extinguished. The death or incapacity of the shareholder appointing a

proxy shall not affect the right of the Corporation to accept the proxy's authority unless notice of the death or incapacity is received by the Secretary or other officer or agent authorized to tabulate votes before the proxy exercises his or her authority under the appointment. A transferee for value of shares subject to an irrevocable appointment may revoke the appointment if he or she did not know of its existence when he or she acquired the shares and the existence of the irrevocable appointment was not noted conspicuously on the certificate representing the shares or on the information statement for shares without certificates. Subject to the provisions of Section 7.24 of the MBCA, or any successor Section thereto, and to any express limitation on the proxy's authority appearing on the face of the appointment form, the Corporation is entitled to accept the proxy's vote or other action as that of the shareholder making the appointment.

1.8. Action at Meeting. If a quorum of a voting group exists, favorable action on a matter, other than the election of Directors, is taken by a voting group if the votes cast within the group favoring the action exceed the votes cast opposing the action, unless a greater number of affirmative votes is required by law, the Articles of Organization, these Bylaws or, to the extent authorized by law, a resolution of the Board of Directors requiring receipt of a greater affirmative vote of the shareholders, including more separate voting groups. Directors are elected by a plurality of the votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present. No ballot shall be required for such election unless requested by a shareholder present or represented at the meeting and entitled to vote in the election.

1.9. Conduct of Meetings. The Board of Directors may adopt by resolution such rules, regulations and procedures for the conduct of any meeting of shareholders as it shall deem appropriate, including without limitation such guidelines and procedures as it may deem appropriate regarding the participation by means of remote communication of shareholders and proxyholders not physically present at a meeting. Except to the extent inconsistent with such rules, regulations and procedures as adopted by the Board of Directors, the chairman of any meeting of shareholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) rules and procedures for maintaining order at the meeting and the safety of those present; (c) limitations on attendance at or participation in the meeting to shareholders, their duly authorized and constituted proxies or attorneys or such other persons as shall be determined; (d) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (e) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of shareholders shall not be required to be held in accordance with the rules of parliamentary procedure.

1.10. Action Without Meeting by Written Consent.

(a) Action taken at a shareholders' meeting may be taken without a meeting if the action is taken either: (1) by all shareholders entitled to vote on the action; or (2) to the extent permitted by the Articles of Organization, by shareholders having not less than the minimum number of votes necessary to take the action at a meeting at which all shareholders entitled to vote on the action are present and voting. The action shall be evidenced by one or

more written consents that describe the action taken, are signed by shareholders having the requisite votes, bear the date of the signatures of such shareholders, and are delivered to the Corporation for inclusion with the records of meetings within 60 days of the earliest dated consent delivered to the Corporation as required by this Section 1.10. A consent signed under this Section 1.10 has the effect of a vote at a meeting.

(b) If action is to be taken pursuant to the consent of voting shareholders without a meeting, the Corporation, at least seven days before the action pursuant to the consent is taken, shall give notice, which complies in form with the requirements of Article III of these Bylaws, of the action (1) to nonvoting shareholders in any case where such notice would be required by law if the action were to be taken pursuant to a vote by voting shareholders at a meeting, and (2) if the action is to be taken pursuant to the consent of less than all the shareholders entitled to vote on the matter, to all shareholders entitled to vote who did not consent to the action. The notice shall contain, or be accompanied by, the same material that would have been required by law to be sent to shareholders in or with the notice of a meeting at which the action would have been submitted to the shareholders for approval.

1.11. Record Date. The Board of Directors may fix the record date in order to determine the shareholders entitled to notice of a shareholders' meeting, to demand a special meeting, to vote or to take any other action. If a record date for a specific action is not fixed by the Board of Directors, and is not supplied by law, the record date shall be (a) the close of business either on the day before the first notice is sent to shareholders, or, if no notice is sent, on the day before the meeting or (b) in the case of action without a meeting by written consent, the date the first shareholder signs the consent or (c) for purposes of determining shareholders entitled to demand a special meeting of shareholders, the date the first shareholder signs the demand or (d) for purposes of determining shareholders entitled to a distribution, other than one involving a purchase, redemption or other acquisition of the Corporation's shares, the date the Board of Directors authorizes the distribution. A record date fixed under this Section 1.11 may not be more than 70 days before the meeting or action requiring a determination of shareholders. A determination of shareholders entitled to notice of or to vote at a shareholders' meeting is effective for any adjournment of the meeting unless the Board of Directors fixes a new record date, which it shall do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

1.12. Meetings by Remote Communication. Unless otherwise provided in the Articles of Organization, if authorized by the Board of Directors: any annual or special meeting of shareholders need not be held at any place but may instead be held solely by means of remote communication; and subject to such guidelines and procedures as the Board of Directors may adopt, shareholders and proxyholders not physically present at a meeting of shareholders may, by means of remote communication: (a) participate in a meeting of shareholders; and (b) be deemed present in person and vote at a meeting of shareholders whether such meeting is to be held at a designated place or solely by means of remote communication, provided that: (1) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a shareholder or proxyholder; (2) the Corporation shall implement reasonable measures to provide such shareholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the shareholders, including an opportunity to read or hear the

proceedings of the meeting substantially concurrently with such proceedings; and (3) if any shareholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

1.13. Form of Shareholder Action.

(a) Any vote, consent, waiver, proxy appointment or other action by a shareholder or by the proxy or other agent of any shareholder shall be considered given in writing, dated and signed, if, in lieu of any other means permitted by law, it consists of an electronic transmission that sets forth or is delivered with information from which the Corporation can determine (1) that the electronic transmission was transmitted by the shareholder, proxy or agent or by a person authorized to act for the shareholder, proxy or agent; and (2) the date on which such shareholder, proxy, agent or authorized person transmitted the electronic transmission. The date on which the electronic transmission is transmitted shall be considered to be the date on which it was signed. The electronic transmission shall be considered received by the Corporation if it has been sent to any address specified by the Corporation for the purpose or, if no address has been specified, to the principal office of the Corporation, addressed to the Secretary or other officer or agent having custody of the records of proceedings of shareholders.

(b) Any copy, facsimile or other reliable reproduction of a vote, consent, waiver, proxy appointment or other action by a shareholder or by the proxy or other agent of any shareholder may be substituted or used in lieu of the original writing for any purpose for which the original writing could be used, but the copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

1.14. Shareholder List for Meeting.

(a) After fixing a record date for a shareholders' meeting, the Corporation shall prepare an alphabetical list of the names of all its shareholders who are entitled to notice of the meeting. The list shall be arranged by voting group, and within each voting group by class or series of shares, and show the address of and number of shares held by each shareholder, but need not include an electronic mail address or other electronic contact information for any shareholder.

(b) The list of shareholders shall be available for inspection by any shareholder, beginning two business days after notice is given of the meeting for which the list was prepared and continuing through the meeting: (1) at the Corporation's principal office or at a place identified in the meeting notice in the city where the meeting will be held; or (2) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting. If the meeting is to be held solely by means of remote communication, the list shall be made available on an electronic network.

(c) A shareholder or his or her agent or attorney is entitled on written demand to inspect and, subject to the requirements of Section 6.2(c) of these Bylaws, to copy the list, during regular business hours and at his or her expense, during the period it is available for inspection.

(d) The Corporation shall make the list of shareholders available at the meeting, and any shareholder or his or her agent or attorney is entitled to inspect the list at any time during the meeting or any adjournment.

ARTICLE II

DIRECTORS

2.1. Powers. All corporate power shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of, its Board of Directors.

2.2. Number and Election. The Board of Directors shall consist of one or more individuals, with the number fixed by the shareholders at the annual meeting or by the Board of Directors, but, unless otherwise provided in the Articles of Organization, if the Corporation has more than one shareholder, the number of Directors shall not be less than three, except that whenever there shall be only two shareholders, the number of Directors shall not be less than two. Except as otherwise provided in the Articles of Organization or these Bylaws, the Directors shall be elected by the shareholders at the annual meeting.

2.3. Vacancies. If a vacancy occurs on the Board of Directors, including a vacancy resulting from an increase in the number of Directors: (a) the shareholders may fill the vacancy; (b) the Board of Directors may fill the vacancy; or (c) if the Directors remaining in office constitute fewer than a quorum of the Board of Directors, they may fill the vacancy by the affirmative vote of a majority of all the Directors remaining in office. Notwithstanding the foregoing, if the vacant office was held by a Director elected by a voting group of shareholders, only the holders of shares of that voting group or the Directors elected by that voting group are entitled to vote to fill the vacancy. A vacancy that will occur at a specific later date may be filled before the vacancy occurs but the new Director may not take office until the vacancy occurs.

2.4. Change in Size of the Board of Directors. The number of Directors may be fixed or changed from time to time by the shareholders or the Board of Directors.

2.5. Tenure. The terms of all Directors shall expire at the next annual shareholders' meeting following their election. A decrease in the number of Directors does not shorten an incumbent Director's term. The term of a Director elected to fill a vacancy shall expire at the next shareholders' meeting at which Directors are elected. Despite the expiration of a Director's term, he or she shall continue to serve until his or her successor is elected and qualified or until there is a decrease in the number of Directors.

2.6. Resignation. A Director may resign at any time by delivering written notice of resignation to the Board of Directors, the Chairman of the Board or the Corporation. A resignation is effective when the notice is delivered unless the notice specifies a later effective date.

2.7. Removal. The shareholders may remove one or more Directors with or without cause, but if a Director is elected by a voting group of shareholders, only the shareholders of that voting group may participate in the vote to remove him or her. A Director may be removed for

cause by the Directors by vote of a majority of the Directors then in office, but, if a Director is elected by a voting group of shareholders, only the Directors elected by that voting group may participate in the vote to remove him or her. A Director may be removed by the shareholders or the Directors only at a meeting called for the purpose of removing him or her, and the meeting notice must state that the purpose, or one of the purposes, of the meeting is removal of the Director.

2.8. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall from time to time be fixed by the Board of Directors without notice of the date, time, place or purpose of the meeting.

2.9. Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board, the Chief Executive Officer, the President, the Secretary, any two Directors or one Director in the event that there is only one Director.

2.10. Notice. Special meetings of the Board of Directors must be preceded by at least two days' notice of the date, time and place of the meeting. The notice need not describe the purpose of the special meeting. All notices to Directors shall conform to the requirements of Article III of these Bylaws.

2.11. Waiver of Notice. A Director may waive any notice before or after the date and time of the meeting. The waiver shall be in writing, signed by the Director entitled to the notice, or in the form of an electronic transmission by the Director to the Corporation, and filed with the minutes or corporate records. A Director's attendance at or participation in a meeting waives any required notice to him or her of the meeting unless the Director at the beginning of the meeting, or promptly upon his or her arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

2.12. Quorum. Unless otherwise provided by law, the Articles of Organization or these Bylaws, a quorum of the Board of Directors consists of a majority of the Directors then in office, provided always that any number of Directors (whether one or more and whether or not constituting a quorum) constituting a majority of Directors present at any meeting or at any adjourned meeting may make an adjournment thereof.

2.13. Action at Meeting. If a quorum is present when a vote is taken, the affirmative vote of a majority of Directors present is the act of the Board of Directors unless the Articles of Organization or these Bylaws require the vote of a greater number of Directors. A Director who is present at a meeting of the Board of Directors or a committee of the Board of Directors when corporate action is taken is considered to have assented to the action taken unless: (a) he or she objects at the beginning of the meeting, or promptly upon his or her arrival, to holding it or transacting business at the meeting; (b) his or her dissent or abstention from the action taken is entered in the minutes of the meeting; or (c) he or she delivers written notice of his or her dissent or abstention to the presiding officer of the meeting before its adjournment or to the Corporation immediately after adjournment of the meeting. The right of dissent or abstention is not available to a Director who votes in favor of the action taken.

2.14. Action Without Meeting. Any action required or permitted to be taken by the Directors may be taken without a meeting if the action is taken by the unanimous consent of the members of the Board of Directors. The action must be evidenced by one or more consents describing the action taken, in writing, signed by each Director, or delivered to the Corporation by electronic transmission, to the address specified by the Corporation for the purpose or, if no address has been specified, to the principal office of the Corporation, addressed to the Secretary or other officer or agent having custody of the records of proceedings of Directors, and included in the minutes or filed with the corporate records reflecting the action taken. Action taken under this Section 2.14 is effective when the last Director signs or delivers the consent, unless the consent specifies a different effective date. A consent signed or delivered under this Section 2.14 has the effect of a meeting vote and may be described as such in any document.

2.15. Telephone Conference Meetings. The Board of Directors may permit any or all Directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all Directors participating may simultaneously hear each other during the meeting. A Director participating in a meeting by this means is considered to be present in person at the meeting.

2.16. Committees. The Board of Directors may create one or more committees and appoint members of the Board of Directors to serve on them. Each committee may have one or more members, who serve at the pleasure of the Board of Directors. The creation of a committee and appointment of members to it must be approved by a majority of all the Directors in office when the action is taken. Article III and Sections 2.10 through 2.15 of these Bylaws shall apply to committees and their members. To the extent specified by the Board of Directors, each committee may exercise the authority of the Board of Directors to the extent permitted by law. The creation of, delegation of authority to, or action by a committee does not alone constitute compliance by a Director with the standards of conduct described in Section 2.18 of these Bylaws.

2.17. Compensation. The Board of Directors may fix the compensation of Directors.

2.18. Standard of Conduct for Directors.

(a) A Director shall discharge his or her duties as a Director, including his or her duties as a member of a committee: (1) in good faith; (2) with the care that a person in a like position would reasonably believe appropriate under similar circumstances; and (3) in a manner the Director reasonably believes to be in the best interests of the Corporation. In determining what the Director reasonably believes to be in the best interests of the Corporation, a Director may consider the interests of the Corporation's employees, suppliers, creditors and customers, the economy of the state, the region and the nation, community and societal considerations, and the long-term and short-term interests of the Corporation and its shareholders, including the possibility that these interests may be best served by the continued independence of the Corporation.

(b) In discharging his or her duties, a Director who does not have knowledge that makes reliance unwarranted is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by:

(1) one or more officers or employees of the Corporation whom the Director reasonably believes to be reliable and competent with respect to the information, opinions, reports or statements presented; (2) legal counsel, public accountants or other persons retained by the Corporation, as to matters involving skills or expertise the Director reasonably believes are matters (i) within the particular person's professional or expert competence or (ii) as to which the particular person merits confidence; or (3) a committee of the Board of Directors of which the Director is not a member if the Director reasonably believes the committee merits confidence.

(c) A Director is not liable for any action taken as a Director, or any failure to take any action, if he or she performed the duties of his or her office in compliance with this Section 2.18.

2.19. Conflict of Interest.

(a) A conflict of interest transaction is a transaction with the Corporation in which a Director of the Corporation has a material direct or indirect interest. A conflict of interest transaction is not voidable by the Corporation solely because of the Director's interest in the transaction if any one of the following is true:

(1) the material facts of the transaction and the Director's interest were disclosed or known to the Board of Directors or a committee of the Board of Directors and the Board of Directors or committee authorized, approved or ratified the transaction;

(2) the material facts of the transaction and the Director's interest were disclosed or known to the shareholders entitled to vote and they authorized, approved or ratified the transaction; or

(3) the transaction was fair to the Corporation.

(b) For purposes of this Section 2.19, and without limiting the interests that may create conflict of interest transactions, a Director of the Corporation has an indirect interest in a transaction if: (1) another entity in which he or she has a material financial interest or in which he or she is a general partner is a party to the transaction; or (2) another entity of which he or she is a director, officer or trustee or in which he or she holds another position is a party to the transaction and the transaction is or should be considered by the Board of Directors.

(c) For purposes of clause (1) of subsection (a) of this Section 2.19, a conflict of interest transaction is authorized, approved or ratified if it receives the affirmative vote of a majority of the Directors on the Board of Directors (or on the committee) who have no direct or indirect interest in the transaction, but a transaction may not be authorized, approved or ratified under this Section 2.19 by a single Director. If a majority of the Directors who have no direct or indirect interest in the transaction vote to authorize, approve or ratify the transaction, a quorum is present for the purpose of taking action under this Section 2.19. The presence of, or a vote cast by, a Director with a direct or indirect interest in the transaction does not affect the validity of any action taken under clause (1) of subsection (a) of this Section 2.19 if the transaction is otherwise authorized, approved or ratified as provided in that subsection.

(d) For purposes of clause (2) of subsection (a) of this Section 2.19, a conflict of interest transaction is authorized, approved or ratified if it receives the vote of a majority of the shares entitled to be counted under this subsection (d). Shares owned by or voted under the control of a Director who has a direct or indirect interest in the transaction, and shares owned by or voted under the control of an entity described in clause (1) of subsection (b) of this Section 2.19, may not be counted in a vote of shareholders to determine whether to authorize, approve or ratify a conflict of interest transaction under clause (2) of subsection (a) of this Section 2.19. The vote of those shares, however, is counted in determining whether the transaction is approved under other provisions of these Bylaws. A majority of the shares, whether or not present, that are entitled to be counted in a vote on the transaction under this subsection constitutes a quorum for the purpose of taking action under this Section 2.19.

2.20. Loans to Directors. The Corporation may not lend money to, or guarantee the obligation of a Director of, the Corporation unless: (a) the specific loan or guarantee is approved by a majority of the votes represented by the outstanding voting shares of all classes, voting as a single voting group, except the votes of shares owned by or voted under the control of the benefited Director; or (b) the Board of Directors determines that the loan or guarantee benefits the Corporation and either approves the specific loan or guarantee or a general plan authorizing loans and guarantees. The fact that a loan or guarantee is made in violation of this Section 2.20 shall not affect the borrower's liability on the loan.

ARTICLE III

MANNER OF NOTICE

Except as otherwise provided by law, all notices provided for under these Bylaws shall conform to the following requirements:

(a) Notice shall be in writing unless oral notice is reasonable under the circumstances. Notice by electronic transmission is written notice.

(b) Notice may be communicated in person; by telephone, voice mail, telegraph, teletype or other electronic means; by mail; by electronic transmission; or by messenger or delivery service. If these forms of personal notice are impracticable, notice may be communicated by a newspaper of general circulation in the area where published; or by radio, television or other form of public broadcast communication.

(c) Written notice, other than notice by electronic transmission, by the Corporation to any of its shareholders, if in a comprehensible form, is effective upon deposit in the United States mail, if mailed postpaid and correctly addressed to the shareholder's address shown in the Corporation's current record of shareholders.

(d) Written notice by electronic transmission by the Corporation to any of its shareholders, if in comprehensible form, is effective: (1) if by facsimile telecommunication, when directed to a number furnished by the shareholder for the purpose; (2) if by electronic mail, when directed to an electronic mail address furnished by the shareholder for the purpose; (3) if by a posting on an electronic network together with separate notice to the shareholder of such

specific posting, directed to an electronic mail address furnished by the shareholder for the purpose, upon the later of (i) such posting and (ii) the giving of such separate notice; and (4) if by any other form of electronic transmission, when directed to the shareholder in such manner as the shareholder shall have specified to the Corporation. An affidavit of the Secretary or an Assistant Secretary of the Corporation, the transfer agent or other agent of the Corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

(e) Except as provided in subsection (c) of this Article III, written notice, other than notice by electronic transmission, if in a comprehensible form, is effective at the earliest of the following: (1) when received; (2) five days after its deposit in the United States mail, if mailed postpaid and correctly addressed; (3) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested; or if sent by messenger or delivery service, on the date shown on the return receipt signed by or on behalf of the addressee; or (4) on the date of publication if notice by publication is permitted.

(f) Oral notice is effective when communicated if communicated in a comprehensible manner.

ARTICLE IV

OFFICERS

4.1. Enumeration. The Corporation shall have a President, a Treasurer, a Secretary and such other officers as may be appointed by the Board of Directors from time to time in accordance with these Bylaws, including, but not limited to, a Chairman of the Board, a Vice Chairman of the Board, a Chief Executive Officer and one or more Vice Presidents, Assistant Treasurers and Assistant Secretaries.

4.2. Appointment. The officers shall be appointed by the Board of Directors. A duly appointed officer may appoint one or more officers or assistant officers if authorized by the Board of Directors. Each officer has the authority and shall perform the duties set forth in these Bylaws or, to the extent consistent with these Bylaws, the duties prescribed by the Board of Directors or by direction of an officer authorized by the Board of Directors to prescribe the duties of other officers. The appointment of an officer shall not itself create contract rights.

4.3. Qualification. The same individual may simultaneously hold more than one office in the Corporation. No officer need be a shareholder.

4.4. Tenure. Except as otherwise provided by law, the Articles of Organization or these Bylaws, each officer shall hold office until his or her successor is duly appointed, unless a different term is specified in the vote appointing him or her, or until his or her earlier death, resignation or removal.

4.5. Resignation. An officer may resign at any time by delivering notice of the resignation to the Corporation. A resignation is effective when the notice is delivered unless the notice specifies a later effective date. If a resignation is made effective at a later date and the Corporation accepts the future effective date, the Board of Directors may fill the pending

vacancy before the effective date if the Board of Directors provides that the successor shall not take office until the effective date. An officer's resignation shall not affect the Corporation's contract rights, if any, with the officer.

4.6. Removal. The Board of Directors may remove any officer at any time with or without cause. An officer's removal shall not affect the officer's contract rights, if any, with the Corporation.

4.7. Vacancies. The Board of Directors may fill any vacancy occurring in any office for any reason and may, in its discretion, leave unfilled for such period as it may determine any offices other than those of President, Treasurer and Secretary. Each such successor shall hold office for the unexpired term of his or her predecessor and until his or her successor is duly appointed, or until he or she sooner dies, resigns or is removed.

4.8. Chairman of the Board and Vice Chairman of the Board. The Board of Directors may appoint from its members a Chairman of the Board, who need not be an employee or officer of the Corporation. If the Board of Directors appoints a Chairman of the Board, he or she shall perform such duties and possess such powers as are assigned to him or her by the Board of Directors and, if the Chairman of the Board is also designated as the Corporation's Chief Executive Officer, shall have the powers and duties of the Chief Executive Officer prescribed in Section 4.9 of these Bylaws. Unless otherwise provided by the Board of Directors, the Chairman of the Board shall preside at all meetings of the Board of Directors and shareholders.

If the Board of Directors appoints a Vice Chairman of the Board, he or she shall, in the event of the absence, inability or refusal to act of the Chairman of the Board, perform the duties and exercise the powers of the Chairman of the Board and shall perform such other duties and possess such other powers as may from time to time be vested in him or her by the Board of Directors.

4.9. President; Chief Executive Officer. Unless the Board of Directors has designated the Chairman of the Board or another person as Chief Executive Officer, the President shall be the Chief Executive Officer. The Chief Executive Officer shall have general charge and supervision of the business of the Corporation, subject to the direction of the Board of Directors. The President shall perform such other duties and shall have such other powers as the Board of Directors or the Chief Executive Officer (if the President is not the Chief Executive Officer) may from time to time prescribe. In the event of the absence, inability or refusal to act of the Chief Executive Officer or the President (if the President is not the Chief Executive Officer), the Vice President (or, if there shall be more than one, the Vice Presidents in the order determined by the Board of Directors) shall perform the duties of the Chief Executive Officer and, when so performing such duties, shall have all the powers of and be subject to all the restrictions upon, the Chief Executive Officer.

4.10. Vice Presidents. Any Vice President shall perform such duties and shall possess such powers as the Board of Directors, the Chief Executive Officer or the President may from time to time prescribe. The Board of Directors may assign to any Vice President the title Executive Vice President, Senior Vice President or any other title selected by the Board of Directors.

4.11. Treasurer and Assistant Treasurers. The Treasurer shall perform such duties and shall have such powers as may from time to time be assigned to him or her by the Board of Directors, the Chief Executive Officer or the President. In addition, the Treasurer shall perform such duties and have such powers as are incident to the office of treasurer, including without limitation the duty and power to keep and be responsible for all funds and securities of the Corporation, to deposit funds of the Corporation in depositories, to disburse such funds as ordered by the Board of Directors, the Chief Executive Officer or the President, to make proper accounts of such funds, and to render as required by the Board of Directors, the Chief Executive Officer or the President statements of all such transactions and of the financial condition of the Corporation.

Any Assistant Treasurer shall perform such duties and possess such powers as the Board of Directors, the Chief Executive Officer, the President or the Treasurer may from time to time prescribe. In the event of the absence, inability or refusal to act of the Treasurer, the Assistant Treasurer (or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Treasurer.

4.12. Secretary and Assistant Secretaries. The Secretary shall perform such duties and shall possess such powers as the Board of Directors, the Chief Executive Officer or the President may from time to time prescribe. In addition, the Secretary shall perform such duties and shall have such powers as are incident to the office of the secretary, including without limitation the duty and power to give notices of all meetings of shareholders and Directors, to attend all meetings of shareholders and Directors, to prepare minutes of the meetings of shareholders and Directors, to authenticate the records of the Corporation, to maintain a stock ledger and prepare lists of shareholders and their addresses as required, to be custodian of corporate records and the corporate seal and to affix and attest to the same on documents.

Any Assistant Secretary shall perform such duties and possess such powers as the Board of Directors, the Chief Executive Officer, the President or the Secretary may from time to time prescribe. In the event of the absence, inability or refusal to act of the Secretary, the Assistant Secretary (or if there shall be more than one, the Assistant Secretaries in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Secretary.

In the absence of the Secretary or any Assistant Secretary at any meeting of shareholders or Directors, the person presiding at the meeting shall designate a temporary secretary to prepare the minutes of the meeting.

4.13. Salaries. Officers of the Corporation shall be entitled to such salaries, compensation or reimbursement as shall be fixed or allowed from time to time by the Board of Directors.

4.14. Standard of Conduct for Officers. An officer shall discharge his or her duties: (a) in good faith; (b) with the care that a person in a like position would reasonably exercise under similar circumstances; and (c) in a manner the officer reasonably believes to be in the best interests of the Corporation. In discharging his or her duties, an officer who does not have knowledge that makes reliance unwarranted is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented

by: (1) one or more officers or employees of the Corporation whom the officer reasonably believes to be reliable and competent with respect to the information, opinions, reports or statements presented; or (2) legal counsel, public accountants or other persons retained by the Corporation as to matters involving skills or expertise the officer reasonably believes are matters (i) within the particular person's professional or expert competence or (ii) as to which the particular person merits confidence. An officer shall not be liable to the Corporation or its shareholders for any decision to take or not to take any action taken, or any failure to take any action, as an officer, if the duties of the officer are performed in compliance with this Section 4.14.

ARTICLE V

PROVISIONS RELATING TO SHARES

5.1. Issuance and Consideration. The Board of Directors may issue the number of shares of each class or series authorized by the Articles of Organization. The Board of Directors may authorize shares to be issued for consideration consisting of any tangible or intangible property or benefit to the Corporation, including cash, promissory notes, services performed, contracts for services to be performed, or other securities of the Corporation. Before the Corporation issues shares, the Board of Directors shall determine that the consideration received or to be received for shares to be issued is adequate. The Board of Directors shall determine the terms upon which the rights, options or warrants for the purchase of shares or other securities of the Corporation are issued and the terms, including the consideration, for which the shares or other securities are to be issued.

5.2. Share Certificates. If shares are represented by certificates, at a minimum each share certificate shall state on its face: (a) the name of the Corporation and that it is organized under the laws of The Commonwealth of Massachusetts; (b) the name of the person to whom issued; and (c) the number and class of shares and the designation of the series, if any, the certificate represents. Every certificate for shares of stock that are subject to any restriction on the transfer or registration of transfer of such shares pursuant to the Articles of Organization, these Bylaws, an agreement among shareholders or an agreement among shareholders and the Corporation, shall have conspicuously noted on the front or back of such certificate the existence of such restrictions. If different classes of shares or different series within a class are authorized, then the variations in rights, preferences and limitations applicable to each class and series, and the authority of the Board of Directors to determine variations for any future class or series, must be summarized on the front or back of each certificate. Alternatively, each certificate may state conspicuously on its front or back that the Corporation will furnish the shareholder this information on request in writing and without charge. Each share certificate shall be signed, either manually or in facsimile, by the Chief Executive Officer, the President or a Vice President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary, or any two officers designated by the Board of Directors, and may bear the corporate seal or its facsimile. If the person who signed, either manually or in facsimile, a share certificate no longer holds office when the certificate is issued, the certificate shall be nevertheless valid.

5.3. Uncertificated Shares. The Board of Directors may authorize the issue of some or all of the shares of any or all of the Corporation's classes or series without certificates. The

authorization shall not affect shares already represented by certificates until they are surrendered to the Corporation. Within a reasonable time after the issue or transfer of shares without certificates, the Corporation shall send the shareholder a written statement of the information required by the MBCA to be on certificates.

5.4. Transfers; Record and Beneficial Owners. Subject to the restrictions, if any, stated or noted on the stock certificates, shares of stock may be transferred on the books of the Corporation by the surrender to the Corporation or its transfer agent of the certificate representing such shares properly endorsed or accompanied by a written assignment or power of attorney properly executed, and with such proof of authority or the authenticity of signature as the Corporation or its transfer agent may reasonably require. The Corporation shall be entitled to treat the record holder of shares as shown on its books as the owner of such shares for all purposes, including the payment of dividends and other distributions and the right to vote with respect thereto, regardless of any transfer, pledge or other disposition of such shares until the shares have been transferred on the books of the Corporation in accordance with the requirements of these Bylaws. Notwithstanding anything to the contrary herein, to the extent the Board of Directors has established a procedure by which the beneficial owner of shares that are registered in the name of a nominee will be recognized by the Corporation as a shareholder, the Corporation shall be entitled to treat the beneficial owner of shares as the shareholder to the extent of the rights granted by a nominee certificate on file with the Corporation.

5.5. Replacement of Certificates. The Board of Directors may, subject to applicable law, determine the conditions upon which a new share certificate may be issued in place of any certificate alleged to have been lost, destroyed or wrongfully taken. The Board of Directors may, in its discretion, require the owner of such share certificate, or his or her legal representative, to give a bond, sufficient in its opinion, with or without surety, to indemnify the Corporation against any loss or claim which may arise by reason of the issue of the new certificate.

ARTICLE VI

CORPORATE RECORDS

6.1. Records to be Kept.

(a) The Corporation shall keep as permanent records minutes of all meetings of its shareholders and Board of Directors, a record of all actions taken by the shareholders or Board of Directors without a meeting, and a record of all actions taken by a committee of the Board of Directors in place of the Board of Directors on behalf of the Corporation. The Corporation shall maintain appropriate accounting records. The Corporation or its agent shall maintain a record of its shareholders, in a form that permits preparation of a list of the names and addresses of all shareholders, in alphabetical order by class of shares showing the number and class of shares held by each. The Corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

(b) The Corporation shall keep within The Commonwealth of Massachusetts a copy of the following records at its principal office or an office of its transfer agent or of its Secretary or Assistant Secretary or of its registered agent:

- (1) its Articles or Restated Articles of Organization and all amendments to them currently in effect;
- (2) its Bylaws or Restated Bylaws and all amendments to them currently in effect;
- (3) resolutions adopted by its Board of Directors creating one or more classes or series of shares, and fixing their relative rights, preferences and limitations, if shares issued pursuant to those resolutions are outstanding;
- (4) the minutes of all shareholders' meetings, and records of all action taken by shareholders without a meeting, for the past three years;
- (5) all written communications to shareholders generally within the past three years, including the financial statements furnished under Section 16.20 of the MBCA, or any successor Section thereto, for the past three years;
- (6) a list of the names and business addresses of its current Directors and officers; and
- (7) its most recent annual report delivered to the Massachusetts Secretary of State.

6.2. Inspection of Records by Shareholders.

(a) A shareholder is entitled to inspect and copy, during regular business hours at the office where they are maintained pursuant to Section 6.1(b) of these Bylaws, copies of any of the records of the Corporation described in said Section 6.1(b) if he or she gives the Corporation written notice of his or her demand at least five business days before the date on which he or she wishes to inspect and copy.

(b) A shareholder is entitled to inspect and copy, during regular business hours at a reasonable location specified by the Corporation, any of the following records of the Corporation if the shareholder meets the requirements of subsection (c) of this Section 6.2 and gives the Corporation written notice of his or her demand at least five business days before the date on which he or she wishes to inspect and copy:

- (1) excerpts from minutes reflecting action taken at any meeting of the Board of Directors, records of any action of a committee of the Board of Directors while acting in place of the Board of Directors on behalf of the Corporation, minutes of any meeting of the shareholders, and records of action taken by the shareholders or Board of Directors without a meeting, to the extent not subject to inspection under subsection (a) of this Section 6.2;
- (2) accounting records of the Corporation, but if the financial statements of the Corporation are audited by a certified public accountant, inspection shall be limited to the financial statements and the supporting schedules reasonably necessary to verify any line item on those statements; and

(3) the record of shareholders described in Section 6.1(a) of these Bylaws.

(c) A shareholder may inspect and copy the records described in subsection (b) of this Section 6.2 only if:

(1) his or her demand is made in good faith and for a proper purpose;

(2) he or she describes with reasonable particularity his or her purpose and the records he or she desires to inspect;

(3) the records are directly connected with his or her purpose; and

(4) the Corporation shall not have determined in good faith that disclosure of the records sought would adversely affect the Corporation in the conduct of its business.

(d) For purposes of this Section 6.2, “shareholder” includes a beneficial owner whose shares are held in a voting trust or by a nominee on his or her behalf.

6.3. Scope of Inspection Right.

(a) A shareholder’s agent or attorney has the same inspection and copying rights as the shareholder represented.

(b) The Corporation may, if reasonable, satisfy the right of a shareholder to copy records under Section 6.2 of these Bylaws by furnishing to the shareholder copies by photocopy or other means chosen by the Corporation, including copies furnished through an electronic transmission.

(c) The Corporation may impose a reasonable charge, covering the costs of labor, material, transmission and delivery, for copies of any documents provided to the shareholder. The charge may not exceed the estimated cost of production, reproduction, transmission or delivery of the records.

(d) The Corporation may comply at its expense with a shareholder’s demand to inspect the record of shareholders under clause (3) of subsection (b) of Section 6.2 of these Bylaws by providing the shareholder with a list of shareholders that was compiled no earlier than the date of the shareholder’s demand.

(e) The Corporation may impose reasonable restrictions on the use or distribution of records by the demanding shareholder.

6.4. Inspection of Records by Directors. A Director is entitled to inspect and copy the books, records and documents of the Corporation at any reasonable time to the extent reasonably related to the performance of the Director’s duties as a Director, including duties as a member of a committee, but not for any other purpose or in any manner that would violate any duty to the Corporation.

ARTICLE VII

INDEMNIFICATION

7.1. Definitions. In this Article VII the following words shall have the following meanings unless the context requires otherwise:

“Corporation” includes any domestic or foreign predecessor entity of the Corporation in a merger.

“Director” or “officer” is an individual who is or was a Director or officer, respectively, of the Corporation or who, while a Director or officer of the Corporation, is or was serving at the Corporation’s request as a director, officer, partner, trustee, employee or agent of another domestic or foreign corporation, partnership, joint venture, trust, employee benefit plan or other entity. A Director or officer is considered to be serving an employee benefit plan at the Corporation’s request if his or her duties to the Corporation also impose duties on, or otherwise involve services by, him or her to the plan or to participants in or beneficiaries of the plan. “Director” or “officer” includes, unless the context requires otherwise, the estate or personal representative of a Director or officer.

“Disinterested Director” is a Director who, at the time of a vote or selection referred to in Section 7.4 of these Bylaws, is not (a) a party to the proceeding, or (b) an individual having a familial, financial, professional or employment relationship with the Director or officer whose standard of conduct is the subject of the decision being made, which relationship would, in the circumstances, reasonably be expected to exert an influence on the Director’s judgment when voting on the decision being made.

“Expenses” includes, without limitation, attorneys’ fees, retainers, court costs, transcript costs, fees and expenses of experts, travel expenses, duplicating costs, printing and binding costs, telephone and telecopy charges, postage, delivery service fees and other disbursements or expenses of the type customarily incurred in connection with a proceeding, but shall not include the amount of judgments, fines or penalties against a Director or officer or amounts paid in settlement in connection with such matters.

“Liability” is the obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan) or reasonable expenses incurred with respect to a proceeding.

“Party” is an individual who was, is or is threatened to be made, a defendant or respondent in a proceeding.

“Proceeding” is any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitratative or investigative and whether formal or informal.

7.2. Indemnification of Directors and Officers.

(a) Subject to Sections 7.4 and 7.5 of these Bylaws and except as otherwise provided in this Section 7.2, the Corporation shall, to the fullest extent permitted by law (as such

may be amended from time to time), indemnify an individual in connection with any proceeding as to which such individual is, was or is threatened to be made a party by reason of such individual's status as a Director or officer. In furtherance of the foregoing and without limiting the generality thereof:

(i) the Corporation shall indemnify an individual who is a party to a proceeding because he or she is a Director against liability incurred in the proceeding if: (A) (1) he or she conducted himself or herself in good faith; and (2) he or she reasonably believed that his or her conduct was in the best interests of the Corporation or that his or her conduct was at least not opposed to the best interests of the Corporation; and (3) in the case of any criminal proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful; or (B) he or she engaged in conduct for which he or she shall not be liable under a provision of the Articles of Organization authorized by Section 2.02(b)(4) of the MBCA or any successor provision to such Section;

(ii) the Corporation shall indemnify an individual who is a party to a proceeding because he or she is an officer (but not a Director) against liability incurred in the proceeding, except for liability arising out of acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; provided, however, that the standard of conduct set forth in this clause (ii) shall apply to a Director who is also an officer if the basis on which he or she is made a party to the proceeding is an act or omission solely as an officer; and

(iii) notwithstanding any other provision of this Article VII, the Corporation shall indemnify a Director or officer who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which he or she was a party because he or she was a Director or officer against reasonable expenses incurred by him or her in connection with the proceeding.

(b) A Director's or officer's conduct with respect to an employee benefit plan for a purpose he or she reasonably believed to be in the interests of the participants in, and the beneficiaries of, the plan is conduct that satisfies the requirement that his or her conduct was at least not opposed to the best interests of the Corporation.

(c) The termination of a proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, is not, of itself, determinative that the Director or officer did not meet the relevant standard of conduct described in this Section 7.2.

(d) Unless ordered by a court of competent jurisdiction, the Corporation may not indemnify a Director or officer under this Section 7.2 if his or her conduct did not satisfy the relevant standards set forth in this Section 7.2.

(e) Notwithstanding anything to the contrary in this Article VII, except as required by law:

(i) the Corporation shall not indemnify a Director or officer in connection with a proceeding (or part thereof) initiated by such Director or officer unless the initiation thereof was approved by the Board of Directors; and

(ii) the Corporation shall not be required to make an indemnification payment to a Director or officer to the extent such Director or officer has otherwise actually received such payment under any insurance policy, agreement or otherwise, and in the event the Corporation makes any indemnification payments to such Director or officer and such Director or officer is subsequently reimbursed from the proceeds of insurance, such Director or officer shall promptly refund such indemnification payments to the Corporation to the extent of such insurance reimbursement.

7.3. Advance for Expenses. The Corporation shall, before final disposition of a proceeding, advance funds to pay for or reimburse the reasonable expenses incurred by a Director or officer who is a party to a proceeding because he or she is a Director or officer if he or she delivers to the Corporation:

(a) a written affirmation of his or her good faith belief that he or she has met the relevant standard of conduct described in Section 7.2 of these Bylaws or, if he or she is a Director and is a party to a proceeding because he or she is a Director, that the proceeding involves conduct for which liability has been eliminated under a provision of the Articles of Organization as authorized by Section 2.02(b)(4) of the MBCA or any successor provision to such Section; and

(b) his or her written undertaking to repay any funds advanced if he or she is not wholly successful, on the merits or otherwise, in the defense of such proceeding and it is ultimately determined pursuant to Section 7.4 of these Bylaws or by a court of competent jurisdiction that he or she has not met the relevant standard of conduct described in Section 7.2 of these Bylaws.

Such undertaking must be an unlimited general obligation of the Director or officer but need not be secured and shall be accepted without reference to the financial ability of the Director or officer to make repayment.

7.4. Procedures for Indemnification; Determination of Indemnification.

(a) In order to obtain indemnification or advancement of expenses pursuant to this Article VII, a Director or officer shall submit to the Corporation a written request, including in such request such documentation and information as is reasonably available to such Director or officer and is reasonably necessary to determine whether and to what extent such Director or officer is entitled to indemnification or advancement of expenses. After receipt of such written request, the Corporation shall consider in good faith whether such Director or officer is entitled to indemnification or advancement of expenses hereunder, subject to the provisions of Section 7.4(b) below.

(b) With respect to requests under Section 7.2 of these Bylaws, no indemnification shall be made unless the Corporation determines that the Director or officer has met the relevant standard of conduct set forth in such Section 7.2. The determination of whether such Director or officer has met the relevant standard of conduct set forth in such Section 7.2, and any determination that expenses that have been advanced pursuant to Section 7.3 of these Bylaws must be subsequently repaid to the Corporation, shall be made in each instance:

(i) if there are two or more Disinterested Directors, by the Board of Directors by a majority vote of all the Disinterested Directors, a majority of whom shall for such purpose constitute a quorum, or by a majority of the members of a committee of two or more Disinterested Directors appointed by such a vote;

(ii) by special legal counsel (A) selected in the manner prescribed in clause (i) of this subsection (b); or (B) if there are fewer than two Disinterested Directors, selected by the Board of Directors, in which selection Directors who do not qualify as Disinterested Directors may participate; or

(iii) by the shareholders, but shares owned by or voted under the control of a Director who at the time does not qualify as a Disinterested Director may not be voted on the determination.

7.5. Notification and Defense of Claim; Settlements.

(a) In addition to and without limiting the foregoing provisions of this Article VII and except to the extent otherwise required by law, it shall be a condition of the Corporation's obligation to indemnify under this Article VII (in addition to any other condition provided in the Articles of Organization, these Bylaws or by law) that the person asserting, or proposing to assert, the right to be indemnified (the "Indemnitee"), must notify the Corporation in writing as soon as practicable of any proceeding involving the Indemnitee for which indemnity will or could be sought, but the failure to so notify shall not affect the Corporation's objection to indemnify except to the extent the Corporation is adversely affected thereby. With respect to any proceeding of which the Corporation is so notified, the Corporation will be entitled (i) to participate therein at its own expense and/or (ii) to assume the defense thereof at its own expense, with legal counsel reasonably acceptable to the Indemnitee. After notice from the Corporation to the Indemnitee of its election so to assume such defense, the Corporation shall not be liable to the Indemnitee for any legal or other expenses subsequently incurred by the Indemnitee in connection with such proceeding, other than as provided below in this subsection (a). The Indemnitee shall have the right to employ his or her own counsel in connection with such proceeding, but the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the expense of the Indemnitee unless (A) the employment of counsel by the Indemnitee has been authorized by the Corporation, (B) counsel to the Indemnitee shall have reasonably concluded that there may be a conflict of interest or position on any significant issue between the Corporation and the Indemnitee in the conduct of the defense of such proceeding or (C) the Corporation shall not in fact have employed counsel to assume the defense of such proceeding, in each of which cases the reasonable fees and expenses of counsel for the Indemnitee shall be at the expense of the Corporation, except as otherwise expressly provided by this Article VII. The Corporation shall not be entitled, without the consent of the Indemnitee, to assume the defense of any claim brought by or in the right of the Corporation or as to which counsel for the Indemnitee shall have reasonably made the conclusion provided for in clause (B) above.

(b) The Corporation shall not be required to indemnify the Indemnitee under this Article VII for any amounts paid in settlement of any proceeding effected without its written consent. The Corporation shall not settle any proceeding in any manner that would impose any

penalty or limitation on the Indemnitee without the Indemnitee's written consent. Neither the Corporation nor the Indemnitee will unreasonably withhold his, her or its consent to any proposed settlement.

7.6. Partial Indemnification. If a Director or officer is entitled under any provision of this Article VII to indemnification by the Corporation for a portion of the liabilities incurred by him or her or on his or her behalf in connection with any proceeding, but not for the total amount thereof, the Corporation shall nevertheless indemnify such Director or officer for the portion of such liabilities to which such Director or officer is entitled.

7.7. Insurance. The Corporation may purchase and maintain insurance on behalf of an individual who is a Director or officer of the Corporation, or who, while a Director or officer of the Corporation, serves at the Corporation's request as a director, officer, partner, trustee, employee or agent of another domestic or foreign corporation, partnership, joint venture, trust, employee benefit plan or other entity, against liability asserted against or incurred by him or her in that capacity or arising from his or her status as a Director or officer, whether or not the Corporation would have power to indemnify or advance expenses to him or her against the same liability under this Article VII.

7.8. Merger or Consolidation. If the Corporation is merged into or consolidated with another corporation and the Corporation is not the surviving corporation, the surviving corporation shall assume the obligations of the Corporation under this Article VII with respect to any proceeding arising out of or relating to any actions, transactions or facts occurring prior to the date of such merger or consolidation.

7.9. Application of this Article.

(a) This Article VII shall not limit the Corporation's power to (i) pay or reimburse expenses incurred by a Director or officer in connection with his or her appearance as a witness in a proceeding at a time when he or she is not a party or (ii) indemnify, advance expenses to or provide or maintain insurance on behalf of an employee or agent.

(b) The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VII shall not be considered exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled.

(c) Each person who is or becomes a Director or officer shall be deemed to have served or to have continued to serve in such capacity in reliance upon the indemnity provided for in this Article VII. All rights to indemnification under this Article VII shall be deemed to be provided by a contract between the Corporation and the person who serves as a Director or officer of the Corporation at any time while these Bylaws and the relevant provisions of the MBCA are in effect. Any repeal or modification thereof shall not affect any rights or obligations then existing.

(d) If this Article VII or any portion thereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each Director or officer as to any liabilities in connection with a proceeding to the fullest extent

permitted by any applicable portion of this Article VII that shall not have been invalidated and to the fullest extent permitted by applicable law.

(e) If the laws of the Commonwealth of Massachusetts are hereafter amended from time to time to increase the scope of permitted indemnification, indemnification hereunder shall be provided to the fullest extent permitted or required by any such amendment.

ARTICLE VIII

MISCELLANEOUS

8.1. Fiscal Year. Except as otherwise determined from time to time by the Board of Directors, the fiscal year of the Corporation shall in each year end on December 31.

8.2. Seal. The seal of the Corporation shall, subject to alteration by the Board of Directors, bear the Corporation's name, the word "Massachusetts" and the year of its incorporation.

8.3. Voting of Securities. Except as the Board of Directors may otherwise designate, the Chief Executive Officer, President or Treasurer may waive notice of, and act as, or appoint any person or persons to act as, proxy or attorney-in-fact for the Corporation (with or without power of substitution) at, any meeting of shareholders of any other corporation or organization, the securities of which may be held by the Corporation.

8.4. Evidence of Authority. A certificate by the Secretary, an Assistant Secretary or a temporary Secretary as to any action taken by the shareholders, Directors, any committee or any officer or representative of the Corporation shall as to all persons who rely on the certificate in good faith be conclusive evidence of such action.

8.5. Articles of Organization. All references in these Bylaws to the Articles of Organization shall be deemed to refer to the Articles of Organization of the Corporation, as amended and in effect from time to time.

8.6. Severability. Any determination that any provision of these Bylaws is for any reason inapplicable, illegal or ineffective shall not affect or invalidate any other provision of these Bylaws.

8.7. Pronouns. All pronouns used in these Bylaws shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require.

ARTICLE IX

AMENDMENTS

9.1. General. The power to make, amend or repeal these Bylaws shall be in the shareholders. If authorized by the Articles of Organization, the Board of Directors may also make, amend or repeal these Bylaws in whole or in part, except with respect to any provision

thereof which by virtue of an express provision in the MBCA, the Articles of Organization or these Bylaws, requires action by the shareholders.

9.2. Notice. Not later than the time of giving notice of the meeting of shareholders next following the making, amending or repealing by the Board of Directors of any Bylaw, notice stating the substance of the action taken by the Board of Directors shall be given to all shareholders entitled to vote on amending these Bylaws. Any action taken by the Board of Directors with respect to these Bylaws may be amended or repealed by the shareholders.

9.3. Quorum and Required Vote.

(a) If authorized by the Articles of Organization, a Bylaw amendment adopted by shareholders may provide for a greater or lesser quorum requirement for action by any voting group of shareholders, or for a greater affirmative voting requirement, including additional separate voting groups, than is provided for in the MBCA.

(b) Approval of an amendment to these Bylaws that changes or deletes a quorum or voting requirement for action by shareholders must satisfy both the applicable quorum and voting requirements for action by shareholders with respect to amendment of these Bylaws and also the particular quorum and voting requirements sought to be changed or deleted.

(c) A Bylaw dealing with quorum or voting requirements for shareholders, including additional voting groups, may not be adopted, amended or repealed by the Board of Directors.

(d) A Bylaw that fixes a greater or lesser quorum requirement for action by the Board of Directors, or a greater voting requirement, than provided for by the MBCA may be amended or repealed by the shareholders, or by the Board of Directors if the Board of Directors is authorized to amend these Bylaws.

(e) If the Board of Directors is authorized to amend these Bylaws, approval by the Board of Directors of an amendment to these Bylaws that changes or deletes a quorum or voting requirement for action by the Board of Directors must satisfy both the applicable quorum and voting requirements for action by the Board of Directors with respect to amendment of these Bylaws, and also the particular quorum and voting requirements sought to be changed or deleted.



CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



GOOD CHEMISTRY OF MASSACHUSETTS I
50 CONGRESS ST STE 500
BOSTON MA 02109-4005

5900000

Why did I receive this notice?

The Commissioner of Revenue certifies that, as of the date of this certificate, GOOD CHEMISTRY OF MASSACHUSETTS INC is in compliance with its tax obligations under Chapter 62C of the Massachusetts General Laws.

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

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

What if I have questions?

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

Visit us online!

Visit mass.gov/dor 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

Summary Business Plan

History of Good Chemistry

Matthew Huron, founder and CEO of Good Chemistry, has 18+ years of experience in the medical and retail marijuana industry. Good Chemistry is the outgrowth of a California-based, non-profit medical marijuana cooperative founded by Matthew to serve AIDS patients in hospitals and hospice care facilities. His experience with marijuana began when his father and father's partner were diagnosed with HIV/AIDS. Seeing the relief they both found from their treatment with marijuana, Matthew started cultivating marijuana for its therapeutic value in 2000. In 2009, after serving medical patients in California for nine years, Matthew moved to Colorado and became a key player in shaping Colorado's Medical Marijuana Code through legislative and regulatory work. Matthew has a successful history of compliance with all rules and regulations. With more than five years of operation under Matthew's supervision, the Company has had no material violations.

Today, Good Chemistry operates in Colorado, Nevada and, on August 2, 2018 intends to open for medical use sales in Worcester Massachusetts. The Company has recently submitted applications for Adult Use in Massachusetts and hopes to obtain final licenses in October 2018.

Overview of Good Chemistry Colorado

Sweetwater Partners, LLC (d/b/a Good Chemistry) was founded by marijuana industry pioneer Matthew Huron in 2009, as a licensed medical marijuana dispensary located near the state capitol building in Denver, Colorado. With a strong focus on health and wellness, the Good Chemistry cultivates, dispenses and sells marijuana to qualified patients and retail customers in compliance with all state and local laws.

The Company has outperformed hundreds of other dispensaries in the Denver area to become one of the most successful through its offering of high quality products and commitment to patient service, retail customer service and safe and secure access to high quality marijuana products.

A summary of operating highlights is as follows:

- Track record of success in marijuana dispensary / adult-use retail and cultivation in a highly regulated environment;
- More than 160 employees operating across six facilities
- Highly experienced management team with more than 100 years of combined experience in marijuana cultivation, retail, finance, regulatory development and community relations (Select Senior Team Bios included in Appendix A);
- Master cultivators with 18+ years of experience producing more than 70 strains of marijuana – never had a crop failure;
- Self-funded and wholly owned by Matthew Huron;
- 50,000 sf of state-of-the art, highly automated cultivation space;
- Three recognized, high volume retail / medical dispensaries in Denver / Aurora, CO; fourth dispensary / retail location under development;
- Compassionate Care Program providing medical marijuana to hardship patients at low or no cost;

Good Chemistry of Massachusetts, Inc

Summary Business Plan

- Skilled in setting up facilities for both the production and retail / medical sale of marijuana products – from both an infrastructure and regulatory perspective;
- A leader in best practices and policymaking at federal, state and local levels;
- History of charitable contributions / donations to One Colorado, AIDS Walk, Denver Rescue Mission and local veteran, law enforcement and fire department charities;
- Consistently considered a “good neighbor” for its community support, professional conduct, and partnership with local law enforcement; the Company also deploys significant filtration systems so as to not impact outside air quality conditions.

Overview of Good Chemistry of Massachusetts

Good Chemistry of Massachusetts, Inc. (“GCMA”) started business development efforts in the state of Massachusetts in late 2012 / early 2013. Matthew Huron, founder and sole owner has a personal connection to Massachusetts and Worcester in particular. Matthew’s father graduated from Holy Cross, his grandparents lived in Worcester for 25 years, and his god son was born and raised in the City of Worcester. Based on this connection, and a strong, positive opinion of Massachusetts’ cannabis regulatory structure, Matthew believed the state of Massachusetts should be the next area of expansion for Good Chemistry.

In the fall of 2015, Good Chemistry secured a provisional certificate of registration (PCR) from the Department of Health (DPH) in Massachusetts. It should be noted that in 2016 and early 2017 Good Chemistry of Colorado completed several expansion plans which in part resulted in a delayed entrance into Massachusetts.

In the fall of 2017, GCMA began to design and build its medical cultivation facility in Bellingham, MA. Construction was completed in the Spring of 2018 and final licenses to cultivate were received from the DPH in April 2018. GCMA successfully completed its first medical harvest in July 2018.

Over this same period, GCMA began construction of its medical dispensary in Worcester, MA. The Company completed construction and received approval to begin medical sales in July 2018. During the spring and summer of 2017, Good Chemistry relocated seven trusted employees to Massachusetts to help further ensure the success of its operation in Massachusetts. In addition, GCMA hired up to ten individuals across the dispensary and cultivation operations. At this point, all required staff has been hired / trained and GCMA intends to officially open to the public for medical sales on August 2, 2018.

In the summer of 2018, GCMA also began the process to apply for adult use licenses. Over this time the Company completed various community meetings in Worcester and Bellingham, signed an adult use-specific community host agreement with the City of Worcester, and submitted applications to the Cannabis Control Commission (CCC) for adult use cultivation, production and retail licenses. GCMA is optimistic that it will be able to complete the adult use licensing process by September / October of 2018.

Good Chemistry of Massachusetts, Inc

Summary Business Plan

Similar to how Good Chemistry operates in Colorado, the medical and adult use operations will be co-located in the Bellingham and Worcester facilities. With that said, all cultivated cannabis, product inventory and sales transactions are monitored and tracked separately to distinctly capture medical versus adult use activity. In cultivation, medical and adult use plants are tagged and stored separately throughout the grow, harvest and processing life cycle. This separation continues during the transport from the cultivation / production facility to the dispensary / retail location.

Similarly, upon arrival at the store, all product, inventory and sales transactions are tracked separately between medical and adult use. Inside the store, separate points of sale will be dedicated to medical versus adult use sales. To reiterate, this is identical to how Good Chemistry operates in Colorado; and, we have no concerns the separation of medical and adult use operations can be maintained successfully. In addition, GCMA is able to capture economies of scale associated with co-locating these operations in the same facilities (ie, shared rent, power, labor, security, etc).

Projected Financial Profile

As part of its expansion into adult use sales in Massachusetts, GCMA put together a preliminary financial forecast. It should be noted that as with any market, particularly a brand new adult use cannabis market, it is very difficult to project sales volume and associated expenses. A summary of the three-year forecast is as follows (A complete financial exhibit is attached in Appendix B.):

The revenue forecast assumes a growing number of unique customers per year ranging from 750 to 3,000. At less than 1% of the Massachusetts population this is viewed as conservative. To provide some context, Colorado has anecdotally shown percentages of the population as cannabis consumers ranging from 5 – 10%. In addition, it is assumed each customer will purchase approximately $\frac{3}{4}$ of an ounce per month at an ounce price of \$375. This demand appears reasonable vis-à-vis our experience in Colorado while this pricing appears consistent with current market pricing statistics in Massachusetts. The cultivation and production portions of the business in Bellingham will have sufficient capacity to meet this demand. Based on the aforementioned assumptions, annual revenue is expected to grow from \$2.5 million to \$10.1 million over the forecast period.

		Fiscal Years		
(\$MM)		2018 - 2019	2019 - 2020	2020 - 2021
Revenue		\$ 2.531	\$ 5.400	\$ 10.125
y/y growth		-	113%	88%

Good Chemistry of Massachusetts, Inc

Summary Business Plan

To support this growth, Good Chemistry will add additional full time equivalent employees (FTEs). Total headcount will ramp from 35 at the end of the first fiscal year to up to 55 by the end of 2021. These hires are projected to be largely in the retail location as increased consumer demand will likely result in longer retail operating hours.

		Fiscal Years		
		2018 - 2019	2019 - 2020	2020 - 2021
Full-time Employees		35	50	55

With the corresponding growth in volume and FTEs, GCMA projects a dollar increase in the expenses required to successfully operate the combined dispensary, retail, cultivation and production business. Please note that operating expenses here include all costs associated with operating GCMA including but not limited to rent, power, supplies, payroll, security and insurance. To support the projected growth and as shown below, total operating expenses are projected to ramp from approximately \$2.4 million in 2019 to \$7.1 million for the fiscal year ended 2021. Likewise, operating profit is projected to ramp from \$126,000, essentially break-even, in Year 1, to approximately \$3 million in Year 3.

		Fiscal Years		
(\$MM)		2018 - 2019	2019 - 2020	2020 - 2021
Revenue		\$ 2.531	\$ 5.400	\$ 10.125
Operating Expenses		\$ 2.405	\$ 4.050	\$ 7.088
Operating Profit		\$ 0.126	\$ 1.350	\$ 3.037
Operating Margin		5%	33%	43%

Concluding Remarks

In summary, Good Chemistry's founder and team have a track record of 18+ years industry experience, eight years operating experience specifically in the highly regulated Colorado market with no material violations, and five years of ongoing business development; facility construction and cultivation / production work in Massachusetts. Good Chemistry currently employs approximately 160 people in Colorado across three gardens and three dispensary / retail locations. In its first year, GCMA will employ approximately 35 FTEs across a cultivation / production facility in Bellingham and a dispensary / adult use retail location in Worcester.

Summary Business Plan

GCMA believes it has the skillset and resources to be successful in the Massachusetts adult use market and looks forward to the opportunity to do so.

Summary Business Plan

Exhibit A – Select Good Chemistry Senior Team Biographies

MATTHEW HURON

Chief Executive Officer

Matthew Huron founded Good Chemistry Colorado in 2010 and is currently its Chief Executive Officer. A man of dedication, compassion, and with nearly two decades of experience in the cannabis industry, Matt is recognized as one of the most experienced cultivators and operators in the U.S.

An industry leader in best practices for cannabis cultivation and dispensing, Matt consistently has demonstrated a successful record of providing high-quality and compassionate service to both patients and customers, and a proficiency in running cannabis operations within several states.

Matt first became involved in the medical cannabis industry when his father and his father's partner were diagnosed with HIV/AIDS. In 1996, when medical marijuana became available in California, he saw firsthand the symptomatic relief patients experienced from this alternative medical treatment.

In 2000, he began cultivating and dispensing medical cannabis for HIV/AIDS patients throughout the Bay Area, and subsequently founded and operated one of the most respected and well-known nonprofit medical cannabis facilities in San Francisco, The Elmar Lins Compassion Co-Op.

From California to Colorado

After operating The Elmar Lins Compassion Co-Op for nearly a decade, Huron moved to Colorado in 2009, where regulation and legislation were being created for the developing medical cannabis industry, and co-founded Wellspring Collective which originally catered to seniors with health challenges and provides alternative medical services.

Matt also wanted to share his knowledge and experience in the cannabis industry. He is the founding board member of Colorado Leads, Marijuana Industry Group (MIG), Cannabis Business Alliance (CBA), and the National Cannabis Industry Association (NCIA). He has also served on the Colorado Department of Revenue's Medical Marijuana Enforcement Division's (MED) Licensing Authority Advisory Committee, and continues to add his voice to the foundation and future direction of the medical and adult-use cannabis industries.

Good Chemistry Colorado launched in 2010, and is now considered to be one of the finest vertically integrated cannabis companies in the state. Since opening Good Chemistry Colorado, Huron has expanded cultivation operations in three large Colorado facilities devoted solely to the production of ~75 strains of marijuana.

Summary Business Plan

Today, Good Chemistry employs a staff of more than 150 individuals across three states (Nevada, Colorado, and Massachusetts) in dispensaries, cultivation and corporate operations.

Improving All the Time

There is no rest for the weary, and Matt is constantly looking for ways for improving best practices, policies and procedures, and cultivation.

Huron has developed and implemented best practices in the medical and retail marijuana industry, including a Compassion Care Program that enables patients with limited resources to obtain medical marijuana at little or no cost. Matt also optimized the production of extracts and concentrates through solvent-less processing.

His enforcement of policies and procedures throughout the company has ensured strict compliance with state and local regulations. Huron has collaborated with local leaders and law enforcement to enhance neighborhood safety and security.

Huron has a bachelor's degree from the University of California, Berkeley.

DUNCAN CAMERON

Chief Production Officer

Duncan Cameron joined Good Chemistry in 2010 as Chief Production Officer. Considered a master cultivator in the cannabis industry, Cameron's experience includes plant husbandry, advanced propagation techniques, cultivation design, permitting, regulatory and environmental compliance, staff training and management.

Under his leadership, Good Chemistry has significantly reduced the time to harvest, adding an additional cycle into the calendar year. Cameron increased the available gene pool from six to more than 70 strains and refined integrated pest management as it pertains to cannabis.

As Chief Production Officer, Cameron oversees all tasks associated with plant cultivation, from propagation to harvest, encompassing plant nutrition, pest control, scheduling of plant cycles, processing and R&D. Cameron also manages sophisticated climate control systems, ensuring cultivation of contaminant-free marijuana, consistent with Colorado Department of Agriculture and Marijuana Enforcement Division requirements and Good Manufacturing Practices.

In addition to his role as Chief Production Officer, Cameron served as the project manager for Good Chemistry's cultivation expansions, growing capacity by over 50% year over year. He oversees budgeting, scheduling, system design, building infrastructure and compliance with local codes and ordinances. Cameron manages more than 70 employees in Good Chemistry's cultivation facilities.

Good Chemistry of Massachusetts, Inc

Summary Business Plan

Before applying his background in plant sciences to marijuana cultivation at Good Chemistry, Cameron was a teacher and prop stylist.

Cameron has a bachelor of arts in communication from Florida Atlantic University and a certification in tissue culture from the University of Florida. He is a member of the International Society of Horticultural Sciences (ISHS), the International Cannabinoid Research Society (ICRS), U.S. Hydroponic Association (USHA), the National Black Farmers Association (NBFA) and the Colorado Farm Bureau.

Education and Certifications

B.A., Communications, Florida Atlantic University
Certification in tissue culture, University of Florida

TOBY NUBER

Chief Operating Officer & Chief Financial Officer

Toby Nuber joined Good Chemistry in 2014 as Chief Financial Officer. With 15-plus years of investment banking, mergers and acquisitions and corporate finance experience, Nuber oversees and leads all financial-related matters for Good Chemistry and helping lead the company's expansion into new markets.

In 2017, Nuber's role expanded to include management of the company's broader operations. As Chief Operating Officer, Toby develops company best practices and leads multiple departments including finance, compliance, IT, human resources, facilities and procurement.

Prior to joining Good Chemistry, Nuber successfully applied his financial, capital raising, and mergers and acquisitions skills at several investment banks, including the Royal Bank of Canada (RBC Capital Markets) and UBS and a large global corporation. In this capacity, Nuber completed more than 40 transactions including initial public offerings, debt and equity capital raises, and buy/sell side mergers or acquisitions for a diverse set of healthcare and technology clients.

Education | Certifications

Bachelor's degree in Business Administration, University of Colorado Boulder (Magna cum laude)

Summary Business Plan

STEPHEN SPINOSA

Vice President of Operations

Stephen Spinosa joined Good Chemistry in October 2012 as its Vice President of Operations to direct its medical marijuana dispensary for registered, qualified patients. With a solid background in business, finance and marketing, Spinosa brings nine-plus years of experience in the operation and management of licensed marijuana dispensaries.

Steve's start in marijuana operations began a journey of patient care and education with growing medicinal marijuana in a 1,500-square-foot garden and teaching weekly "grow" classes for patients. He also managed the company's retail dispensary with annual sales of \$2 million.

Prior to joining Good Chemistry, Spinosa served as inventory manager of a 7,000-square-foot Colorado medical marijuana cultivation facility where he also managed a staff of 15, he was responsible for overseeing product harvest, cure & all wholesale transactions.

Spinosa now oversees operations ensuring patients and customers have the highest quality products and services in a safe and secure environment. In managing Good Chemistry's Compassion Care Program, which provides marijuana products to hardship patients at minimal or no cost, he has helped maintain a high level of patient and customer satisfaction contributing to an increasing number of monthly visits.

Steve's responsible for budgeting, seed-to-sale inventory tracking and management, state and local regulatory compliance, policy and procedure development, and staff hiring, training and management.

Education and Certifications

B.A., Marketing, Smeal College of Business, Pennsylvania State University

Good Chemistry of Massachusetts, Inc

Summary Business Plan

Exhibit B – Summary Financial Forecast

(\$s, unless indicated)	First Full Fiscal Year	Second Full Fiscal Year	Third Full Fiscal Year
	Projections	Projections	Projections
	2018 - 2019	2019 - 2020	2020 - 2021
Projected Revenue	\$ 2,531,250	\$ 5,400,000	\$ 10,125,000
Projected Expenses	\$ 2,404,688	\$ 4,050,000	\$ 7,087,500
VARIANCE:	\$ 126,563	\$ 1,350,000	\$ 3,037,500
Number of unique customers for the year	750	1,600	3,000
Number of customer visits for the year	9,000	19,200	36,000
Projected % of customer growth annually	--	113%	88%
Estimated purchases ounces per visit	0.75	0.75	0.75
Estimated cost per ounce	\$ 375	\$ 375	\$ 375
Total FTEs in staffing	35	50	55
Total marijuana for adult use inventory for the years (in lbs.)	440	920	1,700
Total marijuana for adult use sold for the year (in lbs.)	422	900	1,688
Total marijuana for medical use left for roll over (in lbs.)	18	20	13

PRINCE INSURANCE GROUP, INC
SYCAMORE INSURANCE AGENCY, INC.
4350 WADSWORTH BLVD STE 201
WHEAT RIDGE CO 80033

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**Conifer
Insurance
Company**

Policy Number
CICP018777

COMMERCIAL LINES POLICY COMMON POLICY DECLARATIONS

Named Insured and Mailing Address:

Good Chemistry of Massachusetts, Inc.

1550 Larimer St #296.
Denver, CO 80202

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 5/23/2019 to 5/23/2020 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: Corporation	
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	\$17,416.00
Commercial General Liability Coverage Part	\$2,999.00
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	\$7,500.00
Glass	Not Applicable
Surplus Lines Tax	\$1,116.60
Surplus Lines Fee	\$0.00

Servicing Agent:

PRINCE INSURANCE GROUP, INC
(000418BS)
4350 WADSWORTH BLVD STE 201
WHEAT RIDGE, CO 80033
(303) 991-7227

Responsible Agent of Record:

PRINCE INSURANCE GROUP, INC
Sycamore Insurance Agency, Inc. (000418)
4350 WADSWORTH BLVD STE 201
WHEAT RIDGE, CO 80033
(303) 991-7227



Conifer
Insurance
Company

Policy Fee	\$250.00
TOTAL POLICY PREMIUM	\$29,281.60

TAXES AND FEES

FEE NAME	CHARGE
Policy Fee	\$250.00
MA Surplus Tax	\$1,116.60
TOTAL	\$1,366.60



Conifer
Insurance
Company

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

Premium

- CICS0S (06-14) Service of Suit
- 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: 5/23/2019
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.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement effective 5/23/2019 at 12:01 a.m. standard time, forms a part of Policy Number CICP018777 issued to Good 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**

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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.

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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.

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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

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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 STE 200 BIRMINGHAM, MI 48009 (248) 559-0840
Named Insured:	Good Chemistry of Massachusetts, Inc.
DBA:	
Mailing Address:	1550 Larimer St #296. Denver, CO 80202
Policy Period:	5/23/2019 to 5/23/2020 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	9 Harrison St Worcester, MA 01604	Masonry	0567 - Mercantile Sole Occupancy Only - Not Otherwise Classified - Moderate Susceptibility
2	1	20 William Way Bellingham, MA 89512	Frame	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	\$1,000,000	Special Form	80%	\$0	\$2,500
		Business Income	\$300,000	Special Form	100%	Included	
		Employee Dishonesty	\$5,000			\$100	\$1,000
		Finished Stock	Excluded			Excluded	Excluded
		Crop Coverage	Excluded			Excluded	Excluded

2	1	Personal Property	\$2,800,000	Special Form	80%	\$0	\$2,500
		Business Income	\$300,000	Special Form	100%	Included	
		Employee Dishonesty	\$5,000			\$100	\$1,000
		Finished Stock	Excluded			Excluded	Excluded
		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
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Prem. No.	Bldg. No.	Exp. Date	Agreed Value		Replacement Cost (X)		
			Cov.	Amount	Building	Pers. Prop.	Incl. "Stock"
2	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"
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)

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
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FORMS APPLICABLE

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

<u>Prem No.</u>	<u>Bldg No.</u>	<u>Description</u>	<u>Premium</u>
All	All	CP0010 (06-07) Building and Personal Property Coverage Form	
All	All	CP0090 (07-88) Commercial Property Conditions	
All	All	CP0140 (07-06) Exclusion of Loss due to Virus or Bacteria	
All	All	CP1032 (08-08) Water Exclusion Endorsement	
All	All	CR0001 (10-90) Employee Dishonesty Coverage Form	\$100
All	All	IL0031 (01-06) Exclusion of Terrorism Involving Nuclear, Biological or Chemical Terrorism	
All	All	IL0935 (07-02) Exclusion of Certain Computer Related Losses	
All	All	IL0953 (01-15) Exclusion of Certified Acts of Terrorism	
1	All	CICP07 (05-16) Non-Structural Hail Loss Limitation Endorsement	
1	1	CP0030 (06-07) Business Income Including Extra Expense Coverage Form	
1	1	CP0321 (06-95) Windstorm or Hail Percentage Deductible	
1	1	CP1030 (06-07) Causes of Loss - Special Form	
1	1	CP1211 (10-00) Burglary and Robbery Protective Systems	
1	1	IL0415 (04-98) Protective Safeguards Endorsement	
2	All	CICP07 (05-16) Non-Structural Hail Loss Limitation Endorsement	
2	1	CP0030 (06-07) Business Income Including Extra Expense Coverage Form	
2	1	CP0321 (06-95) Windstorm or Hail Percentage Deductible	
2	1	CP1030 (06-07) Causes of Loss - Special Form	
2	1	CP1211 (10-00) Burglary and Robbery Protective Systems	
2	1	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.

EMPLOYEE DISHONESTY COVERAGE FORM

(Coverage Form A Blanket)

A. COVERAGE

We Will pay for loss of, and loss from damage to, Covered Property resulting directly from the Covered Cause of Loss.

1. Covered Property: "Money", "securities" and "property other than money and securities".

2. Covered Cause of Loss: "Employee dishonesty".

3. Coverage Extension

Employees Temporarily Outside Coverage Territory: We will pay for loss caused by any "employee" while temporarily outside the territory specified in the Territory General Condition for a period not more than 90 days.

B. LIMIT OF INSURANCE

The most we will pay for loss in any one "occurrence" is the applicable Limit of Insurance shown in the DECLARATIONS.

C. DEDUCTIBLE

1. We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the DECLARATIONS. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.

2. You must:

a. Give us notice as soon as possible of any loss of the type insured under this Coverage Form even though it falls entirely within the Deductible Amount.

b. Upon our request, give us a statement describing the loss.

D. ADDITIONAL EXCLUSIONS, CONDITION AND DEFINITIONS:

In addition to the provisions in the Crime General Provisions, this Coverage Form is subject to the following:

1. Additional Exclusions: We will not pay for loss as specified below:

a. Employee Cancelled Under Prior Insurance: Loss caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not re-stated since the last such cancellation.

b. Inventory Shortages: loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

(1) An inventory computation; or

(2) A profit and loss computation.

2. Additional Condition

Cancellation As To Any Employee: This insurance is cancelled as to any "employee":

a. Immediately upon discovery

by: (1) You; or

(2) Any of your partners, officers or directors not in collusion with the "employee";

of any dishonest act committed by that "employee" whether before or after becoming employed by you.

b. On the date specified in a notice mailed to you. That date will be least 30 days after the date of mailing. The mailing of notice to you at the last mailing address known to us will be sufficient proof of notice. Delivery of notice is the same as mailing.

3. Additional Definitions

a. "Employee Dishonesty" in paragraph A.2. means only dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other person, except you or a partner, with the manifest intent to:

(1) Cause you to sustain loss; and also

(2) Obtain financial benefit (other than employee benefits earned in the normal course of employment, including: salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions) for:

(a) The "employee"; or

(b) Any person or organization intended by the "employee" to receive that benefit.

b. "Occurrence" means all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts.

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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:

$$\begin{array}{r} \$ 60,100 \\ - \quad 250 \\ \hline \$ 59,850 \text{ Loss Payable – Building \#1} \end{array}$$

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.

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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.

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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).



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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.

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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.

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.

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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 avirus, 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 Coinsurance 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
	<hr style="width: 100%; border: 0.5px solid black;"/>
	\$90,000
We will pay:	
Days 1–30:	\$30,000
Days 31–60:	\$20,000
Days 61–90:	\$30,000
	<hr style="width: 100%; border: 0.5px solid black;"/>
	\$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.

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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%
2	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.

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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
2	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.

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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-2
2	1	P-2
Describe any "P-9":		
* 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
- 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 STE 200 BIRMINGHAM, MI 48009 (248) 559-0840
Named Insured:	Good Chemistry of Massachusetts, Inc.
DBA:	
Mailing Address:	1550 Larimer St #296. Denver, CO 80202
Policy Period:	5/23/2019 to 5/23/2020 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 Excluded

DESCRIPTION OF BUSINESS

FORM OF BUSINESS:

Individual
 Partnership
 Corporation
 LLC
 Joint Venture
 Other

ALL PREMISES YOU OWN, RENT OR OCCUPY

Loc #	DBA	Address
1		20 William Way Bellingham, MA 89512
2		9 Harrison St Worcester, MA 01604
3		8 Harrison St Worcester, MA 01604
4		696 Western Ave Lynn, MA 01905

CLASSIFICATION AND PREMIUM

Loc #	Item #	Class Code	Premium
1	1	97047 - Landscape Gardening	Included
2	1	13720 - Health or Natural Food Stores	Included
3	1	46607 - Parking – public – shopping centers – maintained by the insured (lessor's risk only)	Included
4	1	13720 - Health or Natural Food Stores	Included

ENDORSEMENTS

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

<u>Prem No.</u>	<u>Description</u>	<u>Premium</u>
All	CG0001 (04-13) Commercial General Liability Form	
All	CG0068 (05-09) Recording and Distribution of Material or Information In Violation of Law Exclusion	
All	CG2101 (11-85) Exclusion - Athletics or Sports Participants	
All	CG2106 (05-14) Exclusion - Access or Disclosure of Confidential or Personal Information and Data - Related Liability - with Limited Bodily Injury Exception	
All	CG2109 (06-15) Exclusion - Unmanned Aircraft	
All	CG2132 (05-09) Communicable Disease Exclusion	
All	CG2139 (10-93) Contractual Liability Limitation	
All	CG2146 (07-98) Abuse or Molestation Exclusion	
All	CG2147 (12-07) Employment-Related Practices Exclusion	
All	CG2149 (09-99) Total Pollution Exclusion	
All	CG2166 (06-15) Exclusion - Volunteer Workers	
All	CG2167 (12-04) Fungi and Bacteria Exclusion	
All	CG2173 (01-15) Exclusion of Certified Acts of Terrorism	
All	CG2175 (01-15) Exclusion of Certified Acts of Terrorism and Exclusion Of Other Acts of Terrorism Committed Outside The United States	
All	CG2176 (01-15) Exclusion of Punitive Damages as a Result of Certified Acts of Terrorism	
All	CG2186 (12-04) Exclusion - Exterior Insulation and Finish Systems	
All	CG2196 (03-05) Silica or Silica-Related Dust Exclusion	
All	CG2404 (05-09) Waiver of Transfer of Rights of Recovery Against Others to Us	
All	CIGL01 (04-10) Exclusion - Lead Paint	
All	CIGL02 (04-10) Exclusion - Asbestos	
All	CIGL05 (05-17) Animals Exclusion	
All	CIGL21 (01-14) Cross Suits Exclusion	
All	CIGL32 (01-14) Minimum Earned Premium Endorsement	
All	CIGL34 (08-14) Firearms Exclusion	
All	CIHC01 (10-15) Biological or Chemical Materials Exclusion	
All	CIHC02 (08-15) Seepage And/Or Pollution And/Or Contamination Exclusion	
All	IL0021 (09-08) Nuclear Energy Liability Exclusion Endorsement	
1	CG2104 (11-85) Products/Completed Operations Hazard Exclusion	
1	CG2116 (07-98) Exclusion-Designated Professional Services	
1	CG2135 (10-01) Medical Payments Exclusion	
1	CG2144 (07-98) Limitation of Coverage to Designated Premises	

- 1 CIGL03 (09-10) Exclusion - Assault & Battery
- 2 CG2104 (11-85) Products/Completed Operations Hazard Exclusion
- 2 CG2116 (07-98) Exclusion-Designated Professional Services
- 2 CG2135 (10-01) Medical Payments Exclusion
- 2 CG2144 (07-98) Limitation of Coverage to Designated Premises
- 2 CIGL03 (09-10) Exclusion - Assault & Battery
- 3 CG2104 (11-85) Products/Completed Operations Hazard Exclusion
- 3 CG2116 (07-98) Exclusion-Designated Professional Services
- 3 CG2135 (10-01) Medical Payments Exclusion
- 3 CG2144 (07-98) Limitation of Coverage to Designated Premises
- 3 CIGL03 (09-10) Exclusion - Assault & Battery
- 4 CG2104 (11-85) Products/Completed Operations Hazard Exclusion
- 4 CG2116 (07-98) Exclusion-Designated Professional Services
- 4 CG2135 (10-01) Medical Payments Exclusion
- 4 CG2144 (07-98) Limitation of Coverage to Designated Premises
- 4 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.

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: Good Chemistry of Massachusetts, Inc.		
Endorsement Effective: 5/23/2019	Policy Number: CICP018777	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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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".

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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.

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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.

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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.

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WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

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

SCHEDULE

Name Of Person Or Organization:

Leonard Lorusso 15 Harrison St Worcester MA 01604 - Parking Lot Only

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

The following is added to Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us** of Section IV – Conditions:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

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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.

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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.

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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 \$ 3,065.00 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: 5/23/2019 Policy No. CICIP018777 Endorsement No.

Named Insured: Good Chemistry of Massachusetts, Inc.

Countersigned by: _____

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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 _____

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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.

CROSS SUITS EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

CG 00 01 12 07, 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 or Additional Named Insured under this Policy and made against any other Named Insured or Additional 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.

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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.

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".

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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.

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.

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.

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.

EXCLUSION – COVERAGE C – MEDICAL PAYMENTS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

<p>Description And Location Of Premises Or Classification:</p>

(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 premises or classification shown in the Schedule:

1. Section I – Coverage C – Medical Payments does not apply and none of the references to it in the Coverage Part apply: and

2. The following is added to Section I – Supplementary Payments:

- h. Expenses incurred by the insured for first aid administered to others at the time of an accident for "bodily injury" to which this insurance applies.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – COVERAGE C – MEDICAL PAYMENTS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

<p>Description And Location Of Premises Or Classification:</p>

(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 premises or classification shown in the Schedule:

1. Section I – Coverage C – Medical Payments does not apply and none of the references to it in the Coverage Part apply: and

2. The following is added to Section I – Supplementary Payments:

- h. Expenses incurred by the insured for first aid administered to others at the time of an accident for "bodily injury" to which this insurance applies.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – COVERAGE C – MEDICAL PAYMENTS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

<p>Description And Location Of Premises Or Classification:</p>

(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 premises or classification shown in the Schedule:

1. Section I – Coverage C – Medical Payments does not apply and none of the references to it in the Coverage Part apply: and

2. The following is added to Section I – Supplementary Payments:

- h. Expenses incurred by the insured for first aid administered to others at the time of an accident for "bodily injury" to which this insurance applies.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
EXCLUSION – COVERAGE C – MEDICAL PAYMENTS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

<p>Description And Location Of Premises Or Classification:</p>

(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 premises or classification shown in the Schedule:

- 1. Section I – Coverage C – Medical Payments does not apply and none of the references to it in the Coverage Part apply: and

- 2. The following is added to Section I – Supplementary Payments:

- h. Expenses incurred by the insured for first aid administered to others at the time of an accident for "bodily injury" to which this insurance applies.

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: 3038 N NELLIS BLVD LAS VEGAS, NV. 89115
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.

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.

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.

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 STE 200 BIRMINGHAM, MI 48009 (248) 559-0840
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Named Insured: Good Chemistry of Massachusetts, Inc.

DBA:

Mailing Address: 1550 Larimer St #296.
 Denver, CO 80202

Policy Period: 5/23/2019 to 5/23/2020 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		20 William Way Bellingham, MA 89512		
2		9 Harrison St Worcester, MA 01604		
3		8 Harrison St Worcester, MA 01604		

COMMERCIAL PRODUCT LIABILITY DECLARATION

4

696 Western Ave
Lynn, MA 01905

COMMERCIAL PRODUCT LIABILITY DECLARATION

ENDORSEMENTS

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

<u>Prem No.</u>	<u>Description</u>	<u>Premium</u>
All	CIHC05 (10-15) Cannabis Operations Products-Completed Operations Liability Policy	\$7,500

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Massachusetts Cannabis 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 SCHEDULE BELOW.

	Schedule of Limits of Insurance Products-Completed Operations	
	Location(s)	Limit(s)
Products-Completed Operations Aggregate Limit:	ALL	\$ 2,000,000
Products-Completed Operations Limit:	ALL	\$ 1,000,000

Words and phrases that appear in quotation marks have special meanings. Refer to Section IV, Definitions.

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" to which this insurance applies for:
1. "bodily injury" that arises out of the lawful cultivation, manufacture, handling, distribution, retail sales, or disposal of "marijuana", "medical marijuana" "cannabis" or "products containing cannabis" (collectively referred to as "cannabis products").

- B)** This insurance applies to "bodily injury" only if:

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1. The “bodily injury” is caused by an “occurrence” that takes place in the “coverage territory”;
 2. The “bodily injury” did not occur before the Retroactive Date shown in the Declarations or after the end of the Policy Period;
 3. 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 and recorded by any “insured” or by “us”, whichever comes first.

All “claims” for “damages” because of “bodily injury” to the same person, including “damages” claimed by any person or organization for care, loss of services or death resulting at any time from “bodily injury”, will be deemed to have been made at the time written notice of the first of those “claims” is received 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 “occurrence” 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.

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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”, but solely while performing duties or services on “your” behalf and within the scope of his or her volunteer 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” “cannabis 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

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products”;

- c. Any physical or chemical change in “your” “marijuana and/or cannabis product” made intentionally by the vendor;
- d. Any repackaging of “your” “marijuana and/or cannabis 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. “Marijuana and/or cannabis 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. An “occurrence” 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” “marijuana and/or cannabis products” or any ingredient, part or container entering into, accompanying or containing “your” “marijuana and/or cannabis products”.

5. If there is no other insurance available, any “subsidiary” that the “first named insured” 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 named insured” 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 named insured” 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.

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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.** Subject to subsection B above, the Each Occurrence Limit is the most “we” will pay for the sum of all “damages” and “defense costs” because of all “bodily injury” arising out of any one “occurrence”. It is agreed that all “damages” arising out of one lot of goods or “marijuana and/or cannabis products” manufactured or distributed by “you” shall be considered as arising out of one “occurrence”.
- D.** The Limits of Insurance apply separately to each consecutive annual period and 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 limit of insurance.

IV. DEFINITIONS

- A.** “Adulterated”, “marijuana and/or cannabis products” shall mean “marijuana and/or cannabis products” containing any unintended substance, chemical or biological matter other than “marijuana” or “cannabis” that causes adverse reaction from ingestion or consumption.
- B.** “Bodily injury” means bodily injury, sickness or disease sustained by a person, including death, resulting from consumption or ingestion, including smoking, all of “adulterated” “cannabis”, “marijuana” or “products containing cannabis”. “Bodily injury” shall not include either (1) expected or intended effects of smoking, ingestion or consumption of “marijuana”, “cannabis” or “products containing cannabis” or (2) long-term adverse effects of the smoking, ingestion or consumption of “marijuana”, “cannabis” or “products containing

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cannabis”.

- C. “Cannabis” “marijuana” and “products containing cannabis” all mean that part of the marijuana plant used in its natural form or processed for ingestion and consumption, including smoking.
- D. “Claim” means a “suit” or other written demand for “damages” because of alleged “bodily injury” to which this insurance applies.
- E. “Coverage territory” means “bodily injury” occurring in the state of Massachusetts and arising solely from the sale of “Marijuana and/or Cannabis products” in the state of Massachusetts.
- F. “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.

“Damages” shall not include punitive or exemplary damages.

- G. “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
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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.

- H.** “Employee” means any person who receives remuneration directly from “you” and whose work is controlled and directed by “you”. “Employee” includes a “leased worker”, but does not include a “temporary worker”.
- I.** “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.
- J.** “Insured” means any “named insured” and any individual or organization qualifying as an “insured” under Section II, Who Is An Insured.
- K.** “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.
- L.** “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”.
- M.** “Marijuana and/or Cannabis products” means any product containing any part of the plant genus Cannabis; the seeds thereof; the resin extracted from any part of the plant, including hashish and hash oil; any compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. “Medical Marijuana” is defined as the use of cannabis or marijuana products, including constituents of cannabis, tetrahydrocannabinol (THC) and

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other cannabinoids, as a physician-recommended form of medicine or herbal therapy.

- N.** "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- O.** "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.
- P.** "Products-completed operations hazard":
1. Includes all "bodily injury" occurring away from premises "you" own or rent and arising out of "your" "marijuana and/or cannabis products" except:
 - a. "Marijuana and/or cannabis products" that are still in "your" physical possession; or
 - b. 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.
 2. Does not include "bodily injury" arising out of:
 - a. The transportation of property, unless the "bodily injury" 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"; or
 - b. The existence of tools, uninstalled equipment or abandoned or unused materials.
- Q.** "Property damage" means:

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1. 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
 2. 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.
- R.** "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.
- S.** "Subsidiary" means any entity that is not formed as a joint venture or partnership, in which the "first named insured":
1. 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
 2. 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".
- T.** "Suit" means a civil proceeding in which "damages" because of "bodily injury" to which this insurance applies are alleged. "Suit" includes:
1. 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
 2. Any other alternative dispute resolution proceeding in which such "damages" are claimed and to which the "insured" submits with "our" prior written consent.
- U.** "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.
- V.** "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".

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W. “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.

X. “We”, “Us” and “Our” mean the Company providing this insurance.

V. 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
6. 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;

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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 Violations

Any actual or alleged violation, by the "insured" or with the "insured's" consent, of any 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 marijuana and/or cannabis product" arising out of "your marijuana and/or 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

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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. Motor Vehicle, Aircraft or Watercraft

"Bodily injury" arising out of the ownership, maintenance, use or entrustment of any motor vehicle, aircraft or watercraft.

M. Pollution

1. "Bodily injury" 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; or
2. Or constituting any loss, cost or expense based upon, arising out of or attributable to any:

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- 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”.

N. Prior or Pending Litigation

Any prior or pending litigation or administrative or regulatory action or proceeding for the same or substantially the same “occurrence”, 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.

O. Prior Notice

Any “occurrence”, 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.

P. Products

Manufacturing, handling, distribution, advertising, labeling, sale, application, ingestion, 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:

1. All weight management drugs including, but not limited to: Fenfluramine, Phentermine, Sibutramine, or Dexfenfluramine;
2. 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;
3. Phenylpropanolamine (PPA); or
4. 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.
5. Any chemical that enhances or alters the effect of naturally produced “marijuana and/or cannabis products”.

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Q. Property Damage

R. Recall of Products, Work or Impaired Property

Loss of use, withdrawal, inspection, repair, replacement, recall, adjustment, removal or disposal of:

1. Your “marijuana and/or cannabis product”;
2. “Your work”; or
3. “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.

S. War

1. War, including undeclared or civil war; or
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.

T. 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 Massachusetts or by any other corresponding regulatory body.

U. Workers Compensation and Similar Laws

Any obligation of the “insured” under any workers compensation, unemployment compensation, disability benefits or any other similar law.

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.

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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 The Event Of An Occurrence, Claim Or Suit

1. If “you” are aware of an event and/or occurrence 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”.

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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 “claim”, “suit” or “occurrence”; 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:

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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.

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;

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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;

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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. 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

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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.

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In accordance with 935 CMR 500.105(8)(g), Good Chemistry of Massachusetts, Inc. will provide virtual separation of plants grown for medical and adult use at its Bellingham cultivation facility. Although plants will be cultivated in the same rooms, all marijuana harvested for medical use will remain separate from marijuana harvested for adult use. GCM will tag and track all plants grown at its Bellingham facility in accordance with 935 CMR 500.105(8)(e). GCM has established procedures at its retail facilities to designate whether marijuana products are intended for sale for adult use or medical use through tracking methodology approved by the Commission under 935 CMR 500.

Except for the entrance “mantrap” and the restroom, the entire Good Chemistry of Massachusetts Inc. (GCM) Bellingham facility is a Limited Access Area as defined by 935 CMR 500.110(4).

Access to the facility will be controlled by the electronic security systems with locking devices that authorize access to credentialed users only. All outside vendors, contractors, and visitors must obtain a visitor identification badge prior to entering a limited access area and will be escorted at all times by a GCM Agent authorized to enter the Limited Access Area. The visitor identification badge must be visibly displayed at all times while the visitor is in any limited access area. All visitors will be logged in and out, and that log shall be available for inspection by CCC at all times. All visitor identification badges shall be returned to the Establishment upon exit.

All restricted access areas will be identified by the posting of a sign that will be a minimum of 12' x 12' that states “Do No Enter – Limited Access Area – Access Limited to Authorized Personnel Only” in lettering no smaller than one inch in height in compliance with the requirements outlined in 935 CMR 500.110(4)(a).

All Limited Access Areas will be clearly described by the filing of a diagram of the registered premises, in the form and manner determined by CCC, reflecting walls, partitions, counters, and all areas of entry and exit. The diagram shall also show all propagation, vegetation, flowering, processing, production, storage and disposal.

Areas that have been determined to need a higher level of security and authorization to enter have enhanced security features and require dual means of authentication through the ACS for entry. These areas include:

- Vault
- Office
- Security Cage

Good Chemistry of Massachusetts Inc. (“GCM”) will create a quality control unit consisting of the Garden Manager, Production Manager, Inventory Manager (future) and the Chief Production Officer. This team will oversee cultivation at GCM’s Bellingham facility to maintain strict compliance with DPH regulations and protocols for quality control and analytical testing.

Pursuant to 935 CMR 500.105(11)(a)-(e), GCM will provide adequate lighting, ventilation, temperature, humidity, space and equipment, in accordance with applicable provisions of 935 CMR 500.105 and 500.110. GCM grow areas are continuously monitored for temperature, humidity, and CO2 levels to help reduce the risk of crop failure.

GCM will have a separate area for storage of marijuana that is outdated, damaged, deteriorated, mislabeled, or contaminated, or whose containers or packaging have been opened or breached, unless such products are destroyed. GCM storage areas will be kept in a clean and orderly condition, free from infestations by insects, rodents, birds and any other type of pest. GCM storage areas will be maintained in accordance with the security requirements of 935 CMR 500.110.

GCM will ensure all batches of marijuana are tested by an independent testing laboratory pursuant to 935 CMR 500.160. All products shall be tested for the cannabinoid profile and for contaminants as specified by the Department, including but not limited to metals, bacteria/fungi/mycotoxins, cannabinoid profile, and the presence of pesticides and plant growth regulators.

Environmental media will be tested in compliance with the Protocol for Sampling and Analysis of Environmental Media for Massachusetts Registered Medical Marijuana Dispensaries published by the Department of Public Health pursuant to 935 CMR 500.160(1).

All transportation of marijuana to or from testing facilities shall comply with 935 CMR 500.105(13) and any marijuana product returned to GCM by the testing facility will be disposed of in accordance with 935 CMR 500.105(12).

Samples that fail testing will be reported and destroyed. Pursuant to 935 CMR 500.160(9), no marijuana product shall be sold or marketed for sale that has not first been tested and deemed to comply with the Independent Testing Laboratory standards.

All testing results will be maintained by GCM for no less than one year in accordance with 935 CMR 500.160(3).

It is the policy of Good Chemistry of Massachusetts (“GCM”) to provide equal employment opportunities to all employees and employment applicants without regard to unlawful considerations of race, religion, creed, color, national origin, sex, pregnancy, sexual orientation, gender identity, age, ancestry, physical or mental disability, genetic information, marital status or any other classification protected by applicable local, state or federal laws. This policy prohibits unlawful discrimination based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics. This policy applies to all aspects of employment, including, but not limited to, hiring, job assignment, working conditions, compensation, promotion, benefits, scheduling, training, discipline and termination.

All staff must have a Marijuana Establishment Agent registration card from the State of Massachusetts that authorizes them to work at the facility. Prior to registering agents, GGM will run background checks on all employees, including social media scans, in accordance with 935 CMR 500.030. Any employee who is not determined suitable for registration consistent with the provisions of 935 CMR 500.800 and 500.802 will be denied employment with GCM. Background checks for all employees will be repeated on an annual basis. All CORI reports obtained in accordance with 935 CMR 500.030, M.G.L. c. 6, s. 172 and 803 CMR 2.00, will be kept separate from general personnel files in a locked cabinet at the facility and will be produced to the Commission on request.

Once an employee has been hired, they go through an on-boarding process with Good Chemistry’s HR department. Each employee must review and sign an acknowledgement stating they understand and will comply with Good Chemistry’s employee handbook. The following forms must all be completed by GCM employees and stored securely:

- Resume
- CORI Background Check
- Employee Trade Secret Agreement (If Applicable)
- Form W-4, Employee's Withholding Allowance Certificate
- Form I-9, Employment Eligibility Verification
- Agent Registration Application

At all times, employees are expected to conduct their personal affairs in a manner that does not adversely affect GCM’s integrity, reputation or credibility. Actions that could lead to dismissal or law enforcement notification include:

- Any act of dishonesty, including falsification of records
- Destruction, theft or misappropriation of property belonging to an employee or the Company
- Substance abuse on Establishment premises

- Unlawful possession, distribution, or sale of narcotics, drugs, or controlled substances
- Any act which discredits or damages Good Chemistry
- Fighting, intimidating, coercive or threatening behavior on the premises
- Disrespectful behavior and/or being discourteous to an employee
- Giving away products
- Harassment or discrimination of an illegal nature
- Failure to follow any policies or procedures including those specific to health and safety

If a marijuana establishment agent is found to have diverted marijuana, it is grounds for immediate dismissal. The first person to be notified will be the Security Director. The Security Director will make a detailed report of the event and report it to local law enforcement and the CCC within 24 hours in accordance with 935 CMR 500.110(7)(a) . Human Resources will then be notified and prepare the dispensary agents last check and termination of any applicable benefits.

GCM is committed to providing its employees with a safe and productive work environment. In keeping with this commitment, it maintains a strict policy against the use of alcohol and the unlawful use of drugs in the workplace. Consequently, no employee may consume or possess alcohol, or use, possess, sell, purchase or transfer illegal drugs at any time while on GCM's premises or while using GCM's vehicles or equipment, or at any location during work time.

Good Chemistry of Massachusetts, Inc. (“GCM”) will implement recordkeeping policies and procedures to ensure that records are maintained as required in any section of 500.000. Specifically, GCM will maintain the following records:

- Operating procedures including security measures, employee security policies, storage of marijuana, recordkeeping and inventory protocols, plans for staffing and quality control, emergency procedures, drug-free workplace policies, production and distribution policies and procedures, as required by 935 CMR 500.105(1)
- Inventory records as required by 935 CMR 500.105(8)
- Seed-to-sale tracking records for all marijuana and MIPs as required in 935 CMR 500.105(8)(e)
- Personnel records that include job descriptions, a personnel record for each establishment agent that includes a copy of the establishment agent application submitted to CCC, performance evaluations, documentation of all required training and verification of reference, a staffing plan, personnel policies and procedures, and all CORI reports obtained in accordance with 500.030(3).
- Waste disposal records as required by 500.105(12)

All systems accessed by establishment agents will be password protected. In addition, each authorized establishment agent will be assigned a unique code that will be used as their electronic signature. Any paper documents that require retention will be stored in a locked cabinet with access limited to the Production Manager and Garden Manager. Any hardcopy information not stored will be shredded and disposed of in a secure receptacle.

Records of Good Chemistry Massachusetts (“GCM”) will be available for inspection by the Commission, upon request. GCM’s financial records will be maintained in accordance with generally accepted accounting principles and the requirements of 935 CMR 500.105(9)(e). Written records that are required and are subject to inspection include:

- Assets and liabilities;
- Monetary transactions;
- Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
- Sales records including the quantity, form, and cost of marijuana products; and
- Salary and wages paid to each employee, stipend paid to each board member, and any executive compensation, bonus, benefit, or item of value paid to any individual affiliated with a Marijuana Establishment, including members of the nonprofit corporation, if any.

At the time of renewal, GCM will make available an accounting of the financial benefits accruing to the municipality as the result of the host community agreement with the licensee.

Following the closure of GCM, all records will be kept for at least two years at the expense of GCM and in a form and location acceptable to the Commission, in accordance with 935 CMR 500.105(9)(g). Financial records shall be kept for a minimum of three years from the date of the filed tax return, in accordance with 830 CMR 62C.25.1(7) and 935 CMR 500.140(6)(e).

Pursuant to 935 CMR 500.105(2)(a) Good Chemistry of Massachusetts Inc. (“GCM”) will ensure all establishment agents complete training prior to performing job functions. Training will be tailored to the role and responsibilities of the job function. Establishment agents will be trained for one week before acting as an establishment agent. At a minimum, staff shall receive eight hours of on-going training annually. New establishment agents will receive employee orientation prior to beginning work with GCM. Each department managed will provide orientation for establishment agents assigned to their department. Orientation will include a summary overview of all the training modules. In accordance with 935 CMR 500.105(2)(a), training for all establishment agents will include a Responsible Vendor Program under 935 CMR 500.105(2)(b).

Good Chemistry will maintain documentation of all training, including required training for Good Chemistry policies in security, safety, and confidentiality, which shall include the signature of the individual receiving training, the date, time, and place of training, topics discussed, and the name and title of the presenter. All employee training hours and subjects must be recorded, and these employee training records maintained for at least four (4) years after the employee is no longer employed. As required by 935 CMR 500.105(2)(b)(5), GCM will maintain records of Responsible Vendor training program compliance for four (4) years and make them available to the Commission and any other applicable licensing authority on request. Training log records, including trainee signatures, must be stored both in print and electronic form.

Diversity Plan

Intent

Good Chemistry of Massachusetts, Inc.'s ("Good Chemistry") hiring policy is to promote a diverse workforce. Good Chemistry is committed to promoting racial and gender equity and supporting veterans, LGBTQ, people with disabilities, and other communities in the makeup of its workforce. Any actions taken, or programs instituted by Good Chemistry, will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.

Purpose

The document serves as a summary of Good Chemistry's Diversity Plan to ensure that we are a diverse and inclusive company, to promote a discrimination-free work environment and to encourage employees to use their individual backgrounds and talents to support the goals of Good Chemistry.

Initiatives

Goal #1 Recruitment and Hiring: Good Chemistry is committed to making best efforts to recruit and hire a diverse group of employees with a goal of hiring a staff that is at least 50% women and 35% from one of the following diverse groups: minorities, veterans, LGBTQ individuals, and people with disabilities while promoting equity among all individuals. To achieve this, Good Chemistry will:

- Create gender-neutral job descriptions
- Post hiring needs in diverse publications such as a variety of web-based recruitment platforms
- Participate in local hiring events
- Attend community group meetings, at least two annually, to introduce Good Chemistry and address the existing hiring needs to attract a diverse array of individuals
- Good Chemistry will develop and implement annual training for managers to address bias and cultural sensitivity.
- Good Chemistry has a merit-based hiring practice that is age, race, gender and minority neutral.
- Good Chemistry will engage with community groups representing people of color, LGBTQ, gender equality and trade groups for recruitment.
- Good Chemistry will adhere to the requirements set forth in 935 CMR 500.105(4) regarding the permitted and prohibited advertising, branding, marketing, and sponsorship practices of marijuana establishments.

Evaluation Frequency and Metrics: Good Chemistry will assess the demographics of its employees to see if it is meeting its goal of increasing diversity in these positions. Good Chemistry will evaluate what steps its hiring managers took to attract a diverse group of employees and whether or not its hiring managers made best efforts to meet the goals set out in this Plan. Good

Chemistry will annually analyze the staffing make up and based upon the outcome of those analytics, determine what steps are necessary to further increase the diversity of Good Chemistry. Good Chemistry will assess and review its progress within a year of receiving its Final License from the CCC and then annually, thereafter. Based upon this annual review and in conjunction with the renewal of its license, Good Chemistry will be able to demonstrate to the CCC progress toward the goal.

Goal #2 Inclusion: Good Chemistry is determined to provide an inclusive professional environment. This is achieved through:

- Development and implementation of inclusivity and sensitivity training, including specific management training.
- Host lunch-and-learns, seminars, etc, focused on the importance of diversity in the workplace with a goal of holding two annually
- Foundation of Employee Resource Groups (ERGs), which are voluntary, employee-led groups based on shared characteristics or life experience that foster a diverse, inclusive workplace.
- ERGs will provide support as well as enhance career and personal development in the workplace.
- Periodic assessment of policies addressing non-discrimination, harassment, retaliation.
- Engagement with outside HR personnel for best practices. Our Human Resources department will work to identify diversity needs and implement policies to achieve our goals.

Evaluation Frequency and Metrics: Good Chemistry will collect and consider feedback from annual engagement surveys and relevant exit interviews. All comments and feedback will be documented and reviewed by senior management staff. Good Chemistry will conduct engagement surveys annually and review the results of these surveys within a month of administering them. Senior management will identify the top 3-5 areas for improvement and in collaboration with employees develop short-term and long-term goals on how to address those areas of development. Exit interviews and feedback from departing employees will be evaluated and assessed as they take place; which will enable Good Chemistry to demonstrate to the CCC progress toward its goals.

Goal #3 Supplier Diversity Plan: Good Chemistry will work to ensure suppliers and ancillary services who we contract with align with our goals and commitment to diversity with a goal of contracting with at least 20% of our total suppliers and ancillary services who align with our goals and commitment to diversity. We will request all vendors to sign our inclusive, non-discrimination policy as a part of their contract with Good Chemistry.

Evaluation Frequency and Metrics: Good Chemistry will measure how many of its ancillary services and participants in its supply chain are owned and/or managed by minorities, women, veterans, people with disabilities and/or people of all gender identities and sexual orientations and will calculate the percentage of services and members of its supply chain that meet this requirement. Good Chemistry will ask suppliers and ancillary services if they would identify themselves as a business that is owned or managed by one of these targeted groups and give priority to these

businesses. Good Chemistry's goal will strive to work with at least 20% of businesses who identify as one of the targeted groups throughout its supply chain and assess these percentages annually which will enable Good Chemistry to demonstrate to the Commission or progress toward its goal.

Plan Evaluation

Good Chemistry will conduct internal evaluations of the effectiveness of our programs. Good Chemistry will conduct anonymous employee surveys to ensure our workplace environment is reflective of our goals. We will adjust our policies accordingly to reflect staff feedback. Good Chemistry will conduct internal audits to ensure inclusive recruitment policies are reflective in our applicant pool. At any point, Good Chemistry will adjust policies and plans in order to better accomplish the goals outlined in this plan. Good Chemistry will evaluate these metrics in advance of its annual license renewal so that it can demonstrate the success or progress of its plan.

Energy Efficiency

Pursuant to 935 CMR 500.105(15), Good Chemistry of Massachusetts, Inc. (“GCM”) will demonstrate consideration of ways in which to improve energy efficiency in its operations. This shall include identification of potential energy use reduction opportunities and a plan for implementation of such opportunities; Consideration of opportunities for renewable energy generation; Strategies to reduce electric demand; and Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants.

Pursuant to 935 CMR 500.120, GCM’s cultivation operations will satisfy minimum energy efficiency and standards established by the Commission and meet all applicable environmental laws, regulations, permits and other applicable approvals. This includes, but is not limited to, those related to water quality and quantity, wastewater, solid and hazardous waste management, and air pollution control, including prevention of odor and noise pursuant to 310 CMR 7.00: Air Pollution Control as a condition of obtaining a final license under 935 CMR 500.103(2) and as a condition of renewal under 935 CMR 500.103(4).

GCM cultivation operations shall adopt and use additional best management practices as determined by the Commission to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts, and shall provide energy and water usage reporting to the Commission in a form determined by the Commission. Each License renewal application submitted by GCM will include a report of the GCM’s cultivation operations’ energy and water usage over the 12-month period preceding the date of application.

GCM will ensure that the building envelope for all facilities meet minimum Massachusetts Building Code requirements and all Massachusetts amendments, International Energy Conservation Code or The American Society of Heating, Refrigerating and Air-conditioning Engineers (ASHRAE) Chapters 5.4 and 5.5 as applied or incorporated by reference in 780 CMR: State Building Code. The lighting used by GCM for cultivation operations will meet one of the compliance paths as outlined by the Commission in 935 CMR 500.120(12)(b).

The Heating Ventilation and Air Conditioning (HVAC) and dehumidification systems used by GCM will must meet Massachusetts State Building Code requirements and all Massachusetts amendments, IECC Section C.403 or ASHRAE Chapter 6 as applied or incorporated by reference in (780 CMR: State Building Code). GCM will provide a certification from a Massachusetts Licensed Mechanical Engineer that the HVAC and dehumidification systems meet Massachusetts building code as specified in 935 CMR 500.120(11) and that such systems have been evaluated and sized for the anticipated loads of the facility.

Pursuant to 935 CMR 500.120(12)(d), GCM will implement safety protocols to protect workers and consumers. GCM will explore the possibilities of utilizing onsite generation from clean or renewable generating sources or renewable thermal generation.