



## Massachusetts Cannabis Control Commission

### Marijuana Retailer

#### General Information:

License Number: MR281796  
Original Issued Date: 03/05/2019  
Issued Date: 03/11/2021  
Expiration Date: 03/13/2022

### ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Canna Provisions Inc

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

Business Address 1: 220 Housatonic Street

Business Address 2:

Business City: Lee

Business State: MA

Business Zip Code: 01238

Mailing Address 1: 220 Housatonic Street

Mailing Address 2:

Mailing City: Lee

Mailing State: MA

Mailing Zip Code: 01238

### CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

Certified Disadvantaged Business Enterprises (DBEs): Not a DBE

### PRIORITY APPLICANT

Priority Applicant: no

Priority Applicant Type: Not a Priority Applicant

Economic Empowerment Applicant Certification Number:

RMD Priority Certification Number:

### RMD INFORMATION

Name of RMD:

Department of Public Health RMD Registration Number:

Operational and Registration Status:

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

If no, describe the circumstances below:

### PERSONS WITH DIRECT OR INDIRECT AUTHORITY

Person with Direct or Indirect Authority 1

Percentage Of Ownership: 24.07

Percentage Of Control: 10

Role: Owner / Partner

Other Role:

First Name: Eugene

Last Name: McCain

Suffix:

Gender: Male

User Defined Gender:

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

Specify Race or Ethnicity:

Person with Direct or Indirect Authority 2

Percentage Of Ownership: 10.13

Percentage Of Control: 37.5

Role: Executive / Officer

Other Role:

First Name: Erik

Last Name: Williams

Suffix:

Gender: Male

User Defined Gender:

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

Specify Race or Ethnicity:

Person with Direct or Indirect Authority 3

Percentage Of Ownership: 10.13

Percentage Of Control: 37.5

Role: Executive / Officer

Other Role:

First Name: Megan

Last Name: Sanders

Suffix:

Gender: Female

User Defined Gender:

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

Specify Race or Ethnicity:

ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

Entity with Direct or Indirect Authority 1

Percentage of Control: 100

Percentage of Ownership: 100

Entity Legal Name: Better Provisions, LLC

Entity DBA:

DBA City:

Entity Description: Parent Company

Foreign Subsidiary Narrative:

Entity Phone:

Entity Email:

Entity Website: cannprovisionsgroup.com

Entity Address 1:

Entity Address 2:

Entity City:

Entity State:

Entity Zip Code:

Entity Mailing Address 1:

Entity Mailing Address 2:

Entity Mailing City:

Entity Mailing State:

Entity Mailing Zip Code:

Relationship Description: 100% owner and parent company of the licensee

CLOSE ASSOCIATES AND MEMBERS

No records found

CAPITAL RESOURCES - INDIVIDUALS

Individual Contributing Capital 1

First Name: Eugene

Last Name: McCain

Suffix:

Types of Capital: Monetary/Equity

Other Type of Capital:

Total Value of the Capital Provided: \$104000

Percentage of Initial Capital: 100

Capital Attestation: Yes

CAPITAL RESOURCES - ENTITIES

No records found

BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

Business Interest in Other State 1

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

**Owner First Name:** Megan    **Owner Last Name:** Sanders    **Owner Suffix:**  
**Entity Legal Name:** Winkanda, LLC.    **Entity DBA:** Mindful  
**Entity Description:** Winkanda is the parent company that holds 15 Cannabis Licenses across the country in Colorado and Illinois  
**Entity Phone:** 720-364-6158    **Entity Email:** Jennifer.kealy@bemindful.today    **Entity Website:** <https://bemindful.today/>  
**Entity Address 1:** 3880 Holly Street    **Entity Address 2:**  
**Entity City:** Denver    **Entity State:** CO    **Entity Zip Code:** 80207    **Entity Country:** United States  
**Entity Mailing Address 1:** 3880 Holly Street    **Entity Mailing Address 2:**  
**Entity Mailing City:** Denver    **Entity Mailing State:** CO    **Entity Mailing Zip Code:** 80207    **Entity Mailing Country:** United States

**Business Interest in Other State 2**

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

**Owner First Name:** Erik    **Owner Last Name:** Williams    **Owner Suffix:**  
**Entity Legal Name:** Winkanda, LLC.    **Entity DBA:** Mindful  
**Entity Description:** Winkanda is the parent company that holds 15 Cannabis Licenses across the country in Colorado and Illinois  
**Entity Phone:** 720-364-6158    **Entity Email:** Jennifer.kealy@bemindful.today    **Entity Website:** <https://bemindful.today/>  
**Entity Address 1:** 3880 Holly Street    **Entity Address 2:**  
**Entity City:** Denver    **Entity State:** CO    **Entity Zip Code:** 80207    **Entity Country:** United States  
**Entity Mailing Address 1:** 3880 Holly Street    **Entity Mailing Address 2:**  
**Entity Mailing City:** Denver    **Entity Mailing State:** CO    **Entity Mailing Zip Code:** 80207    **Entity Mailing Country:** United States

**Business Interest in Other State 3**

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

**Owner First Name:** Megan    **Owner Last Name:** Sanders    **Owner Suffix:**  
**Entity Legal Name:** Calidutch, Inc.    **Entity DBA:**  
**Entity Description:** Cannabis Cultivation Applicant in California  
**Entity Phone:** 760-613-2561    **Entity Email:** johnhamala@msn.com    **Entity Website:**  
**Entity Address 1:** 2801 Atadero CT.    **Entity Address 2:**  
**Entity City:** Carlsbad    **Entity State:** CA    **Entity Zip Code:** 92009    **Entity Country:** United States  
**Entity Mailing Address 1:** 2801 Atadero Ct.    **Entity Mailing Address 2:**  
**Entity Mailing City:** Carlsbad    **Entity Mailing State:** CA    **Entity Mailing Zip Code:** 92009    **Entity Mailing Country:** United States

**Business Interest in Other State 4**

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

**Owner First Name:** Erik    **Owner Last Name:** Williams    **Owner Suffix:**  
**Entity Legal Name:** Calidutch, Inc.    **Entity DBA:**  
**Entity Description:** Cannabis Cultivation Applicant in California  
**Entity Phone:**    **Entity Email:**    **Entity Website:**

760-613-2561

johnhamala@msn.com

Entity Address 1: 2801 Atadero Ct.

Entity Address 2:

Entity City: Carlsbad

Entity State: CA

Entity Zip Code: 92009

Entity Country: United States

Entity Mailing Address 1: 2801 Atadero Ct.

Entity Mailing Address 2:

Entity Mailing City:

Entity Mailing State: CA

Entity Mailing Zip Code:

Entity Mailing Country: United States

Carlsbad

92009

States

### DISCLOSURE OF INDIVIDUAL INTERESTS

#### Individual 1

First Name: Eugene

Last Name: McCain

Suffix:

Marijuana Establishment Name: The Verb is Herb

Business Type: Marijuana Retailer

Marijuana Establishment City: Easthampton

Marijuana Establishment State: MA

#### Individual 2

First Name: Erik

Last Name: Williams

Suffix:

Marijuana Establishment Name: The Verb is Herb

Business Type: Marijuana Retailer

Marijuana Establishment City: Easthampton

Marijuana Establishment State: MA

#### Individual 3

First Name: Megan

Last Name: Sanders

Suffix:

Marijuana Establishment Name: The Verb is Herb

Business Type: Marijuana Retailer

Marijuana Establishment City: Easthampton

Marijuana Establishment State: MA

### MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Establishment Address 1: 220 Housatonic Street

Establishment Address 2:

Establishment City: Lee

Establishment Zip Code: 01238

Approximate square footage of the establishment: 2070

How many abutters does this property have?: 18

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

### HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Certification of Host Community Agreement	Lee Host Agreement Certification.pdf	pdf	5b706993aa953e3937b5953c	08/12/2018
Plan to Remain Compliant with Local Zoning	Lee Plan to Remain Compliant with Zoning.pdf	pdf	5b706df15a6f093923e4f35c	08/12/2018
Community Outreach Meeting Documentation	Lee COM Documents.pdf	pdf	5b8dba3f5e9b3d2d528a8539	09/03/2018

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.: \$559069

### PLAN FOR POSITIVE IMPACT

Plan to Positively Impact Areas of Disproportionate Impact:

Document Category	Document Name	Type	ID	Upload Date
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**ADDITIONAL INFORMATION NOTIFICATION**

**Notification:** I understand

**INDIVIDUAL BACKGROUND INFORMATION**

Individual Background Information 1

**Role:** **Other Role:**  
**First Name:** Eugene **Last Name:** McCain **Suffix:**  
**RMD Association:** Not associated with an RMD  
**Background Question:** yes

Individual Background Information 2

**Role:** **Other Role:**  
**First Name:** Erik **Last Name:** Williams **Suffix:**  
**RMD Association:** Not associated with an RMD  
**Background Question:** yes

Individual Background Information 3

**Role:** **Other Role:**  
**First Name:** Megan **Last Name:** Sanders **Suffix:**  
**RMD Association:** Not associated with an RMD  
**Background Question:** yes

**ENTITY BACKGROUND CHECK INFORMATION**

No records found

**MASSACHUSETTS BUSINESS REGISTRATION**

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Secretary of Commonwealth - Certificate of Good Standing	SOS COGS.pdf	pdf	5b706ffc4e62492d8f343dc7	08/12/2018
Articles of Organization	CP Articles of Incorporation.pdf	pdf	5b707131cea8212d4c7b492a	08/12/2018
Bylaws	Canna Provisions Inc. - Bylaws Clean (002).pdf	pdf	5b7071485e9b3d2d528a6f37	08/12/2018
Department of Revenue - Certificate of Good standing	COGS Mass DOR.pdf	pdf	5b8dbafc03a477392d0a3b74	09/03/2018

Certificates of Good Standing:

Document Category	Document Name	Type	ID	Upload Date
Department of Revenue - Certificate of Good standing	Certificate of Good Standing_DOR_1.11.21.pdf	pdf	60020294eb00b107e4546e5c	01/15/2021
Secretary of Commonwealth - Certificate of Good Standing	Certificate of Good Standing_SOC_1.5.21.pdf	pdf	60020296982b2307e1996196	01/15/2021
Department of Unemployment Assistance	Good Standing UI_1.6.21.pdf	pdf	6002029744f61c07f6800e86	01/15/2021

- Certificate of Good standing

Massachusetts Business Identification Number: 001325268

Doing-Business-As Name:

DBA Registration City:

### BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan for Liability Insurance	Insurance Plan.pdf	pdf	5e3c5419813339048c3fb844	02/06/2020
Business Plan	Updated Business Plan.pdf	pdf	5e3cb07602a6e7045352bb51	02/06/2020

### OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Energy Compliance Plan	CP Energy Compliance Plan_January 2021.pdf	pdf	6002332ce767d307ceee6588	01/15/2021
Restricting Access to age 21 and older	CP Restricting Access for Under 21 V02_1.16.21.pdf	pdf	60037b7ae767d307ceee669d	01/16/2021
Security plan	CP Security Plan V02_1.16.21.pdf	pdf	60037b7ee826e207c07ddbfb	01/16/2021
Storage of marijuana	CP Storage Plan V03_1.16.21.pdf	pdf	60037b8189d382080d8efe7b	01/16/2021
Transportation of marijuana	CP Transportation Plan V03_1.16.21.pdf	pdf	60037b8479776c07d15e9cce	01/16/2021
Dispensing procedures	CP_Retail & Curbside Procedures_Fall 2020.pdf	pdf	60037b999597d30802d2e812	01/16/2021
Personnel policies including background checks	CP Personnel and Background Check Policies_1.16.21.pdf	pdf	60037bae982b2307e1996327	01/16/2021
Diversity plan	CP Plan for Positive Impact.pdf	pdf	60037bb3eb00b107e4547006	01/16/2021
Prevention of diversion	CP Plan to Prevent Diversion V04_1.16.21.pdf	pdf	60037bb744f61c07f6801037	01/16/2021
Quality control and testing	CP Quality Control and Testing Plan V05_1.16.21.pdf	pdf	60037bbb09cfae0810fd56c3	01/16/2021
Record Keeping procedures	CP Recordkeeping Plan V02_1.16.21.pdf	pdf	60037bc036d86207eb96b638	01/16/2021
Dispensing procedures	CP Dispensing Procedure V02_1.16.21.pdf	pdf	60037bce79776c07d15e9cd2	01/16/2021
Diversity plan	CP Diversity Plan_2019_V2.0 (1)_comment.pdf	pdf	60037bd12027b107e8dcb027	01/16/2021
Qualifications and training	CP Employee Qualification and Training Plan V02_1.16.21.pdf	pdf	60037bd6d18fa907c7d94b1b	01/16/2021
Inventory procedures	CP Inventory Plan V03_1.16.21.pdf	pdf	60037bdcb11eae07c3c5a84f	01/16/2021
Maintaining of financial records	CP Maintenance of Financial Records V02_1.16.21.pdf	pdf	60037be0eb00b107e454700a	01/16/2021

### MARIJUANA RETAILER SPECIFIC REQUIREMENTS

Date generated: 03/25/2021

No documents uploaded

No documents uploaded

### ATTESTATIONS

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

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

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

Notification: I Understand

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

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

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

### ADDITIONAL INFORMATION NOTIFICATION

Notification: I Understand

### COMPLIANCE WITH POSITIVE IMPACT PLAN

#### Progress or Success Goal 1

**Description of Progress or Success:** Please see the attached Canna Provisions Positive Impact Plan & Diversity Plan 2020 Report for documentation demonstrating successes, progress, and future company aims.

#### Progress or Success Goal 2

**Description of Progress or Success:** Please see the attached Canna Provisions Positive Impact Plan & Diversity Plan 2020 Report for documentation demonstrating successes, progress, and future company aims.

### COMPLIANCE WITH DIVERSITY PLAN

#### Diversity Progress or Success 1

**Description of Progress or Success:** Please see the attached Canna Provisions Positive Impact Plan & Diversity Plan 2020 Report for documentation demonstrating successes, progress, and future company aims.

#### Diversity Progress or Success 2

**Description of Progress or Success:** Please see the attached Canna Provisions Positive Impact Plan & Diversity Plan 2020 Report for documentation demonstrating successes, progress, and future company aims.

#### Diversity Progress or Success 3

**Description of Progress or Success:** Please see the attached Canna Provisions Positive Impact Plan & Diversity Plan 2020 Report for documentation demonstrating successes, progress, and future company aims.

### HOURS OF OPERATION

<b>Monday From: 8:00 AM</b>	<b>Monday To: 8:00 PM</b>
<b>Tuesday From: 8:00 AM</b>	<b>Tuesday To: 8:00 PM</b>
<b>Wednesday From: 8:00 AM</b>	<b>Wednesday To: 8:00 PM</b>
<b>Thursday From: 8:00 AM</b>	<b>Thursday To: 9:00 PM</b>
<b>Friday From: 8:00 AM</b>	<b>Friday To: 9:00 PM</b>
<b>Saturday From: 8:00 AM</b>	<b>Saturday To: 9:00 PM</b>
<b>Sunday From: 8:00 AM</b>	<b>Sunday To: 8:00 PM</b>



## 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, Erik Williams, (insert name) certify as an authorized representative of Canna Pairings Company, Inc. (insert name of applicant) that the applicant has executed a host community agreement with Town of Lee, MA (insert name of host community) pursuant to G.L.c. 94G § 3(d) on July 17, 2018 (insert date).

  
Signature of Authorized Representative of Applicant

### Host Community

I, Jeremia Pollard, Town Counsel, (insert name) certify that I am the contracting authority or have been duly authorized by the contracting authority for Town of Lee (insert name of host community) to certify that the applicant and Town of Lee (insert name of host community) has executed a host community agreement pursuant to G.L.c. 94G § 3(d) on July 17, 2018 (insert date).

  
Signature of Contracting Authority or  
Authorized Representative of Host Community

## **Plan to Remain Compliant with Local Zoning (Lee)**

The purpose of this plan is to outline how Canna Provisions, Inc. will remain in compliance with local codes, ordinances, and bylaws for the physical address of our Marijuana Establishment at 220 Housatonic Street in Lee shall include, but not be limited to, the identification of any local licensing requirements for the adult use of marijuana

### **Background**

The Town of Lee has enacted a zoning bylaw regulating the time place and manner of Marijuana Establishments. This bylaw, Section 199-9.11 (Attached) allows Retail Marijuana Establishments in the ("CBC") Commercial Business Corridor zoning district. 220 Housatonic Street is located in the CBC district and is compliant with all physical siting requirements outlined in the Bylaw. A Special Permit and Site Plan Review from the Town is also required. Canna Provisions has applied for and we received our Special Permit from the Select Board on August 7, 2018.

Canna Provisions, Inc. and its attorneys and consultants have reviewed this ordinance in its entirety and have developed plans and strategies on compliance with all of the requirements and special permit conditions.

### **Ongoing Compliance**

Canna Provisions is committed to remaining in compliance with all with local codes, ordinances, and bylaws. Our local attorney and compliance consultant will make periodic assessments of our operation for compliance with all applicable local, state and federal laws and regulations, including zoning and special permit compliance.

Our Team is in regular contact with and will remain in contact with the Lee Town officials to ensure that there is an open line of communications. We will remain up to date with all zoning bylaw changes and requirements to ensure that Canna Provisions, Inc. remains in compliance.

**Zoning Bylaw Changes**

**1. Create new Section 199-9.11, “Marijuana Establishments.” A. – I. as follows:**

**ARTICLE IV. SPECIAL REGULATIONS**

**§199-9.11. Marijuana Establishments.**

A. **Purpose.** The purpose of this section is to provide for the placement of Marijuana Establishments (MEs) in suitable locations in the Town of Lee (the “Town”) in recognition of and in accordance with “The Regulation of the Use and Distribution of Marijuana Not Medically Prescribed,” M.G.L. c. 94G. The specific purpose of this section is to safeguard the built environment by permitting compliance with state law in a manner consistent with community and neighborhood concerns, while also ensuring that those entities permitted to operate a licensed ME, as defined herein, comply with the relevant provisions of Chapter 334 of the Acts of 2016, Chapter 351 of the Acts of 2016, Chapter 55 of the Acts of 2017, and the regulations promulgated by the Cannabis Control Commission (CCC) found at 935 CMR 500.000 et seq.

B. **Definitions.**

**CRAFT MARIJUANA COOPERATIVE** – a Marijuana Cultivator comprised of residents of the commonwealth organized as a limited liability company or limited liability partnership under the laws of the commonwealth, or an appropriate business structure as determined by the CCC, and that is licensed to cultivate, obtain, manufacture, process, package and brand marijuana and Marijuana Products to deliver marijuana to MEs but not to consumers.

**INDEPENDENT TESTING LABORATORY** - a laboratory that is licensed by the CCC and is:  
(i) accredited to the most current International Organization for Standardization 17025 by a third-party accrediting body that is a signatory to the International Laboratory Accreditation Accrediting Cooperation mutual recognition arrangement or that is otherwise approved by the commission; (ii) independent financially from any medical marijuana treatment center or any licensee or ME for which it conducts a test; and (iii) qualified to test marijuana in compliance with 935 CMR 500.160 and M.G.L. c.94C, § 34.

**LICENSE** – The certificate issued by the CCC that confirms that a ME has met all applicable requirements pursuant to St. 2012, c. 334, as amended by St. 2017, c. 55 and 935 CMR 500.000. A ME may be eligible for a provisional or final license.

**MARIJUANA ESTABLISHMENT (ME)** – a Marijuana Cultivator, Craft Marijuana Cooperative, Marijuana Product Manufacturer, Marijuana Retailer, Independent Testing Laboratory, Marijuana Research Facility, Marijuana Transporter, or any other type of licensed marijuana-related business, except a medical marijuana treatment center.

**MARIJUANA CULTIVATOR** – an entity licensed to cultivate, process, and package marijuana; to deliver marijuana to MEs; and to transfer marijuana to other MEs but not consumers.

**MARIJUANA CULTIVATION FACILITIES** – facilities that a Marijuana Cultivator may be licensed to operate.

**MARIJUANA PRODUCT MANUFACTURER** – an entity licensed to obtain, manufacture, process, and package marijuana and Marijuana Products; to deliver marijuana and Marijuana Products to other MEs, and to transfer marijuana and Marijuana Products to other MEs but not consumers.

**MARIJUANA PRODUCTS** – products that have been manufactured and contain marijuana or an extract from marijuana, including concentrated forms of marijuana and products composed of marijuana and other ingredients that are intended for use or consumption, including edible products, beverages, topical products, ointments, oils and tinctures.

**MARIJUANA RETAILER** – an entity licensed to purchase and deliver marijuana and Marijuana Products from MEs and to deliver, sell, or otherwise transfer marijuana and Marijuana Products to other MEs and to consumers.

**MARIJUANA TRANSPORTER** – an entity, not otherwise licensed by the CCC, that is licensed to purchase, obtain, and possess cannabis or marijuana product solely for the purpose of transporting, temporary storage, sale and distribution to MEs, but not to consumers.

**MICRO-BUSINESS** – a collocated ME that can be either a Tier 1 Marijuana Cultivator or Product Manufacturer or both, in compliance with the operating procedures for each license. A Microbusiness that is a Marijuana Product Manufacturer may purchase no more than 2,000 pounds of marijuana per year from other MEs.

**RESEARCH FACILITY** – an entity licensed to engage in research projects by the CCC.

C. Designated Locations for MEs. The locations designated by the Town of Lee where a ME may be sited are as follows:

- (1) Any ME, as defined in this bylaw, may be sited in the Industrial (I) zone district, as shown on the Zoning Map pursuant to G.L. c. 40A, §4, upon the approval of a Site Plan and Special Permit, in accordance with §199-13.3 and §199-13.4 of the Zoning Bylaw.
- (2) Marijuana Retailers, as defined in this bylaw, may be sited in the Central Business Corridor (CBC) and the Rural Business (RB) zone districts as shown on the Zoning Map pursuant to G.L. c. 40A, §4, upon the approval of a Site Plan and Special Permit, in accordance with §199-13.3 and §199-13.4 of the Zoning Bylaw.
- (3) Marijuana Independent Testing Laboratories and Research Facilities, as defined in this bylaw, may be sited in the Downtown Commercial Business Corridor (DCBC), Central

- (1) Outside storage. No outside storage of marijuana, marijuana products, related supplies, or educational materials is permitted, except for outdoor, open-air cultivation facilities.
- (2) Hours of operation. A Marijuana Retailer may open no earlier than 8:00 AM and shall close no later than 8:00 PM the same day, Monday through Saturday, and from 10:00 AM until 8:00 PM on Sunday unless other hours of operation are set by the Special Permit Granting Authority as part of site plan approval. Hours of operation shall apply to all sales, delivery, and dispensing activities for the business. There shall be no hourly restrictions on non-retail marijuana facilities, unless imposed by the Special Permit Granting Authority as part of site plan approval.
- (3) Signage. All signage and advertising for ME's shall comply with all applicable state laws, as well as, the provisions of §199-7 of this chapter and all other applicable provisions of this code. Advertisements, signs, displays or other promotional material depicting retail marijuana uses or symbols shall not be shown or exhibited off the premises, or in any manner which is visible to the public from roadways, pedestrian sidewalks or walkways, or from other public areas. No signage associated with a Marijuana Retailer shall use the word "marijuana," "cannabis," or any other word or phrase commonly understood to refer to marijuana, unless such word or phrase is immediately preceded by the word "retail," provided that no signage shall contain words such as "reefer," "ganja," "weed" or other similar slang references to marijuana or cannabis.
- (4) On-site consumption of marijuana. The use, consumption, ingestion or inhalation of marijuana or marijuana products on or within the premises of any ME is prohibited, except for Research Facilities.
- (5) Visibility of activities. All activities of any ME, except for outdoor, open-air cultivation facilities, shall be conducted indoors.
- (6) Paraphernalia. Devices, contrivances, instruments and paraphernalia for inhaling or otherwise consuming marijuana, including, but not limited to, rolling papers and related tools, water pipes, and vaporizers may lawfully be sold at a Marijuana Retailer. No retail marijuana, marijuana products, or paraphernalia shall be displayed or kept in a retail marijuana store so as to be visible from outside the licensed premises.
- (7) Control of emissions. Sufficient measures and means of preventing smoke, odors, debris, dust, fluids and other substances from exiting a ME must be provided at all times. In the event that any odors, debris, dust, fluids or other substances exit a ME, the owner of the subject premises and the licensee shall be jointly and severally liable for such conditions and shall be responsible for immediate, full clean-up and correction of such condition. The licensee shall properly dispose of all such materials, items and other substances in a safe, sanitary and secure manner and in accordance with all applicable federal, state and local laws and regulations.
- (8) The proposed ME shall provide appropriate landscaping and urban design features to harmonize the proposed project with abutting uses so as to protect and enhance the

proposed parking spaces and the optimum configuration for site ingress and egress.

H. Discontinuance of Use. Any ME under this Section shall be required to remove all material, marijuana products, equipment, signs, and other paraphernalia in compliance with regulations established by the CCC prior to expiration of its license or immediately following revocation or voiding of its licensure and/or registration. If the license holder discontinues use, the ME shall immediately notify the Lee Board of Selectmen, the Lee Police Chief and the Zoning Enforcement Officer.

I. No town liability; indemnification.

- (1) The Applicant and all licensees waive and release the Town, its elected officials, employees, attorneys and agents from any liability for injuries, damages or liabilities of any kind that result from any arrest or prosecution of the ME owners, operators, employees, clients or customers for a violation of state or federal laws, rules or regulations.
- (2) The Applicant, in receiving approvals issued pursuant to this chapter, and all licensees, jointly and severally, if more than one, agree to indemnify, defend and hold harmless the Town, its elected officials, employees, attorneys, agents, insurers and self-insurance pool against all liability, claims and demands on account of any injury, loss or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever arising out of or in any manner connected with the operation of the ME that is the subject of the approval/license.

J. Other laws remain applicable.

- (1) **Business License Required.** At all times while a permit is in effect the licensee shall possess a valid business license as required by the Lee Town Code.
- (2) To the extent that the state has adopted or adopts in the future any additional or stricter law or regulation governing the cultivation, manufacturing, testing, research or retail of marijuana or Marijuana Products, the additional or stricter regulation shall control the ME in the Town. Compliance with any applicable state law or regulation shall be deemed an additional requirement for issuance or denial of any license under this chapter, and noncompliance with any applicable state law or regulation shall be grounds for revocation or suspension of any license issued hereunder.
- (3) Any ME may be required to demonstrate, upon demand by law enforcement officers of the Lee Police Department and/or the local licensing authority, that the source and quantity of any marijuana found upon the licensed premises are in full compliance with any applicable state law or regulation.
- (4) The issuance of any license pursuant to this chapter shall not be deemed to create an

## 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, Erik Williams, (insert name) attest as an authorized representative of CannaProvisions Co, 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 July 18, 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 Leell, MA (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 July 9, 2018 - Planning Board + Clerk (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 July 9, 2018 (insert date), which was at least seven calendar days prior to the community outreach meeting to abutters of the proposed address of the Marijuana Establishment, and residents within 300 feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such owner is located in another city or town. A copy of one of the notices sent to abutters and parties of interest as described in this section is attached as Attachment C (please clearly label the municipal notice in the upper right hand corner as Attachment C and upload it as part of this document; please only include a copy of one notice and please black out the name and the address of the addressee).

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



# Classifieds

To place your ad,  
call 1-800-234-7404

## Public Notices

### CITY OF PITTSFIELD ZONING BOARD OF APPEALS NOTICE OF PUBLIC HEARING

Notice is hereby given that the Zoning Board of Appeals will give a hearing at the **Berkshire Regional Planning Commission Offices, 1 Fenn Street, Suite 201** on **Wednesday July 18, 2018 at 7:00 P.M.**, to all parties interested in the petition of Stefanie Weber requesting a special permit and variance under Article 23 Section 4.306(F) of the Zoning Ordinance to allow a proposed 100% solid 8-foot privacy fence within the front yard setback. The premises affected are located at 4 Marian Avenue and is in a(n) R-6 zoning district.

Albert A. Ingegni, III, Chairman  
Zoning Board of Appeals  
Pittsfield, MA  
07/4/18, 07/11/18

### CITY OF PITTSFIELD ZONING BOARD OF APPEALS NOTICE OF PUBLIC HEARING

Notice is hereby given that the Zoning Board of Appeals will give a hearing at the **Berkshire Regional Planning Commission Offices, 1 Fenn Street, Suite 201** on **Wednesday July 18, 2018 at 7:00 P.M.**, to all parties interested in the petition of Temescal Wellness of Massachusetts requesting a special permit under Article 23 Section 7.850 of the Zoning Ordinance to allow a recreational (adult-use) marijuana retail use. The premises affected are located at 10 Callahan Drive and is in a(n) I-L zoning district.

Albert A. Ingegni, III, Chairman  
Zoning Board of Appeals  
Pittsfield, MA  
07/04/18, 07/11/18

### CITY OF PITTSFIELD ZONING BOARD OF APPEALS NOTICE OF PUBLIC HEARING

Notice is hereby given that the Zoning Board of Appeals will give a hearing at the **Berkshire Regional Planning Commission Offices, 1 Fenn Street, Suite 201** on **Wednesday July 18, 2018 at 7:00 P.M.**, to all parties interested in the petition of David Graziani (Berkshire Cannabis Company LLC) requesting a special permit under Article 23 Section 7.850 of the Zoning Ordinance to allow a recreational (adult-use) marijuana retail use. The premises affected are located at 28 - 32 Bank Row and is in a(n) B-D and D-A zoning district.

Albert A. Ingegni, III, Chairman  
Zoning Board of Appeals  
Pittsfield, MA  
07/4/18, 07/11/18

### CITY OF PITTSFIELD ZONING BOARD OF APPEALS NOTICE OF PUBLIC HEARING

Notice is hereby given that the Zoning Board of Appeals will give a hearing at the **Berkshire Regional Planning Commission Offices, 1 Fenn Street, Suite 201** on **Wednesday July 18, 2018 at 7:00 P.M.**, to all parties interested in the petition of Slang LLC (DBA Bloom Brothers) requesting a special permit under Article 23 Section 7.850 of the Zoning Ordinance to allow a recreational (adult-use) marijuana retail use. The premises affected are located at Merrill Road and Larch Street (Parcels L11-4-28, L11-4-29, L11-4-30) and is in a(n) I-G zoning district.

Albert A. Ingegni, III, Chairman  
Zoning Board of Appeals  
Pittsfield, MA  
07/4/18, 07/11/18

Commonwealth of Massachusetts  
The Trial Court  
Probate and Family Court  
Berkshire Division  
44 Bank Row  
Pittsfield, MA 01201  
(413) 442-6941  
Docket No. BE18P0437EA  
INFORMAL PROBATE  
PUBLICATION NOTICE

Estate of Raymond Frank Bliven,  
a/k/a Raymond F. Bliven  
Date of Death: May 28, 2018

To all persons interested in the above captioned estate, by Petition of **Rebecca Bliven of Otis, MA**, a Will has been admitted to informal probate. **Rebecca Bliven of Otis, MA** has been informally appointed as the Personal Representative of the estate to serve without surety on the bond.

The estate is being administered

## Public Notices

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 terminating or restricting the powers of Personal Representatives appointed under informal procedure. A copy of the Petition and Will, if any, can be obtained from the Petitioner.

Jeremia A. Pollard, Esq.  
Hannon Lerner, P.C.  
184 Main Street  
Lee, MA 01238  
07/11/18

### Commonwealth of Massachusetts The Trial Court

#### NOTICE AND ORDER: Petition for Resignation or Petition for Removal Of Guardianship of Minor Docket No. BE17P0529GD

In the interests of  
**Jocelyn R Cobb  
of Pittsfield, MA  
Minor**

Berkshire Probate and Family Court  
44 Bank Row  
Pittsfield, MA 01201

#### NOTICE TO ALL INTERESTED PARTIES

**1. Hearing Date/Time:** A hearing on a Petition to Resign as Guardian of a Minor or Petition for Removal of Guardian of a Minor filed by **Tracie M. Melendez on June 11, 2018** will be held **07/27/18 02:00 PM**.  
**Guardianship of Minor Hearing**  
Located **Berkshire Probate and Family Court, 44 Bank Row, Pittsfield, MA 01201**

**2. Response to Petition:** You may respond by filing a written response to the Petition or by appearing in person at the hearing. If you choose to file a written response, you need to:

File the original with the Court; and

Mail a copy to all interested parties at least five (5) business days before the hearing.

**3. Counsel for the Minor:** The minor (or an adult on behalf of the minor) has the right to request that counsel be appointed for the minor.

**4. Presence of the Minor at Hearing:** A minor over age 14 has the right to be present at any hearing, unless the Court finds that it is not in the minor's best interests.

**THIS IS A LEGAL NOTICE:** An important court proceeding that may affect your rights has been scheduled. If you do not understand this notice or other court papers, please contact an attorney for legal advice.

Date: June 28, 2018  
**Francis B. Marinaro**  
Register of Probate  
07/11/18

### Commonwealth of Massachusetts The Trial Court Probate and Family Court

#### CITATION GIVING NOTICE OF PETITION FOR APPOINTMENT OF CONSERVATOR OR OTHER PROTECTIVE ORDER PURSUANT TO G.L. c.190B, §5-304 & §5-405

Docket No. BE18P0440PM

In the matter of: **Mae E Wells  
Of: Pittsfield, MA**

## Public Notices

### Respondent (Person to be Protected/Minor)

To the named Respondent and all other interested persons, a petition has been filed by **Alan R Nuttall of Cheshire, MA** in the above captioned matter alleging that Mae E Wells is in need of a Conservator or other protective order and requesting that **Alan R Nuttall of Cheshire, MA** (or some other suitable person) be appointed as Conservator to serve **Without Surety** on the bond.

The petition asks the court to determine that the Respondent is disabled, that a protective order or appointment of a Conservator is necessary, and that the proposed conservator is appropriate. The petition is on file with this court.

Berkshire Probate and Family Court  
44 Bank Row  
Pittsfield, MA 01201

**You have the right to object to this proceeding.** If you do so, you or your attorney must file a written appearance at this court on or before 10:00 A.M. on the return date of **07/26/2018**. This day is NOT a hearing date, but a deadline date by which you have to file the written appearance if you object to the petition. If you fail to file the written appearance by the return date, action may be taken in this matter without further notice to you. In addition to filing the written appearance, you or your attorney must file a written affidavit stating the specific facts and grounds of your objection within 30 days after the return date.

**IMPORTANT NOTICE**  
**The outcome of this proceeding may limit or completely take away the above-named person's right to make decisions about personal affairs or financial affairs or both. The above-named person has the right to ask for a lawyer. Anyone may make this request on behalf of the above-named person. If the above-named person cannot afford a lawyer, one may be appointed at State expense.**

**WITNESS,**  
**Hon. Richard A Simons,**  
**First Justice of this Court.**  
Date: June 28, 2018  
**Francis B. Marinaro**  
Register of Probate

Pamela R. Green Esq.  
Smith Green & Gold, LLP  
75 North Street, Suite 400  
Pittsfield, MA 01201  
413-443-1700  
07/11/18

**Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for July 18, 2018 at 5:00PM at 220 Housatonic St., Lee, MA 01238. The proposed Retail Marijuana Establishment is anticipated to be located at 220 Housatonic Street, Lee, MA 01238. There will be an opportunity for the public to ask questions.**



For Sale: Daily paper subscriptions.  
Call 1-800-245-0254.

**LOOKING FOR HELP?** People everywhere read the help wanted ads. Place the ad people want to read. Call 1-800-234-7404 today.

## Announcements

### JACK & JILL

For:  
Dan Elias &  
Audrey McIntosh

When:  
August 25th  
6pm - ??

Where:  
Italian American Club  
203 Newell Street  
Pittsfield, MA 01201

Donation:  
\$25 per person

Music By:  
DJ Van the Man

**\*\*For tickets,  
Call  
Ed Elias\*\*  
413-841-5259**



## Lost

**FOUND.** Toyota key and smaller key on Hancock Road. Please call with details to claim. 413-212-9364

**LOST: FRIDAY June 29th,** Priority mail package, unopened, addressed to 163 South Street, Pittsfield MA. Return for reward greater than content value. 413-446-5300 or 413-442-1234, leave message.

## Found

**FOUND.** Set of keys on Highland Avenue in Pittsfield. Please call with description to claim. 413-386-8396

**FOUND memorial bracelet,** United States Marine Corp. Found in Onota Lake. Please call to identify. 413-445-7786.

## Houses For Sale

**RICHMOND.** Circa 1865 Colonial. 9 rooms, 3 baths. Fireplace, large 2-car garage with studio, on 4.3 acres.  
**\$299,500.**  
**Liberty Investment Group**  
413-442-8974

## Land For Sale

**THE BEST VALUE!**  
**59 ACRES**  
**THE BERKSHIRES**  
**ONLY \$105,000!**  
**FINANCING**  
**TOWN SEWER, DRIVEWAY,**  
**STREAM, ABUTTS**  
**CONSERVATION LAND.**  
**CALL TODAY! WON'T LAST!**  
**413-652-5360**

## Business Rentals

**PITTSFIELD,**  
Elm Street, 1,200 sf retail space in busy shopping center. Prime location. **845-638-6600**

## Apartment Rentals

**1 BDRM.** \$475/month.  
**2 BDRM.** \$750/month.  
Appliances, no utilities,  
No pets. 413-442-9724

### ALL RENTALS

on-line at:  
[www.rhabc.com](http://www.rhabc.com)  
by the  
Rental Housing Association  
of  
Berkshire County

**DALTON-Park Ave.,** 2 bedroom, appliances, laundry, storage room, new 94% efficient heating, parking, no pets, lease. \$910+.  
**413-443-0309.**

### LEE SUMMER RENTAL

3 bedroom-month of July.  
Lenox Village Realty.  
Rental service.  
413-637-7402

### NORTH ADAMS: FRANKLIN COURT

1 & 2 bedroom apartments in modern brick buildings. Large living room, eat in kitchen. Each apartment has its own oversized garage. Laundry, swimming pool, large gazebo. From \$795 to \$985 includes heat, hot water. No pets.  
**(413) 281-3868**

**PITTSFIELD.** Beautiful, spacious 1 BR. Pets considered. \$775+.  
[www.OffSouthStreet.com](http://www.OffSouthStreet.com)  
413-329-3847

### PITTSFIELD

**1 BEDROOMS**  
Clean, Secure, Comfortable.  
\$725-775 w/HT & HW

**2 BEDROOM**  
3rd floor. Onsite laundry, off street parking, small apartment building.  
\$825 w/HT & HW

No smoking/pets.  
References required.  
**413-445-5514**

## Help Wanted

### PAINTERS WANTED

Must have own transportation. Will pay up to \$30 per hour based on experience.  
**Call**  
**413-553-3538**  
**NOW HIRING**

### THE BERKSHIRE EAGLE PRODUCTION/MAILROOM PART-TIME HELP

We have part-time inserting positions available in our mailroom. Day and Night shift available. Hours vary due to work load. Approximately 20 hours per week. Working Saturday nights is a must. A drug screen is required.

To apply go to:  
[BerkshireEagle.com/apply](http://BerkshireEagle.com/apply) or come into the Berkshire Eagle office at 75 S Church St, Pittsfield, MA between 9am and 4pm to complete an application.

**The Berkshire Eagle**

## Tag Sales

**PITTSFIELD.** 25 & 39 Alpine Trail. (off Dan Fox Drive & Bousquet) Multi family sale. Friday and Saturday July 13th and 14th, 8am-2pm. Victorian furniture, antiques, backyard furniture, knick knacks, and lots more. **MOVING SALE**

### \$100 and Under

**10 DVD's.** Including 3 Multi packs. Children's Movies. \$25.  
413-443-6534

### ★ NEW AD TODAY ★

**45 RPM RECORDS.** 400+. Popular artists and rarities. \$65.  
413-443-2609

### ★ NEW AD TODAY ★

**BEDROOM SET.** Headboard, double dresser, nite stand and mirror. \$100. 413-344-6816

**BIGWATER FISHING** Planer boards. Adjustable. Dual mast Starboard. Portside boards. \$100. 413-664-9669

### ★ NEW AD TODAY ★

**BIKE RALEIGH.** 28" Aluminum light weight 12 speed. \$15.  
413-446-6742

**BIRD CAGE** **SOLD** wire. 22x15. Never used. \$20. 413-442-4245

**BLUE WILLOW** dinner set. New. 68 pieces. \$100 OBO. 413-442-2365

### ★ NEW AD TODAY ★

**BOYS BIKE** 20" Magna Whomp. 7 speed. \$45. 413-684-1024

**BRAD NAILER.** Porter Cable. 18 gauge. Drives 5/8--1-1/4" brads. \$25. 413-776-9427

### ★ NEW AD TODAY ★

**BUREAUS \$45-up.** Sofas, love seats, recliners, \$55-up. Sectionals. Excellent condition. **413-743-5712**

**CLAY POT.** Round. Covered. Natural. Etched Design. 18". \$25. 413-499-6534

**COUCH** with 4 pillows. 7' long. \$100. 413-442-4520

**CRAFTSMAN PUSHMOWER.** 22" cut. 4.25 hp. \$75. 413-443-0353

**CROCK.** 30" Beautiful condition. **SOLD** large planter. 413-281-1781

**DADO BLADE.** Shopsmith adjustable dado. 5/8" round arbor. Excellent condition. \$30. 413-776-9427

**DESK.** FREE. Wood veneer, two shelves. Moving. 413-281-1781

**DINING TABLE.** 60"x40" solid wood with 2 leaves and 4 chairs. \$100. 413-694-3315

**DOG CARRIER.** 28x22" \$20.00. excellent condition. 413-442-4245

**DOG CRATE.** Black wire with pad. 36"x22". \$35. 413-442-4245

**DOG CRATES.** (x2). All nice. Pics available. \$10 each. 413-884-5665

**DRYWALL.** Corner Bead Crimper. New. \$20. 413-443-0570

## October Mountain Condos

Looking for  
**Assistant to Maintenance Supervisor**

Full time position; Salary negotiable; Benefits

Resumes to:

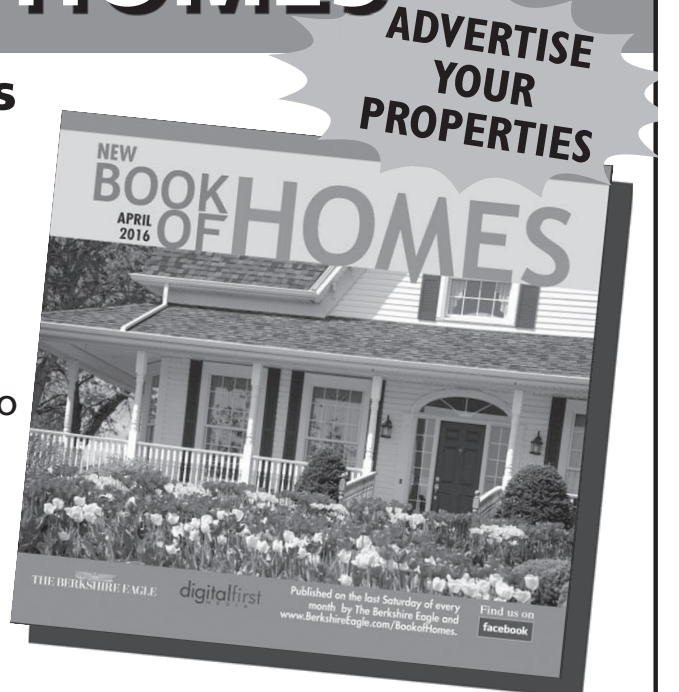
Village at October Mountain Office  
880 East St., Lee, MA 01238

# Berkshire County's BOOK OF HOMES

Invest your advertising dollars in Berkshire County's Book of Homes, the most prominent real estate publication in Western Massachusetts

- ✓ Reach more than 70,000 readers and potential customers with your ad in the Book of Homes
- ✓ The convenient but spacious page size allows for a large number of properties to be featured economically
- ✓ The high-quality design of the Book of Homes includes a full-cover on heavy stock, which is available to feature a specific property on a first come - first served basis
- ✓ Your ad in Book of Homes has high visibility online all month long

For more information, please contact your Eagle Advertising Consultant directly or call the number below  
**phone: 413-496-6226 fax: 413-499-3419 www.berkshireeagle.com**



ADVERTISE  
YOUR  
PROPERTIES



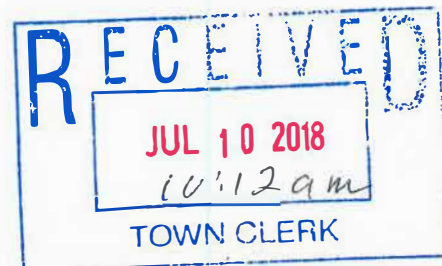
Apply at [www.hillcrestec.org](http://www.hillcrestec.org). For more information contact Shaina at 413-499-7924 ext 113.

July 9, 2018

Town Clerk  
Town of Lee  
32 Main Street  
Lee, MA 01238

NOTICE OF COMMUNITY OUTREACH MEETING

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for July 18, 2018 at 5:00PM at 220 Housatonic St., Lee, MA 01238. The proposed Retail Marijuana Establishment is anticipated to be located at 220 Housatonic Street, Lee, MA 01238. There will be an opportunity for the public to ask questions.



*Brandi L. Page*



CANNA PROVISIONS COMPANY, INC.  
214 Adams Avenue  
West Newton, MA 02465

July 9, 2018

Board of Selectmen  
Town of Lee  
32 Main Street  
Lee, MA 01238

NOTICE OF COMMUNITY OUTREACH MEETING

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for July 18, 2018 at 5:00PM at 220 Housatonic St., Lee, MA 01238. The proposed Retail Marijuana Establishment is anticipated to be located at 220 Housatonic Street, Lee, MA 01238. There will be an opportunity for the public to ask questions.



# 300 foot Abutters List Report

Lee, MA  
July 09, 2018

# ATTACHMENT C

## Subject Property:

Parcel Number: 019.0-0000-0011.0  
CAMA Number: 019.0-0000-0011.0  
Property Address: 220 HOUSATONIC ST

Mailing Address: COLLINS BARTHOLOMEW  
220 HOUSATONIC ST  
LEE, MA 01238

## Abutters:

Parcel Number: 018.0-0000-0082.0  
CAMA Number: 018.0-0000-0082.0  
Property Address: 155 MARBLE ST

Mailing Address: LEE HOUSING AUTHORITY  
155 MARBLE ST  
LEE, MA 01238

Parcel Number: 019.0-0000-0004.0  
CAMA Number: 019.0-0000-0004.0  
Property Address: 165 HOUSATONIC ST

Mailing Address: GANGAMA INC C/O PILGRIM MOTEL  
165 HOUSATONIC ST  
LEE, MA 01238

Parcel Number: 019.0-0000-0008.0  
CAMA Number: 019.0-0000-0008.0  
Property Address: 170 HOUSATONIC ST

Mailing Address: VAISHALI LLC  
170 HOUSATONIC ST  
LEE, MA 01238

Parcel Number: 019.0-0000-0009.0  
CAMA Number: 019.0-0000-0009.0  
Property Address: 190 HOUSATONIC ST

Mailing Address: SCAPIN JOHN & DEIDRE  
P O BOX 268  
MILL RIVER, MA 01244

Parcel Number: 019.0-0000-0010.0  
CAMA Number: 019.0-0000-0010.0  
Property Address: 200 HOUSATONIC ST

Mailing Address: CAFUA REALTY TRUST VI LLC  
280 MERRIMACK ST  
METHUEN, MA 01844

Parcel Number: 019.0-0000-0012.0  
CAMA Number: 019.0-0000-0012.0  
Property Address: 240 HOUSATONIC ST

Mailing Address: CALLAHAN M INC.  
P O BOX 526  
PITTSFIELD, MA 01201

Parcel Number: 019.0-0000-0012.A  
CAMA Number: 019.0-0000-0012.A  
Property Address: 230 HOUSATONIC ST

Mailing Address: CALLAHAN M INC.  
P O BOX 526  
PITTSFIELD, MA 01202

Parcel Number: 019.0-0000-0013.0  
CAMA Number: 019.0-0000-0013.0  
Property Address: 185 HOUSATONIC ST

Mailing Address: PATEL BHUPENDRAKUMAR N &  
URMILAVEN B  
185 HOUSATONIC ST  
LEE, MA 01238

Parcel Number: 019.0-0000-0014.0  
CAMA Number: 019.0-0000-0014.0  
Property Address: 189 HOUSATONIC ST

Mailing Address: WADSWORTH BRIAN J  
189 HOUSATONIC ST  
LEE, MA 01238

Parcel Number: 019.0-0000-0015.0  
CAMA Number: 019.0-0000-0015.0  
Property Address: 5 FULLER ST

Mailing Address: BROWN PAUL B  
323 WEST PARK ST  
LEE, MA 01238



www.cai-tech.com

Data shown on this report is provided for planning and informational purposes only. The municipality and CAI Technologies are not responsible for any use for other purposes or misuse or misrepresentation of this report.

7/9/2018

Page 1 of 2



# 300 foot Abutters List Report

Lee, MA  
July 09, 2018

Parcel Number: 019.0-0000-0016.0  
CAMA Number: 019.0-0000-0016.0  
Property Address: 17 FULLER ST

Mailing Address: BROWN PAUL B  
323 WEST PARK ST  
LEE, MA 01238-0019

Parcel Number: 019.0-0000-0017.0  
CAMA Number: 019.0-0000-0017.0  
Property Address: 23 FULLER ST

Mailing Address: CONSOLATI JEFFREY J  
23 FULLER ST  
LEE, MA 01238

Parcel Number: 019.0-0000-0026.0  
CAMA Number: 019.0-0000-0026.0  
Property Address: 30 FULLER ST

Mailing Address: BROWN JEREMY L  
30 FULLER ST  
LEE, MA 01238

Parcel Number: 019.0-0000-0027.0  
CAMA Number: 019.0-0000-0027.0  
Property Address: 22 FULLER ST

Mailing Address: NICHOLS SARAH E & BROWN KAITLYN A  
\*  
22 FULLER ST  
LEE, MA 01238

Parcel Number: 019.0-0000-0028.0  
CAMA Number: 019.0-0000-0028.0  
Property Address: 16 FULLER ST

Mailing Address: DIGRIGOLI LOUIS  
P O BOX 900  
LEE, MA 01238

Parcel Number: 019.0-0000-0029.0  
CAMA Number: 019.0-0000-0029.0  
Property Address: 235 HOUSATONIC ST

Mailing Address: O'CONNELL OIL ASSOC INC  
P O BOX 1387  
PITTSFIELD, MA 01202

Parcel Number: 019.0-0000-0030.0  
CAMA Number: 019.0-0000-0030.0  
Property Address: 225 HOUSATONIC ST

Mailing Address: FOX DEVELOPMENT INC  
225 HOUSATONIC ST  
LEE, MA 01238

Parcel Number: 019.0-0000-0034.0  
CAMA Number: 019.0-0000-0034.0  
Property Address: 245 HOUSATONIC ST

Mailing Address: O'CONNELL OIL ASSOC. INC.  
P O BOX 1387  
PITTSFIELD, MA 01202



www.cai-tech.com

Data shown on this report is provided for planning and informational purposes only. The municipality and CAI Technologies are not responsible for any use for other purposes or misuse or misrepresentation of this report.

7/9/2018

Page 2 of 2

# ATTACHMENT C

July 9, 2018

[REDACTED]  
[REDACTED]  
[REDACTED]  
Lee, MA 01238

## NOTICE OF COMMUNITY OUTREACH MEETING

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for July 18, 2018 at 5:00PM at 220 Housatonic St., Lee, MA 01238. The proposed Retail Marijuana Establishment is anticipated to be located at 220 Housatonic Street, Lee, MA 01238. There will be an opportunity for the public to ask questions.



**CANNA PROVISIONS**  
better your journey

Canna Provisions, Inc.

220 Housatonic St.  
Lee, Massachusetts 01238  
MR 281796

---

## **Municipal Cost Determination Lack of Response Attestation**

On January 8, 2021, Canna Provisions Inc. contacted the Town of Lee to request information on and records associated with any costs to the Town, related to operation of our Marijuana Establishment (please see Attachment 1 below for the correspondence).

Having not heard back, we again attempted to follow up on our request to the Town via telephone and email on January 15, 2021. However, we were unsuccessful in securing a response.

Upon receiving a response to our request, we will forward it along to the Commission at our earliest convenience.

Please contact Alex Thompson, the company Director of Compliance, via the contact information below with any related questions.

Alex Thompson

*Alex Thompson*

Director of Compliance

Email: [athompson@cannaprovisionsgroup.com](mailto:athompson@cannaprovisionsgroup.com)

Phone: 507-514-3423

# ATTACHMENT 1



Alex Thompson <athompson@cannaprovisionsgroup.com>

## Fwd:

**Erik Williams** <erik@awillandway.com>  
To: Alex Thompson <athompson@cannaprovisionsgroup.com>

Fri, Jan 15, 2021 at 2:13 PM

----- Forwarded message -----

From: **Erik Williams** <erik@awillandway.com>  
Date: Fri, Jan 8, 2021 at 10:00 AM  
Subject:  
To: Christopher J. Ketchen <CKetchen@town.lee.ma.us>, Cindy L. Bigelow <cbigelow@town.lee.ma.us>

Chris Ketchen,  
Lee City Manager

Dear Chris,

Canna Provisions Inc., operating the adult-use marijuana dispensary at [220 Housatonic St.](#), is preparing its required annual license renewal application with the state's Cannabis Control Commission. As part of this process, we are required to contact you, as our local host community, and to request documentation of the cost associated with our operation.

At your earliest convenience, will you please provide us with documentation of any cost, either actual or anticipated, associated with the operation of our retail dispensary?

Thank you very much, in advance, for your help and for your continued support of Canna Provisions.

Thanks and  
Best,  
E

--  
Erik Williams, COO



860.805.3243

--  
Erik Williams, COO



860.805.3243



# Plan to Positively Impact Areas of Disproportionate Impact

Canna Provisions, Inc. is committed to do our part in positively impacting areas of disproportionate impact. Our plan focuses on employment, donations, Social Justice Leader Status and the use of suppliers, contractors and partners.

Holyoke has been designated as “Areas of Disproportionate Impact” and Lee is within a 20-minute drive to Pittsfield, another “Area of Disproportionate Impact” It is our plan to engage employees, suppliers, contractors and other partners from these communities when possible.

Canna Provisions, Inc. will be a three-manager run business with Meg Sanders being one of the managers. Meg has been in the legal cannabis industry for 9 years and is a nationally recognized leader in promoting women in cannabis, speaking at events, supporting women-focused organizations and has been recognized year after year for her groundbreaking female leadership in the industry.

## **EMPLOYMENT-**

**GOAL:** Positively impact areas of disproportionate impact by providing good-paying jobs with benefits, including paid time for local volunteerism, and to develop long-term career opportunities.

## **PROGRAMS FOR ACHEIVING GOALS:**

Canna Provisions is required, as part of our Host Community Agreements (“HCA”), to hire locally when possible. We are committed to compliance with this requirement and will make every effort to hire ~50% of our employees from the Cities of Holyoke and Pittsfield.

1. We will engage with CareerPoint, which as a Massachusetts One Stop Career center. CareerPoint serves the City of Holyoke. Canna Provisions will post all job posing through CareerPoint and will engage in job fairs and other services that CareerPoint offers.
2. We will engage with BerkshireWorks Career Center, which as a Massachusetts One Stop Career center. BerkshireWorks serves the City of Pittsfield. Canna Provisions will post all job posing through BerkshireWorks and will engage in job fairs and other services that BerkshireWorks offers.
3. We will engage with Greater Holyoke Chamber of Commerce, Greater Pittsfield Chamber of Commerce, the Berkshire Chamber of Commerce, Centennial Foundation, and Holyoke Job Link. We will post all job posing through this job site.
4. Candidates from these communities will be given preference for open positions at our RME.
5. We will make every effort to provide meaningful participation of communities disproportionately affected by cannabis prohibition and enforcement, including Minority Business Enterprises, Women Business Enterprises, and Veteran Business Enterprises in all of our hiring practices. We have begun vetting and hiring key employees and, thus far, everyone is an existing small farmer, woman, person of color, and/or veteran.
6. We will work directly with local veteran organizations to notify their members of any and all hiring fairs and open positions and will actively recruit veterans.

#### MEASUREMENT AND ACCOUNTABILITY:

Canna Provisions, Inc. will produce a full report annually on all attempts to hire, actual hires, from where they came, their training, pay, benefits, and advancement. This report will be made available to the Commonwealth of Massachusetts, the City of Holyoke and the Town of Lee. The report's conglomeration of data will also be used as an evolving tool for Canna Provisions to determine the best hiring practices to reach our stated goals above. Canna Provisions Managers and leaders from all employment partners organizations will meet to discuss the report and make any necessary adjustments. We also intend to present this report publicly to the Lee Board of Selectmen, the Mayor of Holyoke and the Holyoke City Council.

#### **DONATIONS-**

GOAL: To positively impact areas of disproportionate impact by making direct donations and encouraging employee volunteerism through paid volunteer days.

#### PROGRAMS FOR ACHIEVING GOALS:

Canna Provisions will make monetary donations to the following organizations on an ongoing basis. The amounts of these donations have not been determined. Once the company is stable in its finances and fiscal projections are more solid, these donations will increase.

1. Social Equity Training and Technical Assistance Fund
2. CareerPoint
3. BerkshireWorks
4. Brien Center
5. Goodwill Industries of the Berkshires, Pittsfield Regional Office & Training Center
6. Girls, Inc. of Holyoke

Canna Provisions has entered into a Memorandum of Understanding with the South Holyoke Neighborhood Association's Verde Fund to make annual minimum contributions of at least \$5000. MOU is attached and lays out the basis for the Verde Fund making grants and otherwise providing assistance locally.

#### MEASUREMENT AND ACCOUNTABILITY:

Canna Provisions, Inc. will produce a full report annually on all charitable donations. This report will be made available to the Commonwealth of Massachusetts, the City of Holyoke and the Town of Lee. Canna Provisions Managers and appropriate community leaders will meet to discuss the report and make any necessary adjustments. We also intend to present this report publicly to the Lee Board of Selectmen, the Mayor of Holyoke and the Holyoke City Council.

#### **SOCIAL JUSTICE LEADER-**

GOAL: TO positively impact areas of disproportionate impact by becoming a Social Justice Leader.

#### PROGRAMS FOR ACHIEVING GOALS:

Canna Provisions is committed to attaining Social Justice Leader status pursuant to 935 CMR 500.040(3)(a). While we may not be able to attain this status in year 1, it is our plan to make every effort to attain this leadership rating in year 2 of operation.

1. Once our fiscal projections are solid and we feel that the one percent of gross revenue required for this rating will not destabilize the company fiscally, we will make this required donation.
2. We plan to engage with Holyoke Community College, other educational institutions and other organizations for the purposes holding educational seminars in Marijuana Retailing and Marijuana Business Training.

#### MEASUREMENT AND ACCOUNTABILITY:

Canna Provisions, Inc. will produce a comprehensive report annually on all actions taken to achieve Social Justice Leader status. This report will be made available to the Commonwealth of Massachusetts, the City of Holyoke and the Town of Lee. Canna Provisions Managers and appropriate community leaders will meet to discuss the report and make any necessary adjustments. We also intend to present this report publicly to the Lee Board of Selectmen, the Mayor of Holyoke and the Holyoke City Council.

#### **SUPPLIERS, CONTRACTORS and PARTNERS-**

GOAL: To positively impact areas of disproportionate impact by partnering with existing businesses.

#### PROGRAMS FOR ACHIEVING GOALS:

Canna Provisions plans to utilize suppliers, contractors and other partners who are from areas of disproportionate impact and are people of color, women, veterans, farmers, and people with drug convictions.

1. It is our goal that ~50% of our vendors, contractors and builders will be sourced locally from Holyoke and/or Pittsfield.
2. As for our wholesale suppliers and partners, we will first engage with Marijuana Establishments that have attained Social Justice Leader rating from the Commission to fulfill our product needs. Suppliers for non-marijuana will be sourced from Holyoke, Pittsfield or other areas designated as an area of disproportionate impact.

#### MEASUREMENT AND ACCOUNTABILITY:

Canna Provisions, Inc. will produce an ongoing comprehensive ledger on all expenses that includes whether or not the expense is a qualifying one under this program's goals. This ledger will be part of a report to be made available to the Commonwealth of Massachusetts, the City of Holyoke and the Town of Lee. Canna Provisions Managers and appropriate community leaders will meet to discuss the report and make any necessary adjustments. We also intend to present this report publicly to the Lee Board of Selectmen, the Mayor of Holyoke and the Holyoke City Council.

#### **INCUBATOR AND ACCELERATOR PROGRAMS**

GOAL: To positively impact areas of disproportionate impact by helping small businesses effectively and efficiently start marijuana and marijuana support businesses.

#### PROGRAMS FOR ACHIEVING GOALS:

Managers Meg Sander and Erik Williams have a combined 17 years of legal cannabis business experience and will develop Canna Provisions' plans and programs for business incubators and business technical assistance. As consultants, Meg and Erik regularly provide pro bono work for those who are seeking to be a part of the Massachusetts marijuana industry and would continue that work as Managers with Canna Provisions. As these businesses and individuals are in the early stages along with the Massachusetts marijuana industry, we will develop the specific programs as long terms needs become more apparent.

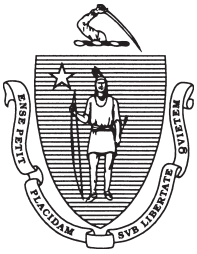
These programs are expected to include:

1. Regular roundtable discussions and networking events for those seeking to enter the industry.
2. Hold regular working sessions on making applications to municipalities, writing business plans, developing financial projections, and addressing other technical issues they may be facing and/or may face.
3. Continuing to mentor all of the individuals currently being mentored.
4. Making un- or underused space available to small businesses as allowed by law.
5. Making commitments to purchase products and/or services from small businesses and those disproportionately impacted, including providing payment for such products and services in advance of delivery, providing much-needed cash flow.

Additionally, Canna Provisions is currently pursuing a plan to develop a "condominium-style" incubator space in property controlled by Canna Provisions, abutting our proposed Holyoke retail site. In addition to providing all of the benefits as described above to those 'tenants,' we would provide shared services at cost, and within all applicable laws. Those would include, but not be limited to, shared security equipment and professional monitoring, shared systems management, shared tracking and computer systems, shared temporary workforces, shared advertising, marketing, branding and distribution services, and encourage bulk-purchasing to how down costs.

#### MEASUREMENT AND ACCOUNTABILITY:

Canna Provisions, Inc. will produce look-book detailing the actions taken, the 'tenants' in our facilities, the finances of this program and will include forward-looking goals and statements. It is your intention that this presentation be publicly available and used as a blueprint for other companies to create similar incubator programs. Canna Provisions will form a group of affected persons to present to Managers any ways we can make the program work better. We also intend to present this publicly to the Lee Board of Selectmen, the Mayor of Holyoke and the Holyoke City Council.



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

William Francis Galvin  
Secretary of the  
Commonwealth

Date: June 20, 2018

To Whom It May Concern :

I hereby certify that according to the records of this office,  
**CANNA PROVISIONS, INC**

is a domestic corporation organized on **April 30, 2018** , under the General Laws of the Commonwealth of Massachusetts. I further certify that there are no proceedings presently pending under the Massachusetts General Laws Chapter 156D section 14.21 for said corporation's dissolution; that articles of dissolution have not been filed by said corporation; that, said corporation has filed all annual reports, and paid all fees with respect to such reports, and so far as appears of record said corporation has legal existence and is in good standing with this office.



In testimony of which,  
I have hereunto affixed the  
Great Seal of the Commonwealth  
on the date first above written.

A handwritten signature in black ink that reads "William Francis Galvin".

Secretary of the Commonwealth

Certificate Number: 18060428670

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

Processed by:



**The Commonwealth of Massachusetts**  
**William Francis Galvin**

Minimum Fee: \$250.00

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

**Articles of Organization**

(General Laws, Chapter 156D, Section 2.02; 950 CMR 113.16)

**Identification Number:** 001325268

**ARTICLE I**

The exact name of the corporation is:

CANNA PROVISIONS, INC

**ARTICLE II**

Unless the articles of organization otherwise provide, all corporations formed pursuant to G.L. C156D have the purpose of engaging in any lawful business. Please specify if you want a more limited purpose:

**ARTICLE III**

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

Class of Stock	Par Value Per Share Enter 0 if no Par	Total Authorized by Articles of Organization or Amendments		Total Issued and Outstanding Num of Shares
		Num of Shares	Total Par Value	
CWP	\$0.00100	200,000	\$200.00	200,000

G.L. C156D eliminates the concept of par value, however a corporation may specify par value in Article III. See G.L. C156D Section 6.21 and the comments thereto.

**ARTICLE IV**

If more than one class of stock is authorized, state a distinguishing designation for each class. Prior to the issuance of any shares of a class, if shares of another class are outstanding, the Business Entity must provide a description of the preferences, voting powers, qualifications, and special or relative rights or privileges of that class and of each other class of which shares are outstanding and of each series then established within any class.

**ARTICLE V**

The restrictions, if any, imposed by the Articles of Organization upon the transfer of shares of stock of any class are:

**ARTICLE VI**

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

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

**ARTICLE VII**

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

**Later Effective Date: Time:**

**ARTICLE VIII**

The information contained in Article VIII is not a permanent part of the Articles of Organization.

**a,b. The street address of the initial registered office of the corporation in the commonwealth and the name of the initial registered agent at the registered office:**

Name: EUGENE MCCAIN  
No. and Street: 214 ADAMS AVENUE  
City or Town: WEST NEWTON State: MA Zip: 02465 Country: USA

**c. The names and street addresses of the individuals who will serve as the initial directors, president, treasurer and secretary of the corporation (an address need not be specified if the business address of the officer or director is the same as the principal office location):**

<b>Title</b>	<b>Individual Name</b> First, Middle, Last, Suffix	<b>Address</b> (no PO Box) Address, City or Town, State, Zip Code
PRESIDENT	EUGENE MCCAIN	214 ADAMS AVENUE WEST NEWTON, MA 02465 USA
TREASURER	ARTHUR BECKER	214 ADAMS AVENUE WEST NEWTON, MA 02465 USA
SECRETARY	EUGENE MCCAIN	214 ADAMS AVENUE WEST NEWTON, MA 02465 USA
DIRECTOR	EUGENE MCCAIN	214 ADAMS AVENUE WEST NEWTON, MA 02465 USA
DIRECTOR	ARTHUR BECKER	214 ADAMS AVENUE WEST NEWTON, MA 02465 USA

**d. The fiscal year end (i.e., tax year) of the corporation:**

January

**e. A brief description of the type of business in which the corporation intends to engage:**

RETAIL SUPPLY STORES

**f. The street address (post office boxes are not acceptable) of the principal office of the corporation:**

No. and Street: 214 ADAMS AVENUE  
City or Town: WEST NEWTON State: MA Zip: 02465 Country: USA

**g. Street address where the records of the corporation required to be kept in the Commonwealth are located (post office boxes are not acceptable):**

No. and Street: 214 ADAMS AVENUE  
City or Town: WEST NEWTON State: MA Zip: 02465 Country: USA

**which is**

its principal office  
 an office of its secretary/assistant secretary  
 an office of its transfer agent  
 its registered office

**Signed this 30 Day of April, 2018 at 1:11:24 PM by the incorporator(s).** *(If an existing corporation is acting as incorporator, type in the exact name of the business entity, the state or other jurisdiction where it was incorporated, the name of the person signing on behalf of said business entity and the title he/she holds or other authority by which such action is taken.)*

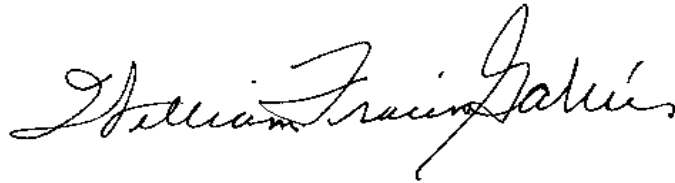
EUGENE MCCAIN



THE COMMONWEALTH OF MASSACHUSETTS

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

April 30, 2018 01:11 PM

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

WILLIAM FRANCIS GALVIN

*Secretary of the Commonwealth*



**The Commonwealth of Massachusetts  
William Francis Galvin**

No Fee

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

**Statement of Change of Supplemental Information**

(General Laws, Chapter 156D, Section 2.02 AND Section 8.45; 950 CMR 113.17)

**1. Exact name of the corporation:** CANNA PROVISIONS, INC

**2. Current registered office address:**

Name: EUGENE MCCAIN  
No. and Street: 214 ADAMS AVENUE  
City or Town: WEST NEWTON State: MA Zip: 02465 Country: USA

**3. The following supplemental information has changed:**

Names and street addresses of the directors, president, treasurer, secretary

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
PRESIDENT	EUGENE MCCAIN	214 ADAMS AVENUE WEST NEWTON, MA 02465 USA
TREASURER	ERIK WILLIAMS	12 BOSTON TURNPIKE COVENTRY, CT 06238 USA
SECRETARY	MEG SANDERS	12 BOSTON TURNPIKE COVENTRY, CT 06238 USA
DIRECTOR	ERIK WILLIAMS	12 BOSTON TURNPIKE COVENTRY, CT 06238 USA
DIRECTOR	EUGENE MCCAIN	214 ADAMS AVENUE WEST NEWTON, MA 02465 USA

**\_\_\_ Fiscal year end:**

January

**\_\_\_ Type of business in which the corporation intends to engage:**

RETAIL SUPPLY STORES

**\_\_\_ Principal office address:**

No. and Street: 214 ADAMS AVENUE  
City or Town: WEST NEWTON State: MA Zip: 02465 Country: USA

**\_\_\_ g. Street address where the records of the corporation required to be kept in the Commonwealth are located (post office boxes are not acceptable):**

No. and Street: 214 ADAMS AVENUE  
City or Town: WEST NEWTON State: MA Zip: 02465 Country: USA

which is

its principal office

an office of its transfer agent

an office of its secretary/assistant secretary

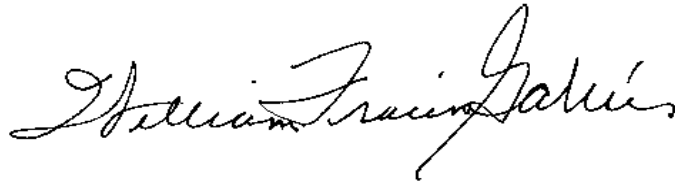
its registered office

Signed by EUGENE MCCAIN, its PRESIDENT  
on this 9 Day of August, 2018

THE COMMONWEALTH OF MASSACHUSETTS

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

August 09, 2018 03:08 PM

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

WILLIAM FRANCIS GALVIN

*Secretary of the Commonwealth*

CORPORATE BYLAWS OF  
CANNA PROVISIONS, INC.

INCORPORATED IN THE STATE OF MASSACHUSETTS

**ARTICLE I – CORPORATE AUTHORITY**

Section 1. *Incorporation:* Canna Provisions, Inc., (the “Corporation”) is a duly organized corporation authorized to do business in the State of Massachusetts by the filing of Articles of Incorporation on April 30, 2018.

Section 2. *State law:* The Corporation is organized under **Corporations Code Section 200-213 of the State of Massachusetts** (“Statutes”) and except as otherwise provided herein, the Statutes shall apply to the governance of the Corporation

**ARTICLE II - OFFICES**

Section 1. *Registered Office and Registered Agent:* The registered office of the Corporation in the State of Massachusetts, shall be 214 Adams Avenue, West Newton, MA 02465. The registered agent of the Corporation shall be Eugene McCain.

Section 2. *Other Offices:* The Corporation may also have offices at such other places, both within and without the State of Massachusetts, as the Board of Directors may from time to time determine or the business of the Corporation may require.

**ARTICLE III – MEETINGS OF SHAREHOLDERS**

Section 1. *Place of Meetings:* Meetings of shareholders shall be held at the principal office of the Corporation or at such place as may be determined from time to time by the Board of Directors of the Corporation.

Section 2. *Annual Meetings:* Each year, the Corporation shall hold an annual meeting of shareholders on such date and at such time as shall be determined from time to time by the Board of Directors, at which meeting shareholders shall elect a Board of Directors and transact any other business as may properly be brought before the meeting.

Section 3. *Special Meetings*: Special meetings of the shareholders, for any purpose or purposes, may be called at any time by the President of the Corporation, or the Board of Directors, or shareholders holding at least ten percent (10%) of the issued and outstanding voting stock of the Corporation. Business transacted at any special meeting shall be confined to the purpose or purposes set forth in the notice of the special meeting.

Section 4. *Notice of Meetings*: Whenever shareholders are required to be permitted to take any action at a meeting, a written notice of the meeting shall be provided to each shareholder of record entitled to vote at or entitled to notice of the meeting, which shall state the place, date, and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, written notice of any meeting shall be given not less than ten nor more than sixty days before the date of the meeting to each shareholder entitled to vote at such meeting.

Section 5. *Quorum at Meetings*: Shareholders may take action on a matter at a meeting only if a quorum exists with respect to that matter. Except as otherwise provided by law, a majority of the outstanding shares of the Corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. Once a share is represented for an purpose at a meeting (other than solely to object to the holding of the meeting), it is deemed present for quorum purposes for the remainder of the meeting and the shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of sufficient shareholders to leave less than a quorum. The holders of a majority of the outstanding shares represented at a meeting, whether or not a quorum is present, may adjourn the meeting from time to time.

Section 6. *Proxies*: Each shareholder entitled to vote at a meeting of shareholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to vote for him or her by proxy, but no such proxy shall be voted or acted upon after one year from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. Except as otherwise provided herein or by law, every proxy is revocable at the pleasure of the shareholder executing it by communicating such revocation, in writing, to the Secretary of the Corporation.

Section 7. *Voting at Meetings*: If a quorum exists, action on a matter (other than the election of directors) is approved if the votes cast favoring the action exceed the votes cast opposing the action. Directors shall be elected by a plurality of the votes cast by the shares entitled to vote in the election (provided a quorum exists). Unless otherwise provided by law or in the Corporation's Articles of Incorporation, and subject to other provisions of these Bylaws, each shareholder

shall be entitled to one vote on each matter, in person or by proxy, for each share of the Corporation's capital stock that has voting power and that is held by such shareholder. Voting need not be by written ballot.

Section 8. *List of Shareholders:* The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before any meeting of shareholders, a complete list of the shareholders entitled to vote at the meeting, arranged alphabetically, and showing the address of each shareholder and the number of shares held by each shareholder. The list shall be open to the examination of any shareholder for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days before the meeting, either at a place in the city where the meeting is to be held, which place must be specified in the notice of the meeting, or at the place where the meeting is to be held. The list shall also be produced and kept available at the time and place of the meeting, for the entire duration of the meeting, and may be inspected by any shareholder present at the meeting.

Section 9. *Consent in Lieu of Meetings:* Any action required to be taken or which may be taken at any meeting of shareholders, whether annual or special, may be taken without a meeting, without prior notice, and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to take such action at a meeting at which all shareholders entitled to vote were present and voted. The action must be evidenced by one or more written consents, describing the action taken, signed and dated by the shareholders entitled to take action without a meeting, and delivered to the Corporation at its registered office or to the officer having charge of the Corporation's minute book.

No consent shall be effective to take the corporate action referred to in the consent unless the number of consents required to take action are delivered to the Corporation or to the officer having charge of its minute book within sixty days of the delivery of the earliest-dated consent.

Prompt notice of the taking of the corporate action without a meeting by less than unanimous vote shall be given to those shareholders who have not consented in writing.

Section 10. *Conference Call:* One or more shareholders may participate in a meeting of shareholders by means of conference telephone, videoconferencing, or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in this manner shall constitute presence in person at such meeting.

Section 11. *Annual Statement*: The President and the Board of Directors shall present at each annual meeting a full and complete statement of the business and affairs of the corporation for the preceding year.

## **ARTICLE IV – DIRECTORS**

Section 1. *Powers of Directors*: The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors, which may exercise all such powers of the Corporation and do all lawful acts and things, subject to any limitations set forth in these Bylaws or the Articles of Incorporation for the corporation

Section 2. *Number, Qualification and Election*: The number of directors shall be initially set at two and then increased to 5, by vote of the majority of shareholders. The initial Directors are Eugene McCain and Erik Williams. Each director shall be at least 18 years of age. The directors need not be residents of the state of incorporation. The directors shall be elected by the shareholders at the annual meeting of shareholders by the vote of shareholders holding of record in the aggregate at least a plurality of the shares of stock of the Corporation present in person or by proxy and entitled to vote at the annual meeting of shareholders. Each director shall be elected for a term of 3 year(s), and until his or her successor shall be elected and shall qualify or until his or her earlier resignation or removal.

Section 3. *Nomination of Directors*: The Board of Directors shall nominate candidates to stand for election as directors; and other candidates may also be nominated by any shareholder of the Corporation, provided such nomination is submitted in writing to the Corporation's Secretary no later than 30 days prior to the meeting of shareholders at which such directors are to be elected, together with the identity of the nominator and the number of shares of the stock of the Corporation owned by the nominator.

Section 4. *Vacancies*: Except as otherwise provided by law, any vacancy in the Board of Directors occurring by reason of an increase in the authorized number of directors or by reason of the death, withdrawal, removal, disqualification, inability to act, or resignation of a director shall be filled by the majority of directors then in office. The successor shall serve the unexpired portion of the term of his or her predecessor. Any director may resign at any time by giving written notice to the Board or the Secretary.

Section 5. *Meetings*:

- a. Regular Meetings: Regular meetings of the Board of Directors shall be held at least 2 times per year without notice and at such time and place as determined by the Board.



- b. Special Meetings: Special meetings of the Board may be called by the Chairperson or the President on two days' notice to each director, either personally or by telephone, express delivery service, email, or facsimile transmission, and on four days' notice by mail (effective upon deposit of such notice in the mail). The notice need not specify the purpose of a special meeting.

Section 6. *Quorum and Voting at Meetings*: A majority of the total number of authorized directors shall constitute a quorum for transaction of business. The act of a majority of directors present at any meeting at which a quorum is present shall be the act of the Board of Directors, except as provided by law, the Articles of Incorporation, or these Bylaws. Each director present shall have one vote, irrespective of the number of shares of stock, if any, he or she may hold.

Section 7. *Committees of Directors*. The Board of Directors, by resolution, may create one or more committees, each consisting of one or more Directors. Each such committee shall serve at the pleasure of the Board. All provisions under the Statutes and these Bylaws relating to meetings, action without meetings, notice, and waiver of notice, quorum, and voting requirements of the Board of Directors shall apply to such committees and their members.

Section 8. *Consent in Lieu of Meetings*: Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof, may be taken without a meeting of all members of the Board or committee, as the case may be, consent thereto in writing, such writing or writings to be filed with the minutes or proceedings of the Board or committee.

Section 9. *Conference Call*: One or more directors may participate in meetings of the Board or a committee of the Board by any communication, including videoconference, by means of which all participating directors can simultaneously hear each other during the meeting. Participation in this manner shall constitute presence in person at such meeting.

Section 10. *Compensation*: The Board of Directors shall have the authority to fix the compensation of Directors. A fixed sum and expenses of attendance may be allowed for attendance at each regular or special meeting of the Board. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 11. *Removal of Directors*: Any director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors.

## **ARTICLE V -- OFFICERS**

Section 1. *Positions:* The officers of the Corporation shall be a Chairperson, a President, a Secretary, and a Treasurer, and such other officers as the Board may from time to time appoint, including one or more Vice Presidents and such other officers as it deems advisable. Each such officer shall exercise such powers and perform such duties as shall be set forth herein and such other powers and duties as may be specified from time to time by the Board of Directors. The officers of the Corporation shall be elected by the Board of Directors. Each of the Chairperson, President, and/or any Vice Presidents may execute bonds, mortgages, and other documents under the seal of the Corporation, except where required or permitted by law to be otherwise executed and except where execution thereof shall be expressly delegated by the Board to some other officer or agent of the Corporation. Some of these positions may be held by the same person.

Section 2. *Chairperson:* Eugene McCain. The Chairperson shall have overall responsibility and authority for management and operations of the Corporation, shall preside at all meetings of the Board of Directors and shareholders, and shall ensure that all orders and resolutions of the Board of Directors and shareholders are implemented.

Section 3. *President:* Erik Williams. The President shall be the chief operating officer of the Corporation and shall have full responsibility and authority for management of the day-to-day operations of the Corporation. The President shall be an ex-officio member of all committees and shall have the general powers and duties of management and supervision usually vested in the office of president of a corporation.

Section 4. *Secretary:* Meg Sanders. The Secretary shall attend all meetings of the Board and all meetings of the shareholders and shall act as clerk thereof, and record all the votes of the Corporation and the minutes of all its transactions in a book to be kept for that purpose, and shall perform like duties for all committees of the Board of Directors when required. The Secretary shall give, or cause to be given, notice of all meetings of the shareholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, and under whose supervision the Secretary shall be. The Secretary shall maintain the records, minutes, and seal of the Corporation and may attest any instruments signed by any other officer of the Corporation.

Section 5. *Treasurer:* Meg Sanders. The Treasurer shall be the chief financial officer of the Corporation, shall have responsibility for the custody of the corporate funds and securities, shall keep full and accurate records and accounts of receipts and disbursements in books belonging to the Corporation, and shall keep the monies of the Corporation in a separate account in the name of the Corporation. The Treasurer shall provide to the President and directors, at the

regular meetings of the Board, or whenever requested by the Board, an account of all financial transactions and of the financial condition of the Corporation.

Section 6. *Term of Office:* The officers of the Corporation shall hold office until their successors are chosen and have qualified or until their earlier resignation or removal. Any officer or agent elected or appointed by the Board may be removed at any time, with or without cause, by the affirmative vote of a majority of the Board of Directors. Any vacancy occurring in any office as a result of death, resignation, removal, or otherwise, shall be filled for the unexpired portion of the term by a majority vote of the Board of Directors.

Section 7. *Compensation:* The compensation of officers of the Corporation shall be fixed by the Board of Directors.

## **ARTICLE VI – CAPITAL STOCK**

Section 1. *Stock Certificates:* The shares of the Corporation shall be represented by certificates, provided that the Board of Directors may provide by resolution that some or all of any or all classes or series of the stock of the Corporation shall be uncertificated shares. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of stock represented by certificates and, upon request, every holder of uncertificated shares, shall be entitled to have a certificate signed in the name of the Corporation, by the Chairperson, president or any Vice President, and by the Treasurer or Secretary. Any or all of the signatures on the certificate may be by facsimile. The stock certificates of the Corporation shall be numbered and registered in the share ledger and transfer books of the Corporation as they are issued and shall bear the corporate seal.

Section 2. *Lost Certificates:* The Corporation may issue a new certificate of stock in place of any certificate theretofore issued and alleged to have been lost, stolen, or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or his or her legal representative, to make an affidavit of that fact, and the Corporation may require indemnity against any claim that may be made against the Corporation on account of the alleged loss, theft, or destruction of any such certificate or the issuance of such new certificate.

Section 3. *Transfers:* Transfers of shares shall be made on the books of the Corporation upon surrender and cancellation of the certificates therefore, endorsed by the person named in the certificate or by his or her legal representative. No transfer shall be made which is inconsistent with any provision of law, the Articles of Incorporation for the Corporation, or these Bylaws. All transfers require the written consent of the Board of Directors and are subject to rights of first refusal and other terms and conditions of the Canna Provisions, Inc. Shareholders Agreement.

Section 4. *Record Date*: In order that the Corporation may determine the shareholders entitled to notice of or to vote at any meeting of shareholders, or any adjournment thereof, or to take action without a meeting, or to receive payment of any dividend or other distribution, or to exercise any rights in respect of any change, conversion, or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and shall not be less than ten nor more than fifty days before the meeting or action requiring a determination of shareholders.

If no record date is fixed by the Board of Directors:

- a. for determining shareholders entitled to notice of or to vote at a meeting, the record date shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held or other action taken;
- b. For determining shareholders entitled to consent to corporate action without a meeting, the record date shall be the day on which the first written consent is delivered to the Corporation in accordance with these Bylaws; and
- c. For determining shareholders for any other purpose, the record date shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 5. *Shareholder's Agreement*: Each Shareholder is required to sign a Shareholder's Agreement that provides for protections of minority shareholders' interests and provides protocols for transfers, sales, dilution and additional funding.

## **ARTICLE VII -- DIVIDENDS**

Section 1. *Dividends*: The Board of Directors may declare and pay dividends upon the outstanding shares of the Corporation, from time to time and to such extent as the Board deems advisable, in the manner and upon the terms and conditions provided by law and the Articles of Incorporation of the Corporation.

Section 2. *Reserves*: The Board of Directors may set apart, out of the funds of the Corporation available for dividends, said sum as the directors, from time to time, in their absolute discretion, think proper as a reserve fund for any proper purpose. The Board of Directors may abolish any such reserve in the manner it was created.

## **ARTICLE VIII – GENERAL PROVISIONS**

Section 1. *Insurance and Indemnity:* The Corporation may purchase and maintain insurance in a reasonable amount on behalf of any person who is or was a director, officer, agent, or employee of the Corporation against liability asserted against or incurred by such person in such capacity or arising from such person's status as such.

Subject to applicable statute, any person made or threatened to be made a party to any action, suit, or proceeding, by reason of the fact that he or she, his or her testator or intestate representative, is or was a director, officer, agent, or employee of the Corporation, shall be indemnified by the Corporation against the reasonable expenses, including attorney's fees, actually and necessarily incurred by him or her in connection with such an action, suit, or proceeding.

Notwithstanding the foregoing, no indemnification shall be made by the Corporation if judgment or other final determination establishes that the potential indemnitee's acts were committed in bad faith or were the result of active or deliberate fraud or dishonesty or clear and gross negligence.

Section 2. *Corporate Records:* Any shareholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the Corporation's stock ledger, a list of its shareholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to such person's interest as a shareholder. In every instance in which an attorney or other agent shall be the person seeking the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing authorizing the attorney or other agent to so act on behalf of the shareholder.

The demand under oath shall be directed to the Corporation at its registered office or its principal place of business.

Section 3. *Fiscal Year:* The fiscal year of the Corporation shall be the calendar year.

Section 4. *Seal:* The corporate seal shall be in such form as the Board of Directors shall approve. The seal may be used by causing it or a facsimile thereof to be impressed, affixed, or otherwise reproduced.

Section 5. *Execution of Instruments:* All contracts, checks, drafts, or demands for money and notes and other instruments or rights of any nature of the Corporation shall be signed by such officer or officers as the Board of Directors may from time to time designate.

Section 6. *Notice:* Whenever written notice is required to be given to any person, it may be given to such person, either personally or by sending a copy thereof through the United States mail, or by email, or facsimile, charges prepaid, to his or her address appearing in the books of the Corporation, or supplied by him or

her to the Corporation for the purpose of notice. If the notice is sent by mail it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail. If the notice is sent by facsimile, it shall be deemed to have been given at the date and time shown on a written confirmation of the transmission of such facsimile communication. If such notice is related to a meeting, the notice shall specify the place, day, and hour of the meeting, and, in the case of a special meeting of shareholders, the purpose of and general nature of the business to be transacted at such special meeting.

Section 7. *Waiver of Notice:* Whenever any written notice is required by law, or by the Articles of Incorporation or by these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Except in the case of a special meeting of shareholders, neither the business to be conducted at nor the purpose of the meeting need be specified in the waiver of notice of the meeting. Attendance of a person either in person or by proxy, at any meeting, shall constitute a waiver of notice of such meeting, except where a person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully convened or called.

Section 8. *Amendments:* The Board of Directors shall have the power to make, adopt, alter, amend, and repeal from time to time the Bylaws of the Corporation except that the adoption, amendment, or repeal of any Bylaw regulating the election of directors shall be subject to the vote of shareholders entitled to cast at least a majority of the votes which all shareholders are entitled to cast at any regular or special meeting of the shareholders, duly convened after notice to the shareholders of that purpose.

The foregoing Bylaws were adopted by the Board of Directors on May 15, 2018.

**Chairman of the Board: SIGNATURE**



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Chairman of the Board (PRINT)  
Eugene McCain

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**SHAREHOLDER'S NAME**

**NUMBER (#) OF SHARES**

Eugene McCain

80% (80,000 shares)

Erik Williams

5% (5,000 shares)

Meg Sanders

5% (5,000 shares)



mass.gov/dor

## CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



CANNA PROVISIONS, INC.  
214 ADAMS AVE  
WEST NEWTON MA 02465-1503

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

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

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

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

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

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

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

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

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

Edward W. Coyle, Jr., Chief  
Collections Bureau



## **Plan for Obtaining Liability Insurance**

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

### **I. Purpose**

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

### **II. Plan**

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



MESA UNDERWRITERS SPECIALTY  
INSURANCE COMPANY

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

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

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

  
Corporate Secretary

  
President & CEO

MUSIC

**COMMON POLICY DECLARATIONS**

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

**Policy Number:** MP0020005001627

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

No Flat Cancellation

**New**    **Renewal**    **Rewrite**

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

**Named Insured:**  
 Canna Provisions, Inc

**DBA:**

**Mailing Address:**  
 214 Adams Ave

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

West Newton MA 02465

**Agent and Mailing Address:** **Agent Number:** 20005

AmWINS Access Insurance Services, LLC - Hopedale, MA  
 2 Rosenfeld Drive, Unit A  
 Hopedale MA 01747

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

**Surplus Lines Broker Name:** AmWINS Access Ins Services, LLC **Surplus Lines Broker Number:** 1927919

**Form of Business**

- Individual    Joint Venture    Partnership    Limited Liability Company    Corporation  
 Organization (other): \_\_\_\_\_

**Business Description:**

Vacant Buildings

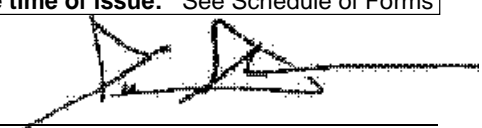
**Select Coverage Part (for which insurance is being afforded)**

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

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

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

02/27/2019  
 Date

By:   
 Authorized Agent

**SCHEDULE OF FORMS AND ENDORSEMENTS**

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

**Forms Applicable - COMMON POLICY FORMS**

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

**Forms Applicable - GENERAL LIABILITY**

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

**SCHEDULE OF FORMS AND ENDORSEMENTS**

MESA UNDERWRITERS SPECIALTY  
INSURANCE COMPANY

Named Insured Canna Provisions, Inc

Policy Number MP0020005001627

Effective Date: 02/14/2019

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MESA UNDERWRITERS SPECIALTY  
INSURANCE COMPANY

Policy Number: **MP0020005001627**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**MINIMUM EARNED PREMIUM ENDORSEMENT**

This endorsement modifies insurance provided under the following:

THIS ENDORSEMENT APPLIES TO ALL COVERAGE PARTS

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

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

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

All other terms and conditions of this policy remain unchanged.

**MESA UNDERWRITERS SPECIALTY  
INSURANCE COMPANY**

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

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

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

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

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

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

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

# COMMON POLICY CONDITIONS

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

## A. Cancellation

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

## B. Changes

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

## C. Examination Of Your Books And Records

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

## D. Inspections And Surveys

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

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

- c. Recommend changes.

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

- a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.

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

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

## E. Premiums

The first Named Insured shown in the Declarations:

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

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

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

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

MESA UNDERWRITERS SPECIALTY  
INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SERVICE OF SUIT MASSACHUSETTS**

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS

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

A handwritten signature in black ink, consisting of several sharp, angular strokes that form a stylized, abstract shape. The signature is positioned above the text 'Authorized Representative'.

Authorized Representative



# FRAUD STATEMENT

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

**GENERAL LIABILITY Coverage Part Declarations**

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

**Policy Number:** MP0020005001627  
**Named Insured:** Canna Provisions, Inc  
**DBA:** \_\_\_\_\_  
**Effective Date:** 02/14/2019

**LIMITS OF INSURANCE**

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

Location(s) Of All Premises you Own, Rent or Occupy, Classification & Premium Provided						
Code No.	Classification Description	Premium Basis / Exposure*	Rate		Advanced Premium	
			Premises / Operations	Products / Comp Ops	Premises / Operations	Products / CompOps
Loc. No.	Street Address	Street Address	City	State	Zip	
001)	214 ADAMS AVE		WEST NEWTON	MA	02465	
68606	Vacant Buildings - Not factories - Other than not-for-profit	a 100	56.9600	INCL	6	INCL
002)	380 R DWIGHT STREET "B"		HOLYOKE	MA	01040	
68606	Vacant Buildings - Not factories - Other than not-for-profit	a 3,500	75.5400	INCL	264	INCL
003)	380 DWIGHT ST CONNECTOR		HOLYOKE	MA	01040	
68606	Vacant Buildings - Not factories - Other than not-for-profit	a 25,000	75.5400	INCL	1,889	INCL
004)	220 HOUSATONIC STREET		LEE	MA	01238	
68606	Vacant Buildings - Not factories - Other than not-for-profit	a 2,000	64.2300	INCL	128	INCL
005)	180 QUARRY ROAD		LEE	MA	01238	
49451	Vacant Land - Other than not-for-profit	t 75	3.7700	INCL	283	INCL

**GENERAL LIABILITY Coverage Part Declarations**

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

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

- |   |   |
|---|---|
| <input type="checkbox"/> Abuse and Molestation Limited Coverage | <input type="checkbox"/> Increased Limits     |
| <input type="checkbox"/> Assault and Battery Limited Coverage   | <input type="checkbox"/> Hired Automobile     |
| <input type="checkbox"/> Additional Insured(s)                  | <input type="checkbox"/> Non-Owner Automobile |
| <input type="checkbox"/> Employee Benefit Liability Coverage    | <input type="checkbox"/> Stop Gap             |
| <input type="checkbox"/> Other:                                 |   |

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

<b>Total Annual Premium:</b>	<b>\$</b>	3,032
<b>Forms/Endorsements Applicable</b>		See Schedule of Forms and Endorsements

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

Policy Number: MP0020005001627

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

This endorsement modifies insurance provided under the following:

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

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

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

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **SPECIAL CONDITIONS - SUBCONTRACTORS**

This endorsement modifies insurance provided under the following:

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

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

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

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

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

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

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

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION – CLASSIFICATION LIMITATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

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

All other terms and conditions of this policy remain unchanged.

MESA UNDERWRITERS SPECIALTY  
INSURANCE COMPANY

Policy Number: MP0020005001627

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### ASSAULT OR BATTERY EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

#### Assault or Battery Exclusion – Excluded Location Schedule

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

Loc. #	Address

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

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

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

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

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

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

All other terms and conditions of this policy remain unchanged.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **LEAD CONTAMINATION EXCLUSION**

This endorsement modifies insurance provided under the following:

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

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

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

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

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

Whether or not:

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

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **PUNITIVE DAMAGES EXCLUSION**

This endorsement modifies insurance provided under the following:

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

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

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

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

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EARTH MOVEMENT EXCLUSION**

This endorsement modifies insurance provided under the following:

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

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

All other terms and conditions of this policy remain unchanged.

MESA UNDERWRITERS SPECIALTY  
INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - ASBESTOS**

This endorsement modifies insurance provided under the following:

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

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

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

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

This endorsement modifies insurance provided under the following:

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

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

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

All other terms and conditions of this policy remain unchanged.

MESA UNDERWRITERS SPECIALTY  
INSURANCE COMPANY

Policy Number: **MP0020005001627**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## AMENDMENT OF CONDITIONS – PREMIUM AUDIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

### Premium Audit

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

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

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

- b. **Premium Basis.**

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

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

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

\$

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

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

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

The rates apply per 1,000 Admissions.

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

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

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

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

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

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

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

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

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

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

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

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



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

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

All other terms and conditions of this policy remain unchanged.

MESA UNDERWRITERS SPECIALTY  
INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – OCCUPATIONAL DISEASE**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

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

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

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

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

"Bodily injury" to:

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

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

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

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

**a. Any Insured**

To any Insured.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – INFRINGEMENT OF INTELLECTUAL PROPERTY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

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

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

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

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

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

All other terms and conditions of this policy remain unchanged.

# COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

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

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

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

## SECTION I – COVERAGES

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

#### 1. Insuring Agreement

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

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

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

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

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

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

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

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

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

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

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

## 2. Exclusions

This insurance does not apply to:

### a. Expected Or Intended Injury

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

### b. Contractual Liability

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

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

### c. Liquor Liability

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

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

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

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

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

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

### d. Workers' Compensation And Similar Laws

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

### e. Employer's Liability

"Bodily injury" to:

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

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

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

## **f. Pollution**

- (1)** "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
  - (a)** At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
    - (i)** "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
    - (ii)** "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
    - (iii)** "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
  - (b)** At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - (c)** Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    - (i)** Any insured; or
    - (ii)** Any person or organization for whom you may be legally responsible; or
  - (d)** At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
    - (i)** "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
    - (ii)** "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
    - (iii)** "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
  - (e)** At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

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

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

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

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

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

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

This exclusion does not apply to:

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

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

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

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

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

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

#### **i. War**

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

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

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

"Property damage" to:

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



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

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

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

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

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

**k. Damage To Your Product**

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

**l. Damage To Your Work**

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

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

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

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

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

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

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

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

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

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

**o. Personal And Advertising Injury**

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

**p. Electronic Data**

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

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

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

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

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

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

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

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

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

### **1. Insuring Agreement**

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

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

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

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

### **2. Exclusions**

This insurance does not apply to:

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

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

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

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

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

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

**d. Criminal Acts**

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

**e. Contractual Liability**

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

**f. Breach Of Contract**

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

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

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

**h. Wrong Description Of Prices**

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

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

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

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

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

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

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

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

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

**k. Electronic Chatrooms Or Bulletin Boards**

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

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

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

**m. Pollution**

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

**n. Pollution-related**

Any loss, cost or expense arising out of any:

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

**o. War**

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

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

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

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

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

## COVERAGE C – MEDICAL PAYMENTS

### 1. Insuring Agreement

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

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

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

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

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

### 2. Exclusions

We will not pay expenses for "bodily injury":

#### a. Any Insured

To any insured, except "volunteer workers".

#### b. Hired Person

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

#### c. Injury On Normally Occupied Premises

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

### d. Workers' Compensation And Similar Laws

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

### e. Athletics Activities

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

### f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

### g. Coverage A Exclusions

Excluded under Coverage A.

## SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

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

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

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

These payments will not reduce the limits of insurance.

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

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

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

## **SECTION II – WHO IS AN INSURED**

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

2. Each of the following is also an insured:

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

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

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

(2) "Property damage" to property:

- (a) Owned, occupied or used by;
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by; you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

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

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

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

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

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

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

### SECTION III – LIMITS OF INSURANCE

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

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

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

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

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

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

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

### **1. Bankruptcy**

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

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

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

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

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

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

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

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

#### 4. Other Insurance

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

##### a. Primary Insurance

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

##### b. Excess Insurance

(1) This insurance is excess over:

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

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

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

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

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

##### c. Method Of Sharing

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

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

#### 5. Premium Audit

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

#### 6. Representations

By accepting this policy, you agree:

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



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

**7. Separation Of Insureds**

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

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

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

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

**9. When We Do Not Renew**

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

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

**SECTION V – DEFINITIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
  - a. False arrest, detention or imprisonment;
  - b. Malicious prosecution;
  - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
  - f. The use of another's advertising idea in your "advertisement"; or
  - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

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

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

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

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

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

17. "Property damage" means:

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

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

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

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

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

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

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

**21.** "Your product":

**a.** Means:

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

**b.** Includes:

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

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

**22.** "Your work":

**a.** Means:

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

**b.** Includes:

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

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

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

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

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

## **EXCLUSION – DESIGNATED WORK**

This endorsement modifies insurance provided under the following:

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

### **SCHEDULE**

**Description of your work:**

Construction operations

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

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

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

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

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

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

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

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

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

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

- A.** If this endorsement is attached to Commercial General Liability Coverage Form **CG 00 01**, the provisions under this Paragraph **A.** apply:
- 1.** Paragraph **1.b.** under **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:
    - b.** This insurance applies to "bodily injury" and "property damage" caused by an "occurrence" that takes place in the "coverage territory" only if:
      - (1)** The "bodily injury" or "property damage":
        - (a)** Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or
        - (b)** Arises out of the project or operation shown in the Schedule;
      - (2)** The "bodily injury" or "property damage" occurs during the policy period; and
    - (3)** Prior to the policy period, no insured listed under Paragraph **1.** of Section **II – Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
  - 2.** Paragraph **1.b.** under **Section I – Coverage B – Personal And Advertising Injury Liability** is replaced by the following:
    - b.** This insurance applies to "personal and advertising injury" caused by an offense committed in the "coverage territory" but only if:
      - (1)** The offense arises out of your business:
        - (a)** Performed on the premises shown in the Schedule; or



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

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

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

(1) False arrest, detention or imprisonment; or

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

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

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

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

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

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

provided that:

(a) The accident takes place during the policy period;

(b) The expenses are incurred and reported to us within one year of the date of the accident; and

(c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

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

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

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

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

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

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

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

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

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

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

(1) The offense arises out of your business:

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

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

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

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

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

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

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

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

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

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

provided that:

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

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

## **EMPLOYMENT-RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

This insurance does not apply to:

"Bodily injury" to:

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

This exclusion applies:

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

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

This insurance does not apply to:

"Personal and advertising injury" to:

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

This exclusion applies:

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

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

## **EXCLUSION – DESIGNATED ONGOING OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

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

Construction operations

**Specified Location (If Applicable):**

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

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

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

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

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

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

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

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

This insurance does not apply to:

#### **f. Pollution**

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

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

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

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

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

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

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

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

## **FUNGI OR BACTERIA EXCLUSION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

**2. Exclusions**

This insurance does not apply to:

**Fungi Or Bacteria**

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

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

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

**2. Exclusions**

This insurance does not apply to:

**Fungi Or Bacteria**

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

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

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

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

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

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

**2. Exclusions**

This insurance does not apply to:

**Silica Or Silica-Related Dust**

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

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

**2. Exclusions**

This insurance does not apply to:

**Silica Or Silica-Related Dust**

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

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

**AMENDMENT OF INSURED CONTRACT DEFINITION**

This endorsement modifies insurance provided under the following:

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

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

"Insured contract" means:

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

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

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



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

(Broad Form)

This endorsement modifies insurance provided under the following:

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

1. The insurance does not apply:
  - A. Under any Liability Coverage, to "bodily injury" or "property damage":
    - (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
    - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
  - B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
  - C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:
    - (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
    - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
    - (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.
2. As used in this endorsement:
 

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

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

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

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

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

"Nuclear facility" means:

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

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

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

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

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

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

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

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

This endorsement modifies insurance provided under the following:

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

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

This insurance does not apply to:

**TERRORISM**

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

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

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

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

**a.** The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

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

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

# COMMON POLICY DECLARATIONS

POLICY NUMBER: CTX-0001112-00

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

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

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

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

	PREMIUM
COMMERCIAL PROPERTY COVERAGE PART	N/A
COMMERCIAL GENERAL LIABILITY COVERAGE PART	N/A
COMMERCIAL EXCESS LIABILITY	\$5,000.00
COMMERCIAL INLAND MARINE COVERAGE PART	N/A
PRODUCTS LIABILITY COVERAGE	N/A
TERRORISM	REJECTED
ADMIN FEE	\$250.00
SURPLUS LINES TAX	\$200.00
<b>TOTAL:</b>	<b>\$5,450.00</b>

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

**SCHEDULE OF NAMED INSUREDS:**

CANNA PROVISIONS INC

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

SEE SCHEDULE OF FORMS

**Countersigned:**

06/02/2019

**(Date)**

**By:**



**(Authorized Representative)**

## SCHEDULE OF FORMS

Named Insured: CANNA PROVISIONS INC

Policy Number: CTX-0001112-00

### COMMON POLICY

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

### COMMERCIAL GENERAL LIABILITY

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

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

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

This endorsement modifies insurance provided under the following:

**COMMON POLICY CONDITIONS**

The following is added to Common Policy Conditions:

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

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

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

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

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

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



## SERVICE OF SUIT CLAUSE

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

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

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

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

# FRAUD STATEMENT

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

# COMMERCIAL EXCESS LIABILITY DECLARATIONS

NAMED INSURED: CANNA PROVISIONS INC

POLICY PERIOD: 05/21/2019 - 05/21/2020

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

Excess Policy – Limits Of Insurance	
Each Occurrence Limit:	\$2,000,000
Aggregate Limit:	\$2,000,000
Other:	

Excess Policy – Premium	
Premium:	\$5,000.00

Endorsements Attached To The Excess Policy	
SEE FORM SCHEDULE	

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

# COMMERCIAL EXCESS LIABILITY COVERAGE FORM

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

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

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

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

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

## SECTION I – COVERAGES

### 1. Insuring Agreement

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

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

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

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

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

But:

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

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

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

## 2. Exclusions

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

Insurance provided under this Coverage Part does not apply to:

### a. Medical Payments

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

### b. Auto

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

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

### c. Pollution

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

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

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

### d. Workers' Compensation And Similar Laws

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

## SECTION II – LIMITS OF INSURANCE

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

- a. Insureds;
- b. Claims made or suits brought, or number of vehicles involved;
- c. Persons or organizations making claims or bringing suits; or
- d. Limits available under any "controlling underlying insurance".

2. The Limits of Insurance of this Coverage Part will apply as follows:

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

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

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

### **SECTION III – CONDITIONS**

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

#### **1. Appeals**

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

#### **2. Bankruptcy**

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

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

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

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

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

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

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

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

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

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

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

- c. You and any other insured involved must:

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

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

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

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

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

## 5. Cancellation

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

## 6. Changes

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

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

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

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

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

## 8. Other Insurance

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

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

b. When this insurance is excess over other insurance, we will pay only our share of the "ultimate net loss" that exceeds the sum of:

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

## 9. Premium Audit

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. If this policy is auditable, the premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period, we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit premium is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

## 10. Loss Payable

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

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

## 11. Legal Action Against Us

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

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

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

## 12. Transfer Of Defense

### a. Defense Transferred To Us

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

### b. Defense Transferred By Us

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

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

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

## 13. When We Do Not Renew

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

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

## SECTION IV – DEFINITIONS

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

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

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



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

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

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

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

### **2. Exclusions**

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

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

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

This endorsement modifies insurance provided under the following:

### COMMERCIAL EXCESS LIABILITY COVERAGE PART

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

#### **2. Exclusions**

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

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

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

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

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

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

c. As used in this endorsement:

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

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

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

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

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

"Nuclear facility" means:

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

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

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

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

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

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

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

This endorsement modifies insurance provided under the following:

### COMMERCIAL EXCESS LIABILITY COVERAGE PART

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

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

This insurance does not apply to:

**TERRORISM**

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

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

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

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

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

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

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

# COMMON POLICY DECLARATIONS

POLICY NUMBER: CTL-0002129-00

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

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

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

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

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

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

**SCHEDULE OF NAMED INSUREDS:**

CANNA PROVISIONS INC

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

SEE SCHEDULE OF FORMS

**Countersigned:**

06/02/2019

**(Date)**

**By:**



**(Authorized Representative)**

## SCHEDULE OF FORMS

Named Insured: CANNA PROVISIONS INC

Policy Number: CTL-0002129-00

### COMMON POLICY

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

### COMMERCIAL GENERAL LIABILITY

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



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

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

This endorsement modifies insurance provided under the following:

**COMMON POLICY CONDITIONS**

The following is added to Common Policy Conditions:

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

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

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

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

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

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

## SERVICE OF SUIT CLAUSE

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

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

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

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

## COMMON POLICY CONDITIONS

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

### A. Cancellation

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

### B. Changes

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

### C. Examination Of Your Books And Records

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

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;
  - b. Give you reports on the conditions we find; and
  - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

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

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

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

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

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

**DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT**

**SCHEDULE**

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

**A. Disclosure Of Premium**

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

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

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

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

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

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

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

## **NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT**

**(Broad Form)**

This endorsement modifies insurance provided under the following:

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

1. The insurance does not apply:
  - A. Under any Liability Coverage, to "bodily injury" or "property damage":
    - (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
    - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
  - B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
  - C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:
    - (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
    - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
    - (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.
2. As used in this endorsement:
 

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

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

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

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

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

"Nuclear facility" means:

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

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

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

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

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

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

## FRAUD STATEMENT

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



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

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

This endorsement modifies insurance provided under the following:

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

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

This insurance does not apply to:

**TERRORISM**

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

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

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

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

a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

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

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

# PRODUCTS/COMPLETED OPERATIONS LIABILITY DECLARATIONS

NAMED INSURED: CANNA PROVISIONS INC

POLICY PERIOD: 05/21/2019 - 05/21/2020

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

LIMITS OF INSURANCE	
Each Occurrence Limit	<u>\$1,000,000</u>
Aggregate Limit	<u>\$2,000,000</u>

RETROACTIVE DATE
THIS INSURANCE DOES NOT APPLY TO "BODILY INJURY" OR "PROPERTY DAMAGE" WHICH OCCURS BEFORE THE RETROACTIVE DATE, IF ANY, SHOWN BELOW. RETROACTIVE DATE: <u>05/21/2019</u> (ENTER DATE OR "NONE" IF NO RETROACTIVE DATE APPLIES)

LIMITED PRODUCT WITHDRAWAL EXPENSE ENDORSEMENT (CIS PROD WD 01)	
Aggregate Limit	\$250,000
Deductible Amount Per Product Withdrawal	\$25,000
Participation Percentage Per Product Withdrawal	N/A %
Cut-off Date	N/A

PROFESSIONAL LIABILITY SUBLIMIT (CIS PROF 01)	
Annual Aggregate Limit	\$50,000

CLASSIFICATION AND PREMIUM									
CLASSIFICATION	CODE NO.	PREMIUM BASE	RATE	*ADVANCE PREMIUM					
il Operations-Recreati	18437	12,000,000 (s)	2.365	\$30,230					
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AUDIT PERIOD (IF APPLICABLE)	<input checked="" type="checkbox"/> ANNUALLY	<input type="checkbox"/> SEMI- ANNUALLY	<input type="checkbox"/> QUARTERLY	<input type="checkbox"/> MONTHLY					

\*Advance Premium may include other charges not subject to audit and/or may reflect minimum premium

# PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM

**THIS INSURANCE PROVIDES CLAIMS-MADE COVERAGE.  
PLEASE READ THE ENTIRE FORM CAREFULLY.**

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

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

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

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

## SECTION I – COVERAGES

### PRODUCTS/COMPLETED OPERATIONS BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 1. Insuring Agreement

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

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

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

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

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "bodily injury" or "property damage" did not occur before the Retroactive Date, if any, shown in the Declarations or after the end of the policy period; and
- (3) A claim for damages because of the "bodily injury" or "property damage" is first made against any insured, in accordance with Paragraph c. below, during the policy period or any Extended Reporting Period we provide under Section V – Extended Reporting Periods.

c. A claim by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:

- (1) When notice of such claim is received and recorded by any insured or by us, whichever comes first; or
- (2) When we make settlement in accordance with Paragraph a. above.

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

All claims for damages because of "property damage" causing loss to the same person or organization will be deemed to have been made at the time the first of those claims is made against any insured.

#### 2. Exclusions

This insurance does not apply to:

##### a. Expected Or Intended Injury

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

**b. Contractual Liability**

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

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

**c. Liquor Liability**

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

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

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

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

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

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

**d. Workers' Compensation And Similar Laws**

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

**e. Employer's Liability**

"Bodily injury" to:

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

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

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

**f. War**

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

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

**g. Damage To Property**

"Property damage" to:

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

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

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

**h. Damage To Your Product**

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

**i. Damage To Your Work**

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

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

**j. Damage To Impaired Property Or Property Not Physically Injured**

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

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

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

**k. Recall Of Products, Work Or Impaired Property**

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

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

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

**l. Electronic Data**

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

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

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

**SUPPLEMENTARY PAYMENTS**

- 1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
  - a. All expenses we incur.
  - b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
  - c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
  - d. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.

- e. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- f. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

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

(2) Provides us with written authorization to:

- (a) Obtain records and other information related to the "suit"; and
- (b) Conduct and control the defense of the indemnitee in such "suit".

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

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

## SECTION II – WHO IS AN INSURED

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

2. Each of the following is also an insured:
  - a. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" is an insured for:
    - (1) "Bodily injury":
      - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
      - (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph (a) above;
      - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (a) or (b) above; or
      - (d) Arising out of his or her providing or failing to provide professional health care services.
    - (2) "Property damage" to property:
      - (a) Owned, occupied or used by;
      - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;
 

you, any of your "employees", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
  - b. Any person (other than your "employee") or any organization while acting as your real estate manager.
  - c. Any person or organization having proper temporary custody of your property if you die, but only:
    - (1) With respect to liability arising out of the maintenance or use of that property; and
    - (2) Until your legal representative has been appointed.
  - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
  - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and
  - b. Coverage does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization.

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

### SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
2. The Aggregate Limit is the most we will pay for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
3. Subject to Paragraph 2. above, the Each Occurrence Limit is the most we will pay for damages because of all "bodily injury" and "property damage" arising out of any one "occurrence".

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

### SECTION IV – PRODUCTS/COMPLETED OPERATIONS LIABILITY CONDITIONS

#### 1. Bankruptcy

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

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

a. You must see to it that we are notified as soon as practicable of an "occurrence" which may result in a claim. To the extent possible, notice should include:

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

Notice of an "occurrence" is not notice of a claim.

b. If a claim is received by any insured, you must:

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

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

c. You and any other involved insured must:

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

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

## 3. Legal Action Against Us

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

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

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

## 4. Other Insurance

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

### a. Primary Insurance

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

### b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Declarations of this insurance and applies to "bodily injury" or "property damage" included within the "products-completed operations hazard" on other than a claims-made basis, if:

- (1) No Retroactive Date is shown in the Declarations of this insurance; or
- (2) The other insurance has a policy period which continues after the Retroactive Date shown in the Declarations of this insurance.

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

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

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and



- (b) The total of all deductible and self-insured amounts under all that other insurance.

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

**c. Method Of Sharing**

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

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

**5. Premium Audit**

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

**6. Representations**

By accepting this policy, you agree:

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

**7. Separation Of Insureds**

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

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

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

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

**9. When We Do Not Renew**

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

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

**10. Your Right To Claim And Occurrence Information**

We will provide the first Named Insured shown in the Declarations the following information relating to this and any preceding products/completed operations liability claims-made Coverage Part we have issued to you during the previous three years:

- a. A list or other record of each "occurrence", not previously reported to any other insurer, of which we were notified in accordance with Paragraph 2.a. of the Section IV – Duties In The Event Of Occurrence, Claim Or Suit Condition. We will include the date and brief description of the "occurrence" if that information was in the notice we received.
- b. A summary by policy year, of payments made and amounts reserved, stated separately, under the Aggregate Limit.

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

You must not disclose this information to any claimant or any claimant's representative without our consent.

If we cancel or elect not to renew this Coverage Part, we will provide such information no later than 30 days before the date of policy termination. In other circumstances, we will provide this information only if we receive a written request from the first Named Insured within 60 days after the end of the policy period. In this case, we will provide this information within 45 days of receipt of the request.

We compile claim and "occurrence" information for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named Insured, we make no representations or warranties to insureds, insurers, or others to whom this information is furnished by or on behalf of any insured. Cancellation or nonrenewal will be effective even if we inadvertently provide inaccurate information.

#### **SECTION V – EXTENDED REPORTING PERIODS**

1. We will provide one or more Extended Reporting Periods, as described below, if:
  - a. This Coverage Part is cancelled or not renewed; or
  - b. We renew or replace this Coverage Part with insurance that:
    - (1) Has a Retroactive Date later than the date shown in the Declarations of this Coverage Part; or
    - (2) Does not apply to "bodily injury" or "property damage" on a claims-made basis.
2. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to claims for "bodily injury" or "property damage" that occurs before the end of the policy period but not before the Retroactive Date, if any, shown in the Declarations.

Once in effect, Extended Reporting Periods may not be cancelled.
3. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for:
  - a. Five years with respect to claims because of "bodily injury" and "property damage" arising out of an "occurrence" reported to us, not later than 60 days after the end of the policy period, in accordance with Paragraph 2.a. of the Section IV – Duties In The Event Of Occurrence, Claim Or Suit Condition; and
  - b. Sixty days with respect to claims arising from "occurrences" not previously reported to us.

The Basic Extended Reporting Period does not apply to claims that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such claims.

4. The Basic Extended Reporting Period does not reinstate or increase the Limits of Insurance.
5. A Supplemental Extended Reporting Period of unlimited duration is available, but only by an endorsement and for an extra charge. This supplemental period starts when the Basic Extended Reporting Period, set forth in Paragraph 3. above, ends.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- a. The exposures insured;
- b. Previous types and amounts of insurance;
- c. Limits of Insurance available under this Coverage Part for future payment of damages; and
- d. Other related factors.

The additional premium will not exceed 200% of the annual premium for this Coverage Part.

This endorsement shall set forth the terms, not inconsistent with this section, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the insurance afforded for claims first received during such period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period starts.

6. If the Supplemental Extended Reporting Period is in effect, we will provide a supplemental aggregate limit of insurance described below, but only for claims first received and recorded during the Supplemental Extended Reporting Period.

The supplemental aggregate limit of insurance will be equal to the dollar amount shown in the Declarations in effect at the end of the policy period for the Aggregate Limit.

Paragraph 2. of Section III – Limits Of Insurance will be amended accordingly. The Each Occurrence Limit shown in the Declarations will then continue to apply, as set forth in Paragraph 3. of that section.

## SECTION VI – DEFINITIONS

1. "Auto" means:
  - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
  - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

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

2. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
3. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
  - c. All other parts of the world if the injury or damage arises out of goods or products made or sold by you in the territory described in Paragraph a. above;

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

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

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

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

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

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

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

9. "Loading or unloading" means the handling of property:

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

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

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

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

- (1) Power cranes, shovels, loaders, diggers or drills; or
- (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
- (2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in Paragraph a., b., c. or d. maintained primarily for purposes other than the transportation of persons or cargo.

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

(1) Equipment designed primarily for:

- (a) Snow removal;
- (b) Road maintenance, but not construction or resurfacing; or
- (c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

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

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

12. "Products-completed operations hazard":

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

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

- (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

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

**13. "Property damage" means:**

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

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

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

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

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

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

**16. "Your product":**

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

**b. Includes:**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
  - (2) The providing of or failure to provide warnings or instructions.
- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

**17. "Your work":**

- a. Means:
  - (1) Work or operations performed by you or on your behalf; and
  - (2) Materials, parts or equipment furnished in connection with such work or operations.
- b. Includes:
  - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
  - (2) The providing of or failure to provide warnings or instructions.

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

## PROFESSIONAL LIABILITY SUBLIMIT

This endorsement modifies insurance provided under the following:

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM

### SCHEDULE

**Professional Liability Annual Aggregate Limit \$ 50,000**

**A. The following is added to Paragraph 1. of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

"Bodily injury" or "property damage" arising out of the rendering of or failure to render professional health care services shall be deemed to be caused by an "occurrence".

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

**2. Exclusions**

This insurance does not apply to "bodily injury" or "property damage":

- a. Caused by the willful violation of a penal statute or ordinance relating to the sale of "Medical Marijuana" by or with the knowledge or consent of any insured.
- b. Arising out of any insured's consulting, diagnostic, referral, or similar service, including performing blood tests, prescribing or administering of any drugs and managing drug therapy, whether or not service is required or permitted under any applicable statutes.
- c. Arising out of any goods or products prescribed by any insured as permitted by any applicable statute.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved that which is described in Paragraph a., b. or c.

**C. Paragraph 2.a.(1)(d) under Section II – Who Is An Insured is replaced by the following:**

**(d)** Arising out of his or her providing of or failure to provide professional health care services. However, this exclusion does not apply to professional health care services performed in his or her capacity as a dispenser of "Medical Marijuana" and not excluded in Paragraph B. of this endorsement.

**D. For the purpose of determining the limits of insurance for the coverage provided by this endorsement, any act or omission together with all related acts or omissions in the furnishing of these services to any one person will be considered one "occurrence".**

**E. The following are added to Section III - Limits Of Insurance:**

**4. Subject to Paragraph 2. of Section III - Limits Of Insurance, the Professional Liability Annual Aggregate Limit shown in the Schedule of this endorsement is the most we will pay for all "bodily injury" or "property damage" arising out of the rendering of or failure to render professional health care services.**

**5. Subject to 4. above, the Each Occurrence Limit as noted in Paragraph 2. continues to apply to "bodily injury" or "property damage" arising out of the rendering of or failure to render professional health care services but only if, and to the extent that, limits are available under the Professional Liability Annual Aggregate Limit.**

**F. The following is added to SECTION VI – DEFINITIONS:**

"Medical Marijuana" means cannabis or marijuana, including constituents of cannabis, THC and other cannabinoids, as a physician- recommended form of medicine or herbal therapy.

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

## **AMENDMENT – DEFENSE WITHIN LIMITS**

This endorsement modifies insurance provided under the following:

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**A. Paragraph 1. of SECTION I – COVERAGES PRODUCTS/COMPLETED OPERATIONS BODILY INJURY AND PROPERTY DAMAGE** is replaced by the following:

### **1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" included within the "products-completed operations hazard" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:
- (1) The amount we will pay for damages and "claim expenses" is limited as described in Section III – Limits Of Insurance; and
  - (2) Our right and duty to defend end when we have used up the applicable Limits of Insurance in the payment of judgments or settlements including "claim expenses". "Claim expenses" are payable within, and not in addition to, the Limits of Insurance. When the applicable limit has been exhausted, the Named Insured shall, upon notice from us, promptly take over control of the defense.

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

**B. SUPPLEMENTARY PAYMENTS of SECTION I – COVERAGES** is replaced by the following:

### **SUPPLEMENTARY PAYMENTS**

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
  - a. All expenses we incur, excluding "claim expenses".
  - b. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
  - c. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
  - d. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.
  - e. All "claim expenses".
  - f. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
  - g. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.

Payments noted in **a.**, **b.**, **c.**, and **d.** above will not reduce the limits of insurance.

Payments noted in **e.**, **f.**, and **g.** above will reduce limits of insurance.

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

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

These payments will reduce the limits of insurance.

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

**C. Section III – Limits Of Insurance** is replaced by the following:

**Section III – Limits Of Insurance**

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
2. The Aggregate Limit is the most we will pay for damages, including "claim expenses", because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
3. Subject to Paragraph 2. above, the Each Occurrence Limit is the most we will pay for damages, including "claim expenses", because of all "bodily injury" and "property damage" arising out of any one "occurrence".

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



**D. The following paragraph is added to Section VI – Definitions:**

"Claim expenses" means payments allocated to a specific claim we investigate, settle or defend, for its investigation, settlement or defense, including:

1. Fees and salaries of attorneys and paralegals we retain.
2. All other litigation or administrative hearing expenses, including fees or expenses incurred in connection with an appeal or expert witnesses hired either by us or by the defense attorney retained by an "insured".
3. Costs taxed against the insured in the "suit".
4. Costs of subpoenas.

"Claim expenses" does not include salaries and expenses of our "employees".

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

## **LIMITED PRODUCT WITHDRAWAL EXPENSE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**THIS ENDORSEMENT ONLY PROVIDES REIMBURSEMENT TO YOU FOR EXPENSES INCURRED BECAUSE OF A COVERED "PRODUCT WITHDRAWAL". THIS ENDORSEMENT DOES NOT PROVIDE ANY LIABILITY COVERAGE OR COVERAGE FOR THE COST OR EXPENSE OF DEFENDING ANY CLAIM OR SUIT.**

**A. The following is added to Section I – Coverages:  
Section I – Limited Product Withdrawal Expense  
Coverage**

**1. Insuring Agreement**

- a. We will reimburse you for "product withdrawal expenses" incurred by you because of a "product withdrawal" to which this insurance applies.  
The amount of such reimbursement is limited as described in Section III – Limits Of Insurance. No other obligation or liability to pay sums or perform acts or services is covered.
- b. This insurance applies to a "product withdrawal" only if the "product withdrawal" is initiated in the "coverage territory" during the policy period because:
- (1) You determine that the "product withdrawal" is necessary; or
  - (2) An authorized government entity has ordered you to conduct a "product withdrawal".
- c. We will reimburse "product withdrawal expenses" only if:
- (1) The expenses are incurred within one year of the date the "product withdrawal" was initiated;
  - (2) The expenses are reported to us within one year of the date the expenses were incurred; and
  - (3) The product that is the subject of the "product withdrawal" was produced after the Cut-off Date designated in the Declarations.
- d. The initiation of a "product withdrawal" will be deemed to have been made only at the

earliest of the following times:

- (1) When you first announced, in any manner, to the general public, your vendors or to your employees (other than those employees directly involved in making the determination) your decision to conduct or participate in a "product withdrawal". This applies regardless of whether the determination to conduct a "product withdrawal" is made by you or is requested by a third party; or
  - (2) When you first received, either orally or in writing, notification of an order from an authorized government entity to conduct a "product withdrawal".
- e. "Product withdrawal expenses" incurred to withdraw "your products" which contain the same or substantially similar "defects" will be deemed to have arisen out of the same "product withdrawal".

**2. Exclusions**

This insurance does not apply to "product withdrawal expenses" arising out of:

**a. Breach Of Warranty And Failure To Conform To Intended Purpose**

Any "product withdrawal" initiated due to the failure of "your product" to accomplish its intended purpose, including any breach of warranty of fitness, whether written or implied. This exclusion does not apply if such failure has caused or is reasonably expected to cause "bodily injury" or physical damage to tangible property other than "your product".

**b. Infringement Of Copyright, Patent, Trade Secret, Trade Dress Or Trademark**

Any "product withdrawal" initiated due to copyright, patent, trade secret, trade dress or trademark infringements.

**c. Deterioration, Decomposition Or Chemical Transformation**

Any "product withdrawal" initiated due to transformation of a chemical nature, deterioration or decomposition of "your product". This exclusion does not apply if it is caused by:

- (1) An error in manufacturing, design, or processing;
- (2) Transportation of "your product"; or
- (3) "Product tampering".

**d. Goodwill, Market Share, Revenue, Profit Or Redesign**

The costs of regaining goodwill, market share, revenue or "profit" or the costs of redesigning "your product".

**e. Expiration Of Shelf Life**

Any "product withdrawal" initiated due to expiration of the designated shelf life of "your product".

**f. Known Defect**

A "product withdrawal", initiated because of a "defect" in "your product" known to exist by the Named Insured or the Named Insured's "executive officers", prior to the date when this Coverage Part was first issued to you or prior to the time "your product" leaves your control or possession.

**g. Otherwise Excluded Products**

A recall of any specific products for which "bodily injury" or "property damage" is excluded under Coverage A – Bodily Injury And Property Damage Liability by endorsement.

**h. Governmental Ban**

A recall when "your product" or a component contained within "your product" has been:

- (1) Banned from the market by an authorized government entity prior to the policy period; or
- (2) Distributed or sold by you subsequent to any governmental ban.

**i. Defense Of Claim**

The defense of a claim or "suit" against you for liability arising out of a "product withdrawal".

**j. Third-party Damages, Fines And Penalties**

Any compensatory damages, fines,

penalties, punitive or exemplary or other noncompensatory damages imposed upon the insured.

**k. Pollution-related Expenses**

Any loss, cost or expense due to any:

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

**B. For the purposes of this endorsement, Section III – Limits Of Insurance is replaced by the following:**

**Section III – Limits Of Insurance**

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

- a. Insureds;
- b. "Product withdrawals" initiated; or
- c. Number of "your products" withdrawn.

2. The Aggregate Limit is the most we will reimburse you for the sum of all "product withdrawal expenses" incurred for all "product withdrawals" initiated during the policy period.

**3. Deductible And Participation Percentage Provisions**

**a. Deductible**

We will only pay for the amount of "product withdrawal expenses" which are in excess of the deductible amount, if any, shown in the Declarations. The deductible applies separately to each "product withdrawal". The limits of insurance will not be reduced by the amount of this deductible.

We may, or will if required by law, pay all or any part of any deductible amount, if applicable. Upon notice of our payment of a deductible amount, you shall promptly reimburse us for the part of the deductible amount we paid.

**b. Participation Percentage**

If a Participation Percentage is indicated in the Declarations, the following provision applies:

You agree to participate in the payment of "product withdrawal expenses" which are in excess of the Deductible, to the extent of the Participation Percentage indicated in the Declarations. The Participation Percentage will apply separately to each "product withdrawal".

You also agree that the cost of your participation in each "product withdrawal" will be borne entirely by you when due and you will not obtain insurance to cover it.

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

C. For the purposes of this endorsement, the **Duties In The Event Of Occurrence, Claim Or Suit** Condition under **Section IV – Conditions** is replaced by the following:

**2. Duties In The Event Of A "Defect" Or A "Product Withdrawal"**

a. You must see to it that we are notified as soon as practicable of any actual, suspected or threatened "defect" in "your product", or any governmental investigation, that may result in a "product withdrawal". To the extent possible, notice should include:

- (1) How, when and where the "defect" was discovered;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature, location and circumstances of any injury or damage arising out of use or consumption of "your product".

b. If a "product withdrawal" is initiated, you must:

- (1) Immediately record the specifics of the "product withdrawal" and the date it was initiated; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the "product withdrawal" as soon as practicable.

c. You must promptly take all reasonable steps to mitigate the expenses associated with a "product withdrawal". Any "profit" that you receive from mitigating the expenses will be deducted from the amount of reimbursement that you will receive for "product withdrawal expenses".

d. You and any other involved insured must:

- (1) Immediately send us copies of pertinent correspondence received in connection with the "product withdrawal";
- (2) Authorize us to obtain records and other information; and
- (3) Cooperate with us in our investigation of the "product withdrawal".

D. For the purposes of this endorsement, the following condition is added to **Section IV – Conditions**:

**Concealment Or Fraud**

We will not provide coverage under Section I of this endorsement to you, or any other insured, who at any time:

1. Engaged in fraudulent conduct; or
2. Intentionally concealed or misrepresented a material fact concerning a "product withdrawal" or "product withdrawal expenses" incurred by you under Section I of this endorsement.

E. The following definitions are added to the **Definitions** section:

1. "Defect" means a defect, deficiency or inadequacy that creates a dangerous condition.
2. "Product tampering" is an act of intentional alteration of "your product" which has caused or is reasonably expected to cause "bodily injury" or physical injury to tangible property other than "your product".

When "product tampering" is known, suspected or threatened, a "product withdrawal" will be limited to those batches of "your product" which are known or suspected to have been tampered with.

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

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

3. "Product withdrawal" means the recall or withdrawal:

- a. From the market; or
- b. From use by any other person or organization; of "your products", or products which contain

"your products", because of known or suspected "defects" in "your product", or known or suspected "product tampering", which has caused or is reasonably expected to cause "bodily injury" or physical injury to tangible property other than "your product".

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

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

4. "Product withdrawal expenses" means those reasonable and necessary extra expenses, listed below, paid and directly related to a "product withdrawal":
  - a. Costs of notification;
  - b. Costs of stationery, envelopes, production of announcements and postage or facsimiles;
  - c. Costs of overtime paid to your regular nonsalaried employees and costs incurred by your employees, including costs of transportation and accommodations;
  - d. Costs of computer time;
  - e. Costs of hiring independent contractors and other temporary employees;
  - f. Costs of transportation, shipping or packaging;
  - g. Costs of warehouse or storage space; or
  - h. Costs of proper disposal of "your products", or products that contain "your products", that cannot be reused, not exceeding your purchase price or your cost to produce the products.
5. "Profit" means the positive gain from business operation after subtracting for all expenses.

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

## **LIMITED PESTICIDE COVERAGE**

This endorsement modifies insurance provided under the following:

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**A.** The following exclusion is added to Paragraph **2. Exclusions** of **Section I - Coverages – Products/Completed Operations Bodily Injury And Property Damage Liability**:

**2. Exclusions**

This insurance does not apply to:

**a. Pesticides**

“Bodily injury” or “property damage” arising out of the use of a pesticide. This exclusion does not apply to an “Approved Pesticide”.

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

"Approved Pesticide" means a pesticide that is approved for use by a governmental authority in the cultivation of marijuana in the state or territory where such cultivation takes place.

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

## **EXCLUSION – SPECIFIED PRODUCTS OR SUBSTANCES**

This endorsement modifies insurance provided under the following:

### PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM

This insurance does not apply to any claim or “suit” arising out of the products or substances listed below, whether ingested or not, regardless of the amount or concentration of the product or substance as a separate ingredient or any derivative or extract thereof:

1. Accutane
2. DES (diethylstilbestrol, dienestrol or stilbene derivative)
3. Ephedra
4. Fenfluramine, Phentermine or Dexfenfluramine
5. Isotretinoin
6. Latex
7. Oxycodone
8. Phenylpropanolamine (PPA)
9. Silicone
10. Steroids or anabolic hormones
11. Swine Flu vaccine including any and all strain or strains
12. Thalidomide
13. Dimethylamylamine, DMAA, 1,3-dimethylamylamine, methylhexanamine, 4- methylhexan-2-Amine HCL, geranamine, geranium extract, or geranium oil.
14. Dendrobium, Dendrobe Noble, Dendrobium Extract, Dendrobium nobile, Dendrobium officinale, Extrait de Dendrobium, Jin Chai Shi Hu (D. nobile), Nobile Dendrobium (D. nobile), Orchid Stem, Stem-Orchid, Tie Pi Shi (D. officinale), Vinterdendrobium (D. nobile).
15. 1,3-Dimethylbutylamine, 2-Amino-4-methylpentane Citrate, 4-Amino-2-Methylpentane Citrate, 4-Amino Methylpentane Citrate, Amperall, AMP, AMP Citrate, 4-AMP Citrate, 4- Methyl-2-Pentanamine
16. BMPEA, BmePEA, R-beta-methylphenethylamine, Beta-methylphenethylamine, or Acacia Rigidula extract
17. Picamilon, pikatropin, pikamilon, nicotinyl-gamma-aminobutyric acid, nicotinoyl-GABA, and 4-(Pyridine-3-carbonylamino)butanoic acid.
18. Methylsynephrine, oxilofrine and p-hydroxyephedrine
19. Kratom; mitrgynine; 7-hydroxymitragynine
20. DMHA; 2-amino-6-methylheptane; 2-amino-5-methylheptane; 2-Aminoisoheptane; Octodrine; 6-methylheptan-2-amine; 1,5-Dimethylhexylamine
21. Eria Jarensis; N-phenethyl dimethylamine, N-methyl-PEA; N,N-dimethyl- phenethylamine; N,N-dimethyl-PEA; dimethylphenethylamine; N,N-dimethyl-2- phenylethylamine; N,N-DMPEA
22. diacetyl, acetoin, and 2,3-pentanedione

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

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

## **EXCLUSION – SPECIFIED NUTRACEUTICAL SUBSTANCES**

This endorsement modifies insurance provided under the following:

### PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM

This insurance does not apply to any claim or "suit" arising out of the products or substances listed below, whether ingested or not, regardless of the amount or concentration of the product or substance as a separate ingredient or any derivative or extract thereof:

1. Aristolochia spp., Aristolochia, Aristolochia acids, Aristolochia fangchi, Akebia spp., Asarum spp., Bragantia spp., Clematis spp., Cocculus spp., Diploclisia spp., Fang Chi, Guang fang ji, Kan- Mokutsu, Menispermum spp., Mokutsu, Mu Tong, Fang ji, Sinomenium spp. and any adulterated botanicals, botanical derivatives or other products that contain aristolochic acid, aristolochic acid derivatives or aristolochic acid extracts
2. Androstenedione and any derivatives and all steroid precursors
3. Aristocholic Acid (Aristolochia)
4. Bitter Orange
5. Chapparral (Larrea divaricata)
6. Colloidal Silver
7. Comfrey (symphyum officinale)
8. DES (diethylstilbestrol, dienestrol or stilbene derivative)
9. Ephedrine alkaloids including ephedra, ephedrine, Ma Huang, Bishops Tea, Chi Powder, Methylephedrine, Norephedrine, Pseudoephedrine, Norpseudoephedrine
10. Gamma Hydroxy Butyrate (GHB), Gamma Butyrate (GBL), Butanediol (BD)
11. Germander (Teucrium chamaedrys)
12. Germanium
13. Glyburide, unlabeled glyburide, Liqiang 4, Liqiang Xiao Ke Ling (Liqiang Thirst Quenching Efficacious)
14. Hormone Replacement of any kind
15. Jin bu huan
16. Kava (Piper methysticum)
17. Lobelia (Lobelia inflata)
18. Organ/glandular extracts
19. Pennyroyal oil (hedeoma pulegoides)
20. Pyrrolizidine alkaloids
21. Sildenafil, Tadalafil and Vardenafil
22. Skullcap (scufellaria lateriflora)
23. Stephania and Magnolia
24. Steroids or anabolic hormones
25. THG (tetrahydrogestinone)
26. Willow Bark
27. Yohimbe (Pausinystalia yohimbe)

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



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

## **EXCLUSION - NEW ENTITIES**

This endorsement modifies insurance provided under the following:

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

Paragraph 3. of **Section II - Who Is An Insured** does not apply.

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

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

## **FUNGI OR BACTERIA EXCLUSION**

This endorsement modifies insurance provided under the following:

### PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

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

**2. Exclusions**

This insurance does not apply to:

**Fungi Or Bacteria**

a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

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

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

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

## **EXCLUSION – CARCINOGENS**

This endorsement modifies insurance provided under the following:

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" that is caused by, arises out of, results from, or is in any way related to any actual, alleged or threatened exposure to a "Carcinogen".

A "Carcinogen" is any substance that promotes carcinogenesis, the formation of cancer.

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

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

## **EXCLUSION – CROSS SUITS**

This endorsement modifies insurance provided under the following:

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

This insurance does not apply to any claim or "suit" for damages because of "bodily injury", "property damage" or "personal and advertising injury" if such claim or "suit" was brought by any Named Insured against another Named Insured.

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

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

## **EXCLUSION – ADDITIONAL DAMAGES, TAXES, FINES OR PENALTIES**

This endorsement modifies insurance provided under the following:

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

This insurance does not apply to:

1. Taxes, fines or penalties; and
2. Any additional damages including but not limited to punitive, exemplary, enhanced, double or treble damages;

Whether or not awarded or imposed as a penalty or compensation against any insured.

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

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

## **ILLEGAL FERTILIZER EXCLUSION**

This endorsement modifies insurance provided under the following:

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**A.** The following exclusion is added to Paragraph 2. **Exclusions of Section I - Coverages – Products/Completed Operations Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**a. Fertilizers**

“Bodily injury” or “property damage”:

- (1)** Arising out of the use of an “Illegal Fertilizer”.
- (2)** Arising out of inappropriate use of fertilizers, including use that is not in adherence to labeling requirements.

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

"Illegal Fertilizer" means a fertilizer that is unregistered with a governmental authority including fertilizers that are not approved for use by a governmental authority in the cultivation of marijuana in the state or territory where such cultivation takes place.

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

## **AUDIT PREMIUMS – AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**SECTION IV – PRODUCTS/COMPLETED OPERATIONS LIABILITY CONDITIONS** is amended as follows:

Paragraph **5.b. Premium Audit** is replaced by the following:

Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send a notice to the first named insured. The due date for the audit and retrospective premiums is the date shown as the due date on the bill.

The following is added **5. Premium Audit**:

- d. The advance premium shown on the PRODUCTS/COMPLETED OPERATIONS LIABILITY DECLARATIONS shall be the minimum premium for the policy period and is non- refundable.

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

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

## DEDUCTIBLE LIABILITY INSURANCE

This endorsement modifies insurance provided under the following:

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

Coverage	SCHEDULE	Amount and Basis of Deductible	
		PER CLAIM	or PER OCCURRENCE
Bodily Injury Liability OR		\$	\$
Property Damage Liability OR		\$	\$
Bodily Injury Liability and/or Property Damage Liability Combined		\$ 2,500	\$

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

**APPLICATION OF ENDORSEMENT** (Enter below any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to damages for all "bodily injury" and "property damage", however caused):

- A.** Our obligation under the Bodily Injury Liability and Property Damage Liability Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the Schedule above as applicable to such coverages.
- B.** You may select a deductible amount on either a per claim or a per "occurrence" basis. Your selected deductible applies to the coverage option and to the basis of the deductible indicated by the placement of the deductible amount in the Schedule above. The deductible amount stated in the Schedule above applies as follows:
  - 1. PER CLAIM BASIS.** If the deductible amount indicated in the Schedule above is on a per claim basis, that deductible applies as follows:
    - a.** Under Bodily Injury Liability Coverage, to all damages sustained by any one person because of "bodily injury";
  - b.** Under Property Damage Liability Coverage, to all damages sustained by any one person because of "property damage"; or
  - c.** Under Bodily Injury Liability and/or Property Damage Liability Coverage Combined, to all damages sustained by any one person because of:
    - (1)** "Bodily injury";
    - (2)** "Property damage"; or
    - (3)** "Bodily injury" and "property damage" combined

as the result of any one "occurrence".  
If damages are claimed for care, loss of services or death resulting at any time from "bodily injury", a separate deductible amount will be applied to each person making a claim for such damages.

With respect to "property damage", person includes an organization.



**2. PER OCCURRENCE BASIS.** If the deductible amount indicated in the Schedule above is on a "per occurrence" basis, that deductible amount applies as follows:

- a. Under Bodily Injury Liability Coverage, to all damages because of "bodily injury";
- b. Under Property Damage Liability Coverage, to all damages because of "property damage"; or
- c. Under Bodily Injury Liability and/or Property Damage Liability Coverage Combined, to all damages because of:
  - (1) "Bodily injury";
  - (2) "Property damage"; or
  - (3) "Bodily injury" and "property damage" combined

as the result of any one "occurrence", regardless of the number of persons or organizations who sustain damages because of that "occurrence".

**C.** The terms of this insurance, including those with respect to:

- 1. Our right and duty to defend the insured against any "suits" seeking those damages; and
- 2. Your duties in the event of an "occurrence", claim, or "suit"

apply irrespective of the application of the deductible amount.

**D.** We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

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

## **TOTAL POLLUTION EXCLUSION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

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

#### **2. Exclusions**

This insurance does not apply to:

##### **Pollution**

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

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

The following definition is added to the Definitions Section:

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

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCESS PROVISION – VENDORS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

When you are added to a manufacturer's or distributor's policy as an additional insured because you are a vendor for such manufacturer's or distributor's products, Paragraph 4., **Other Insurance of Conditions (Section IV)** is amended by the addition of the following:

The coverage afforded the insured under this Coverage Part will be excess over any valid and collectible insurance available to the insured as an additional insured under a policy issued to a manufacturer or distributor for products manufactured, sold, handled or distributed.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION – ACCESS OR DISCLOSURE OF  
CONFIDENTIAL OR PERSONAL INFORMATION AND  
DATA-RELATED LIABILITY – LIMITED BODILY INJURY  
EXCEPTION NOT INCLUDED**

This endorsement modifies insurance provided under the following:

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

Exclusion 2.I. of **Section I – Coverages – Bodily Injury And Property Damage Liability** is replaced by the following:

**2. Exclusions**

This insurance does not apply to:

**I. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SILICA OR SILICA-RELATED DUST EXCLUSION**

This endorsement modifies insurance provided under the following:

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverages Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**SILICA OR SILICA-RELATED DUST**

- a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
- b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".

- c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

**B. The following definitions are added to the Definitions Section:**

1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **COMMUNICABLE DISEASE EXCLUSION**

This endorsement modifies insurance provided under the following:

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**A. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverages – Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**Communicable Disease**

"Bodily injury" or "property damage" arising out of the actual or alleged transmission of a communicable disease.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the:

**a.** Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;

- b.** Testing for a communicable disease;
- c.** Failure to prevent the spread of the disease; or
- d.** Failure to report the disease to authorities.

# **CANNA PROVISIONS, INC.**

## **BUSINESS PLAN**

Canna Provisions, Inc. ("CP") is a Massachusetts corporation formed for the purpose of obtaining State and municipal licensing for recreational marijuana sales and for a cultivation facility and a connected manufacturing/extraction facility.

While not currently seeking medical marijuana licensing, CP recognizes the important role of cannabis as a medicine and intends on providing information and products that meet the needs of those seeking medical benefits.

### **Licensing Process**

CP has leases on a building in Holyoke and another in Lee. CP plans to open retail stores in both locations to sell marijuana for adult recreational use.

Canna Provisions on August 7<sup>th</sup>, 2018 was just granted two Special Use Permits from two town governments, in Holyoke and Lee, for the opening of Retail Marijuana Establishments.

This application to the CCC is for the Holyoke Retail location and for the retail location in Lee. Another application will be filed shortly for a cultivation and manufacturing facility in Lee, once the Host Community Agreement and Outreach meetings have been completed for those facilities.

CP will start construction in 2018 and expect to begin growing in its own cultivation facility in 2019. CP has a Purchase and Sale Agreement contingent on licensing for the cultivation property.

Next year, CP plans to develop one more retail store in the Boston Metro West market.

### **Lee Retail Store Location**

CP has leased a 1.8-acre site with building on Housatonic Street in Lee, MA. Lee is the gateway to the Berkshires. A small town of almost 6,000 residents, it is noted for being a tourist destination for shopping, music, theater, art, hiking, biking, river sports as well as winter sports like snowmobiling and cross-country skiing. This four-season destination is quintessential New England.

Lee is the first exit off the Mass Pike from New York state. It sits along the banks of the Housatonic River and has two main streets- Housatonic Street and Main Street. The CP 2,500 sf Marijuana Establishment will replace the current pre-owned car business. The site has plenty of parking, +25 spots, as well as easy entry and exit from Housatonic

Street. The building is split level. The main floor of the building will be the dispensary and the upper level, with ADA access, will be offices and conference room.

### **Holyoke Retail Store Location**

Holyoke is a former mill town of 40,000 residents. The City is surrounded by several more affluent towns and several dozen colleges with over 70,000 students within 25 minutes of the dispensary

Holyoke lies at the intersection of two major New England interstate Highways; US 91 which runs north/south and US 90 which runs east west connecting Boston to Albany, NY. Both US 91 and US 90 have exits near the Holyoke dispensary, only 5 minutes away from the Dwight Street site. This property is located in downtown Holyoke, on Dwight Street. Adequate parking is available.

The CP lease of the 3600sf dispensary is for 15 years starting at \$3500 per month with an option to acquire the property for \$400,000 (price increases depending on when option is exercised). The ground floor will be developed as the dispensary and the second floor will be used for offices and supply storage.

### **Cultivation Facility in Lee**

CP has an 8-acre site under contract in Lee, MA. This site is permitted for marijuana cultivation under the new Town of Lee marijuana ordinance. An application for building permit is being submitted. Phase one of the cultivation facility is a pre-fabricated 10,000 sf indoor, climate controlled, multi-bay hybrid greenhouse. Annual harvest of 3000 to 3200 pounds of flower product are expected from this facility. The greenhouse structure will be supported by a solid wall building that is currently in design-phase and will include space for genetics, trim/dry/cure spaces, packaging and other ancillary areas. The facility will also include an extraction facility for oils, tinctures and other concentrates. Phase 2 will include an easy expansion by adding additional pre-fabricated 3,000sf bays each. The facility will also include an extraction facility for oils, tinctures and other concentrates.

### **Supply**

Until our cultivation facility in Lee is licensed and built and is producing marijuana, CP plans to source product from existing third party cultivation operations within the State. CP has an LOI with one craft supplier and is negotiating with several other cultivators with existing grow facilities. CP has also developed strong relationships with current and future suppliers and are confident in our ability to procure enough product to sustain operations until our own supply comes online. There are risks of supply shortages but CP views these potential shortages as temporary as existing growers are expanding their current facilities to meet demand, new entrants are likely to emerge and CP has



the right to build its own cultivation facility. Currently there are ample supplies of oils and concentrates available for vape pens and cartridges and other forms of concentrates and edibles.

## **Retail Sales Financial Forecasts**

Based on historical sales of medical marijuana over the past two years in Massachusetts and legal medical and recreational sales in other States over 3 to 12 years, CP's advisors have been able to project expected sales. The key assumptions underlying the forecast is that at least 10% of the population will become recreational retail customers.

In addition to the local market within each store's surroundings there will be substantial out of state consumers, depending on the ease of access of the local dispensary to this out of state population.

Colorado has made the transition from Medical-only sales to recreational sales and its historical data indicates a 3-fold increase in gross sales within the first three years of recreational sales. With Massachusetts having a much more nascent medical marijuana patient base, the expansion into recreational adult sales with most likely result in about a 5 to 8-fold increase over medical marijuana sales to date. About 50% of Colorado's recreational marijuana sales are from out of state buyers and this is expected to be the same in Massachusetts.

For the Holyoke Retail Sales forecasts, it is assumed that in the first year an average of 200-275 customers will visit each store each day. They are expected to average \$110 per visit.

## **Financing**

CP has to date been funded directly by the majority owner, Eugene McCain and will continue to be similarly funded until licensing occurs. To date, Mr. McCain has invested over \$200,000 in leasing fees, property studies, phase one reports, cannabis industry consulting, architectural works, legal works. Funds were raised thru family and friends.

Our minimum financing needs for the build out of our first store in Lee, is \$650,000.

CP has over \$100,000 in cash on hand for continuing soft costs. Our investors are on standby to inject additional funding to build out our facilities.

For the full build-out of all our planned facilities, the CapEx and OpEx needs, until self-sustainability and profitability, are \$5,844,000. CP is currently in negotiations with several investors as non-equity financing in the form of buy/leaseback real estate transactions. These will be implemented upon receipt of the State licenses.

Any and all investors and financing options will be rightfully submitted to the Cannabis Control Commission for approval. Until such times as they are submitted and approved, the ownership and financing of the company will remain as currently stated.

### **Plans to Grow the Business**

CP plans to expand its retail business from its two recreational retail stores in Lee and Holyoke to a recreational retail store in Metro West Boston. For cultivation, the size of the phase 2 expansion of the facility will be based on retail sales experience in Lee and Holyoke and the anticipated inventory needs.

### **Management Team**

CP has been fortunate to have Meg Sanders and Erik Williams, of Will and Way Consulting, join them for the management of Canna Provisions, Inc. Initially they are working under a consulting contract with CP and will be transitioning into a full employment agreement.

Meg and Erik have over 17 years of combined experience in the legal cannabis cultivation, manufacturing and retailing industry. Meg is co-founder and former CEO of Mindful, Inc. in Denver, Colorado, and Meg and Erik set it on a positive path of growth. It now has 5 retail medical and recreational retail stores, a 44,000sf cultivation facility, and a 25,000sf extraction and product manufacturing facility. Two years ago, Meg and Erik moved back east to participate in Massachusetts' roll out of its own legal marijuana business development.

Meg and Erik are joined by Eugene McCain, who spent most of his adult life in the real estate industry in California, Hawaii, Japan and Thailand. Eugene has developed several residential communities and several hotel/resorts. He brings his general business and real estate experience to Canna Provisions. Eugene will assist Meg and Erik as they complete the licensing and permitting process and the build out and development of the properties and facilities. Meg and Erik will be the managers of the operations, once started.

### **Compliance**

The CP team includes a team of experts as it relates to this highly regulated industry CP has engaged with AC3, LLC. an expert in regulatory compliance in the legal marijuana industry. Led by a former Massachusetts Department of Public Health regulator AC3 will consult and advise CP on licensing and compliance issues.

In addition to AC3, Meg Sanders, one of our senior executives, has been in the marijuana industry in Colorado since 2010 as Director of Operations and Compliance, and largely as the Chief Executive Officer of Mindful. Meg oversaw daily cultivation, processing, and manufacturing procedures, as well as all regulatory local, state, and applicable federal compliance procedures. Currently, Meg Sanders helps other

companies implement business development and strategies for compliant and effective operations.

## **Security**

The CP team has extensive direct, indirect and third-party analytical experience with securing diverse cannabis properties across the United States. CP will fully comply with all State and local security requirements for Marijuana Establishments. CP has submitted, along with American Alarm Company, detailed security plans to the Police Chief of the City of Holyoke and the Police Chief in Lee. Both of the Police Chiefs have formally approved the CP Security Plans in writing to the City Council and the Town Select Board, respectively.

## **Marketing:**

Canna Provisions believes that the best marketing we can possibly do is provide a professional, thoughtful experience in our stores. We are committed to extensive training of all of our employees to ensure the highest quality experience for all of our customers. Our staff will have thorough and proven understanding of all of our products so that they can communicate effectively to customers in our store. In addition to customer service and product training, we will be advertising in local newspapers and magazines, utilizing social media and will have a customer loyalty program allowing customers to opt-in to our newsletters and text blasts. We will follow all state and local laws with regards to marketing and advertising and include all required warning statements. In addition to our training, marketing and advertising- our retail environment will be thoughtful to the local look and feel of our surroundings with an emphasis on local products, local employees and a commitment to our community.

## **Team Members**

Canna Provisions believes there is no greater asset than our team members. We are committed to extensive and on-going training of all team members. Our goal is to hire locally and we will work with local agencies as well as host job fairs to ensure our community has an opportunity to apply for work. Our responsible and accountable team members will undergo State background checks, have quarterly reviews, and will receive fair compensation, paid time off, benefits, education reimbursement and payment for hours spent volunteering in our local community.

## **Corporate Responsibility**

Canna Provisions' commitment to corporate responsibility is embedded in our Company Values Statement, which drives our commitment to the local community and the Commonwealth. It drives our employee culture, charitable giving, sustainable choices, and all we do :

Respect All Humans

Customers, Employees, Neighbors, Detractors, Regulators

Commit to Excellence

Products, Employees, Service, Facilities, Experience

Promote Best Practices

Compliance, Security, Innovation, Transparency, Education

Honor our Place

Community, Neighborhood, Environment, Industry, Government

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<b>Best Market Projections - cash basis</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>
	<b>FY 2018</b>	<b>Y/E 2019</b>	<b>Y/E 2020</b>	<b>Y/E 2021</b>
<b>Revenue</b>				
Cannabis Flower Production (lbs)	195	2405	3000	3000
Price Per Pound	n/a	n/a	n/a	n/a
Flower Sales Disp 1	\$1,365,000.00	\$8,117,500.00	\$9,000,000.00	\$9,600,000.00
Flower Sales Disp 2	\$0.00	\$8,117,500.00	\$9,000,000.00	\$9,600,000.00
Concentrates & MIPs TOTAL	\$148,730.40	\$3,057,690.00	\$2,458,410.00	\$4,331,160.00
Wholesale Concentrates/MIP total	\$1,350,000.00	\$4,010,000.00	\$4,800,000.00	\$4,800,000.00
Paraphernalia	\$28,637.30	\$233,842.90	\$253,304.10	\$284,079.60
Delivery Fees	\$0.00	\$0.00	\$0.00	\$0.00
Discount	-\$78,125.63	-\$823,509.54	-\$872,669.93	-\$1,003,465.80
<b>Total Revenue</b>	<b>\$2,814,242.08</b>	<b>\$22,713,023.36</b>	<b>\$24,639,044.18</b>	<b>\$27,611,773.80</b>
<b>Cost of Goods Sold</b>	\$0.00			
<b>Raw Materials</b>	\$0.00			
Wholesale Costs (Flower)	\$1,460,000.00	\$1,821,000.00		
Wholesale Cost (Infused/Concentrates)	\$1,000,000.00	\$1,025,000.00	\$480,000.00	\$480,000.00
<b>Total Cost of Goods Sold</b>	<b>\$2,460,000.00</b>	<b>\$3,062,600.00</b>	<b>\$657,600.00</b>	<b>\$480,000.00</b>
	\$0.00			
<b>Gross Profit</b>	<b>\$204,234.38</b>	<b>\$19,650,423.36</b>	<b>\$23,981,444.18</b>	<b>\$27,131,773.80</b>
<b>Cultivation Expenses</b>	\$0.00			
<b>Total Cultivation Expenses</b>	<b>\$26,642.34</b>	<b>\$1,222,855.17</b>	<b>\$1,319,156.21</b>	<b>\$1,380,588.69</b>
<b>Dispensary Expenses</b>				
<b>Total Dispensary Expenses</b>	<b>\$27,900.00</b>	<b>\$147,600.00</b>	<b>\$147,600.00</b>	<b>\$0.00</b>
<b>Other Expenses (Including Payroll)</b>	\$0.00			
<b>Other Operating Expenses Inc P/R</b>	<b>\$949,323.72</b>	<b>\$4,199,633.63</b>	<b>\$4,511,328.76</b>	<b>\$0.00</b>
<b>TOTAL PROJECTED EXPENSES Inc COGS</b>	<b>\$3,463,866.07</b>	<b>\$8,632,688.80</b>	<b>\$6,635,684.97</b>	<b>\$1,860,588.69</b>
<b>EBITDA</b>	-\$715,204.43	\$14,080,334.56	\$18,003,359.21	\$25,751,185.11
<b>Federal Income Tax (21%)</b>		-\$4,928,117.10	-\$6,301,175.72	-\$9,012,914.79
<b>State Income Tax (15%)</b>		-\$2,112,050.18	-\$2,700,503.88	-\$3,862,677.77
	\$0.00			
<b>Net Profits</b>	<b>-\$715,204.43</b>	<b>\$7,040,167.28</b>	<b>\$9,001,679.60</b>	<b>\$12,875,592.56</b>
Total Revenues	\$2,814,242.08	\$22,713,023.36	\$24,639,044.18	\$27,611,773.80
Total Expenses	\$3,463,866.07	\$8,632,688.80	\$6,635,684.97	\$1,860,588.69
Operating Loss/Net Profits	-\$649,623.99	\$14,080,334.56	\$18,003,359.21	\$25,751,185.11
Capital Expenses	\$0.00	\$0.00	\$0.00	\$0.00
Cash Flow pre-tax	-\$649,623.99	\$14,080,334.56	\$18,003,359.21	\$25,751,185.11
<b>CAPEX FUNDS NEEDED</b>	<b>Total 2018</b>			
Lee Building Purchase	\$800,000			
Lee Dispensary Buildout	\$600,000			
Holyoke Buildout	\$600,000			
Lee Cultivation Site Purchase	\$250,000			
Cultivation Buildout Architect/engineering/review	\$150,000			
Cultivation Buildout Solid Building	\$1,150,000			
Cultivation Buildout Greenhouse	\$1,200,000			
Wholesale Purchase	\$984,000			
OpEx	\$259,415.00			
	\$5,993,415			



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## Energy Compliance Plan

### ENVIRONMENTAL SUSTAINABILITY

Canna Provisions Inc. (“Canna Provisions”) will minimize the environmental impact of marijuana retail operations through the conservation of resources and the application of sustainable practices. Canna Provisions will commit to minimizing the company carbon footprint through the implementation of best practices, innovative equipment, efficient appliances, and cutting-edge techniques for minimization of greenhouse gas emissions and energy consumption.

Provisions are included throughout to ensure the highest standards and best practices for environmental sustainability are employed. This will help us translate our commitment to environmental sustainability into a real contribution to the creation and development of a sustainable marijuana retail model and industry advancement. Energy efficient and sustainable operational practices are central to Canna Provisions’ environmental sustainability emphases, with special focus on energy efficiency, material selection, and the minimization of resource needs.

Canna Provisions is committed to minimizing its impact on the environment. Canna Provisions will endeavor to occupy a facility that includes a comprehensive energy management program, preferably Energy Star rated. An energy management program includes, but is not limited to, utilizing:

- Automated HVAC controls.
- Automated interior and exterior lighting controls.
- Energy efficient lighting throughout utilizing current bulb technology.
- Motion and sound detection lighting controls.
- Clean burn technology in all heating units.
- Preventative maintenance programs designed to ensure installed technology is operating at peak performance.
- Multi-metering of equipment usage to identify potential savings.

Canna Provisions’ energy management program will include the process of monitoring, controlling, and conserving energy, including:



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- Metering energy consumption and collecting data.
- Analyzing meter data to identify and quantify routine energy waste.
- Investigating energy savings that could be realized by replacing equipment or by upgrading building systems.
- Taking action to target the opportunities to save energy.
- Tracking progress by analyzing meter data to determine if energy-saving efforts have provided savings.

## MINIMIZING CARBON FOOTPRINT

Energy-efficient equipment and appliances can reduce energy consumption and reduce operation costs significantly, especially over time. While lighting, HVAC, and security equipment are the most energy-intensive input for retail facilities, there are options to reduce energy consumption. Canna Provisions will use the following best practices, equipment, and tools to maximize efficiency, minimize greenhouse gas emissions, and minimize energy consumption.

### *Electricity Use*

Canna Provisions will install and maintain motion-activated lighting in as many areas as is practical. This technology will promote energy efficiency and decrease waste. All commercial lighting at the facility will utilize LED longevity light fixtures where possible. In addition, when installing new electrical equipment, Canna Provisions will use products with the Energy Star seal whenever feasible.

### LED Lighting

Canna Provisions will use high efficiency CFLs or LEDs whenever possible, including in offices and restrooms. Canna Provisions also plans to use LED lamps as the primary source of lighting in storage spaces. LED lamps use only 6 to 9 Watts, and can reduce electricity use substantially compared to fluorescent bulbs. The low voltage also reduces the risk of accidental fires or electric shocks if exposed to moisture. LED lamps do not experience degradation and rarely need replacing. LED lamps are easy and safe to replace because they do not contain vapors, mercury or glass.



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## *Facility Design*

A well-designed Retail facility can contribute to sustainable practices and efficient operations as well. By strategically arranging storage rooms located in the middle interior of the building, Canna Provisions can increase security and energy efficiency. The interior design and arrangement of the Retail facility can reduce the amount of energy used to regulate facility temperatures and ultimately the environmental impact of the facility operations. Segregating individual rooms for packaging, storage, and shipment preparation also minimizes cross-contamination and creates the opportunity to completely sanitize rooms. Canna Provisions will also utilize an additional quarantine room to eliminate the spread of pests and diseases. Facility layout of the retail processes creates a controlled environment in which energy use is minimized and the spread of potential sources of contamination is stopped.

## *Contamination Prevention Generally*

Canna Provisions will incorporate best industry practices throughout all retail processes to protect employees, consumers, products, and the environment from contamination. The retail process will incorporate best practices to limit contamination, including but not limited to mold, bacterial diseases, viruses, pests, and any other contaminant identified as posing potential harm.

Limiting contamination will decrease the need for products, technologies, resources, and practices that are not sustainable or are harmful for our environment. As such, prevention of contamination functions not just as a measure for protecting our products and consumers, but also as a measure for protecting the environment and Massachusetts' precious resources.

## *Alternative Energy*

Canna Provisions plans to incorporate alternative energy sources as opportunities become economical for Canna Provisions and available through local energy companies. Canna Provisions plans to participate in local renewable energy programs. Another option to offset energy usage is to purchase carbon offsets to mitigate greenhouse gas emissions from Canna Provisions electricity use, transportation, and other sources.





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## *Electronic Communications and Recordkeeping*

Canna Provisions plans to use email services as the primary channel of communication between management, employees, and vendors. Using paperless means of communication will reduce the paper resource needs of Canna Provisions and reduce paper-waste generated from internal communications. Canna Provisions will also utilize cloud-based tracking systems to store electronic forms of all compliance documents, allowing mobile access and reducing paper waste.

## **MINIMIZING RESOURCE NEEDS**

Canna Provisions plans to minimize resource needs for retail sales by selectively choosing sustainably packaged marijuana goods and encouraging sustainable practices throughout all operations. As sustainable options become more economical and available, Canna Provisions will continue to adopt sustainable practices to minimize environmental impact. Canna Provisions plans to implement the following practices to minimize resource needs:

### *Reduce*

In an effort to reduce fossil fuel consumption associated with transportation, Canna Provisions will source and transport marijuana and marijuana products in an environmentally-conscious manner. This means prioritizing local licensees, using environmentally-friendly vehicles wherever possible, and planning routes strategically to minimize unnecessary fuel usage. As described throughout this plan, Canna Provisions will also utilize energy efficient technology to reduce its emissions and the total environmental impact.

### *Re-Use*

Canna Provisions will work with licensed marijuana establishments to develop and implement a packaging recapture and reuse program to help reduce packaging waste associated with the legal marijuana industry. This program will only be implemented with the blessing of the CCC. Packaging supplies would only be reused by manufacturers after a sterilization process found to be sufficient for contamination prevention.



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Canna Provisions will strive to reuse all internal packaging products for as long as the products remain functional to reduce the consumption of resources. Canna Provisions will take specific measures to elongate the life of internal storage, labeling, and packaging products, such as sanitization.

## *Recycle*

Canna Provisions will provide recycling bins at all Canna Provisions locations for assorted plastics, glass, aluminum, and paper products. Canna Provisions will engage with local waste management to schedule recycling services and pick-up. Canna Provisions will also ensure the proper disposal of all regulated materials including lamps, nutrient waste, and electronics.

## SUSTAINABLE MATERIALS AND PRACTICES

Canna Provisions plans to minimize environmental impact by selectively choosing sustainable and local materials and encouraging sustainable practices throughout the operations of all facilities. As options to reduce environmental impact become more feasible, Canna Provisions will continue to adopt sustainable practices. Canna Provisions plans to adopt the impact-minimizing practices described in the following paragraphs.

## *Sustainable Packaging*

While working within the Commission's regulatory packaging requirements, Canna Provisions will implement several sustainable packaging techniques. Canna Provisions will evaluate the design and components of its packaging materials and use recycled packaging materials when possible. Canna Provisions will also consider new eco-friendly packaging alternatives when they become available and continue to search for ways to make packaging reusable. Furthermore, Canna Provisions will evaluate its distribution system to utilize space-saving opportunities.



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## *Chemical Acquisition and Use*

Canna Provisions will minimize exposure of harmful chemicals to employees, customers, and the environment by selecting the safest option available and ensuring all chemicals on the licensed premises are handled, stored, and disposed of in a manner that prevents harm.

Cleaning compounds and sanitizing agents used on the premises will be approved by the EPA and deemed safe and adequate under the conditions of use. Cleaning compounds, sanitizing agents, and other toxic materials will be identified, stored, and used in a manner that protects against contamination of product constituents or contact surfaces.

## *Hazardous Chemicals List*

Canna Provisions does not plan on using hazardous chemicals for its retail business. In the event that hazardous chemicals are used, management will maintain a list of all the chemicals and products used at Canna Provisions within the facility. This list is kept in the front of the SDS book. Each chemical entry on the inventory list has a corresponding SDS available for providing specific hazard information and personal protective measures. This list will be updated quarterly to remove chemicals that are no longer in use at Canna Provisions and to add new products. Upon the unlikely event of a chemical spill, Canna Provisions will immediately consult the SDS for the particular chemical. Canna Provisions will follow and implement all applicable procedures to ensure that chemicals are not released into public waters or soils.

## *Wastewater*

Canna Provisions does not produce toxic wastewater during the retail sale of marijuana. If an event requiring a treatment of wastewater occurs, Canna Provisions will dispose of wastewater according to procedures outlined by the local municipal wastewater treatment authority.



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## Preventing Underage Facility Access

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### 1. Procedure

The purchase of cannabis by any person(s) under the age of 21 is illegal in the state of Massachusetts. This is a crime that Canna Provisions is liable for. It is vital that this never happen.

To ensure this does not happen Canna Provisions will ensure safe guards to control customer entry/ exit access and check the authenticity of each ID multiple times throughout the sales process.

- a. The first ID check occurs while customers are waiting in line prior to entering the facility with the portable ID Scanner. This will be conducted by Canna Provisions Line Engagement team or Canna Provisions Security staff.
- b. Only one new customer/ group of customers will be allowed to enter the mantrap at a time.
- c. After the customer enters the mantrap, they will approach the reception area and present their ID to the receptionist for inspection.
- d. The Canna Provisions Receptionist will then hand the customers ID to the Canna Provisions Guide who will inspect the ID searching for the veracity of the ID. The Canna Provisions Guide will maintain positive accountability of the customers ID throughout the sales process. When the order goes to fulfillment, the Canna Provisions Guide will then give the ID to the fulfillment personnel for final inspection. At the conclusion of the sale, the fulfillment Guide will return the ID to the customer upon exiting the sales floor.

### 2. If Underage Persons are Found

- a. Any **person(s) under the age of 21** will be respectfully asked to leave and return when they are of legal age.
  - i. Security and Management must be informed of such an incident.
    1. An **incident report** will be filled out.
- b. For **person(s)** refusing to leave the property, please see **Canna Provisions Security Policy and Procedure**.

### 3. Missing or False Identification

- a. In the event a customer does not have a valid ID they cannot be allowed to enter, and will be respectfully asked to leave and return with a valid form of identification.
-



- b. In the event a false identification is discovered, the incident must be reported to security and management immediately.

Initials/ Date	Rev	Reason for Update
SK 2/21/20	01	Reformatted
AT 01/16/21	V02	Adopted January 2021 CCC 935 CMR 500 regulation changes.

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## 935 CMR: CANNABIS CONTROL COMMISSION

THESE FINAL REGULATIONS ARE UNOFFICIAL AND FOR INFORMATIONAL PURPOSES ONLY. THE OFFICIAL FINAL REGULATIONS ARE ANTICIPATED TO BE PUBLISHED AND EFFECTIVE ON JANUARY 8, 2021, AND OFFICIAL VERSIONS CAN BE OBTAINED FOR PURCHASE AT THE STATE BOOKSTORE AT [WWW.SEC.STATE.MA.US/SPR/SPRCAT/CATIDX.HTM](http://WWW.SEC.STATE.MA.US/SPR/SPRCAT/CATIDX.HTM). ONCE THE OFFICIAL REGULATIONS ARE PUBLISHED, THE CANNABIS CONTROL COMMISSION WILL POST ON ITS WEBSITE AN UNOFFICIAL COPY OF THE FINAL PROMULGATED REGULATIONS.

### 935 CMR 500.000: ADULT USE OF MARIJUANA

#### Section

500.001: Purpose

500.002: Definitions

500.003: Colocated Marijuana Operations (CMOs).

500.005: Fees

500.029: Registration and Conduct of Laboratory Agents

500.030: Registration of Marijuana Establishment Agents

500.031: Denial of a Marijuana Establishment Agent Registration Card

500.032: Revocation of a Marijuana Establishment Agent Registration Card

500.033: Void Registration Cards

500.040: Leadership Rating Program for Marijuana Establishments and Marijuana-related Businesses

500.050: Marijuana Establishments

500.100: Application for Licensing of Marijuana Establishments

500.101: Application Requirements

500.102: Action on Applications

500.103: Licensure and Renewal

500.104: Notification and Approval of Changes

500.105: General Operational Requirements for Marijuana Establishments

500.110: Security Requirements for Marijuana Establishments

500.120: Additional Operational Requirements for Indoor and Outdoor Marijuana Cultivators

500.130: Additional Operational Requirements for Marijuana Product Manufacturers

500.140: Additional Operational Requirements for Retail Sale

500.141: Additional Operational Requirements for Social Consumption Establishments

500.145: Additional Operational Requirements for Delivery of Marijuana, ~~and~~ Marijuana Products, Marijuana Accessories, and Marijuana Establishment Branded Goods to Consumers and as Permitted, to Patients or Caregivers

500.146: Additional Operational Requirements for Marijuana Delivery Operators

500.147: Operational Requirements for Marijuana Research Facility Licensees and Research Permits

500.150: Edible ~~Marijuana Products~~

500.160: Testing of Marijuana and Marijuana Products

500.170: Municipal Requirements

500.200: Counties of Dukes County and Nantucket

500.300: Complaints Process

500.301: Inspections and Compliance

500.302: Compliance Examination

500.303: Unannounced Purchase for Purpose of Investigative Testing (Secret Shopper Program)

500.310: Deficiency Statements

500.320: Plans of Correction

500.321: Administrative Hold

500.330: Limitation of Sales

500.335: Removal and Prohibition of Marijuana and Marijuana Products

500.340: Quarantine Order

500.350: Cease and Desist Order and Summary Suspension Order

500.360: Fines

500.370: Order to Show Cause

500.400: Marijuana Establishments: Grounds for Denial of Application for Licensure

500.415: Void Marijuana Establishment License

500.450: Marijuana Establishment License: Grounds for Suspension, Revocation and Denial of Renewal Applications

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500.500: Hearings and Appeals of Actions on Licenses

500.800: ~~Background Check~~ Suitability Standard for Licensure and Registration

500.801: Suitability Standard for Licensure

500.802: Suitability Standard for Registration as a Marijuana Establishment Agent

500.803: Suitability Standard for Registration as a Laboratory Agent

500.820: Confidentiality

500.830: Petitions for the Adoption, Amendment or Repeal of Regulations

500.840: Non-conflict with Other Laws

500.850: Waivers

500.860: Notice

500.900: Severability

935 CMR: CANNABIS CONTROL COMMISSION

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500.001: Purpose

The purpose of 935 CMR 500.000: *Adult Use of Marijuana* is to implement St. 2017, c. 55, An Act to Ensure Safe Access to Marijuana and M.G.L. c. 94G.

500.002: Definitions

For the purposes of 935 CMR 500.000: *Adult Use of Marijuana*, the following terms shall have the following meanings:

Administrative Hold means a hold requiring temporary isolation of Marijuana or Marijuana Products by a ~~Marijuana Establishment~~ Licensee or Registrant pending further investigation.

Adult-use Cannabis or Marijuana means Marijuana that is cultivated, Processed, Transferred, tested or sold to adults 21 years of age or older pursuant to M.G.L. c. 94G.

Adult-use Cannabis or Marijuana Products means ~~Cannabis~~ or Marijuana Products that are Processed, Manufactured, Transferred, tested or sold to adults 21 years of age or older pursuant to M.G.L. c. 94G.

Advanced Core Curriculum means the advanced training curriculum taught by a Responsible Vendor Trainer that may be taken by Marijuana Establishment Agents after completing the Basic Core Curriculum under 935 CMR 500.105(2)(b).

Advertising means a form of marketing communication that employs a sponsored, non-personal message to sell or promote a Marijuana Establishment's Brand Name, Marijuana Establishment Branded Good, service, product or idea.

Affixed means the attachment of a label or other packaging material so that it is not easily removed or lost.

Agent Registration Card means an identification card currently and validly issued by the Commission to a Marijuana Establishment, MTC or Laboratory Agent. The Agent Registration Card allows access into Commission supported databases. The card facilitates verification of an individual Registrant's status including, but not limited to, identification by the Commission and Law Enforcement Authorities of those individuals exempt from Massachusetts criminal and civil penalties under M.G.L. c. 94G and 94I, and 935 CMR 500.000 and 501.000.

Area of Disproportionate Impact means a geographic area identified by the Commission for the purposes identified in M.G.L. c. 94G, 4(a½)(iv), 935 CMR 500.040: *Leadership Rating Program for Marijuana Establishments and Marijuana-Related Businesses* and 935 CMR 500.101: *Application Requirements*, and which has had historically high rates of arrest, conviction, and incarceration related to Marijuana crimes.

Arming Station means a device that allows control of a security alarm system.

Assignment for the Benefit of Creditors means a contractual agreement with a third-party by which the Licensee assigns all of its assets and liabilities to such third-party in order to satisfy the Licensee's obligations to its creditors by liquidating the assets.

Basic Core Curriculum means the foundational training curriculum required of all Marijuana Establishment Agents taught by a Responsible Vendor Trainer under 935 CMR



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500.105(2)(b).

Beverage means a liquid intended for drinking.

Bona Fide Healthcare Provider Patient Relationship means a relationship between a Certifying Healthcare Provider, acting in the usual course of their professional practice, and a Patient in which the healthcare provider has conducted a Clinical Visit, completed and documented a full assessment of the Patient's medical history and current medical condition, has explained the potential benefits and risks of Marijuana use, and has a role in the ongoing care and treatment of the Patient.

Brand Name means a brand name (alone or in conjunction with any other word), registered trademark, logo, symbol, motto, selling message, recognizable pattern of colors, or any other identifiable marker associated with a Marijuana Establishment.

Brand Name Sponsorship means the payment by a Marijuana Establishment in exchange for use of a Brand Name (1) to sponsor an athletic, musical, artistic, or other social or cultural event or (2) to identify, advertise, or promote such event, or an entrant, or participant of such an event.

Cannabinoid means any of several compounds produced by Marijuana plants that have medical and psychotropic effects.

Cannabinoid Profile means the amounts, expressed as the dry-weight percentages, of delta-nine-tetrahydrocannabinol, cannabidiol, tetrahydrocannabinolic acid and cannabidiolic acid in a ~~Cannabis~~ or Marijuana Product. Amounts of other Cannabinoids may be required by the Commission.

~~Cannabis or Marijuana~~ means ~~all parts of any plant of the genus Cannabis, not excepted in 935 CMR 500.002: Cannabis or Marijuana(a) through (c) and whether growing or not; the seeds thereof; and resin extracted from any part of the plant; Clones of the plant; and every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin including tetrahydrocannabinol as defined in M.G.L. c. 94G, § 1; provided that Cannabis shall not include:~~

- ~~(a) the mature stalks of the plant, fiber produced from the stalks, oil, or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture or preparation of the mature stalks, fiber, oil, or cake made from the seeds of the plant or the sterilized seed of the plant that is incapable of germination;~~
- ~~(a) Hemp; or~~
- ~~the weight of any other ingredient combined with Cannabis or Marijuana to prepare topical or oral administrations, food, drink or other products. Marijuana as defined herein.~~

~~Cannabis or Marijuana Accessories~~ means ~~equipment, products, devices or materials of any kind that are intended or designed for use in planting, Propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, Processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, ingesting, inhaling or otherwise introducing Cannabis or Marijuana into the human body.~~

~~Cannabis or Marijuana Products~~ means ~~Cannabis or Marijuana and its products, unless otherwise indicated. Cannabis or Marijuana Products includes products that have been Manufactured and contain Cannabis or Marijuana or an extract from Cannabis or Marijuana, including concentrated forms of Marijuana and products composed of Marijuana and other ingredients that are intended for use or consumption, including Edible Cannabis Products, Beverages, topical products, ointments, oils and Tinctures. Cannabis or Marijuana Products~~

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~~include Marijuana-infused Products (MIPs) defined in 935 CMR 500.002.~~

Canopy means an area to be calculated in square feet and measured using clearly identifiable boundaries of all areas(s) that will contain ~~mature plants~~ Flowering and/or Vegetative plants larger than eight inches tall and eight inches wide at any point in time, including all of the space(s) within the boundaries, Canopy may be noncontiguous, but each unique area included in the total Canopy calculations shall be separated by an identifiable boundary which includes, but is not limited to: interior walls, shelves, Greenhouse walls, hoop house walls, garden benches, hedge rows, fencing, garden beds, or garden plots. If ~~mature plants~~ Flowering and/or Vegetative plants larger than eight inches tall and eight inches wide are being cultivated using a shelving system, the surface area of each level shall be included in the total Canopy calculation.

Card Holder means a Registered Qualifying Patient, Personal Caregiver, Marijuana Establishment Agent, Medical Marijuana Treatment Center (MTC) Agent, or Laboratory Agent who holds a valid ~~P~~patient or Agent Registration Card.

Caregiver means a Personal Caregiver or Institutional Caregiver.

Caregiving Institution means a hospice program, long-term care facility, or hospital duly registered ~~formerly and validly by the DPH or~~ currently and validly by the Commission, providing care to a Registered Qualifying Patient on the premises of the facility or through a hospice program.

Cease and Desist Order means an order to stop or restrict operations, including, but not limited to, cultivation, product manufacturing, Transfer, sale, delivery, or testing, of Marijuana, Marijuana Products, or Marijuana-infused Products (MIPs) by a Licensee or Registrant to protect the public health, safety or welfare.

Ceases to Operate means a Marijuana Establishment, Medical Marijuana Treatment Center (MTC) or Independent Testing Laboratory that closes and does not transact business for a period greater than 60 days with no substantial action taken to reopen. The Commission may determine that an establishment has Ceased to Operate based on its actual or apparent termination of operations.

Certificate of Licensure means the certificate issued by the Commission that confirms that an MTC or Independent Testing Laboratory has met all applicable requirements pursuant to M.G.L. c. 94I, and 935 CMR 501.000: *Medical Use of Marijuana*, and is currently and validly licensed by the Commission. An MTC or Independent Testing Laboratory may be eligible for a provisional or final Certificate of Licensure.

Certificate of Registration means a certificate ~~formerly and validly issued by the Department of Public Health (DPH) or~~ currently and validly issued by the Commission, that confirms an ~~MTC, Independent Testing Laboratory,~~ individual or entity has met all applicable requirements pursuant to M.G.L. c. 94I and 935 CMR 501.000: *Medical Use of Marijuana* and is registered by the Commission. ~~An MTC or Independent Testing Laboratory may have been issued a provisional or final Certificate of Registration. After November 1, 2019, new or renewal Licenses, as applicable, may be issued to MTCs and Independent Testing Labs.~~

Certifying Certified Nurse Practitioner (CNP) means a Massachusetts licensed certified nurse practitioner licensed pursuant to 244 CMR 4.00: *Advanced Practice Registered Nursing*, who certifies that in their professional opinion, the potential benefits of the medical use of Marijuana would likely outweigh the health risks for a Qualifying Patient.

Certifying Healthcare Provider means a Certifying CNP, a Certifying Physician or a

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Certifying Physician Assistant.

Certifying Physician means a Massachusetts licensed physician (Medical Doctor or Doctor of Osteopathy) who certifies that in their professional opinion, the potential benefits of the medical use of Marijuana would likely outweigh the health risks for a Qualifying Patient.

Certifying Physician Assistant means a Massachusetts physician assistant licensed pursuant to 263 CMR 3.00: *Licensure of Individual Physician Assistants*, who certifies that in their professional opinion, the potential benefits of the medical use of Marijuana would likely outweigh the health risks for a Qualifying Patient.

~~Citizen Review Committee means a nine person advisory committee, the members of which will be appointed by the Commission or its designee and will serve two year terms. The committee advises the Commission on the implementation of the Social Equity Program and the use of community reinvestment funds. The committee makes specific recommendations as to the use of community reinvestment funds in the areas of programming, restorative justice, jail diversion, workforce development, industry specific technical assistance, and mentoring services, in areas of disproportionate impact.~~

~~Clinical Visit means an in-person or telehealth visit during which a Certifying Healthcare Provider establishes a Bona Fide Healthcare Provider Patient Relationship and conducts a full assessment of the Patient's medical history and current medical condition, including the Debilitating Medical Condition, and explains the potential benefits and risks of Marijuana use. A Clinical Visit for an initial Certificate of Registration shall be performed in-person.~~

Clone means a clipping from a Cannabis or Marijuana plant that can be rooted and grown.

Close Associate means a Person who holds a relevant managerial, operational or financial interest in the business of an applicant or Licensee and, by virtue of that interest or power, is able to exercise a significant influence over the ~~management, operations or finances~~ corporate governance of a Marijuana Establishment, an MTC or Independent Testing Laboratory licensed under 935 CMR 500.000: *Adult Use of Marijuana*. A Close Associate is deemed to be a Person or Entity Having Direct or Indirect Control.

Colocated Marijuana Operations (CMO) means an MTC operating under a License ~~or a registration~~ pursuant to 935 CMR 501.000: *Medical Use of Marijuana*, and a Marijuana Establishment operating under at least one License pursuant to 935 CMR 500.000: *Adult Use of Marijuana* on the same Premises. Colocated Marijuana Operations pertain to cultivation, product manufacturing, and retail licenses, but not any other adult-use License.

Commission means the Massachusetts Cannabis Control Commission, as established by M.G.L. c. 10, § 76, or its representatives. The Commission has authority to implement the state Marijuana laws which include, but are not limited to, St. 2016, c. 334, The Regulation and Taxation of Marijuana Act, as amended by St. 2017, c. 55, An Act to Ensure Safe Access to Marijuana; M.G.L. 10, § 76, M.G.L. c. 94G; M.G.L. c. 94I; 935 CMR 500.000: *Adult Use of Marijuana*; and 935 CMR 501.000: *Medical Use of Marijuana*, ~~and 935 CMR 502.000: *Colocated Adult use and Medical use Marijuana Operations*.~~

Commission Delegee(s) means other state or local officials or agencies working in cooperation with the Commission by agreement, to carry out the Commission's responsibilities and to ensure compliance with the adult-use, ~~and~~ medical-use, ~~and~~ colocated operations laws, and any other applicable federal or state laws.

Confidential Application Materials means any electronic or written document,

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communication or other record pertaining to an application for licensure or registration that is required to be confidential or protected from disclosure by law which includes, but is not limited to, personally identifiable information concerning an applicant, Registrant, or Licensee; background check information or Criminal Offender Record Information (CORI) as defined by 803 CMR 2.02: *Definitions*, or Criminal History Record Information (CHRI) as defined by 803 CMR 7.02: *Definitions*; and information that implicates security concerns.

Confidential Database means the Commission database that holds data concerning:

- (a) Qualifying Patients issued a Registration Card for medical use of Marijuana;
- (b) Healthcare professionals registered to issue Written Certifications;
- (c) MTCs;
- (d) ~~The~~ Quantity of medical-use Marijuana dispensed to a Card Holder; and
- (e) Any other pertinent information.

Confidential Information means information that is legally required to be kept confidential, or that is protected from disclosure by a legally recognized privilege. This includes, but is not limited to, M.G.L. c. 4, § 7, cl. 26 and M.G.L. c. 94I, §§ ~~2(e) and~~ 3.

Confidential Investigatory Materials means any electronic or written document, communication or other record pertaining to an investigation, which concerns:

- (a) A possible violation of a statute, regulation, rule, practice or procedure, or professional or industry standard, administered or enforced by the Commission;
- (b) An ongoing investigation that could alert subjects to the activities of an investigation;
- (c) Any details in witness statements, which if released create a grave risk of directly or indirectly identifying a private citizen who volunteers as a witness;
- (d) Investigative techniques the disclosure of which would prejudice the Commission's future investigative efforts or pose a risk to the public health, safety or welfare; or
- (e) The background of any person the disclosure of which would constitute an unwarranted invasion of personal privacy.

Confidential Records means any electronic or written record required to be kept confidential or protected from disclosure by law, which includes, but is not limited to, Confidential Application Materials, Confidential Social Equity Application Materials, Confidential Investigatory Materials, and Protected Patient Records (as defined in 935 CMR 501.002: *Protected Patient Records*).

Confidential Social Equity Application Materials means any electronic or written document, communication or other record pertaining to an application for the Social Equity Program that is required to be confidential or protected from disclosure by law which includes, but is not limited to, CORI as defined by 803 CMR 2.02: *Definitions*, or CHRI as defined in 803 CMR 7.02: *Definitions*.

Consumer means a person who is 21 years of age or older.

Court Appointee shall mean a person or entity appointed by a court of competent jurisdiction to exercise court oversight with respect to the property, assets, management, or operations of a Licensee or Person or Entity Having Direct or Indirect Control over a Licensee, including, without limitation, a receiver, custodian, guardian, trustee, and executor or administrator of estate. This could include a person or entity preapproved or recommended by the Commission or its delegate appointed by the court.

Court Supervised Proceeding shall mean a proceeding where a court of competent jurisdiction supervises the property, assets, management, or operations of a Licensee or

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Person or Entity Having Direct or Indirect Control over a Licensee through a Court Appointee.

Craft Marijuana Cooperative means a Marijuana Cultivator comprised of residents of the Commonwealth and organized as a limited liability company, limited liability partnership, or cooperative corporation under the laws of the Commonwealth. A cooperative is licensed to cultivate, obtain, Manufacture, Process, package, brand and Transfer Marijuana or Marijuana Products to Marijuana Establishments, but not to Consumers.

Criminal Offender Record Information (CORI) shall have the same meaning as defined by 803 CMR 2.02: *Definitions*.

Cultivation Batch means a collection of Cannabis or Marijuana plants from the same seed or plant stock that are cultivated and harvested together, and receive an identical Propagation and cultivation treatment including, but not limited to: growing media, ambient conditions, watering and light regimes and agricultural or hydroponic inputs. Clones that come from the same plant are one batch. The Licensee shall assign and record a unique, sequential alphanumeric identifier to each Cultivation Batch for the purposes of production tracking, product labeling and product recalls.

Debilitating means causing weakness, cachexia, wasting syndrome, intractable pain, or nausea, or impairing strength or ability, and progressing to such an extent that one or more of a patient's major life activities is substantially limited.

Debilitating Medical Condition means cancer, glaucoma, positive status for human immunodeficiency virus (HIV), acquired immune deficiency syndrome (AIDS), hepatitis C, amyotrophic lateral sclerosis (ALS), Crohn's disease, Parkinson's disease, and multiple sclerosis (MS), when such diseases are debilitating, and other ~~D~~ebilitating conditions as determined in writing by a Qualifying Patient's healthcare provider.

Delivery Agreement means a contract between a licensed ~~Marijuana Retailer~~Marijuana Establishment and a ~~Delivery-only~~Delivery Licensee or Marijuana Establishment with a Delivery Endorsement to deliver Marijuana or Marijuana Products from the ~~Marijuana Retailer~~Marijuana Establishment directly to Consumers and as permitted, Marijuana Couriers to Patients and Caregivers, under the provisions of a Delivery License.

Delivery Endorsement means authorization granted to Licensees in categories of Marijuana Establishments identified by the Commission to perform deliveries directly from the establishment to Consumers.

Delivery Items means Finished Marijuana Products, Marijuana Accessories, and Marijuana Establishment Branded Goods.

Delivery License means either a Marijuana Courier License or a Marijuana Delivery Operator License.

Delivery-onlyDelivery Licensee means ~~an either a Marijuana Courier or a Marijuana Delivery Operator~~entity that is authorized to deliver Marijuana and Marijuana Products directly to Consumers and as permitted, Limited-Delivery LicenseeMarijuana Couriers to Patients and Caregivers. ~~from a Marijuana Retailer or Registered Qualifying Patients or Caregivers from an MTC and that does not provide a retail location accessible to the public.~~  
License

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Department of Agricultural Resources (MDAR) means the Massachusetts Department of Agricultural Resources, unless otherwise specified. MDAR has jurisdiction over Hemp and Pesticides.

Department of Criminal Justice Information Services (DCJIS) means the Massachusetts Department of Criminal Justice Information Services, unless otherwise specified. DCJIS shall have the same meaning as ~~it is~~ defined in 803 CMR 2.02: *Definitions*.

Department of Public Health (DPH) means the Massachusetts Department of Public Health, unless otherwise specified. DPH is the agency that administered the Medical Use of Marijuana Program prior to 2019.

Department of Revenue (DOR) means the Massachusetts Department of Revenue, unless otherwise specified.

Department of Unemployment Assistance (DUA) means the Massachusetts Department of Unemployment Assistance, unless otherwise specified.

Duress Alarm means a silent security alarm signal generated by the entry of a designated code into an Arming Station that signals an alarm user is under duress and turns off the system.

Economic Empowerment Priority Applicant means an applicant who, ~~as an entity or through an individual certified by the Commission in 2018, demonstrated~~ ~~meets~~ and continues to ~~meet demonstrate~~ three or more of the following six criteria, ~~at least one of which shall be a majority-equity-ownership criterion:~~

(a) Majority-Equity-Ownership Criteria:

1. A majority (more than 50%) of ownership belongs to people who have lived for five of the preceding ten years in an Area of Disproportionate Impact, as determined by the Commission.
2. A majority (more than 50%) of ownership has held one or more previous positions where the primary population served were disproportionately impacted, or where primary responsibilities included economic education, resource provision or empowerment to disproportionately impacted individuals or communities.
3. A majority (more than 50%) of the ownership is made up of individuals from Black, African American, Hispanic or Latino descent.

(b) Additional Criteria:

1. At least 51% of current employees or subcontractors reside in Areas of Disproportionate Impact and by the first day of business, the ratio will meet or exceed 75%.
2. At least 51% of employees or subcontractors have drug-related CORI and are otherwise legally employable in Cannabis enterprises.
3. Other significant articulable demonstration of past experience in or business practices that promote economic empowerment in Areas of Disproportionate Impact.

This applicant has priority for the purposes of the review of its license application.

~~Edible Cannabis Products, Edible Marijuana Products, or Edibles~~ means a ~~Cannabis or~~ Marijuana Product that is to be consumed by humans by eating or drinking. These products, when created or sold by a Marijuana Establishment or an MTC, shall not be considered a food or a drug as defined in M.G.L. c. 94, § 1.

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Electronic Certification means a document signed or executed electronically by a Certifying Healthcare Provider, stating that in the healthcare professional's professional opinion, the potential benefits of the medical use of Marijuana would likely outweigh the health risks for the Qualifying Patient. Such certification shall be made only in the course of a *Bona Fide* Healthcare Provider-Patient Relationship and shall specify the Qualifying Patient's Debilitating Medical Condition. Electronic Certifications, on submission by a Certifying Healthcare Provider to the Commission, shall automatically generate a temporary registration.

Enclosed Area means an indoor or outdoor area equipped with locks or other security devices, which is accessible only to Consumers, Marijuana Establishment Agents, Registered Qualifying Patients, or Caregivers.

Equity Holder means a person or entity that holds, or ~~will may~~ hold as a result of one or more of the following, including, without limitation, vesting, conversion, exercising an option, a right of first refusal, or any agreement that would trigger an automatic transfer of or conversion to equity, any amount of equity in a Marijuana Establishment or an MTC.

Executive means members of the board of directors, ~~chief executive officers~~, executive director, ~~manager president, and any other officer, or their of equivalent, of the a~~ Marijuana Establishment, MTC, or Independent Testing Laboratory.

Executive Office of Energy and Environmental Affairs (EOEEA) means the Massachusetts Executive Office of Energy and Environmental Affairs, unless otherwise specified.

Existing Licensee Transporter means an entity that is otherwise licensed by the Commission and also licensed to purchase, obtain, and possess Marijuana or Marijuana Products solely for the purpose of transporting, temporary storage, sale and distribution on behalf of other Marijuana Establishments or MTCs to other establishments, but not to Consumers.

Expedited Applicant means an applicant for a Marijuana Microbusiness, Marijuana Craft Cooperative, Independent Testing Laboratory, or Outdoor Marijuana Cultivator license; a Social Equity Participant; a minority-, woman-, and/or veteran-owned business; eligible for expedited review prior to other General Applicants.

Fingerprint-based Background Check Trust Fund means a fund established under M.G.L. c. 29, § 2HHH, in which fees for fingerprint background checks are deposited.

Finished Marijuana means Usable Marijuana, Cannabis resin or Cannabis concentrate.

Finished Marijuana Product means a Marijuana Product that is completely manufactured and ready for retail sale and shall include Finished Marijuana that has been separated into individual packages or containers- for sale.

Flowering means the gametophytic or reproductive state of Cannabis or Marijuana in which the plant produces flowers, trichomes, and Cannabinoids characteristic of Marijuana.

Food and Drug Administration (FDA) means the United States Food and Drug Administration.

General Applicant means an applicant that has not been certified as an Economic Empowerment Priority Applicant or an MTC Priority Applicant; and is not eligible to be an Expedited Applicant.

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Greenhouse means ~~a structure or thermally isolated Enclosed Area of a building that maintains a specialized sunlit environment used for and essential to the cultivation, protection or maintenance of plants.~~~~an Enclosed Area where Cannabis or Marijuana plants are cultivated that has been inspected by the Commission and determined to be a Greenhouse.~~

Hardship Cultivation Registration means a registration issued to a Registered Qualifying Patient under the requirements of 935 CMR 501.027: *Hardship Cultivation Registration*.

Healthcare Clinician or Provider means a Certifying Physician, Certifying Certified Nurse Practitioner or Certifying Physician Assistant qualified under 935 CMR 501.000: *Medical Use of Marijuana* to issue Written Certifications for the medical use of Marijuana.

Hemp means the plant of the genus Cannabis or any part of the plant, whether growing or not, with a delta-9-tetrahydrocannabinol concentration that does not exceed 0.3% on a dry weight basis of any part of the plant of the genus Cannabis, or per volume or weight of ~~Cannabis or~~ Marijuana Product, or the combined percent of delta-9-tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the plant of the genus Cannabis, regardless of moisture content. MDAR has jurisdiction over Hemp.

Holdup Alarm means a silent alarm signal generated by the manual activation of a device that signals a robbery in progress.

Horticultural Lighting Equipment (HLE) means any lighting equipment (e.g., fixtures, bulbs, ballasts, controls, etc.) that uses energy for the cultivation of plants, at any stage of growth (e.g., germination, cloning/Mother Plants, Propagation, Vegetation, Flowering, and harvest).

Horticulture Lighting Square Footage (HLSF) means ~~Canopy~~ an area to be calculated in square feet and measured using clearly identifiable boundaries of all areas(s) that will contain plants at any point in time, at any stage of growth, including all of the space(s) within the boundaries, HLSF may be noncontiguous, but each unique area included in the total HLSF calculations shall be separated by an identifiable boundary which includes, but is not limited to: interior walls, shelves, Greenhouse walls, hoop house walls, garden benches, hedge rows, fencing, garden beds, or garden plots. If plants are being cultivated using a shelving system, the surface area of each level shall be included in the total HLSF calculation.

Host Community means a municipality in which a Marijuana Establishment or Independent Testing Laboratory is located or in which an applicant has proposed locating an establishment.

Immature Plant means ~~a rooted plant in the Vegetation stage of development that is no taller than eight inches, no wider than eight inches, and is in a growing/cultivating container.~~

Immediate Family Member means ~~a spouse, parent, child, grandparent, grandchild, or sibling, including in-laws.~~

Impassible Barrier means, for the purposes of determining the 500 foot buffer zone, ~~a highway, public or private way or path, inaccessible structure, body of water, or other obstruction that renders any part of the 500-foot straight-line distance between a Marijuana Establishment Entrance and a School Entrance inaccessible by a pedestrian or automobile.~~



935 CMR: CANNABIS CONTROL COMMISSION

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Independent Testing Laboratory means a laboratory that is licensed or registered by the Commission and is:

- (a) Currently and validly licensed under 935 CMR 500.101, or formerly and validly registered by the Commission;
- (b) Accredited to ISO 17025:2017 or the International Organization for Standardization 17025 by a third-party accrediting body that is a signatory to the International Laboratory Accreditation Accrediting Cooperation mutual recognition arrangement or that is otherwise approved by the Commission;
- (c) Independent financially from any MTC Marijuana Establishment or Licensee; and
- (d) Qualified to test Marijuana and Marijuana Products, including MIPs, in compliance with M.G.L. c. 94C, § 34; M.G.L. c. 94G, § 15; 935 CMR 500.000: *Adult Use of Marijuana*; and 935 CMR 501.000: *Medical Use of Marijuana*; and Commission protocol(s).

Individual Order means a delineated amount of ~~Finished Marijuana or~~ Marijuana Products to be delivered by a ~~Delivery-only~~ Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement to an individual Consumer and as permitted, a Marijuana Courier to a Patient or Caregiver, and not to exceed the individual possession amount limits as determined by statute.

Inducement means money or any other thing of substantial value intended to persuade or influence a person or entity to take an action or refrain from taking an action.

Informed Consent means the consent obtained by a Research Licensee from potential participants in a research project that explains to potential participants the risks and potential benefits of a study, and the rights and responsibilities of the parties involved.

Informed Consent Form means the document provided to potential participants in a research project that explains to potential participants the risks and potential benefits of a study, and the rights and responsibilities of the parties involved.

Institutional Caregiver means an employee of a hospice program, long-term care facility, or hospital providing care to a Registered Qualifying Patient on the Premises of a long-term care facility, hospital or through a hospice program.

Institutional Review Board means a specifically constituted administrative body established or designated by a Marijuana Research Facility Licensee to review and oversee the design and methods of a research project and, where human or animal subject are a component of the research, to protect the rights and welfare of persons –recruited to participate in research.

Known Allergen means milk, egg, fish, crustacean shellfish, tree nuts, wheat, peanuts, and soybeans, or such other allergen identified by the U.S. Food and Drug Administration (FDA) Commission.

Laboratory Agent means an employee of an Independent Testing Laboratory registered in accordance with 935 CMR 500.029, who transports, possesses or tests Cannabis or Marijuana in compliance with 935 CMR 500.000.

Law Enforcement Authorities means local law enforcement including, but not limited to, the local police and fire departments within the municipality where the Licensee is sited, unless otherwise indicated.

License means the certificate issued by the Commission that confirms that a Marijuana

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Establishment or an Independent Testing Laboratory has met all applicable requirements pursuant to St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, and 935 CMR 500.000. A Marijuana Establishment or Independent Testing Laboratory may hold a provisional or final License.

Licensee means a person or entity on the application and licensed by the Commission to operate a Marijuana Establishment or Independent Testing Laboratory under St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, and 935 CMR 500.000. Any person or entity that solely provides initial capital to establish or operate the establishment and to whom, in return for the initial capital, requires only repayment of the loan and does not have any ownership or direct or indirect authority to control the Marijuana Establishment or Independent Testing Laboratory, will not be a Licensee.

Life-Limiting Illness means a Debilitating Medical Condition that does not respond to curative treatments, where reasonable estimates of prognosis suggest death may occur within two years.

Lighting Power Density (HLPD) means a measure of total watts of Horticultural Lighting Equipment per total Horticulture Lighting Square Footage, (HLE / HLSF = HLPD) expressed as number of watts per square foot.

Limitation on Sales means a limitation on the sales of Marijuana or Marijuana Products by a Marijuana Establishment Licensee or Registrant arising from the regulations and until substantial compliance by a Licensee or Registrant with a law, regulation, guidance or other requirement for licensure or registration.

Limited Access Area means an indoor or outdoor area on the Premises of a Marijuana Establishment where Marijuana or Marijuana Products, or their byproducts are cultivated, stored, weighed, packaged, Processed, or disposed, under the control of a Marijuana Establishment, with access limited to only those Marijuana Establishment or Laboratory Agents designated by the Establishment after receipt of a Final License.

Local Authorities means local municipal authorities unless otherwise indicated.

Manufacture means to compound, blend, extract, infuse or otherwise make or prepare a ~~Cannabis~~ or Marijuana Product.

Marijuana (or Cannabis) means all parts of any plant of the genus Cannabis, not excepted in 935 CMR 500.002: Marijuana (a) through (c) and whether growing or not; the seeds thereof; and resin extracted from any part of the plant; Clones of the plant; and every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin including tetrahydrocannabinol as defined in M.G.L. c. 94G, § 1; provided that Cannabis shall not include:

- (a) The mature stalks of the plant, fiber produced from the stalks, oil, or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture or preparation of the mature stalks, fiber, oil, or cake made from the seeds of the plant or the sterilized seed of the plant that is incapable of germination;
- (b) Hemp; or
- (c) The weight of any other ingredient combined with Cannabis or Marijuana to prepare topical or oral administrations, food, drink or other products.

Marijuana Accessories (or Cannabis Accessories) means equipment, products, devices or materials of any kind that are intended or designed for use in planting, Propagating, cultivating, growing, harvesting, Manufacturing, compounding, converting, producing,

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Processing, preparing, testing, analyzing, packaging, Repackaging, storing, containing, ingesting, inhaling or otherwise introducing Cannabis or Marijuana into the human body.

Marijuana Courier means an entity licensed to deliver Finished Marijuana Products, Marijuana Accessories and Branded Goods directly to Consumers from a Marijuana Retailer, or directly to Registered Qualifying Patients or Caregivers from an MTC, but is not authorized to sell Marijuana or Marijuana Products directly to Consumers, Registered Qualifying Patients or Caregivers and is not authorized to Wholesale, Warehouse, Process, Repackage, or White Label. A Marijuana Courier is an additional license type under G.L. c. 94G, § 4(b)(1) that allows for limited delivery of Marijuana or Marijuana Products to Consumers; and shall not be considered to be a Marijuana Retailer under 935 CMR 500.002: Definitions or 935 CMR 500.050: Marijuana Establishments and shall be subject to 935 CMR 500.050(1)(b): Control Limitations.

Marijuana Cultivator means an entity licensed to cultivate, Process and package Marijuana, and to Transfer Marijuana to other Marijuana Establishments, but not to Consumers. A Craft Marijuana Cooperative is a type of Marijuana Cultivator.

Marijuana Delivery Operator or Delivery Operator means an entity licensed to purchase at Wholesale and Warehouse Finished Marijuana Products acquired from a Marijuana Cultivator, Marijuana Product Manufacturer, Microbusiness or Craft Marijuana Cooperative, and- White Label, sell and deliver Finished Marijuana Products, Marijuana Accessories and Marijuana Branded Goods directly to Consumers, but is not authorized to Repackage Marijuana or Marijuana Products or operate a storefront under this license. A Delivery Operator is an additional license type under G.L. c. 94G, § 4(b)(1) that allows for limited delivery of Marijuana or Marijuana Products to Consumers; and shall not be considered to be a Marijuana Retailer under 935 CMR 500.002: Definitions or 935 CMR 500.050: Marijuana Establishments and shall be subject to 935 CMR 500.050(1)(b): Control Limitations.

Marijuana Establishment means a Marijuana Cultivator (Indoor or Outdoor), Craft Marijuana Cooperative, Marijuana Product Manufacturer, Marijuana Microbusiness, Independent Testing Laboratory, Marijuana Retailer, Marijuana Transporter, ~~Delivery-only~~ Delivery Licensee, Marijuana Research Facility Licensee (as defined in 935 CMR 500.002: *Marijuana Research Facility Licensee*), Social Consumption Establishment (as defined in 935 CMR 500.002: *Social Consumption Establishment*) or any other type of licensed Marijuana-related business, except a Medical Marijuana Treatment Center (MTC).

Marijuana Establishment Agent means ~~any Owner-board member, director,~~ employee, Executive, ~~manager,~~ or volunteer of a Marijuana Establishment, who shall be 21 years of age or older. Employee includes a consultant or contractor who provides on-site services to a Marijuana Establishment related to the cultivation, harvesting, preparation, packaging, storage, testing, or dispensing of Marijuana.

Marijuana Establishment Branded Good means a merchandise item offered for sale by a Marijuana Establishment, and identifiable as being of a particular Marijuana Establishment, distinct from those of other entities, by having the Marijuana Establishment's Brand Name. A Marijuana Establishment Branded Good does not include Marijuana, Marijuana Products, or Marijuana Accessories. It may include apparel, water bottles or other similar non-edible merchandise.

Marijuana Establishment Entrance means the entrance or entrances that provides ingress and egress to Consumers, Registered Qualifying Patients and Caregivers to the Marijuana Establishment.

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Marijuana-infused Product (MIP) means a Marijuana Product infused with Marijuana that is intended for use or consumption including, but not limited to, Edibles ~~Cannabis Products~~, ointments, aerosols, oils, and Tinctures. A Marijuana-infused Product (MIP), when created or sold by a Marijuana Establishment or an MTC, shall not be considered a food or a drug as defined in M.G.L. c. 94, § 1. MIPs are a type of Marijuana Product.

Marijuana Products (or Cannabis Products) means Marijuana and its products, unless otherwise indicated. Marijuana Products includes products that have been Manufactured and contain Cannabis, Marijuana, or an extract from Cannabis or Marijuana, including concentrated forms of Marijuana and products composed of Marijuana and other ingredients that are intended for use or consumption, including Edibles, Beverages, topical products, ointments, oils and Tinctures. Marijuana Products include Marijuana-infused Products (MIPs) defined in 935 CMR 500.002.

Marijuana Product Manufacturer means an entity licensed to obtain, Manufacture, Process and package Marijuana or Marijuana Products and to Transfer these products to other Marijuana Establishments, but not to Consumers.

Marijuana Regulation Fund means the fund established under M.G.L. c. 94G, § 14, in which fees, fines, and other monies collected by the Commission are deposited, except for fees collected by the Commission on behalf of other state agencies.

Marijuana Research Facility ~~means the Premises at which a Marijuana Research Facility Licensee is approved to conduct research an entity licensed to engage in research projects by the Commission.~~ -

Marijuana Research Facility Licensee or Research Licensee means an academic institution, nonprofit corporation or domestic corporation or entity authorized to do business in the Commonwealth, including a licensed Marijuana Establishment or MTC, that is licensed to conduct research. \_

Marijuana Retailer means an entity licensed to purchase, Repackage, White Label, and transport ~~Marijuana Cannabis~~ or Marijuana Product from Marijuana Establishments and to Transfer or otherwise Transfer this product to Marijuana Establishments and to sell to Consumers. Unless licensed, retailers are prohibited from offering Marijuana or Marijuana Products for the purposes of on-site social consumption on the Premises of a Marijuana Establishment.

Marijuana Transporter means an entity, not otherwise licensed by the Commission, that is licensed to possess ~~Cannabis or~~ Marijuana Products solely for the purpose of transporting, temporary storage, sale and distribution to Marijuana Establishments or MTCs, but not to Consumers. Marijuana Transporters may be an Existing Licensee Transporter or Third-party Transporter.

Marijuana Vaporizer Device means a product containing concentrated marijuana oil that is converted into inhalable marijuana aerosolized vapors

Massachusetts Resident means a person whose primary Residence is in Massachusetts.

Medical Marijuana Treatment Center (MTC), (~~f~~Formerly ~~k~~known as a Registered Marijuana Dispensary (RMD)), means an entity licensed under 935 CMR 501.101: Application Requirements that acquires, cultivates, possesses, Processes (including development of related products such as Edibles ~~Marijuana or Marijuana Products~~, MIPs,

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Tinctures, aerosols, oils, or ointments), Repackages, transports, sells, distributes, delivers, dispenses, or administers Marijuana, products containing ~~Cannabis or~~ Marijuana, related supplies, or educational materials to Registered Qualifying Patients or their Personal Caregivers for medical use. Unless otherwise specified, MTC refers to the site(s) of dispensing, cultivation, and preparation of ~~Cannabis or~~ Marijuana for medical use.

Medical-use Cannabis or Marijuana (or Medical-use Cannabis) means Marijuana that is cultivated, Processed, Transferred, tested or sold in compliance with M.G.L. c. 94I and 935 CMR 501.000: *Medical Use of Marijuana*.

Medical-use Marijuana or Marijuana Products means Marijuana Products that are Manufactured, Transferred, tested or sold in compliance with M.G.L. c. 94I, and 935 CMR 501.000: *Medical Use of Marijuana*.

~~Medical Registration Card means an identification card issued formerly and validly by the DPH or currently and validly by the Commission, by the Medical Use of Marijuana Program, to a Registered Qualifying Patient, Personal Caregiver, Institutional Caregiver, MTC Agent or Laboratory Agent. The Medical Registration Card facilitates verification of an individual Registrant's status including, but not limited to, the identification by the Commission and Law Enforcement Authorities of those individuals who are exempt from Massachusetts criminal and civil penalties under St. 2016, c. 334 as amended by St. 2017, c. 55, M.G.L. c. 94I, and M.G.L. c. 94G.~~

Member means a member of a nonprofit entity incorporated pursuant to M.G.L. c. 180.

Microbusiness means ~~an entity collocated marijuana operation~~ that can be either a Tier 1 Marijuana Cultivator or Marijuana Product Manufacturer or both, in compliance with the operating procedures for each License and, if in receipt of a Delivery Endorsement issued by the Commission, may deliver Marijuana or Marijuana Products produced at the licensed location directly to Consumers in compliance with established regulatory requirements for retail sale as it relates to delivery. A Microbusiness that is a Marijuana Product Manufacturer may purchase no more than 2,000 pounds of Marijuana per year from other Marijuana Establishments for the purpose of Marijuana Product manufacturing by the Licensee.

Mother Plant means a marijuana plant that is grown or maintained for the purpose of generating Clones, and that will not be used to produce plant material for sale to another Marijuana Establishment or Medical Marijuana Treatment Center.

~~MTC Agent means any Owner, employee, Executive, or volunteer of an MTC, who shall be 21 years of age or older. Employee includes a consultant or contractor who provides on-site services to an MTC related to the cultivation, harvesting, preparation, packaging, storage, testing, or dispensing of Marijuana or Marijuana Products for medical purposes.~~

MTC Priority Applicant means a ~~previously Medical Marijuana Treatment Center (MTC) (previously, Registered Marijuana Dispensary (RMD)) certified by the Commission as an MTC Priority Applicant in 2018 upon that demonstrating that it had at least a provisional Certification of Registration prior to April 1, 2018. it had received a Final Certificate of Registration and is selling Marijuana or Marijuana-infused Products as of the date of application; it had received a Final Certificate of Registration, but is not selling Marijuana or Marijuana-infused Products as of the date of application; or it had received a Provisional Certificate of Registration, but not a Final Certificate of Registration.~~ This applicant has priority for the purposes of the review of its license application.

Mycotoxin means a secondary metabolite of a microfungus that is capable of causing death or illness in humans and other animals. For purposes of 935 CMR 500.000 and 935 CMR

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**501.000**, Mycotoxin shall include aflatoxin B1, aflatoxin B2, aflatoxin G1, aflatoxin G2, and ochratoxin A.

Order to Show Cause means an order issued by the Commission or Commission Delegee on a determination that there are grounds to suspend or revoke a License or registration.

Other Jurisdiction means the United States, another state, or foreign jurisdiction, or a military, territorial or Native American tribal authority.

Outdoor Cultivation shall mean the cultivation of mature Cannabis without the use of artificial lighting in the Canopy area at any point in time. Artificial lighting is permissible only to maintain Immature or Vegetative Mother Plants.

Owner means any Equity Holder that possesses 10% equity or more in a Marijuana Establishment, MTC or Independent Testing Laboratory.

Panic Alarm means an audible security alarm signal generated by the manual activation of a device that signals a life threatening or emergency situation and calls for a law enforcement response.

Paraphernalia means "drug paraphernalia" as defined in M.G.L. c. 94C, § 1.

Patient Registration Card means ~~a Registration Card formerly and validly issued by DPH or~~ a temporary or an annual Registration Card currently and validly issued by the Commission, to a Registered Qualifying Patient. The Patient Registration Card facilitates verification of an individual Registrant's status including, but not limited to, identification by the Commission and Law Enforcement Authorities, of those individuals who are exempt from Massachusetts criminal and civil penalties under M.G.L. c. 94I, and 935 CMR 501.000 through Commission-supported databases. A Temporary Patient Registration issued to a Qualifying Patient shall be deemed a Registration Card.

Person means an individual or entity under the laws of the Commonwealth.

Personal Caregiver means a person, registered by the Commission, who ~~shall be~~ 21 years of age or older, who has agreed to assist with a Registered Qualifying Patient's medical use of Marijuana, and is not the Registered Qualifying Patient's Certifying Healthcare Provider. A visiting nurse, personal care attendant, or home health aide providing care to a Registered Qualifying Patient may serve as a Personal Caregiver, including as a second Personal Caregiver ~~including~~ to patients younger than 18 years old.

Personal Caregiver Registration Card means ~~a Registration Card formerly and validly issued by the DPH or~~ a temporary or an annual Registration Card currently and validly issued by the Commission to a Personal Caregiver. The Registration Card allows access into Commission supported databases. The Registration Card facilitates verification of an individual Registrant's status including, but not limited to, identification by the Commission and Law Enforcement Authorities of those individuals who are exempt from Massachusetts criminal and civil penalties under M.G.L. c. 94I, and 935 CMR 501.000. A temporary registration issued to a Personal Caregiver shall be deemed a Registration Card.

Persons or Entities Having Direct Control means any person or entity having direct control over the operations of a Marijuana Establishment, which satisfies one or more of the following criteria:

- (a) An Owner that possesses a financial interest in the form of equity of 10% or greater in a Marijuana Establishment;

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- (b) A Person or Entity that possesses a voting interest of 10% or greater in a Marijuana Establishment or a right to veto significant events;
- (c) A Close Associate;
- (d) A Person or Entity that has the right to control or authority, through contract or otherwise including, but not limited to:
  1. To make decisions regarding operations and strategic planning, capital allocations, acquisitions and divestments;
  2. To appoint more than 50% of the directors or their equivalent;
  3. To appoint or remove Corporate-level officers or their equivalent;
  4. To make major marketing, production, and financial decisions;
  5. To execute significant (in aggregate of \$10,000 or greater) or exclusive contracts; or
  6. To earn 10% or more of the profits or collect more than 10% of the dividends;
- (e) A Court Appointee or assignee pursuant to an agreement for a general assignment or Assignment for the Benefit of Creditors; or
- (f) A Third-party Technology Platform Provider that possesses any financial interest in a Delivery Licensee, including but not limited to, a Delivery Agreement or other agreement for services.

Persons or Entities Having Indirect Control means any person or entity having indirect control over operations of a Marijuana Establishment. It specifically includes ~~any person with a controlling interest in any Person or Entity Having Direct Control over~~ an indirect holding or parent company of the applicant, and the chief executive officer and executive director of those companies, or any person or entity in a position indirectly to control the decision-making of a Marijuana Establishment.

Pesticide means a substance or mixture of substances intended for preventing, destroying, repelling, or mitigating any pest, and any substance or mixture of substances intended for use as a plant regulator, defoliant, or desiccant; provided that Pesticide shall not include any article that is a "new animal drug" within the meaning of § 201(v) of the Federal Food, Drug and Cosmetic Act (21 U.S.C. § 321(v)), or that has been determined by the Secretary of the United States Department of Health and Human Services not to be a new animal drug by a regulation establishing conditions of use for the article, or that is an animal feed within the meaning of § 201(w) of such act (21 U.S.C. § 321(w)).

Preapproved Court Appointee means a person or entity preapproved by the Commission pursuant to 935 CMR 500.104(3)(c) to serve as a Court Appointee over a Licensee or its delegate which may be recommended to a court of competent jurisdiction.

Pre-certification Application means an application reviewed by the Commission for pre-certification prior to provisional licensure. The Pre-certification Application may be available in a form and manner determined by the Commission.

Pre-verification means the process of a Marijuana ~~Retailer Establishment~~ examining the identification presented by an individual Consumer to confirm that the identification is valid and matches the individual presenting it and collecting the information required by 935 CMR 500.000 prior to that Consumer being able to receive deliveries of Marijuana or Marijuana Products to the Consumer's Residence. A Marijuana ~~Retailer Establishment shall~~ may not acquire or record personal information about Consumers other than information typically required in a retail transaction.

Premises means any indoor or outdoor location over which a Marijuana Establishment or Independent Testing Laboratory or its agents may lawfully exert substantial supervision or control over entry or access to the property or the conduct of persons.

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Priority Applicant means an MTC Priority Applicant (formerly a Registered Marijuana Dispensary or RMD Priority Applicant) or an Economic Empowerment Priority Applicant.

Process or Processing means to harvest, dry, cure, trim and separate parts of the Cannabis or Marijuana plant by manual or mechanical means, except it shall not include Manufacture as defined in 935 CMR 500.002: ~~Manufacture~~.

Product Database means a Commission-operated technology platform displaying information about Marijuana Products produced by licensed Marijuana Product Manufacturers and sold by a licensed Marijuana Retailer or Delivery Operator pursuant to 935 CMR 500.000 or an MTC pursuant to 935 CMR 501.000.

Production Area means a Limited Access Area within the Marijuana Establishment where Cannabis or Marijuana is handled or produced in preparation for sale.

Production Batch means a batch of finished plant material, Cannabis resin, Cannabis concentrate, or Marijuana-infused Product made at the same time, using the same methods, equipment and ingredients. The Licensee shall assign and record a unique, sequential alphanumeric identifier to each Production Batch for the purposes of production tracking, product labeling and product recalls. All Production Batches shall be traceable to one or more Cannabis or Marijuana Cultivation Batches.

Program Transfer means the transfer of the medical use of Marijuana program pursuant to St. 2017, c. 55, §§ 64 through 71, and 82, and M.G.L. c. 94I.

Propagation means the reproduction of Cannabis or Marijuana plants by seeds, cuttings, or grafting.

Protected Patient Records means any document, record or electronic or written communication related to their care provided by a medical-use Marijuana Licensee or establishment or by a Certifying Healthcare Provider that is required to be confidential or protected from disclosure by law.

Provisional Marijuana Establishment License means a License issued by the Commission confirming that a Marijuana Establishment has completed the application process and satisfied the qualifications for initial licensure.

Qualifying Patient means (i) a Massachusetts Resident or a non-Massachusetts Resident receiving end-of-life or palliative care or cancer treatment in Massachusetts as determined by a Certifying Healthcare Provider, who is 18 years of age or older who has been diagnosed by a Certifying Healthcare Provider as having a Debilitating Medical Condition; or (ii) a Massachusetts Resident, or a non-Massachusetts Resident receiving end-of-life or palliative care or cancer treatment in Massachusetts as determined by a Certifying Healthcare Provider, who is younger than 18 years old who has been diagnosed by two Massachusetts licensed Certifying Physicians, at least one of whom is a board-certified pediatrician, ~~or board-certified~~ pediatric subspecialist, oncologist, neurologist, or family physician as having a Debilitating Medical Condition that is also a Life-limiting Illness, subject to 935 CMR 501.010(10).

Quality Control Sample means a sample of Marijuana or Marijuana Product developed by a Marijuana Cultivator, a Marijuana Product Manufacturer, a Microbusiness, or a Craft Marijuana Cooperative that is provided internally to employees for purposes of ensuring product quality and making determinations about whether to sell the Marijuana or



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Marijuana Product.

Quarantine Order means an order to quarantine or otherwise restrict the sales or use of Marijuana, Marijuana Products, or MIPs by a Licensee or Registrant to protect the public health, safety, or welfare.

Registered Qualifying Patient means a Qualifying Patient who ~~was formerly and validly issued a Registration Card by the DPH or~~ is currently and validly issued a temporary or an annual Registration Card by the Commission.

Registrant means the holder of a Registration Card ~~formerly and validly registered with the DPH or~~ currently and validly registered with the Commission. ~~It also means an RMD holder of Certificate of Registration formally and validly registered with the DPH or the Commission. After November 1, 2019, new and renewal MTC Licenses, as applicable, may be issued.~~

Registration Card means an identification card ~~formerly and validly issued by the DPH or~~ currently and validly issued by the Commission, to a Registered Qualifying Patient, Personal Caregiver, Institutional Caregiver, Marijuana Establishment or Laboratory Agent. The Registration Card allows access into Commission supported databases. The Registration Card facilitates verification of an individual Registrant's status including, but not limited to, the identification by the Commission and Law Enforcement Authorities of those individuals who are exempt from Massachusetts criminal and civil penalties under St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94I, and 935 CMR 501.000.

Removal of Product means an order issued against a Marijuana Establishment to remove and prohibit sales of categories of products, product types, specific product types or specific brands of products after notice and on a determination that the Marijuana or Marijuana Product poses a substantial risk to the public health, safety or welfare including, but not limited to, when the product is especially appealing to persons younger than 21 years old.

Repackage means to uniformly wrap or seal Marijuana that has already been wrapped or sealed, into a ready-made product for retail sale, without combining, infusing, or changing the chemical composition of the Marijuana.

~~Research Facility means an entity licensed to engage in research projects by the Commission.~~

~~Research Permit means a certificate indicating Commission approval to conduct a specified research project over a specified and finite period. To the extent that a Research Licensee is subject to other IRB, institutional, industry, or professional standards, they shall demonstrate compliance with those standards.~~

Residence means a house, condominium or apartment, and excludes, unless otherwise authorized by law, dormitories or other on-campus college or university housing; bed-and-breakfast establishments, hotels, motels or other commercial hospitality operations; and federal public housing identified at <https://resources.hud.gov/>, shelters or residential programs.

Residual Solvent means a volatile organic chemical used in the Manufacture of a ~~Cannabis~~ ~~or~~ Marijuana Product that is not completely removed by practical manufacturing techniques.

Responsible Vendor means a Marijuana Establishment that the Commission has determined to have completed the initial training requirements and has maintained its training

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requirement under 935 CMR 500.105(2).

Responsible Vendor Trainer means an independent business entity certified by the Commission to provide Responsible Vendor Training Program courses. No owner, manager, or employee of a Responsible Vendor Trainer may be a Person or Entity Having Direct or Indirect Control of a Marijuana Establishment.

Responsible Vendor Training (RVT) Program means a mandatory program ~~operated by an education provider accredited by the Commission to provide that provides training courses taught by a Responsible Vendor Trainer for Marijuana Establishment Agents in order to satisfy the minimum training of three hours of required training to Marijuana Establishment Agents under 935 CMR 500.105(2). The program shall be mandatory and the topics covered shall include, but not be limited to: an understanding of different products and methods of consumption including Edibles; potency; effects; secondhand absorption time; procedures to ensure that Consumers are not overserved; procedures for mitigating the risk of an impaired Consumer and ensuring the safety of patrons and the general public in the event of impairment.~~

School Entrance means the entrance(s) that provide ingress and egress to students of the pre-existing public or private or private school providing education in kindergarten or any grades 1 through 12 at the time of the newspaper publication of the proposed Marijuana Establishment's community outreach meeting under 935 CMR 500.101(1)(a)9.a..

SDO means the Supplier Diversity Office of the Massachusetts Operational Services Division (OSD).

Second Confirmatory Test means a second full panel of tests performed for reanalysis of a sample of Marijuana or Marijuana Products that failed an initial test for contaminants.

Seed-to-sale Electronic Tracking System means a system designated by the Commission as the system of record (Seed-to-sale SOR) or a secondary electronic tracking system used by a Marijuana Establishment or an MTC or an Independent Testing Laboratory. This system shall capture everything that happens to an individual Marijuana plant, from seed and cultivation, through growth, harvest and Manufacture of Marijuana Products and MIPs, including transportation, if any, to final sale of finished products. Seed-to-sale Electronic Tracking System shall utilize a unique-plant identification and unique-batch identification. It will also be able to track agents' and Registrants' involvement with the Marijuana Product. Any secondary system used by the Marijuana Establishment or an MTC or an Independent Testing Laboratory ~~must~~ shall integrate with the SOR in a form and manner determined by the Commission.

Seed-to-sale System of Record (Seed-to-sale SOR) means the electronic tracking system designated and required by the Commission to perform a process.

Shelf-stable means able to be safely stored at room temperature in a sealed container. Shelf-stable does not include "Time/Temperature Controlled for Safety Food" as it is defined in the 2013 Food Code as adopted under 105 CMR 590.001(A).

Small Business means, for the purposes of 935 CMR 500.005(1)(b), an applicant or Licensee that (i) currently employs a combined total of 50 or fewer full-time equivalent employees in all locations or employees work less than a combined total of 2,600 hours per quarter; and (ii) has gross revenues of \$15 million or less, as reported to the Massachusetts Department of Revenue the year prior to the date of the Licensee's ~~initial or~~ renewal application or as otherwise demonstrated in a form and manner determined by the

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Commission.

Social Consumption Establishment means an entity licensed to sell Marijuana or Marijuana Products and allow Consumers to consume Marijuana or Marijuana Products solely on its Premises.

Social Consumption Pilot Program means a limited number of Social Consumption Establishments, specifically Social Consumption Establishments, in certified municipalities.

Social Equity Program Participant means an individual who qualified to participate in the Social Equity Program and is designated as a program participant by the Commission.

Substantial Modification means a material change to a term of a contract that a reasonable person would understand alters the relationship between the parties. A Substantial Modification shall include, but is not limited to, shifting responsibility for the performance of a contract term or increasing or decreasing the amount of consideration being paid for performance of the contract above an amount that is de minimis.

Summary Suspension means the suspension of any License or registration issued under 935 CMR 500.000, and the cessation of all operations in order to protect the public health, safety and welfare.

Temporary Patient Registration means an interim registration document for patients and their Personal Caregivers generated automatically upon the Commission's receipt of a Certifying Healthcare Provider's Electronic Certification. The temporary registration document shall constitute a Registration Card for patients and their Personal Caregivers to access an MTC. Temporary registration shall expire 14 days after the Commission issues the Registration Card or on the issuance and receipt of an annual Registration Card, whichever occurs first.

Third-party Technology Platform Provider means an individual or entity that provides or hosts an internet-based application or group of applications developed for the facilitation of ordering and delivering ~~Cannabis through a Delivery-only Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement to a Consumer.~~ Finished Marijuana Products, Marijuana Accessories and Branded Goods for sale or delivery by a Marijuana Retailer, Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement to a Consumer. A proprietary application developed by a Licensee exclusively for that Licensee's use shall not be considered to be a Third-party Technology Platform Provider. A Third-party Technology Platform Provider may not be an investor in a Delivery Licensee.

Tincture means a Cannabis-infused alcohol or oils concentrate administered orally in small amounts using a dropper or measuring spoon. Tinctures are not considered an Edible ~~Marijuana Product~~ under 935 CMR 500.000 and are not subject to the dosing limitations applicable to Edible ~~Marijuana Products~~.

Transfer means the sale of Marijuana or Marijuana Products from a Marijuana Establishment to a separate Marijuana Establishment, Independent Testing Laboratory or MTC (but not to Consumers) subject to entry of the transaction in the Commission's Seed-to-sale SOR.

United States (US) means the United States of America.

Unreasonably Impracticable means that the measures necessary to comply with the

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regulations, ordinances or bylaws adopted pursuant to St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, M.G.L. c. 94I, 935 CMR 500.000 or 935 CMR 501.000: *Medical Use of Marijuana* subject Licensees to unreasonable risk or require such a high investment of risk, money, time or any other resource or asset that a reasonably prudent businessperson would not operate a Marijuana Establishment.

Usable Marijuana means the fresh or dried leaves and flowers of the female Marijuana plant and any mixture or preparation thereof, including Marijuana, Marijuana Products or MIPs, but does not include the seedlings, seeds, stalks, roots of the plant, or Marijuana rendered unusable in accordance with 935 CMR 500.105(12)(c).

Vault means a secured, limited access storage room within a Marijuana Establishment that is outfitted with adequate security features for the purposes of storing Marijuana or Marijuana Products or cash. A vault must be adequately sized to store inventory that is not being actively handled for purposes of dispensing, packaging, processing or transportation.

Vegetation means the sporophytic state of the Cannabis or Marijuana plant, which is a form of asexual reproduction in plants during which plants do not produce resin or flowers and are bulking up to a desired production size for Flowering.

Vegetative plant means a plant in a stage of Vegetation.

Vendor Sample means a sample of Marijuana or Marijuana Product developed by a Marijuana Cultivator or a Marijuana Product Manufacturer licensed under the provisions of 935 CMR 500.000: *Adult Use of Marijuana*, that is provided to a Marijuana Product Manufacturer, a Marijuana Retailer or a Delivery Operator to promote product awareness.

Verified Financial Hardship means that an individual is a recipient of MassHealth, or Supplemental Security Income, or the individual's income does not exceed 300% of the federal poverty level, adjusted for family size.

Veteran means a person who served in the active military, naval ~~or~~ air, or space service of the United States and who was discharged or released under conditions other than dishonorable.

Visitor means an individual, other than a Marijuana Establishment Agent or Laboratory Agent authorized by the Marijuana Establishment or Independent Testing Laboratory to be on the Premises of an Establishment for a purpose related to its operations and consistent with the objectives of St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, and 935 CMR 500.000, provided, however, that no such individual shall be younger than 21 years old.

Visitor Identification Badge means a badge issued by an MTC, Marijuana Establishment or the Commission to be used at all times while on the Premises of a Marijuana Establishment or an MTC or Independent Testing Laboratory. These identification badges ~~must~~ shall be issued in a form and manner determined by the Commission.

Waiver of Consent means the document signed by potential participants or the legal guardians of potential participants that waives one or more elements of consent.

Warehouse means an indoor structure or a portion of the structure on the licensee's Premises used by a Marijuana Establishment for the onsite storage of Marijuana and Marijuana Products in compliance with the regulatory requirements of 935 CMR 500.000 including the requirements for security, storage and disposal. For Delivery Operators, the

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location of the Warehouse shall be the Licensee's principle place of business in the host community.

Warehousing means the onsite storage of Marijuana and Marijuana Products that have been purchased at wholesale for eventual resale.

White Labeling means to affix a product label that includes the branding, including the name and logo, of a specific Marijuana Establishment Licensee to a Finished Marijuana Product that was previously produced and packaged by a licensed Product Manufacturer, Cultivator, Microbusiness or Craft Marijuana Cooperative for sale to Consumers. Vaporizer Devices shall not be white labeled. White labeled products shall be required to comply with 935 CMR 500.105(5): *Labeling of Marijuana and Marijuana Products*, 935 CMR 500.105 (6): *Packaging of Marijuana and Marijuana Products*, 935 CMR 500.130(6): *Product Database* and 935 CMR 500.146 (7): *White Labeling*.

Wholesale means the Transfer of Marijuana or Marijuana Product between Marijuana Establishments.

Wholesale Agreement means a contract between Marijuana Establishments defining the terms of Transfer of Marijuana or Marijuana Products between the Marijuana Establishments.

Written Certification means a form submitted to ~~the Department of Public Health (DPH)~~ or the Commission by a Massachusetts licensed Certifying Healthcare Provider describing the Qualifying Patient's pertinent symptoms, specifying the patient's Debilitating Medical Condition, and stating that in the physician's professional opinion the potential benefits of the medical use of Marijuana would likely outweigh the health risks for the patient.

14-day Supply means that amount of Marijuana, or equivalent amount of Marijuana in MIPs, that a Registered Qualifying Patient would reasonably be expected to need over a period of 14 calendar days for the Patient's personal medical use, which is 2.5 ounces, subject to 935 CMR 501.010(9), unless otherwise determined by a Certifying Healthcare Provider.

60-day Supply means that amount of Marijuana, or equivalent amount of Marijuana in MIPs, that a Registered Qualifying Patient would reasonably be expected to need over a period of 60 calendar -days for his or her personal medical use, which is ten ounces, subject to 935 CMR 501.010(9), unless otherwise determined by a Certifying Healthcare Provider.

#### 500.003: Colocated Marijuana Operations (CMOs)

An adult-use Marijuana Cultivator, Product Manufacturer or Retailer also be licensed as an MTC as defined in to 935 CMR 501.002. No other adult-use license type qualifies to be a CMO. Unless otherwise specified, a CMO shall comply with the requirements of each of the adult-use and medical-use license located on the Premises of the CMO.

#### 500.005: Fees

##### (1) Marijuana Establishment Application and License Fees.

- (a) Each applicant for licensure as a Marijuana Establishment shall pay to the Commission a nonrefundable application fee, annual license fee, and to the Seed-to-sale SOR provider, a monthly Seed-to-sale licensing fee. These fees do not include the costs associated with the Seed-to-sale licensing system, which includes a monthly program fee and fees for plant and package tags. These fees do not include the costs associated with criminal background checks as required under 935 CMR

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500.030: Registration of Marijuana Establishment Agents or 935 CMR 500.101(1)(b)

(b) Waiver of Fees.

1. Application fees are waived for

- a. Microbusinesses;
- b. Businesses controlled by and with majority ownership comprised of Social Equity Program Participants and/or Economic Empowerment Priority Applicants; and
- c. Massachusetts Minority Business Enterprises (MBE), Women Business Enterprises (WBE), and/or Veteran Business Enterprises (VBE) with valid certification from the SDO and which are also considered to be Small Businesses as defined by the Commission.

This does not include the costs associated with background checks.

2. For Annual License Fees, a 50% reduction in the fee associated with an application for

- a. Businesses controlled by and with majority ownership comprised of Social Equity Program Participants and/or Economic Empowerment Priority Applicants; and
- b. Massachusetts Minority Business Enterprises (MBE), Women Business Enterprises (WBE), and Veteran Business Enterprises (VBE) with valid certification from the SDO and which are also considered to be Small Businesses as defined by the Commission receive a 50% reduction in the fee associated with an application.

3. For Annual Delivery Licensee Fees, a 100% reduction for businesses controlled by and with majority ownership comprised of Social Equity Program Participants and/or Economic Empowerment Priority Applicants for the initial license fee payment. Upon renewal, and each year thereafter, there shall be a 50% reduction in the annual license fee for Delivery Licensees pursuant to 935 CMR 500.005(1)(b)2.

4. Seed-to-sale SOR monthly program fees are waived for ~~Economic Empowerment Priority Applicants, Social Equity Program Participants,~~

- a. ~~Craft Marijuana Cooperatives;~~ and
- b. Microbusinesses;
- c. Businesses controlled by and with majority ownership comprised of Economic Empowerment Priority Applicants and/or Social Equity Program Participants; and
- d. Massachusetts Minority Business Enterprises (MBE), Women Business Enterprises (WBE), and Veteran Business Enterprises (VBE) with valid certification from the SDO and which are also considered to be Small Businesses as defined by the Commission.

This waiver does not include other costs associated with the Seed-to-sale licensing system, specifically the fees for plant and package tags.

5. All other applicants are responsible for the payment of fees in accordance with 935 CMR 500.005(a) and may not waive their obligation pursuant to 935 CMR 500.850, Waivers.

(c) Each applicant shall choose the tier at which it will be initially licensed.

(d) Application and Annual License Fee Schedule.

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License Types	Application Fees (Indoor/Outdoor)	Annual License Fee (Indoor/Outdoor)
Marijuana Cultivator (Indoor or Outdoor)		
Tier 1: up to 5,000 square feet	\$200 (I)/\$100 (O)	\$1,250 (I)/\$625 (O)
Tier 2: 5,001 to 10,000 sq. ft.	\$400 (I)/\$200 (O)	\$2,500 (I)/\$1,250 (O)
Tier 3: 10,001 to 20,000 sq. ft.	\$600 (I)/\$300 (O)	\$5,000 (I)/\$2,500 (O)
Tier 4: 20,001 to 30,000 sq. ft.	\$2,000 (I)/\$1,500 (O)	\$20,000 (I)/\$10,000 (O)
Tier 5: 30,001 to 40,000 sq. ft.	\$2,000 (I)/\$1,500 (O)	\$22,500 (I)/\$11,250 (O)
Tier 6: 40,001 to 50,000 sq. ft.	\$2,000 (I)/\$1,500 (O)	\$25,000 (I)/\$12,500 (O)
Tier 7: 50,001 to 60,000 sq. ft.	\$2,000 (I)/\$1,500 (O)	\$30,000 (I)/\$15,000 (O)
Tier 8: 60,001 to 70,000 sq. ft.	\$2,000 (I)/\$1,500 (O)	\$35,000 (I)/\$17,500 (O)
Tier 9: 70,001 to 80,000 sq. ft.	\$2,000 (I)/\$1,500 (O)	\$40,000 (I)/\$20,000 (O)
Tier 10: 80,001 to 90,000 sq. ft.	\$2,000 (I)/\$1,500 (O)	\$45,000 (I)/\$22,500 (O)
Tier 11: 90,0001 to 100,000 sq. ft.	\$2,000 (I)/\$1,500 (O)	\$50,000 (I)/\$25,000 (O)
Craft Marijuana Cooperative	Total fees for its Canopy. If more than six locations, add \$200 (I)/\$100(O) per additional location.	Total fees for its Canopy. If more than six locations, add \$1,250(I)/\$625(O) per additional location.
Marijuana Product Manufacturing	\$1,500	\$10,000
Marijuana Microbusiness	\$1,000	50% of all applicable license fees
Independent Testing Laboratory	\$1,500	\$10,000
Marijuana Retailer (brick-and-mortar)	\$1,500	\$10,000
Social Consumption Establishment	\$1,500	\$10,000
Marijuana Transporter: Third-party Transporter	\$1,500	\$5,000
Marijuana Transporter: Existing Licensee Transporter	\$1,000	\$5,000
Marijuana <del>Delivery-only Licensee</del> <u>Courier</u>	\$1,500	<del>\$5</del> <u>\$10</u> ,000
<u>Marijuana Delivery Operator</u>	<u>\$1,500</u>	<u>\$10,000</u>
Marijuana Establishment with a Delivery Endorsement	\$500	\$5,000
Marijuana Research Facility	\$300	\$1,000
<u>Marijuana Research Permit</u>	<u>\$1,000</u>	<u>\$1,000</u>

(e) Other Fees (cost per License).

Change in Name Fee	\$1,000
Change in Location Fee	50% of applicable License Fee
Change in Building Structure Fee	\$1,000
Change in Ownership or Control Fee ( <i>involving at least one entity gaining ownership/control</i> )	\$5,000 per entity, per License
Change in Ownership or Control Fee ( <i>involving individuals, e.g., change of Board</i> )	\$500 per person

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<i>Member)</i>	
Architectural Review Request Fee	\$1,500
<u>Packaging and Labeling Pre-Approval Application Fee</u>	<u>\$50 per product</u>

(2) Registration Card Holder Fees.

- (a) An applicant for a Registration Card as a Marijuana Establishment Agent, a Laboratory Agent, or any other position designated as an agent by the Commission shall pay a nonrefundable application fee of \$1~~1500~~ with any such application.
- (b) An applicant for a renewal of a Registration Card as a Marijuana Establishment Agent, a Laboratory Agent, or any other position designated as an agent by the Commission shall pay a fee of \$1~~1500~~.

(3) Fingerprint-based Criminal Background Checks Fees.

- (a) All persons required to submit fingerprints shall pay a fee to be established by the Massachusetts Secretary of Administration and Finance, in consultation with Massachusetts Secretary of Public Safety and Security and the Commission, to offset the costs of operating and administering a Fingerprint-based criminal background-check system.
- (b) The Commission may pay the fee on behalf of applicants or reimburse applicants for all or part of the fee on the grounds of financial hardship.
- (c) Any fees collected from fingerprinting activity under 935 CMR 500.000 shall be deposited into the Fingerprint-based Background Check Trust Fund, established in M.G.L. c. 29, § 2HHH.

(4) For CMOs, an applicant or Licensee shall pay the applicable fees for each Marijuana Establishment set forth in 935 CMR 500.005: Fees and MTC set forth in 935 CMR 501.005: Fees.

(5) Preapproved Court Appointees.

- (a) Each applicant seeking to be Preapproved Court Appointee shall pay a nonrefundable application fee of \$500 for any such application.
- (b) A Preapproved Court Appointee seeking to renew its designation shall pay a renewal fee of at least \$400.

500.029: Registration and Conduct of Laboratory Agents

(1) The Commission shall issue a Laboratory Agent Registration Card to each applicant associated as an employee or volunteer with an Independent Testing Laboratory licensed pursuant to 935 CMR 500.050(7), or 935 CMR 501.029: *Registration of Independent Testing Laboratory Agents*, who is determined to be suitable for registration. All such individuals shall:

- (a) Be 21 years of age or older;
- (b) Have not been convicted of any felony drug offense in the Commonwealth or a like violation of the laws of an Other Jurisdiction;
- (c) Have not been convicted of any offense involving the distribution of controlled substances to a minor or a like violation of the laws of an Other Jurisdiction; and
- (d) Be determined to be suitable for registration consistent with the provisions of -935 CMR 500.800, 935 CMR 500.801 or 935 CMR 500.803.

(2) An application for registration of a Laboratory Agent submitted to the Commission by an



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Independent Testing Laboratory shall include:

- (a) The full name, date of birth, and address of the individual;
  - (b) All aliases used previously or currently in use by the individual, including maiden name, if any;
  - (c) ~~Written~~ acknowledgment signed by the ~~individual applicant~~ of the limitations on his or her authorization to possess, ~~test, transport~~ Transfer, and or Process Marijuana ~~or Marijuana for Products testing purposes~~ in the Commonwealth;
  - (d) A copy of the applicant's driver's license, government-issued identification card, liquor purchase identification card issued pursuant to M.G.L. c. 138, § 34B, or other verifiable identity document acceptable to the Commission;
  - (e) An attestation signed by the applicant that the applicant will not engage in the diversion of Marijuana and Marijuana Products; ~~Written acknowledgment signed by the applicant of any limitations on his or her authorization to possess, test or transport Marijuana Products in the Commonwealth;~~
- ~~(g)~~(f) \_\_\_\_\_ Authorization to obtain a full set of fingerprints, in accordance with M.G.L. c. 94G, § 21, submitted in a form and manner as determined by the Commission; and
- ~~(h)~~(g) \_\_\_\_\_ Background information including, as applicable:
1. A description and the relevant dates of any criminal action under the laws of the Commonwealth, or an Other Jurisdiction, whether for a felony or misdemeanor and which resulted in conviction, or guilty plea, or plea of *nolo contendere*, or admission of sufficient facts;
  2. A description and the relevant dates of any civil or administrative action under the laws of the Commonwealth or an Other Jurisdiction, relating to any professional or occupational or fraudulent practices;
  3. A description and relevant dates of any past or pending denial, suspension, or revocation of a license or registration, or the denial of a renewal of a license or registration, for any type of business or profession, by Other Jurisdictions;
  4. A description and relevant dates of any past discipline by, or a pending disciplinary action or unresolved complaint by, the Commonwealth, or a like action or complaint by an Other Jurisdiction, with regard to any professional license or registration held by the applicant;
- ~~(i)~~(h) \_\_\_\_\_ A nonrefundable application fee paid by the Independent Testing Laboratory with which the Independent Testing Laboratory Agent will be associated; and
- ~~(j)~~(i) \_\_\_\_\_ Any other information required by the Commission.
- (3) An Independent Testing Laboratory Person Having Direct Control registered with the Massachusetts DCJIS pursuant to 803 CMR 2.04: *iCORI Registration* shall submit to the Commission a CORI report and any other background check information required by the Commission for each individual for whom the Independent Testing Laboratory seeks a Laboratory Agent registration, obtained within 30 calendar days prior to submission.
- (4) The Commission shall conduct fingerprint-based checks of state and national criminal history databases, as authorized by M.G.L. c. 94G, §§ 15 and 21 and Public Law 92-544, to determine the suitability of Laboratory Agents. As part of these checks, fingerprints are used to check the national criminal history records of the Federal Bureau of Investigation (FBI). The Independent Testing Laboratory shall pay a nonrefundable fee ~~to~~ in a form and manner determined by the Commission for the purpose of administering the fingerprint-based background check.
- (5) An Independent Testing Laboratory shall notify the Commission no more than one business

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day after a Laboratory Agent ceases to be associated with the Independent Testing Laboratory. The Laboratory Agent's registration shall be immediately void when the agent is no longer associated with the Independent Testing Laboratory.

- (6) A Registration Card shall be valid for one year from the date of issue, and may be renewed on an annual basis on a determination by the Commission that the applicant for renewal continues to be suitable for registration based on satisfaction of the requirements included in 935CMR 500.800 and 935 CMR 500.801 or 935 CMR 500.803.
- (7) After obtaining a Registration Card for a Laboratory Agent, an Independent Testing Laboratory is responsible for notifying the Commission, in a form and manner determined by the Commission, as soon as possible, but in any event, within five business days of any changes to the information that the Independent Testing Laboratory was previously required to submit to the Commission or after discovery that a Registration Card has been lost or stolen.
- (8) A Laboratory Agent shall always carry the Registration Card associated with the appropriate Independent Testing Laboratory while in possession of Marijuana Products, including at all times while at an Independent Testing Laboratory, or while transporting Marijuana or Marijuana Products.
- (9) A Laboratory Agent affiliated with multiple Independent Testing Laboratories shall be registered as a Laboratory Agent by each Independent Testing Laboratory and shall be issued a Registration Card for each lab.
- (10) Laboratory Agents are strictly prohibited from receiving direct or indirect financial compensation from any Marijuana Establishment for which the Laboratory Agent is conducting testing, other than reasonable contract fees paid for conducting the testing in the due course of work.
- (11) Laboratory Agents ~~may shall~~ not be employed by other types of Marijuana Establishments while employed as a Laboratory Agent at one or more Independent Testing Laboratories.

### 500.030: Registration of Marijuana Establishment Agents

- (1) A Marijuana Establishment shall apply for registration for all its ~~board members, directors,~~ employees, Owners, Executives, ~~managers,~~ and volunteers who are associated with that Marijuana Establishment. The Commission shall issue an Agent Registration Card to each individual determined to be suitable for registration. All such individuals shall:
  - (a) Be 21 years of age or older;
  - (b) Have not been convicted of an offense in the Commonwealth involving the distribution of controlled substances to minors, or a like violation of the laws of Other Jurisdictions; and
  - (c) Be determined suitable for registration consistent with the provisions of 935CMR 500.800: Suitability Standard for Licensure and Registration and 935 CMR 500.801: Suitability Standard for Licensure or 935 CMR 500.802: Suitability Standard for Registration as a Marijuana Establishment Agent.
- (2) An application for registration of a Marijuana Establishment Agent shall include:
  - (a) The full name, date of birth, and address of the individual;
  - (b) All aliases used previously or currently in use by the individual, including maiden name, if any;
  - (c) A copy of the applicant's driver's license, government-issued identification card, liquor purchase identification card issued pursuant to M.G.L. c. 138, § 34B, or other

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- verifiable identity document acceptable to the Commission;
  - (d) An attestation that the individual will not engage in the diversion of Marijuana or Marijuana Products;
  - (e) Written acknowledgment by the applicant of any limitations on his or her authorization to cultivate, harvest, prepare, package, possess, transport, and dispense Marijuana in the Commonwealth;
  - (f) Background information, including, as applicable:
    1. A description and the relevant dates of any criminal action under the laws of the Commonwealth, or an Other Jurisdiction, whether for a felony or misdemeanor and which resulted in conviction, or guilty plea, or plea of *nolo contendere*, or admission of sufficient facts;
    2. A description and the relevant dates of any civil or administrative action under the laws of the Commonwealth, or an Other Jurisdiction, relating to any professional or occupational or fraudulent practices;
    3. A description and relevant dates of any past or pending denial, suspension, or revocation of a license or registration, or the denial of a renewal of a license or registration, for any type of business or profession, by any federal, state, or local government, or any foreign jurisdiction;
    4. A description and relevant dates of any past discipline by, or a pending disciplinary action or unresolved complaint by, the Commonwealth, or an Other Jurisdiction, with regard to any professional license or registration held by the applicant; and
  - (g) A nonrefundable application fee paid by the Marijuana Establishment with which the Marijuana Establishment Agent will be associated; and
  - (h) Any other information required by the Commission.
- (3) A Marijuana Establishment Executive registered with DCJIS pursuant to 803 CMR 2.04: *iCORI Registration*, shall submit to the Commission a CORI report and any other background check information required by the Commission for each individual for whom the Marijuana Establishment seeks a Marijuana Establishment Agent registration, obtained within 30 calendar days prior to submission.
- (a) The CORI report obtained by the Marijuana Establishment shall provide information authorized under Required Access Level 2 pursuant to 803 CMR 2.05(3)(a)2.
  - (b) The Marijuana Establishment's collection, storage, dissemination and usage of any CORI report or background check information obtained for Marijuana Establishment Agent registrations shall comply with 803 CMR 2.00: *Criminal Offender Record Information (CORI)* and all other applicable state and local laws and regulations.
- (4) A Marijuana Establishment shall notify the Commission no more than one business day after a Marijuana Establishment Agent ceases to be associated with the establishment. The registration shall be immediately void when the agent is no longer associated with the establishment.
- (5) An Agent Registration Card shall be valid for one year from the date of issue and may be renewed thereafter on a tri-annual basis on a determination by the Commission that the applicant for renewal continues to be suitable for registration.
- (6) After obtaining a Registration Card for a Marijuana Establishment Agent, a Marijuana Establishment is responsible for notifying the Commission, in a form and manner determined by the Commission, as soon as possible, but in any event, within five business days of any changes to the information that the establishment was previously required to submit to the Commission or after discovery that a Registration Card has been lost or stolen.

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- (7) A Marijuana Establishment Agent shall always carry a Registration Card associated with the appropriate Marijuana Establishment while in possession of Marijuana or Marijuana Products, including at all times while at the establishment or while transporting Marijuana or Marijuana Products.
- (8) A Marijuana Establishment Agent affiliated with multiple Marijuana Establishments shall be registered as a Marijuana Establishment Agent by each Marijuana Establishment and shall be issued an Agent Registration Card for each establishment.
- (9) An Agent working in a CMO may only perform tasks and duties permitted by the license under which they are registered and may only perform both medical- and adult-use tasks and duties if registered under both 935 CMR 500.000: *Adult Use of Marijuana* and 501.000: *Medical Use of Marijuana*.

### 500.031: Denial of a Marijuana Establishment Agent Registration Card

Each of the following, in and of itself, constitutes full and adequate grounds for denial of an agent Registration Card for a Marijuana Establishment Agent, including Laboratory Agents:

- (1) Failure to provide the information required in 935 CMR 500.029: *Registration and Conduct of Laboratory Agents* or 935 CMR 500.030: *Registration of Marijuana Establishment Agents* for an agent Registration Card;
- (2) Provision of information on the application that is deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly, or by omission or ambiguity, including lack of disclosure or insufficient disclosure;
- (3) Failure to meet the requirements set forth in 935 CMR 500.029: *Registration and Conduct of Laboratory Agents* or 935 CMR 500.030: *Registration of Marijuana Agents* for an agent Registration Card;
- (4) Revocation or suspension of an agent Registration Card in the previous six months;
- (5) Failure by the Marijuana Establishment to pay all applicable fees; or
- (6) Other grounds, as the Commission may determine in the exercise of its discretion, that are directly related to the applicant's ability to serve as a Marijuana Establishment Agent, or that make the applicant unsuitable for registration; however, the Commission will provide notice to the applicant of the grounds prior to the denial of the agent Registration Card and a reasonable opportunity to correct these grounds.
  - (a) The Commission may delegate Registrants' suitability determinations to the Executive Director, who may appoint a Suitability Review Committee, in accordance with 935 CMR 500.800: *Suitability Standard for Licensure and Registration*. Suitability determinations shall be based on credible and reliable information.
  - (b) The Executive Director may institute a suitability review based on a recommendation from Enforcement staff that background check information would result in or could support an adverse suitability determination. All suitability determinations will be made in accordance with the procedures set forth in 935 CMR 500.800: *Suitability Standard for Licensure and Registration*.

### 500.032: Revocation of a Marijuana Establishment Agent Registration Card

- (1) Each of the following, in and of itself, constitutes full and adequate grounds for revocation

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of an agent Registration Card issued to a Marijuana Establishment Agent, including Laboratory Agents:

- (a) Submission of information in the application or renewal application that is deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly, or by omission or ambiguity, including lack of disclosure or insufficient disclosure;
  - (b) Violation of the requirements of the state Marijuana laws, including 935 CMR 500.000: Adult Use of Marijuana;
  - (c) Fraudulent use of a Marijuana Establishment Agent Registration Card including, but not limited to, tampering, falsifying, altering, modifying, duplicating, or allowing another person to use, tamper, falsify, alter, modify, or duplicate an agent Registration Card;
  - (d) Selling, Transferring, distributing, or giving Marijuana to any unauthorized person;
  - (e) Failure to notify the Commission within five business days after becoming aware that the agent Registration Card has been lost, stolen, or destroyed;
  - (f) Failure to notify the Commission within five business days after a change in the registration information contained in the application or required by the Commission to have been submitted in connection with the application an agent Registration Card, including open investigations or pending actions as delineated in 935 CMR 500.802: Suitability Standard for Registration as a Marijuana Establishment Agent, as applicable, that may otherwise affect the status of the suitability for registration of the Marijuana Establishment Agent;
  - (g) Conviction, guilty plea, plea of *nolo contendere*, or admission to sufficient facts of a felony drug offense involving distribution to a minor in the Commonwealth, or a like violation of the laws of an Other Jurisdiction; or
  - (h) Conviction, guilty plea, plea of *nolo contendere* or admission to sufficient facts in the Commonwealth, or a like violation of the laws of another state, to an offense as delineated in 935 CMR 500.802: Suitability Standard for Registration as a Marijuana Establishment Agent or 935 CMR 500.803: Suitability Standard for Registration as a Laboratory Agent, as applicable, that may otherwise affect the status of the suitability for registration of the Marijuana Establishment Agent.
- (2) In addition to the grounds in 935 CMR 501.032(1), a conviction of a felony drug offense in the Commonwealth, or a like violation of the laws of an Other Jurisdiction shall be adequate grounds for the revocation of a Marijuana Establishment Agent Registration Card.
- (3) Other grounds as the Commission may determine in the exercise of its discretion, that are directly related to the applicant's ability to serve as a Marijuana Establishment Agent, that make the Registrant unsuitable for registration. The Commission will provide notice to the Registrant of the grounds prior to the revocation of an agent Registration Card and a reasonable opportunity to correct these grounds.
- (a) The Commission may delegate Registrants' suitability determinations to the Executive Director, who may appoint a Suitability Review Committee, in accordance with 935 CMR 500.800: Suitability Standard for Licensure and Registration. Suitability determinations shall be based on credible and reliable information.
  - (b) The Executive Director may institute a suitability review based on a recommendation from Enforcement staff that background check information would result in or could support an adverse suitability determination. All suitability determinations will be made in accordance with the procedures set forth in 935 CMR 500.800: Suitability Standard for Licensure and Registration.

#### 500.033: Void Registration Cards

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- (1) An agent Registration Card issued to a Marijuana Establishment Agent, including a Laboratory Agent, shall be void when:
  - (a) The agent has ceased to be associated with the Marijuana Establishment or Independent Testing Laboratory that applied for and received the agent's Registration Card;
  - (b) The card has not been surrendered on the issuance of a new agent Registration Card based on new information; or
  - (c) The agent is deceased.
- (2) A void agent Registration Card is inactive and invalid.

500.040: Leadership Rating Program for Marijuana Establishments and Marijuana-related Businesses

- (1) Leadership Rating Categories. In a time and manner to be determined by the Commission, Licensees will be eligible to earn leadership ratings in the following categories:
  - (a) Social Justice Leader;
  - (b) Local Employment Leader;
  - (c) Energy and Environmental Leader; and
  - (d) Compliance Leader.
- (2) Leadership Rating Application.
  - (a) Marijuana Establishments annually submit information, in a time and manner determined by the Commission, demonstrating their eligibility for the applicable leadership rating.
  - (b) All information submitted is subject to verification and audit by the Commission prior to the award of a leadership rating.
  - (c) Award of a leadership rating in one year does not entitle the applicant to a leadership rating for any other year.
- (3) Leadership Rating Criteria.
  - (a) Social Justice Leader. In the year preceding the date of application for a leadership rating, a Licensee satisfies at least two of the following:
    1. Upon the Legislature's establishment of a dedicated Social Equity or Technical Assistance Fund (Fund) or a similar fund, One percent of the Marijuana Establishment's gross revenue is donated to the ~~Social Equity Training and Technical Assistance~~ Fund; and
    2. The Licensee has conducted 50 hours of educational seminars targeted to residents of Areas of Disproportionate Impact in one or more of the following: Marijuana cultivation, Marijuana Product manufacturing, Marijuana retailing, or Marijuana business training. ~~A Social Justice Leader may use a logo or symbol created by the Commission to indicate its leadership status;~~
    3. The Licensee can demonstrate that a majority of employees have a conviction or continuance without a finding for an offense under M.G.L. c. 94C or an equivalent conviction in Other Jurisdictions;
    4. Sixty-six percent (66%) or more of the Licensee's employees are people of color, women, Veterans, persons with disabilities, and LGBTQ+ people;
    5. The Licensee has developed, and can demonstrate execution of, a Diversity Plan or Positive Impact Plan recognized as exemplary by the Commission in its discretion; or
    6. The Licensee can demonstrate that in a year, at least one percent of its gross revenue or a minimum of 20 hours of each staff member's paid time is contributed to supporting persons from communities disproportionately

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harmed by marijuana prohibition or an Area of Disproportionate Impact as determined by the Commission.

A Social Justice Leader may use a logo or symbol created by the Commission to indicate its leadership status.

(b) Local Employment Leader. In the year preceding the date of application for a leadership rating:

1. 51% or more of the Licensee's employees have been a Massachusetts Resident for 12 months or more, as determined by the Commission; ~~and~~
2. 51% or more of the Licensee's Executives have been a Massachusetts Resident for 12 months or more, as determined by the Commission; ~~and;~~
3. ~~3-51% or more of ancillary business service expenditures purchased by the Licensee have been from businesses with its primary place of businesses within Massachusetts.~~

(c) Energy and Environmental Leader. In the year preceding the date of application for a leadership rating: ~~1. The the Licensee has met or exceeded its the energy and environmental impact goals in one or more subcategories in compliance with criteria published as Appendix B in the Energy & Environment Compiled Guidance; for its registration period;~~

1. Energy;
2. Recycling & Waste Disposal;
3. Transportation;
4. Delivery;
5. Water Usage; or  
~~—Soil Sampling;~~
6. ~~The Licensee has consistently documented and complied with best management practices for energy use, waste disposal and environmental impact;~~

~~The Licensee has documented that renewable energy credits representing 100% of the Licensee's energy usage have been retired; and~~

- 8.6. ~~The Licensee has labeled all their products as being produced using 100% renewable energy.~~

(d) Compliance Leader. In the year preceding the date of application for a leadership rating:

1. All Licensee employees have completed all required trainings for their positions within 90 days of hire;
2. The Licensee has not unresolved ~~been issued a~~ written deficiency statements;
3. The Licensee has not been the subject of a Cease and Desist Order or a Quarantine Order;
4. The Licensee has not had its license suspended; and
5. The Licensee has met all timelines required by the Commission.

(e) Leadership ratings will be taken into consideration by the Commission in assessing fines pursuant to 935 CMR 500.360: Fines and disciplinary action pursuant to 935 CMR 500.450: Marijuana Establishment License: Grounds for Suspension, Revocation and Denial of Renewal Applications.

#### 500.050: Marijuana Establishments

##### (1) General Requirements.

(a) A Marijuana Establishment is required to be registered to do business in the Commonwealth as a domestic business corporation or another domestic business entity in compliance with 935 CMR 500.000: Adult Use of Marijuana and to

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maintain the corporation or entity in good standing with the Secretary of the Commonwealth, DOR, and DUA.

(b) Control Limitations.

1. No Person or Entity Having Direct or Indirect Control shall be granted, or hold, more than three licenses in a particular class, except as otherwise specified in 935 CMR 500.000: *Adult Use of Marijuana*.
2. An Independent Testing Laboratory or Standards Laboratory Licensee, or any associated Person or Entity Having Direct or Indirect Control, may not have a License in any other class.
3. To the extent that persons or entities seek to operate a testing facility in the Counties of Dukes County and Nantucket, 935 CMR 500.200: *Counties of Dukes County and Nantucket* applies.
4. The Commission shall receive notice of any such interests as part of the application pursuant to 935 CMR 500.101: *Application Requirements*.
5. Any Person or Entity Having Direct or Indirect Control, or Licensee, shall be limited to a total of 100,000 square feet of Canopy distributed across no more than three cultivation Licenses under 935 CMR 500.000: *Adult Use of Marijuana* and three MTC Licenses. A Craft Marijuana Cooperative Licensee shall be limited to one license and a total of 100,000 square feet of Canopy.
6. Limitations on the Number and Control of Delivery Licenses.
  - a. No Third-party Technology Platform Provider shall be a Licensee, or a Person or Entity with Direct or Indirect Control of a Delivery Licensee.
  - b. A contract between a Delivery Licensee and a Third-party Technology Platform Provider shall be negotiated and entered into on an arm's length basis. A Delivery Licensee may not accept any investment in the Delivery Licensee by a Third-party Technology Platform Provider with which they have a contract.-
  - c. No Person or Entity Having Direct or Indirect Control shall be granted or hold more than a combined total of two Delivery Operator and/or Marijuana Courier Licenses at any time.
  - d. No Delivery Licensee may share its profits of the sale of Marijuana or Marijuana Products with a Third-party Technology Platform Provider, or otherwise provide a percentage or portion of the sale of Marijuana or Marijuana Products to the Third-party Technology Platform Provider.

(c) License Classes are as follows:

1. Marijuana Cultivator (Indoor or Outdoor):
  - a. Tier 1: up to 5,000 square feet of Canopy;
  - b. Tier 2: 5,001 to 10,000 square feet of Canopy;
  - c. Tier 3: 10,001 to 20,000 square feet of Canopy;
  - d. Tier 4: 20,001 to 30,000 square feet of Canopy;
  - e. Tier 5: 30,001 to 40,000 square feet of Canopy;
  - f. Tier 6: 40,001 to 50,000 square feet of Canopy;
  - g. Tier 7: 50,001 to 60,000 square feet of Canopy;
  - h. Tier 8: 60,001 to 70,000 square feet of Canopy;
  - i. Tier 9: 70,001 to 80,000 square feet of Canopy;
  - j. Tier 10: 80,001 to 90,000 square feet of Canopy; or
  - k. Tier 11: 90,001 to 100,000 square feet of Canopy.
2. Craft Marijuana Cooperative;
3. Marijuana Product Manufacturer;
4. Marijuana Microbusiness;
5. Independent Testing Laboratory and Standards Laboratory;



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6. Marijuana Retailer;
  7. Social Consumption Establishment;
  8. Marijuana Transporter:
    - a. Existing Licensee Transporter;
    - b. Third-party Transporter;
  9. ~~Marijuana-Delivery Licensee:~~
    - a. ~~Delivery-only Licensee~~Marijuana Courier;
    - b. Marijuana Delivery Operator; and
  10. Marijuana Research Facility Licensee.
- (d) A Marijuana Establishment shall operate all activities authorized by the License only at the address(es) reported to the Commission for that license.
- (e) All Marijuana Establishment Agents of the Marijuana Establishment ~~must~~shall be registered with the Commission pursuant to 935 CMR 500.030: Registration of Marijuana Establishment Agents.

(2) Marijuana Cultivator (Indoor or Outdoor).

- (a) A Marijuana Cultivator may cultivate, Process and package Marijuana, to transport Marijuana to Marijuana Establishments and to Transfer Marijuana to other Marijuana Establishments, but not to Consumers.
- (b) Marijuana Cultivators shall select a cultivation tier. Cultivation tiers are based on the square footage of Canopy:
  1. Tier 1: up to 5,000;
  2. Tier 2: 5,001 to 10,000;
  3. Tier 3: 10,001 to 20,000;
  4. Tier 4: 20,001 to 30,000;
  5. Tier 5: 30,001 to 40,000;
  6. Tier 6: 40,001 to 50,000;
  7. Tier 7: 50,001 to 60,000;
  8. Tier 8: 60,001 to 70,000;
  9. Tier 9: 70,001 to 80,000;
  10. Tier 10: 80,001 to 90,000; or
  11. Tier 11: 90,001 to 100,000.
- (c) Tier Expansion. A Marijuana Cultivator may submit an application, in a time and manner determined by the Commission, to change the tier in which it is classified. A Marijuana Cultivator may change tiers to either expand or reduce production. If a Marijuana Cultivator is applying to expand production, it ~~must~~shall demonstrate that while cultivating at the top of its production tier, it has sold 85% of its product consistently over the six months preceding the application for expanded production for an indoor cultivator, or during the harvest season prior to the application for expanded production for an outdoor cultivator.
- (d) Tier Relegation. In connection with the license renewal process for Marijuana Cultivators, the Commission will review the records of the Marijuana Cultivator during the six months prior to the application for renewal for an indoor cultivator or during the harvest season prior to the application for renewal for an outdoor cultivator. The Commission may reduce the Licensee's maximum Canopy to a lower tier if the Licensee sold less than 70% of what it produced during the six months prior to the application for renewal for an indoor cultivator or during the harvest season prior to the application for renewal for an outdoor cultivator.
- (e) Tier Factors. When determining whether to allow expansion or relegate a Licensee to a different tier, the Commission may consider factors including, but not limited to:

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1. Cultivation and production history, including whether the plants/inventory suffered a catastrophic event during the licensing period;
2. Transfer, sales, and excise tax payment history;
3. Existing inventory and inventory history;
4. Sales contracts; and
5. Any other factors relevant to ensuring responsible cultivation, production, and inventory management.

(3) Craft Marijuana Cooperative.

- (a) A Craft Marijuana Cooperative may be organized as a limited liability company, limited liability partnership, or a cooperative corporation under the laws of the Commonwealth.
- (b) The Members or shareholders of the cooperative ~~must~~ shall be residents of the Commonwealth for the 12 months immediately preceding the filing of an application for a license.
- (c) The Craft Marijuana Cooperative shall have:
  1. One Member ~~that has of the Craft Marijuana Cooperative shall have~~ filed a Schedule F (Form 1040), Profit or Loss from Farming, within the five years prior to application for licensure; or
  2. An agreement to lease land wholly owned by a person or entity that has filed a Schedule F (Form 1040), Profit or Loss from Farming, within the five years prior to application for licensure.
- (d) Where the agreement to lease land in 935 CMR 500.050(3)(c)2. renders the individual or entity filing a Schedule F (Form 1040) a Person or Entity Having Direct or Indirect Control, the Craft Marijuana Cooperative shall report the individual or entity and submit the agreement, as required by 935 CMR 500.101(1)(a)(1).
- (e) The Craft Marijuana Cooperative ~~must~~ shall operate consistently with the Seven Cooperative Principles established by the International Cooperative Alliance in 1995.
- (f) The cooperative license authorizes it to cultivate, obtain, Manufacture, Process, package, brand and Transfer Marijuana Products and to deliver Marijuana to Marijuana Establishments, but not to Consumers.
- (g) The Craft Marijuana Cooperative is limited to one license, under which it may cultivate Marijuana, subject to the limitations of 935 CMR 500.050: Marijuana Establishments. The cooperative's total locations are limited to cultivating 100,000 square feet of Canopy. A cooperative is not limited in the number of cultivation locations it may operate, provided that for each location over six locations, additional application and licensing fees shall apply pursuant to 935 CMR 500.0050(13)(d). The cooperative may also conduct activities authorized for Marijuana Product Manufacturers at up to three locations.
- (h) For the Seed-to-sale SOR, a cooperative that designates a system administrator will pay one licensing program fee on a monthly basis for Seed-to-sale tracking software.
- (i) Members of a cooperative ~~may~~ shall not be a Person or Entity Having Direct or Indirect Control in any other Marijuana Establishment. Such restriction ~~may~~ shall not be construed to prohibit a Craft Marijuana Cooperative for applying for a Marijuana Retailer, Marijuana Existing Licensee Transporter, Marijuana Research or Social Consumption Establishment License.
- (j) Tier Expansion. A Craft Marijuana Cooperative may submit an application, in a time and manner determined by the Commission, to change the tier in which it is classified. A cooperative may change tiers to either expand or reduce production. If a cooperative is applying to expand production, it ~~must~~ shall demonstrate that

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while cultivating at the top of its production tier, it has sold 85% of its product consistently over the six months preceding the application for expanded production for an indoor cultivator, or during the harvest season prior to the application for expanded production for an outdoor cultivator.

- (k) Tier Relegation. In connection with the license renewal process for Craft Marijuana Cooperatives, the Commission will review the records of the cooperative during the six months prior to the application for renewal for an indoor cultivator or during the harvest season prior to the application for renewal for an outdoor cultivator. The Commission may reduce the Licensee's maximum Canopy to a lower tier if the Licensee sold less than 70% of what it produced during the six months prior to the application for renewal for an indoor cultivator or during the harvest season prior to the application for renewal for an outdoor cultivator.
- (l) Tier Factors. When determining whether to allow expansion or relegate a Licensee to a different tier, the Commission may consider factors including, but not limited to:
1. Cultivation and production history, including whether the plants/inventory suffered a catastrophic event during the licensing period;
  2. Transfer, sales, and excise tax payment history;
  3. Existing inventory and inventory history;
  4. Sales contracts; and
  5. Any other factors relevant to ensuring responsible cultivation, production, and inventory management.
- (4) Marijuana Product Manufacturer. A Marijuana Product Manufacturer may obtain, Manufacture, Process and package Marijuana Products, to transport Marijuana Products to Marijuana Establishments and to Transfer Marijuana Products to other Marijuana Establishments, but not to Consumers.
- (5) Marijuana Microbusiness.
- (a) A Microbusiness is an ~~Colocated CMO Marijuana Establishment~~ entity that can be either a Tier 1 Marijuana Cultivator or Marijuana Product Manufacturer or both and, if in receipt of a Delivery Endorsement issued by the Commission, may deliver Marijuana or Marijuana Products produced at the licensed location directly to Consumers in compliance with established regulatory requirements for retail sale as it relates to delivery. A Microbusiness that is a Marijuana Product Manufacturer may purchase no more than 2,000 pounds of Marijuana or its dry-weight equivalent in raw concentrate per year from other Marijuana Establishments, but not any other Marijuana Products.
  - (b) A Microbusiness shall comply with all operational requirements imposed by 935 CMR 500.105: *General Operational Requirements for Marijuana Establishments* through 935 CMR 500.140: *Additional Operational Requirements for Retail Sale* on Marijuana Cultivators and Marijuana Product Manufacturers, and Retailers, to the extent the Licensee engages in such activities.
  - (c) A Microbusiness Licensee ~~shall~~ may not be a Person or Entity Having Direct or Indirect Control for any other Marijuana Establishment except a Social Consumption Establishment. A majority of the Microbusiness' Executives or Members ~~must~~ shall have been residents of Massachusetts for no less than 12 months prior to application.
  - (d) Application fees and license fees for Microbusinesses shall be set at 50% of the combined sum of the application fees and license fees for all the cultivation or manufacturing activities in which the Licensee engages.
  - (e) Delivery Endorsements shall be subject to the exclusivity provisions for ~~Delivery-only~~ Delivery Licensees established in 935 CMR 500.050(10)(b).

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(6) Social Consumption Establishment Pilot Program.

(a) Under the Social Consumption Establishment Pilot Program, Social Consumption Establishments may apply for licensure.

(b) Municipal Participation for Social Consumption Pilot Program.

1. The Commission may select no more than 12 municipalities for participation in the pilot program.
2. The Commission shall establish criteria for selecting participating municipalities. The Commission may take into consideration factors including, but not limited to, the geographic location, socioeconomic characteristics, and population size of municipal applicants.
3. An interested municipality shall submit an application for participation in a form and manner determined by the Commission.
4. The application for participation shall be signed by the municipality's contracting authority.
5. The Commission shall make the Pre-certification Application identified in 935 CMR 500.101(2)(c) available for Social Consumption licenses upon the Commission's selection of at least six municipalities for participation in the Social Consumption Pilot Program.

(c) Social Consumption Establishment licenses shall be limited on an exclusive basis to businesses controlled by and with majority ownership comprised of Economic Empowerment Priority Applicants or Social Equity Program Participants; Microbusinesses; and Craft Marijuana Cooperatives, for a period of ~~36~~<sup>24</sup> months from the date the first Social Consumption Establishment receives a notice to commence operations, provided, however, that the Commission may, by vote, decide to extend that period following a determination that the goal of the exclusivity period to promote and encourage full participation in the regulated Marijuana industry by people from communities that have previously been disproportionately harmed by Marijuana prohibition and enforcement of the law, by farmers, and by businesses of all sizes, has not been met.

1. The Commission shall develop criteria for evaluating whether the goals of the exclusivity period are met which shall include, but not be limited to:
  - a. Overall rates of participation in the regulated Marijuana industry by people from communities that have previously been disproportionately harmed by Marijuana prohibition and enforcement of the law, by farmers, and by businesses of all sizes;
  - b. Overall rates of participation in the regulated Marijuana industry by people of color;
  - c. Licenses granted to businesses with majority ownership comprised of Economic Empowerment Priority Applicants and Social Equity Program Participants; Microbusinesses; and Craft Marijuana Cooperatives;
  - d. Number of registered agents who are Social Equity Program Participants;
  - e. Number of Social Consumption Establishments in operation and business performance relative to other Marijuana Establishments;
  - f. Financial feasibility of continued participation in the regulated Marijuana industry by people from communities that have previously been disproportionately harmed by Marijuana prohibition and enforcement of the law, by farmers, and by businesses of all sizes if exclusivity period ends; and
  - g. Any other information the Commission determines relevant.
2. The Commission shall collect and report on data measuring the criteria throughout the exclusivity period. The Commission shall begin evaluating

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whether the goals of the exclusivity period have been met at least eight months before the end of the ~~3624~~-month period to provide adequate time to consider whether an extension of the ~~3624~~-month period is necessary prior to the conclusion of that time period.

3. The licenses may be made available to any qualifying applicants after the ~~3624~~-month period, unless the Commission affirmatively votes to extend the period of exclusivity by a period of 12 months after the first ~~3624~~-month period. Any subsequent extension of the exclusivity period would require the Commission affirmatively to find that the goals and objectives of the exclusivity period as set forth in 935 CMR 500.050(10)(b)1. have not been met.

- (d) No person or entity other than those disclosed in the application shall be a Person or Entity Having Direct or Indirect Control in a Social Consumption Establishment license.

(7) Independent Testing Laboratory.

- (a) ~~Prior to final licensure An-an~~ Independent Testing Laboratory shall be:

1. Accredited to the most current International Organization for Standardization (ISO) 17025 by a third-party accrediting body that is a signatory to the International Laboratory Accreditation Cooperation (ILAC) Mutual Recognition Arrangement; or
2. Certified, registered, or accredited by an organization approved by the Commission.

- (b) An Executive or Member of a Marijuana Establishment is prohibited from being a Person or Entity Having Direct or Indirect Control in an Independent Testing Laboratory providing testing services for any Marijuana Establishment, except as otherwise provided in 935 CMR 500.200: *Counties of Dukes County and Nantucket*;

- (c) No individual employee of a laboratory providing testing services for Marijuana Establishments may receive direct or indirect financial compensation from any Marijuana Establishment, except as otherwise provided in 935 CMR 500.200: *Counties of Duke County and Nantucket*;

- (d) Standards Laboratory. A laboratory meeting the requirements of the Independent Testing Laboratory may be licensed as a Standards Laboratory to ensure consistent and compliant testing by the Independent Testing Laboratories. An Independent Testing Laboratory may not serve as a Standards Laboratory.

1. On request by the Commission, a Standards Laboratory shall test samples of Marijuana Products in a time and manner to be determined by the Commission.
2. Testing shall be performed in a manner determined by the Commission so as not to reveal to the laboratory the source of the Marijuana Products.
3. The Standards Laboratory shall submit the results of testing to the Commission for review.
4. The Standards Laboratory shall retain the Marijuana Products tested pursuant to 935 CMR 500.050(7)(d)1., until directed to Transfer or dispose of them by the Commission. Any disposal shall take place in compliance with 935 CMR 500.105(12): *Waste Disposal*.

(8) Marijuana Retailer.

- (a) General Requirements.

1. A Marijuana Retailer may purchase, transport, sell, Repackage, or otherwise Transfer Marijuana or Marijuana Products to Marijuana Establishments and sell to Consumers. A Marijuana Retailer can~~not~~ deliver Marijuana or Marijuana Products to Consumers in accordance with the regulations. A Marijuana Retailer may not allow on-site social consumption

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- by Consumers on the Premises of the Marijuana Establishment.
2. A retailer shall operate all Marijuana-related activities solely at the address identified in the license.
  3. No Person or Entity Having Direct or Indirect Control in a Marijuana Retailer license shall be granted or hold more than a combined total of three Marijuana Retailer Licenses and shall be subject to the limitations in 935 CMR 500.050(1)(b)6.
- (b) A Marijuana Retailer shall provide a retail location accessible to Consumers 21 years of age or older, or, if colocated with an MTC, Registered Qualifying Patients with the Medical Use of Marijuana Program in possession of a Medical Registration Card.
- (9) Marijuana Transporter.
- (a) An entity may only transport Marijuana Products when such transportation is not already authorized under a Marijuana Establishment license if it is licensed as a Marijuana Transporter:
    1. Third-party Transporter. An entity formerly registered or currently licensed to do business in Massachusetts that does not hold another Marijuana Establishment license pursuant to 935 CMR 500.050: Marijuana Establishments and is not formerly registered or currently licensed as an MTC pursuant to 935 CMR 501.000: Medical Use of Marijuana. A Third-party Transporter is permitted to transport Marijuana and Marijuana Products between Marijuana Establishments and between MTCs.
    2. Existing Licensee Transporter. A Marijuana Establishment that wishes to contract with other Marijuana Establishments to transport their Marijuana Products to other Marijuana Establishments.
  - (b) All Marijuana Transporter, their agents and employees, who contract with a Marijuana Establishment to transport Marijuana Products ~~must~~ shall comply with St. 2016, c. 334, as amended by St. 2017, c. 55 G.L. c. 94G, and 935 CMR 500.000: Adult Use of Marijuana.
  - (c) Marijuana Transporters will be allowed to Warehouse Marijuana Products in a form and manner determined by the Commission.
- (10) Delivery-only Licensee Marijuana Courier.
- (a) A Delivery-only Licensee Marijuana Courier may deliver Marijuana or Marijuana Products directly to Consumers from a Marijuana Retailer or to Patients or Caregivers from an MTC with which the Delivery-Only Licensee Marijuana Courier has a Delivery Agreement. ~~A Delivery-only Licensee shall not have a retail location accessible to the public. A Marijuana Courier may be an Owner of or have a controlling interest in a Cultivation, Product Manufacturing, Social Consumption Establishment, Research, Retail or Transportation license.~~
  - (b) ~~A Delivery-only Licensee~~ A Marijuana Courier shall be limited on an exclusive basis to businesses controlled by and with majority ownership comprised of Economic Empowerment Priority Applicants or Social Equity Program Participants for a period of 3624 months from the date the first Delivery-only Delivery Operator Licensee receives a notice to commence operations, provided, however, that the Commission may vote ~~to expand eligibility for a Delivery License during the exclusivity period pursuant to 935 CMR 500.050(10)(b)4 to decide~~ to extend that period following a determination that the goal of the exclusivity period to promote and encourage full participation in the regulated Marijuana industry by people from communities that have previously been disproportionately harmed by Marijuana prohibition and enforcement of the law has not been met; and the Commission may vote to expand eligibility for Delivery Licenses during the exclusivity period pursuant to 935 CMR 500.050(10)(b)4.

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1. The Commission shall develop criteria for evaluating whether the goals of the exclusivity period are met, which shall include, but not be limited to:
    - a. Overall rates of participation in the regulated marijuana industry by people from communities that have previously been disproportionately harmed by marijuana prohibition and enforcement of the law;
    - b. Overall rates of participation in the regulated Marijuana industry by people of color;
    - c. Licenses granted to businesses with majority ownership comprised of Economic Empowerment Priority Applicants and Social Equity Program Participants;
    - d. Number of registered agents who are Social Equity Program Participants;
    - e. Number of ~~Delivery-only~~Delivery Licensees in operation and business performance relative to other Marijuana Establishments;
    - f. Financial feasibility of continued participation in the regulated Marijuana industry by communities that have previously been disproportionately harmed by Marijuana prohibition and enforcement of the law if exclusivity period ends; and
    - g. Any other information the Commission determines relevant.
  2. The Commission shall collect and report on data measuring the criteria throughout the exclusivity period. The Commission shall begin evaluating whether the goals of the exclusivity period have been met at least eight months before the end of the ~~3624~~-month period to provide adequate time to consider whether an extension of the ~~3624~~-month period is necessary prior to the conclusion of that time period.
  3. The licenses shall generally be available to applicants after the ~~3624~~-month period unless the Commissioners affirmatively votes to extend the period of exclusivity by a period of 12 months after the first ~~3624~~-month period. Any subsequent extension of the exclusivity period would require the Commission affirmatively to find that the goals and objectives of the exclusivity period as set forth in 935 CMR 500.050(10)(b)1. have not been met.
  4. If data collected by the Commission demonstrates progress toward the goals and objectives of the exclusivity period as set forth in 935 CMR 500.050(10)(b)1. and that demand for Consumer delivery is likely to exceed the supply that could be provided by businesses that meet the exclusivity requirements during the exclusivity period, the Commission may vote during the exclusivity period to allow the following additional businesses to own Delivery Licenses:
    - a. Worker-owned cooperatives organized to operate consistently with the Seven Cooperative Principles established by the International Cooperative Alliance in 1995; or
    - b. Massachusetts Minority Business Enterprises (MBE), Women Business Enterprises (WBE), and Veteran Business Enterprises (VBE) with valid certification from the SDO.
- (c) No person or entity other than those disclosed in the application shall be a Person or Entity Having Direct or Indirect Control in a ~~Delivery-only~~Delivery License.
- (d) No Person or Entity with Direct or Indirect Control shall possess, or be granted, more than ~~three~~two (2) Delivery Licenses.
- (e) After the promulgation of these regulations, any application or license classified as a Delivery-Only license pursuant to previously adopted regulations shall be converted to a Delivery Courier application or license governed by this section.

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(11) Marijuana Delivery Operator.

- (a) A Delivery Operator may Wholesale and Warehouse Finished Marijuana Products acquired from a Marijuana Cultivator, Marijuana Product Manufacturer, Microbusiness or Craft Marijuana Cooperative and sell and deliver directly to Consumers. A Delivery Operator may be an Owner of or have a controlling interest in a Cultivation, Product Manufacturing, Social Consumption Establishment, Research, Transportation or Retail license, subject to the limitations stated in 935 CMR 500.050(11)(e).
- (b) A Delivery Operator Licensee shall operate a Warehouse for the purpose of storing Finished Marijuana Products.
- (c) Notwithstanding that a Delivery Operator is not considered to be a Marijuana Retailer as defined under 935 CMR 500.002 or authorized to engage in permitted activities under 935 CMR 500.050(8), but is authorized to sell Finished Marijuana Products directly to consumers, a Delivery Operator shall register as a vendor with the Department of Revenue and collect and remit marijuana retail taxes in accordance with 830 CMR 64N.1.1: *Marijuana Retail Taxes*.
- (d) Delivery Operator Licenses shall be limited on an exclusive basis to businesses controlled by and with majority ownership comprised of Economic Empowerment Priority Applicants or Social Equity Program Participants for a period of 36 months from the date the first Delivery Operator Licensee receives a notice to commence operations, provided, however, that the Commission may vote to extend that period following a determination that the goal of the exclusivity period to promote and encourage full participation in the regulated Marijuana industry by people from communities that have previously been disproportionately harmed by Marijuana prohibition and enforcement of the law has not been met; and the Commission may vote to expand eligibility for Delivery Licenses during the exclusivity period pursuant to 935 CMR 500.050(11)(d)4.
  1. The Commission shall develop criteria for evaluating whether the goals of the exclusivity period are met, which shall include, but not be limited to:
    - a. Overall rates of participation in the regulated marijuana industry by people from communities that have previously been disproportionately harmed by marijuana prohibition and enforcement of the law;
    - b. Overall rates of participation in the regulated Marijuana industry by people of color;
    - c. Licenses granted to businesses with majority ownership comprised of Economic Empowerment Priority Applicants and Social Equity Program Participants;
    - d. Number of registered agents who are Social Equity Program Participants;
    - e. Number of Delivery Licensees in operation and business performance relative to other Marijuana Establishments;
    - f. Financial feasibility of continued participation in the regulated Marijuana industry by communities that have previously been disproportionately harmed by Marijuana prohibition and enforcement of the law if exclusivity period ends; and
    - g. Any other information the Commission determines relevant.
  2. The Commission shall collect and report on data measuring the criteria throughout the exclusivity period. The Commission shall begin evaluating whether the goals of the exclusivity period have been met at least eight months before the end of the 36-month period to provide adequate time to consider whether an extension of the 36-month period is necessary prior to the conclusion of that time period.
  3. The licenses shall generally be available to applicants after the 36-month



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period unless the Commissioners affirmatively votes to extend the period of exclusivity by a period of 12 months after the first 36-month period. Any subsequent extension of the exclusivity period would require the Commission affirmatively to find that the goals and objectives of the exclusivity period as set forth in 935 CMR 500.050(11)(d)1. have not been met.

4. If data collected by the Commission demonstrates progress toward the goals and objectives of the exclusivity period as set forth in 935 CMR 500.050(11)(d)1. and that demand for consumer delivery is likely to exceed the supply that could be provided by businesses that meet the exclusivity requirements during the exclusivity period, the Commission may vote during the exclusivity period to allow the following additional businesses to own Delivery Licenses:
  - a. Worker-owned cooperatives organized to operate consistently with the Seven Cooperative Principles established by the International Cooperative Alliance in 1995; or
  - b. Massachusetts Minority Business Enterprises (MBE), Women Business Enterprises (WBE), and Veteran Business Enterprises (VBE) with valid certification from the SDO.
- (e) No person or entity other than those disclosed in the application shall be a Person or Entity Having Direct or Indirect Control in a Delivery Operator License.
- (f) No Person or Entity Having Direct or Indirect Control in a Delivery Operator License shall obtain, or be granted, more than a combined total of two (2) Delivery Licenses, subject to the limitations in 935 CMR 050(1)(b): *Control Limitations*.
- (g) Two years from the date the first Delivery Operator Licensee receives a notice to commence operations, the Commission or its designee shall commence an evaluation of the development of the Cannabis delivery market in the Commonwealth of Massachusetts, which may include assessing the competitiveness and concentration of the market, the repackaging and white labeling requirements, and any other matter as determined by the Commission. The Commission shall complete its evaluation within four months, unless the Commission determines that there is a reasonable basis for an extension. The Commission may take any action, including, but not limited to, issuing regulations or guidance, it deems necessary to address issues with market development.

(12) Marijuana Research Facility Licensee.

- (a) A Marijuana Research Facility Licensee may cultivate, purchase or otherwise acquire Marijuana for the purpose of conducting research regarding Marijuana Products-conduct research after receiving approval from the Commission. A license to operate a Marijuana Research Facility shall be separate from receipt of a Research Permit to conduct a specific research project at the Marijuana Research Facility.
- (b) A Marijuana Research Facility Licensee may be an academic institution, nonprofit corporation or domestic corporation or entity authorized to do business in the Commonwealth, including a licensed Marijuana Establishment or MTC.
- (c) Any research involving humans must be authorized by an Institutional Review Board. Unless otherwise authorized by law, any Marijuana Research Facility Licensee that is not licensed pursuant to 935 CMR 500.050: *Marijuana Establishments* or 935 CMR 501.050: *Medical Marijuana Treatment Centers (MTCs)* to engage in the cultivation, production or retail sale of Marijuana or Marijuana Products shall acquire all Marijuana or Marijuana Products used in research from a Marijuana Establishment or MTC licensed to engage in such activity, except:
  1. A Marijuana Research Facility Licensee may engage in cultivation or

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product manufacturing of Marijuana or Marijuana Products if the cultivation or product manufacturing process is the subject of its research;  
or

2. As otherwise determined by the Commission.

(d) A Marijuana Research Facility may be colocated with another Marijuana Establishment or MTC license provided that the Marijuana Research Facility and the colocated licensed Marijuana Establishment or MTC are:

1. Commonly owned; and

2. Clearly physically separated.

(e) A Marijuana Research Facility Licensee may not Transfer Marijuana or Marijuana Products to another Marijuana Establishment, other than for testing, -or sell to a Consumer, Registered Qualifying Patient or Caregiver Marijuana or Marijuana Products that has been ~~cultivated~~ acquired for a research project under its Marijuana Research Facility License.

~~(e) All research regarding Marijuana must be conducted by individuals 21 years of age or older.~~

#### 500.100: Application for Licensing of Marijuana Establishments

#### 500.101: Application Requirements

(1) New Applicants. An applicant in any category of Marijuana Establishment shall file, in a form and manner specified by the Commission, an application for licensure as a Marijuana Establishment. The application shall consist of three sections: Application of Intent; Background Check; and Management and Operations Profile, except as otherwise provided. The applicant may complete any section of the application in any order. Once all sections of the application have been completed, the application may be submitted. Application materials, including attachments, may be subject to release pursuant to the Public Records Law, M.G.L. c. 66, § 10 and M.G.L. c. 4, § 7, cl. 26.

(a) Application of Intent. An applicant for licensure as a Marijuana Establishment shall submit the following as part of the Application of Intent:

1. Documentation that the Marijuana Establishment is an entity registered to do business in Massachusetts and a list of all Persons or Entities Having Direct or Indirect Control. In addition, the applicant shall submit any contractual, management, or other written document that explicitly or implicitly conveys direct or indirect control over the Marijuana Establishment to the listed person or entity pursuant to 935 CMR 500.050(1)(b);

2. A disclosure of an interest of each individual named in the application in any Marijuana Establishment application for licensure or Licensee in Massachusetts;

3. Documentation disclosing whether any individual named in the application have past or present business interests in Other Jurisdictions;

4. Documentation detailing the amounts and sources of capital resources available to the applicant from any individual or entity that will be contributing capital resources to the applicant for purposes of establishing or operating the identified Marijuana Establishment for each license applied for. If any person or entity contributing initial capital, either in cash or in kind, would be classified as a Person or Entity Having Direct or Indirect Control, in exchange for the initial capital, they ~~must~~ shall also be listed pursuant to 935 CMR 500.101(1)(a)1. Information submitted shall be subject to review and verification by the Commission as a component of the application process. Required documentation shall include:

a. The proper name of any individual or registered business name of any entity;

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- b. The street address, provided, however that the address ~~shall~~may not be a post office box;
  - c. The primary telephone number;
  - d. Electronic mail;
  - e. The amount and source of capital provided or promised;
  - f. A bank record dated within 60 days of the application submission date verifying the existence of capital;
  - g. Certification that funds used to invest in or finance the Marijuana Establishment were lawfully earned or obtained; and
  - h. Any contractual or written agreement pertaining to a loan of initial capital, if applicable.
5. Documentation of a bond or an escrow account in an amount set by 935 CMR 500.105(16): Bond;
6. Identification of the proposed address for the license;
7. Documentation of a property interest in the proposed address. The proposed Marijuana Establishment ~~must~~shall be identified in the documentation as the entity that has the property interest. Interest may be demonstrated by one of the following:
  - a. Clear legal title to the proposed site;
  - b. An option to purchase the proposed site;
  - c. A legally enforceable agreement to give such title; or
  - d. Documentation evidencing permission to use the Premises.
8. Documentation in the form of a single-page certification signed by the contracting authorities for the municipality and applicant evidencing that the applicant for licensure and host municipality in which the address of the Marijuana Establishment is located have executed a Host Community agreement;
9. Documentation that the applicant has conducted a community outreach meeting consistent with the Commission's Guidance for License Applicants on Community Outreach within the six months prior to the application. Documentation ~~must~~shall include:
  - a. Copy of a notice of the time, place and subject matter of the meeting, including the proposed address of the Marijuana Establishment, that was published in a newspaper of general circulation in the city or town at least 14 calendar days prior to the meeting;
  - b. Copy of the meeting notice filed with the city or town clerk, the planning board, the contracting authority for the municipality and local cannabis licensing authority, if applicable;
  - c. Attestation that at least one meeting was held within the municipality where the establishment is proposed to be located;
  - d. Attestation that at least one meeting was held after normal business hours;
  - e. Attestation that notice of the time, place and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was mailed 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;
  - f. Information presented at the community outreach meeting, which shall include, but not be limited to:
    - i. The type(s) of Marijuana Establishment to be located at the proposed address;

935 CMR: CANNABIS CONTROL COMMISSION

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- ii. Information adequate to demonstrate that the location will be maintained securely;
    - iii. Steps to be taken by the Marijuana Establishment to prevent diversion to minors;
    - iv. A plan by the Marijuana Establishment to positively impact the community;
    - v. Information adequate to demonstrate that the location will not constitute a nuisance as defined by law; and
    - vi. An attestation that community members were permitted to ask questions and receive answers from representatives of the Marijuana Establishment.
  10. A description of plans to ensure that the Marijuana Establishment is or will be compliant with local codes, ordinances, and bylaws for the physical address of the Marijuana Establishment, which shall include, but not be limited to, the identification of all local licensing requirements for the adult use of Marijuana;
  11. A plan by the Marijuana Establishment to positively impact Areas of Disproportionate Impact, as defined by the Commission, for the purposes established in M.G.L. c. 94G, § 4(a½)(iv). The plan shall outline the goals, programs, and measurements the Marijuana Establishment will pursue once licensed;
  12. The requisite nonrefundable application fee pursuant to 935 CMR 500.005: *Fees*; and
  13. Any other information required by the Commission.
- (b) Background Check. Prior to an application being considered complete, each applicant for licensure ~~must~~ shall submit the following information:
1. The list of individuals and entities in 935 CMR 500.101(1)(a)1.;
  2. Information for each individual identified in 935 CMR 500.101(1)(a)1. which shall include:
    - a. The individual's full legal name and any aliases;
    - b. The individual's address;
    - c. The individual's date of birth;
    - d. A photocopy of the individual's driver's license or other government-issued identification card;
    - e. A CORI Acknowledgment Form, pursuant to 803 CMR 2.09: *Requirements for Requestors to Request CORI*, provided by the Commission, signed by the individual and notarized;
    - f. Authorization to obtain a full set of fingerprints, in accordance with M.G.L. c. 94G, § 21 and Public Law 92-544, submitted in a form and manner as determined by the Commission; and
    - g. Any other authorization or disclosure deemed necessary by the Commission, for the purposes of conducting a background check.
  3. Relevant Background Check Information. All Persons and Entities Having Direct or Indirect Control, ~~including and~~ those individuals and entities contributing 10% or more in the form of a loan, shall provide information detailing involvement in any of the following criminal, civil, or administrative matters:
    - a. A description and the relevant dates of any criminal action under the laws of the Commonwealth, or an Other Jurisdiction, whether for a felony or misdemeanor including, but not limited to, action against any health care facility or facility for providing Marijuana for medical- or adult-use purposes, in which those individuals either owned shares of stock or served as board member, Executive, officer, director or member, and which resulted in conviction, or guilty plea,

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- or plea of *nolo contendere*, or admission of sufficient facts;
  - b. A description and the relevant dates of any civil action under the laws of the Commonwealth, or an Other Jurisdiction including, but not limited to, a complaint relating to any professional or occupational or fraudulent practices;
  - c. A description and relevant dates of any past or pending legal or ~~enforcement-disciplinary~~ actions in the Commonwealth or any other state against an entity whom the applicant served as a Person or Entity Having Direct or Indirect Control, related to the cultivation, Processing, distribution, or sale of Marijuana for medical- or adult-use purposes;
  - d. A description and the relevant dates of any administrative action with regard to any professional license, registration, or certification, including any complaint, order, stipulated agreement or settlement, or disciplinary action, by the Commonwealth, or like action in an Other Jurisdiction including, but not limited to, any complaint or issuance of an order relating to the denial, suspension, or revocation of a license, registration, or certification;
  - e. A description and relevant dates of any administrative action, including any complaint, order or disciplinary action, by the Commonwealth, or a like action by an Other Jurisdiction with regard to any professional license, registration, or certification, held by any Person or Entity Having Direct or Indirect Control, if any;
  - f. A description and relevant dates of actions against a license to prescribe or distribute controlled substances or legend drugs held by any Person or Entity Having Direct or Indirect Control that is part of the applicant's application, if any; and
  - g. Any other information required by the Commission.
- (c) Management and Operations Profile. Each applicant shall submit, with respect to each application, a response in a form and manner specified by the Commission, which includes:
1. Detailed information regarding its business registration with the Commonwealth, including the legal name, a copy of the articles of organization and bylaws as well as the identification of any doing-business-as names;
  2. A certificate of good standing, issued within the previous 90 days from submission of an application, from the Corporations Division of the Secretary of the Commonwealth;
  3. A certificate of good standing or certificate of tax compliance issued within the previous 90 days from submission of an application, from the DOR;
  4. A certificate of good standing, issued within the previous 90 days from submission of an application, from the DUA, if applicable. If not applicable, a written statement to this effect is required;
  5. A proposed timeline for achieving operation of the Marijuana Establishment and evidence that the Marijuana Establishment will be ready to operate within the proposed timeline after notification by the Commission that the applicant qualifies for licensure;
  6. A description of the Marijuana Establishment's plan to obtain a liability insurance policy or otherwise meet the requirements of 935 CMR 500.105(10): *Liability Insurance Coverage or Maintenance of Escrow*;
  7. A detailed summary of the business plan for the Marijuana Establishment;
  8. A detailed summary of operating policies and procedures for the Marijuana Establishment which shall include, but not be limited to, provisions for:
    - a. Security;

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- b. Prevention of diversion;
  - c. Storage of Marijuana;
  - d. Transportation of Marijuana;
  - e. Inventory procedures;
  - f. Procedures for quality control and testing of product for potential contaminants;
  - g. Personnel policies;
  - h. Dispensing procedures;
  - i. Recordkeeping procedures;
  - j. Maintenance of financial records; and
  - k. Diversity plans to promote equity among ~~minorities~~ people of color, particularly Black, African American, Hispanic, Latinx, and Indigenous people, women, Veterans, ~~people~~ persons with disabilities, and LGBTQ+ ~~people of all gender identities and sexual orientation~~, in the operation of the Marijuana Establishment. The plan shall outline the goals, programs, and measurements the Marijuana Establishment will pursue once licensed.
9. A detailed description of qualifications and intended training(s) for Marijuana Establishment Agents who will be employees;
  10. The Management and Operation Profile submitted in accordance with 935 CMR 500.101(1)(c) shall demonstrate compliance with the operational requirements set forth in 935 CMR 500.105: General Operational Requirements for Marijuana Establishments through 935 CMR 500.145: Additional Operational Requirements for Delivery of Marijuana, and Marijuana Products, Marijuana Accessories, and Marijuana Establishment Branded Goods to Consumers and as Permitted, to Patients or Caregivers 935 CMR 500.140: Additional Operational Requirements for Retail Sale, as applicable;
  11. Disclosure of the proposed hours of operation, and the names and contact information for individuals that will be the emergency contacts for the Marijuana Establishment; and
  12. Any other information required by the Commission.

(2) ~~Delivery-Only~~ Delivery and Social Consumption Pilot Program Application Process.

~~Municipal Participation for Social Consumption Pilot Program.~~

~~The Commission may select no more than 12 Massachusetts municipalities for participation in the pilot program.~~

~~The Commission shall establish criteria for selecting participating municipalities. The Commission may take into consideration factors including, but not limited to, the geographic location, socioeconomic characteristics, and population size of municipal applicants.~~

~~An interested municipality shall submit an application for participation in a form and manner determined by the Commission.~~

~~The application for participation shall be signed by the municipality's contracting authority.~~

(e)(a) ~~Delivery-Only~~ Delivery and Social Consumption Establishment Applicants.

An applicant ~~for a Social Consumption Establishment license~~ shall file, in a form and manner specified by the Commission, an application for licensure. An application for licensure shall consist of two component parts: a Pre-certification Application and a Provisional License Application. ~~Until the Commission determines that both component parts have been fully submitted, the application shall not be deemed complete.~~ After an applicant receives a Provisional License, the applicant shall comply with the requirements of 935 CMR 500.103: Licensure and Renewal.

(f)(b) Pre-certification Application. The Pre-certification Application shall consist of three sections: Application of Intent, Background Check and Management and Operations Profile. ~~1. The Commission shall make the Pre-certification~~

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~~Application available on the Commission selecting at least six municipalities for participation in the Social Consumption Pilot Program pursuant to 935 CMR 500.101(2)(a).~~

1. The applicant may ~~submit complete~~ any section of the application in any order. Once all sections of the application have been completed, the application may be submitted.
2. The Commission may determine an applicant to be pre-certified upon finding the applicant has submitted responsive documentation demonstrating a propensity to successfully operate ~~under a Delivery-Only Delivery License or~~ Social Consumption Establishment ~~License~~.
3. On approval of the Pre-certification Application, the applicant shall be given a dated notice of such approval along with a copy of the Pre-certification Application to the extent permitted by law.
4. Application materials, including attachments, may be subject to release pursuant to the Public Records Law, M.G.L. c. 66, § 10 and M.G.L. c. 4, § 7, cl. 26.

~~(g)~~(c) Application of Intent. An applicant for pre-certification under this section shall submit the following as part of the Application of Intent:

1. Documentation that the Marijuana Establishment is an entity registered to do business in Massachusetts and a list of all Persons or Entities Having Direct or Indirect Control;
2. A disclosure of an interest of each individual named in the application in any Marijuana Establishment for licensure in Massachusetts;
3. Documentation disclosing whether any individual named in the application have past or present business interests in Other Jurisdictions;
4. The requisite nonrefundable application fee pursuant to 935 CMR 500.005: ~~Fees~~; and
5. Any other information required by the Commission.

~~(h)~~(d) Background Check. Each applicant for pre-certification ~~must shall~~ submit the following information:

1. The list of individuals and entities in 935 CMR 500.101(1)(a)1;
2. Relevant Background Check Information. All Persons and Entities Having Direct or Indirect Control listed in the Pre-certification Application shall provide information detailing involvement in any of the following criminal, civil, or administrative matters:
  - a. A description and the relevant dates of any criminal action under the laws of the Commonwealth, or Other Jurisdictions, whether for a felony or misdemeanor including, but not limited to, action against any health care facility or facility for providing Marijuana for medical- or adult-use purposes, in which those individuals either owned shares of stock or served as board member, Executive, officer, director or member, and which resulted in conviction, or guilty plea, or plea of *nolo contendere*, or admission of sufficient facts;
  - b. A description and the relevant dates of any civil action under the laws of the Commonwealth, or Other Jurisdictions including, but not limited to, a complaint relating to any professional or occupational or fraudulent practices;
  - c. A description and relevant dates of any past or pending legal or ~~enforcement disciplinary~~ actions in the Commonwealth or any Other Jurisdiction against an entity whom the applicant served as a Person or Entity Having Direct or Indirect Control, related to the cultivation, Processing, distribution, or sale of Marijuana for medical- or adult-use purposes;
  - d. A description and the relevant dates of any administrative action

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~~with regard to any professional license, registration, or certification,~~ including any complaint, order, stipulated agreement or settlement, or disciplinary action, by the Commonwealth, or like action in an Other Jurisdiction including, but not limited to;

- i. ~~any complaint or issuance of an order relating to~~ The denial, suspension, or revocation, or other action with regard to a professional or occupational of a license, registration, or certification or the surrender of a license;
- ii. Administrative actions with regard to unfair labor practices, employment discrimination, or other prohibited labor practices; and
- iii. Administrative actions with regard to financial fraud, securities regulation, or consumer protection.

~~A description and relevant dates of any administrative action, including any complaint, order or disciplinary action, by the Commonwealth, or a like action by Other Jurisdictions with regard to any professional license, registration, or certification, held by any Person or Entity Having Direct or Indirect Control, if any;~~

~~f.e.~~ A description and relevant dates of actions against a license to prescribe or distribute controlled substances or legend drugs held by any Person or Entity Having Direct or Indirect Control that is part of the applicant's application, if any; and

~~g.f.~~ Any other information required by the Commission.

~~(+)(e)~~ Management and Operations Profile. Each applicant shall submit, with respect to each application, a response in a form and manner specified by the Commission, which includes:

1. A description of the Marijuana Establishment's plan to obtain a liability insurance policy or otherwise meet the requirements of 935 CMR 500.105(10): Liability Insurance or Maintenance of Escrow;
2. A detailed summary of the business plan for the Marijuana Establishment;
3. A detailed summary of operating policies and procedures for the Marijuana Establishment which shall include, but not be limited to, provisions for:
  - a. Security, including specific plans for securing entrances and that all Finished Marijuana and Finished Marijuana Products are kept out of plain sight and not visible from a public place;
  - b. Prevention of diversion;
  - c. Where applicable to Delivery Licensees, procedures to ensure the safe delivery of Finished Marijuana Products to Consumers and as permitted, to Patients and Caregivers;
  - ~~e. prevention of a Consumer from bringing Marijuana or Marijuana Products, Marijuana Accessories onto the Premises that have not been obtained from the Social Consumption Establishment, including policies for ensuring Marijuana Accessories brought on-site, if permitted, do not contain Marijuana or Marijuana Products not obtained from the Social Consumption Establishment;~~
  - d. Storage of Marijuana, including, but not limited to, disposal procedures for unsold and unconsumed Marijuana Products;
  - e. Transportation of Marijuana;
  - f. Inventory procedures, including procedures for reconciling undelivered Individual Orders at the close of the business day;
  - g. Procedures for quality control and testing of product for potential contaminants;
  - h. Personnel policies;
  - i. Dispensing procedures, including the process for how Individual Orders will be filled;



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- j. Procedures to ensure that Consumers are not overserved or that individual order delivery limits are adhered to;
  - k. procedures to educate Consumers about risk of impairment and penalties for operating under the influence;~~l. procedural and operational plans to ensure the Marijuana Establishment makes a diligent effort to assist customers who may be impaired in finding means of transportation and that explain how the plans are adequately tailored to the region in which the establishment is located;~~
  - l. Recordkeeping procedures;
  - ~~m. Maintenance of financial records; and o. if vaporization or other non-smoking forms of consumption involving heat are permitted indoors, procedures and building plans or schematic to ensure that:~~
  - ~~n. the area(s) in which consumption involving heat takes place are isolated from the other areas, separated by walls and a secure door, with access only from the Social Consumption Establishment;~~
  - ~~o. employees have access to a smoke free, vapor free area where they may monitor the consumption area from a smoke free, vapor free area;~~
  - ~~p. a ventilation system directs air from the consumption area to the outside of the building through a filtration system sufficient to remove vapor, consistent with all applicable building codes and ordinances, and adequate to eliminate odor at the property line;~~
  - ~~q. p. procedures to ensure no sales occur within the consumption area;~~
  - ~~r.m. q. employees shall monitor the consumption from a smoke-free, vapor free area including, but not limited to, an employee monitoring the exit of the Marijuana Establishment;~~
  - ~~s.n. Sanitary practices in compliance with 105 CMR 590.000: State Sanitary Code Chapter X – Minimum Sanitation Standards for Food Establishments;~~ and
  - ~~t.o. A detailed description of qualifications and intended training(s) for Marijuana Establishment Agents who will be employees;~~
  - 4. The Management and Operation Profile submitted in accordance with 935 CMR 500.101(1)(c) shall demonstrate compliance with the operational requirements set forth by incorporation in 935 CMR 500.105: General Operational Requirements for Marijuana Establishments through 935 CMR 500.145: Additional Operational Requirements for Delivery of Marijuana, and Marijuana Products, Marijuana Accessories, and Marijuana Establishment Branded Goods to Consumers and as Permitted, to Patients or Caregivers~~935 CMR 500.050(2)(b)~~, as applicable;
  - 5. Disclosure of the proposed hours of operation, and the names and contact information for individuals that will be the emergency contacts for the Marijuana Establishment; and
  - 6. Any other information required by the Commission.
- ~~(f)~~ (f) Provisional License Application. The provisional license application shall consist of the three sections of the application, the Application of Intent, Background Check, and Management and Operations Profile.
- 1. An applicant may submit a provisional license application within 2412 months of the date of the applicant's pre-certification approval pursuant to 935 CMR 500.101(2)(c)(4).
  - 2. If there has been a material change of circumstances after the submission of these sections as part of the Pre-certification Application, the applicant shall revise this information and attest in a form and manner determined by the Commission.
  - 3. The applicant may submit any section of the application in any order. Once

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all sections of the application have been completed, the application may be submitted.

4. Once all sections of the application have been completed, the application may be submitted for review.
5. Once the Provisional License application has been submitted, it will be reviewed in the order it was received pursuant to 935 CMR 500.102(2): *Action on Completed Applications*.
6. The Pre-certification and Provisional License application combined will be reviewed in accordance with 935 CMR 500.102(1): *Action on each Application*.
7. Application materials, including attachments, may be subject to release pursuant to the Public Records Law, M.G.L. c. 66, § 10 and M.G.L. c. 4, § 7, cl.26.

~~(k)~~(g) Application of Intent. An applicant for licensure under this section shall submit the following as part of the Application of Intent:

1. A list of all Persons or Entities Having Direct or Indirect Control currently associated with the proposed establishment. In addition, the applicant shall submit any contractual, management, or other written document that explicitly or implicitly conveys direct or indirect control over the Marijuana Establishment to the listed person or entity pursuant to 935 CMR 500.050(1)(b);
2. A disclosure of an interest of each individual named in the application in any Marijuana Establishment or MTC application for in Massachusetts;
3. Documentation disclosing whether any individual named in the application have past or present business interests in Other Jurisdictions;
4. Documentation of a bond or an escrow account in an amount set by 935 CMR 500.105(16): *Bond*;
5. Identification of the proposed address for the license;
6. Documentation of a property interest in the proposed address. The proposed Marijuana Establishment ~~must~~ shall be identified in the documentation as the entity that has the property interest. Interest may be demonstrated by one of the following:
  - a. Clear legal title to the proposed site;
  - b. An option to purchase the proposed site
  - c. A legally enforceable agreement to give such title; or
  - d. Documentation from the Owner evidencing permission to use the Premises.
7. Disclosure and documentation detailing the amounts and sources of capital resources available to the applicant from any individual or entity that will be contributing capital resources to the applicant for purposes of establishing or operating the identified Marijuana Establishment for each license applied for. If any person or entity contributing initial capital, either in cash or in kind, would be classified as a Person or Entity Having Direct or Indirect Control, in exchange for the initial capital, they ~~must~~ shall also be listed pursuant to 935 CMR 500.101(1)(a)1. Information submitted shall be subject to review and verification by the Commission as a component of the application process. Required documentation shall include:
  - a. The proper name of any individual or registered business name of any entity;
  - b. The street address, provided, however that the address ~~shall~~ may not be a post office box;
  - c. The primary telephone number;
  - d. Electronic mail;
  - e. The amount and source of capital provided or promised;

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- f. A bank record dated within 60 days of the application submission date verifying the existence of capital;
  - g. Certification that funds used to invest in or finance the Marijuana Establishment were lawfully earned or obtained; and
  - h. Any contractual or written agreement pertaining to a loan of initial capital, if applicable.
8. Documentation that the applicant has conducted a community outreach meeting consistent with the Commission's *Guidance for License Applicants on Community Outreach* within the six months prior to the application. Documentation ~~must~~shall include:
- a. Copy of a notice of the time, place and subject matter of the meeting, including the proposed address of the Marijuana Establishment, that was published in a newspaper of general circulation in the city or town at least ~~seven~~14 calendar days prior to the meeting;
  - b. Copy of the meeting notice filed with the city or town clerk;
9. Attestation that notice of the time, place and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was mailed 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. Information presented at the community outreach meeting, which shall include, but not be limited to:
    - i. The type(s) of marijuana establishment to be located at the proposed address;
    - ii. Information adequate to demonstrate that the location will be maintained securely;
    - iii. Steps to be taken by the marijuana establishment to prevent diversion to minors;
    - iv. A plan by the marijuana establishment to positively impact the community;
    - v. Information adequate to demonstrate that the location will not constitute a nuisance as defined by law; and
    - vi. An attestation that community members were permitted to ask questions and receive answers from representatives of the marijuana establishment.
  - b. Documentation in the form of a single-page certification signed by the contracting authorities for the municipality and applicant evidencing that the applicant for licensure and host municipality in which the establishment is located executed a host community agreement. In addition to this requirement, the host community shall state that they have—and accepted the Social Consumption Establishment applicant's plans to:
    - i. Mitigate noise;
    - ii. Mitigate odor; and
    - iii. Comply with outdoor smoking laws, ordinances, or bylaws.
  - c. A description of plans to ensure that the marijuana establishment is or will be compliant with local codes, ordinances, and bylaws for the physical address of the marijuana establishment, which shall include, but not be limited to, the identification of any local licensing requirements for social consumption of the adult use of marijuana;
  - d. A plan by the marijuana establishment to positively impact areas of disproportionate impact, as defined by the Ceommission, for the

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purposes established in M.G.L. c. 94G, § 4(a½)(iv). The plan shall outline the goals, programs, and measurements the marijuana establishment will pursue once licensed; and

e. Any other information required by the Commission.

~~(h)~~ Background Check. Each applicant for licensure ~~must~~shall submit complete background check application information in compliance with the provisions of 935 CMR 500.101(2)(e);

1. Each applicant for licensure ~~under~~shall submit the list of individuals and entities in 935 CMR 500.101(1)(b)2. and 935 CMR 500.101(2)(d)1.
2. The applicant shall resubmit the information required under 935 CMR 500.101(1)(b) if there has been a material change of circumstances including, but not limited to, a change in the list of individuals and entities identified above.

~~(m)~~ (i) Management and Operations Profile. Each applicant shall submit, with respect to each application, a response in a form and manner specified by the Commission, which includes:

1. Detailed information regarding its business registration with the Commonwealth, including the legal name, a copy of the articles of organization and bylaws as well as the identification of any doing-business-as names;
2. A certificate of good standing, issued within the previous 90 days from submission of an application, from the Corporations Division of the Secretary of the Commonwealth;
3. A certificate of good standing or certificate of tax compliance issued within the previous 90 days from submission of an application, from the DOR;
4. A certificate of good standing, issued within the previous 90 days from submission of an application, from the DUA, if applicable. If not applicable, a written statement to this effect is required;
5. A proposed timeline for achieving operation of the Marijuana Establishment and evidence that the Marijuana Establishment will be ready to operate within the proposed timeline after notification by the Commission that the applicant qualifies for licensure;
6. A diversity plan to promote equity among ~~minorities~~ people of color, particularly Black, African American, Hispanic, Latinx, and Indigenous people, women, Veterans, ~~people~~persons with disabilities, and LGBTQ+ ~~people of all gender identities and sexual orientation~~, in the operation of the Marijuana Establishment. The plan shall outline the goals, programs, and measurements the Marijuana Establishment will pursue once licensed.

~~(n)~~ (j) The Executive Director of the Commission may approve, provided the Executive Director gives the Commission timely notice of his decision:

1. Applications for Delivery Pre-Certification;
2. Applications and authorization to commence operations for Delivery Endorsements pursuant to 935 CMR 500.050(5) for licensed Marijuana Microbusinesses that have complied with Commission requirements pertaining to delivery operations.

(3) Additional Specific Requirements.

(a) Additional Requirements for Cultivators. In addition to the requirements for the Management and Operations Profile set forth in 935 CMR 500.101(1)(c), applicants for a license to operate Marijuana Establishment for cultivation shall also provide as part of the Management and Operation Profile packet an operational plan for the cultivation of Marijuana, including a detailed summary of the policies and procedures for cultivation, consistent with state and local law including, but not limited to, the Commission's Guidance on Integrated Pest Management ~~effective~~

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November 1, 2019.

- (b) Additional Requirements for Craft Marijuana Cooperatives. In addition to the requirements for the Management and Operations Profile and the Application of Intent set forth in 935 CMR 500.101(1)(c) and (g), applicants for a license to operate a Marijuana Establishment as a Craft Marijuana Cooperative shall provide:
1. As part of the Application of Intent:
    - a. Evidence of residency within the Commonwealth for a period of 12 consecutive months prior to the date of application;
    - b. Evidence of the cooperative's organization as a limited liability company or limited liability partnership, or a cooperative corporation under the laws of the Commonwealth;
    - c. Evidence that one Member has filed a Schedule F (Form 1040), Profit or Loss from Farming, within the past five years; and
    - d. Evidence that the cooperative is organized to operate consistently with the Seven Cooperative Principles established by the International Cooperative Alliance in 1995.
  2. As part of the Management and Operations Profile:
    - a. The plan required of Cultivators pursuant to 935 CMR 500.101(1)(d)1.; and
    - b. The plan(s) and documentation required of Marijuana Product Manufacturers pursuant to 935 CMR 500.101(1)(d)3., as applicable.
- (c) Additional Requirements for Marijuana Product Manufacturers. In addition to the requirements for the Management and Operations Profile set forth in 935 CMR 500.101(1)(c), applicants for a license to operate a Marijuana Establishment for Product Manufacturing shall also provide, as part of the Management and Operation Profile packet:
1. A description of the types, forms and shapes, colors, and flavors of Marijuana Products that the Marijuana Establishment intends to produce;
  2. The methods of production;
  3. A safety plan for the Manufacture and production of Marijuana Products including, but not limited to, sanitary practices in compliance with 105 CMR 590.000: *State Sanitary Code Chapter X – Minimum Sanitation Standards for Food Establishments.*
  4. A sample of any unique identifying mark that will appear on any product produced by the applicant as a branding device; and
  5. A detailed description of the Marijuana Establishment's proposed plan for obtaining Marijuana from a licensed Marijuana Establishment(s).
- (d) Additional Requirements for Microbusinesses. In addition to the requirements for the Management and Operations Profile and the Application of Intent set forth in 935 CMR 500.101(1)(c) and (g), applicants for a license to operate a Marijuana Establishment as a Microbusiness shall also provide:
1. As part of the Application of Intent, evidence of residency within the Commonwealth for a period of 12 consecutive months prior to the date of application;
  2. As part of the Management and Operations Profile, the same plans required of Marijuana Cultivators pursuant to 935 CMR 500.101(3)(a), Marijuana Product Manufacturers pursuant to 935 CMR 500.101(3)(c), and in the case of a Delivery Endorsement, Retailers pursuant to 935 CMR 500.101(3)(e) to the extent that these requirements implicate retail sales involving delivery.
- (e) Additional Requirements for Retailers. In addition to the requirements for the Management and Operations Profile set forth in 935 CMR 500.101(1)(c), applicants for a license to operate a Marijuana Establishment for retail shall also provide, as part of the Management and Operation Profile packet, a detailed description of the

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Marijuana Establishment's proposed plan for obtaining Marijuana Products from a licensed Marijuana Establishment(s).

- (f) Additional Requirements for Independent Testing Laboratories. In addition to the requirements for the Management and Operations Profile set forth in 935 CMR 500.101(1)(c), applicants for a license to operate an Independent Testing Laboratory may provide, as part of the Management and Operations Profile packet, documentation demonstrating accreditation that complies with 935 CMR 500.050(7)(a). If unable to demonstrate accreditation prior to provisional licensure, the applicant shall demonstrate accreditation prior to final licensure.
- (g) Additional Requirements for Marijuana Courier Applicants. In addition to the requirements set forth in 935 CMR 500.101(2): *Delivery and Social Consumption Application Process*, applicants to operate under a Marijuana Courier license shall also provide the following:
  1. As part of the Pre-Certification application, a delivery plan that demonstrates compliance with 935 CMR 500.145: *Additional Operational Requirements for Delivery of Marijuana, Marijuana Products, Marijuana Accessories, and Marijuana Establishment Branded Goods to Consumers.*
  2. As part of the Provisional License application, information and documentation regarding any agreement, and the agreement if applicable, with a Marijuana Retailer or MTC and/or Third-party Technology Platform pursuant to 935 CMR 500.145(1)(g).
- (h) Additional Requirements for Delivery Operator Applicants. In addition to the requirements set forth in 935 CMR 500.101(2): *Delivery and Social Consumption Application Process*, applicants to operate under a Delivery Operator License shall also provide the following:
  1. As part of the Pre-Certification application, a delivery plan that demonstrates compliance with 935 CMR 500.145: *Additional Operational Requirements for Delivery of Marijuana, Marijuana Products, Marijuana Accessories, and Marijuana Establishment Branded Goods to Consumers* and 935 CMR 500.146: *Additional Operational Requirements for Marijuana Delivery Operators.*
  2. As part of the Pre-Certification application, a plan to obtain Marijuana and Marijuana Products.
  3. As part of the Provisional License application, information and documentation regarding any agreements with Third-party Technology Platforms pursuant to 935 CMR 500.145(1)(g).
  4. As part of the Provisional License application, a detailed plan for White Labeling, if applicable, which shall include:
    - a. An image of the logo and name to be used as part of the label;
    - b. An indication of whether the applicant intends the label to be Affixed by the Applicant or by Marijuana Establishments with which the Applicant intends to enter into Wholesale Agreements; and
    - c. Identification of the Marijuana Establishments from which the Applicant anticipates entering into Wholesale Agreements, if known. If unknown at the time of Provisional License application, the Applicant shall be required to identify the Marijuana Establishments prior to Final Licensure.
  5. Applicants for Delivery Operator Licenses shall comply with the requirements of 935 CMR 500.103(1)(h).
- (i) Additional Requirements for Social Consumption Establishment Applicants. In addition to the requirements set forth in 935 CMR 500.101(2): *Delivery and Social Consumption Application Process*, applicants for a license to operate a Social Consumption Establishment shall also provide the following summaries of policies

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and procedures as part of their Pre-Certification application:

1. Prevention of a Consumer from bringing Marijuana or Marijuana Products, Marijuana Accessories onto the Premises that have not been obtained from the Social Consumption Establishment, including policies for ensuring Marijuana Accessories brought on-site, if permitted, do not contain Marijuana or Marijuana Products not obtained from the Social Consumption Establishment;
  2. Procedural and operational plans to ensure the Marijuana Establishment makes a diligent effort to assist Consumers who may be impaired in finding means of transportation and that explain how the plans are adequately tailored to the region in which the establishment is located;
  3. If vaporization or other non-smoking forms of consumption involving heat are permitted indoors, procedures and building plans or schematic to ensure that:
    - a. The area(s) in which consumption involving heat takes place are isolated from the other areas, separated by walls and a secure door, with access only from the Social Consumption Establishment;
    - b. Employees have access to a smoke-free, vapor-free area where they may monitor the consumption area from a smoke-free, vapor-free area;
    - c. A ventilation system directs air from the consumption area to the outside of the building through a filtration system sufficient to remove vapor, consistent with all applicable building codes and ordinances, and adequate to eliminate odor at the property line;
  4. Procedures to ensure no sales occur within the consumption area;
  5. Employees shall monitor the consumption from a smoke-free, vapor-free area including, but not limited to, an employee monitoring the exit of the Marijuana Establishment;
  6. Procedures to ensure that smoking as defined by M.G.L. c. 270, § 22 is prohibited indoors.
- (4) MTC Priority Applicants. An MTC Priority Applicant shall be granted priority review of its application for a Marijuana Establishment license that is colocated with and for the same type of licensed activity (Marijuana Cultivator, Product Manufacturer or Retailer) as the MTC (formerly, RMD) license which was the basis for its priority review status certified by the Commission.
- (a) The MTC license, for which priority review status was certified by the Commission, shall be active at the time the Marijuana Establishment application is submitted in order to receive priority review for that application.
  - (b) An MTC Priority Applicant shall be eligible for priority review of only its application for a Marijuana Establishment license that is:
    1. Colocated with the MTC whose Certificate of Registration was the basis for its priority review status previously certified by the Commission in 2018; and
    2. For the same type of licensed activity (Marijuana Cultivator, Product Manufacturer or Retailer) for which the MTC received a provisional Certificate of Registration or final Certificate of Registration that formed the basis of its priority review status certified by the Commission in 2018.
- (5) Expedited Applicants. Following the review of applications submitted by priority applicants, applications submitted by Expedited Applicants shall be reviewed.
- (a) The following applicants are eligible to be considered Expedited Applicants:
    1. Social Equity Participants;
    2. Marijuana Microbusiness applicants;

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3. [Marijuana Craft Marijuana Cooperative applicants;](#)
  4. [Independent Testing Laboratory applicants;](#)
  5. [Outdoor Marijuana Cultivator applicants; or](#)
  6. [Minority-, women-, and veteran-owned businesses.](#)
- (b) [Eligibility Criteria](#)
1. [Applicants for Marijuana Microbusinesses, Craft Marijuana Cooperatives, Independent Testing Laboratories, and Outdoor Marijuana Cultivators are only eligible for expedited review for those specific applications only and no other type of license application.](#)
  2. [A Social Equity Participant shall possess 10% or more of equity in a proposed ME for the application to receive expedited review.](#)
  3. [A minority-, woman-, and/or veteran-owned business shall:](#)
    - a. [Disclose this designation in their license application and either be certified as that specific type of business with the SDO or submit documentation in a time and manner determined by the Commission to demonstrate that they have signed up for the SDO's required business class.](#)
    - b. [Receive certification as minority-, women-, and/or veteran-owned business by the SDO prior to obtaining a final license.](#)

[\(6\) CMO License Requirements. Marijuana Establishment applicants seeking to operate as an MTC shall also comply with the application requirements in 935 CMR 501.000: \*Medical Use of Marijuana.\*](#)

#### 500.102: Action on Applications

- (1) [Action on Each Application](#). The Commission shall grant licenses with the goal of ensuring that the needs of the Commonwealth are met regarding access, quality, and community safety.
- (a) License applications shall be evaluated based on the applicant's:
    1. Demonstrated compliance with the laws and regulations of the Commonwealth;
    2. Suitability for licensure based on the provisions of 935 CMR 500.101(1): [New Applicants](#), 935 CMR 500.800: [Suitability Standard for Licensure and Registration](#) and 935 CMR 500.801: [Suitability Standard for Licensure](#); and
    3. Evaluation of the thoroughness of the applicant's responses to the required criteria. The Commission shall consider each license application submitted by an applicant on a rolling basis.
  - (b) The Commission shall notify each applicant in writing that:
    1. The application has been deemed complete;
    2. [The application has been deemed incomplete, and include the grounds for which it has been deemed incomplete;](#) or
    3. The Commission requires further information within a specified period of time before the packet is determined to be complete.
  - (c) Failure of the applicant to adequately address all required items in its application in the time required under 935 CMR 500.102: [Action on Applications](#) will result in evaluation of the application as submitted. Nothing in 935 CMR 500.101: [Application Requirements](#) is intended to confer a property or other right or interest entitling an applicant to a meeting before an application may be denied.
  - (d) On determination that the application is complete, a copy of the completed application, to the extent permitted by law, will be forwarded to the municipality in which the Marijuana Establishment will be located. The Commission shall request that the municipality respond within 60 days of the date of the correspondence that the applicant's proposed Marijuana Establishment ~~is in compliance~~ [complies](#) with



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municipal bylaws or ordinances.

- (e) The applicant shall keep current all information required by 935 CMR 500.000: *Adult Use of Marijuana*, or otherwise required by the Commission. The applicant shall report any changes in or additions to the content of the information contained in the application to the Commission within five business days after such change or addition. If a material change occurs to an application deemed complete, the Commission may deem the application incomplete pending further review. If an application is initially deemed complete, and later deemed incomplete, a notice will be provided to the applicant. An incomplete application must be fully evaluated pursuant to 935 CMR 500.102(1)(a) prior to being deemed complete again and submitted to the Commission pursuant to M.G.L. c. 94G, § 5(a).

### (2) Action on Completed Applications.

- (a) Priority application review will be granted to existing MTC Priority Applicants and Economic Empowerment Priority Applicants.
- (b) The Commission shall review applications from Priority Applicants on an alternating basis, beginning with the first-in-time-application received from either an MTC Priority Applicant or Economic Empowerment Priority Applicant as recorded by the Commission's electronic license application tracking system. Where no completed application is available for review by the Commission from either of the priority groups defined in 935 CMR 500.102(2)(a), the Commission shall review the next complete application from either group.
- (c) The Commission shall grant or deny a provisional license not later than 90 days following notification to the applicant that all required packets are considered complete. Applicants shall be notified in writing that:
  - 1. The applicant shall receive a provisional license which may be subject to further conditions as determined by the Commission; or
  - 2. The applicant has been denied a license. Denial shall include a statement of the reasons for the denial.
- (d) Failure of the applicant to complete the application process within the time specified by the Commission in the application instructions shall be grounds for denial of a license.

### 500.103: Licensure and Renewal

- (1) Provisional License. On selection by the Commission, an applicant shall submit the required license fee and subsequently be issued a provisional license to develop a Marijuana Establishment, in the name of the entity. Such provisional license shall be subject to reasonable conditions specified by the Commission, if any.
  - (a) The Commission shall review architectural plans for the building or renovation of a Marijuana Establishment. Construction or renovation related to such plans ~~shall~~ may not begin until the Commission has granted approval. Submission of such plans shall occur in a manner and form established by the Commission including, but not limited to, a detailed floor plan of the Premises of the proposed Marijuana Establishment that identifies the square footage available and describes the functional areas of the Marijuana Establishment, including areas for any preparation of Marijuana Products, and, if applicable, such information for the single allowable off-Premises location in Massachusetts where Marijuana will be cultivated or Marijuana Products will be prepared; and a description of plans to ensure that the Marijuana Establishment will be compliant with requirements of the Americans with Disabilities Act (ADA) Accessibility Guidelines.
  - (b) To demonstrate compliance with 935 CMR 500.120(11), a Marijuana Cultivator applicant ~~must~~ shall also submit an energy compliance letter prepared by a Massachusetts Licensed Professional Engineer or Massachusetts Licensed

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Registered Architect with supporting documentation. For a Microbusiness or Craft Marijuana Cooperative with a cultivation location sized as Tier 1 or Tier 2, compliance with any of the requirements of 935 CMR 500.120(11) may be demonstrated through an energy compliance letter prepared by one or more of the following energy professionals:

1. A Certified Energy Auditor certified by the Association of Energy Engineers;
  2. A Certified Energy Manager certified by the Association of Energy Engineers;
  3. A Massachusetts Licensed Professional Engineer; or
  4. A Massachusetts Licensed Registered Architect.
- (c) A Marijuana Establishment shall construct its facilities in accordance with 935 CMR 500.000: *Adult Use of Marijuana*, conditions set forth by the Commission in its provisional license and architectural review, and any applicable state and local laws, regulations, permits or licenses.
- (d) The Commission may conduct inspections of the facilities, as well as review all written materials required in accordance with 935 CMR 500.000: *Adult Use of Marijuana*.
- (e) The applicable license fee shall be paid within 90 days from the date the applicant was approved for a provisional license by the Commission. Failure to pay the applicable license fee within the required time frame shall result in the license approval expiring. If this occurs, a new license application will need to be completed pursuant to 935 CMR 500.101: *Application Requirements* and will require Commission approval.
- (f) To the extent updates are required to the information provided for initial licensure, the Marijuana Cultivator ~~must~~ shall submit an updated energy compliance letter prepared by a Massachusetts Licensed Professional Engineer or Massachusetts Licensed Registered Architect with supporting documentation, together with a renewal application submitted under 935 CMR 500.103(4): *Expiration and Renewal of Licensure*.
- (g) Prior to the issuance of a final license, an Independent Testing Laboratory shall demonstrate compliance with 935 CMR 500.050(7)(a) and provide to the Commission documentation relating to its accreditation.
- (h) To the extent that an Applicant for a Delivery Operator License decides, following the submission of the Application for Provisional Licensure but prior to receiving Final Licensure, that the Applicant will engage in White Labeling, the Applicant shall submit the information required by 935 CMR 500.101(3)(h)4. to the Commission. The Executive Director shall determine whether the submission satisfies the requirements of 935 CMR 500.101(3)(h)4..
- (2) Final License. On completion of all inspections required by the Commission, a Marijuana Establishment is eligible for a final license. All information described in 935 CMR 500.000: *Adult Use of Marijuana* that is not available at the time of submission ~~must~~ shall be provided to and approved by the Commission before Marijuana Establishment may receive a final license. Such final licenses shall be subject to reasonable conditions specified by the Commission, if any.
- (a) No person or entity shall operate a Marijuana Establishment without a final license issued by the Commission.
  - (b) A provisional or final license may not be assigned or transferred without prior Commission approval.
  - (c) A provisional or final license shall be immediately void if the Marijuana Establishment Ceases to Operate or if, without the permission of the Commission, it relocates.
  - (d) Acceptance of a provisional or final license constitutes an agreement by the

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Marijuana Establishment that it will adhere to the practices, policies, and procedures that are described in its application materials, as well as all relevant laws, regulations, and any conditions imposed by the Commission as part of licensure.

- (e) The Marijuana Establishment shall post the final license in a conspicuous location on the Premises at each Commission-approved location.
  - (f) The Marijuana Establishment shall conduct all activities authorized by 935 CMR 500.000: *Adult Use of Marijuana* at the address(es) identified on the final license issued by the Commission.
- (3) The Marijuana Establishment ~~must~~ shall be operational within the time indicated in 935 CMR 500.101(1)(c)4. or as otherwise amended through the application process and approved by the Commission through the issuance of a final license.

~~(4)~~ Expiration and Renewal of Licensure. The Marijuana Establishment's license, as applicable, shall expire one year after the date of issuance of the provisional license and annually thereafter, and may be renewed as follows, unless an action has been taken based on the grounds set forth in 935 CMR 500.450: *Marijuana Establishment License: Grounds for Suspension, Revocation, and Denial of Renewal Applications*.

~~(5)~~(4)

- (a) No later than 60 calendar days prior to the expiration date, a Marijuana Establishment shall submit a completed renewal application to the Commission in a form and manner determined by the Commission, as well as the required license fee.
- (b) The Marijuana Establishment shall submit as a component of the renewal application a report or other information demonstrating the establishment's efforts to comply with the plans required under 935 CMR 500.101(1): *New Applicants*, including 935 CMR 500.101(1)(a)11. and 935 CMR 500.100(1)(c)7.k., as applicable. The report shall, at a minimum, have detailed, demonstrative, and quantifiable proof of the establishment's efforts, progress, and success of said plans.
- (c) A Marijuana Cultivator engaged in indoor cultivation ~~must~~ shall include a report of the Marijuana Cultivator's energy and water usage over the 12-month period preceding the date of the application.
- (d) To the extent updates are required to the information provided for initial licensure, the Marijuana Cultivator ~~must~~ shall submit an updated energy compliance letter prepared by a Massachusetts Licensed Professional Engineer or Massachusetts Licensed Registered Architect with supporting documentation, together with a renewal application submitted under 935 CMR 500.103(4): *Expiration and Renewal of Licensure*.
- (e) The Marijuana Establishment shall submit as a component of the renewal application certification of good standing from the Secretary of the Commonwealth, the DOR, and the DUA. Certificates of good standing will be valid if issued within 90 days of the submittal of the renewal application.
- (f) A Marijuana Establishment shall submit as a component of the renewal application documentation that the establishment requested from its Host Community the records of any cost to a city or town reasonably related to the operation of the establishment, which would include the city's or town's anticipated and actual expenses resulting from the operation of the establishment in its community. The applicant shall provide a copy of the electronic or written request, which should include the date of the request, and either the substantive response(s) received or an attestation that no response was received from the city or town. The request should state that, in accordance with M.G.L. c. 94G, § 3(d), any cost to a city or town imposed by the operation of a Marijuana Establishment or MTC shall be documented and considered a public record as defined by M.G.L. c. 4, § 7, cl. 26.
- (g) The Marijuana Establishments shall update as needed, and ensure the accuracy of,

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all information that it submitted on its initial application for a license.

- (h) The Marijuana Establishment shall comply with the requirements of 935 CMR 500.104(1) in accordance with that section separately from the renewal application.
- (i) Commission shall issue a renewal license within 30 days of receipt of a renewal application and renewal license fee to a Licensee in accordance with M.G.L. c. 94G, § 6, if the Licensee:
  - 1. Is in good standing with the Secretary of Commonwealth, DOR, and DUA;
  - 2. Provided documentation demonstrating substantial effort or progress towards achieving its goals submitted as part of its plans required under 935 CMR 500.101(1), including 935 CMR 500.101(1)(a)11. and (1)(c)7.k., as applicable; and
  - 3. No new information submitted as part of the renewal application, or otherwise obtained, presents suitability issues for any individual or entity listed on the application or license.
- (j) All Economic Empowerment Priority Applicants shall submit, as part of its renewal application, an attestation in a form and manner determined by the Commission, executed by the individuals who, through ownership, qualify an applicant or licensee as an Economic Empowerment Priority Applicant certifying that:
  - 1. Such individuals have had control and ownership since licensure, or the most recent renewal; and
  - 2. The licensee acknowledges that it may only avail itself of the benefits of Economic Empowerment Priority Applicant status so long as such individuals continue to have control and ownership or otherwise satisfy the criteria of Economic Empowerment Priority Applicant status as provided 935 CMR 500.0002: Economic Empowerment Priority Applicant.
- (k) CMO Marijuana Retailers shall submit the following information pertaining to patient supply of Marijuana:
  - 1. The licensee's policy and the procedures (e.g., data points, formulas) relied on to determine what constitutes a sufficient quantity and variety of Marijuana Products consistent with 935 CMR 500.140(15): Patient Supply; and
  - 2. The licensee's policy and procedures for determining what qualifies as a reasonable substitution for a medical Marijuana Product under 935 CMR 500.140(15): Patient Supply and its policy for communicating reliance on the substitution to patients.

~~(6)~~(5) The Commission shall maintain a publicly available and searchable source of information about all operating licensees, including Delivery Licensees, on its website.

500.104: Notification and Approval of Changes

- (1) Prior to making the following changes, the Marijuana Establishment shall submit a request for such change to the Commission and pay the appropriate fee. No such change shall be permitted until approved by the Commission or in certain cases, the Commission has delegated authority to approve changes to the Executive Director. Failure to obtain approval of such changes may result in a license being suspended, revoked, or deemed void.
  - (a) Location Change. Prior to changing its location, a Marijuana Establishment shall submit a request for such change to the Commission.
  - (b) Ownership or Control Change.
    - 1. Ownership Change. Prior to any change in ownership, where an Equity Holder acquires or increases its ownership to 10% or more of the equity or contributes 10% or more of the initial capital to operate the Marijuana Establishment, including capital that is in the form of land or buildings, the

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Marijuana Establishment shall submit a request for such change to the Commission.

2. Control Change. Prior to any change in control, where a new Person or Entity Having Direct or Indirect Control should be added to the license, the Marijuana Establishment shall submit a request for such change to the Commission prior to effectuating such a change. An individual, corporation, or entity shall be determined to be in a position to control the decision-making of a Marijuana Establishment if the individual, corporation, or entity falls within the definition of Person or Entity Having Direct or Indirect Control.
3. Priority Applicants Change in Ownership or Control.
  - a. Economic Empowerment Priority Applicants shall notify the Commission of any change in ownership or control, regardless of whether such change would require the applicant to seek approval pursuant to 935 CMR 500.104(1)(b)1. and 2.
  - b. ~~Where a certified Economic Empowerment Priority Applicant seeks approval by the Commission of a change in ownership or control, the applicant must undergo the approval process provided by 935 CMR 500.104 prior to making a change in ownership or control. When an Economic Empowerment Priority Applicant notifies the Commission of any change in ownership or control, the Commission shall review anew the applicant's eligibility for economic empowerment certification status.~~
  - c. When an Economic Empowerment Priority Applicant implicates the approval process established in 935 CMR 500.104(1)(b)(1)-(2), the applicant shall seek approval by the Commission of a change in ownership or control, and shall undergo the approval process provided therein prior to making a change in ownership or control.
    - ~~i.~~ i. In order to maintain its status as an Economic Empowerment Priority Applicant, the Economic Empowerment Priority Applicant in its submission ~~must~~ shall demonstrate that it continues to qualify as an Economic Empowerment Priority Applicant, as defined in 935 CMR 500.002: Economic Empowerment Priority Applicant.
    - ~~ii.i.~~ ii.i. ~~On receipt of notice and a request for approval under 935 CMR 500.104: Notification and Approval of Changes, the Commission shall review anew the applicant's eligibility for economic empowerment certification status.~~
    - ~~ii.ii.~~ ii.ii. If the qualifications are no longer are met subsequent to the approved change, the applicant will no longer be certified as an Economic Empowerment Priority Applicant and will no longer receive any benefits stemming from that designation.
    - ~~iii.iii.~~ iii.iii. The applicant may still seek approval of a change of ownership or control.
- (c) Structural Change. Prior to any modification, remodeling, expansion, reduction or other physical, non-cosmetic alteration of the Marijuana Establishment, the establishment shall submit a request for such change to the Commission.
- (d) Name Change. Prior to changing its name, the Marijuana Establishment shall submit a request for such change to the Commission. Name change requests, and prior approval, shall apply to an establishment proposing a new or amending a current doing-business-as name.
- (e) Receiverships Court Supervised Proceedings. Notification and approval requirements of with respect to receiverships Court Appointees and Court Supervised Proceedings provisions are detailed in 935 CMR 500.104(3): Court

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Supervised Proceedings-

- (2) The Executive Director of the Commission may approve, provided the Executive Director gives the Commission timely notice of his decision:
- (a) A Location Change;
  - (b) A Name Change;
  - (c) Any new equity owner, provided that the equity acquired is below 10%;
  - (d) Any new Executive or Director, provided that the equity acquired is below 10%;
  - (e) A reorganization, provided that the ownership and their equity does not change; or
  - (f) Court Appointees, as detailed in 935 CMR 500.104(3): *Court Supervised Proceedings*.
- (3) Court Supervised Proceedings.
- (a) Commission Petition.
    - 1. The Commission or its delegee may seek to file a petition where there is an imminent threat or danger to the public health, safety or welfare, which may include one or more of the following:
      - a. Notice of violations of state or federal criminal statutes, including, but not limited to, M.G.L. c. 94C, §§ 32 and 34;
      - b. Non-compliance with or violations of its statute or regulations such that the imposition of fines or other disciplinary actions would not be sufficient to protect the public;
      - c. Conditions that pose a substantial risk of diversion of Marijuana or Marijuana Products to the illicit market or to individuals under the age of 21 who do not possess a valid pediatric Patient Registration Card issued by the Commission;
      - d. Conditions that pose a substantial risk to Patients, including, but not limited to, patient supply;
      - e. Violations of testing or inventory and transfer requirements such that the Commission cannot readily monitor Marijuana and Marijuana Products cultivated, manufactured, transported, delivered, transfer, or sold by a Licensee; or
      - b.f. Other circumstance that the Commission or its delegee determines possess an imminent threat or danger to public health, safety, or welfare.
    - 2. The Commission or its delegee may seek to file a petition, intervene, or otherwise participate in a Court Supervised Proceeding or any other proceeding to secure its rights under M.G.L. c. 94G, § 19.
    - 3. Nothing in this section shall limit the Commission’s authority under M.G.L. c. 94G, § 4(a)(v).
  - (b) Delegation. In accordance with M.G.L. c. 10, § 76(j), the Commission may delegate to the Executive Director the authority to appear on its behalf in Court Supervised Proceedings or any other proceeding, and to administer and enforce its regulations relative to such proceedings or Court Appointees, which includes, but it not limited to, the following.
    - 1. To determine the form and manner of the application process for a Preapproved Court Appointee;
    - 2. To preapprove, recommend, disqualify, or discipline Court Appointees; or
    - 3. To approve the distribution of escrow funds under 935 CMR 500.105(10): *Liability Insurance Coverage or Maintenance of Escrow* or bond funds under 935 500.105(16): *Bonds*, including, but not limited to, to cover the cost of a Court Appointee or the operations of a Marijuana Establishment under supervision subject to the receipt of a court order prior to the expenditure of such funds;

935 CMR: CANNABIS CONTROL COMMISSION

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4. To approve the use of additional funds subject to the receipt of a court order prior to the expenditure of such funds;
5. To preapprove or approve certain transactions, provided, however, any change in the ownership or control under 935 CMR 500.104(1) shall be considered by the Commission; or
- 0.—To impose fines or other disciplinary action under 935 CMR 500.500, however, any suspension or revocation of a License under 935 CMR 500.450 shall be considered by the Commission.

(c) Notice to the Commission.

1. A Licensee or Person or Entity Having Direct or Indirect Control over a Licensee shall provide notice to the Commission of a petition or Court Supervised Proceeding or any other proceeding implicating these regulations:
  - a. Five (5) business days prior to the Licensee or Person or Entity Having Direct or Indirect Control filing a petition; or
  - b. On receipt of notice that a petition was filed or an imminent threat of litigation was received.
2. Notice to the Commission shall include a copy of the relevant communications, petition, pleadings and supporting documents, and shall be sent electronically to [Commission@CCCMass.Com](mailto:Commission@CCCMass.Com) and by mail to the Cannabis Control Commission at:

Cannabis Control Commission,  
ATTN: General Counsel – Court Appointees  
Union Station  
2 Washington Square  
Worcester, MA 01604

- 2.3. As soon as practicable, the Licensee or Person or Entity Having Direct or Indirect Control over a Licensee shall provide electronic and written notice to the Commission if the circumstances giving rise to the petition pose or may pose a threat to the public health, safety or welfare.
- 3.4. As soon as practicable, the Licensee or Person or Entity Having Direct or Indirect Control over a Licensee shall provide notice to the court that it is licensed by the Commission and of the regulations relative to Court Supervised Proceedings and Court Appointees, including, but not limited to, the qualifications for a Court Appointee established in 935 CMR 500.104(3)(d)1, and the list of Preapproved Court Appointees.
- 3.—A Licensee or Person or Entity Having Direct or Indirect Control over a Licensee that fails to comply with the requirements of 935 CMR 500.104(3) may be subject to disciplinary action, including, but not limited to revocation or suspension of any license or registration under 935 CMR 500.450: *Marijuana Establishment License: Grounds for Suspension, Revocation and Denial of Renewal Application.*

(d) Commission Qualifications for Court Appointees.

1. Qualifications. The Commission deems the following qualifications essential in a Court Appointee, subject to the court's discretion. At a minimum, an individual or entity seeking to be a Preapproved Court Appointee shall demonstrate the following qualifications consistent with the regulatory requirements for licensees. An applicant may seek a waiver of these qualifications under 935 CMR 500.850: *Waiver*. The failure to maintain these qualifications may be a basis for disqualification.

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- a. Suitability. An applicant must demonstrate suitability under 935 CMR 500.801: Suitability Standard for Licensure and Table A.
- b. Ownership and Control Limits. A person or entity named as a Court Appointee shall, prior to and as a result of being a Court Appointee, be in compliance with the control limitations set forth in 935 CMR 500.050(1)(b) or any other limitations on licensure set forth in 935 CMR 500.000: Adult Use of Marijuana.
2. Application Process for Preapproved Court Appointees. The Commission or its delegee may preapprove, recommend, disqualify, or discipline Preapproved Court Appointees. A person or entity seeking to be a Preapproved Court Appointee shall pay a fee established in 935 CMR 500.005(5)(a) and submit the following information and make the necessary disclosures:
  - a. Qualifications. An applicant shall demonstrate the qualifications set forth in 935 CMR 500.104(3)(d)1.
  - b. Credentials. An applicant shall demonstrate sufficient training, knowledge and experience, to ensure a Licensee under supervision shall comply with Commissions statutory and regulatory requirements.
  - c. Affiliated Individuals or Entities. An applicant shall identify any person or entity that may exert control or influence over the Preapproved Court Appointee, whether or not such individuals or entities are can exercise the authority of a Court Appointee.
  - d. Engaged Individuals or Entities. An applicant shall identify any person or entity that the applicant intends to engage in conducting the work of a Court Appointee, whether or not such individuals or entities are exercising the authority of a Court Appointee.
  - e. Financial Information. An applicant shall make such financial disclosures necessary to determine its ability to serve as a Court Appointee.
  - f. Licenses: The applicant shall submit any professional or occupational licenses and represent that these licenses are in good standing.
  - g. Good Standing. If the applicant is an entity, it shall submit a valid Certificate of Good Standing issued by each the Secretary of the Commonwealth and the Department of Revenue.
  - h. Limitations. The applicant shall identify any limitations on the ability to serve as a Court Appointee, including, but not limited to, capacity, qualifications, credentials, conflicts of interest, and financial requirements.
  - i. An applicant shall submit any additional information the Commission or its delegee may request, in its sole discretion.
  - b.j. Suitability. An applicant shall demonstrate suitability to operate a Licensee. If the applicant is an entity, each individual exercising the authority of a Court Appointee shall demonstrate suitability as provided herein. An applicant shall demonstrate suitability by:
    - i. Submitting to a criminal background check in accordance with 935 CMR 500.030: Registration of Marijuana Establishment Agents, 500.101: Application Requirements, and 500.105: General Operational Requirements for Marijuana Establishments; or
    - ii. If authorized by the Commission, submitting an attestation under the pains and penalties of perjury that the applicant is suitable to operate a Licensee.



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3. Application requirements in this 935 CMR 500.104(3)(d)2, shall apply only to persons and entities acting as a Court Appointee.
- 3.4. Renewal. In order to remain as Preapproved Court Appointee, each Preapproved Court Appointee, on the anniversary of their preapproval, shall annually attest to the Commission under the pains and penalties of perjury that there has been no material change to the information and disclosures submitted as part of the initial application or provide updated information and disclosures with respect to those that have changed, and pay the fee identified in 935 CMR 500.005(5)(b).
- (e) Licensee's Obligations. A Licensee placed under the oversight or a Court Appointee shall:
  1. Continue to comply with all legal and regulatory requirements applicable to a Licensee, except as otherwise determined pursuant a court order or a waiver granted pursuant to 935 CMR 500.850: *Waivers*.
  2. Provide the Commission with any documents requested by the Commission.
  3. Cooperate with the Commission's efforts to intervene as an interested party in any Court proceeding pursuant to which a Court Appointee is sought.
  4. Comply with the requirements of 935 CMR 500.104(1) upon final disposition of the License(s) subject to oversight by a Court Appointee.
  - 4.5. When a Licensee files a petition, it shall propose in such petition a Court Appointee with the qualifications identified in 935 CMR 500.104(3)(d)1. ~~And/or may choose or identify from the Commission's list of a Preapproved Court Appointees.~~
- (f) Applicability of this Section 935 CMR 104(3).
  1. All Licensees and Persons or Entities having Direct or Indirect Control shall comply with the notice requirements established in 935 CMR 500.104(3)(c).
  2. A Person or Entity Having Direct or Indirect Control that has its ownership or control interest placed under the oversight of a Court Appointee shall be exempt from the requirements of subsection 935 CMR 500.104(3)(b) and (d) through (f), provided however, that upon final disposition of the interest in question, the Licensee shall comply with the requirements of 935 CMR 500.104(1), as applicable.
  3. Any Economic Empowerment Priority Applicant or any other Licensee subject to regulatory benefits provided for in 935 CMR 500.005(b), 500.050(6) and (10), 500.101(13) that is placed under the oversight of a Court Appointee shall have such status suspended until such time as the Court Appointee's work is deemed complete pursuant to a court order, at which time, such status will go back into effect, provided the Licensee continues to satisfy all requisite criteria.
- (4) Assignment for the Benefit of Creditors. A Licensee must seek Commission approval, in a form or manner determined by the Commission, prior to effectuating an Assignment for the benefit of Creditors. The Commission may delegate authority to approve such agreements to the Executive Director, provided however, that any transfer of a License shall be subject to Commission Approval.
- (5) The Marijuana Establishment shall keep current all information required by 935 CMR 500.000: *Adult Use of Marijuana* or otherwise required by the Commission. The Marijuana Establishment shall report any changes in or additions to the content of the information contained in any document to the Commission within five business days after such change or addition.

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500.105: General Operational Requirements for Marijuana Establishments

- (1) Written Operating Procedures. Every Marijuana Establishment shall have and follow a set of detailed written operating procedures. If the Marijuana Establishment has an additional location, it shall develop and follow a set of such operating procedures for that facility. A CMO shall have written operating procedures that comply with both 935 CMR 500.105(1): *Written Operating Procedures* and 935 CMR 501.105(1): *Written Operating Procedures* and may do so by having two sets of written operating procedures applicable to each medical-use and adult-use operations or having one set of written operating procedures, provided it complies with both medical-use and adult-use requirements. Operating procedures shall include, but need not be limited to the following:
- (a) Security measures in compliance with 935 CMR 500.110: *Security Requirements for Marijuana Establishments*;
  - (b) Employee security policies, including personal safety and crime prevention techniques;
  - (c) A description of the Marijuana Establishment's hours of operation and after-hours contact information, which shall be provided to the Commission, made available to Law Enforcement Authorities on request, and updated pursuant to 935 CMR 500.000: *Adult Use of Marijuana*;
  - (d) Storage and waste disposal of Marijuana in compliance with 935 CMR 500.105(11): *Storage Requirements*;
  - (e) Description of the various strains of Marijuana to be cultivated, Processed or sold, as applicable, and the form(s) in which Marijuana will be sold;
  - (f) Price list for Marijuana and Marijuana Products and any other available products, and alternate price lists for patients with documented Verified Financial Hardship, as defined in 935 CMR 501.002: *Verified Financial Hardship*, as required by 935 CMR 501.100(1)(f);
  - (g) Procedures to ensure accurate recordkeeping, including inventory protocols for Transfer and inventory in compliance with 935 CMR 500.105(8) and (9);
  - (h) Plans for quality control, including product testing for contaminants in compliance with 935 CMR 500.160: *Testing of Marijuana and Marijuana Products*;
  - (i) A staffing plan and staffing records in compliance with 935 CMR 500.105(9)(d);
  - (j) Emergency procedures, including a disaster plan with procedures to be followed in case of fire or other emergencies;
  - (k) Alcohol, smoke, and drug-free workplace policies;
  - (l) A plan describing how Confidential Information and other records required to be maintained confidentially will be maintained;
  - (m) A policy for the immediate dismissal of any Marijuana Establishment Agent who has:
    1. Diverted Marijuana, which shall be reported to Law Enforcement Authorities and to the Commission;
    2. Engaged in unsafe practices with regard to operation of the Marijuana Establishment, which shall be reported to the Commission; or
    3. Been convicted or entered a guilty plea, plea of *nolo contendere*, or admission to sufficient facts of a felony drug offense involving distribution to a minor in the Commonwealth, or a like violation of the laws of any Other Jurisdiction.
  - (n) A list of all board of directors, members and Executives of a Marijuana Establishment, and Members, if any, of the Licensee ~~must~~shall be made available on request by any individual. This requirement may be fulfilled by placing this required information on the Marijuana Establishment's website;
  - (o) Policies and procedure for the handling of cash on Marijuana Establishment Premises including, but not limited to, storage, collection frequency, and transport to financial institution(s), to be available on inspection.

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- (p) Policies and procedures to prevent the diversion of Marijuana to individuals younger than 21 years old;
- (q) Policies and procedures for energy efficiency and conservation that shall include:
  1. Identification of potential energy use reduction opportunities (including, but not limited to, natural lighting, heat recovery ventilation and energy efficiency measures), and a plan for implementation of such opportunities;
  2. Consideration of opportunities for renewable energy generation including, where applicable, submission of building plans showing where energy generators could be placed on the site, and an explanation of why the identified opportunities were not pursued, if applicable;
  3. Strategies to reduce electric demand (such as lighting schedules, active load management and energy storage); and
  4. Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants.
- (r) ~~Policies and procedures to promote workplace safety consistent with applicable standards set by the Occupational Safety and Health Administration, including plans to identify and address any biological, chemical or physical hazards. Such policies and procedures shall include, at a minimum, a hazard communication plan, personal protective equipment assessment, a fire protection plan, and an emergency action plan.~~ Policies and procedures to promote workplace safety consistent with tThe standards set forth under the Occupational Safety and Health Act of 1970, 29 U.S.C. § 651, et seq., including the general duty clause under 29 U.S.C. § 654, whereby:

Each employer (a) shall furnish to each of its employees employment and a place of employment which are free from recognized hazards that are causing or are likely to cause death or serious physical harm to its employees; (b) shall comply with occupational safety and health standards promulgated under this act. Each employee shall comply with occupational safety and health standards and all rules, regulations, and orders issued pursuant to 29 U.S.C. § 651, et seq., which are applicable to the employee's own actions and conduct.

All current and updated regulations and references at 29 CFR Parts 1903, 1904, 1910, 1915, 1917, 1918, 1926, 1928, and 1977 are incorporated by reference, and applicable to all places of employment covered by 935 CMR 500.000: *Adult Use of Marijuana*.

(2) Marijuana Establishment Agent Training.

- (a) Marijuana Establishments, including Independent Testing Laboratories, shall ensure that all Marijuana Establishment Agents complete minimum training requirements prior to performing job functions.
  1. At a minimum, Marijuana Establishment Agents shall receive a total of eight hours of training annually. The eight-hour total tTraining requirement shall be tailored to the roles and responsibilities of the job function of each Marijuana Establishment Agent, and at a
  2. A minimum of four hours of training must shall include be from Responsible Vendor Training Program courses established under 935 CMR 500.105(2)(b). Any additional RVT hours over the four-hour RVT requirement may count toward the eight-hour total training requirement.
  3. Non-RVT training may be conducted in-house by the Marijuana Establishment or by a third-party vendor engaged by the Marijuana Establishment. Basic on-the-job training Marijuana Establishments provide in the ordinary course of business may be counted toward the eight-hour

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total training requirement.

4. Agents responsible for tracking and entering product into the Seed-to-sale SOR ~~must~~ shall receive training in a form and manner determined by the Commission. At a minimum, staff shall receive eight hours of on-going training annually.
5. Marijuana Establishments shall maintain records of compliance with all training requirements noted above. Such records shall be maintained for four years and Marijuana Establishments shall make such records available for inspection on request.
6. An individual who is both a Marijuana Establishment Agent and MTC Agent at a CMO location shall receive the training required for each license under which the agent is registered, including, without limitation, with respect to patient privacy and confidentiality requirements, which may result in instances that would require such an agent to participate in more than eight hours of training.

(b) Responsible Vendor Training.

1. ~~On or after July 1, 2019, all. All~~ current Owners, managers and employees of a Marijuana Establishment Agents, including Laboratory Agents, that are involved in the handling and or sale of Marijuana for adult use at the time of licensure or renewal of licensure, as applicable, shall have attended and successfully completed a Responsible Vendor Training Program to be designated a "Responsible Vendor."
2. ~~Once a Licensee is designated a "Responsible Vendor", all new employees involved in the handling and sale of Marijuana for adult use shall successfully complete a Responsible Vendor Training Program within 90 days of hire.~~
- 3.1. ~~After initial successful completion of a Responsible Vendor Training Program, each Owner, manager, and employee involved in the handling and sale of Marijuana for adult use shall successfully complete the program once every year thereafter to maintain designation as a "Responsible Vendor".~~
  - a. Marijuana Establishment Agents shall first take the Basic Core Curriculum.
  - b. On completing the Basic Core Curriculum, a Marijuana Establishment Agent is eligible to take the Advanced Core Curriculum.
  - c. Exception for Administrative Eemployees. Marijuana Establishment Agents who serve as administrative employees and do not handle or sell Marijuana are exempt from the four-hour RVT requirement but may take the "a Responsible Vendor" program Training Program course on a voluntary basis as part of fulfilling the eight-hour total training requirement.
- 4.2. ~~Once a Marijuana Establishments must maintain records of Establishment is designated a Responsible Vendor Training Program compliance, all Marijuana Establishment Agents employed by the Marijuana Establishment that are involved in the handling or sale of Marijuana for four years and make them available to inspection adult use shall successfully complete the Basic Core Curriculum within 90 days of hire.~~
- 5.3. ~~After successful completion of the Basic Core Curriculum, each Marijuana Establishment Agent involved in the handling or sale of Marijuana for adult use shall fulfill the -four-hour RVT requirement -every year thereafter for the Marijuana Establishment to maintain designation as a Responsible Vendor. Failure to maintain Responsible Vendor status is grounds for action by the Commission and any other applicable licensing authority on request during normal business hours.~~

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6.4. Responsible Vendor Trainer Certification Training Program Standards.

- a. No owner, manager or employee of a Responsible Vendor ~~program~~ shall have an interest in Trainer may be a licensed Person Or Entity Having Direct Or Indirect Ownership or Control of a Marijuana Establishment.
- b. ~~Program providers~~ Responsible Vendor Trainers shall submit their ~~programs~~ program materials to the Commission prior to offering courses, every two years ~~for approval as a following for Commission certification of the~~ Responsible Vendor program-Trainer and Responsible Vendor Training Program curriculum, and on request. The ~~program shall include~~ process for certification will be in a form and manner determined by the Commission.
- c. Responsible Vendor Training Program courses shall consist of at least two hours of instruction time.
- d. ~~The program~~ Except as provided in 935 CMR 500.105(2)(b)(4)(e), Responsible Vendor Training Program courses shall be taught in a real-time, interactive, virtual or in-person classroom setting wherein which the instructor is able to verify the identification of each individual attending the program and certify completion of the program by the individual ~~identified~~.
- e. The Responsible Vendor Training Program courses may be presented in a virtual format that is not taught in a real-time, provided that the Responsible Vendor Trainer, as part of its application for certification, can demonstrate means:
  - i. To verify the identification of each trainee participating in the program provider course and certify completion by the individual.
  - ii. To track trainees' time needed to complete the course training;
  - iii. To allow for the trainees to ask questions of the Responsible Vendor Trainer, for example, by email, virtual discussion board, or group/class discussion; and
  - iv. To evaluate each trainee's proficiency with course material.
- f. Responsible Vendor Trainers shall seek certification for each Basic Core Curriculum and Advanced Core Curriculum. Applications for Advanced Core Curriculum certification will be open on or before July 1, 2022.
- g. Responsible Vendor Trainers shall maintain its training records at its principal place of business during the applicable year and for the following three for four years.
- h. ~~The program provider shall~~ Responsible Vendor Trainers shall make the records available for inspection by the Commission and any other applicable licensing authority on request during normal business hours.
- i. ~~The program~~ Responsible Vendor Trainers shall provide to the appropriate Marijuana Establishment and Marijuana Establishment Agent written documentation of attendance and successful evaluation of proficiency, such as passage of a test on the knowledge of the required curriculum for each attendee.
- j. ~~Attendees~~ Trainees who can speak and write English fluently must shall successfully ~~pass~~ demonstrate proficiency, such as passing a written test with a score of 70% or better.
- k. ~~Attendees~~ Marijuana Establishment Agents who cannot speak or write English may be offered a verbal evaluation or test, provided

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that the same questions are given as are on the written test and the results of the verbal test are documented with a passing score of 70% or better.

1. ~~Program providers~~Responsible Vendor Trainers shall solicit effectiveness evaluations from ~~individuals~~Marijuana Establishment Agents who have completed their program-(s).
- ~~7.5.Certification Training Class~~ Basic Core Curriculum. The Basic Core Curriculum shall cover the following subject matter:
- a. ~~Discussion concerning~~ Marijuana's effect on the human body: Training shall include, including:
    - i. Scientifically based evidence on the physical and mental health effects based on the type of Marijuana Product;
    - ii. The amount of time to feel impairment;
    - iii. Visible signs of impairment; and
    - iv. Recognizing the signs of impairment.
  - b. Diversion prevention and prevention of sales to minors, including best practices.
  - c. Compliance with all tracking requirements.
  - d. Acceptable forms of identification. Training shall include:
    - i. How to check identification;
    - ii. Spotting ~~false and~~ confiscating fraudulent identification;
    - ~~iii.~~ Patent registration cards formerly and validly issued by the DPH or currently and validly issued by the Commission;
    - ~~iv.~~iii. Provisions for confiscating fraudulent identifications; and
    - ~~v.~~iv. Common mistakes made in identification verification.
    - ~~vi.~~v. Prohibited purchases and practices, including purchases by persons under the age of 21 in violation of M.G.L. c. 94G, § 13.
  - e. Other key state laws and rules affecting ~~Owners, managers, and employees~~Marijuana Establishment Agents, which shall include:

~~Local and state licensing and enforcement;~~

~~Incident and notification requirements;~~

~~Administrative and criminal liability;~~

~~License sanctions;~~

~~Waste disposal;~~

~~Health and safety standards;~~

~~Patrons prohibited from bringing marijuana onto licensed premises;~~

~~Permitted hours of sale;~~

- ~~x.i.~~ Conduct of establishmentMarijuana Establishment Agents;
- ~~xi.~~ii. Permitting inspections by state and local licensing and enforcement authorities;
- ~~xii.~~iii. Local and state licensing and enforcement, including registration and license sanctions;
- ~~xiii.~~iv. Incident and notification requirements;
- ~~xiv.~~v. Administrative, civil, and criminal liability;
- ~~xv.~~vi. Health and safety standards, including waste disposal;
- ~~xvi.~~vii. Patrons prohibited from bringing Marijuana and Marijuana Products onto licensed premises;
- ~~xvii.~~viii. Permitted hours of sale;
- ~~xviii.~~ix. Licensee responsibilities for activities occurring within licensed premises;
- ~~xix.~~ Maintenance of records; including confidentiality and privacy; and

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~~xx.~~ Privacy issues; and

~~xxi.x.~~ Prohibited purchases and practices.

- f. Such other areas of training determined by the Commission to be included in a Responsible Vendor Training Program.

8.6. Advanced Core Curriculum.

- a. Each Advanced Core Curriculum class shall be approved by the Commission prior to being offered. The curriculum shall build on the knowledge, skills, and practices covered in the Basic Core Curriculum.
- b. An Advanced Core Curriculum class shall include standard and best practices in one or more of the following areas:
- i. Cultivation;
  - ii. Product Manufacturing;
  - iii. Retail;
  - iv. Transportation;
  - v. Social Consumption;
  - vi. Laboratory Science;
  - vii. Energy and Environmental Best Practices;
  - viii. Social Justice and Economically Reparative Practices;
  - ix. Implicit Bias and Diversity Training;
  - x. Worker Safety;
  - xi. Food Safety and Sanitation;
  - xii. Confidentiality and Privacy;
  - xiii. In depth coverage of any topic(s) taught in the Basic Core Curriculum; or
  - xiv. Such other topic as the Commission may approve in its sole discretion.

9.7. Delivery Core Curriculum. In addition to the Basic Core Curriculum, all Marijuana Establishment Agents acting as delivery employees of a ~~Delivery-only~~ Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement shall have attended and successfully completed Delivery Core Curriculum prior to making a delivery, which shall, to the extent not covered in Basic Core Training, include, without limitation, training on:

- a. Safely conducting deliveries;
- b. Safe cash handling practices;
- c. Strategies for de-escalating potentially dangerous situations;
- d. Securing product following any instance of diversion, theft or loss of Finished Marijuana Products pursuant to 935 CMR 500.110(1)(m);
- e. Collecting and communicating information to assist in investigations;
- f. Procedures for checking identification;
- g. Indications of impairment;
- h. Notification to Consumers of use of mandatory recording devices; and
- i. Such other areas of training determined by the Commission to be included in a Responsible Vendor Training Program.

(3) Requirements for the Handling of Marijuana.

- (a) A Marijuana Establishment authorized to Process Marijuana shall do so in a safe and sanitary manner. A Marijuana Establishment shall Process the leaves and flowers of the female Marijuana plant only, which shall be:
1. Well cured and free of seeds and stems;

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2. Free of dirt, sand, debris, and other foreign matter;
  3. Free of contamination by mold, rot, other fungus, pests and bacterial diseases and satisfying the sanitation requirements in 105 CMR 500.000: *Good Manufacturing Practices for Food*, and if applicable, 105 CMR 590.000: *State Sanitary Code Chapter X: Minimum Sanitation Standards for Food Establishments*;
  4. Prepared and handled on food-grade stainless steel tables with no contact with Licensees' or Marijuana Establishment Agents' bare hands; and
  5. Packaged in a secure area.
- (b) All Marijuana Establishments, including those that develop, Repackage, or Process non-edible Marijuana Products, shall comply with the following sanitary requirements:
1. Any Marijuana Establishment Agent whose job includes contact with Marijuana or non-edible Marijuana Products, including cultivation, production, or packaging, is subject to the requirements for food handlers specified in 105 CMR 300.000: *Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements*;
  2. Any Marijuana Establishment Agent working in direct contact with preparation of Marijuana or non-edible Marijuana Products shall conform to sanitary practices while on duty, including:
    - a. Maintaining adequate personal cleanliness; and
    - b. Washing hands thoroughly in an adequate hand-washing area before starting work, and at any other time when hands may have become soiled or contaminated.
  3. Hand-washing facilities shall be adequate and convenient and shall be furnished with running water at a suitable temperature. Hand-washing facilities shall be located in the Marijuana Establishment in Production Areas and where good sanitary practices require Employees to wash and sanitize their hands, and shall provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices;
  4. There shall be sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations;
  5. Litter and waste shall be properly removed, disposed of so as to minimize the development of odor and minimize the potential for the waste attracting and harboring pests. The operating systems for waste disposal shall be maintained in an adequate manner pursuant to 935 CMR 500.105(12): *Waste Disposal*;
  6. Floors, walls, and ceilings shall be constructed in such a manner that they may be adequately kept clean and in good repair;
  7. There shall be adequate safety lighting in all Processing and storage areas, as well as areas where equipment or utensils are cleaned;
  8. Buildings, fixtures, and other physical facilities shall be maintained in a sanitary condition;
  9. All contact surfaces, including utensils and equipment, shall be maintained in a clean and sanitary condition. Such surfaces shall be cleaned and sanitized as frequently as necessary to protect against contamination, using a sanitizing agent registered by the US Environmental Protection Agency (EPA), in accordance with labeled instructions. Equipment and utensils shall be so designed and of such material and workmanship as to be adequately cleanable;
  10. All toxic items shall be identified, held, and stored in a manner that protects against contamination of Marijuana Products. Toxic items shall-may not be stored in an area containing products used in the cultivation of Marijuana. The Commission may require a Marijuana Establishment to demonstrate the



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intended and actual use of any toxic items found on the Premises;

11. A Marijuana Establishment's water supply shall be sufficient for necessary operations. Any private water source shall be capable of providing a safe, potable, and adequate supply of water to meet the Marijuana Establishment's needs;
12. Plumbing shall be of adequate size and design, and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the Marijuana Establishment. Plumbing shall properly convey sewage and liquid disposable waste from the Marijuana Establishment. There shall be no cross-connections between the potable and wastewater lines;
13. A Marijuana Establishment shall provide its employees with adequate, readily accessible toilet facilities that are maintained in a sanitary condition and in good repair;
14. Products that can support the rapid growth of undesirable microorganisms shall be held in a manner that prevents the growth of these microorganisms;
15. Storage and transportation of finished products shall be under conditions that will protect them against physical, chemical, and microbial contamination as well as against deterioration of finished products or their containers; and
16. All vehicles and transportation equipment used in the transportation of Marijuana Products or Edibles requiring temperature control for safety ~~must~~ shall be designed, maintained, and equipped as necessary to provide adequate temperature control to prevent the Marijuana Products or Edibles from becoming unsafe during transportation, consistent with applicable requirements pursuant to 21 CFR 1.908(c).

~~(e)~~ All Marijuana Establishments, including those that develop or Process Edibles ~~Marijuana Products~~, shall comply with sanitary requirements. All Edibles ~~Marijuana Products~~ shall be prepared, handled, and stored in compliance with the sanitation requirements in 105 CMR 590.000: *State Sanitary Code Chapter X: Minimum Sanitation Standards for Food Establishments*.

~~(d)~~(c)

~~(e)~~(d) Unless otherwise authorized by the Commission, a CMO shall comply with 935 CMR 500.105(3): *Requirements for the Handling of Marijuana* and 935 CMR 501.105(3): *Handling of Marijuana*.

(4) ~~Marketing and~~ Advertising Requirements.

(a) Permitted Practices. The following ~~A~~ Advertising, ~~marketing, and branding~~ activities are permitted:

1. A Marijuana Establishment may develop a ~~Brand Name~~business name and logo to be used in labeling, signage, and other materials; provided however, that use of medical symbols, images of Marijuana or Marijuana Products, or related Paraphernalia images, that are appealing to persons younger than 21 years old, and colloquial references to Marijuana and Cannabis ~~and Marijuana~~ are prohibited from use in ~~this business name and logo~~the Brand Name;
2. Brand Name Sponsorship of a charitable, sporting or similar event, so long as the following conditions are met.
  - a. Sponsorship of the event is limited to the Brand Name.
  - b. Any Advertising at or in connection with such an event is prohibited, unless such Advertising is targeted to entrants or participants reasonably expected to be 21 years of age or older, as determined by reliable, current audience composition data, and reasonable safeguards have been employed to prohibit Advertising from targeting or otherwise reaching entrants or participants reasonably

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- ~~expected to be under 21 years of age, as determined by reliable, current audience composition data;~~  
~~except that advertising, marketing, and branding at or in connection with such an event is prohibited, unless at least 85% of the audience reasonably expected to be 21 years of age or older, as determined by reliable, current audience composition data;~~
3. Brand Name Sponsorship of a charitable, cultural or similar event both held and organized by the city or town in which the sponsoring Marijuana Establishment or CMO is licensed to conduct business, so long as the following conditions are met:
    - a. Sponsorship of said event shall be included in its Positive Impact Plan submitted in accordance with 935 CMR 500.101(1)(a)11;
    - b. Sponsorship of the event is limited to the Brand Name;
    - c. Any Advertising at or in connection with such an event is prohibited, unless such Advertising is targeted to entrants or participants reasonably expected to be 21 years of age or older, as determined by reliable, current audience composition data, and reasonable safeguards have been employed to prohibit Advertising from targeting or otherwise reaching entrants or participants reasonably expected to be under 21 years of age, as determined by reliable, current audience composition data; For this event, the audience must be at least 85 per cent of the audience is reasonably expected to be 21 years of age or older, as determined by reliable, up-to-date audience composition data;
  4. A Marijuana Establishment engaging in Brand Name Sponsorship under 935 CMR 500.105(4)(a)2. and 3. shall retain documentation of reliable, reasonable audience composition data that is the basis for allowing any such Advertising or branding for a period of one (1) year, or longer if otherwise required by the Commission, or a court or agency with jurisdiction.
  5. A Marijuana Establishment may display, in secure, locked cases, samples of each product offered for sale and subject to the requirements of 935 CMR 500.110: Security Requirements for Marijuana Establishments. These display cases may be transparent. An authorized Marijuana Establishment Agent may remove a sample of Marijuana from the case and provide it to the Consumer for inspection, provided the Consumer may not consume or otherwise use the sample, unless otherwise authorized herein;
  6. The establishment may post prices in the store and may respond to questions about pricing. The Marijuana Establishment shall provide a catalogue or a printed list of the prices and strains of Marijuana available at the Marijuana Establishment to Consumers and may post the same catalogue or printed list on its website and in the retail store;
  7. A Marijuana Establishment may engage in reasonable ~~marketing, A~~ advertising and branding practices that are not otherwise prohibited in 935 CMR 500.105(4)(b) that do not jeopardize the public health, welfare or safety of the general public or promote the diversion of Marijuana or Marijuana use in individuals younger than 21 years old or otherwise promote practices inconsistent with the purposes of M.G.L. c. 94G or 94I. Any such ~~marketing, A~~ advertising and branding created for viewing by the public shall include the statement "Please Consume Responsibly", in a conspicuous manner on the face of the advertisement and shall include a minimum of two of the following warnings in their entirety in a conspicuous manner on the face of the advertisement:
    - a. "This product may cause impairment and may be habit forming.";
    - b. "Marijuana can impair concentration, coordination and judgment.

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- Do not operate a vehicle or machinery under the influence of this drug.";
  - c. "There may be health risks associated with consumption of this product.";
  - d. "For use only by adults 21 years of age or older. Keep out of the reach of children."; or
  - e. "Marijuana should not be used by women who are pregnant or breastfeeding."
8. All ~~marketing, advertising and branding~~ produced by or on behalf of a Marijuana Establishment for Marijuana or Marijuana Products shall include the following warning, including capitalization, in accordance with M.G.L. c. 94G, § 4(a½)(xxvi):

“This product has not been analyzed or approved by the Food and Drug Administration (FDA). There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN. There may be health risks associated with consumption of this product. Marijuana can impair concentration, coordination, and judgment. The impairment effects of Edibles Marijuana Products may be delayed by two hours or more. In case of accidental ingestion, contact poison control hotline 1-800-222-1222 or 9-1-1. This product may be illegal outside of MA.”

9. A Licensee may utilize employee discounts as part of the Marijuana Establishment’s operating policy and procedure for prevention of diversion pursuant to 935 CMR 500.101(1)(c)8.b.. Institution of an employee discount program under this subsection shall not be considered a prohibited practice under 935 CMR 500.105(4)(b).

(b) Prohibited Practices. The following ~~advertising, marketing, and branding~~ activities are prohibited:

1. Advertising, ~~marketing, and branding~~ in such a manner that is deemed to be is deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly or by omission or ambiguity;
2. Advertising, ~~marketing and branding~~ by means of television, radio, internet, mobile applications, social media, or other electronic communication, billboard or other outdoor ~~advertising~~, or print publication, unless at least 85% of the audience is reasonably expected to be 21 years of age or older as determined by reliable and current audience composition data;
3. Advertising, ~~marketing, and branding~~ that utilizes statements, designs, representations, pictures or illustrations that portray anyone younger than 21 years old;
4. Advertising, ~~marketing, and branding~~ including, but not limited to, mascots, cartoons, ~~brand sponsorships~~ and celebrity endorsements, that is deemed to appeal to a person younger than 21 years old;
5. Brand sponsorship including, but not limited to, mascots, cartoons, and celebrity endorsements, that is deemed to appeal to a person younger than 21 years old;
6. ~~Advertising, marketing, and branding~~, including statements by a Licensee,

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that makes any false or statements concerning other Licensees and the conduct and products of such other Licensees that is deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly or by omission or ambiguity;

- ~~7.6. Advertising, marketing, and branding through certain identified promotional items as determined by the Commission including, but not limited to, gifts, giveaways, discounts, points based reward systems, customer loyalty programs, coupons, or "free" or "donated" Marijuana;~~
- ~~8.7. Advertising, marketing, and branding~~ by a Licensee that asserts that its products are safe, or represent that its products have curative or therapeutic effects, other than labeling required pursuant to M.G.L. c. 94G, § 4(a½)(xxvi), unless supported by substantial evidence or substantial clinical data with reasonable scientific rigor as determined by the Commission;
- ~~9.8. Advertising on any billboards, or any other public signage, which fails to comply with all state and local ordinances and requirements;~~
- ~~10.9. Installation Use of any illuminated, neon, or illuminated or~~ external signage beyond the period of 30 minutes before sundown until closing, provided however, that the Commission may further specify minimum signage requirements;
- ~~11.10. The use of vehicles equipped with radio or loudspeakers for the~~ Advertising of Marijuana or Marijuana Products;
- ~~12.11. The use of radio or loudspeaker equipment in any Marijuana Establishment for the purpose of~~ Advertising attracting attention to the sale of Marijuana or Marijuana Products;
- ~~13. Advertising Brand Name Sponsorship, marketing, and branding at, or in connection with, of a charitable, sporting or similar event, unless such~~ Advertising is targeted to entrants or participants reasonably expected to be 21 years of age or older, as determined by reliable, current audience composition data, and reasonable safeguards have been employed to prohibit Advertising from targeting or otherwise reaching entrants or participants reasonably expected to be under 21 years of age, as determined by reliable, current audience composition data;
- ~~14.12. unless at least 85% of the audience is reasonably expected to be 21 years of age or older, as determined by reliable, current audience composition data;~~
- ~~15. Operation of any website of a Marijuana Establishment that fails to verify that the entrant is 21 years of age or older;~~
- ~~16.13. Use of unsolicited pop up advertisements on the internet or text message; unless the advertisement is a mobile device application installed on the device by the owner of the device who is 21 years of age or older and includes a permanent and easy opt out feature.~~
- ~~17.14. Any Advertising, including the use of Brand Names, of an improper or objectionable nature including, but not limited to, the use of language or images offensive or disparaging to certain groups recipe books or pamphlets for Marijuana Products which contain obscene or suggestive statements;~~
- ~~18.15. Any Advertising, marketing or branding solely for the promotion of Marijuana or Marijuana Products, on Marijuana Establishment Branded Goods, including but not limited to~~ clothing, cups, drink holders, apparel accessories, electronic equipment or accessories, sporting equipment, novelty items and similar portable promotional items;
- ~~19.16. Advertising, marketing or branding,~~ on or in public or private vehicles and at bus stops, taxi stands, transportation waiting areas, train stations, airports, or other similar transportation venues including, but not

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limited to, vinyl-wrapped vehicles or signs or logos on transportation vehicles ~~not owned by the Marijuana Establishment or company cars;~~

~~20.17. Advertising, marketing, branding, The display of signs or other printed material for Advertising any brand or any kind of Marijuana or Marijuana Products that are displayed on the exterior of any licensed Premises or interior of any licensed Premises where Marijuana Products are not regularly and usually kept for sale;~~

~~21.18. Advertising or marketing of the price of Marijuana or Marijuana Products, except as permitted above pursuant to 935 CMR 500.105(4)(a)6.; and~~

~~22.19. Display of Marijuana or Marijuana Products so as to be clearly visible to a person from the exterior of a Marijuana Establishment.~~

~~22. Advertising through the marketing of free promotional items-, including, but not limited to, gifts, giveaways, discounts, points-based reward systems, customer loyalty programs, coupons, and "free" or "donated" Marijuana, except as otherwise permitted by 935 CMR 500.105(4)(a)9. and except for the provision of Brand Name take-away bags by a Marijuana Establishment for the benefit of customers after a retail purchase is completed;~~

~~(e) Nothing in 935 CMR 500.105(4): Advertising Requirements prohibits a Marijuana Establishment from using a mark provided by the Commission which uses images of Marijuana or Marijuana Products.~~

~~(d)(c)~~

~~(e)(d) CMOs shall comply with the requirements of each 935 CMR 500.105(4): Advertising Requirements and 935 CMR 500.105(4): Advertising Requirements with respect to the applicable license. A CMO may develop a single marketing campaign, provided, however, it shall apply the most restrictive requirements applicable under either license.~~

(5) Labeling of Marijuana and Marijuana Products.

(a) Labeling of Marijuana Not Sold as a Marijuana Product. Prior to Marijuana being sold or Transferred, ~~a Marijuana Cultivator~~ Marijuana Establishment shall ensure the placement of a legible, firmly Affixed label on which the wording is no less than 1/16 of an inch in size on each package of Marijuana that it makes available for retail sale, containing at a minimum the following information:

~~1.~~ 1. The name and registration number, telephone number and email address of the ~~Marijuana Cultivator~~ Licensee that produced the Marijuana, together with the retail Licensee's business telephone number, ~~electronic~~ email address, and website information, if any;

~~2.1. The quantity of Usable Marijuana contained within the package;~~

~~3.2.~~ 2. The date that the Marijuana ~~Establishment Retailer or Marijuana Cultivator~~ packaged the contents and a statement of which Licensee performed the packaging;

~~4.3.~~ 3. A batch number, sequential serial number, and bar code when used, to identify the batch associated with manufacturing and Processing;

~~5.4.~~ 4. Net weight or volume in US customary and metric units, -listed in that order;

~~6.5.~~ 5. The full Cannabinoid Profile of the Marijuana contained within the package, including THC and other Cannabinoid levels;

~~7.6.~~ 6. A statement and a seal certifying that the product has been tested for contaminants, that there were no adverse findings, and the date of testing in accordance with M.G.L. c. 94G, § 15;

~~8.7.~~ 7. This statement, including capitalization;

This product has not been analyzed or approved by the FDA. There

935 CMR: CANNABIS CONTROL COMMISSION

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is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN.;

~~9.8.~~ The following symbol or easily recognizable mark issued by the Commission that indicates the package contains Marijuana ~~Product~~:



~~10.9.~~ The following symbol or other easily recognizable mark issued by the Commission that indicates that the product is harmful to children:



~~11.10.~~ 935 CMR 500.105(5)(a) shall apply to Marijuana packaged as a Finished Marijuana Product for purposes of Wholesale to a Delivery Operator for delivery to Consumers, provided that the Marijuana Cultivator, Microbusiness or Craft Marijuana Cooperative is responsible for compliance with 935 CMR 500.105(5): Labeling of Marijuana and Marijuana Products for all Marijuana intended to be wholesaled for delivery to Consumers by a Delivery Operator. White labeling of Finished Marijuana Products wholesaled from a Marijuana Cultivator, Microbusiness or Craft Marijuana Cooperative for delivery to Consumers by a Delivery Operator may be performed by either Licensee, provided that white labeling is explicitly authorized by the Commission under the specific Delivery Operator License and reflected in any Wholesale Agreement.

~~12.~~ 935 CMR 500.105(5)(a) shall not apply to Marijuana packaged for transport of wholesale cultivated Marijuana in compliance with 935 CMR 500.105(8): Inventory and Transfer, shall not apply to Marijuana packaged by a Marijuana Cultivator for transport to a Marijuana Retailer in compliance with 935 CMR 500.105(13), provided however, that the Marijuana Retailer is responsible for compliance with 935 CMR 500.105(5): Labeling of Marijuana and Marijuana Products for all Marijuana Products sold or displayed to for Consumers.

~~13.11.~~

(b) Labeling of Edibles Marijuana Products. Prior to Edibles ~~Marijuana Products~~ being sold or Transferred, the Marijuana Product Manufacturer shall place a legible, firmly Affixed label on which the wording is no less than 1/16 of an inch in size on each Edible ~~Marijuana Product~~ that it prepares for retail sale or wholesale, containing at a minimum the following information:

1. The name and registration number of the Marijuana Product Manufacturer that produced the Marijuana Product, together with the Marijuana Product Manufacturer's business telephone number, e-mail address, and website information, if any;

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2. The name of the Marijuana Product;
3. Refrigeration of the product is required, as applicable;
4. Total nNet weight or volume in US customary and metric units, listed in that order, of the Marijuana Product;
- ~~5.~~ The number of servings sizes within the Marijuana Product based on the limits provided in 935 CMR 500.150(3): Additional Labeling and Packaging Requirements for Edibles and the specific weight in milligrams of a serving size;
- ~~6.~~ 5. The quantity of Usable Marijuana contained within the product as measured in ounces;
- ~~7.~~ 6. The type of Marijuana used to produce the product, including what, if any, Processing technique or solvents were used;
- ~~8.~~ A list of ingredients, including the full Cannabinoid Profile of the Marijuana contained within the Marijuana Product, including the amount of delta-nine-tetrahydrocannabinol ( $\Delta$ 9-THC) and other Cannabinoids in the package and in each serving of a Marijuana Product as expressed in absolute terms and as a percentage of volume;
- ~~9.~~ The serving size of the Marijuana Product in milligrams;
- ~~10.~~ 7. The number of serving sizes within the Marijuana Product based on the limits provided in 935 CMR 500.150(3);
- ~~11.~~ 8. The amount, in grams, of sodium, sugar, carbohydrates and total fat per serving;
- ~~12.~~ 9. The date of creation and the recommended "use by" or expiration date which shall may not be altered or changed;
- ~~13.~~ 10. A batch number, sequential serial number and bar codes when used, to identify the batch associated with manufacturing and Processing;
- ~~14.~~ 11. Directions for use of the Marijuana Product;
- ~~15.~~ 12. A statement and a seal that the product has been tested for contaminants, that there were no adverse findings, and the date of testing in accordance with M.G.L. c. 94G, § 15;
- ~~16.~~ 13. A warning if nuts or other Known Allergens are contained in the product; and
- ~~17.~~ 14. This statement, including capitalization:

“The impairment effects of edible products may be delayed by two hours or more. This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN.”;

- ~~18.~~ 15. The following symbol or easily recognizable mark issued by the Commission that indicates the package contains Marijuana Product:



- ~~19.~~ 16. The following symbol or other easily recognizable mark issued by the Commission that indicates that the product is harmful to children:

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~~20.~~ 935 CMR 500.105(5)(b) shall apply to Edibles ~~Marijuana Products~~ produced by a Marijuana Product Manufacturer for transport to a ~~Marijuana Retailer Licensee~~ in compliance with 935 CMR 500.105(813): *Inventory and Transfer* and shall be in addition to any regulation regarding the appearance of Edibles ~~Marijuana Products~~ under 935 CMR 500.150: *Edibles*.

~~21.~~ 17.

~~22.~~ 18. The White Labeling of Edibles to be sold and delivered by a Delivery Operator may be conducted by the licensed Microbusiness or Product Manufacturer of the Edible at the Microbusiness's or Product Manufacturer's Premises or by the Delivery Operator at the Warehouse of the Delivery Licensee, provided that white labeling is explicitly authorized by the Commission under the specific Delivery Operator License and reflected in any Wholesale Agreement.

(c) Labeling of Marijuana Concentrates and Extracts. Prior to Marijuana concentrates or extracts being sold or Transferred, the Marijuana Product Manufacturer shall place a legible, firmly Affixed label on which the wording is no less than 1/16 of an inch in size on each Marijuana concentrate container that it prepares for retail sale or wholesale, containing at a minimum the following information:

1. The name and registration number of the Marijuana Product Manufacturer that produced the Marijuana Product, together with the Marijuana Product Manufacturer's business telephone number, e-mail address, and website information, if any;
2. The name of the Marijuana Product;
3. Product identity including the word "concentrate" or "extract" as applicable;
4. Total nNet weight orf volume expressed in US customary units and metric units, listed in that order, of the Marijuana Product;
5. If applicable, the~~A statement of the serving size and number of servings perin the Marijuana Product container or amount suggested for use based on the limits provided in 935 CMR 500.150(43): Additional Labeling and Packaging Requirements for Edibles -and the specific weight in milligrams of a serving size;~~
6. The type of Marijuana used to produce the product, including what, if any, Processing technique or solvents were used;
7. A list of ingredients including, but not limited to, the full Cannabinoid Profile of the Marijuana contained within the Marijuana Product, including the amount of delta-nine-tetrahydrocannabinol ( $\Delta$ 9-THC) and other Cannabinoids in the package and in each serving of a Marijuana Product as expressed in absolute terms and as a percentage of volume, and the amount of specific additives infused or incorporated during the manufacturing process, whether active or inactive, including, but not limited to, thickening agents, thinning agents, and specific terpenes, expressed in absolute terms and as a percentage of volume, ~~and in a form and matter determined by the Commission.~~
  - a. For Marijuana Vaporizer Devices, identification of specific additives shall include, but not be limited to, any additives identified on the FDA's Inactive Ingredient Database for "Respiratory (inhalation)" or "Oral" routes of administration and based on dosage



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form as an aerosol product or inhalant. The FDA Inactive Ingredient Database is available at <https://www.fda.gov/media/72482/download>. If the FDA database or its equivalent is no longer available, licensees shall use the database identified by the Commission.

- b. For Marijuana Vaporizer Devices produced using only cannabis-derived terpenes, the following statement: “This product was produced using only cannabis-derived terpenes.”
  - c. For Marijuana Vaporizer Devices produced using terpenes other than cannabis-derived terpenes, the following statement: “This product was produced using terpenes derived from sources other than cannabis.”~~A statement of the serving size and number of servings per container or amount suggested for use based on the limits provided in 935 CMR 500.150;~~
- 8. The date of creation and the recommended "use by" or expiration date;
  - 9. A batch number, sequential serial number, and bar code when used, to identify the batch associated with manufacturing and Processing;
  - 10. Directions for use of the Marijuana Product;
  - 11. A statement and a seal that the product has been tested for contaminants, that there were no adverse findings, and the date of testing in accordance with M.G.L. c. 94G, § 15;
  - 12. A warning if nuts or other Known Allergens are contained in the product;
  - 13. This statement, including capitalization:

“This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN.”;

- 14. The following symbol or easily recognizable mark issued by the Commission that indicates the package contains Marijuana ~~Product~~:



- 15. The following symbol or other easily recognizable mark issued by the Commission that indicates that the product is harmful to children:



- 16. 935 CMR 500.105(5)(c) shall apply to Marijuana concentrates and extracts produced by a Marijuana Product Manufacturer for transport to a Marijuana

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Retailer in compliance with 935 CMR 500.105(13): *Transportation Between Marijuana Establishments.*

(d) Labeling of Marijuana Infused Tinctures and Topicals. Prior to Marijuana infused Tinctures or topicals being sold or Transferred the Marijuana Product Manufacturer shall place a legible, firmly Affixed label on which the wording is no less than 1/16 of an inch in size on each container of Marijuana infused Tincture or topical that it prepares for retail sale or wholesale, containing at a minimum the following information:

1. The name and registration number of the Marijuana Product Manufacturer that produced the Marijuana Product, together with the Marijuana Product Manufacturer's business telephone number, e-mail address, and website information, if any;
2. The Marijuana Product's identity;
3. The type of Marijuana used to produce the product, including what, if any, Processing technique or solvents were used;
4. A list of ingredients, including the full Cannabinoid Profile of the Marijuana contained within the Marijuana Product, including the amount of delta-nine-tetrahydrocannabinol ( $\Delta$ 9-THC) and other Cannabinoids in the package and in each serving of a Marijuana Product as expressed in absolute terms and as a percentage of volume;
5. Total nNet weight or volume as expressed in US customary units ~~and~~ metric units, listed in that order, of the Marijuana Product;
6. If applicable, the number of servings in the Marijuana Product based on the limits provided in 935 CMR 500.150(3): *Additional Labeling and Packaging Requirements for Edibles and the specific weight in milligrams of a serving size;*
7. The date of product creation;
8. A batch number, sequential serial number, and bar code when used, to identify the batch associated with manufacturing and Processing;
9. Directions for use of the Marijuana Product;
10. A statement and a seal that the product has been tested for contaminants, that there were no adverse findings, and the date of testing in accordance with M.G.L. c. 94G, § 15;
11. A warning if nuts or other Known Allergens are contained in the product; and
12. This statement, including capitalization:

“This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN.”;

13. The following symbol or easily recognizable mark issued by the Commission that indicates the package contains Marijuana ~~Product~~:



14. The following symbol or other easily recognizable mark issued by the

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Commission that indicates that the product is harmful to children:



15. 935 CMR 500.105(5)(d) shall apply to Marijuana-infused Tinctures and topicals produced by a Marijuana Product Manufacturer for transport to a Marijuana-Retailer Licensee in compliance with 935 CMR 500.105(813); Inventory and Transfer.
- (e) Labeling of Repackaged Marijuana. Prior to Repackaged Marijuana being sold, the Retailer shall place a legible, firmly Affixed label on which the wording is no less than 1/16 inch in size on each container of Marijuana that it prepares for retail sale,
1. The Affixed label shall contain at a minimum the following information:
    - a. The name and registration number of the Cultivator that produced the Marijuana;
    - b. Business or trade name of licensee that packaged the product, if different from the Cultivator;
    - c. Date of Harvest;
    - d. Type of Marijuana or name of strain;
    - e. The full Cannabinoid Profile of the Marijuana contained within the Repackaged Product, including the amount of delta-nine-tetrahydrocannabinol ( $\Delta$ 9-THC) and other Cannabinoids in the package;
    - f. The net weight or volume as expressed in US customary units or metric units;
    - g. A batch number, sequential serial number, and bar code when used, to identify the batch associated with manufacturing and Processing;
    - h. A statement and a seal that the product has been tested for contaminants, that there were no adverse findings, and the date of testing in accordance with M.G.L. c. 94G, § 15;
    - i. This statement, including capitalization:

“This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN.”;
    - j. The following symbol or easily recognizable mark issued by the Commission that indicates the package contains Marijuana:



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k. The following symbol or other easily recognizable mark issued by the Commission that indicates that the product is harmful to children:



- (f) In circumstances where the labeling of the Marijuana Product is unreasonable or impractical, the Marijuana Establishment may include the labeling information on a peel-back label or may place the product in a take-away sealed bag with an insert or additional, easily readable label firmly Affixed to placed within that bag.
- (g) CMOs shall comply with the labeling requirements in 935 CMR 500.105(5): Labeling of Marijuana and Marijuana Products for all adult-use sales and 935 CMR 501.105(5): Labeling of Marijuana and Marijuana Products for all medical-use sales.

(6) Packaging of Marijuana and Marijuana Products.

- (a) ~~Tamper or~~ Child-resistant Packaging. Licensees licensed subject to 935 CMR 500.050(54): Marijuana Product Manufacturer shall ensure that all Marijuana Products; ~~other than those offered at wholesale by a Marijuana Cultivator,~~ that are provided for sale to Consumers by a Licensee shall be sold in ~~tamper or~~ child-resistant packaging. Licensees licensed subject to 935 CMR 500.050(2): Marijuana Cultivator shall ensure that all Finished Marijuana Products provided at wholesale for delivery to Consumers by a Marijuana Delivery Operator shall be sold in child-resistant packaging. To ~~be in compliance~~ comply with 935 CMR 500.105(6): Packaging of Marijuana and Marijuana Products, Licensees shall ensure:
  1. That to the extent it is not Unreasonably Impracticable for the specific type of product, Marijuana Products are packaged in containers that are:
    - a. Opaque and plain in design;
    - b. Do not use bright colors, cartoon characters and other features designed to appeal to minors ~~Not be able to be opened easily with seissors if appealing to children;~~
    - c. Resealable for any marijuana product intended for more than a single use or containing multiple servings; and
    - d. Certified by a qualified ~~third-party tamper or~~ child-resistant packaging testing firm that the packaging ~~is in compliance~~ complies with the most recent poison prevention packaging regulations of the US Consumer Product Safety Commission as included at 16 CFR 1700.5; ~~or~~
  2. That where compliance with the requirements of ~~tamper or~~ child-resistant packaging is deemed to be Unreasonably Impracticable, Marijuana or Marijuana Products shall be placed in an exit package that is:
    - a. Capable of being resealed and made ~~tamper or~~ child-resistant resistant again after it has been opened;
    - b. Includes the following statement, including capitalization, in at least ten-point Times New Roman, Helvetica or Arial font: “KEEP OUT OF REACH OF CHILDREN.”; and

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- c. Is certified by a qualified third-party ~~tamper-or~~-child-resistant packaging testing firm that the packaging ~~is-in-compliance with~~complies the most recent poison prevention packaging regulations of the ~~U.S.~~Consumer ~~P~~product ~~S~~safety ~~C~~commission as included at 16 CFR 1700.
- (b) Limits on Packaging Design. Packaging for ~~Marijuana or M~~marijuana ~~P~~products sold or displayed for ~~C~~consumers, including any label or imprint affixed to any packaging containing ~~Marijuana, M~~marijuana ~~P~~products or any exit packages, ~~shall~~ may not be attractive minors. Packaging is explicitly prohibited from:
1. Using bright colors, defined as colors that are "neon" in appearance;
  2. Imitating or having a semblance to any existing branded consumer products, including foods and ~~B~~beverages, that do not contain marijuana;
  3. Featuring cartoons;
  4. Featuring a design, brand or name that resembles a non-cannabis consumer product of the type that is typically marketed to minors;
  5. Featuring symbols or celebrities that are commonly used to market products to minors;
  6. Featuring images of minors; and
  7. Featuring words that refer to products that are commonly associated with minors or marketed to minors.
- (c) Packaging of Multiple Servings.
1. Packaging for Marijuana Products sold or displayed for Consumers in multiple servings shall include the following statement on the exterior of the package in a printed font that is no smaller than ten-point Times New Roman, Helvetica or Arial, including capitalization: "INCLUDES MULTIPLE SERVINGS".
  2. Packaging for Marijuana Products in solid form sold or displayed for Consumers in multiple servings shall allow a Consumer to easily perform the division into single servings.
    - a. Edibles ~~Marijuana Products~~ in a solid form shall be easily and permanently scored to identify individual servings.
    - b. Notwithstanding 935 CMR 500.105(6)(c)2.a., where a product is unable, because of its form, to be easily and permanently scored to identify individual servings, the product shall be packaged in a single serving size. The determination of whether a product ~~is-able to~~can be easily and permanently scored shall be decided by the Commission consistent with sub-regulatory guidelines established by the Commission and provided to Licensees.
    - c. Packaging for Marijuana Product Beverages shall be packages solely in a single serving size. Multiple-~~serv~~ing ~~B~~beverages are strictly prohibited for sale.
- (d) Each single serving of an Edibles ~~Marijuana Product~~ contained in a multiple-serving package shall be marked, stamped or otherwise imprinted with the symbol issued by the Commission under 935 CMR 500.105(5): Labeling of Marijuana and Marijuana Products that indicates that the single serving is a Marijuana Product.
- (e) Serving size shall be determined by the processor, but in no instance shall an individual serving size of any Marijuana Product contain more than five milligrams of delta-nine-tetrahydrocannabinol ( $\Delta$ 9-THC) subject to the testing variance specified in 935 CMR 500.160(11).
- (f) CMOs shall comply with the packaging requirements in 935 CMR 500.105(6): Packaging of Marijuana and Marijuana Products for adult-use sales or 935 CMR 501.105(6): Packaging of Marijuana and Marijuana Products for medical-use sales.

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- (7) Packaging and Labeling Pre-approval. Prior to ~~Marijuana or~~ Marijuana Product being sold at a Marijuana Establishment, a CMO, a Licensee or License Applicant may submit an application, ~~in a form and manner determined by the Commission,~~ for packaging and label approval to the Commission. An application for pre-approval may be submitted at any time prior to Marijuana or Marijuana Product being sold or at any time a substantive change is made to the packaging or labeling of Marijuana or Marijuana Product. The Commission ~~shall~~ charge a fee for packaging and labeling pre-approval pursuant to 935 CMR 500.005: Fees.
- (a) Packaging and labeling pre-approval review shall be limited to the physical attributes of, and statutorily required warnings on, the packaging and label, including but not limited to legibility, but shall not include a review of specific Independent Testing Laboratory test results required pursuant to 935 CMR 500.105(5) and (6). The packaging and labeling pre-approval process shall ~~in no way substitute for compliance~~ be in addition to the requirements of 935 CMR 500.105(4) through (6).
  - (b) In addition to an application for packaging and labeling pre-approval in a form and manner determined by the Commission, an applicant for pre-approval shall submit electronic files of the following to the Commission:
    1. For packaging pre-approval, two images of the packaging, one depicting the front of the packaging and one depicting the back of the packaging. Photographs shall be electronic files in a JPEG format with a minimum photo resolution of 640 x 480 and print resolution of 300 DPI. Photographs shall be against a white background.
    2. For labeling pre-approval, one image of each label requested for review. Photographs shall be electronic files in a JPEG format with a minimum photo resolution of 640 x 480 and print resolution of 300 DPI. Photographs shall be against a white background.
  - (c) The Commission shall make every effort to make a pre-approval determination based on information submitted. In the event that a pre-approval determination is unable to be made conclusively based on submitted photographs, the Commission may request to view the packaging or label in person or through a video conference. Any such request by the Commission shall be made to the applicant electronically or in writing.
- (8) Inventory and Transfer.
- (a) Subject to Marijuana or Marijuana Products being entered into the Seed-to-sale SOR, a Marijuana Establishment may Transfer product to an MTC; and an MTC may Transfer product to a Marijuana Establishment as long as there is no violation of the dosing limitations set forth in 935 CMR 500.150(4): Advertising Requirements or the limitations on total MTC inventory as set forth in 935 CMR 501.105(8)(~~mk~~)12. and 3. Such Transfers cannot violate provisions protecting patient supply under 935 CMR ~~502~~500.140(915): Patient Supply. An MTC ~~must~~ shall limit its Transfer of inventory of seeds, plants, and Usable Marijuana to reflect the projected needs of Registered Qualifying Patients.
  - (b) Real-time inventory shall be maintained as specified by the Commission and in 935 CMR 500.105(8)(c) and (d) including, at a minimum, an inventory of Marijuana plants; Marijuana plant-seeds and Clones in any phase of development such as Propagation, Vegetation, and Flowering; Marijuana ready for dispensing; all Marijuana Products; and all damaged, defective, expired, or contaminated Marijuana and Marijuana Products awaiting disposal.
  - (c) A Marijuana Establishment shall:
    1. Establish inventory controls and procedures for the conduct of inventory reviews, and comprehensive inventories of Marijuana Products in the process of cultivation, and finished, stored Marijuana;

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2. Conduct a monthly inventory of Marijuana in the process of cultivation and finished, stored Marijuana;
  3. Conduct a comprehensive annual inventory at least once every year after the date of the previous comprehensive inventory; and
  4. Promptly transcribe inventories if taken by use of an oral recording device.
- (d) The record of each inventory shall include, at a minimum, the date of the inventory, a summary of the inventory findings, and the names, signatures, and titles of the individuals who conducted the inventory.
- (e) A Marijuana Establishment shall attach plant tags to all Marijuana, Clones, and plants and attach package tags to all Finished Marijuana and Marijuana Products, and track all Marijuana seeds, Clones, plants, and Marijuana Products, using a Seed-to-sale methodology in a form and manner to be approved by the Commission.
- (f) The failure to enter inventory into the Seed-to-sale SOR may result in the suspension or revocation of a Marijuana Establishment License.
- (g) Any distribution and acquisition of Marijuana and Marijuana Products shall be tracked in the Seed-to-sale SOR in a form and manner determined by the Commission. Any distribution of Marijuana and Marijuana Products that is not tracked in the Seed-to-sale SOR may result in the suspension or revocation of a Marijuana Establishment License or other administrative action.
- (h) No Marijuana Product, including Marijuana, may be sold or otherwise marketed for adult use that has not first been tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000: Adult Use of Marijuana.
- (i) A CMO shall implement procedures for electronic separation of medical- and adult-use Marijuana, MIPs, and Marijuana Products in the Seed-to-sale SOR.
- (j) A CMO shall designate whether Marijuana or MIPs, or Marijuana Products are intended for sale for adult use or medical use through the SOR. Products shall be transferred to the appropriate license within the Seed-to-sale SOR prior to sale. After the point of sale, there shall be a reconciliation of that inventory in the SOR.
- (9) Recordkeeping. Records of a Marijuana Establishment ~~must~~ shall be available for inspection by the Commission, on request. The financial records of a Marijuana Establishment shall be maintained in accordance with generally accepted accounting principles. Written records that are required and are subject to inspection include, but are not necessarily limited to, all records required in any section of 935 CMR 500.000: Adult Use of Marijuana, in addition to the following:
- (a) Written Operating Procedures as required by 935 CMR 500.105(1): Written operating Procedures;
  - (b) Inventory Records as required by 935 CMR 500.105(8): Inventory and Transfer;
  - (c) Seed-to-sale SOR Electronic Tracking System records for all Marijuana Products as required by 935 CMR 500.105(8)(e);
  - (d) The following personnel records:
    1. Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;
    2. A personnel record for each marijuana establishment agent. Such records shall be maintained for at least 12 months after termination of the individual's affiliation with the marijuana establishment and shall include, at a minimum, the following:
      - a. All materials submitted to the commission pursuant to 935 CMR 500.030(2);
      - b. Documentation of verification of references;
      - c. The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision;
      - d. Documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of

935 CMR: CANNABIS CONTROL COMMISSION

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- the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters;
  - e. Documentation of periodic performance evaluations;
  - f. A record of any disciplinary action taken; and
  - g. Notice of completed ~~responsible vendor~~Responsible Vendor Training Program and ~~eight hour in-house related duty~~ training for Marijuana Establishment Agents required under 935 CMR 500.105(2): Marijuana Establishment Agent Training.
3. A staffing plan that will demonstrate accessible business hours and safe cultivation conditions;
  4. Personnel policies and procedures, including, at a minimum, the following:
    - a. Code of ethics;
    - b. Whistle-blower policy; and
    - c. A policy which notifies persons with disabilities of their rights under <https://www.mass.gov/service-details/about-employment-rights> or a comparable link, and includes provisions prohibiting discrimination and providing reasonable accommodations; and
  5. All background check reports obtained in accordance with M.G.L c. 6 § 172, 935 CMR 500.029: Registration and Conduct of Laboratory Agents, 935 CMR 500.030: Registration of Marijuana Establishment Agents, and 803 CMR 2.00: Criminal Offender Record Information (CORI).
- (e) Business records, which shall include manual or computerized records of:
1. Assets and liabilities;
  2. Monetary transactions;
  3. Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
  4. Sales records including the quantity, form, and cost of marijuana products; and
  5. Salary and wages paid to each employee, or stipend, executive compensation, bonus, benefit, or item of value paid to any persons having direct or indirect control over the marijuana establishment.
- (f) Waste disposal records as required under 935 CMR 500.105(12): Waste Disposal; and
- (g) Following closure of a Marijuana Establishment, all records ~~must~~shall be kept for at least two years at the expense of the Marijuana Establishment and in a form and location acceptable to the Commission.
- (10) Liability Insurance Coverage or Maintenance of Escrow.
- (a) A Marijuana Establishment shall obtain and maintain general liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, and product liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, except as provided in 935 CMR 500.105(10)(b) or otherwise approved by the Commission. The deductible for each policy shall be no higher than \$5,000 per occurrence.
  - (b) A Marijuana Establishment that documents an inability to obtain minimum liability insurance coverage as required by 935 CMR 500.105(10)(a) may place in escrow a sum of no less than \$250,000 or such other amount approved by the Commission, to be expended for coverage of liabilities.
  - (c) The escrow account required pursuant to 935 CMR 500.105(10)(b) ~~must~~shall be replenished within ten business days of any expenditure.
  - (d) Reports documenting compliance with 935 CMR 500.105(10): Liability Insurance Coverage or Maintenance of Escrow shall be made in a manner and form determined by the Commission pursuant to 935 CMR 500.000: Adult Use of



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*Marijuana.*

- (e) A CMO shall maintain the insurance coverage or escrow account required under 500.105(10): Liability Insurance Coverage or Maintenance of Escrow or 935 CMR 501.105(10): Liability Insurance Coverage or Maintenance of Escrow per location.

(11) Storage Requirements.

- (a) A Marijuana Establishment shall provide adequate lighting, ventilation, temperature, humidity, space, and equipment, in accordance with applicable provisions of 935 CMR 500.105: General Operational Requirements for Marijuana Establishments and 935 CMR 500.110: Security Requirements for Marijuana Establishments.
- (b) A Marijuana Establishment shall have separate areas for storage of Marijuana that is outdated, damaged, deteriorated, mislabeled, or contaminated, or whose containers or packaging have been opened or breached, until such products are destroyed.
- (c) Marijuana Establishment storage areas shall be maintained in a clean and orderly condition.
- (d) Marijuana Establishment storage areas shall be free from infestation by insects, rodents, birds, and pests of any kind.
- (e) Marijuana Establishment storage areas shall be maintained in accordance with the security requirements of 935 CMR 500.110: Security Requirements for Marijuana Establishments.

(12) Waste Disposal.

- (a) All recyclables and waste, including organic waste composed of or containing Finished Marijuana and Marijuana Products, shall be stored, secured, and managed in accordance with applicable state and local statutes, ordinances, and regulations. All exterior waste receptacles located on the Marijuana Establishment's Premises shall be locked and secured ~~as~~ to prevent unauthorized access.
- (b) Liquid waste containing Marijuana or by-products of Marijuana Processing shall be disposed of in compliance with all applicable state and federal requirements, including but not limited to, for discharge of pollutants into surface water or groundwater (Massachusetts Clean Waters Act, M.G.L. c. 21, §§ 26 through 53; 314 CMR 3.00: Surface Water Discharge Permit Program; 314 CMR 5.00: Groundwater Discharge Program; 314 CMR 12.00: Operation Maintenance and Pretreatment Standards for Wastewater Treatment Works and Indirect Dischargers; the Federal Clean Water Act, 33 U.S.C. 1251 *et seq.*, the National Pollutant Discharge Elimination System Permit Regulations at 40 CFR Part 122; 314 CMR 7.00: Sewer System Extension and Connection Permit Program), or stored pending disposal in an industrial wastewater holding tank in accordance with 314 CMR 18.00: Industrial Wastewater Holding Tanks and Containers, Construction, Operation, and Record Keeping Requirements.
- (c) Organic material, recyclable material and solid waste generated at a Marijuana Establishment shall be redirected or disposed of as follows:
1. Organic and recyclable material shall be redirected from disposal in accordance with the waste disposal bans described at 310 CMR 19.017: Waste Bans.
  2. To the greatest extent feasible:
    - a. Any recyclable material as defined in 310 CMR 16.02: Definitions shall be recycled in a manner approved by the Commission; and
    - b. Any Marijuana containing organic material as defined in 310 CMR 16.02: Definitions shall be ground up and mixed with other organic material as defined in 310 CMR 16.02: Definitions such that the resulting mixture renders any Marijuana unusable for its original

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purpose. Once such Marijuana has been rendered unusable, the organic material may be composted or digested at an aerobic or anaerobic digester at an operation that ~~is in compliance~~ complies with the requirements of 310 CMR 16.00: *Site Assignment Regulations for Solid Waste Facilities*.

3. Solid waste containing Marijuana generated at a Marijuana Establishment shall be ground up and mixed with other solid waste at the Marijuana Establishment such that the resulting mixture renders any Marijuana unusable for its original purpose. Once such Marijuana has been rendered unusable, the resulting solid waste may be brought to a solid waste transfer facility or a solid waste disposal facility (e.g., landfill or incinerator) that holds a valid permit issued by the Department of Environmental Protection or by the appropriate agency in the jurisdiction in which the facility is located.
- (d) No fewer than two Marijuana Establishment Agents ~~must~~ shall witness and document how the solid waste or organic material containing Marijuana is handled on-site including, but not limited to, the grinding up, mixing, storage and removal from the Marijuana Establishment in accordance with 935 CMR 500.105(12): *Waste Disposal*. When Marijuana Products or waste is disposed or handled, the Marijuana Establishment ~~must~~ shall create and maintain an electronic record of the date, the type and quantity disposed or handled, the manner of disposal or other handling, the location of disposal or other handling, and the names of the two Marijuana Establishment Agents present during the disposal or other handling, with their signatures. A Marijuana Establishment shall keep these records for at least three years. This period shall automatically be extended for the duration of any ~~enforcement~~ disciplinary action and may be extended by an order of the Commission.

(13) Transportation Between Marijuana Establishments.

(a) General Requirements.

1. A licensed Marijuana Establishment shall; ~~as an element of its License,~~ be licensed to transport its Marijuana and Marijuana Products to other licensed establishments, including except as otherwise provided herein.
2. Marijuana Products may only be transported between licensed Marijuana Establishments by registered Marijuana Establishment Agents.
3. A licensed Marijuana Transporter may contract with a licensed Marijuana Establishment to transport that Licensee's Marijuana Products to other licensed Marijuana Establishments.
4. The originating and receiving licensed Marijuana Establishments shall ensure that all transported Marijuana Products are linked to the Seed-to-sale ~~tracking program~~ SOR. For the purposes of tracking, seeds and Clones shall be properly tracked and labeled in a form and manner determined by the Commission.
5. Any Marijuana Product that is undeliverable or is refused by the destination Marijuana Establishment shall be transported back to the originating establishment.
6. All vehicles transporting Marijuana Products shall be staffed with a minimum of two Marijuana Establishment Agents. At least one agent shall always remain with the vehicle when the vehicle contains Marijuana or Marijuana Products.
7. Prior to leaving a Marijuana Establishment for the purpose of transporting Marijuana Products, the originating Marijuana Establishment ~~must~~ shall weigh, inventory, and account for, on video, all Marijuana Products to be transported.
8. Within eight hours after arrival at the destination Marijuana Establishment,

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the destination establishment ~~must~~ shall reweigh, re-inventory, and account for, on video, all Marijuana Products transported.

9. When videotaping the weighing, inventorying, and accounting of Marijuana Products before transportation or after receipt, the video ~~must~~ shall show each product being weighed, the weight, and the manifest.
10. Marijuana Products ~~must~~ shall be packaged in sealed, labeled, and tamper or child-resistant packaging prior to and during transportation.
11. In the case of an emergency stop during the transportation of Marijuana Products, a log ~~must~~ shall be maintained describing the reason for the stop, the duration, the location, and any activities of personnel exiting the vehicle. Licensees shall comply with applicable requirements of 935 500.110(9): Incident Reporting.
12. A Marijuana Establishment or a Marijuana Transporter transporting Marijuana Products shall ensure that all transportation times and routes are randomized.
13. A Marijuana Establishment or a Marijuana Transporter transporting Marijuana Products shall ensure that all transport routes remain within the Commonwealth.
14. All vehicles and transportation equipment used in the transportation of Marijuana Products or Edibles requiring temperature control for safety ~~must~~ shall be designed, maintained, and equipped as necessary to provide adequate temperature control to prevent the ~~Cannabis-Marijuana~~ Products or Edibles from becoming unsafe during transportation, consistent with applicable requirements pursuant to 21 CFR 1.908(c).
15. All vehicles shall be equipped with a video system that includes one or more video cameras in the storage area of the vehicle and one or more video cameras in the driver area of the vehicle and which shall remain operational at all times during the entire transportation process and which shall have:
  - a. The ability to produce a clear color still photo whether live or recorded; and
  - b. A date and time stamp embedded in all recordings which shall always be synchronized and set correctly and ~~shall~~ may not significantly obscure the picture.

(b) Reporting Requirements.

1. Marijuana Establishment Agents ~~must~~ shall document and report any unusual discrepancy in weight or inventory to the Commission and Law Enforcement Authorities not more than 24 hours of the discovery of such a discrepancy.
2. Marijuana Establishment Agents shall report to the Commission and Law Enforcement Authorities any vehicle accidents, diversions, losses, or other reportable incidents that occur during transport, not more than 24 hours of such accidents, diversions, losses, or other reportable incidents.

(c) Vehicles.

1. A vehicle used for transporting Marijuana Products ~~must~~ shall be:
  - a. Owned or leased by the Marijuana Establishment or the Marijuana Transporter;
  - b. Properly registered, inspected, and insured in the Commonwealth (documentation of such status shall be maintained as records of the Marijuana Establishment or the Marijuana Transporter, and shall be made available to the Commission on request);
  - c. Equipped with an alarm system approved by the Commission; and
  - d. Equipped with functioning heating and air conditioning systems appropriate for maintaining correct temperatures for storage of Marijuana Products.

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2. Marijuana Products ~~must~~may not be visible from outside the vehicle.
  3. Any vehicle used to transport or deliver Marijuana or Marijuana Products shall comply with applicable Massachusetts Registry of Motor Vehicles (RMV) requirements, but may not include any additional external marking that indicate the vehicle is being used to transport or deliver Marijuana or Marijuana Products. Any vehicle used to transport Marijuana Products shall ~~may~~ not bear any markings indicating that the vehicle is being used to transport Marijuana Products, and any such vehicle shall ~~may~~ not indicate the name of the Marijuana Establishment or the Marijuana Transporter.
  4. When transporting Marijuana Products, no other products may be transported or stored in the same vehicle.
  5. No firearms may be located within the vehicle or on a Marijuana Establishment Agent.
- (d) Storage Requirements.
1. Marijuana Products ~~must~~shall be transported in a secure, locked storage compartment that is a part of the vehicle transporting the Marijuana Products.
  2. The storage compartment ~~must~~shall be sufficiently secure that it cannot be easily removed.
  3. If a Marijuana Establishment, pursuant to a Marijuana Transporter License, or a Marijuana Transporter is transporting Marijuana Products for more than one Marijuana Establishment at a time, the Marijuana Products for each Marijuana Establishment shall be kept in a separate locked storage compartment during transportation and separate manifests shall be maintained for each Marijuana Establishment.
  4. If a Marijuana Establishment is transporting Marijuana Products to multiple other establishments, it may seek the Commission's permission to adopt reasonable alternative safeguards.
- (e) Communications.
1. Any vehicle used to transport Marijuana Products shall contain a global positioning system (GPS) monitoring device that is:
    - a. Not a mobile device that is easily removable;
    - b. Attached to the vehicle at all times that the vehicle contains marijuana products;
    - c. Monitored by the marijuana establishment or marijuana transporter during transport of marijuana products; and
    - d. Inspected by the commission prior to initial transportation of marijuana products, and after any alteration to the locked storage compartment.
  2. Each Marijuana Establishment Agent transporting Marijuana Products shall always have access to a secure form of communication with personnel at the originating location when the vehicle contains Marijuana and Marijuana Products.
  3. Secure types of communication include, but are not limited to:
    - a. Two-way digital or analog radio (UHF or VHF);
    - b. Cellular phone; or
    - c. Satellite phone.
  4. When choosing a type of secure communications, the following shall be taken into consideration:
    - a. Cellular signal coverage;
    - b. Transportation area;
    - c. Base capabilities;
    - d. Antenna coverage; and
    - e. Frequency of transportation.

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5. Prior to, and immediately after leaving the originating location, the Marijuana Establishment Agents shall use the secure form of communication to contact the originating location to test communications and GPS operability.
  6. If communications or the GPS system fail while on route, the Marijuana Establishment Agents transporting Marijuana Products ~~must~~ shall return to the originating location until the communication system or GPS system is operational.
  7. The Marijuana Establishment Agents transporting Marijuana Products shall contact the originating location when stopping at and leaving any scheduled location, and regularly throughout the trip, at least every 30 minutes.
  8. The originating location ~~must~~ shall have a Marijuana Establishment Agent assigned to monitoring the GPS unit and secure form of communication, who ~~must~~ shall log all official communications with Marijuana Establishment Agents transporting Marijuana Products.
- (f) Manifests.
1. A manifest shall be filled out in triplicate, with the original manifest remaining with the originating Marijuana Establishment, a second copy provided to the destination Marijuana Establishment on arrival, and a copy to be kept with the licensed Marijuana Establishment Agent during transportation and returned to the Marijuana Establishment or Marijuana Transporter on completion of the transportation.
  2. Prior to transport, the manifest shall be securely transmitted to the destination Marijuana Establishment by facsimile or email.
  3. On arrival at the destination Marijuana Establishment, a Marijuana Establishment Agent at the destination Marijuana Establishment shall compare the manifest produced by the agents who transported the Marijuana Products to the copy transmitted by facsimile or email. This manifest ~~must~~ shall, at a minimum, include:
    - a. The originating Marijuana Establishment name, address, and registration number;
    - b. The names and registration numbers of the agents who transported the Marijuana Products;
    - c. The name and registration number of the Marijuana Establishment Agent who prepared the manifest;
    - d. The destination Marijuana Establishment name, address, and registration number;
    - e. A description of the Marijuana Products being transported, including the weight and form or type of product;
    - f. The mileage of the transporting vehicle at departure from originating Marijuana Establishment and mileage on arrival at destination Marijuana Establishment, as well as mileage on return to originating Marijuana Establishment;
    - g. The date and time of departure from originating Marijuana Establishment and arrival at destination Marijuana Establishment for each transportation;
    - h. A signature line for the Marijuana Establishment Agent who receives the Marijuana Products;
    - i. The weight and inventory before departure and on receipt;
    - j. The date and time that the transported products were reweighed and re-inventoried;
    - k. The name of the Marijuana Establishment Agent at the destination Marijuana Establishment who reweighed and re-inventoried products; and

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1. The vehicle make, model, and license plate number.
  4. The manifest shall be maintained within the vehicle during the entire transportation process, until the delivery is completed.
  5. A Marijuana Establishment shall retain all transportation manifests for no less than one year and make them available to the Commission on request.
- (g) Requirements for Agents.
1. Each employee or agent transporting or otherwise handling Marijuana Products for a Marijuana Transporter ~~must~~ shall be registered as a Marijuana Establishment Agent and have a driver's license in good standing issued by the Massachusetts Registry of Motor Vehicles for all classes of vehicle the Marijuana Establishment Agent will operate for the Marijuana Transporter prior to transporting or otherwise handling Marijuana Products.
  2. A Marijuana Establishment Agent shall carry his or her Agent Registration Card at all times when transporting Marijuana Products and shall produce his or her Agent Registration Card to the Commission or Law Enforcement Authorities on request.
- (h) Marijuana Transporters shall use best management practices to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts.
- (i) A CMO can transport adult-use and medical-use Marijuana and Marijuana Products if it is appropriately licensed to do so. Where a CMO is transporting both adult-use and medical-use Marijuana, MIPs and Marijuana Products, the CMO shall comply with the more restrictive security provisions.
- (14) Access to the Commission, Emergency Responders and Law Enforcement.
- (a) The following individuals shall have access to a Marijuana Establishment or Marijuana Establishment transportation vehicle:
    1. Representatives of the Commission in the course of responsibilities authorized by St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, and 935 CMR 500.000: *Adult Use of Marijuana*;
    2. Representatives of other state agencies of the Commonwealth; and
    3. Emergency responders in the course of responding to an emergency.
  - (b) 935 CMR 500.000: *Adult Use of Marijuana* shall not be construed to prohibit access by authorized law enforcement personnel or local public health, inspectional services, or other permit-granting agents acting within their lawful jurisdiction.
- (15) Energy Efficiency and Conservation. A Marijuana Establishment ~~must~~ shall demonstrate consideration of the following factors as part of its operating plan and application for licensure:
- (a) Identification of potential energy use reduction opportunities (such as natural lighting and energy efficiency measures), and a plan for implementation of such opportunities;
  - (b) Consideration of opportunities for renewable energy generation including, where applicable, submission of building plans showing where energy generators could be placed on the site, and an explanation of why the identified opportunities were not pursued, if applicable;
  - (c) Strategies to reduce electric demand (such as lighting schedules, active load management, and energy storage); and
  - (d) Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants.
- (16) Bond.
- (a) Prior to commencing operations, a Marijuana Establishment shall provide proof of having obtained a surety bond in an amount equal to its licensure fee payable to the

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Marijuana Regulation Fund to ensure payment of the cost incurred for:

1. ~~The~~ destruction of Cannabis goods necessitated by a violation of M.G.L. c. 94G St. 2016, c. 334, as amended by St. 2017, c. 55 or 935 CMR 500.000: Adult Use of Marijuana;
  2. The costs and compensation of a Court Appointee;
  3. ~~or~~ The cessation of operation of the Marijuana Establishment; or
  4. Such other uses that the Commission may authorize to ensure public health, safety and welfare.
- (b) All bonds required under 935 CMR 500.000: Adult Use of Marijuana ~~must~~ shall be issued by a corporate surety licensed to transact surety business in the Commonwealth.
- (c) If the Marijuana Establishment is unable to secure a surety bond, as required by 935 CMR 500.105(16)(a), it may place in escrow a sum of no less than \$5,000 or such other amount approved by the Commission, to be expended for coverage of liabilities.
- (d) The escrow account required pursuant to 935 CMR 500.105(16)(c) ~~must~~ shall be replenished within ten business days of any expenditure required under 935 CMR 500.105: General Operational Requirements for Marijuana Establishments, unless the Marijuana Establishment has ceased operations. Documentation of the replenishment ~~must~~ shall be promptly sent to the Commission.

(17) Social Equity Program.

- (a) There shall be a Social Equity Program established by the Commission to provide training and technical assistance to eligible applicants and Licensees, which may include, but ~~may~~ shall not be limited to:
1. Management, recruitment and employee trainings;
  2. Accounting and sales forecasting;
  3. Tax prediction and compliance;
  4. Legal compliance;
  5. Business plan creation and operational development;
  6. Marijuana industry best practices; and
  7. Assistance with identifying or raising funds or capital.
- (b) Eligibility for the Social Equity Program shall be met if applicants or Licensees satisfy one or more of the following criteria:
1. Income does not exceed 400% of Area Median Income and Residency in an Area of Disproportionate Impact, as defined by the Commission, for at least five of the preceding ten years, as established by:
    - a. A Massachusetts driver's record or Massachusetts ID card record;
    - b. A signed lease agreement that includes the subject's name;
    - c. Residential property deed that includes the subject's name;
    - d. School records;
    - e. Housing authority records;
    - f. Banking records;
    - g. Utility bills, which identifies energy and water use; or
    - h. Dated notices or correspondence from a local or state government entity that includes the subject's name.
  2. Residency in Massachusetts for at least the preceding 12 months and a conviction or continuance without a finding for an M.G.L. c. 94C offense under M.G.L. c. 94C or an equivalent conviction in Other Jurisdictions; or
  3. Residency in Massachusetts for at least the preceding 12 months and proof that the individual was either married to or the child of an individual convicted or continuance without a finding for a M.G.L. c. 94C offense or an equivalent conviction in Other Jurisdictions.
  4. Any individual listed as an Owner on the original certification of an

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Economic Empowerment Priority Applicant who satisfies one or more the following criteria:

- a. Lived for five of the preceding ten years in an Area of Disproportionate Impact, as determined by the Commission;
  - b. Experience in one or more previous positions where the primary population served were disproportionately impacted, or where primary responsibilities included economic education, resource provision or empowerment to disproportionately impacted individuals or communities;
  - ~~b~~.c. Black, African American, Hispanic or Latino descent; or
  - ~~c~~.d. Other significant articulable demonstration of past experience in or business practices that promote economic empowerment in Areas of Disproportionate Impact.
5. The Commission may, in consideration of new information and data, broaden the categories of eligibility for the Social Equity Program by a vote of the Commission.

(c) The Social Equity Program is not a licensing program. Completion of the Social Equity Program will not result in or guarantee participants' receipt of a License.

#### 500.110: Security Requirements for Marijuana Establishments

- (1) General Requirements. A Marijuana Establishment shall implement sufficient security measures to deter theft of Marijuana and Marijuana Products, prevent unauthorized entrance into areas containing Marijuana and Marijuana Products and ensure the safety of Marijuana Establishment employees, Consumers and the general public. Security measures taken by the Licensee to protect the Premises, employees, Marijuana Establishment Agents, Consumers and general public shall include, but not be limited to, the following:
- (a) Positively identifying individuals seeking access to the Premises of the Marijuana Establishment or to whom or Marijuana Products are being transported pursuant to 935 CMR 500.105(134): Transportation Between Marijuana Establishments or delivered pursuant to 935 CMR 500.145(13): Consumer Age Verification to limit access solely to individuals 21 years of age or older;
  - (b) Adopting procedures to prevent loitering and ensure that only individuals engaging in activity expressly or by necessary implication permitted by 935 CMR 500.000: Adult Use of Marijuana and its enabling statute are allowed to remain on the Premises;
  - (c) Disposing of Marijuana in accordance with 935 CMR 500.105(12): Waste Disposal in excess of the quantity required for normal, efficient operation as established within 935 CMR 500.105: General Operational Requirements for Marijuana Establishments;
  - (d) Securing all entrances to the Marijuana Establishment to prevent unauthorized access;
  - (e) Establishing Limited Access Areas pursuant to 935 CMR 500.110(4): Limited Access Areas, which, after receipt of a final License, shall be accessible only to specifically authorized personnel, limited to include only the minimum number of employees essential for efficient operation;
  - (f) Storing all Finished Marijuana Products in a secure, locked safe or vault in such a manner as to prevent diversion, theft and loss;
  - (g) Keeping all safes, vaults, and any other equipment or areas used for the production, cultivation, harvesting, Processing or storage, including prior to disposal, of Marijuana or Marijuana Products securely locked and protected from entry, except for the actual time required to remove or replace Marijuana;
  - (h) Keeping all locks and security equipment in good working order;
  - (i) Prohibiting keys, if any, from being left in the locks or stored or placed in a location



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accessible to persons other than specifically authorized personnel;

- (j) Prohibiting accessibility of security measures, such as combination numbers, passwords or electronic or biometric security systems, to persons other than specifically authorized personnel;
- (k) Ensuring that the outside perimeter of the Marijuana Establishment is sufficiently lit to facilitate surveillance, where applicable;
- (l) Ensuring that all Marijuana Products are kept out of plain sight and are not visible from a public place, outside of the Marijuana Establishment, without the use of binoculars, optical aids or aircraft;
- (m) Developing emergency policies and procedures for securing all product following any instance of diversion, theft or loss of Marijuana, and conduct an assessment to determine whether additional safeguards are necessary;
- (n) Developing sufficient additional safeguards as required by the Commission for Marijuana Establishments that present special security concerns;
- (o) At Marijuana Establishments where transactions are conducted in cash, establishing procedures for safe cash handling and cash transportation to financial institutions to prevent theft, loss and associated risks to the safety of employees, customers and the general public;
- (p) Sharing the Marijuana Establishment's floor plan or layout of the facility with Law Enforcement Authorities, and in a manner and scope as required by the municipality and identifying when the use of flammable or combustible solvents, chemicals or other materials are in use at the Marijuana Establishment; and
- (q) Sharing the Marijuana Establishment's security plan and procedures with Law Enforcement Authorities, ~~including police and fire departments, in the municipality where the Marijuana Establishment is located and periodically updating Law Enforcement Authorities,~~ police and fire departments, if the plans or procedures are modified in a material way, including the addition of plans to deliver directly to Consumers in the case of a Marijuana Retailer or Marijuana Establishment with a Delivery Endorsement.

(2) Alternate Security Provisions.

- (a) Notwithstanding the requirements specified in 935 CMR 500.110(1), (5) ~~through, (6) and~~ (7), if a Marijuana Establishment has provided other, specific safeguards that may be regarded as an adequate substitute for those requirements, such measures may be taken into account by the Commission in evaluating the overall required security measures. For purposes of cash handling and cash transportation, only alternative safeguards that comply with the requirements of 935 CMR 500.110(7)(b) shall be considered to be adequate substitutes.
- (b) The applicant or Licensee shall submit a request for an alternative security provision to the Commission on a form as determined and made available by the Commission. On receipt of the form, the Commission shall submit the request to the chief law enforcement officer in the municipality where the Marijuana Establishment is located or will be located. The Commission shall request that the chief law enforcement officer review the request and alternative security provision requested and, within 30 days,
  - 1. certify the sufficiency of the requested alternate security provision; or
  - 2. provide the Commission with a statement of reasons why the alternative security provision is not sufficient in the opinion of the chief law enforcement officer.
- (c) The Commission shall take the chief law enforcement officer's opinion under consideration in determining whether to grant the alternative security provision, provided that it shall not be determinative. If no response is received from the chief law enforcement officer or a delegatee within 30 days of submitting the request to the chief law enforcement officer, the Commission shall proceed with a determination.

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- (3) Buffer Zone. ~~The property where the proposed Marijuana Establishment is to be located, at the time the license application is received by the Commission, is not located within 500 feet of a preexisting public or private school providing education in kindergarten or any of grades one through 12, unless a city or town adopts an ordinance or bylaw that reduces the distance requirement. The distance under 935 CMR 500.110(3) shall be measured in a straight line from the nearest point of the property line in question to the nearest point of the property line where the Marijuana Establishment is or will be located. A Marijuana Establishment Entrance may not be closer than 500 feet from the nearest School Entrance, unless a city or town adopts an ordinance or bylaw that reduces the distance requirement.~~
- (a) ~~The buffer zone distance of 500 feet shall be measured in a straight line from the approximate-geometric center of the Marijuana Establishment main Entrance to the geometric center of the nearest School Entrance, unless there is an Impassable Barrier, such as but not limited to a highway or river, would otherwise block pedestrian travel within those 500 feet; in these cases, the buffer zone distance shall be measured along the center of the shortest publicly-accessible pedestrian travel path from the approximate-geometric center of the main Marijuana Establishment Entrance to the geometric center of the nearest School Entrance.~~
- (b) ~~The buffer zone distance of 500 feet may be reduced if a city or town adopts an ordinance or bylaw that reduces the distance requirement.~~
- (4) Limited Access Areas.
- (a) All Limited Access Areas ~~must~~shall be identified by the posting of a sign that shall be a minimum of 12" x 12" and which states: "Do Not Enter - Limited Access Area - Access Limited to Authorized Personnel Only" in lettering no smaller than one inch in height.
- (b) All Limited Access Areas shall be clearly described by the filing of a diagram of the licensed Premises, in the form and manner determined by the Commission, reflecting entrances and exits, including loading areas, walls, partitions, counters, Propagation, Vegetation, Flowering, Processing, production, storage, disposal and retail sales areas.
- (c) ~~At all times following receipt of a final License, A~~access to Limited Access Areas shall be restricted to employees, agents, or volunteers specifically permitted by the Marijuana Establishment, agents of the Commission, Commission Delegees, and state and local Law Enforcement Authorities acting within their lawful jurisdictions, police and fire departments, and emergency medical services acting in the course of their official capacity.
- (d) Employees of the Marijuana Establishment shall visibly display an employee identification badge issued by the Marijuana Establishment at all times while at the Marijuana Establishment or transporting Marijuana.
- (e) ~~Following receipt of a final License, A~~all outside vendors, contractors, and Visitors shall obtain a Visitor Identification Badge prior to entering a Limited Access Area and shall be escorted at all times by a Marijuana Establishment Agent authorized to enter the Limited Access Area. The Visitor Identification Badge shall be visibly displayed at all times while the Visitor is in any Limited Access Area. All Visitors ~~must~~shall be logged in and out and that log shall be available for inspection by the Commission at all times. All Visitor Identification Badges shall be returned to the Marijuana Establishment on exit.
- (f) ~~A Marijuana Establishment conducting operations under multiple license types on a single Premise may establish Limited Access Areas for each licensed activity that overlap in shared hallways and access points, provided that operations under each license type are segregated and a Marijuana Establishment Agent has access only to the areas where activities are conducted pursuant to the license under which the Marijuana Establishment Agent is registered.~~

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- (5) Security and Alarm Requirements for Marijuana Establishments Operating Enclosed Areas.
- (a) A Marijuana Establishment located, in whole or in part, in a building, Greenhouse, Warehouse, or other Enclosed Area shall have an adequate security system to prevent and detect diversion, theft or loss of Marijuana or unauthorized intrusion, utilizing commercial grade equipment which shall, at a minimum, include:
1. A perimeter alarm on all building entry and exit points and perimeter windows, if any;
  2. A failure notification system that provides an audible, text or visual notification of any failure in the security system. The failure notification system shall provide an alert to designated employees of the Marijuana Establishment within five minutes after the failure, either by telephone, email or text message;
  3. A Duress Alarm, Panic Alarm or Holdup Alarm connected to local public safety or Law Enforcement Authorities;
  4. Video cameras in all areas that may contain Marijuana or vaults or safes for the purpose of securing cash, at all points of entry and exit and in any parking lot which shall be appropriate for the normal lighting conditions of the area under surveillance. The cameras shall be directed at all safes, vaults, sales areas and areas where Marijuana is cultivated, harvested, Processed, prepared, stored, handled or dispensed, or where cash is kept and processed. Cameras shall be angled so as to allow for the capture of clear and certain identification of any Person entering or exiting the Marijuana Establishment or area;
  5. Recordings from all video cameras which shall be enabled to record 24 hours each day and be available for immediate viewing by the Commission on request for at least the preceding 90 calendar days or the duration of a request to preserve the recordings for a specified period of time made by the Commission, whichever is longer. Video cameras may use motion detection sensors to begin recording, so long as the motion detection sensor system provides an alert to designated employees of the Marijuana Establishment in a manner established in the Marijuana Establishment's written security procedures and approved by the Commission or a Commission Delegee. If a Marijuana Establishment receives notice that the motion detection sensor is not working correctly, it ~~must~~ shall take prompt action to make corrections and document those actions. Recordings ~~shall~~ may not be destroyed or altered, and shall be retained as long as necessary if the Marijuana Establishment is aware of a pending criminal, civil or administrative investigation or legal proceeding for which the recording may contain relevant information;
  6. The ability to immediately produce a clear, color still image whether live or recorded;
  7. A date and time stamp embedded in all recordings, which shall be synchronized and set correctly at all times and ~~shall~~ may not significantly obscure the picture;
  8. The ability to remain operational during a power outage for a minimum of four hours and, if it appears likely that the outage will last for more than four hours, the Marijuana Establishment takes sufficient steps to ensure security on the Premises in consultation with the Commission; and
  9. A video recording that allows for the exporting of still images in an industry standard image format, including .jpg, .bmp and .gif. Exported video shall have the ability to be archived in a proprietary format that ensures authentication of the video and guarantees that no alteration of the recorded image has taken place. Exported video shall also have the ability to be saved

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in an industry standard file format that may be played on a standard computer operating system. All recordings shall be erased or destroyed prior to disposal.

- (b) All security system equipment and recordings shall be maintained in a secure location so as to prevent theft, loss, destruction and alterations.
  - (c) In addition to the requirements listed in 935 CMR 500.110(5)(a) and (b), the Marijuana Establishment shall have a back-up alarm system, with all the capabilities of the primary system, provided by a company supplying commercial grade equipment, which ~~shall~~ may not be the same company supplying the primary security system, or shall demonstrate to the Commission's satisfaction alternate safeguards to ensure continuous operation of a security system.
  - (d) Access to surveillance areas shall be limited to Persons that are essential to surveillance operations, Law Enforcement Authorities acting within their lawful jurisdictions, security system service personnel and the Commission.
  - (e) A current list of authorized employees and service personnel that have access to the surveillance room ~~must~~ shall be available to the Commission on request. If the surveillance room is on-site of the Marijuana Establishment, it shall remain locked and ~~shall~~ may not be used for any other function.
  - (f) All security equipment shall be in good working order and shall be inspected and tested at regular intervals, not to exceed 30 calendar days from the previous inspection and test.
  - (g) Trees, bushes and other foliage outside of the Marijuana Establishment shall be maintained so as to prevent a Person or Persons from concealing themselves from sight.
- (6) Security and Alarm Requirements for Marijuana Establishments Operating Outdoors.
- (a) A Marijuana Establishment that is outdoors shall implement adequate security measures to ensure that outdoor areas are not readily accessible to unauthorized individuals and to prevent and detect diversion, theft or loss of Marijuana which shall, at a minimum, include:
    - 1. A perimeter security fence designed to prevent unauthorized entry to the cultivation facility with signs notifying observers that it is a Limited Access Area;
    - 2. Commercial-grade, nonresidential locks;
    - 3. A security alarm system that shall:
      - a. be continuously monitored, whether electronically, by a monitoring company or other means determined to be adequate by the Commission; and
      - b. provide an alert to designated employees of the Marijuana Establishment within five minutes after a notification of an alarm or a system failure, either by telephone, email or text message.
    - 4. Video cameras at all points of entry and exit and in any parking lot which shall be appropriate for the normal lighting conditions of the area under surveillance. The cameras shall be directed at all safes, vaults, sales areas, and areas where Marijuana is cultivated, harvested, Processed, prepared, stored, handled, Transferred or dispensed and for the purpose of securing cash. Cameras shall be angled so as to allow for the capture of clear and certain identification of any Person entering or exiting the Marijuana Establishment or area;
    - 5. 24-hour recordings from all video cameras that are available immediate viewing by the Commission on request and that are retained for at least 90 calendar days. Recordings ~~shall~~ may not be destroyed or altered, and shall be retained as long as necessary if the Marijuana Establishment is aware of a pending criminal, civil or administrative investigation or legal proceeding for which the recording may contain relevant information;

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6. The ability to immediately produce a clear, color still image whether live or recorded;
  7. A date and time stamp embedded in all recordings, which shall be synchronized and set correctly at all times and ~~shall~~may not significantly obscure the picture;
  8. The ability to remain operational during a power outage; and
  9. A video recording that allows for the exporting of still images in an industry standard image format, including .jpg, .bmp and .gif. Exported video shall have the ability to be archived in a proprietary format that ensures authentication of the video and guarantees that no alteration of the recorded image has taken place. Exported video shall also have the ability to be saved in an industry standard file format that may be played on a standard computer operating system. All recordings shall be erased or destroyed prior to disposal.
- (b) All security system equipment and recordings shall be maintained in a secure location so as to prevent theft, loss, destruction and alterations.
- (c) In addition to the requirements listed in 935 CMR 500.110(4)(a) and (b), the Marijuana Establishment shall have a back-up alarm system, with all capabilities of the primary system, provided by a company supplying commercial grade equipment, which ~~shall~~may not be the same company supplying the primary security system, or shall demonstrate to the Commission's satisfaction alternate safeguards to ensure continuous operation of a security system.
- (d) Access to surveillance areas shall be limited to Persons that are essential to surveillance operations, Law Enforcement Authorities acting within their lawful jurisdiction, police and fire departments, security system service personnel and the Commission. A current list of authorized employees and service personnel that have access to the surveillance room ~~must~~shall be available to the Commission on request. If the surveillance room is on-site of the Marijuana Establishment, it shall remain locked and ~~shall~~may not be used for any other function.
- (e) All security equipment shall be in good working order and shall be inspected and tested at regular intervals, not to exceed 30 calendar days from the previous inspection and test.
- (f) Security plans and procedures shared with Law Enforcement Authorities pursuant to 935 CMR 500.110(1)(o) shall include:
1. A description of the location and operation of the security system, including the location of the central control on the Premises;
  2. A schematic of security zones;
  3. the name of the security alarm company and monitoring company, if any;
  4. A floor plan or layout of the facility in a manner and scope as required by the municipality; and
  5. A safety plan for the Manufacture and production of Marijuana Products as required pursuant to 935 CMR 500.101(~~31~~)(~~cd~~)3.e.
- (7) Cash Handling and Transportation Requirements.
- (a) A Marijuana Establishment with a contract to deposit funds with a financial institution that conducts any transaction in cash shall establish and implement adequate security measures and procedures for safe cash handling and cash transportation to financial institutions or DOR facilities to prevent theft and loss, and to mitigate associated risks to the safety of employees, customers and the general public. Adequate security measures shall include:
1. An on-site secure locked safe or vault maintained in an area separate from retail sales areas used exclusively for the purpose of securing cash;
  2. Video cameras directed to provide images of areas where cash is kept, handled and packaged for transport to financial institutions or DOR

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facilities, provided that the cameras may be motion-sensor activated cameras and provided, further, that all cameras be able to produce a clear, still image whether live or recorded;

3. A written process for securing cash and ensuring transfers of deposits to the Marijuana Establishment's financial institutions and DOR facilities on an incremental basis consistent with the requirements for deposit by the financial institution or DOR facilities; and
  4. Use of an armored transport provider that is licensed pursuant to M.G.L. c. 147, § 25 (watch, guard or patrol agency) and has been approved by the financial institution or DOR facility.
- (b) Notwithstanding the requirement of 935 CMR 500.110(7)(a)(4.), a Marijuana Establishment may request an alternative security provision under 935 CMR 500.110(2): *Alternate Security Provisions* for purposes of cash transportation to financial institutions and DOR facilities. Any approved alternative security provision shall be included in the security plan shared with law enforcement in the municipality in which the Marijuana Establishment is licensed and periodically updated as required under 935 CMR 500.110(1)(q). To be determined to provide a sufficient alternative, any such alternative safeguard shall include, but may not be limited to:
1. Requiring the use of a locked bag for the transportation of cash from a Marijuana Establishment to a financial institution or DOR facility;
  2. Requiring any transportation of cash be conducted in an unmarked vehicle;
  3. Requiring two registered Marijuana Establishment Agents employed by the Licensee to be present in the vehicle at all times during transportation of deposits;
  4. Requiring real-time GPS tracking of the vehicle at all times when transporting cash;
  5. Requiring access to two-way communications between the transportation vehicle and the Marijuana Establishment;
  6. Prohibiting the transportation of Marijuana or Marijuana Products at the same time that cash is being transported for deposit to a financial institution or DOR facility; and
  7. Approval of the alternative safeguard by the financial institution or DOR facility.
- (c) All written safety and security measures developed under 935 CMR 500.105(7): *Packaging and Labeling Pre-Approval* shall be treated as security planning documents, the public disclosure of which would jeopardize public safety.

(8) Security Requirements for ~~Delivery-only~~ Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement Operations.

- (a) A Marijuana Establishment licensed as a ~~Delivery-only~~ Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement shall implement adequate security measures to ensure that each vehicle used for transportation of Marijuana and Marijuana Products is not readily accessible to unauthorized individuals and to prevent and detect diversion, theft or loss of Marijuana. Security measures shall, at a minimum, include for each operational delivery vehicle:
1. A vehicle security system that includes an exterior alarm;
  2. A secure, locked storage compartment in each vehicle and not easily removable for the purpose of transporting the Marijuana or Marijuana Products;
  3. A secure, locked storage compartment in each vehicle ~~and that is~~ not easily removable, for the purpose of transporting and securing cash used as payment for deliveries of Marijuana or Marijuana Products;
  4. A means of secure communication between each vehicle and the Marijuana

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Establishment's dispatching location which shall be capable of being monitored at all times that a vehicle is performing a delivery route. Means of communication shall include:

- a. Two-way digital or analog radio (UHF or VHF);
  - b. Cellular phone; or
  - c. Satellite phone.
5. A global positioning system (GPS) monitoring device that is:
- a. Not a mobile device and that is attached to the vehicle at all times that the vehicle contains Marijuana or Marijuana Products; and
  - b. Monitored by the ~~Delivery-only~~Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement at a fixed location during the transportation of Marijuana or Marijuana Products for the purpose of home delivery with location checks occurring at least every 30 minutes. The ~~Delivery-only~~Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement may delegate monitoring of the GPS to the Third-party Technology Platform Provider with which the ~~Delivery-only~~Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement has a contract, provided that the ~~Delivery-only~~Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement shall be responsible for ensuring that monitoring occurs as required under 935 CMR 500.110(8): *Security Requirements for Delivery Licensees or Marijuana Establishments with Delivery Endorsement Operations*~~000: Adult Use of Marijuana~~.
6. A video system that includes one or more video cameras in the storage area of the vehicle and one or more video cameras in the driver area of the vehicle and which shall remain operational at all times during the entire transportation process and which shall have:
- a. The ability to produce a clear color still photo whether live or recorded; and
  - b. A date and time stamp embedded in all recordings which shall be synchronized and set correctly at all times and ~~shall~~may not significantly obscure the picture.
7. All security equipment in each vehicle shall be in good working order and shall be inspected and tested at regular intervals, not to exceed 30 calendar days from the previous inspection and test.
- (b) ~~A~~ ~~Delivery-only~~Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement Agents engaged in the delivery of Marijuana or Marijuana Products to a Consumer shall have on their person an operational body camera during all times that the Marijuana Establishment Agent is outside of the delivery vehicle for the purpose of transacting a delivery
1. The body camera shall record all deliveries.
  2. Consumers shall be notified of the use of body cameras to record delivery transactions at the time of order, on the proof of order and by the Marijuana Establishment agent on arrival at the Residence.
  3. In addition to providing notice, body cameras shall be displayed conspicuously on the Marijuana Establishment Agent's person.
  4. A ~~Delivery-only~~Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement shall maintain video from body cameras confidentially and protected from disclosure to the full extent allowed by law. The Licensee shall implement data security, records retention, and record destruction policies for body camera video in compliance with applicable federal and state privacy laws, including but not limited to the Driver Privacy Protection Act, 18 USC § 2721, the Massachusetts Identify

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Theft Act, M.G.L. c. 93H, 201 CMR 17.00: *Standards for the Protection of Personal Information of Residents of the Commonwealth*, and the Fair Information Practices Act, M.G.L. c. 66A.

5. Video of deliveries shall be retained for a minimum of 30 days, or, with notice to the ~~Delivery-only~~Delivery Licensee or Marijuana Establishment with a Delivery Endorsement, for the duration of an investigation by the Commission or by law enforcement, whichever is longer. To obtain video from a Licensee as part of an investigation, Commission staff shall consult with the Executive Director and to the extent possible, view the video at the place of storage.
  6. A ~~Delivery-only~~Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement ~~shall~~ may not share or disclose any portion of the information or video footage collected as the result of the use of a body camera pursuant to 935 CMR 500.110(8)(b) to any third- party not explicitly authorized by 935 CMR 500.000: *Adult Use of Marijuana* to have access to that video footage, subject to the exceptions in 935 CMR 500.110(8)(b)6.a. and b.
    - a. A Licensee or Marijuana Establishment shall make video footage available to law enforcement officers acting in his or her official capacity pursuant to a validly issued court order or search warrant demonstrating probable cause.
    - b. Nothing in 935 CMR 500.110(8)6. shall prohibit law enforcement from performing a constitutionally valid search or seizure including, but not limited to, circumstances that present an imminent danger to safety, and other exceptional or emergency circumstances where time or opportunity to apply for a warrant is lacking.
  7. Unless retained for investigative purposes, the Licensee shall erase or otherwise destroy videos after the 30-day retention period.
- (c) ~~Delivery-only~~Delivery Licensee or a Marijuana Establishment with a Delivery Endorsements transporting Marijuana and Marijuana Products for home delivery shall ensure that all vehicles used for deliveries are staffed with a minimum of two Marijuana Establishment Agents. At least one Marijuana Establishment Agent shall remain with the vehicle at all times that the vehicle contains Marijuana or Marijuana Products.
- ~~(d)~~ All Marijuana Establishment Agents acting as delivery employees of a ~~Delivery-only~~Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement ~~shall~~ must have attended and successfully completed Responsible Vendor Training Basic Core Curriculum and Delivery Core Curriculum courses in accordance with 935 CMR 500.105(2)(b) prior to making a delivery, ~~which shall include, but may not be limited to, training on:~~
- ~~(e) Safe cash handling practices;~~
  - ~~(f) Strategies for de-escalating potentially dangerous situations;~~
  - ~~(g) Collecting and communicating information to assist in investigations;~~
  - ~~(h) Procedures for checking identification;~~
  - ~~(i) Indications of impairment;~~
  - ~~(j) Notification to Consumers of use of mandatory recording devices; and~~
  - ~~(k)(d) Such other areas of training determined by the Commission to be included in a Responsible Vendor Training Program.~~
- ~~(l)(e)~~ A Marijuana Establishment Agent shall document and report any unusual discrepancy in inventory to the Commission and the local Law Enforcement Authorities in which the establishment is licensed within 24 hours of the discovery of such a discrepancy.
- ~~(m)(f)~~ A ~~Delivery-only~~Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement shall report to the Commission and local law enforcement any



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vehicle accidents, diversions, losses, or other reportable incidents that occur during transport immediately and, under no circumstances, more than 24 hours of becoming aware of any accidents, diversions, losses, or other reportable incidents and shall otherwise comply with the incident reporting requirements set forth under 935 CMR 500.110(9): Incident Reporting.

~~(n)~~(g) The following individuals shall have access to ~~Delivery-only~~Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement operations and vehicles, including video recordings:

1. Representatives of the Commission in the course of responsibilities authorized by M.G.L. c. 94G or 935 CMR 500.000: Adult Use of Marijuana;
2. Representatives of other state agencies acting within their jurisdiction; and
3. ~~Law enforcement, police and fire departments~~Law Enforcement Authorities, and emergency medical services in the course of responding to an emergency.

~~(o)~~(h) 935 CMR 500.000: Adult Use of Marijuana shall not be construed to prohibit access to authorized state or local Law Enforcement Authorities or public health, inspectional services, or other permit-granting agents acting within their lawful jurisdiction.

~~(p)~~(i) All vehicles used by the ~~Delivery-only~~Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement for home delivery are subject to inspection and approval by the Commission prior being put into use. It shall be the ~~Delivery-only~~Delivery Licensee or a Marijuana Establishment with a Delivery Endorsements responsibility to make the Commission aware of its intent to introduce a new vehicle into operation and ensure an inspection of the vehicle prior to commencing operation.

~~(q)~~(j) Firearms are strictly prohibited from ~~Delivery-only~~Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement vehicles and from Marijuana Establishment Agents performing home deliveries.

(9) Incident Reporting.

(a) A Marijuana Establishment shall notify appropriate Law Enforcement Authorities and the Commission of any breach of security or other reportable incident defined in 935 CMR 500.110(9): Incident Reporting immediately and, in no instance, more than 24 hours following discovery of the breach or incident. Notification shall occur, but not be limited to, during the following occasions:

1. Discovery of inventory discrepancies;
2. Diversion, theft or loss of any Marijuana Product;
3. Any criminal action involving or occurring on or in the Marijuana Establishment Premises or Licensee or agent;
4. Any suspicious act involving the sale, cultivation, distribution, Processing or production of Marijuana by any Person;
5. Unauthorized destruction of Marijuana;
6. Any loss or unauthorized alteration of records related to Marijuana;
7. An alarm activation or other event that requires response by public safety personnel, including but not limited to local law enforcement, police and fire departments, public works or municipal sanitation departments, and municipal inspectional services departments, or security personnel privately engaged by the Marijuana Establishment;
8. The failure of any security alarm system due to a loss of electrical power or mechanical malfunction that is expected to last more than eight hours;
9. A significant motor vehicle crash that occurs while transporting or delivering Marijuana or Marijuana Products and would require the filing of a Motor Vehicle Crash Operator Report pursuant to G.L. c. 90 § 26,

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provided however that a motor vehicle crash that renders the Licensee's vehicle inoperable shall be reported immediately to state and local law enforcement so that Marijuana or Marijuana Products may be adequately secured; or

10. Any other breach of security.

- (b) A Marijuana Establishment shall, within ten calendar days, provide notice to the Commission of any incident described in 935 CMR 500.110(9)(a) by submitting an incident report in the form and manner determined by the Commission which details the circumstances of the event, any corrective action taken, and confirmation that the appropriate Law Enforcement Authorities were notified.
- (c) All documentation related to an incident that is reportable pursuant to 935 CMR 500.110(9)(a) shall be maintained by a Marijuana Establishment for not less than one year or the duration of an open investigation, whichever is longer, and made available to the Commission and Law Enforcement Authorities within their lawful jurisdiction on request.

- (10) Security Audits. A Marijuana Establishment ~~must~~shall, on an annual basis, obtain at its own expense, a security system audit by a vendor approved by the Commission. A report of such audit ~~must~~shall be submitted, in a form and manner determined by the Commission, no later than 30 calendar days after the audit is conducted. If the audit identifies concerns related to the establishment's security system, the Marijuana Establishment ~~must~~shall also submit a plan to mitigate those concerns within ten business days of submitting the audit

500.120: Additional Operational Requirements for Indoor and Outdoor Marijuana Cultivators

- (1) In addition to the general operational requirements for Marijuana Establishments required under 935 CMR 500.105: General Operational Requirements for Marijuana Establishments and security requirements provided in 935 CMR 500.110: Security Requirements for Marijuana Establishments, Marijuana Cultivators shall comply with additional operational requirements required under 935 CMR 500.120: Additional Operational Requirements for Indoor and Outdoor Marijuana Cultivators.
- (2) A Marijuana Cultivator may cultivate its own Marijuana or acquire Marijuana from other Marijuana Establishments for the purposes of Propagation. Prior to commencing operations, Marijuana Cultivators shall disclose all growing media and plant nutrients intended to be used during the cultivation process. In all instances, Marijuana Cultivators shall disclose all growing media and plant nutrients used for cultivation upon request.
- (3) Only a licensed Marijuana Cultivator or Microbusiness is permitted to cultivate Marijuana for adult use for sale to Marijuana Establishments.
- (4) All phases of the cultivation, Processing, and packaging of Marijuana by a Marijuana Cultivator shall take place in a designated Limited Access Area where Marijuana that is not visible from a public place without the use of binoculars, aircraft or other optical aids. Marijuana is not visible if it cannot be reasonably identified.
- (5) Application of Pesticides shall be performed in compliance with M.G.L. c. 132B and the regulations promulgated at 333 CMR 2.00 through 333 CMR 14.00. Any testing results indicating noncompliance shall be immediately reported to the Commission, who may refer any such result to the MDAR.
- (6) A Marijuana Cultivator selling or otherwise ~~t~~ransferring Marijuana to another Marijuana Establishment shall provide documentation of its compliance, or lack thereof, with the testing requirements of 935 CMR 500.160: Testing of Marijuana and Marijuana Products.

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- (7) A Marijuana Cultivator may label Marijuana and Marijuana Products with the word "organic" only if all cultivation is consistent with US Department of Agriculture organic requirements at 7 CFR 205: National Organic Program and consistent with MDAR requirements for Pesticide usage;
- (8) Soil for cultivation shall meet federal standards identified by the Commission including, but not limited to, the U.S. Agency for Toxic Substances and Disease Registry's Environmental Media Evaluation Guidelines for residential soil levels.
- (9) The cultivation process shall use best practices to limit contamination including, but not limited to, mold, fungus, bacterial diseases, rot, pests, Pesticides not in compliance with 935 CMR 500.120(5) for use on Marijuana, mildew, and any other contaminant identified as posing potential harm. Best practices shall be consistent with state and local law including, but not limited to, the Commission's Guidance on Integrated Pest Management in effect November 1, 2019.
- (10) Any application of plant nutrient to land used for the cultivation of Marijuana shall comply with St. 2012, c. 262, as amended by St. 2013, c. 118, § 26, and 330 CMR 31.00: *Plant Nutrient Application Requirements for Agricultural Land and Non-agricultural Turf and Lawns*.
- (11) A Marijuana Cultivator shall satisfy minimum energy efficiency and equipment standards established by the Commission and meet all applicable environmental laws, regulations, permits and other applicable approvals including, but 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): Final License and as a condition of renewal under 935 CMR 500.103(4): Expiration and Renewal of Licensure. A Marijuana Cultivator shall adopt and use additional best management practices as determined by the Commission, in consultation with the working group established under St. 2017, c. 55, § 78(b) or applicable departments or divisions of the EOEEA, 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 under 935 CMR 500.103(4): Expiration and Renewal of Licensure ~~must~~ shall include a report of the Marijuana Cultivator's energy and water usage over the 12-month period preceding the date of application. Marijuana Cultivators shall be subject to the following minimum energy efficiency and equipment standards:
- (a) The building envelope for all facilities, except Greenhouses, ~~must~~ shall meet minimum Massachusetts Building Code requirements and all Massachusetts amendments (780 CMR: *State Building Code*), International Energy Conservation Code (IECC) Section C402 or The American Society of Heating, Refrigerating and Air-conditioning Engineers (ASHRAE) Standard 90.1 Chapters-Sections 5.4 and 5.5 as applied or incorporated by reference in 780 CMR: *State Building Code*, except that facilities using existing buildings may demonstrate compliance by showing that the envelope insulation complies with code minimum standards for Type Factory Industrial F-1, as further defined in guidelines issued by the Commission.
  - (b) Lighting used for Cannabis c~~u~~ltivation ~~must~~ shall meet one of the following compliance requirements:
    1. Horticulture Lighting Power Density ~~must~~ may not exceed 36 watts per square foot, except for Tier 1 and Tier 2 which ~~must~~ may not exceed 50

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- watts per square foot; or
  - 2. All horticultural lighting used in a facility is listed on the current Design Lights Consortium Solid-state Horticultural Lighting Qualified Products List ("Horticultural QPL") or other similar list approved by the Commission as of the date of license application, and lighting Photosynthetic Photon Efficacy (PPE) is at least 15% above the minimum Horticultural QPL threshold rounded up to the nearest 0.1  $\mu\text{mol}/\text{J}$  (micromoles per joule).
  - 3. A facility seeking to use horticultural lighting not included on the Horticultural QPL or other similar list approved by the Commission shall seek a waiver pursuant to 935 CMR 500.850: *Waivers* and provide documentation of third-party certification of the energy efficiency features of the proposed lighting. All facilities, regardless of compliance path, shall provide third-party safety certification by an OSHA NRTL or SCC-recognized body, which shall certify that products meet a set of safety requirements and standards deemed applicable to horticultural lighting products by that safety organization.
- (c) Heating Ventilation and Air Condition (HVAC) and dehumidification systems ~~must~~ shall meet Massachusetts Building Code requirements and all Massachusetts amendments (780 CMR *State Building Code*), IECC Section C403 or ASHRAE Chapter 6 as applied or incorporated by reference in (780 CMR: *State Building Code*). As part of the documentation required under 935 CMR 500.120(11)(b), a Marijuana Cultivator ~~must~~ shall provide a certification from a Massachusetts Licensed Mechanical Engineer that the HVAC and dehumidification systems meet Massachusetts building code as specified in ~~this~~ 935 CMR 500.120(11)(c) and that such systems have been evaluated and sized for the anticipated loads of the facility.
- (d) Safety protocols shall be established and documented to protect workers, ~~and~~ Consumers, ~~or~~ *Visitors* (e.g., eye protection near operating Horticultural Lighting Equipment).
- (e) Requirements in 935 CMR 500.120(11)(b) and (c) shall not be required if an indoor Marijuana Cultivator is generating 80% or more of the total annual on-site energy use for all fuels (expressed on a MWh basis) from an onsite clean or renewable generating source, ~~or~~ renewable thermal generation, as provided in M.G.L. c. 25A § 11F and 11F½. Additionally, the Marijuana Establishment ~~must~~ shall document that renewable energy credits or alternative energy credits representing the portion of the Licensee's energy usage not generated onsite ~~have~~ *have* been purchased and retired on an annual basis.
- (f) Prior to final licensure, a Marijuana Cultivator Licensee ~~must~~ shall demonstrate compliance with 935 CMR 500.120(11), by submitting an energy compliance letter prepared by a Massachusetts Licensed Professional Engineer or Massachusetts Licensed Registered Architect with supporting documentation, together with submission of building plans under 935 CMR 500.103: *Licensure and Renewal*. For a Microbusiness or Craft Marijuana Cooperative with a cultivation location sized as Tier 1 or Tier 2, or such other Marijuana Cultivators ~~that have been granted a meeting the requirements of waiver under~~ 935 CMR 500.850: *Waivers*(4), compliance with any of the requirements of 935 CMR 500.120(11) may be demonstrated through an energy compliance letter or updated energy compliance letter prepared by one or more of the following energy professionals:
- 1. A Certified Energy Auditor certified by the Association of Energy Engineers;
  - 2. A Certified Energy Manager certified by the Association of Energy Engineers;
  - 3. A Massachusetts Licensed Professional Engineer; or
  - 4. A Massachusetts Licensed Registered Architect.
- (g) A ~~Colocated-CMO Marijuana Establishment and MTC~~ with a final Certificate of

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Licensure, ~~as defined by 935 CMR 501.002, issued~~ before November 1, 2019 shall have until ~~January~~ July 1, 2020 to comply with 935 CMR 500.120(11), except that any additions to or renovations to a facility ~~must~~ shall comply with 935 CMR 500.120(11). A ~~Marijuana Establishment~~ CMO subject to ~~935 CMR 500.120(11)(g) this section~~ may apply for an additional six-month extension if it agrees to install meters to monitor energy usage, water usage and other data determined by the Commission, ~~as well as~~ as necessary in order to provide reports on energy usage, water usage, waste production and other data in a form and manner determined by the Commission.

(h) For purposes of 935 CMR 500.120(11), the following terms shall have the following meanings:

1. Horticultural Lighting Equipment (HLE) means any lighting equipment (e.g., fixtures, bulbs, ballasts, controls, etc.) that uses energy for the cultivation of plants, at any stage of growth (e.g., germination, cloning/Mother Plants, Propagation, Vegetation, Flowering, and harvest).
2. Horticulture Lighting Square Footage (HLSF) means ~~Canopy an area to be~~ calculated in square feet and measured using clearly identifiable boundaries of all areas(s) that will contain plants at any point in time, at any stage of growth, including all of the space(s) within the boundaries, HLSF may be noncontiguous, but each unique area included in the total HLSF calculations shall be separated by an identifiable boundary which includes, but is not limited to: interior walls, shelves, Greenhouse walls, hoop house walls, garden benches, hedge rows, fencing, garden beds, or garden plots. If plants are being cultivated using a shelving system, the surface area of each level shall be included in the total HLSF calculation.
3. Lighting Power Density (HLPD) means a measure of total watts of Horticultural Lighting Equipment per total Horticulture Lighting Square Footage, (HLE / HLSF = HLPD) expressed as number of watts per square foot.

(12) In addition to the written operating policies required under 935 CMR 500.105(1): Written Operating Procedures, a Marijuana Cultivator, including ~~colocated~~ CMO Marijuana Cultivators and MTCs, shall maintain written policies and procedures for the cultivation, production, Transfer or distribution of Marijuana, as applicable, which shall include but not be limited to:

- (a) Methods for identifying, recording, and reporting diversion, theft, or loss, ~~and~~ for correcting all errors and inaccuracies in inventories, and for maintaining accurate inventory. The policies and procedures, at a minimum, ~~must shall be in compliance~~ comply with 935 CMR 500.105(8): Inventory and Transfer;
- (b) Policies and procedures for handling voluntary and mandatory recalls of Marijuana. Such procedures shall be adequate to deal with recalls due to any action initiated at the request or order of the Commission, and any voluntary action by a Marijuana Establishment to remove defective or potentially defective Marijuana from the market, as well as any action undertaken to promote public health and safety;
- (c) Policies and procedures for ensuring that any outdated, damaged, deteriorated, mislabeled, or contaminated Marijuana is segregated from other Marijuana and destroyed. Such procedures shall provide for written documentation of the disposition of the Marijuana. The policies and procedures, at a minimum, ~~must shall be in compliance~~ comply with 935 CMR 500.105(12): Waste Disposal;
- (d) Policies and Procedures for Transportation. The policies and procedures, at a minimum, ~~must shall be in compliance~~ comply with 935 CMR 500.105(13): Transportation Between Marijuana Establishments;
- (e) Policies and procedures to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts. The policies and

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- procedures, at a minimum, ~~must shall be in compliance~~ comply with 935 CMR 500.105(15): *Energy Efficiency and Conservation* and 935 CMR 500.120(11); ~~and~~
- (f) Policies and procedures for ensuring fire safety in cultivation activities, including but not limited to the storage and processing of chemicals or fertilizers, in compliance with the standards set forth in 527 CMR 1.00: *The Massachusetts Comprehensive Fire Code*;
  - (g) Policies and procedures for the Transfer, acquisition, or sale of Marijuana between Marijuana Establishments;:-
  - (h) Policies and procedures for developing and providing Vendor Samples to a Marijuana Product Manufacturer, a Marijuana Retailer or a Delivery Operator. Policies and procedures shall include methods by which the Marijuana Cultivator will adequately track, record, and document all Vendor Samples developed on, or provided from, the licensed Premises in satisfaction of 935 CMR 500.120(13): *Vendor Samples*;
  - (i) Policies and procedures for developing and providing Quality Control Samples to employees for the purpose of ensuring product quality and determining whether to make the product available to sell. Policies and procedures shall include methods by which the Marijuana Cultivator will adequately track, record, and document all Quality Control Samples developed on, or provided from, the licensed Premises in satisfaction of 935 CMR 500.120(14): *Quality Control Samples*. Policies and procedures shall further prohibit consumption of Quality Control Samples on the licensed Premises; and
  - (j) Policies and procedures for packaging Marijuana and White Labeling Marijuana Cultivators shall retain all ~~Delivery~~Wholesale Agreements entered into with Delivery Operators and shall make them available to the Commission upon request.
- (13) Vendor Samples.
- (a) A Marijuana Cultivator may provide a Vendor Sample of Marijuana flower to a Marijuana Product Manufacturer or to a Marijuana Retailer. Provision of a Vendor Sample under this subsection shall not be considered a prohibited practice under 935 CMR 500.105(4)(b)20.
  - (b) Vendor Samples provided under this subsection:
    1. May not be consumed on any licensed Premises;
    2. May not be sold to another licensee or Consumer;
    3. Shall be tested in accordance with 935 CMR 500.160: *Testing of Marijuana and Marijuana Products*; and
    4. Shall be transported in accordance with 935 CMR 500.105(13): *Transportation Between Marijuana Establishments*. A Marijuana Cultivator may include Vendor Samples with other Marijuana flower intended for transportation to an individual Marijuana Product Manufacturer or an individual Marijuana Retailer;
  - (c) Vendor Sample limits. A Marijuana Cultivator is limited to providing the following aggregate amount of Vendor Samples to an individual Marijuana Product Manufacturer or an individual Marijuana Retailer in a calendar month period:
    1. Four grams per strain of Marijuana flower and no more than seven strains of Marijuana flower.
  - (d) All Vendor Samples provided by a Marijuana Cultivator under 935 CMR 500.120(13): *Vendor Samples* shall be assigned a unique, sequential alphanumeric identifier and entered into the Seed-to-sale SOR in a form and manner to be determined by the Commission, and further, shall be designated as “Vendor Sample.”
  - (e) Vendor Samples provided under this subsection shall have a legible, firmly Affixed label on which the wording is no less than 1/16 inch in size containing at minimum the following information:

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1. A statement that reads: “VENDOR SAMPLE NOT FOR RESALE”;
  2. The name and registration number of the Marijuana Cultivator;
  3. The quantity, net weight, and type of Marijuana flower contained within the package; and
  4. A unique sequential, alphanumeric identifier assigned to the Cultivation Batch associated with the Vendor Sample that is traceable in the Seed-to-sale SOR.
- (14) Quality Control Samples.
- (a) A Marijuana Cultivator may provide a Quality Control Sample of Marijuana flower to its employees for the purpose of ensuring product quality and determining whether to make the product available to sell. Provision of a Quality Control Sample under this subsection shall not be considered a prohibited practice under 935 CMR 500.105(4)(b)20.
  - (b) Quality Control Samples provided to employees under this section:
    1. May not be consumed on the licensed Premises;
    2. May not be sold to another licensee or Consumer; and
    3. Shall be tested in accordance with 935 CMR 500.160: *Testing of Marijuana and Marijuana Products.*
  - (c) Quality Control Sample limits. A Marijuana Cultivator is limited to providing the following aggregate amount of Quality Control Samples to all employees in a calendar month period:
    1. Four grams per strain of Marijuana flower and no more than seven strains of Marijuana flower.
  - (d) All Quality Control Samples provided by a Marijuana Cultivator under 935 CMR 500.120(14): *Quality Control Samples* shall be assigned a unique, sequential alphanumeric identifier and entered into the Seed-to-sale SOR in a form and manner to be determined by the Commission, and further, shall be designated as “Quality Control Sample.”
  - (e) Quality Control Samples provided under this subsection shall have a legible, firmly Affixed label on which the wording is no less than 1/16 inch in size containing at minimum the following information:
    1. A statement that reads: “QUALITY CONTROL SAMPLE NOT FOR RESALE”;
    2. The name and registration number of the Marijuana Cultivator;
    3. The quantity, net weight, and type of Marijuana flower contained within the package; and
    4. A unique sequential, alphanumeric identifier assigned to the Cultivation Batch associated with the Quality Control Sample that is traceable in the Seed-to-sale SOR.
  - (f) Upon providing a Quality Control Sample to an employee, the Marijuana Cultivator shall record:
    1. The reduction in quantity of the total weight or item count under the unique alphanumeric identifier associated with the Quality Control Sample;
    2. The date and time the Quality Control Sample was provided to the employee;
    3. The agent registration number of the employee receiving the Quality Control Sample; and
    4. The name of the employee as it appears on their agent registration card.

500.130: Additional Operational Requirements for Marijuana Product Manufacturers

- (1) In addition to the general operational requirements for Marijuana Establishments required under 935 CMR 500.105: *General Operational Requirements for Marijuana*

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Establishments and security requirements provided in 935 CMR 500.110: Security Requirements for Marijuana Establishments, Marijuana Product Manufacturers shall comply with additional operational requirements required under 935 CMR 500.130: Additional Operational Requirements for Marijuana Product Manufacturers.

- (2) Production of Edibles Marijuana Products shall take place in compliance with the following:
- All Edibles Marijuana Products shall be prepared, handled, and stored in compliance with the sanitation requirements in 105 CMR 590.000: *State Sanitary Code Chapter X: Minimum Sanitation Standards for Food Establishments*, and with the requirements for food handlers specified in 105 CMR 300.000: *Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements*; and
  - Any Marijuana Product that is made to resemble a typical food or Beverage product ~~must~~shall be packaged and labelled as required by 935 CMR 500.105(5) and (6).
- (3) A Marijuana Product Manufacturer shall meet all applicable environmental laws, regulations, permits and other applicable approvals including, but 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*, and to use additional best management practices as determined by the Commission in consultation with the working group established under St. 2017, c. 55, § 78(b) or applicable departments or divisions of the EOEEA to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts.
- (4) A Marijuana Product Manufacturer selling or otherwise Transferring Marijuana to another Marijuana Establishment shall provide documentation of its compliance, or lack thereof, with the testing requirements of 935 CMR 500.160: Testing of Marijuana and Marijuana Products, and standards established by the Commission for the conditions, including time and temperature controls, necessary to protect Marijuana Products against physical, chemical, and microbial contamination as well as against deterioration of finished products during storage and transportation.
- A Product Manufacturer shall retain all records of purchases from any manufacturer or supplier of any ingredient, additive, device, component part or other materials obtained by the Product Manufacturer in relation to the manufacturing of Marijuana Vaporizer Devices and such records shall be made available to the Commission on request.
  - A Marijuana Product Manufacturer shall maintain records of the name and business address of the manufacturer of any cartridge, battery, atomizer coil, hardware or other component of Marijuana Vaporizer Products manufactured by the Licensee. Further, the Product Manufacturer shall, on request by the Commission, identify the materials used in the device's atomizer coil (e.g., titanium, titanium alloy, quartz, copper, nichrome, kanthal, or other specified material) or state if such information cannot be reasonably ascertained.
  - A copy of the Certificate of Analysis for each thickening agent, thinning agent or terpene infused or incorporated into a Marijuana Vaporizer Device during production shall be retained by a Product Manufacturer and provided as a part of a wholesale transaction with any Marijuana Retailer, ~~or~~ MTC or Delivery Operator.
  - A Product Manufacturer that wholesales Marijuana Vaporizer Devices to a Marijuana Retailer, ~~or~~ MTC or Delivery Operator shall provide the recipient with the information insert required by 935 CMR 500.105(5)(c) or the necessary information to produce such an insert and the appropriate labeling information required by these regulations, provided, however, that White Labeling of Marijuana Vaporizer Devices is explicitly prohibited.
- (5) In addition to the written operating policies required under 935 CMR 500.105(1): Written



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*Operating Procedures*, a Marijuana Product Manufacturer shall maintain written policies and procedures for the production or distribution of Marijuana Products, as applicable, which shall include, but not be limited to:

- (a) Methods for identifying, recording, and reporting diversion, theft, or loss, and for correcting all errors and inaccuracies in inventories. The policies and procedures, at a minimum, ~~must shall be in compliance~~ comply with 935 CMR 500.105(8): *Inventory and Transfer*;
- (b) Policies and procedures for handling voluntary and mandatory recalls of Marijuana Products. Such procedures shall be adequate to deal with recalls due to any action initiated at the request or order of the Commission, and any voluntary action by a Marijuana Establishment to remove defective or potentially defective Marijuana Products from the market, as well as any action undertaken to promote public health and safety;
- (c) Policies and procedures for ensuring that any outdated, damaged, deteriorated, mislabeled, or contaminated Marijuana or Marijuana Products ~~is-are~~ segregated from other ~~product-Marijuana~~ and destroyed. Such procedures shall provide for written documentation of the disposition of the Marijuana or Marijuana Products. The policies and procedures, at a minimum, ~~must shall be in compliance~~ comply with 935 CMR 500.105(12): *Waste Disposal*;
- (d) Policies and procedures for transportation. The policies and procedures, at a minimum, ~~must shall be in compliance~~ comply with 935 CMR 500.105(13): *Transportation Between Marijuana Establishments*;
- (e) Policies and procedures to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts. The policies and procedures, at a minimum, ~~must shall be in compliance~~ comply with 935 CMR 500.105(15): *Energy Efficiency and Conservation*;
- (f) Policies and procedures for the Transfer, acquisition, or sale of Marijuana Products between Marijuana Establishments, and if applicable, MTCs and CMOs;
- (g) Policies and procedures to ensure that all Edibles ~~Marijuana Products~~ are prepared, handled, and stored in compliance with the sanitation requirements in 105 CMR 590.000: *State Sanitary Code Chapter X: Minimum Sanitation Standards for Food Establishments*, and with the requirements for food handlers specified in 105 CMR 300.000: *Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements*; ~~and~~
- (h) Policies and procedures for maintaining a product catalogue identifying all types of Marijuana Products actively manufactured at the facility. The catalog shall include a description of the product, photograph or illustration, packaging design, and dosage amounts, including expected Cannabinoid Profile;
- (i) Policies and procedures for ensuring safety in all processing activities and the related uses of extraction equipment in compliance with the standards set forth in 527 CMR 1.00: The Massachusetts Comprehensive Fire Code;
- (j) Policies and procedures for developing and providing Vendor Samples to a Marijuana Retailer. Policies and procedures shall include methods by which the Marijuana Product Manufacturer will adequately track, record, and document all Vendor Samples developed on, or provided from, the licensed Premises in satisfaction of 935 CMR 500.130(7);
- (k) Policies and procedures for developing and providing Quality Control Samples to employees for the purpose of ensuring product quality and determining whether to make the product available to sell. Policies and procedures shall include methods by which the Marijuana Product Manufacturer will adequately track, record, and document all Quality Control Samples developed on, or provided from, the licensed Premises in satisfaction of 935 CMR 500.130(8): Vender Samples. Policies and procedures shall further prohibit consumption of Quality Control Samples on the licensed Premises; and

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- (1) Policies and procedures for White Labeling on behalf of any Delivery Operator. Marijuana Product Manufacturers shall retain all Delivery Wholesale Agreements entered into with Delivery Operators and shall make them available to the Commission upon request.
- (6) Product Database. In addition to the requirement to establish policies and procedures for maintaining a product catalogue under 935 CMR 500.130(5)(h), a Marijuana Product Manufacturer, after receiving a Provisional License but prior to receiving a Certificate to Commence Operations, shall provide the following information about the Finished Marijuana Products it intends to produce and make available at wholesale to a Marijuana Retailer or Delivery Operator prior to commencement of operations. This information may be used by the Commission for its Product Database.
- (a) The Marijuana Product Manufacturer shall provide the following:
1. Marijuana Product type;
  2. Marijuana Product Brand Name;
  3. List of direct ingredients;
  4. List of indirect ingredients;
  5. Serving size, including a description of what constitutes a serving size for a product that is not already a single serving;
  6. Potency;
  7. A photograph of a Finished Marijuana Product, against a white background, outside of but next to the Marijuana Product's packaging, including any external or internal packaging, provided however that where single servings of a multi-serving product are unable to be easily identified because of its form, a description of what constitutes a single serving shall be provided (e.g. a single serving is a 1" x 1" square), and where an Edible cannot be stamped, for example, due to size or a coating, the photograph of the Edible outside of but next to its external and internal packaging, such as the wrapper, and labeling information for the Edible;
  8. A photograph of the Marijuana Product, against a white background, inside the packaging; and
  - 1.9. A list of Marijuana Products to be sold based on anticipated or executed agreements between the Marijuana Product Manufacturer and Marijuana Retailer or Delivery Operator.
- (b) Photographs shall be submitted in a form and manner determined by the Commission pursuant to 935 CMR 500.130(6): Product Database shall be electronic files in a JPEG format with a minimum photo resolution of 640 x 480 and print resolution of 300 DPI. Photographs shall be against a white background.
- (c) A Marijuana Product Manufacturer shall provide the information required under 935 CMR 500.130(6)(a) for each Marijuana Product that it produces prior to the product being made available for sale through a licensed Marijuana Retailer; MTC or Delivery Operator and shall update the information whenever a substantial change to the product information occurs. Substantial changes, including changes to information listed in 935 CMR 500.130(6)(a)1.-9., shall be submitted to the Commission for inclusion in the Product Database prior to the transfer of- the Marijuana Product.
- (7) Notwithstanding a stricter municipal or state regulation, a Marijuana Product Manufacturer shall identify the method of extraction (e.g., Butane, Propane, CO<sub>2</sub>) on a physical posting at all entrances of the Marijuana Establishment. The Posting shall be a minimum of 12" x 12" and identify the method of extraction in lettering no smaller than one inch in height. A Marijuana Product Manufacturer shall post a copy of a permit to keep, store, handle or otherwise use flammable and combustible at each place of operation within the facility.

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(8) Vendor Samples.

- (a) A Marijuana Product Manufacturer may provide a Vendor Sample of a Marijuana Product to a Marijuana Retailer or Delivery Operator. Provision of a Vendor Sample under this subsection shall not be considered a prohibited practice under 935 CMR 500.105(4)(b)20.
- (b) Vendor Samples provided under this subsection:
  1. May not be consumed on any licensed Premises;
  2. May not be sold to another licensee or Consumer;
  3. Shall be tested in accordance with 935 CMR 500.160: *Testing of Marijuana and Marijuana Products*; and
  4. Shall be transported in accordance with 935 CMR 500.105(13): *Transportation Between Marijuana Establishments*. A Marijuana Product Manufacturer may include Vendor Samples with other Marijuana Products intended for transportation to an individual Marijuana Retailer or Delivery Operator.
- (c) Vendor Sample limits. A Marijuana Product Manufacturer is limited to providing the following aggregate amounts of Vendor Samples to an individual Marijuana Retailer or Delivery Operator in a calendar month period:
  1. Five grams of Marijuana concentrate or extract, including but not limited to tinctures;
  2. Five hundred milligrams of Edibles ~~Marijuana Products~~ whereby the serving size of each individual sample does not exceed five milligrams and otherwise satisfies the potency levels set forth in 935 CMR 500.150(4): *Dosing Limitations*; and
  3. Five units of sale per Cannabis product line and no more than six individual Cannabis product lines. For purposes of 935 CMR 500.130(8), a Cannabis product line shall mean items bearing the same Stock Keeping Unit Number.
- (d) All Vendor Samples received from a Marijuana Cultivator pursuant to 935 CMR 500.120(13): *Vendor Samples* that are used to manufacture a Marijuana Product shall be assigned a unique, sequential alphanumeric identifier and entered into the Seed-to-sale SOR in a form and manner to be determined by the Commission, and further, shall be designated as “Vendor Sample.”
- (e) All Vendor Samples provided by a Marijuana Product Manufacturer under 935 CMR 500.130(7) shall be assigned a unique, sequential alphanumeric identifier and entered into the Seed-to-sale SOR in a form and manner to be determined by the Commission and shall further be designated as “Vendor Sample.”
- (f) Vendor Samples provided under this section shall have a legible, firmly Affixed label on which the wording is no less than 1/16 inch in size containing at minimum the following information:
  1. A statement that reads: “VENDOR SAMPLE NOT FOR RESALE”;
  2. The name and registration number of the Marijuana Product Manufacturer;
  3. The quantity, net weight, and type of Marijuana Product contained within the package; and
  4. A unique sequential, alphanumeric identifier assigned to the Production Batch associated with the Vendor Sample that is traceable in the Seed-to-sale SOR.

(9) Quality Control Samples.

- (a) A Marijuana Product Manufacturer may provide a Quality Control Sample of Marijuana Product to its employees for the purpose of ensuring product quality and determining whether to make the product available to sell. Provision of a Quality Control Sample under this subsection shall not be considered a prohibited practice under 935 CMR 500.105(4)(b)20.

935 CMR: CANNABIS CONTROL COMMISSION

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- (b) Quality Control Samples provided to employees under this subsection:
  - 1. May not be consumed on the licensed Premises;
  - 2. May not be sold to another licensee or Consumer; and
  - 3. Shall be tested in accordance with 935 CMR 500.160: *Testing of Marijuana and Marijuana Products*.
- (c) Quality Control Sample limits. A Marijuana Product Manufacturer is limited to providing the following aggregate amounts of Quality Control Samples to all employees in a calendar month period:
  - 1. Five grams of Marijuana concentrate or extract, including but not limited to tinctures;
  - 2. Five hundred milligrams of Edibles whereby the serving size of each individual sample does not exceed five milligrams and otherwise satisfies the potency levels set forth in 935 CMR 500.150(4): *Dosing Limitations*; and
  - 3. Five units of sale per Cannabis product line and no more than six individual Cannabis product lines. For purposes of 935 CMR 500.130(8): *Vendor Samples*, a Cannabis product line shall mean items bearing the same Stock Keeping Unit Number.
- (d) All Quality Control Samples provided under 935 CMR 500.130(8): *Vendor Samples* shall be assigned a unique, sequential alphanumeric identifier and entered into the Seed-to-sale SOR in a form and manner to be determined by the Commission, and further, shall be designated as “Quality Control Sample.”
- (e) Quality Control Samples provided under this subsection shall have a legible, firmly Affixed label on which the wording is no less than 1/16 inch in size containing at minimum the following information:
  - 1. A statement that reads: “QUALITY CONTROL SAMPLE NOT FOR RESALE”;
  - 2. The name and registration number of the Marijuana Product Manufacturer;
  - 3. The quantity, net weight, and type of Marijuana flower contained within the package; and
  - 4. A unique sequential, alphanumeric identifier assigned to the Production Batch associated with the Quality Control Sample that is traceable in the Seed-to-sale SOR.
- (f) Upon providing a Quality Control Sample to an Employee, the Marijuana Product Manufacturer shall record:
  - 1. The reduction in quantity of the total weight or item count under the unique alphanumeric identifier associated with the Quality Control Sample;
  - 2. The date and time the Quality Control Sample was provided to the Employee;
  - 3. The agent registration number of the employee receiving the Quality Control Sample; and
  - 4. The name of the Employee as it appears on their agent registration card.

500.140: Additional Operational Requirements for Retail Sale

- (1) In addition to the general operational requirements for Marijuana Establishments required under 935 CMR 500.105: *General Operational Requirements for Marijuana Establishments* and security requirements provided in 935 CMR 500.110: *Security Requirements for Marijuana Establishments*, Licensees engaged in retail sales shall comply with 935 CMR 500.140: *Additional Operational Requirements for Retail Sale*.

(2) On-Premises Verification of Identification.

- (a) On entry into the Premises of a Marijuana Retailer by an individual, a Marijuana

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Establishment Agent shall immediately inspect the individual's proof of identification and determine the individual's age. An individual shall not be admitted to the Premises, unless the Marijuana Retailer has verified that the individual is 21 years of age or older by an individual's proof of identification.

- (b) On point of sale by an individual, a Marijuana Establishment Agent shall inspect the individual's proof of identification and determine the individual's age.
- (c) ~~In accordance with M.G.L. c. 94G, § 4(c)(3), a~~ Marijuana Retailer may not acquire or record Consumer personal information other than information typically required in a retail transaction, which can include ~~identifying~~ information to determine the Consumer's age. A Marijuana Retailer may not record or retain any additional personal information from Consumer without the Consumer's voluntary written permission, except as provided in (d) and (e).
- (d) A Marijuana Retailer that has entered into Delivery Agreements with ~~Delivery-only~~ Delivery Licensees for the purpose of transacting home deliveries to Consumers shall establish a Pre-verification process for Consumers who intend to place orders for delivery with the Marijuana Establishment. A Marijuana Retailer that holds more than one Marijuana Retailer license may establish a process to share Pre-verification information about Consumers among their multiple locations for the purpose of enabling deliveries from any licensed location operated by the Marijuana Retailer, provided however that information shall only be shared among locations upon the affirmative election by a Consumer. To comply with the requirements of ~~P~~pre-verification, the Marijuana Establishment shall:
  1. Require the Consumer to pre-verify with the Marijuana Establishment either in person or through a Commission-approved electronic means by presenting or submitting the Consumer's valid, unexpired government-issued photo identification; and
  2. Examine the government-issued identification card and verify that the individual Consumer presenting or submitting the government-issued identification card is the individual Consumer that matches the government-issued identification card and that the individual Consumer is 21 years of age or older.
- (e) A Marijuana Retailer shall cCollect and maintain relevant information about the individual Consumer, for the purpose of transacting a delivery and ensuring that the recipient of a delivery under 935 CMR 500.145: Additional Operational Requirements for Delivery of Marijuana, Marijuana Products, Marijuana Accessories, and Marijuana Establishment Branded Goods to Consumers is legally allowed to receive Marijuana and Marijuana Products, which shall be limited to:
  1. The individual's name;
  2. The individual's date of birth;
  3. The individual's address;
  4. The individual's primary telephone number; and
  5. The individual's email address.
- (f) Any such information collected by the Marijuana Establishment shall be used solely for the purpose of transacting a delivery ~~of Marijuana or Marijuana Products~~ under 935 CMR 500.145: Additional Operational Requirements for Delivery of Marijuana, Marijuana Products, Marijuana Accessories, and Marijuana Establishment Branded Goods to Consumers and shall be otherwise maintained confidentially.

(3) Limitation on Sales.

- (a) In accordance with M.G.L. c. 94G, § 7, a Marijuana Retailer ~~shall~~ may not knowingly sell more than one ounce of Marijuana or its combined dry weight equivalent in Marijuana concentrate or Edibles ~~Marijuana Products~~ to a retail customer per day.

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1. One ounce of Marijuana flower shall be equivalent to five grams of active tetrahydrocannabinol (THC) in Marijuana concentrate including, but not limited to, Tinctures.
  2. One ounce of Marijuana flower shall be equivalent to five hundred milligrams of active tetrahydrocannabinol (THC) in Edibles ~~Marijuana Products~~.
  3. Topicals and ointments shall not be subject to a limitation on daily sales.
- (b) A Marijuana Retailer ~~shall~~ may not sell Marijuana or Marijuana Products in excess of the potency levels established by 935 CMR 500.150(4): Dosing Limitations; and
- (c) A Marijuana Retailer ~~must~~ shall demonstrate that it has a ~~p~~Point-of-sale ~~s~~System that does not allow for a transaction in excess of the limit established in 935 CMR 500.140(3)(a) or the potency levels established in 935 CMR 500.140(3)(b).

(4) Unauthorized Sales and Right to Refuse Sales.

- (a) A Marijuana Retailer shall refuse to sell Marijuana to any Consumer who is unable to produce valid proof of government-issued identification.
- (b) A retailer ~~may~~ shall refuse to sell Marijuana Products to a Consumer if, in the opinion of the Marijuana Establishment Agent based on the information available to the agent at that time, the Consumer or the public would be placed at risk. This includes, but is not limited to, the Consumer engaging in daily transactions that exceed the legal possession limits or that create a risk of diversion.
- (c) A retailer ~~shall~~ may not sell to an individual more than one ounce of Marijuana or its dry weight equivalent in Marijuana concentrate or Edibles ~~Marijuana Products~~ per transaction. A retailer ~~shall~~ may not knowingly sell to an individual more than one ounce of Marijuana or its dry weight equivalency per day.
- (d) A retailer is prohibited from selling Marijuana Products containing nicotine.
- (e) A retailer is prohibited from selling Marijuana Products containing alcohol, if sales of such alcohol would require licensure pursuant to M.G.L. c. 138.

(5) Recording Sales.

- (a) A Marijuana Retailer shall only utilize a point-of-sale (~~POS~~) system approved by the Commission, in consultation with the DOR.
- (b) A retailer may utilize a sales recording module approved by the DOR.
- (c) A retailer is prohibited from utilizing software or other methods to manipulate or alter sales data.
- (d) A retailer shall conduct a monthly analysis of its equipment and sales data to determine that no software has been installed that could be utilized to manipulate or alter sales data and that no other methodology has been employed to manipulate or alter sales data. A Marijuana Retailer shall maintain records that it has performed the monthly analysis and produce it on request to the Commission. If a retailer determines that software has been installed for the purpose of manipulation or alteration of sales data or other methods have been utilized to manipulate or alter sales data:
  1. It shall immediately disclose the information to the Commission;
  2. It shall cooperate with the Commission in any investigation regarding manipulation or alteration of sales data; and
  3. Take such other action directed by the Commission to comply with 935 CMR 500.105: General Operational Requirements for Marijuana Establishments.
- (e) A retailer shall comply with 830 CMR 62C.25.1: *Record Retention* and DOR Directive 16-1 regarding recordkeeping requirements.
- (f) A retailer shall adopt separate accounting practices at the point ~~of~~ sale for Marijuana and Marijuana Product sales, and non-Marijuana sales.
- (g) The Commission and the DOR may audit and examine the point-of-sale system used

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by a retailer in order to ensure compliance with Massachusetts tax laws and 935 CMR 500.000140(5): *Recording Sales*.

- (6) Consumer Education. A Marijuana Retailer shall make available educational materials about Marijuana Products to Consumers. A retailer ~~must~~ shall have an adequate supply of current educational material available for distribution. Educational materials ~~must~~ shall be available in commonly spoken languages designated by the Commission, which will include, but not be limited to, appropriate materials for the visually- and hearing-impaired. Such materials shall be made available for inspection by the Commission on request. ~~The Commission will establish fines or other civil penalties for a Marijuana Establishment's failure to provide these materials.~~ The educational material ~~must~~ shall include at least the following:
- (a) A warning that Marijuana has not been analyzed or approved by the FDA, that there is limited information on side effects, that there may be health risks associated with using Marijuana, and that it should be kept away from children;
  - (b) A warning that when under the influence of Marijuana, driving is prohibited by M.G.L. c. 90, § 24, and machinery should not be operated;
  - (c) Information to assist in the selection of Marijuana, describing the potential differing effects of various strains of Marijuana, as well as various forms and routes of administration;
  - (d) Materials offered to Consumers to enable them to track the strains used and their associated effects;
  - (e) Information describing proper dosage and titration for different routes of administration. Emphasis shall be on using the smallest amount possible to achieve the desired effect. The impact of potency ~~must~~ shall also be explained;
  - (f) A discussion of tolerance, dependence, and withdrawal;
  - (g) Facts regarding substance ~~abuse~~ use disorder signs and symptoms, as well as referral information for substance ~~abuse~~ use disorder treatment programs, and the telephone number for the Massachusetts Substance Use Helpline;
  - (h) A statement that Consumers may not sell Marijuana to any other individual;
  - (i) Information regarding penalties for possession or distribution of Marijuana in violation of Massachusetts law; and
  - (j) Any other information required by the Commission.
- (7) Testing. No Marijuana Product, including Marijuana, may be sold or otherwise marketed for adult use that has not first been tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000: *Adult Use of Marijuana*. The product ~~must~~ shall be deemed to comply with the standards required under 935 CMR 500.160: *Testing of Marijuana and Marijuana Products*.
- (a) Potency levels derived from the Cannabinoid Profile, including the amount of delta-nine-tetrahydrocannabinol ( $\Delta$ 9-THC) and other Cannabinoids, contained within Finished Marijuana or Marijuana Product to be sold or otherwise marketed shall be recorded in the Seed-to-sale SOR.
- (8) Repackaging. Repackaged Marijuana shall comply with the labeling and packaging requirements under 935 CMR 500.105(5): *Labeling of Marijuana and Marijuana Products* and 935 CMR 500.105(6): *Packaging of Marijuana and Marijuana Products*.
- ~~(9) Advance Contactless Order Fulfillment.~~
- ~~(10)~~(9)
- (a) A Marijuana Retailer may allow for advance contactless ordering of Marijuana and Marijuana Products by telephone, website or third-party platform, which shall be available for inspection prior to commencing operations and on request.
  - (b) Marijuana Retailer may fulfill advance orders through contactless means by not

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requiring contact between a Consumer and Registered Marijuana Agent.

(c) Any physical unit used for the purpose of the fulfillment of an advance contactless order (order) shall ensure that access to orders of Marijuana or Marijuana Products is limited to the Consumer who placed the order.

(d) Any physical unit used for the purpose of order fulfillment shall be located within the Marijuana Retailer's building and be bolted or otherwise permanently affixed to the Marijuana Establishment Premises.

(a)(e) A Marijuana Retailer that adopts a contactless means of fulfilling orders shall have a written operations plan which shall be submitted to the Commission prior to commencing these operations and on request. The plan shall include a detailed description of how the Marijuana Retailer will ensure that advance contactless order fulfillment complies with the requirements of:

1. 935 CMR 500.105(3)(b) and (c) for the safe storage of Marijuana and Marijuana Products;
2. 935 CMR 500.110(1)(a) and M.G.L. c. 94G, § 4(c)(3) for the positive identification of individuals seeking access to the Premises of the Marijuana Establishment for the purpose of obtaining an order placed in advance to limit access solely to individuals 21 years of age or older;
3. 935 CMR 500.110(5)(a)(4) for the video surveillance of the advance contactless order; and
4. 935 CMR 500.140(8)(c) and (d).

(b)(f) Orders placed in advance may not be retained in a physical unit used for the purpose of contactless order fulfillment overnight or outside of business hours.

(11)(10) Product Database. A Marijuana Retailer that purchases wholesale Marijuana Products from a licensed Marijuana Product Manufacturer for the purpose of Repackaging Marijuana Products for sale to Consumers shall provide the Commission with the following information. This information may be used by the Commission for its Product Database.

(a) The Marijuana Retailer shall provide the following:

1. A photograph of a Finished Marijuana Product outside of but next to the Marijuana Product's packaging, provided however that where single servings of a multi-serving product are unable to be easily identified because of its form, a description of what constitutes a single serving shall be provided (e.g. a single serving is a 1" x 1" square);
2. A photograph of the Marijuana Product inside packaging; and
3. The name of the Product Manufacturer that produced the Marijuana Product.

(b) Photographs submitted shall be electronic files in a JPEG format with a minimum photo resolution of 640 x 480 and print resolution of 300 DPI. Photographs shall be against a white background.

(c) Marijuana Retailers shall provide the information required under 935 CMR 500.140(8)(a) for each Marijuana Product it Repackages for sale prior to the product being made available for sale and shall update the information whenever a substantial change to packaging or label of the Marijuana Product occurs. For purposes of this section, a substantial change shall be a change to the physical attributes or content of the package or label.

(12)(11) In addition to the written operating policies required under 935 CMR 500.105(1): *Written Operating Procedures*, a Marijuana Retailer shall maintain written policies and procedures which shall include:

- (a) Policies and procedures for adequately tracking, recording, and documenting all Vendor Samples that the Marijuana Retailer receives from a Marijuana Cultivator or a Marijuana Product Manufacturer; and
- (b) Policies and procedures for adequately tracking, recording, and documenting all



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Vendor Samples that the Marijuana Retailer provides to employees for the purpose of assessing product quality and determining whether to make the product available to sell, in compliance with 935 CMR 500.140(15): Patient Supply.

~~(13)~~(12) Vendor Samples.

- (a) A Marijuana Retailer may receive a Vendor Sample of Marijuana flower from a Marijuana Cultivator pursuant to 935 CMR 500.120(13): Vendor Samples. A Marijuana Retailer may also receive a Vendor Sample of Marijuana Product from a Marijuana Product Manufacturer pursuant to 935 CMR 500.130(7). Receipt of a Vendor Sample under this subsection shall not be considered a prohibited practice under 935 CMR 500.105(4)(b)20.
- (b) Vendor Samples may not be sold to another licensee or Consumer.
- (c) A Marijuana Retailer may provide the Vendor Samples it receives from a Marijuana Cultivator or a Marijuana Product Manufacturer to its Employees for the purpose of assessing product quality and determining whether to make the product available to sell the product. Vendor Samples may not be consumed on any licensed Premises.
- (d) Vendor Sample limits. A Marijuana Retailer is limited to providing the following aggregate amounts of Vendor Samples to all Employees in a calendar month period:
  - 1. Four grams per strain of Marijuana flower and no more than seven strains of Marijuana flower;
  - 2. Five grams of Marijuana concentrate or extract, including but not limited to Tinctures;
  - 3. Five hundred milligrams of Edibles Marijuana Products—whereby the serving size of each individual sample does not exceed five milligrams and otherwise satisfies the potency levels set forth in 935 CMR 500.150(4): Dosing Limitations; and
  - 4. Five units of sale per Cannabis product line and no more than six individual Cannabis product lines. For purposes of 935 CMR 500.140(15): Patient Supply, a Cannabis product line shall mean items bearing the same Stock Keeping Unit Number.
- (e) Upon providing a Vendor Sample to an employee, the Marijuana Retailer shall record:
  - 1. The reduction in quantity of the total weight or item count under the unique alphanumeric identifier associated with the Vendor Sample;
  - 2. The date and time the Vendor Sample was provided to the Employee;
  - 3. The agent registration number of the employee receiving the Vendor Sample; and
  - 4. The name of the Employee as it appears on their agent registration card.
- (f) All Vendor Samples provided by a Marijuana Retailer to its employees shall also be entered into the point-of-sale system and shall count against the individual employee’s daily purchase limit, if applicable, consistent with 935 CMR 500.140(3): Limitation on Sales.

~~(14)~~(13) Sale of Marijuana Vaporizer Devices.

- (a) Marijuana Retailers offering Marijuana Vaporizer Devices for sale to Consumers shall include signage at the point of sale, that is legible and enlarged and contains the following statements:
  - 1. “Marijuana Vaporizer Devices have been tested for Vitamin E Acetate and other contaminants, with no adverse findings. **WARNING: Vaporizer Devices may contain ingredients harmful to health when inhaled.**”
  - 2. “Consumers shall have access to the test results of Marijuana Vaporizer Devices including copies of any Certificates of Analysis provided by the

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device's manufacturer."

- (b) Marijuana Retailers shall provide a physical insert to Consumers that accompanies all purchased Marijuana Vaporizer Devices that states, including capitalization and emphasis, the following:

"Marijuana Vaporizer Devices have been tested for Vitamin E Acetate and other contaminants, with no adverse findings. **WARNING: Vaporizer Devices may contain ingredients harmful to health when inhaled.**"

- ~~(b)~~ The sale of disposable and reusable vaporizer pens and devices shall be accompanied by a product insert identifying the materials used in the vaporizer device's atomizer coil (e.g., titanium, titanium alloy, quartz, copper, nichrome, kanthal, or other specified material), and manufacturer identification of the device hardware, cartridge, battery and other components;

(c)

- ~~(d)~~ A Marijuana Retailer shall make available the information contained in 935 CMR 501.105(5)(c)(6) in the product description at the point of sale and as part of any product list posted on the Marijuana Retailer's website or Tthird-party Ttechnology Pplatforms or applications employed for pre-ordering or delivery.

~~(e)~~(d)

- ~~(f)~~(e) A Marijuana Retailer shall retain all records of purchases from any Product Manufacturer or supplier of any ingredient, additive, device, component part or other materials provided to the Marijuana Retailer about Marijuana Vaporizer Devices sold at retailers. Such records shall be made available to the Commission upon request.

- ~~(15)~~(14) Physical Separation of Marijuana and MIPs or Marijuana Products for Medical or Adult Use. A CMO shall provide for physical separation between medical- and adult-use sales areas. Separation may be provided by a temporary or semi-permanent physical barrier, such as a stanchion, that, in the opinion of the Commission, adequately separates sales areas of MIPs for medical-use from sales areas of Marijuana products for adult-use for the purpose of Patient Confidentiality.

- (a) A CMO shall provide for separate lines for sales of Marijuana or MIPs for medical-use from Marijuana Products for adult-use within the sales area, provided that the holder of a patient registration card may use either line and may not be limited only to the medical-use line, so long as the CMO can record the patient's transaction in accordance with 935 CMR 501.105(5)(d).
- (b) A CMO shall additionally provide a patient consultation area, an area that is separate from the sales floor that is enclosed to allow privacy and for confidential visual and auditory consultation with Qualifying Patients.
- (c) A CMO's patient consultation area shall have signage stating, "Consultation Area". The private consultation area shall be separate from the sales area. It shall be accessible by a Qualifying Patient or Caregiver without having to traverse a Limited Access Area.
- (d) A CMO shall use best efforts to prioritize Patient and Caregiver identification verification and physical entry into its retail area.

- ~~(16)~~(15) Patient Supply.

- (a) A CMO shall ensure access to a sufficient quantity and variety of marijuana products, including marijuana, for patients registered under 935 CMR 501.000: *Medical Use of Marijuana*.
1. Where the CMO has been open and dispensing for a period of less than six months, the license shall reserve 35% of the MTC's marijuana products.
  2. Where the CMO has been open and dispensing for a period of six months

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or longer, the licensee shall maintain a quantity and variety of marijuana products for patients registered under 935 CMR 501.000: *Medical Use of Marijuana*, sufficient to meet the demand indicated by an analysis of sales data collected by the licensee during the preceding six months in accordance with 935 CMR 501.140(5) *Recording Sales* and 935 CMR 501.140(5): *Recording Sales*.

- (b) Marijuana products reserved for patient supply shall, unless unreasonably impracticable, reflect the actual types and strains of marijuana products documented during the previous six months. If a substitution must be made, the substitution shall reflect as closely as possible the type and strain no longer available.
- (c) On a ~~quarterly~~ biennial basis, the CMO shall submit to the Commission an inventory plan to reserve a sufficient quantity and variety of medical-use Marijuana Products for Registered Qualifying Patients, based on reasonably anticipated patient needs as documented by sales records over the preceding six months. On each occasion that the supply of any product within the reserved patient supply is exhausted and a reasonable substitution cannot be made, the CMO shall submit a report to the Commission in a form determined by the Commission.
- (d) Marijuana Products reserved for patient supply shall be either maintained on-site at the retailer or easily accessible at another location operated by the licensee and transferable to the retailer location within 48 hours of notification that the on-site supply has been exhausted. CMOs shall perform audits of available patient supply on a weekly basis and retain those records for a period of six months.
- (e) The Commission shall, consistent with 935 CMR 500.301: *Inspections and Compliance* or 501.301: *Inspections and Compliance*, inspect and audit CMOs to ensure compliance with 935 CMR 500.140: *Additional Operational Requirements for Retail Sale*. The Commission may, in addition to the issuance of a deficiency statement under 935 CMR 500.310: *Deficiency Statements* or 501.310: *Deficiency Statements* and a plan of correction under 935 CMR 500.320: *Plans of Correction* or 935 CMR 501.320: *Plans of Correction*, demand that the CMO take immediate steps to replenish its reserved patient supply to reflect the amounts required under 935 CMR 500.140(15)(a) or 935 CMR 501.140(12)(a). Failure to adequately address a deficiency statement or follow a plan of correction shall result in administrative action by the Commission pursuant to 935 CMR 500.450: *Marijuana Establishment License: Grounds for Denial of Renewal Applications, Suspension and Revocation* and 935 CMR 500.500: *Hearings and Appeals of Actions on Licenses* or 935 CMR 501.450: *Marijuana Establishment License: Grounds for Denial of Renewal Applications, Suspension and Revocation* and 935 CMR 501.500: *Hearings and Appeals of Actions on Licenses*.
- (f) CMOs may transfer marijuana products reserved for medical-use to adult-use within a reasonable period of time prior to the date of expiration provided that the product does not pose a risk to health or safety.

~~(17)~~(16) Undeliverable Marijuana and Marijuana Products. Any Finished Marijuana Product that is undeliverable by a Marijuana Courier or is refused by the Consumer shall be transported back to the originating Marijuana Retailer that provided the product once all other deliveries included on a delivery manifest have been made. The Marijuana Retailer shall ensure that a Registered Marijuana Agent remains at the premises to receive any undeliverable Marijuana or Marijuana Product from a Marijuana Courier. A process for ensuring that undelivered Marijuana and Marijuana Products can be returned to the Marijuana Retailer by the Marijuana Courier shall be a term of the Delivery Agreement.

~~(18)~~ Prohibition on Monopolies

~~(19)~~(17)

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- (a) It shall be a violation of these regulations, 935 CMR 500.000: *Adult Use of Marijuana*, for any Marijuana Retailer to or attempt to monopolize, or combine or conspire with any other person or entity, including but not limited to a Third-party Technology Platform Provider, to monopolize any part of licensed activities authorized under 935 CMR 500.000.
- (b) It shall be a violation of these regulations, 935 CMR 500.000: *Adult Use of Marijuana*, for any Marijuana Retailer engaged in activities authorized under 935 CMR 500.000 to make a contract for services with a Third-party Technology Platform Provider for the listing of a Marijuana Retailer's Finished Marijuana Products on the condition, agreement or understanding that the parties to the contract shall not deal in Marijuana or Marijuana Products, either generally or specific brands or categories of Finished Marijuana Products, of a competitor or competitors of the parties where the effect of such contract or such condition, agreement or understanding may be to lessen substantially competition or tend to create a monopoly in any activity engaged in under 935 CMR. 500.000.

#### 500.141: Additional Operational Requirements for Social Consumption Establishments

- (1) In addition to the general operational requirements for Marijuana Establishments required under 935 CMR 500.105: *General Operational Requirements for Marijuana Establishments*, and except as otherwise provided in 935 CMR 500.141: *Additional Operational Requirements for Social Consumption Establishments*, a Social Consumption Establishment shall comply with 935 CMR 500.110: *Security Requirements for Marijuana Establishments*; and additional operational requirements under 935 CMR 500.140: *Additional Operational Requirements for Retail Sale* and 935 CMR 500.141: *Additional Operational Requirements for Social Consumption Establishments*.

- ~~(2)~~ Written Policies and Procedures. In addition to the written operating policies required under 935 CMR 500.105(1): *Written Operating Procedures, prior to commencing operations*, a Social Consumption Establishment shall maintain written policies and procedures for the sale, distribution, and serving of Marijuana and Marijuana Products, and provide *in-house Responsible Vendor Training* to employees *to the extent not covered in a Responsible Vendor Training Program course on the such policies and procedures prior to commencing operations.* *In-house training provided under this 935 CMR 500.141(2): Written Policies and Procedures may be counted toward the eight-hour total training requirement required under 935 CMR 500.105(2)(a).* ~~Such written policies and procedures which shall include but not be limited to without limitation:~~

~~(3)~~ (2)

- (a) Methods for identifying, recording, and reporting diversion, theft, or loss, and for correcting all errors and inaccuracies in inventories in compliance with 935 CMR 500.110(7): *Cash Handling and Transportation Requirements* and 935 CMR 500.141(8): *Incident Reporting*;
- (b) Procedures to ensure that all sales of Marijuana and Marijuana Products under a Social Consumption Establishment license shall include a label or supplementary insert with the following information:
  1. The symbols issued by the Commission under 935 CMR 500.105(~~54~~)(b)157 and 168;
  2. The following statement, including capitalization:

“This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate

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machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN.”;

3. Additionally, for Edibles ~~Cannabis Products~~, the warning, "The impairment effects of Edibles may be delayed by two hours or more";
  4. The name and contact information of the Marijuana Establishment that produced the Marijuana or Marijuana Product;
  5. The results of sampling, testing and analysis conducted by an Independent Testing Laboratory;
  6. A seal certifying the Marijuana or Marijuana Products meets such testing standards;
  7. A unique batch number identifying the Production Batch associated with manufacturing, Processing, and cultivating;
  8. A list of ingredients and possible allergens;
  9. The amount of delta-nine-tetrahydrocannabinol ( $\Delta 9$ -THC) in the package and in each serving of Marijuana or Marijuana Product as expressed in absolute terms and as a percentage of volume;
  10. An explanation of the number of "servings" in the package; and
  11. A use-by date, if applicable;
- (c) Security procedures, including specific plans for securing entrances and that all Marijuana and Marijuana Products are kept out of plain sight and not visible from a public place;
- (d) Procedures to ensure prevention of diversion;
- (e) Procedures to ensure the prevention of a Consumer from bringing Marijuana or Marijuana Products onto the Premises that have not been obtained from the Social Consumption Establishment, including policies for ensuring Marijuana Accessories brought on site, do not contain Marijuana or Marijuana Products not obtained from the Social Consumption Establishment;
- (f) Procedures to ensure that Marijuana or Marijuana Products purchased on site does not leave the Premises; except as otherwise authorized in 935 CMR 500.141(3)(a);
- (g) Procedures for the storage of Marijuana or Marijuana Products including, but not limited to, disposal procedures for unconsumed Marijuana or Marijuana Products;
- (h) Procedural and operational plans making a diligent effort to assist Consumers who may be impaired in finding means of transportation. Such requirements ~~must~~ shall be tailored to the region in which the establishment is located.
- (i) Procedures to ensure that Consumers are not overserved, including the developments of standards, consistent with Responsible Vendor Training, for Marijuana Establishment Agents to use to evaluate impairment;
- (j) Procedures to ensure that no one younger than 21 years old may access the establishment;
- (k) If vaporization or other non-smoking forms of consumption involving heat are permitted indoors, procedures and building plans or schematic to ensure that:
1. The area(s) in which consumption involving heat takes place are isolated from the other areas, separated by walls and a secure door, with access only from the Social Consumption Establishment;
  2. Employees may monitor the consumption area from a smoke-free, vapor-free area; and
  3. A ventilation system directs air from the consumption area to the outside of the building through a filtration system sufficient to remove visible vapor, consistent with all applicable building codes and ordinances, and adequate to eliminate odor at the property line;
- (l) Procedures to ensure that no sales occur within the consumption area;
- (m) Procedures to ensure that smoking as defined by M.G.L. c. 270, § 22 is prohibited indoors.

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- (n) Sanitary practices in compliance with 105 CMR 590.000: *State Sanitary Code Chapter X: Minimum Sanitation Standards for Food Establishments*; and
- (o) A detailed description of qualifications and intended training(s) for Marijuana Establishment Agents who will be employees;

~~(4)~~(3) Limitation on Sales.

- (a) Social Consumption Establishment agents shall only sell Marijuana or Marijuana Products to individuals in an amount reasonable for on-site consumption. Notwithstanding the terms of 935 CMR 500.140(3)(a), 935 CMR 500.140(4)(c) and 935 CMR 500.150(4)(a) and (b), Consumers may not purchase more than 20 milligrams of delta-nine-tetrahydrocannabinol ( $\Delta$ 9-THC) within any single day. Unconsumed Marijuana or Marijuana Product(s) that is packaged by the establishment in a Commission preapproved sealed and resealable exit bag may be removed from the Premises.
- (b) A Social Consumption Establishment ~~may shall~~ not knowingly sell to a Consumer more than 20 milligrams of delta-nine-tetrahydrocannabinol ( $\Delta$ 9-THC) per day.
- (c) Sale of Edible Products. Sale of Edibles ~~Marijuana Products~~ shall be limited to pre-packaged Shelf-stable items. Products that are perishable, or "Time/ and Temperature Controlled for Safety Food" as it is defined in the 2013 Retail Food Code as adopted under 105 CMR 590.001(A) or time and temperature controlled to prevent deterioration ~~may shall~~ not be allowed to be sold.
- (d) Sale of Shelf-stable Products. A Social Consumption Establishment may sell food pre-packaged, Shelf-stable and drink items other than Edibles ~~Marijuana products~~ if it acquires all necessary licenses and permits to do so. A Marijuana Social Consumption Establishment may not sell alcohol or tobacco products.
- (e) A Social Consumption Establishment May Sell Marijuana Accessories. A Social Consumption Establishment may sell items not expressly authorized herein only after receiving the express written permission of the Commission following receipt of an application in a form and manner determined by the Commission.

~~(5)~~(4) Social Consumption Sales.

- (a) Except as otherwise authorized in 935 CMR 500.141(3)(a), the sale of Marijuana and Marijuana Products for consumption on site shall take place in compliance with the following:
  1. Except as otherwise authorized in 935 CMR 500.141(3)(a), Marijuana and Marijuana Products may only be used by Consumers on the Premises who have demonstrated in compliance with 935 CMR 500.140(2)(b) that they are 21 years of age or older;
  2. In addition to the requirements of 935 CMR 500.140(86): *Consumer Education*, ~~a~~ Social Consumption Establishment ~~must shall~~ distribute to each Consumer a Consumer information card, which shall be provided by the Commission that informs Consumers about the impairment effects of different forms of consumption of Marijuana or Marijuana Products including, but not limited to, the length of time that the Marijuana or Marijuana Products may take in order to take effect, and information to prevent impaired driving. The informational card will be scientifically based. The information card will be two-sided and presented in a form and manner determined by the Commission.
  3. Consumer shall orally affirm to a Marijuana Establishment Agent receipt and understanding of the Consumer information card prior to the dispensing of Marijuana or Marijuana Products.
- (b) A Social Consumption Establishment ~~may shall~~ not allow the consumption of alcohol or the smoking of tobacco, or the sale of alcohol or tobacco on the Premises.
- (c) All Marijuana and Marijuana Product sales shall be tracked using the Seed-to-sale

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- (d) Limitations on the time for sales of Marijuana or Marijuana Products shall comply with all municipal bylaws and ordinances. Unless otherwise explicitly authorized by the municipality, sales shall only occur between the hours of 8:00 A.M. and 9:00 P.M.
- (e) Every effort shall be made to minimize the amount of cash held by a Social Consumption Licensee at any one time. Licensees shall use best efforts to implement platforms for the electronic payment of funds.
- (f) A Social Consumption Establishment Agent may refuse the sale of Marijuana or Marijuana Products based on a reasonable belief that a Consumer is visibly impaired.

~~(6)~~(5) Age Verification.

- (a) Entry into the Premises of a Social Consumption Establishment by Persons younger than 21 years old is prohibited;
- (b) On entry into the Premises of a Social Consumption Establishment by an individual, a Marijuana Establishment Agent shall immediately inspect the individual's proof of identification and determine the individual's age. An individual ~~may shall~~ not be admitted to the Premises, unless the establishment has verified that the individual is 21 years of age or older by an individual's proof of identification.
- (c) At the point of sale by an individual, a Marijuana Establishment Agent shall inspect the individual's proof of identification and determine the individual's age.

~~(7)~~(6) Consumption Areas.

- (a) Where needed for security or health reasons, a Social Consumption Establishment shall separate the designated sales and consumption areas. Each area shall be isolated from other areas of the establishment. The consumption area shall be separated by walls and a secure door and accessible only from the sales area.
- (b) The consumption area shall be visible to individuals located in the sales area.
- (c) The Marijuana Establishment shall maintain an updated diagram of the consumption area which ~~must shall~~ show the location of:
  1. The licensed Premises of the Marijuana Establishment;
  2. Serving area or areas;
  3. Ventilation exhaust points, if applicable;
  4. The employee monitoring area;
  5. Doors, windows, or other exists; and
  6. Any other information required by the Commission.
- (d) Consumption of Marijuana or Marijuana Products through vaporization or other non-smoking forms of consumption involving heat shall require the following:
  1. A ventilation system that directs air from the consumption area to the outside of the building through a filtration system sufficient to remove vapor, consistent with all applicable building codes and ordinances, and adequate to eliminate odor at the property line.
  2. A smoke-free area for agents to monitor the Marijuana consumption area.
- (e) The establishment shall have a standard operating procedure to ensure the health of agents in the cleaning and sanitation of all consumption areas.
- (f) A Social Consumption Establishment shall provide Consumers with adequate, readily accessible toilet facilities that are maintained in a sanitary condition and in good repair.
- (g) Vaping may be permitted in a designated outdoor area if it is not in view of the general public and complies with 105 CMR 661.200: *Smoking in Outdoor Spaces*.

~~(8)~~(7) Waste Disposal.

- (a) The Social Consumption Establishment shall be responsible for ensuring

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Consumers dispose of any unused Marijuana or Marijuana Products prior to exiting the establishment.

- (b) The Social Consumption Establishment shall provide a secure receptacle to dispose of Marijuana or Marijuana Products sold on-site, but not consumed by the Consumer prior to exiting the establishment.
- (c) Marijuana or Marijuana Products returned by a Consumer shall be disposed of in accordance with 935 CMR 500.105(12).

~~(9)~~(8) Incident Reporting.

- (a) The Social Consumption Establishment shall provide notice to appropriate Law Enforcement Authorities and the Commission in accordance with 935 CMR 500.110(8).
- (b) In addition to the incidents identified in 935 CMR 500.110(8)(a), a Social Consumption Establishment shall provide notification shall notify the Commission of any of the following incidents immediately, and in no instance, no more than 24 hours after the following occasions:
- (c) Any instance involving the consumption of tobacco, tobacco products or alcohol on the Premises;
  - 1. Any instance involving the consumption of any Marijuana or Marijuana Product not purchased from the Social Consumption Establishment; or
  - 2. Any instance involving the consumption of any Marijuana or Marijuana Product in a designated sales area or other area outside the designated consumption area.

~~(10)~~(9) Prohibitions. A Social Consumption Establishment ~~may shall~~ not:

- (a) Sell Marijuana or Marijuana Products other than those authorized pursuant to 935 CMR 500.141.
- (b) Allow a Consumer to smoke or otherwise consume Marijuana through combustible methods, except outdoors as otherwise authorized under 935 CMR 500.000, so long as smoking is not a nuisance to the non-smoking public.
- (c) Allow any agent to consume Marijuana or Marijuana Products during the course of a work shift;
- (d) Allow the consumption of tobacco or tobacco products or alcohol or alcoholic products on the Premises;
- (e) Allow the possession or consumption of any Marijuana or Marijuana Product that was not purchased from the Social Consumption Establishment;
- (f) Offer to sell or sell any Marijuana or Marijuana Product for a discounted or promotional price or for any price other than the product's fixed price;
- (g) Gift or discount Marijuana and Marijuana Products;
- (h) Allow, encourage or permit any organized game or contest involving the consumption of Marijuana or Marijuana Product or awarding of Marijuana or Marijuana Products as a prize;
- (i) Advertise, market or brand any practice prohibited under 935 CMR 500.141(9) or 935 CMR 500.105(4)(b); and
- (j) ~~May Shall~~ not permit Consumers determined to be impaired by its Marijuana Establishment Agents to purchase additional Marijuana or Marijuana Products while still impaired.

~~(11)~~(10) Outdoor Smoking Waiver.

- (a) The prohibition on smoking in an indoor area cannot be waived.
- (b) The prohibition on smoking in a designated outdoor area may be subject to a waiver in accordance with the following process:
  - 1. The waiver request shall comply with the requirements outlined in 935 CMR 500.850(1);



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2. On receipt of the waiver request and written documentation, the Commission shall submit the request and documentation to the Board of Health or Health Commissioner in the municipality where the Social Consumption Establishment is located. The Commission shall request that the local health authority examine the waiver and documentation and provide a determination whether the proposed outdoor smoking activity would:
  - a. Comply with the municipality's applicable local rules and regulations pertaining to Smoking;
  - b. ~~be~~ Be compatible with uses in the surrounding community;
  - c. Not pose an unacceptable risk to public, health, safety or welfare greater than if consumption were to occur indoors;
  - d. ~~W~~would not be in view of the general public;
  - e. Be physically separated from an enclosed workspace and there is no migration of smoke into the workplace;
  - f. ~~C~~comply with the following requirements:
    - i. In accordance with M.G.L. c. 270, § 22, any outdoor space that has a structure capable of being enclosed, regardless of the materials or removable nature of the walls or covers, shall be regarded as an enclosed space when the walls or covers are in place.
    - ii. The outdoor space shall be open to the air at all times. For purposes of 105 CMR 661.000: *Regulations Implementing M.G.L. c. 270, § 22*, this shall mean that the space has thorough, unobstructed circulation of outside air to all parts of the outdoor space. An outdoor space shall be presumed to meet this test if:
      - (A) the space has a ceiling and at least ½ of the total surface area of the walls and other vertical boundaries of the space permits unobstructed flow of outside air into the space; or
      - (B) the space has no ceiling and no more than two walls or other vertical boundaries of the space that obstruct the flow of air into the space exceed eight feet in height.
    - iii. For purposes of 105 CMR 661.000: *Regulations Implementing M.G.L. c. 270, § 22*, a ceiling shall include any top or covering that is placed or maybe placed over a space, or any other structure or arrangement above the space (including substantial coverage by umbrellas or awnings) that may impede the flow of air into the space, regardless of the type or nature of the materials or the partial or removable nature of the covering.
    - iv. The local board of health shall be notified in writing prior to initiating construction or renovation of an outdoor space for the purpose of permitting smoking, if such construction or renovation requires notification of the local building department or a licensing authority.

500.145: Additional Operational Requirements for Delivery of Marijuana, ~~and~~ Marijuana Products, Marijuana Accessories, and Marijuana Establishment Branded Goods to Consumers and as Permitted, to Patients or Caregivers

(1) General Requirements.

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- (a) For purposes of section 935 CMR 500.145, Delivery Items means Finished ~~Marijuana~~, Marijuana Products, Marijuana Accessories, and Marijuana Establishment Branded Goods.
- (b) Pursuant to 935 CMR 500.105(4), a ~~Delivery-only~~ Delivery License or Delivery Endorsement is a necessary prerequisite for the delivery of ~~Delivery Items~~ ~~Marijuana and Marijuana Products~~ directly to Consumers, and as permitted, ~~Marijuana Couriers, to Patients or Caregivers~~. Applications for a ~~Delivery-only~~ Delivery License or Delivery Endorsement shall be in a form and manner to be determined by the Commission.
- (c) Prior to commencing operations, ~~Delivery-only~~ Delivery Licensee or a Marijuana Establishment with a Delivery Endorsements shall comply with all operational requirements imposed by:
1. 935 CMR 500.105;
  2. 935 CMR 500.110 as applicable, including 935 CMR 500.110(8); and
  3. 935 CMR 500.145.
- (d) All individuals delivering ~~Marijuana and Marijuana Products~~ for a ~~Delivery-only~~ Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement directly to Consumers, and as permitted Patients or Caregivers, shall be employees of the ~~Delivery-only~~ Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement and shall hold a valid Marijuana Establishment Agent registration.
- (e) All Marijuana and Marijuana Products delivered by a ~~Delivery-only~~ Licensee Marijuana Courier shall be obtained from a licensed Marijuana Retailer or MTC. A Marijuana Courier may deliver Marijuana Establishment Branded Goods and MTC Branded Goods carrying the Marijuana Courier's brand or that of a licensed Marijuana Retailer or MTC. A Marijuana Courier may deliver Marijuana Accessories from a licensed Marijuana Retailer or MTC, or acquire source and deliver their own Marijuana Accessories. A Marijuana Courier may not acquire source electronic vape devices, hardware or batteries utilized in products that vaporize concentrates and oils, other than from a licensed Marijuana Retailer or MTC.
1. ~~Delivery-only Licensee~~ Marijuana Couriers shall only obtain Marijuana or Marijuana Products for delivery from a licensed Marijuana Retailer or MTC with which the ~~Delivery-only Licensee~~ Marijuana Courier has a Delivery Agreement.
  2. All agreements between a ~~Delivery-only Licensee~~ Marijuana Courier and a Marijuana Retailer or MTC shall be disclosed under the requirements of licensure in 935 CMR 500.101 and subject to limitations on control over Licenses under 935 CMR 500.050(1)(~~ba~~).
  3. The Commission shall be notified in writing of any Ssubstantial Mmodification to a Delivery Agreement.
- (f) Delivery Operators shall only deliver Finished Marijuana Products, Marijuana Accessories and Marijuana Establishment Branded Goods carrying the Delivery Operator's brand or that of a licensed Marijuana Cultivator, Marijuana Product Manufacturer, Microbusiness or Craft Marijuana Cooperative. All Finished Marijuana Products delivered by a Delivery Operator Licensee shall be obtained from a licensed Marijuana Cultivator, Marijuana Product Manufacturer, Microbusiness or Craft Marijuana Cooperative and shall comply with 935 CMR 500.105(1)(e): *Written Operating Procedures*. Delivery Operators may deliver Marijuana Establishment Branded Goods carrying the Delivery Operator's brand or that of a licensed Marijuana Cultivator, Marijuana Product Manufacturer, Microbusiness or Craft Marijuana Cooperative.
1. A Delivery Operator shall only obtain Finished Marijuana Products for delivery from a licensed Marijuana Cultivator, Marijuana Product



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- e. Advertising by a Delivery Licensee on a Third-party Technology Platform Provider shall not be considered to be an Inducement, provided:
  - i. The contract terms for Advertising clearly state that the decision by a Delivery Licensee to advertise or not to advertise on a Third-party Technology Platform Provider shall not influence the placement of that Delivery Licensee in search results.
  - ii. Any advertisement shall include a clear and conspicuous disclosure on the face of the advertisement that it is paid Advertising.
  - iii. No Delivery Licensee may advertise or market Marijuana or Marijuana Products in conjunction with a Third-party Technology Platform Provider outside of the technology platform, and shall ensure that the Third-party Technology Platform Provider does not use the Delivery Licensee's license number, legal business name or Brand Name on any advertisement or marketing that primarily promotes the services of the technology platform.
4. A Delivery Licensee, in its engagement with a Third-party Technology Platform Provider shall ensure compliance with privacy and the consumer and patient protection standards established by G.L. c. 94G and c. 94I and the associated regulations, including, but not limited to 935 CMR 500.820: Confidentiality and 501.820: Confidentiality, and other applicable state lawsthe Commission.
5. A Delivery Licensee shall ensure minimum identifying information regarding the Delivery Licensee and its products, including but not limited to the Delivery Licensee's business name and license number, and as specified by the Commission, is on its menu and any receipt provided to Consumers placing an order for Marijuana and Marijuana Products through the technology platform.
- ~~(h)~~ The Commission shall be notified in writing of an ongoing basis of any new or additional or assigned agreements between a Delivery-only Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement and a Third-party Technology Platform Provider within five d
- ~~(+)~~~~(h)~~ The maximum retail value of Marijuana or Marijuana Products allowed in a Delivery-only Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement's vehicle at any one time shall be \$10,000 and each Marijuana Product shall be associated with a specific Individual Order. For purposes of this provision, "maximum retail value" shall mean the aggregate value of Marijuana and Marijuana Products as priced on the day of the order for delivery.
- ~~(+)~~~~(i)~~ All Marijuana and Marijuana Product deliveries shall be tracked using the Seed-to-sale SOR as designated by the Commission.
- ~~(+)~~~~(j)~~ Records of sales of Marijuana Accessories and Marijuana Establishment Branded Goods shall be maintained by the Delivery Licensee or Marijuana Establishment with a Delivery Endorsement, but may not be tracked in the Seed-to-sale SOR.
- ~~(+)~~~~(k)~~ For non-Marijuana or non-Marijuana Product sales, a Delivery Licensee or Marijuana Establishment with a Delivery Endorsement shall comply with Massachusetts tax laws, and DOR rules and regulations including, but not limited to, 830 CMR 62C.25.1: Record Retention and DOR Directive 16-1 regarding recordkeeping requirements.
- ~~(+)~~~~(l)~~ Deliveries of Marijuana or Marijuana Products by a Delivery-only Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement

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shall be geographically limited to:

1. The municipality identified as the Marijuana Establishment License's place of business;
2. Any municipality which allows for retail within its borders whether or not one is operational; or
3. Any municipality which after receiving notice from the Commission, has notified the Commission that delivery may operate within its borders.

~~(n)~~(m) Limitations on the time for delivery shall comply with all municipal bylaws and ordinances, provided however, that all deliveries ~~of Marijuana or Marijuana Products must shall~~ be completed before 9:00 P.M. local time or the time determined by municipal bylaw or ordinance, whichever occurs first, and deliveries ~~of Marijuana or Marijuana Products may shall~~ not occur between the hours of 9:00 P.M. and 8:00 A.M., unless otherwise explicitly authorized by municipal bylaw or ordinance.

~~(n)~~(n) Every effort shall be made to minimize the amount of cash carried in a ~~Delivery only Delivery Licensee Retail~~ or Marijuana Establishment with a Delivery Endorsement vehicle at any one time. Marijuana Retailers utilizing a ~~Delivery only Delivery~~ Licensee or a Marijuana Establishment with a Delivery Endorsement for Consumer transactions shall use best efforts to implement platforms for the electronic payment of funds. Where cash is carried by a ~~Delivery only Delivery~~ Licensee or a Marijuana Establishment with a Delivery Endorsement vehicle, cash shall be stored in a locked compartment.

~~(o)~~(o) ~~Delivery only Delivery Retail~~ Licensees and Marijuana Establishments with a Delivery Endorsement shall comply with the requirements of 935 CMR 500.110(7) for purposes of cash transport to financial institutions.

~~(p)~~(p) In addition to complying with 935 CMR 500.105-(4), a Delivery Licensee shall include on any website it operates or that operates on its behalf the license number(s) issued by the Commission.

~~(q)~~(q) In addition to complying with 935 CMR 500.105-(4), a Marijuana Establishment with a Delivery Endorsement shall include on any website it operates or that operates on its behalf the endorsement number(s) issued by the Commission.

(2) Orders Fulfilled by Marijuana Couriers. All orders for deliveries made by ~~Delivery only Licensee~~ Marijuana Courier or a Marijuana Establishment with a Delivery Endorsements shall comply 935 CMR 500.145(1)(e) and with the following requirements:

~~(a)~~ All Marijuana and Marijuana Products delivered by a Delivery only Delivery Licensee shall be obtained from a licensed Marijuana Retailer with which the Delivery only Licensee has a Delivery Agreement. Delivery Licensees and Marijuana Establishments with a Delivery Endorsement may deliver Marijuana Accessories, and Marijuana Establishment Branded Goods provided directly from the Delivery Licensee.

~~(b)~~(a) Orders for home delivery shall be received by a Marijuana Retailer- and transmitted to a ~~Delivery only Licensee~~ Marijuana Courier for delivery to a Residence.

~~(e)~~(b) Only Marijuana Products that are Shelf-stable may be delivered. Products that are perishable or time and temperature controlled to prevent deterioration may shall not be allowed to be delivered by a ~~Delivery only Licensee~~ Marijuana Courier or a Marijuana Establishment with a Delivery Endorsement.

~~(d)~~(c) Delivery only A Licensee Marijuana Courier or a Marijuana Establishment with a Delivery Endorsements shall deliver ~~Marijuana or Marijuana Products~~ only to the Residence address provided. A Delivery only Licensee Marijuana Courier or a Marijuana Establishment with a Delivery Endorsements shall be prohibited from

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delivering to college- or university-~~designated~~ dormitories or housing; and federal public housing identified at <https://resources.hud.gov/>.

~~(e)~~(d) ~~Delivery-only Licensee~~A Marijuana Courier shall only acquire from a Marijuana Retailer and deliver Marijuana or Marijuana Products for which a specific order has been received by a licensed Marijuana Retailer with which the ~~Delivery-only Licensee~~Marijuana Courier has a Delivery Agreement. ~~Delivery-only Licensee~~A Marijuana Courier are-is prohibited from delivering Marijuana or Marijuana Products without a specific order destined for an identified Residence. An order may be generated directly through a Marijuana Retailer or through a Third-party Technology Platform identified to the Commission under 935 CMR 500.145(1)(~~g~~e).

~~(f)~~(e) A Marijuana Establishments with a Delivery Endorsement shall only acquire from its inventory at the Marijuana Establishment premises and deliver Marijuana or Marijuana Products for which a specific order has been received. Marijuana Establishments with a Delivery Endorsement are prohibited from delivering Marijuana or Marijuana Products without a specific order destined for an identified Residence. An order may be generated directly through a Marijuana Establishments with a Delivery Endorsement or through a Third-party Technology Platform identified to the Commission under 935 CMR 500.145(1)(~~g~~e).

~~(g)~~(f) ~~Delivery-only Licensees~~ or a Marijuana Establishments with a Delivery Endorsements are prohibited from delivery of more Marijuana or Marijuana Products to an individual Consumer than the individual possession amounts authorized by M.G.L. c. 94G, § 7(a)(1). An Individual Order ~~may shall~~ not exceed one ounce of Marijuana or its dry-weight equivalent. The Individual Order shall only be delivered to the individual Consumer identified on the order after verification of the individual's identity consistent with the requirements of 935 CMR 500.140(2)(d) and 935 CMR 500.145(~~43~~). ~~Delivery-only~~A LicenseeMarijuana Courier or a Marijuana Establishment with a Delivery Endorsements shall only deliver one Individual Order, per Consumer, during each delivery.

~~(h)~~(g) ~~A Delivery-only Licensee~~Marijuana Courier or a Marijuana Establishment with a Delivery Endorsement ~~may shall~~ not deliver to the same Consumer at the same Residence more than once each calendar day and only during authorized delivery hours.

~~(i)~~(h) For home delivery, each order ~~must shall~~ be packaged and labeled in accordance with 935 CMR 500.105(5) and (6) originating the order prior to transportation by the ~~Delivery-only Licensee~~Marijuana Courier or a Marijuana Establishment with a Delivery Endorsement to the Consumer.

~~(j)~~(i) Any ~~Marijuana or Marijuana Product~~Delivery Item that is undeliverable or is refused by the Consumer shall be transported back to the originating Marijuana Establishment that provided the product once all other deliveries included on a delivery manifest have been made. ~~A Delivery-only Licensee~~Marijuana Couriers or Marijuana Establishments with a Delivery Endorsement ~~are-is~~ prohibited from maintaining custody overnight of Marijuana or Marijuana Products intended for delivery ~~overnight~~. It shall be the responsibility of the ~~Delivery-only Licensee~~Marijuana Courier or Marijuana Establishment with a Delivery Endorsement, in conjunction with the Marijuana Retailer with which there is a Delivery Agreement, to ensure that any undelivered product is returned to the appropriate Marijuana Retailer and not retained by the ~~Delivery-only Licensee~~Marijuana Courier or Marijuana Establishment with a Delivery Endorsement. A process for ensuring that undelivered Marijuana and Marijuana Products can be returned to the Marijuana Retailer by the Marijuana Courier shall be a term of the Delivery Agreement.

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- (3) Orders Fulfilled by Delivery Operators. All orders for deliveries made by a Delivery Operator shall comply with 935 CMR 500.145(1)(f) and the following requirements:
- (a) Orders for home delivery by a Delivery Operator shall be received by the Delivery Operator.
  - (b) Only Finished Marijuana Products that are Shelf-stable may be delivered. Products that are perishable or time and temperature controlled to prevent deterioration may not be allowed to be delivered by a Delivery Operator.
  - (c) A Delivery Operator shall deliver only to the Residence address provided. A Delivery Operator shall be prohibited from delivering to college- or university-designated dormitories or housing; and federal public housing identified at <https://resources.hud.gov/>.
  - (d) A Delivery Operator shall only acquire from its inventory at its Warehouse and deliver Finished Marijuana Products for which a specific order has been received by the Licensee. Delivery Operators are prohibited from loading a delivery vehicle for deliveries and delivering Finished Marijuana Products without a specific order destined for an identified Residence. An order may be generated directly through a Delivery Operator or through a Third-party Technology Platform identified to the Commission under 935 CMR 500.145(1)(g).
  - (e) Delivery Operators are prohibited from delivery of more Finished Marijuana Products to an individual Consumer than the individual possession amounts authorized by M.G.L. c. 94G, § 7(a)(1). An Individual Order may not exceed one ounce of Marijuana or its dry-weight equivalent. The Individual Order shall only be delivered to the individual Consumer identified on the order after verification of the individual's identity consistent with the requirements of 935 CMR 500.145(5). A Delivery Operator shall only deliver one Individual Order, per Consumer, during each delivery.
  - (f) A Delivery Operator may not deliver to the same Consumer at the same Residence more than once each calendar day and only during authorized delivery hours.
  - (g) Prior to fulfilling an Individual Order for delivery to a Consumer, each Finished Marijuana Product shall be packaged and labeled in accordance with 935 CMR 500.105(5) and (6) before transportation by the Delivery Operator.
  - (h) Any Delivery Item that is undeliverable or is refused by the Consumer shall be transported back to the originating Delivery Operator's Warehouse that provided the product once all other deliveries included on a delivery manifest have been made.
- (4) Marijuana Courier Consumer Age Verification.
- (a) A Marijuana Retailer shall require any Consumer making a purchase for delivery by a ~~Delivery-only Licensee~~ Marijuana Courier or a Marijuana Establishment with a Delivery Endorsement ~~shall require any Consumer making a purchase for delivery~~ to have the valid government-issued ~~photo~~-identification card a Consumer intends to use to verify her or his age at the time of delivery examined and authenticated by the Marijuana Retailer prior to the first Individual Order.
  - (b) Pre-verification of the Consumer's identification shall be performed prior to the initial delivery, by using one of the following Pre-verification methods:
    - 1. In-person at the Marijuana Retailer's physical location or through a Commission approved electronic means, which may include a Commission-approved Third-party Technology Platform, and shall include examination of the Consumer's valid, unexpired government-issued photo identification that bears a date of birth in accordance with 935 CMR 500.140(2)(d). A ~~Delivery-only Licensee~~ Marijuana Courier or Marijuana Establishment with a Delivery Endorsement is prohibited from performing a delivery to any Consumer who has not established an account for delivery through Pre-verification of the Consumer's government-issued identification card by the

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Marijuana Retailer; or-

2. ~~Pre-verification of the Consumer's identification shall be performed by a Marijuana Establishment with a Delivery Endorsement~~ Through a Commission-approved electronic means and shall include examination of the Consumer's valid, unexpired government-issued photo identification that bears a date of birth. A Marijuana Establishment with a Delivery Endorsement is prohibited from performing a delivery to any Consumer who has not established an account for delivery through Pre-verification of the Consumer's government-issued identification card.
  - (c) A ~~Delivery-only Licensee~~ Marijuana Courier or a Marijuana Establishment with a Delivery Endorsement ~~may shall~~ not deliver ~~Delivery Items~~ Marijuana or Marijuana Products to any Person other than the Consumer who ordered the Delivery Items ~~Marijuana or Marijuana Products~~.
  - (d) A ~~Delivery-only Licensee~~ Marijuana Courier or a Marijuana Establishment with a Delivery Endorsement shall verify the age and identity of the Consumer at the time at which the ~~Delivery Items~~ Marijuana or Marijuana Products are delivered to the Consumer at a Residence to ensure that Marijuana and Marijuana Products are not delivered to individuals younger than 21 years old. Prior to relinquishing custody of the Marijuana or Marijuana Products to the Consumer, the Marijuana Establishment Agent conducting the delivery shall verify that the government-issued identification card of the Consumer receiving the Marijuana or Marijuana Products matches the pre-verified government-issued identification card of the Consumer who placed the order for delivery by:
    1. Viewing the ~~valid~~ government-issued ~~photo~~ identification as provided for Pre-verification under 935 CMR 500.145(43)(a);
    2. Viewing proof of order generated at the time of order; and
    3. Receiving the signature of the Consumer who ordered the ~~Marijuana or Marijuana Products on the manifest for the Marijuana or Marijuana Products~~ Delivery Items and verifying that the signature matches the government-issued photo identification card presented.
- (5) Delivery Operator Consumer Age Verification.
- (a) A Delivery Operator shall require any Consumer making a purchase for delivery to have the valid government-issued identification card a Consumer intends to use to verify her or his age at the time of delivery examined and authenticated by the Delivery Operator prior to the first Individual Order.
  - (b) Pre-verification of the Consumer's identification shall be performed prior to the initial delivery through a Commission approved electronic means, which may include a Commission-approved Third-party Technology Platform, and shall include examination of the Consumer's valid, unexpired government-issued photo identification that bears a date of birth.
  - (c) A Delivery Operator may not deliver Finished Marijuana Products to any Person other than the Consumer who ordered the Finished Marijuana Product.
  - (d) A Delivery Operator shall verify the age and identity of the Consumer at the time at which the Finished Marijuana Products are delivered to the Consumer at a Residence to ensure that Finished Marijuana Products are not delivered to individuals younger than 21 years old. Prior to relinquishing custody of the Finished Marijuana Products to the Consumer, the Marijuana Establishment Agent conducting the delivery shall verify that the government-issued identification card of the Consumer receiving the Finished Marijuana Products matches the pre-verified government-issued identification card of the Consumer who placed the order for delivery by:
    1. Viewing the government-issued identification as provided for Pre-verification under 935 CMR 500.145(5)(a);



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2. Viewing proof of order generated at the time of order; and
3. Receiving the signature of the Consumer who ordered the Delivery Items and verifying that the signature matches the government-issued photo identification card presented.

(6) Vehicle and Transport Requirements for Home Delivery.

- (a) Vehicles used for home delivery by a ~~Delivery-only~~Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement shall be owned or leased by the ~~Delivery-only~~Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement, shall be properly registered as commercial vehicles, and inspected and insured in the Commonwealth of Massachusetts.
- (b) Vehicles used for home delivery by a ~~Delivery-only~~Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement may be parked overnight at the address identified as the Licensee's place of business or another location, provided that keeping the vehicle at the identified location complies with all general and special bylaws of the municipality.
- (c) Vehicles used for delivery by a ~~Delivery-only~~Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement shall carry liability insurance in an amount not less than \$1,000,000 combined single limit.
- (d) Any vehicle used to transport or deliver Marijuana or Marijuana Products shall comply with applicable Massachusetts Registry of Motor Vehicles (RMV) requirements, but may not include any additional external marking that indicate the vehicle is being used to transport or deliver Marijuana or Marijuana Products.
- ~~(e) Vehicles used for delivery by a Delivery-only~~Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement vehicles shall have no external markings, words or symbols that indicate the vehicle is being used for home delivery of Marijuana or Marijuana Products.
- ~~(f)~~(e) A ~~Delivery-only~~Delivery Licensee or a Marijuana Establishment with a Delivery Endorsements transporting Marijuana and Marijuana Products for home delivery shall ensure that all vehicles used for deliveries are staffed with a minimum of two Marijuana Establishment Agents. At least one Marijuana Establishment Agent shall remain with the vehicle at all times that the vehicle contains Marijuana or Marijuana Products.
- ~~(g)~~(f) Marijuana and Marijuana Products must not be visible from outside the vehicle.
- ~~(h)~~(g) A ~~Delivery-only~~Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement shall transport Marijuana and Marijuana Products in a secure, locked storage compartment that is a part of the vehicle and complies with the requirements of 935 CMR 500.110(8): Security Requirements for Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement Operations.
- ~~(i)~~(h) A ~~Delivery-only~~Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement shall maintain, in each vehicle used for deliveries ~~of Marijuana and Marijuana Products~~, a secure, locked storage compartment for the purpose of transporting and securing cash used as payment. This compartment shall be separate from compartments required under 935 CMR 500.145(~~54~~)(h) for the transport of Marijuana and Marijuana Products.
- ~~(j)~~(i) In the case of an emergency stop during the transportation of Delivery Items~~Marijuana or Marijuana Products~~, a log ~~must~~shall be maintained describing the reason for the stop, the duration, the location, and any activities of personnel exiting the vehicle. The Marijuana Establishment Agents in the vehicle shall provide notice of the location of the stop and employ best efforts to remain in contact with the ~~Delivery-only~~Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement.
- ~~(k)~~(j) The Marijuana Establishment Agents transporting Delivery

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~~Items~~~~Marijuana or Marijuana Products~~ for home delivery shall contact the ~~Delivery-only~~~~Delivery~~ Licensee or a Marijuana Establishment with a Delivery Endorsement fixed location when arriving at and leaving any delivery, and regularly throughout the trip, at least every 30 minutes.

~~(+)~~~~(k)~~ The ~~Delivery-only~~~~Delivery~~ Licensee or a Marijuana Establishment with a Delivery Endorsement shall maintain a separate log for each vehicle in use for home deliveries. For each delivery, the ~~Delivery-only~~~~Delivery~~ Licensee or a Marijuana Establishment with a Delivery Endorsement shall record:

1. The location of the originating Marijuana Establishment and date and time the vehicle leaves the location;
2. The mileage of the transporting vehicle at departure from the Marijuana Establishment mileage on arrival at each Consumer destination, and mileage on return to the Marijuana Establishment;
3. The date and time of departure from the Marijuana Establishment and arrival at each Consumer destination for each delivery; and
4. An entry indicating the date and time of the last delivery in an order.

~~(+)~~~~(l)~~ A ~~Delivery-only~~~~Delivery~~ Licensee or a Marijuana Establishment with a Delivery Endorsement shall ensure that all delivery routes remain within the Commonwealth of Massachusetts at all times.

~~(+)~~~~(m)~~ A ~~Delivery-only~~~~Delivery~~ Licensee or a Marijuana Establishment with a Delivery Endorsement shall make every effort to randomize its delivery routes.

~~(+)~~~~(n)~~ A ~~Delivery-only~~~~Delivery~~ Licensee or a Marijuana Establishment with a Delivery Endorsements ~~may shall~~ not transport products other than ~~Delivery Items~~~~Marijuana and Marijuana Products~~ during times when ~~the Delivery-only~~~~Delivery~~ Licensee or a Marijuana Establishment with a Delivery Endorsements are performing home deliveries.

~~(+)~~~~(o)~~ Firearms are strictly prohibited from ~~Delivery-only~~~~Delivery~~ Licensee or a Marijuana Establishment with a Delivery Endorsement vehicles and from Marijuana Establishment Agents performing home deliveries.

(7) Manifests.

(a) Every home delivery shall have a manifest produced by the originating Marijuana Establishment. ~~A Marijuana Retailer shall provide the manifest to the and provided to the Delivery-only~~~~Delivery~~ Licensee ~~or a~~ Marijuana Establishment with a Delivery Endorsement. ~~A Delivery Operator shall produce its manifests.~~ A manifest shall be completed in duplicate, with the original manifest remaining ~~at the premises of~~~~with~~ the originating Marijuana ~~Establishment, whether it is a Marijuana Retailer or a Delivery Operator~~~~Retailer~~, and a copy to be kept with the ~~Delivery-only~~~~Delivery~~ Licensee ~~agent~~ or a Marijuana Establishment with a Delivery Endorsement ~~agent~~ during the delivery. The manifest shall be signed by the Consumer, ~~and as applicable Patient or Caregiver~~ receiving the Marijuana or Marijuana Products and the Marijuana Establishment Agent acting on behalf of the ~~Delivery-only~~~~Delivery~~ Licensee or a Marijuana Establishment with a Delivery Endorsement. A signed manifest shall serve as the written record of the completion of the delivery. ~~A manifest does not need to include Marijuana Accessories or Marijuana Establishment Branded Goods; however, the Delivery Licensee or Marijuana Establishment with a Delivery Endorsement shall maintain a record of the sale of all Delivery Items-Goods.~~

(b) The manifest ~~must~~~~shall~~, at a minimum, include:

1. The originating Marijuana Retailer's ~~or Delivery Operator's~~ name, address, and License number;
2. The name and License number of the ~~Delivery-only~~~~Delivery~~ Licensee or a Marijuana Establishment with a Delivery Endorsement performing the home delivery;

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3. The names and Marijuana Establishment Agent numbers of the Marijuana Establishment Agents performing the delivery;
  4. The Consumer's, Patient's or Caregiver's name and address;
  5. A description of the Marijuana or Marijuana Products being transported, including the weight and form or type of product;
  6. Signature lines for the agents who transported the Marijuana or Marijuana Products;
  7. A signature line for Consumer, Patient or Caregiver who receives the Marijuana or Marijuana Products; and
  8. The ~~Delivery-only~~Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement vehicle make, model, and license plate number.
- (c) The manifest shall be maintained within the vehicle during the entire transportation process, until all the deliveries are completed.
- (d) A Marijuana Establishment shall retain all transportation manifests for no less than one year and make them available to the Commission on request.

500.146 Additional Operational Requirements for Marijuana Delivery Operators

(1) Warehousing.

- (a) A Delivery Operator shall operate a Warehouse for the storage of Finished Marijuana Products and preparation of Individual Orders for Delivery.
- (b) Warehouses shall comply with all applicable requirements of 935 CMR 500.110: Security Requirements for Marijuana Establishments.
- (c) Warehouses shall comply with all requirements of 935 CMR 500.105(11): Product Storage.
- (d) Warehouses shall incorporate a sally port or loading area immediately adjacent to the Warehouse that enables the transfer of Finished Marijuana Products into a vehicle for delivery.

(2) Limitation on Sales.

- (a) In accordance with M.G.L. c. 94G, § 7, a Delivery Operator may not knowingly sell more than one ounce or its combined dry weight equivalent in Finished Marijuana Products to Consumers per day.
  1. One ounce of Marijuana flower shall be equivalent to five grams of active tetrahydrocannabinol (THC) in Marijuana concentrate including, but not limited to, Tinctures.
  2. One ounce of Marijuana flower shall be equivalent to five hundred milligrams of active tetrahydrocannabinol (THC) in Edibles.
  3. Topicals and ointments shall not be subject to a limitation on daily sales.
- (b) A Delivery Operator may not sell Finished Marijuana Products in excess of the potency levels established by 935 CMR 500.150(4): Dosing Limitations; and
- (c) A Delivery Operator shall demonstrate that it has a point-of-sale system that does not allow for a transaction in excess of the limit established in 935 CMR 500.146 (1)(a) or the potency levels established in 935 CMR 500.146(1)(b).

(3) Unauthorized Sales and Right to Refuse Sales or Delivery.

- (a) A Delivery Operator shall refuse to sell or deliver Finished Marijuana Products to any Consumer who is unable to produce valid proof of government-issued identification.
- (b) A Delivery Operator shall refuse to sell or deliver Finished Marijuana Products to a Consumer if, in the opinion of the Marijuana Establishment Agent based on the information available to the agent at that time, the Consumer or the public would be placed at risk. This includes, but is not limited to, the Consumer engaging in daily transactions that exceed the legal possession limits or that create a risk of diversion.

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- (c) A Delivery Operator may not sell or deliver to an individual more than one ounce or its dry weight equivalent in Finished Marijuana Products per transaction. A Delivery Operator may not knowingly sell or deliver to an individual more than one ounce or its dry weight equivalency in Finished Marijuana Products per day.
  - (d) A Delivery Operator is prohibited from selling or delivering Finished Marijuana Products containing nicotine, if sales of tobacco or cigarettes would require licensure under state law.
  - (e) A Delivery Operator is prohibited from selling or delivering Finished Marijuana Products containing alcohol, if sales of such alcohol would require licensure pursuant to M.G.L. c. 138.
- (4) Recording Sales.
- (a) A Delivery Operator shall only utilize a point-of-sale system approved by the Commission, in consultation with the DOR.
  - (b) A Delivery Operator may utilize a sales recording module approved by the DOR.
  - (c) A Delivery Operator is prohibited from utilizing software or other methods to manipulate or alter sales data.
  - (d) A Delivery Operator shall conduct a monthly analysis of its equipment and sales data to determine that no software has been installed that could be utilized to manipulate or alter sales data and that no other methodology has been employed to manipulate or alter sales data. A Delivery Operator shall maintain records that it has performed the monthly analysis and produce it on request to the Commission. If a Delivery Operator determines that software has been installed for the purpose of manipulation or alteration of sales data or other methods have been utilized to manipulate or alter sales data:
    1. It shall immediately disclose the information to the Commission and DOR;
    2. It shall cooperate with the Commission in any investigation regarding manipulation or alteration of sales data; and
    3. Take such other action directed by the Commission to comply with 935 CMR 500.105: *General Operational Requirements for Marijuana Establishments.*
  - (e) A Delivery Operator shall comply with 830 CMR 62C.25.1: *Record Retention and DOR Directive 16-1* regarding recordkeeping requirements.
  - (f) A Delivery Operator shall adopt separate accounting practices at the point of sale for Marijuana and Marijuana Product sales, and non-Marijuana sales.
  - (g) The Commission and the DOR may audit and examine the point-of-sale system used by a Delivery Operator in order to ensure compliance with Massachusetts tax laws and 935 CMR 500.140(5): *Recording Sales.*
- (5) Consumer Education. A Delivery Operator shall make available educational materials about Finished Marijuana Products to Consumers. A Delivery Operator shall have an adequate supply of current educational material available for distribution. Educational materials shall be available in commonly spoken languages designated by the Commission, which will include, but not be limited to, appropriate materials for the visually- and hearing-impaired. Such materials shall be made available for inspection by the Commission on request. If there is a failure to provide these materials, a licensee may be subject to disciplinary action under 935 CMR 500.000. The educational material shall include at least the following:
- (a) A warning that Marijuana has not been analyzed or approved by the FDA, that there is limited information on side effects, that there may be health risks associated with using Marijuana, and that it should be kept away from children;
  - (b) A warning that when under the influence of Marijuana, driving is prohibited by M.G.L. c. 90, § 24, and machinery should not be operated;
  - (c) Information to assist in the selection of Finished Marijuana Products, describing

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- the potential differing effects of various strains of Marijuana, as well as various forms and routes of administration;
    - (d) Materials offered to Consumers to enable them to track the strains used and their associated effects;
    - (e) Information describing proper dosage and titration for different routes of administration. Emphasis shall be on using the smallest amount possible to achieve the desired effect. The impact of potency shall also be explained;
    - (f) A discussion of tolerance, dependence, and withdrawal;
    - (g) Facts regarding substance abuse disorder signs and symptoms, as well as referral information for substance abuse disorder treatment program, and the telephone number for the Massachusetts Substance Use Helpline;
    - (h) A statement that Consumers may not sell Finished Marijuana Products to any other individual;
    - (i) Information regarding penalties for possession or distribution of Marijuana in violation of Massachusetts law; and
    - (j) Any other information required by the Commission.
- (6) Testing. No Finished Marijuana Product may be sold or otherwise marketed for adult use that has not first been tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000: *Adult Use of Marijuana*. The product shall be deemed to comply with the standards required under 935 CMR 500.160: *Testing of Marijuana and Marijuana Products*.
  - (a) Potency levels derived from the Cannabinoid Profile, including the amount of delta-nine-tetrahydrocannabinol ( $\Delta$ 9-THC) and other Cannabinoids, contained within Finished Marijuana or Marijuana Product to be sold or otherwise marketed shall be recorded in the Seed-to-sale SOR.
- (7) White Labeling. The Licensee engaged in the White Labeling of Finished Marijuana Products shall comply with the labeling and packaging requirements under 935 CMR 500.105(5): *Labeling of Marijuana and Marijuana Products* and 935 CMR 500.105(6): *Packaging of Marijuana and Marijuana Products* prior to delivery to Consumers.
  - (a) The Wholesale Agreement between a Delivery Operator and the Marijuana Establishment from which they are wholesaling shall clearly indicate whether the Delivery Operator or the Marijuana Establishment licensee from which the Finished Marijuana Product(s) are being wholesaled shall be responsible for White Labeling on behalf of the Delivery Operator.
  - (b) The Delivery Operator shall notify the Commission within twenty-one (21) days of any Substantial Modification to a Wholesale Agreement that alters which Licensee has responsibility for White Labeling on behalf of the Delivery Operator. A Licensee shall obtain the written authorization of the Commission prior to commencing White Labeling.
  - (c) The Delivery Operator may submit the label to be used for White Labeling to the Commission in accordance with 935 CMR 500.105(7): *Packaging and Labeling Preapproval*.
- (8) Product Database. A Delivery Operator that purchases any Wholesale Finished Marijuana Products from a licensed Marijuana Cultivator, Microbusiness or Craft Marijuana Cooperative for the purpose of delivery to Consumers, whether White Labeled or not, shall provide the Commission with information to populate the Product Database. A Delivery Operator that purchases wholesale Finished Marijuana Products from a licensed Marijuana Product Manufacturer for the purpose of White Labeling and sale to Consumers shall provide the Commission with information to populate the Product Database. Product Database information for Finished Marijuana Products purchased at Wholesale from Product Manufacturers that are not White Labeled shall remain the responsibility of the

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Product Manufacturer under 935 CMR 500.130(6): Product Database.

- (a) The Delivery Operator shall provide the following:
    - 1. A photograph of a Finished Marijuana Product outside of but next to the Marijuana Product's packaging, provided however that where single servings of a multi-serving product are unable to be easily identified because of its form, a description of what constitutes a single serving shall be provided (e.g. a single serving is a 1" x 1" square);
    - 2. A photograph of the Marijuana Product inside packaging; and
    - 3. The name of the Product Manufacturer that produced the Marijuana Product.
  - (b) Photographs submitted shall be electronic files in a JPEG format with a minimum photo resolution of 640 x 480 and print resolution of 300 DPI. Photographs shall be against a white background.
  - (c) A Delivery Operator shall provide the information required under 935 CMR 500.146(7)(a) for each Finished Marijuana Product it offers for sale and delivery prior to the product being made available for sale and shall update the information whenever a substantial change to packaging or label of the Finished Marijuana Product occurs. For purposes of this section, a substantial change shall be a change to the physical attributes or content of the package or label.
- (9) In addition to the written operating policies required under 935 CMR 500.105(1): Written Operating Procedures, a Delivery Operator shall maintain written policies and procedures which shall include:
- (a) Policies and procedures for adequately tracking, recording, and documenting all Vendor Samples that the Delivery Operator receives from a Marijuana Cultivator, a Marijuana Product Manufacturer, a Microbusiness or a Craft Marijuana Cooperative; and
  - (b) Policies and procedures for adequately tracking, recording, and documenting all Vendor Samples that the Delivery Operator provides to employees for the purpose of assessing product quality and determining whether to make the product available to sell.
- (10) Vendor Samples.
- (a) A Delivery Operator may receive a Vendor Sample of Marijuana flower from a Marijuana Cultivator pursuant to 935 CMR 500.120(13): Vendor Samples. A Delivery Operator may also receive a Vendor Sample of Marijuana Product from a Marijuana Product Manufacturer pursuant to 935 CMR 500.130(7). Receipt of a Vendor Sample under this subsection shall not be considered a prohibited practice under 935 CMR 500.105(4)(b)6.
  - (b) Vendor Samples may not be sold to another licensee or Consumer.
  - (c) A Delivery Operator may provide the Vendor Samples it receives from a Marijuana Cultivator or a Marijuana Product Manufacturer to its Employees for the purpose of assessing product quality and determining whether to make the product available to sell the product. Vendor Samples may not be consumed on any licensed Premises.
  - (d) Vendor Sample limits. A Marijuana Delivery Operator is limited to providing the following aggregate amounts of Vendor Samples to all Employees in a calendar month period:
    - 1. Four grams per strain of Marijuana flower and no more than seven strains of Marijuana flower;
    - 2. Five grams of Marijuana concentrate or extract, including but not limited to Tinctures;
    - 3. Five hundred milligrams of Edibles whereby the serving size of each individual sample does not exceed five milligrams and otherwise satisfies

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the potency levels set forth in 935 CMR 500.150(4): *Dosing Limitations*; and

4. Five units of sale per Cannabis product line and no more than six individual Cannabis product lines. For purposes of 935 CMR 500.146(12), a Cannabis product line shall mean items bearing the same Stock Keeping Unit Number.
- (e) Upon providing a Vendor Sample to an employee, the Delivery Operator shall record:
1. The reduction in quantity of the total weight or item count under the unique alphanumeric identifier associated with the Vendor Sample;
  2. The date and time the Vendor Sample was provided to the Employee;
  3. The agent registration number of the employee receiving the Vendor Sample; and
  4. The name of the Employee as it appears on their agent registration card.
- (f) All Vendor Samples provided by a Delivery Operator to its employees shall also be entered into the point-of-sale system and shall count against the individual employee's daily purchase limit, if applicable, consistent with 935 CMR 500.146(2): *Limitation on Sales*.

(11) Sale of Marijuana Vaporizer Devices.

- (a) A Marijuana Delivery Operator offering Marijuana Vaporizer Devices for sale to Consumers shall include a conspicuous and prominently displayed statement on its website, that is legible and enlarged and contains the following statements:
1. "Marijuana Vaporizer Devices have been tested for Vitamin E Acetate and other contaminants, with no adverse findings. **WARNING: Vaporizer Devices may contain ingredients harmful to health when inhaled.**"
  2. "Consumers shall have access to the test results of Marijuana Vaporizer Devices including copies of any Certificates of Analysis provided by the device's manufacturer."
- (b) A Delivery Operator shall provide a physical insert to Consumers that accompanies all purchased and delivered Marijuana Vaporizer Devices that states, including capitalization and emphasis, the following:

"Marijuana Vaporizer Devices have been tested for Vitamin E Acetate and other contaminants, with no adverse findings. **WARNING: Vaporizer Devices may contain ingredients harmful to health when inhaled.**"

- (c) The sale of disposable and reusable vaporizer pens and devices shall be accompanied by a product insert identifying the materials used in the vaporizer device's atomizer coil (e.g., titanium, titanium alloy, quartz, copper, nichrome, kanthal, or other specified material), and manufacturer identification of the device hardware, cartridge, battery and other components;
- (d) A Delivery Operator shall make available the information contained in 935 CMR 500.105(5)(c)(6) in the product description as part of any product list posted on the Delivery Operator's website or Third-party Technology Platforms or applications employed for delivery.
- (e) A Delivery Operator shall retain all records of purchases from any Product Manufacturer or supplier of any ingredient, additive, device, component part or other materials provided to the Delivery Operator about Marijuana Vaporizer Devices sold by licensees. Such records shall be made available to the Commission upon request.

(12) Prohibition on Monopolies

- (a) It shall be a violation of these regulations, 935 CMR 500.000: *Adult Use of*

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Marijuana, for any Delivery Operator to monopolize or attempt to monopolize, or combine or conspire with any other person or entity, including but not limited to a Third-party Technology Platform Provider, to monopolize any part of licensed activities authorized under 935 CMR 500.000.

~~(a)~~(b) It shall be a violation of these regulations, 935 CMR 500.000: *Adult Use of Marijuana*, for any Delivery Operator engaged in activities authorized under 935 CMR 500.000 to make a contract for services with a Third-party Technology Platform Provider for the listing of a Delivery Operator or a Delivery Operator's Finished Marijuana Products on the condition, agreement or understanding that the parties to the contract shall not deal in Marijuana or Marijuana Products, either generally or specific brands or categories of Finished Marijuana Products, of a competitor or competitors of the parties where the effect of such contract or such condition, agreement or understanding may be to lessen substantially competition or tend to create a monopoly in any activity engaged in under 935 CMR. 500.000.

500.147: Operational Requirements for Marijuana Research Facility Licensees and Research Permits.

- (1) In addition to the security requirements provided in 935 CMR 500.110: *Security Requirements for Marijuana Establishments*, Marijuana Research Facility Licensees shall comply with the operational requirements required under 935 CMR 500.147: *Operational Requirements for Marijuana Research Facility Licensees and Research Permits*.
- (2) General Requirements
  - (a) For each research project to be conducted on the Premises, a Marijuana Research Facility Licensee shall have a valid Research Permit issued by the Commission pursuant to 500.147(4): *Research Permits* prior to beginning a research project. The Research Permit shall be renewed at least annually, or sooner depending on the nature and duration of the approved research project.
  - (b) All individuals engaging in research at the Marijuana Research Facility shall be registered with the Commission as Marijuana Establishment Agents under 935 CMR 500.030: *Registration of Marijuana Establishment Agents*.
  - (c) A Marijuana Research Facility Licensee may submit an application for a Research Permit to conduct research in areas including, but not limited to, the following:
    1. Chemical potency and composition levels of Marijuana and Marijuana Products;
    2. Clinical investigations of Marijuana Products, including dosage forms;
    3. Efficacy and safety of administering Marijuana or Marijuana Products as a component of medical treatment under the supervision of a Certifying Healthcare Provider;
    4. Genomic research on Marijuana;
    5. Horticultural research on Marijuana;
    6. Agricultural research on Marijuana; and
    7. Other research topics upon the approval of the Commission, provided however that research conducted under the Marijuana Research Facility License may not be a substitute for processes for drug approval established by the U.S. Food and Drug Administration (FDA) pursuant to 21 CFR 312; and the Commission may impose additional standards necessary to ensure the safety and efficacy of Marijuana and Marijuana-derived compounds for their intended research application.
  - (d) Marijuana or Marijuana Products used in research conducted under a Marijuana Research Facility License shall be cultivated by, produced by or acquired from a licensed MTC or Marijuana Establishment authorized to cultivate, produce or sell Marijuana or Marijuana Products, which includes a Marijuana Cultivator,



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Marijuana Product Manufacturer, Marijuana Retailer, a Microbusiness or a Craft Marijuana Cooperative. A Marijuana Research Facility Licensee not authorized to cultivate its own Marijuana may enter into an agreement with a licensed MTC or Marijuana Cultivator, Microbusiness or Craft Marijuana Cooperative to grow Marijuana specifically for research.

- (e) Any Marijuana or Marijuana Product cultivated, produced or acquired for use in a Commission-approved research project shall be entered by the Marijuana Establishment providing it to the Marijuana Research Facility Licensee into the Seed-to-sale SOR in a form and manner to be determined by the Commission.
  - (f) All Marijuana or Marijuana Products used in research and consumed by human or animal subjects shall comply with the following
    - 1. Be adequately described in the Informed Consent Form.
    - 2. Tested in accordance with 935 CMR 500.160: *Testing of Marijuana and Marijuana Products* prior to consumption by human or animal subjects.
  - (g) Any research project where human research subjects are participants shall include one or more licensed physicians in good standing to monitor the participants.
  - (h) For any research project other than a survey-only research project, human participants in research conducted by a Marijuana Research Facility Licensee where consumption of Marijuana or Marijuana Products is a component of the research project design shall reside in the Commonwealth.
  - (i) Any research project where animal research subjects are participants shall include one or more licensed veterinary doctors in good standing to monitor the participants.
  - (j) For any research project other than a survey-only research project, research conducted pursuant to a license granted by the Commission shall be conducted solely within the boundaries of the Commonwealth.
  - (k) A Marijuana Research Facility Licensee shall supply the Commission with copies of all final reports, findings or documentation regarding the outcomes of approved research projects receiving a Research Permit. Any records received by the Commission may be subject to release pursuant to the Public Records Law, M.G.L. c. 66, § 10 and M.G.L. c. 4, § 7, cl. 26, or other compulsory legal process, or at the Commission's discretion.
- (3) Marijuana Research Facility Licensee Activities and Premises.
- (a) A Marijuana Research Facility Licensee may conduct research at one or more than one Marijuana Research Facility so long as the facility is approved by the Commission.
  - (b) A Marijuana Research Facility may be colocated with another Marijuana Establishment provided that the Marijuana Research Facility and other, colocated Marijuana Establishment(s) are commonly owned and physically separated. Physical separation shall include, but may not be limited to, separation by a permanent wall with a secure, locked entrance.
  - (c) A Marijuana Research Facility Licensee shall only possess for research the amount of Marijuana or Marijuana Products approved by the Commission to be used in each research project receiving a Research Permit.
  - (d) A Marijuana Research Facility Licensee with more than one Research Permit shall physically separate all Marijuana or Marijuana Products used in the Licensee's approved research projects according to Research Permit and in such a way that it is objectively clear what Marijuana or Marijuana Products are being used for each approved project.
  - (e) One or more Marijuana Research Facility Licensees may enter into agreements to conduct research jointly on an identified research project, provided that research activities authorized under the Research Permit shall be conducted at one identified, licensed Marijuana Research Facility. The Marijuana Research Facility

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Licensee shall disclose to the Commission all contracts or agreements entered into with other Marijuana Research Facility Licensees in furtherance of a research project.

(f) A Marijuana Research Facility Licensee may not permit the consumption of Marijuana or Marijuana Products on its licensed Premises, unless consumption of Marijuana is part of an approved research project holding a valid Research Permit and the Marijuana Research Facility is not co-located with another Marijuana Establishment.

(4) Research Permits

(a) To qualify for a Research Permit to conduct human-based research, the research project shall have an Institutional Review Board (“IRB”) which shall approve the proposed research project.

(b) Applicants for a Research Permit to conduct research at a Marijuana Research Facility Licensee shall submit for each project the following information to the Commission in a form and manner determined by the Commission:

1. The name and curriculum vitae (CV) of each investigator, including the Principal Investigator who leads the research project and each sub-investigator;
2. The name of each licensed physician in good standing that will lead the project as Principal Investigator, be a sub-investigator, or monitor the participation by human subjects, if any, in the research project;
3. The name of each licensed veterinary doctor in good standing that will lead the project as Principal Investigator, be a sub-investigator, or monitor the participation by animal subjects, if any, in the research project;
4. The IRB Institution, if applicable;
5. A publication-ready summary of the research project to be conducted;
6. A detailed research protocol, including safety protocols;
7. Articulated goals of the research project;
8. Start and end dates of the research project;
9. A description of the project funding or resources, an attestation that the project is adequately funded or resourced, and the sources of funding or resources;
10. Information about the human subject participants, if any, which shall include but not be limited to:
  - a. The number of participants;
  - b. The number of Registered Qualifying Patients, if any;
  - c. Demographic information about the participants;
  - d. The ages of the participants; and
  - e. Any cohort deemed “vulnerable” and applicable safety precautions (e.g. pregnant/breastfeeding women, minors, disable veterans, etc.).
  - f. A copy of the Informed Consent Form or Waiver of Consent, if applicable; and
  - g. Documentation that the process of obtaining Informed Consent complied with the Research Licensee's other IRB, institutional, industry, or professional standards.
11. The quantity of Marijuana or Marijuana Products anticipated to be needed over the duration of the research project;
12. The Independent Testing Laboratory where the Marijuana or Marijuana Products will be tested;
13. The name and license number of the Marijuana Research Facility Licensee or facilities where the research project will take place, provided that if a license has not yet been granted to the Marijuana Research Facility, the

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- Research Permit applicant will still identify the facility and provide its application number;
14. The disposal protocol for Marijuana or Marijuana Products that are unused;
15. Disclosures of any actual or apparent conflicts of interest between any Marijuana Research Facility Licensee or Agent and any member of the IRB required by 935 CMR 500.147(4)(b)iv.
- ~~2.~~16. Application Fee
- (c) The information required in 935 CMR 500.147(4)(b) to qualify for a Research Permit may, but is not required to, be submitted with an application for licensure as a Marijuana Research Facility.
- (d) Prior to receiving a Research Permit for a research project that includes human or animal participants as subjects, the applicant shall submit evidence of approval of the project by the identified IRB. Evidence of IRB approval or exemption may be submitted separately from the information required in 935 CMR 500.147(4)(b), but shall be submitted to receive a Research Permit.
- (e) Materials submitted in support of an application for a permit that are received by the Commission may be subject to release pursuant to the Public Records Law, M.G.L. c. 66, § 10 and M.G.L. c. 4, § 7, cl. 26, or other compulsory legal process, or at the Commission's discretion.
- (5) Research Permit Approval.
- (a) When evaluating an application for a Research Permit to conduct a research project at a licensed Marijuana Research Facility the Commission or its delegee(s) shall consider:
- Whether the research project is allowed under 935 CMR 500.147(2)(c);
  - The adequacy of safety protocols detailed in 935 CMR 500.147(3)(b)(vii);
  - The research project design;
  - Whether the research project is adequately funded or resourced and the sources of the funding or resources;
  - Whether the amount of Marijuana or Marijuana Products anticipated to for growth or use during the duration of the research project is consistent with the proposed research project's scope, goals, aims and the protocols for tracking the amount used;
  - Disclosures of agreements between Marijuana Research Facility Licensees and the nature of those agreements; and
  - Whether a required IRB is affiliated with an accredited academic institution, licensed healthcare institution or other licensed research institution and, if not, may require additional information regarding the sufficiency of the IRB as it relates to the proposed research project.
  - Whether sufficient evidence of approval of the research project by the identified IRB has been provided.
- (b) Research Permits shall be approved by the Executive Director and shall not require a vote of the Commission prior to issuance.
- (c) As set forth in 935 CMR 500.840: *Non-conflict with Other Laws*, the issuance of a Research Permit may not give immunity under federal law or poses an obstacle to federal enforcement of federal law.
- (6) Denial of Research Permits.
- (a) The Commission or its delegee may deny an application for a Research Permit for any of the following reasons, provided that a written denial including the reason for the denial shall be issued to the applicant(s):
- No IRB approval;
  - Failure to provide adequate information regarding the IRB;

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3. Proposed research poses a danger to public health or safety;
4. Proposed research lacks scientific value or validity;
5. The applicant for the Research Permit is not qualified to do the research;
6. The Research Permit applicant's protocols or funding or other resources are insufficient to perform the research; or
7. Proposed research is otherwise inconsistent with the Commission's governing laws.

(b) The applicant shall not be entitled to an administrative hearing under 935 CMR 500.500: Adult Use of Marijuana for the denial of a research permit.

(7) Inspections and Audits.

- (a) The Commission or its delegee(s) may at its discretion inspect a Marijuana Research Facility.
- (b) The Commission or its delegee may at its discretion require an audit of a research project granted a Research Permit. Reasons for an audit shall include, but are not limited to:
  1. The Commission has reasonable grounds to believe that the Marijuana Research Facility Licensee is in violation of one or more of the requirements set forth in these regulations or present a danger to the public health, safety or welfare;
  2. The Commission has reasonable grounds to believe that the activities of the Marijuana Research Facility Licensee or a Marijuana Establishment Agent present a danger to the public health, safety or welfare; or
  3. The Commission has reasonable grounds to believe that the Marijuana Research Facility Licensee has been or is engaged in research activities that have not been approved or permitted by the Commission.

500.150: Edibles ~~Marijuana Products~~

(1) Production of Edibles ~~Marijuana Products~~. ~~Production of E~~edibles shall ~~take place be~~ produced in compliance with the following:

- (a) Any Edible ~~Marijuana Product~~ that is made to resemble a typical food or Beverage product ~~must shall~~ be packaged and labeled as required by M.G.L. c. 94G, § 4(a½)(~~xxiv~~) and (xxvi), and 935 CMR 500.105(5) and (6).
- (b) The Manufacture or sale of ~~E~~edibles in the following shapes and types is prohibited:
  1. The distinct shape of a human, animal, ~~or~~ fruit, or sporting-equipment item; or
  2. A shape that bears the likeness or contains characteristics of a realistic or fictional human, animal, ~~or~~ fruit, or sporting-equipment item including artistic, caricature, or cartoon renderings.
- (c) Edibles ~~Marijuana Products~~ that are geometric shapes and simply fruit ~~-~~flavored are not considered fruit and are permissible.

(2) Sanitary Requirements. All Edibles ~~Marijuana Products~~ shall be prepared, handled, and stored in compliance with the requirements in 935 CMR 500.105(3): Limitations on Sales and 935 CMR 500.105(11): Storage Requirements.

(3) Additional Labeling and Packaging Requirements for Edibles ~~Marijuana Products~~.

- (a) In addition to the requirements set forth in M.G.L. c. 94G, § 4(a½)(~~xxiv~~) and (xxvi), and 935 CMR 500.105(5) and (6), every Marijuana Retailer ~~must shall~~ ensure that the following information or statement is Affixed to every container holding an Edible ~~Marijuana Product~~:
  1. If the retail Edible ~~Marijuana Product~~ is perishable or time and temperature

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- controlled, a statement that the Edible ~~Marijuana Product must shall~~ be refrigerated.
2. The date on which the Edible ~~Marijuana Product~~ was produced.
  3. A nutritional fact panel that ~~must shall~~ be based on the number of THC servings within the container.
  4. Information regarding the size of each serving for the product by milligrams, the total number of servings of Marijuana in the product, and the total amount of active THC in the product by milligrams (mgs). For example: "The serving size of active THC in this product is X mg(s), this product contains Y servings of Marijuana, and the total amount of active THC in this product is (X\*Y) mg(s)."
  5. A warning that the impairment effects of Edibles ~~Marijuana Products~~ may be delayed by two hours or more.
- (b) Once a label with a use-by date has been Affixed to a container holding an Edible ~~Marijuana Product~~, a Licensee ~~may shall~~ not alter that date or affix a new label with a later use-by date. ~~A Marijuana Product Manufacturer must ensure that each single serving of an Edible Marijuana Product is physically demarked in a way that enables a reasonable person to intuitively determine how much of the product constitutes a single serving of active THC.~~
- (c) Each serving of an Edible ~~Marijuana Product~~ within a multi-serving package of Edibles ~~Marijuana Products must shall~~ be easily separable in order to allow an average person 21 years of age or older to physically separate, with minimal effort, individual servings of the product.
- (d) Each single serving of an Edible ~~Marijuana Product~~ contained in a ~~multi-serving package~~ unit of multiple Edibles ~~Marijuana Product~~ shall be marked, stamped, or otherwise imprinted with ~~thea~~ symbol or easily recognizable mark issued by the Commission that indicates the package contains Marijuana ~~Product consistent with 935 CMR 500.105(5)(b)15.~~ Alternatively, a Licensee may ensure that individually wrap each single serving of an Edible Marijuana Product is individually wrapped and shall mark, stamp, or otherwise imprint each individual wrapper with the symbol or easily recognizable mark issued by the Commission that indicates the serving contains Marijuana Product consistent with 935 CMR 500.105(5)(b)15.. - serve items with tamper resistant packaging indicating same.
- (e) Each single serving of an Edible ~~Marijuana Product~~ contained in a packaged unit of multiple Edible ~~Marijuana Product~~ may be marked, stamped, or otherwise imprinted with a symbol or easily recognizable mark issued by the Commission that indicates the package contains Marijuana ~~Product~~.
- (4) Dosing Limitations. A Marijuana Product Manufacturer may not prepare, and a Marijuana Retailer may not deliver, sell or otherwise distribute an Edible ~~Marijuana Product~~ with potency levels exceeding the following limits, which includes the 10% variance allowed by 935 CMR 500.160(12), exceeding the following, as tested by an independent Marijuana testing facility licensed in accordance with M.G.L. c. 94G, § 15:
- (a) For a single serving of an Edible ~~Marijuana Product~~, ~~five 5.5~~ milligrams (5.500 mg) of active tetrahydrocannabinol (THC);
  - (b) In a single package of multiple Edible ~~Marijuana Product~~ to be eaten, swallowed, or otherwise ingested, not more than 20 servings or ~~100 110~~ milligrams (1100.00mg) of active THC; and
  - (c) The THC content ~~must shall~~ be homogenous, or evenly distributed throughout the Edible ~~Marijuana Product~~. A Retail Marijuana Product shall be considered to not be homogenous if 10% of the infused portion of the Marijuana Product contains more than 20% of the total THC contained within entire Marijuana Product.

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500.160: Testing of Marijuana and Marijuana Products

- (1) No Marijuana Product, including Marijuana, may be sold or otherwise marketed for adult use that is not capable of being tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000: *Adult Use of Marijuana*. Testing of Marijuana Products shall be performed by an Independent Testing Laboratory in compliance with a protocol(s) established in accordance with M.G.L. c. 94G, § 15 and in a form and manner determined by the Commission including, but not limited to, the *Protocol for Sampling and Analysis of Finished ~~Medical~~ Marijuana ~~Products~~ and Marijuana-infused Products for Marijuana Establishments, Medical Marijuana Treatment Centers and Colocated Marijuana Operations*. Testing of environmental media (e.g., soils, solid growing media, and water) shall be performed in compliance with the *Protocol for Sampling and Analysis of Environmental Media for Massachusetts Registered Medical Marijuana Dispensaries* published by the Commission.
- (2) Marijuana shall be tested for the Cannabinoid Profile and for contaminants as specified by the Commission including, but not limited to, mold, mildew, heavy metals, plant growth regulators, and the presence of Pesticides. In addition to these contaminant tests, final ready-to-sell Marijuana Vaporizer Products shall be screened for heavy metals and Vitamin E Acetate (VEA) in accordance with the relevant provisions of the Protocol for Sampling and Analysis of Finished Marijuana and Marijuana Products for Marijuana Establishments, Medical Marijuana Treatment Centers and Colocated Marijuana Operations.
- (3) The Commission may, at its discretion, require additional testing where necessitated to safeguard the public health or public safety and so identified by the Commission.
- (4) A Marijuana Establishment shall have a written policy for responding to laboratory results that indicate contaminant levels are above acceptable limits established in the protocols identified in 935 CMR 500.160(1).
  - (a) Any such policy shall include:
    1. notifying the Commission within 72 hours of any laboratory testing results indicating that the contamination cannot be remediated and disposing of the Production Batch.
    2. notifying the Commission of any information regarding contamination as specified by the Commission or immediately upon request by the Commission.
  - (b) The notification must-shall be from both the Marijuana Establishment and the Independent Testing Laboratory, separately and directly.
  - (c) The notification from the Marijuana Establishment must-shall describe a proposed plan of action for both the destruction of the contaminated product and the assessment of the source of contamination.
- (5) A Marijuana Establishment shall maintain the results of all testing for no less than one year. Testing results shall be valid for a period of one year. Marijuana or Marijuana Products with testing dates in excess of one year shall be deemed expired and may not be dispensed, sold, Transferred or otherwise conveyed until retested.
- (6) The sale of seeds is not subject to these testing provisions.
- (7) Clones are subject to these testing provisions, but are exempt from testing for metals.
- (8) All transportation of Marijuana to and from Independent Testing Laboratories providing

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Marijuana testing services shall comply with 935 CMR 500.105(13): *Transportation Between Marijuana Establishments*.

(9) All storage of Marijuana at a laboratory providing Marijuana testing services shall comply with 935 CMR 500.105(11): *Storage Requirements*.

(10) All excess Marijuana ~~must~~ shall be disposed of in compliance with 935 CMR 500.105(12): *Waste Disposal*, either by the Independent Testing Laboratory returning excess Marijuana to the source Marijuana Establishment for disposal or by the Independent Testing Laboratory disposing of it directly.

(11) No Marijuana Product shall be sold or otherwise marketed for adult use that has not first been tested by an Independent Testing Laboratory and deemed to comply with the standards required under 935 CMR 500.160: *Testing of Marijuana and Marijuana Products*.

(12) Single-servings of Marijuana Products tested for potency in accordance with 935 CMR 500.150(4)(a) shall be subject to a potency variance of no greater than plus/minus ten percent (+/- 10%).

(13) A Licensee that receives notice that Marijuana or a Marijuana Product it has submitted for testing has failed any test for contaminants shall either reanalyze the Marijuana or Marijuana Product without remediation, take steps to remediate the identified contaminants, or dispose of the Marijuana or Marijuana Product.

(a) Reanalysis by a Second ITL. If the Licensee chooses to reanalyze the sample, the same-a sample from the same batch shall be submitted for reanalysis at the ITL that provided the original failed result. If the sample passes all previously failed tests at the initial ITL, an additional sample representing from the same sample set batch previously tested shall be submitted to a second ITL other than the initial ITL for a Second Confirmatory Test. To be considered passing and therefore safe for sale, the sample shall have passed the Second Confirmatory Test at a second ITL. Any Marijuana or Marijuana Product that fails the Second Confirmatory Test may not be sold, transferred or otherwise dispensed to Consumers, Patients or Licensees without first being remediated. Otherwise, the Marijuana Establishment shall dispose of aAny such product shall be destroyed.

(b) Remediation. If the Licensee chooses to remediate, a new test sample shall be submitted to a licensed ITL, which may include the initial ITL for a full-panel test. Any failing Marijuana or Marijuana Product may be remediated a maximum of two times. Any Marijuana or Marijuana Product that fails any test after the second remediation attempt may not be sold, transferred or otherwise dispensed to Consumers, Patients or Licensees. The Marijuana Establishment shall dispose of aAny such product shall be destroyed.

(c) If the Licensee chooses to dispose of the Marijuana or Marijuana Products, it shall do so in compliance with 935 CMR 500.105(12): Waste Disposal.

~~Marijuana and Marijuana Products submitted for retesting prior to remediation must be submitted to an Independent Testing Laboratory other than the laboratory which provided the initial failed result. Marijuana submitted for retesting after documented remediation may be submitted to the same Independent Testing Laboratory that produced the initial failed testing result prior to remediation~~

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500.170: Municipal Requirements

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- (1) Marijuana Establishments and Marijuana Establishment Agents shall comply with all local rules, regulations, ordinances, and bylaws.
- (2) Nothing in 935 CMR 500.000: *Adult Use of Marijuana* shall be construed so as to prohibit lawful local oversight and regulation, including fee requirements, that does not conflict or interfere with the operation of 935 CMR 500.000: *Adult Use of Marijuana*.

### 500.200: Counties of Dukes County and Nantucket

- (1) To the extent permitted by law, Marijuana Establishments operating from locations in the Counties of Dukes County and Nantucket (the "island counties") may operate in full compliance with 935 CMR 500.000: *Adult Use of Marijuana*.
- (2) If Marijuana Establishments operating from locations in the island counties are prevented from operating in full compliance with 935 CMR 500.00: *Adult Use of Marijuana* by operation of law, they are not required to utilize Independent Testing Laboratories until such time as a laboratory is located on the island where the Marijuana Establishment is located or the establishment can transport Marijuana Products to the mainland of Massachusetts.
- (3) If Marijuana Establishments operating from locations in the island counties are prevented from utilizing Independent Testing Laboratories by operation of law, they are required to test Marijuana Products in a manner that is not Unreasonably Impracticable, but also adequately protects the public health in the opinion of the Commission. Such testing may include:
  - (a) a modified on-Premises testing system approved by the Commission if the label on any Marijuana or Marijuana Product so tested discloses in capital letters: "WARNING: LIMITED TESTING FOR CONTAMINANTS AND PESTICIDES.";
  - (b) a testing facility in the island counties that does not meet the criteria for an Independent Testing Laboratory, but is approved by the Commission for testing by Marijuana Establishments located in the island counties; or
  - (c) Such other testing system approved by the Commission.
- (4) A ~~Delivery-only~~ *Delivery* Licensee or a Marijuana Establishment with a Delivery Endorsement operating in a location in the island counties may only perform deliveries to Residences located in the same county as the Marijuana Establishment which the delivery order originates from until such time as it permitted to deliver to other locations by law.

### 500.300: Complaints Process

- (1) In a time and manner determined by the Commission, a dedicated telephone number, email address or other means shall be provided for members of the public or Consumers to notify the Commission of complaints regarding Marijuana Establishments or Marijuana Establishment Agents.
- (2) The Commission may, at its discretion, investigate or decline to investigate any complaint or refer a complaint to another law enforcement or regulatory authority

### 500.301: Inspections and Compliance

- (1) Pursuant to M.G.L. c. ~~94G~~, §§ 4(a)(xvii) through (xx), the Commission or a Commission Delegee may inspect a Marijuana Establishment and affiliated vehicles at any time without prior notice to determine the Marijuana Establishment's compliance with M.G.L. c. 94G,



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and 935 CMR 500.000: *Adult Use of Marijuana*. All areas, activities and records of a Marijuana Establishment and activities and records of Marijuana Establishment Agents are subject to such inspection. Submission of an application by or issuance of a License to a Marijuana Establishment constitutes consent for such inspection.

- (2) A Marijuana Establishment shall allow immediate access to the facility on being presented with photo identification documenting the Commission representative's affiliation with the Commission or a Commission Delegee's affiliation with a state agency with lawful jurisdiction over the operations of a Marijuana Establishment.
- (3) A Marijuana Establishment shall immediately on request make available to the Commission or a Commission Delegee all information that may be relevant to an inspection or investigation of an incident or a complaint.
- (4) A Marijuana Establishment shall make all reasonable efforts to facilitate the inspection or investigation of an incident or a complaint, including the taking of samples, photographs, video or other evidence or recordings, and complying with demands for examination and inspection in accordance with 935 CMR 500.302: *Compliance Examinations*.
- (5) During an inspection, the Commission or a Commission Delegee may direct a Marijuana Establishment to test Marijuana for contaminants including, but not limited to, mold, mildew, heavy metals, plant-growth regulators, and the presence of Pesticides not approved for use on Marijuana pursuant to 935 CMR 500.120(5).
- (6) An inspection or other investigation may be made prior to the issuance of a License or the renewal of a License. Additional inspections may be made whenever the Commission or a Commission Delegee deems it necessary for the enforcement of M.G.L. c. 94G, and 935 CMR 500.000: *Adult Use of Marijuana*.
- (7) The failure to cooperate with an inspection or otherwise comply with 935 CMR 500.301: *Inspections and Compliance* may result in administrative or disciplinary action against the Licensee.

### 500.302: Compliance Examination.

- (1) After a Marijuana Establishment has been licensed, the Commission or a Commission Delegee, pursuant to M.G.L. c. 94G, § 4(a)(xx), has the authority to demand access to a Marijuana Establishment's papers, books, documents, records, correspondence, electronic communications, and other tangible things to examine and inspect. Such examination and inspection may include interrogatories to parties or subpoenas to compel the production of papers, books, documents, records, correspondence, electronic communications, and other tangible things. The examination and inspection of a Marijuana Establishment may also include the interview of material witnesses, registered agents or Close Associates whom the Commission has determined is involved in the financing, management or operation of an establishment.
- (2) Administrative Subpoenas. The Commission or a Commission Delegee may, during a preliminary investigation prior to a hearing, issue, modify, amend or rescind subpoenas. Material witnesses, registered agents, or other Persons whom the Commission has determined are involved in the financing, management or operation of an establishment may petition the Commission to modify, amend or rescind subpoenas.
- (3) General Provisions. Administrative subpoenas for compliance examination and inspection shall be issued in the name of the Commission by the Commission or a Commission

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Delegee. Service may be made in a form and manner determined by the Commission including, but not limited to, by the consent of the parties.

- (4) Enforcement of Subpoenas. On the failure of a Person to comply with a subpoena, and not subsequently vacated or modified by the Commission or a Commission Delegee, the Commission or a Commission Delegee may apply to the Superior Court for an order to compel compliance with the subpoena; an order for costs and fees associated with the issuance and enforcement of the subpoena; or an order of contempt for any failure by a party to comply with a court order.
- (5) The failure to cooperate with provisions of 935 CMR 500.302: *Compliance Examination* may result in administrative or disciplinary action against the Licensee.

500.303: Unannounced Purchase for Purpose of Investigative Testing (Secret Shopper Program)

- (1) Secret Shopper Program Authorized. The Commission or a Commission Delegee may, at any time and without prior notice, authorize an employee or other agent to pose as a customer and purchase any Marijuana or Marijuana Products from any licensed Marijuana Establishment. The Commission or a Commission Delegee may authorize such purchase for any investigative purposes that are consistent with St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, M.G.L. c. 94I, 935 CMR 500.000, or 935 CMR 501.000: *Medical Use of Marijuana* including, but not limited to, investigative testing for compliance with laboratory testing standards and identification check requirements. The purchasing employee or agent shall document the purchase, including the date, time, and place of purchase, type and amount of Marijuana or Marijuana Products, and any other information required by the Commission.
- (2) Custody and Preservation of Purchases. The Marijuana or Marijuana Products purchased as part of the program shall be securely stored during transport in a manner to prevent contamination or spoilage.
- (3) Contamination and Spoilage During Storage or Transport. Any contamination or spoilage of purchases under the Secret Shopper Program during storage or transport while under the control of the purchaser shall be promptly documented by the purchaser in writing and reported to the Commission. The Commission or a Commission Delegee may authorize the disposal of the contaminated or spoiled purchase, pursuant to 935 CMR 500.105(12): *Waste Disposal*.
- (4) Use of Secret Shopper Investigative Results. Results of investigations conducted under Secret Shopper Program shall be promptly submitted to the Commission.
  - (a) All investigative results shall be retained as part of the records for the licensed Marijuana Establishment from which the purchase originated.
  - (b) The Marijuana Establishment may be notified of any investigative results determined to be noncompliant at a time and manner determined by the Commission.
  - (c) After the Marijuana Establishment is notified of the investigative results, such results may be used by the Commission to take action on the License of the Marijuana Establishment pursuant to 935 CMR 500.340: *Quarantine Order*, 935 CMR 500.450: *Marijuana Establishment License: Grounds for Suspension, Revocation and Denial of Renewal Application* and 935 CMR 500.500: *Adult Use of Marijuana*, or assess fines or other civil penalties pursuant to 935 CMR 500.360: *Fines*.
  - (d) Without notice to the Marijuana Establishment, the Commission may share such investigative results with any other law enforcement or regulatory authorities.

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- (e) The Commission may elect to conduct further evaluation of the investigative results at any time for verification or for other purposes reasonably related to sanitation, public health or public safety.
- (5) The failure to cooperate with provisions of 935 CMR 500.303 may result in administrative or disciplinary action against the Licensee.

### 500.310: Deficiency Statements

After an inspection in which a violation of St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, M.G.L. c. 94I, 935 CMR 500.000: *Adult Use of Marijuana*, or 935 CMR 501.000: *Medical Use of Marijuana* is observed or a violation is otherwise determined to have occurred, the Commission shall issue a deficiency statement citing every violation identified, a copy of which shall be left with or sent to the Marijuana Establishment

### 500.320: Plans of Correction

- (1) A Marijuana Establishment shall submit to the Commission a written plan of correction for any violations cited in the deficiency statement issued pursuant to 935 CMR 500.310: *Deficiency Statements*, within ten business days after receipt of the statement.
- (2) A plan shall state, with respect to each deficiency, the specific corrective step(s) to be taken, a timetable for such steps, and the date by which compliance will be achieved. The timetable and the compliance dates shall be consistent with achievement of compliance in the most expeditious manner possible.
- (3) The Commission shall review the plan of correction and shall notify the Marijuana Establishment of either the acceptance or rejection of the plan or any component of the plan.
- (4) An unacceptable plan ~~must~~ shall be amended and resubmitted within five business days after receipt of such notice.
- (5) The approval of a plan of correction shall not preclude the Commission from issuing an order for further corrective action fixing a reasonable time for correction of the violation, assessing an administrative fine, or taking any other administrative action authorized under the Commission's regulations.
- (6) A Marijuana Establishment shall notify the Commission once the plan of correction has been fully implemented and completed.

### 500.321: Administrative Hold

- (1) Pursuant to M.G.L. c. 94G, § 4(a)(xix), the Commission or a Commission Delegee may order an Administrative Hold of Marijuana or Marijuana Products to examine and inspect a Marijuana Establishment to ensure compliance with the provisions of 935 CMR 500.000: *Adult Use of Marijuana*, prevent the destruction of evidence, prevent the diversion of Marijuana or Marijuana Products, or as otherwise necessary to protect the public health, safety or welfare.
- (2) A Marijuana Establishment subject to an Administrative Hold shall retain its inventory pending further investigation by the Commission or a Commission Delegee pursuant to the following procedure:

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- (a) If during an investigation or inspection of a Marijuana Establishment, the Commission has reasonable cause to believe certain Marijuana or Marijuana Products are noncompliant under 935 CMR 500.000: *Adult Use of Marijuana*, or otherwise constitutes a threat to the public health, safety or welfare, the Commission may issue a notice to administratively hold any Marijuana or Marijuana Product. The notice shall identify the Marijuana or Marijuana Product subject to the Administrative Hold and a concise statement stating the reasons relied on in the issuance of the Administrative Hold.
- (b) Following the issuance of a notice of Administrative Hold, the Commission will identify and mark the Marijuana or Marijuana Product subject to the Administrative Hold in the Commission's Seed-to-sale SOR. The Marijuana Establishment shall continue to comply with all inventory requirements including, but not limited to, 935 CMR 500.105(8): *Inventory and Transfer*.
- (c) The Marijuana Establishment shall completely and physically segregate the Marijuana or Marijuana Product subject to the Administrative Hold in a Limited Access Area, where it shall be safeguarded by the Marijuana Establishment.
- (d) While the Administrative Hold is in effect, the Marijuana Establishment shall be prohibited from selling, transporting or otherwise Transferring or destroying the Marijuana or Marijuana Product subject to the Administrative Hold, except as otherwise authorized by the Commission.
- (e) While the Administrative Hold is in effect, the Marijuana Establishment ~~must shall~~ safeguard the Marijuana or Marijuana Product subject to the Administrative Hold and ~~must shall~~ fully comply with all security requirements including, but not limited to, 935 CMR 500.110: *Security Requirements for Marijuana Establishments*.
- (f) An Administrative Hold ~~may shall~~ not prevent a Marijuana Establishment from the continued possession, cultivation or harvesting of the Marijuana or Marijuana Product subject to the Administrative Hold, unless otherwise provided by an order of the Commission. All Marijuana or Marijuana Products subject to an Administrative Hold ~~must shall~~ be put into separately tracked Production Batches.
- (g) An Administrative Hold ~~may shall~~ not prevent a Marijuana Establishment from voluntarily surrendering Marijuana or Marijuana Products subject to an Administrative Hold, except that the Marijuana Establishment shall comply with the waste disposal requirements in 935 CMR 500.105(12): *Waste Disposal*.
- (h) At any time after the initiation of the Administrative Hold, the Commission or a Commission Delegee may modify, amend or rescind the Administrative Hold.
- (i) The failure to cooperate with provisions of 935 CMR 500.321: *Administrative Hold* may result in administrative or disciplinary action against the Licensee

500.330: Limitation of Sales

- (1) If the Commission or a Commission Delegee determines that a Marijuana Establishment does not substantially comply with applicable provisions of St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, or 935 CMR 500.000: *Adult Use of Marijuana*, the Commission or a Commission Delegee may order that the Marijuana Establishment ~~dispose of and may shall~~ not sell Marijuana or Marijuana Products, after a date specified.
- (2) The Commission or a Commission Delegee ~~may shall~~ not make such a determination until a Marijuana Establishment has been notified that the establishment does not substantially comply with applicable provisions of St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, or 935 CMR 500.000: *Adult Use of Marijuana*, that an order to ~~dispose of or~~ limit sales is contemplated, and that the establishment has a reasonable opportunity to correct the deficiencies.
- (3) An order that a Marijuana Establishment ~~dispose of and may shall~~ not sell Marijuana or

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Marijuana Products pursuant to 935 CMR 500.330(1) may be rescinded when the Commission or a Commission Delegee finds that the establishment is in substantial compliance with the applicable provisions of St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, or 935 CMR 500.000: *Adult Use of Marijuana*.

500.335: Removal and Prohibition of Marijuana and Marijuana Products

- (1) Pursuant to M.G.L. c. 94G, § 4(a½)(xxxix), the Commission or a Commission Delegee may order the removal or prohibition of sales by more than one Licensee of categories of product types, of specific product types or of specific brands of products after notice and a determination that Marijuana, Marijuana Products, and Marijuana Accessories (for the purposes of 935 CMR 500.335: *Removal and Prohibition of Marijuana and Marijuana Products*, "Product"), which based on preliminary evidence, pose a substantial risk to the public health, safety or welfare including, but not limited to, that the product is especially appealing to Persons younger than 21 years old.
  - (a) The Commission may vote to initiate a complaint about a Product and refer that complaint to the Executive Director and Enforcement staff for investigation.
  - (b) In consultation with the Executive Director, Enforcement staff may conduct an investigation and make a recommendation as to the Removal of Product. The recommendation shall be based on credible and reliable evidence and provide a specific description of the scope of removal and specify whether the removal or prohibition on sales applies to one of the following:
    1. Category of Product Type(s). A type of Product including, but not limited to, Marijuana seeds, Marijuana Clones, Marijuana Edibles, Beverages, topical products, ointments, oils, Tinctures, oral dosage forms or any other product identified by the Commission or a Commission Delegee.
    2. Specific Product Type(s). A specific type of Product within a category of Products, but not including other types of Product within the same category.
    3. Specific Brand of Product(s). One or more specific Product types or category types Manufactured by a Marijuana Product Manufacturer or a specific Product type or category type Manufactured by multiple Marijuana Product Manufacturers subject to an agreement including, but not limited to, a partnership, product licensing, distribution, branding, ~~A~~advertising, marketing or sales agreement.
- (2) After receiving a recommendation from Enforcement staff, the Executive Director may act to address the substantial risk to the public health, safety or welfare including, but not limited to:
  - (a) Refer the matter to a Hearing Officer with expertise to evaluate scientific evidence to conduct an informal hearing;
  - (b) If credible and reliable evidence has been evaluated and found to meet the standard of a substantial risk to public health, safety or welfare if one is not yet issued, order the quarantine or Removal of Product or prohibition on sales of a Product pending consideration by a Hearing Officer; or
  - (c) Refer the matter to the Commission.
- (3) When a matter is referred by the Executive Director, the Hearing Officer may conduct an informal hearing.
  - (a) If necessary and in consultation with the Executive Director, the Hearing Officer may develop a process for the purpose of identifying the Licensees and Registrants that may be impacted by a current or future order including, but not limited to, identifying those Licensees and Registrants to whom providing adequate notice and an opportunity to be heard shall be given.
  - (b) The Hearing Officer shall exercise discretion in admitting and weighing evidence

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including, but not limited to, testimony and evidence from:

1. Licensees and Registrants; and
  2. Subject-matter experts.
- (c) The Hearing Officer shall issue findings of fact and make a recommended decision to the Executive Director.
- (d) To the extent that the Hearing Officer recommends that Products be removed or prohibited, this recommendation shall be based on credible and reliable evidence that the Product poses a substantial risk to the public health, safety and welfare.
- (4) The Executive Director may refer the matter to the Commission and make a recommendation.
- (5) On referral by the Executive Director, prior to issuing any order, the Commission shall deliberate on the Executive Director's recommendation at a public meeting of the Commission.
- (a) If there is a recommendation that the Products be removed and prohibited, this recommendation shall be based on credible and reliable evidence that the Product poses a substantial risk to the public health, safety and welfare.
  - (b) An order shall require a vote by the Commission.
  - (c) The Commission or a Commission Designee shall send written notice of the action taken against an identified Licensee or Registrant and the basis for that action. The notice shall include, but not be limited to, the following information:
    1. the Commission's statutory and regulatory authority, including its jurisdiction over the subject matter; and its authority to take action with regards to the License or registration;
    2. the factual basis for that action;
    3. the extent to which the product poses a substantial risk to the public health, safety and welfare; and
    4. the current restrictions on the Licensee's or Registrant's operations or sales or other use of Products, if any, including the method and timing of the Removal of Product including, but not limited to, whether the Product ~~must~~ shall be destroyed in accordance with 935 CMR 500.105(12): Waste Disposal.
  - (d) The Commission or a Commission Designee may modify, amend or rescind a notice on condition(s) just to all the parties.
- (6) On receipt of the order, the Licensee and its associated agents will immediately comply with the requirements of the order and, if requested by the Commission, post notice at public entrances to the establishment or other notice in a form and manner determined by the Commission.
- (7) The order shall be transmitted immediately to all other Licensee(s) or Registrant(s) that may reasonably be affected by the order by electronic and certified mail.
- (8) The order may be posted on the Commission's website.
- (9) It shall be a violation of 935 CMR 500.000: Adult Use of Marijuana for Licensees to produce, sell or otherwise make available the categories of Product Types, Specific Product Types or Specific Brands of Products identified in the order.
- (10) A Marijuana Establishment subject to the order shall accept Consumer returns of unused and unopened product for a period of 30 days after the effective date of the order.
- (11) The failure to cooperate with provisions of 935 CMR 500.335: Removal and Prohibition

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*of Marijuana and Marijuana Products* may result in further administrative or disciplinary action against the Licensees or Registrants

### 500.340: Quarantine Order

- (1) Pursuant to its authority under M.G.L. c. 94G, § 4(a)(xix) and (a<sup>1/2</sup>)(xxxii), a Quarantine Order may be imposed by the Commission or a Commission Delegee to immediately quarantine or otherwise restrict the sale or use of Marijuana or Marijuana Products by a Licensee or Registrant to protect the public health, safety or welfare.
- (2) If, based on complaint(s), inspection(s), affidavit(s) or other credible evidence, the Commission or a Commission Delegee determines that a Licensee or Registrant, or the Marijuana or Marijuana Products cultivated, produced or sold by a Licensee or Registrant pose an immediate or serious threat to the public health, safety or welfare, the Commission or a Commission Delegee may issue an order to the Licensee that:
  - (a) quarantines or otherwise restricts the sale or use of Marijuana or Marijuana Products prepared by or in the possession of the Licensee; or
  - (b) quarantines or otherwise restricts the sales or use of Marijuana or Marijuana Products to the extent necessary to avert a threat, pending final investigation results.
- (3) On receipt of the order, the Licensee and its associated agents will immediately comply with the requirements of the order and, if requested by the Commission, post notice at public entrances to the establishment or other notice in a form and manner determined by the Commission or a Commission Delegee.
- (4) The Commission or a Commission Delegee may modify, amend or rescind the order at any time after its issuance on condition(s) to all the parties.
- (5) To the extent that the issuance of a Quarantine Order is to investigate a substantial risk to public safety, health and welfare, a Licensee ~~may shall~~ not have a right to a hearing, unless and until the order remains in effect beyond 21 calendar days without any further action by the Commission or a Commission Delegee.
- (6) The failure to cooperate with provisions of 935 CMR 935.340: *Quarantine Order* may result in administrative or disciplinary action against the Licensees or Registrants.

### 500.350: Cease and Desist Order and Summary Suspension Order

- (1) Pursuant to its authority under M.G.L. c. 94G, § 4(a) and (a<sup>1/2</sup>), a Cease and Desist Order or a Summary Suspension Order may be imposed by the Commission or a Commission Delegee prior to a hearing to protect the public health, safety, or welfare.
- (2) If based on inspection(s), affidavit(s), or other credible evidence, the Commission or a Commission Delegee determines that a Licensee or Registrant or the Marijuana or Marijuana Products cultivated, produced or sold by a Licensee or Registrant pose an immediate or serious threat to the public health, safety or welfare, the Commission or a Commission Delegee may:
  - (a) Issue a Cease and Desist Order that requires cessation of any or all operations including, but not limited to, the cultivation, product manufacturing, Transfer, sale, delivery or transportation of Marijuana or Marijuana Products; or
  - (b) Issue a Summary Suspension Order that requires the immediate suspension of a License and its associated registrations and cessation of all operations.
- (3) Notice of Violations.

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- (a) For a Cease and Desist or Summary Suspension Order issued under 935 CMR 500.350(2), the Commission or a Commission Delegee shall send written notice of the action taken against a Licensee or Registrant and the basis(es) for that action which shall include, but not be limited to, the following information:
    - 1. The Commission's statutory and regulatory authority, including its jurisdiction over the subject matter and its authority to take action with regards to the License or registration;
    - 2. The factual basis(es) of the action;
    - 3. The immediate threat to the public health, safety, and welfare;
    - 4. The alleged violation(s) of law, including the alleged noncompliance with law, regulation, guideline or other applicable requirement;
    - 5. The current restriction(s), if any, on the Licensee's or Registrant's operations;
    - 6. Requirements for the continued maintenance and security of any Marijuana and Marijuana Products;
    - 7. The potential for further disciplinary action(s), sanction(s) or fine(s); and
    - 8. The Licensee's right to a hearing, if any.
  - (b) The Commission or a Commission Delegee may modify, amend or rescind the order at any time after its issuance on condition(s) just to all the parties.
- (4) On receipt of the order issued under 935 CMR 500.350(2), the Licensee and its associated agents will immediately comply with the requirements of the order and, if requested, post notice at public entrances to the establishment or other notice in a form and manner determined by the Commission or a Commission Delegee.
- (5) Hearings. Pursuant to its authority under M.G.L. c. 94G, § 4(a)(xxiv) and (g), the Commission has the authority to administer the administrative hearing process and to delegate to a Hearing Officer the authority to conduct an administrative hearing.
- (a) Hearing Request. On written request filed with the Commission, a Licensee shall be afforded a hearing on an order issued under 935 CMR 500.350(2). The hearing request shall be submitted in a form and a manner determined by the Commission or a Commission Delegee including, but not limited to, the request shall be made no later than 21 calendar days after the effective date of the order. A request for a hearing is filed on the date the request is received by the Commission.
    - 1. A timely request for a hearing ~~must~~shall specifically identify each issue and fact in dispute and state the position of the Licensee, the pertinent facts to be adduced at the hearing, and the reasons supporting that position.
    - 2. The failure to timely file a request for a hearing or to state the basis of the hearing request will result in dismissal of the challenge to the findings set forth in the notice of violation(s) or action(s).
  - (b) Hearing Notice. If a hearing is requested in a timely manner under 935 CMR 500.350(5)(a), the Hearing Officer shall provide notice and a hearing promptly after that request, or as soon as is practicable, or at a time mutually agreed by the parties.
  - (c) Conduct of the Hearing.
    - 1. The hearing shall be conducted pursuant to Standard Adjudicatory Rules of Practice and Procedure, which includes 801 CMR 1.01: *Formal Rules*, 801 CMR 1.02: *Informal/Fair Hearing Rules*, and/or 801 CMR 1.03: *Miscellaneous Provisions Applicable to All Administrative Proceedings*.
    - 2. The scope of the hearing shall be limited to whether there existed prior to, or at the time of the order(s) issued pursuant to 935 CMR 500.350(2), or an amended or a modified order, an immediate or serious threat to the public health, safety, or welfare.
    - 3. If the Commission proves by a preponderance of the evidence that there existed an immediate or serious threat to the public health, safety, or welfare,



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the Hearing Officer shall affirm the order.

4. The Hearing Officer shall electronically mail a copy of the recommended decision to each Licensee or Registrant and their attorney(s) of record, and mail a copy on written request.
- (6) The requirements of an order issued under 935 CMR 500.350(2) shall remain in effect until one of the following events has occurred:
- (a) The Commission modifies, amends or rescinds the order;
  - (b) There is a Final Decision on the merits of the order, including judicial review of the order, unless the order is vacated or modified by a court of competent jurisdiction or rescinded by the Commission;
  - (c) There is a Final Decision on the merits of a subsequently issued Order to Show Cause under 935 CMR 500.370: *Order to Show Cause*, including judicial review of the order, unless the order is vacated or modified by a court of competent jurisdiction or rescinded by the Commission; or until such time as is otherwise established under the procedures set forth in 935 CMR 500.500: *Adult Use of Marijuana*.

500.360: Fines

The Commission or a Commission Delegee may issue an order to a Licensee to show cause as to why a fine or other financial penalty against a Licensee or Registrant should not be imposed for any acts or omissions determined to be in violation of the state Marijuana laws, including M.G.L. c. 94G, and 935 CMR 500.000: *Adult Use of Marijuana*.

- (1) Notice of Fines. The Commission or a Commission Delegee shall send written notice of the action taken against a Licensee or Registrant and the basis(es) for that action which shall include, but not be limited to, the following information:
  - (a) The Commission's statutory and regulatory authority, including its jurisdiction over the subject matter and its authority to issue the order with regards to the License or registration;
  - (b) The factual basis(es) of the order;
  - (c) The alleged violation(s) of law;
  - (d) An assessment of an administrative fine of up to \$50,000 per violation, or an order for corrective action fixing a reasonable time for correction of the violation or both; and
  - (e) Notice to the Licensee or Registrant that they may request a hearing in accordance with 935 CMR 500.500: *Adult Use of Marijuana*.
- (2) An administrative fine of up to \$50,000 may be assessed for each violation.
  - (a) The decision to impose any fine or financial penalty shall identify the factors considered by the Commission or a Commission Delegee in setting the amount.
  - (b) Each day during which a violation continues may constitute a separate violation, and each instance and provision of the state Marijuana laws, including M.G.L. c. 94G, and 935 CMR 500.000: *Adult Use of Marijuana*, that is violated may constitute a separate violation.
- (3) The Commission or a Commission Delegee, in determining the amount of fine or financial penalty to impose may consider greater or lesser amount depending on aggravating or mitigating circumstances including, but not limited to:
  - (a) Aggravating Circumstances.
    1. Duration and severity of violation;
    2. Whether the Licensee has previously been subject to an administrative action against its provisional or final License including, but not limited to, a notice

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- of deficiency;
  - 3. Whether the Licensee knew or had reason to know of the violation including, but not limited to, warning or issuance of a notice of deficiency; and
  - 4. Whether the offense:
    - a. Constitutes grounds for denial of a renewal application or suspension or revocation of licensure;
    - b. Involved multiple Persons or Entities Having Direct or Indirect Control or agents of the Licensee;
    - c. Involved any compensating features associated with a valid waiver issued pursuant to 935 CMR 500.850: *Waivers*;
    - d. Involved a Person younger than 21 years old or a Registered Qualifying Patient or Caregiver;
    - e. Involved or affected multiple Consumers;
    - f. Involved or exposed the public to risk of diversion; or
    - g. Created a risk to the public health, safety or welfare.
- (b) Mitigating Circumstances.
- 1. Whether the Commission learned of the violation or risk of violation from the Licensee or Registrant prior to investigation;
  - 2. The financial impact of corrective measures, if any, which provide safeguards exceeding the minimum requirements of 935 CMR 500.000: *Adult Use of Marijuana*. However, financial impact ~~may shall~~ not include any cost associated with loss of economic opportunity due to noncompliance or costs of corrective action necessary to achieve compliance with minimum requirements of 935 CMR 500.000: *Adult Use of Marijuana*;
  - 3. The Licensee's or Registrant's good faith efforts to avoid a violation;
  - 4. The Licensee's or Registrant's degree of cooperation in the investigation;
  - 5. The Licensee's or Registrant's willingness to accept responsibility;
  - 6. The Licensee's or Registrant's compliance with the training requirements pursuant to 935 CMR 500.105(2)(b); and
  - 7. The Licensee's or Registrant's status as current or past leader pursuant to the Leadership Ratings Program under 935 CMR 500.040: *Leadership Rating Program for Marijuana Establishments and Marijuana-related Businesses*.
- (4) The fine or financial penalty shall be due and payable within 30 calendar days of the date of one of the following:
- (a) The date of the assessment; or
  - (b) If a hearing is requested pursuant to 935 CMR 500.500: *Adult Use of Marijuana*, the date of the final agency action.
- (5) Failure to timely pay the fine or financial penalty may result in further action being taken by the Commission or a Commission Delegee including, but not limited to, suspension or revocation of a License or registration.
- (6) If remaining unpaid at the time of Licensure renewal, the fine or financial penalty shall be added to the fee for renewal of the License. A License ~~may shall~~ not be renewed without the payment of the renewal fee and if applicable, an unpaid fine or financial penalty.
- (7) All fines and financial penalties collected by or on behalf of the Commission, pursuant to 935 CMR 500.360: *Fines*, shall be made payable to the Commission and deposited into the Marijuana Regulation Fund. The failure to cooperate with provisions of 935 CMR 500.360: *Fines* may result in administrative or disciplinary action against the Licensees or Registrants.

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### 500.370: Order to Show Cause

- (1) If, after investigation, the Commission or a Commission Delegee determines that there are grounds to suspend or revoke a License or registration, it may also issue an Order to Show Cause why the Licensee or registration should not be suspended or revoked.
- (2) Notice of Violations. The Commission or a Commission Delegee shall send written notice of the action taken against a Licensee or Registrant and the basis for that action which shall include, but not be limited to, the following information:
  - (a) The Commission's statutory and regulatory authority, including its jurisdiction over the subject matter and its authority to issue the order with regards to the License or registration;
  - (b) The factual basis(es) of the order;
  - (c) The alleged violation(s) of law, including the alleged noncompliance with law, regulation, guideline or other applicable requirement;
  - (d) The restriction(s) on the Licensee's or Registrant's operations or the sale or use of Marijuana or Marijuana Products, if any;
  - (e) The potential for further disciplinary action(s), sanction(s) or fine(s); and
  - (f) The right to a hearing, if any.
- (3) The Commission or a Commission Delegee may modify, amend or rescind an order issued pursuant to 935 CMR 500.370: Order to Show Cause on condition(s) to all the parties.

### 500.400: Marijuana Establishment: Grounds for Denial of Application for Licensure

Each of the following, in and of itself, constitutes full and adequate grounds for denying an applicant on an application for a Marijuana Establishment License and the associated individuals and entities, but not for the renewal of a License.

- (1) The applicant failed to complete the application process within the time required by the Commission.
- (2) Information provided by the applicant was deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly, or by omission or ambiguity, including lack of disclosure or insufficient disclosure.
- (3) The application indicates an inability to maintain and operate a Marijuana Establishment in compliance with the requirements of St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, and 935 CMR 500.00: Adult Use of Marijuana including, but not limited to, 935 CMR 500.105: General Operational Requirements for Marijuana Establishments and 935 CMR 500.110: Security Requirements for Marijuana Establishments, based on the submission of information required by 935 CMR 500.101(1): New Applicants.
- (4) The applicant has been determined to be unsuitable pursuant to any one or more of the factors listed in 935 CMR 500.800: Suitability Standard for Licensure and Registration and 935 CMR 500.801: Suitability Standard for Licensure.
- (5) The applicant failed to comply with the control limitations listed in 935CMR 500.050(1)(b) ~~and (e)~~ or would likely fail to comply with such limitations if a License were granted.
- (6) An applicant had its License or registration revoked or application denied in the Commonwealth or an Other Jurisdiction.
- (7) Any other ground that serves the purposes of St. 2016, c. 334, as amended by St. 2017, c.

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55, M.G.L. c. 94G or 935 CMR 500.000: [\*Adult Use of Marijuana\*](#).

500.415: Void Marijuana Establishment License

A Marijuana Establishment License is void if the Marijuana Establishment Ceases to Operate or transfers its location without Commission approval or adds a Person or Entity Having Direct or Indirect Control to the License without Commission approval.

500.450: Marijuana Establishment License: Grounds for Suspension, Revocation and Denial of Renewal Applications

Each of the following, in and of itself, constitutes full and adequate grounds for suspending or revoking a Marijuana Establishment's License or denying a renewal application for a Marijuana Establishment License.

- (1) The Marijuana Establishment is not operational within the time projected in the License application or the time otherwise approved by the Commission.
- (2) Information provided by the Marijuana Establishment was deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly, or by omission or ambiguity, [\*including lack of disclosure or insufficient disclosure\*](#).
- (3) The Marijuana Establishment has failed to comply with any requirement of St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G or 935 CMR 500.000: [\*Adult Use of Marijuana\*](#), or any applicable law or regulation including, but not limited to, the laws and regulations of the Commonwealth relating to taxes, child support, workers' compensation, and professional and commercial insurance coverage.
- (4) The Marijuana Establishment has failed to submit a plan of correction as required or to implement the plan as submitted pursuant to 935 CMR 500.320: [\*Plans of Correction\*](#).
- (5) The Marijuana Establishment has assigned or attempted to change ownership or assign its License to another entity without prior approval of the Commission under 935 CMR 500.104: [\*Notification and Approval of Changes\*](#).
- (6) The Licensee failed to comply with the control limitations listed in 935 CMR 500.050(1)(b) or would likely fail to comply with such limitations if a renewal License were granted.
- (7) There has been a lack of responsible operation of the Marijuana Establishment, as shown by, but not limited to, one or more of the following:
  - (a) Failure to maintain the Marijuana Establishment in a clean, orderly, and sanitary fashion;
  - (b) Permitting a Marijuana Establishment Agent to use a Registration Card belonging to a different person;
  - (c) Failure to make substantial progress toward the Marijuana Establishment's submitted diversity plan or positive impact plan;
  - (d) Repeated sales of Marijuana Products to individuals younger than 21 years old, unless in each instance, the Marijuana Establishment Agent reasonably relied on validly issued government-[\*issued\*](#)-identification [\*card\*](#) in compliance with M.G.L. c. 94G, § 9(b);
  - (e) Repeated failure to verify the age of an individual prior to permitting that individual on the Premises of a Marijuana Establishment or making sales of Marijuana

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Products to that individual; or

(f) Other incompetent or negligent operation.

(8) The financial management of the Marijuana Establishment has resulted in the filing of a petition for ~~bankruptcy or receivership~~ Court Appointee related to the financial solvency of the Marijuana Establishment.

~~(9)~~ A Licensee fails to satisfy the requirements of 935 CMR 500.104(3) or (4), as applicable.

~~(9)~~(10) A person on a Marijuana Establishment License has maintained a substandard level of compliance with the statutory and regulatory requirements for the operation of a Marijuana Establishment in an Other Jurisdiction including, but not limited to: a failure to correct deficiencies, a limitation on, or a suspension, revocation or refusal to grant or renew a registration or License to operate.

~~(10)~~(11) The conduct or practices of the Marijuana Establishment demonstrate a lack of suitability as specified in 935 CMR 500.800: Suitability Standard for Licensure and Registration and 935 CMR 500.801: Suitability Standard for Licensure.

~~(11)~~(12) An individual or entity on a Marijuana Establishment License or Marijuana Establishment Agent has a history of criminal conduct as evidenced by any criminal proceedings that resulted in conviction, guilty plea, plea of *nolo contendere*, or admission to sufficient facts in the Commonwealth or Other Jurisdictions.

~~(12)~~(13) An individual or entity listed on a Marijuana Establishment License has committed, permitted, aided or abetted, or conspired to commit any illegal practice(s) in the operation of any Marijuana Establishment including, but not limited to, engaging in the diversion of Marijuana or Marijuana Products.

~~(13)~~(14) The Marijuana Establishment has failed to cooperate or give information to a law enforcement official acting within his or her lawful jurisdiction related to any matter arising out of conduct at any Marijuana Establishment.

~~(14)~~(15) The conduct or practices of the Marijuana Establishment have been detrimental to the safety, health, or welfare of the public.

~~(15)~~(16) The conduct or practices of the Marijuana Establishment violate 935 CMR 500.145(1)(g)(3) or 935 CMR 500.146(12).

~~(16)~~(17) Any other ground that serves the purposes of St. 2016, c. 334, as amended by St. 2017, c. 55 or 935 CMR 500.000: Adult Use of Marijuana.

500.500: Hearings and Appeals of Actions on Licenses

(1) The Commission has the authority to administer the administrative hearing process under M.G.L. c. 94G, § 4(a)(xxiv) and (g).

(2) A Licensee shall be afforded a hearing on any adverse action taken pursuant to:

(a) 935 CMR 500.360: Fines;

(b) 935 CMR 500.370: Order to Show Cause;

(c) 935 CMR 500.450: Marijuana Establishment License: Grounds for Suspension, Revocation and Denial of Renewal Applications; or

(d) Any other notice of the Commission that specifies that the Licensee or Registrant has a right to challenge the findings of fact and conclusions of law set forth in the

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Commission's notice using the process set forth in 935 CMR 500.500: *Hearings and Appeals of Actions on Licenses*.

(3) Notice(s).

- (a) Notice of Violation(s) includes a notice issued in accordance with 935 CMR 500.360: *Fines* and 935 CMR 500.370: *Order to Show Cause*.
- (b) Notice of Other Action(s). The Commission or a Commission Delegee shall send written notice of the action including, but not limited to, a denial of a renewal License, taken against a Licensee and the basis(es) for that action which shall include, but not be limited to, the following information:
  - 1. The Commission's statutory and regulatory authority, including its jurisdiction over the subject matter and its authority to take action with regards to the License or registration;
  - 2. The factual basis(es) for that action;
  - 3. The alleged violation(s) of law, including its jurisdiction over the subject matter and its authority to issue the order with regards to the License or registration;
  - 4. The current restriction(s) on the Licensee's operations or the sale or use of Marijuana or Marijuana Products, if any;
  - 5. The potential for further disciplinary action(s), sanction(s) or fine(s); and
  - 6. The Licensee's right to a hearing, if any.
- (c) The Commission or a Commission Delegee may modify, amend or rescind a notice issued under 935 CMR 500.500(3)(c).

(4) Hearing Request. The hearing request shall be submitted in a form and a manner determined by the Commission or a Commission Delegee including, but not limited to, the request shall be made no later than 30 days after the effective date of the notice. A request for a hearing is filed on the date the request is received by the Commission.

- (a) A timely request for a hearing ~~must~~shall specifically identify each issue and fact in dispute and state the position of the Licensee, the pertinent facts to be adduced at the hearing, and the reasons supporting that position.
- (b) The failure to timely file a request for a hearing or to state the basis of the hearing request will result in dismissal of the challenge to the findings set forth in the notice of violation(s) or action(s).
- (c) If a timely request for an hearing is made, the Licensee may also seek to stay any action until there has been a final agency action pursuant to 935 CMR 500.500(7) or (12); provided, however, that if the Commission issues an order or notice on the basis of information that ongoing operations pose an immediate or serious threat to the public health, safety or welfare, and that operations without restrictions during the pendency of the administrative appeal could reasonably be expected to endanger the health, safety or welfare of the public, there will be no stay.
- (d) Nothing in 935 CMR 500.500: *Hearings and Appeals of Actions on Licenses* shall preclude the Commission or a Commission Delegee from issuing a stay.

(5) Hearing Officer. The Commission shall designate a Hearing Officer or delegate this designation to the Executive Director.

(6) Hearing Officer's Authority to Take Action in the Event of Waiver, Default or Summary Decision.

- (a) Waiver. If a Licensee fails to request a hearing in a timely manner or otherwise waives their right to a hearing, the Hearing Officer may assume the truth of the allegations set forth in the notice and recommend to the Commission disciplinary action(s), sanction(s) or fine(s) or an informal disposition of the matter.
- (b) Default. If a Licensee defaults, the Hearing Officer or other Commission Delegee

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may assume the truth of the allegations set forth in the notice and recommend to the Commission appropriate disciplinary action(s), sanction(s) or fine(s) or an informal disposition of the matter.

- (c) Summary Decision. If there is no genuine issue of fact to be determined by a hearing, the Hearing Officer may assume the truth of the allegations set forth in the notice and recommend to the Commission disciplinary action(s), sanction(s) or fine(s) or an informal disposition of the matter.
  - (d) For actions without a hearing under 935 CMR 500.500(6)(a) through (c), the Hearing Officer may conduct an evidentiary hearing on the appropriateness of disciplinary action(s), sanction(s) or fine(s).
- (7) Commission's Authority to Review, Approve or Reject Informal Dispositions. At any time, the Commission or a Commission Delegee may, in its discretion, review, approve or reject an informal disposition, but only on a showing that the alleged violations have been corrected, and a submission of a written waiver of its right to judicial review.
- (8) Hearing Notice. If a hearing is requested in a timely manner under 935 CMR 500.500(4): Hearing Request, the Hearing Officer shall provide notice and a hearing within a reasonable time after that request, or as soon as is practicable, or at a time mutually agreed by the parties.
- (a) The hearing notice should comply with M.G.L. c. 30A, § 11(1).
  - (b) Prior to the commencement of a proceeding, a Hearing Officer may conduct conference(s) and refer or require the parties to participate in settlement negotiations. If the parties reach a settlement, the Hearing Officer shall suspend the proceedings pending Commission consideration of the matter under 935 CMR 500.500(7): Commission's Authority to Review, Approve or Reject Informal Dispositions.
- (9) Conduct of the Hearing
- (a) To the extent that a Hearing Officer conducts a proceeding, it shall be conducted pursuant to M.G.L. c. 30A and the Standard Adjudicatory Rules of Practice and Procedure, which includes 801 CMR 1.01: *Formal Rules*, 801 CMR 1.02: *Informal/Fair Hearing Rules*, and/or 801 CMR 1.03: *Miscellaneous Provisions Applicable to All Administrative Proceedings*.
  - (b) In the case of an Order to Show Cause why a License should not be suspended or revoked, the hearing shall be conducted pursuant to M.G.L. c. 30A, §§ 10, 11 and 12.
  - (c) If after the commencement of the hearing, the parties reach a settlement, the Hearing Officer shall suspend the proceedings pending Commission consideration of the matter under 935 CMR 500.500(7): Commission's Authority to Review, Approve or Reject Informal Dispositions.
- (10) Reopening of Hearings. At any time before the Commission's Final Decision is issued, on the motion of any party or on their own initiative, the Commission by a majority vote or the Hearing Officer may on good cause shown reopen the hearing for the purpose of receiving new evidence.
- (11) Hearing Officer's Recommended Decision.
- (a) Burden of Proof.
    1. For a notice of violation(s), the Commission or a Commission Delegee bears the burden of proving the Licensee(s)' violation(s) of law.
    2. For a notice of action(s) including, but not limited to, the denial of a renewal License, the Licensee bears the burden of proving the qualifications for licensure.
  - (b) The Hearing Officer will make a recommended decision to the Commission.

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1. The recommended decision may affirm, modify, or overturn the actions proposed in the notice of violation(s) or action(s).
  2. The recommended decision shall be in writing to the Commission for its consideration which shall include, but not be limited to, a statement of reasons, including a determination of each issue of fact or law necessary to the decision.
  3. The Hearing Officer may recommend disciplinary action(s), sanction(s) or fine(s) or an informal disposition of the matter and provide reasons for the recommendation, including whether the recommendation is consistent with the notice of violation(s) or action(s) and the Commission's prior disciplinary action(s), sanction(s) or fine(s).
  4. The Hearing Officer shall electronically mail a copy of the recommended decision to each Licensee or their attorney(s) of record and on request, mail a copy of the recommended decision to each Licensee or their attorney(s) of record.
- (c) Within 21 calendar days of the issuance of the recommended decision, the parties may submit to the Commission written objections and arguments regarding the Hearing Officer's recommended decision.

(12) Commission's Final Decision.

- (a) The Commission may affirm, adopt, modify, amend, or reverse the recommended decision of the Hearing Officer or remand the matter for further consideration.
- (b) The Commission's decision shall be considered the Final Decision, unless its authority to render a Final Decision is delegated.
  1. The Final Decision shall be in writing. The drafting of the decision may be delegated to the General Counsel so long as the Commission votes on the substance of the Final Decision.
  2. The Final Decision may incorporate by reference the Hearing Officer's recommended decision in whole or in part. The Commission shall consider the parties' written objections and arguments regarding the Hearing Officer's recommended decision under 935 CMR 501.500(11)(c), but is not required to respond to these submissions.
  3. The Final Decision shall include, but not be limited to, the following:
    - a. A statement of reasons including determination of each issue of fact or law necessary to the decision; and
    - b. Any disciplinary action(s), sanction(s) or fine(s) or an informal disposition of the matter.
- (c) The vote on the Final Decision shall be supported and signed by at least three Commissioners. As part of its vote, the Commission may delegate to the General Counsel action(s) needed to finalize the decision including, but not limited to, the stamping of Commissioners' signatures.
- (d) The Commission's Final Decision is a final agency action reviewable under M.G.L. c. 30A, § 14.
- (e) The Commission or a Commission Delegee shall electronically mail a copy of the recommended decision to each Licensee or their attorney(s) of record and on request, mail a copy of the recommended decision to each Licensee or their attorney(s) of record.

- (13) Appeals. Any Person aggrieved by a Final Decision may appeal that decision to the Superior Court in accordance with M.G. L. c. 30A, § 14. The filing of an appeal shall not operate as a stay of enforcement of the Commission's decision, but the Commission may in its discretion stay enforcement.



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- (1) Pursuant to M.G.L. c. 94G, § 4(a)(xii), (xiv), and § 21(a)(ii), the Commission may make, in an exercise of its discretion, a suitability or cure determination based on a factual basis.
- (2) The Commission may also delegate suitability determinations to the Executive Director, who may appoint a Suitability Review Committee (Committee) to advise the Executive Director.
- (3) All suitability determinations will be made in accordance with the procedures set forth in 935 CMR 500.800: Suitability Standard for Licensure and Registration.
- (4) Suitability Review Process.
  - (a) Designated Enforcement staff (staff) shall conduct background checks and gather information and evidence applicable to a subject's suitability and make a recommendation as to suitability and, as appropriate, a cure. Staff may make an adverse suitability recommendation on finding information and evidence that would result in a Mandatory Disqualification, Presumptive Negative Suitability Determination or that would support a Negative Suitability Recommendation.
  - (b) Before making an adverse suitability recommendation, staff shall consult with the Executive Director or the Executive Director's delegee(s). The Executive Director may dispose of the matter or direct the Committee to institute a review of suitability or take any action consistent with M.G.L. c. 94G.
  - (c) If the Executive Director institutes a suitability review, the staff shall send the written notice of an adverse suitability recommendation that identifies the Person or entity subject to suitability review, the particular offenses or conduct relied on and whether that the offenses or conduct results in a Mandatory Disqualification or Presumptive Negative Suitability Determination, or supports a Negative Suitability Recommendation, and reasons for that determination.
  - (d) The notice of an adverse suitability recommendation shall provide an opportunity to cure the suitability issue by removing the subject from its application. To the extent that an applicant removes-can propose a cure, for example, by removing a subject from an application, the removal-cure must-shall be done in a manner determined by the Commission.
  - (e) The notice of an adverse suitability recommendation shall provide the subject with the opportunity to request an informal proceeding before the Suitability Review Committee.
  - (f) A request for an informal proceeding must-shall be submitted in a form and manner determined by the Commission and no later than 14 business days following the effective date of the adverse suitability recommendation. Requests received after 14 business days may be considered at the discretion of the Executive Director or the Committee.
  - (g) On notification of an adverse suitability recommendation and receipt of an informal proceeding request, the Committee shall initiate a proceeding, make a recommendation and/or take other action(s) after consultation with the Executive Director.
  - (h) If an applicant or a subject does not make a timely request for an informal proceeding before the Committee, the Executive Director may forward the adverse suitability recommendation to the Committee for a review, make a suitability determination, or take any action consistent with M.G.L. c. 94G.
- (5) The Committee shall:
  - (a) Consider and review whether offense(s) or information resulting in a Mandatory Disqualification or a Presumptive Negative Suitability Determination under 935 CMR 500.801: *Table A* and 935 CMR 500.802: *Tables B through D* and 935 CMR

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- 500.~~903~~803: *Table E*, as applied to the subject, renders the subject unsuitable for licensure or registration;
- (b) Consider and review whether offense(s) or information not otherwise set forth in 935 CMR 500.801: *Table A* and 935 CMR 500.802: *Tables B through D* and 935 CMR 500.903: *Table E* would result in a Negative Suitability Recommendation and renders the subject unsuitable for licensure or registration; and
- (c) Subsequent to its review of a suitability matter, make recommendations to the Executive Director, or the Commission, or a Commission Delegee(s).
- (6) When reviewing an adverse suitability recommendation by staff that there is an offense resulting in a Mandatory Disqualification, the Commission shall consider credible and reliable information demonstrating that:
- (a) The disqualifying event was based on erroneous information or evidence; and
- (b) The subject can demonstrate that prior to the informal proceeding, the adverse suitability recommendation can no longer be supported because the error was corrected.
- (7) When reviewing an offense resulting in a Presumptive Negative Suitability Determination, the committee shall take into consideration the following factors:
- (a) Nature and Specific Circumstances of the Offense or Incident:
1. Time since the offense or incident;
  2. Number of offenses or incidents;
  3. If criminal, sentence imposed and length, if any, of incarceration;
  4. If criminal, sentence imposed and length, if any, of parole or probation; and
  5. Relationship of offense or incident to nature of work to be performed.
- (b) Mitigating Factors:
1. Age of the subject at the time of the offense or incident; and
  2. Whether offenses or incidents were committed in association with dependence on drugs or alcohol from which the subject has since recovered.
- (c) Conduct Since Time of the Offense or Incident:
1. If criminal, any relevant evidence of rehabilitation or lack thereof, such as information about compliance with conditions of parole or probation, including orders of no contact with victims and witnesses;
  2. The subject's conduct and experience since the time of the offense including, but not limited to, professional or educational certifications obtained; and
- (d) Any other relevant information, including information submitted by the subject to the Committee or requested by the Commission.
- (8) The Committee may make a Negative Suitability Determination in the following circumstances:
- (a) On the receipt of the staff's Negative Suitability Recommendation that there is credible and reliable information in the five years immediately preceding the application:
1. The applicant's or Licensee's prior actions posed or would likely pose a risk to the public health, safety, or welfare if a License or registration is granted or renewed; and
  2. The risk posed by the applicant's or Licensee's actions relates or would likely relate to the operation of a Marijuana Establishment.
- (b) On review of this recommendation, the Committee shall consider whether the staff has carried its burden of demonstrating:
1. The applicant's or Licensee's prior actions posed or would likely pose a risk to the public health, safety, or welfare if a License or registration is granted or renewed; and
  2. The risk posed by the applicant's or Licensee's actions relates or would likely

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relate to the operation of a Marijuana Establishment.

- (9) Where a Marijuana Establishment Agent listed on the application for licensure in accordance with 935 CMR 500.101(1): *New Applicants*, is found to have no suitability issue under 935 CMR 500.801: *Table A*, or to have overcome any suitability issue, the agent shall not be subject to a subsequent suitability review under 935 CMR 500.802: *Tables B through D* and 935 CMR 500.803: *Table: E*.
- (a) Nothing in 935 CMR 500.800(9) relieves the requirement that the applicant or Licensee conduct background checks on its agents and disclose to the Commission's staff any suitability issue(s) that arise as a result of those checks.
  - (b) Any subsequent disclosure of background check information for a Marijuana Establishment Agent required to be listed and evaluated pursuant to 935 CMR 500.101(1): *New Applicants*, will be assessed pursuant to 935 CMR 500.801: *Table A* or on other grounds for a Negative Suitability Determination only.
  - (c) Nothing in 935 CMR 500.800(9) precludes the Commission from initiating a suitability review based on background information received after the Commission's initial suitability review.
- (10) The Executive Director in consultation with the Committee may determine that a subject's suitability warrants the Commission's consideration. The Executive Director may also remand a matter to staff for further investigation prior to making a determination. The Commission may consider the determination when acting on the application or renewal.

500.801: Suitability Standard for Licensure

- (1) In accordance with M.G.L. c. 94G, § 5, the Commission is prohibited from licensing a Marijuana Establishment where an individual who is a Person Having Direct or Indirect Control has been convicted of a felony or offense in an Other Jurisdiction that would be a felony in the Commonwealth, except a prior conviction solely for a Marijuana offense or solely for a violation of M.G.L. c. 94C, § 34, unless the offense involved distribution of a controlled substance, including Marijuana, to a minor.
- (2) For purposes of determining suitability based on background checks in accordance with 935 CMR 500.101(1)(b):
  - (a) All conditions, offenses, and violations are construed to include Massachusetts law or like or similar law(s) of Other Jurisdictions.
  - (b) All criminal disqualifying conditions, offenses, and violations include the crimes of attempt, accessory, conspiracy, and solicitation.
  - (c) Juvenile dispositions shall not be considered as a factor for determining suitability.
  - (d) Where applicable, all look back periods for criminal conditions, offenses, and violations included in 935 CMR 500.801: *Table A* commence on the date of disposition; provided, however, that if disposition results in incarceration in any institution, the look back period shall commence on release from incarceration.
  - (e) Unless otherwise specified in 935 CMR 500.801: *Table A*, a criminal condition, offense or violation shall include both convictions, which include guilty pleas and pleas of *nolo contendere*, and dispositions resulting in continuances without a finding or other disposition constituting an admission to sufficient facts, but shall exclude other non-conviction dispositions.
- (3) Licensees and Registered Agents shall remain suitable at all times a License or registration remains in effect. An individual subject to this section shall notify the Commission in writing of any charge or conviction of an offense that would result in a presumptive negative suitability determination or mandatory disqualification under 935 CMR 500.801: *Table A*, 935 CMR 500.802: *Tables A through D* and 935 CMR 500.803: *Table E* within ten days

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of such individual's arrest or summons, and within ten days of the disposition on the merits of the underlying charge. Failure to make proper notification to the Commission may be grounds for disciplinary action. If the Commission lawfully finds a disqualifying event and the individual asserts that the record was sealed, the Commission may require the individual to provide proof from a court evidencing the sealing of the case.

Table A: Marijuana Establishment Licensees. Shall apply solely to applicants, Licensees and Persons or Entities Having Direct or Indirect Control in accordance with 935 CMR 500.101(1): New Applicants and 935 CMR 500.103(4): Expiration and Renewal of Licensure.

Time Period	Precipitating Issue	Result
Present (during time from start of application process through action on application or renewal)	<b>Open/Unresolved Criminal Proceedings:</b> Any outstanding or unresolved criminal proceeding, the disposition of which may result in a felony conviction under the laws of the Commonwealth or Other Jurisdictions, but excluding any criminal proceeding based solely on a Marijuana-related offense or a violation of M.G.L. c. 94C, § 32E(a) or § 34.	Mandatory Disqualification
Present	<b>Outstanding or Unresolved Criminal Warrants</b>	Presumptive Negative Suitability Determination
Present	<b>Submission of Untruthful Information to the Commission Including, but Not Limited to:</b> Submission of information in connection with a License application, waiver request or other Commission action that is deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly, or by omission or ambiguity, <u>including lack of disclosure or insufficient disclosure</u> ; or making statements during or in connection with a Commission inspection or investigation that are deceptive, misleading, false or fraudulent, or that tend to deceive or create a misleading impression, whether directly, or by omission or ambiguity, <u>including lack of disclosure or insufficient disclosure</u> .	Presumptive Negative Suitability Determination
Present	<b>Open/Unresolved Marijuana License or Registration Violations (Massachusetts or Other Jurisdictions)</b>	Presumptive Negative Suitability Determination
Present	<b>Open Professional or Occupational License Cases</b>	Presumptive Negative Suitability Determination

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<b>Time Period</b>	<b>Precipitating Issue</b>	<b>Result</b>
Indefinite	<b>Sex Offender Registration:</b> Required to register as a sex offender in Massachusetts or an Other Jurisdiction.	Mandatory Disqualification
Indefinite	<b>Felony Convictions in Massachusetts or an Other Jurisdiction Including, but Not Limited to:</b> Felony weapons violation involving narcotics; Felony involving violence against a person; Felony involving theft or fraud; and Felony drug, excluding conviction solely for a Marijuana-related offense or solely for a violation of M.G.L. c. 94C, § 34.	Mandatory Disqualification
Indefinite	<b>Conviction or Continuance without a Finding (CWO) for Any Distribution of a Controlled Substance to a Minor</b>	Mandatory Disqualification
Indefinite	<b>Non-felony Weapons Violations, Including Firearms, Involving Narcotics</b>	Presumptive Negative Suitability Determination
Indefinite	<b>Firearms-related Crimes</b>	Presumptive Negative Suitability Determination
Indefinite	<b>Multiple Crimes of Operating under the Influence</b> Two offenses within a ten-year period; or Three or more offenses within any period of time.	Presumptive Negative Suitability Determination
Preceding Five Years	<b>Multiple Crimes</b> During the five years immediately preceding the application for licensure that separately may not result in a negative determination of suitability, but may, if taken together and tending to show a pattern of harmful behavior, result in a negative determination of suitability depending on the type and severity of the crimes.	Presumptive Negative Suitability Determination
Preceding Five Years	<b>Crimes of Domestic Violence Including, but Not Limited to:</b> Violation of an abuse prevention restraining order under M.G.L. c. 209A  Violation of a harassment prevention order under M.G.L. c. 258E	Presumptive Negative Suitability Determination

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Time Period	Precipitating Issue	Result
Preceding Five Years	<p><b>Marijuana License or Registration Violations (Massachusetts or Other Jurisdictions)</b></p> <p>The applicant or a Licensee held a License that was revoked, a renewal application that was denied, or a similar action taken with relation to their Marijuana business in Massachusetts or Other Jurisdiction, whether by administrative action or stipulated agreement.</p>	Mandatory Disqualification
More than Five and less than Ten Years	<p><b>Marijuana License or Registration Violations (Massachusetts or Other Jurisdictions)</b></p> <p>The applicant or a Licensee held a License that was revoked, a renewal application that was denied, or a similar action taken with relation to their Marijuana business in Massachusetts or Other Jurisdiction, whether by administrative action or stipulated agreement.</p>	Presumptive Negative Suitability Determination
Preceding Five Years	<p>The applicant's or Licensee's prior actions posed or would likely pose a risk to the public health, safety, or welfare; and</p> <p>the risk posed by the applicant's or Licensee's actions relates or would likely relate to the operation of a Marijuana Establishment.</p>	May make a Negative Suitability Determination in accordance with 935 CMR 500.800(8)

500.802: Suitability Standard for Registration as a Marijuana Establishment Agent

- (1) In accordance with M.G.L. c. 94G, § 4(a½)(iii), the Commission has established qualifications for licensure and minimum standards for employment that are directly and demonstrably related to the operation of a Marijuana Establishment and similar to qualifications for licensure and employment standards in connection with alcoholic Beverages as regulated under M.G.L. c. 138; provided, that a prior conviction solely for a Marijuana-related offense or for a violation of M.G.L. c. 94C, § 34 shall not disqualify an individual or otherwise affect eligibility for employment or licensure in connection with a Marijuana Establishment, unless the offense involved the distribution of a controlled substance, including Marijuana, to a minor.
- (2) For purposes of determining suitability based on background checks in accordance with 935 CMR 500.030: *Registration as a Marijuana Establishment Agent* and 935 CMR 500.101: *Application Requirements*:
  - (a) All conditions, offenses, and violations are construed to include Massachusetts law or like or similar law(s) of Other Jurisdictions.
  - (b) All criminal disqualifying conditions, offenses, and violations include the crimes of attempt, accessory, conspiracy and solicitation.
  - (c) Juvenile dispositions shall not be considered as a factor for determining suitability.
  - (d) Where applicable, all look back periods for criminal conditions, offenses, and violations included in 935 CMR 500.801: *Tables B through D* commence on the date of disposition; provided, however, that if disposition results in incarceration in any institution, the look back period shall commence on release from incarceration.
  - (e) Unless otherwise specified in 935 CMR 500.801: *Tables B through D*, a criminal condition, offense or violation shall include both convictions, which include guilty

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pleas and pleas of *nolo contendere*, and dispositions resulting in continuances without a finding or other disposition constituting an admission to sufficient facts, but shall exclude other non-conviction dispositions. All suitability determinations will be made in accordance with the procedures set forth in 935 CMR 500.800: *Suitability Standard for Licensure and Registration*. In addition to the requirements established in 935 CMR 500.800: *Suitability Standard for Licensure and Registration* shall:

1. Consider whether offense(s) or information that would result in a Presumptive Negative Suitability Determination under 935 CMR 500.801: *Tables B through D* renders the subject unsuitable for registration regardless of the determination of the Licensee; and
2. Consider appeals of determinations of unsuitability based on claims of erroneous information received as part of the background check during the application process in accordance with 803 CMR 2.17: *Requirement to Maintain a Secondary Dissemination Log* and 803 CMR 2.18: *Adverse Employment Decision Based on CORI or Other Types of Criminal History Information Received from a Source Other than the DCJIS*.

- (3) Registered Agents shall remain suitable at all times a License or registration remains in effect. An individual subject to 935 CMR 500.802: *Suitability Standard for Registration as a Marijuana Establishment Agent* shall notify the Commission in writing of any charge or conviction of an offense that would result in a presumptive negative suitability determination or mandatory disqualification under 935 CMR 500.801: *Tables B through D* within ten days of such individual's arrest or summons, and within ten days of the disposition on the merits of the underlying charge. Failure to make proper notification to the Commission may be grounds for disciplinary action. If the Commission lawfully finds a disqualifying event and the individual asserts that the record was sealed, the Commission may require the individual to provide proof from a court evidencing the sealing of the case.

Table B: Retail, ~~Delivery-only~~ Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement, Social Consumption Establishment, and Transporter Marijuana Establishment Agents. Shall apply solely to applicants for registration as a Marijuana Establishment Agent at a Marijuana Establishment licensed pursuant to 935 CMR 500.100: *Application for Licensing of Marijuana Establishments*., as a Marijuana Retailer, ~~Delivery-only~~ Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement, Social Consumption Establishment, or as a Marijuana Transporter, under 935 CMR 500.050: *Marijuana Establishments*.

Time Period	Precipitating Issue	Result
Present (during time from start of application process through action on application or renewal.)	<b>Open/Unresolved Criminal Proceedings:</b> Any outstanding or unresolved criminal proceeding, the disposition of which may result in a felony conviction under the laws of the Commonwealth or Other Jurisdictions, but excluding any criminal proceeding based solely on a Marijuana-related offense or a violation of M.G.L. c. 94C, § 32E(a) or § 34.	Presumptive Negative Suitability Determination
Present	<b>Open Professional or Occupational License Cases</b>	Presumptive Negative Suitability Determination

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Time Period	Precipitating Issue	Result
Present	<p><b>Open/Unresolved Marijuana License or Registration Violations (Massachusetts or Other Jurisdictions):</b></p> <p>An outstanding or unresolved violation of the regulations as included in 935 CMR 500.000: <u><a href="#">Adult Use of Marijuana</a></u> or a similar statute or regulations of an Other Jurisdiction, which has either (a) remained unresolved for a period of six months or more; or (b) the nature of which would result in a determination of unsuitability for registration.</p>	Presumptive Negative Suitability Determination
Present	<p><b>Submission of Untruthful Information to the Commission Including, but Not Limited to:</b></p> <p>Submission of information in connection with an agent application, waiver request or other Commission action that is deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly, or by omission or ambiguity, <u><a href="#">including lack of disclosure or insufficient disclosure</a></u>; or</p> <p>making statements during or in connection with a Commission inspection or investigation that are deceptive, misleading, false or fraudulent, or that tend to deceive or create a misleading impression, whether directly, or by omission or ambiguity, <u><a href="#">including lack of disclosure or insufficient disclosure</a></u>.</p>	Presumptive Negative Suitability Determination
Indefinite	<p><b>Sex Offense:</b></p> <p>Felony conviction for a "sex offense" as defined in M.G.L. c. 6, § 178C and M.G. L. c. 127, § 133E or like offenses in Other Jurisdictions.</p>	Mandatory Disqualification
Indefinite	<p><b>Felony Convictions in Massachusetts or Other Jurisdictions:</b></p> <p>For trafficking crimes under M.G.L. c. 94C, § 32E, or like crimes in Other Jurisdictions, except convictions for solely Marijuana-related crimes under M.G.L. c. 94C, § 32E (a), or like crimes in Other Jurisdictions.</p>	Mandatory Disqualification
Indefinite	<p><b>Conviction or Continuance without a Finding (CWOFF) for Any Distribution of a Controlled Substance to a Minor</b></p>	Mandatory Disqualification
Indefinite	<p><b>Failure to Register as a Sex Offender in Any Jurisdiction</b></p>	Mandatory Disqualification



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Time Period	Precipitating Issue	Result
Preceding Five Years	<p><b>Crimes of Domestic Violence Including, but Not Limited to:</b></p> <p>Violation of an abuse prevention restraining order under M.G.L. c. 209A; and</p> <p>Violation of a harassment prevention order under M.G.L. c. 258E.</p>	Presumptive Negative Suitability Determination
Indefinite	<p><b>(For Agents Working for a Transporter and <del>Delivery-only</del> Delivery)</b></p> <p>Licensee or a Marijuana Establishment with a Delivery</p> <p><b>Endorsement Multiple Crimes of Operating under the Influence:</b></p> <p>Two offenses within a ten-year period; or</p> <p>three or more offenses within any period of time.</p>	Presumptive Negative Suitability Determination
Preceding Five Years	<p><b>Felony Convictions in Massachusetts or Other Jurisdictions:</b></p> <p>For crimes of violence against a person or crimes of dishonesty or fraud, "violent crime" to be defined the same way as under M.G.L. c. 140, § 121 and M.G.L. c. 127, § 133E.</p>	Mandatory Disqualification
Preceding Five Years	<p>The applicant's or Licensee's prior actions posed or would likely pose a risk to the public health, safety, or welfare; and</p> <p>the risk posed by the applicant's or Licensee's actions relates or would likely relate to the operation of a Marijuana Establishment.</p>	May make a Negative Suitability Determination in accordance with 935 CMR 500.800(8)

Table C: Marijuana Product Manufacturer Marijuana Establishment Agents. Shall apply solely to applicants for registration as an agent at a Marijuana Establishment licensed pursuant to 935 CMR 500.100: Application for Licensing of Marijuana Establishments as a Marijuana Product Manufacturer under 935 CMR 500.050: Marijuana Establishments.

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Time Period	Precipitating Issue	Result
Present (during time from start of application process through action on application or renewal.)	<p><b>Open/Unresolved Criminal Proceedings:</b></p> <p>Any outstanding or unresolved criminal proceeding, the disposition of which may result in a felony conviction under the laws of the Commonwealth or a similar law in an Other Jurisdiction, but excluding any criminal proceeding based solely on a Marijuana-related offense or a violation of M.G.L. c. 94C, § 32E (a) and § 34.</p>	Presumptive Negative Suitability Determination
Present	<p><b>Open Professional or Occupational License Cases</b></p>	Presumptive Negative Suitability Determination
Present	<p><b>Open/Unresolved Marijuana License or Registration Violations (Massachusetts or Other Jurisdictions):</b></p> <p>An outstanding or unresolved violation of the regulations as included in 935 CMR 500.000: <u><a href="#">Adult Use of Marijuana</a></u> or a similar statute or regulations in an Other Jurisdiction, that has either (a) remained unresolved for a period of six months or more; or (b) the nature of which would result in a determination of unsuitability for registration.</p>	Presumptive Negative Suitability Determination
Present	<p><b>Submission of Untruthful Information to the Commission Including, but Not Limited to:</b></p> <p>Submission of information in connection with an agent application, waiver request or other Commission action that is deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly, or by omission or ambiguity, <u><a href="#">including lack of disclosure or insufficient disclosure</a></u>; or</p> <p>making statements during or in connection with a Commission inspection or investigation that are deceptive, misleading, false or fraudulent, or that tend to deceive or create a misleading impression, whether directly, or by omission or ambiguity, <u><a href="#">including lack of disclosure or insufficient disclosure</a></u>.</p>	Presumptive Negative Suitability Determination
Present	<p><b>Felony Convictions in Massachusetts or Other Jurisdictions:</b></p> <p>For trafficking crimes under M.G.L. c. 94C, § 32E, or like crimes in Other Jurisdictions, except convictions for solely Marijuana-related crimes under § 32E (a), or like crimes in Other Jurisdictions.</p>	Mandatory Disqualification

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Time Period	Precipitating Issue	Result
Indefinite	<b>Conviction or Continuance without a Finding (CWO) for Any Distribution of a Controlled Substance to a Minor</b>	Mandatory Disqualification
	<b>Failure to Register as a Sex Offender in Massachusetts or an Other Jurisdiction</b>	
	<b>Felony Convictions in Massachusetts or Other Jurisdictions for Crimes of Violence Against a Person or Crimes of Dishonesty or Fraud, "Violent Crime" to Be Defined the Same Way as under M.G.L. c. 140, § 121 and M.G.L. c. 127, § 133E.</b>	
Preceding Ten Years	<b>Sex Offense:</b> Felony conviction for a "sex offense" as defined in M.G.L. c. 6, § 178C and M.G. L. c. 127, § 133E or like offenses in Other Jurisdictions.	Mandatory Disqualification
Preceding Five Years	The applicant's or Licensee's prior actions posed or would likely pose a risk to the public health, safety, or welfare; and  the risk posed by the applicant's or Licensee's actions relates or would likely relate to the operation of a Marijuana Establishment.	May make a Negative Suitability Determination in accordance with 935 CMR 500.800(8)

Table D: Cultivation Marijuana Establishment Agents. Shall apply solely to applicants for registration as an agent at a Marijuana Establishment licensed pursuant to 935 CMR 500.100: *Application For Licensing of Marijuana Establishments* as a Marijuana Cultivator or Craft Marijuana Cooperative under 935 CMR 500.050: *Marijuana Establishments*.

Time Period	Precipitating Issue	Result
Present (during time from start of application process through action on application or renewal.)	<b>Open/Unresolved Criminal Proceedings:</b> Any outstanding or unresolved criminal proceeding, the disposition of which may result in a felony conviction under the laws of the Commonwealth or a similar law in an Other Jurisdiction, but excluding any criminal proceeding based solely on a Marijuana-related offense or a violation of M.G.L. c. 94C, § 32E (a) or § 34.	Presumptive Negative Suitability Determination
Present	<b>Open Professional or Occupational License Cases</b>	Presumptive Negative Suitability Determination

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Time Period	Precipitating Issue	Result
Present	<p><b>Open/Unresolved Marijuana License or Registration Violations (Massachusetts or Other Jurisdictions):</b></p> <p>An outstanding or unresolved violation of the regulations as included in 935 CMR 500.000: <u><a href="#">Adult Use of Marijuana</a></u> or a similar statute or regulations in an Other Jurisdiction, that has either (a) remained unresolved for a period of six months or more; or (b) the nature of which would result in a determination of unsuitability for registration</p>	Presumptive Negative Suitability Determination
Present	<p><b>Submission of Information to the Commission Including, but Not Limited to:</b></p> <p>Submission of information in connection with an agent application, waiver request or other Commission action that is deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly, or by omission or ambiguity, <u><a href="#">including lack of disclosure or insufficient disclosure</a></u>; or</p> <p>making statements during or in connection with a Commission inspection or investigation that are deceptive, misleading, false or fraudulent, or that tend to deceive or create a misleading impression, whether directly, or by omission or ambiguity, <u><a href="#">including lack of disclosure or insufficient disclosure</a></u>.</p>	Presumptive Negative Suitability Determination
Indefinite	<b>Conviction or Continuance without a Finding (CWOFF) for Any Distribution of a Controlled Substance to a Minor</b>	Mandatory Disqualification
Indefinite	<p><b>Felony Convictions in Massachusetts or Other Jurisdictions</b></p> <p>For crimes of violence against a person, "violent crime" to be defined the same way as under M.G.L. c. 140, § 121 and M.G.L. c. 127, § 133E</p>	Presumptive Negative Suitability Determination
Preceding Three Years	<p><b>Felony Convictions in Massachusetts or Other Jurisdictions:</b></p> <p>For crimes of dishonesty or fraud.</p>	Mandatory Disqualification
Preceding Five Years	<p>The applicant's or Licensee's prior actions posed or would likely pose a risk to the public health, safety, or welfare; and</p> <p>the risk posed by the applicant's or Licensee's actions relates or would likely relate to the operation of a Marijuana Establishment.</p>	May make a Negative Suitability Determination in accordance with 935 CMR 500.800(8)

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500.803: Suitability Standard for Registration as a Laboratory Agent

- (1) 935 CMR 500.803: *Suitability Standard for Registration as a Laboratory Agent* shall apply to Laboratory Agents in their capacity as employees or volunteers for an Independent Testing Laboratory licensed pursuant to 935 CMR 500.029 and shall be used by the Independent Testing Laboratory Executive registered with the DCJIS pursuant to 803 CMR 2.04: *iCORI Registration and the Commission* for purposes of determining suitability for registration as a Laboratory Agent with the Licensee.
- (2) In accordance with M.G.L. c. 94G, § 15(b)(5), the Commission is prohibited from issuing a registration to a Laboratory Agent who has been convicted of a felony drug offense in the Commonwealth or Other Jurisdictions that would be a felony drug offense in the Commonwealth.
- (3) For purposes of determining suitability based on background checks performed in accordance with 935 CMR 500.803: *Suitability Standard for Registration as a Laboratory Agent*:
  - (a) All conditions, offenses, and violations are construed to include Massachusetts law or similar law(s) of Other Jurisdictions.
  - (b) All criminal disqualifying conditions, offenses, and violations include the crimes of attempt, accessory, conspiracy, and solicitation.
  - (c) Juvenile dispositions shall not be considered as a factor for determining suitability.
  - (d) Where applicable, all look back periods for criminal conditions, offenses, and violations included in 935 CMR 500.803: *Table E* commence on the date of disposition; provided however, that if disposition results in incarceration in any institution, the look back period shall commence on release from incarceration.
  - (e) Unless otherwise specified in 935 CMR 500.803: *Table E*, a criminal condition, offense or violation shall include both convictions, which include guilty pleas and pleas of *nolo contendere*, and dispositions resulting in continuances without a finding or other disposition constituting an admission to sufficient facts, but shall exclude other non-conviction dispositions.
  - (f) All suitability determinations will be made in accordance with the procedures set forth in 935 CMR 500.800: *Suitability Standard for Licensure and Registration*. In addition to the requirements established in 935 CMR 500.800: *Suitability Standard for Licensure and Registration* shall:
    1. Consider whether offense(s) or information that would result in a Presumptive Negative Suitability Determination under 935 CMR 500.803: *Table E* renders the subject unsuitable for registration regardless of the determination of the Licensee; and
    2. Consider appeals of determinations of unsuitability based on claims of erroneous information received as part of the background check during the application process in accordance with 803 CMR 2.17: *Requirement to Maintain a Secondary Dissemination Log* and 2.18: *Adverse Employment Decision Based on CORI* or Other Types of Criminal History Information Received from a Source Other than the DCJIS.

Table E: Registration as a Laboratory Agent. Shall apply solely to applicants for registration as a Laboratory Agent in accordance with 935 CMR 500.803: *Suitability Standard for Registration as a Laboratory Agent* at a Marijuana Establishment licensed pursuant to 935 CMR 500.050: *Marijuana Establishments*.

935 CMR: CANNABIS CONTROL COMMISSION

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Time Period	Precipitating Issue	Result
Present (during time from start of application process through action on application or renewal.)	<p><b>Open/Unresolved Criminal Proceedings:</b></p> <p>Any outstanding or unresolved criminal proceeding, the disposition of which may result in a felony conviction under the laws of the Commonwealth or a similar law in Other Jurisdictions.</p>	Mandatory Disqualification
Present	<p><b>Open/Unresolved Marijuana Business-Related License Violations (Massachusetts or Other Jurisdictions):</b></p> <p>An outstanding or unresolved violation of the regulations as included in 935 CMR 500.000: <i>Adult Use of Marijuana</i> or a similar statute or regulations in Other Jurisdictions that has either (a) remained unresolved for a period of six months or more; or (b) the nature of which would result in a determination of unsuitability for registration.</p>	Presumptive Negative Suitability Determination
Present	<p><b>Submission of False or Misleading Information to the Commission Including, but Not Limited to:</b></p> <p>Submission of information in connection with an agent application, waiver request or other Commission action that is deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly, or by omission or ambiguity, <u>including lack of disclosure or insufficient disclosure</u>; or</p> <p>making statements during or in connection with a Commission inspection or investigation that are deceptive, misleading, false or fraudulent, or that tend to deceive or create a misleading impression, whether directly, or by omission or ambiguity, <u>including lack of disclosure or insufficient disclosure</u>.</p>	Presumptive Negative Suitability Determination
Present	<p><b>Open Professional or Occupational License Cases</b></p>	Mandatory Disqualification
Indefinite	<p><b>Felony Convictions in Massachusetts or Other Jurisdictions:</b></p> <p>For drug offenses or trafficking crimes under M.G.L. c. 94C, § 32E, or like crimes in Other Jurisdictions.</p>	Mandatory Disqualification

935 CMR: CANNABIS CONTROL COMMISSION

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Time Period	Precipitating Issue	Result
Preceding Five Years	<b>Felony Convictions or CWOFF in Massachusetts or Other Jurisdictions:</b> For crimes of violence against a person, "violent crime" to be defined the same way as under M.G.L. c. 140, § 121 and M.G.L. c. 127, § 133E.	Presumptive Negative Suitability Determination
Preceding Seven Years	<b>Felony Convictions or CWOFF in Massachusetts or Other Jurisdictions:</b> For crimes of dishonesty or fraud.	Presumptive Negative Suitability Determination
Preceding Five Years	The applicant's or Licensee's prior actions posed or would likely pose a risk to the public health, safety, or welfare; and  the risk posed by the applicant's or Licensee's actions relates or would likely relate to the operation of a Marijuana Establishment.	May make a Negative Suitability Determination in accordance with 935 CMR 500.800(8)

500.820: Confidentiality

- (1) All records made or received by the Commission shall be public records and shall be available for disclosure on request pursuant to this section and 950 CMR 32.00: *Public Records Access*, except the following, which shall be exempt from disclosure to the extent permitted by law:
  - (a) All records exempt from disclosure pursuant to M.G.L. c. 4, § 7, cl. 26;
  - (b) All records to the extent that they contain "personal data" pursuant to M.G.L. c. 66, § 1;
  - (c) All records to the extent that they contain "personal information" pursuant to M.G.L. c. 93H, § 1;
  - (d) All records which contain CORI as defined by 803 CMR 2.02: *Definitions*;
  - (e) All records which contain CHRI as defined by 803 CMR 7.02: *Definitions*; and
  - (f) All Confidential Records as defined in 935 CMR 500.002.
  
- (2) All records protected from disclosure under 935 CMR 500.820(1) or pursuant to the laws of any Other Jurisdiction may be disclosed by the Commission:
  - (a) If disclosure is required pursuant to a state or federal law;
  - (b) To the individual or the individual's authorized representative, if the individual executes a written release in a form and manner determined by the Commission;
  - (c) To the Commission staff for the purpose of carrying out their official duties;
  - (d) To the Commission Delegee(s) as authorized by the Commission;
  - (e) To other government officials and agencies acting within their lawful jurisdiction which includes, but is not limited to, law enforcement personnel;
  - (f) To a healthcare professional who has a *Bona Fide* Healthcare Professional-Patient Relationship with the Qualifying Patient to facilitate dispensing of Medical-use Marijuana;
  - (g) To an MTC or any state agency to facilitate the dispensing of Medical-use Marijuana;
  - (h) To the Commission staff if required in the course of an administrative or a judicial proceeding; or
  - (i) If an individual or entity obtains an order from a court of competent jurisdiction.

## 935 CMR: CANNABIS CONTROL COMMISSION

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- (3) Nothing in 935 CMR 500.820: *Confidentiality* shall prevent the Commission from acting in accordance with its authority.

### 500.830: Petitions for the Adoption, Amendment or Repeal of Regulations

- (1) Any interested Person may file a petition with the Commission pursuant to M.G.L. c. 30A, § 4, for the adoption, amendment or repeal of any regulation. Such petition shall be submitted in written and electronic form, be signed by the petitioner or petitioner's representative, and include the following information:
  - (a) The name, address, and relevant contact information for the petitioner or the petitioner's representative;
  - (b) The petitioner's specific interest in the regulation;
  - (c) The petitioner's request for the adoption, amendment or repeal of a regulation, including proposed regulatory language;
  - (d) If the request is to amend an existing regulation, a copy of the existing regulation with changes clearly marked on paper and electronic copies; and
  - (e) The reasons for the request including, but not limited to, citation to any relevant legal authority, arguments and evidence, including data, that supports the request.
- (2) After receipt of a petition for submitted in accordance with 935 CMR 500.830: *Petitions for the Adoption, Amendment or Repeal of Regulations*, the Commission may consider the petition at an open meeting pursuant to M.G.L. c. 30A, § 20, and determine, in its discretion, whether to take any action on or as a result of the petition. The Commission may also delegate the review of petitions to its Executive Director.
- (3) Within a reasonable time, the Commission or a Commission Delegee will notify the petitioner as to its determination, if any, concerning the petition.
- (4) The submission of a petition for the adoption, amendment or repeal of any regulation pursuant to 935 CMR 500.830(1), and any action, inaction, determination or notice by the Commission pursuant to 935 CMR 500.830(2) with respect thereto, shall not constitute the adoption, amendment or repeal of a regulation, unless or until regulations are duly promulgated by the Commission in accordance with M.G.L. c. 30A, *State Administrative Procedure Act*, and 950 CMR 20.00: *Preparing and Filing Regulations, and the regulatory process requirements of the Secretary of the Commonwealth*.

### 500.840: Non-conflict with Other Laws

- (1) Nothing in 935 CMR 500.000: *Adult Use of Marijuana* shall be construed to limit the applicability of any other law as it pertains to the rights of landlords, employers, Law Enforcement Authorities, or regulatory agencies, except as otherwise provided in 935 CMR 500.000: *Adult Use of Marijuana*.
- (2) Nothing in 935 CMR 500.000: *Adult Use of Marijuana*:
  - (a) Allows the operation of a motor vehicle, boat, or aircraft while under the influence of Marijuana;
  - (b) Requires the violation of federal law or purports to give immunity under federal law; or
  - (c) Poses an obstacle to federal enforcement of federal law.

### 500.850: Waivers

- (1) The Commission may delegate its authority to the Executive Director to waive a regulatory requirement promulgated under M.G.L. c. 94G, § 4 and M.G.L. c. 94I, § 7. The Executive



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Director may determine the form and manner of the waiver process. There can be no waiver of statutory requirements.

- (2) The Commission may waive applicability of one or more of the requirements imposed by 935 CMR 500.000: *Adult Use of Marijuana* on the submission of written documentation and a finding that:
  - (a) Compliance would cause undue hardship to the requestor;
  - (b) If applicable, the implementation of compensating features acceptable to the Commission;
  - (c) The noncompliance with the regulatory requirement would not jeopardize the health, safety, or welfare of any Registered Qualifying Patient or the public; and
  - (d) The granting of the waiver would not constitute a waiver of any statutory requirements.
- (3) Waiver of Security Requirements. Any waiver of security requirements under this section, shall be requested under 935 CMR 500.110(2)(b).
- (4) An adverse decision on a waiver request does not entitle an applicant or Licensee to a hearing or judicial review.

### 500.860: Notice

- (1) The Commission shall maintain a list of individuals or entities that request notice.
- (2) Notice shall be provided, in a time and manner to be determined by the Commission, to those individuals or entities on the list in advance for:
  - (a) Meetings of the Cannabis Control Commission;
  - (b) Meetings of the Cannabis Advisory Board; and
  - (c) Other events determined by the Commission, in its discretion.
- (3) The individual or entity is responsible for ensuring that the information provided to the Commission for the purpose of receiving notice remains current.

### 500.900: Severability

The provisions of 935 CMR 500.000: *Adult Use of Marijuana* are severable. If a court of competent jurisdiction declares any section, subsection, paragraph, or provision unconstitutional or invalid, the validity of the remaining provisions shall not be affected.

## REGULATORY AUTHORITY

935 CMR 500.000: St. 2016, c. 334, as amended by St. 2017, c. 55, and M.G.L. 94G.



## Canna Provisions, Inc Plan to Positively Impact Areas of Disproportionate Impact

Canna Provisions, Inc. is committed to do our part in positively impacting areas of disproportionate impact. Our plan focuses on employment, donations and the use of suppliers, contractors and partners.

Holyoke has been designated as an “Areas of Disproportionate Impact” and Lee is within a 20-minute drive to Pittsfield, another “Area of Disproportionate Impact” It is our plan to engage employees, suppliers, contractors and other partners from these communities when possible.

Canna Provisions will comply with the requirements of 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every Marijuana Establishment.

Any actions taken, or programs instituted, by Canna Provisions will not violate the Commission’s regulations with respect to limitations on ownership or control or other applicable state laws.

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### **GOALS:**

Canna Provisions is committed to achieving the following goals though this plan and our vision includes;

1. Positively impact individuals from areas of disproportionate impact by providing good-paying jobs with benefits and to develop long-term career opportunities.  
**GOAL- 35% of the Canna Provisions workforce will be 1) past or present residents of the geographic “areas of disproportionate impact,” 2) Commission-designated Social Equity Program participants 3) Massachusetts residents who have past drug convictions; or 4) Massachusetts residents with parents or spouses who have drug convictions.**
2. To positively impact areas of disproportionate impact by making direct donations and encouraging employee volunteerism through paid volunteer days.  
**GOAL- Canna Provisions will make a monetary donation of at least \$30,000 to named non-profits whose mission is to improve areas of disproportionate impact.**
3. To positively impact areas of disproportionate impact by partnering with existing businesses and marijuana establishments that are Commission-designated Economic Empowerment Priority (“EEP”) applicants.  
**GOAL- It is our goal that 50% of our suppliers, vendors and/or contractors will be sourced locally from Holyoke and/or Pittsfield and 5% of our product will come from or be sold to Marijuana Establishments who are EEP applicants.**

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## **PROGRAMS FOR ACHEIVING GOALS:**

### **Recruitment and Hiring Program**

Canna Provisions will target hiring of our employees from Holyoke, Pittsfield and Springfield as well as to individuals who are Commission-designated Social Equity Program participants, Massachusetts residents who have past drug convictions and Massachusetts residents with parents or spouses who have drug convictions. Canna Provisions will:

1. Give preference in hiring to residents of Holyoke and Pittsfield as well as to individuals who are Commission-designated Social Equity Program participants, Massachusetts residents who have past drug convictions and Massachusetts residents with parents or spouses who have drug convictions.
2. Promote our Positive Impact Hiring policy on recruitment websites, our social media presence (Canna Provisions website, LinkedIn and Facebook.) and traditional hiring platforms (Indeed.com, Zip Recruiter). We will engage communities such as Pittsfield, Holyoke, and Springfield, that are areas of disproportionate impact with the goal of attracting individuals who meet the criteria listed above.
  - a. We will post all job posing with the following organizations;
    - i. MassHire Holyoke Career Center, BerkshireWorks Career Center and MassHire Holyoke Career Center.
    - ii. Greater Holyoke Chamber of Commerce, Greater Pittsfield Chamber of Commerce, the Berkshire Chamber of Commerce, Centennial Foundation, and Holyoke Job Link.

All job postings will clearly state the Canna Provisions preference for hiring from Holyoke, Pittsfield and Springfield as well as to individuals who are Commission-designated Social Equity Program participants, Massachusetts residents who have past drug convictions and Massachusetts residents with parents or spouses who have drug convictions.

3. Canna Provisions team members will go to Holyoke, Pittsfield and Springfield and physically post fliers around these communities with notifications of or job postings and job fairs.
4. We will Hold at least 2 job fairs annually; the first job fair will be held within 60 days of our receipt of Provisional License and the second one within 6 months of the first.

All aspects of the Recruitment and Hiring Program will begin within 60 days of receipt of our Provisional License from the Commission.

### **Donation Program**

Canna Provisions will make annual monetary donations of at least \$30,000 to charities and non-profits whose mission is to improve the lives of those residing in areas of disproportionate impact. These organizations include:

1. **Nueva Esperanza, Inc.** 401 Main St, Holyoke, MA 01040, <https://www.nuevaofholyokey.org/>
2. **Girls Inc. of the Valley**, PO Box 6812, Holyoke, MA 01041, <https://www.girlsincvalley.org/>

3. **Cannabis Community Care and Research Network (C3RN)**, Bull Mansion 55 Pearl St, Worcester, MA 01608, <https://c3rn.wildapricot.org/>
4. **Goodwill Industries of the Berkshires, Inc.**, 158 Tyler Street, Pittsfield MA 01201, <http://www.goodwill-berkshires.com/index.html>

Letters from each of these groups stating their acceptance of our donations are attached to this Plan. .

Within 30 days of the receipt of our Provisional License, Canna Provisions will make donations to these organization in the amount of \$5,000 each. Additional donations will be made with 6 months of the first payment and will, at a minimum, be at least \$30,000 in total.

### **Supplier/Contractor Program**

Canna Provisions is committed and will give preference to utilizing, to the extent possible, suppliers and contractors owned by or who employ a majority of Holyoke and or Pittsfield residents. Additionally, Canna Provisions will give preference to Marijuana Establishments that are EEP applicants when acquiring or selling marijuana products.

1. Canna Provisions will compile data on all suppliers and contactors as to the demographics of the ownership and employees.
2. When sourcing services with suppliers and contactors we will clearly promote the preference outlined above.
3. All suppliers and contractors will be asked to provide the demographics of the ownership and workforce.
4. Canna Provisions will compile a list of Marijuana Establishments that are EEP applicants and when sourcing or looking to sell marijuana we will give priority to these groups.

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### **MEASUREMENT AND ACCOUNTABILITY:**

Canna Provisions realizes that any plan needs to be evaluated once it is implemented. Quarterly, the executive management team along with the Human Resources Director will meet and review the progress of this plan and to make adjustments and changes if necessary.

60 days prior to our license renewal date, and annually thereafter Canna Provisions will produce a comprehensive report that will be made available to the Commission for review during the renewal process.

This report will include the following metrics that will be used to measure the progress or success of the Plan. At a minimum this data will include:

1. The number of job postings, where they were posted and hires that resulted from these postings;
2. The number, location, attendance and hires that resulted from job fairs held;
3. All attempts to hire;
4. Actual hires;
5. The number and percentage of hires that meet the plans criteria;
6. Demographics of all employees and applicants as they pertain to the criteria of this plan;

7. The number and percentage of suppliers, contractors and wholesale partners that meet the criteria on the Supplier Diversity Program;
8. Records of all charitable donations made; and
9. Conclusions and recommendations.

This report will be made available to the Commonwealth of Massachusetts, the Town of Lee and the City of Holyoke. Canna Provisions Managers and appropriate community stakeholders will meet to discuss the report and make any necessary adjustments.



# **NUEVA ESPERANZA, INC.**

*Creating Community, Changing Lives*

401 Main Street, Holyoke MA 01040 Phone: (413)437-7666 Fax: (413)322-9098

April 29, 2019

Canna Provisions  
220 Housatonic St.  
Lee, MA 01238

Attn:

Meg Sanders COO  
Erik Williams CEO

Dear Ms. Sanders & Mr. Williams,

Nueva Esperanza, Inc. is sincerely grateful for your contribution of \$5,000.00 towards our future Community Kitchen at El Mercado hall.

Nueva Esperanza, Inc. relies on donors like you to continue our mission of being a catalyst and partner for a vibrant, sustainable and powerful Puerto Rican/Afro-Caribbean community in Holyoke. Your donation is tax deductible; our Tax ID number is 04-2774010.

We thank you for your support and extend our invitation to you all or one of your reps to our next board meeting on May 21st, 2019 at 6:00pm at our offices on 401 Main St. to discuss further details and collaborations.

Sincerely,

Juan G. Sanchez

VP, Board of Directors Nueva Esperanza Inc on behalf of Board .

Cynthia Espinosa

Program Director

Kayla Rodriguez

Operations Manager



Inspiring all girls  
to be strong  
smart, and bold

**Girls Inc. of the Valley**  
P.O. Box 6812  
Holyoke, MA 01041

Tel. 413.532.6247

girlsincvalley.org

**April 29, 2019**

**Meg Sanders and Erik Williams  
Canna Provisions Group  
220 Housatonic St.  
Lee, MA 01238**

**Dear Ms. Sanders and Mr. Williams,**

**Girls Inc. of the Valley was pleased to recently receive a phone call from Jonathan Herbert that we have been selected to receive a \$10,000 donation from Canna Provisions. We are delighted to hear of this, and look forward to receiving your check later this summer.**

**Girls Inc. of the Valley is a 501(c)(3) organization. Our tax ID number is 04-2748244.**

**We wish you much success as you open your new Holyoke location, and look forward to meeting you in the near future, and perhaps giving you a tour of our programs!**

Sincerely,

**Suzanne Parker  
Executive Director**

*We appreciate your support of the community!*



CANNABIS  
COMMUNITY  
CARE AND  
RESEARCH  
NETWORK®

April 29, 2019

Re: Donation Acceptance Letter from Canna Provisions

Dear Cannabis Control Commission,

It is with great pleasure that we accept a partnership and \$10,000 donation from Canna Provisions as they prepare to open adult use cannabis in Massachusetts.

Cannabis Community Care and Research Network (C3RN) is a registered public benefit corporation (B Corp) based out of Worcester, MA. C3RN hosts a network of dedicated academics, industry, healthcare providers, consumers and patients that aim to end the stigma around medical and adult use cannabis through research and education. C3RN runs multiple research studies related to the adult and population use of cannabis in Massachusetts with UMass Dartmouth. C3RN is the Principal Investigator of ongoing studies focused on medical patients, consumers, and veterans. Learn more here: [www.cannacenterofexcellence.org](http://www.cannacenterofexcellence.org).

C3RN is partnering with Holyoke Community College (HCC) and the City of Holyoke to develop four entry level cannabis workforce training programs (cultivation, extraction, culinary and infusion, and patient advocate). These workforce education programs are intended to support those impacted by the drug war, those who have been operating in the unregulated market, or have been un or underemployed locally in Western, MA. We intend to provide free educational opportunities for these groups to ensure they have meaningful access to the cannabis industry, starting with high quality and evidence-based entry level educational opportunities.

Specifically, Canna Provisions will financially contribute to the project C3RN is leading with HCC to develop the content and teach the first cohort of students in four workforce training areas. Canna Provisions intends to continue exploring opportunities to develop a possible internship program for those interested in further learning.

We look forward to working with Canna Provisions in 2019! Thank you for your support.

Sincerely,

Marion McNabb, MPH, DrPH

CEO

Cannabis Community Care and Research Network (C3RN)

[marion@c3researchnetwork.com](mailto:marion@c3researchnetwork.com)





**Goodwill Industries of the Berkshires & Southern Vermont**

158 Tyler Street, Pittsfield, MA 01201

Phone 413-442-0061 Fax 413-499-3756

April 30, 2019

Mr. Andy Katkin

[andy@cannaprovisionsgroup.com](mailto:andy@cannaprovisionsgroup.com)

Dear Mr. Katkin:

We are very pleased to accept the charitable donation from your company. Thank you very much for considering the Goodwill Industries of the Berkshires and Southern Vermont as one of your recipients. Your gift will go a long way toward heightening our ability to serve our community.

Best,

Fran G. Zarubick

Chief of Staff

Goodwill Industries of the Berkshires & Southern Vermont, Inc.

158 Tyler Street,

Pittsfield, MA 01201

413-442-0061 x19



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## QUALITY CONTROL & TESTING

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### 1. SCOPE & PROCEDURE

- a. Superb quality control and the testing of marijuana products are essential for the operation of the Canna Provisions marijuana establishments. Canna Provisions uses best industry practices when it comes to quality control and product testing, furthermore Canna Provisions will not produce or sell any marijuana product that is a potentially hazardous food (PHF) or time/temperature control for safety food (TCS food).
- b. All marijuana and marijuana products sold under the Canna Provisions brand will be grown and manufactured at a commercially licensed facility.

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### 2. PURPOSE

To provide clear and concise instructions for Canna Provisions, Inc. employees who will be involved with product sampling or testing that are in compliance with The Regulations set forth by the State of Massachusetts.

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## GENERAL REQUIREMENTS

3. **The Procedure herein pertains to the Cultivation and Manufacturing processes unless otherwise noted**
  4. Quality Control will be maintained through the strict adherence to Good Manufacturing Practices and compliance with the Regulations, 105 CMR 590.000: *Minimum Sanitation Standards for Food Establishments*, the sanitation requirement in 105 CMR 500.000: *Good Manufacturing Practices for Food*, and with the requirements for food handlers specified in 105 CMR 300.000: *Reportable Diseases, Surveillance, and Isolation and Quarantine*.
  5. Canna Provisions will test all of our marijuana products in accordance with the Regulations. All untested final marijuana products will be segregated from tested products that will be used for retail sales or whole products that will be sold to other Marijuana Establishments.
  6. All non-marijuana ingredients will be obtained from sources and/or companies that are in full compliance with the regulations.
  7. No marijuana product, including marijuana, will be sold or otherwise marketed for adult use that is not capable of being tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000.
  8. Any testing results indicating noncompliance with M.G.L. c.132B and the regulations at 333 CMR 2.00 through 333 CMR 14.00 will be immediately reported to the Commission, who may refer any such result to the Massachusetts Department of Agricultural Resources.
  9. Canna Provisions will not prepare, sell or otherwise transfer an edible marijuana product with potency levels exceeding the following, as tested by an independent marijuana testing facility licensed in accordance with M.G.L. c. 94G, § 15:
    10. For a single serving of an edible marijuana product, 5.5 milligrams of active tetrahydrocannabinol (THC);
    11. In a single package of multiple edible marijuana product to be eaten, swallowed, or otherwise ingested, not more than 20 servings or 110 milligrams of active THC.
  12. The THC content must be homogenous, or evenly distributed throughout the edible marijuana product.
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13. Canna Provisions will satisfy minimum energy efficiency and equipment standards established by the Commission and meet all applicable environmental laws, regulations, permits and other applicable approvals, including those related to water quality and solid waste disposal, and to use additional best management practices as determined by the Commission in consultation with the working group established under St. 2017, c. 55, § 78(b) to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts.
  14. As the standards or best management practices are not established at this time, Canna Provisions will satisfy such standards or best management practices as a condition of license renewal, in addition to any terms and conditions of any environmental permit regulating the licensed activity.

#### **15. TESTING OF MARIJUANA PRODUCTS**

16. Canna Provisions will ensure all marijuana products are tested as required by the Regulations. Our policy and procedure for sampling and testing are compliant with the Regulations and more specifically with the testing requirements outlined in 935 CMR 500.160 and the *“Protocol for sampling and analysis of finished medical marijuana products and marijuana-infused products for Massachusetts Registered Medical Marijuana Dispensaries”* and *“Protocol for sampling and analysis of environmental media for Massachusetts Registered Medical Marijuana Dispensaries.”*
17. Canna Provisions will not sell or otherwise market for adult use any marijuana product that is not capable of being tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000. Testing of marijuana products shall be performed by an Independent Testing Laboratory in compliance with the *Protocol for Sampling and Analysis of Finished Medical Marijuana Products and Marijuana-infused Products*, as amended in November 2016, published by the DPH. *Testing of environmental media (e.g., soils, solid growing media, and water) shall be performed in compliance with the Protocol for Sampling and Analysis of Environmental Media for Massachusetts Registered Medical Marijuana Dispensaries* published by the DPH.

#### **18. LABORATORY TESTING**

19. For products manufactured by Canna Provisions, we will retain two Licensed Independent Testing Laboratories to test all marijuana batches and final marijuana products prior to packaging to ensure contaminant-free purity and correct dosage and potency. These labs, CDX Analytics and MCR Labs are Accredited to International Organization for Standardization (ISO) 17025 by a third-party accrediting body that is a signatory to the International Laboratory Accreditation Cooperation (ILAC) Mutual Recognition Arrangement and are licensed by the Commission.
  20. Required testing includes:
  21. Cannabinoid Profile
  22. Contaminants as specified by the Department/Commission including, but not limited to:
    - a. Mold
    - b. Mildew
    - c. Heavy metals
    - d. Plant-Growth Regulators and Pesticides
    - e. Bacteria
    - f. Fungi
    - g. Mycotoxins.
    - h. Heavy metals and Vitamin E Acetate (VEA) (ready-to-sell Marijuana Vaporizer Products)
  23. This policy and procedure requires that:
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24. Canna Provisions maintains these results of all testing for no less than one year.
  25. All Marijuana products will be transported to and from the lab, by the lab in accordance with the Canna Provisions Transportation SOP and the Regulations, specifically 935 CMR 500.105(13).
  26. Canna Provisions will ensure that the storage of all marijuana products at the laboratory complies with 935 CMR 500.105(11).
  27. Canna Provisions will arrange for testing to be conducted in accordance with the frequency required by the Regulations and sub-regulatory guidance.
  28. Any and all excess marijuana product samples used in testing will be disposed of in compliance with 935 CMR 500.105(12), either by the Independent Testing Laboratory returning excess marijuana to our facility for disposal or by the Independent Testing Laboratory disposing of it directly.

**29. Policy for Responding to Laboratory Results that Indicate Contaminant Levels are Above Acceptable Limits**

30. If a laboratory test result indicates that a Canna Provisions marijuana product sample has contaminant levels above the acceptable limits established in the DPH protocols identified in 935 CMR 500.160(1) Canna Provisions will:
  31. Immediately segregate the production batch and evaluate next steps, compliance with 500.160(13).
    - a. The Manufacturing Manager or designee will determine whether to:
      - i. Retest the Production Batch
      - ii. Remediate the Production Batch
      - iii. Dispose of Production Batch
  32. If the test result indicates a contaminant level for Pesticides that are above the acceptable limits the Production Batch will be immediately disposed of.
  33. If it is determined that the Production Batch cannot be remediated, it will be disposed of.
  34. In the case of disposal under 1 and 2 above the Canna Provisions Manufacturing Manager or designee will:
    - a. Notify the Commission within 72 hours of the laboratory testing results indicating that the contamination cannot be remediated.
    - b. The notification to the Commission will describe the proposed plan of action for both the destruction of the contaminated product and the assessment of the source of contamination.
  35. In the case of any test result that indicates that a Canna Provisions marijuana product sample has contaminant levels above the acceptable limits, the Manufacturing Manager will conduct an assessment of the source of the contamination.
    - a. This extensive assessment will include investigating all possible sources of contamination including source products and ingredients, environmental conditions and employee factors.
    - b. The assessment should include a corrective action plan and be shared as a training tool with all production and processing agents.

**36. FACILITY**

37. The Canna Provisions Retail facility (“the facility”) is designed and constructed with safe food handling and sanitation in mind. All equipment in the facility will comply with the design and construction standards of appropriate nationally recognized standards and/or code requirements and bear the certification mark of an ANSI accredited organization (e.g. NSF, UL, ETL).
  38. Hand-washing facilities are adequate and convenient and are furnished with running water at a suitable temperature.
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- a. Located in all areas and where good sanitary practices require employees to wash and sanitize their hands.
  - b. Provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices.
39. The facility water supply comes from the local municipality and is sufficient for necessary operations.
- a. Testing will be completed showing sufficient flow and pressure and has been tested in accordance with the Regulations.
40. The facility's plumbing is of adequate size and design, and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the facility.
- a. Plumbing properly conveys sewage and liquid disposable waste from the facility.
  - b. There is no cross-connections between the potable and wastewater lines.
41. The facility provided its employees with adequate, readily accessible toilet facilities that are maintained in a sanitary condition and in good repair.
42. All storage areas are constructed in a manner that will protect its contents against physical, chemical, and microbial contamination as well as against deterioration of marijuana products or their containers.

**43. CONTAMINATION CONTROL**

44. All entrance and exit doors to the facility are self-closing and rodent proof;
- a. Our mantrap doors where apply help prevent insects and microbial contaminants from entering the building when doors are in use;
  - b. Insect screening, HEPA, and carbon filters will prevent pest and microbial contaminants from entering through vents and exhaust from the outside; and
  - c. Canna Provisions will engage the services of a licensed commercial pest control company to inspect and control pest infiltration into the facility beyond our expertise.
45. Training
- a. The facility manager will be trained on pest prevention, pest management, pest detection, and pest treatments.
46. Handling and storage of non-marijuana waste.
- a. All non-marijuana waste will be placed into the appropriate impervious covered waste receptacles
    - i. Recyclable
    - ii. Organic
    - iii. Solid waste
  - b. At the end of every day these containers will be emptied, and the contents removed from the building and placed in the appropriate containers to await pickup.
47. All toxic materials including cleaning compounds, pesticides, sanitizers, etc. are stored in an area away from production, processing and storage areas.

**48. PERSONNEL**

49. Any employee or contractor who, by medical examination or supervisory observation, is shown to have, or appears to have, any disease transmissible through food, an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination by which there is a reasonable possibility of marijuana products, production or processing surfaces, or packaging materials becoming contaminated, shall be excluded from any operations which may be expected to result in such contamination until the condition is corrected. Personnel shall be instructed to report such health conditions to their supervisors.
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- a. Any manager, when he or she knows or has reason to believe that an employee has contracted any disease transmissible through food or has become a carrier of such disease, or any disease listed in 105 CMR 300.200(A) will report the same immediately by email to the Rowley Board of Health.
  - b. Canna Provisions will voluntarily comply with any and all isolation and/or quarantine orders issued by the local Board of Health.
  - c. Canna Provisions Agents must report any flu-like symptoms, diarrhea, and/or vomiting to their supervisor. Employees with these symptoms will be sent home with the exception of symptoms from a noninfectious condition.
    - i. Agents may be re-assigned to activities so that there is no risk of transmitting a disease through food/product.
50. All Canna Provisions Agents shall conform to sanitary practices while on duty, including:
- a. Maintain adequate personal cleanliness.
  - b. Grooming:
    - i. Arrive at work clean – clean hair, teeth brushed, bathed and used deodorant daily.
    - ii. Maintain short, clean, and polish-free fingernails. No artificial nails are permitted in the food/product production or processing area.
      - 1. Fingernails should be trimmed, filed, and maintained so edges and surfaces are cleanable and not rough.
    - iii. Wash hands (including under fingernails) and up to forearms vigorously and thoroughly with soap and warm water for a period of 20 seconds:
      - 1. When entering the facility before work begins.
      - 2. Immediately before preparing or processing food/products or handling equipment.
      - 3. As often as necessary during food/product preparation when contamination occurs.
      - 4. In the restroom after toilet use and when you return to your work station.
      - 5. When switching between working with raw foods/products and working with ready-to-eat or cooked foods/products.
      - 6. After touching face, nose, hair, or any other body part, and after sneezing or coughing.
      - 7. After cleaning duties.
      - 8. Between each task performed and before wearing disposable gloves.
      - 9. After eating or drinking.
      - 10. Any other time an unsanitary task has been performed – i.e. taking out garbage, handling cleaning chemicals, wiping tables, picking up a dropped item, etc.
      - 11. Wash hands only in hand sinks designated for that purpose.
      - 12. Dry hands with single use towels. Turn off faucets using a paper towel, in order to prevent recontamination of clean hands.
  - c. Proper Attire:
    - i. Wear appropriate clothing – clean uniform with sleeves and clean non-skid close-toed work shoes (or leather tennis shoes) that are comfortable for standing and working on floors that can be slippery.
    - ii. Wear an apron or lab coat on site, as appropriate.
      - 1. Do not wear an apron or lab coat to and from work.
      - 2. Take off an apron or lab coat before using the restroom.
      - 3. Remove an apron or lab coat when leaving the production or processing area.
      - 4. Change an apron or lab coat if it becomes soiled or stained.
    - iii. Wear disposable gloves with any cuts, sores, rashes, or lesions.
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- iv. Wear gloves when packaging products.
  - v. Change disposable gloves as often as hand washing is required. Wash hands before donning and after discarding gloves.
    - 1. When weighing bulk flower, that should be your sole task. Do not use the computer, touch door handles or subject product to any form of contamination. If you must perform another task, change gloves between each interval to ensure proactive sanitation.
  - d. Cuts, Abrasions, and Burns:
    - i. Bandage any cut, abrasion, or burn that has broken the skin.
    - ii. Cover bandages on hands with gloves or finger cots and change as appropriate.
    - iii. Inform supervisor of all wounds.
  - e. Smoking, eating, and gum chewing:
    - i. The Canna Provisions facility is a smoke free facility. Designated and clearly labeled locations for smoking will be placed away from the facility.
    - ii. Eat and drink in designated areas only. A closed beverage container may be used in the production area if the container is handled to prevent contamination of 1) the employee's hands, 2) the container, and 3) exposed product, clean equipment, utensils, linens, and unwrapped single-service and single-use articles.
    - iii. Refrain from chewing gum or eating candy during work in a food/product production or processing area.

Initials/ Date	Rev	Reason for Update
BTT 8/22/20	00	Origin
AT 01/16/21	V5	Adopted January 2021 CCC 935 CMR 500 regulation changes.



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## **RECORDKEEPING PLAN**

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### **SCOPE & PROCEDURE**

1. Canna Provisions is committed to being compliant with all regulations outlined in 935 CMR 500.000 et. seq. (“the Regulations”) and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission (“CCC”) or any other regulatory agency.
2. To provide clear and concise instructions for Canna Provisions employees regarding Record Keeping that are in compliance with the Regulations.

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### **PURPOSE**

1. The purpose of this policy is to outline the responsibilities of the Company, the Company’s management team and Agents to ensure specific, methodical, and consistent compliance of the Regulations and to ensure that our Record Keeping Procedures are compliant with all regulations and laws.

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### **POLICIES**

#### **Access to the Commission**

Canna Provisions electronic and hard copy (written) records will be available to the Commission upon request pursuant to 935 CMR 500.105(9). The records will be maintained in accordance with generally accepted accounting principles. All written records required in any section of 935 CMR 500.000 are subject to inspection.

#### **Types of Records**

The following records are maintained and stored by Canna Provisions and available to the Commission upon request:

1. Operating procedures as required by 935 CMR 500.105(1)
    - a. Security measures in compliance with 935 CMR 500.110;
    - b. Employee security policies, including personal safety and crime prevention techniques;
    - c. A description of the Marijuana Establishment’s hours of operation and after-hours contact information, which shall be provided to the Commission, made available to law enforcement officials upon request, and updated pursuant to 935 CMR 500.000.
    - d. Storage of marijuana in compliance with 935 CMR 500.105(11);
    - e. Description of the various strains of marijuana to be cultivated, processed or sold, as applicable, and the form(s) in which marijuana will be sold;
    - f. Procedures to ensure accurate recordkeeping, including inventory protocols in compliance with 935 CMR 500.105(8) and (9);
    - g. Plans for quality control, including product testing for contaminants in compliance with 935 CMR 500.160;
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- h. A staffing plan and staffing records in compliance with 935 CMR 500.105(9);
  - i. Emergency procedures, including a disaster plan with procedures to be followed in case of fire or other emergencies;
  - j. Alcohol, smoke, and drug-free workplace policies;
  - k. A plan describing how confidential information will be maintained;
  - l. A policy for the immediate dismissal of any marijuana establishment agent who has:
    - i. Diverted marijuana, and any associated documentation reported to law enforcement officials and to the Commission;
    - ii. Engaged in unsafe practices with regard to operation of the Marijuana Establishment, which shall be reported to the Commission; or
    - iii. Been convicted or entered a guilty plea, plea of nolo contendere, or admission to sufficient facts of a felony drug offense involving distribution to a minor in the Commonwealth, or a like violation of the laws of another state, the United States or a foreign jurisdiction, or a military, territorial, or Native American tribal authority.
  - m. A list of all board members and executives of a Marijuana Establishment, and members, if any, of the licensee must be made available upon request by any individual. 935 CMR This requirement may be fulfilled by placing this information on the Marijuana Establishment's website.
  - n. Policies and procedures for the handling of cash on Marijuana Establishment premises including but not limited to storage, collection frequency, and transport to financial institution(s).
  - o. Policies and procedures to prevent the diversion of marijuana to individuals younger than 21 years old.
  - p. Policies and procedures for energy efficiency and conservation that shall include:
    - i. Identification of potential energy use reduction opportunities (including but not limited to natural lighting, heat recovery ventilation and energy efficiency measures), and a plan for implementation of such opportunities;
    - ii. Consideration of opportunities for renewable energy generation, including, where applicable, submission of building plans showing where energy generators could be placed on the site, and an explanation of why the identified opportunities were not pursued, if applicable;
    - iii. Strategies to reduce electric demand (such as lighting schedules, active load management and energy storage); and
    - iv. Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants.
  - q. Policies and procedures to promote workplace safety consistent with the standards set forth under the Occupational Safety and Health Act of 1970, 29 U.S.C. 651 et seq., including the general duty clause under 29 U.S.C. 654.
2. Operating procedures as required by 935 CMR 500.120(12);
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- a. Methods for identifying, recording, and reporting diversion, theft, or loss, and for correcting all errors and inaccuracies in inventories. The policies and procedures, at a minimum, must be in compliance with 935 CMR 500.105(8);
  - b. Policies and procedures for handling voluntary and mandatory recalls of marijuana. Such procedures shall be adequate to deal with recalls due to any action initiated at the request or order of the Commission, and any voluntary action by a Marijuana Establishment to remove defective or potentially defective marijuana from the market, as well as any action undertaken to promote public health and safety;
  - c. Policies and procedures for ensuring that any outdated, damaged, deteriorated, mislabeled, or contaminated marijuana is segregated from other marijuana and destroyed. Such procedures shall provide for written documentation of the disposition of the marijuana. The policies and procedures, at a minimum, must be in compliance with 935 CMR 500.105(12);
  - d. Policies and procedures for transportation. The policies and procedures, at a minimum, must be in compliance with 935 CMR 500.105(13);
  - e. Policies and procedures to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts. The policies and procedures at a minimum, must be in compliance with 935 CMR 500.105(15) and 935 CMR 500.120(11); and
  - f. Policies and procedures for the transfer, acquisition, or sale of marijuana between Marijuana Establishments.
3. Inventory records as required by 935 CMR 500.105(8); and
  4. Seed-to-sale tracking records for all marijuana products are required by 935 CMR 500.105(8)(e).
  5. Personnel records required by 935 CMR 500.105(9)(d), including but not limited to:
    - a. Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;
    - b. A personnel record for each marijuana establishment agent. Such records shall be maintained for at least 12 months after termination of the individual's affiliation with the Marijuana Establishment and shall include, at a minimum, the following:
      - i. All materials submitted to the Commission pursuant to 935 CMR 500.030(2);
      - ii. Documentation of verification of references;
      - iii. The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision
      - iv. Documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters;
      - v. Documentation of periodic performance evaluations;
      - vi. A record of any disciplinary action taken; and
      - vii. Notice of completed responsible vendor and eight-hour related duty training.
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- c. A staffing plan that will demonstrate accessible business hours and safe work conditions;
  - d. Personnel policies and procedures, including, at a minimum, the following:
    - i. Code of Ethics.
    - ii. Whistle-Blower Policy
    - iii. A policy which notifies persons with disabilities of their State anti-discrimination rights.
  - e. All background check reports obtained in accordance with 935 CMR 500.030
6. Business records, which shall include manual or computerized records of:
- a. Assets and liabilities;
  - b. Monetary transactions;
  - c. Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
  - d. Sales records including the quantity, form, and cost of marijuana products; and
  - e. Salary and wages paid to each employee, stipend paid to each board member, and an executive compensation, bonus, benefit, or item of value paid to any individual affiliated with a Marijuana Establishment, including members of the nonprofit corporation, if any.
7. Waste disposal records as required under 935 CMR 500.105(12); and
8. Following closure of a Marijuana Establishment, all records must be kept for at least two years at the expense of the Marijuana Establishment and in a form and location acceptable to the Commission.
9. Responsible vendor training program compliance records.
10. Vehicle registration, inspection and insurance records.

All records kept and maintained by Canna Provisions will be securely held. Access to these records will only be accessible to those Canna Provisions Agents who require access as a part of their job duties.

<b>Date</b>	<b>Description of Revision</b>	<b>Approved By</b>
8/24/2020	Created	B. Tomasi
1/16/21	Adopted January 2021 CCC 935 CMR 500 regulation changes.	Alex Thompson



## Canna Provisions, Inc. Diversity Plan

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It is the policy of Canna Provisions to foster equitable opportunity for all employees and to promote principles of diversity management that will enhance the level of effectiveness and efficiency of its programs. The concept of diversity management is a strategic business objective that seeks to increase organizational capacity in a workplace where the contributions of all employees are recognized and valued. Our goal is to build a high-performing, diverse workforce based on mutual acceptance and trust. It is also our policy to select the best qualified applicant for the job, regardless of race, national origin, gender, age, disability, religion, sexual orientation, or any other non-merit factor.

Canna Provisions is a diverse and inclusive company that promotes a discrimination-free work environment and provides opportunities for all employees to use their diverse talents to support the company's mission.

Canna Provisions, Inc. is a three-manager operated business with Meg Sanders being one of the managers. Meg has been in the legal cannabis industry for 9 years and is a nationally recognized leader in promoting women in cannabis, speaking at events, supporting women-focused organizations and has been recognized year after year for her groundbreaking female leadership in the industry.

Canna Provisions will comply with the requirements of 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every Marijuana Establishment.

Any actions taken, or programs instituted, by Canna Provisions will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.

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### **GOALS:**

Canna Provisions is committed to achieving the following goals through this plan and our vision includes;

1. Make Canna Provisions workplace and management team as diverse as possible to include attracting and retaining qualified employees with no regard to race, national origin, gender, age, disability, religion, sexual orientation, or any other non-merit factor.

**GOAL- Canna Provisions workforce will be 50% Woman and 35% will be Minorities, Veterans, Persons with disabilities and Persons who are LBGTQ+.**

- **Of the 35% who are be Minorities, Veterans, Persons with disabilities and Persons who are LBGTQ+, our goal is that;**
  - **70-80% will be Minorities;**
  - **5-10% will be Veterans;**
  - **5-10% will be Persons with Disabilities; and**
  - **5-10% will be Person who are LBGTQ+**

2. Make Canna Provisions workplace environment a safe, accepting, respectful, welcoming, comfortable and supportive place to work.

**GOAL- On a scale of 1-10, 85% of all Canna Provisions employees rate Canna Provisions 8 or higher when it comes to our workplace environment being safe, accepting, respectful, welcoming and inclusive environment for all employees.**

3. Include as our suppliers and contractors, businesses owned by or employ a majority of Minorities, Women, Veterans, Persons with disabilities and Persons who are LBGTQ+.

**GOAL- 40% of our suppliers and contractors will be owned by or employ a majority of Minorities, Women, Veterans, Persons with disabilities and Persons who are LBGTQ+.**

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## **PROGRAMS FOR ACHEIVING GOALS:**

### **Recruitment and Hiring Program**

Canna Provisions looks to recruit and hire diverse employees and plans to promote equity among minorities, women, veterans, people with disabilities, and people who are LBGTQ+ in the operation of our company. To promote diversity and equality Canna Provisions will;

1. Give preference in hiring to Minorities, Women, Veterans, Persons with disabilities and Persons who are LBGTQ+.
2. Institute a “blind hiring” policy that anonymizes or “blinds” demographic-related information about a candidate from the recruiter or hiring manager that can lead to bias about the candidate.
3. Use job descriptions that are catered to and appeal to diverse candidates.
4. Human Resource training for Hiring Mangers that address unconscious bias and cultural sensitivity.
  - a. This training will occur within 60 days of hire or promotion for these individuals.
5. Promote our Diversity Hiring policy on recruitment websites, our social media presence (Canna Provisions website, LinkedIn and Facebook.) and traditional hiring platforms (Indeed.com, Zip Recruiter). We will engage communities such as Pittsfield, Holyoke, and Springfield that have higher populations of people of color, with the goal of attracting and retaining a qualified diverse workforce.
  - a. We will post all job posing with the following organizations;
    - i. MassHire Holyoke Career Center, BerkshireWorks Career Center and MassHire Holyoke Career Center.
    - ii. Greater Holyoke Chamber of Commerce, Greater Pittsfield Chamber of Commerce, the Berkshire Chamber of Commerce, Centennial Foundation, and Holyoke Job Link.All job postings will clearly state the Canna Provisions preference for hiring Minorities, Women, Veterans, Persons with disabilities and Persons who are LBGTQ+ and encourage individuals who meet this criteria to apply.
  - a. We will work directly with the Lee and Holyoke Veterans Agent to notify them of our positions and Veterans preference and of any and all hiring fairs and open positions.
6. Hold at least 2 job fairs annually, the first job fair will be held within 60 days of our receipt of Provisional License and the second one within 6 months of the first.

All aspects of the Recruitment and Hiring Program will begin within 60 days of receipt of our Provisional License from the Commission.

### **Inclusion/Retention Program**

Canna Provisions is determined to provide a work environment that is a diverse and inclusive workplace where employees and stakeholders form long term relationships and tenure. We encourage a broad range of opinions, ideas and perspectives that drives creativity, innovation and excellence. Our goal, which must be met, is to ensure that every employee, contractor and visitor feels safe, respected, welcome, comfortable, supported and accepted. To ensure inclusion in our workplace Canna Provisions will;

1. Provide training to all employees regarding inclusion in the workplace and provide advanced training to managers in their roles in fostering an inclusive workplace environment.
  - a. This training will occur during employee onboarding and annually thereafter
2. Draft and implement a Non-Discrimination, Harassment and Retaliation Policy. This policy will include provisions for responding to complaints, discipline for non-compliance and evaluation of the circumstances to see if this plan needs improvements.
3. Periodically evaluate the workplace climate through observations, employee meetings and individual conversations with employees to ensure our workplace is inclusive.
4. On an annual basis we will conduct a survey of all employees. This survey will ask questions regarding the Canna Provisions workplace as it relates to inclusion, safety and the Canna Provisions work climate as it relates to respect, comfort, support and acceptance. This survey will also be given to employees who leave the company during their exit interview.

### **Supplier Diversity Program**

Canna Provisions is committed and will give preference to utilizing, to the extent possible, suppliers and contractors owned by or who employ a majority of Minorities, Women, Veterans, Persons with disabilities and Persons who are LGBTQ+. Canna Provisions recognizes that sourcing products and services from previously under-represented suppliers helps to sustain and progressively transform a company's supply chain, thus quantitatively reflecting the demographics of the community in which it operates by recording transactions with diverse suppliers.

1. Canna Provisions will compile data on all suppliers and contractors as to the demographics of the ownership and employees.
2. When sourcing services with suppliers and contractors we will clearly promote the preference outlined above.
3. All suppliers and contractors will be asked to provide the demographics of the ownership and workforce.

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### **MEASUREMENT AND ACCOUNTABILITY:**

Canna Provisions realizes that any plan needs to be evaluated once it is implemented. Quarterly, the executive management team along with the Human Resources Director will meet and review the progress of this plan and to make adjustments and changes if necessary.

60 days prior to our license renewal date, and annually thereafter Canna Provisions will produce a comprehensive report that will be made available to the Commission for review during the renewal process.

This report will include the following metrics that will be used to measure the progress or success of the Plan. At a minimum this data will include:

1. The number of job postings, where they were posted and hires that resulted from these postings;
2. The number, location, attendance and hires that resulted from job fairs held;
3. All attempts to hire;
4. Actual hires;
5. The number and percentage of hires that meet the plans criteria;
6. Demographics of all employees and applicants;
7. Employee training, pay, benefits and advancement;
8. Data compiled from the annual employee survey and from exit interviews;
9. Employee retention rate;
10. Training records for employees, managers and hiring mangers;
11. The number and percentage of suppliers, contractors and other partners that meet the criteria on the Supplier Diversity Program; and
12. Conclusions and recommendations.

This report will be made available to the Commonwealth of Massachusetts, the Town of Lee and the City of Holyoke. Canna Provisions Managers and appropriate community stakeholders will meet to discuss the report and make any necessary adjustments.



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**Agent Qualification and Training Plan**

**1. Intent**

- a. Canna Provisions is committed to being compliant with all regulations outlined in 935 CMR 500.000 et. seq. (“the Regulations”) and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission (“CCC” or “the Commission”) or any other regulatory body.
- b. To provide clear and concise instructions for Canna Provisions employees regarding the qualifications for employment and agent training that are in compliance with the Regulations

**2. Purpose**

- a. The purpose of this policy is to outline the responsibilities of the Company, the Company’s management team and Agents to ensure specific, methodical, and consistent compliance of the Regulations and to ensure that we only hire qualified Marijuana Establishment Agents and that our training process and curriculum are in compliance with all regulations and laws.

**3. Qualifications for a Canna Provisions Marijuana Establishment Agent**

- a. The minimum requirements to become a Canna Provisions Marijuana Establishment Agent (“Agent”) are outlined below. All Canna Provisions board members, directors, employees, executives, managers or volunteers will register with the Commission as an Agent. For clarity an employee means, any consultant or contractor who provides on-site services to a Marijuana Establishment related to the cultivation, harvesting, preparation, packaging, storage, testing, or dispensing of marijuana.
- b. All Canna Provisions Agents must:
  - i. Be 21 years of age or older;
  - ii. Not been convicted of an offense in the Commonwealth involving the distribution of controlled substances to minors, or a like violation of the laws of another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority; and
  - iii. Be determined suitable for registration consistent with the provisions of 935 CMR 500.800 and 500.802.
- c. Canna Provisions will develop a job description for all positions with the company. While all Agents must meet the qualifications listed above, several of our positions will require additional qualifications depending on the required duties.





**4. Required Training for Canna Provisions Agents**

- a. Pursuant to 935 CMR 500.105(2)(a) Canna Provisions will ensure all Canna Provisions Agents complete training prior to performing job functions. Training will be tailored to the role and responsibilities of the job function.
- b. Our initial training begins during employee orientation where all new employees will be issued their employee handbook. Classroom or online training on this day will include, but not be limited to:
  - i. Code of Conduct;
  - ii. Verifying Identifications;
  - iii. Marijuana Regulations;
  - iv. Security and Safety;
  - v. Emergency Procedures/Disaster Plan;
  - vi. Diversion of Marijuana;
  - vii. Terminatable Offences;
  - viii. Confidential Information;
  - ix. Employee Policies (all employee policies from the handbook will be covered) including but not limited to;
    1. Alcohol, smoke and drug-free workplace;
    2. Equal Employment Policy;
    3. Anti-Harassment and Sexual Harassment Policy;
    4. Americans with Disability Act;
    5. Employee Assistance Policy; and
    6. Diversity Plan
- c. After the initial training is complete agents will be trained on job specific areas depending on their duties. This training can be done in a classroom setting, online or computerized, on the job training (“OJT”) or through external training platforms.
- d. All Canna Provisions Agents receive a minimum of eight (8) hours of training annually. This training will be tailored to the roles and responsibilities of the job function of each Agent.
- e. Canna Provisions will record, maintain and store documentation of all required training for a minimum of three (3) years, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters. These records will be stored in the Agents Personnel File. Training records will be retained by Canna Provisions for at least one year after agents’



termination.

f. **Responsible Vendor Training**

i. Canna Provisions will require all of its Agents, within 90-days of hire, to attend and complete a minimum of four (4) hours of training within a Responsible Vendor Training Program, to become designated as a “responsible vendor.”

1. After the responsible vendor designation is applied each Canna Provisions owner, manager, and employee involved in the handling and sale of marijuana for adult use will successfully complete the program once every year thereafter to maintain designation as a “responsible vendor.”

2. Canna Provisions will maintain records of responsible vendor training program compliance for four years and make them available to inspection by the Commission and any other applicable licensing authority upon request during normal business hours.

g. All Canna Provisions Agents responsible for tracking and entering product into the Seed-to-sale SOR (METRC) will receive training in a form and manner determined by the Commission.

5. **Additional Training**

a. Canna Provisions will provide training and training opportunities to its employees. In addition to required training, Canna Provisions will require advanced training to our employees in the areas of Safety and Security, Marijuana Science or other areas then enhance the Company’s, our Agents and our customers safety. These training will include:

i. All Agents who handle marijuana or marijuana products will be trained on basic food safety prior to or during the first day of employment.

1. Include basic food safety training as part of new employee orientation.

2. The sanitation requirements in 105 CMR 500.000: Good Manufacturing Practices for Food;

3. The sanitation requirements in 105 CMR 590.000: Minimum Sanitation Standards for Food Establishments; and

4. The requirements for food handlers specified in 105 CMR 300.000: Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements

ii. All employees engaging in the processing or packaging of Marijuana will be trained and certified in;

1. SERVSAFE Massachusetts Allergen Training Program

2. SERVSAFE Food Handler Program



- iii. Cultivation staff will receive bi-annual in-service training on food safety, including food allergy awareness and HACCP.
- iv. All Managers in cultivation, processing and packaging will be trained as a Certified Food Protection Manager (CFPM) by completing a SERVSAFE or similar nationally accredited food safety certification course.
- v. File documentation in HACCP records.

Revision History		
Initials/ Date	Rev	Reason for Update
SK 2/21/20	00	Reformatted
AT 1/16/21	V 02	Adopted January 2021 CCC 935 CMR 500 regulation changes.



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## **MAINTENANCE OF FINANCIAL RECORDS**

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### **SCOPE & PROCEDURE**

1. Canna Provisions is committed to being compliant with all regulations outlined in 935 CMR 500.000 et. seq. ("the Regulations") and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission ("CNB" or "the Commission") or any other regulatory agency.
2. To provide clear and concise instructions for Canna Provisions employees regarding the Maintenance of Financial Records that are in compliance with the Regulations

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### **PURPOSE**

1. The purpose of this policy is to outline the responsibilities of the Company, the Company's management team and Agents to ensure specific, methodical, and consistent compliance of the Regulations and to ensure that our financial records are maintained in a compliant manner in compliance with all regulations and laws.

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### **POLICIES**

All Canna Provisions financial records will be kept and maintained according to generally accepted accounting principles. Our CFO is responsible for all accounting responsibilities and will engage the services of external Accountants and Tax Professionals to ensure proper accounting compliance. We will also hire or engage as a contractor a bookkeeper with experience in business accounting to assist in the maintaining of these records.

1. All Canna Provisions financial/business records will be available for inspection to the Commission upon request.
2. Canna Provisions will maintain all business records in Manual and electronic (computerized) form. These records include, but are not limited to;
  - a. Assets and liabilities;
  - b. Monetary transactions;
  - c. Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
  - d. Sales records including the quantity, form, and cost of marijuana products; and
  - e. Salary and wages paid to each employee, stipend paid to each board member, and any executive compensation, bonus, benefit, or item of value paid to any individual affiliated with a Marijuana Establishment, including members of the nonprofit corporation, if any.

In relation to the maintenance of financial records Canna Provisions will incorporate the following into our business operations;

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1. Canna Provisions will engage the services of a professional payroll and human resources company to assist in Human resources management and payroll services for our employees.
2. Canna Provisions has and will maintain a banking relationship with Century Bank to provide banking services for our company.
3. Canna Provisions will use up to date financial software programs for all financial transactions.
4. Canna Provisions does not plan to make cash transactions with other Marijuana Establishments. All transactions will be done through traditional banking transactions including checks, wire transfers or credit cards.
5. On an annual basis Canna Provisions will engage the services of an independent certified public accountant who is preferably experienced in the legal marijuana industry, to conduct a financial audit of Canna Provisions finances (books).
6. Canna Provisions will engage the services of an industry experienced tax professional for the filing of all required state and federal tax documents.
7. At the end of each business day a reconciliation audit will be done on each POS station by the Facility Manager or designee.
8. Comprehensive financial audits will be done at the end of every day by the CFO or designee. At the discretion of the CFO the frequency of these audits may be changed to weekly and then monthly.
9. At a minimum, a comprehensive audit by the CFO or designee of all sales transactions will be completed every month.
10. For the first year of operation the CFO will conduct a comprehensive audit of all of the facility's financial records every 3 months and report their findings to the CEO and COO.

**Access to the Commission**

Canna Provisions electronic and hard copy (written) records will be available to the Commission upon request pursuant to 935 CMR 500.105(9). The records will be maintained in accordance with generally accepted accounting principles. All written records required in any section of 935 CMR 500.000 are subject to inspection.

**Access to the Massachusetts Department of Revenue ("DOR")**

Canna Provisions books, records, papers and other data will be made available upon request by the DOR. Accounting records and information in electronic format will be provided in a searchable electronic format if requested by the Commission of the DOR. Any additional reports and schedules relating to the preparation of tax returns will be maintained and made available upon request. Inventory system data as well as any additional purchase reports, schedules or documentation that reconcile to other books and records, such as purchase journals or a general ledger, will also be maintained and made available upon request.

These records will be kept so long as their contents are material in the administration of Massachusetts tax laws. At a minimum, unless the DOR Commissioner consents in writing to an earlier destruction, the records will be preserved until the statute of limitations for making additional assessments for the period for which the return was



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due has expired. The DOR may require a longer retention period, such as when the records are the subject of an audit, court case, or other proceeding.

Additionally, Canna Provisions will comply with all records retention requirements outlined in the DOR Regulations including but limited to 830 CMR 62C.25.1: Record Retention.

### **Point of Sale (POS) Systems**

Canna Provisions utilizes a POS system that complies with the requirements in G.L. c. 62C, § 25; 830 CMR 62C.25.1 (the Records Retention Regulation); and the Massachusetts Department of Revenue (“DOR”) Directive 16-1 “*Recordkeeping Requirements for Sales and Use Tax Vendors Utilizing Point of Sale (POS) Systems*”.

1. Our POS system records all transactions in a manner that allows the DOR to verify what was sold and whether the appropriate amount of tax was collected. Along with the data in the POS system, Canna Provisions will maintain the following records:
    - a. A journal or its equivalent, which records daily all non-cash transactions affecting accounts payable;
    - b. A cash journal or its equivalent, which records daily all cash receipts and cash disbursements, including any check transactions;
    - c. A sales slip, invoice, cash register tape, or other document evidencing the original transaction, which substantiates each entry in the journal or cash journal;
    - d. Memorandum accounts, records or lists concerning inventories, fixed assets or prepaid items, except in cases where the accounting system clearly records such information; and
    - e. A ledger to which totals from the journal, cash journal and other records have been periodically posted. The ledger must clearly classify the individual accounts receivable and payable and the capital account.
  2. Each POS transaction record will provide enough detail to independently determine the taxability of each sale and the amount of tax due and collected. Information on each sales transaction will include, but is not limited to the:
    - a. individual item(s) sold,
    - b. selling price,
    - c. tax due,
    - d. invoice number,
    - e. date of sale,
    - f. method of payment, and
    - g. POS terminal number and POS transaction number.
  3. Canna Provisions will maintain auditable internal controls to ensure the accuracy and completeness of the transactions recorded in the POS system. The audit trail details include, but are not limited to:
    - a. Internal sequential transaction numbers;
    - b. Records of all POS terminal activity; and
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- c. Procedures to account for voids, cancellations, or other discrepancies in sequential numbering.
  - d. The POS audit trail or logging functionality must be activated and operational at all times, and it must record:
  - e. Any and all activity related to other operating modes available in the system, such as a training mode; and
  - f. Any and all changes in the setup of the system.
4. Canna Provisions will comply with the provisions of 935 CMR 500.140(5): Recording Sales.
- a. Canna Provisions will only utilize a point-of-sale (POS) system approved by the Commission, in consultation with the DOR.
  - b. Canna Provisions may utilize a sales recording module approved by the DOR.
  - c. Canna Provisions will not utilize software or other methods to manipulate or alter sales data.
  - d. Canna Provisions will conduct a monthly analysis of our equipment and sales data to determine that no software has been installed that could be utilized to manipulate or alter sales data and that no other methodology has been employed to manipulate or alter sales data. Canna Provisions will maintain records that it has performed the monthly analysis and produce it upon request to the Commission. If Canna Provisions determines that software has been installed for the purpose of manipulation or alteration of sales data or other methods have been utilized to manipulate or alter sales data:
    - i. We will immediately disclose the information to the Commission;
    - ii. We will cooperate with the Commission in any investigation regarding manipulation or alteration of sales data; and
    - iii. We will take such other action directed by the Commission to comply with 935 CMR 500.105.
  - e. Canna Provisions will comply with 830 CMR 62C.25.1: Record Retention and DOR Directive 16-1 regarding recordkeeping requirements.
  - f. Canna Provisions will adopt separate accounting practices at the point-of-sale for marijuana and marijuana product sales, and non-marijuana sales.
  - g. Canna Provisions will allow the Commission and the DOR may audit and examine our point-of-sale system in order to ensure compliance with Massachusetts tax laws and 935 CMR 500.000;

<b>Date</b>	<b>Description of Revision</b>	<b>Approved By</b>
8/24/2020	Created	B. Tomasi
01/16/2021	V 02: Adopted January 2021 CCC 935 CMR 500 regulation changes.	Alex Thompson